



# CITY OF MISSOULA, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND  
AUDIT  
FOR FISCAL YEAR ENDED JUNE 30, 2005



Downtown Missoula turn of the Century



# **CITY OF MISSOULA, MONTANA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT AND AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2005**



Downtown Missoula turn of the Century

Prepared by the Finance Department  
Of the  
City of Missoula, Montana  
435 Ryman, Missoula, Montana 406-258-4929



# INTRODUCTORY SECTION



## MISSOULA FINANCE DEPARTMENT

TREASURY  
FINANCE AND DEBT MANAGEMENT  
BUDGET AND ANALYSIS  
ACCOUNTING/UTILITY BILLING

435 RYMAN ST. • MISSOULA, MT 59802-4297 • (406) 258-4929 • Fax (406) 258-4896

TO: Mayor Mike Kadas  
City Council  
Citizens of Missoula

RE: Annual Financial Statements

DATE: December 19, 2005

We are pleased to submit the audited Financial Statements of the City of Missoula, the financial reporting entity, for the fiscal year ended June 30, 2005. This report presents comprehensive financial and operating information about the City's activities that is useful to taxpayers, citizens, and other interested parties. The report includes all funds and account groups of the City of Missoula, the primary government. The Finance Department staff prepares the City's financial statements and is responsible for their integrity and objectivity. These statements are considered to present the City's financial position and results of operations fairly and consistently. The report has been prepared in accordance with generally accepted accounting principles for governments. These statements necessarily include some amounts that are based on our best estimates and professional judgments. We encourage readers to refer to the Management's Discussion and Analysis section of the report for a more complete overview and analysis of the City's financial activities.

There are four main sections to this report:

Introductory Section: provides information on the City's organization, boards and committees, as well as this letter.

Financial Section: begins with Management's Discussion and Analysis, which provides users of the basic financial statements with a narrative introduction, overview, and analysis of the statements. It contains general-purpose financial statements, proprietary fund statements and disclosure notes. It contains combining statements for individual funds grouped by broad fund classification and budget to actual schedules.

Statistical Section: contains statistical information on revenues, expenditures, debt and taxes for the past ten years.

Single Audit Section: contains information related to the single audit, including the schedule of federal financial assistance and the auditors' reports on the internal controls and compliance with the applicable laws and regulations.

Because the City receives federal grants, it is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Information related to the single audit, including the Schedule of Federal Financial Assistance and the auditors' reports on the internal controls and compliance of the applicable laws and regulations are included in the single audit section of this report.

### CITY OF MISSOULA PROFILE

The City was originally incorporated in 1883 and re-incorporated in 1889. It operates under the Mayor-Council form of government and provides a wide range of municipal services including police, fire, recreation, public works improvements and general administration services. Wastewater treatment services are accounted for in an enterprise fund. Private firms provide garbage, water, electric and gas services. The Missoula Parking Commission and Missoula Redevelopment Agency are included in this report as component units. Component units are legally separate entities for which the primary government is financially accountable. All retirement plans are handled by state agencies. Planning, Library and the Health Department are joint City/County agencies that are administered by Missoula County.

so they are included in the County's annual report, with only the City's contribution to these entities appearing in these statements. The Missoula Housing Authority does not meet the criteria for inclusion in this report.

The City of Missoula maintains budgetary controls, the object of which is to ensure compliance with the legal provisions embodied in the annual budget adopted by the City Council each summer. Budgets are legally required and prepared for all of the City's funds. The legal level of budgetary control is established at the fund level.

### **ECONOMIC CONDITION AND OUTLOOK**

According to the spring 2005 Montana Business Quarterly, Western Montana growth averaged about 4.4% in 2004. This is greater than the state average of 3.8%, but slower than the growth projected for the rest of the Rocky Mountain region, mainly due to rising energy prices in Montana. Almost 90% of the new jobs created between 1980 and 1990 were in retail trade and services areas. About 68% of the increase projected for 1990 to 2010 will be in these same areas. Missoula County is the state's second largest trade and service center, next to Billings. As a result, Missoula has become the state's second largest City. Retail trade and services have been leading the growth while manufacturing has remained steady. Employment growth has remained strong. Missoula County was recently designated the state's third Metropolitan Statistical Area, thus increasing Missoula's national visibility.

The value for new construction reached a peak in 2003 and declined somewhat the past two years. The University of Montana, located in Missoula, continues to be a significant factor in the local economy with nearly 14,000 students.

### **MAJOR INITIATIVES**

#### For the Year Ending June 30, 2005

Over this past year a number of major projects were either initiated or completed. These included:

- Implementation of general impact fees for capital facilities required by growth in Parks, Law Enforcement, Fire and General Government were enacted to start October 1, 2004.
- The cost of service analysis for all City fee areas was phased in further in the new budget for FY 2005.
- Engineering design was completed on the \$4,000,000 Rattlesnake Neighborhood Wastewater Collection Project in FY 2004, although construction was delayed due to a lawsuit filed against the project. The City did prevail in the lawsuit in FY 2005 and construction was initiated on several smaller components of this project.
- An \$8,100,000 aquatics bond issue (for new pools and spray-decks) was approved by the voters in the November 2003 election and bonds were sold in the spring of 2004. Engineering design for construction was completed in early FY 2005 and construction begun on the \$12.3 million aquatics project, utilizing multiple funding sources that included the debt proceeds from an \$8.1 million voted general obligation bond. This project was designed to replace aging pools at two different sites and splash decks in four other parks throughout the City. Many of these facilities will be ready for use in the summer of 2006.
- Construction was completed on the \$18.3 million upgrade to the wastewater treatment plant along with nearly \$7.0 million of major sewer interceptor lines.
- \$10,326,788 of street improvements was completed in FY 2005.
- The City of Missoula began accepting credit cards and electronic payments in FY 2005.
- The realignment of Brooks/South/Russell Streets was completed in the summer of 2005.

#### For the Future

- A new Municipal Court structure will be built in FY 2006 due to the growth occurring within the City of Missoula.
- A space needs analysis is being prepared to determine the best way to build additional space to handle the growth of offices at City Hall.
- A new Fire Station (#5) will be built in Southwest Missoula to accommodate the growth of the City in this area. This station was approved for construction in a voter approved General Obligation bond issue in the Fall of 2005 along with the remodel of three other, older fire stations.
- Additional construction will be initiated on several smaller components of the Rattlesnake sewer construction

- project, and possibly the remainder of the entire project will be initiated.
- The City of Missoula will begin accepting web-based electronic payments in FY 2006.
- The City Recreation Department is looking to complete the development of a skate board park in FY 2006.
- The new Maloney Ranch Park is slated for completion in the spring of 2006.
- A new Business Improvement District has been established in downtown Missoula, now that the City's oldest downtown urban renewal district has ended.

#### **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Missoula for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. This was the eighth consecutive year that the City of Missoula has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration.

#### **CONCLUSION**

The City of Missoula is in stable financial condition in spite of limitations placed on the growth of property tax revenues. The 1997 state legislature passed Senate Bill 195, which restricts increases in taxable valuation due to increasing property values. Only new construction or newly annexed areas can significantly increase taxable valuation. This area of property taxation was addressed again by the 1999 Legislature, which made numerous changes to the way in which property is valued and taxed in Montana. The Legislature did provide for some replacement revenue for property tax revenue sources that were reduced. In addition, local governments were given the ability to levy the additional mills necessary to generate the same revenue as in the previous year. Careful budgeting and control of expenditures by departments have continued to pay off for the City. The City has annexed contiguous areas in recent years that are of an urban nature. These annexations have expanded the tax base and to some degree expanded costs. Sewer service is being extended to cover more of the developed area with the intent of protecting our aquifer. The City has been prudent in the use of year-end cash balances, but the restriction on property tax levy increases has been challenging.

#### **ACKNOWLEDGEMENTS**

I want to express my sincere appreciation to Beckie Christiaens, Assistant Finance Director/Controller, and the Finance Office staff for their excellent work and support in preparing this report.

Respectfully submitted:



Brentt Ramharter  
Finance Director

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Missoula,  
Montana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

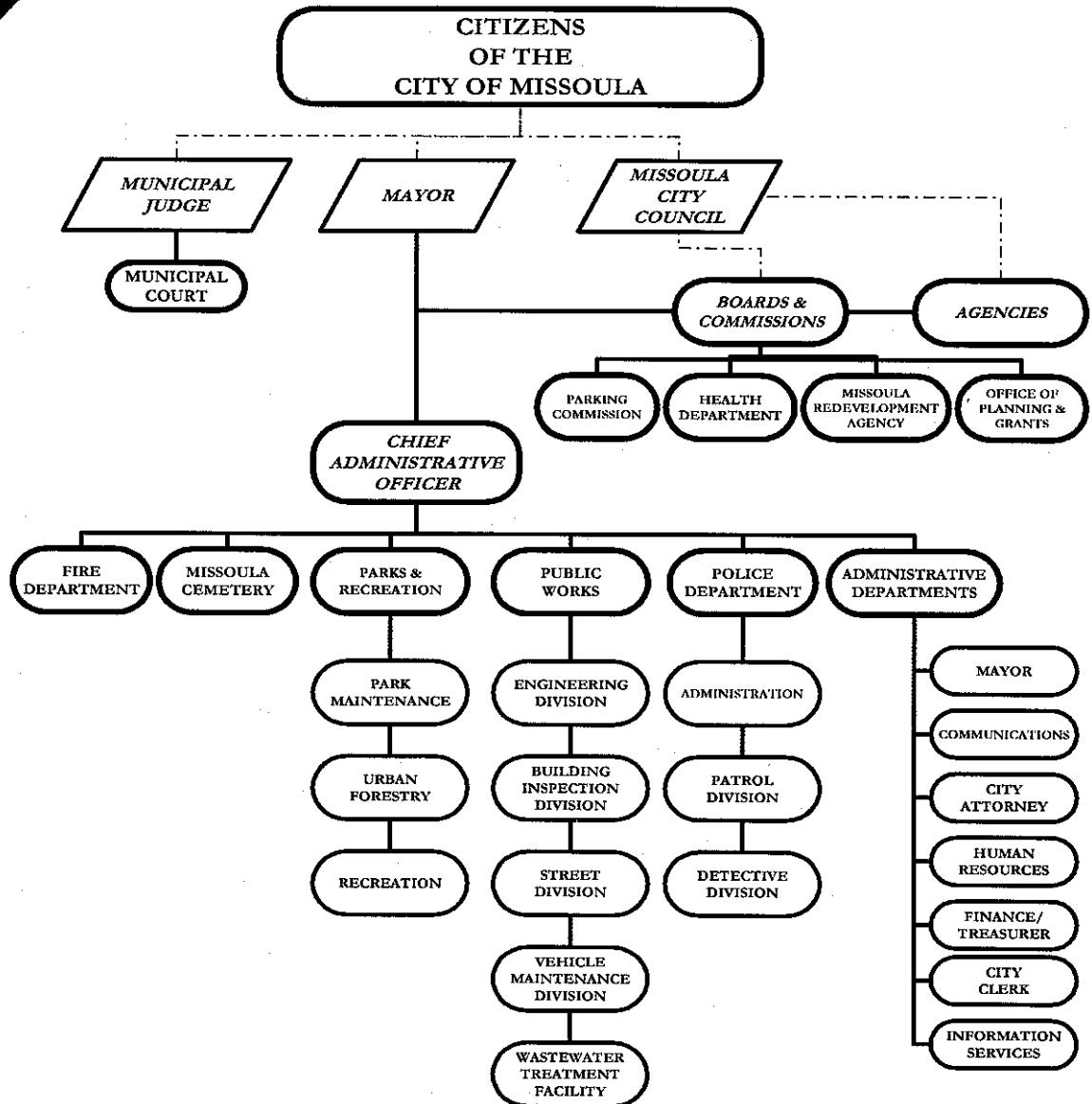
*Jeffrey R. Enen*

Executive Director



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# CITY OF MISSOULA



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## ***ELECTED OFFICIALS***

*MAYOR, Mike Kadas*

*MUNICIPAL COURT JUDGE, Donald J. Loudon*

### **ALDERPERSONS FIRST WARD**

Term Expires First Monday in

John Engen	2006
Heidi Kendall	2008

### **ALDERPERSONS THIRD WARD**

Term Expires First Monday in

Lou Ann Crowley	2006
Stacy Rye	2008

### **ALDERPERSONS FIFTH WARD**

Term Expires First Monday in

Bob Lovegrove	2008
Jack Reidy	2006

### **ALDERPERSONS SECOND WARD**

Term Expires First Monday in

Anne Kazmierczak	2006
Don Nicholson	2008

### **ALDERPERSONS FOURTH WARD**

Term Expires First Monday in

Jerry Ballas	2008
Myrt Charney	2006

### **ALDERPERSONS SIXTH WARD**

Term Expires First Monday in

Ed Childers	2008
Clayton Floyd, Jr.	2006

## ***ADMINISTRATIVE OFFICIALS***

*JANET STEVENS, Chief Administrative Officer*

*TOM STEENBERG, Fire Chief*

*JAMES P. NUGENT, City Attorney*

*BOB WEAVER, Police Chief*

*BRENTT RAMHARTER, Finance Director/Treasurer*

*ELLEN BUCHANAN, Director, Missoula Redevelopment Agency*

*MARTHA L. REHBEIN, City Clerk*

*GAIL VERLANIC, Human Resources Director/EEO Officer*

*LINDA HEGG, Communications Officer*

*DAVID BORING, Information Network Manager*

*BRUCE BENDER, Director, Public Works*

*STEVE KING, City Engineer*

*BRIAN HENSEL, Superintendent, Street Division*

*STEVE HUTCHINGS, Building Official, Building Division*

*STARR SULLIVAN, Superintendent, Wastewater Treatment Division*

*JACK STUCKY, Superintendent, Vehicle Maintenance Division*

*DONNA GAUKLER, Director, Parks & Recreation*

*DOUG WATERS, Director, Missoula Cemetery*

*CINDY KLETTE, Director, Office of Planning & Grants*

*ANNE GUEST, Director, Parking Commission*

*ELLEN LEAHY, Director, City/County Health Department*

*BETTE AMMONS, Director, City/County Library*

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# FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

Mayor and City Council  
City of Missoula  
Missoula, Montana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Missoula, Montana, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Missoula's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Missoula, Montana, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2005, on our consideration of the City of Missoula's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Missoula, Montana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is also not a required part of the basic financial statements of the City of Missoula, Montana. The schedule of expenditures of federal awards and the combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been audited by us and, accordingly, we express no opinion on them.

*Anderson Zuer Muehlen & Co., P.C.*

Missoula, Montana  
December 19, 2005





# MANAGEMENT DISCUSSION AND ANALYSIS

## Management's Discussion and Analysis

The City of Missoula (the City) offers the readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements, which begin on pages i and 11 of this report, respectively. Certain comparative information between the current year and the prior year is also presented.

### Financial Highlights

- The assets of the City of Missoula exceeded its liabilities at the close of the most recent fiscal year by \$ 165,287,871 (*net assets*). Of this amount, \$ 20,577,689 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's total governmental funds reported combined ending fund balances of \$ 14,392,415. Approximately 73 percent of this total amount, \$10,473,294 is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, the total fund balance of the General fund was \$1,806,506 which represented six percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,167,446.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Missoula's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information in addition to the basic financial statements is included at the end of the financial section.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Missoula's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in 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 of Missoula that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, streets, public health, culture and recreation, social and economic services, housing and community development and public safety. The business-type activities of the City include a sewer utility.

The government-wide financial statements include not only the City of Missoula itself (known as the *primary government*), but also a legally separate redevelopment authority (Missoula Redevelopment Authority) and a legally separate parking commission (Missoula Parking Commission) for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government.

**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 Missoula, 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 Missoula can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**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 *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 financing 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 government'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 a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Missoula maintains ninety individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the one debt service fund and one construction fund, all of which are considered to be major funds. Data from the other eighty seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining schedules* elsewhere in this report.

The City of Missoula adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The General Fund is the only major fund required to present budget information in this report. The City of Missoula maintains budgetary control at the fund level. Budget to actual schedules are provided under the supplemental section.

**Proprietary Funds.** The City of Missoula maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Missoula's various functions. The City of Missoula uses an internal service fund to account for the health benefit plan. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer utility and for the health benefit plan, the sewer utility is considered to be a major fund of the City of Missoula

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Missoula's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**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. The notes to the financial statements can be found on pages 25-54 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found beginning on pages 55 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Missoula, assets exceeded liabilities by \$ 165,287,871 at the close of the most recent fiscal year.

By far the largest portion of the City of Missoula's net assets (84 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Missoula uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Missoula's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### CITY OF MISSOULA'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current & Other Assets	\$ 33,925,846	\$ 37,102,758	\$ 4,856,492	\$ 6,780,103	\$ 38,782,338	\$ 43,882,861
Capital Assets	109,995,557	108,885,248	72,197,199	65,653,421	182,192,756	174,538,669
<b>Total Assets</b>	<b>\$ 143,921,403</b>	<b>\$ 145,988,006</b>	<b>\$ 77,053,691</b>	<b>\$ 72,433,524</b>	<b>\$ 220,975,094</b>	<b>\$ 218,421,530</b>
Long-term Liabilities						
Non-Current Liabilities	\$ 30,952,928	\$ 38,418,193	\$ 15,817,654	\$ 15,251,824	\$ 46,770,582	\$ 53,670,017
Other Liabilities	6,323,669	3,447,264	1,550,105	487,162	7,873,774	3,934,426
<b>Total Liabilities</b>	<b>37,276,597</b>	<b>41,865,457</b>	<b>17,367,759</b>	<b>15,738,986</b>	<b>54,644,356</b>	<b>57,604,443</b>
<b>Net Assets:</b>						
Invested in capital assets,						
net of related debt	85,219,599	84,425,320	54,728,019	50,437,434	139,947,618	134,862,754
Restricted	3,280,061	13,144,514	2,525,370	1,307,315	5,805,431	14,451,829
Unrestricted	18,115,146	6,552,715	2,432,543	4,949,789	20,577,689	11,502,504
<b>Total Net Assets</b>	<b>\$ 106,644,806</b>	<b>\$ 104,122,549</b>	<b>\$ 59,685,932</b>	<b>\$ 56,694,538</b>	<b>\$ 166,330,738</b>	<b>\$ 160,817,087</b>

An additional portion of the City of Missoula's net assets (three percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$20,577,689) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Missoula is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. Readers are encouraged to refer to the information provided in the Notes to the Financial Statements for more detailed information on the assets and long-term debt activity for the year.

*Governmental activities:* Governmental activity net assets increased by \$9,568,543 during the current fiscal year, mainly due to an increase in intergovernmental revenue. For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

*Business-type activities:* The business-type activity net assets increased by \$2,733,235 due to the substantial construction occurring at the City's sewer plant as it is being enlarged and upgraded. Capital contributions continued as a major revenue source for the Sewer Fund during the current fiscal year, producing \$1,283,828 in revenue. This increase is the direct result of increasing the City's sewer development charge from \$350 to \$1,450 per equivalent dwelling unit three years ago. These development fees, which are set significantly in excess of actual connection costs, must be used only for capital purposes.

#### CITY OF MISSOULA'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 7,333,406	\$ 8,558,269	\$ 7,265,855	\$ 6,306,775	\$ 14,599,261	\$ 14,865,044
Operating grants & contributions	2,532,942	5,248,503			2,532,942	5,248,503
Capital grants & contributions	4,744,999	300,948	1,283,828	1,121,104	6,028,827	1,422,052
General revenues:						
Property taxes for general purposes	17,967,026	19,972,703			17,967,026	19,972,703
Annexations & developer contributions	5,772,066	9,964,080			5,772,066	9,964,080
Intergovernmental revenue	9,048,644	5,309,473			9,048,644	5,309,473
Investment earnings	209,628	381,380	299,782	369,797	509,410	751,177
Miscellaneous	684,960	427,348	8,749	23,773	693,709	451,121
Interfund Transactions	220,635	242,188	(220,635)	(242,188)	-	-
Total revenues	<u>48,514,306</u>	<u>50,404,892</u>	<u>8,637,579</u>	<u>7,579,261</u>	<u>57,151,885</u>	<u>57,984,153</u>
Primary Government:						
Expenses:						
General Government	5,447,966	4,814,217	-	-	5,447,966	4,814,217
Public Safety	17,596,888	15,774,300	-	-	17,596,888	15,774,300
Public Works	5,880,778	9,728,383	5,904,344	5,400,406	11,785,122	15,128,789
Public Health	1,118,946	1,033,396	-	-	1,118,946	1,033,396
Social and Economic Services	131,017	245,802	-	-	131,017	245,802
Culture and Recreation	3,346,471	2,712,280	-	-	3,346,471	2,712,280
Housing & Development	1,494,654	669,857	-	-	1,494,654	669,857
Conservation of Natural Resources	108,599	-	-	-	108,599	-
Miscellaneous	910,387	590,225	-	-	910,387	590,225
Interest Expense	1,867,190	1,235,533	-	-	1,867,190	1,235,533
Total Expenses	<u>37,902,896</u>	<u>36,803,993</u>	<u>5,904,344</u>	<u>5,400,406</u>	<u>43,807,240</u>	<u>42,204,399</u>
Change in net assets	<u>10,611,410</u>	<u>13,600,899</u>	<u>2,733,235</u>	<u>2,178,855</u>	<u>13,344,645</u>	<u>15,779,754</u>
Restatements	-	(8,089,153)	-	258,159	-	-
Ending Net Assets	<u>\$ 106,644,806</u>	<u>\$ 96,033,396</u>	<u>\$ 59,685,932</u>	<u>\$ 56,952,697</u>	<u>\$ 166,330,738</u>	<u>\$ 152,986,093</u>

## Financial Analysis of the Government's Funds

As noted earlier, the City of Missoula uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Missoula's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Missoula's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,392,418, an increase of only \$104,557 in comparison with the prior year. Approximately 23 percent of this total amount (\$3,292,221) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed primarily to pay debt service (\$3,280,061).

The General Fund is the chief operating fund of the City of Missoula. At the end of the current fiscal year, the total fund balance of the General fund was \$1,806,506 which represented six percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,167,446. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. At the end of fiscal year 2005 the unreserved fund balance represented four percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$259,171 during the current fiscal year, mainly due to an increase in inventory valuations.

The debt service funds have a total fund balance of \$2,633,805, all of which is reserved for the payment of debt service.

**Proprietary funds.** The City of Missoula's *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer Fund at the end of the year amounted to \$3,589,521. The total growth in net assets for the Sewer Fund was \$2,773,235. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Missoula's business-type activities.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$11,249 increase in appropriations), due to unanticipated funds received from federal or state governments.

## Capital Asset and Debt Administration

**Capital assets.** The City of Missoula's investment in capital assets for its governmental and business type activities as of June 30, 2005, amounts to \$178,470,809 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, streets, sidewalks, utilities and storm drain systems. More detailed disclosure on the City's capital assets is available in section III-E of the Notes to the Financial Statements. Major capital asset events during the current fiscal year included the following:

- Construction was completed on the additional wastewater treatment facilities for the sewer plant; construction in progress of \$25,358,433 was capitalized as the \$18.3 million upgrade to the wastewater treatment plant was completed along with nearly \$7.0 million of major sewer interceptor lines.
- Construction was begun on the \$12.3 million aquatics project, utilizing multiple funding sources that included the debt proceeds from an \$8.1 million voted general obligation bond that was sold in the spring of 2004. This project was designed to replace aging pools at two different sites and splash decks in four other parks throughout the City.
- \$10,326,788 of street improvements were completed in FY 2005.

### CITY OF MISSOULA'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 16,188,382	\$ 15,788,941	\$ 1,333,614	\$ 1,250,439	\$ 17,521,996	\$ 17,039,380
Buildings and Improvements	18,859,318	17,955,512	87,334,383	60,655,221	106,193,701	78,610,733
Machinery and Equipment	15,213,898	14,470,577	5,275,560	4,648,893	20,489,458	19,119,470
Infrastructure	172,766,992	205,372,958	-	-	172,766,992	205,372,958
Construction in Progress	1,042,867	-	918,844	21,701,508	1,961,711	21,701,508
Total Capital Assets	224,071,457	253,587,988	94,862,401	88,256,061	318,933,858	341,844,049
Less Accumulated Depreciation	(114,714,959)	(144,702,740)	(24,705,221)	(22,602,639)	(139,420,180)	(167,305,379)
Net Capital Assets	\$ 109,356,498	\$ 108,885,248	\$ 70,157,180	\$ 65,653,422	\$ 179,513,678	\$ 174,538,670

**Long-term debt.** At the end of the current fiscal year, the City of Missoula had a total of \$50,924,838 of long term debt outstanding of which \$47,987,541 was bonded debt. Of this amount, \$15,020,000 comprises debt backed by the full faith and credit of the government and \$14,226,402 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment, although this debt is collateralized with liens on the properties against which the debt is assessed. The majority of the remainder of the City of Missoula's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). More detailed disclosure on the City's long-term debt is available in section III-G of the Notes to the Financial Statements.

### CITY OF MISSOULA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$ 15,020,000	\$ 15,895,000	\$ -	\$ -	\$ 15,020,000	\$ 15,895,000
Tax Anticipation Note	-	5,225,000	-	-	-	5,225,000
Limited Obligation Bonds	1,380,000	1,440,000	-	-	1,380,000	1,440,000
Revenue Bonds	-	-	16,586,138	15,215,987	16,586,138	15,215,987
Spec. Assessment Bonds	14,226,402	14,649,201	-	-	14,226,402	14,649,201
Sidewalk & Curb Warrants	228,628	316,409	-	-	228,628	316,409
State Board of Investment Loans	546,373	100,179	-	-	546,373	100,179
Compensated Absences	2,818,798	2,641,342	118,500	105,404	2,937,298	2,746,746
Total Outstanding Debt	\$ 34,220,201	\$ 40,267,131	\$ 16,704,638	\$ 15,321,391	\$ 50,924,839	\$ 55,588,522

The City of Missoula's total debt was decreased by \$4,663,684 (8.4 percent) during the 2005 fiscal year. The key factor in this decrease was the payoff of a \$5,225,000 tax anticipation note. The government also issued \$732,400 in special assessment bonds to finance street construction and \$2,167,384 of new sewer revenue bonds to complete the expansion of the wastewater treatment facility.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.51 percent of its total assessed valuation. The current debt limitation for the City of Missoula is \$43,815,000, which is significantly in excess of the City of Missoula's outstanding general obligation debt. Section III-G of the Notes to the City's Financial Statements provides additional disclosure of the City of Missoula's bonded indebtedness.

### **Economic Factors and New Year's Budgets and Rates**

- The unemployment rate for the City of Missoula is currently 4.0 percent. This compares favorably to the state's average unemployment rate of 4.4 percent.
- Inflationary trends in the region compare favorably to national indices.
- Property tax revenue is projected to grow at approximately 5.0 percent due to new construction and planned annexations.

All of these factors were considered in preparing the City of Missoula's budget for the 2005 fiscal year. "Fee for service" revenues were increased in fiscal year 2005 due to the completion of a cost of service analysis contracted for two years ago. The 2006 fiscal year budget was developed with the intention of adjusting future fees for services by the increased costs of delivering those services to the public.

The sewer utility rates were not increased for the 2005 or 2006 budget years. Due to superior plant performance at the recently upgraded and enlarged wastewater treatment facility, operating costs have not increased to the extent expected as the plant was enlarged. In addition, the City's growth in sewer connections has been approximately double the rate of growth of the City's population, thus providing ample revenue for the sewer fund.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Missoula's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 435 Ryman, City of Missoula, Missoula, Montana, 59802.



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# **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS**

City of Missoula, Montana  
Statement of Net Assets  
June 30, 2005

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Missoula Parking Commission	Missoula Redevelopment Agency
<b>ASSETS</b>					
<u>Current Assets</u>					
Cash and investments	\$ 19,075,296	\$ 997,245	\$ 20,072,541	\$ 2,332,079	\$ 5,672,750
Taxes/Assessments receivable, net	1,902,701	-	1,902,701	23,143	245,993
Internal Balances	(3,381,889)	3,381,889	-	-	-
Deferred Assessments Receivable	14,709,577	-	14,709,577	-	-
Accounts receivable	50,390	433,529	483,919	-	-
Other receivable	380,392	-	380,392	195,367	-
Notes/loans receivable	158,259	27,657	185,916	-	-
Prepaid expense	27,985	16,172	44,157	-	24,770
Due from other governments	1,003,135	-	1,003,135	-	62,119
Total Current Assets	33,925,846	4,856,492	38,782,338	2,550,589	6,005,632
<u>Noncurrent Assets</u>					
Cash and investments	-	2,002,809	2,002,809	150,000	-
Other assets	-	-	-	70	-
Bond Issuance Costs, Net	-	12,811	12,811	15,473	-
Capital Assets - Depreciable, Net	92,125,248	67,904,721	160,029,969	2,693,854	-
Capital Assets - Land and Construction in progress	17,231,249	2,252,458	19,483,707	2,397,866	-
Inventory of Supplies	639,060	24,400	663,460	-	-
Total Noncurrent Assets	109,995,557	72,197,199	182,192,756	5,257,263	-
Total Assets	143,921,403	77,053,691	220,975,094	7,807,852	6,005,632
<b>LIABILITIES</b>					
<u>Current Liabilities</u>					
Accounts payable	1,836,849	581,904	2,418,753	20,970	477,279
Accrued expenses	1,073,926	58,942	1,132,868	11,490	-
Deferred revenue	-	22,275	22,275	-	-
Deferred grant revenue	145,621	-	145,621	-	-
Compensated Absences Payable	686,172	66,846	753,018	27,482	30,261
Long-Term Liabilities - Due within one year	2,581,101	820,138	3,401,239	95,000	-
Total Current Liabilities	6,323,669	1,550,105	7,873,774	154,942	507,540
<u>Noncurrent Liabilities</u>					
Long-Term portion of compensated absences	2,132,626	51,654	2,184,280	14,557	10,503
Long-Term Liabilities - Due in more than one year	28,820,302	15,766,000	44,586,302	1,265,000	-
Total Noncurrent Liabilities	30,952,928	15,817,654	46,770,582	1,279,557	10,503
Total Liabilities	37,276,597	17,367,759	54,644,356	1,434,499	518,043
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	85,219,599	54,728,019	139,947,618	3,731,720	-
Restricted for debt service	3,280,061	2,525,370	5,805,431	150,000	-
Unrestricted	18,145,146	2,432,543	20,577,689	2,491,633	5,487,519
Total Net Assets	\$ 106,644,806	\$ 59,685,932	\$ 166,330,738	\$ 6,373,353	\$ 5,487,519

See accompanying Notes to the Financial Statements

City of Missoula, Montana  
Statement of Activities  
For the Fiscal Year Ended June 30, 2005

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	Missoula Parking Commission	Missoula Redevelopment Agency
<b>Primary Government:</b>								
Governmental activities:								
General Government	\$ 5,447,966	\$ 3,499,793	\$ 15,000	\$ 2,308,404	\$ 375,231	\$ -	\$ -	\$ -
Public Safety	17,596,888	1,578,762	529,300	199,949	(15,288,877)	-	-	-
Public Works	5,880,778	1,326,436	42,889	391,646	(4,119,807)	-	-	-
Public Health	1,118,946	-	-	-	(1,118,946)	-	-	-
Social and Economic Services	131,017	21,379	-	-	(109,638)	-	-	-
Culture and Recreation	3,346,471	481,468	51,093	1,845,000	(968,910)	-	-	-
Housing and Community Development	1,494,654	423,873	1,892,455	-	821,674	-	-	-
Conservation of Natural Resources	108,599	1,695	2,205	-	(104,699)	-	-	-
Miscellaneous	910,387	-	-	-	(910,387)	-	-	-
Debt Service Expense - Interest	1,867,190	-	-	-	(1,867,190)	-	-	-
Total Governmental Activities	37,902,896	7,333,406	2,532,942	4,744,999	(23,291,549)	-	-	-
<b>Business-type activities:</b>								
Sewer	5,904,344	7,265,855	-	1,283,828	-	2,645,339	-	-
Total business-type activities	5,904,344	7,265,855	-	1,283,828	-	2,645,339	-	-
Total Primary Government	\$ 43,807,240	\$ 14,599,261	\$ 2,532,942	\$ 6,028,827	(23,291,549)	2,645,339	(20,646,210)	\$ -
<b>Component Units:</b>								
Missoula Parking Commission	\$ 1,148,107	\$ 1,369,511	\$ -	\$ -	-	-	221,404	-
Missoula Redevelopment Agency	5,067,068	-	-	-	-	-	-	(5,067,068)
Total Component Units	\$ 6,215,175	\$ 1,369,511	\$ -	\$ -	-	-	221,404	(5,067,068)
<b>General Revenues</b>								
Property taxes for general purposes					17,967,026	-	-	2,630,744
Intergovernmental revenue, unrestricted					9,048,644	-	-	1,205,893
Miscellaneous					746,195	3,367	-	143,531
Interest Income					209,628	299,782	53,538	236,090
Developers Contributions and Annexations					5,772,066	-	-	-
Interfund Transactions					220,635	(220,635)	-	-
Gain or loss on sale of capital assets					(61,235)	5,382	-	-
Total general revenues, special items and transfers					33,902,959	87,896	53,538	4,216,258
Change in Net Assets					10,611,410	2,733,235	274,942	(850,810)
Net Assets - July 1, 2004					104,122,549	56,694,538	6,098,411	6,338,329
Restatements					(8,089,153)	258,159	-	-
Net Assets - July 1, 2004 - Restated					96,033,396	56,952,697	6,098,411	6,338,329
Net Assets - June 30, 2005					\$ 106,644,806	\$ 59,685,932	\$ 6,373,353	\$ 5,487,519

See accompanying Notes to the Financial Statements



# **FUND FINANCIAL STATEMENTS**

## **MAJOR GOVERNMENTAL FUNDS**

### ***FUND DESCRIPTIONS***

#### **GENERAL FUND**

The General Fund accounts for revenues and expenditures for most of the major City functions which are not specifically earmarked for other purposes. These functions include City Council, Finance and Administration, Police, Fire, Public Works (excluding Sewer), Parks and Recreation, and the Cemetery.

#### **2004 GENERAL OBLIGATION BOND AQUATICS CONSTRUCTION FUND**

A capital project fund established to account for the financial resources received from a voter approved general obligation bond intended to construct aquatics facilities within the City.

#### **SID 524 DEBT SERVICE FUND**

This fund provides for debt service for liabilities incurred to pay the construction costs for special improvement district 524 (South Hills Storm Drain and other infrastructure improvements).

## **MAJOR PROPRIETARY FUNDS**

### ***FUND DESCRIPTIONS***

#### **SEWER FUND**

This fund accounts for financial resources from service charges, allocated by law, contractual agreement, or administrative regulations for, and the payment of, sewer maintenance, sewer construction, and other sewer related costs.

