



**City of Missoula, Montana
Comprehensive Annual Financial Report
And Audit
For Fiscal Year Ended June 30, 2010**



Missoula Tree of Life Mosaic by Kip Herring

435 Ryman St., Missoula, MT. 59802 (406) 552-6110 • www.ci.missoula.mt.us



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INTRODUCTORY SECTION



FINANCE DEPARTMENT

Budget and Analysis
Treasury

Finance and Debt Management
Accounting/Utility Billing

435 Ryman Street, Missoula, Montana 59802 (406) 552-6107 FAX (406) 327-2217

DATE: December 23, 2010

TO: Mayor John Engen
City Council
Citizens of Missoula

RE: Annual Financial Statements

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, 2010. 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.

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 and the Aquatics Fund are accounted for in enterprise funds. Private firms provide garbage, water, electric and gas services. The Missoula Parking Commission, the Missoula Redevelopment Agency and the Business Improvement District 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

The Bureau of Business and Economic Research (BBER) is the research and public service branch of the University of Montana's School of Business Administration. The Bureau is regularly involved in a wide variety of activities, including economic analysis and forecasting. Excerpts from the Bureau's updated forecasts contained in the spring of 2010 relating to Missoula and Missoula County are restated below.

- University of Montana economist, Patrick Barkey, has forecast that Missoula's economic growth for 2010 should be in the 2.4 percent range, well below the 3.3 percent per year from 2001-2007.

- Much of the reduction in economic growth can be attributed to the shutdown of a major wood products plant, Stimson plywood and sawmill, along with increased competition from surrounding communities for retail stores (new chain stores), health care and professional services. Even the opening of Direct TV's call center in Missoula was unable to offset the other factors noted above.
- The recession has impacted every part of the State and every industry in the state except health care.
- The Montana economy has been much more in sync with the national economy than has occurred in previous recessions.
- All of these factors were considered in preparing the City of Missoula's budget for the 2011 fiscal year. The decline in expected revenues in FY 2009, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses), investment earnings and in police fines combined with a unwillingness to raise taxes for FY2010 by the City Council, necessitated a 3.7% reduction in baseline expenditures for the FY 10 budget. This decline in revenues has leveled off and has actually started increasing again in FY 10 and FY 11.

Sewer utility rates were not increased for the 2009 budget year. They were increased modestly for the FY 2010 and FY 2011 budget year to accommodate an upgrade of the wastewater plant head-works and the fact that sewer utility charges declined 2% for the first time in over a decade in FY 2009 due to reduced industrial and commercial billings, reflecting the effect of the current national economic recession. However, the City has continued to grow in population and in new sewer connections at a rate of approximately 1.5 percent per year, even though that growth was offset by a slowdown in the commercial and industrial sewer accounts in FY 09. In FY 10, the decline in revenue had reversed and the sewer revenues began to grow again in the industrial and commercial billings. The residential component of our utility billing has always grown, even during the recession.

MAJOR INITIATIVES

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

- A total of \$24,942,873 of new construction was completed on additional infrastructure, buildings and equipment.
- \$12,481,479 of the \$24,942,873 of new construction noted above of street and bicycle/pedestrian improvements were completed in FY 2010, mainly for streets in new subdivisions throughout the City.
- \$11,245,383 of new sewer mains were placed into service with \$5,897,397 mainly for sewers in new subdivisions throughout the City; \$2.4 million of the \$5.0 million Rattlesnake sewer system extension was completed as of June 30th.
- The decision was made not to burden citizens with additional property taxes as long as we could continue to serve them well.
- The decision was made to honor our union contracts and keep staff employed in FY 2010 although salaries were frozen for top managers in FY2010 and ultimately all salaries in FY 2011.
- The decision was made to reduce spending by nearly 3.7 percent for the FY 2010 budget.
- Some positions were held open and not replaced until revenues stabilized and ultimately the overall FY 2010 budget was reduced by 12 staff positions.
- The decision was made to rebuild General Fund's fund balance, and that was accomplished with the addition of nearly \$1.2 million being added back to the year end fund balance of the General Fund.
- \$5.9 million of Federal ARRA funds were used for these transportation projects: North Higgins project, Mullan Road bike/ped path, Greenough Drive sidewalks, sidewalk ramps, other pavement preservation, Higgins Roundabout and the Scott Street Bridge.
- \$1.6 million of ARRA Transit money was used for bus and vanpool replacement.
- \$1.06 million of State ARRA money was used for: Curb ramps, North Higgins paving, Brooks Street curb/sidewalk, Greenough Park Bridge and four new playgrounds in City parks.
- Additionally, \$680,400 in Energy Efficiency and Conservation Block Grant stimulus money was received.
- \$1.3 million in energy efficiency projects have been undertaken that will significantly reduce energy consumption by City facilities.

- Quoted below are excerpts from the Standard & Poor's April 2008 rating upgrade, which was reaffirmed in 2010 by Standard & Poor's.:

Standard & Poor's Ratings Services assigned its 'AA-' standard long-term rating, and stable outlook, to all of the City of Missoula's outstanding voted GO debt.

The ratings reflect the City's:

The 'AA-' rating on Missoula, Mont.'s outstanding voted GO bonds reflects the City's:

- Diverse local economy, which is anchored by the University of Montana and serves as a regional services, health care, and retail hub for the surrounding rural communities;*
- Expanding property tax and economic bases due to a low cost of living and an educated labor force compared with the rest of the region;*
- Historically low and stable unemployment levels; and*
- Low overall debt burden with manageable future capital needs and limited debt issuance.*

Outlook

The stable outlook reflects the expectation of the local economy's continued diversity and steady economic growth. The City's low reserves levels preclude a higher rating at this time. The City's ability to benefit from new retail development and its current sizable base in the future due to changes in state legislation could lead to rating improvement if additional revenue flexibility allows the City to build reserves levels.

- The City's high ratings are an objective indication of sound financial management, recognition that its overall debt profile is characterized by good debt service coverage from pledged revenues and by sound legal provisions ensuring full and timely payment of its debt service obligations. Overall net debt is very low at \$724 per capita, or 1.34% of estimated true property value.
- The City also recently received an improved credit rating from Standard & Poors for its financial management assessment (FMA) which resulted in an FMA of "strong", the highest rating a City can receive from Standard & Poor's, the City's credit rating agency. The City's credit rating is an integral component in financing infrastructure projects.
- Standard & Poor's has this to say about the City's "strong" FMA assessment: "A Financial Management Assessment of 'strong' indicates that practices are strong, well embedded, and likely sustainable. The government maintains most 'best practices' deemed critical to supporting credit quality and these are well embedded in the government's daily operations and practices. Formal policies support many of these activities, adding to the likelihood that these practices will be continued into the future and transcend changes in the operating environment or personnel."
- Standard & Poor's has established an analytical methodology that evaluates established and ongoing management practices and policies in the seven areas most likely to affect credit quality. These areas are:
 - Revenue and expenditure assumptions
 - Budget amendments and updates
 - Long term financial planning
 - Long term capital planning
 - Investment management policies
 - Debt management policies
 - Reserve and liquidity policies
- The City of Missoula was evaluated as having superior policies and practices in all of the areas above.

For the Future

- The City has undertaken the construction of a \$10.345 million upgrade at the City's head-works at its sewer plant, financed with \$10,345,000 of taxable sewer system revenue bonds (recovery zone economic development bonds).
- The City is in the process of designing and completing the financing for a \$7.5 million (400 stall) parking ramp at the corner of Front and Pattee in the City's downtown.

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, 2009. This was the thirteenth 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 Leigh Griffing, Lead Accountant, and the Finance Office staff for their excellent work and support in preparing this report.

Respectfully submitted,



Brent Ramharter
Finance Director

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, 2009

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.

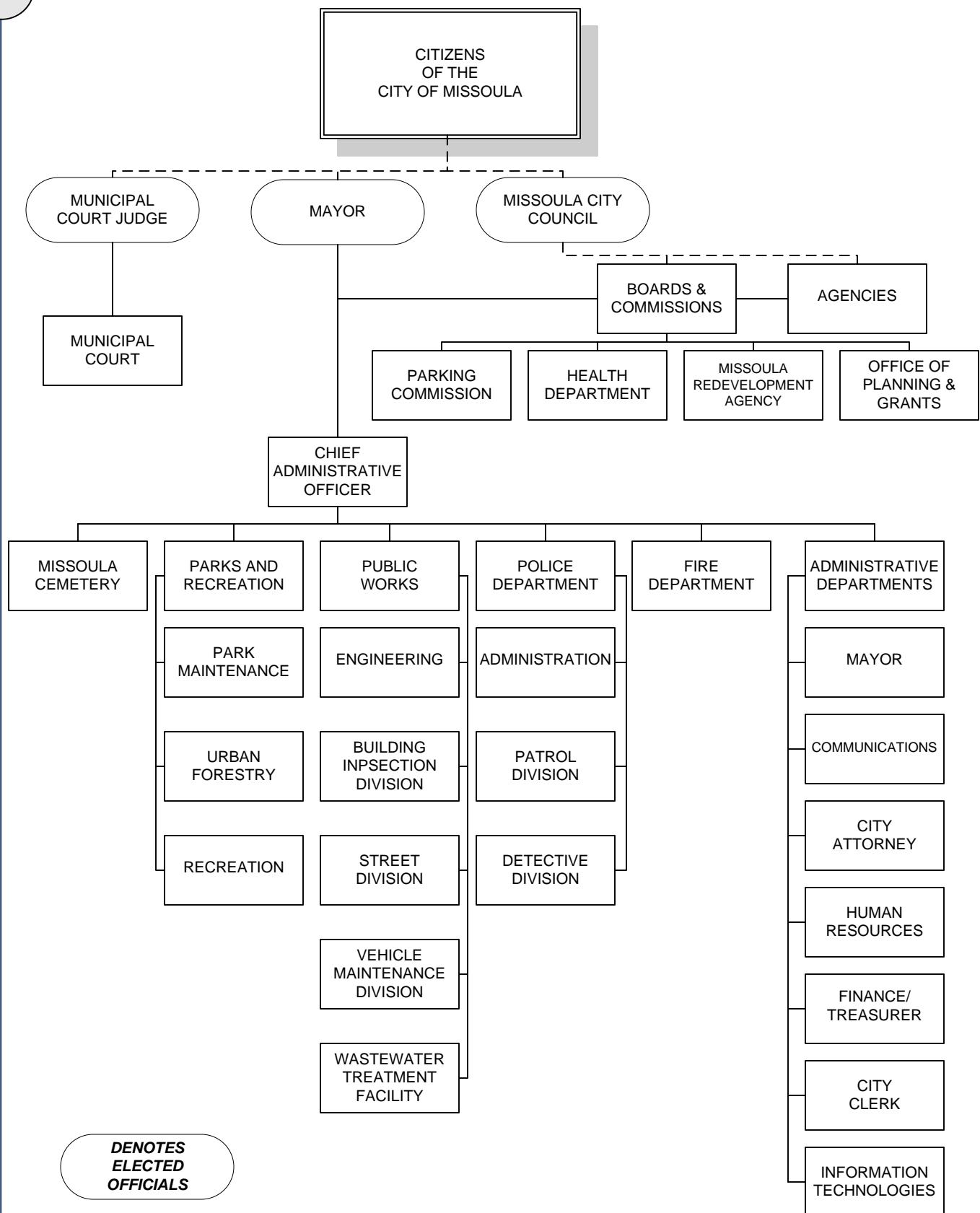


President

Executive Director



City of Missoula



ELECTED OFFICIALS

MAYOR, John Engen
MUNICIPAL COURT JUDGE, Donald J, Louden

ALDERPERSONS FIRST WARD

TERM EXPIRES FIRST MONDAY IN:
Dave Strohmaier 2014
Jason Wiener 2012

ALDERPERSONS THIRD WARD

TERM EXPIRES FIRST MONDAY IN:
Bob Jaffe 2014
Stacy Rye 2012

ALDERPERSONS FIFTH WARD

TERM EXPIRES FIRST MONDAY IN:
Dick Haines 2014
Renee Mitchell 2012

ALDERPERSONS SECOND WARD

TERM EXPIRES FIRST MONDAY IN:
Roy Housman 2014
Pam Walzer 2012

ALDERPERSONS FOURTH WARD

TERM EXPIRES FIRST MONDAY IN:
Lyn Hellegaard 2012
John Wilkins 2014

ALDERPERSONS SIXTH WARD

TERM EXPIRES FIRST MONDAY IN:
Ed Childers 2012
Marilyn Marler 2014

ADMINISTRATIVE OFFICIALS

Bruce Bender, CHIEF ADMINISTRATIVE OFFICER

Mike Painter, FIRE CHIEF

James P. Nugent, CITY ATTORNEY

Mark Muir, POLICE CHIEF

Brentt Ramharter, FINANCE DIRECTOR/TREASURER

Ellen Buchanan, DIRECTOR, MISSOULA REDEVELOPMENT AGENCY

Martha L. Rehbein, CITY CLERK

Gail Verlanic, DIRECTOR, HUMAN RESOURCES /EEO OFFICER

Carl Horton, DIRECTOR, INFORMATION TECHNOLOGIES

Steve King, DIRECTOR, PUBLIC WORKS

Kevin Slovarp, CITY ENGINEER

Brian Hensel, SUPERINTENDENT, STREET DIVISION

Don Verrue, BUILDING OFFICIAL, BUILDING DIVISION

Starr Sullivan, SUPERINTENDENT, WASTE WATER TREATMENT DIVISION

Jack Stucky, SUPERINTENDENT, VEHICLE MAINTENANCE DIVISION

Donna Gaukler, DIRECTOR, PARKS & RECREATION

Doug Waters, DIRECTOR, MISSOULA CEMETERY

Mike Barton, Interim, DIRECTOR, OFFICE OF PLANNING & GRANTS

Anne Guest, DIRECTOR, MISSOULA PARKING COMMISSION

Ellen Leahy, DIRECTOR, CITY/ COUNTY HEALTH DEPARTMENT

Honor Bray, DIRECTOR, CITY/COUNTY LIBRARY



FINANCIAL SECTION

INDEPENDENT AUDITOR'S 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, 2010, 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, 2010, 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.

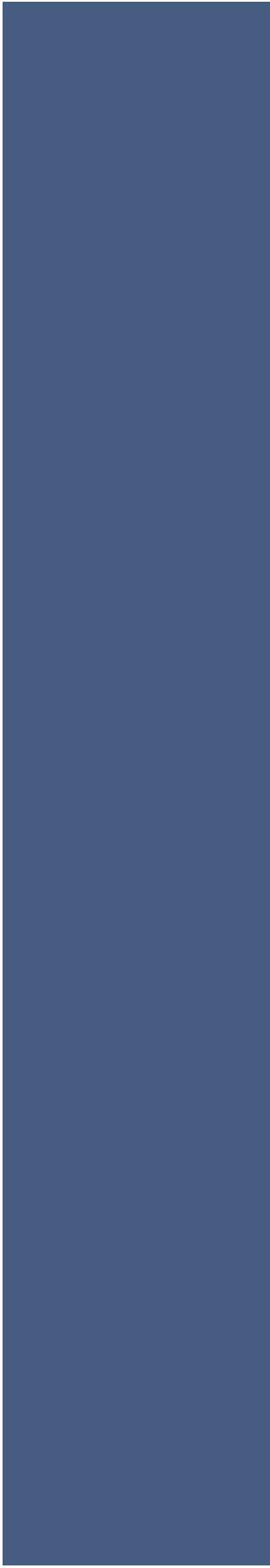
In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2011 on our consideration of the City of Missoula's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison schedule, and the schedule of funding status for retiree health insurance benefit plan 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 and 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, major fund budget to actual comparison schedules, 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, the combining and individual nonmajor fund financial statements, and the major fund budget to actual comparison schedules 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 Zermuchten & Co., P.C.

Missoula, Montana
January 24, 2011



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, 2010. 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 IS-1 and FS-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 \$212,047,767 (*net assets*). Of this amount, \$14,891,867 (*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 \$5,994,095. The special revenue funds had an unreserved fund balance of \$4,124,600, which is *available for spending* at the government's discretion (*unreserved fund balance*), while \$3,869,555 of fund balance for debt service funds is restricted for debt payments. The capital project funds have a negative fund balance of (\$4,089,044). These funds will be reimbursed by future debt issuance in FY 11.
- At the end of the current fiscal year, the total fund balance of the General Fund was \$2,088,984 which represented 5.3 percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,348,317, or 3.0% of total General Fund expenditures. The City Council budgeted the fund balance to increase by \$285,000 for FY 2011. The Ending Fund Balance for FY 10 increased by \$1,188,597 to \$2,088,984. This was achieved by asking offices to hold back on in making expenditures and by the receipt of additional revenues, especially taxes.

Overview of the Financial Statements

This discussion and analysis is 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), a legally separate parking commission (Missoula Parking Commission) for which the City is financially accountable as well as a legally separate Business Improvement District. 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. 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 one hundred sixty two 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 the Capital Improvement Fund, all of which are considered to be major funds. Data from the remaining 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. The City has adopted the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans," in fiscal year 2009. GASB 45 requires employers to calculate the actuarial liability for future retiree benefits and the annual required contribution (ARC) for retirees. The provisions of this statement were applied prospectively and are disclosed in the Notes to the Financial Statements.

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 and aquatics facilities. *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 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 23-53 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 page FS-57 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately after 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 \$212,047,767 at the close of the most recent fiscal year.

By far the largest portion of the City of Missoula's net assets (85.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are 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	
	2010	2009	2010	2009	2010	2009
Current & Other Assets	\$ 28,155,447	\$ 24,939,882	\$ 1,248,801	\$ 1,632,739	\$ 29,404,248	\$ 26,572,621
Non-Current Capital Assets	144,349,164	136,177,550	98,713,271	91,348,459	243,062,435	227,526,009
Total Assets	172,504,611	161,117,432	99,962,072	92,981,198	272,466,683	254,098,630
Long-term Liabilities						
Current Liabilities	10,873,421	7,930,131	1,943,803	1,433,369	12,817,224	9,363,500
Non-Current Other Liabilities	34,686,338	34,579,412	12,915,354	13,946,700	47,601,692	48,526,112
Total Liabilities	45,559,759	42,509,543	14,859,157	15,380,069	60,418,916	57,889,612
Net Assets:						
Invested in capital assets, net of related debt	108,461,735	100,490,698	83,162,349	74,821,900	191,624,084	175,312,598
Restricted	3,869,555	3,654,339	1,662,633	1,337,645	5,532,188	4,991,984
Unrestricted	14,613,562	14,462,852	277,933	1,441,584	14,891,495	15,904,436
Total Net Assets	\$ 126,944,852	\$ 118,607,889	\$ 85,102,915	\$ 77,601,129	\$ 212,047,767	\$ 196,209,018

An additional portion of the City of Missoula's net assets (3.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$14,613,562) 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 in total by \$8,336,963 during the current fiscal year, mainly due to an increase in infrastructure constructed within the City.

Business-type activities: The business-type activity total net assets also increased by \$7,501,786 while the amount of capital assets increased by \$8,513,828 which was offset by a slight reduction of \$1,163,279 in unrestricted net assets used to help pay for the significant infrastructure that was added to the City's wastewater treatment facility. Developer contributions continued as a major revenue source for the Sewer Fund during the current fiscal year, producing \$8,317,639 in revenue.

CITY OF MISSOULA'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 9,278,557	\$ 8,714,908	\$ 7,426,361	\$ 7,681,591	\$ 16,704,918	\$ 16,396,499
Operating grants & contributions	3,413,272	1,978,844	1,428	1,435	3,414,700	1,980,279
General revenues:						
Property taxes for general purposes	24,299,845	23,994,499	-	-	24,299,845	23,994,499
Intergovernmental revenue	11,168,006	10,600,677			11,168,006	10,600,677
Miscellaneous	268,617	468,609	190,354	2,405	458,971	471,014
Gain or loss on sale of capital assets	-	15,979	-	-	-	15,979
Investment earnings	75,502	210,232	(4,020)	47,494	71,482	257,726
Total revenues	48,503,799	45,983,748	7,614,123	7,732,925	56,117,922	53,716,673
Expenses:						
General Government	7,596,451	8,492,155	-	-	7,596,451	8,492,155
Public Safety	23,252,086	20,993,673	-	-	23,252,086	20,993,673
Public Works	7,524,949	10,148,557	7,081,714	6,738,463	14,606,663	16,887,020
Public Health	1,387,041	1,422,347	-	-	1,387,041	1,422,347
Social and Economic Services	118,450	118,450	-	-	118,450	118,450
Culture and Recreation	3,466,304	3,667,078	1,459,788	1,456,758	4,926,092	5,123,836
Conservation of Natural Resources	7,759	-	-	-	7,759	-
Miscellaneous	1,041,180	-	-	-	1,041,180	-
Housing & Development	4,051,227	1,336,972	-	-	4,051,227	1,336,972
Interest Expense	1,612,770	1,595,937	-	-	1,612,770	1,595,937
Total Expenses	50,058,217	47,775,169	8,541,502	8,195,221	58,599,719	55,970,390
Excess/(Deficiency) Before:	(1,554,418)	(1,791,421)	(927,379)	(462,296)	(2,481,797)	(2,253,717)
Capital grants & contributions	9,869,381	2,848,638	8,451,165	885,657	18,320,546	3,734,295
Interfund Transactions	22,000	122,637	(22,000)	(122,637)	-	-
Net contributions/other items	9,891,381	2,971,275	8,429,165	763,020	18,320,546	3,734,295
Change in net assets	8,336,963	1,179,854	7,501,786	300,724	15,838,749	1,480,578
Restatements	-	249,569	-	-	-	249,569
Ending Net Assets	\$ 126,944,852	\$ 118,607,889	\$ 85,102,915	\$ 77,601,129	\$ 212,047,767	\$ 196,209,018

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 \$5,994,095, an increase of \$2,353,315 in comparison with the prior year. The majority of this increase occurred in the General Fund and CIP Fund #4060, whose fund balances increased by \$1,188,597 and \$488,892 respectively. As mentioned earlier, this was achieved by asking offices to hold back on in making expenditures and by the receipt of additional revenues, especially taxes in the General Fund. The capital construction funds had a year-end fund balance of (\$4,089,044), which, although less negative than in FY 2009, it still reflects the fact that certain construction projects will not be fully reimbursed until all final financing is accomplished for the various projects and put in place. Most of this should occur in FY 2011.

The special revenue funds had an unreserved fund balance of \$4,124,600 which is *available for spending* at the government's discretion (*undesignated fund balance*) while \$3,869,555 of debt service fund balance is reserved for debt payments.

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 \$2,088,984 which represented 5.3 percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,348,317. 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 2010 the unreserved fund balance represented 3.0% percent of total General Fund expenditures. The Ending Fund Balance for FY 10 increased by \$1,188,597 to \$2,088,984. This was achieved by asking offices to hold back in making expenditures and by the receipt of additional revenues, especially taxes. The City Council budgeted the fund balance to increase by \$285,000 for FY 2011.

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 \$11,766 a reduction of \$1,178,239 due to increased operating costs and increased depreciation due to significant expansion of the sewer system in the past two years. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Missoula's business-type activities.

Up until six years ago the City health insurance plan had suffered from significant increases in usage and medical inflation. Since then, the plan had increased its fund balance every year for the past six years bringing the plan from a deficit of (\$400,000) in FY 2003 to an expected surplus of \$2,278,147 at the end of FY 2009. The Health Insurance levy within the City's cap was reduced in FY 2010 by \$484,305 by reducing the monthly premium for the health insurance from \$670 per employee to \$570 per employee in order to levy that amount of money within the General Fund general levy, thereby avoiding the necessity of cutting any further than has been done for FY 2010. Because the plan has significantly increased its fund balance every year for the last six years, the fund balance was not projected to be materially reduced by this reduced funding for one year. However, the plan experienced its worst year for claims utilization in FY 2010, with result that the fund balance was reduced by \$1,296,457 to \$981,690. Budgeted City contributions were increased by \$315,000 in FY 2011, and will likely be increased again for FY 2012.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in budgeted appropriations of \$353,395, mainly due to the need to amend the budget for unexpected grants in Planning and Fire.

Significant revenue differences between the final amended budget and actual results were due to an increase in current and delinquent tax collections (+\$563,064), an increase in expected engineering and planning fees and permits and business licenses(+\$86,844), a decline in fees for services (\$1,012,068) which was offset by a proportionate reduction in expenses, and continued significant reduction in expected fines and forfeits (\$130,431) due to ongoing staffing shortages in the Police department, and a continued decline in investment earnings (\$303,389) due to declining interest rates. The increase in fund balance in FY 10 was primarily achieved by asking offices to hold back in making expenditures and by the receipt of additional revenues, especially taxes. The mandatory holdback in expenditures was on top of a required 3.7% reduction in baseline expenditures for the FY 10 General Fund budget.

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, 2010, amounts to \$241,394,998 (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:

- A significant amount of new sewer infrastructure was accepted from new subdivisions that totaled \$8,317,639 of new construction.
- A new \$10.3 million head-works upgrade at the wastewater facility is under construction.
- Additional street infrastructure projects were under construction at fiscal year end.

CITY OF MISSOULA'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 19,342,529	\$ 19,342,529	\$ 1,333,614	\$ 1,333,614	\$ 20,676,143	\$ 20,676,143
Art	236,590	196,500	65,229	65,229	301,819	261,729
Buildings and Improvements	33,233,044	33,180,701	120,888,237	113,773,909	154,121,281	146,954,610
Machinery and Equipment	20,954,233	20,640,983	6,192,878	6,166,739	27,147,111	26,807,722
Infrastructure	210,392,597	197,911,118	-	-	210,392,597	197,911,118
Work in Progress	2,816,915	1,341,261	5,413,921	2,510,400	8,230,836	3,851,661
Total Capital Assets	286,975,908	272,613,092	133,893,879	123,849,891	420,869,787	396,462,983
Less Accumulated Depreciation	(142,626,743)	(136,435,542)	(36,848,045)	(34,157,967)	(179,474,788)	(170,593,509)
Net Capital Assets	\$ 144,349,164	\$ 136,177,550	\$ 97,045,834	\$ 89,691,923	\$ 241,394,998	\$ 225,869,473

Long-Term Debt. At the end of the current fiscal year, the City of Missoula had a total of \$54,171,022 of long term debt outstanding of which \$48,233,726 was bonded debt. Of this amount, \$15,065,000 comprises debt backed by the full faith and credit of the government and \$14,350,241 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-F of the Notes to the Financial Statements.

CITY OF MISSOULA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 15,065,000	\$ 16,235,000	-	-	\$ 15,065,000	\$ 16,235,000
Limited Obligation Bonds	4,935,000	5,130,000	-	-	4,935,000	5,130,000
Revenue Bonds	-	-	13,883,485	14,870,023	13,883,485	14,870,023
Spec. Assessment Bonds	14,350,241	14,030,295	-	-	14,350,241	14,030,295
Sidewalk & Curb Warrants	-	100,248	-	-	-	100,248
State Board of Investment Loans	159,063	191,309	-	-	159,063	191,309
Capital Leases	1,378,125	-	-	-	1,378,125	-
Compensated Absences	3,586,736	3,474,814	166,623	171,968	3,753,359	3,646,782
Post Employment Benefits	607,104	451,001	39,645	29,989	646,749	480,990
Total Outstanding Debt	\$ 40,081,269	\$ 39,612,667	\$ 14,089,753	\$ 15,071,980	\$ 54,171,022	\$ 54,684,648

The City of Missoula's total debt decreased by \$513,626 (0.9 percent) during the 2010 fiscal year. The key factor in this decrease was the fact that the City paid off more debt than it incurred from new bond issues. The City issued \$63,485 of new sewer revenue bonds and \$1,898,816 of new special assessment bonds to assist in the extension of new sewer lines, redevelop an aged park and reconstruct old curbs, gutters and sidewalks. The City also issued \$1,378,125 of new capital leases to replace old fire engines, tandem axel dump trucks and police patrol vehicles.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5 percent of its total assessed valuation. The current debt limitation for the City of Missoula is \$93,949,249 which is significantly in excess of the City of Missoula's outstanding general obligation debt. Section III-F of the Notes to the City's financial statements provides additional disclosure of the City of Missoula's bonded indebtedness. The City has

continued to utilize its general obligation debt capacity to a very low percentage, with the result that we have maintained a strong financial position and a AA- bond rating with Standard and Poor's.

Economic Factors and New Year's Budgets and Rates

- University of Montana economist, Patrick Barkey, has forecast that Missoula's economic growth for 2010 should be in the 2.4 percent range, well below the 3.3 percent per year from 2001-2007.
- Much of the reduction in economic growth can be attributed to the shutdown of a major wood products plant, Stimson plywood and sawmill, along with increased competition from surrounding communities for retail stores (new chain stores), health care and professional services. Even the opening of Direct TV's call center in Missoula was unable to offset the other factors noted above.
- The recession has impacted every part of the State and every industry in the state except health care.
- The Montana economy has been much more in sync with the national economy than has occurred in previous recessions.
- All of these factors were considered in preparing the City of Missoula's budget for the 2011 fiscal year. The decline in expected revenues in FY 2009, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses), investment earnings and in police fines combined with a unwillingness to raise taxes for FY2010 by the City Council, necessitated a 3.7% reduction in baseline expenditures for the FY 10 budget. This decline in revenues has leveled off and has actually started increasing again in FY 10 and FY 11.

Sewer utility rates were not increased for the 2009 budget year. They were increased modestly for the FY 2010 and FY 2011 budget year to accommodate an upgrade of the wastewater plant head-works and the fact that sewer utility charges declined 2% for the first time in over a decade due to reduced industrial and commercial billings, reflecting the effect of the current national economic recession. However, the City has continued to grow in population and in new sewer connections at a rate of approximately 1.5 percent per year, even though that growth was offset by a slowdown in the commercial and industrial sewer accounts in FY 09. In FY 10, the decline in revenue had reversed and the sewer revenues began to grow again in the industrial and commercial billings. The residential component of our utility billing has always grown, even during the recession.