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# **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

City of Missoula, Montana  
Balance Sheet  
Governmental Funds  
June 30, 2005

	General Fund	2004 GO Aquatics Bond	SID 524	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
<u>Current Assets</u>					
Cash and investments	\$ 2,101,173	\$ 7,294,377	\$ 646,256	\$ 8,334,725	\$ 18,376,531
Taxes/Assessments receivable, net	1,305,138	-	11,724	585,839	1,902,701
Deferred Assessments Receivable	246,646	-	3,836,858	10,626,074	14,709,577
Due from other governments	431,965	-	-	571,170	1,003,134
Accounts receivable	50,389	-	-	495,385	545,774
Total Current Assets	<u>4,135,311</u>	<u>7,294,377</u>	<u>4,494,838</u>	<u>20,613,193</u>	<u>36,537,718</u>
<u>Noncurrent Assets</u>					
Inventory of Supplies	639,060	-	-	-	639,060
Total Noncurrent Assets	<u>639,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,060</u>
Total Assets	<u>\$ 4,774,371</u>	<u>\$ 7,294,377</u>	<u>\$ 4,494,838</u>	<u>\$ 20,613,193</u>	<u>\$ 37,176,778</u>
<b>LIABILITIES</b>					
<u>Current Liabilities</u>					
Accounts payable	\$ 536,425	\$ 29,872	\$ -	\$ 1,004,352	\$ 1,570,649
Accrued Expenses	1,073,926	-	-	-	1,073,926
Deferred revenue	1,357,513	-	3,848,582	11,551,804	16,757,899
Interfund Payable	-	-	-	3,381,889	3,381,889
Total Liabilities	<u>2,967,864</u>	<u>29,872</u>	<u>3,848,582</u>	<u>15,938,045</u>	<u>22,784,363</u>
<b>FUND BALANCES</b>					
Reserved for inventories	639,060	-	-	-	639,060
Reserved for debt service	-	-	646,256	2,633,804	3,280,061
Unreserved reported in general fund	1,167,446	-	-	-	1,167,446
Unreserved reported in special revenue funds	-	-	-	2,124,775	2,124,775
Unreserved reported in capital projects funds	-	7,264,505	-	(83,431)	7,181,073
Total Fund Balance	<u>1,806,506</u>	<u>7,264,505</u>	<u>646,256</u>	<u>4,675,148</u>	<u>14,392,415</u>
Total Liabilities and Fund Balance	<u>\$ 4,774,371</u>	<u>\$ 7,294,377</u>	<u>\$ 4,494,838</u>	<u>\$ 20,613,193</u>	<u>\$ 37,176,778</u>

See accompanying Notes to the Financial Statements

City of Missoula, Montana  
**Reconciliation of the Governmental Funds Balance Sheet to the  
Statement of Net Assets**  
June 30, 2005

<b>Total fund balances - governmental funds</b>	\$ 14,392,415
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds	109,356,497
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Property taxes 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.	16,612,278
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An internal service fund is used by management to charge the costs of employees medical insurance. The governmental portion of the internal service fund are included with governmental activities	503,817
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Long-term liabilities (current and non-current portions) are not due and payable in the current period and therefore are not reported as liabilities in the funds	(34,220,201)
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<b>Total net assets - governmental activities</b>	<u><u>\$ 106,644,806</u></u>
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See accompanying Notes to the Financial Statements

City of Missoula, Montana  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Fiscal Year Ended June 30, 2005

	General	2004 GO Aquatics Bond	SID 524	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes and Assessments	\$ 13,764,173	\$ -	\$ -	\$ 5,706,493	\$ 19,470,666
Licenses and Permits	1,281,418	-	495,039	1,388,956	3,165,413
Intergovernmental	9,022,492	-	-	5,215,535	14,238,028
Charges for Services	2,829,167	-	-	469,335	3,298,503
Fines and Forfeitures	1,168,196	-	-	55,668	1,223,864
Miscellaneous	72,741	-	-	237,041	309,781
Investment Earnings	(144,988)	(64,474)	20,240	415,759	226,538
Total revenues	<u>27,993,199</u>	<u>(64,474)</u>	<u>515,279</u>	<u>13,488,788</u>	<u>41,932,792</u>
<b>EXPENDITURES</b>					
Current:					
General Government	4,147,544	-	-	353,879	4,501,423
Public Safety	15,563,708	-	-	1,394,031	16,957,739
Public Works	5,371,542	-	-	394,075	5,765,617
Public Health	1,096,344	-	-	-	1,096,344
Social and Economic Services	105,238	-	-	-	105,238
Culture and Recreation	2,550,272	-	-	169,109	2,719,381
Housing and Community Development	-	-	-	2,129,109	2,129,109
Miscellaneous	908,579	-	-	1,808	910,387
Debt Service Expenditures	86,226	-	344,321	3,430,950	3,861,498
Capital Outlay	737,462	506,233	-	3,736,967	4,980,661
Total expenditures	<u>30,566,914</u>	<u>506,233</u>	<u>344,321</u>	<u>11,609,928</u>	<u>43,027,397</u>
Excess (deficiency) of revenues over expenditures	<u>(2,573,714)</u>	<u>(570,707)</u>	<u>170,957</u>	<u>1,878,860</u>	<u>(1,094,605)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	3,435,746	-	-	1,397,296	4,833,042
Transfers (Out)	(616,889)	(80,792)	-	(3,977,467)	(4,675,148)
Proceeds of Long Term Debt	-	-	-	994,921	994,921
Proceeds from Sale of Capital Assets	14,030	-	-	32,317	46,347
Total other financing sources (uses)	<u>2,832,887</u>	<u>(80,792)</u>	<u>-</u>	<u>(1,552,933)</u>	<u>1,199,162</u>
Net Change in Fund Balance	<u>259,172</u>	<u>(651,499)</u>	<u>170,957</u>	<u>325,926</u>	<u>104,557</u>
Fund Balance - July 1, 2004	6,072,335	7,916,003	475,299	4,753,212	19,216,849
Restatements	(4,525,000)	-	-	(403,988)	(4,928,988)
Fund Balance - July 1, 2004 Restated	<u>1,547,335</u>	<u>7,916,003</u>	<u>475,299</u>	<u>4,349,222</u>	<u>14,287,858</u>
Fund Balance - June 30, 2005	<u>\$ 1,806,506</u>	<u>\$ 7,264,505</u>	<u>\$ 646,256</u>	<u>\$ 4,675,148</u>	<u>\$ 14,392,415</u>

See accompanying Notes to the Financial Statements

City of Missoula, 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, 2005

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

Net change in fund balances - total governmental funds	\$ 104,557
Governmental funds report capital outlays as expenditures.	14,073,780
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(5,109,784)
In the statement of activities, only the gain on the sale of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by cost of the assets sold.	(107,582)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	626,656
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(994,921)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,994,308
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(177,456)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.	201,852
Change in net assets - statement of activities	\$ <u>10,611,410</u>

See accompanying Notes to Financial Statements



# **PROPRIETARY FUND FINANCIAL STATEMENTS**

City of Missoula, Montana  
**Balance Sheet**  
**Proprietary Funds**  
June 30, 2005

	<b>Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities</b>
	<b>Sewer</b>	<b>Internal Service Self Insurance</b>
<b>ASSETS</b>		
<u>Current Assets</u>		
Cash and investments	\$ 997,245	\$ 698,765
Accounts receivable	433,529	-
Other receivable	27,657	43,267
Due from other governments	16,172	-
Prepaid Expenses	-	27,985
Total Current Assets	<u>1,474,603</u>	<u>770,017</u>
<u>Noncurrent Assets</u>		
Cash and investments	2,002,809	-
Land	1,333,614	-
Construction - Work in Progress	918,844	-
Buildings	6,780,221	-
Improvements other than buildings	80,554,161	-
Machinery and Equipment	5,275,560	-
Allowance for depreciation	(24,705,221)	-
Inventory of Supplies	24,400	-
Interfund Receivable	3,381,889	-
Bond Issuance Costs, net	12,811	-
Total Noncurrent Assets,	<u>75,579,088</u>	<u>-</u>
Total Assets	<u>\$ 77,053,691</u>	<u>\$ 770,017</u>
<b>LIABILITIES</b>		
<u>Current Liabilities</u>		
Accounts payable	\$ 581,904	\$ 4,446
Claims payable	-	261,754
Accrued Expenses	58,942	-
Deferred revenue	22,275	-
Compensated Absences Payable	41,374	-
Long-Term Liabilities - Due within one year	820,138	-
Total Current Liabilities	<u>1,524,633</u>	<u>266,200</u>
<u>Noncurrent Liabilities</u>		
Long-Term portion of compensated absences	77,126	-
Long-Term Liabilities - Due in more than one year	15,766,000	-
Total Noncurrent Liabilities	<u>15,843,126</u>	<u>-</u>
Total Liabilities	<u>17,367,759</u>	<u>266,200</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	53,571,042	-
Restricted for debt service	2,525,370	-
Unrestricted	3,589,521	503,817
Total Net Assets	<u>59,685,932</u>	<u>503,817</u>
Total liabilities and net assets	<u>\$ 77,053,691</u>	<u>\$ 770,017</u>

See accompanying Notes to the Financial Statements

City of Missoula, Montana  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2005

	<b>Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities</b>
	<b>Sewer</b>	<b>Internal Service Self-Insurance Funds</b>
<b>Operating Revenues:</b>		
Intergovernmental	\$ 1,283,828	\$ -
Charges for Services	7,265,855	-
Miscellaneous	3,367	-
Internal Services	-	3,635,269
Total Operating Revenues	<u>8,553,051</u>	<u>3,635,269</u>
<b>Operating Expenses</b>		
Personal Services	1,105,774	-
Fixed Charges	528,754	-
Depreciation	2,097,003	-
Insurance Claims and Expenses	-	3,519,550
Maintenance and Operations	1,517,098	-
Total Expenses	<u>5,248,628</u>	<u>3,519,550</u>
Operating Income	<u>3,304,422</u>	<u>115,719</u>
<b>Non-operating revenues (expenses)</b>		
Gain on sale of Capital Assets	5,382	-
Interest Revenue	299,782	23,392
Debt Service interest expense	(655,716)	-
Total Non-operating revenues (expenses)	<u>(350,552)</u>	<u>23,392</u>
Income (loss) before transfers	<u>2,953,870</u>	<u>139,111</u>
Transfers In	5,400,739	62,741
Transfers (Out)	(5,621,374)	-
Change in net assets	<u>2,733,235</u>	<u>201,852</u>
Net Assets - July 1, 2004	56,694,538	301,965
Restatements	258,159	-
Net Assets - July 1, 2004 - Restated	<u>56,952,697</u>	<u>301,965</u>
Net Assets - June 30, 2005	<u>\$ 59,685,932</u>	<u>\$ 503,817</u>

See accompanying Notes to the Financial Statements



City of Missoula, Montana  
**Statement of Cash Flows**  
**Proprietary Fund Types**  
For the Fiscal Year Ended June 30, 2005

	<u>Business - Type Activities</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Sewer</u>	<u>Self-Insurance</u>
Cash Flows from Operating Activities:		
Receipts from customers	\$ 7,576,482	\$ -
Payments to suppliers	(1,802,018)	-
Payments to employees	(1,092,678)	-
Receipts from operating grants	1,283,828	-
Other receipts	3,367	-
Receipts from internal services	-	3,635,269
Benefit payments	-	(3,407,749)
Net Cash Provided by Operating Activities	<u>5,968,981</u>	<u>227,520</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from debt	2,167,384	-
Principal paid on debt	(797,233)	-
Interest paid on debt	(654,115)	-
Acquisition and construction of capital assets	(6,328,704)	-
Net Cash Used by Capital and Related Financing Activities	<u>(5,612,668)</u>	<u>-</u>
Cash Flows from Investing Activities		
Interest on investments	299,782	23,392
Proceeds from sale of capital assets	5,382	-
Receipts from short-term loans to other funds	2,595,119	-
Disbursements for short-term loans to other funds	(3,381,889)	-
Net Cash Provided (Used) by Investing Activities	<u>(481,606)</u>	<u>23,392</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to other funds	(5,621,374)	-
Transfers from other funds	5,400,739	62,741
Net Cash Provided (Used) from Non-Capital Financing Activities	<u>(220,635)</u>	<u>62,741</u>
Net increase (decrease) in cash and cash equivalents	(345,928)	313,653
Cash and cash equivalents at July 1, 2004	3,345,982	385,112
Cash and cash equivalents at June 30, 2005	<u>\$ 3,000,054</u>	<u>\$ 698,765</u>
Cash and cash equivalents consists of:		
Cash and investments	\$ 997,245	\$ 698,765
Restricted cash and investments	2,002,809	-
Total cash and cash equivalents	<u>\$ 3,000,054</u>	<u>\$ 698,765</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,304,422	\$ 115,719
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,097,003	-
Changes in assets and liabilities:		
Due from other governments	-	-
Accounts receivable and other receivables	312,727	9,514
Deferred revenue	(2,100)	-
Compensated absences payable	13,096	-
Inventories	(3,793)	-
Accounts and other payables	188,684	102,287
Accrued expenses	58,942	-
Net Cash Provided by Operating Activities	<u>\$ 5,968,981</u>	<u>\$ 227,520</u>

See accompanying Notes to the Financial Statements

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# **FIDUCIARY FUND FINANCIAL STATEMENTS**

City of Missoula, Montana  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
June 30, 2005

		Agency Funds
<b>ASSETS</b>		
Cash and short-term investments	\$	256,791
Due from other governments		7,836
Total assets		<u>264,627</u>
<b>LIABILITIES</b>		
Accounts payable		1,935
Due to private parties		220,133
Due to other governments		42,560
Total liabilities	\$	<u><u>264,627</u></u>

See accompanying Notes to the Financial Statements

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# **NOTES TO FINANCIAL STATEMENTS**

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City complies with generally accepted accounting principles (GAAP.) GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. For enterprise funds, GASB statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements.

The City adopted the provisions of GASB No. 34 for its fiscal year ended June 30, 2003. Other GASB statements are required to be implemented in conjunction with GASB statement 34. Therefore the City also implemented the following statements for the year ended June 30, 2003 and all subsequent years: Statement 33 *Accounting and Financial Reporting for Nonexchange Transactions*, Statement 36 *Recipient Reporting for Certain Shared Nonexchange Revenues*, Statement 37 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, Statement 38 *Certain Financial Statement Note Disclosures*.

**A. Reporting Entity**

The City was originally incorporated in 1883 and re-incorporated in 1889. It operates under the Mayor-Council form of government and provides a wide range of municipal services including police, fire, recreation, public works improvements, and general administration services. Sanitary sewer services are accounted for in an enterprise fund. Water, gas, electricity and garbage services are provided by the private sector. All retirement plans are handled by state agencies. (See note III, H). Planning, library, animal control and health services are provided jointly by the City and Missoula County. Since these joint services are administered by the County, only the City's contributions appear in these statements.

For financial reporting purposes, the City includes those separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's governing board must be appointed by the City, and either a) the City must be able to impose its will, or b) the City may potentially benefit financially or be financially responsible for the component unit.

Based on these criteria, the City has included the following as discretely presented component units:

1. The Missoula Redevelopment Agency (MRA) was established in 1978 by the City of Missoula (the City) as a separate legal entity in accordance with state urban renewal laws (Section 7-15-4201 MCA). MRA has the authority to renovate property within blighted areas legally designated as redevelopment districts, but the authority to exercise the power of eminent domain, acquire and resell property and to issue tax increment bonds remains with the City. Any bonds issued are payable solely from tax increment receipts. The City has established three urban renewal districts: District I in 1978, District II in 1991 and District III in 2000. The five member governing board is appointed by the Mayor. MRA has no authority to levy taxes. However, under the City's Urban Renewal Plans, incremental property taxes which result from increases in the taxable value of property within a redevelopment district are designated for urban renewal purposes and provide the primary funding source for MRA. State law provides that the tax increment provisions applicable to a renewal district

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

established prior to 1980 be terminated seventeen years after enactment or when all tax increment bonds have been retired. Because the tax increment provisions for District I were enacted on December 18, 1978, MRA was scheduled to terminate on December 18, 1995. However, the City issued tax increment bonds on December 15, 1989 as permitted by state law. The issuance of these bonds extends the tax increment provisions for the term of the bonds, whose final maturity is July 1, 2005. These bonds are payable solely from the tax increment receipts and are not a debt of the City. Due to the control exercised by the City, MRA is considered a component unit of the City. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from Missoula Redevelopment Agency, 123 W. Spruce St., Missoula, MT 59802.

2. The Missoula Parking Commission is a public corporation formed by the City of Missoula, Montana, and, as such, is a proprietary component unit of the City. On January 25, 1971, the City Council of Missoula passed Resolution No. 2992 declaring the need for a parking commission. The creation of a commission was subsequently approved by the voters of the City in April 1971 pursuant to Part 46 of the Montana Code. Voters also authorized the Parking Commission to adopt the revenue bond method of financing parking projects provided in Title 7, Chapter 14, Part 46, Montana Code Annotated. As a component unit of the City, the Missoula Parking Commission is exempt from income tax. The Commission currently operates approximately 1,164 parking meters on various streets and in various lots throughout the downtown business area. The Commission operates approximately 1,168 leased parking spaces in various lots throughout downtown Missoula. The Commission also oversees a residential parking district in the University area of approximately 820 spaces. It also issues tickets for parking violations in the downtown area and the University residential parking district. The Commission operates two parking structures (Central Park and Bank Street Structure) that offer both short-term and long-term parking. It is considered a component unit because the City appoints the Board members, sets the meter rates, determines the parking district and is secondarily liable for the Parking Commission bonds. The City does not provide any operating subsidies nor does it receive any surpluses, but the Parking Commission does pay the City for services such as legal advice, payroll and bill paying. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from Missoula Parking Commission, 128 W. Main St., Missoula, MT 59802.

**Related Organizations:**

The City is also responsible for appointing members of the Missoula Housing Authority Board, but the City's accountability does not extend beyond making the appointments. Members may be removed only for cause and the City can suggest actions, but not impose them. The City does not have authority to set rents or policies and does not receive any surpluses nor contribute any funds to operations, except to pay city special assessments on Housing Authority property.

**B. Measurement Focus, Basis of Accounting, and Basis of Presentation**

***Government-wide Statements***

***Basis of Presentation***

The Government-wide Financial Statements (the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole and its component units. They include all funds of the reporting entity except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made to minimize the double-counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each



CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function. The City does not charge indirect expenses to programs or functions. The types of transactions reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Assets 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. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

*Measurement Focus and Basis of Accounting*

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City generally applies restricted resources to expenses incurred before using unrestricted resources when both restricted and unrestricted net assets are available.

***Fund Financial Statements***

*Basis of Presentation*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. 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. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the fund financial statements. All of the remaining funds are aggregated and reported in a single column 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, liabilities, 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
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**Major Governmental Funds:**

The City reports the following major governmental funds:

*General Fund* - This is the City of Missoula's primary operating fund and it accounts for all financial resources of the City except those required to be accounted for in other funds.

*SID 524 Debt Service Fund* - This fund accounts for assessment collections and the payment of SID debt for the South Hills Storm Drain and other infrastructure improvements.

*Aquatics Bond Capital Fund* - A capital project fund established to account for the financial resources received from a voter approved general obligation bond intended to construct aquatics facilities within the City.

**Measurement Focus and Basis of Accounting**

These statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Real and personal property taxes (excluding motor vehicle taxes), special assessments, charges for current services, and interest earnings are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time. The City recorded real and personal property taxes and assessments levied for the current year as revenue. Taxes and assessments receivable remaining unpaid at year-end and not expected to be collected soon enough thereafter to be available to pay obligations of the current year were recorded as deferred revenue, with a corresponding reduction in revenues, as required by generally accepted accounting principles. In addition, prior period delinquent taxes and assessments collected in the current period were recorded as revenue in the current period as required by generally accepted accounting principles. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Under the terms of the City's grant agreements, certain programs are funded by specific cost-reimbursement grants and general revenues. Generally, the City applies cost-reimbursement funds first to finance such programs with remaining costs paid for with general revenues.

**Major Proprietary Funds:**

*Sewer Fund* - This fund accounts for financial resources from service charges, allocated by law, contractual agreement, or administrative regulations for, and the payment of, sewer maintenance, sewer construction, and other sewer related costs.

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds. The receivable and revenue from such assessments are reported as accounts receivable and user charges, respectively.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**C. Budgets and Budgetary Accounting**

**1. Budget Process**

Operating budgets are adopted each year for the General Fund, all Special Revenue Funds, Debt Service Funds, Enterprise Fund, Internal Service Fund and Capital Project Funds. All budgets are presented on the budgetary basis appropriate for the fund type (i.e. all governmental funds were budgeted on a modified accrual basis and all proprietary funds were budgeted on the accrual basis).

A preliminary budget is presented in June, budget hearings are held, and the final budget is adopted by the second Monday in August. Budget appropriations may be transferred between line items or increased by budget amendment only upon adoption of a resolution by the governing body. The operating fund budgets cannot be increased except by a public hearing for the following reasons:

- (a) a public emergency which could not have been reasonably foreseen at the time of adoption of the original budget;
- (b) debt service funds for obligations related to debt approved by the governing body;
- (c) trust funds for obligations authorized by trust covenants;
- (d) any fund for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;
- (e) any fund for special assessments approved by the governing body;
- (f) the proceeds from the sale of land;
- (g) any fund for gifts or donations; and
- (h) money borrowed during the fiscal year.

The Council approved several resolutions for budget amendments. The amendments resulted in the following changes to the budget:

- The General Fund revenue budget was increased \$11,250.
- The Special Revenue funds revenue budget was increased by \$777,108.
- The Special Revenue funds expenditure budget was increased by \$1,260,874.
- The Capital Projects funds revenue and expenditure budget was increased by \$1,607,694.

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**D. Assets, Liabilities, and Equity**

**1. Cash, Cash Equivalents, and Investments**

Cash and investments are under the management of the City's Treasurer and consist primarily of investments in U.S. Government Bonds and the Montana State Short-Term Investment Pool (STIP). Interest income earned as a result of pooling of City deposits is distributed to the appropriate funds utilizing a formula based on the average balance of cash and investments of each fund.

Montana State statutes authorize the City to invest in interest-bearing savings accounts, certificates of deposits, and time deposits insured up to \$100,000 by the Federal Deposit Insurance Corporation or fully collateralized, U.S. government and U.S. agency obligations, STIP and repurchase agreements where there is a master repurchase agreement and collateral held by a third party.

According to GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investments Pools", STIP is considered an external investment pool. An external investment pool is defined as an arrangement that pools the monies of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio. STIP is also classified as a "2a7-like" pool. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. If certain conditions are met, 2a7-like pools are allowed to use amortized cost rather than fair value to report net assets to compute unit values. The Board of Investments, the regulatory agency which oversees the pool, has adopted a policy to treat STIP as a 2a7-like pool. Accordingly, the investment in STIP is valued at amortized cost as of June 30, 2005. The fair value of the position in the external investment pool is the same as the value of the pool shares as of June 30, 2005.

Investing in STIP allows the City to obtain the highest possible return, yet maintain a highly liquid position whereby funds may be invested for relatively short periods of time, one day or more, depending on the participant's anticipated use of the funds. Accordingly, the City's investment in STIP is classified as a cash equivalent. The STIP portfolio includes asset-backed and variable interest rate securities to provide diversification and competitive rate of return. These securities are described below:

Asset-backed Securities are debt securities collateralized by a pool of mortgage and non-mortgage assets such as trade and loan receivables, equipment leases and credit cards, etc., pledged by the issuer. Asset-backed securities have one or more forms of credit enhancement to raise the quality of the security. Examples of credit enhancement include, but are not limited to, letter of credit, reserve fund, or senior/subordinate arrangements.

Variable Rate (Floating-Rate) Securities provide many advantages of short-term bonds because they are designed to minimize the investor's interest rate risk. As with variable rate loans issued by banks, the interest rate paid by the issuer of these securities is reset periodically depending on market conditions. The value of these securities will usually remain at or near par because their interest rates are reset to maintain a current market yield. STIP's variable rate securities float to either the Prime Rate or the London Interbank Offering Rate (LIBOR), which is similar to the European Federal Funds Rate.

For the year ended June 30, 2005, the City implemented a new accounting standard issued by GASB, Statement No. 40, *Deposit and Investment Risk Disclosures*. Statement No. 40 amends Statement No. 3,

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

*Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements.* Statement No. 40 revises the existing requirements regarding disclosure regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Investments are reported at carrying value, which approximates fair value and there are no material differences as described in Note III, A.

For purposes of the statement of cash flows, the enterprise and internal services funds consider all funds (including restricted assets) held in the City's cash management pool to be cash equivalents. For the proprietary component unit, the commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Negative cash balances are required to be reported as interfund payables. The SID revolving fund or the Sewer fund usually reports the interfund receivable (i.e. they are considered the loaning funds).

## **2. Receivables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year end, are short term loans and are reported as "due to/from other funds."

Tax and special assessment receivables are recorded in the appropriate funds. Property tax levies are set in August at the time the City budget is approved and are billed November 1 by the County. Taxes are due 50% by November 30 and 50% by May 31 of each year. After those dates, they become delinquent (and a lien is placed upon the property). After three years the County can exercise the lien and take title to the property. Properties taken on tax deeds are recorded at the lower of the taxes receivable or market value and included in the governmental activities column of the statement of net assets at the County until sold.

Special assessments are billed November 1 of each year as a component of the County property tax billing. The first part (50%) is due November 30<sup>th</sup> and the second part (50%) is due May 31<sup>st</sup>. After those dates, the bills are delinquent (and a lien is placed on the property). Lighting, park maintenance and street maintenance assessments are determined by the estimated cost of operating these districts for the next year. The other special improvement districts (SID's) are billed for a portion of the principal owed plus interest on the unpaid balance. Each SID also has deferred assessments to account for the unbilled portion of the principal.

Sewer fees are billed in July and January. They are due the last day of the month in which they are billed. A small number of commercial accounts are billed quarterly. Accounts that are delinquent as of June 30<sup>th</sup> are turned over to the County Treasurer to be included on the property tax bills sent out November 1.

No allowance for uncollectibles is made because unpaid bills on these receivables become liens against the properties and it is assumed that the proceeds from the sale of any tax deed property will meet or exceed the lien amount.

## **3. Inventories**

Inventories of materials and supplies are accounted for using the consumption approach for governmental and enterprise funds. That is, inventory purchases are considered an asset until the period in which they are actually consumed. Inventories are carried at the lower of cost (first-in, first-out) or market.

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**4. Warrants Payable**

The City pays its claims by issuing a check. The only warrants appearing in the City's accounts this fiscal year are Sidewalk and Curb interest bearing warrants.

**5. Capital Assets**

Capital assets purchased are recorded as expenditures in the governmental funds. All purchased capital assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated capital assets are recorded at their estimated fair value at the date of donation. The City capitalizes all capital assets with a value of \$1,000 or greater. Interest incurred during construction is capitalized on capital assets. Property, plant, and equipment in the proprietary funds of the government are recorded at cost. Property, plant, and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Public domain ("infrastructure") capital assets (e.g. roads, bridges, curbs and gutters, and other assets that are immovable and of value only to the government) are capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets purchased or acquired by proprietary fund types are recorded in the individual fund making the purchase. Any capital assets donated specifically for an enterprise fund are also recorded in that individual fund. Depreciation on proprietary fund capital assets is provided over their estimated useful lives on the straight-line method. Buildings, major land improvements and pipelines have an estimated useful life of 50 years; pumping stations and equipment 25 years; leasehold improvements and other equipment 5 to 30 years. Useful lives of the proprietary component unit assets are from 5 to 40 years.

**6. Deferred Revenues**

Deferred revenue results when asset recognition criteria have been met and when revenue recognition criteria have not been met. These pertain to the net uncollected property tax and other receivables and are classified as Deferred Revenues on the Balance Sheet of governmental funds.

**7. 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 carry over a maximum of two times their annual accumulation of vacation, but no more than 90 days into the new calendar year. There is no restriction on 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 associated with governmental fund-type employees is reported in the governmental activities column of the statement of net assets, while the liability associated with proprietary fund-type employees is recorded in the respective fund and the business-type activities column of the statement of net assets.

**8. Long-Term Obligations**

The City reports long-term debt of governmental funds at face value in the governmental Statement of Net Assets. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the governmental activities column in the Statement of Net Assets. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the

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appropriate funds and the business-type activities column of the statement of net assets.

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**9. Fund Equity**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

**10. Interfund Transactions**

Interfund transactions consisting of identified services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as revenue in the fund performing the services.

Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

**11. Estimates Used in Financial Statement Preparation**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Deficit Fund Balances**

Ten special revenue funds with deficit fund balances were identified as of June 30, 2005. The Impact Fee fund (\$139,884), the Employee Health Insurance Levy fund (\$286,927), the Building Divisions fund (\$23,086), the Street Maintenance fund (\$13,604), the Russell Park Maintenance Fund (\$1,343), the Community Development Block Grant Fund (\$72,662), the HOME Grant fund (\$65,213), the ISTE A Grant fund (\$579), the Crime Victim Surcharge Fund (\$14,600), and the Willowwood Park Maintenance fund (\$62) all carried deficit fund balances which will be covered by future assessments and grant revenue in fiscal year 2006.

Four general obligation bond fund balances were identified as having negative fund balances as of June 30, 2005. All of these deficits will be covered by tax revenues received shortly after the close of the fiscal year. These funds are 1998 Safety Bond Fund (\$50,993), 1996 Open Space Bond Fund (\$26,779), 1997 Open Space Bond Fund (\$71,559), and the 2004 Refunding Bond Fund (\$213,084).

The following SID Sinking funds have deficit fund balances.

SID Rebates	\$	(101)	SID 515	\$ (13,524)
SID 492		(2,086)	SID 531	(2)
SID 494		(616)	99 Sidewalk & Curb	(14,650)
SID 496		(38)	FY03 Sidewalk & Curb	(10,575)
SID 508		(6,982)		

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These deficits will decrease as assessments are collected. Any deficits remaining when all assessments have been collected will be covered by the Revolving Fund.

The capital projects Sidewalk and Curb Fund had a deficit fund balance (\$893,158) and the SID Fund had a deficit balance (\$7,153) due to the receipt of the financing proceeds in FY 2006. The 2004 Refunding Bonds fund has a deficit balance (\$206), as well as the 1996 Open Space capital fund (\$1,016) due to negative market changes in security holdings at year end. The Capital Improvement fund reported a negative fund balance (\$1,080,051) due to the delayed sale of the old City shop property and the Blue Heron building.

**B. Expenditures in Excess of Appropriations**

The following funds had an excess of actual expenditures/expenses over budget, at the level of budgetary control (fund level), for the year ended June 30, 2005:

Street Lighting	\$22,832
State Gas Tax	4,462
Crime Victim Surcharge	36,905
2004 Refunding	550
Sidewalk & Curb	3,873
FY 99 Sidewalk & Curb	150
FY 00 Sidewalk & Curb	175
FY 01 Sidewalk & Curb	200
FY 02 Sidewalk & Curb	500
FY 03 Sidewalk & Curb	500
SID 494	115
SID 495	3
SID 498	1,450
SID 512	175
SID 517	1

**III. DETAILED NOTES ON ALL THE PRIMARY GOVERNMENT'S FUNDS**

**A. Cash and Cash Equivalents**

At June 30, 2005, cash and investments consisted of the following:

	Primary Government	Component Units	Total
Petty Cash and Cash on Hand	\$ 1,744	\$ 1,116	\$ 2,860
Repurchase Agreements	1,889,432	698,831	2,588,263
Demand Deposits	306,189	102,751	408,940
Certificates of Deposit	219,000	81,000	300,000
Money Markey Mutual Funds	76,700	28,368	105,068
Marketable Government Securities	13,537,447	5,007,001	18,544,448
State Short-Term Investment Pool (STIP) *	6,044,838	2,235,762	8,280,600
Total	<u>\$ 22,075,350</u>	<u>\$ 8,154,829</u>	<u>\$ 30,230,179</u>

At June 30, 2005, the carrying amount of the City's deposits in local banks is \$708,940 and the bank balance is \$1,144,905. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$644,905 was covered by collateral held by the pledging bank's agent in the City's name. Individual investments comprising more than 5% of total investments are indicated with an asterisk (\*).



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The City's cash and investments are reported as follows:

	Unrestricted	Restricted	Total
Governmental Activities	\$ 20,072,541	\$ -	\$ 20,072,541
Business-type Activities	-	2,002,809	2,002,809
Component Units	8,004,829	150,000	8,154,829
Total	<u>\$ 28,077,370</u>	<u>\$ 2,152,809</u>	<u>\$ 30,230,179</u>

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City's deposits may not be returned or the City will not be able to recover the collateral securities in the possession of the outside party. The City minimizes custodial credit risk by restrictions set forth in City policy and state law. The City's policy requires deposits to be 102 percent secured by collateral valued at market value. The City Treasurer maintains a listing of financial institutions, which are approved for investment purposes. Types of securities that may be pledged as collateral are detailed in Section 17-6-103 of the Montana Code Annotated (MCA). City policy requires that specific safeguards against risk of loss be evidenced when the City does not physically hold the securities.

At June 30, 2005, the City had investments in the State Short-Term Investment Pool (STIP), in non-negotiable repurchase agreements, and in various United States government bonds, as allowed by State law.

The following table provides information about the interest rate risks associated with the City's deposits and investments.

Investment	Maturities	Credit Risk Rating	Fair Value
State Short-Term Investment Pool	NA	Not Rated	\$ 8,280,600
U.S. Government Bonds	7/2005-4/2009	AAA	18,544,448
Money Market Funds	NA	NA	105,068
Certificates of Deposits	11/2005-11/2010	NA	300,000
Demand deposits	NA	NA	408,940
Repurchase Agreements	NA	NA	2,588,263
Petty Cash and Cash on Hand	NA	NA	2,860
Total			<u>\$ 30,230,179</u>

Credit risk is defined as the risk that an issuer or other counterpart to an investments will not fulfill its obligation. The above credit risk rating indicates the probability that the issuer may default in making timely principal and interest payments. The credit ratings presented are provided by Standard and Poor's Corporation (S&P).

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**B. Receivables**

**Other Receivables**

A summary of the City's accounts receivable and other receivables as of June 30, 2005, follows:

**Proprietary Funds:**

Sewer Fees- Sewer (major fund)	\$ 433,529
Vendor/Contractor Reimbursements – Sewer (major fund)	27,657
Vendor/Contractor Reimbursements – Internal Service	<u>43,267</u>
Total Proprietary Funds	<u>\$ 504,453</u>

**Governmental Funds:**

City Grants and Program Income	\$ 5,836
SID Revolving	227,827
Park Enterprise Fees and Donations	5,476
Cemetery Care Fund Receipts	4,117
Cable Franchise Fees	93,870
Vendor/Contractor Reimbursements – General (major fund)	<u>50,389</u>
Total Government Funds	<u>\$ 87,515</u>

**Long Term Loans Receivable**

A summary of the City's long-term loans receivable as of June 30, 2005, follows:

**Primary Government:**

Title One - Central Square Office Building	\$ 13,174
Secured by a second mortgage - \$18,179 due semi-annually at 8%, 7/91 to 1/2006	
The balance of the note is due 4/15/2006.	

Title One - Central Square Capital Land Lease (net Present Value)	80,293
\$9,000 due semi-annually @ 4.6%, 7/95 to 1/97	
\$13,500 due semi-annually @ 4.6%, 7/97 to 1/2006; \$63,000 due 4/15/2006	

Title One - Extended Family Services	14,793
\$18,000 at 0% interest to be repaid in installments of \$600 per year, with final payment due by 2021; \$9,000 at \$346.15 per year, with final payment due by 2021. \$9,000 was forgiven April 1996.	

**Missoula Housing Corporation**

\$50,000 at 2% interest per year, accruing until paid within a ten year period commencing from May 21, 2001, the date of the contract.	<u>50,000</u>
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Reporting Entity Total, Long Term Loans	<u>\$ 158,259</u>
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**C. Due From/To Other Funds, Due to Other Governments, and Due to Private Parties**

**Due From/To Other Funds:**

Primary Government:

Negative cash balances are required to be reported as interfund loans. Material checks that are on the bank reconciliation but are held until after the balance sheet date should be reclassified as accounts payable. Loans are recorded as Due From in the lending fund and as a Due To in the loanee fund.

The principal purpose of the interfund transfers is to provide funds for cash deficits.

*\*indicates a nonmajor governmental fund in the aggregate*

*^indicates a major fund*

^Interfund Loans due to Sewer Fund	
*From SID Rebates Fund	\$ 101
*From General Obligation Debt Funds	436,087
*From Employee Health Insurance Levy Fund	391,978
*From Community Development Block Grant Fund	177,164
*From Street Maintenance	13,604
*From Willowwood Park Maintenance	62
*From Russell Park Maintenance	1,343
*From HOME Grant	72,757
*From SID Debt Funds	48,374
*From Impact Fee	139,341
*From Cable Franchise Fee	16,763
*From Building Inspection	14,102
*From Capital Improvement	953,930
*From Capital 2004 Refunding	206
*From SID Construction Funds	<u>1,116,076</u>
Primary Government Total, Due To Other Funds	<u>\$ 3,381,889</u>

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**Due From Other Governments:**

Primary Government

General Fund

Due from Missoula County	\$ 44,669
Due from Missoula Housing Authority	18,568
Due from State of Montana	8,088
Due from Montana Department of Transportation	100,000
Due from Federal Government (School Resource Officer)	36,328
Due from Federal Government (CDBG Grant)	32,525
Due from Federal Government (UHP Grant)	35,826
Due from Federal Government (Pedestrian Safety Grant)	22,291
Due from City Municipal Court	<u>133,670</u>
Total General Fund	<u>431,965</u>

Special Revenue Funds:

Due from Missoula County - Employee Health Insurance	8,210
Due from City Municipal Court - Drug Forfeiture	3,193
Due from City Municipal Court - Crime Victim Surcharge	4,195
Due from State of Montana - Grants & Donations	144,447
Due from State of Montana - HOME Grants	13,807
Due from Federal Government - Police Capital Grant	2,940
Due from Federal Government - CDBG Grant	<u>242,502</u>
Total Special Revenue Funds	<u>419,294</u>

Debt Service Funds

Due from Missoula County - Taxes Receivable	<u>4,112</u>
Total Debt Service Funds	<u>4,112</u>

Capital Projects Funds

State of Montana - Capital Grants	30,440
State of Montana - Intercap Receipt	<u>117,323</u>
Total Capital Projects Funds	<u>147,763</u>

Total, Due From Other Governments, Governmental Funds \$ 1,003,134

Agency Funds

Due from City Municipal Court - Court Surcharge	<u>\$ 7,836</u>
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Proprietary Funds

Due from Missoula County - Delinquent Sewer Collections	<u>\$ 16,172</u>
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**Due to Other Governments:**

Agency Funds	
Supreme Court	\$ 36,748
County Park Board	5,500
County Clearing	<u>311</u>
Total Due to Other Governments	<u>\$ 42,560</u>

**Due to Private Parties:**

Agency Funds	
Sewer Rebates	\$ 26,807
Youth Programs	473
Municipal Court Restitution	188,985
Elk Hills Subdivision	<u>3,868</u>
Total Due to Private Parties	<u>\$ 220,133</u>

**D. Bond Issuance Costs**

The following bond costs are being amortized over the life of the bonds:

Primary Government, Sewer Revenue Bond Costs (Major Fund)	\$ 12,811
Component Unit, Parking Commission Revenue Bond Costs	<u>15,473</u>
Total Deferred Expense, Reporting Entity	<u>\$ 28,284</u>

**E. Capital Assets**

**Capital Asset Footnote Disclosure**

The City identified 3 types of street infrastructure:

1. Arterial/collector streets
2. Commercial streets
3. Residential streets

Estimating construction costs

1. Arterial/collector - The City estimated costs of arterial/collector streets using a bid on 39<sup>th</sup> street project for 2002/2003.
2. Commercial - The City estimated costs of commercial streets by adjusting the bid on the 39<sup>th</sup> street project for 2002/2003.
3. Residential - The City estimated costs of residential streets by using a bid from 1997 on the CMAQ gravel street paving project SID 519.

Estimating overhead

1. Arterial/collector - 40% of estimated construction costs
2. Commercial - 25% of estimated construction costs
3. Residential - 25% of estimated construction costs

Total estimates per square yard

The total estimated construction and overhead costs per square yard of street are shown below for fiscal year 2005:

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	<u>Construction</u>	<u>Overhead</u>	<u>Total</u>
Arterial/Collector	\$34/Sq Yard	\$13.60/Sq Yard	\$47.60/Sq Yard
Commercial	\$27/Sq Yard	\$6.75/Sq Yard	\$33.75/Sq Yard
Residential	\$18/Sq Yard	\$4.50/Sq Yard	\$22.50/Sq Yard

Depreciation

Depreciation is calculated on a straight-line basis, with a half year convention.

Capital Asset activity for the fiscal year ended June 30, 2005, is summarized as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital Assets not being Depreciated:					
Land	\$ 15,788,941	\$ -	\$ 399,441	\$ -	\$ 16,188,382
Work-In-Progress	-	75,662	1,730,966	(763,761)	1,042,867
Total Capital Assets not being Depreciated	<u>15,788,941</u>	<u>75,662</u>	<u>2,130,407</u>	<u>(763,761)</u>	<u>17,231,249</u>
Capital Assets being Depreciated:					
Buildings	17,955,513	(1)	903,806	-	18,859,318
Infrastructure	205,372,958	(42,932,754)	10,326,788	-	172,766,992
Machinery & Equipment	<u>14,470,577</u>	<u>(58,170)</u>	<u>1,400,878</u>	<u>(599,387)</u>	<u>15,213,898</u>
Total Capital Assets being Depreciated	<u>237,799,048</u>	<u>(42,990,925)</u>	<u>12,631,472</u>	<u>(599,387)</u>	<u>206,840,208</u>
Less Accumulated Depreciation for:					
Buildings	(8,759,814)	-	(527,480)	-	(9,287,294)
Infrastructure	(126,916,079)	34,548,191	(3,587,517)	-	(95,955,405)
Machinery & Equipment	<u>(9,026,847)</u>	<u>57,569</u>	<u>(994,787)</u>	<u>491,805</u>	<u>(9,472,260)</u>
Total Accumulated Depreciation	<u>(144,702,740)</u>	<u>34,605,760</u>	<u>(5,109,784)</u>	<u>491,805</u>	<u>(114,714,959)</u>
Total Capital Assets being Depreciated, Net	<u>93,096,308</u>	<u>(8,385,165)</u>	<u>7,521,688</u>	<u>(107,582)</u>	<u>92,125,249</u>
Capital Assets, Net	\$ <u>108,885,249</u>	\$ <u>(8,309,503)</u>	\$ <u>9,652,095</u>	\$ <u>(871,343)</u>	\$ <u>109,356,498</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 214,119
Public Safety	502,016
Public Works	3,921,997
Public Health	22,602
Social and Economic	25,779
Culture and Recreation	<u>423,271</u>
Total Governmental Activities Depreciation Expense	\$ <u>5,109,784</u>

**CITY OF MISSOULA, MONTANA**  
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The following is a summary of business-type capital assets for the year ended June 30, 2005:

Depreciation is calculated on a straight line basis.

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>					
Capital Assets not being Depreciated:					
Land	\$ 1,250,439	\$ -	\$ 83,175	\$ -	\$ 1,333,614
Work In Process	21,701,508	449,856	4,125,913	(25,358,433)	918,844
Total Capital Assets not being Depreciated	<u>22,951,947</u>	<u>449,856</u>	<u>4,209,088</u>	<u>(25,358,433)</u>	<u>2,252,458</u>
Capital Assets being Depreciated:					
Buildings	6,752,156	-	28,065	-	6,780,221
Improvements	53,903,061	-	26,373,462	-	80,554,162
Machinery & Equipment	<u>4,648,895</u>	<u>-</u>	<u>626,665</u>	<u>-</u>	<u>5,275,560</u>
Total Capital Assets being Depreciated	<u>65,304,112</u>	<u>277,639</u>	<u>27,028,192</u>	<u>-</u>	<u>92,609,943</u>
Less Accumulated Depreciation for:					
Buildings	(2,904,228)	-	(154,200)	-	(3,058,428)
Improvements	(16,060,222)	-	(1,724,068)	-	(17,789,870)
Machinery & Equipment	<u>(3,638,188)</u>	<u>-</u>	<u>(218,736)</u>	<u>-</u>	<u>(3,856,924)</u>
Total Accumulated Depreciation	<u>(22,602,638)</u>	<u>(5,580)</u>	<u>(2,097,004)</u>	<u>-</u>	<u>(24,705,222)</u>
Total Capital Assets being Depreciated, Net	<u>42,701,474</u>	<u>272,057</u>	<u>24,931,188</u>	<u>-</u>	<u>67,904,721</u>
Capital Assets, Net	<u>\$ 65,653,421</u>	<u>\$ 272,057</u>	<u>\$ 29,140,276</u>	<u>\$ (25,358,433)</u>	<u>\$ 70,157,178</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Component Unit: Missoula Parking Commission</b>				
Capital Assets not being Depreciated				
Parking lots	\$ 2,397,866	\$ -	\$ -	\$ 2,397,866
Capital Assets being Depreciated				
Parking structures	2,451,828	-	195,367	2,256,461
Furniture, fixtures and computers	131,092	58,254	-	189,346
Machinery, equipment and vehicles	364,055	69,326	-	433,381
Parking lot improvements	879,081	197,908	-	1,076,989
Capitalized interest	<u>409,007</u>	<u>-</u>	<u>-</u>	<u>409,007</u>
	<u>4,235,063</u>	<u>325,488</u>	<u>195,367</u>	<u>4,365,184</u>
Less accumulated depreciation	<u>(1,541,275)</u>	<u>(130,055)</u>	<u>-</u>	<u>(1,671,330)</u>
Total capital assets being depreciated, net	<u>2,693,788</u>	<u>195,433</u>	<u>195,367</u>	<u>2,693,854</u>
Capital assets, net	<u>\$ 5,091,654</u>	<u>\$ 195,433</u>	<u>\$ 195,367</u>	<u>\$ 5,091,720</u>

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
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**F. Short-Term Obligations**

During the year ended June 30, 2005, the following changes occurred in short-term liabilities reported in the governmental activities of the Statement of Net Assets.

<u>Purpose</u>	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2005</u>
Taxable Tax and Revenue Anticipation Note Series 2003B	<u>\$ 5,225,000</u>	<u>\$ -</u>	<u>\$ 5,225,000</u>	<u>\$ -</u>

The City is authorized pursuant to Montana Code Annotated, Title 7, Chapter 6, Part 11, to issue short-term obligations in anticipation of taxes or revenues budgeted to be received. The Notes were issued in anticipation of receipt of taxes and revenues for the Fiscal Year 2005, for the purpose of meeting cash flow needs of the City prior to the receipt of property tax payments. The taxing power of the City is not pledged to the payment of the Notes or interest thereon. The note matured September 1, 2004, and the interest rate was 2.00% per annum.

**G. Long-Term Obligations**

During the year ended June 30, 2005 the following changes occurred in long-term liabilities reported in the governmental activities, the City's proprietary funds and component units:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2005</u>	(a) <u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$15,895,000	\$ -	\$ 875,000	\$15,020,000	\$ 950,000
Limited Obligation Bonds	1,440,000	-	60,000	1,380,000	65,000
Special Assessment Bonds	14,649,202	732,400	1,155,200	14,226,402	1,234,200
Sidewalk and Curb Warrants	316,409	-	87,781	228,628	107,705
Intercap Loans	100,179	561,818	115,624	546,373	224,196
Compensated Absences	<u>2,641,342</u>	<u>117,456</u>	<u>-</u>	<u>2,818,798</u>	<u>686,172</u>
Total Governmental Activities	<u>\$35,042,132</u>	<u>\$ 1,471,674</u>	<u>\$ 2,293,605</u>	<u>\$34,220,201</u>	<u>\$ 3,267,273</u>
<b>Proprietary Funds / Business-type Activities:</b>					
Revenue Bonds	\$15,215,987	\$ 2,167,384	\$ 797,233	\$16,586,138	\$ 820,138
Compensated Absences	<u>105,404</u>	<u>13,095</u>	<u>-</u>	<u>118,499</u>	<u>66,846</u>
Total Proprietary Funds	<u>\$15,321,391</u>	<u>\$ 2,180,479</u>	<u>\$ 797,233</u>	<u>\$16,704,637</u>	<u>\$ 886,984</u>
<b>Component Units:</b>					
Tax Increment Bonds	\$ 275,000	\$ -	\$ 275,000	\$ -	\$ -
Revenue Bonds	1,450,000	-	90,000	1,360,000	95,000
Compensated Absences	<u>34,765</u>	<u>48,038</u>	<u>-</u>	<u>82,803</u>	<u>57,743</u>
Total Component Units	<u>\$ 1,759,765</u>	<u>\$ 48,038</u>	<u>\$ 365,000</u>	<u>\$ 1,442,803</u>	<u>\$ 152,743</u>

(a) Included in Balance June 30, 2005



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**Primary Government**

General Obligation Bonds Payable

Paid from property tax revenues deposited in Debt Service Funds:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2005</u>
1996 Open Space	1996	2016	3.8-7.25%	\$3,500,000	\$2,445,000
1997 Open Space	1997	2017	3.9-5.2%	1,500,000	1,110,000
1998 Fire	1998	2018	4.4-4.875%	1,677,000	1,255,000
2004 Aquatics	2004	2024	3.0-4.5%	8,100,000	7,835,000
2004 Refunding	2004	2013	3.0-3.8%	2,705,000	2,375,000
Total GO Bonds				<u>\$ 17,482,000</u>	<u>\$ 15,020,000</u>

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2005, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 950,000	\$ 620,100	\$ 1,570,100
2007	980,000	587,180	1,567,180
2008	1,020,000	552,938	1,572,938
2009	1,045,000	516,803	1,561,803
2010	935,000	478,553	1,413,553
2011-2015	4,830,000	1,800,493	6,630,493
2016-2020	3,135,000	838,545	3,973,545
2021-2024	<u>2,125,000</u>	<u>243,400</u>	<u>2,368,400</u>
Total	<u>\$ 15,020,000</u>	<u>\$ 5,638,012</u>	<u>\$ 20,658,012</u>

Limited Obligation Bonds

Paid from General Fund revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2005</u>
2001A Maintenance	2000	2020	4.25-5.20%	<u>\$ 1,600,000</u>	<u>\$ 1,380,000</u>

Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2005, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 65,000	\$ 67,840	\$ 132,840
2007	65,000	64,948	129,948
2008	70,000	62,022	132,022
2009	70,000	58,838	128,838
2010	75,000	55,618	130,618
2011-2015	450,000	219,560	669,560
2016-2020	<u>585,000</u>	<u>94,090</u>	<u>679,090</u>
Total	<u>\$ 1,380,000</u>	<u>\$ 622,916</u>	<u>\$ 2,002,916</u>

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

Revenue Bonds

Paid from sewer utility revenues:

	Date	Date		Amount	Balance
<u>Bonds</u>	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Issued</u>	<u>June 30, 2005</u>
1992 Sewer, A	1/23/92	7/1/2013	4.00%	\$ 1,177,000	\$ 584,000
1992 Sewer, B	7/15/92	1/1/2013	4.00%	2,221,000	1,038,000
1999 Sewer Bonds	6/24/99	7/1/2019	4.00%	1,820,000	1,416,000
2000(B) Sewer Bonds	10/03/00	7/1/2020	4.00%	718,000	588,000
2001 Sewer Bonds-Bellevue & Reserve	4/27/01	1/1/2021	4.00%	459,162	382,000
2002 Sewer Bonds-39 <sup>th</sup> St.	5/16/02	1/1/2022	4.00%	1,395,000	1,058,138
2002 Missoula Treatment Plant A	11/21/02	7/1/2022	4.00%	5,000,000	4,478,000
2003 Missoula Treatment Plant B	10/15/03	7/1/2023	3.75%	3,800,000	3,534,000
2003 Missoula Treatment Plant C	3/23/04	7/1/2024	3.75%	3,688,000	3,508,000
Total				<u>\$20,278,162</u>	<u>\$16,586,138</u>

Annual debt service requirements to maturity for revenue bonds as of June 30, 2005, were as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2006	\$ 820,138	\$ 637,889	\$ 1,458,027
2007	852,000	605,481	1,457,481
2008	886,000	571,761	1,457,761
2009	920,000	536,748	1,456,748
2010	957,000	500,343	1,457,343
2011-2015	4,784,000	1,924,793	6,708,793
2016-2020	4,904,000	1,001,766	5,905,766
2021-2024	2,463,000	157,092	2,620,092
	<u>\$ 16,586,138</u>	<u>\$5,935,873</u>	<u>\$22,522,011</u>

Revenue Bond Covenants

The Sewer Revenue Bonds require:

1. Segregated cash accounts with restrictions on their use.
2. Accounting for the sewer fund in accordance with generally accepted accounting principles and issuing audited statements annually.
3. Billing quarterly, no free services and legal action to collect delinquencies.
4. Reserves in operating account and Revenue Bond accounts (maximum due in any future calendar year).
5. Net revenues at least equal to 125% of the maximum annual debt service.
6. The bonds may be redeemed early if approval is sought from the Department of Natural Resources and all payments are current.

The City of Missoula is in compliance with all of the above requirements except for quarterly billing. For residential and some commercial accounts, the City bills every six months to conserve on postage costs and personnel time.

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
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Special Assessment Debt with Government Commitment

Property owners are assessed for principal and interest to repay special assessment bonds. If sufficient funds are not received, loans are made from the SID Revolving fund. This fund is financed by fees paid by each new SID, by cash transferred from the general fund if needed and by any surplus remaining in completed SID's. The cash balance in the Revolving Fund must equal at least 5% of the principal amount of debt outstanding. If the cash balance is less than 5%, a levy is required to bring the cash balance to the required minimum. The required minimum for the City at June 30, 2005 is \$711,320. The Revolving Fund cash at June 30, 2005 is \$808,460.

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2005.

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2005</u>
495	1991	2006	6 - 7.25%	\$ 846,000	\$ 55,000
497	1992	2007	6.473%	1,241,700	140,000
498	1992	2012	4.00%	2,465,000	727,000
501	1992	2012	4.00%	943,000	238,000
503	1993	2013	4.00%	324,000	81,000
505	1994	2009	4.00 - 6.5%	174,000	40,000
506	1993	2008	5.695%	90,000	17,000
507	1993	2008	5.925%	126,000	24,000
510	1994	2014	4.00%	502,000	25,000
511	1994	2014	4.00%	304,000	133,000
512	1998	2018	4-5.25%	1,724,000	1,157,130
513	1996	2007	5.9%	41,000	12,743
514	1996	2012	5.9%	213,000	66,207
515	1996	2007	5.9%	9,800	3,050
517	1997	2012	4.2-5.5%	91,000	41,986
518	1997	2012	4.2-5.5%	39,000	17,963
519	1997	2012	4.2-5.5%	109,000	50,251
520	1998	2019	4.00%	2,634,000	1,879,000
521	1998	2018	4.5-5.25%	7,900	5,266
522	1998	2018	4.5-5.25%	11,200	7,606
524	2002	2023	4.0%	4,577,000	4,400,000
525	2001	2020	4.00%	658,000	494,000
526	2000	2021	4.00%	2,671,000	2,232,000
527	2004	2010	2.7-3.8%	22,400	19,200
FY99 S&C	1999	2011	3.2-4.6%	644,000	240,000
FY00 S&C	2000	2012	4.625-5.5%	840,000	395,000
FY01 S&C	2001	2013	3.00-4.5%	340,000	200,000
FY02 S&C	2002	2014	2.00-4.4%	430,000	280,000
FY03 S&C	2003	2015	2.00-3.8%	805,000	625,000
FY04 S&C	2004	2016	2.00-4.75%	<u>710,000</u>	<u>620,000</u>
Total Special Assessment Bonds				<u>\$23,593,000</u>	<u>\$14,226,402</u>

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

Annual debt service requirements to maturity for special assessment bonds as of June 30, 2005, were as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,234,200	\$ 577,711	\$ 1,811,911
2007	1,184,200	525,594	1,709,794
2008	1,144,200	477,126	1,621,326
2009	1,081,200	431,258	1,512,458
2010	1,094,200	387,946	1,482,146
2011-2015	4,232,400	1,306,529	5,538,929
2016-2020	3,114,002	565,263	3,679,265
2021-2023	<u>1,142,000</u>	<u>73,620</u>	<u>1,215,620</u>
Total	\$ <u>14,226,402</u>	\$ <u>4,345,045</u>	\$ <u>18,571,447</u>

Sidewalk and Curb Interest Bearing Warrants

Issued for sidewalk, curb and gutter improvements. Paid for through property assessments.

<u>Issue</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Term</u>	<u>Outstanding</u> <u>June 30, 2005</u>
1998	6.50%	12 yrs	\$ 20,672
1999	6.50%	8 yrs	107,705
1999	6.50%	12 yrs	<u>100,251</u>
Total Sidewalk and Curb Warrants			\$ <u>228,628</u>

Annual debt service requirements to maturity for Sidewalk and Curb warrants as of June 30, 2005, were as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 107,705	\$ 14,864	\$ 122,569
2007	-	7,862	7,862
2008	-	7,862	7,862
2009	20,672	7,862	28,534
2010	<u>100,291</u>	<u>6,519</u>	<u>106,810</u>
	\$ <u>228,668</u>	\$ <u>44,969</u>	\$ <u>273,637</u>

Intercap Loans

Intercap loans are loans for capital equipment from the Montana Board of Investments. Payments are due in August and February. The interest rate varies annually and was 3.80% for fiscal year 2005.

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Loan</u> <u>Amount</u>	<u>Balance</u> <u>June 30, 2005</u>
1999	2009	\$ 400,000	\$ 81,378
2004	2005	386,698	290,932
2004	2014	<u>300,000</u>	<u>174,064</u>
Total		\$ <u>1,086,698</u>	\$ <u>546,374</u>

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

Annual debt service requirements to maturity for InterCap loans as of June 30, 2005, were as follows:

**Fiscal Year Ending**

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 224,196	\$ 16,012	\$240,208
2007	134,439	1,418	135,857
2008	38,098	864	38,962
2009	39,371	291	39,662
2010	18,684	-	18,684
2011-2015	<u>91,586</u>	<u>-</u>	<u>91,586</u>
<b>Total</b>	<b>\$ <u>546,374</u></b>	<b>\$ <u>18,585</u></b>	<b>\$ <u>564,959</u></b>

**Component Units**

Revenue Bonds

Missoula Parking Commission: Revenue bonds paid from parking revenues.

	<u>Date</u>	<u>Date</u>		<u>Amount</u>	<u>Balance</u>
<u>Bonds</u>	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Issued</u>	<u>June 30, 2005</u>
Parking Commission	5/1/2001	11/1/2016	4.6-5.5%	\$ <u>1,700,000</u>	\$ <u>1,360,000</u>

Minimum annual payments on principal and interest for bonds payable are shown below.

**Year Ended**

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2006	\$ 95,000	\$ 66,757	\$ 161,757
2007	100,000	62,222	162,222
2008	105,000	57,379	162,379
2009	110,000	52,245	162,245
2010	115,000	46,788	161,788
2011-2015	675,000	136,915	811,915
2016	<u>160,000</u>	<u>4,400</u>	<u>164,400</u>
<b>Totals</b>	<b>\$ <u>1,360,000</u></b>	<b>\$ <u>426,706</u></b>	<b>\$ <u>1,786,706</u></b>

**Conduit Debt Obligations**

The City has participated in several issues of industrial revenue bonds issued for the purpose of constructing privately operated facilities within the City. These bonds are not direct or contingent liabilities of the City. Revenues from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2005, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$7,879,256.

**Advance Refunding of Long-Term Debt**

In prior years, MRA defeased certain tax increment bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Component Unit's financial statements. At June 30, 2005, the outstanding balance of the 1989 defeased bonds is \$300,000.

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**H. Retirement Plans**

**1. Statewide Retirement Plans**

Substantially all full-time City employees are eligible for one of three state-wide cost-sharing multiple-employer retirement plans. The City had a total payroll of \$16,897,054 for FY05, of which \$15,717,483 is covered by PERS, MPORS, or FURS. The financial information for all three retirement plans are reported in the Public Employees' Retirement Board's published "Comprehensive Annual Financial Report" for the fiscal year end. It is available from MPERA at 100 North Park Ave, P.O. Box 200131, Helena, MT 59620-0131, (406) 444-3154. Retirement expenditures are reported in the fund incurring the expense.

Public Employees' Retirement System (PERS)

PERS is a statewide retirement plan established in 1945 and is governed by Title 19, Chapters 2 and 3 of the Montana Code Annotated providing retirement services for substantially all public employees. The PERS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

The PERS offers retirement, disability and death benefits to plan members and their beneficiaries. Benefit eligibility is age 60 with at least five years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarial reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. Monthly retirement benefits are determined by taking 1/56 times the number of years of service times the final average salary. A guaranteed annual benefit adjustment (GABA) of 1.5% is provided each January for benefit recipients if they have been receiving a benefit for at least 36 months. Members' rights become vested after five years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 6.90% of monthly compensation. State and University employers are required to contribute 6.80% of members' compensation. Local government entities are required to contribute 6.80% of members' compensation. The State of Montana contributes 0.1% of members' compensation on behalf of local government entities.

Firefighters' Unified Retirement System (FURS)

The City contributes to the Firefighters' Unified Retirement System (FURS). The FURS was established in 1981 and is governed by Title 19, Chapter 13 of the Montana Code Annotated providing retirement services for fully-paid firefighters. The FURS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

The FURS offers retirement, disability and death benefits to plan members and their beneficiaries. A member may retire with a normal retirement benefit after completing 20 years of service, regardless of age. The monthly service retirement benefit, for members hired before July 1, 1981, who did not elect to be covered under GABA is equal to ½ of the last monthly compensation received. An additional amount equal to 2% of the last monthly compensation earned for each year in excess of 20 years can be received. For those hired on or after July 1, 1981, who did not elect to be covered under GABA, the retirement allowance is equal to 2% of the final average compensation for each year of service. Post retirement benefits are 50% of a current firefighter's salary. For members hired after June 30, 1997, and members hired prior to July 1, 1997 who have elected to be covered by GABA, a guaranteed annual benefit adjustment (GABA) of 1.5% is provided each January for benefit recipients if they have been receiving a benefit for at least 36 months. Rights become vested after 10 years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
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The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 9.5% of monthly compensation if hired prior to July 1, 1997 and not electing GABA coverage. The contribution for plan members hired after June 30, 1997 and members hired prior to July 1, 1997 and electing GABA coverage is 10.7% of monthly compensation. Employers are required to contribute 14.36% of members' compensation. The State is required to contribute 32.61% of members' compensation. One hundred percent of required contributions were received.

Municipal Police Officers' Retirement System (MPORS)

The City contributes to the Municipal Police Officers' Retirement System (MPORS). The MPORS was established in 1975 and is governed by Title 19, Chapter 2 and 9 of the Montana Code Annotated providing retirement services for all municipal police officers of cities covered by the plan. The MPORS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

The MPORS offers retirement, disability and death benefits to plan members and their beneficiaries. Minimum years of service are 20 for benefit eligibility. The retirement benefit is calculated as follows: 2.5% – Final Average Salary – Years of Service. Any officers meeting the service year requirements shall receive ½ of the final average salary. For members hired after June 30, 1997, and members hired prior to July 1, 1997 who have elected GABA coverage a guaranteed annual benefit adjustment (GABA) of 1.5% is provided each January if the benefit recipient has been receiving a benefit for 36 months prior to January 1. Rights become vested after 20 years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 5.8% (for members hired prior to July 1, 1975 and not electing GABA), 7.0% (for members hired between July 1, 1975 and June 30, 1979 and not electing GABA), 8.5% (for members hired on and after July 1, 1979 and not electing GABA), and 9.0% (for new hires after June 30, 1997 and members electing GABA) of monthly compensation. Employers are required to contribute 14.41% of members' compensation. The State is required to contribute 29.37% of members' compensation. One hundred percent of required contributions were received.

Contribution rates for the plans are required and determined by State law. The contribution rates, expressed as a percentage of covered payroll for the fiscal year ended June 30, 2005, were:

	PERS	MPORS	FURS
Employee	6.90%	5.8 – 9.0% (1)	9.5-10.7% (2)
Employer	6.80%	14.41%	14.36 %
State	.10%	29.37%	32.61%

- (1) 5.0% for members hired prior to July 1, 1975
- 7.0% for members hired between July 1, 1975 and June 30, 1979 (not covered by GABA)
- 8.5% for members hired on or after July 1, 1979
- 9.0% for members hired after June 30, 1997
- From July 1, 1997 to January 1, 1998 existing members could join the new plan (GABA)
- (2) 10.7% for members hired after June 30, 1997
- From July 1, 1997 to January 1, 1998 existing members could join the new plan (GABA)

**CITY OF MISSOULA, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**

The City of Missoula and the State of Montana contributions (including component units) for the years ending June 30, 2003, 2004 and 2005 as listed below, were equal to the required contributions for each year.

	-----Primary Government-----						Component Units	
	PERS		MPORS		FURS		PERS	
	City	State	City	State	City	State	City	State
2003	\$462,262	\$6,798	\$488,409	\$995,439	\$458,725	\$1,041,714	\$36,016	\$530
2004	491,089	7,222	515,254	1,050,174	474,148	1,076,739	38,250	563
2005	512,248	8,342	584,722	1,247,614	502,484	1,150,970	40,155	624

**2. Insurance**

The City has a self-insured medical, dental and life insurance plan which provides benefits for all permanent employees electing to be covered. City and employee monthly contribution rates depend on whether the employee is full or part time. City contributions were \$305 for a half time employee to \$610 for a full time employee. Employee contributions were \$10 for full time employees up to \$315 for half time employees. Retirees may also participate in the plan. The City subsidizes the retiree's premium cost at 15%. They paid \$498.75 per month, for medical coverage only. They are not covered by the dental and life insurance plans. City contributions to the plan for the year ended June 30, 2005 were \$2,801,649, employee contributions were \$299,671 and retiree contributions were \$358,315. Premium expenses are charged to the appropriate departments, then deposited into the Employee Benefit Fund, an internal service fund. This fund is used to pay claims, stop loss insurance and an administrator to process claims. An operating transfer in the amount of \$62,741 from the General Fund was made to the Employee Benefit Fund during fiscal year 2005.

Following is a summary of the changes in the balances of claim liabilities during fiscal 2003, 2004 and 2005.

	Claims Payable		Claims Incurred	Claims Paid	Claims Payable	
	Beginning Of	Fiscal year			End Of	Fiscal Year
2002/2003	\$ 86,402		\$2,654,708	\$2,638,445	\$102,665	
2003/2004	102,665		2,849,460	2,792,974	159,151	
2004/2005	159,151		2,848,995	2,746,392	261,754	

**3. Deferred Compensation Plan**

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The pay out of deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. As the result of a change in federal law effective January 1, 1997, all of the City's deferred compensation plans have converted to hold the assets in trust for the exclusive benefit of participants and their beneficiaries. As such, the City no longer recognizes the assets of the deferred compensation plans.

**4. Post Employment Benefits**

Terminated employees may remain on the City's health insurance plan for up to 18 months if they pay the monthly premiums. This benefit is required under the federal C.O.B.R.A. law. Retirees may remain on the City's health plan as long as they wish, provided they pay the monthly premiums. State law requires the City to provide this benefit. There are no other post-employment benefits provided by the City. No cost can be estimated for the above benefits, although there is the probability that there are higher medical costs for retirees which would result in additional costs to the insurance program. Out of 436 employees covered by the insurance plan in June 2005, there were 54 retirees and one C.O.B.R.A. participant.



CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**I. Interfund Transfers - The City has the following operating transfers:**

Transfer To:	Fund Type	Transfer From:	Fund Type	Amount	Explanation
General Fund	M	Flushing District	NM	\$ 42,936	Reimburse General Fund for cost incurred within the flushing district
General Fund	M	Health Ins. Levy	NM	1,517,747	Reimburse General Fund from special health levy funds for health insurance premiums paid
General Fund	M	Health Ins. Levy	NM	1,053,573	Reimburse General Fund from special health levy funds for health insurance premiums paid
General Fund	M	Impact Fee	NM	420,000	To use Impact Fee resources to support General Fund expenses
General Fund	M	Russell Park District	NM	3,731	Reimburse General Fund for cost incurred within the Russell Park Maintenance District
General Fund	M	Title I	NM	8,400	Partnership Health support for special budget request approved
General Fund	M	Willowwood SID	NM	2,080	Reimburse General Fund for cost incurred within the Willowwood Park Maintenance District
General Fund	M	Sewer	M	160,309	Sewers proportionate funding for new requests made and approved in FY 04
General Fund	M	SID Revolving	NM	190,000	To reimburse General Fund for SID costs
General Fund	M	Sewer	M	36,970	To support various technology improvements/Sewer proportionate share
Law Enforcement	NM	General Fund	M	4,148	To support a Federal Match for the Law Enforcement Block Grant
Gas Tax	NM	ISTEA/TEA 21	NM	400,000	To reverse prior year transfer of funds for construction project that didn't need funds
97 GO Bond Open Space	NM	Grants & Donations	NM	158,000	To support Bicycle Commuter Network Project
Grants & Donations Capital	NM	Gas Tax	NM	101,030	To support Phase I of South Hills Storm Drain Project
Improvement Capital	NM	Cable Franchise	NM	48,000	Ongoing capital MCAT equipment replacement and support provided by cable franchise fees
Improvement Capital	NM	Title I	NM	25,000	Ongoing support for capital ADA improvement projects/funded within the CIP
Improvement Capital	NM	Building	NM	6,970	Building's proportionate share of various approved CIP projects
Improvement Capital	NM	Sewer	M	23,356	Sewer's proportionate share of various approved CIP projects
Improvement	NM	General Fund	M	550,000	General Fund support of various approved CIP projects
Public Art	NM	2004 GO Aquatics Bond	M	80,792	To move transactions to correct fund
				<u>4,833,042</u>	Total Governmental Funds
Employee Benefit Fund	NM	General Fund	M	62,741	Retiree subsidizing approved by the City council
				<u>\$ 4,895,783</u>	Grand Total

NM = Nonmajor Fund  
M = Major Fund

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**J. Transactions with Component Units**

The City of Missoula's significant transactions with its discretely presented component units include:

<u>Transfer To:</u>	<u>Transfer From:</u>	<u>Amount</u>	<u>Explanation</u>
General Fund	Parking Commission	\$ 1,646	To support various technology improvements/MPC proportionate share
General Fund	MRA - URD I	15,548	To support various technology improvements/MRA proportionate share
Parks & Rec Trails & Dev	MRA - URD I	45,000	To support Silvers Lagoon Project
00 GO Bond Aquatics	MRA - URD I	1,800,000	To support debt service obligations
Capital Improvement	MRA - URD I	1,905	MRA's proportionate share of technology purchases

**K. Restricted Cash/Investments/Assets**

The following restricted cash/investments were held by the City as of June 30, 2005.