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.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

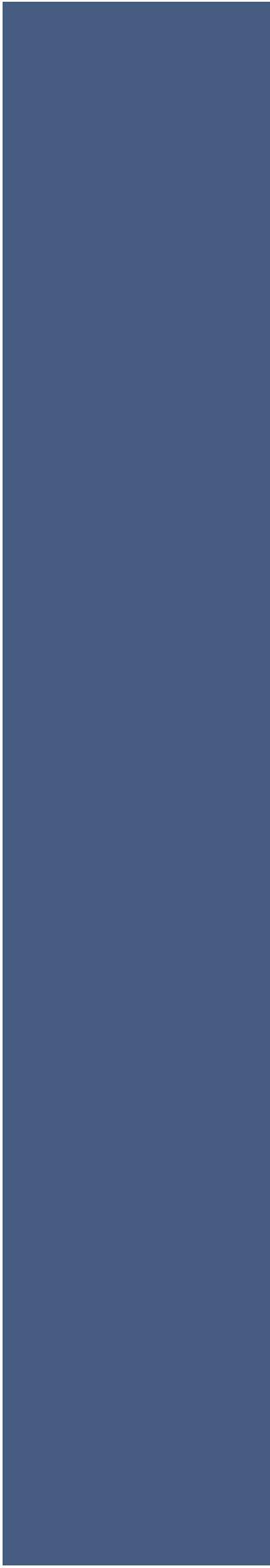
City of Missoula, Montana
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units						
	Governmental Activities	Business		Business Improvement District	Missoula Parking Commission	Missoula Redevelopment Agency				
		Type Activities	Total							
ASSETS										
Current Assets										
Cash and investments	\$ 4,524,941	\$ 223,599	\$ 4,748,540	\$ 100,492	\$ 4,237,057	\$ 5,640,401				
Taxes/Assessments receivable, net	3,379,149	-	3,379,149	101,172	-	525,640				
Internal balances	1,350,892	(1,350,892)	-	-	-	-				
Deferred assessments receivable	13,213,196	-	13,213,196	-	-	-				
Accounts receivable	754,678	502,928	1,257,606	5,059	-	-				
Other receivable	45,828	1,612,795	1,658,623	-	59,804	14,482				
Interest receivable	15,991	4,632	20,623	127	12,141	-				
Prepaid expenditures / expenses	250,256	15,059	265,315	-	-	3,810				
Due from other governments	2,759,785	7,345	2,767,130	10,802	-	33,795				
Inventory of supplies	740,667	233,335	974,002	-	-	-				
Total Current Assets	<u>27,035,383</u>	<u>1,248,801</u>	<u>28,284,184</u>	<u>217,652</u>	<u>4,309,002</u>	<u>6,218,128</u>				
Noncurrent Assets										
Cash and investments	-	1,662,633	1,662,633	-	164,655	250,400				
Bond issuance costs, net	-	4,804	4,804	-	7,985	-				
Long term loans receivable	1,120,064	-	1,120,064	-	-	-				
Other assets	-	-	-	-	7,055	-				
Capital assets - depreciable, net	121,953,131	90,233,070	212,186,201	-	2,218,484	-				
Capital assets - land and construction in progress	22,396,033	6,812,764	29,208,797	-	2,397,866	-				
Total Noncurrent Assets	<u>145,469,228</u>	<u>98,713,271</u>	<u>244,182,499</u>	<u>-</u>	<u>4,796,045</u>	<u>250,400</u>				
Total Assets	<u>172,504,611</u>	<u>99,962,072</u>	<u>272,466,683</u>	<u>217,652</u>	<u>9,105,047</u>	<u>6,468,528</u>				
LIABILITIES										
Current Liabilities										
Accounts payable	2,900,969	669,682	3,570,651	4,988	19,871	621,050				
Accrued expenses	1,095,332	86,597	1,181,929	6,094	25,811	26,418				
Deferred revenue	1,482,189	13,125	1,495,314	101,172	-	-				
Compensated absences payable	2,042,600	91,399	2,133,999	-	21,170	35,045				
Special assessment debt with government obligation	1,641,790	-	1,641,790	-	-	-				
Long-term liabilities - due within one year	1,710,541	1,083,000	2,793,541	-	120,000	150,335				
Total Current Liabilities	<u>10,873,421</u>	<u>1,943,803</u>	<u>12,817,224</u>	<u>112,254</u>	<u>186,852</u>	<u>832,848</u>				
Noncurrent Liabilities										
Net Employment Benefit Obligation	607,104	39,645	646,749	-	15,961	9,335				
Long-term portion of compensated absences	1,544,136	75,224	1,619,360	-	-	15,526				
Special assessment debt with government obligation - long-term	12,708,451	-	12,708,451	-	-	-				
Long-term liabilities - due in more than one year	19,826,647	12,800,485	32,627,132	-	715,000	5,852,673				
Total Noncurrent Liabilities	<u>34,686,338</u>	<u>12,915,354</u>	<u>47,601,692</u>	<u>-</u>	<u>730,961</u>	<u>5,877,534</u>				
Total Liabilities	<u>45,559,759</u>	<u>14,859,157</u>	<u>60,418,916</u>	<u>112,254</u>	<u>917,813</u>	<u>6,710,382</u>				
NET ASSETS										
Invested in capital assets, net of related debt	108,461,735	83,162,349	191,624,084	-	3,781,350	-				
Restricted for debt service	3,869,555	1,662,633	5,532,188	-	164,655	250,400				
Unrestricted	<u>14,613,562</u>	<u>277,933</u>	<u>14,891,495</u>	<u>105,397</u>	<u>4,241,229</u>	<u>(492,254)</u>				
Total Net Assets	<u>\$ 126,944,852</u>	<u>\$ 85,102,915</u>	<u>\$ 212,047,767</u>	<u>\$ 105,397</u>	<u>\$ 8,187,234</u>	<u>\$ (241,854)</u>				

See accompanying Notes to the Financial Statements

City of Missoula, Montana
 Statement of Activities
 For the Fiscal Year Ended June 30, 2010

Functions/Programs	Primary Government Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Primary Government		Business-type Activities	Business-type Activities	Missoula Parking Commission	Missoula Redevelopment Agency
		Operating Grants and Contributions	Capital Grants and Contributions		Total		
Governmental activities:							
General government	\$ 7,596,451	\$ 4,137,315	\$ -	\$ 15,508	\$ (3,459,136)	\$ -	\$ -
General safety	22,252,086	1,439,971	1,463,689	6,581,357	(20,332,918)	-	-
Public works	7,524,949	2,833,485	1,671,133	-	2,057,026	-	-
Public health	1,387,041	19,323	-	-	(1,367,718)	-	-
Social and economic services	118,450	-	-	27,357	(91,093)	-	-
Culture and recreation	3,466,304	515,405	125,318	846,477	(1,979,104)	-	-
Housing and community development	4,051,227	331,478	1,633,925	2,335,941	250,117	-	-
Conservation of natural resources	7,759	1,580	23,207	62,741	79,769	-	-
Miscellaneous	1,041,180	-	-	-	(1,041,180)	-	-
Debt service interest expense	1,612,770	-	-	-	(1,612,770)	-	-
Total Governmental Activities	<u>\$ 50,058,217</u>	<u>9,278,557</u>	<u>3,413,272</u>	<u>9,869,381</u>	<u>(27,497,007)</u>	<u>(27,497,007)</u>	<u>-</u>
Business-type activities:							
Sewer	7,081,714	6,514,558	939	8,317,639	-	7,751,422	-
Aquatics	1,459,788	911,803	489	133,526	-	(413,970)	-
Total Business-Type Activities	<u>8,541,502</u>	<u>7,426,361</u>	<u>1,428</u>	<u>8,451,165</u>	<u>-</u>	<u>7,337,452</u>	<u>-</u>
Total Primary Government	<u>\$ 58,599,719</u>	<u>\$ 16,704,918</u>	<u>\$ 3,414,700</u>	<u>\$ 18,320,546</u>	<u>(27,497,007)</u>	<u>7,337,452</u>	<u>\$ (20,159,555)</u>
Component Units:							
Business Improvement District	\$ 311,115	\$ -	\$ -	\$ -	\$ (311,115)	\$ -	\$ -
Missoula Parking Commission	1,174,154	1,393,079	-	-	-	218,925	\$ -
Missoula Redevelopment Agency	3,342,923	-	-	-	-	-	(3,342,923)
Total Component Units	<u>\$ 4,828,192</u>	<u>\$ 1,393,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (311,115)</u>	<u>\$ 218,925</u>	<u>\$ (3,342,923)</u>
General Revenues							
Property taxes for general purposes	24,299,845	-	24,299,845	256,046	-	3,402,924	-
Intergovernmental revenue, unrestricted	11,168,006	-	11,168,006	4,450	-	510,430	-
Miscellaneous	268,617	190,354	458,971	14,640	23,222	600	33,910
Interest income	75,502	(4,020)	71,482	372	33,667	-	-
Sewer fund support of governmental activities	22,000	(22,000)	-	-	-	-	-
Gain on sale of capital assets	<u>35,833,970</u>	<u>-</u>	<u>35,998,304</u>	<u>275,508</u>	<u>-</u>	<u>3,947,864</u>	<u>-</u>
Total general revenues and transfers	<u>8,336,963</u>	<u>7,501,786</u>	<u>15,838,749</u>	<u>(35,607)</u>	<u>275,814</u>	<u>604,941</u>	<u>-</u>
Change in Net Assets							
Net Assets - July 1, 2009	118,607,889	77,601,129	196,209,018	141,004	7,911,420	(846,795)	-
Net Assets - June 30, 2010	<u>\$ 126,944,852</u>	<u>\$ 85,102,915</u>	<u>\$ 212,047,767</u>	<u>\$ 105,397</u>	<u>\$ 8,187,234</u>	<u>\$ (241,854)</u>	<u>-</u>



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.

CAPITAL IMPROVEMENT PROGRAM

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.

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.

AQUATICS FUND

This fund accounts for financial resources from service charged to provide quality aquatics programs, opportunities and facilities for citizens of all ages, interests, and abilities thus giving every resident as well as guests an opportunity for lifetime leisure skills, water safety skills and active, healthy life styles.



GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Capital Improvement Program	SID 524	Other Governmental Funds	Total Governmental Funds
ASSETS					
Current Assets					
Cash and investments	\$ 12,788	\$ -	\$ 44,018	\$ 2,929,112	\$ 2,985,918
Taxes/Assessments receivable, net	2,212,535	\$ -	\$ 75,858	\$ 1,090,756	\$ 3,379,149
Deferred assessments receivable	-	\$ -	\$ 2,576,481	\$ 10,636,715	\$ 13,213,196
Due from other governments	582,047	\$ -	\$ 5,950	\$ 2,171,788	\$ 2,759,785
Accounts receivable	345,840	\$ 1,638	\$ -	\$ 407,200	\$ 754,678
Interest receivable	-	\$ -	\$ -	\$ 1,120,064	\$ 1,120,064
Prepaid expenditures	6,338	\$ (9,445)	\$ 1,186	\$ 11,195	\$ 9,274
Interfund receivable	240,731	\$ -	\$ -	\$ 9,525	\$ 250,256
Advances receivable	1,200,133	\$ -	\$ -	\$ 5,220,609	\$ 6,420,742
Inventory of supplies	-	\$ -	\$ 599,833	\$ 1,590,033	\$ 2,189,866
Total Assets	\$ 5,341,079	\$ (7,807)	\$ 3,303,326	\$ 25,186,997	\$ 33,823,595
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 821,399	\$ 7,825	\$ -	\$ 1,816,354	\$ 2,645,578
Accrued expenditures	1,052,053	\$ 178	\$ -	\$ 43,101	\$ 1,095,332
Deferred revenue	1,378,643	\$ -	\$ 2,652,339	\$ 12,797,892	\$ 16,828,874
Interfund payable	-	\$ 1,951,452	\$ -	\$ 3,118,398	\$ 5,069,850
Advances payable	-	\$ 2,189,866	\$ -	\$ -	\$ 2,189,866
Total Liabilities	\$ 3,252,095	\$ 4,149,321	\$ 2,652,339	\$ 17,775,745	\$ 27,829,500
FUND BALANCES					
Reserved for inventories	740,667	\$ -	\$ -	\$ -	\$ 740,667
Reserved for debt service	-	\$ -	\$ 650,987	\$ 3,218,568	\$ 3,869,555
Unreserved reported in general fund	1,348,317	\$ -	\$ -	\$ -	\$ 1,348,317
Unreserved reported in special revenue funds	-	\$ -	\$ -	\$ 4,124,600	\$ 4,124,600
Unreserved reported in capital projects funds	-	\$ (4,157,128)	\$ -	\$ 68,084	\$ (4,089,044)
Total Fund Balance	\$ 2,088,984	\$ (4,157,128)	\$ 650,987	\$ 7,411,252	\$ 5,994,095
Total Liabilities and Fund Balance	\$ 5,341,079	\$ (7,807)	\$ 3,303,326	\$ 25,186,997	\$ 33,823,595

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, 2010

Total fund balances - governmental funds	\$ 5,994,095
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	144,349,164
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.	15,701,172
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.	981,690
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.	(40,081,269)
Total net assets - governmental activities	<u>\$ 126,944,852</u>

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, 2010

	General	Capital Improvement Program	SID 524	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	\$ 19,982,299	\$ -	\$ 357,634	\$ 7,105,622	\$ 27,445,555
Licenses and permits	1,329,668	-	-	1,720,985	3,050,653
Intergovernmental	10,501,462	55,508	-	9,899,168	20,456,138
Charges for services	3,723,970	-	-	751,156	4,475,126
Fines and forfeitures	958,390	-	-	245,197	1,203,587
Miscellaneous	211,123	19,024	-	1,233,945	1,464,092
Investment earnings	(3,389)	(15,694)	19,347	63,098	63,362
Total revenues	<u>36,703,523</u>	<u>58,838</u>	<u>376,981</u>	<u>21,019,171</u>	<u>58,158,513</u>
EXPENDITURES					
Current:					
General government	6,282,051	233,034	-	737,890	7,252,975
Public safety	20,449,471	-	-	1,777,787	22,227,258
Public works	6,175,660	14,771	-	387,403	6,577,834
Public health	1,368,398	-	-	-	1,368,398
Social and economic services	118,450	-	-	-	118,450
Culture and recreation	3,186,112	5,004	-	101,889	3,293,005
Housing and community development	-	-	-	4,017,676	4,017,676
Conservation of natural resources	-	-	-	7,757	7,757
Miscellaneous	1,041,180	-	-	-	1,041,180
Debt service expenditures	-	560,398	307,620	3,837,525	4,705,543
Capital outlay	<u>227,524</u>	<u>1,080,183</u>	<u>-</u>	<u>7,211,028</u>	<u>8,518,735</u>
Total expenditures	<u>38,848,846</u>	<u>1,893,390</u>	<u>307,620</u>	<u>18,078,955</u>	<u>59,128,811</u>
Excess (deficiency) of revenues over expenditures	<u>(2,145,323)</u>	<u>(1,834,552)</u>	<u>69,361</u>	<u>2,940,216</u>	<u>(970,298)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,972,068	928,910	-	630,073	5,531,051
Transfers (out)	(694,942)	-	-	(4,862,640)	(5,557,582)
Payments to Refunded Bond Escrow Agent	-	(983,591)	-	-	(983,591)
Refunding Bond Proceeds	-	1,000,000	-	-	1,000,000
Issuance of long term debt/capital leases	-	1,378,125	-	1,898,816	3,276,941
Proceeds from sale of capital assets	56,794	-	-	-	56,794
Total other financing sources (uses)	<u>3,333,920</u>	<u>2,323,444</u>	<u>-</u>	<u>(2,333,751)</u>	<u>3,323,613</u>
Net Change in Fund Balance	<u>1,188,597</u>	<u>488,892</u>	<u>69,361</u>	<u>606,465</u>	<u>2,353,315</u>
Fund Balance - July 1, 2009	<u>900,387</u>	<u>(4,646,020)</u>	<u>581,626</u>	<u>6,804,787</u>	<u>3,640,780</u>
Fund Balance - June 30, 2010	<u>\$ 2,088,984</u>	<u>\$ (4,157,128)</u>	<u>\$ 650,987</u>	<u>\$ 7,411,252</u>	<u>\$ 5,994,095</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, 2010

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

Net change in fund balances - total governmental funds	\$ 2,353,315
Governmental funds report capital outlays as expenditures	15,397,744
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(6,976,554)
In the statement of activities, only the loss 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.	(249,576)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(422,907)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(3,293,350)
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.	3,092,773
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(111,922)
The change in post employment obligations is shown as an addition to payroll expense on the statement of activities	(156,103)
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.	(1,296,457)
Change in net assets - statement of activities	\$ 8,336,963

See accompanying Notes to the Financial Statements



PROPRIETARY FUND FINANCIAL STATEMENTS

City of Missoula, Montana

Balance Sheet

Proprietary Funds

June 30, 2010

	Business-Type Activities			Governmental Activities	
	Sewer (Major)	Aquatics (Major)	Total	Internal Service	Self Insurance
ASSETS					
<u>Current Assets</u>					
Cash and investments	\$ 249	\$ 223,350	\$ 223,599	\$ 1,539,023	
Accounts receivable	502,828	100	502,928		-
Interest receivable	4,443	189	4,632		6,717
Other receivable	1,612,795	-	1,612,795		45,828
Due from other governments	7,345	-	7,345		-
Prepaid expenses	12,519	2,540	15,059		-
Interfund receivable	-	-	-		-
Inventory of supplies	65,650	167,685	233,335		-
Total Current Assets	<u>2,205,829</u>	<u>393,864</u>	<u>2,599,693</u>		<u>1,591,568</u>
<u>Noncurrent Assets</u>					
Cash and investments	1,662,633	-	1,662,633		-
Art	-	65,229	65,229		
Land	1,333,614	-	1,333,614		-
Construction - work in progress	3,897,988	1,515,933	5,413,921		-
Buildings	8,223,562	12,139,710	20,363,272		-
Improvements other than buildings	100,524,965	-	100,524,965		-
Machinery and equipment	6,192,878	-	6,192,878		-
Allowance for depreciation	(35,601,565)	(1,246,480)	(36,848,045)		-
Bond Issuance costs, net	4,804	-	4,804		-
Total Noncurrent Assets	<u>86,238,879</u>	<u>12,474,392</u>	<u>98,713,271</u>		<u>-</u>
Total Assets	<u>\$ 88,444,708</u>	<u>\$ 12,868,256</u>	<u>\$ 101,312,964</u>		<u>\$ 1,591,568</u>
LIABILITIES					
<u>Current Liabilities</u>					
Accounts payable	\$ 616,947	\$ 52,735	\$ 669,682	\$ 255,391	
Accrued expenses	45,328	41,269	86,597		-
Contributions paid in advance	-	-	-		354,487
Interfund payable	1,350,892		1,350,892		
Deferred revenue	13,125	-	13,125		-
Compensated absences payable	79,756	11,643	91,399		-
Long-term liabilities - due within one year	1,083,000	-	1,083,000		-
Total Current Liabilities	<u>3,189,048</u>	<u>105,647</u>	<u>3,294,695</u>		<u>609,878</u>
<u>Noncurrent Liabilities</u>					
Net Employment Benefit Obligation	31,866	7,779	39,645		-
Long-Term portion of compensated absences	61,325	13,899	75,224		-
Long-term liabilities - due in more than one year	12,800,485	-	12,800,485		-
Total Noncurrent Liabilities	<u>12,893,676</u>	<u>21,678</u>	<u>12,915,354</u>		<u>-</u>
Total Liabilities	<u>16,082,724</u>	<u>127,325</u>	<u>16,210,049</u>		<u>609,878</u>
NET ASSETS					
Invested in capital assets, net of related debt	70,687,957	12,474,392	83,162,349		-
Restricted for debt service	1,662,633	-	1,662,633		-
Unrestricted	11,394	266,539	277,933		981,690
Total Net Assets	<u>72,361,984</u>	<u>12,740,931</u>	<u>85,102,915</u>		<u>981,690</u>
Total Liabilities and Net Assets	<u>\$ 88,444,708</u>	<u>\$ 12,868,256</u>	<u>\$ 101,312,964</u>		<u>\$ 1,591,568</u>

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Major Enterprise Funds			Governmental Activities
	Sewer (Major)	Aquatics (Major)	Total	Internal Service Self-Insurance Funds
	\$	\$	\$	\$
Operating Revenues				
Intergovernmental	939	489	1,428	-
Charges for services	6,514,558	911,803	7,426,361	-
Miscellaneous	190,354	-	190,354	-
Internal services	-	-	-	3,697,344
Total Operating Revenues	6,705,851	912,292	7,618,143	3,697,344
Operating Expenses				
Personal services	1,304,719	609,547	1,914,266	-
Fixed charges	917,622	-	917,622	-
Depreciation	2,326,481	405,073	2,731,554	-
Insurance claims and expenses	-	-	-	5,055,565
Maintenance and operations	1,964,428	445,168	2,409,596	
Total Operating Expenses	6,513,250	1,459,788	7,973,038	5,055,565
 Operating Income	 192,601	 (547,496)	 (354,895)	 (1,358,221)
 Non-operating revenues (expenses)	 	 	 	
Interest revenue	6,597	(10,617)	(4,020)	13,235
Debt service interest expense	(568,464)	-	(568,464)	-
Total non-operating revenues (expenses)	(561,867)	(10,617)	(572,484)	13,235
Income (loss) before contributions and transfers	(369,266)	(558,113)	(927,379)	(1,344,986)
 Contributions and Transfers	 	 	 	
Contributions	8,317,639	133,526	8,451,165	-
Transfers in	-	168,000	168,000	48,530
Transfers (out)	(190,000)	-	(190,000)	-
Net Contributions and Transfers	8,127,639	301,526	8,429,165	48,530
 Change in Net Assets	 7,758,373	 (256,587)	 7,501,786	 (1,296,457)
 Net Assets - July 1, 2009	 64,603,611	 12,997,518	 77,601,129	 2,278,147
 Net Assets - June 30, 2010	 72,361,984	 12,740,931	 85,102,915	 981,690

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, 2010

	Business-Type Activities - Major Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Aquatics	Total	Self-Insurance
Cash Flows from Operating Activities:				
Receipts from customers	\$ 6,497,695	\$ 911,703	\$ 7,409,398	\$ -
Payments to suppliers	(2,447,559)	(421,231)	(2,868,790)	-
Payments to employees	(1,291,220)	(603,743)	(1,894,963)	-
Other receipts	185,948	489	186,437	-
Receipts from internal services	-	-	-	3,741,078
Benefit payments	-	-	-	(5,088,861)
Net Cash Provided (Used) by Operating Activities	<u>2,944,864</u>	<u>(112,782)</u>	<u>2,832,082</u>	<u>(1,347,783)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers to other funds	(190,000)	-	(190,000)	-
Transfers from other funds	-	168,000	168,000	48,529
Receipts from short-term loans from other funds	100,266	-	100,266	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(89,734)</u>	<u>168,000</u>	<u>78,266</u>	<u>48,529</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from debt	63,485	-	63,485	-
Principal paid on debt	(1,050,023)	-	(1,050,023)	-
Interest paid on debt	(566,862)	-	(566,862)	-
Acquisition and construction of capital assets	(1,634,300)	-	(1,634,300)	-
Net Cash Used by Capital and Related Financing Activities	<u>(3,187,700)</u>	<u>-</u>	<u>(3,187,700)</u>	<u>-</u>
Cash Flows from Investing Activities				
Interest on investments	4,125	(10,394)	(6,269)	12,871
Receipts from short-term loans to other funds	-	-	-	2,736,289
Disbursements for short-term loans	(117,370)	-	(117,370)	-
Disbursements for long-term loans	-	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>(113,245)</u>	<u>(10,394)</u>	<u>(123,639)</u>	<u>2,749,160</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(445,815)	44,824	(400,991)	1,449,906
Cash and cash equivalents at July 1, 2009	<u>2,108,697</u>	<u>178,526</u>	<u>2,287,223</u>	<u>89,117</u>
Cash and cash equivalents at June 30, 2010	<u>\$ 1,662,882</u>	<u>\$ 223,350</u>	<u>\$ 1,886,232</u>	<u>\$ 1,539,023</u>
Cash and cash equivalents consists of:				
Cash and investments	\$ 249	\$ 223,350	\$ 223,599	\$ 1,539,023
Restricted cash and investments	1,662,633	-	1,662,633	-
Total cash and cash equivalents	<u>\$ 1,662,882</u>	<u>\$ 223,350</u>	<u>\$ 1,886,232</u>	<u>\$ 1,539,023</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 192,601	\$ (547,496)	\$ (354,895)	\$ (1,358,221)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,326,481	405,073	2,731,554	-
Changes in assets and liabilities:				
Due from other governments	(5,345)	-	(5,345)	-
Other receivables and notes receivable	(16,863)	(100)	(16,963)	(20,614)
Prepaid expense	(549)	310	(239)	-
Deferred revenue	-	-	-	-
Contributions paid in advance	-	-	-	43,734
Compensated absences payable	(8,827)	3,482	(5,345)	-
Net employment benefit obligation	7,644	2,012	9,656	-
Inventories	5,000	7,344	12,344	-
Accounts and other payables	429,491	12,538	442,029	(12,682)
Accrued expenses	15,231	4,055	19,286	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,944,864</u>	<u>\$ (112,782)</u>	<u>\$ 2,832,082</u>	<u>\$ (1,347,783)</u>

Disclosure of Non-Cash Items:

The Sewer fund had non-cash transactions that increased assets in the amount of \$8,316,037, developer contributions of capital assets of \$8,317,639, and annual bond issuance cost amortization of \$1,602. The Aquatics fund had non-cash transactions that increased capital assets in the amount of \$133,526. This was attributed to a contribution of capital assets of \$133,526.



FIDUCIARY FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and short-term investments	\$ 312,213
Due from other governments	<u>5,199</u>
Total assets	<u><u>317,412</u></u>
LIABILITIES	
Accounts payable	24,687
Due to private parties	265,273
Due to other governments	<u>27,452</u>
Total liabilities	<u><u>\$ 317,412</u></u>

See accompanying Notes to the Financial Statements

**NOTES TO
FINANCIAL
STATEMENTS**

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Missoula (the City) follows U.S. 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.

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 G). 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 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 five urban renewal districts: District I in 1978, District II in 1991, District III in 2000, Front Street in 2007, and Riverfront Triangle in 2008. District I has since sunset, after tax increment bonds were paid off. 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 established after 1980 be terminated fifteen years after enactment or when all tax increment bonds have been retired. 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, 140 W. Pine, Missoula, MT 59802.
2. The Missoula Parking Commission is a public corporation formed by the City and, as such, is a proprietary component unit of the City. On January 25, 1971, the City Council of Missoula passed Resolution No. 2992

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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 1,061 parking meters on various streets and in various lots throughout the downtown business area. The Commission operates approximately 800 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, determines the parking jurisdiction and determines parking fines 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.

3. The Downtown Business Improvement District (BID) was created through the efforts of the Missoula Downtown Association to address the challenges created by the termination of the Downtown Urban Renewal District (URD I) on June 30, 2005. Implementation began in 2001 with committee development, community education, local media campaigns, meetings with property and business owners, creation of a comprehensive database of property owners, and the required petition process. The process of verifying the petition was finalized at the end of 2004 and the BID was approved by the City Council in April 2005. The BID serves as an advocate for property owners in the district and address areas such as safety, cleanliness, appearance, marketing, business retention and recruitment, public and private investment in buildings and infrastructure. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from the Business Improvement District, 218 E. Main Street, Suite C., 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.

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

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Governmental Funds:

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. When collections are delayed due to highly unusual circumstances the City will recognize revenues collected up to 75 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.

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.

Capital Improvement Program – 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.

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.

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Proprietary Funds:

Measurement Focus and Basis of Accounting

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 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 receivables and revenue from assessments are reported as accounts receivable and user charges, respectively.

Proprietary funds include enterprise funds and internal service funds. 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. Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The principal operating revenues for the enterprise funds 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.

The City reports the following enterprise funds:

Sewer Fund (Major 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.

Aquatics Fund (Major Fund) – This fund accounts for financial resources from service charges to provide quality aquatics programs, opportunities and facilities for citizens of all ages, interests, and abilities thus giving every resident as well as guests an opportunity for lifetime leisure skills, water safety skills and active, healthy life styles.

Fiduciary Funds:

Measurement Focus and Basis of Accounting

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments. Agency funds are custodial in nature (assets equals liabilities) and do not involve measurement of results of operations.

The City reports the following fiduciary funds for the related purposes:

Court Surcharge – Accommodates the court surcharge fees charged and owed to the State of Montana.

County Clearing – Accounts for the dog license fees that are collected on behalf of the County.

Sewer Rebate – Accounts for the sewer rebates authorized by City Council for sewer connections.

Youth Programs – Records the transactions held for County Youth Programs.

County Park Board – Records the transactions held for the County Park Board.

Elk Hills Subdivision – Records the transactions held for the Elk Hills Subdivision.

Residential Inspection – Accounts for transactions related to the Voluntary Residential Inspection program.

Municipal Court Restitution – Accumulates restitution payments to victims from court proceedings.

Public Defender Fees – Accounts for public defender fees charged and owed to the State of Montana.

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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 Funds, Internal Service Fund and Capital Project Funds. All budgets are presented on the budgetary basis appropriate for the fund type consistent with generally accepted accounting principles (i.e. all governmental funds are budgeted on a modified accrual basis and all proprietary funds are 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 annual appropriations and transfers out for various departments are controlled and monitored for budgetary compliance at the fund level. Management does not make transfers of appropriations or over-expend appropriations at the fund level without approval of the City Council.

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 agency obligations. 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. Investments in government securities are reported at fair value, based on market prices. Certificates of deposit are reported at cost.

Montana State statutes authorize the City to invest in interest-bearing savings accounts, certificates of deposits, and time deposits, which are insured up to \$250,000 by the Federal Deposit Insurance Corporation or fully collateralized. Also authorized is 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.

The investment program of the City is divided into two tiers, an operational portfolio and a core portfolio. The operational portfolio is invested in short-term securities and is designed to handle the day to day cash needs of the City. The core portfolio is composed of securities with longer maturities with the objective of obtaining an optimal return for the City over a longer investment horizon.

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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.

2. Receivables

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

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.

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 30th and the second part (50%) is due May 31st. After those dates, the bills are delinquent (and a lien is placed on the property). Delinquent assessments receivable at June 30, 2010 were \$661,451. 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 30th 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 method 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.

4. Prepays

The City accounts for prepaid items in the governmental funds using the purchase method. The City's prepaid expenses consist of health insurance premiums which are paid one month in advance and expensed upon receiving the benefit in the following month.

5. 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.

6. 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 (including infrastructure acquired through developer's

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contributions and annexations) are recorded at their estimated fair value at the date of donation. The City capitalizes all capital assets with a value of \$5,000 or greater. 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.

Depreciation on general government capital assets is provided over their estimated useful lives on the straight-line method. Buildings have an estimated useful life of 30 years; machinery and equipment 4 to 20 years.

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 and depreciated on the straight-line method. Useful lives of infrastructure assets are from 20 to 75 years. Pavement has an estimated useful life of 20 years; curbs and sidewalks 50 years; storm sewers 75 years; sumps 30 years; signs 60 years; bridges and pedestrian crossings 50 years; and street lights 50 years.

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.

7. 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.

8. 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. 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.

9. Other Post Employment Benefits

The City recognizes and reports its post employment health care benefits in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

10. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the governmental activities column of the 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

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statement of net assets. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the 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.

11. Fund Equity

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

12. 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.

13. Pledged Revenues

The City has pledged sewer charges for services revenue to pay for the revenue bonds outstanding in the sewer fund. The revenue bonds have been used for sewer system improvements and expansion. The revenues are pledged until the revenue bonds are paid in full. During fiscal year 2010, principal and interest payments on revenue bonds totaled \$1,615,660 and charges for services revenue was \$6,514,558.

14. 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

Four special revenue funds with deficit fund balances were identified as of June 30, 2010. The Employee Health Insurance Levy fund (\$537,633), the Street Maintenance fund (\$5,382), the Russell Park Maintenance fund (\$2,475), and the Law Enforcement Grant fund (\$2,994), all carried deficit fund balances which will be covered by future assessments and grant revenue in fiscal year 2011.

One general obligation bond fund balance was identified as having a negative fund balance as of June 30, 2010. This deficit will be covered by tax revenues collections in the next fiscal year. This fund was the 1998 Safety Bond Fund (\$3,487).

Two Sidewalk and Curb bond funds had negative fund balances at the end of the fiscal year. These fund deficits will be covered by assessments collected in future fiscal years. These funds are the 03 Sidewalk and

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Curb fund (\$32,617), and the 08 Sidewalk and Curb fund (\$1,726).

One SID sinking fund, SID 515 (\$91), had a deficit fund balance at June 30, 2010. This deficit will decrease as assessments are collected. Any deficit remaining after assessments are collected will be covered by the Revolving Fund.

The following SID Construction funds have deficit fund balances.

SID 530	\$ (115)	SID 538	(29)
SID 531	(13,699)	SID 539	(8,031)
SID 533	(6,693)	SID 542	(754)
SID 535	(24,361)	SID 543	(62,622)

These deficits will be covered by SID bond proceeds as bonds are issued for these projects.

The capital projects 08 Sidewalk and Curb Fund (\$18), 09 Sidewalk and Curb Fund (\$98), 10 Sidewalk and Curb Fund (\$804,537), 11 Sidewalk and Curb Fund (\$129,190), Miller Creek Mitigation (\$2,725), 5th, 6th, & Arthur Improvements (\$79,997), Rattlesnake Sewer Collection (\$402,464), Phillips St. Traffic Calming (\$19,276), Pattee Creek Drive (\$14,633), and ARRA Enhancement (\$439) had deficit balances which will be mitigated in FY 2011. The Capital Improvement fund reported a negative fund balance (\$4,157,128) due to upcoming internal and external financing activities.

B. Expenditures in Excess of Appropriations

The following funds had an excess of actual expenditures over budget, at the level of budgetary control (fund level), for the year ended June 30, 2010:

Special Revenue Funds		
Community Development Program Income		\$ 10,519
Construction Funds		
09 Sidewalk & Curb		8,430
SID 541		9,654

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

A. Cash and Cash Equivalents

At June 30, 2010, cash and investments consisted of the following:

	Primary Government	Component Units	Total
Petty Cash and Cash on Hand	\$ 12,776	\$ 23,691	\$ 36,467
Repurchase Agreements	999,053	1,609,044	2,608,097
Demand Deposits	399,649	323,851	723,500
Certificates of Deposit	193,184	306,816	500,000
Marketable Government Securities	<u>5,118,724</u>	<u>8,129,603</u>	<u>13,248,327</u>
	<u>\$ 6,723,386</u>	<u>\$ 10,393,005</u>	<u>\$ 17,116,391</u>

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At June 30, 2010, the carrying amount of the City's deposits in local banks was \$522,083 and the bank balances were \$1,383,237. Of the bank balance, \$765,863 was covered by federal depository insurance and \$617,374 was covered by collateral held by the pledging bank's agent in the City's name.

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental Activities	\$4,524,941	\$ -	\$4,524,941
Business-Type Activities	223,599	1,662,633	1,886,232
Fiduciary Funds	312,213	-	312,213
Component Units	<u>9,977,950</u>	<u>415,055</u>	<u>10,393,005</u>
Total	<u>\$15,038,703</u>	<u>\$2,077,688</u>	<u>\$ 17,116,391</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 investment policy and state law. The City's investment policy and practice 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 investment policy requires that specific safeguards against risk of loss be evidenced when the City does not physically hold the securities.

The City of Missoula's investment policy states that the City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City's investments are structured with varying maturity dates on certificates of deposit, thereby limiting long-term investments and meeting the objective of its investment policy concerning market risk.

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
U.S. Government Agency Obligations	9/2010-3/2013	AAA	\$ 13,248,327
Certificates of Deposits	11/2010-01/2012	NA	500,000
Demand deposits	NA	NA	723,500
Repurchase Agreements	NA	NA	2,608,097
Petty Cash and Cash on Hand	NA	NA	36,467
Total			<u>\$ 17,116,391</u>

Credit risk is defined as the risk that an issuer or other counterparty 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). The City utilizes both federal depository insurance along with the bank's pledged collateral held by the pledging bank's agent in the City's name, all in accordance with the City's investment policy and state law, to minimize credit risk. All over-night repurchase agreements utilize highly marketable securities, 102% over pledging, and highly rated investment grade instruments to compensate for credit risk, in compliance with the City's investment policy.

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B. Receivables

Other Receivables

A summary of the City's accounts receivable and other receivables as of June 30, 2010, follows:

Proprietary Funds:

Sewer (major fund) – Sewer Fees	\$ 502,828
Sewer (major fund) – Mountain Water Notes	1,261,287
Sewer (major fund) – Glenn Eagle Note	250,000
Sewer (major fund) – Lease receivable	13,125
Sewer (major fund) – Disposal and Development Fees	88,383
Aquatic (major fund) – Program fees	100
Internal Service – Flexible Benefits	4,657
Internal Service – Excess Loss Refunds	24,318
Internal Service – Prescription Rebates	16,853
Total Proprietary Funds	<u>\$ 2,161,551</u>

Governmental Funds

General (major fund) – Various Licenses, Services and Fees	\$ 85,856
General (major fund) – Mountain Water Notes	240,663
General (major fund) – Sidewalk & Curb	19,321
Cremain Wall – Memorial Donation	55
Cemetery Care – Cemetery Fees	315
Impact Fee – Impact Fees	66,007
Cable TV Franchise – Franchise Fees	157,373
Building Inspection – Permit Fees	12,614
HIDTA – Seizures	197
Program Income – Mountain Water Notes	4,937
SID Revolving Fund – Mountain Water Notes	165,702
Capital Improvement – Refunding Bond Proceeds	1,638
Total Government Funds	<u>\$ 754,678</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Long Term Loans Receivable

A summary of the City's long-term loans receivable as of June 30, 2010, follows:

Primary Government:

CDBG – Missoula Art Museum		
\$200,000 at 1% interest to be repaid \$2,000 per year through 2014, then \$11,083 per year through 2034.		\$ 190,000
CDBG – Missoula Housing Authority		
\$200,000 at 1% interest to be repaid \$11,083 per year through 2030.		180,000
CDBG – Parenting Place		
\$130,000 at 1% interest to be repaid \$1,300 per year through 2016, \$7,204 per year through 2036.		124,800
CDBG – Partnership Health Center		
\$25,000 at 1% interest to be repaid \$2,640 per year through 2015.		11,802
CDBG – Partnership Health Center		
\$275,000 with interest rate deferred and determined upon sale of property		275,000
Title One - Extended Family Services		
\$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.		10,062
Title One – North Missoula Community Development Corporation		
\$400,000 available at 3% interest, \$100,000 plus accrued interest to be Repaid upon sale of fourteen units, then \$100,000 plus accrued interest upon sale of each additional unit, with final maturity of August 2012.		328,400
Total Primary Government		<u><u>\$ 1,120,064</u></u>

C. Advances From/To Other Funds, Due From/To Other Funds, Due to Other Governments, and Due to Private Parties

Advances From/To Other Funds

Long-term borrowings between funds are reported as advances within the funds. Loans are recorded as Advances Receivable in the lending fund and as Advances Payable in the loanee fund. The City has one advance to the Capital Improvement Program fund from several funds.