<u>Description</u>	<u>Amount</u>
Primary Government	
Sewer Fund	
Restricted for future debt payments	\$ 2,002,809
Component Units	
Missoula Parking Commission	
Restricted for debt service	150,000
Total Restricted Cash	<u>\$ 2,152,809</u>

The following net assets were restricted by the City for the reasons stated below as of June 30, 2005.

Primary Government	
Governmental Funds - Restricted for debt service	3,280,061
Sewer - Restricted for debt service	2,002,809
Missoula Parking Commission	
Restricted for debt service	150,000
Total Restricted Net Assets	<u>\$ 5,432,870</u>

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**L. Restatements**

During the current fiscal year, the following adjustments relating to prior years' transactions were made to fund balance and net asset accounts.

<u>Fund</u>	<u>Amount</u>	<u>Reason for Adjustment</u>
*General (Major Fund)	\$ (4,525,000)	Reclassify Short Term Tax and Revenue Anticipation Note
*Capital Improvements	(700,000)	Reclassify Short Term Tax and Revenue Anticipation Note
-*Sewer Rebate	13,898	Reclassify Rebate Adjustments
-*Sewer (Major Fund)	(13,898)	Reclassify Rebate Adjustments
-*Sidewalk and Curb Constr.	(182,903)	Prior year bond revenue reclassification
-*39 <sup>th</sup> Street Constr.	182,903	Prior year bond revenue reclassification
-*39 <sup>th</sup> Street Constr.	290,850	Prior year bond revenue reclassification
-*04 Refunding Bond Debt	1,785	Reclassify revenue to debt fund
-*04 Refunding Construction	(1,785)	Reclassify revenue to debt fund
-*Building Fund	(4,333)	Reclassify prior year accounts payable
-*Grants and Donations	(4,404)	Reclassify prior year accounts payable
-*Sewer (Major Fund)	272,057	Correct prior year capital assets for additions and depreciation
-Governmental Activities	8,385,165	Correct prior year capital assets for estimates in valuation

\*Affect the Fund Financial statements

-\*Affect the Government Wide Financial statements and the Fund Financial statements

-Affect the Government Wide Financial statements

There were additional adjustments to the beginning capital assets balance as described below. These adjustments do not affect net assets.

Business-type activities	\$449,856	Capital assets additions and accounts payable adjustment
Governmental activities	75,662	Reclassify prior year Work-In-Progress

**M. Joint Operations with the County**

Through interlocal agreements between the City of Missoula and Missoula County services are provided jointly for Health, Planning and Grants, Library, Animal Control and Art Museum. Members of the governing boards for these operations are appointed by both the City and County with the exception of the Art Museum. In all cases, the County is responsible for handling the administration and accounting for these service areas and includes them in their financial statements. The City provides office space within City Hall for the Office of Planning Grants. The Art Museum building is included in the City's general capital assets. Health, Animal Control and Library are located in County facilities and are recorded on the County's capital asset records. In all cases, should the interlocal agreements be dissolved, the furniture and equipment will be returned to each unit of government on an equal basis. Buildings will remain in the custody of the government currently reporting them. The City and County meet each year to determine budgetary support. All of the above services have had sufficient funding to carry out their intended purposes.

**N. Risk Management**

The City faces a considerable number of risks of loss, including: a) damage to and loss of property and contents, b) citizen and employee tort claims, c) professional liability, i.e., errors and omissions, d) environmental damage, e) workers' compensation, i.e. employee injuries, and f) medical insurance costs of employees. A variety of methods

CITY OF MISSOULA, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

are used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts are purchased for property and content damage and professional liabilities. The City participates in three statewide public risk pools operated by the Montana Municipal Insurance Authority (MMIA), for property insurance, workers' compensation and for tort liability coverage. Employee medical insurance is provided through a privately administered, self-insured plan. Given the lack of coverage available, the City has no coverage for potential losses from environmental damages.

Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are paid from the General Fund, which in turn is reimbursed by the Comprehensive Insurance Fund, a special revenue fund, established solely to track revenue from a special purpose property tax levy. The General Fund is reimbursed during the year based on expenditures to date and cash available in the Comprehensive Insurance Fund. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the last three years.

In 1986 the City joined together with other Montana cities to form the Montana Municipal Insurance 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 action are \$750,000 per claim and \$1.5 million per occurrence with a \$15,000 deductible per occurrence. 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 premiums. The tort liability plan and workers' compensation program issued bonds in the amount of \$4.41 million and \$7.610 million, respectively, to immediately finance the necessary insurance reserves. All members signed a contingent note for a pro rata share of this liability in case operating revenues were insufficient to cover the debt service. The City's remaining share at June 30, 2005 is \$57,644 for tort liability and \$293,173 for workers' compensation. Based on the plan's current financial position, the City doesn't expect to make any payment on these notes.

The City provides medical insurance coverage for its employees via a self-insured plan administered by Allegiance Benefit Plan Management, Inc. It provides medical, dental and vision benefits and is operated as an Internal Service Fund, funded by premiums charged to each department, based on the employees in that department, premiums from employees for their spouses, dependents, premiums from retirees electing to remain under the City's plan, and pro rated premiums from part-time and seasonal eligible employees. A commercial "stop-loss" policy has been purchased to cover any claims that exceed \$100,000 or aggregate claims for one individual over \$1,000,000. Complete financial statements can be obtained by contacting MMIA at PO Box 6669, Helena, MT 59604-6669.

**O. Pending Litigation**

The City of Missoula is party to certain litigation under which it may be required to pay certain monies upon the decision of the courts. The office of the City Attorney reports various contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the City Attorney that the City's liability in the cases not covered by insurance will not be material to the financial statements. Accordingly, no provision has been made in the financial statements for these contingent liabilities.



**REQUIRED SUPPLEMENTARY  
INFORMATION OTHER THAN  
MANAGEMENT DISCUSSION  
AND  
ANALYSIS**



# **BUDGET TO ACTUAL COMPARISON GENERAL FUND**

City of Missoula, Montana  
**Budgetary Comparison Schedule**  
June 30, 2005

<b>General Fund</b>				
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS (BUDGETARY BASIS)</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b><u>Resources (inflows):</u></b>				
Taxes and Assessments	\$ 13,443,104	\$ 13,443,104	\$ 13,764,173	\$ 321,069
Licenses and Permits	1,443,950	1,568,950	1,281,418	(287,532)
Intergovernmental	8,294,438	8,864,438	9,022,492	158,054
Charges for Services	3,124,177	3,124,177	2,829,167	(295,010)
Fines and Forfeitures	1,274,112	1,274,112	1,168,196	(105,916)
Miscellaneous	190,263	194,311	72,741	(121,570)
Investment Earnings	228,000	228,000	(144,988)	(372,988)
Transfers In	4,355,233	3,667,434	3,435,746	(231,688)
Proceeds sale of Capital Assets	10,000	10,000	14,030	4,030
Total Resources (inflows)	<u>32,363,277</u>	<u>32,374,526</u>	<u>31,442,975</u>	<u>(931,551)</u>
<b><u>Charges to Appropriations (outflows):</u></b>				
General Government	4,740,399	4,825,123	4,147,544	677,579
Public Safety	15,563,506	15,563,506	15,563,707	(201)
Public Works	5,665,193	5,580,469	5,371,542	208,927
Public Health	1,099,344	1,099,344	1,096,344	3,000
Social and Economic Services	145,238	98,943	105,238	(6,295)
Culture and Recreation	2,796,744	2,843,039	2,550,272	292,767
Miscellaneous	1,050,539	1,050,539	908,579	141,960
Debt Service Expense - Principal	-	-	86,226	(86,226)
Capital Outlay	794,436	794,436	737,462	56,974
Transfers (Out)	1,298,938	1,298,938	616,889	682,049
Total Charges to appropriations	<u>33,154,337</u>	<u>33,154,337</u>	<u>31,183,803</u>	<u>1,970,534</u>
Excess (Deficiency) of resources (inflows) over Charges to appropriations (outflows)	<u>\$ (791,060)</u>	<u>\$ (779,811)</u>	259,172	<u>\$ 1,038,984</u>
<b>Budgetary Fund Balance, July 1, 2004</b>			6,072,334	
Restatements			(4,525,000)	
<b>Budgetary Fund Balance - June 30, 2005</b>			<u>\$ 1,806,506</u>	

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## **SUPPLEMENTAL INFORMATION**



# COMBINING FINANCIAL STATEMENTS

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***FUND DESCRIPTIONS***

#### **SPECIAL REVENUE FUNDS**

Special revenue funds account for resources and expenditures which are designated by law or contractual agreement for specified functions or activities and are legally required to be accounted for in separate funds. Such resources are derived from specific taxes, federal grants and entitlements.

Park Acquisition & Development Fund – Accounts for the revenues and expenditures of money received from developers as “Payment In Lieu of” park land dedications. This money is earmarked for park acquisition and initial development. It is often used as local match money for development grants from the Heritage Conservation and Recreation Service (HCRS).

Park Enterprise Fund – Accounts for fees from adult recreation programs for purchases and improvements to benefit those programs directly. Revenue sources are “Field Use Fees” from organized recreation leagues and fees received from the School Districts for their use of park facilities.

Parks & Trails Development Fund – This fund provides a means to budget and account for donation and bequests for Caras Park Improvements. This fund also receives annual lease payments from the Carousel which must be used for parks and trails improvements and enhancements.

Cemetery Cremain Wall and Memorials Fund – This fund accounts for the sale of niche plates and miscellaneous donations that become available. Expenditures from this fund are primarily for the improvements related to niche walls.

Cemetery Care Fund – Accounts for proceeds from the sale of cemetery lots. The fund receives 25% of all moneys realized from the sale of cemetery lots, and this money as well as investment interest is used for the care and maintenance of the City Cemetery.

Title I Projects Fund – The City began receiving revenues in FY86 from projects done in the Central Business District which used the U.S. Department of Housing and Urban Development’s Urban Development Action Grants. The revenues will be loan repayments from the Central Square office building and from the Sheraton Hotel Project. All expenditures have to be for eligible projects of the Housing and Community Development Act of 1974 as amended.

Impact Fee Fund – The City enacted general impact fees effective October 1, 2004. The revenues received in this fund will be used to fund public costs and facilities that have additional demands placed on them by new development.

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***FUND DESCRIPTIONS (Cont.)***

#### **SPECIAL REVENUE FUNDS (Cont.)**

Public Art Fund – This fund is used to further public accessibility to the arts through educational programs, dissemination of information, development of public art projects, development of public art funding sources, and to serve an advisory /advocacy role with public art sponsors and media.

Employee Health Insurance Agency – This fund receives tax revenues from the All Purpose Levy for the costs of the City's self-insurance plan and transfers funds to the general fund to offset the cost of health insurance for City employees.

Cable Television Franchise Fund – Accounts for revenue from cable television franchise agreements, pursuant to the Cable TV Franchise Enabling Ordinance (#2617) and a Non-exclusive Cable TV Franchise Ordinance (#2618). The City receives 5% of gross revenues after 50% advertising revenue is deducted for the exclusive ordinance (#2617) and 5% of gross revenues for the non-exclusive ordinance (#2618) for franchise fees.

Drug Forfeiture Fund – This fund accounts for property, money from sales of seized property, and cash payments resulting from Justice of the Peace verdicts, and seized cash from drug related crimes. Money received in this fund has to be spent on drug related expenditures.

Building Inspection Fund – Accounts for revenues and expenditures relating to the administration and enforcement of building regulations in the City of Missoula and the jurisdictional area, which is approximately four and one-half miles beyond the City limits.

City Grants and Program Income Fund – This fund is used to aid qualified landlords for rehabilitation work, in an effort to improve the rental housing stock in Missoula, and also to assist low to moderate income individuals.

Revolving Loan Fund – This fund derives its funding from sewer assistance grants that have been repaid to the City, in addition to a water quality district appropriation. The money is used to provide sewer connection assistance to limited income persons within Missoula County.

Street Lighting Districts – The purpose of this fund is to pay 100% of the utility bills for the City's street lighting districts.

Street Maintenance – This fund pays for the costs of services associated with the maintenance and care of Street Maintenance District #1.

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***FUND DESCRIPTIONS (Cont.)***

#### **SPECIAL REVENUE FUNDS (Cont.)**

Russell Park West Maintenance – This fund pays for the services associated with the maintenance and care of Russell Park West.

Willowwood Park Maintenance – This fund pays for the services associated with the maintenance of Willowwood Park.

Gas Tax Fund – This fund receives and distributes gasoline tax revenues from the State of Montana. Expenditures are restricted to labor and materials for street improvements and cannot be used for equipment purchases.

Crime Victim Surcharge Fund - Accounts for revenues and expenditures related to the office of Crime Victim Advocates. Revenue comes from fees collected (\$24 per criminal citation, except traffic citations) and is disbursed to the Office of Planning and Grants to be used for the staffing of Crime Victim Advocates.

Law Enforcement Block Grant Fund – Accounts for funds received and expended from a Local Law Enforcement Block Grant authorized by the Omnibus FY 96 Appropriations Act.

HIDTA (High Intensity Drug Trafficking Area) Grant Fund – Accounts for funds received and expended by the HIDTA Task Force. Reimbursement for this multi-jurisdictional task force is provided by Office of National Drug Control Policy.

Community Development Block Grant – Accounts for transactions related to Community Development Block Grants that are awarded to the City.

HOME Grant – Accounts for transactions related to HOME Grants that are awarded to the City.

ISTEA Grants – Accounts for Federal CTEP grant funds and matching money from other City Funds that is to be expended for projects identified by the City's Capital Improvement Program (C.I.P.) and approved by the State.

Grants and Donations – This fund accounts for the receipt and expenditure of a variety of grant and donation funds.

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***FUND DESCRIPTIONS (Cont.)***

#### **DEBT SERVICE FUNDS**

The debt service funds account for the accumulation of resources for the payment of principal and interest in debt such as general obligation, tax increment, and special assessment.

SID Revolving Funds – These funds account for moneys designated as revolving funds for debt service for loans incurred for special improvement districts.

SID Rebate – Accounts for costs associated with rebates given to encourage City residents to pay off certain SID assessments ahead of schedule.

1978 Pool and Fire Bonds – Created to account for debt service related to the construction of a new swimming pool at McCormick Park and to purchase new fire trucks and equipment. These bonds have been paid off, and future collections of delinquent taxes will be transferred to the General Fund.

1985 Open Space Bond – This fund was created to provide debt service related to the issuance of general obligation bonds to purchase open space and conservation easements. These bonds have been paid off and the collections of delinquent taxes are transferred to the General Fund.

1998 Public Safety Bond – Provides debt service related to the issuance of the bonds to purchase Police, Fire, and Communications Equipment.

1996 Open Space Bond - This fund was created to provide debt service related to the issuance of general obligation bonds to purchase open space and conservation easements. The interest rate on this bond issue varies from 3.8% to 7.25%.

1997 Open Space Bond - This fund was created to provide debt service related to the issuance of general obligation bonds to purchase open space and conservation easements. The interest rate on this bond issue varies from 3.9% to 5.2%.

1994 City Hall & Fire Bonds – Provides debt service for bonds sold to finance improvements to City Hall and to purchase fire equipment.

1993 Fire Station Bonds – Issued to purchase land and build a new fire station on the west side of Missoula as well as replace the downtown headquarters fire station. The interest rate on the amortization bonds is 5.48%.

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***FUND DESCRIPTIONS (Cont.)***

#### **DEBT SERVICE FUNDS (Cont.)**

2004 Aquatics Bonds – Issued to construct a new aquatics facility that will be located at McCormick Park and repair the public swimming pools. The interest rate on the amortization bonds varies from 3.00% to 4.50%.

2004 GO Refunding Bonds – Issued in 2004 to provide funds for refunding on July 1, 2004 the City's outstanding General Obligation Bonds, Series 1993 and Series 1994. The interest rate varies from 3.0% to 3.8%.

Sidewalk & Curb Funds - These funds are used to account for and provide debt service for various bond issues to make sidewalk and curb improvements.

SID Funds – These funds provide debt service for debt incurred to create, construct and maintain special improvement districts within the City.

#### **CAPITAL PROJECTS FUNDS**

The capital projects funds account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

2004 Refunding Bonds – Established in 2004 to provide funds for refunding the City's series 1993 and 1994 general obligation bonds.

Capital Improvement Program (CIP) – This fund is a five year planning program designed to guide decisions concerning capital expenditures. The first year of the plan is the current year's capital budget. This fund accounts for the City's major capital projects except those that are funded within special funds such as Sewer R&D, the Missoula Redevelopment Agency, or Community Development Block Grants.

1996 Open Space Purchase Fund – Missoula voters approved a \$5,000,000 general obligation bond referendum in November 1996 allowing the City to purchase open space land and conservation easements.

1997 Open Space Purchase Fund – Missoula voters approved a \$5,000,000 general obligation bond referendum in November 1997 allowing the City to purchase open space land and conservation easements.

**NONMAJOR GOVERNMENTAL FUNDS**  
***FUND DESCRIPTIONS (Cont.)***

**CAPITAL PROJECTS FUNDS (Cont.)**

2004 Aquatics Non GO Bond Project Fund – Missoula voters approved a \$8,100,000 general obligation bond referendum in November 2003 allowing the City to improve its aquatics facilities. This fund is used to account for the project support that is coming from sources other than the GO Bond.

Sidewalk and Curb – Accounts for various sidewalk and curb improvements funded through various bond issues.

39<sup>th</sup> Street Construction – These funds account for the creation, construction and maintenance of street, sidewalks and infrastructure improvements on 39<sup>th</sup> Street.

SID Funds – These funds account for the creation, construction and maintenance of special improvement districts within the City.





# **NONMAJOR GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2005

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS AND OTHER DEBITS</b>				
Cash and Investments	\$ 2,763,883	\$ 3,098,805	\$ 2,472,037	\$ 8,334,725
Taxes Receivable	218,683	95,533	-	314,215
Special Assessments Receivable	40,798	230,825	-	271,624
Other Receivables	109,298	227,828	-	337,125
Long Term Loans	158,259	-	-	158,259
Due From Other Governments	419,294	4,112	147,763	571,170
Deferred Assessments Receivable	-	10,626,074	-	10,626,074
<b>TOTAL ASSETS</b>	<b>\$ 3,710,216</b>	<b>\$ 14,283,176</b>	<b>\$ 2,619,800</b>	<b>\$ 20,613,193</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
Accounts Payable	\$ 335,555	\$ 860	\$ 633,019	\$ 969,434
Accrued Payroll	34,918	-	-	34,918
Due to Other Funds	827,115	484,562	2,070,212	3,381,889
Deferred Revenues	387,854	11,163,950	-	11,551,804
<b>TOTAL LIABILITIES</b>	<b>1,585,442</b>	<b>11,649,372</b>	<b>2,703,231</b>	<b>15,938,045</b>
<b>FUND EQUITY AND OTHER CREDITS</b>				
Fund Balance				
Reserved For Debt Service	-	2,633,804	-	2,633,804
Undesignated	2,124,775	-	(83,431)	2,041,343
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>2,124,775</b>	<b>2,633,804</b>	<b>(83,431)</b>	<b>4,675,148</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 3,710,216</b>	<b>\$ 14,283,176</b>	<b>\$ 2,619,800</b>	<b>\$ 20,613,193</b>

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall	Cemetery Care	Title One Projects
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 118,281	\$ 128,253	\$ 243,641	\$ 6,334	\$ 31,996	\$ 597,592
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Vendors	-	406	5,070	-	4,117	-
Mountain Water Notes	-	-	-	-	-	-
Long Term Loans	-	-	-	-	-	-
Central Square Office Bldg	-	-	-	-	-	13,174
Central Square Lease	-	-	-	-	-	80,293
Extended Family Services	-	-	-	-	-	14,793
Missoula Housing Corporation	-	-	-	-	-	50,000
Total Long Term Loans	-	-	-	-	-	158,259
Due From Other Governments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 118,281</b>	<b>\$ 128,659</b>	<b>\$ 248,711</b>	<b>\$ 6,334</b>	<b>\$ 36,113</b>	<b>\$ 755,852</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ 16,284	\$ -	\$ 1,315	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	-	158,259
<b>TOTAL LIABILITIES</b>	<b>16,284</b>	<b>-</b>	<b>1,315</b>	<b>-</b>	<b>-</b>	<b>158,259</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Undesignated	101,998	128,659	247,396	6,334	36,113	597,592
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>101,998</b>	<b>128,659</b>	<b>247,396</b>	<b>6,334</b>	<b>36,113</b>	<b>597,592</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 118,281</b>	<b>\$ 128,659</b>	<b>\$ 248,711</b>	<b>\$ 6,334</b>	<b>\$ 36,113</b>	<b>\$ 755,852</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	Impact Fee	Public Art	Employee Health Ins	Cable TV Franchise	Drug Forfeiture	Building Division
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 343	\$ 81,788	\$ 61,120	\$ -	\$ 37,088	\$ 32,699
Taxes Receivable	-	-	218,683	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Vendors	-	-	-	93,870	-	-
Mountain Water Notes	-	-	-	-	-	-
Long Term Loans	-	-	-	-	-	-
Central Square Office Bldg	-	-	-	-	-	-
Central Square Lease	-	-	-	-	-	-
Extended Family Services	-	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-	-
Total Long Term Loans	-	-	-	-	-	-
Due From Other Governments	-	-	8,210	-	3,193	-
<b>TOTAL ASSETS</b>	<b>\$ 343</b>	<b>\$ 81,788</b>	<b>\$ 288,012</b>	<b>\$ 93,870</b>	<b>\$ 40,281</b>	<b>\$ 32,699</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ 886	\$ -	\$ -	\$ -	\$ 59	\$ 8,111
Accrued Payroll	-	-	-	-	-	33,572
Due to Other Funds	139,341	-	391,978	16,763	-	14,102
Deferred Revenues	-	-	182,961	-	-	-
<b>TOTAL LIABILITIES</b>	<b>140,227</b>	<b>-</b>	<b>574,939</b>	<b>16,763</b>	<b>59</b>	<b>55,785</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Undesignated	(139,884)	81,788	(286,927)	77,107	40,222	(23,086)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>(139,884)</b>	<b>81,788</b>	<b>(286,927)</b>	<b>77,107</b>	<b>40,222</b>	<b>(23,086)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 343</b>	<b>\$ 81,788</b>	<b>\$ 288,012</b>	<b>\$ 93,870</b>	<b>\$ 40,281</b>	<b>\$ 32,699</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	Program Income	Revolving Loan Program	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Maintenance
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 115,617	\$ 71,413	\$ 104,257	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	22,766	16,951	94	987
Other Receivables	-	-	-	-	-	-
Vendors	-	-	-	-	-	-
Mountain Water Notes	5,835	-	-	-	-	-
Long Term Loans	-	-	-	-	-	-
Central Square Office Bldg	-	-	-	-	-	-
Central Square Lease	-	-	-	-	-	-
Extended Family Services	-	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-	-
Total Long Term Loans	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 121,453</b>	<b>\$ 71,413</b>	<b>\$ 127,023</b>	<b>\$ 16,951</b>	<b>\$ 94</b>	<b>\$ 987</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ 2,060	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	13,604	1,343	62
Deferred Revenues	5,835	-	22,766	16,951	94	987
<b>TOTAL LIABILITIES</b>	<b>5,835</b>	<b>2,060</b>	<b>22,766</b>	<b>30,556</b>	<b>1,437</b>	<b>1,049</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Undesignated	115,617	69,353	104,257	(13,604)	(1,343)	(62)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>115,617</b>	<b>69,353</b>	<b>104,257</b>	<b>(13,604)</b>	<b>(1,343)</b>	<b>(62)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 121,453</b>	<b>\$ 71,413</b>	<b>\$ 127,023</b>	<b>\$ 16,951</b>	<b>\$ 94</b>	<b>\$ 987</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant	Community Development
<b>ASSETS AND OTHER DEBITS</b>					
Cash and Investments	\$ 595,605	\$ 559	\$ 4,265	\$ 195,309	\$ -
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Other Receivables	-	-	-	-	-
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Long Term Loans	-	-	-	-	-
Central Square Office Bldg	-	-	-	-	-
Central Square Lease	-	-	-	-	-
Extended Family Services	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-
Total Long Term Loans	-	-	-	-	-
Due From Other Governments	-	4,196	-	-	242,502
<b>TOTAL ASSETS</b>	<b>\$ 595,605</b>	<b>\$ 4,754</b>	<b>\$ 4,265</b>	<b>\$ 195,309</b>	<b>\$ 242,502</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>					
Accounts Payable	\$ 130,859	\$ 19,355	\$ -	\$ 785	\$ 138,000
Accrued Payroll	-	-	-	-	-
Due to Other Funds	-	-	-	-	177,164
Deferred Revenues	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>130,859</b>	<b>19,355</b>	<b>-</b>	<b>785</b>	<b>315,164</b>
<b>FUND EQUITY AND OTHER CREDITS</b>					
Fund Balance					
Undesignated	464,746	(14,600)	4,265	194,524	(72,662)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>464,746</b>	<b>(14,600)</b>	<b>4,265</b>	<b>194,524</b>	<b>(72,662)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 595,605</b>	<b>\$ 4,754</b>	<b>\$ 4,265</b>	<b>\$ 195,309</b>	<b>\$ 242,502</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	HOME Grant	ISTEA Grants	Grants & Donations	TOTALS
<b>ASSETS AND OTHER DEBITS</b>				
Cash and Investments	\$ -	\$ 6,844	\$ 330,877	\$ 2,763,883
Taxes Receivable	-	-	-	218,683
Special Assessments Receivable	-	-	-	40,798
Other Receivables	-	-	-	-
Vendors	-	-	-	103,463
Mountain Water Notes	-	-	-	5,835
Long Term Loans	-	-	-	-
Central Square Office Bldg	-	-	-	13,174
Central Square Lease	-	-	-	80,293
Extended Family Services	-	-	-	14,793
Missoula Housing Corporation	-	-	-	50,000
Total Long Term Loans	-	-	-	158,259
Due From Other Governments	13,807	-	147,387	419,294
<b>TOTAL ASSETS</b>	<b>\$ 13,807</b>	<b>\$ 6,844</b>	<b>\$ 478,265</b>	<b>\$ 3,710,216</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
Accounts Payable	\$ 6,263	\$ 7,423	\$ 4,154	\$ 335,555
Accrued Payroll	-	-	1,346	34,918
Due to Other Funds	72,757	-	-	827,115
Deferred Revenues	-	-	-	387,854
<b>TOTAL LIABILITIES</b>	<b>79,020</b>	<b>7,423</b>	<b>5,500</b>	<b>1,585,442</b>
<b>FUND EQUITY AND OTHER CREDITS</b>				
Fund Balance				
Undesignated	(65,213)	(579)	472,764	2,124,775
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>(65,213)</b>	<b>(579)</b>	<b>472,764</b>	<b>2,124,775</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 13,807</b>	<b>\$ 6,844</b>	<b>\$ 478,265</b>	<b>\$ 3,710,216</b>

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	SID Revolving	SID Rebate	1978 Pool & Fire Bonds	1985 Open Space Bonds	1998 Safety Bond	1996 Open Space Bonds
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 808,460	\$ -	\$ 12	\$ 2	\$ -	\$ 1,164
Taxes Receivable	-	-	383	225	9,761	23,458
Special Assessments Receivable	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	227,828	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	364	747
Deferred Assessments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,036,288</b>	<b>\$ -</b>	<b>\$ 395</b>	<b>\$ 227</b>	<b>\$ 10,125</b>	<b>\$ 25,368</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	101	-	-	52,919	32,099
Deferred Revenues	227,828	-	383	225	8,199	20,049
<b>TOTAL LIABILITIES</b>	<b>227,828</b>	<b>101</b>	<b>383</b>	<b>225</b>	<b>61,118</b>	<b>52,148</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	808,460	(101)	12	2	(50,993)	(26,779)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>808,460</b>	<b>(101)</b>	<b>12</b>	<b>2</b>	<b>(50,993)</b>	<b>(26,779)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 1,036,288</b>	<b>\$ -</b>	<b>\$ 395</b>	<b>\$ 227</b>	<b>\$ 10,125</b>	<b>\$ 25,368</b>

Continued



CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	1997 Open Space Bond	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bonds	2004 Refunding
<b>ASSETS AND OTHER DEBITS</b>					
Cash and Investments	\$ 3,647	\$ 36,217	\$ 103,318	\$ 58,124	\$ 486
Taxes Receivable	5,331	9,114	16,044	17,628	13,589
Special Assessments Receivable	-	-	-	-	-
Other Receivables	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	224	22	42	1,532	1,181
Deferred Assessments					
<b>TOTAL ASSETS</b>	<b>\$ 9,202</b>	<b>\$ 45,353</b>	<b>\$ 119,404</b>	<b>\$ 77,284</b>	<b>\$ 15,256</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	76,325	-	-	56,181	218,563
Deferred Revenues	4,436	8,529	14,941	12,684	9,777
<b>TOTAL LIABILITIES</b>	<b>80,761</b>	<b>8,529</b>	<b>14,941</b>	<b>68,865</b>	<b>228,340</b>
<b>FUND EQUITY AND OTHER CREDITS</b>					
Fund Balance					
Reserved					
For Debt Service	(71,559)	36,824	104,463	8,419	(213,084)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>(71,559)</b>	<b>36,824</b>	<b>104,463</b>	<b>8,419</b>	<b>(213,084)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 9,202</b>	<b>\$ 45,353</b>	<b>\$ 119,404</b>	<b>\$ 77,284</b>	<b>\$ 15,256</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 129,171	\$ 66	\$ 2,073	\$ 39,978	\$ 22,910	\$ 84
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	54,325	29,581	13,096	1,451	3,867	6,749
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	235,952	224,369	391,082	190,886	270,619	614,279
<b>TOTAL ASSETS</b>	<b>\$ 419,448</b>	<b>\$ 254,017</b>	<b>\$ 406,251</b>	<b>\$ 232,315</b>	<b>\$ 297,397</b>	<b>\$ 621,113</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ 250
Due to Other Funds	-	14,716	-	-	-	10,409
Deferred Revenues	290,276	253,950	404,177	192,337	274,486	621,028
<b>TOTAL LIABILITIES</b>	<b>290,276</b>	<b>268,666</b>	<b>404,177</b>	<b>192,337</b>	<b>274,736</b>	<b>631,688</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	129,171	(14,650)	2,073	39,978	22,660	(10,575)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>129,171</b>	<b>(14,650)</b>	<b>2,073</b>	<b>39,978</b>	<b>22,660</b>	<b>(10,575)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 419,448</b>	<b>\$ 254,017</b>	<b>\$ 406,251</b>	<b>\$ 232,315</b>	<b>\$ 297,397</b>	<b>\$ 621,113</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	FY04 Sidewalk & Curb	SID 470	SID 491	SID 492	SID 494	SID 495
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 37,471	\$ 13,361	\$ 4,020	\$ -	\$ 2	\$ 37,551
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	44,416	23,143	-	-	-	203
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	620,240	-	33,256	-	5,242	279,454
<b>TOTAL ASSETS</b>	<b>\$ 702,127</b>	<b>\$ 36,504</b>	<b>\$ 37,276</b>	<b>\$ -</b>	<b>\$ 5,243</b>	<b>\$ 317,208</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	2,086	617	-
Deferred Revenues	664,656	23,143	33,256	-	5,242	279,657
<b>TOTAL LIABILITIES</b>	<b>664,656</b>	<b>23,143</b>	<b>33,256</b>	<b>2,086</b>	<b>5,859</b>	<b>279,657</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	37,471	13,361	4,020	(2,086)	(616)	37,551
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>37,471</b>	<b>13,361</b>	<b>4,020</b>	<b>(2,086)</b>	<b>(616)</b>	<b>37,551</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 702,127</b>	<b>\$ 36,504</b>	<b>\$ 37,276</b>	<b>\$ -</b>	<b>\$ 5,244</b>	<b>\$ 317,208</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	SID 496	SID 497	SID 498	SID 500	SID 501	SID 502
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ -	\$ 92,789	\$ 193,538	\$ 29	\$ 79,314	\$ 4,413
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	2,654	3,731	-	6,146	-
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	-	569,699	1,119,883	-	330,061	1,467
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 665,142</b>	<b>\$ 1,317,152</b>	<b>\$ 29</b>	<b>\$ 415,522</b>	<b>\$ 5,880</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	38	-	-	-	-	-
Deferred Revenues	-	572,353	1,123,614	-	336,207	1,467
<b>TOTAL LIABILITIES</b>	<b>38</b>	<b>572,353</b>	<b>1,123,614</b>	<b>-</b>	<b>336,207</b>	<b>1,467</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	(38)	92,789	193,538	29	79,314	4,413
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>(38)</b>	<b>92,789</b>	<b>193,538</b>	<b>29</b>	<b>79,314</b>	<b>4,413</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ -</b>	<b>\$ 665,142</b>	<b>\$ 1,317,152</b>	<b>\$ 29</b>	<b>\$ 415,522</b>	<b>\$ 5,880</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	SID 503	SID 504	SID 505	SID 506	SID 507	SID 508
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 21,101	\$ 563	\$ 4,261	\$ 12,620	\$ 14,148	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	321	-	165	-	-	-
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	122,847	-	27,643	36,428	16,966	9,511
<b>TOTAL ASSETS</b>	<b>\$ 144,269</b>	<b>\$ 563</b>	<b>\$ 32,069</b>	<b>\$ 49,048</b>	<b>\$ 31,113</b>	<b>\$ 9,511</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	6,982
Deferred Revenues	123,168	-	27,808	36,428	16,966	9,511
<b>TOTAL LIABILITIES</b>	<b>123,168</b>	<b>-</b>	<b>27,808</b>	<b>36,428</b>	<b>16,966</b>	<b>16,493</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	21,101	563	4,261	12,620	14,148	(6,982)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>21,101</b>	<b>563</b>	<b>4,261</b>	<b>12,620</b>	<b>14,148</b>	<b>(6,982)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 144,269</b>	<b>\$ 563</b>	<b>\$ 32,069</b>	<b>\$ 49,048</b>	<b>\$ 31,113</b>	<b>\$ 9,511</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	SID 510	SID 511	SID 512	SID 513	SID 514	SID 515
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 60,870	\$ 34,897	\$ 299,118	\$ 29,040	\$ 48,778	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	1,390	394	3,606	170	1,569	-
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	362,957	146,551	987,557	4,090	72,751	703
<b>TOTAL ASSETS</b>	<b>\$ 425,217</b>	<b>\$ 181,843</b>	<b>\$ 1,290,281</b>	<b>\$ 33,301</b>	<b>\$ 123,099</b>	<b>\$ 703</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	13,524
Deferred Revenues	364,346	146,945	991,163	4,261	74,320	703
<b>TOTAL LIABILITIES</b>	<b>364,346</b>	<b>146,945</b>	<b>991,163</b>	<b>4,261</b>	<b>74,320</b>	<b>14,226</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	60,870	34,897	299,118	29,040	48,778	(13,524)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>60,870</b>	<b>34,897</b>	<b>299,118</b>	<b>29,040</b>	<b>48,778</b>	<b>(13,524)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 425,217</b>	<b>\$ 181,843</b>	<b>\$ 1,290,281</b>	<b>\$ 33,301</b>	<b>\$ 123,099</b>	<b>\$ 703</b>