^indicates a major fund

	Advance Receivable	Advance Payable
^ SID 524	\$ 599,833	\$ -
Non-major governmental funds	1,590,033	-
Capital Improvement Program	- <u><u>\$ 2,189,866</u></u>	2,189,866 <u><u>\$ 2,189,866</u></u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Due From/To Other Funds:

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 Interfund Receivable in the lending fund and as Interfund Payable in the loanee fund. The principal purpose of the interfund transfers is to provide funds for cash deficits.

^indicates a major fund

	(Interfund Receivable)	(Interfund Payable)
	Due From	Due To
^ General Fund	\$ 1,200,133	\$ -
^ Capital Improvement Program	-	1,951,452
Non-major governmental funds	5,220,609	3,118,398
^ Sewer	-	1,350,892
	<u>\$ 6,420,742</u>	<u>\$ 6,420,742</u>

Due From Other Governments:

Primary Government		
General Fund		
Due from Missoula County – Taxes Receivable	\$ 275,461	
Due from Missoula County – Reimburse Fire Department	5,086	
Due from Missoula County Public Schools – School Resource Officer	75,000	
Due from State of Montana – Grants	57,915	
Due from Federal Government – SAFER Grant	67,744	
Due from City Municipal Court	<u>100,841</u>	
Total General Fund	<u>582,047</u>	
Special Revenue Funds		
Due from Missoula County – Taxes Receivable	25,713	
Due from City Municipal Court – Drug Forfeiture and Crime Victim Surcharge	8,026	
Due from Missoula County – COPS in Shops Grant	2,595	
Due from State of Montana – Grants	876,218	
Due from Federal Government – Grants	315,170	
Due from MT Natural History Center – Grant	<u>11,220</u>	
Total Special Revenue Funds	<u>1,238,942</u>	
Debt Service Funds		
Due from Missoula County – Taxes Receivable	<u>66,757</u>	
Capital Projects Funds		
Due from State of Montana – Grants	868,873	
Due from Federal Government – Grants	<u>3,166</u>	
Total Capital Projects Funds	<u>872,039</u>	
Total, Due From Other Governments, Governmental Funds	<u>\$ 2,759,785</u>	
Proprietary Funds		
Due from Missoula County – Delinquent Sewer Collections	<u>\$ 7,345</u>	
Agency Funds		
Due from City Municipal Court – Court Surcharge and Public Defender Fees	<u>\$ 5,199</u>	

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Due to Other Governments:

Agency Funds		
Court Surcharge	\$ 21,641	
County Park Board	5,500	
County Clearing	311	
Total Due to Other Governments	<u>\$ 27,452</u>	

Due to Private Parties:

Agency Funds		
Sewer Rebates	\$ 64,589	
Youth Programs	473	
Municipal Court Restitution	195,739	
Residential Inspection	604	
Elk Hills Subdivision	3,868	
Total Due to Private Parties	<u>\$ 265,273</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)	\$ 4,804
Component Unit, Parking Commission Revenue Bond Costs	<u>7,985</u>
Total Deferred Expense, Reporting Entity	<u>\$ 12,789</u>

E. Capital Assets

The City has identified three types of street infrastructure:

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

Estimating construction costs

Arterial/Collector & Commercial & Residential Streets- the City estimated costs for these streets using a bid from the 39th street project for 2002/2003 (used for all projects prior to FY2007) and from the England Boulevard bid on 9/18/2006 for FY2007 and future projects.

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 2010:

	<u>Construction</u>	<u>Overhead</u>	<u>Total</u>
Arterial/Collector	\$41/Sq Yard	\$16.40/Sq Yard	\$57.40/Sq Yard
Commercial	\$38/Sq Yard	\$9.50/Sq Yard	\$47.50/Sq Yard
Residential	\$26/Sq Yard	\$6.50/Sq Yard	\$32.50/Sq Yard

Depreciation

Depreciation is calculated on a straight-line basis with a full month convention for all governmental assets except infrastructure.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Capital Asset activity for the fiscal year ended June 30, 2010, is summarized as follows:

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Art	\$ 196,500	\$ 40,090	\$ -	\$ 236,590
Land	19,342,529	-	-	19,342,529
Work-In-Progress	1,341,262	1,660,164	(184,511)	2,816,915
Total Capital Assets not being Depreciated	<u>20,880,291</u>	<u>1,700,254</u>	<u>(184,511)</u>	<u>22,396,033</u>
Capital Assets being Depreciated:				
Buildings	33,180,701	52,342	-	33,233,044
Infrastructure	197,911,118	12,481,479	-	210,392,597
Machinery & Equipment	20,640,983	1,163,669	(850,419)	20,954,233
Total Capital Assets being Depreciated	<u>251,732,802</u>	<u>13,697,490</u>	<u>(850,419)</u>	<u>264,579,873</u>
Less Accumulated Depreciation for:				
Buildings	(10,911,899)	(991,417)	-	(11,903,316)
Infrastructure	(113,007,867)	(4,611,238)	-	(117,619,105)
Machinery & Equipment	(12,515,777)	(1,373,899)	785,354	(13,104,322)
Total Accumulated Depreciation	<u>(136,435,543)</u>	<u>(6,976,554)</u>	<u>785,354</u>	<u>(142,626,743)</u>
Total Capital Assets being Depreciated, Net	<u>115,297,260</u>	<u>6,720,936</u>	<u>(65,065)</u>	<u>121,953,131</u>
Capital Assets, Net	<u><u>\$ 136,177,550</u></u>	<u><u>\$ 8,421,189</u></u>	<u><u>\$ (249,576)</u></u>	<u><u>\$ 144,349,164</u></u>

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 374,669
Public Safety	982,453
Public Works	4,976,206
Public Health	18,643
Culture and Recreation	483,377
Housing & Community Development	<u>141,207</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 6,976,554</u></u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The following is a summary of business-type capital assets for the year ended June 30, 2010:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets not being Depreciated:				
Art	\$ 65,229	\$ -	\$ -	\$ 65,229
Land	1,333,614	-	-	1,333,614
Work In Process	2,510,401	4,063,437	(1,159,916)	5,413,921
Total Capital Assets not being Depreciated	<u>3,909,244</u>	<u>4,063,437</u>	<u>(1,159,916)</u>	<u>6,812,764</u>
Capital Assets being Depreciated:				
Buildings	20,333,360	29,912	-	20,363,272
Improvements	93,440,549	7,084,416	-	100,524,965
Machinery & Equipment	6,166,739	67,616	(41,477)	6,192,878
Total Capital Assets being Depreciated	<u>119,940,648</u>	<u>7,181,944</u>	<u>(41,477)</u>	<u>127,081,115</u>
Less Accumulated Depreciation for:				
Buildings	(4,611,187)	(612,639)	-	(5,223,826)
Improvements	(24,892,275)	(1,893,129)	-	(26,785,404)
Machinery & Equipment	(4,654,506)	(225,786)	41,477	(4,838,815)
Total Accumulated Depreciation	<u>(34,157,968)</u>	<u>(2,731,554)</u>	<u>41,477</u>	<u>(36,848,045)</u>
Total Capital Assets being Depreciated, Net	<u>85,782,680</u>	<u>4,450,390</u>	<u>-</u>	<u>90,233,070</u>
Capital Assets, Net	<u>\$ 89,691,924</u>	<u>\$ 8,513,827</u>	<u>\$ (1,159,916)</u>	<u>\$ 97,045,834</u>

Depreciation is calculated on a straight line basis.

Depreciation expense was charged to functions as follows:

Business-type activities:

Sewer	\$ 2,326,481
Aquatics	405,073
Total Business-type activities Depreciation Expense	<u>\$ 2,731,554</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit: MPC				
Capital Assets not being Depreciated:				
Parking Lots	\$ 2,397,866	\$ -	\$ -	\$ 2,397,866
Capital Assets being Depreciated:				
Parking Structures	2,265,634	-	-	2,265,634
Furniture, Fixtures & Computers	46,367	-	-	46,367
Machinery, equipment and vehicles	469,484	-	-	469,484
Parking Lot improvements	1,165,976	-	-	1,165,976
Capitalized Interest	409,007	-	-	409,007
	4,356,468	-	-	4,356,468
Less Accumulated Depreciation	(2,004,343)	(133,641)	-	(2,137,984)
Total Capital Assets being depreciated, net	<u>2,352,125</u>	<u>(133,641)</u>	<u>-</u>	<u>2,218,484</u>
Capital Assets, net	<u>\$ 4,749,991</u>	<u>\$ (133,641)</u>	<u>\$ -</u>	<u>\$ 4,616,350</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

F. Long-Term Obligations

During the year ended June 30, 2010 the following changes occurred in long-term liabilities reported in the governmental activities, the City's proprietary funds and component units:

	Balance July 1, 2009	Additions	Reductions	June 30, 2010	(a) Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 16,235,000	\$ -	\$ 1,170,000	\$ 15,065,000	\$ 1,225,000
Limited Obligation Bonds	5,130,000	1,000,000	1,195,000	4,935,000	255,000
Special Assessment Bonds	14,030,295	1,898,816	1,578,870	14,350,241	1,641,790
Sidewalk and Curb Warrants	100,248	-	100,248	-	-
Intercap Loans	191,309	-	32,246	159,063	33,417
Capital Leases	-	1,378,125	-	1,378,125	197,124
Compensated Absences	3,474,814	2,123,938	2,012,016	3,586,736	2,042,600
Post Employment Benefits	451,001	156,103	-	607,104	-
Total Governmental Activities	\$ 39,612,667	\$ 6,556,982	\$ 6,088,380	\$ 40,081,269	\$ 5,394,931
Proprietary Funds/					
Business-type Activities:					
Revenue Bonds	\$ 14,870,023	\$ 63,485	\$ 1,050,023	\$ 13,883,485	\$ 1,083,000
Compensated Absences	171,968	98,668	104,013	166,623	91,399
Post Employment Benefits	29,989	9,656	-	39,645	-
Total Proprietary Funds	\$ 15,071,980	\$ 171,809	\$ 1,154,036	\$ 14,089,753	\$ 1,174,399
Component Units:					
Revenue Bonds	\$ 5,780,000	\$ -	\$ 205,000	\$ 5,575,000	\$ 245,000
Notes Payable	1,125,000	194,084	56,075	1,263,009	25,335
Compensated Absences	73,136	42,482	43,877	71,741	56,215
Post Employment Benefits	18,456	6,840	-	25,296	-
Total Component Units	\$ 6,978,136	\$ 236,566	\$ 304,952	\$ 6,909,750	\$ 326,550

(a) Included in Balance June 30, 2010

Primary Government

Compensated Absences

For governmental activities, compensated absences are generally liquidated by the general fund.

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, 2010</u>
2004 Aquatics	2004	2024	3.0-4.5%	\$ 8,100,000	\$ 6,205,000
2004 Refunding	2004	2013	3.0-3.8%	2,705,000	725,000
2005 Fire Station	2006	2026	3.95-4.5%	5,740,000	4,930,000
2007 Refunding	2007	2018	3.6-4.0%	4,355,000	3,205,000
Total GO Bonds				\$ 20,900,000	\$ 15,065,000

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2010, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,225,000	\$ 614,833	\$ 1,839,833
2012	1,270,000	569,748	1,839,748
2013	1,320,000	521,133	1,841,133
2014	1,115,000	470,433	1,585,433
2015	1,160,000	427,753	1,587,753
2016-2020	4,595,000	1,504,393	6,099,393
2021-2025	3,960,000	585,438	4,545,438
2026	420,000	18,900	438,900
Total	\$ 15,065,000	\$ 4,712,631	\$ 19,777,631

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, 2010</u>
2001 A Maintenance	2000	2020	4.25-5.20%	\$ 1,600,000	\$ 80,000
2006 Council/MRA Remodel	2006	2026	4.25-4.55%	1,100,000	945,000
2006 Aquatics Support	2006	2026	3.625-4.0%	1,860,000	1,565,000
2007B Fire Subsidy	2007	2026	3.70-4.20%	680,000	605,000
2007C 50 Meter Pool	2008	2027	3.50-4.40%	840,000	740,000
2010A Refunding	2010	2020	3.0-3.5%	1,000,000	1,000,000
Total Limited Obligation Bonds				\$ 7,080,000	\$ 4,935,000

Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2010, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 255,000	\$ 214,265	\$ 469,265
2012	280,000	179,091	459,091
2013	290,000	169,270	459,270
2014	300,000	160,010	460,010
2015	305,000	150,158	455,158
2016-2020	1,725,000	577,009	2,302,009
2021-2025	1,400,000	263,558	1,663,558
2026-2027	380,000	18,960	398,960
Total	\$ 4,935,000	\$ 1,732,321	\$ 6,667,321

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Revenue Bonds

Paid from sewer utility revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2010</u>
1992 Sewer, A	1/23/1992	7/1/2013	4.00%	\$ 1,177,000	\$ 241,000
1992 Sewer, B	7/15/1992	1/1/2013	4.00%	2,221,000	381,000
1999 Sewer Bonds	6/24/1999	7/1/2019	4.00%	1,820,000	997,000
2000(B) Sewer Bonds	10/3/2000	7/1/2020	4.00%	718,000	430,000
2001 Sewer Bonds - Bellevue & Reserve	4/27/2001	1/1/2021	4.00%	459,162	283,000
2002 Sewer Bonds - 39th St.	5/16/2002	1/1/2022	4.00%	1,395,000	854,000
2002 Missoula Treatment Plant A	11/21/2002	7/1/2022	4.00%	5,000,000	3,458,000
2002 Missoula Treatment Plant B	10/15/2003	7/1/2023	3.75%	3,800,000	2,776,000
2002 Missoula Treatment Plant C	3/23/2004	7/1/2024	3.75%	3,688,000	2,783,000
2005 Sewer Bonds - Brdwy/Lincolnwood	11/28/2005	7/1/2025	3.75%	1,997,000	1,368,000
2006 Sewer Bonds - Lincolnwood Ph. II	9/21/2006	7/1/2026	3.75%	419,000	251,000
2009 Sewer Bonds Series C - Lolo Street	12/23/2009	7/1/2029	3.75%	64,000	61,485
Total Revenue Bonds				#####	<u>\$13,883,485</u>

Annual debt service requirements to maturity for revenue bonds as of June 30, 2010, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,083,000	\$ 526,377	\$ 1,609,377
2012	1,124,000	484,122	1,608,122
2013	1,084,000	439,828	1,523,828
2014	959,000	399,629	1,358,629
2015	999,000	362,016	1,361,016
2016-2020	5,472,000	1,193,792	6,665,792
2021-2025	3,126,000	233,586	3,359,586
2026-2029	36,485	1,985	38,470
Total	<u>\$ 13,883,485</u>	<u>\$ 3,641,335</u>	<u>\$ 17,524,820</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 substantial 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
JUNE 30, 2010

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 at June 30, 2010 is \$717,512. The Revolving Fund cash at June 30, 2010 is \$746,320.

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2010:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2010</u>
498	1992	2012	4.00%	\$ 2,465,000	\$ 193,000
501	1992	2012	4.00%	943,000	55,000
503	1993	2013	4.00%	324,000	34,000
511	1994	2014	4.00%	304,000	53,000
512	1998	2018	4.00-5.25%	1,724,000	598,345
513	1996	2007	5.90%	41,000	6,060
514	1996	2012	5.90%	213,000	31,496
515	1996	2007	5.90%	9,800	1,444
517	1997	2012	4.20-5.50%	91,000	11,512
518	1997	2012	4.20-5.50%	39,000	4,916
519	1997	2012	4.20-5.50%	109,000	13,771
520	1998	2019	4.00%	2,634,000	1,195,000
521	1998	2018	4.50-5.25%	7,900	2,723
522	1998	2018	4.50-5.25%	11,200	3,932
524	2002	2023	4.00%	4,577,000	3,081,000
525	2001	2020	4.00%	658,000	361,000
526	2000	2021	4.00%	2,671,000	1,602,000
527	2004	2011	2.70-3.80%	22,400	3,200
530	2006	2016	3.80-4.75%	6,706	4,026
532	2005	2024	3.50-5.00%	556,000	400,000
533	2006	2025	3.75%	244,000	199,000
534	2006	2026	3.75%	254,000	217,000
536	2006	2026	3.75%	438,000	375,000
540	2006	2027	3.75-4.65%	1,570,000	1,410,000
541	2009	2029	2.10-5.40%	750,000	720,000
544-Series C	2009	2029	3.75%	1,608,102	113,516
544-Series D	2009	2029	3.75%	31,000	31,000
544-Series B	2009	2029	1.75%	359,300	359,300
FY99 S&C	1999	2011	3.20-4.60%	644,000	25,000
FY00 S&C	2000	2012	4.625-5.50%	840,000	70,000
FY01 S&C	2001	2013	3.00-4.50%	340,000	45,000
FY02 S&C	2002	2014	2.00-4.40%	430,000	40,000
FY03 S&C	2003	2015	2.00-3.80%	805,000	185,000
FY04 S&C	2004	2016	2.00-4.75%	710,000	200,000
FY05 S&C	2005	2017	3.50-4.65%	765,000	365,000
FY06 S&C	2006	2018	3.75-4.25%	1,145,000	620,000
FY07 S&C	2007	2027	4.00-4.75%	920,000	680,000
FY08 S&C	2008	2028	2.50-5.00%	560,000	455,000
FY09 S&C	2009	2029	1.00-5.40%	645,000	585,000
Total Special Assessment Bonds				#####	\$ 14,350,241

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Annual debt service requirements to maturity for special assessment bonds as of June 30, 2010, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,641,790	\$ 585,295	\$ 2,227,085
2012	1,553,258	516,256	2,069,514
2013	1,279,677	454,670	1,734,347
2014	1,160,170	403,113	1,563,283
2015	1,060,170	356,295	1,416,465
2016-2020	4,525,176	1,172,633	5,697,809
2021-2025	2,431,500	404,131	2,835,631
2026-2030	698,500	64,252	762,752
Total	<u>\$ 14,350,241</u>	<u>\$ 3,956,645</u>	<u>\$ 18,306,886</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 based on calculations provided by the State Board of Investments and was 3.25% for fiscal year 2010.

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Loan</u>	<u>Balance</u>
		<u>Amount</u>	<u>June 30, 2010</u>
2004	2014	<u>\$ 300,000</u>	<u>\$ 159,063</u>

Annual debt service requirements to maturity for Intercap loan as of June 30, 2010, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 33,417	\$ 2,939	\$ 36,356
2012	34,631	5,560	40,191
2013	35,888	3,901	39,789
2014	37,194	2,180	39,374
2015	17,933	426	18,359
Total	<u>\$ 159,063</u>	<u>\$ 15,006</u>	<u>\$ 174,069</u>

Capital Leases

Three capital leases were entered into by the City during fiscal year 2010. These leases are considered capital leases since there is a bargain purchase option at the end of each lease. The leases are recorded at present value of future minimum lease payments. These capital leases were used to finance equipment that was capitalized by the City with a cost of \$1,378,125 and accumulated depreciation of \$161,659 at June 30, 2010.

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The following table lists the original amount financed and the minimum lease payments of June 30, 2010:

<u>Capital Leases</u>	Date <u>Issued</u>	Date <u>Matures</u>	Rate	Amount <u>Issued</u>	Balance <u>June 30, 2010</u>
3 Year Equipment Lease	2010	2013	3.50%	\$ 280,054	\$ 280,054
5 Year Equipment Lease	2010	2015	3.73%	177,523	177,523
10 Year Equipment Lease	2010	2020	4.76%	920,548	920,548
Total Capital Leases				<u>\$ 1,378,125</u>	<u>\$ 1,378,125</u>

Annual lease payment requirements as of June 30, 2010, were as follows:

Fiscal Year Ending	Principal	Interest	Total
<u>June 30</u>			
2011	\$ 197,124	\$ 60,242	\$ 257,366
2012	205,031	52,333	257,364
2013	213,263	44,101	257,364
2014	121,871	35,533	157,404
2015	127,293	30,111	157,404
2016-2020	<u>513,543</u>	<u>75,606</u>	<u>589,149</u>
Total	<u>\$ 1,378,125</u>	<u>\$ 297,926</u>	<u>\$ 1,676,051</u>

Component Units

Revenue Bonds

Missoula Parking Commission: Revenue bonds paid from parking revenues.

<u>Bonds</u>	Date <u>Issued</u>	Date <u>Matures</u>	Rate	Amount <u>Issued</u>	Balance <u>June 30, 2010</u>
Parking Commission	5/1/2001	11/1/2016	4.6-5.5%	\$ 1,700,000	\$ 835,000

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

Fiscal Year Ending	Principal	Interest	Total
<u>June 30</u>			
2011	\$ 120,000	\$ 40,970	\$ 160,970
2012	130,000	34,655	164,655
2013	135,000	27,830	162,830
2014	140,000	20,610	160,610
2015	150,000	12,850	162,850
2016	<u>160,000</u>	<u>4,400</u>	<u>164,400</u>
Total	<u>\$ 835,000</u>	<u>\$ 141,315</u>	<u>\$ 976,315</u>

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Missoula Redevelopment Agency: Revenue bonds paid from tax increment revenues.

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2010</u>
2006 Tax Increment	8/15/2006	2031	4.89%	\$ 3,600,000	\$ 3,240,000
2007 Tax Increment	10/15/2007	2031	6.95%	<u>1,500,000</u>	<u>1,500,000</u>
Total				<u>\$ 5,100,000</u>	<u>\$ 4,740,000</u>

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

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 125,000	\$ 257,529	\$ 382,529
2012	135,000	251,169	386,169
2013	145,000	244,063	389,063
2014	150,000	236,558	386,558
2015	150,000	228,828	378,828
2016-2020	1,770,000	925,451	2,695,451
2021-2025	520,000	570,070	1,090,070
2026-2030	1,375,000	353,170	1,728,170
2031	370,000	18,286	388,286
Total	<u>\$ 4,740,000</u>	<u>\$ 3,085,124</u>	<u>\$ 7,825,124</u>

<u>Notes Payable</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2010</u>
MAEDC Note Payable	8/10/2006	2031	1.50%	\$ 1,152,845	\$ 1,096,770
Safeway Note Payable	3/1/2010	2017	0.00%	<u>166,239</u>	<u>166,239</u>
Total				<u>\$ 1,319,084</u>	<u>\$ 1,263,009</u>

The City of Missoula applied for and received a \$1 million grant from the U.S. Environmental Protection agency (EPA) to create a revolving loan fund to be used for brownfields remediation of the Old Sawmill District located within URD II. The City entered into a sub recipient agreement with the Missoula Area Economic Development Corporation (MAEDC) to manage the revolving loan fund. MAEDC provided \$200,000 in matching funds required under the EPA grant, creating a total loan fund of \$1.2 million. In August 2006, MAEDC made a loan of \$1,000,000 bearing interest at 1.5% to MRP LLC, the developer of the Old Sawmill District, with MRA and the City identified as co-borrowers. The loan will be repaid solely from tax increment revenue resulting from the increased taxable value of the property within the Old Sawmill District, and is not a general obligation of the City. For these reasons, the loan is reflected as a liability of MRA. In August 2007, the loan was increased from \$1 million to \$1.125 million. During 2010, another \$400,000 was granted by the EPA to increase the loan, although only \$27,845 of that amount has been loaned out as of June 30, 2010.

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Debt service requirements to maturity for notes payable follow:

Fiscal Year Ending	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2011	\$ 25,335	\$ 17,415	\$ 42,750
	2012	22,107	17,306	39,413
	2013	19,713	17,306	37,019
	2014	22,493	17,306	39,799
	2015	25,273	17,306	42,579
	2016-2020	51,318	86,530	137,848
	2021-2025	605,672	70,809	676,481
	2026-2029	<u>491,098</u>	<u>16,022</u>	<u>507,120</u>
	Total	<u>\$ 1,263,009</u>	<u>\$ 260,000</u>	<u>\$ 1,523,009</u>

The Agency issued \$1,500,000 of Tax Increment Urban Renewal Revenue Bonds in October 2007. The bonds were issued to finance demolition, site preparation and infrastructure improvements and their associated design costs related with the Safeway, Inc. Project site. The bonds were issued at par, bear interest of 6.95%, and are secured by a first lien upon and pledge of tax increment revenues derived from the Project Site. Should tax increment revenues in any given year not be sufficient to pay the principal and interest payments, Safeway, Inc. (the "Guarantor") is obligated to pay the deficiency. Tax increment in excess of debt service requirements will be (1) used to make Guarantor reimbursements for prior debt service deficiencies, (2) retained in an excess tax increment fund until the amount equals the maximum annual debt service for the bonds, and (3) used to prepay the Series 2007 bonds. In 2010, the Agency received \$166,238 from the Guarantor to fund the deficiency in tax increment revenues.

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, 2010, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$5,968,930.

Refunding Bond

On June 1, 2010, the City issued limited obligation refunding bonds in the amount of \$1,000,000, with an average interest rate of 3.15% for a partial advance refunding of the 2001A Maintenance limited obligation bonds, which had an average interest rate of 4.26%. Proceeds from the sale of the refunding bonds in the amount of \$983,591 were deposited in an irrevocable escrow account to call the outstanding bonds on July 1, 2011. After the partial advance refunding the City was responsible for an additional \$234,939 in debt service expenditures. The City paid \$102,809 of those expenditures in fiscal year 2010 with the remainder due in fiscal year 2011. The outstanding obligation at June 30, 2010 consisted of \$80,000 in principal and \$52,130 in interest, the \$80,000 principal payment is reported as outstanding debt on the government-wide statement of net assets. The remainder of the bonds outstanding at June 30, 2010 of \$955,000 is the responsibility of the escrow agent and is therefore considered defeased and the liability for those bonds has

CITY OF MISSOULA, MONTANA
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been removed from the government-wide statement of net assets. The result of the partial advance refunding was a reduction of total debt service payments of \$50,458 and an economic gain of \$45,164. The difference between the amount placed in escrow and the outstanding refunding bonds of \$14,771 was charged to bond issuance expense in the statement of activities in the year of refunding.

G. Employee Benefits

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 \$23,175,546 for 2010, of which \$21,533,574 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% or 3%, depending on date of hire, is provided each January for benefit recipients if they have been receiving a benefit for at least 12 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. Local government entities are required to contribute 7.07% 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 $\frac{1}{2}$ 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, and members hired prior to July 1, 1997 who have elected to be covered by GABA, the retirement allowance is equal to 2.5% of the highest average compensation for the last consecutive 36 months of service. For members hired after June 30, 1997, and members hired prior to

CITY OF MISSOULA, MONTANA
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July 1, 1997 who have elected to be covered by GABA, a guaranteed annual benefit adjustment (GABA) of 3.0% is provided each January for benefit recipients if they have been receiving a benefit for at least 12 months. Rights become vested after 5 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 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% of final average compensation per year of service. Officers hired prior to July 1, 1997, not electing GABA, shall receive a minimum of $\frac{1}{2}$ of the compensation of a newly hired officer. 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 3.0% is provided each January if the benefit recipient has been receiving a benefit for 12 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. All of the on-behalf payments for fringe benefits for the City's employees were recognized as revenues and expenditures/expenses during the period.

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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, 2010, were:

	PERS	MPORS	FURS
Employee	6.90%	5.8 – 9.0% (1)	9.5-10.7% (2)
Employer	7.07%	14.41%	14.36%
State	0.10%	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) 9.5% for members hired prior to July 1, 1997
 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)

The City of Missoula and the State of Montana contributions (including component units) for the years ended June 30, 2008, 2009 and 2010 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
2008	\$ 656,741	\$ 9,564	\$ 731,885	\$ 1,670,873	\$ 677,821	\$ 1,538,654	\$ 45,987	\$ 676
2009	689,774	10,320	750,166	1,608,246	715,942	1,667,135	47,295	684
2010	711,866	10,574	794,722	1,658,254	756,976	1,773,090	47,956	682

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 \$285 for a half time employee to \$570 for a full time employee. Employee contributions were \$10 for full time employees up to \$153 for half time employees. Retirees may also participate in the plan. The City subsidizes the retiree's premium cost at 15%. They paid \$454 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, 2010 were \$2,955,742, employee contributions were \$404,855 and retiree contributions were \$292,102. Premium expenses are charged to the appropriate departments, than 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 \$48,529 from the General Fund was made to the Employee Benefit Fund during fiscal year 2010. Following is a summary of the changes in the balances of claim liabilities (based on calculations provided by the plan administrator) during fiscal 2008, 2009 and 2010.

	Claims Payable Beginning of Fiscal Year	Claims Incurred	Claims Paid	Claims Payable End of Fiscal Year
2008	\$ 171,059	\$ 3,146,703	\$ 3,095,689	\$ 222,073
2009	222,073	3,429,784	3,383,784	268,073
2010	268,073	4,425,520	4,438,202	255,391

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3. Postemployment 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. Out of 483 individuals covered by the plan at June 2010, there were 53 retirees and one C.O.B.R.A. participant.

The City has considered whether the provisions of GASB Statement 43, "Financial Reporting for Postemployment Benefit Plans other than Pension Plans" are applicable to its self-insured plan. Under GASB 43, the City's plan is not administered as a trust and is a single-employer plan. Accordingly, the City has determined that Statement 43 does not apply.

The City has adopted the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans," in fiscal year 2009. GASB 45 requires employers to calculate the actuarial liability for future retiree benefits and the annual required contribution (ARC) for retirees. The provisions of this statement were applied prospectively. Information on the City's health benefits plan for retirees is included below. GASB 10, as modified by GASB 45, requires that amounts related to retirees be excluded from the internal service fund and presented separately in an agency fund. The City has determined that these amounts are not material and, accordingly, has not segregated them.

The City of Missoula sponsors a defined benefit plan for health insurance, which includes coverage for retirees. This plan is named the Health Benefits Plan for the Employees of City of Missoula. The City administers this single-employer plan. The plan provides medical insurance for retirees with the retiree paying a premium for this benefit. Benefits and contribution rates are established and may be amended by the City of Missoula's Employee Benefits Committee. The plan's financial information is included as part of the City's self insurance internal service fund. The plan does not issue separate audited financial statements.

The retiree and the City contribute to the plan. The plan is financed on a pay-as-you-go basis with City contributions ensuring that adequate reserves are maintained in the plan. The City's contribution is not contributed to a trust for only retiree benefits so it is not considered a contribution towards the annual required contribution under GASB 45. The contributions to the plan are as follows for July 1, 2010.

<u>Coverage</u>	<u>Retiree Contributio n</u>	<u>City Contributio n</u>	<u>Total Premium</u>
	n	n	
Retiree	\$ 454.24	\$ 80.16	\$ 534.40
Retiree, spouse	509.49	89.91	599.40
Retiree, spouse, child	532.87	94.03	626.90
Retiree, spouse, 2 children	556.24	98.16	654.40
Retiree, spouse, 3 children	579.62	102.28	681.90
Retiree, spouse, 4 children	602.99	106.41	709.40
Retiree, child	477.62	84.28	561.90
Retiree, 2 children	500.99	88.41	589.40
Retiree, 3 children	524.37	92.53	616.90
Retiree, 4 children	547.74	96.66	644.40

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Based on an actuarial study prepared as of June 30, 2009, the City's annual other post-employment benefit cost was \$485,884 for the fiscal year ended June 30, 2010. This cost consisted of the annual required contribution of \$499,446, interest on the net OPEB obligation of \$8,191, and an adjustment to the ARC of \$21,753. There were contributions of \$313,285 made in fiscal year 2010, which was 64% of the annual cost. The net other post-employment benefit obligation increased from \$499,446 at June 30, 2009 to \$672,045 at June 30, 2010. For the previous year, the annual other post-employment benefit cost was \$499,446, which equaled the annual required contribution. There were no contributions recorded during fiscal year 2009.

As of June 30, 2009, the most recent actuarial valuation date, the plan had an unfunded accrued actuarial liability of \$5,399,965. This liability is not funded under GASB 45 since there are no assets allocated to an irrevocable trust for the retiree benefit plan. Therefore, the funded status of the plan is 0%. The annual covered payroll was \$21,054,934 for fiscal year 2010; the unfunded actuarial liability was 26% of covered payroll. The annual other post-employment benefit cost, annual OPEB contributions, net other post-employment benefit obligation, and the unfunded actuarial liability is allocated to the applicable component units and funds as follows:

	Component Units					
	Governmental			Parking		
	Activities	Sewer	Aquatics	MRA	Commission	Total
Annual OPEB cost	\$ 439,468	\$ 21,462	\$ 5,664	\$ 6,797	\$ 12,493	\$ 485,884
Annual OPEB Contributions	283,365	13,818	3,652	4,383	8,067	313,285
Net OPEB Obligation	607,104	31,866	7,779	9,335	15,961	672,045
Unfunded Actuarial Liability	4,883,884	239,159	62,937	75,524	138,461	5,399,965

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for the plan are based on types of benefits provided under the substantive plan at the time of the actuarial valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial calculations reflect a long-term prospective and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities. For the actuarial valuation performed at June 30, 2009 the projected unit credit actuarial cost method was used. The health care cost trend rate was 6.5% for 2010 decreasing to 5% for 2013 and after. The assumed discount and long-term rate of return was 1.64%. The unfunded actuarial liability was amortized on a level-dollar basis over a closed period of 30 years.

4. 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.

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H. Restricted Cash/Investments/Assets

The following restricted cash/investments were held by the City as of June 30, 2010:

<u>Description</u>	<u>Amount</u>
Primary Government	
Sewer Fund - Restricted for debt service	\$1,662,633
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,400
Missoula Parking Commission - Restricted for debt service	<u>164,655</u>
Total Restricted Cash	<u>\$ 2,077,688</u>

The following net assets were restricted by the City for the reasons stated below as of June 30, 2010:

<u>Description</u>	<u>Amount</u>
Primary Government	
Governmental Funds - Restricted for debt service	\$3,869,555
Sewer - Restricted for debt service	1,662,633
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,400
Missoula Parking Commission - Restricted for debt service	<u>164,655</u>
Total Restricted Net Assets	<u>\$5,947,243</u>

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

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Street Maintenance	\$ 31,113	Reimburse General Fund for costs incurred within the flushing district
General Fund	Gas Tax	599,693	For street maintenance work by City street staff
General Fund	Employee Health Insurance	2,871,260	Reimburse General Fund from special health levy funds for health insurance premiums paid
General Fund	Cable TV Franchise	174,645	For right of way maintenance
General Fund	Russell Park Maintenance	3,380	Reimburse General Fund for costs incurred within the Russell Park Maintenance District
General Fund	Title I	43,400	Special budget request to support Partnership Health Center
General Fund	Willowwood Park Maintenance	3,866	Reimburse General Fund for costs incurred within the Willowwood Park Maintenance District
General Fund	Cemetery Care	21,712	General Fund support in place of budget reduction
		\$ 3,749,069	Total Non-major Special Revenue transfers to General Fund
General Fund	SID Revolving	33,000	To reimburse General Fund for SID costs
		\$ 33,000	Total Non-major Debt Service transfers to General Fund
2007 Refunding	1996 Open Space	626	Debt Service Transfers due to Refundings
2007 Refunding	94 Fire Equip/Refunding	286	Debt Service Transfers due to Refundings
2007 Refunding	93 Fire Station GO Bond	505	Debt Service Transfers due to Refundings
2007 Refunding	New Fire Station GO Bond	69,625	Debt Service Transfers due to Refundings
2004 Aquatics	1997 Open Space GO Bonds	11,576	Debt Service Transfers due to Refundings
2004B GO Refunding	1997 Open Space GO Bonds	12,080	Debt Service Transfers due to Refundings
2007 Refunding	1997 Open Space GO Bonds	27,967	Debt Service Transfers due to Refundings
SID515 Debt Service	SID513 Debt Service	13,851	Debt Service Transfers due to Refundings
SID514 Debt Service	SID513 Debt Service	15,800	Debt Service Transfers due to Refundings
Sidewalk & Curb Warrants	SID Revolving	39,771	To appropriate fund activity to correct fund
SID Revolving	SID543 Debt Service	7,350	Transfer to pay back internally financed projects
SID 531 Hickory Street Calming	SID Revolving	13,602	Transfer to pay back internally financed projects
Slant Street Traffic Calming	SID Revolving	19,784	Transfer to pay back internally financed projects
S 4t St W Traffic	SID Revolving	3,468	Transfer to pay back internally financed projects
		\$ 236,291	Total Non-major Debt Service transfers to Non-major Debt Service
SID531 Traffic Calming	SID531 Hickory St Calming	34,700	Transfer to pay back internally financed projects
Slant Street Traffic Calming	Slant Street Traffic Calming	47,800	Transfer to pay back internally financed projects
SID539 4th Street	S 4t St W Traffic	14,100	Transfer to pay back internally financed projects
SID543 Traffic Calming	SID543 Debt Service	19,600	Transfer to pay back internally financed projects
Sidewalk & Curb for FY08 Bond Sa	FY08 S/C Debt	3,090	Transfers to close out construction accounts/correct over transfer
		\$ 119,290	Total Non-major Debt Service transfers to Non-major Capital Projects
Grants & Donations Fund	SID540 England Blvd	4,675	Accounting code correction.
		\$ 4,675	Total Non-major Capital Project transfers to Non-major Special Revenue
General Fund	Sewer	190,000	Reimburse General Fund for proportionate share of various technology
		\$ 190,000	Total Major Proprietary fund transfers to General Fund
Federal Transportation Program Income	Gas Tax	25,384	Transfer to match Federal Funding for capital project
	CDBG Fund	26,459	To appropriate fund activity to correct fund
		\$ 51,843	Total Non-major Special Revenue transfers to Non-major Special Revenue

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

FY 06 Sidewalk and Curb	S/C Construction for FY06	25,872	Transfers to close out construction accounts
FY07 Sidewalk & Curb Debt	FY07 S/C Bond Fund	9,038	Transfers to close out construction accounts
FY09 Sidewalk & Curb	S/C Construction for FY09 Bond	47,234	Transfers to close out construction accounts
		<u>\$ 82,144</u>	Total Non-major Capital Project transfers to Non-major Debt Service
SID542 Hillview Way	Impact Fee	130,849	Transfer to support Hillview Way design
SID538 Hillview Way	Impact Fee	<u>4,984</u>	Transfer to support Hillview Way design
		<u>\$ 135,833</u>	Total Non-major Special Revenue transfers to Non-major Capital Project
Capital Improvement	General Fund	478,413	Support for capital projects
		<u>\$ 478,413</u>	Total General Fund transfers to Major Capital Project
Capital Improvement	Impact Fee	386,488	Transfer to support Impact Fee Pro Rata share of CIP projects
Capital Improvement	Cemetery Care Fund	58,099	Transfer for purchase of capital equipment
Capital Improvement	Park Acquisition and Development	5,910	Support for capital projects
		<u>\$ 450,497</u>	Total Non-major Special Revenue transfers to Major Capital Project
Aquatics	General Fund	168,000	Support for aquatics activities
		<u>\$ 168,000</u>	Total General Fund transfers to Major Enterprise Funds
Employee Benefit Plan	General Fund	48,529	Retiree subsidizing of health insurance premium approved by the City council
Total Transfers		<u>\$ 48,529</u>	Total General Fund transfers to Internal Service
		<u><u>\$ 5,747,582</u></u>	

J. Joint Operations with the County

Through inter-local agreements between the City of Missoula and Missoula County services are provided jointly for Health, Office of Planning and Grants, Library, Animal Control and Missoula 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 and 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 inter-local 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.

K. 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 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. The City of Missoula has an addendum through MMIA in its property coverage termed pollution coverage for environmental damages.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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. 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 for claims brought pursuant to state law 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. There are no liability limits for claims filed pursuant to federal law. 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. Complete financial statements can be obtained by contacting MMIA at PO Box 6669, Helena, MT 59604-6669.

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 \$130,000 per individual or in aggregate for the plan in excess of 95% of the first monthly aggregate attachment point times 12.

L. 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. 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, except one case in which it is reasonably possible that the amount of uninsured loss could be material. However, because the amount of the loss, if any, is not reasonably determinable no provision has been made in the financial statements for these contingent liabilities.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

M. Construction Commitments

The City has entered into the following contracts for the design, construction or renovation of the following capital projects:

Sewer Funds	Expended to Date	Remaining Commitment
Headworks Upgrade	\$ 200,000	\$ 10,280,000
Linda Vista Maloney Ranch Sewer	111,846	71,034
Total Construction Commitments	<u>\$ 3,454,341</u>	<u>\$ 12,523,150</u>

Governmental Funds	Expended to Date	Remaining Commitment
Fort Missoula Regional Park	\$ 3,941	\$ 25
Pineview Park	100,768	100,769
Grant Creek Trail	92,351	349
Milwaukee Trail	54,488	158,412
SID 544 Rattlesnake Project	2,852,973	1,888,640
White Pine Park	37,974	23,921
Total Construction Commitments	<u>\$ 3,454,341</u>	<u>\$ 12,523,150</u>

N. Subsequent Events

The following bond issue was competitively sold and closed on July 1, 2010:

\$885,000 Pooled Special Sidewalk, Curb, Gutter, and Alley approach Bonds Series 2010

The following equipment financing was closed on September 9, 2010:

\$850,000 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock

The following bond issue was sold in a negotiated bond sale on November 15, 2010:

\$10,345,000 Taxable Sewer Utility Revenue Bonds, Series 2010 (Recovery Zone Economic Development Bonds)

The following bond issue was sold in a negotiated bond sale on November 23, 2010:

\$1,030,000 General Fund Limited Obligation Bonds, Series 2010C

The following bond issue was sold in a negotiated bond sale on December 17, 2010:

\$635,000 Missoula Parking Commission Parking Facilities Revenue Bonds, Tax Exempt Refunding, Series 2010A

The following bond issue was sold in a negotiated bond sale on December 17, 2010:

\$7,500,000 Missoula Parking Commission Parking Facilities Revenue Bonds, Taxable Recovery Zone Economic Development Bonds Direct Pay, Series 2010B

O. Recent Accounting Pronouncements

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for the City beginning in fiscal year 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds.

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

City of Missoula, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2010

General Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Taxes and assessments	\$ 19,419,245	\$ 19,419,245	\$ 19,982,299	\$ 563,054
Licenses and permits	1,242,824	1,242,824	1,329,668	86,844
Intergovernmental	10,556,001	10,556,001	10,501,462	(54,539)
Charges for services	4,275,777	4,736,238	3,723,970	(1,012,268)
Fines and forfeitures	1,088,821	1,088,821	958,390	(130,431)
Miscellaneous	164,600	164,600	211,123	46,523
Investment earnings	300,000	300,000	(3,389)	(303,389)
Total revenues	<u>37,047,268</u>	<u>37,507,729</u>	<u>36,703,523</u>	<u>(804,206)</u>
Expenditures				
General government	7,493,344	7,788,249	6,282,051	1,506,198
Public safety	21,544,022	21,579,008	20,449,471	1,129,537
Public works	6,685,388	6,685,388	6,175,660	509,728
Public health	1,400,390	1,400,390	1,368,398	31,992
Social and economic services	118,450	118,450	118,450	-
Culture and recreation	3,445,357	3,468,861	3,186,112	282,749
Miscellaneous	-	-	1,041,180	(1,041,180)
Debt service expense	91,891	91,891	-	91,891
Capital outlay	<u>248,594</u>	<u>248,594</u>	<u>227,524</u>	<u>21,070</u>
Total Expenditures	<u>41,027,436</u>	<u>41,380,831</u>	<u>38,848,846</u>	<u>2,531,985</u>
Excess of revenues over expenditures	<u>(3,980,168)</u>	<u>(3,873,102)</u>	<u>(2,145,323)</u>	<u>1,727,779</u>
Other Financing Sources (Uses)				
Transfers in	4,257,164	4,257,164	3,972,068	(285,096)
Transfers out	(937,335)	(937,335)	(694,942)	242,393
Proceeds from sale of capital assets	-	-	56,794	56,794
Total Other Financing Sources (Uses)	<u>3,319,829</u>	<u>3,319,829</u>	<u>3,333,920</u>	<u>14,091</u>
Net change in fund balance	(660,339)	(553,273)	1,188,597	1,741,870
Fund balances - beginning	900,387	900,387	900,387	-
Fund balances - ending	<u>\$ 240,048</u>	<u>\$ 347,114</u>	<u>\$ 2,088,984</u>	<u>\$ 1,741,870</u>

Note: The City prepares its budget on the basis of generally accepted accounting principles.

City of Missoula, Montana
Schedule of Funding Status for Retiree Health Insurance Benefit Plan
June 30, 2010

	Governmental Activities	Sewer	Aquatics	MRA	Component Units		Total
					Parking	Commission	
Actuarial Valuation Date: 6/30/10							
Accrued Actuarial Liability	\$ 4,883,884	\$ 239,159	\$ 62,937	\$ 75,524	\$ 138,461	\$	5,399,965
Actuarial Value of Assets	-	-	-	-	-	-	-
Unfunded Actuarial Liability	\$ 4,883,884	\$ 239,159	\$ 62,937	\$ 75,524	\$ 138,461	\$	5,399,965
Funded Ratio	0%	0%	0%	0%	0%	0%	0%
Annual Covered Payroll	\$ 19,361,719	\$ 866,959	\$ 147,957	\$ 306,975	\$ 371,323	\$	21,054,933
Unfunded Actuarial Liability to Covered Payroll	25%	28%	43%	25%	37%		26%

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.

ADDI (American Dream Down payment Initiative) - Accounts for funds received and expended to provide first-time homebuyer assistance for Missoulians with annual incomes between 50% and 80% of the area median income.

Federal Transportation – 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.

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%.

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%.

2006 Fire Station GO Bonds – Issued in 2005 to provide funds for expanding, upgrading and making improvements to the City's firefighting facilities and capacity, including: designing, constructing, and acquiring equipment, including a fire pumper and a wildland fire engine for a new fire station (Fire Station Five) in the Linda Vista Miller Creek area to serve the southwest part of the city; demolishing existing Fire Station Two and designing, constructing, and equipping on the site a new Fire Station Two; remodeling, expanding and equipping Fire Station Three (the “Project”) and paying costs associated with the sale and issuance of the bonds.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

DEBT SERVICE FUNDS (Cont.)

2007 GO Refunding Bonds - Issued in 2007 to provide for refunding the City's outstanding General Obligation Bonds, Series 1996, Series 1997 and Series 1998. The interest rate varies from 3.6% to 4.0%.

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).

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.

2006 Fire Station GO Bond - Missoula voters approved a \$5,740,000 general obligation bond referendum in November 2005 for the purpose of expanding, upgrading, and making improvements to the City of Missoula's firefighting facilities and capacity. This includes designing, constructing, and acquiring equipment, including a fire pumper and a wildland fire engine for a new fire station (Fire Station Five) in the Linda Vista Miller Creek area to serve the southwest part of the city; demolishing existing Fire Station Two and designing, constructing, and equipping on the site a new Fire Station Two; remodeling, expanding, and equipping Fire Station Three; related improvements; and paying costs associated with the sale and issuance of the bonds.

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

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

Miller Creek Mitigation Funds – These funds account for fees collected by the County from new developments to pay for road improvements in the Miller Creek area.



NONMAJOR GOVERNMENTAL FUNDS

**TOTALS FOR
COMBINING BALANCE SHEET
AND
COMBINING SCHEDULE OF
REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE**

**FOR NONMAJOR
GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 1,695,249	\$ 1,225,320	\$ 8,543	\$ 2,929,112
Taxes Receivable	308,015	197,148	-	505,163
Special Assessments Receivable	15,706	569,887	-	585,593
Interest Receivable	(596)	10,227	1,564	11,195
Prepaid Expense	9,525	-	-	9,525
Other Receivables	241,498	165,702	-	407,200
Long Term Loans	1,120,064	-	-	1,120,064
Interfund Receivable	2,412,055	512,113	2,296,441	5,220,609
Due From Other Governments	1,238,948	60,801	872,039	2,171,788
Advances Receivable	-	1,590,033	-	1,590,033
Deferred Assessments Receivable	-	10,636,715	-	10,636,715
TOTAL ASSETS	\$ 7,040,464	\$ 14,967,946	\$ 3,178,587	\$ 25,186,997
LIABILITIES				
Accounts Payable	\$ 442,147	\$ -	\$ 1,374,207	\$ 1,816,354
Accrued Payroll	43,101	-	-	43,101
Interfund Payable	1,114,841	284,961	1,718,596	3,118,398
Deferred Revenues	1,315,775	11,464,417	17,700	12,797,892
TOTAL LIABILITIES	\$ 2,915,864	\$ 11,749,378	\$ 3,110,503	\$ 17,775,745
FUND EQUITY				
Fund Balance				
Reserved For Debt Service	-	3,218,568	-	3,218,568
Undesignated	4,124,600	-	68,084	4,192,684
TOTAL EQUITY AND OTHER CREDITS	\$ 4,124,600	\$ 3,218,568	\$ 68,084	\$ 7,411,252
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 7,040,464	\$ 14,967,946	\$ 3,178,587	\$ 25,186,997

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL
REVENUES				
Taxes	\$ 2,874,006	\$ 1,859,886	\$ -	\$ 4,733,892
Special Assessments	362,810	2,008,920	-	2,371,730
Licenses & Permits	1,720,985	-	-	1,720,985
Intergovernmental	6,773,106	-	3,126,062	9,899,168
Charges for Services	751,156	-	-	751,156
Fines and Forfeitures	245,197	-	-	245,197
Miscellaneous	284,408	-	949,537	1,233,945
Investment Earnings	(8,892)	66,859	5,131	63,098
TOTAL REVENUES	13,002,776	3,935,665	4,080,730	21,019,171
EXPENDITURES				
General Government	728,749	711	8,430	737,890
Public Safety	1,777,787	-	-	1,777,787
Public Works	322,467	-	64,936	387,403
Culture and Recreation	101,889	-	-	101,889
Community Development	4,017,676	-	-	4,017,676
Conservation of Natural Resources	7,757	-	-	7,757
Debt Service	-	3,837,525	-	3,837,525
Capital Outlay	1,405,216	-	5,805,812	7,211,028
TOTAL EXPENDITURES	8,361,541	3,838,236	5,879,178	18,078,955
Excess (Deficiency) of Revenues Over Expenditures	4,641,235	97,429	(1,798,448)	2,940,216
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	56,517	318,434	255,122	630,073
Operating Transfers Out	(4,387,241)	(388,580)	(86,819)	(4,862,640)
Issuance of Long Term Debt	-	118,572	1,780,244	1,898,816
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,330,724)	48,426	1,948,547	(2,333,751)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	310,511	145,855	150,099	606,465
Fund Balance, July 1, 2009	3,814,089	3,072,713	(82,015)	6,804,787
Fund Balance, June 30, 2010	\$ 4,124,600	\$ 3,218,568	\$ 68,084	\$ 7,411,252

**COMBINING BALANCE SHEET
FOR NONMAJOR
GOVERNMENTAL
SPECIAL REVENUE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall & Memorial	Cemetery Care	Title One Projects
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 15,360	\$ 7,908	\$ 1,701	\$ 49,492	\$ 280,698	\$ 1,348
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	-	-	-	131	860	704
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	-	-	55	315	-
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	400,000	200,000	230,000	-	-	200,000
Long Term Loans						
Burns Street Commons	-	-	-	-	-	328,400
Missoula Art Museum	-	-	-	-	-	-
Missoula Housing Authority	-	-	-	-	-	-
Parenting Place	-	-	-	-	-	-
Partnership Health Center	-	-	-	-	-	-
Extended Family Services	-	-	-	-	-	10,062
Due From Other Governments	-	-	23,961	-	-	-
TOTAL ASSETS	\$ 415,360	\$ 207,908	\$ 255,662	\$ 49,678	\$ 281,873	\$ 540,514
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 1,318	\$ 290	\$ 52	\$ -	\$ -
Accrued Payroll	-	-	598	-	-	-
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	-	338,462
TOTAL LIABILITIES	-	1,318	888	52	-	338,462
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	415,360	206,590	254,774	49,626	281,873	202,052
TOTAL EQUITY AND OTHER CREDITS	415,360	206,590	254,774	49,626	281,873	202,052
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 415,360	\$ 207,908	\$ 255,662	\$ 49,678	\$ 281,873	\$ 540,514

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Impact Fee	Public Art	Employee Health Ins	Cable TV Franchise	Drug Forfeiture	Building Division
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 460,580	\$ 22,329	\$ -	\$ 574	\$ 8,936	\$ 633
Taxes Receivable	-	-	308,015	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	2,370	-	(7,342)	-	-	739
Prepaid Expenses	-	-	-	-	-	5,715
Other Receivables						
Vendors	66,007	-	-	157,373	-	12,614
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	131,055	-	-	141,000	-	329,000
Long Term Loans						
Burns Street Commons	-	-	-	-	-	-
Missoula Art Museum	-	-	-	-	-	-
Missoula Housing Authority	-	-	-	-	-	-
Parenting Place	-	-	-	-	-	-
Partnership Health Center	-	-	-	-	-	-
Extended Family Services	-	-	-	-	-	-
Due From Other Governments	-	-	22,401	-	2,004	-
TOTAL ASSETS	\$ 660,012	\$ 22,329	\$ 323,074	\$ 298,947	\$ 10,940	\$ 348,701
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 2,165	\$ 90	\$ -	\$ 568	\$ 2,100	\$ 4,733
Accrued Payroll	-	-	-	-	-	21,794
Interfund Payable	-	-	685,415	-	-	-
Deferred Revenues	-	-	175,292	-	-	-
TOTAL LIABILITIES	2,165	90	860,707	568	2,100	26,527
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	657,847	22,239	(537,633)	298,379	8,840	322,174
TOTAL EQUITY AND OTHER CREDITS	657,847	22,239	(537,633)	298,379	8,840	322,174
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 660,012	\$ 22,329	\$ 323,074	\$ 298,947	\$ 10,940	\$ 348,701

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Program Income	Revolving Loan Program	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 2,090	\$ 988	\$ 602	\$ -	\$ -	\$ 43
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	13,991	1,715	-	-
Interest Receivable	(195)	137	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	-	-	-	-	-
Mountain Water Notes	4,937	-	-	-	-	-
Interfund Receivable	-	39,000	310,000	-	-	-
Long Term Loans						
Burns Street Commons	-	-	-	-	-	-
Missoula Art Museum	-	-	-	-	-	-
Missoula Housing Authority	-	-	-	-	-	-
Parenting Place	-	-	-	-	-	-
Partnership Health Center	-	-	-	-	-	-
Extended Family Services	-	-	-	-	-	-
Due From Other Governments	-	-	2,146	105	-	-
TOTAL ASSETS	\$ 6,832	\$ 40,125	\$ 326,739	\$ 1,820	\$ -	\$ 43
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ 47,747	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-	-	-
Interfund Payable	-	-	-	5,487	2,475	-
Deferred Revenues	4,713	-	13,991	1,715	-	-
TOTAL LIABILITIES	4,713	-	61,738	7,202	2,475	-
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	2,119	40,125	265,001	(5,382)	(2,475)	43
TOTAL EQUITY AND OTHER CREDITS	2,119	40,125	265,001	(5,382)	(2,475)	43
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 6,832	\$ 40,125	\$ 326,739	\$ 1,820	\$ -	\$ 43

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2010

	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant	Comm. Devel. Program Income	Community Development
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 382	\$ 28,692	\$ -	\$ 800,766	\$ 2,683	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	-	33	(165)	2,066	66	-
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	-	-	197	-	-
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	161,000	-	-	-	-	-
Long Term Loans						
Burns Street Commons	-	-	-	-	-	-
Missoula Art Museum	-	-	-	-	190,000	-
Missoula Housing Authority	-	-	-	-	180,000	-
Parenting Place	-	-	-	-	124,800	-
Partnership Health Center	-	-	-	-	286,802	-
Extended Family Services	-	-	-	-	-	-
Due From Other Governments	-	7,083	58,007	-	-	71,966
TOTAL ASSETS	\$ 161,382	\$ 35,808	\$ 57,842	\$ 803,029	\$ 784,351	\$ 71,966
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 28,109	\$ 34,177	\$ 1,537	\$ 2,797	\$ -	\$ 19,195
Accrued Payroll	-	-	101	-	-	-
Interfund Payable	-	-	59,198	-	-	52,078
Deferred Revenues	-	-	-	-	781,602	-
TOTAL LIABILITIES	\$ 28,109	\$ 34,177	\$ 60,836	\$ 2,797	\$ 781,602	\$ 71,273
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	133,273	1,631	(2,994)	800,232	2,749	693
TOTAL EQUITY AND OTHER CREDITS	\$ 133,273	\$ 1,631	\$ (2,994)	\$ 800,232	\$ 2,749	\$ 693
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 161,382	\$ 35,808	\$ 57,842	\$ 803,029	\$ 784,351	\$ 71,966

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2010

	HOME Grant	Neighborhood Stabilization	Federal Transportation	Grants & Donations	TOTALS
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 350	\$ -	\$ -	\$ 9,094	\$ 1,695,249
Taxes Receivable	-	-	-	-	308,015
Special Assessments Receivable	-	-	-	-	15,706
Interest Receivable	-	-	-	-	(596)
Prepaid Expenses	-	-	-	3,810	9,525
Other Receivables					
Vendors	-	-	-	-	236,561
Mountain Water Notes	-	-	-	-	4,937
Interfund Receivable	41,000	-	-	230,000	2,412,055
Long Term Loans					
Burns Street Commons	-	-	-	-	328,400
Missoula Art Museum	-	-	-	-	190,000
Missoula Housing Authority	-	-	-	-	180,000
Parenting Place	-	-	-	-	124,800
Partnership Health Center	-	-	-	-	286,802
Extended Family Services	-	-	-	-	10,062
Due From Other Governments	10,835	377,363	363,548	299,529	1,238,948
TOTAL ASSETS	\$ 52,185	\$ 377,363	\$ 363,548	\$ 542,433	\$ 7,040,464
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ 147,617	\$ 91,950	\$ 57,702	\$ 442,147
Accrued Payroll	-	-	-	20,608	43,101
Interfund Payable	-	229,746	80,442	-	1,114,841
Deferred Revenues	-	-	-	-	1,315,775
TOTAL LIABILITIES	-	377,363	172,392	78,310	2,915,864
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Undesignated	52,185	-	191,156	464,123	4,124,600
TOTAL EQUITY AND OTHER CREDITS	52,185	-	191,156	464,123	4,124,600
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 52,185	\$ 377,363	\$ 363,548	\$ 542,433	\$ 7,040,464

**COMBINING BALANCE SHEET
FOR NONMAJOR
GOVERNMENTAL
DEBT SERVICE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	SID Revolving	1998 Safety Bond	1996 Open Space Bonds	1997 Open Space Bond	1994 City Hall & Fire Bonds	1993 Fire Bonds
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 746,320	\$ -	\$ 1,759	\$ 2,449	\$ 1	\$ 2
Taxes Receivable	-	1,654	3,465	1,154	2,046	3,344
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	2,250	(12)	2	1,207	1	1
Other Receivables						
Mountain Water Notes	165,702	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Due From Other Governments	-	(61)	(2)	(1)	-	-
Advances Receivable	-	-	-	-	-	-
Deferred Assessments	-	-	-	-	-	-
TOTAL ASSETS	\$ 914,272	\$ 1,581	\$ 5,224	\$ 4,809	\$ 2,048	\$ 3,347
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ -	\$ 3,373	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	150,171	1,695	3,437	1,137	2,046	3,344
TOTAL LIABILITIES	150,171	5,068	3,437	1,137	2,046	3,344
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	764,101	(3,487)	1,787	3,672	2	3
TOTAL EQUITY AND OTHER CREDITS	764,101	(3,487)	1,787	3,672	2	3
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 914,272	\$ 1,581	\$ 5,224	\$ 4,809	\$ 2,048	\$ 3,347

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	2004 Aquatics Bonds	2004 Refunding	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 64	\$ 2,096
Taxes Receivable	61,913	29,117	43,209	51,246	-	-
Special Assessments Receivable	-	-	-	-	7,884	28,750
Interest Receivable	186	(341)	909	29	33	14
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Due From Other Governments	4,789	1,999	3,604	4,460	-	619
Advances Receivable	-	-	-	-	-	-
Deferred Assessments	-	-	-	-	-	26,324
TOTAL ASSETS	\$ 66,888	\$ 30,775	\$ 47,722	\$ 55,735	\$ 7,981	\$ 57,803
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ 24,256	\$ 685	\$ 18,577	\$ 26,517	\$ -	\$ -
Deferred Revenues	33,501	16,662	22,693	26,393	7,884	55,074
TOTAL LIABILITIES	\$ 57,757	\$ 17,347	\$ 41,270	\$ 52,910	\$ 7,884	\$ 55,074
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	9,131	13,428	6,452	2,825	97	2,729
TOTAL EQUITY AND OTHER CREDITS	\$ 9,131	\$ 13,428	\$ 6,452	\$ 2,825	97	2,729
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 66,888	\$ 30,775	\$ 47,722	\$ 55,735	\$ 7,981	\$ 57,803

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 716	\$ 739	\$ 21,118	\$ -	\$ 306	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	23,568	3,793	14,816	34,509	39,995	20,773
Interest Receivable	31	122	96	(28)	151	211
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	35,000	-	-	30,000	-
Due From Other Governments	-	-	1,576	(110)	3,754	418
Advances Receivable	-	-	-	-	-	108,167
Deferred Assessments	68,705	46,138	29,704	186,874	207,849	334,378
TOTAL ASSETS	\$ 93,020	\$ 85,792	\$ 67,310	\$ 221,245	\$ 282,055	\$ 463,947
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ -	\$ -	\$ 32,478	\$ -	\$ 23,118	\$ -
Deferred Revenues	92,273	49,931	44,520	221,384	247,844	355,151
TOTAL LIABILITIES	92,273	49,931	44,520	253,862	247,844	378,269
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	747	35,861	22,790	(32,617)	34,211	85,678
TOTAL EQUITY AND OTHER CREDITS	747	35,861	22,790	(32,617)	34,211	85,678
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 93,020	\$ 85,792	\$ 67,310	\$ 221,245	\$ 282,055	\$ 463,947

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	FY06 Sidewalk & Curb	FY07 Sidewalk & Curb	FY08 Sidewalk & Curb	FY09 Sidewalk & Curb	FY10 Sidewalk & Curb	SID 495
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ -	\$ 357	\$ -	\$ 223
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	41,662	41,404	21,520	25,711	-	-
Interest Receivable	330	155	30	104	-	1
Other Receivables						-
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	50,000	-	-
Due From Other Governments	3,697	5,949	2,673	6,180	-	-
Advances Receivable	196,667	98,333	-	-	-	-
Deferred Assessments	561,245	638,291	463,430	585,074	885,000	-
TOTAL ASSETS	\$ 803,601	\$ 784,132	\$ 487,653	\$ 667,426	\$ 885,000	\$ 224
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ 34,349	\$ 31,189	\$ 4,429	\$ -	\$ -	\$ -
Deferred Revenues	602,907	679,695	484,950	610,786	885,000	-
TOTAL LIABILITIES	\$ 637,256	\$ 710,884	\$ 489,379	\$ 610,786	\$ 885,000	\$ -
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	166,345	73,248	(1,726)	56,640	-	224
TOTAL EQUITY AND OTHER CREDITS	166,345	73,248	(1,726)	56,640	-	224
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 803,601	\$ 784,132	\$ 487,653	\$ 667,426	\$ 885,000	\$ 224

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	SID 497	SID 498	SID 501	SID 503	SID 505	SID 506
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 3,594	\$ 21,876	\$ 1,361	\$ 694	\$ 12,859	\$ 1,378
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	242	27,410	13,622	2,080	-	-
Interest Receivable	11	377	271	74	37	4
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	100,000	25,000	-	-
Due From Other Governments	-	2,456	1,268	-	-	-
Advances Receivable	-	177,000	-	-	-	-
Deferred Assessments	-	209,078	68,157	25,010	-	-
TOTAL ASSETS	\$ 3,847	\$ 438,197	\$ 184,679	\$ 52,858	\$ 12,896	\$ 1,382
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	242	236,488	81,779	27,090	-	-
TOTAL LIABILITIES	242	236,488	81,779	27,090	-	-
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	3,605	201,709	102,900	25,768	12,896	1,382
TOTAL EQUITY AND OTHER CREDITS	3,605	201,709	102,900	25,768	12,896	1,382
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 3,847	\$ 438,197	\$ 184,679	\$ 52,858	\$ 12,896	\$ 1,382

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	SID 507	SID 508	SID 510	SID 511	SID 512	SID 513
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 7,327	\$ 1,093	\$ 27,773	\$ 25,859	\$ -	\$ 113
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	122	6,448	5,537	23,409	-
Interest Receivable	20	3	240	74	463	59
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Due From Other Governments	-	-	1,460	220	1,040	-
Advances Receivable	-	-	98,333	-	245,834	-
Deferred Assessments	-	722	51,079	50,490	586,836	-
TOTAL ASSETS	\$ 7,347	\$ 1,940	\$ 185,333	\$ 82,180	\$ 857,582	\$ 172
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ -	\$ -	\$ -	\$ 73,429	\$ -	\$ -
Deferred Revenues	-	844	57,527	56,026	610,244	-
TOTAL LIABILITIES	\$ -	\$ 844	\$ 57,527	\$ 56,026	\$ 683,673	\$ -
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	7,347	1,096	127,806	26,154	173,909	172
TOTAL EQUITY AND OTHER CREDITS	7,347	1,096	127,806	26,154	173,909	172
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 7,347	\$ 1,940	\$ 185,333	\$ 82,180	\$ 857,582	\$ 172

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	SID 514	SID 515	SID 517	SID 518	SID 519	SID 520
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 82,976	\$ -	\$ 5,644	\$ 4,193	\$ 9,782	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	2,851	-	2,668	1,212	1,697	40,581
Interest Receivable	244	(31)	22	17	37	392
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	156,840
Due From Other Governments	223	-	264	-	286	2,865
Advances Receivable	-	-	-	-	-	-
Deferred Assessments	18,358	-	7,150	3,094	10,656	1,082,243
TOTAL ASSETS	\$ 104,652	\$ (31)	\$ 15,748	\$ 8,516	\$ 22,458	\$ 1,282,921
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ 12,501
Deferred Revenues	21,208	-	9,818	4,306	12,353	1,121,082
TOTAL LIABILITIES	21,208	60	9,818	4,306	12,353	1,133,583
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	83,444	(91)	5,930	4,210	10,105	149,338
TOTAL EQUITY AND OTHER CREDITS	83,444	(91)	5,930	4,210	10,105	149,338
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
AND OTHER CREDITS	\$ 104,652	\$ (31)	\$ 15,748	\$ 8,516	\$ 22,458	\$ 1,282,921

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	SID 521	SID 522	SID 525	SID 526	SID 527	SID 530
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 4,090	\$ 3,875	\$ 18,582	\$ 13,312	\$ 7,188	\$ 4,830
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	14	-	11,826	49,813	709	194
Interest Receivable	14	14	409	817	15	13
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Due From Other Governments	-	-	2,862	4,014	67	14
Advances Receivable	-	-	186,833	393,334	-	-
Deferred Assessments	-	-	260,825	1,146,250	2,878	2,232
TOTAL ASSETS	\$ 4,118	\$ 3,889	\$ 481,337	\$ 1,607,540	\$ 10,857	\$ 7,283
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	1	-	272,043	1,195,208	3,543	2,426
TOTAL LIABILITIES	1	-	272,043	1,195,208	3,543	2,426
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	4,117	3,889	209,294	412,332	7,314	4,857
TOTAL EQUITY AND OTHER CREDITS	4,117	3,889	209,294	412,332	7,314	4,857
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 4,118	\$ 3,889	\$ 481,337	\$ 1,607,540	\$ 10,857	\$ 7,283

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	SID 531	SID 532	SID 533	SID 534	SID 535	SID 536
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 166	\$ 44,487	\$ 38,262	\$ 31,716	\$ 115	\$ 20,559
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	1,009	12,934	5,830	5,573	1,434	5,528
Interest Receivable	44	142	114	76	57	180
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	44,903
Due From Other Governments	167	1,031	230	-	94	465
Advances Receivable	-	-	-	-	-	-
Deferred Assessments	15,000	367,322	147,793	185,699	25,164	321,731
TOTAL ASSETS	\$ 16,386	\$ 425,916	\$ 192,229	\$ 223,064	\$ 26,864	\$ 393,366
LIABILITIES, EQUITY AND OTHER CREDITS						
Interfund Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	16,009	380,255	153,623	191,272	26,598	327,259
TOTAL LIABILITIES	16,009	380,255	153,623	191,272	26,598	327,259
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	377	45,661	38,606	31,792	266	66,107
TOTAL EQUITY AND OTHER CREDITS	377	45,661	38,606	31,792	266	66,107
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
AND OTHER CREDITS	\$ 16,386	\$ 425,916	\$ 192,229	\$ 223,064	\$ 26,864	\$ 393,366