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 JUNE 30, 2005

	SID 517	SID 518	SID 519	SID 520	SID 521	SID 522
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 18,712	\$ 10,169	\$ 18,075	\$ 256,381	\$ 5,147	\$ 5,715
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	2,007	-	302	13,112	65	-
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	24,801	15,600	38,495	1,652,503	1,746	2,508
<b>TOTAL ASSETS</b>	<b>\$ 45,520</b>	<b>\$ 25,769</b>	<b>\$ 56,872</b>	<b>\$ 1,921,997</b>	<b>\$ 6,958</b>	<b>\$ 8,223</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	26,808	15,600	38,797	1,665,616	1,811	2,508
<b>TOTAL LIABILITIES</b>	<b>26,808</b>	<b>15,600</b>	<b>38,797</b>	<b>1,665,616</b>	<b>1,811</b>	<b>2,508</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	18,712	10,169	18,075	256,381	5,147	5,715
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>18,712</b>	<b>10,169</b>	<b>18,075</b>	<b>256,381</b>	<b>5,147</b>	<b>5,715</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 45,520</b>	<b>\$ 25,769</b>	<b>\$ 56,872</b>	<b>\$ 1,921,997</b>	<b>\$ 6,958</b>	<b>\$ 8,223</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
JUNE 30, 2005

	SID 525	SID 526	SID 527	SID 530	SID 531	SID 532
<b>ASSETS AND OTHER DEBITS</b>						
Cash and Investments	\$ 172,269	\$ 409,486	\$ 5,925	\$ 3,313	\$ -	\$ 12
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	245	17,438	172	506	-	-
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	408,215	1,781,987	19,331	6,395	-	-
<b>TOTAL ASSETS</b>	<b>\$ 580,728</b>	<b>\$ 2,208,912</b>	<b>\$ 25,429</b>	<b>\$ 10,214</b>	<b>\$ -</b>	<b>\$ 12</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Accounts Payable	\$ -	\$ 360	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	2	-
Deferred Revenues	408,460	1,799,425	19,503	6,901	-	-
<b>TOTAL LIABILITIES</b>	<b>408,460</b>	<b>1,799,785</b>	<b>19,503</b>	<b>6,901</b>	<b>2</b>	<b>-</b>
<b>FUND EQUITY AND OTHER CREDITS</b>						
Fund Balance						
Reserved						
For Debt Service	172,269	409,126	5,925	3,313	(2)	12
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>172,269</b>	<b>409,126</b>	<b>5,925</b>	<b>3,313</b>	<b>(2)</b>	<b>12</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 580,728</b>	<b>\$ 2,208,912</b>	<b>\$ 25,429</b>	<b>\$ 10,214</b>	<b>\$ -</b>	<b>\$ 12</b>

Continued



CITY OF MISSOULA, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 JUNE 30, 2005

	TOTALS
<hr/>	
ASSETS AND OTHER DEBITS	
Cash and Investments	\$ 3,098,805
Taxes Receivable	95,533
Special Assessments Receivable	230,825
Other Receivables	-
Mountain Water Notes	227,828
Miscellaneous	-
Due From Other Funds	-
Due From Other Governments	4,112
Deferred Assessments	10,626,074
TOTAL ASSETS	<u>\$ 14,283,176</u>
LIABILITIES, EQUITY AND OTHER CREDITS	
Accounts Payable	\$ 860
Due to Other Funds	484,562
Deferred Revenues	11,163,950
TOTAL LIABILITIES	<u>11,649,372</u>
FUND EQUITY AND OTHER CREDITS	
Fund Balance	
Reserved	
For Debt Service	2,633,804
TOTAL EQUITY AND OTHER CREDITS	<u>2,633,804</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ 14,283,176</u>

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS  
JUNE 30, 2005

	2004 Refunding Bonds	Capital Improvement	1996 Open Space	1997 Open Space	2004 Non GO Aquatics
<b>ASSETS AND OTHER DEBITS</b>					
Cash and Investments	\$ -	\$ -	\$ 115,130	\$ 476,394	\$ 1,457,277
Due From Other Governments	-	117,322	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 117,322</b>	<b>\$ 115,130</b>	<b>\$ 476,394</b>	<b>\$ 1,457,277</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ 243,443	\$ 116,146	\$ 24,046	\$ 11,789
Due to Other Funds	206	953,930	-	-	-
<b>TOTAL LIABILITIES</b>	<b>206</b>	<b>1,197,373</b>	<b>116,146</b>	<b>24,046</b>	<b>11,789</b>
<b>FUND EQUITY AND OTHER CREDITS</b>					
Fund Balance	(206)	(1,080,051)	(1,016)	452,348	1,445,488
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>(206)</b>	<b>(1,080,051)</b>	<b>(1,016)</b>	<b>452,348</b>	<b>1,445,488</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ -</b>	<b>\$ 117,322</b>	<b>\$ 115,130</b>	<b>\$ 476,394</b>	<b>\$ 1,457,277</b>

Continued

CITY OF MISSOULA, MONTANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS  
JUNE 30, 2005

	Sidewalk & Curb	39th Street Construction	SID Funds	Totals
<b>ASSETS AND OTHER DEBITS</b>				
Cash and Investments	\$ 412,434	\$ 317	\$ 10,486	\$ 2,472,037
Due From Other Governments	-	30,440	-	147,763
<b>TOTAL ASSETS</b>	<b>\$ 412,434</b>	<b>\$ 30,757</b>	<b>\$ 10,486</b>	<b>\$ 2,619,800</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
Accounts Payable	\$ 226,764	\$ -	\$ 10,832	\$ 633,019
Due to Other Funds	1,078,829	30,440	6,807	2,070,212
<b>TOTAL LIABILITIES</b>	<b>1,305,593</b>	<b>30,440</b>	<b>17,639</b>	<b>2,703,231</b>
<b>FUND EQUITY AND OTHER CREDITS</b>				
Fund Balance	(893,158)	317	(7,153)	(83,431)
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>(893,158)</b>	<b>317</b>	<b>(7,153)</b>	<b>(83,431)</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 412,434</b>	<b>\$ 30,757</b>	<b>\$ 10,486</b>	<b>\$ 2,619,800</b>

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2005

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Taxes	\$ 2,509,798	\$ 1,071,345	\$ -	\$ 3,581,143
Special Assessments	301,959	1,823,392	-	2,125,351
Licenses & Permits	1,388,956	-	-	1,388,956
Intergovernmental	3,221,441	632	1,993,462	5,215,535
Charges for Services	414,581	-	54,754	469,335
Fines and Forfeitures	55,668	-	-	55,668
Miscellaneous	178,938	6,610	51,492	237,041
Investment Earnings	(7,564)	491,422	(68,099)	415,759
<b>TOTAL REVENUES</b>	<b>8,063,778</b>	<b>3,393,401</b>	<b>2,031,609</b>	<b>13,488,788</b>
<b>EXPENDITURES</b>				
General Government	351,819	-	2,060	353,879
Public Safety	1,394,031	-	-	1,394,031
Public Works	394,075	-	-	394,075
Culture and Recreation	169,109	-	-	169,109
Community Development	2,129,109	-	-	2,129,109
Miscellaneous	1,808	-	-	1,808
Debt Service	-	3,138,505	292,445	3,430,950
Capital Outlay	780,086	-	2,956,881	3,736,967
<b>TOTAL EXPENDITURES</b>	<b>5,220,037</b>	<b>3,138,505</b>	<b>3,251,386</b>	<b>11,609,928</b>
Excess (Deficiency) of Revenues Over Expenditures	2,843,741	254,896	(1,219,777)	1,878,860
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	585,970	-	811,326	1,397,296
Operating Transfers Out	(3,787,467)	(190,000)	-	(3,977,467)
Loan Proceeds	-	35,500	959,421	994,921
Sale of Capital Assets	32,317	-	-	32,317
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,169,180)</b>	<b>(154,500)</b>	<b>1,770,747</b>	<b>(1,552,933)</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(325,439)	100,396	550,970	325,926
Fund Balance, July 1, 2004	2,458,951	2,517,726	(223,465)	4,753,212
Restatements	(8,737)	15,683	(410,934)	(403,988)
Fund Balance, July 1, 2004, As Restated	2,450,214	2,533,409	(634,400)	4,349,222
Fund Balance, June 30, 2005	\$ 2,124,775	\$ 2,633,804	\$ (83,431)	\$ 4,675,148

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall	Cemetery Care
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	45,000	-	-
Charges for Services	126,694	19,695	-	815	19,687
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	41,668	207	-
Investment Earnings	(461)	(907)	(1,471)	(54)	1,071
Total Revenues	126,233	18,788	85,197	968	20,758
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	4,223
Culture and Recreation	81,020	550	24,647	-	-
Community Development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital Outlay	-	1,936	500	1,279	9,153
Total Expenditures	81,020	2,486	25,147	1,279	13,376
Excess (Deficiently) of Revenue Over Expenditure	45,213	16,302	60,050	(311)	7,382
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	4,117
Total Other Financing Sources (Uses)	-	-	-	-	4,117
Excess (Deficiency) of Revenue Over Expenditure	45,213	16,302	60,050	(311)	11,499
Fund Balance, July 1, 2004	56,785	112,357	187,346	6,646	24,614
Restatement	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	56,785	112,357	187,346	6,646	24,614
Fund Balance, June 30, 2005	\$ 101,998	\$ 128,659	\$ 247,396	\$ 6,334	\$ 36,113

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Title One Projects	Impact Fee	Public Art	Employee Health Insurance	Cable TV Franchise
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 2,509,798	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	364,517
Intergovernmental	-	278,071	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	27,009	-	-	-	-
Investment Earnings	62,616	2,045	(7)	(60,465)	(865)
Total Revenues	89,625	280,116	(7)	2,449,333	363,652
<b>EXPENDITURES</b>					
Current					
General Government	76,608	-	-	-	238,305
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital Outlay	-	-	-	-	105,332
Total Expenditures	76,608	-	-	-	343,637
Excess (Deficiently) of Revenue Over Expenditure	13,017	280,116	(7)	2,449,333	20,015
Other Financing Sources (Uses)					
Operating Transfers In	-	-	80,792	-	-
Operating Transfers Out	(33,400)	(420,000)	-	(2,571,320)	(48,000)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(33,400)	(420,000)	80,792	(2,571,320)	(48,000)
Excess (Deficiency) of Revenue Over Expenditure	(20,383)	(139,884)	80,785	(121,987)	(27,985)
Fund Balance, July 1, 2004	617,976	-	1,003	(164,940)	105,092
Restatement					
Fund Balance as of June 30, 2004, Restated	617,976	-	1,003	(164,940)	105,092
Fund Balance, June 30, 2005	\$ 597,593	\$ (139,884)	\$ 81,788	\$ (286,927)	\$ 77,107

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program	Street Lighting
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	253,689
Licenses & Permits	-	1,024,439	-	-	-
Intergovernmental	-	481	-	-	-
Charges for Services	-	392	-	-	-
Fines and Forfeitures	36,312	-	-	-	-
Miscellaneous	-	1,600	-	33,979	-
Investment Earnings	(283)	(873)	(4,401)	2,922	(1,051)
Total Revenues	36,029	1,026,039	(4,401)	36,901	252,638
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	20,740	1,097,701	-	-	-
Public Works	-	-	-	-	277,802
Culture and Recreation	-	-	-	-	-
Community Development	-	-	3,465	32,226	-
Miscellaneous	-	-	-	-	-
Capital Outlay	11,156	71,790	-	-	-
Total Expenditures	31,896	1,169,491	3,465	32,226	277,802
Excess (Deficiently) of Revenue Over Expenditure	4,133	(143,452)	(7,866)	4,675	(25,164)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(6,970)	-	-	-
Sale of Capital Assets	-	28,200	-	-	-
Total Other Financing Sources (Uses)	-	21,230	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	4,133	(122,222)	(7,866)	4,675	(25,164)
Fund Balance, July 1, 2004	36,088	103,469	123,483	64,678	129,420
Restatement	-	(4,333)	-	-	-
Fund Balance as of June 30, 2004, Restated	36,088	99,136	123,483	64,678	129,420
Fund Balance, June 30, 2005	\$ 40,222	\$ (23,085)	\$ 115,617	\$ 69,353	\$ 104,256

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc	State Gas Tax	Crime Victim Surcharge
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	42,467	3,731	2,072	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	494,556	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	19,356
Miscellaneous	-	-	-	-	-
Investment Earnings	-	(95)	(24)	(2,979)	167
Total Revenues	42,467	3,636	2,048	491,577	19,523
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	36,905
Public Safety	-	-	-	-	-
Public Works	-	-	-	112,051	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital Outlay	-	-	-	530,793	-
Total Expenditures	-	-	-	642,844	36,905
Excess (Deficiently) of Revenue Over Expenditure	42,467	3,636	2,048	(151,266)	(17,383)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	400,000	-
Operating Transfers Out	(42,936)	(3,731)	(2,080)	(101,030)	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(42,936)	(3,731)	(2,080)	298,970	-
Excess (Deficiency) of Revenue Over Expenditure	(469)	(95)	(32)	147,704	(17,383)
Fund Balance, July 1, 2004	(13,135)	(1,248)	(31)	317,042	2,783
Restatement					
Fund Balance as of June 30, 2004, Restated	(13,135)	(1,248)	(31)	317,042	2,783
Fund Balance, June 30, 2005	\$ (13,604)	\$ (1,343)	\$ (62)	\$ 464,746	\$ (14,600)

Continued



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Law Enforcement Grant	HIDTA Grant	Community Development	Home Grant	ISTEA Grants
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	14,288	-	779,925	1,112,532	28,181
Charges for Services	-	193,314	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	67,956
Investment Earnings	888	1,994	-	-	(2,458)
Total Revenues	15,176	195,309	779,925	1,112,532	93,679
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	67,334	785	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	736,221	1,157,248	-
Miscellaneous	-	-	-	-	-
Capital Outlay	13,789	-	-	-	-
Total Expenditures	81,123	785	736,221	1,157,248	-
Excess (Deficiently) of Revenue Over Expenditure	(65,947)	194,524	43,704	(44,717)	93,679
Other Financing Sources (Uses)					
Operating Transfers In	4,148	-	-	-	-
Operating Transfers Out	-	-	-	-	(400,000)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	4,148	-	-	-	(400,000)
Excess (Deficiency) of Revenue Over Expenditure	(61,799)	194,524	43,704	(44,717)	(306,321)
Fund Balance, July 1, 2004	66,064	-	(116,366)	(20,496)	305,742
Restatement					
Fund Balance as of June 30, 2004, Restated	66,064	-	(116,366)	(20,496)	305,742
Fund Balance, June 30, 2005	\$ 4,265	\$ 194,524	\$ (72,662)	\$ (65,213)	\$ (579)

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Grants & Donations	TOTALS
<b>REVENUES</b>		
Taxes	\$ -	\$ 2,509,798
Special Assessments	-	301,959
Licenses & Permits	-	1,388,956
Intergovernmental	468,408	3,221,441
Charges for Services	53,984	414,581
Fines and Forfeitures	-	55,668
Miscellaneous	6,520	178,938
Investment Earnings	(2,873)	(7,564)
Total Revenues	<u>526,038</u>	<u>8,063,778</u>
<b>EXPENDITURES</b>		
Current		
General Government	-	351,819
Public Safety	207,472	1,394,031
Public Works	-	394,075
Culture and Recreation	62,892	169,109
Community Development	199,949	2,129,109
Miscellaneous	1,808	1,808
Capital Outlay	<u>34,358</u>	<u>780,086</u>
Total Expenditures	<u>506,479</u>	<u>5,220,037</u>
Excess (Deficiently) of Revenue Over Expenditure	19,559	2,843,741
Other Financing Sources (Uses)		
Operating Transfers In	101,030	585,970
Operating Transfers Out	(158,000)	(3,787,467)
Sale of Capital Assets	-	32,317
Total Other Financing Sources (Uses)	<u>(56,970)</u>	<u>(3,169,180)</u>
Excess (Deficiency) of Revenue Over Expenditure	(37,411)	(325,439)
Fund Balance, July 1, 2004	514,579	2,458,951
Restatement	<u>(4,404)</u>	<u>(8,737)</u>
Fund Balance as of June 30, 2004, Restated	510,175	2,450,214
Fund Balance, June 30, 2005	<u>\$ 472,764</u>	<u>\$ 2,124,774</u>

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID Revolving	SID Rebate	1978 Pool & Fire	1985 Open Space	1998 Safety Bonds
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 108,444
Special Assessments	-	(1,028)	-	-	-
Intergovernmental	-	-	-	-	-
Miscellaneous	6,610	-	-	-	-
Investment Earnings	36,065	(101)	-	-	(540)
Total Revenues	42,675	(1,129)	-	-	107,904
<b>EXPENDITURES</b>					
Debt Service	-	-	-	-	131,863
Total Expenditures	-	-	-	-	131,863
Excess (Deficiency) of Revenue Over Expenditure	42,675	(1,129)	-	-	(23,959)
Other Financing Sources (Uses)					
Operating Transfers Out	(190,000)	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	(190,000)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(147,325)	(1,129)	-	-	(23,959)
Fund Balance, July 1, 2004	955,785	(12,870)	12	2	(27,034)
Restatement		13,898			
Fund Balance as of June 30, 2004, Restated	955,785	1,028	12	2	(27,034)
Fund Balance, June 30, 2005	\$ 808,460	\$ (101)	\$ 12	\$ 2	\$ (50,993)

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	1996 Open Space	1997 Open Space	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bond
<b>REVENUES</b>					
Taxes	\$ 248,331	\$ 58,312	\$ 64,084	\$ 121,940	\$ 265,538
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	632	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	6,929	21,719	(829)	(54)	347,166
Total Revenues	255,260	80,031	63,888	121,886	612,703
<b>EXPENDITURES</b>					
Debt Service	279,563	118,135	-	-	630,353
Total Expenditures	279,563	118,135	-	-	630,353
Excess (Deficiency) of Revenue Over Expenditure	(24,303)	(38,104)	63,888	121,886	(17,649)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(24,303)	(38,104)	63,888	121,886	(17,649)
Fund Balance, July 1, 2004	(2,476)	(33,455)	(27,063)	(17,424)	26,068
Restatement					
Fund Balance as of June 30, 2004, Restated	(2,476)	(33,455)	(27,063)	(17,424)	26,068
Fund Balance, June 30, 2005	\$ (26,779)	\$ (71,559)	\$ 36,824	\$ 104,462	\$ 8,419

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	2004 Refunding	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb
<b>REVENUES</b>					
Taxes	\$ 204,696	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	99,396	73,248	133,369	49,656
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	2,897	5,639	395	1,050	1,888
Total Revenues	207,593	105,035	73,643	134,419	51,544
<b>EXPENDITURES</b>					
Debt Service	422,461	120,476	78,030	115,983	44,183
Total Expenditures	422,461	120,476	78,030	115,983	44,183
Excess (Deficiency) of Revenue Over Expenditure	(214,868)	(15,441)	(4,387)	18,436	7,361
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(214,868)	(15,441)	(4,387)	18,436	7,361
Fund Balance, July 1, 2004	-	144,612	(10,263)	(16,363)	32,617
Restatement	1,785				
Fund Balance as of June 30, 2004, Restated	1,785	144,612	(10,263)	(16,363)	32,617
Fund Balance, June 30, 2005	\$ (213,084)	\$ 129,171	\$ (14,650)	\$ 2,073	\$ 39,978

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	SID 470	SID 491
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	76,603	119,222	113,278	989	5,692
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	1,011	501	2,613	461	383
Total Revenues	77,614	119,723	115,891	1,450	6,075
<b>EXPENDITURES</b>					
Debt Service	61,990	109,383	113,919	-	10,740
Total Expenditures	61,990	109,383	113,919	-	10,740
Excess (Deficiency) of Revenue Over Expenditure	15,624	10,341	1,971	1,450	(4,665)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	35,500	-	-
Total Other Financing Sources (Uses)	-	-	35,500	-	-
Excess (Deficiency) of Revenue Over Expenditure	15,624	10,341	37,471	1,450	(4,665)
Fund Balance, July 1, 2004	7,037	(20,916)	-	11,911	8,685
Restatement					
Fund Balance as of June 30, 2004, Restated	7,037	(20,916)	-	11,911	8,685
Fund Balance, June 30, 2005	\$ 22,660	\$ (10,575)	\$ 37,471	\$ 13,361	\$ 4,020

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 492	SID 494	SID 495	SID 496	SID 497
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	1,258	33,981	-	67,507
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(90)	67	2,474	(1)	4,588
Total Revenues	(90)	1,325	36,455	(1)	72,095
<b>EXPENDITURES</b>					
Debt Service	-	3,370	57,591	-	84,028
Total Expenditures	-	3,370	57,591	-	84,028
Excess (Deficiency) of Revenue Over Expenditure	(90)	(2,045)	(21,136)	(1)	(11,933)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(90)	(2,045)	(21,136)	(1)	(11,933)
Fund Balance, July 1, 2004	(1,996)	1,430	58,687	(36)	104,722
Restatement					
Fund Balance as of June 30, 2004, Restated	(1,996)	1,430	58,687	(36)	104,722
Fund Balance, June 30, 2005	\$ (2,086)	\$ (616)	\$ 37,551	\$ (38)	\$ 92,789

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 498	SID 500	SID 501	SID 502	SID 503
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	141,684	-	49,763	4,922	11,606
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	6,733	1	2,677	89	791
Total Revenues	148,417	1	52,441	5,011	12,398
<b>EXPENDITURES</b>					
Debt Service	122,210	-	39,400	-	11,480
Total Expenditures	122,210	-	39,400	-	11,480
Excess (Deficiency) of Revenue Over Expenditure	26,207	1	13,041	5,011	918
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	26,207	1	13,041	5,011	918
Fund Balance, July 1, 2004	167,331	29	66,274	(598)	20,183
Restatement					
Fund Balance as of June 30, 2004, Restated	167,331	29	66,274	(598)	20,183
Fund Balance, June 30, 2005	\$ 193,538	\$ 29	\$ 79,314	\$ 4,413	\$ 21,101

Continued



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 504	SID 505	SID 506	SID 507	SID 508
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	15,147	4,479	13,565	309
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	20	213	374	597	(312)
Total Revenues	20	15,360	4,853	14,162	(4)
<b>EXPENDITURES</b>					
Debt Service	-	13,220	968	9,896	-
Total Expenditures	-	13,220	968	9,896	-
Excess (Deficiency) of Revenue Over Expenditure	20	2,140	3,885	4,266	(4)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	20	2,140	3,885	4,266	(4)
Fund Balance, July 1, 2004	543	2,121	8,735	9,882	(6,978)
Restatement					
Fund Balance as of June 30, 2004, Restated	543	2,121	8,735	9,882	(6,978)
Fund Balance, June 30, 2005	\$ 563	\$ 4,261	\$ 12,620	\$ 14,148	\$ (6,982)

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 510	SID 511	SID 512	SID 513	SID 514
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	19,682	20,422	170,314	4,663	26,958
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	1,847	1,224	10,518	951	1,515
Total Revenues	21,529	21,646	180,833	5,614	28,473
<b>EXPENDITURES</b>					
Debt Service	3,060	17,680	107,736	752	3,906
Total Expenditures	3,060	17,680	107,736	752	3,906
Excess (Deficiency) of Revenue Over Expenditure	18,469	3,966	73,097	4,862	24,567
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	18,469	3,966	73,097	4,862	24,567
Fund Balance, July 1, 2004	42,401	30,931	226,021	24,179	24,211
Restatement					
Fund Balance as of June 30, 2004, Restated	42,401	30,931	226,021	24,179	24,211
Fund Balance, June 30, 2005	\$ 60,870	\$ 34,897	\$ 299,118	\$ 29,040	\$ 48,778

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 515	SID 517	SID 518	SID 519	SID 520
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,275	13,452	11,454	15,786	192,967
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(607)	568	134	562	9,348
Total Revenues	1,669	14,021	11,588	16,348	202,315
<b>EXPENDITURES</b>					
Debt Service	180	3,485	1,493	4,172	177,140
Total Expenditures	180	3,485	1,493	4,172	177,140
Excess (Deficiency) of Revenue Over Expenditure	1,489	10,536	10,095	12,176	25,175
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	1,489	10,536	10,095	12,176	25,175
Fund Balance, July 1, 2004	(15,012)	8,176	74	5,899	231,206
Restatement					
Fund Balance as of June 30, 2004, Restated	(15,012)	8,176	74	5,899	231,206
Fund Balance, June 30, 2005	\$ (13,524)	\$ 18,712	\$ 10,169	\$ 18,075	\$ 256,381

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 521	SID 522	SID 525	SID 526	SID 527
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	1,068	1,456	54,186	265,918	4,622
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	179	188	5,982	13,674	123
Total Revenues	1,246	1,645	60,169	279,592	4,745
<b>EXPENDITURES</b>					
Debt Service	489	707	44,480	190,220	3,765
Total Expenditures	489	707	44,480	190,220	3,765
Excess (Deficiency) of Revenue Over Expenditure	757	938	15,689	89,372	980
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	757	938	15,689	89,372	980
Fund Balance, July 1, 2004	4,390	4,777	156,580	319,754	4,945
Restatement					
Fund Balance as of June 30, 2004, Restated	4,390	4,777	156,580	319,754	4,945
Fund Balance, June 30, 2005	\$ 5,147	\$ 5,715	\$ 172,269	\$ 409,126	\$ 5,925

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 530	SID 531	SID 532	TOTALS
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,071,345
Special Assessments	3,519	-	-	1,823,392
Intergovernmental	-	-	-	632
Miscellaneous	-	-	-	6,610
Investment Earnings	(206)	(2)	12	491,422
Total Revenues	<u>3,313</u>	<u>(2)</u>	<u>12</u>	<u>3,393,401</u>
<b>EXPENDITURES</b>				
Debt Service	-	-	-	3,138,505
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,138,505</u>
Excess (Deficiency) of Revenue Over Expenditure	3,313	(2)	12	254,896
<b>Other Financing Sources (Uses)</b>				
Operating Transfers Out	-	-	-	(190,000)
Loan Proceeds	-	-	-	35,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154,500)</u>
Excess (Deficiency) of Revenue Over Expenditure	3,313	(2)	12	100,396
Fund Balance, July 1, 2004	-	-	-	2,517,726
Restatement	-	-	-	15,683
Fund Balance as of June 30, 2004, Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,533,409</u>
Fund Balance, June 30, 2005	<u>\$ 3,313</u>	<u>\$ (2)</u>	<u>\$ 12</u>	<u>\$ 2,633,804</u>

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	2004 Refunding Bonds	Capital Improvements	1996 Open Space	1997 Open Space	2004 Non GO Aquatics
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 3,779	\$ -	\$ -	\$ 1,800,000
Charges for Services	-	-	-	-	-
Miscellaneous	-	43,579	-	25	-
Investment Earnings	(207)	(19,575)	(1,016)	(3,503)	-
Total Revenues	(207)	27,783	(1,016)	(3,478)	1,800,000
<b>EXPENDITURES</b>					
General Government	-	2,060	-	-	-
Debt Service	23,543	268,903	-	-	-
Capital Outlay	-	1,473,604	125,188	132,644	354,512
Total Expenditures	23,543	1,744,566	125,188	132,644	354,512
Excess(Deficiency) of Revenue Over Expenditure	(23,749)	(1,716,783)	(126,204)	(136,123)	1,445,488
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	653,326	-	158,000	-
Operating Transfers Out	-	-	-	-	-
Proceeds of Long Term Debt	-	152,407	-	-	-
Total Other Financing Sources(Uses)	-	805,733	-	158,000	-
Excess(Deficiency) of Revenues Over Expenditures	(23,749)	(911,050)	(126,204)	21,877	1,445,488
Fund Balance, July 1, 2004	25,328	531,000	125,188	430,471	-
Restatement	(1,785)	(700,000)	-	-	-
Fund Balance as of June 30, 2004, Restated	23,544	(169,000)	125,188	430,471	-
Fund Balance, June 30, 2005	\$ (206)	\$ (1,080,051)	\$ (1,016)	\$ 452,348	\$ 1,445,488

Continued

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Sidewalk & Curb	39th Street Construction	SID Funds	TOTALS
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 189,683	\$ -	\$ 1,993,462
Charges for Services	-	54,754	-	54,754
Miscellaneous	7,888	-	-	51,492
Investment Earnings	(22,504)	(21,294)	-	(68,099)
Total Revenues	(14,616)	223,143	-	2,031,609
<b>EXPENDITURES</b>				
General Government	-	-	-	\$ 2,060
Debt Service	-	-	-	292,445
Capital Outlay	680,077	179,289	11,567	2,956,881
Total Expenditures	680,077	179,289	11,567	3,251,386
Excess(Deficiency) of Revenue Over Expenditure	(694,692)	43,854	(11,567)	(1,219,777)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	811,326
Operating Transfers Out	-	-	-	-
Proceeds of Long Term Debt	642,463	153,431	11,120	959,421
Total Other Financing Sources(Uses)	642,463	153,431	11,120	1,770,747
Excess(Deficiency) of Revenues Over Expenditures	(52,229)	197,285	(447)	550,970
Fund Balance, July 1, 2004	(658,025)	(670,721)	(6,706)	(223,465)
Restatement	(182,903)	473,754	-	(410,934)
Fund Balance as of June 30, 2004, Restated	(840,929)	(196,967)	(6,706)	(634,400)
Fund Balance, June 30, 2005	\$ (893,158)	\$ 317	\$ (7,153)	\$ (83,431)



# AGENCY FUNDS



CITY OF MISSOULA, MONTANA  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
JUNE 30, 2005

	Balance 07/01/2004	Additions	Deletions	Balance 06/30/2005
<b>COURT SURCHARGE</b>				
<b>ASSETS</b>				
Cash	\$ 40,679	\$ 127,004	\$ 138,771	\$ 28,912
Due From Other Governments	14,096	7,836	14,096	7,836
<b>TOTAL ASSETS</b>	<b>\$ 54,775</b>	<b>\$ 134,840</b>	<b>\$ 152,867</b>	<b>\$ 36,748</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 46,784	\$ 76,913	\$ 123,698	\$ -
Due to Other Governments	7,991	29,087	330	36,748
<b>TOTAL LIABILITIES</b>	<b>\$ 54,775</b>	<b>\$ 106,000</b>	<b>\$ 124,028</b>	<b>\$ 36,748</b>
<b>COUNTY CLEARING</b>				
<b>ASSETS</b>				
Cash	\$ 2,817	\$ 18,639	\$ 19,210	\$ 2,246
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,241	\$ 19,860	\$ 19,166	\$ 1,935
Due to Other Governments	1,577	-	1,265	311
<b>TOTAL LIABILITIES</b>	<b>\$ 2,817</b>	<b>\$ 19,860</b>	<b>\$ 20,431</b>	<b>\$ 2,246</b>
<b>SEWER REBATE</b>				
<b>ASSETS</b>				
Cash	\$ 24,590	\$ 2,591	\$ 374	\$ 26,807
<b>LIABILITIES</b>				
Due to Private Parties	\$ 24,590	\$ 2,591	\$ 374	\$ 26,807
<b>YOUTH PROGRAMS</b>				
<b>ASSETS</b>				
Cash	\$ 477	\$ -	\$ 4	\$ 473
<b>LIABILITIES</b>				
Due to Private Parties	\$ 477	\$ -	\$ 4	\$ 473
<b>COUNTY PARK BOARD</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 5,500	\$ -	\$ 5,500
<b>LIABILITIES</b>				
Due to Other Governments	\$ -	\$ 5,500	\$ -	\$ 5,500
<b>ELK HILLS SUBDIVISION</b>				
<b>ASSETS</b>				
Cash	\$ 3,900	\$ 25	\$ 57	\$ 3,868
<b>LIABILITIES</b>				
Due to Private Parties	\$ 3,900	\$ 25	\$ 57	\$ 3,868
<b>MUNICIPAL COURT RESTITUTION</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 188,985	\$ -	\$ 188,985
<b>LIABILITIES</b>				
Due to Private Parties	\$ -	\$ 188,985	\$ -	\$ 188,985
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 72,463	\$ 342,744	\$ 158,416	\$ 256,791
Due From Other Governments	14,096	7,836	14,096	7,836
<b>TOTAL ASSETS</b>	<b>\$ 86,559</b>	<b>\$ 350,580</b>	<b>\$ 172,512</b>	<b>\$ 264,627</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 48,024	\$ 96,774	\$ 142,863	\$ 1,935
Due to Other Governments	9,567	34,587	1,596	42,560
Due to Private Parties	28,967	191,601	435	220,133
<b>TOTAL LIABILITIES</b>	<b>\$ 86,559</b>	<b>\$ 322,962</b>	<b>\$ 144,894</b>	<b>\$ 264,627</b>

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# **MAJOR GOVERNMENTAL FUNDS BUDGET AND ACTUAL**

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 MAJOR FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	2004 GO Aquatics			SID 524		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Special Assessments	\$ -	\$ -	\$ -	\$ 461,474	\$ 495,039	\$ 33,565
Investment Earnings	-	(64,474)	(64,474)	-	20,240	20,240
Total Revenues	-	(64,474)	(64,474)	461,474	515,279	53,805
EXPENDITURES						
Debt Service	-	-	-	354,441	344,321	10,120
Capital Outlay	7,893,355	506,233	7,387,122	-	-	-
Total Expenditures	7,893,355	506,233	7,387,122	354,441	344,321	10,120
Excess(Deficiency) of Revenue Over Expenditure	(7,893,355)	(570,707)	7,322,648	107,033	170,958	63,925
Other Financing Sources (Uses)						
Operating Transfers Out	(109,445)	(80,792)	28,653	-	-	-
Total Other Financing Sources(Uses)	(109,445)	(80,792)	28,653	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(8,002,800)	(651,499)	7,351,301	107,033	170,958	63,925
Fund Balance, July 1, 2004	7,916,003	7,916,003	-	475,299	475,299	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	7,916,003	7,916,003	-	475,299	475,299	-
Fund Balance, June 30, 2005	\$ (86,797)	\$ 7,264,505	\$ 7,351,301	\$ 582,332	\$ 646,257	\$ 63,925