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2010

	SID 539	SID 540	SID 541	SID 543	TOTALS
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 65	\$ 6,717	\$ 48,521	\$ 163	\$ 1,225,320
Taxes Receivable	-	-	-	-	197,148
Special Assessments Receivable	381	25,744	14,285	2,349	569,887
Interest Receivable	24	348	113	51	10,227
Other Receivables					
Mountain Water Notes	-	-	-	-	165,702
Interfund Receivable	-	70,370	-	-	512,113
Due From Other Governments	49	844	986	352	60,801
Advances Receivable	-	85,532	-	-	1,590,033
Deferred Assessments	9,187	1,269,918	671,237	65,594	10,636,715
TOTAL ASSETS	\$ 9,706	\$ 1,459,473	\$ 735,142	\$ 68,509	\$ 14,967,946
LIABILITIES, EQUITY AND OTHER CREDITS					
Interfund Payable	\$ -	\$ -	\$ -	\$ -	\$ 284,961
Deferred Revenues	9,568	1,295,662	685,522	67,943	11,464,417
TOTAL LIABILITIES	\$ 9,568	\$ 1,295,662	\$ 685,522	\$ 67,943	\$ 11,749,378
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Reserved					
For Debt Service	138	163,811	49,620	566	3,218,568
TOTAL EQUITY AND OTHER CREDITS	138	163,811	49,620	566	3,218,568
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 9,706	\$ 1,459,473	\$ 735,142	\$ 68,509	\$ 14,967,946

**COMBINING BALANCE SHEET
FOR NONMAJOR
GOVERNMENTAL
CAPITAL PROJECT
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	1997 Open Space	New Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb	09 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 102	\$ 26	\$ 98	\$ 34	\$ -	\$ -
Interest Receivable	-	465	51	18	(6)	(34)
Due From Other Governments	-	-	-	-	-	-
Interfund Receivable	382,000	139,000	-	-	-	-
TOTAL ASSETS	\$ 382,102	\$ 139,491	\$ 149	\$ 52	\$ (6)	\$ (34)
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 3,927	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	12	64
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ 3,927	\$ -	\$ -	\$ 12	\$ 64
FUND EQUITY AND OTHER CREDITS						
Fund Balance	382,102	135,564	149	52	(18)	(98)
TOTAL EQUITY AND OTHER CREDITS	382,102	135,564	149	52	(18)	(98)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 382,102	\$ 139,491	\$ 149	\$ 52	\$ (6)	\$ (34)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	10 Sidewalk & Curb	11 Sidewalk & Curb	SID 530 Construction	SID 531 Construction	SID 532 Construction	SID 533 Construction
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ -	\$ 266	\$ 188	\$ -
Interest Receivable		(2,208)	(13)	(111)	112	(19)
Due From Other Governments		-	-	-	-	-
Interfund Receivable		-	-	30,000	39,000	-
TOTAL ASSETS	\$ (2,208)	\$ (13)	\$ -	\$ 30,155	\$ 39,300	\$ (19)
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 72,422	\$ -	\$ -	\$ -	\$ -
Interfund Payable	\$ 784,629	\$ 56,755	\$ 115	\$ 43,854	\$ -	\$ 6,674
Deferred Revenue		17,700	-	-	-	-
TOTAL LIABILITIES	\$ 802,329	\$ 129,177	\$ 115	\$ 43,854	\$ -	\$ 6,674
FUND EQUITY AND OTHER CREDITS						
Fund Balance		(804,537)	(129,190)	(115)	(13,699)	39,300
TOTAL EQUITY AND OTHER CREDITS		(804,537)	(129,190)	(115)	(13,699)	39,300
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS		\$ (2,208)	\$ (13)	\$ -	\$ 30,155	\$ 39,300
						(19)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	SID 534 Construction	SID 535 Construction	SID 536 Construction	SID 538 Construction	SID 539 Construction	SID 540 Construction
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 418	\$ 730	\$ 2,213	\$ -	\$ 295	\$ 433
Interest Receivable	24	(170)	6	(10)	(51)	325
Due From Other Governments	-	-	-	-	-	-
Interfund Receivable	8,000	42,000	-	-	12,000	109,000
TOTAL ASSETS	\$ 8,442	\$ 42,560	\$ 2,219	\$ (10)	\$ 12,244	\$ 109,758
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	66,921	-	19	20,275	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ 66,921	\$ -	\$ 19	\$ 20,275	\$ -
FUND EQUITY AND OTHER CREDITS						
Fund Balance	8,442	(24,361)	2,219	(29)	(8,031)	109,758
TOTAL EQUITY AND OTHER CREDITS	\$ 8,442	\$ (24,361)	\$ 2,219	\$ (29)	\$ (8,031)	\$ 109,758
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 8,442	\$ 42,560	\$ 2,219	\$ (10)	\$ 12,244	\$ 109,758

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	SID 541 Construction	SID 542 Construction	SID 543 Construction	Miller Creek Mitigation	Miller Creek Mitigation (T)	Miller Creek Mitigation (M)
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 137	\$ -	\$ 421	\$ 9	\$ -	\$ 226
Interest Receivable	345	(259)	(190)	10	(8)	671
Due From Other Governments	-	-	-	-	-	-
Interfund Receivable	152,000	-	9,000	3,500	-	12,000
TOTAL ASSETS	\$ 152,482	\$ (259)	\$ 9,231	\$ 3,519	\$ (8)	\$ 12,897
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	495	71,853	-	2,717	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	1,200	495	71,853	-	2,717	-
FUND EQUITY AND OTHER CREDITS						
Fund Balance	151,282	(754)	(62,622)	3,519	(2,725)	12,897
TOTAL EQUITY AND OTHER CREDITS	151,282	(754)	(62,622)	3,519	(2,725)	12,897
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 152,482	\$ (259)	\$ 9,231	\$ 3,519	\$ (8)	\$ 12,897

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Miller Creek Mitigation (Mc)	5th, 6th, & Arthur Improvements	Maloney Twite	Rattlesnake Sewer Collection	Phillips St Traffic Calming	Pattee Creek Drive
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 61	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Receivable	930	(73)	491	(620)	(31)	(16)
Due From Other Governments	-	-	-	602,492	-	-
Interfund Receivable	48,000	-	550,941	-	-	-
TOTAL ASSETS	\$ 48,991	\$ (73)	\$ 551,432	\$ 601,872	\$ (31)	\$ (16)
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 27,868	\$ 3,747	\$ 343,993	\$ 459,132	\$ -	\$ -
Interfund Payable	-	76,177	-	545,204	19,245	14,617
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 27,868	\$ 79,924	\$ 343,993	\$ 1,004,336	\$ 19,245	\$ 14,617
FUND EQUITY AND OTHER CREDITS						
Fund Balance	21,123	(79,997)	207,439	(402,464)	(19,276)	(14,633)
TOTAL EQUITY AND OTHER CREDITS	\$ 21,123	\$ (79,997)	\$ 207,439	\$ (402,464)	\$ (19,276)	\$ (14,633)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 48,991	\$ (73)	\$ 551,432	\$ 601,872	\$ (31)	\$ (16)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	ARRA Enhancement	HB 645	WFL Miller Creek Road	Totals
ASSETS AND OTHER DEBITS				
Cash and Investments	\$ -	\$ 2,886	\$ -	\$ 8,543
Interest Receivable	(22)	1,957	-	1,564
Due From Other Governments	266,381	-	3,166	872,039
Interfund Receivable	760,000	-	-	2,296,441
TOTAL ASSETS	\$ 266,359	\$ 764,843	\$ 3,166	\$ 3,178,587
LIABILITIES, EQUITY AND OTHER CREDITS				
Accounts Payable	\$ 257,828	\$ 200,924	\$ 3,166	\$ 1,374,207
Interfund Payable	8,970	-	-	1,718,596
Deferred Revenue	-	-	-	17,700
TOTAL LIABILITIES	266,798	200,924	3,166	3,110,503
FUND EQUITY AND OTHER CREDITS				
Fund Balance	(439)	563,919	-	68,084
TOTAL EQUITY AND OTHER CREDITS	(439)	563,919	-	68,084
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 266,359	\$ 764,843	\$ 3,166	\$ 3,178,587

**COMBINING STATEMENT OF
REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE**

**FOR NONMAJOR
GOVERNMENTAL
SPECIAL REVENUE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall & Memorial	Cemetery Care
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	62,741	-	-
Charges for Services	40,056	29,733	-	11,300	67,325
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	50,150	-	48,901	1,080	-
Investment Earnings	-	-	-	382	2,507
Total Revenues	90,206	29,733	111,642	12,762	69,832
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	5,278	93,487	-	-
Community Development	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-
Capital Outlay	-	-	-	1,370	-
Total Expenditures	-	5,278	93,487	1,370	-
Excess (Deficiency) of Revenue Over Expenditures	90,206	24,455	18,155	11,392	69,832
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(5,910)	-	-	-	(79,811)
Total Other Financing Sources (Uses)	(5,910)	-	-	-	(79,811)
Excess (Deficiency) of Revenue Over Expenditures	84,296	24,455	18,155	11,392	(9,979)
Fund Balance, June 30, 2009	331,064	182,135	236,619	38,234	291,852
Fund Balance, June 30, 2010	\$ 415,360	\$ 206,590	\$ 254,774	\$ 49,626	\$ 281,873

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Title One Projects	Impact Fee	Public Art	Employee Health Insurance	Cable TV Franchise
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 2,874,006	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	729,599
Intergovernmental	-	-	5,000	-	-
Charges for Services	-	600,141	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	13,615	-	-
Investment Earnings	1,663	5,039	-	(19,856)	-
Total Revenues	1,663	605,180	18,615	2,854,150	729,599
EXPENDITURES					
Current					
General Government	333,214	-	-	-	395,535
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	2,860	264	-	-
Community Development	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-
Capital Outlay	-	231,379	55,090	-	34,022
Total Expenditures	333,214	234,239	55,354	-	429,557
Excess (Deficiency) of Revenue Over Expenditures	(331,551)	370,941	(36,739)	2,854,150	300,042
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(43,400)	(522,320)	-	(2,871,260)	(174,645)
Total Other Financing Sources (Uses)	(43,400)	(522,320)	-	(2,871,260)	(174,645)
Excess (Deficiency) of Revenue Over Expenditures	(374,951)	(151,379)	(36,739)	(17,110)	125,397
Fund Balance, June 30, 2009	577,003	809,226	58,978	(520,523)	172,982
Fund Balance, June 30, 2010	\$ 202,052	\$ 657,847	\$ 22,239	\$ (537,633)	\$ 298,379

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program	Street Lighting
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	306,808
Licenses & Permits	-	991,386	-	-	-
Intergovernmental	-	440	-	-	-
Charges for Services	-	1,232	-	-	-
Fines and Forfeitures	30,291	-	-	-	-
Miscellaneous	-	160	224	-	-
Investment Earnings	-	(4,335)	(358)	286	-
Total Revenues	30,291	988,883	(134)	286	306,808
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	28,179	840,885	-	-	-
Public Works	-	-	-	-	297,597
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	9,000	-
Conservation of Natural Resources	-	-	-	-	-
Capital Outlay	52,342	1,152	-	-	-
Total Expenditures	80,521	842,037	-	9,000	297,597
Excess (Deficiency) of Revenue Over Expenditures	(50,230)	146,846	(134)	(8,714)	9,211
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(50,230)	146,846	(134)	(8,714)	9,211
Fund Balance, June 30, 2009	59,070	175,328	2,253	48,839	255,790
Fund Balance, June 30, 2010	\$ 8,840	\$ 322,174	\$ 2,119	\$ 40,125	\$ 265,001

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc	State Gas Tax	Crime Victim Surcharge
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	48,753	3,383	3,866	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	1,092,946	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	-	-	-	-	67
Total Revenues	48,753	3,383	3,866	1,092,946	67
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	14,675	-	-	252	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-
Capital Outlay	-	-	-	385,628	-
Total Expenditures	14,675	-	-	385,880	-
Excess (Deficiency) of Revenue					
Over Expenditures	34,078	3,383	3,866	707,066	67
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(31,113)	(3,380)	(3,866)	(625,077)	-
Total Other Financing Sources (Uses)	(31,113)	(3,380)	(3,866)	(625,077)	-
Excess (Deficiency) of Revenue					
Over Expenditures	2,965	3	-	81,989	67
Fund Balance, June 30, 2009	(8,347)	(2,478)	43	51,284	1,564
Fund Balance, June 30, 2010	\$ (5,382)	\$ (2,475)	\$ 43	\$ 133,273	\$ 1,631

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Law Enforcement Grant	HIDTA Grant	Comm. Devel. Program Income	Community Development	HOME Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	167,111	-	12,579	1,289,339	364,131
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	214,906	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(466)	6,024	155	-	-
Total Revenues	166,645	220,930	12,734	1,289,339	364,131
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	135,711	56,054	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	1,306,247	339,131
Conservation of Natural Resources	-	-	-	-	-
Capital Outlay	32,852	-	-	-	-
Total Expenditures	168,563	56,054	-	1,306,247	339,131
Excess (Deficiency) of Revenue Over Expenditures	(1,918)	164,876	12,734	(16,908)	25,000
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	26,458	-
Operating Transfers Out	-	-	(26,459)	-	-
Total Other Financing Sources (Uses)	-	-	(26,459)	26,458	-
Excess (Deficiency) of Revenue Over Expenditures	(1,918)	164,876	(13,725)	9,550	25,000
Fund Balance, June 30, 2009	(1,076)	635,356	16,474	(8,857)	27,185
Fund Balance, June 30, 2010	\$ (2,994)	\$ 800,232	\$ 2,749	\$ 693	\$ 52,185

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Neighborhood Stabilization	Federal Transportation	Grants & Donations	TOTALS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,874,006
Special Assessments	-	-	-	362,810
Licenses & Permits	-	-	-	1,720,985
Intergovernmental	2,335,941	554,806	888,072	6,773,106
Charges for Services	-	-	1,369	751,156
Fines and Forfeitures	-	-	-	245,197
Miscellaneous	-	167,133	3,145	284,408
Investment Earnings	-	-	-	(8,892)
Total Revenues	2,335,941	721,939	892,586	13,002,776
EXPENDITURES				
Current				
General Government	-	-	-	728,749
Public Safety	-	-	716,958	1,777,787
Public Works	-	-	9,943	322,467
Culture and Recreation	-	-	-	101,889
Community Development	2,335,941	-	27,357	4,017,676
Conservation of Natural Resources	-	-	7,757	7,757
Capital Outlay	-	537,760	73,621	1,405,216
Total Expenditures	2,335,941	537,760	835,636	8,361,541
Excess (Deficiency) of Revenue Over Expenditures	-	184,179	56,950	4,641,235
Other Financing Sources (Uses)				
Operating Transfers In	-	25,384	4,675	56,517
Operating Transfers Out	-	-	-	(4,387,241)
Total Other Financing Sources (Uses)	-	25,384	4,675	(4,330,724)
Excess (Deficiency) of Revenue Over Expenditures	-	209,563	61,625	310,511
Fund Balance, June 30, 2009	-	(18,407)	402,498	3,814,089
Fund Balance, June 30, 2010	\$ -	\$ 191,156	\$ 464,123	\$ 4,124,600

**COMBINING STATEMENT OF
REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE**

**FOR NONMAJOR
GOVERNMENTAL
DEBT SERVICE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID Revolving	1998 Safety Bonds	1996 Open Space Bonds	1997 Open Space Bonds	1994 City Hall & Fire Bonds	1993 Fire Bonds
REVENUES						
Taxes	\$ -	\$ 1,313	\$ 1,965	\$ 1,147	\$ -	\$ -
Special Assessments	28,931	-	-	-	-	-
Investment Earnings	4,951	(26)	6	2,525	2	2
Total Revenues	33,882	1,287	1,971	3,672	2	2
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	33,882	1,287	1,971	3,672	2	2
Other Financing Sources (Uses)						
Operating Transfers In	7,350	-	-	-	-	-
Operating Transfers Out	(109,624)	-	(626)	(51,623)	(286)	(505)
Issuance of Long Term Debt	113,094	-	-	-	-	-
Total Other Financing Sources (Uses)	10,820	-	(626)	(51,623)	(286)	(505)
Excess (Deficiency) of Revenue Over Expenditures	44,702	1,287	1,345	(47,951)	(284)	(503)
Fund Balance, June 30, 2009	719,399	(4,774)	442	51,623	286	506
Fund Balance, June 30, 2010	\$ 764,101	\$ (3,487)	\$ 1,787	\$ 3,672	\$ 2	\$ 3

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	2004 Aquatics Bond	2004 Refunding	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb
REVENUES						
Taxes	\$ 615,131	\$ 272,968	\$ 438,678	\$ 528,684	-	\$ -
Special Assessments	-	-	-	-	8,540	31,024
Investment Earnings	644	(18)	903	369	(224)	41
Total Revenues	615,775	272,950	439,581	529,053	8,316	31,065
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	606,674	259,990	434,192	527,644	106,809	27,575
Total Expenditures	606,674	259,990	434,192	527,644	106,809	27,575
Excess (Deficiency) of Revenue Over Expenditures	9,101	12,960	5,389	1,409	(98,493)	3,490
Other Financing Sources (Uses)						
Operating Transfers In	11,576	12,080	-	99,009	39,770	-
Operating Transfers Out	-	-	(69,625)	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	11,576	12,080	(69,625)	99,009	39,770	-
Excess (Deficiency) of Revenue Over Expenditures	20,677	25,040	(64,236)	100,418	(58,723)	3,490
Fund Balance, June 30, 2009	(11,546)	(11,612)	70,688	(97,593)	58,820	(761)
Fund Balance, June 30, 2010	\$ 9,131	\$ 13,428	\$ 6,452	\$ 2,825	\$ 97	\$ 2,729

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	36,993	17,324	45,797	90,897	89,803	92,848
Investment Earnings	86	272	228	(16)	358	3,524
Total Revenues	37,079	17,596	46,025	90,881	90,161	96,372
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	40,870	18,025	48,585	94,067	92,099	99,570
Total Expenditures	40,870	18,025	48,585	94,067	92,099	99,570
Excess (Deficiency) of Revenue Over Expenditures	(3,791)	(429)	(2,560)	(3,186)	(1,938)	(3,198)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(3,791)	(429)	(2,560)	(3,186)	(1,938)	(3,198)
Fund Balance, June 30, 2009	4,538	36,290	25,350	(29,431)	36,149	88,876
Fund Balance, June 30, 2010	\$ 747	\$ 35,861	\$ 22,790	\$ (32,617)	\$ 34,211	\$ 85,678

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	FY06 Sidewalk & Curb	FY07 Sidewalk & Curb	FY08 Sidewalk & Curb	FY09 Sidewalk & Curb	SID 495	SID 497
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	153,623	111,127	77,550	87,065	-	-
Investment Earnings	6,296	3,129	103	302	1	22
Total Revenues	159,919	114,256	77,653	87,367	1	22
EXPENDITURES						
General Government	-	-	-	-	-	321
Debt Service	160,388	113,769	70,417	82,593	-	-
Total Expenditures	160,388	113,769	70,417	82,593	-	321
Excess (Deficiency) of Revenue Over Expenditures	(469)	487	7,236	4,774	1	(299)
Other Financing Sources (Uses)						
Operating Transfers In	25,872	9,038	-	47,234	-	-
Operating Transfers Out	-	-	(3,090)	-	-	-
Issuance of Long Term Debt	-	-	-	4,632	-	-
Total Other Financing Sources (Uses)	25,872	9,038	(3,090)	51,866	-	-
Excess (Deficiency) of Revenue Over Expenditures	25,403	9,525	4,146	56,640	1	(299)
Fund Balance, June 30, 2009	140,942	63,723	(5,872)	-	223	3,904
Fund Balance, June 30, 2010	\$ 166,345	\$ 73,248	\$ (1,726)	\$ 56,640	\$ 224	\$ 3,605

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 498	SID 501	SID 503	SID 505	SID 506	SID 507
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	115,136	39,453	11,979	-	-	-
Investment Earnings	5,765	581	158	77	8	44
Total Revenues	120,901	40,034	12,137	77	8	44
EXPENDITURES						
General Government	390	-	-	-	-	-
Debt Service	101,460	28,620	11,660	-	-	-
Total Expenditures	101,850	28,620	11,660	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	19,051	11,414	477	77	8	44
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	19,051	11,414	477	77	8	44
Fund Balance, June 30, 2009	182,658	91,486	25,291	12,819	1,374	7,303
Fund Balance, June 30, 2010	\$ 201,709	\$ 102,900	\$ 25,768	\$ 12,896	\$ 1,382	\$ 7,347

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 508	SID 510	SID 511	SID 512	SID 513	SID 514
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	247	14,621	14,526	110,425	-	10,740
Investment Earnings	6	3,270	158	7,885	103	531
Total Revenues	253	17,891	14,684	118,310	103	11,271
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	14,480	170,359	261	21,038
Total Expenditures	-	-	14,480	170,359	261	21,038
Excess (Deficiency) of Revenue Over Expenditures	253	17,891	204	(52,049)	(158)	(9,767)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	13,851
Operating Transfers Out	-	-	-	-	(29,651)	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(29,651)	13,851	
Excess (Deficiency) of Revenue Over Expenditures	253	17,891	204	(52,049)	(29,809)	4,084
Fund Balance, June 30, 2009	843	109,915	25,950	225,958	29,981	79,360
Fund Balance, June 30, 2010	\$ 1,096	\$ 127,806	\$ 26,154	\$ 173,909	\$ 172	\$ 83,444

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 515	SID 517	SID 518	SID 519	SID 520	SID 521
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	- -	6,477	1,572	6,896	165,904	- -
Investment Earnings	(55)	48	37	81	832	29
Total Revenues	<u>(55)</u>	<u>6,525</u>	<u>1,609</u>	<u>6,977</u>	<u>166,736</u>	<u>29</u>
EXPENDITURES						
General Government	- -	- -	- -	- -	- -	- -
Debt Service	63	7,098	3,042	8,500	160,080	773
Total Expenditures	<u>63</u>	<u>7,098</u>	<u>3,042</u>	<u>8,500</u>	<u>160,080</u>	<u>773</u>
Excess (Deficiency) of Revenue Over Expenditures	(118)	(573)	(1,433)	(1,523)	6,656	(744)
Other Financing Sources (Uses)						
Operating Transfers In	15,800	- -	- -	- -	- -	- -
Operating Transfers Out	- -	- -	- -	- -	- -	- -
Issuance of Long Term Debt	- -	- -	- -	- -	- -	- -
Total Other Financing Sources (Uses)	<u>15,800</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
Excess (Deficiency) of Revenue Over Expenditures	15,682	(573)	(1,433)	(1,523)	6,656	(744)
Fund Balance, June 30, 2009	(15,773)	6,503	5,643	11,628	142,682	4,861
Fund Balance, June 30, 2010	<u>\$ (91)</u>	<u>\$ 5,930</u>	<u>\$ 4,210</u>	<u>\$ 10,105</u>	<u>\$ 149,338</u>	<u>\$ 4,117</u>

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 522	SID 525	SID 526	SID 527	SID 530	SID 531
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	- -	42,754	168,711	3,281	608	5,953
Investment Earnings	29	6,094	12,743	28	27	91
Total Revenues	29	48,848	181,454	3,309	635	6,044
EXPENDITURES						
General Government	- -	- -	- -	- -	- -	- -
Debt Service	1,117	42,320	181,520	3,356	812	- -
Total Expenditures	1,117	42,320	181,520	3,356	812	- -
Excess (Deficiency) of Revenue Over Expenditures	(1,088)	6,528	(66)	(47)	(177)	6,044
Other Financing Sources (Uses)						
Operating Transfers In	- -	- -	- -	- -	- -	13,602
Operating Transfers Out	- -	- -	- -	- -	- -	(34,700)
Issuance of Long Term Debt	- -	- -	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	- -	- -	- -	- -	(21,098)
Excess (Deficiency) of Revenue Over Expenditures	(1,088)	6,528	(66)	(47)	(177)	(15,054)
Fund Balance, June 30, 2009	4,977	202,766	412,398	7,361	5,034	15,431
Fund Balance, June 30, 2010	\$ 3,889	\$ 209,294	\$ 412,332	\$ 7,314	\$ 4,857	\$ 377

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 532	SID 533	SID 534	SID 535	SID 536	SID 539
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	54,624	16,125	24,560	8,367	34,709	2,097
Investment Earnings	323	239	166	120	385	50
Total Revenues	54,947	16,364	24,726	8,487	35,094	2,147
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	50,072	17,744	18,419	-	30,512	-
Total Expenditures	50,072	17,744	18,419	-	30,512	-
Excess (Deficiency) of Revenue Over Expenditures	4,875	(1,380)	6,307	8,487	4,582	2,147
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	19,784	-	3,468
Operating Transfers Out	-	-	-	(47,800)	-	(14,100)
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(28,016)	-	(10,632)
Excess (Deficiency) of Revenue Over Expenditures	4,875	(1,380)	6,307	(19,529)	4,582	(8,485)
Fund Balance, June 30, 2009	40,786	39,986	25,485	19,795	61,525	8,623
Fund Balance, June 30, 2010	\$ 45,661	\$ 38,606	\$ 31,792	\$ 266	\$ 66,107	\$ 138

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 540	SID 541	SID 543	TOTALS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,859,886
Special Assessments	156,118	110,171	11,344	2,008,920
Investment Earnings	3,190	223	113	66,859
Total Revenues	<u>159,308</u>	<u>110,394</u>	<u>11,457</u>	<u>3,935,665</u>
EXPENDITURES				
General Government	-	-	-	711
Debt Service	119,332	61,620	-	3,837,525
Total Expenditures	<u>119,332</u>	<u>61,620</u>	<u>-</u>	<u>3,838,236</u>
Excess (Deficiency) of Revenue Over Expenditures	39,976	48,774	11,457	97,429
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	318,434
Operating Transfers Out	-	-	(26,950)	(388,580)
Issuance of Long Term Debt	-	846	-	118,572
Total Other Financing Sources (Uses)	<u>-</u>	<u>846</u>	<u>(26,950)</u>	<u>48,426</u>
Excess (Deficiency) of Revenue Over Expenditures	39,976	49,620	(15,493)	145,855
Fund Balance, June 30, 2009	123,835	-	16,059	3,072,713
Fund Balance, June 30, 2010	<u>\$ 163,811</u>	<u>\$ 49,620</u>	<u>\$ 566</u>	<u>\$ 3,218,568</u>

**COMBINING STATEMENT OF
REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE**

**FOR NONMAJOR
GOVERNMENTAL
CAPITAL PROJECT
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	1997 Open Space	New Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb	09 Sidewalk & Curb
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	39,000	-	-	-	-
Investment Earnings	-	1,357	90	31	(11)	1,122
Total Revenues	-	40,357	90	31	(11)	1,122
EXPENDITURES						
Capital Outlay	-	97,449	-	-	-	21,240
Total Expenditures	-	97,449	-	-	-	29,670
Excess(Deficiency) of Revenue Over Expenditures	-	(57,092)	90	31	(11)	(28,548)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	(25,872)	(9,038)	-	(47,234)
Total Other Financing Sources(Uses)	-	-	(25,872)	(9,038)	3,090	560,884
Excess(Deficiency) of Revenues Over Expenditures	-	(57,092)	(25,782)	(9,007)	3,079	532,336
Fund Balance, June 30, 2009	382,102	192,656	25,931	9,059	(3,097)	(532,434)
Fund Balance, June 30, 2010	\$ 382,102	\$ 135,564	\$ 149	\$ 52	\$ (18)	\$ (98)

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	10 Sidewalk & Curb	11 Sidewalk & Curb	SID 530 Construction	SID 531 Construction	SID 532 Construction	SID 533 Construction
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	338,653	-	-	-	-	-
Investment Earnings	(6,069)	(39)	-	(223)	236	(40)
Total Revenues	332,584	(39)	-	(223)	236	(40)
EXPENDITURES						
Capital Outlay	756,851	129,151	-	4,222	-	-
Total Expenditures	756,851	129,151	-	4,222	-	-
Excess(Deficiency) of Revenue Over Expenditures	(424,267)	(129,190)	-	(4,445)	236	(40)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	34,700	-	-
Excess(Deficiency) of Revenues Over Expenditures	(424,267)	(129,190)	-	30,255	236	(40)
Fund Balance, June 30, 2009	(380,270)	-	(115)	(43,954)	39,064	(6,653)
Fund Balance, June 30, 2010	\$ (804,537)	\$ (129,190)	\$ (115)	\$ (13,699)	\$ 39,300	\$ (6,693)

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 534 Construction	SID 535 Construction	SID 536 Construction	SID 538 Construction	SID 539 Construction	SID 540 Construction
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	216	(342)	13	(18)	(104)	686
Total Revenues	216	(342)	13	(18)	(104)	686
EXPENDITURES						
Capital Outlay	-	4,744	-	-	1,706	-
Total Expenditures	-	4,744	-	-	1,706	-
Excess(Deficiency) of Revenue Over Expenditures	216	(5,086)	13	(18)	(1,810)	686
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	(4,675)
Total Other Financing Sources(Uses)	-	47,800	-	4,984	14,100	(4,675)
Excess(Deficiency) of Revenues Over Expenditures	216	42,714	13	4,966	12,290	(3,989)
Fund Balance, June 30, 2009	8,226	(67,075)	2,206	(4,995)	(20,321)	113,747
Fund Balance, June 30, 2010	\$ 8,442	\$ (24,361)	\$ 2,219	\$ (29)	\$ (8,031)	\$ 109,758

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SID 541 Construction	SID 542 Construction	SID 543 Construction	Miller Creek Mitigation	Miller Creek Mitigation (T)	Miller Creek Mitigation (M)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	21,884	-	-	-	-	-
Investment Earnings	1,467	(453)	(553)	21	(16)	928
Total Revenues	23,351	(453)	(553)	21	(16)	928
EXPENDITURES						
Capital Outlay	236,671	-	9,816	-	-	422,363
Total Expenditures	250,881	-	9,816	-	-	422,363
Excess(Deficiency) of Revenue Over Expenditures	(227,530)	(453)	(10,369)	21	(16)	(421,435)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources(Uses)	711,654	130,848	19,600	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	484,124	130,395	9,231	21	(16)	(421,435)
Fund Balance, June 30, 2009	(332,842)	(131,149)	(71,853)	3,498	(2,709)	434,332
Fund Balance, June 30, 2010	\$ 151,282	\$ (754)	\$ (62,622)	\$ 3,519	\$ (2,725)	\$ 12,897

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Miller Creek Mitigation (Mc)	5th, 6th, & Arthur Improvements	Maloney Twite	Rattlesnake Sewer Collection	Phillips St Traffic Calming	Pattee Creek Drive
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,559,190	\$ -	\$ -
Miscellaneous	-	-	550,000	-	-	-
Investment Earnings	1,889	(212)	1,432	(1,783)	(90)	(45)
Total Revenues	1,889	(212)	551,432	1,557,407	(90)	(45)
EXPENDITURES						
Capital Outlay	339,730	29,705	343,993	2,366,155	19,041	14,443
Total Expenditures	339,730	79,785	343,993	2,366,155	19,041	14,588
Excess(Deficiency) of Revenue Over Expenditures	(337,841)	(79,997)	207,439	(808,748)	(19,131)	(14,633)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	460,472	-	-
Excess(Deficiency) of Revenues Over Expenditures	(337,841)	(79,997)	207,439	(348,276)	(19,131)	(14,633)
Fund Balance, June 30, 2009	358,964	-	-	(54,188)	(145)	-
Fund Balance, June 30, 2010	\$ 21,123	\$ (79,997)	\$ 207,439	\$ (402,464)	\$ (19,276)	\$ (14,633)

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	ARRA Enhancement	HB 645	WFL Miller Creek Road	TOTALS
REVENUES				
Intergovernmental	\$ 584,809	\$ 962,170	\$ 19,893	\$ 3,126,062
Miscellaneous	-	-	-	949,537
Investment Earnings	(65)	5,706	-	5,131
Total Revenues	<u>584,744</u>	<u>967,876</u>	<u>19,893</u>	<u>4,080,730</u>
EXPENDITURES				
Capital Outlay	585,183	403,456	19,893	5,805,812
Total Expenditures	<u>585,183</u>	<u>403,957</u>	<u>19,893</u>	<u>5,879,178</u>
Excess(Deficiency) of Revenue Over Expenditures	(439)	563,919	-	(1,798,448)
Other Financing Sources (Uses)				
Operating Transfers Out	-	-	-	(86,819)
Total Other Financing Sources(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,948,547</u>
Excess(Deficiency) of Revenues Over Expenditures	(439)	563,919	-	150,099
Fund Balance, June 30, 2009	-	-	-	(82,015)
Fund Balance, June 30, 2010	<u>\$ (439)</u>	<u>\$ 563,919</u>	<u>\$ -</u>	<u>\$ 68,084</u>

AGENCY FUNDS

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2010

	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
COURT SURCHARGE				
ASSETS				
Cash	\$ 28,090	\$ 69,241	\$ 58,290	\$ 39,041
Due From Other Governments	5,644	5,123	5,644	5,123
TOTAL ASSETS	\$ 33,734	\$ 74,364	\$ 63,934	\$ 44,164
LIABILITIES				
Accounts Payable	\$ 12,093	\$ 68,720	\$ 58,290	\$ 22,523
Due to Other Governments	21,641	-	-	21,641
TOTAL LIABILITIES	\$ 33,734	\$ 68,720	\$ 58,290	\$ 44,164
PUBLIC DEFENDER FEES				
ASSETS				
Cash	\$ -	\$ 745	\$ -	\$ 745
Due From Other Governments	-	76	-	76
TOTAL ASSETS	\$ -	\$ 821	\$ -	\$ 821
LIABILITIES				
Accounts Payable	\$ -	\$ 821	\$ -	\$ 821
COUNTY CLEARING				
ASSETS				
Cash	\$ 2,671	\$ 9,793	\$ 10,810	\$ 1,654
LIABILITIES	\$ 2,671	\$ 9,793	\$ 10,810	\$ 1,654
Accounts Payable	\$ 2,360	\$ 9,793	\$ 10,810	\$ 1,343
Due to Other Governments	311	-	-	311
TOTAL LIABILITIES	\$ 2,671	\$ 9,793	\$ 10,810	\$ 1,654
SEWER REBATE				
ASSETS				
Cash	\$ 64,589	\$ 64,000	\$ 64,000	\$ 64,589
LIABILITIES	\$ 64,589	\$ -	\$ -	\$ 64,589
YOUTH PROGRAMS				
ASSETS				
Cash	\$ 473	\$ -	\$ -	\$ 473
LIABILITIES	\$ 473	\$ -	\$ -	\$ 473

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2010

	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
COUNTY PARK BOARD				
ASSETS				
Cash	\$ 5,500	\$ -	\$ -	\$ 5,500
LIABILITIES				
Due to Other Governments	\$ 5,500	\$ -	\$ -	\$ 5,500
ELK HILLS SUBDIVISION				
ASSETS				
Cash	\$ 3,868	\$ -	\$ -	\$ 3,868
LIABILITIES				
Due to Private Parties	\$ 3,868	\$ -	\$ -	\$ 3,868
MUNICIPAL COURT RESTITUTION				
ASSETS				
Cash	\$ 197,055	\$ -	\$ 1,316	\$ 195,739
LIABILITIES				
Due to Private Parties	\$ 197,055	\$ -	\$ 1,316	\$ 195,739
RESIDENTIAL INSPECTION FUND				
ASSETS				
Cash	\$ 754	\$ 180	\$ 330	\$ 604
LIABILITIES				
Accounts Payable	\$ -	\$ 90	\$ 90	\$ -
Due to Private Parties	\$ 754	\$ 180	\$ 330	\$ 604
TOTAL LIABILITIES	\$ 754	\$ 270	\$ 420	\$ 604
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 303,000	\$ 143,959	\$ 134,746	\$ 312,213
Due From Other Governments	\$ 5,644	\$ 5,199	\$ 5,644	\$ 5,199
TOTAL ASSETS	\$ 308,644	\$ 149,158	\$ 140,390	\$ 317,412
LIABILITIES				
Accounts Payable	\$ 14,453	\$ 79,424	\$ 69,190	\$ 24,687
Due to Other Governments	\$ 27,452	\$ -	\$ -	\$ 27,452
Due to Private Parties	\$ 266,739	\$ 180	\$ 1,646	\$ 265,273
TOTAL LIABILITIES	\$ 308,644	\$ 79,604	\$ 70,836	\$ 317,412

MAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Capital Improvement				SID 524			
	Original Budget	Final Budget	Actual	Variance -	Original and Final Budget	Actual	Variance -	
				Over (Under)				
REVENUES								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 365,738	\$ 357,634	\$ (8,104)	
Intergovernmental	-	17,820	55,508	37,688	-	-	-	
Miscellaneous	138,722	138,722	19,024	(119,698)	-	-	-	
Investment Earnings	-	-	(15,694)	(15,694)	-	19,347	19,347	
Total Revenues	138,722	156,542	58,838	(97,704)	365,738	376,981	11,243	
EXPENDITURES								
General Government	100,000	100,000	233,034	(133,034)	-	-	-	
Public Works	-	-	14,771	(14,771)	-	-	-	
Culture and Recreation	-	-	5,004	(5,004)	-	-	-	
Debt Service	2,227,181	2,227,181	560,398	1,666,783	307,620	307,620	-	
Capital Outlay	489,624	1,167,970	1,080,183	87,787	-	-	-	
Total Expenditures	2,816,805	3,495,151	1,893,390	1,601,761	307,620	307,620	-	
Excess(Deficiency) of Revenue Over Expenditures	(2,678,083)	(3,338,609)	(1,834,552)	1,504,057	58,118	69,361	11,243	
Other Financing Sources (Uses)								
Operating Transfers In	712,294	896,761	928,910	32,149	-	-	-	
Transfers (out)	-	-	-	-	-	-	-	
Payments to Refunded Bond Escrow Agent	-	-	(983,591)	(983,591)	-	-	-	
Issuance of refunding bond	-	1,000,000	1,000,000	-	-	-	-	
Issuance of long term debt	(187,371)	5,875,126	1,378,125	(4,497,001)	-	-	-	
Proceeds from sale of capital assets	-	49,446	-	(49,446)	-	-	-	
Total Other Financing Sources(Uses)	524,923	7,821,333	2,323,444	(5,497,889)	-	-	-	
Excess(Deficiency) of Revenues Over Expenditures	(2,153,160)	4,482,724	488,892	(3,993,832)	58,118	69,361	11,243	
Fund Balance, June 30, 2009	(4,646,020)	(4,646,020)	(4,646,020)	-	581,626	581,626	-	
Fund Balance, June 30, 2010	\$ (6,799,180)	\$ (163,296)	\$ (4,157,128)	\$ (3,993,832)	\$ 639,744	\$ 650,987	\$ 11,243	

NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

SPECIAL REVENUE FUNDS

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, 2010

	Park Acquisition			Park Enterprise		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	76,000	40,056	(35,944)	18,000	29,733	11,733
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	20,000	50,150	30,150	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	96,000	90,206	(5,794)	18,000	29,733	11,733
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	45,000	-	45,000	45,000	5,278	39,722
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	155,000	-	155,000	75,000	-	75,000
Total Expenditures	200,000	-	200,000	120,000	5,278	114,722
Excess (Deficiency) of Revenue Over Expenditures	(104,000)	90,206	194,206	(102,000)	24,455	126,455
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	(5,910)	(5,910)	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(5,910)	(5,910)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(104,000)	84,296	188,296	(102,000)	24,455	126,455
Fund Balance, June 30, 2009	331,064	331,064	-	182,135	182,135	-
Fund Balance, June 30, 2010	\$ 227,064	\$ 415,360	\$ 188,296	\$ 80,135	\$ 206,590	\$ 126,455

Continued

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, 2010

	Trail Development			Cremain Wall		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	64,000	62,741	(1,259)	-	-	-
Charges for Services	-	-	-	9,000	11,300	2,300
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	421,722	48,901	(372,821)	2,000	1,080	(920)
Interest	-	-	-	-	382	382
Total Revenues	485,722	111,642	(374,080)	11,000	12,762	1,762
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	437,722	93,487	344,235	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	260,000	-	260,000	4,500	1,370	3,130
Total Expenditures	697,722	93,487	604,235	4,500	1,370	3,130
Excess (Deficiency) of Revenue Over Expenditures	(212,000)	18,155	230,155	6,500	11,392	4,892
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(212,000)	18,155	230,155	6,500	11,392	4,892
Fund Balance, June 30, 2009	236,619	236,619	-	38,234	38,234	-
Fund Balance, June 30, 2010	\$ 24,619	\$ 254,774	\$ 230,155	\$ 44,734	\$ 49,626	\$ 4,892

Continued

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, 2010

	Cemetery Care			Title One Projects		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	71,500	67,325	(4,175)	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	500	-	(500)	-	-	-
Interest	3,000	2,507	(493)	1,696	1,663	(33)
Total Revenues	75,000	69,832	(5,168)	1,696	1,663	(33)
EXPENDITURES						
Current						
General Government	-	-	-	533,296	333,214	200,082
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	533,296	333,214	200,082
Excess (Deficiency) of Revenue Over Expenditures	75,000	69,832	(5,168)	(531,600)	(331,551)	200,049
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(79,811)	(79,811)	-	(43,400)	(43,400)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(79,811)	(79,811)	-	(43,400)	(43,400)	-
Excess (Deficiency) of Revenue Over Expenditures	(4,811)	(9,979)	(5,168)	(575,000)	(374,951)	200,049
Fund Balance, June 30, 2009	291,852	291,852	-	577,003	577,003	-
Fund Balance, June 30, 2010	\$ 287,041	\$ 281,873	\$ (5,168)	\$ 2,003	\$ 202,052	\$ 200,049

Continued

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, 2010

	Impact Fee			Public Art		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000	5,000
Charges for Services	970,335	600,141	(370,194)	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	13,615	13,615
Interest	-	5,039	5,039	-	-	-
Total Revenues	970,335	605,180	(365,155)		18,615	18,615
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	2,860	(2,860)	-	264	(264)
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	1,902,335	231,379	1,670,956	55,354	55,090	264
Total Expenditures	1,902,335	234,239	1,668,096	55,354	55,354	-
Excess (Deficiency) of Revenue Over Expenditures	(932,000)	370,941	1,302,941	(55,354)	(36,739)	18,615
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	(522,320)	(522,320)	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(522,320)	(522,320)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(932,000)	(151,379)	780,621	(55,354)	(36,739)	18,615
Fund Balance, June 30, 2009	809,226	809,226	-	58,978	58,978	-
Fund Balance, June 30, 2010	\$ (122,774)	\$ 657,847	\$ 780,621	\$ 3,624	\$ 22,239	\$ 18,615

Continued

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, 2010

	Employee Health Insurance			Cable TV Franchise		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ 2,829,027	2,874,006	\$ 44,979	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	556,987	729,599	172,612
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	(19,856)	(19,856)	-	-	-
Total Revenues	2,829,027	2,854,150	25,123	556,987	729,599	172,612
EXPENDITURES						
Current						
General Government	-	-	-	391,558	395,535	(3,977)
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	38,000	34,022	3,978
Total Expenditures	-	-	-	429,558	429,557	1
Excess (Deficiency) of Revenue Over Expenditures	2,829,027	2,854,150	25,123	127,429	300,042	172,613
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(2,871,260)	(2,871,260)	-	(174,645)	(174,645)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,871,260)	(2,871,260)	-	(174,645)	(174,645)	-
Excess (Deficiency) of Revenue Over Expenditures	(42,233)	(17,110)	25,123	(47,216)	125,397	172,613
Fund Balance, June 30, 2009	(520,523)	(520,523)	-	172,982	172,982	-
Fund Balance, June 30, 2010	\$ (562,756)	\$ (537,633)	\$ 25,123	\$ 125,766	\$ 298,379	\$ 172,613

Continued

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, 2010

	Drug Forfeiture			Building Division		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	805,491	991,386	185,895
Intergovernmental	-	-	-	-	440	440
Charges for Services	-	-	-	-	1,232	1,232
Fines and Forfeitures	28,000	30,291	2,291	-	-	-
Miscellaneous	-	-	-	-	160	160
Interest	-	-	-	-	(4,335)	(4,335)
Total Revenues	28,000	30,291	2,291	805,491	988,883	183,392
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	63,000	28,179	34,821	868,391	840,885	27,506
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	17,521	52,342	(34,821)	2,100	1,152	948
Total Expenditures	80,521	80,521	-	870,491	842,037	28,454
Excess (Deficiency) of Revenue Over Expenditures	(52,521)	(50,230)	2,291	(65,000)	146,846	211,846
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(52,521)	(50,230)	2,291	(65,000)	146,846	211,846
Fund Balance, June 30, 2009	59,070	59,070	-	175,328	175,328	-
Fund Balance, June 30, 2010	\$ 6,549	\$ 8,840	\$ 2,291	\$ 110,328	\$ 322,174	\$ 211,846

Continued

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, 2010

	Program Income			Revolving Loan Program		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	224	224	5,000	-	(5,000)
Interest	-	(358)	(358)	-	286	286
Total Revenues	-	(134)	(134)	5,000	286	(4,714)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	3,600	-	3,600	49,000	9,000	40,000
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	3,600	-	3,600	49,000	9,000	40,000
Excess (Deficiency) of Revenue Over Expenditures	(3,600)	(134)	3,466	(44,000)	(8,714)	35,286
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(3,600)	(134)	3,466	(44,000)	(8,714)	35,286
Fund Balance, June 30, 2009	2,253	2,253	-	48,839	48,839	-
Fund Balance, June 30, 2010	\$ (1,347)	\$ 2,119	\$ 3,466	\$ 4,839	\$ 40,125	\$ 35,286

Continued

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, 2010

	Street Lighting			Street Maintenance		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	361,378	306,808	(54,570)	48,569	48,753	184
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	361,378	306,808	(54,570)	48,569	48,753	184
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	361,378	297,597	63,781	-	14,675	(14,675)
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	361,378	297,597	63,781	-	14,675	(14,675)
Excess (Deficiency) of Revenue Over Expenditures	-	9,211	9,211	48,569	34,078	(14,491)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(48,569)	(31,113)	17,456
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(48,569)	(31,113)	17,456
Excess (Deficiency) of Revenue Over Expenditures	-	9,211	9,211	-	2,965	2,965
Fund Balance, June 30, 2009	255,790	255,790	-	(8,347)	(8,347)	-
Fund Balance, June 30, 2010	\$ 255,790	\$ 265,001	\$ 9,211	\$ (8,347)	\$ (5,382)	\$ 2,965

Continued

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, 2010

	Russell Park Maintenance			Willowwood Park Maintenance		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	3,380	3,383	3	3,866	3,866	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	3,380	3,383	3	3,866	3,866	-
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	3,380	3,383	3	3,866	3,866	-
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(3,380)	(3,380)	-	(3,866)	(3,866)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,380)	(3,380)	-	(3,866)	(3,866)	-
Excess (Deficiency) of Revenue Over Expenditures	-	3	3	-	-	-
Fund Balance, June 30, 2009	(2,478)	(2,478)	-	43	43	-
Fund Balance, June 30, 2010	\$ (2,478)	\$ (2,475)	3	\$ 43	\$ 43	-

Continued

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, 2010

	State Gas Tax			Crime Victim Surcharge		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,065,723	1,092,946	27,223	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	67	67
Total Revenues	1,065,723	1,092,946	27,223	-	67	67
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	5,000	252	4,748	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	461,030	385,628	75,402	-	-	-
Total Expenditures	466,030	385,880	80,150	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	599,693	707,066	107,373	-	67	67
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(599,693)	(625,077)	(25,384)	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(599,693)	(625,077)	(25,384)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	81,989	81,989	-	67	67
Fund Balance, June 30, 2009	51,284	51,284	-	1,564	1,564	-
Fund Balance, June 30, 2010	\$ 51,284	\$ 133,273	\$ 81,989	\$ 1,564	\$ 1,631	\$ 67

Continued

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, 2010

	Law Enforcement Grant			HIDTA Grant		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	290,883	167,111	(123,772)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	214,906	214,906
Miscellaneous	-	-	-	-	-	-
Interest	-	(466)	(466)	-	6,024	6,024
Total Revenues	290,883	166,645	(124,238)	-	220,930	220,930
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	160,164	135,711	24,453	603,292	56,054	547,238
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	130,719	32,852	97,867	-	-	-
Total Expenditures	290,883	168,563	122,320	603,292	56,054	547,238
Excess (Deficiency) of Revenue Over Expenditures	-	(1,918)	(1,918)	(603,292)	164,876	768,168
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(1,918)	(1,918)	(603,292)	164,876	768,168
Fund Balance, June 30, 2009	(1,076)	(1,076)	-	635,356	635,356	-
Fund Balance, June 30, 2010	\$ (1,076)	\$ (2,994)	\$ (1,918)	\$ 32,064	\$ 800,232	\$ 768,168

Continued

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, 2010

	Community Development Program Income			Community Development		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	7,940	12,579	4,639	1,923,348	1,289,339	(634,009)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	155	155	-	-	-
Total Revenues	7,940	12,734	4,794	1,923,348	1,289,339	(634,009)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	15,940	-	15,940	1,923,348	1,306,247	617,101
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	15,940	-	15,940	1,923,348	1,306,247	617,101
Excess (Deficiency) of Revenue Over Expenditures	(8,000)	12,734	20,734	-	(16,908)	(16,908)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	26,458	26,458
Operating Transfers Out	-	(26,459)	(26,459)	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(26,459)	(26,459)	-	26,458	26,458
Excess (Deficiency) of Revenue Over Expenditures	(8,000)	(13,725)	(5,725)	-	9,550	9,550
Fund Balance, June 30, 2009	16,474	16,474	-	(8,857)	(8,857)	-
Fund Balance, June 30, 2010	\$ 8,474	\$ 2,749	\$ (5,725)	\$ (8,857)	\$ 693	\$ 9,550

Continued

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, 2010

	Home Grant			Neighborhood Stabilization Program		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	349,744	364,131	14,387	5,000,000	2,335,941	(2,664,059)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	349,744	364,131	14,387	5,000,000	2,335,941	(2,664,059)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	349,744	339,131	10,613	5,000,000	2,335,941	2,664,059
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	349,744	339,131	10,613	5,000,000	2,335,941	2,664,059
Excess (Deficiency) of Revenue Over Expenditures	-	25,000	25,000	-	-	-
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	25,000	25,000	-	-	-
Fund Balance, June 30, 2009	27,185	27,185	-	-	-	-
Fund Balance, June 30, 2010	\$ 27,185	\$ 52,185	\$ 25,000	\$ -	\$ -	\$ -

Continued

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, 2010

	Federal Transportation			Grants & Donations		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ 1,285,533	\$ -	\$ (1,285,533)	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,139,672	554,806	(584,866)	1,593,733	888,072	(705,661)
Charges for Services	-	-	-	20,367	1,369	(18,998)
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	346,050	167,133	(178,917)	86,739	3,145	(83,594)
Interest	-	-	-	-	-	-
Total Revenues	2,771,255	721,939	(2,049,316)	1,700,839	892,586	(808,253)
EXPENDITURES						
Current						
General Government	-	-	-	9,333	-	9,333
Public Safety	-	-	-	587,237	716,958	(129,721)
Public Works	-	-	-	22,990	9,943	13,047
Culture and Recreation	-	-	-	10,036	-	10,036
Community Development	-	-	-	629,338	27,357	601,981
Conservation of Natural Resources	-	-	-	129,592	7,757	121,835
Capital Outlay	3,080,255	537,760	2,542,495	323,527	73,621	249,906
Total Expenditures	3,080,255	537,760	2,542,495	1,712,053	835,636	876,417
Excess (Deficiency) of Revenue Over Expenditures	(309,000)	184,179	493,179	(11,214)	56,950	68,164
Other Financing Sources (Uses)						
Operating Transfers In	309,000	25,384	(283,616)	-	4,675	4,675
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	309,000	25,384	(283,616)	-	4,675	4,675
Excess (Deficiency) of Revenue Over Expenditures	-	209,563	209,563	(11,214)	61,625	72,839
Fund Balance, June 30, 2009	(18,407)	(18,407)	-	402,498	402,498	-
Fund Balance, June 30, 2010	\$ (18,407)	\$ 191,156	\$ 209,563	\$ 391,284	\$ 464,123	\$ 72,839

NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

DEBT SERVICE

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, 2010

	SID Revolving			1998 Safety Bonds		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,313	\$ 1,313
Special Assessments	90,000	28,931	(61,069)	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	4,951	4,951	-	(26)	(26)
Total Revenues	90,000	33,882	(56,118)		1,287	1,287
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-		-	-
Excess (Deficiency) of Revenue Over Expenditures	90,000	33,882	(56,118)	-	1,287	1,287
Other Financing Sources (Uses)						
Operating Transfers In	99,882	7,350	(92,532)	-	-	-
Operating Transfers Out	(175,000)	(109,624)	65,376	-	-	-
Total Other Financing Sources (Uses)	(75,118)	10,820	85,938		-	-
Excess (Deficiency) of Revenue Over Expenditures	14,882	44,702	29,820	-	1,287	1,287
Fund Balance, June 30, 2009	719,399	719,399	-	(4,774)	(4,774)	-
Fund Balance, June 30, 2010	\$ 734,281	\$ 764,101	\$ 29,820	\$ (4,774)	\$ (3,487)	\$ 1,287

Continued

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, 2010

	1996 Open Space			1997 Open Space		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ 1,965	\$ 1,965	\$ -	\$ 1,147	\$ 1,147
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	6	6	-	2,525	2,525
Total Revenues	-	1,971	1,971	-	3,672	3,672
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures		1,971	1,971		3,672	3,672
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(626)	(626)	-	(51,623)	(51,623)	-
Total Other Financing Sources (Uses)	(626)	(626)	-	(51,623)	(51,623)	-
Excess (Deficiency) of Revenue Over Expenditures	(626)	1,345	1,971	(51,623)	(47,951)	3,672
Fund Balance, June 30, 2009	442	442	-	51,623	51,623	-
Fund Balance, June 30, 2010	\$ (184)	\$ 1,787	\$ 1,971	\$ -	\$ 3,672	\$ 3,672

Continued

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, 2010

	1994 City Hall & Fire Bonds			1993 Fire Bonds			Variance - Over (Under)
			Variance - Over (Under)			Variance - Over (Under)	
	Budget	Actual		Budget	Actual		
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Investment Earnings	-	2	2	-	2	2	2
Total Revenues	-	2	2	-	2	2	2
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	2	2	-	2	2	2
Other Financing Sources (Uses)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	(286)	(286)	-	(505)	(505)	-	-
Total Other Financing Sources (Uses)	(286)	(286)	-	(505)	(505)	-	-
Excess (Deficiency) of Revenue Over Expenditures	(286)	(284)	2	(505)	(503)	2	2
Fund Balance, June 30, 2009	286	286	-	506	506	-	-
Fund Balance, June 30, 2010	\$ -	\$ 2	\$ 2	\$ 1	\$ 3	\$ 2	-

Continued

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, 2010

	2004 Aquatics Bonds			2004 Refunding Bonds		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ 606,645	\$ 615,131	\$ 8,486	\$ 259,960	\$ 272,968	\$ 13,008
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	644	644	-	(18)	(18)
Total Revenues	606,645	615,775	9,130	259,960	272,950	12,990
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	606,675	606,674	1	259,990	259,990	-
Total Expenditures	606,675	606,674	1	259,990	259,990	-
Excess (Deficiency) of Revenue Over Expenditures	(30)	9,101	9,131	(30)	12,960	12,990
Other Financing Sources (Uses)						
Operating Transfers In	-	11,576	11,576	-	12,080	12,080
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	11,576	11,576	-	12,080	12,080
Excess (Deficiency) of Revenue Over Expenditures	(30)	20,677	20,707	(30)	25,040	25,070
Fund Balance, June 30, 2009	(11,546)	(11,546)	-	(11,612)	(11,612)	-
Fund Balance, June 30, 2010	\$ (11,576)	\$ 9,131	\$ 20,707	\$ (11,642)	\$ 13,428	\$ 25,070

Continued

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, 2010

	New Fire Station GO			2007 Refunding Bonds		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ 434,113	\$ 438,678	\$ 4,565	\$ 527,565	\$ 528,684	\$ 1,119
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	903	903	-	369	369
Total Revenues	434,113	439,581	5,468	527,565	529,053	1,488
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	503,817	434,192	69,625	527,644	527,644	-
Total Expenditures	503,817	434,192	69,625	527,644	527,644	-
Excess (Deficiency) of Revenue Over Expenditures	(69,704)	5,389	75,093	(79)	1,409	1,488
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	99,009	99,009
Operating Transfers Out	-	(69,625)	(69,625)	-	-	-
Total Other Financing Sources (Uses)	-	(69,625)	(69,625)	-	99,009	99,009
Excess (Deficiency) of Revenue Over Expenditures	(69,704)	(64,236)	5,468	(79)	100,418	100,497
Fund Balance, June 30, 2009	70,688	70,688	-	(97,593)	(97,593)	-
Fund Balance, June 30, 2010	\$ 984	\$ 6,452	\$ 5,468	\$ (97,672)	\$ 2,825	\$ 100,497

Continued

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, 2010

	Sidewalk & Curb			FY99 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	8,540	8,540	34,261	31,024	(3,237)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(224)	(224)	-	41	41
Total Revenues	-	8,316	8,316	34,261	31,065	(3,196)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	85,920	106,809	(20,889)	27,575	27,575	-
Total Expenditures	85,920	106,809	(20,889)	27,575	27,575	-
Excess (Deficiency) of Revenue Over Expenditures	(85,920)	(98,493)	(12,573)	6,686	3,490	(3,196)
Other Financing Sources (Uses)						
Operating Transfers In	-	39,770	39,770	-	-	-
Operating Transfers Out	(96,399)	-	96,399	-	-	-
Total Other Financing Sources (Uses)	(96,399)	39,770	136,169	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(182,319)	(58,723)	123,596	6,686	3,490	(3,196)
Fund Balance, June 30, 2009	58,820	58,820	-	(761)	(761)	-
Fund Balance, June 30, 2010	\$ (123,499)	\$ 97	\$ 123,596	\$ 5,925	\$ 2,729	\$ (3,196)

Continued

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, 2010

	FY00 Sidewalk & Curb			FY01 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	97,947	36,993	(60,954)	39,608	17,324	(22,284)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	86	86	-	272	272
Total Revenues	97,947	37,079	(60,868)	39,608	17,596	(22,012)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	40,915	40,870	45	18,025	18,025	-
Total Expenditures	40,915	40,870	45	18,025	18,025	-
Excess (Deficiency) of Revenue Over Expenditures	57,032	(3,791)	(60,823)	21,583	(429)	(22,012)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	57,032	(3,791)	(60,823)	21,583	(429)	(22,012)
Fund Balance, June 30, 2009	4,538	4,538	-	36,290	36,290	-
Fund Balance, June 30, 2010	\$ 61,570	\$ 747	\$ (60,823)	\$ 57,873	\$ 35,861	\$ (22,012)

Continued

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, 2010

	FY02 Sidewalk & Curb			FY03 Sidewalk & Curb		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	52,433	45,797	(6,636)	101,659	90,897	(10,762)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	228	228	-	(16)	(16)
Total Revenues	52,433	46,025	(6,408)	101,659	90,881	(10,778)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	48,755	48,585	170	94,189	94,067	122
Total Expenditures	48,755	48,585	170	94,189	94,067	122
Excess (Deficiency) of Revenue Over Expenditures	3,678	(2,560)	(6,238)	7,470	(3,186)	(10,656)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	3,678	(2,560)	(6,238)	7,470	(3,186)	(10,656)
Fund Balance, June 30, 2009	25,350	25,350	-	(29,431)	(29,431)	-
Fund Balance, June 30, 2010	\$ 29,028	\$ 22,790	\$ (6,238)	\$ (21,961)	\$ (32,617)	\$ (10,656)

Continued

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, 2010

	FY04 Sidewalk & Curb			FY05 Sidewalk & Curb		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	98,586	89,803	(8,783)	107,283	92,848	(14,435)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	358	358	-	3,524	3,524
Total Revenues	98,586	90,161	(8,425)	107,283	96,372	(10,911)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	92,099	92,099	-	99,570	99,570	-
Total Expenditures	92,099	92,099	-	99,570	99,570	-
Excess (Deficiency) of Revenue Over Expenditures	6,487	(1,938)	(8,425)	7,713	(3,198)	(10,911)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	6,487	(1,938)	(8,425)	7,713	(3,198)	(10,911)
Fund Balance, June 30, 2009	36,149	36,149	-	88,876	88,876	-
Fund Balance, June 30, 2010	\$ 42,636	\$ 34,211	\$ (8,425)	\$ 96,589	\$ 85,678	\$ (10,911)

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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, 2010

	FY06 Sidewalk & Curb			FY07 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	174,448	153,623	(20,825)	116,540	111,127	(5,413)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	6,296	6,296	-	3,129	3,129
Total Revenues	174,448	159,919	(14,529)	116,540	114,256	(2,284)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	160,388	160,388	-	113,769	113,769	-
Total Expenditures	160,388	160,388	-	113,769	113,769	-
Excess (Deficiency) of Revenue Over Expenditures	14,060	(469)	(14,529)	2,771	487	(2,284)
Other Financing Sources (Uses)						
Operating Transfers In	-	25,872	25,872	-	9,038	9,038
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	25,872	25,872	-	9,038	9,038
Excess (Deficiency) of Revenue Over Expenditures	14,060	25,403	11,343	2,771	9,525	6,754
Fund Balance, June 30, 2009	140,942	140,942	-	63,723	63,723	-
Fund Balance, June 30, 2010	\$ 155,002	\$ 166,345	\$ 11,343	\$ 66,494	\$ 73,248	\$ 6,754

Continued

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, 2010

	FY08 Sidewalk & Curb			FY09 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	70,500	77,550	7,050	86,250	87,065	815
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	103	103	-	302	302
Total Revenues	70,500	77,653	7,153	86,250	87,367	1,117
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	70,417	70,417	-	86,250	82,593	3,657
Total Expenditures	70,417	70,417	-	86,250	82,593	3,657
Excess (Deficiency) of Revenue Over Expenditures	83	7,236	7,153	-	4,774	4,774
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	47,234	47,234
Operating Transfers Out	(3,090)	(3,090)	-	-	-	-
Total Other Financing Sources (Uses)	(3,090)	(3,090)	-	-	51,866	51,866
Excess (Deficiency) of Revenue Over Expenditures	(3,007)	4,146	7,153	-	56,640	56,640
Fund Balance, June 30, 2009	(5,872)	(5,872)	-	-	-	-
Fund Balance, June 30, 2010	\$ (8,879)	\$ (1,726)	\$ 7,153	\$ -	\$ 56,640	\$ 56,640

Continued

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, 2010

	SID 495			SID 497		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1	1	-	22	22
Total Revenues	-	1	1	-	22	22
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	1	1	-	22	22
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(221)	-	221	(3,621)	-	3,621
Total Other Financing Sources (Uses)	(221)	-	221	(3,621)	-	3,621
Excess (Deficiency) of Revenue Over Expenditures	(221)	1	222	(3,621)	22	3,643
Fund Balance, June 30, 2009	223	223	-	3,904	3,904	-
Fund Balance, June 30, 2010	\$ 2	\$ 224	\$ 222	\$ 283	\$ 3,926	\$ 3,643

Continued

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, 2010

	SID 498			SID 501		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	118,264	115,136	(3,128)	45,200	39,453	(5,747)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	5,765	5,765	-	581	581
Total Revenues	118,264	120,901	2,637	45,200	40,034	(5,166)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	101,460	101,460	-	28,980	28,620	360
Total Expenditures	101,460	101,460	-	28,980	28,620	360
Excess (Deficiency) of Revenue Over Expenditures	16,804	19,441	2,637	16,220	11,414	(4,806)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(390)	-	390	-	-	-
Total Other Financing Sources (Uses)	(390)	-	390	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	16,414	19,441	3,027	16,220	11,414	(4,806)
Fund Balance, June 30, 2009	182,658	182,658	-	91,486	91,486	-
Fund Balance, June 30, 2010	\$ 199,072	\$ 202,099	\$ 3,027	\$ 107,706	\$ 102,900	\$ (4,806)

Continued

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, 2010

	SID 503			SID 505		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	12,096	11,979	(117)	13,827	-	(13,827)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	158	158	-	77	77
Total Revenues	12,096	12,137	41	13,827	77	(13,750)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	11,660	11,660	-	-	-	-
Total Expenditures	11,660	11,660	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	436	477	41	13,827	77	(13,750)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	436	477	41	13,827	77	(13,750)
Fund Balance, June 30, 2009	25,291	25,291	-	12,819	12,819	-
Fund Balance, June 30, 2010	\$ 25,727	\$ 25,768	\$ 41	\$ 26,646	\$ 12,896	\$ (13,750)

Continued

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, 2010

	SID 506			SID 507		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments		2,387			4,671	
Miscellaneous		-	-		-	-
Investment Earnings		-	8		44	44
Total Revenues	2,387	8	(2,379)	4,671	44	(4,627)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,387	8	(2,379)	4,671	44	(4,627)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,387	8	(2,379)	4,671	44	(4,627)
Fund Balance, June 30, 2009	1,374	1,374	-	7,303	7,303	-
Fund Balance, June 30, 2010	\$ 3,761	\$ 1,382	\$ (2,379)	\$ 11,974	\$ 7,347	\$ (4,627)

Continued

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, 2010

	SID 508			SID 510		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	283	247	(36)	16,855	14,621	(2,234)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	6	6	-	3,270	3,270
Total Revenues	283	253	(30)	16,855	17,891	1,036
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	283	253	(30)	16,855	17,891	1,036
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	283	253	(30)	16,855	17,891	1,036
Fund Balance, June 30, 2009	843	843	-	109,915	109,915	-
Fund Balance, June 30, 2010	\$ 1,126	\$ 1,096	\$ (30)	\$ 126,770	\$ 127,806	\$ 1,036

Continued

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, 2010

	SID 511			SID 512		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	16,719	14,526	(2,193)	124,282	110,425	(13,857)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	158	158	-	7,885	7,885
Total Revenues	16,719	14,684	(2,035)	124,282	118,310	(5,972)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	14,480	14,480	-	170,359	170,359	-
Total Expenditures	14,480	14,480	-	170,359	170,359	-
Excess (Deficiency) of Revenue Over Expenditures	2,239	204	(2,035)	(46,077)	(52,049)	(5,972)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,239	204	(2,035)	(46,077)	(52,049)	(5,972)
Fund Balance, June 30, 2009	25,950	25,950	-	225,958	225,958	-
Fund Balance, June 30, 2010	\$ 28,189	\$ 26,154	\$ (2,035)	\$ 179,881	\$ 173,909	\$ (5,972)

Continued

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, 2010

	SID 513			SID 514		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	13,169	10,740	(2,429)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	103	103	-	531	531
Total Revenues	-	103	103	13,169	11,271	(1,898)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	3,320	261	3,059	21,038	21,038	-
Total Expenditures	3,320	261	3,059	21,038	21,038	-
Excess (Deficiency) of Revenue Over Expenditures	(3,320)	(158)	3,162	(7,869)	(9,767)	(1,898)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	13,851	13,851
Operating Transfers Out	(26,593)	(29,651)	(3,058)	-	-	-
Total Other Financing Sources (Uses)	(26,593)	(29,651)	(3,058)	-	13,851	13,851
Excess (Deficiency) of Revenue Over Expenditures	(29,913)	(29,809)	104	(7,869)	4,084	11,953
Fund Balance, June 30, 2009	29,981	29,981	-	79,360	79,360	-
Fund Balance, June 30, 2010	\$ 68	\$ 172	\$ 104	\$ 71,491	\$ 83,444	\$ 11,953

Continued

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, 2010

	SID 515			SID 517		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	4,866	6,477	1,611
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(55)	(55)	-	48	48
Total Revenues	-	(55)	(55)	4,866	6,525	1,659
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	795	63	732	7,098	7,098	-
Total Expenditures	795	63	732	7,098	7,098	-
Excess (Deficiency) of Revenue Over Expenditures	(795)	(118)	(787)	(2,232)	(573)	1,659
Other Financing Sources (Uses)						
Operating Transfers In	-	15,800	15,800	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	15,800	15,800	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(795)	15,682	15,013	(2,232)	(573)	1,659
Fund Balance, June 30, 2009	(15,773)	(15,773)	-	6,503	6,503	-
Fund Balance, June 30, 2010	\$ (16,568)	\$ (91)	\$ 15,013	\$ 4,271	\$ 5,930	\$ 1,659