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# **NONMAJOR GOVERNMENTAL FUNDS BUDGET AND ACTUAL**

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Park Acquisition			Park Enterprise		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	126,000	126,693	693	18,000	19,697	1,697
Fines and Forfeitures	34,000	-	(34,000)	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(461)	(461)	-	(907)	(907)
Total Revenues	160,000	126,232	(33,768)	18,000	18,790	790
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	210,000	81,020	128,980	45,000	550	44,450
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	55,000	1,936	53,064
Total Expenditures	210,000	81,020	128,980	100,000	2,486	97,514
Excess (Deficiency) of Revenue Over Expenditure	(50,000)	45,212	95,212	(82,000)	16,304	98,304
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(50,000)	45,212	95,212	(82,000)	16,304	98,304
Fund Balance, July 1, 2004	56,786	56,786	-	112,355	112,355	-
Restatement						
Fund Balance as of June 30, 2004, Restated	56,786	56,786	-	112,355	112,355	-
Fund Balance, June 30, 2005	\$ 6,786	\$ 101,998	\$ 95,212	\$ 30,355	\$ 128,659	\$ 98,304

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Trail Development			Cremain Wall		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	45,000	45,000	-	(45,000)	-	45,000
Charges for Services	-	-	-	2,000	815	(1,185)
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	340,000	41,668	(298,332)	1,000	207	(793)
Interest	-	(1,471)	(1,471)	-	(54)	(54)
Total Revenues	385,000	85,197	(299,803)	(42,000)	968	42,968
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	360,000	24,647	335,353	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	210,000	500	209,500	7,052	1,279	5,773
Total Expenditures	570,000	25,147	544,853	7,052	1,279	5,773
Excess (Deficiency) of Revenue Over Expenditure	(185,000)	60,050	245,050	(49,052)	(311)	48,741
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(185,000)	60,050	245,050	(49,052)	(311)	48,741
Fund Balance, July 1, 2004	187,346	187,346	-	6,646	6,646	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	187,346	187,346	-	6,646	6,646	-
Fund Balance, June 30, 2005	\$ 2,346	\$ 247,396	\$ 245,050	\$ (42,406)	\$ 6,334	\$ 48,741



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Cemetery Care			Title One Projects		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	(45,000)	-	-	-	-
Charges for Services	18,400	19,687	1,287	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	27,000	27,009	9
Interest	3,000	1,071	(1,929)	51,300	62,615	11,315
Total Revenues	21,400	(24,242)	(642)	78,300	89,624	11,324
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	605,100	76,608	528,492
Public Safety	-	-	-	-	-	-
Public Works	7,500	4,223	3,278	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	11,400	9,153	2,247	-	-	-
Total Expenditures	18,900	13,376	5,524	605,100	76,608	528,492
Excess (Deficiently) of Revenue Over Expenditure	2,500	(37,618)	4,882	(526,800)	13,016	539,816
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(66,600)	(33,400)	33,200
Sale of Capital Assets	-	4,117	4,117	-	-	-
Total Other Financing Sources (Uses)	-	4,117	4,117	(66,600)	(33,400)	33,200
Excess (Deficiency) of Revenue Over Expenditure	2,500	(33,501)	8,999	(593,400)	(20,384)	573,016
Fund Balance, July 1, 2004	24,614	24,614	-	617,977	617,977	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	24,614	24,614	-	617,977	617,977	-
Fund Balance, June 30, 2005	\$ 27,114	\$ (8,887)	\$ 8,999	\$ 24,577	\$ 597,592	\$ 573,016

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Impact Fee			Public Art		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	420,000	278,071	(141,929)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	2,045	2,045	-	(8)	(8)
Total Revenues	420,000	280,116	(139,884)	-	(8)	(8)
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiently) of Revenue Over Expenditure	420,000	280,116	(139,884)	-	(8)	(8)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	81,792	80,792	(1,000)
Operating Transfers Out	(420,000)	(420,000)	-	420,000	-	(420,000)
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(420,000)	(420,000)	-	501,792	80,792	(421,000)
Excess (Deficiency) of Revenue Over Expenditure	-	(139,884)	(139,884)	501,792	80,784	(421,008)
Fund Balance, July 1, 2004	-	-	-	1,004	1,004	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	-	-	-	1,004	1,004	-
Fund Balance, June 30, 2005	\$ -	\$ (139,884)	\$ (139,884)	\$ 502,796	\$ 81,788	\$ (421,008)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Employee Health Insurance			Cable TV Franchise		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ 2,427,401	\$ 2,509,798	\$ 82,397	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	273,730	364,517	90,787
Intergovernmental	8,578	-	(8,578)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(60,467)	(60,467)	-	(865)	(865)
Total Revenues	2,435,979	2,449,331	13,352	273,730	363,652	89,922
EXPENDITURES						
Current						
General Government	-	-	-	341,316	238,305	103,011
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	107,047	105,332	1,716
Total Expenditures	-	-	-	448,363	343,637	104,726
Excess (Deficiently) of Revenue Over Expenditure	2,435,979	2,449,331	13,352	(174,633)	20,015	194,648
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(2,571,319)	(2,571,320)	(1)	(48,000)	(48,000)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,571,319)	(2,571,320)	(1)	(48,000)	(48,000)	-
Excess (Deficiency) of Revenue Over Expenditure	(135,340)	(121,989)	13,351	(222,633)	(27,985)	194,648
Fund Balance, July 1, 2004	(164,938)	(164,938)	-	105,092	105,092	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(164,938)	(164,938)	-	105,092	105,092	-
Fund Balance, June 30, 2005	\$ (300,278)	\$ (286,927)	\$ 13,351	\$ (117,541)	\$ 77,107	\$ 194,648

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Drug Forfeiture			Building Division		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	1,077,459	1,024,439	(53,020)
Intergovernmental	-	-	-	-	481	481
Charges for Services	-	-	-	-	391	391
Fines and Forfeitures	236,150	36,312	(199,838)	-	-	-
Grants and Miscellaneous	-	-	-	-	1,600	1,600
Interest	-	(283)	(283)	-	(873)	(873)
Total Revenues	236,150	36,029	(200,121)	1,077,459	1,026,038	(51,421)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	111,500	20,740	90,760	1,180,098	1,097,701	82,397
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	140,650	11,156	129,494	76,409	71,790	4,619
Total Expenditures	252,150	31,896	220,254	1,256,507	1,169,491	87,016
Excess (Deficiency) of Revenue Over Expenditure	(16,000)	4,133	20,133	(179,048)	(143,453)	35,595
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	(6,970)	(6,970)
Sale of Capital Assets	-	-	-	-	28,200	28,200
Total Other Financing Sources (Uses)	-	-	-	-	21,230	21,230
Excess (Deficiency) of Revenue Over Expenditure	(16,000)	4,133	20,133	(179,048)	(122,223)	56,825
Fund Balance, July 1, 2004	36,088	36,088	-	103,470	103,470	-
Restatement	-	-	-	-	(4,333)	(4,333)
Fund Balance as of June 30, 2004, Restated	36,088	36,088	-	103,470	99,137	(4,333)
Fund Balance, June 30, 2005	\$ 20,088	\$ 40,222	\$ 20,133	\$ (75,578)	\$ (23,086)	\$ 52,492

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Program Income			Revolving Loan Program		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	500	-	(500)	4,000	33,979	29,979
Interest	1,000	(4,401)	(5,401)	1,000	2,922	1,922
Total Revenues	1,500	(4,401)	(5,901)	5,000	36,901	31,901
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	91,336	3,465	87,871	63,463	32,226	31,237
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	91,336	3,465	87,871	63,463	32,226	31,237
Excess (Deficiently) of Revenue Over Expenditure	(89,836)	(7,866)	81,970	(58,463)	4,675	63,138
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(89,836)	(7,866)	81,970	(58,463)	4,675	63,138
Fund Balance, July 1, 2004	123,483	123,483	-	64,678	64,678	-
Restatement						
Fund Balance as of June 30, 2004, Restated	123,483	123,483	-	64,678	64,678	-
Fund Balance, June 30, 2005	\$ 33,647	\$ 115,617	\$ 81,970	\$ 6,215	\$ 69,353	\$ 63,138

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Street Lighting			Street Maintenance		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	254,970	253,690	(1,280)	42,936	42,467	(469)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(1,051)	(1,051)	-	-	-
Total Revenues	254,970	252,640	(2,330)	42,936	42,467	(469)
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	254,970	277,802	(22,832)	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	254,970	277,802	(22,832)	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	(25,162)	(25,162)	42,936	42,467	(469)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(42,936)	(42,936)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(42,936)	(42,936)	-
Excess (Deficiency) of Revenue Over Expenditure	-	(25,162)	(25,162)	-	(469)	(469)
Fund Balance, July 1, 2004	129,419	129,419	-	(13,135)	(13,135)	-
Restatement						
Fund Balance as of June 30, 2004, Restated	129,419	129,419	-	(13,135)	(13,135)	-
Fund Balance, June 30, 2005	\$ 129,419	\$ 104,257	\$ (25,162)	\$ (13,135)	\$ (13,604)	\$ (469)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Russell Park Maintenance			Willowwood Park Maintenance		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	3,731	3,731	(0)	2,080	2,072	(8)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(96)	(96)	-	(24)	(24)
Total Revenues	3,731	3,635	(96)	2,080	2,048	(32)
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	3,731	3,635	(96)	2,080	2,048	(32)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(3,731)	(3,731)	-	(2,080)	(2,080)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,731)	(3,731)	-	(2,080)	(2,080)	-
Excess (Deficiency) of Revenue Over Expenditure	-	(96)	(96)	-	(32)	(32)
Fund Balance, July 1, 2004	(1,247)	(1,247)	-	(31)	(31)	-
Restatement						
Fund Balance as of June 30, 2004, Restated	(1,247)	(1,247)	-	(31)	(31)	-
Fund Balance, June 30, 2005	\$ (1,247)	\$ (1,343)	\$ (96)	\$ (31)	\$ (62)	\$ (32)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	State Gas Tax			Crime Victim Surcharge		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	492,931	494,555	1,624	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	19,355	19,355
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(2,979)	(2,979)	-	167	167
Total Revenues	492,931	491,577	(1,354)	-	19,521	19,521
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	36,905	(36,905)
Public Safety	-	-	-	-	-	-
Public Works	20,000	112,051	(92,051)	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	618,382	530,793	87,589	-	-	-
Total Expenditures	638,382	642,844	(4,462)	-	36,905	(36,905)
Excess (Deficiently) of Revenue Over Expenditure	(145,451)	(151,267)	(5,816)	-	(17,384)	(17,384)
Other Financing Sources (Uses)						
Operating Transfers In	400,000	400,000	-	-	-	-
Operating Transfers Out	(101,030)	(101,030)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	298,970	298,970	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	153,519	147,703	(5,816)	-	(17,384)	(17,384)
Fund Balance, July 1, 2004	317,043	317,043	-	2,784	2,784	-
Restatement						
Fund Balance as of June 30, 2004, Restated	317,043	317,043	-	2,784	2,784	-
Fund Balance, June 30, 2005	\$ 470,562	\$ 464,746	\$ (5,816)	\$ 2,784	\$ (14,600)	\$ (17,384)



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Law Enforcement Grant			HIDTA Grant		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	98,147	14,289	(83,858)	-	-	-
Charges for Services	-	-	-	300,000	193,314	(106,686)
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	1,500	888	(612)	-	1,994	1,994
Total Revenues	99,647	15,177	(84,470)	300,000	195,309	(104,691)
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	-	-
Public Safety	35,877	67,334	(31,457)	300,000	785	299,215
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	64,711	13,789	50,922	-	-	-
Total Expenditures	100,588	81,123	19,465	300,000	785	299,215
Excess (Deficiently) of Revenue Over Expenditure	(941)	(65,946)	(65,005)	-	194,524	194,524
Other Financing Sources (Uses)						
Operating Transfers In	10,000	4,148	(5,852)	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	10,000	4,148	(5,852)	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	9,059	(61,798)	(70,857)	-	194,524	194,524
Fund Balance, July 1, 2004	66,063	66,063	-	-	-	-
Restatement						
Fund Balance as of June 30, 2004, Restated	66,063	66,063	-	-	-	-
Fund Balance, June 30, 2005	\$ 75,122	\$ 4,265	\$ (70,857)	\$ -	\$ 194,524	\$ 194,524

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Community Development			Home Grant		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,146,881	779,924	(366,957)	2,020,000	1,112,532	(907,468)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	1,146,881	779,924	(366,957)	2,020,000	1,112,532	(907,468)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	1,470,905	736,221	734,684	2,020,000	1,157,248	862,752
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	1,470,905	736,221	734,684	2,020,000	1,157,248	862,752
Excess (Deficiency) of Revenue Over Expenditure	(324,024)	43,703	367,727	-	(44,717)	(44,717)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(324,024)	43,703	367,727	-	(44,717)	(44,717)
Fund Balance, July 1, 2004	(116,365)	(116,365)	-	(20,496)	(20,496)	-
Restatement						
Fund Balance as of June 30, 2004, Restated	(116,365)	(116,365)	-	(20,496)	(20,496)	-
Fund Balance, June 30, 2005	\$ (440,389)	\$ (72,662)	\$ 367,727	\$ (20,496)	\$ (65,213)	\$ (44,717)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	ISTEA Grants			Grants & Donations		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ 772,750	\$ -	\$ (772,750)	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	3,410,925	28,181	(3,382,744)	1,796,699	468,408	(1,328,292)
Charges for Services	-	-	-	53,985	53,985	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	39,000	67,956	28,956	40,000	6,520	(33,480)
Interest	-	(2,458)	(2,458)	-	(2,873)	(2,873)
Total Revenues	4,222,675	93,679	(4,128,996)	1,890,684	526,039	(1,364,645)
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	223,029	207,472	15,557
Public Works	-	-	-	118,163	62,332	55,831
Culture and Recreation	-	-	-	9,661	561	9,100
Community Development	-	-	-	1,382,538	199,949	1,182,589
Miscellaneous	-	-	-	17,038	1,808	15,230
Capital Outlay	4,622,675	-	4,622,675	106,608	34,358	72,250
Total Expenditures	4,622,675	-	4,622,675	1,857,037	506,479	1,350,558
Excess (Deficiently) of Revenue Over Expenditure	(400,000)	93,679	493,679	33,647	19,560	(14,087)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	101,030	101,030	-
Operating Transfers Out	-	(400,000)	(400,000)	(199,346)	(158,000)	41,346
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(400,000)	(400,000)	(98,316)	(56,970)	41,346
Excess (Deficiency) of Revenue Over Expenditure	(400,000)	(306,321)	93,679	(64,669)	(37,410)	27,259
Fund Balance, July 1, 2004	305,742	305,742	-	514,578	514,578	-
Restatement					(4,404)	(4,404)
Fund Balance as of June 30, 2004, Restated	305,742	305,742	-	514,578	510,174	(4,404)
Fund Balance, June 30, 2005	\$ (94,258)	\$ (579)	\$ 93,679	\$ 449,909	\$ 472,764	\$ 22,855

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID Revolving			SID Rebate		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	(1,028)	(1,028)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	9,830	9,830	-	-	-
Interest	38,250	36,065	(2,185)	-	(101)	(101)
Total Revenues	38,250	45,895	7,645	-	(1,129)	(1,129)
EXPENDITURES						
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	38,250	45,895	7,645	-	(1,129)	(1,129)
Other Financing Sources (Uses)						
Operating Transfers Out	(200,000)	(190,000)	10,000	-	-	-
Loan Proceeds	-	(3,220)	(3,220)	-	-	-
Total Other Financing Sources (Uses)	(200,000)	(193,220)	6,780	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(161,750)	(147,325)	14,425	-	(1,129)	(1,129)
Fund Balance, July 1, 2004	955,785	955,785	-	(12,870)	(12,870)	-
Restatement	-	-	-	-	13,898	13,898
Fund Balance as of June 30, 2004, Restated	955,785	955,785	-	(12,870)	1,028	13,898
Fund Balance, June 30, 2005	\$ 794,035	\$ 808,460	\$ 14,425	\$ (12,870)	\$ (101)	\$ 12,769

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	1978 Pool & Fire			1985 Open Space		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	-	-	-	-	-
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	-	-	-	-	-
Fund Balance, July 1, 2004	11	11	-	2	2	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	11	11	-	2	2	-
Fund Balance, June 30, 2005	\$ 11	\$ 11	\$ -	\$ 2	\$ 2	\$ -

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	1998 Safety Bonds			1996 Open Space		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ 111,668	\$ 108,444	\$ (3,224)	\$ 229,034	\$ 248,331	\$ 19,297
Special Assessments	-	-	-	-	-	-
Intergovernmental	320	-	(320)	829	-	(829)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(541)	(541)	-	6,930	6,930
Total Revenues	111,988	107,903	(4,085)	229,863	255,261	25,398
EXPENDITURES						
Debt Service	131,988	131,863	126	279,863	279,563	301
Total Expenditures	131,988	131,863	126	279,863	279,563	301
Excess (Deficiency) of Revenue Over Expenditure	(20,000)	(23,960)	(3,960)	(50,000)	(24,302)	25,698
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(20,000)	(23,960)	(3,960)	(50,000)	(24,302)	25,698
Fund Balance, July 1, 2004	(27,033)	(27,033)	-	(2,477)	(2,477)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(27,033)	(27,033)	-	(2,477)	(2,477)	-
Fund Balance, June 30, 2005	\$ (47,033)	\$ (50,993)	\$ (3,960)	\$ (52,477)	\$ (26,779)	\$ 25,698

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	1997 Open Space			1994 City Hall & Fire Bonds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ 68,293	\$ 58,312	\$ (9,981)	\$ -	\$ 64,084	\$ 64,084
Special Assessments	-	-	-	-	-	-
Intergovernmental	142	-	(142)	-	632	632
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	21,719	21,719	-	(829)	(829)
Total Revenues	68,435	80,031	11,596	-	63,888	63,888
<b>EXPENDITURES</b>						
Debt Service	118,435	118,135	300	-	-	-
Total Expenditures	118,435	118,135	300	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(50,000)	(38,104)	11,896	-	63,888	63,888
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(50,000)	(38,104)	11,896	-	63,888	63,888
Fund Balance, July 1, 2004	(33,455)	(33,455)	-	(27,063)	(27,063)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(33,455)	(33,455)	-	(27,063)	(27,063)	-
Fund Balance, June 30, 2005	\$ (83,455)	\$ (71,559)	\$ 11,896	\$ (27,063)	\$ 36,824	\$ 63,888

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	1993 Fire Bonds			2004 Aquatics Bonds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ 121,940	\$ 121,940	\$ 478,902	\$ 265,538	\$ (213,364)
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	1,500	-	(1,500)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(53)	(53)	150,000	347,166	197,166
Total Revenues	-	121,888	121,888	630,402	612,703	(17,699)
EXPENDITURES						
Debt Service	-	-	-	630,403	630,353	51
Total Expenditures	-	-	-	630,403	630,353	51
Excess (Deficiency) of Revenue Over Expenditure	-	121,888	121,888	(1)	(17,649)	(17,648)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	121,888	121,888	(1)	(17,649)	(17,648)
Fund Balance, July 1, 2004	(17,425)	(17,425)	-	26,068	26,068	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(17,425)	(17,425)	-	26,068	26,068	-
Fund Balance, June 30, 2005	\$ (17,425)	\$ 104,463	\$ 121,888	\$ 26,067	\$ 8,419	\$ (17,648)



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	2004 Refunding			Sidewalk & Curb		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ 349,049	\$ 204,696	\$ (144,353)	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	99,396	99,396
Intergovernmental	32,220	-	(32,220)	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	2,897	2,897	-	5,485	5,485
Total Revenues	381,269	207,593	(173,676)	-	104,881	104,881
EXPENDITURES						
Debt Service	421,911	422,461	(550)	116,603	120,476	(3,873)
Total Expenditures	421,911	422,461	(550)	116,603	120,476	(3,873)
Excess (Deficiency) of Revenue Over Expenditure	(40,642)	(214,868)	(174,226)	(116,603)	(15,595)	101,008
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(40,642)	(214,868)	(174,226)	(116,603)	(15,595)	101,008
Fund Balance, July 1, 2004	-	-	-	144,767	144,767	-
Restatement	-	1,785	1,785	-	-	-
Fund Balance as of June 30, 2004, Restated	-	1,785	1,785	144,767	144,767	-
Fund Balance, June 30, 2005	\$ (40,642)	\$ (213,084)	\$ (172,442)	\$ 28,164	\$ 129,171	\$ 101,008

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	FY99 Sidewalk & Curb			FY00 Sidewalk & Curb		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	75,319	73,248	(2,071)	115,311	133,369	18,058
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	395	395	-	950	950
Total Revenues	75,319	73,643	(1,676)	115,311	134,319	19,008
<b>EXPENDITURES</b>						
Debt Service	77,880	78,030	(150)	115,808	115,983	(175)
Total Expenditures	77,880	78,030	(150)	115,808	115,983	(175)
Excess (Deficiency) of Revenue Over Expenditure	(2,561)	(4,387)	(1,826)	(497)	18,336	18,833
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(2,561)	(4,387)	(1,826)	(497)	18,336	18,833
Fund Balance, July 1, 2004	(10,263)	(10,263)	-	(16,263)	(16,263)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(10,263)	(10,263)	-	(16,263)	(16,263)	-
Fund Balance, June 30, 2005	\$ (12,824)	\$ (14,650)	\$ (1,826)	\$ (16,760)	\$ 2,073	\$ 18,833

CITY OF MISSOULA, MONTANA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	FY01 Sidewalk & Curb			FY02 Sidewalk & Curb		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	45,265	49,656	4,391	63,530	76,603	13,073
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,889	1,889	-	1,011	1,011
Total Revenues	45,265	51,545	6,280	63,530	77,614	14,084
EXPENDITURES						
Debt Service	43,983	44,183	(200)	61,490	61,990	(500)
Total Expenditures	43,983	44,183	(200)	61,490	61,990	(500)
Excess (Deficiency) of Revenue Over Expenditure	1,282	7,362	6,080	2,040	15,624	13,584
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	1,282	7,362	6,080	2,040	15,624	13,584
Fund Balance, July 1, 2004	32,616	32,616	-	7,037	7,037	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	32,616	32,616	-	7,037	7,037	-
Fund Balance, June 30, 2005	\$ 33,898	\$ 39,978	\$ 6,080	\$ 9,077	\$ 22,660	\$ 13,584

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	FY03 Sidewalk & Curb			FY04 Sidewalk & Curb		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	60,828	119,222	58,394	-	113,278	113,278
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	501	501	-	2,613	2,613
Total Revenues	60,828	119,723	58,895	-	115,891	115,891
EXPENDITURES						
Debt Service	108,883	109,383	(500)	115,019	113,919	1,100
Total Expenditures	108,883	109,383	(500)	115,019	113,919	1,100
Excess (Deficiency) of Revenue Over Expenditure	(48,055)	10,341	58,396	(115,019)	1,971	116,990
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	35,500	35,500
Total Other Financing Sources (Uses)	-	-	-	-	35,500	35,500
Excess (Deficiency) of Revenue Over Expenditure	(48,055)	10,341	58,396	(115,019)	37,471	152,490
Fund Balance, July 1, 2004	(20,916)	(20,916)	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(20,916)	(20,916)	-	-	-	-
Fund Balance, June 30, 2005	\$ (68,971)	\$ (10,575)	\$ 58,396	\$ (115,019)	\$ 37,471	\$ 152,490

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 470			SID 491		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	989	989	6,084	5,692	(392)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	461	461	-	383	383
Total Revenues	-	1,450	1,450	6,084	6,075	(9)
EXPENDITURES						
Debt Service	-	-	-	10,740	10,740	-
Total Expenditures	-	-	-	10,740	10,740	-
Excess (Deficiency) of Revenue Over Expenditure	-	1,450	1,450	(4,656)	(4,665)	(9)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	1,450	1,450	(4,656)	(4,665)	(9)
Fund Balance, July 1, 2004	11,911	11,911	-	8,685	8,685	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	11,911	11,911	-	8,685	8,685	-
Fund Balance, June 30, 2005	\$ 11,911	\$ 13,361	\$ 1,450	\$ 4,029	\$ 4,020	\$ (9)

CITY OF MISSOULA, MONTANA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	SID 492			SID 494		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	1,356	1,258	(98)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(90)	(90)	-	67	67
Total Revenues	-	(90)	(90)	1,356	1,325	(31)
EXPENDITURES						
Debt Service	-	-	-	3,255	3,370	(115)
Total Expenditures	-	-	-	3,255	3,370	(115)
Excess (Deficiency) of Revenue Over Expenditure	-	(90)	(90)	(1,899)	(2,045)	(146)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	(90)	(90)	(1,899)	(2,045)	(146)
Fund Balance, July 1, 2004	(1,996)	(1,996)	-	1,430	1,430	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(1,996)	(1,996)	-	1,430	1,430	-
Fund Balance, June 30, 2005	<u>\$ (1,996)</u>	<u>\$ (2,086)</u>	<u>\$ (90)</u>	<u>\$ (469)</u>	<u>\$ (616)</u>	<u>\$ (146)</u>

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 495			SID 496		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	35,376	33,981	(1,395)	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	2,473	2,473	-	(2)	(2)
Total Revenues	35,376	36,454	1,078	-	(2)	(2)
EXPENDITURES						
Debt Service	57,588	57,591	(3)	-	-	-
Total Expenditures	57,588	57,591	(3)	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(22,212)	(21,137)	1,075	-	(2)	(2)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(22,212)	(21,137)	1,075	-	(2)	(2)
Fund Balance, July 1, 2004	58,688	58,688	-	(36)	(36)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	58,688	58,688	-	(36)	(36)	-
Fund Balance, June 30, 2005	\$ 36,476	\$ 37,551	\$ 1,075	\$ (36)	\$ (38)	\$ (2)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 497			SID 498		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	67,603	67,507	(96)	125,112	141,684	16,572
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	4,589	4,589	-	6,734	6,734
Total Revenues	67,603	72,096	4,493	125,112	148,418	23,306
EXPENDITURES						
Debt Service	84,028	84,028	1	120,760	122,210	(1,450)
Total Expenditures	84,028	84,028	1	120,760	122,210	(1,450)
Excess (Deficiency) of Revenue Over Expenditure	(16,425)	(11,932)	4,493	4,352	26,208	21,856
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(16,425)	(11,932)	4,493	4,352	26,208	21,856
Fund Balance, July 1, 2004	104,721	104,721	-	167,330	167,330	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	104,721	104,721	-	167,330	167,330	-
Fund Balance, June 30, 2005	\$ 88,296	\$ 92,789	\$ 4,493	\$ 171,682	\$ 193,538	\$ 21,856



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 500			SID 501		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	50,248	49,763	(485)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1	1	-	2,677	2,677
Total Revenues	-	1	1	50,248	52,441	2,193
<b>EXPENDITURES</b>						
Debt Service	-	-	-	39,400	39,400	-
Total Expenditures	-	-	-	39,400	39,400	-
Excess (Deficiency) of Revenue Over Expenditure	-	1	1	10,848	13,041	2,193
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	1	1	10,848	13,041	2,193
Fund Balance, July 1, 2004	29	29	-	66,274	66,274	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	29	29	-	66,274	66,274	-
Fund Balance, June 30, 2005	\$ 29	\$ 29	\$ 1	\$ 77,122	\$ 79,314	\$ 2,193

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 502			SID 503		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	4,922	4,922	13,972	11,606	(2,366)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	88	88	-	791	791
Total Revenues	-	5,010	5,010	13,972	12,398	(1,574)
EXPENDITURES						
Debt Service	-	-	-	11,480	11,480	-
Total Expenditures	-	-	-	11,480	11,480	-
Excess (Deficiency) of Revenue Over Expenditure	-	5,010	5,010	2,492	918	(1,574)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	5,010	5,010	2,492	918	(1,574)
Fund Balance, July 1, 2004	(597)	(597)	-	20,183	20,183	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(597)	(597)	-	20,183	20,183	-
Fund Balance, June 30, 2005	\$ (597)	\$ 4,413	\$ 5,010	\$ 22,675	\$ 21,101	\$ (1,574)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 504			SID 505		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	16,054	15,147	(907)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	20	20	-	213	213
Total Revenues	-	20	20	16,054	15,360	(694)
EXPENDITURES						
Debt Service	-	-	-	13,220	13,220	-
Total Expenditures	-	-	-	13,220	13,220	-
Excess (Deficiency) of Revenue Over Expenditure	-	20	20	2,834	2,140	(694)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	20	20	2,834	2,140	(694)
Fund Balance, July 1, 2004	543	543	-	2,121	2,121	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	543	543	-	2,121	2,121	-
Fund Balance, June 30, 2005	\$ 543	\$ 563	\$ 20	\$ 4,955	\$ 4,261	\$ (694)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 506			SID 507		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	3,304	4,479	1,175	8,223	13,565	5,342
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	374	374	-	598	598
Total Revenues	3,304	4,853	1,549	8,223	14,163	5,940
EXPENDITURES						
Debt Service	968	968	-	9,896	9,896	-
Total Expenditures	968	968	-	9,896	9,896	-
Excess (Deficiency) of Revenue Over Expenditure	2,336	3,885	1,549	(1,673)	4,267	5,940
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	2,336	3,885	1,549	(1,673)	4,267	5,940
Fund Balance, July 1, 2004	8,735	8,735	-	9,881	9,881	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	8,735	8,735	-	9,881	9,881	-
Fund Balance, June 30, 2005	\$ 11,071	\$ 12,620	\$ 1,549	\$ 8,208	\$ 14,148	\$ 5,940

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 508			SID 510		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	321	309	(12)	19,009	19,682	673
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(312)	(312)	-	1,846	1,846
Total Revenues	321	(4)	(325)	19,009	21,528	2,519
<b>EXPENDITURES</b>						
Debt Service	-	-	-	3,060	3,060	-
Total Expenditures	-	-	-	3,060	3,060	-
Excess (Deficiency) of Revenue Over Expenditure	321	(4)	(325)	15,949	18,468	2,519
<b>Other Financing Sources (Uses)</b>						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	321	(4)	(325)	15,949	18,468	2,519
Fund Balance, July 1, 2004	(6,978)	(6,978)	-	42,402	42,402	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(6,978)	(6,978)	-	42,402	42,402	-
Fund Balance, June 30, 2005	\$ (6,657)	\$ (6,982)	\$ (325)	\$ 58,351	\$ 60,870	\$ 2,519

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 511			SID 512		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	19,679	20,422	743	148,442	170,314	21,872
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,224	1,224	-	10,517	10,517
Total Revenues	19,679	21,646	1,967	148,442	180,832	32,390
EXPENDITURES						
Debt Service	17,680	17,680	-	107,561	107,736	(175)
Total Expenditures	17,680	17,680	-	107,561	107,736	(175)
Excess (Deficiency) of Revenue Over Expenditure	1,999	3,966	1,967	40,881	73,096	32,215
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	1,999	3,966	1,967	40,881	73,096	32,215
Fund Balance, July 1, 2004	30,931	30,931	-	226,022	226,022	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	30,931	30,931	-	226,022	226,022	-
Fund Balance, June 30, 2005	\$ 32,930	\$ 34,897	\$ 1,967	\$ 266,903	\$ 299,118	\$ 32,215

CITY OF MISSOULA, MONTANA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	SID 513			SID 514		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,876	4,663	(213)	18,259	26,958	8,699
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	951	951	-	1,516	1,516
Total Revenues	4,876	5,614	738	18,259	28,474	10,215
EXPENDITURES						
Debt Service	752	752	-	3,906	3,906	-
Total Expenditures	752	752	-	3,906	3,906	-
Excess (Deficiency) of Revenue Over Expenditure	4,124	4,862	738	14,353	24,568	10,215
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	4,124	4,862	738	14,353	24,568	10,215
Fund Balance, July 1, 2004	24,179	24,179	-	24,210	24,210	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	24,179	24,179	-	24,210	24,210	-
Fund Balance, June 30, 2005	\$ 28,303	\$ 29,040	\$ 738	\$ 38,563	\$ 48,778	\$ 10,215

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 515			SID 517		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	496	2,275	1,779	5,975	13,452	7,477
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(607)	(607)	-	569	569
Total Revenues	496	1,669	1,173	5,975	14,022	8,047
<b>EXPENDITURES</b>						
Debt Service	180	180	-	3,484	3,485	(1)
Total Expenditures	180	180	-	3,484	3,485	(1)
Excess (Deficiency) of Revenue Over Expenditure	316	1,489	1,173	2,491	10,537	8,046
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	316	1,489	1,173	2,491	10,537	8,046
Fund Balance, July 1, 2004	(15,012)	(15,012)	-	8,175	8,175	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(15,012)	(15,012)	-	8,175	8,175	-
Fund Balance, June 30, 2005	\$ (14,696)	\$ (13,524)	\$ 1,173	\$ 10,666	\$ 18,712	\$ 8,046



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 518			SID 519		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,009	11,454	7,445	8,470	15,786	7,316
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	133	133	-	563	563
Total Revenues	4,009	11,587	7,578	8,470	16,349	7,879
EXPENDITURES						
Debt Service	1,494	1,493	1	4,172	4,172	-
Total Expenditures	1,494	1,493	1	4,172	4,172	-
Excess (Deficiency) of Revenue Over Expenditure	2,515	10,094	7,579	4,298	12,177	7,879
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	2,515	10,094	7,579	4,298	12,177	7,879
Fund Balance, July 1, 2004	75	75	-	5,898	5,898	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	75	75	-	5,898	5,898	-
Fund Balance, June 30, 2005	\$ 2,590	\$ 10,169	\$ 7,579	\$ 10,196	\$ 18,075	\$ 7,879

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 520			SID 521		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	162,831	192,967	30,136	768	1,068	300
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	9,348	9,348	-	180	180
Total Revenues	162,831	202,315	39,484	768	1,247	479
<b>EXPENDITURES</b>						
Debt Service	177,140	177,140	-	489	489	-
Total Expenditures	177,140	177,140	-	489	489	-
Excess (Deficiency) of Revenue Over Expenditure	(14,309)	25,175	39,484	279	758	479
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(14,309)	25,175	39,484	279	758	479
Fund Balance, July 1, 2004	231,206	231,206	-	4,389	4,389	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	231,206	231,206	-	4,389	4,389	-
Fund Balance, June 30, 2005	\$ 216,897	\$ 256,381	\$ 39,484	\$ 4,668	\$ 5,147	\$ 479

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 522			SID 525		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	97	1,456	1,359	50,258	54,186	3,928
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	189	189	-	5,981	5,981
Total Revenues	97	1,646	1,549	50,258	60,168	9,910
<b>EXPENDITURES</b>						
Debt Service	707	707	-	44,480	44,480	-
Total Expenditures	707	707	-	44,480	44,480	-
Excess (Deficiency) of Revenue Over Expenditure	(610)	939	1,549	5,778	15,688	9,910
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	(610)	939	1,549	5,778	15,688	9,910
Fund Balance, July 1, 2004	4,776	4,776	-	156,581	156,581	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	4,776	4,776	-	156,581	156,581	-
Fund Balance, June 30, 2005	\$ 4,166	\$ 5,715	\$ 1,549	\$ 162,359	\$ 172,269	\$ 9,910