Continued

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, 2010

	SID 518			SID 519		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,106	1,572	(534)	7,476	6,896	(580)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	37	37	-	81	81
Total Revenues	2,106	1,609	(497)	7,476	6,977	(499)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	3,042	3,042	-	8,500	8,500	-
Total Expenditures	3,042	3,042	-	8,500	8,500	-
Excess (Deficiency) of Revenue Over Expenditures	(936)	(1,433)	(497)	(1,024)	(1,523)	(499)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(936)	(1,433)	(497)	(1,024)	(1,523)	(499)
Fund Balance, June 30, 2009	5,643	5,643	-	11,628	11,628	-
Fund Balance, June 30, 2010	\$ 4,707	\$ 4,210	\$ (497)	\$ 10,604	\$ 10,105	\$ (499)

Continued

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, 2010

	SID 520			SID 521		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	151,274	165,904	14,630	568	-	(568)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	832	832	-	29	29
Total Revenues	151,274	166,736	15,462	568	29	(539)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	160,080	160,080	-	774	773	1
Total Expenditures	160,080	160,080	-	774	773	1
Excess (Deficiency) of Revenue Over Expenditures	(8,806)	6,656	15,462	(206)	(744)	(538)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(8,806)	6,656	15,462	(206)	(744)	(538)
Fund Balance, June 30, 2009	142,682	142,682	-	4,861	4,861	-
Fund Balance, June 30, 2010	\$ 133,876	\$ 149,338	\$ 15,462	\$ 4,655	\$ 4,117	\$ (538)

Continued

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, 2010

	SID 522			SID 525		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	915	-	(915)	44,327	42,754	(1,573)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	29	29	-	6,094	6,094
Total Revenues	915	29	(886)	44,327	48,848	4,521
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	1,117	1,117	-	44,320	42,320	2,000
Total Expenditures	1,117	1,117	-	44,320	42,320	2,000
Excess (Deficiency) of Revenue Over Expenditures	(202)	(1,088)	(886)	7	6,528	6,521
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(202)	(1,088)	(886)	7	6,528	6,521
Fund Balance, June 30, 2009	4,977	4,977	-	202,766	202,766	-
Fund Balance, June 30, 2010	\$ 4,775	\$ 3,889	\$ (886)	\$ 202,773	\$ 209,294	\$ 6,521

Continued

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, 2010

	SID 526			SID 527		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	183,102	168,711	(14,391)	3,846	3,281	(565)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	12,743	12,743	-	28	28
Total Revenues	183,102	181,454	(1,648)	3,846	3,309	(537)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	181,520	181,520	-	3,428	3,356	72
Total Expenditures	181,520	181,520	-	3,428	3,356	72
Excess (Deficiency) of Revenue Over Expenditures	1,582	(66)	(1,648)	418	(47)	(465)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	1,582	(66)	(1,648)	418	(47)	(465)
Fund Balance, June 30, 2009	412,398	412,398	-	7,361	7,361	-
Fund Balance, June 30, 2010	\$ 413,980	\$ 412,332	\$ (1,648)	\$ 7,779	\$ 7,314	\$ (465)

Continued

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, 2010

	SID 530			SID 531		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	829	608	(221)	4,230	5,953	1,723
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	27	27	-	91	91
Total Revenues	829	635	(194)	4,230	6,044	1,814
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	877	812	65	-	-	-
Total Expenditures	877	812	65	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(48)	(177)	(129)	4,230	6,044	1,814
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	13,602	13,602
Operating Transfers Out	-	-	-	(34,700)	(34,700)	-
Total Other Financing Sources (Uses)	-	-	-	(34,700)	(21,098)	13,602
Excess (Deficiency) of Revenue Over Expenditures	(48)	(177)	(129)	(30,470)	(15,054)	15,416
Fund Balance, June 30, 2009	5,034	5,034	-	15,431	15,431	-
Fund Balance, June 30, 2010	\$ 4,986	\$ 4,857	\$ (129)	\$ (15,039)	\$ 377	\$ 15,416

Continued

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, 2010

	SID 532			SID 533		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	53,272	54,624	1,352	19,241	16,125	(3,116)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	323	323	-	239	239
Total Revenues	53,272	54,947	1,675	19,241	16,364	(2,877)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	50,072	50,072	-	17,744	17,744	-
Total Expenditures	50,072	50,072	-	17,744	17,744	-
Excess (Deficiency) of Revenue Over Expenditures	3,200	4,875	1,675	1,497	(1,380)	(2,877)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	3,200	4,875	1,675	1,497	(1,380)	(2,877)
Fund Balance, June 30, 2009	40,786	40,786	-	39,986	39,986	-
Fund Balance, June 30, 2010	\$ 43,986	\$ 45,661	\$ 1,675	\$ 41,483	\$ 38,606	\$ (2,877)

Continued

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, 2010

	SID 534			SID 535		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	23,505	24,560	1,055	7,019	8,367	1,348
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	166	166	-	120	120
Total Revenues	23,505	24,726	1,221	7,019	8,487	1,468
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	18,419	18,419	-	-	-	-
Total Expenditures	18,419	18,419	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	5,086	6,307	1,221	7,019	8,487	1,468
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	19,784	19,784
Operating Transfers Out	-	-	-	(47,800)	(47,800)	-
Total Other Financing Sources (Uses)	-	-	-	(47,800)	(28,016)	19,784
Excess (Deficiency) of Revenue Over Expenditures	5,086	6,307	1,221	(40,781)	(19,529)	21,252
Fund Balance, June 30, 2009	25,485	25,485	-	19,795	19,795	-
Fund Balance, June 30, 2010	\$ 30,571	\$ 31,792	\$ 1,221	\$ (20,986)	\$ 266	\$ 21,252

Continued

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, 2010

	SID 536			SID 539		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	40,531	34,709	(5,822)	2,547	2,097	(450)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	385	385	-	50	50
Total Revenues	40,531	35,094	(5,437)	2,547	2,147	(400)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	30,513	30,512	1	14,100	-	14,100
Total Expenditures	30,513	30,512	1	14,100	-	14,100
Excess (Deficiency) of Revenue Over Expenditures	10,018	4,582	(5,436)	(11,553)	2,147	13,700
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	3,468	3,468
Operating Transfers Out	-	-	-	-	(14,100)	(14,100)
Total Other Financing Sources (Uses)	-	-	-	-	(10,632)	(10,632)
Excess (Deficiency) of Revenue Over Expenditures	10,018	4,582	(5,436)	(11,553)	(8,485)	3,068
Fund Balance, June 30, 2009	61,525	61,525	-	8,623	8,623	-
Fund Balance, June 30, 2010	\$ 71,543	\$ 66,107	\$ (5,436)	\$ (2,930)	\$ 138	\$ 3,068

Continued

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, 2010

	SID 540			SID 541		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	119,068	156,118	37,050	61,620	110,171	48,551
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	3,190	3,190	-	223	223
Total Revenues	119,068	159,308	40,240	61,620	110,394	48,774
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	119,332	119,332	-	61,620	61,620	-
Total Expenditures	119,332	119,332	-	61,620	61,620	-
Excess (Deficiency) of Revenue Over Expenditures	(264)	39,976	40,240	-	48,774	48,774
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	846	846
Excess (Deficiency) of Revenue Over Expenditures	(264)	39,976	40,240	-	49,620	49,620
Fund Balance, June 30, 2009	123,835	123,835	-	-	-	-
Fund Balance, June 30, 2010	\$ 123,571	\$ 163,811	\$ 40,240	\$ -	\$ 49,620	\$ 49,620

Continued

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, 2010

	SID 543		
	Budget	Actual	Variance - Over (Under)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Special Assessments	26,950	11,344	(15,606)
Miscellaneous	-	-	-
Investment Earnings	-	113	113
Total Revenues	26,950	11,457	(15,493)
EXPENDITURES			
General Government	-	-	-
Debt Service	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	26,950	11,457	(15,493)
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers Out	(26,950)	(26,950)	-
Total Other Financing Sources (Uses)	(26,950)	(26,950)	-
Excess (Deficiency) of Revenue Over Expenditures	-	(15,493)	(15,493)
Fund Balance, June 30, 2009	16,059	16,059	-
Fund Balance, June 30, 2010	\$ 16,059	\$ 566	\$ (15,493)

NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

CAPITAL PROJECT FUNDS

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, 2010

	1997 Open Space			New Fire Station GO Bond		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	39,000	39,000	-
Investment Earnings	-	-	-	-	1,357	1,357
Total Revenues	-	-	-	39,000	40,357	1,357
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	382,312	-	382,312	462,337	97,449	364,888
Total Expenditures	382,312	-	382,312	462,337	97,449	364,888
Excess(Deficiency) of Revenue						
Over Expenditures	(382,312)	-	382,312	(423,337)	(57,092)	366,245
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(382,312)	-	382,312	(423,337)	(57,092)	366,245
Fund Balance, June 30, 2009	382,102	382,102	-	192,656	192,656	-
Fund Balance, June 30, 2010	\$ (210)	\$ 382,102	\$ 382,312	\$ (230,681)	\$ 135,564	\$ 366,245

Continued

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, 2010

	06 Sidewalk & Curb			07 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	90	90	-	31	31
Total Revenues	-	90	90	-	31	31
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	90	90	-	31	31
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(25,872)	(25,872)	-	(9,038)	(9,038)	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	(25,872)	(25,872)	-	(9,038)	(9,038)	-
Excess(Deficiency) of Revenues						
Over Expenditures	(25,872)	(25,782)	90	(9,038)	(9,007)	31
Fund Balance, June 30, 2009	25,931	25,931	-	9,059	9,059	-
Fund Balance, June 30, 2010	\$ 59	\$ 149	\$ 90	\$ 21	\$ 52	\$ 31

Continued

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, 2010

	08 Sidewalk & Curb			09 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(11)	(11)	-	1,122	1,122
Total Revenues	-	(11)	(11)	-	1,122	1,122
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	8,430	(8,430)
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	21,240	21,240	-
Total Expenditures	-	-	-	21,240	29,670	(8,430)
Excess(Deficiency) of Revenue						
Over Expenditures	-	(11)	(11)	(21,240)	(28,548)	(7,308)
Other Financing Sources (Uses)						
Operating Transfers In	-	3,090	3,090	-	-	-
Operating Transfers Out	-	-	-	(47,234)	(47,234)	-
Issuance of Long Term Debt	-	-	-	68,474	608,118	539,644
Total Other Financing Sources(Uses)	-	3,090	3,090	21,240	560,884	539,644
Excess(Deficiency) of Revenues						
Over Expenditures	-	3,079	3,079	-	532,336	532,336
Fund Balance, June 30, 2009	(3,097)	(3,097)	-	(532,434)	(532,434)	-
Fund Balance, June 30, 2010	\$ (3,097)	\$ (18)	\$ 3,079	\$ (532,434)	\$ (98)	\$ 532,336

Continued

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, 2010

	10 Sidewalk & Curb			11 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	338,653	338,653	-	-	-
Investment Earnings	-	(6,069)	(6,069)	-	(39)	(39)
Total Revenues	-	332,584	332,584	-	(39)	(39)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	756,851	756,851	-	177,592	129,151	48,441
Total Expenditures	756,851	756,851	-	177,592	129,151	48,441
Excess(Deficiency) of Revenue						
Over Expenditures	(756,851)	(424,267)	332,584	(177,592)	(129,190)	48,402
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	756,851	-	(756,851)	177,592	-	(177,592)
Total Other Financing Sources(Uses)	756,851	-	(756,851)	177,592	-	(177,592)
Excess(Deficiency) of Revenues						
Over Expenditures	-	(424,267)	(424,267)	-	(129,190)	(129,190)
Fund Balance, June 30, 2009	(380,270)	(380,270)	-	-	-	-
Fund Balance, June 30, 2010	\$ (380,270)	\$ (804,537)	\$ (424,267)	\$ -	\$ (129,190)	\$ (129,190)

Continued

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, 2010

	SID 530			SID 531		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	(223)	(223)
Total Revenues	-	-	-	-	(223)	(223)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	4,222	4,222	-
Total Expenditures	-	-	-	4,222	4,222	-
Excess(Deficiency) of Revenue Over Expenditures	-	-	-	(4,222)	(4,445)	(223)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	34,700	34,700
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	34,700	34,700
Excess(Deficiency) of Revenues Over Expenditures	-	-	-	(4,222)	30,255	34,477
Fund Balance, June 30, 2009	(115)	(115)	-	(43,954)	(43,954)	-
Fund Balance, June 30, 2010	\$ (115)	\$ (115)	\$ -	\$ (48,176)	\$ (13,699)	\$ 34,477

Continued

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, 2010

	SID 532			SID 533		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	236	236	-	(40)	(40)
Total Revenues	-	236	236	-	(40)	(40)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	236	236	-	(40)	(40)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	-	236	236	-	(40)	(40)
Fund Balance, June 30, 2009	39,064	39,064	-	(6,653)	(6,653)	-
Fund Balance, June 30, 2010	\$ 39,064	\$ 39,300	\$ 236	\$ (6,653)	\$ (6,693)	\$ (40)

Continued

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, 2010

	SID 534			SID 535		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	216	216	-	(342)	(342)
Total Revenues	-	216	216	-	(342)	(342)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	4,744	4,744	-
Total Expenditures	-	-	-	4,744	4,744	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	216	216	(4,744)	(5,086)	(342)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	47,800	47,800
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	47,800	47,800
Excess(Deficiency) of Revenues						
Over Expenditures	-	216	216	(4,744)	42,714	47,458
Fund Balance, June 30, 2009	8,226	8,226	-	(67,075)	(67,075)	-
Fund Balance, June 30, 2010	\$ 8,226	\$ 8,442	\$ 216	\$ (71,819)	\$ (24,361)	\$ 47,458

Continued

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, 2010

	SID 536			SID 538		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	13	13	-	(18)	(18)
Total Revenues	-	13	13	-	(18)	(18)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	13	13	-	(18)	(18)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	4,984	4,984	
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	2,475	-	(2,475)	-	-	-
Total Other Financing Sources(Uses)	2,475	-	(2,475)	-	4,984	4,984
Excess(Deficiency) of Revenues						
Over Expenditures	2,475	13	(2,462)	-	4,966	4,966
Fund Balance, June 30, 2009	2,206	2,206	-	(4,995)	(4,995)	-
Fund Balance, June 30, 2010	\$ 4,681	\$ 2,219	\$ (2,462)	\$ (4,995)	\$ (29)	\$ 4,966

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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, 2010

	SID 539			SID 540		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(104)	(104)	-	686	686
Total Revenues	-	(104)	(104)	-	686	686
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	1,706	1,706	-	-	-	-
Total Expenditures	1,706	1,706	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	(1,706)	(1,810)	(104)	-	686	686
Other Financing Sources (Uses)						
Operating Transfers In	-	14,100	14,100	-	-	-
Operating Transfers Out	-	-	-	(4,675)	(4,675)	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	14,100	14,100	(4,675)	(4,675)	-
Excess(Deficiency) of Revenues						
Over Expenditures	(1,706)	12,290	13,996	(4,675)	(3,989)	686
Fund Balance, June 30, 2009	(20,321)	(20,321)	-	113,747	113,747	-
Fund Balance, June 30, 2010	\$ (22,027)	\$ (8,031)	\$ 13,996	\$ 109,072	\$ 109,758	\$ 686

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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, 2010

	SID 541			SID 542		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	21,884	21,884	-	-	-	-
Investment Earnings	-	1,467	1,467	-	(453)	(453)
Total Revenues	21,884	23,351	1,467	-	(453)	(453)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	4,556	14,210	(9,654)	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	236,671	236,671	-	-	-	-
Total Expenditures	241,227	250,881	(9,654)	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	(219,343)	(227,530)	(8,187)	-	(453)	(453)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	130,848	130,848
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	711,654	711,654	-	-	-
Total Other Financing Sources(Uses)	-	711,654	711,654	-	130,848	130,848
Excess(Deficiency) of Revenues						
Over Expenditures	(219,343)	484,124	703,467	-	130,395	130,395
Fund Balance, June 30, 2009	(332,842)	(332,842)	-	(131,149)	(131,149)	-
Fund Balance, June 30, 2010	\$ (552,185)	\$ 151,282	\$ 703,467	\$ (131,149)	\$ (754)	\$ 130,395

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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, 2010

	SID 543			Miller Creek Mitigation		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(553)	(553)	-	21	21
Total Revenues	-	(553)	(553)	-	21	21
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	9,816	9,816	-	-	-	-
Total Expenditures	9,816	9,816	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	(9,816)	(10,369)	(553)	-	21	21
Other Financing Sources (Uses)						
Operating Transfers In	-	19,600	19,600	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	19,600	19,600	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(9,816)	9,231	19,047	-	21	21
Fund Balance, June 30, 2009	(71,853)	(71,853)	-	3,498	3,498	-
Fund Balance, June 30, 2010	\$ (81,669)	\$ (62,622)	\$ 19,047	\$ 3,498	\$ 3,519	\$ 21

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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, 2010

	Miller Creek (T) Construction			Miller Creek (M) Construction		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(16)	(16)	-	928	928
Total Revenues	-	(16)	(16)	-	928	928
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	422,363	422,363	-
Total Expenditures	-	-	-	422,363	422,363	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	(16)	(16)	(422,363)	(421,435)	928
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	-	(16)	(16)	(422,363)	(421,435)	928
Fund Balance, June 30, 2009	(2,709)	(2,709)	-	434,332	434,332	-
Fund Balance, June 30, 2010	\$ (2,709)	\$ (2,725)	\$ (16)	\$ 11,969	\$ 12,897	\$ 928

Continued

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, 2010

	Miller Creek (Mc) Construction			5th, 6th, & Arthur Improvements		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,889	1,889	-	(212)	(212)
Total Revenues	-	1,889	1,889	-	(212)	(212)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	50,080	50,080	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	341,333	339,730	1,603	29,705	29,705	-
Total Expenditures	341,333	339,730	1,603	79,785	79,785	-
Excess(Deficiency) of Revenue						
Over Expenditures	(341,333)	(337,841)	3,492	(79,785)	(79,997)	(212)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	79,785	-	(79,785)
Total Other Financing Sources(Uses)	-	-	-	79,785	-	(79,785)
Excess(Deficiency) of Revenues						
Over Expenditures	(341,333)	(337,841)	3,492	-	(79,997)	(79,997)
Fund Balance, June 30, 2009	358,964	358,964	-	-	-	-
Fund Balance, June 30, 2010	\$ 17,631	\$ 21,123	\$ 3,492	\$ -	\$ (79,997)	\$ (79,997)

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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, 2010

	Maloney Twite			Rattlesnake Sewer Collection		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,607,112	\$ 1,559,190	\$ (47,922)
Miscellaneous	1,200,000	550,000	(650,000)	-	-	-
Investment Earnings	-	1,432	1,432	-	(1,783)	(1,783)
Total Revenues	1,200,000	551,432	(648,568)	1,607,112	1,557,407	(49,705)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	225,726	-	225,726
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	1,200,000	343,993	856,007	4,585,771	2,366,155	2,219,616
Total Expenditures	1,200,000	343,993	856,007	4,811,497	2,366,155	2,445,342
Excess(Deficiency) of Revenue						
Over Expenditures	-	207,439	207,439	(3,204,385)	(808,748)	2,395,637
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	2,843,373	460,472	(2,382,901)
Total Other Financing Sources(Uses)	-	-	-	2,843,373	460,472	(2,382,901)
Excess(Deficiency) of Revenues						
Over Expenditures	-	207,439	207,439	(361,012)	(348,276)	12,736
Fund Balance, June 30, 2009	-	-	-	(54,188)	(54,188)	-
Fund Balance, June 30, 2010	\$ -	\$ 207,439	\$ 207,439	\$ (415,200)	\$ (402,464)	\$ 12,736

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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, 2010

	Phillips St Traffic Calming			Pattee Creek Drive		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(90)	(90)	-	(45)	(45)
Total Revenues	-	(90)	(90)	-	(45)	(45)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	145	(145)
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	19,041	19,041	-	14,588	14,443	145
Total Expenditures	19,041	19,041	-	14,588	14,588	-
Excess(Deficiency) of Revenue						
Over Expenditures	(19,041)	(19,131)	(90)	(14,588)	(14,633)	(45)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	19,041	-	(19,041)	14,588	-	(14,588)
Total Other Financing Sources(Uses)	19,041	-	(19,041)	14,588	-	(14,588)
Excess(Deficiency) of Revenues						
Over Expenditures	-	(19,131)	(19,131)	-	(14,633)	(14,633)
Fund Balance, June 30, 2009	(145)	(145)	-	-	-	-
Fund Balance, June 30, 2010	\$ (145)	\$ (19,276)	\$ (19,131)	\$ (14,633)	\$ (14,633)	\$ (14,633)

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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, 2010

	ARRA Enhancement			HB 645		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ 1,800,000	\$ 584,809	\$ (1,215,191)	\$ 1,067,051	\$ 962,170	\$ (104,881)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(65)	(65)	-	5,706	5,706
Total Revenues	1,800,000	584,744	(1,215,256)	1,067,051	967,876	(99,175)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	501	(501)
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	1,800,000	585,183	1,214,817	1,067,051	403,456	663,595
Total Expenditures	1,800,000	585,183	1,214,817	1,067,051	403,957	663,094
Excess(Deficiency) of Revenue						
Over Expenditures	-	(439)	(439)	-	563,919	563,919
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	-	(439)	(439)	-	563,919	563,919
Fund Balance, June 30, 2009	-	-	-	-	-	-
Fund Balance, June 30, 2010	\$ -	\$ (439)	\$ (439)	\$ -	\$ 563,919	\$ 563,919

Continued

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, 2010

WFL Miller Creek Road					
					Variance - Over (Under)
	Budget	Actual			
REVENUES					
Intergovernmental	\$ -	\$ 19,893	\$ 19,893		
Miscellaneous	-	-	-		
Investment Earnings	-	-	-		
Total Revenues	-	19,893	19,893		
EXPENDITURES					
General Government	-	-	-		
Public Safety	-	-	-		
Public Works	-	-	-		
Culture & Recreation	-	-	-		
Debt Service	-	-	-		
Capital Outlay	19,893	19,893	-		
Total Expenditures	19,893	19,893	-		
Excess(Deficiency) of Revenue					
Over Expenditures	(19,893)	-	19,893		
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-		
Operating Transfers Out	-	-	-		
Issuance of Long Term Debt	10,696	-	(10,696)		
Total Other Financing Sources(Uses)	10,696	-	(10,696)		
Excess(Deficiency) of Revenues					
Over Expenditures	(9,197)	-	9,197		
Fund Balance, June 30, 2009	-	-	-		
Fund Balance, June 30, 2010	\$ (9,197)	\$ -	\$ 9,197		

STATISTICAL SECTION

STATISTICAL SECTION

This part of the city of Missoula's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements note disclosures and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	SS-1 to 5
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	SS-6 to 11
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	SS-12 to 20
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand how the information in the government's financial activities take place.</i>	SS-21 to 25
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.</i>	SS-26 to 34

Sources: Unless otherwise noted the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant years.

CITY OF MISSOULA, MONTANA
 NET ASSETS BY COMPONENT
 Last Eight Fiscal Years
 (accrual basis of accounting)

	2003	2004	2005	2006	Fiscal Year	2007	2008	2009	2010
Government activities									
Investment in capital assets, net of related debt	\$ 77,040,629	\$ 84,425,320	\$ 85,219,599	\$ 97,908,705	\$ 103,905,986	\$ 95,716,983	\$ 100,490,698	\$ 108,461,735	
Restricted	5,786,102	13,144,514	3,280,061	3,602,376	3,007,558	3,175,573	3,654,339	3,869,555	
Unrestricted	7,694,919	6,552,715	18,145,146	11,552,345	17,010,325	18,285,910	14,462,852	14,613,562	
Total government activities net assets	<u>\$ 90,521,650</u>	<u>\$ 104,122,549</u>	<u>\$ 106,644,806</u>	<u>\$ 113,063,426</u>	<u>\$ 123,923,869</u>	<u>\$ 117,178,466</u>	<u>\$ 118,607,889</u>	<u>\$ 126,944,852</u>	
Business-type activities									
Investment in capital assets, net of related debt	\$ 45,596,659	\$ 50,437,434	\$ 54,728,019	\$ 53,483,675	\$ 55,807,247	\$ 73,746,920	\$ 74,821,900	\$ 83,162,349	
Restricted	560,772	1,307,315	2,525,370	1,303,028	1,320,306	1,303,028	1,337,645	1,362,261	
Unrestricted	5,793,401	4,949,789	2,432,543	6,053,027	5,604,871	6,732,424	1,441,584	278,305	
Total business-type activities net assets	<u>\$ 51,950,832</u>	<u>\$ 56,694,558</u>	<u>\$ 59,685,932</u>	<u>\$ 60,839,730</u>	<u>\$ 62,732,424</u>	<u>\$ 75,049,948</u>	<u>\$ 77,601,129</u>	<u>\$ 85,102,915</u>	
Primary Government									
Investment in capital assets, net related debt	\$ 122,637,288	\$ 134,862,754	\$ 139,947,618	\$ 151,392,380	\$ 159,713,233	\$ 169,463,903	\$ 175,312,598	\$ 191,624,084	
Restricted	6,346,874	14,451,829	5,805,431	4,905,404	4,327,864	4,478,601	4,991,984	5,531,816	
Unrestricted	13,488,320	11,502,504	20,577,689	17,605,372	22,615,196	18,285,910	15,904,436	14,891,867	
Total primary government net assets	<u>\$ 142,472,482</u>	<u>\$ 160,817,087</u>	<u>\$ 166,330,738</u>	<u>\$ 173,903,156</u>	<u>\$ 186,656,293</u>	<u>\$ 192,228,414</u>	<u>\$ 196,209,018</u>	<u>\$ 212,047,767</u>	

Source: City of Missoula

Typically this statistical table presents information on a ten year basis, however, the City converted to the GASB 34 reporting format in FY 03. Thus there is only information presented since that time.

CITY OF MISSOULA, MONTANA
 CHANGE IN NET ASSETS
 Last Eight Fiscal Years
 (accrual basis of accounting)

	2003	2004	2005	2006	Fiscal Year	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government	\$ 4,237,489	\$ 4,814,217	\$ 5,447,966	\$ 7,670,901	\$ 7,947,585	\$ 7,164,932	\$ 8,492,155	\$ 7,596,451	
Public safety	15,267,862	15,774,300	17,596,888	18,706,533	20,685,934	22,864,926	20,993,673	23,252,086	
Public works	22,022,343	9,728,383	5,880,778	6,019,601	3,102,523	11,992,483	10,148,557	7,524,949	
Public health	1,056,111	1,033,396	1,118,946	1,178,646	1,275,114	1,382,490	1,422,347	1,387,041	
Social and economic	105,100	245,802	131,017	138,564	165,849	115,000	118,450	118,450	
Culture and recreation	2,520,258	2,712,280	3,346,471	3,795,635	4,687,707	3,580,622	3,667,078	3,466,304	
Housing & development	849,904	669,857	1,494,654	1,391,082	1,416,504	2,189,207	1,336,972	4,051,227	
Conservation of natural resources	-	-	108,599	169,228	296,617	-	-	7,759	
Miscellaneous	788,987	590,225	910,387	-	-	-	-	1,041,180	
Interest on long-term debt	1,755,702	1,235,533	1,867,190	1,429,993	1,675,186	-	1,595,937	1,612,770	
Total governmental activities expenses:	<u>48,603,756</u>	<u>36,803,993</u>	<u>37,902,896</u>	<u>40,500,183</u>	<u>41,253,109</u>	<u>49,289,660</u>	<u>41,775,169</u>	<u>50,058,217</u>	
Business-type activities									
Wastewater treatment	4,071,937	5,400,406	5,904,344	6,084,445	\$ 6,239,307	\$ 6,716,237	\$ 6,738,463	\$ 7,081,714	
Aquatics	<u>4,071,937</u>	<u>5,400,406</u>	<u>5,904,344</u>	<u>6,084,445</u>	<u>6,239,307</u>	<u>6,716,237</u>	<u>6,738,463</u>	<u>7,081,714</u>	
Total business-type activities expenses	<u>\$ 52,675,693</u>	<u>\$ 42,204,399</u>	<u>\$ 43,807,240</u>	<u>\$ 46,584,628</u>	<u>\$ 47,492,416</u>	<u>\$ 57,418,030</u>	<u>\$ 55,970,390</u>	<u>\$ 58,599,719</u>	
Program Revenues									
Government activities									
Program revenues:									
Charges for services:									
General Government	\$ 1,909,414	\$ 3,488,199	\$ 3,499,793	\$ 3,866,032	\$ 4,099,121	\$ 3,960,870	\$ 4,369,769	\$ 4,137,315	
Public safety	1,539,920	929,754	1,578,762	1,387,678	1,445,129	1,864,023	1,581,222	1,439,971	
Public works	2,392,590	3,333,858	1,326,436	1,465,396	1,370,015	2,180,372	1,825,008	2,833,485	
Public health	-	-	-	-	-	-	-	19,323	
Social and economic service	(179,064)	80,253	21,379	32,899	84,758	21,140	20,338	-	
Culture and recreation	336,123	669,222	481,468	581,157	1,780,345	1,519,854	537,764	515,405	
Housing and community development	114,750	55,235	423,873	324,124	382,683	367,359	379,530	331,478	
Conservation of natural resources	41,512	1,748	1,695	1,260	3,693	1,388	1,277	1,580	
Debt service interest expense	801,040	-	-	-	-	-	-	-	
Operating grants & contributions	1,547,094	5,248,503	2,532,942	2,986,691	1,789,207	1,264,937	1,978,844	3,413,272	
Capital grants & contributions	2,227,874	300,948	4,744,999	3,594,855	7,785,160	7,572,822	2,848,638	9,869,381	
Total governmental activities program revenue:	<u>10,731,253</u>	<u>14,107,720</u>	<u>14,611,347</u>	<u>14,240,092</u>	<u>18,740,111</u>	<u>18,757,765</u>	<u>13,542,390</u>	<u>22,561,210</u>	

CITY OF MISSOULA, MONTANA
CHANGE IN NET ASSETS
Last Eight Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	Fiscal Year	2007	2008	2009	2010
Business-type activities									
Charges for services	4,912,232	6,306,775	7,265,855	6,620,032	6,510,110	6,707,510	6,735,343	6,514,558	
Sewer	-	-	-	-	-	927,665	946,248	911,803	
Aquatics	-	-	-	-	-	-	1,435	845,165	1,428
Operating grants & contributions	4,551,646	1,121,104	1,283,828	827	1,208,512	1,414,448	885,658	845,165	8,451,165
Capital grants & contributions	9,463,878	7,427,879	8,549,683	6,620,859	7,718,622	9,049,623	8,568,684	8,568,684	15,878,954
Total business-type activities program revenue	<u>\$ 20,195,131</u>	<u>\$ 21,535,599</u>	<u>\$ 23,161,030</u>	<u>\$ 20,860,951</u>	<u>\$ 26,458,733</u>	<u>\$ 27,802,388</u>	<u>\$ 22,111,074</u>	<u>\$ 38,440,164</u>	
Total primary governmental program revenue:									
Net (expense) revenue	\$ (37,872,503)	\$ (22,696,273)	\$ (23,291,549)	\$ (26,260,091)	\$ (22,512,998)	\$ (30,536,895)	\$ (34,332,779)	\$ (27,497,907)	
Governmental activities:									
Business-type activities	5,391,941	2,027,473	2,645,339	536,414	1,479,315	921,254	373,463	7,337,452	
Total primary government expenses	<u>\$ (32,480,562)</u>	<u>\$ (20,668,800)</u>	<u>\$ (20,646,210)</u>	<u>\$ (25,723,677)</u>	<u>\$ (21,033,683)</u>	<u>\$ (29,615,641)</u>	<u>\$ (33,859,316)</u>	<u>\$ (20,159,555)</u>	
General Revenues and Other Changes In Net Assets									
Governmental activities	\$ 16,688,381	\$ 19,972,703	\$ 17,967,026	\$ 17,869,988	\$ 21,003,491	\$ 23,662,238	\$ 23,994,499	\$ 24,299,845	
Property taxes for general purposes	-	9,964,080	5,772,066	4,935,983	-	-	-	-	-
Annexation & developer contributions	2,304,555	-	-	-	-	-	-	-	-
State contribution for retirement	5,040,469	5,191,107	9,048,644	9,789,157	10,078,402	11,370,796	10,600,677	11,168,006	
Intergovernmental revenue	232,802	381,380	209,628	203,490	695,655	652,572	210,232	75,502	
Investment earnings	-	-	-	-	(54,070)	1,980,388	15,979	-	
Gain on sale of capital assets	689,427	545,714	684,960	517,530	959,284	1,383,397	468,609	268,617	
Miscellaneous	(20,980)	242,188	220,635	224,539	233,065	(64,798)	122,637	22,000	
Interfund transactions	-	-	-	-	(13,409,208)	-	-	-	
Special Items	-	-	-	-	-	-	-	-	
Total governmental activities	<u>\$ 24,934,654</u>	<u>\$ 36,297,172</u>	<u>\$ 33,902,959</u>	<u>\$ 33,540,687</u>	<u>\$ 33,915,827</u>	<u>\$ 25,575,385</u>	<u>\$ 25,412,633</u>	<u>\$ 35,833,970</u>	
Business-type activities									
Annexation & developer contributions	106,838	369,797	299,782	775,800	330,545	168,312	-	47,494	
Investment earnings	-	23,773	8,749	63,237	2,337	3,378	-	(4,020)	(4,020)
Miscellaneous	-	-	-	2,886	9,860	5,778	-	2,405	190,354
Gain or loss on sale of capital assets	-	(242,188)	(220,635)	(224,539)	(233,065)	64,798	-	-	-
Intergovernmental revenue	20,980	-	-	-	-	13,409,208	-	(122,637)	(22,000)
Special Items	-	-	-	-	-	13,651,474	-	-	-
Total business-type activities	<u>\$ 127,818</u>	<u>\$ 151,382</u>	<u>\$ 87,896</u>	<u>\$ 617,384</u>	<u>\$ 109,677</u>	<u>\$ 13,651,474</u>	<u>\$ (72,738)</u>	<u>\$ 164,334</u>	
Total primary government:									
Change in Net Assets	\$ (12,937,849)	\$ 13,600,899	\$ 10,611,410	\$ 7,280,596	\$ 10,402,829	\$ (4,961,510)	\$ 1,179,854	\$ 8,336,963	
Governmental activities	5,519,759	2,178,855	2,733,235	1,153,798	1,588,992	14,572,728	300,725	7,501,786	
Business-type activities	-	-	-	-	-	-	-	-	
Total primary government:	<u>\$ (7,418,090)</u>	<u>\$ 15,779,754</u>	<u>\$ 13,344,645</u>	<u>\$ 8,434,394</u>	<u>\$ 11,991,820</u>	<u>\$ 9,611,218</u>	<u>\$ 1,480,579</u>	<u>\$ 15,838,749</u>	
Source: City of Missoula									

Typically this statistical table presents information on a ten year basis, however, the City converted to the GASB 34 reporting format in FY 03. Thus there is only information presented since that time.