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 526			SID 527		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	213,818	265,918	52,100	115,019	4,622	(110,397)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	13,675	13,675	-	123	123
Total Revenues	213,818	279,593	65,775	115,019	4,745	(110,274)
<b>EXPENDITURES</b>						
Debt Service	190,220	190,220	-	3,765	3,765	-
Total Expenditures	190,220	190,220	-	3,765	3,765	-
Excess (Deficiency) of Revenue Over Expenditure	23,598	89,373	65,775	111,254	980	(110,274)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	23,598	89,373	65,775	111,254	980	(110,274)
Fund Balance, July 1, 2004	319,753	319,753	-	4,945	4,945	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	319,753	319,753	-	4,945	4,945	-
Fund Balance, June 30, 2005	\$ 343,351	\$ 409,126	\$ 65,775	\$ 116,199	\$ 5,925	\$ (110,274)

CITY OF MISSOULA, MONTANA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	SID 530			SID 531		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	3,519	3,519	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(206)	(206)	-	(2)	(2)
Total Revenues	-	3,313	3,313	-	(2)	(2)
EXPENDITURES						
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	3,313	3,313	-	(2)	(2)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	3,313	3,313	-	(2)	(2)
Fund Balance, July 1, 2004	-	-	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	-	-	-	-	-	-
Fund Balance, June 30, 2005	\$ -	\$ 3,313	\$ 3,313	\$ -	\$ (2)	\$ (2)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	SID 532		
	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Special Assessments	-	-	-
Intergovernmental	-	-	-
Grants and Miscellaneous	-	-	-
Interest	-	12	12
Total Revenues	-	12	12
<b>EXPENDITURES</b>			
Debt Service	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	12	12
Other Financing Sources (Uses)			
Operating Transfers Out	-	-	-
Loan Proceeds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Revenue Over Expenditure	-	12	12
Fund Balance, July 1, 2004	-	-	-
Restatement	-	-	-
Fund Balance as of June 30, 2004, Restated	-	-	-
Fund Balance, June 30, 2005	\$ -	\$ 12	\$ 12

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	2004 Refunding Bonds			Capital Improvements		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,779	\$ 3,779	\$ -
Charges for Services	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	57,068	43,579	(13,489)
Other Financing	-	-	-	-	-	-
Interest	-	(206)	(206)	-	(19,575)	(19,575)
Total Revenues	-	(206)	(206)	60,847	27,783	(33,064)
<b>EXPENDITURES</b>						
General Government	-	-	-	104,300	2,060	102,240
Debt Service	25,323	23,543	1,780	589,413	268,903	320,510
Capital Outlay	-	-	-	4,371,884	1,473,604	2,898,280
Total Expenditures	25,323	23,543	1,780	5,065,597	1,744,566	3,321,031
Excess(Deficiency) of Revenue Over Expenditure	(25,323)	(23,748)	1,575	(5,004,750)	(1,716,783)	3,287,967
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	1,339,522	653,326	(686,196)
Operating Transfers Out	-	-	-	-	-	-
Proceeds of Long Term Debt	-	-	-	2,507,036	152,407	(2,354,629)
Sale of Capital Assets	-	-	-	753,285	-	(753,285)
Total Other Financing Sources(Uses)	-	-	-	4,599,843	805,733	(3,794,110)
Excess(Deficiency) of Revenues Over Expenditures	(25,323)	(23,748)	1,575	(404,907)	(911,050)	(506,143)
Fund Balance, July 1, 2004	25,327	25,327	-	531,000	531,000	-
Restatement	(1,785)	(1,785)	-	(700,000)	(700,000)	-
Fund Balance as of June 30, 2004, Restated	23,543	23,543	-	(169,000)	(169,000)	-
Fund Balance, June 30, 2005	\$ (1,780)	\$ (206)	\$ 1,575	\$ (573,907)	\$ (1,080,051)	\$ (506,143)

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	1996 Open Space			1997 Open Space		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	25	25
Other Financing	-	-	-	-	-	-
Interest	-	(1,016)	(1,016)	-	(3,503)	(3,503)
Total Revenues	-	(1,016)	(1,016)	-	(3,478)	(3,478)
<b>EXPENDITURES</b>						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	125,188	125,188	-	589,490	132,644	456,846
Total Expenditures	125,188	125,188	-	589,490	132,644	456,846
Excess(Deficiency) of Revenue Over Expenditure	(125,188)	(126,204)	(1,016)	(589,490)	(136,123)	453,367
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	158,000	158,000	-
Operating Transfers Out	-	-	-	-	-	-
Proceeds of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	158,000	158,000	-
Excess(Deficiency) of Revenues Over Expenditures	(125,188)	(126,204)	(1,016)	(431,490)	21,877	453,367
Fund Balance, July 1, 2004	125,188	125,188	-	430,471	430,471	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2004, Restated	125,188	125,188	-	430,471	430,471	-
Fund Balance, June 30, 2005	\$ (0)	\$ (1,016)	\$ (1,016)	\$ (1,019)	\$ 452,348	\$ 453,367



CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	2004 Non GO Aquatics			Sidewalk & Curb		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Intergovernmental	\$ 1,500,000	\$ 1,800,000	\$ 300,000	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Grants and Miscellaneous	1,408,000	-	(1,408,000)	-	7,888	7,888
Other Financing	-	-	-	765,000	-	(765,000)
Interest	-	-	-	-	(22,495)	(22,495)
Total Revenues	2,908,000	1,800,000	(1,108,000)	765,000	(14,607)	(779,607)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	2,908,000	354,512	2,553,488	1,439,305	680,077	759,228
Total Expenditures	2,908,000	354,512	2,553,488	1,439,305	680,077	759,228
Excess(Deficiency) of Revenue Over Expenditure	-	1,445,488	1,445,488	(674,305)	(694,683)	(20,379)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Proceeds of Long Term Debt	-	-	-	336,029	642,463	306,434
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	336,029	642,463	306,434
Excess(Deficiency) of Revenues Over Expenditures	-	1,445,488	1,445,488	(338,276)	(52,220)	286,055
Fund Balance, July 1, 2004	-	-	-	(658,034)	(658,034)	-
Restatement	-	-	-	(182,903)	(182,903)	-
Fund Balance as of June 30, 2004, Restated	-	-	-	(840,938)	(840,938)	-
Fund Balance, June 30, 2005	\$ -	\$ 1,445,488	\$ 1,445,488	\$ (1,179,214)	\$ (893,158)	\$ 286,055

CITY OF MISSOULA, MONTANA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	39th Street Construction			SID Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Intergovernmental	\$ 158,964	\$ 189,683	\$ 30,719	\$ -	\$ -	\$ -
Charges for Services	-	54,754	54,754	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Other Financing	-	-	-	556,000	-	(556,000)
Interest	-	(21,294)	(21,294)	-	-	-
Total Revenues	158,964	223,143	64,179	556,000	-	(556,000)
<b>EXPENDITURES</b>						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	158,964	179,289	(20,325)	556,000	11,567	544,433
Total Expenditures	158,964	179,289	(20,325)	556,000	11,567	544,433
Excess(Deficiency) of Revenue Over Expenditure	-	43,854	43,854	-	(11,567)	(11,567)
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Proceeds of Long Term Debt	-	153,431	153,431	-	11,120	11,120
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	153,431	153,431	-	11,120	11,120
Excess(Deficiency) of Revenues Over Expenditures	-	197,285	197,285	-	(447)	(447)
Fund Balance, July 1, 2004	(379,870)	(379,870)	-	(6,706)	(6,706)	-
Restatement	182,903	182,903	-	-	-	-
Fund Balance as of June 30, 2004, Restated	(196,967)	(196,967)	-	(6,706)	(6,706)	-
Fund Balance, June 30, 2005	\$ (196,967)	\$ 317	\$ 197,285	\$ (6,706)	\$ (7,153)	\$ (447)



## STATISTICAL SECTION



## STATISTICAL SECTION

CITY OF MISSOULA, MONTANA  
GENERAL GOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

FISCAL YEAR	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
TAXES & SPEC. ASSESS.	\$19,470,666	\$18,956,194	\$16,515,528	\$15,948,834	\$16,068,867	\$14,095,353	\$13,368,874	\$12,989,189	\$13,445,641	\$12,650,691
LICENSES	3,165,413	2,318,146	2,287,385	1,951,694	2,127,995	1,985,384	1,965,770	1,820,153	1,663,597	1,597,443
INTERGOVERNMENTAL	14,238,028	11,091,624	11,846,177	12,045,990	8,508,902	8,129,796	6,621,206	6,680,155	6,196,152	5,017,827
CHARGES FOR SERVICE	3,298,503	2,700,372	2,336,424	2,091,330	1,931,224	1,812,816	1,738,800	1,646,859	1,177,298	1,466,405
FINES & FORFEITURES	1,223,864	857,707	795,329	705,024	866,239	787,850	637,162	615,226	590,018	566,048
MISCELLANEOUS	309,781	520,337	420,425	753,341	1,144,954	477,271	505,992	439,528	496,103	391,126
INTEREST	226,538	449,387	231,951	436,431	571,553	552,949	583,013	522,303	373,399	435,273
<b>TOTAL REVENUES</b>	<b>\$41,932,792</b>	<b>\$36,893,767</b>	<b>\$34,433,219</b>	<b>\$33,932,644</b>	<b>\$31,219,734</b>	<b>\$27,841,419</b>	<b>\$25,420,817</b>	<b>\$24,713,413</b>	<b>\$23,942,208</b>	<b>\$22,124,813</b>

INCLUDES GENERAL, SPECIAL REVENUE, DEBT SERVICE & CAPITAL PROJECTS FUND TYPES

SOURCE: CITY OF MISSOULA AUDIT AND FINANCIAL REPORTS

CITY OF MISSOULA, MONTANA  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS

FISCAL YEAR	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
GENERAL GOVERNMENT	\$4,501,423	\$4,718,579	\$4,005,055	\$3,655,897	\$3,243,856	\$2,906,065	\$2,922,641	\$2,738,798	\$2,690,309	\$2,425,449
PUBLIC SAFETY	16,957,739	15,420,765	14,588,393	13,811,639	12,356,971	11,803,076	11,978,391	10,812,476	9,602,598	8,046,421
PUBLIC WORKS	5,765,617	5,239,404	4,929,802	6,429,799	5,900,675	5,162,066	5,620,533	4,096,788	4,078,479	3,532,400
PUBLIC HEALTH	1,096,344	1,008,837	1,030,253	904,936	864,817	797,725	1,132,640	1,047,807	670,790	580,597
SOCIAL SERVICES	105,238	100,706	105,100	99,500	99,500	86,500	81,935	71,291	70,587	8,500
CULTURE & REC.	2,719,381	2,468,401	2,206,720	2,689,563	2,369,858	2,122,110	3,182,001	1,853,957	1,752,877	1,509,000
COMMUNITY DEVEL.	2,129,109	681,088	709,847	1,328,425	725,668	876,662	69,359	79,895	134,469	740,800
MISCELLANEOUS	910,387	795,362	788,987	522,402	578,713	358,915	2,295,067	412,434	215,386	87,857
DEBT SERVICE	3,861,498	5,496,122	3,779,394	3,034,687	2,608,427	2,686,370	3,035,030	1,762,798	1,786,439	2,648,612
CAPITAL OUTLAY	4,980,661	6,514,225	6,800,610	4,201,931	4,580,695	4,150,207	645,171	1,865,480	5,807,538	2,780,029
TOTAL EXPENDITURES	\$43,027,397	\$42,443,489	\$38,944,161	\$36,678,779	\$33,329,180	\$30,949,696	\$30,962,768	\$24,741,724	\$26,809,472	\$22,359,665

INCLUDES GENERAL, SPECIAL REVENUE, DEBT SERVICE & CAPITAL PROJECTS FUND TYPES

SOURCE: CITY OF MISSOULA AUDIT AND FINANCIAL REPORTS

CITY OF MISSOULA, MONTANA  
PROPERTY TAXES LEVIED AND COLLECTED  
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAXES PAID	PERCENT COLLECTED	DELINQUENT TAXES PAID	TOTAL TAXES PAID	TOTAL PAID AS PERCENT OF CURRENT LEVY	PENALTY AND INTEREST PAID
1996	8,461,159	7,023,706	83.01%	1,033,226	8,056,932	95.22%	47,273
1997	10,095,296	9,067,015	89.81%	1,474,487	10,541,502	104.42%	25,862
1998	10,339,640	9,942,359	96.16%	1,028,973	10,971,332	106.11%	32,102
1999	10,770,977	9,551,945	88.68%	1,048,989	10,600,934	98.42%	37,643
2000	11,045,658	10,137,825	91.78%	401,463	10,539,288	95.42%	33,145
2001	12,206,430	12,041,824	98.65%	371,989	12,413,813	101.70%	29,919
2002	13,043,228	12,359,529	94.76%	399,678	12,759,207	97.82%	36,960
2003	13,897,789	13,233,442	95.22%	387,103	13,620,545	98.01%	65,905
2004	14,911,332	14,943,191	100.21%	281,762	15,224,953	102.10%	75,397
2005	15,976,238	15,900,407	99.53%	208,969	16,109,377	100.83%	79,568

NOTE: TAXES PAID DO NOT INCLUDE MOTOR VEHICLE TAXES OR TAX INCREMENT. IN ADDITION, THE MISSOULA COUNTY TREASURER'S OFFICE DID NOT BILL OUT PERSONAL PROPERTY TAXES FOR FY 2000 DURING THE FISCAL YEAR, WHICH MEANT THAT ALTHOUGH THESE TAXES WERE INCLUDED WITHIN THE LEVY FOR FY 2000, THEY WERE NOT BILLED OUT UNTIL 2 MONTHS AFTER THE END OF THE FISCAL YEAR.

CITY OF MISSOULA, MONTANA  
ESTIMATED MARKET VALUE, TAXABLE VALUE AND MILL LEVY  
LAST TEN FISCAL YEARS

FISCAL YEAR	ESTIMATED MARKET VALUE	TAXABLE VALUE CITY WITHOUT TAX INCREMENT	RATIO OF TOTAL		MILL LEVY
			ASSESSED VALUE TO TOTAL ESTIMATED MARKET VALUE	TAXABLE VALUE TAX INCREMENT DISTRICTS	
1996	1,552,001,041	64,351,968	4.15%	2,784,774	135.96
1997	1,611,509,167	66,849,021	4.15%	2,986,773	138.20
1998	1,876,325,293	73,042,997	3.89%	3,365,562	138.20
1999	1,859,622,977	74,954,024	4.03%	3,760,638	137.62
2000	1,985,298,106	77,024,392	3.88%	3,737,101	139.84
2001	2,111,624,637	76,698,959	3.63%	1,964,011	159.15
2002	2,247,822,357	78,961,906	3.51%	2,317,883	165.19
2003	2,403,250,454	82,076,104	3.42%	2,652,385	169.48
2004	2,636,857,585	84,586,453	3.21%	3,603,495	176.30
2005	2,805,424,077	91,358,406	3.26%	3,844,866	182.57

NOTE: DUE TO A CHANGE IN THE STATE LAW, A SUBSTANTIAL AMOUNT OF BUSINESS PERSONAL PROPERTY WAS REMOVED FROM THE PROPERTY TAX ROLLS IN FY 2000 RESULTING IN A REDUCTION IN THE TAXABLE VALUE OF BOTH THE TAX INCREMENT DISTRICT AND THE CITY. THE STATE OF MONTANA HAS PARTIALLY OFFSET THIS LOSS IN TAXABLE VALUE BY PROVIDING TRANSFER REIMBURSEMENTS TO LOCAL GOVERNMENTS AFFECTED BY THE REMOVAL OF PERSONAL PROPERTY FROM THEIR TAX BASE. IN ADDITION, THE CITY WAS PERMITTED TO INCREASE ITS MILL LEVY TO OFFSET THE REMAINING LOSS IN BUSINESS TAXABLE VALUE.



CITY OF MISSOULA, MONTANA  
OVERLAPPING PROPERTY TAX LEVIES  
LAST TEN FISCAL YEARS

TAXING AUTHORITY	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997	FY 1996
CITY OF MISSOULA	182.57	176.32	169.48	165.19	159.15	146.63	139.84	137.62	138.20	126.46
COUNTY OF MISSOULA COUNTY WIDE	127.12	122.79	123.97	117.80	100.15	89.24	83.15	75.59	73.42	74.90
COUNTYWIDE SCHOOLS	101.59	108.34	100.75	96.56	99.86	93.52	89.72	90.95	92.89	92.11
DISTRICT SCHOOLS										
SCHOOL DISTRICT ONE	158.29	159.27	153.24	149.04	136.72	138.20	135.31	129.20	132.51	132.63
HIGH SCHOOLS	83.16	84.27	84.65	77.30	71.28	66.17	65.32	69.63	69.04	67.46
TOTAL	652.73	650.99	632.09	605.89	567.16	533.76	513.34	502.99	506.06	493.56
STATE LEVIES										
UNIVERSITY	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
WELFARE	-	-			9.00	9.00	9.00	9.00	9.00	9.00
EDUCATION FOUNDATION	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
URBAN TRANSPORTATION DISTRICT	12.23	11.93	11.66	11.31	10.94	10.37	9.82	9.82	9.82	9.82
TOTAL LEVY ON CITY RESIDENTS OF DISTRICT 1-1	710.96	708.92	689.75	663.20	633.10	599.13	578.16	567.81	570.88	558.38
NOTE: MRA doesn't get University mills.										
OTHER LEVIES OF INTEREST:										
COUNTY										
COUNTY ONLY	33.97	25.33	27.32	24.54	24.48	21.91	21.13	21.47	21.53	21.13
MISSOULA RURAL FIRE	78.26	77.37	74.25	73.97	71.27	62.14	57.02	56.89	55.69	47.85

SOURCE: CITY OF MISSOULA BUDGET; COUNTY OF MISSOULA ACCOUNTING OFFICE

CITY OF MISSOULA, MONTANA  
PRINCIPAL TAXPAYERS  
JUNE 30, 2005

TAXPAYER	TYPE OF BUSINESS	TAXABLE VALUE	TAXES	PERCENTAGE OF TOTAL ASSESSED VALUATION
NORTHWESTERN CORPORATION	UTILITIES	\$ 10,918,443	\$ 6,565,202	40.54%
STONE CONTAINER CORP	FOREST PRODUCTS	4,271,385	2,373,762	15.86%
QWEST COMMUNICATIONS	UTILITIES	2,511,205	1,736,544	9.32%
MONTANA RAIL LINK INC	TRANSPORTATION	1,452,373	863,455	5.39%
MOUNTAIN WATER COMPANY	UTILITIES	1,098,903	772,007	4.08%
SOUTHGATE MALL	RETAIL SALES	842,991	610,044	3.13%
GATEWAY LIMITED PARTNERSHIP	OTHER	753,039	558,990	2.80%
ST PATRICK HOSPITAL CORP	MEDICAL	729,536	547,499	2.71%
PLUM CREEK TIMBER	FOREST PRODUCTS	716,171	443,711	2.66%
MISSOULA ELECTRIC COOPERATIVE	UTILITIES	745,245	409,715	2.77%
PUGET SOUND ENERGY INC	UTILITIES	767,885	407,706	2.85%
STIMSON LUMBER CO	FOREST PRODUCTS	582,336	386,111	2.16%
WAL-MART	RETAIL SALES	521,507	378,626	1.94%
BLACKFOOT TELEPHONE COOPERATIVE	UTILITIES	552,443	342,517	2.05%
MOUNTAIN STATES LEASING MISSOULA LLC	OTHER	472,378	335,598	1.75%

SOURCE: COUNTY OF MISSOULA ACCOUNTING OFFICE

CITY OF MISSOULA, MONTANA  
SPECIAL ASSESSMENTS BILLED AND COLLECTED  
LAST TEN FISCAL YEARS

FISCAL YEAR	ASSESSMENTS BILLED	CURRENT ASSESSMENTS PAID	PERCENT COLLECTED	DELINQUENT ASSESSMENTS PAID	TOTAL ASSESSMENTS PAID	PENALTY AND INTEREST PAID
1996	1,217,178	1,121,991	92.18%	191,653	1,313,644	34,088
1997	1,097,546	1,006,636	91.72%	107,558	1,114,194	14,299
1998	1,267,847	1,125,560	88.78%	126,516	1,252,076	18,523
1999	1,307,541	1,166,340	89.20%	324,363	1,490,703	26,117
2000	1,298,209	1,200,303	92.46%	96,792	1,297,095	11,402
2001	1,676,420	1,589,981	94.84%	102,967	1,692,948	10,190
2002	1,865,265	1,726,973	92.59%	84,933	1,811,906	10,758
2003	1,947,490	2,424,156	124.48%	75,325	2,499,481	17,909
2004	2,275,546	2,105,570	92.53%	306,209	2,411,779	9,728
2005	2,241,307	2,132,336	95.14%	119,277	2,251,613	16,761

Note: Property tax levies are set in August at the time the City budget is approved and billed November 1 by the County. Half of the taxes are due by November 30 and the other half by May 31. After those dates, the bills are delinquent (and a lien is placed on the property). The interest charged on delinquent taxes is one percent per month, with a two percent penalty.

SOURCE: CITY OF MISSOULA

CITY OF MISSOULA, MONTANA  
LEGAL DEBT MARGINS (IN THOUSANDS)  
LAST TEN FISCAL YEARS

GENERAL OBLIGATION DEBT								
FISCAL YEAR	FOR ALL YEARS UP TO 2001					FOR 2001 FORWARD (2)		% DEBT LIMIT USED
	CONTRACTS AND NOTES	GENERAL OBLIGATION BONDS	TOTALS	TAXABLE VALUATION (1)	LEGAL DEBT LIMIT 28%	ASSESSED VALUATION (1)	LEGAL DEBT LIMIT 1.51%	LEGAL DEBT MARGIN
1996	81	8,292	8,373	66,906	18,734			10,361
1997	233	7,920	8,153	73,043	20,452			12,299
1998	629	10,693	11,322	74,954	20,987			9,665
1999	879	10,241	11,120	77,024	21,567			10,447
2000	661	9,794	10,455	76,699	21,476			11,021
2001	2,034	9,320	11,354			2,247,822	33,942	22,588
2002	2,707	8,822	11,529			2,403,250	36,289	24,760
2003	1,631	8,302	9,933			2,636,857	39,817	29,884
2004	1,540	15,895	17,435			2,805,424	42,362	24,927
2005	1,926	15,020	16,946			2,901,638	43,815	26,868

(1) SOURCE: MISSOULA COUNTY ASSESSOR'S OFFICE

(2) HOUSE BILL 23 OF THE 2001 MONTANA LEGISLATURE CHANGED THE METHOD OF CALCULATION OF THE LEGAL DEBT LIMIT FOR CITIES

SOURCE OF OTHER INFORMATION: CITY OF MISSOULA

CITY OF MISSOULA, MONTANA  
 RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION ESTIMATES	TAXABLE VALUE	BONDED DEBT (1)	RATIO OF BONDED DEBT TO TAXABLE VALUE	BONDED DEBT PER CAPITA
1996	50,200	66,906,449	8,292,249	12.39%	165.18
1997	51,000	73,042,997	7,919,918	10.84%	155.29
1998	51,204	74,954,024	10,693,346	14.27%	208.84
1999	52,239	77,024,000	10,241,188	13.30%	196.04
2000	57,053	76,698,959	9,794,078	12.77%	171.67
2001	57,503	78,961,906	9,319,628	11.80%	162.07
2002	59,518	82,076,104	8,822,432	10.75%	148.23
2003	62,137	84,586,453	8,302,060	9.81%	133.61
2004*	64,779	87,513,540	15,895,000	18.16%	245.37
2005*	66,897	93,533,579	15,020,000	16.06%	224.52

(1) GENERAL OBLIGATION BONDS

\*PHASED POPULATION ESTIMATE

SOURCE: CITY OF MISSOULA ANNUAL REPORTS AND BUDGETS

CITY OF MISSOULA, MONTANA  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO  
 TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
 LAST TEN YEARS

FISCAL YEAR	PRINCIPAL	INTEREST & FEES	TOTAL DEBT SERVICE	TOTAL GENERAL GOVERNMENTAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENT EXPENDITURES
1996	271,419	258,429	529,848	22,359,665	2.37%
1997	372,331	464,254	836,585	26,809,472	3.12%
1998	403,571	445,875	849,446	24,741,724	3.43%
1999	452,158	534,386	986,544	30,962,768	3.19%
2000	447,111	504,552	951,663	30,949,696	3.07%
2001	474,449	486,851	961,300	33,329,180	2.88%
2002	497,195	462,861	960,056	36,678,779	2.62%
2003	520,373	439,907	960,280	38,944,161	2.47%
2004*	3,212,060	415,504	3,627,564	42,443,489	8.55%
2005	875,000	706,399	1,581,399	42,784,821	3.70%

SOURCE: CITY OF MISSOULA

\*THE SERIES 1993 AND 1994 BONDS WERE REFUNDED IN 2004 TO CAPITALIZE  
 ON LOWER INTEREST COSTS AND LOWER DEBT SERVICE REQUIREMENTS.

CITY OF MISSOULA  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
GENERAL OBLIGATION BONDS  
JUNE 30, 2005

<u>TAXING JURISDICTION</u>	<u>OUTSTANDING G.O. DEBT</u>	<u>PERCENT APPLICABLE TO CITY</u>	<u>AMOUNT APPLICABLE TO CITY</u>
DIRECT DEBT:			
CITY GENERAL OBLIGATION BONDS	\$ 15,020,000	100.00%	\$ 15,020,000
SUBTOTAL - DIRECT DEBT	<u>\$ 15,020,000</u>		<u>\$ 15,020,000</u>
OVERLAPPING DEBT:			
MISSOULA COUNTY ELEMENTARY SCHOOL DISTRICT	6,005,000	75.60%	4,539,780
MISSOULA COUNTY HIGH SCHOOL DISTRICT	17,905,000	60.50%	10,832,525
HELLGATE ELEMENTARY SCHOOL DISTRICT	2,085,000	45.90%	957,015
TARGET RANGE ELEMENTARY SCHOOL DISTRICT	1,000,000	19.60%	196,000
MISSOULA COUNTY	<u>13,926,000</u>	<u>49.90%</u>	<u>6,949,074</u>
SUBTOTAL - OVERLAPPING DEBT	<u>40,921,000</u>		<u>23,474,394</u>
TOTAL - DIRECT & OVERLAPPING DEBT	<u>\$ 55,941,000</u>		<u>\$ 38,494,394</u>

SOURCES: CITY OF MISSOULA ACCOUNTING OFFICE, MISSOULA COUNTY ACCOUNTING OFFICE,  
MISSOULA COUNTY SUPERINTENDENT OF SCHOOLS, MISSOULA COUNTY PROPERTY ASSESSMENT  
DIVISION

CITY OF MISSOULA, MONTANA  
SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS  
REQUIRED CONTINUING DISCLOSURE  
AS OF JUNE 30, 2005

SUMMARY OF DIRECT DEBT:

	Gross Debt	Less: Debt Service Funds (a)	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 15,020,000	\$ (202,956)	\$ 14,817,044
Debt Supported by General Fund	1,380,000	-	1,380,000
Revenue Debt (Sewer)	16,586,138	(b)	16,586,138
Revenue Debt (TIF and Parking)	1,360,000	(c)	1,360,000

(a) Debt Service funds are as of June 30th. Includes money to pay both principal and interest.

(b) Monies are transferred from the Sewer Enterprise Fund to make the principal and interest payments on these bonds.

(c) Monies from the Missoula Parking Commission and tax increment revenues are used to make principal and interest payments on these bonds.

INDIRECT DEBT:

Taxing Unit:	G.O. Debt as of June 30, 2005	Debt Applicable to Tax Capacity of City	
		Percentage	Amount
Missoula County Elementary School District	\$ 6,005,000	75.60%	\$ 4,539,780
Missoula County High School District	17,905,000	60.50%	10,832,525
Hellgate Elementary School District	2,085,000	45.90%	957,015
Target Range Elementary School District	1,000,000	19.60%	196,000
Missoula County	13,926,000	49.90%	6,949,074
Total	<u>\$ 40,921,000</u>		<u>\$ 23,474,394</u>

DEBT RATIOS\*:

	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value (\$2,805,424,077)	0.53%	1.36%
Per Capita (66,897)	\$ 221	\$ 572

\*Includes general obligation debt and debt supported by general fund revenues, excludes revenue supported debt.



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CITY OF MISSOULA, MONTANA  
GENERAL OBLIGATION DEBT RATIOS  
REQUIRED CONTINUING DISCLOSURE

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THE FOLLOWING GENERAL OBLIGATION DEBT RATIOS ARE PROVIDED AS OF JUNE 30, 2005:

MARKET VALUATION	\$	2,805,424,077
MARKET VALUATION (LESS TAX INCREMENT)	\$	2,801,579,211
TAXABLE VALUATION	\$	91,358,406
TAXABLE VALUATION (LESS TAX INCREMENT)	\$	87,513,540
POPULATION		66,897
DIRECT DEBT PER CAPITA	\$	221
DIRECT AND OVERLAPPING DEBT PER CAPITA	\$	572
DIRECT DEBT TO MARKET VALUATION		0.53%
DIRECT AND OVERLAPPING DEBT TO MARKET VALUATION		1.36%
DIRECT DEBT TO TAXABLE VALUATION		16.44%
DIRECT AND OVERLAPPING DEBT TO TAXABLE VALUATION		42.14%
MARKET VALUATION PER CAPITA	\$	41,936
TAXABLE VALUATION PER CAPITA	\$	1,308

SOURCE: CITY OF MISSOULA

CITY OF MISSOULA, MONTANA  
PRIMARY GOVERNMENT REVENUE BOND COVERAGE  
SEWER REVENUE BONDS

FISCAL YEAR	OPERATING REVENUES	OPERATING EXPENSES (A)	NET AVAILABLE FOR DEBT SERVICE	PRINCIPAL PAID	INTEREST PAID	TOTAL DEBT SERVICE	COVERAGE (B)
1993	\$ 2,001,322	\$ 1,263,451	\$ 737,871	\$ 160,000	\$ 157,055	\$ 317,055	1.33
1994	2,125,983	1,361,110	764,873	308,000	135,816	443,816	1.60
1995	2,160,639	1,469,813	690,826	307,000	157,051	464,051	1.40
1996	2,317,030	1,800,322	516,708	327,000	146,328	473,328	1.08
1997	2,368,133	1,790,075	578,058	337,000	134,087	471,087	2.33
1998	2,567,570	2,255,068	312,502	420,000	177,998	597,998	1.26
1999	2,880,073	2,038,323	841,750	139,000	97,170	236,170	2.21
2000	3,663,812	2,356,463	1,307,349	206,000	175,576	381,576	3.01
2001	4,383,126	2,554,575	1,828,551	247,000	206,338	453,338	4.21
2002	5,137,531	3,266,074	1,871,457	289,000	188,532	477,532	3.90
2003	4,955,880	2,555,053	2,400,827	489,162	231,961	721,123	3.79
2004	5,274,686	3,036,426	2,238,260	689,000	503,234	1,192,234	1.51
2005	5,550,626	3,151,625	2,399,001	797,233	655,716	1,452,949	1.62

(A) Does not include depreciation or bond interest.

(B) Net revenues divided by the maximum debt payment due in any future calendar year.

(C) If the \$178,347 for the 201 Plan were not included in operating expense, the coverage would be 1.45.

SOURCE: CITY OF MISSOULA ANNUAL REPORTS

CITY OF MISSOULA, MONTANA  
COMPONENT UNIT REVENUE BOND COVERAGE  
PARKING COMMISSION REVENUE BONDS

FISCAL YEAR	OPERATING REVENUES	SID 470 REVENUES	OPERATING EXPENSES (A)	NET AVAILABLE FOR DEBT SERVICE	PRINCIPAL PAID	INTEREST PAID	TOTAL DEBT SERVICE	COVERAGE (B)
1996	733,011	97,706	536,052	294,665	115,000	43,950	158,950	1.85
1997	718,140	91,638	576,418	233,360	120,000	38,512	158,512	1.47
1998	769,969	86,322	600,557	255,734	130,000	32,413	162,413	1.57
1999	821,000	62,776	595,263	288,513	135,000	39,000	174,000	1.66
2000	998,245	63,164	596,400	465,009	140,000	30,982	170,982	2.72
2001	1,116,247	91,465	651,889	555,823	250,000	54,366	304,366	1.83
2002	1,284,171	67,849	686,730	665,290	80,000	82,405	162,405	4.10
2003	1,351,253	58,982	916,166	494,069	85,000	78,754	163,754	3.02
2004	1,407,378	2,838	964,510	445,706	85,000	74,950	159,950	2.79
2005	1,369,511	1,450	864,335	506,626	90,000	70,990	160,990	3.15

Note: In Fiscal Year 1994, bonds were refunded.

Defeased Bonds, 7/1/93 were: \$ 1,370,000  
Refunding bonds issued: 1,000,000  
Net bonds paid: \$ 370,000

(A) Does not include depreciation or bond interest.

(B) Net available divided by debt service.

SOURCE: CITY OF MISSOULA ANNUAL REPORTS

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CITY OF MISSOULA, MONTANA  
CITY PROPERTY VALUES

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2005 Taxable Value by Property Class for FY 2006

Real Property	\$ 84,231,080	88.72%
Equipment and Fixtures	4,697,022	4.95%
Electric, Airline and Telecommunications:	5,290,527	5.57%
Railroad	345,696	0.36%
Electric, Telephone Co-ops and Pollution Control	378,875	0.40%
Other	-	0.00%

2004 Taxable Value for FY 2005	94,943,200	100.00%
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Less: Tax Increment	(1,470,866)
2004 Net Taxable Value for FY 2005	<u>\$ 93,472,334</u>

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CITY OF MISSOULA, MONTANA  
PROPERTY VALUE AND NEW CONSTRUCTION  
LAST TEN FISCAL YEARS

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FISCAL YEAR	ASSESSED VALUE CITY PROPERTY	NEW CONSTRUCTION			
		<u>SINGLE FAMILY</u>		<u>ALL CONSTRUCTION</u>	
		NUMBER	VALUE ESTIMATE	NUMBER	VALUE ESTIMATE
1996	1,552,001,041	335	30,158,467	1,535	83,836,943
1997	1,611,509,167	269	26,535,582	1,623	86,403,397
1998	1,876,325,293	264	27,342,134	1,900	108,691,598
1999	1,859,622,977	274	30,079,840	2,486	117,814,791
2000	1,985,298,106	288	29,407,617	1,895	120,150,936
2001	2,111,624,637	285	28,288,095	1,694	135,701,353
2002	2,247,822,357	365	34,135,109	1,930	102,287,782
2003	2,403,250,454	419	38,976,115	2,156	193,963,792
2004	2,636,857,585	367	31,611,232	1,663	109,963,100
2005	2,805,424,077	457	38,970,878	1,677	113,217,490

SOURCE: CITY OF MISSOULA BUILDING INSPECTION OFFICE AND MISSOULA COUNTY  
ASSESSOR

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CITY OF MISSOULA, MONTANA  
MISCELLANEOUS STATISTICS

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Communications

Daily Newspaper ( <i>The Missoulian</i> )	1
Other Newspapers	3
Radio Stations (3 AM, 6 FM & 6 Talk/Other)	16
Local Television Stations	6
Public Access Station	1
Cable TV Services	7

Community

Public Libraries	2
Churches:	
Protestant	26
Catholic	13
Other	74
Restaurants	153
Hotels/Motels: 52	Rooms: 3,036
Shopping Centers	12
Indoor Shopping Mall (105 Stores)	1
Licensed Day Care Facilities	261

Recreational/Cultural

Health Clubs	21
Swimming Pools	Private: 5; Public: 4
Golf Courses	Private: 1; Public: 10
Tennis Courts	30
Racquetball Facilities (Private)	3
Bowling Centers	3
Parks	50
Movie Theaters	25
Ski Areas	4
Theatrical Playhouses	8
Museums	8
Art Galleries	20
Symphonies/Orchestras	4

Health Care

Hospitals: 2	Beds: 359
Nursing Homes: 4	Beds: 413
Physicians: 275	RNs/LPNs: 1,053
Physical Therapists	33
Occupational Therapists	37
Respiratory Therapists	36
Radiology Technicians	47
Dentists	55
Chiropractors	47
Speech Therapists/Audiologists	14

CITY OF MISSOULA, MONTANA  
CITY SERVICES AND EMPLOYMENT

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BARGAINING UNIT	NUMBER OF MEMBERS	DATE OF CONTRACT
INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL NO. 271	73	June 30, 2008
MONTANA PUBLIC EMPLOYEES ASSOCIATION		
MAINTENANCE TECHNICIANS IN PARKS & RECREATION DEPT.	8	June 30, 2005*
MISSOULA POLICE PROTECTIVE ASSOCIATION	93	June 30, 2006
WASTEWATER	16	June 30, 2007
PARKING COMMISSION	7	June 30, 2007
TEAMSTERS UNION, LOCAL NO. 2	22	June 30, 2005*
OPERATORS' UNION, LOCAL NO. 4000	7	June 30, 2005*
MACHINISTS UNION, LOCAL NO. 88, DISTRICT NO. 86	8	June 30, 2005*
TEAMSTERS, PARKS AND RECREATION SEASONAL	16	June 30, 2007

NOTE: BASIC SERVICES PROVIDED THROUGH CITY GOVERNMENT INCLUDE POLICE AND FIRE PROTECTION, MUNICIPAL SEWER AND SANITATION, STREET MAINTENANCE AND CONSTRUCTION, BUILDING INSPECTION, ZONING ENFORCEMENT, PUBLIC WORKS, AND PARKS AND RECREATION. AS OF JUNE 30, 2005, THE CITY EMPLOYED APPROXIMATELY 534 WORKERS, INCLUDING SEASONAL AND INTERMITTENT. OF THE TOTAL CITY WORKFORCE, APPROXIMATELY 47% WERE MEMBERS OF ORGANIZED BARGAINING UNITS. STATE LAW REQUIRES MONTANA CITIES TO BARGAIN COLLECTIVELY WITH FORMALLY RECOGNIZED BARGAINING UNITS. THE CITY CONSIDERS RELATIONS WITH ITS BARGAINING GROUPS TO BE SATISFACTORY.

\* THESE CONTRACTS HAVE EXPIRED AND ARE CURRENTLY IN NEGOTIATION

SOURCE: CITY OF MISSOULA

CITY OF MISSOULA, MONTANA  
POPULATION  
FOR CITY OF MISSOULA AND MISSOULA COUNTY

YEAR	CITY OF MISSOULA	% CHANGE FROM 1990	MISSOULA COUNTY	% CHANGE FROM 1990
1980	33,388		76,016	
1990	42,918		78,687	
1994	46,149	7.53%	85,617	8.81%
1995	46,149	7.53%	87,354	11.01%
1996	50,200	16.97%	88,284	12.20%
1997	51,000	18.83%	88,856	12.92%
1998	51,204	19.31%	88,989	13.09%
1999	52,239	21.72%	89,344	13.54%
2000	57,053	32.93%	95,802	21.75%
2001	57,503	33.98%	95,303	21.12%
2002	59,518	38.68%	98,102	24.67%
2003	60,740	41.53%	98,516	25.20%
2004*	64,779	50.94%	101,209	28.62%
2005*	66,897	55.87%	102,621	30.42%

SOURCE: COUNTY POPULATION: MISSOULA AREA ECONOMIC DEVELOPMENT CORPORATION;  
CITY POPULATION: MISSOULA AREA ECONOMIC DEVELOPMENT CORPORATION.

\*PHASED POPULATION ESTIMATE - FROM CITY PLANNING DEPARTMENT ESTIMATES



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CITY OF MISSOULA, MONTANA  
PERSONAL AND PER CAPITA INCOME  
FOR MISSOULA COUNTY

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YEAR	PERSONAL INCOME (000)	MISSOULA COUNTY PER CAPITA PERSONAL INCOME	MISSOULA COUNTY AS % OF NATIONAL AVERAGE
1994	1,660,188	18,858	84.00%
1995	1,756,055	19,423	84.00%
1996	1,851,862	20,141	83.00%
1997	1,955,217	20,990	83.00%
1998	2,093,414	22,307	83.00%
1999	2,174,008	22,935	82.00%
2000	2,372,772	24,696	83.00%
2001	2,498,194	25,818	85.00%
2002	2,625,500	26,823	87.00%
2003	2,758,107	27,997	89.00%

SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS. MOST RECENT DATA AVAILABLE IS FOR 2003

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CITY OF MISSOULA, MONTANA  
LABOR FORCE AND EMPLOYMENT  
FOR THE LAST TEN FISCAL YEARS

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FISCAL YEAR	COUNTY EMPLOYED LABOR FORCE	UNEMPLOYED LABOR FORCE	TOTAL AVAILABLE LABOR FORCE	COUNTY UNEMPLOYMENT RATE	STATE UNEMPLOYMENT RATE
1995	45,498	2,482	47,980	5.2%	5.9%
1996	47,871	2,004	49,875	4.0%	5.3%
1997	49,182	2,193	51,375	4.3%	5.4%
1998	50,046	2,223	52,269	4.3%	5.6%
1999	50,334	1,947	52,281	3.7%	5.2%
2000	55,719	1,551	57,270	2.7%	4.1%
2001	55,603	1,857	57,460	3.3%	4.9%
2002	54,198	1,960	56,158	3.6%	4.6%
2003	52,214	2,073	54,287	3.8%	5.3%
2004	57,139	2,138	59,277	3.6%	4.4%

SOURCE: MONTANA DEPARTMENT OF LABOR AND INDUSTRY, OFFICE OF RESEARCH & ANALYSIS  
US DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS  
MOST RECENT DATA AVAILABLE IS FOR 2004

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CITY OF MISSOULA, MONTANA  
MAJOR EMPLOYERS WITHIN THE CITY

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EMPLOYER	PRODUCT/SERVICE	APPROXIMATE NUMBER OF EMPLOYEES
UNIVERSITY OF MONTANA	EDUCATION	2,188
ST. PATRICK HOSPITAL	HEALTHCARE	1,450
MISSOULA COUNTY PUBLIC SCHOOLS	EDUCATION	1,183
COMMUNITY MEDICAL CENTER	HEALTHCARE	1,239
SMURFIT-STONE CONTAINER CORPORATION	WOOD PRODUCTS	507
COUNTY OF MISSOULA	GOVERNMENT	667
STIMSON LUMBER COMPANY	WOOD PRODUCTS	300
WESTERN MONTANA CLINIC	HEALTHCARE	319
MONTANA RAIL LINK	RAIL TRANSPORTATION	1,000
CITY OF MISSOULA	GOVERNMENT	534

SOURCE: INDIVIDUAL EMPLOYERS, November 2005

CITY OF MISSOULA, MONTANA  
EMPLOYMENT BY MAJOR INDUSTRY TYPE  
ANNUAL AVERAGE

	2004	2001	2000	1999	1998	1997	1996	1995	1994	1993
Agriculture, Forestry, Fisheries and Mining	408 18	316 14	299 31	244 48	269 35	262 35	278 24	245 29	243 12	209 -
Construction	3,064	2,661	2,485	2,340	2,153	2,033	2,099	1,811	1,691	1,753
Manufacturing	2,831	3,187	3,347	3,331	3,308	3,339	3,426	3,497	3,090	3,849
Transportation, Communication and Public Utilities	3,056	2,717	2,734	2,830	2,718	2,644	2,523	2,672	2,472	2,302
Wholesale Trade	1,979	2,238	2,243	2,180	2,172	2,187	2,088	1,957	1,838	1,735
Retail Trade	8,047	11,526	11,250	11,028	10,799	10,697	10,437	10,141	9,722	9,024
Financial, Insurance and Real Estate	2,353	2,223	2,241	2,194	2,088	1,970	1,843	1,771	1,741	1,623
Services	22,004	16,392	15,538	14,693	13,880	12,849	12,170	11,576	11,076	10,462
Government	8,452	7,860	8,717	8,117	7,718	7,687	7,712	7,396	7,164	6,660
	52,212	49,151	48,885	47,005	45,140	43,703	42,600	41,095	39,049	37,617

SOURCE: MISSOULA AREA ECONOMIC DEVELOPMENT CORP.

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CITY OF MISSOULA, MONTANA  
SPECIAL IMPROVEMENT DISTRICT 512, 521 AND 522  
REQUIRED CONTINUING DISCLOSURE

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FISCAL YEAR	COMBINED MARKET VALUE OF ALL DISTRICTS	AVERAGE RATIO OF MARKET VALUE TO ASSESSMENTS OF INDIVIDUAL PARCELS	HIGHEST RATIO OF MARKET VALUE TO ASSESSMENTS OF INDIVIDUAL PARCELS	LOWEST RATIO OF MARKET VALUE TO ASSESSMENTS OF INDIVIDUAL PARCELS	MEDIAN RATIO OF MARKET VALUE TO ASSESSMENTS OF INDIVIDUAL PARCELS
1999	\$ 82,339,029	47.20	1103.00	13.40	33.70
2000	\$ 116,582,168	77.00	1304.70	6.40	72.10
2001	\$ 135,469,759	180.80	1529.10	6.90	57.10
2002	\$ 146,667,428	196.60	1586.20	6.20	52.10
2003	\$ 136,898,208	127.17	2887.04	9.01	39.80
2004	\$ 158,065,283	89.06	1154.30	6.30	79.15
2005	\$ 166,871,500	95.60	2692.30	2.07	117.52

SOURCE: MISSOULA COUNTY ASSESSOR'S OFFICE AND CITY OF MISSOULA

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CITY OF MISSOULA, MONTANA  
REVOLVING FUND YEAR-END BALANCES  
REQUIRED CONTINUING DISCLOSURE  
FOR THE LAST TEN FISCAL YEARS

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FISCAL YEAR	REVOLVING FUND CASH BALANCE	PRINCIPAL AMOUNT OF BONDS	PERCENTAGE
1996	742,709	4,358,300	17.0%
1997	500,778	4,230,100	11.8%
1998	523,187	4,123,000	12.7%
1999	761,206	8,550,934	8.9%
2000	506,909	8,705,000	5.8%
2001	687,189	8,504,698	8.1%
2002	765,477	11,457,860	6.7%
2003	742,524	12,928,174	5.7%
2004	852,799	14,357,629	5.9%
2005	808,460	14,226,402	5.7%

SOURCE: CITY OF MISSOULA

CITY OF MISSOULA, MONTANA  
REVOLVING FUND CHANGES IN FUND BALANCE  
REQUIRED CONTINUING DISCLOSURE  
FOR THE LAST SEVEN YEARS

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Beginning Balance	\$ 717,331	\$ 792,077	\$ 608,463	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785
Receipts Over (Under)							
Disbursements/Transfers	74,746	(183,614)	109,548	76,237	(16,199)	177,736	(147,325)
Ending Balance	<u>\$ 792,077</u>	<u>\$ 608,463</u>	<u>\$ 718,011</u>	<u>\$ 794,248</u>	<u>\$ 778,049</u>	<u>\$ 955,785</u>	<u>\$ 808,460</u>
Assets:							
Cash	\$ 761,206	\$ 537,639	\$ 687,189	\$ 765,477	\$ 742,524	\$ 852,799	\$ 808,460
Due from SID Funds	28,730	70,824	30,822	28,771	35,525	72,062	-
Other Receivables	385,078	365,984	348,414	330,525	310,660	320,488	227,828
Total Assets	<u>\$ 1,175,014</u>	<u>\$ 974,447</u>	<u>\$ 1,066,425</u>	<u>\$ 1,124,773</u>	<u>\$ 1,088,709</u>	<u>\$ 1,245,349</u>	<u>\$ 1,036,288</u>
Liabilities:							
Deferred Revenue	<u>\$ 382,937</u>	<u>\$ 365,984</u>	<u>\$ 348,414</u>	<u>\$ 330,525</u>	<u>\$ 310,660</u>	<u>\$ 289,564</u>	<u>\$ 227,828</u>
Total Liabilities	<u>\$ 382,937</u>	<u>\$ 365,984</u>	<u>\$ 348,414</u>	<u>\$ 330,525</u>	<u>\$ 310,660</u>	<u>\$ 289,564</u>	<u>\$ 227,828</u>
Total Fund Balance	<u>\$ 792,077</u>	<u>\$ 608,463</u>	<u>\$ 718,011</u>	<u>\$ 794,248</u>	<u>\$ 778,049</u>	<u>\$ 955,785</u>	<u>\$ 808,460</u>

SOURCE: CITY OF MISSOULA

CITY OF MISSOULA, MONTANA  
 COMPONENT UNIT TAX INCREMENT BOND COVERAGE  
 MISSOULA REDEVELOPMENT AGENCY

FISCAL YEAR	TAX INCREMENT REVENUE FOR DISTRICT I	INVESTMENT EARNINGS	TOTAL AVAILABLE FOR DEBT SERVICE	PRINCIPAL PAID	INTEREST PAID	TOTAL DEBT SERVICE	COVERAGE (A)
1996	1,766,481	152,098	1,918,579	170,000	159,795	329,795	5.82
1997	2,033,772	179,974	2,213,746	180,000	148,575	328,575	6.74
1998	1,917,136	230,841	2,147,977	200,000	92,085	292,085	7.35
1999	1,957,614	273,621	2,231,235	210,000	83,685	293,685	7.60
2000	1,897,043	248,980	2,146,023	215,000	74,235	289,235	7.42
2001	1,534,643	247,890	1,782,533	225,000	64,130	289,130	6.17
2002	939,696	249,529	1,189,225	240,000	53,105	293,105	4.06
2003	1,135,026	113,538	1,248,564	250,000	41,105	291,105	4.29
2004	1,632,838	125,359	1,758,197	265,000	28,355	293,355	5.99
2005	1,966,953	226,771	2,193,724	275,000	14,575	289,575	7.58

(A) Total available divided by debt service.



CITY OF MISSOULA, MONTANA  
 COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY  
 HISTORICAL VALUE OF TAX INCREMENT DISTRICTS  
 FOR THE LAST TEN YEARS

URBAN RENEWAL DISTRICT I			
FISCAL YEAR	REAL PROPERTY & PERSONAL ATTACHED TAXABLE VALUE	PERSONAL PROPERTY (UNATTACHED) TAXABLE VALUE	TOTAL TAXABLE VALUE
1996	8,050,884	1,054,001	9,104,885
1997	8,392,772	1,002,747	9,395,519
1998	8,449,161	928,600	9,377,761
1999	8,525,667	793,244	9,318,911
2000	8,221,122	885,949	9,107,071
2001	7,301,387	467,140	7,768,527
2002	7,379,999	456,475	7,836,474
2003	7,609,680	419,106	8,028,786
2004	8,354,147	506,897	8,861,044
2005	8,231,018	452,793	8,683,811

URBAN RENEWAL DISTRICT II			
FISCAL YEAR	REAL PROPERTY & PERSONAL ATTACHED TAXABLE VALUE	PERSONAL PROPERTY (UNATTACHED) TAXABLE VALUE	TOTAL TAXABLE VALUE
1996	1,844,664	249,824	2,094,488
1997	1,954,307	244,623	2,198,930
1998	1,984,589	232,653	2,217,242
1999	2,009,734	242,206	2,251,940
2000	1,987,052	203,295	2,190,347
2001	1,950,339	78,955	2,029,294
2002	2,077,215	100,216	2,177,431
2003	2,197,855	93,163	2,291,018
2004	2,243,639	128,090	2,371,729
2005	2,377,104	190,777	2,567,881

URBAN RENEWAL DISTRICT III			
FISCAL YEAR	REAL PROPERTY & PERSONAL ATTACHED TAXABLE VALUE	PERSONAL PROPERTY (UNATTACHED) TAXABLE VALUE	TOTAL TAXABLE VALUE
2002*	6,701,861	437,851	7,139,712
2003	6,665,087	466,103	7,131,190
2004	6,739,549	469,329	7,208,878
2005	6,809,431	621,899	7,431,330

\* First year data available as district was created in FY 2001.

CITY OF MISSOULA, MONTANA  
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY  
TAXABLE VALUE OF DISTRICTS COMPARED TO CITY  
FOR THE LAST TEN YEARS

URBAN RENEWAL DISTRICT I				
FISCAL YEAR	TOTAL CITY TAXABLE VALUE	TOTAL TAXABLE VALUE WITHIN TAX INCREMENT DISTRICT I	INCREMENTAL TAXABLE VALUE WITHIN TAX INCREMENT DISTRICT	DISTRICT I TAX INCREMENT AS PERCENTAGE OF CITY'S TAXABLE VALUE
1996	67,338,741	9,104,885	3,130,897	4.6%
1997	70,272,011	9,395,519	3,421,531	4.9%
1998	76,803,635	9,377,761	3,403,773	4.4%
1999	78,715,216	9,318,911	3,344,924	4.2%
2000	80,761,493	9,107,071	1,794,540	2.2%
2001	78,662,970	7,768,527	1,862,487	2.4%
2002	81,279,789	7,836,474	2,054,799	2.5%
2003	88,189,948	8,028,786	2,887,057	3.3%
2004	91,358,406	8,861,044	2,709,824	3.0%
2005	94,980,538	8,683,811	2,709,824	2.9%

URBAN RENEWAL DISTRICT II				
FISCAL YEAR	TOTAL CITY TAXABLE VALUE	TOTAL TAXABLE VALUE WITHIN TAX INCREMENT DISTRICT II	INCREMENTAL TAXABLE VALUE WITHIN TAX INCREMENT DISTRICT	DISTRICT II TAX INCREMENT AS PERCENTAGE OF CITY'S TAXABLE VALUE
1995	64,981,387	2,091,296	231,473	0.4%
1996	67,338,741	2,094,488	234,665	0.3%
1997	70,272,011	2,198,930	339,107	0.5%
1998	76,803,635	2,217,242	357,419	0.5%
1999	78,715,216	2,251,940	392,117	0.5%
2000	80,761,493	2,190,347	330,524	0.4%
2001	78,662,970	2,029,294	169,471	0.2%
2002	81,279,789	2,177,431	317,608	0.4%
2003	88,189,948	2,291,018	431,195	0.5%
2004	91,358,406	2,371,729	511,906	0.6%
2005	94,980,538	2,567,881	708,058	0.7%

URBAN RENEWAL DISTRICT III				
FISCAL YEAR	TOTAL CITY TAXABLE VALUE	TOTAL TAXABLE VALUE WITHIN TAX INCREMENT DISTRICT III	INCREMENTAL TAXABLE VALUE WITHIN TAX INCREMENT DISTRICT	DISTRICT III TAX INCREMENT AS PERCENTAGE OF CITY'S TAXABLE VALUE
2002*	81,279,789	7,139,712	135,366	0.2%
2003	88,189,948	7,131,190	126,844	0.1%
2004	91,358,406	7,208,878	204,532	0.2%
2005	94,980,538	7,431,330	426,984	0.4%

\* First year data available as district was created in FY 2001.

CITY OF MISSOULA, MONTANA  
 COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY  
 TRENDS IN PROPERTY VALUATION IN CITY

FISCAL YEAR	CITY APPRAISED VALUE	CITY TAXABLE VALUE (INCLUDES DISTRICT)	INCREMENTAL TAXABLE VALUE OF DISTRICT I	INCREMENTAL TAXABLE VALUE OF DISTRICT II	INCREMENTAL TAXABLE VALUE OF DISTRICT III	NET TAXABLE VALUE (EXCLUDING DISTRICT)
1996	1,552,001,041	67,338,741	3,130,897	234,665	-	63,973,179
1997	1,611,509,167	70,214,583	3,421,531	339,107	-	66,453,945
1998	1,876,325,293	76,803,635	3,403,773	357,419	-	73,042,443
1999	1,859,622,977	78,715,216	3,344,984	392,117	-	74,978,115
2000	1,985,298,106	80,761,493	3,133,084	330,524	-	77,297,885
2001	2,111,624,637	78,662,970	1,794,540	169,471	-	76,698,959
2002	2,247,822,357	81,279,789	1,861,575	318,674	137,634	78,961,906
2003	2,403,250,454	84,728,489	2,071,413	440,310	140,662	82,076,104
2004	2,636,857,585	88,189,948	2,887,057	511,906	204,532	84,586,453
2005	2,805,424,077	91,358,406	2,709,824	708,058	426,984	87,513,540

SOURCE: MISSOULA COUNTY ASSESSOR

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CITY OF MISSOULA, MONTANA  
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY  
ALLOCATION OF EXCESS TAX INCREMENT FOR URBAN RENEWAL DISTRICT I  
FOR THE LAST TEN YEARS

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FISCAL YEAR	EXCESS TAX INCREMENT AMOUNT
1996	250,000
1997	250,000
1998	250,000
1999	250,000
2000	250,000
2001	250,000
2002	250,000
2003	250,000
2004	250,000
2005	250,000

SOURCE: MISSOULA REDEVELOPMENT AGENCY

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CITY OF MISSOULA, MONTANA  
MISSOULA PARKING COMMISSION RATES AND FEES  
FOR THE LAST TEN YEARS

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FISCAL YEAR	ON-STREET HOURLY PARKING		GARAGE HOURLY PARKING	PARKING GARAGE LEASE SPACE RANGE	OFF-STREET LEASE SPACE RANGE	AVERAGE OFF-STREET AND GARAGE LEASE RATE
1996	0.20	\$	0.25	\$30.00 TO \$36.00	\$12.00 TO \$28.00	\$ 17.00
1997	0.20	\$	0.25	\$30.00 TO \$36.00	\$12.00 TO \$28.00	\$ 17.00
1998	0.20	\$	0.25	\$33.00 TO \$40.00	\$12.00 TO \$50.00	\$ 22.00
1999	0.20	\$	0.25	\$40.00 TO \$45.00	\$15.00 TO \$50.00	\$ 28.00
2000	0.20	\$	0.25	\$45.00 TO \$50.00	\$ 20.00 TO \$50.00	\$ 35.00
2001	0.50	\$	0.25	\$50.00 TO \$55.00	\$ 25.00 TO \$ 50.00	\$ 38.00
2002	0.50	\$	0.25	\$55.00 TO \$65.00	\$ 25.00 TO \$ 50.00	\$ 38.00
2003	0.50	\$	0.25	\$55.00 TO \$65.00	\$ 35.00 TO \$ 50.00	\$ 44.00
2004	0.50	\$	0.25	\$55.00 TO \$65.00	\$ 30.00 TO \$ 50.00	\$ 44.00
2005	0.50	\$	0.25	\$55.00 TO \$65.00	\$ 30.00 TO \$ 50.00	\$ 44.00

SOURCE: MISSOULA PARKING COMMISSION

CITY OF MISSOULA, MONTANA  
MISSOULA PARKING COMMISSION OPERATIONS AND FACILITIES  
FOR THE LAST SIX FISCAL YEARS

FISCAL YEAR	ON-STREET PARKING METERS	OFF-STREET PARKING SPACES	PARKING LOTS THROUGHOUT DOWNTOWN MISSOULA	LEASED PARKING GARAGE SPACES	UNIVERSITY DISTRICT PARKING PERMITS	PERCENTAGE OF PARKING -TICKET REVENUE	PERCENTAGE OF PARKING METER REVENUE	PERCENTAGE OF GARAGE PARKING REVENUE	PERCENTAGE OF LEASED PARKING	
									REVENUE OTHER THAN PARKING GARAGE	PERCENTAGE OF OTHER REVENUES
2000	1,061	1,275	14	167	1,000	24%	29%	16%	27%	4%
2001	1,112	1,256	14	167	1,158	27%	27%	16%	27%	3%
2002	1,116	1,295	16	168	1,148	27%	27%	16%	27%	3%
2003	1,122	1,107	14	172	1,381	27%	33%	16%	27%	3%
2004	1,061	1,275	15	242	1,381	20%	32%	18%	24%	6%
2005	1,164	1,168	14	250	1,381	17%	36%	20%	23%	3%

SOURCE: MISSOULA PARKING COMMISSION



# **SINGLE AUDIT SECTION**



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Mayor and City Council  
City of Missoula  
Missoula, Montana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Missoula, Montana, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Missoula's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Missoula's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 05-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also



considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Missoula's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor and City Council, management, the Montana Department of Administration, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson Zuer Muehlen & Co., P.C.*

Missoula, Montana  
December 19, 2005



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor and City Council  
City of Missoula  
Missoula, Montana

Compliance

We have audited the compliance of City of Missoula, Montana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion of the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

### Internal Control Over Compliance

The management of the City of Missoula is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A 133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Mayor and City Council, management, others within the organization, the Montana Department of Administration, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson Zuer Muehlen & Co., P.C.*

Missoula, Montana  
December 19, 2005

City of Missoula, Missoula County, Montana  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Beginning Balance July 1, 2004	Federal Revenue	Match/Other Revenue	Federal Expenditures	Match/Other Expenditures	Ending Balance June 30, 2005
<b><u>Office of National Drug Control Policy</u></b>									
<i>Direct:</i>									
High Intensity Drug Trafficking Area	07.9999	I5PRMP604Z	\$ 184,927	\$ (17,287)	\$ 144,447	\$ -	\$ 144,447	\$ -	\$ (17,287)
			184,927	(17,287)	144,447	-	144,447	-	(17,287)
<b><u>U.S. Department of Housing and Urban Development</u></b>									
<i>Direct:</i>									
Community Development Block Grant	14.218	B-03MC-30-0003	1,146,881	(41,703)	777,924	-	736,221	-	-
Home Investment Partnership Program	14.239	M03-SG300144	1,856,099	(20,496)	898,490	-	933,206	-	(55,213)
<b>Total U.S. Department of Housing and Urban Development</b>			<b>3,002,980</b>	<b>(62,199)</b>	<b>1,676,414</b>	<b>-</b>	<b>1,669,427</b>	<b>-</b>	<b>(55,213)</b>
<b><u>U.S. Department of Justice</u></b>									
<i>Direct:</i>									
Law Enforcement Block Grant - VII	16.592	2002-LB-BX-2385	76,344	33,651	-	-	20,977	12,674	-
Law Enforcement Block Grant - VIII		2003-LB-BX-2061	37,331	37,331	-	4,148	37,027	-	4,452
Law Enforcement Block Grant - IX		2004-LB-BX-1118	14,289	-	14,289	-	331	-	13,958
2002 Bulletproof Vest Partnership Grant	16.607	N/A	16,700	-	3,000	-	3,000	-	-
COPS Universal Hiring Award	16.710	2003UMWX0253	225,000	-	109,536	-	109,536	-	-
COPS in Schools Award	16.710	2002SHWX0675	375,000	-	170,348	45,700	170,348	45,700	-
COPS Technology		2004INWX0012	11,072	-	-	-	10,113	-	(10,113)
Underage Drinking (Pass through State of Montana)		03-U01-81646	49,694	-	49,694	-	-	47,620	2,074
<b>Total U.S. Department of Justice</b>			<b>805,430</b>	<b>70,982</b>	<b>346,867</b>	<b>49,848</b>	<b>351,333</b>	<b>105,994</b>	<b>10,371</b>
<b><u>U.S. Department of Transportation</u></b>									
<i>Passed through the Montana Department of Transportation:</i>									
Community Transportation Enhancement Program	20.205	CM 8199 (63)	28,067	-	18,496	-	18,496	-	-
Congestion Mitigation and Air Quality	20.205	CM 8117 (3)	173,160	-	10,230	1,586	10,230	1,586	-
Congestion Mitigation and Air Quality	20.205	CM 8128 (1)	300,000	-	18,608	2,611	18,608	2,611	-
Congestion Mitigation and Air Quality	20.205	CM 8103 (12)	155,497	-	14,641	2,269	14,641	2,269	-
Community Transportation Enhancement Program	20.205	STPE 8199(55)	85,000	-	85,000	13,175	85,000	13,175	-
Urban	20.205	CM-STPU-STPE 8105(8)	-	-	7,980	-	7,980	-	-
Congestion Mitigation and Air Quality	20.205	CM-STPU-STPE 8199(31)	1,718,424	-	33,178	-	33,178	-	-
Community Transportation Enhancement Program	20.205	CM-STPU-STPE 8199(31)	179,104	-	1,791	-	1,791	-	-
Urban	20.205	CM-STPU-STPE 8199(31)	2,677,574	-	71,092	-	71,092	-	-
Congestion Mitigation and Air Quality	20.205	CM-STPU-STPE 0002(693)--ROW	-	-	455,858	-	455,858	-	-
Community Transportation Enhancement Program	20.205	CM-STPU-STPE 0002(693)	-	-	15,359	-	15,359	-	-
Urban	20.205	CM-STPU-STPE 0002(693)	-	-	43,290	6,710	43,290	6,710	-
State and Community Highway Safety	20.600	03-02-09-16	21,000	-	19,743	-	17,040	-	2,703
State and Community Highway Safety	20.601	2004-13-04-43	10,000	-	2,400	90	2,400	90	-
<b>Total U.S. Department of Transportation</b>			<b>5,347,826</b>	<b>-</b>	<b>797,666</b>	<b>26,441</b>	<b>794,963</b>	<b>26,441</b>	<b>2,703</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 9,341,163</b>	<b>\$ (8,504)</b>	<b>\$ 2,965,394</b>	<b>\$ 76,289</b>	<b>\$ 2,960,170</b>	<b>\$ 132,435</b>	<b>\$ (59,427)</b>

## CITY OF MISSOULA, MONTANA

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2005

#### *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Missoula, Montana, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

#### *Restatement of Prior Year Balances*

The following restatements have been made to beginning balances as of July 1, 2004:

Beginning balance has been restated for High Intensity Drug Trafficking Area (CFDA # 07.9999) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing beginning balance by \$17,287.

Beginning balance has been restated for Community Development Block Grant (CFDA # 14.218) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing beginning balance by \$41,703.

Beginning balance has been restated for Home Investment Partnership Program (CFDA # 14.239) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing beginning balance by \$20,496.

Beginning balance has been restated for Law Enforcement Block Grant VII (CFDA # 16.592) to reflect the correction of prior cash receipts. The restatement had the effect of increasing beginning balance by \$33,651.

Beginning balance has been restated for Law Enforcement Block Grant VIII (CFDA # 16.592) to reflect the correction of prior cash receipts. The restatement had the effect of increasing beginning balance by \$37,331.

# CITY OF MISSOULA, MONTANA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS Fiscal Year Ended June 30, 2005

### Section I – Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

#### Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

#### Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	Home Investment Partnership Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	No

## **Section II – Financial Statement Findings**

### **05-1 Accounting for Capital Assets**

**Condition:**

The City utilizes engineering estimates and third party procurements to estimate the cost of certain infrastructure, such as streets.

**Criteria:**

Generally accepted accounting principles require that actual cost be used to record capital assets that are purchased or constructed.

**Effect:**

The use of incorrect estimates could misstate the recorded amount of capital assets and related depreciation.

**Recommendation:**

We recommend that the City implement a costing system that would allow the accumulation of actual cost of internally-constructed infrastructure assets.

**City Response:**

The City is in the process of implementing a maintenance management system that would give us more information for costing infrastructure.

## **Section III – Federal Award Findings and Questioned Costs**

The audit contains no findings which constitute:

- Reportable conditions in internal control over major programs.
- Material noncompliance with laws, regulations, contracts or grant agreements related to a major program.
- Known questioned costs in excess of \$10,000 for any major program.
- Known questioned costs in excess of \$10,000 for any program which was not audited as a major program.
- Circumstances which would cause the auditor's report on major program compliance to be other than unqualified.
- Known fraud affecting any federal award.
- Circumstances which disclose that the auditor's summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

## Summary Schedule of Prior Audit Findings

The following section summarizes findings in the prior audit report and their current status.

- 04-1 The City was not properly recording revenue due from other governments.

Current Status: Implemented.

- 04-2 The City's general fund pays for many of the bills of the other funds. An operating transfer is then made to reimburse the general fund.

Current Status: Implemented.

- 04-3 The following errors were noted relating to the capital assets of the City:

- The City's inflation calculation for infrastructure assets was in error for arterial and commercial streets.
- Curbs and sidewalks infrastructure assets were misstated.
- Depreciation expense for infrastructure assets was incorrectly calculated

Current Status: Partially implemented. Although the errors noted in the prior year did not recur, the City's use of estimates has the effect of potentially misstating infrastructure and related depreciation. See comment 05-1.

- 04-4 The City Court trust account was not being balanced with the checking account balance.

Current Status: Partially implemented. Although efforts were made to reconcile the account, an unreconciled difference of approximately \$30,000 remained at June 30, 2005.

- 04-5 The City Court had the following internal control weaknesses:

Cash drawer –The cash register drawers were not changed each time an employee comes on shift.

Timely billing of receivables – The court has not mailed invoices for past due citations.

Current Status: Partially implemented. Cash drawers are now changed each shift; however, billings are not always done timely.

- 04-6 The City could not run a report by SID showing total current and deferred assessments receivable. As a result, the balances in the financial statements were calculated by rolling the balances forward from the prior year.

Current Status: Partially implemented. Reports are prepared, but they are not entirely accurate. The City is continuing to work with the software company to retrieve reliable data from the system.



04-7 Cash was not reconciled to the general ledger on a timely basis.

Current Status: Implemented.

04-8 The senior accounting clerk was responsible for the majority of the disbursements made at the City. The clerk has access to the "signature file" on the computer. The clerk inputs original documents into the accounts payable system and generates checks for payment. No one other than the clerk routinely reviews disbursements prior to payment.

Current Status: Partially implemented. Disbursements are reviewed; however, there is still a lack of segregation of duties, since one person enters payment information and controls the printing and mailing of checks.

04-9 The payroll clerk can set up new employees, enter time for the employee and generate paychecks from the system.

Current Status: Implemented.

04-10 Several misclassifications were noted on the financial statements provided by the City as compared to the accounting system related to long-term debt.

Current Status: Implemented.

04-11 The City exceeded its budget authority in the SID 524 and fiscal year 2003 Sidewalk and Curb funds.

Current Status: Implemented.