CITY OF MISSOULA, MONTANA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year																			
	2001		2002		2003		2004		2005		2006		2007		2008		2009		2010	
General Fund																				
Reserved	\$ 8,202	\$ 6,826	\$ 396,988	\$ 639,060	\$ 588,145	\$ 759,606	\$ 558,624	\$ 699,325	\$ 740,667											
Unreserved	<u>2,427,933</u>	<u>1,645,837</u>	<u>1,011,574</u>	<u>1,450,347</u>	<u>1,167,446</u>	<u>1,341,370</u>	<u>1,365,053</u>	<u>643,449</u>	<u>201,062</u>											
Total General Fund	<u><u>\$2,436,135</u></u>	<u><u>\$1,652,663</u></u>	<u><u>\$1,011,574</u></u>	<u><u>\$1,847,335</u></u>	<u><u>\$1,806,506</u></u>	<u><u>\$1,929,515</u></u>	<u><u>\$2,124,659</u></u>	<u><u>\$1,202,073</u></u>	<u><u>\$900,387</u></u>											
All other governmental funds																				
Reserved	\$1,980,958	\$3,602,376	\$2,054,790	\$2,993,025	\$3,280,061	\$3,602,376	\$3,007,558	\$3,175,573	\$3,654,339	\$3,869,555										
Unreserved, reported in:																				
Special revenue funds	3,057,184	2,952,039	2,458,951	2,124,775	1,939,572	1,462,685	3,208,509	3,814,089	3,747,237											
Debt service funds	1,980,958	1,939,572	(35,775)	-	-	-	-	-	-											
Capital projects funds	332,583	(5,290,370)	(912,811)	7,692,538	7,181,073	(5,290,370)	521,612	(1,471,297)	(4,728,035)	(4,089,044)										
Total other governmental funds	<u><u>\$7,351,683</u></u>	<u><u>\$251,578</u></u>	<u><u>\$4,058,243</u></u>	<u><u>\$13,144,514</u></u>	<u><u>\$12,585,909</u></u>	<u><u>\$251,578</u></u>	<u><u>\$4,991,855</u></u>	<u><u>\$4,912,785</u></u>	<u><u>\$2,740,393</u></u>	<u><u>\$ 3,527,748</u></u>										

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues								
Taxes and assessments	\$ 16,515,528	\$ 18,956,194	\$ 19,470,666	\$ 22,340,804	\$ 24,128,385	\$ 25,071,209	\$ 26,649,687	\$ 27,445,555
Licenses and permits	2,287,385	2,318,146	3,165,413	2,839,058	2,927,474	4,054,474	2,753,704	3,050,653
Intergovernmental	11,846,177	11,091,624	14,238,028	13,208,755	13,035,698	12,747,140	13,147,938	20,456,138
Charges for services	2,336,424	2,700,372	3,298,503	3,625,225	4,540,977	3,911,813	4,439,499	4,475,126
Fines and forfeitures	795,329	857,707	1,223,864	1,178,920	1,421,588	1,215,955	1,130,177	1,203,587
Miscellaneous	420,425	520,337	309,781	949,537	975,534	1,699,515	1,168,486	1,464,092
Interest earnings	231,951	449,387	226,538	192,758	538,418	584,698	156,522	63,362
Total revenues	34,433,219	36,893,767	41,932,793	44,335,057	47,568,074	49,284,804	49,446,013	58,158,513
Expenditures								
General government	4,005,055	4,718,579	4,501,423	6,334,244	5,745,356	6,515,738	7,752,035	7,252,975
Public safety	14,588,393	15,420,765	16,957,739	18,138,794	19,880,732	21,637,023	21,669,039	22,227,258
Public works	4,929,802	5,239,404	5,765,617	5,803,509	6,161,928	6,670,377	6,624,812	6,577,834
Public health	1,030,253	1,008,837	1,096,344	1,152,195	1,249,223	1,364,663	1,404,043	1,368,398
Social and economic	105,100	100,706	105,238	108,395	132,897	115,000	118,450	118,450
Culture and recreation	2,206,720	2,468,401	2,719,381	3,011,054	3,676,479	3,118,438	3,278,075	3,293,005
Community development	709,847	681,088	2,129,109	2,379,741	2,202,392	2,041,498	1,193,372	4,017,676
Conservation of natural resources	-	-	-	-	-	-	-	7,757
Miscellaneous	788,987	795,362	910,387	-	947,093	-	-	1,041,180
Debt service - principal	2,734,737	4,369,674	2,432,981	2,783,319	6,127,301	2,973,898	3,026,661	3,121,407
Debt service - interest	1,044,657	1,126,448	1,428,517	1,357,860	1,671,508	1,665,936	1,595,937	1,584,136
Capital outlay	6,514,225	4,980,661	18,496,532	9,116,240	7,575,647	5,401,985	8,518,735	
Total expenditures	32,143,551	42,443,489	43,027,397	59,565,643	56,911,149	53,678,218	52,064,409	59,128,811
Excess of revenues over (under) expenditures	2,289,668	(5,549,722)	(1,094,604)	(15,230,586)	(9,343,075)	(4,393,414)	(2,618,396)	(970,298)
Other financing sources (uses)								
Transfers in	4,864,269	5,474,240	4,833,042	5,338,325	7,003,875	4,551,456	5,343,911	5,531,051
Transfers out	(4,898,223)	(5,283,345)	(4,675,148)	(5,170,043)	(6,821,059)	(4,665,834)	(5,282,309)	(5,557,582)
Payments to Refunded Bond Escrow Agent	-	-	-	-	(2,037,769)	-	-	(983,591)
Refunding Bond Proceeds	-	-	-	-	4,355,000	-	-	1,000,000
Proceeds from sale of capital assets	48,921	228,088	46,347	100	-	840,620	82,716	56,794
Proceeds from long term debt	2,461,724	18,759,366	994,921	2,850,881	11,574,351	2,378,354	-	3,276,941
Total other financing sources (uses)	2,476,691	19,178,349	1,199,162	3,019,263	14,074,398	3,104,596	144,318	3,323,613
Net change in fund balances	\$ 4,766,359	\$ 13,628,627	\$ 104,558	\$ (12,211,323)	\$ 4,731,323	\$ (1,288,818)	\$ (2,474,078)	\$ 2,353,315
Debt service as a percentage of non-capital expenditures	13%	18%	15%	12%	23%	12%	12%	11%

Source: City of Missoula

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CITY OF MISSOULA, MONTANA
OVERLAPPING PROPERTY TAX LEVIES
Last Ten Fiscal Years

Taxing Authority	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City of Missoula	159.15	165.19	169.48	176.32	182.57	196.39	204.73	212.23	222.45	222.45
County of Missoula										
County Wide	100.15	117.80	123.97	122.79	127.12	129.11	133.64	136.19	140.35	138.94
County Wide Schools	99.86	96.56	100.75	108.34	101.59	102.26	104.26	104.04	105.61	104.62
Total	200.01	214.36	224.72	231.13	228.71	231.37	237.90	240.23	245.96	243.56
District Schools										
School District One	136.72	149.04	153.24	159.27	158.29	150.66	150.26	145.45	140.24	142.75
High Schools	71.28	77.30	84.65	84.27	83.16	83.40	82.21	77.05	79.13	76.46
Total	208.00	226.34	237.89	243.54	241.45	234.06	232.47	222.50	219.37	219.21
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			-	-	-	-	-	-	
Education Foundation	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Total	55.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Urban Transportation District	10.94	11.31	11.66	11.93	12.23	12.38	13.91	14.62	14.86	16.30
Total Levy on City Residents	<u><u>633.10</u></u>	<u><u>663.20</u></u>	<u><u>689.75</u></u>	<u><u>708.92</u></u>	<u><u>710.96</u></u>	<u><u>720.20</u></u>	<u><u>735.01</u></u>	<u><u>735.58</u></u>	<u><u>748.64</u></u>	<u><u>747.52</u></u>

Other Levies of Interest

County Only	24.48	24.54	27.32	25.33	33.97	31.83	34.50	35.68	35.800	35.800
Missoula Rural Fire	71.27	73.97	74.25	77.37	78.26	79.64	80.89	91.13	94.130	94.130

Source: County of Missoula Accounting Office

Note: MRA doesn't get University mills.

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 Assessed Value to Total Estimated Market Value	Taxable Value Tax Increment Districts	Mill Levy
2001	\$ 1,985,298,106	\$ 77,024,392	3.88%	\$ 3,737,101	159.15
2002	2,111,624,637	76,698,959	3.63%	1,964,011	165.19
2003	2,247,822,357	78,961,906	3.51%	2,317,883	169.48
2004	2,403,250,454	82,076,104	3.42%	2,652,385	176.32
2005	2,636,857,585	84,586,453	3.21%	3,603,495	182.57
2006	2,805,424,077	91,358,406	3.26%	3,844,866	196.39
2007	2,901,638,641	93,533,579	3.22%	1,446,959	204.73
2008	3,195,587,513	99,332,558	3.11%	1,806,159	212.23
2009	3,369,424,088	103,000,436	3.06%	1,909,938	222.45
2010	3,757,969,949	104,408,018	2.78%	4,507,159	222.45

Source: Missoula County Assessors Office

CITY OF MISSOULA, MONTANA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Real Property	Equipment & Fixtures	Electric, Airline & Telecommunications	Railroad	Electric, Phone Co-ops & Pollution Control	Other	Tax Increment District	Total Taxable Assessed Value
2001	\$ 63,363	\$ 6,579	\$ 7,862	\$ 682	\$ 275	\$ 32	\$ (3,464)	\$ 75,329
2002	68,232	3,561	5,970	568	307	25	(1,964)	76,699
2003	70,987	3,745	5,528	521	347	16	(2,315)	78,829
2004	74,393	4,145	5,313	389	399	8	(2,612)	82,035
2005	78,436	4,362	4,902	372	363	(246)	(3,603)	84,586
2006	81,061	4,529	4,999	363	380	27	(3,845)	87,514
2007	84,231	4,697	5,291	346	379	61	(1,471)	93,534
2008	91,045	4,474	7,475	313	382	-	(1,806)	101,883
2009 ^	-	-	-	-	-	-	-	-
2010	96,352	5,133	3,585	348	380	3,117	(4,507)	104,408

*Property in the City is assessed at actual value; therefore, the assessed values are equal to actual value.

*This table presents taxable property assessments at values calculated after certified values were received from the Department of Revenue. These values will not articulate to certified values.

^ 2009 Values were not available at time of publication.

Source: Missoula County Assessor's Office and Department of Revenue.

CITY OF MISSOULA, MONTANA
PROPERTY VALUE AND NEW CONSTRUCTION
Last Ten Fiscal Years

Fiscal Year	Assessed Value City Property	New Construction				% Change Over Last Year
		Single Family		Multi-Family		
	Number	Value Estimate	Number	Value Estimate	Number	Value Estimate
2001	\$ 1,985,298,106	285	\$ 28,288,095	282	\$ 12,361,447	1,694
2002	2,111,624,637	365	34,135,109	335	13,880,421	1,930
2003	2,247,822,357	419	38,976,115	1,111	47,410,182	2,180
2004	2,403,250,454	367	31,611,232	359	15,081,537	1,663
2005	2,636,857,585	457	38,970,878	194	8,157,757	1,677
2006	2,805,424,077	374	35,521,132	79	4,393,527	1,494
2007	2,901,638,641	303	31,466,438	153	7,595,391	1,613
2008	3,195,587,513	229	21,554,764	154	9,711,099	1,530
2009	3,369,424,088	142	11,627,586	73	3,019,865	1,291
2010	3,757,969,949	139	12,643,362	63	454,055	1,306

Source: City of Missoula Building Inspection Office and Missoula County Assessor

CITY OF MISSOULA, MONTANA
PRINCIPAL PROPERTY TAXPAYERS
Current and Ten Years Ago

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value
NORTHWESTERN CORPORATION	\$ 3,280,617	1	3.14%			
QWEST COMMUNICATIONS	2,024,178	2	1.94%			
MOUNTAIN WATER COMPANY	1,128,832	3	1.08%	\$ 841,267	3	1.07%
SOUTHGATE MALL	907,130	4	0.87%	795,803	4	1.01%
GATEWAY LIMITED PARTNERSHIP	744,479	5	0.71%	610,067	5	0.77%
BRESNAN COMMUNICATIONS	703,713	6	0.67%			
CELLCO PARTNERSHIP DBA VERIZON	663,632	7	0.64%			
FIRST INTERSTATE BANK	613,623	8	0.59%			
ST PATRICK HOSPITAL CORPORATION	618,450	9	0.59%			
WW HOLDING CO INC/ALLTELL CORP	474,276	10	0.45%			
MONTANA RAIL LINK INC				570,061	6	0.72%
MONTANA POWER COMPANY				3,085,159	1	3.91%
US WEST				2,378,881	2	3.01%
NATIONWIDE HOSPITALITY LTD PARTNERSHIP				223,377	8	0.28%
W.C. LEASING CORPORATION				243,197	9	0.31%
VILLAGE MOTOR INN RED LION HOTEL INC				211,249	10	0.27%
CREEKSIDE APARTMENTS				234,279	7	0.30%
Total	<u><u>\$ 11,158,930</u></u>		<u><u>10.69%</u></u>	<u><u>\$ 9,193,340</u></u>		<u><u>11.64%</u></u>

Source: Department of Revenue - Missoula County Finance Office

CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES AND COLLECTIONS
GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years

Fiscal Year Ended June 30th	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Collected within the Fiscal		Collections in Subsequent Years	Amount	Percentage of Levy	Total Collections to Date	
				Years	Amount				Percentage of Delinquencies	
2001	\$ 12,206,430	\$ 12,041,824	98.65%	\$ 371,989	\$ 12,413,813	101.70%			1.35%	
2002	13,043,228	12,359,529	94.76%	399,678	12,759,207	97.82%			5.24%	
2003	13,897,789	13,233,442	95.22%	387,103	13,620,545	98.01%			4.78%	
2004	14,911,332	14,943,191	100.21%	281,762	15,224,953	102.10%			-0.21%	
2005	15,976,238	15,900,407	99.53%	208,969	16,109,376	100.83%			0.47%	
2006	18,368,735	17,935,902	97.64%	366,878	18,302,780	99.64%			2.36%	
2007	19,967,941	19,806,028	99.19%	220,890	20,026,918	100.30%			0.81%	
2008	21,454,303	20,926,264	97.54%	56,389	20,982,653	97.80%			2.46%	
2009	22,915,155	21,901,904	95.58%	887,073	22,788,977	99.45%			4.42%	
2010	22,916,556	22,249,952	97.09%	942,450	23,192,402	101.20%			2.91%	

Source: City of Missoula

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

The following general obligation debt ratios are provided as of June 30, 2010

Market Valuation	\$	3,757,969,949
Market Valuation (Less Tax Increment)	\$	3,753,462,790
Taxable Valuation	\$	108,915,177
Taxable Valuation (Less Tax Increment)	\$	104,408,018
Population		68,876
Direct Debt Per Capita	\$	219
Direct and Overlapping Debt Per Capita	\$	613
Direct Debt to Market Valuation		0.40%
Direct and Overlapping Debt to Market Valuation		1.12%
Direct Debt to Taxable Valuation		13.83%
Direct and Overlapping Debt to Taxable Valuation		38.76%
Market Valuation per Capita	\$	54,561
Taxable Valuation per Capita	\$	1,516

Source: City of Missoula

SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2010

	Summary of Direct Debt		
	Less: Debt Service		
	Gross Debt	Funds (a)	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 15,065,000	\$ 4,211	\$ 15,069,211
Debt Supported by General Fund	4,935,000	-	4,935,000
Revenue Debt (Sewer)	13,883,485	(b)	13,883,485
Revenue Debt (TIF and Parking)	6,643,925	(c)	6,643,925
Subtotal of Direct Debt	<u>\$ 40,527,410</u>		<u>\$ 40,531,621</u>

(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.

	Summary of Indirect Debt		
	G.O. Debt as of June 30, 2010	Debt Applicable to Tax Capacity of City	
		Percentage[^]	Amount
Taxing Unit:			
Missoula County Elementary School District	\$ 695,000	52.85%	\$ 367,299
Missoula County High School District	12,979,095	91.03%	11,814,609
Hellgate Elementary School District	13,220,000	15.16%	2,003,496
Target Range Elementary School District	170,000	4.55%	7,734
Missoula County	<u>13,372,000</u>	96.93%	<u>12,961,928</u>
Subtotal of Indirect Debt	<u>\$ 40,436,095</u>		<u>\$ 27,155,066</u>
		Total of Direct and Indirect Debt	<u>\$ 67,686,687</u>

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
	0.40%	1.12%
Current Year Estimated Value		
Per Capita	\$ 219	\$ 613

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

[^]The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Local Schools

CITY OF MISSOULA, MONTANA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 33,942	\$ 36,289	\$ 39,817	\$ 42,362	\$ 43,815	\$ 48,253	\$ 84,236	\$ 85,308	\$ 93,308	\$ 93,949
Total net debt applicable to limit	9,279	8,438	15,995	15,566	14,511	18,972	17,944	16,426	16,426	16,426
Legal debt Margin	\$ 24,663	\$ 27,851	\$ 23,822	\$ 26,796	\$ 29,304	\$ 29,281	\$ 66,292	\$ 68,882	\$ 77,523	\$ 77,523
Total net debt applicable to the limit as a percentage of debt limit	27.34%	23.25%	40.17%	36.75%	33.12%	39.32%	21.30%	19.26%	17.48%	17.48%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	\$ 3,757,970
Debt Limit 2.5% of Assessed Value (1)	<u>2.50%</u>
General Obligation Debt Limit	
Less: Outstanding General Obligation Debt, June 30, 2009	15,224
Total net debt applicable to limit	<u>78,725</u>
Legal Debt Margin	\$ 78,725

(1) Montana Statute (7-7-4201) prescribes a legal debt limit of 2.5% of the total assessed value of taxable property, which was increased in the FY 2007 legislature from 1.51%.

Source: City of Missoula
Source: Missoula County Assessors Office

CITY OF MISSOULA, MONTANA
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year:	Governmental Activities						Revenue Bonds	Total Primary Government	Total Personal Per capita Income*	Debt as a Percentage of Personal Income	Debt Per Capita	Debt as a Percentage of Market Value
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	State Board of Investment Loans	Sidewalk and Curb Warrants	Revenue Bonds						
2001	\$ 9,319,628	\$ 160,000	\$ 8,504,698	\$ 434,858	\$ 670,865	\$ 1,700,000	\$ 20,790,049	\$ 26,296	\$ 58,445	1.35%	356	0.87%
2002	8,822,432	1,550,000	11,457,860	436,971	478,911	5,007,021	27,773,195	26,973	59,645	1.73%	466	1.16%
2003	8,302,060	1,495,000	12,928,173	236,290	327,830	8,693,367	31,982,720	27,815	60,870	1.89%	525	1.33%
2004	15,895,000	1,440,000	14,649,201	100,179	316,409	15,215,987	47,616,776	29,004	62,120	2.64%	767	1.81%
2005	15,020,000	1,380,000	14,226,402	546,373	228,628	16,586,138	47,987,541	30,101	63,396	2.51%	757	1.71%
2006	14,070,000	1,315,000	15,594,203	440,972	120,923	17,079,212	48,620,310	31,535	64,698	2.38%	751	1.68%
2007	18,720,000	4,760,000	15,455,681	252,453	120,923	16,797,231	56,106,288	32,386	66,027	2.62%	850	1.76%
2008	17,500,000	5,360,000	15,510,165	222,425	120,923	15,818,231	54,531,744	33,261	67,383	2.43%	809	1.62%
2009	16,235,000	5,130,000	14,030,295	191,309	100,248	14,801,231	50,488,083	33,587	68,766	2.19%	734	1.34%
2010	15,065,000	4,935,000	14,250,241	159,063	-	13,883,485	48,292,789	33,759	68,876	2.08%	701	1.29%

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Montana Department of Labor - Research and Analysis Bureau

*2010 is the most recent data available. Preceding years to 2001-2009 are City estimates.

CITY OF MISSOULA, MONTANA
RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR
Last Ten Fiscal Years
Amounts expressed in thousands, except population and per capita

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Valuation	Percentage of Taxable Value of Property	Estimated Population	Per Capita
2001	\$ 9,320	\$ 77,024	12%	58,445	\$ 159.47
2002	8,822	76,699	12%	59,645	147.91
2003	8,302	78,962	11%	60,870	136.39
2004	15,895	82,076	19%	62,120	255.87
2005	15,020	84,586	18%	63,396	236.92
2006	14,070	91,358	15%	64,698	217.47
2007	18,720	93,534	20%	65,311	286.63
2008	17,500	99,333	18%	67,383	259.71
2009	16,235	103,000	16%	68,766	236.09
2010	15,065	104,408	14%	68,876	218.73

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

CITY OF MISSOULA, MONTANA
PLEDGED-REVENUE COVERAGE
WASTEWATER FACILITY REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt	Debt Service Requirements			Max Annual Debt Service Coverage (2)	
				Principal	Interest	Total		
				\$ 247,000	\$ 206,338	\$ 453,338		
2001	\$ 4,383,126	\$ 2,554,575	\$ 1,828,551				421%	
2002	5,137,531	3,266,074	1,871,457	289,000	188,532	477,532	390%	
City Operating* Legal Calculation	2003	4,955,880 6,234,505	2,555,053 2,555,053	2,400,827 3,679,452	489,162 489,162	2,250,457 231,961	2,739,619 721,123	88%
City Operating* Legal Calculation	2004	5,274,686 6,308,650	3,036,426 3,036,426	2,238,260 3,272,224	689,000 689,000	503,234 503,234	1,192,234 1,192,234	510%
City Operating* Legal Calculation	2005	5,550,626 7,265,854	3,151,625 3,151,625	2,399,001 4,114,229	797,233 797,233	655,716 655,716	1,452,949 1,452,949	580%
City Operating* Legal Calculation	2006	5,665,706 6,620,032	3,263,652 3,263,652	2,402,054 3,356,380	894,751 894,751	660,341 660,341	1,555,992 1,555,992	221%
City Operating* Legal Calculation	2007	5,975,248 6,778,103	3,492,891 3,492,891	2,482,357 3,295,211	941,000 941,000	682,728 682,728	1,623,728 1,623,728	162%
City Operating* Legal Calculation	2008	6,191,033 6,848,299	3,900,755 3,900,755	2,290,278 2,947,544	979,000 979,000	641,677 641,677	1,620,677 1,620,677	166%
City Operating* Legal Calculation	2009	5,904,035 6,543,754	3,860,411 3,860,411	2,043,624 2,683,343	1,017,000 1,017,000	605,558 605,558	1,622,558 1,622,558	155%
City Operating* Legal Calculation	2010	6,192,217 6,705,911	4,186,769 4,186,769	2,005,448 2,519,142	1,050,023 1,050,023	568,464 568,464	1,618,487 1,618,487	156%

*City baseline does not include sewer development fees. Legal calculation is based on revenue bond covenant details, section 2.3. Information for both calculations is only available from 2003-present.

(1) Does not include depreciation or bond interest.
 (2) Net revenues divided by the maximum debt payment due in any future calendar year.

Source: City of Missoula Annual Financial Reports

CITY OF MISSOULA, MONTANA
REVOLVING FUND YEAR-END BALANCES
REQUIRED CONTINUING DISCLOSURE
Last Ten Fiscal Years

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
2001	\$ 718,011	\$ 8,504,698	8.4%
2002	794,248	11,457,860	6.9%
2003	778,049	12,928,174	6.0%
2004	955,785	14,357,629	6.7%
2005	808,460	14,226,402	5.7%
2006	889,718	15,594,203	5.7%
2007	954,148	15,455,681	6.2%
2008	779,966	15,510,165	5.0%
2009	719,399	14,030,295	5.1%
2010	746,320	14,250,241	5.4%

Source: City of Missoula

CITY OF MISSOULA, MONTANA
REVOLVING FUND CHANGES IN FUND BALANCE
REQUIRED CONTINUING DISCLOSURE
Last Ten Years

	Fiscal Year											
	2001		2002		2003		2004		2005		2006	
Beginning Balance	\$ 608,463	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399		
Disbursements/Transfers	109,548	76,237	(16,199)	177,736	(147,325)	81,258	64,430	(174,182)	(60,567)	44,702		
Ending Balance	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101		
<hr/>												
Assets:												
Cash	\$ 687,189	\$ 765,477	\$ 742,524	\$ 852,799	\$ 808,460	\$ 885,738	\$ 928,632	\$ 776,343	\$ 702,257	\$ 746,320		
Due from SID Funds	30,822	28,771	35,525	72,062	—	—	—	—	—	—		
Other Receivables	348,414	330,525	310,660	320,488	227,828	218,910	222,281	184,856	182,844	167,952		
Total Assets	1,066,425	1,124,773	1,088,709	1,245,349	1,036,288	1,104,648	1,150,913	961,200	885,101	914,272		
Liabilities:												
Deferred Revenue	348,414	330,525	310,660	289,564	227,828	214,930	196,765	181,233	165,702	150,171		
Total Liabilities	348,414	330,525	310,660	289,564	227,828	214,930	196,765	181,233	165,702	150,171		
Total Fund Balance	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101		

Source: City of Missoula

CITY OF MISSOULA, MONTANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Estimated City Population (1)	County Population	Population		Income Statistics		State Unemployment Rate	
			Total Personal Income (2)	Per Capita Income (2)	Unemployment Rate	Unemployment Rate (2)		
2001	58,445	97,398	\$ 2,561,445	\$ 26,296	4.5%	3.9%		
2002	59,645	98,925	2,669,139	26,973	4.5%	4.1%		
2003	60,870	99,854	2,778,940	27,815	4.4%	3.9%		
2004	62,120	100,810	2,926,024	29,004	4.3%	4.0%		
2005	63,396	102,140	3,105,831	30,408	4.0%	3.7%		
2006	64,698	103,973	3,310,016	31,835	3.5%	3.3%		
2007	66,027	105,638 *	3,548,086 *	33,587	2.5%	2.3%		
2008	67,383	107,320 *	3,701,168 *	42,538	4.1%	4.1%		
2009	68,766	108,400 *	3,736,329 *	43,000	5.9%	5.6%		
2010	68,876	108,623	3,771,824 *	43,467	7.2%	6.9%		

(1) 2000 and 2010 population is from the US Census Bureau. All other years are estimated.

(2) Only Missoula County information available.

* Estimate based on average increase of prior years.

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau
 N/A - Not available

CITY OF MISSOULA, MONTANA
TOP EMPLOYERS IN CITY OF MISSOULA
Current and Ten Years Ago

Employer	Type of Product or Service	2010	Percentage of Total City Employment	2001	Percentage of Total City Employment
University of Montana	Higher Education	3,651	5.30%	2291	4.02%
St. Patrick Hospital	Healthcare	1,773	2.57%	1250	2.19%
Missoula County Public Schools	Public Education	1,219	1.77%	1161	2.03%
Community Medical Center	Healthcare	1,185	1.72%	1045	1.83%
DirecTV Customer Service	Service	1,000	1.45%	*	*
Missoula County	County Government	780	1.13%	600	1.05%
U.S. Forest Service	Government	750	1.09%	560	0.98%
Wal-Mart	Retail	585	0.85%	*	*
City of Missoula	City Government	503	0.73%	384	0.67%
Village Health Care Center	Healthcare	381	0.55%	*	*
Albertsons	Retail	272	0.39%	*	*
Montana Rail Link	Rail Transportation	259	0.38%	391	0.69%

* Employers were added after 2001

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau

CITY OF MISSOULA, MONTANA
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Full Time Equivalent Employees

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
City Council	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Mayor's Office	3.65	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Human Resources	3.78	3.90	3.90	3.90	3.90	4.15	4.15	4.15	4.00	4.00
Communications	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
City Clerk	3.25	3.25	3.25	3.25	3.50	4.00	4.50	4.50	4.50	4.50
Information Systems	4.00	4.00	4.50	4.50	5.00	5.50	6.00	6.00	6.00	6.00
Finance/Treasurer	12.72	13.22	12.97	13.13	12.75	12.75	16.00	16.00	16.00	15.00
Public Safety										
Municipal Court	8.11	8.11	8.50	9.00	10.50	10.50	13.00	14.25	13.75	
City Attorney	8.90	9.90	9.90	9.90	9.90	12.40	14.40	14.40	14.90	13.25
Police Department	102.00	102.00	102.00	108.00	116.00	119.00	125.50	125.50	125.50	121.50
Fire Department	76.00	76.00	76.00	76.00	78.00	78.00	82.00	83.00	95.00	95.00
Building Inspection	14.37	14.37	14.37	13.50	13.86	14.34	14.36	13.34	13.00	9.00
Parking Commission	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Public Works										
Engineering	25.92	25.92	25.92	27.12	28.12	28.62	28.82	29.82	29.87	
Street Division	28.25	28.29	28.29	28.29	28.54	28.54	28.54	28.54	28.54	28.54
Vehicle Maintenance	9.00	10.50	10.50	10.50	10.50	11.00	11.00	11.00	11.00	11.00
Public Health										
Wastewater	20.20	20.20	20.20	20.20	22.20	22.20	22.20	22.20	22.20	22.20
Social Services										
City Cemetery	8.93	8.93	8.50	8.50	8.50	8.50	8.50	8.92	8.92	8.92
Community Development										
MRA	7.14	6.14	6.14	6.14	6.14	6.00	6.00	6.00	6.00	6.00
Culture and Recreation										
Parks and Recreation	48.72	47.89	48.80	49.94	52.94	54.02	55.70	54.24	56.27	55.24
Aquatics						4.75	26.36	30.81	30.81	30.81
Total	408.94	410.62	411.74	419.87	438.35	452.27	492.53	499.42	514.76	502.58

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT

<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Date of Expired Contract</u>
International Association of Firefighters, Local No. 271	91	June 30, 2015
Missoula Police Protective Association	95	June 30, 2011
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept.	9	June 30, 2013
Wastewater Lab Techs	2	June 30, 2015
Parking Commission	6	June 30, 2011
Teamsters Union, Local No. 2	16	June 30, 2015
Operators' Union, Local No. 4000	9	June 30, 2015
Machinists Union, Local No. 88, District No. 86	8	June 30, 2015
Teamsters, Parks and Recreation Seasonal	19	June 30, 2013
Wastewater Operator's Union, Local 400	15	June 30, 2015
International Brotherhood of Electrical Workers	2	June 30, 2012

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, 2008, the City employed approximately 639 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 40% 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.

Source: City of Missoula

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

	Last Ten Fiscal Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010(A)
Agriculture, Forestry, Fisheries										
Mining	1,451	1,656	1,485	1,490	392	399	404	394	989	Not Available
Construction	64	(B)	82	96	21	28	36	36	420	Not Available
Manufacturing	4,373	4,343	4,695	4,820	3,161	3,187	3,265	3,430	5,957	Not Available
Transportation, Commun., and Public Utilities	3,118	3,182	3,144	3,168	2,784	2,700	2,579	2,435	1,350	Not Available
Wholesale Trade	4,561	4,499	4,341	4,189	3,066	3,026	2,929	2,805	2,383	Not Available
Retail Trade	2,347	2,334	2,381	2,385	1,989	2,056	2,108	2,003	2,321	Not Available
Financial, Insurance and Real Estate	9,371	9,513	9,707	10,120	8,114	8,225	8,517	8,368	4,671	Not Available
Services	4,920	5,031	5,287	5,363	2,484	2,595	2,627	2,586	3,764	Not Available
Government	28,999	29,886	30,392	31,225	22,530	23,299	24,733	24,942	18,413	Not Available
	9,741	9,714	10,352	10,254	8,167	8,639	8,303	8,461	2,248	Not Available
	68,945	70,158	71,866	73,110	52,708	54,154	55,501	55,460	42,516	Not Available

Source: Missoula Area Economic Development Corp (1999 to 2000)
 Montana Department of Labor and Industry (2001 to 2009)

(A) Most recent data available through the 4th quarter 2009.

(B) Not shown to avoid disclosure of confidential information, but estimates are included in the totals

CITY OF MISSOULA, MONTANA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Business Licenses Issued	\$ 7,782	7,791	7,823	7,907	4,484	5,173	5,290	6,386	5,141	5,947
Amount of SIDS Billed	\$ 1,676,420	\$ 1,865,265	\$ 1,947,490	\$ 2,275,546	\$ 2,241,307	\$ 2,748,200	\$ 2,793,604	\$ 2,802,979	\$ 2,781,168	\$ 2,979,149
# Sewer Bills	30,094	32,642	35,124	35,448	36,641	38,728	41,002	41,818	42,323	42,860
 Public Safety Activities										
Citations issued	No data	No data	21,809	25,136	31,008	33,262	38,468	32,219	31,700	25,136
Orders of Protection issued	No data	447	523	298	586	604	417	400	398	273
Attorney's Office - Lawsuits & Claims	No data	21	41	51	53	51	47	49	41	26
Attorney's - Opened criminal files	No data	1,605	1,890	2,476	2,179	4,235	3,181	2,708	2,372	2,336
Officers/1,000 population	No data	1	1,40	1,42	2	2	1,50	1,48	1,45	1,45
Total sworn officers	82	82	85	88	96	100	102	101	101	100
Police calls for Service	34,328	36,256	36,221	37,398	37,494	43,778	40,515	40,981	41,424	41,73
Total Fire Department Incident Responses*	4,266	4,451	4,729	4,701	5,259	5,497	5,805	5,850	6,485	6,460
 Public Works										
Miles of sidewalk installed	5.70	8.53	11,03	17,45	24,74	9,34	9,19	7,00	4,00	13,90
Building Permits Issued	1,930	2,180	1,663	1,677	1,494	1,613	1,613	1,530	1,291	1,306
Construction Value of Bldg. permits issued	\$ 102,287,782	\$ 193,963,792	\$ 109,963,100	\$ 113,217,490	\$ 99,855,627	\$ 89,139,379	\$ 133,165,009	\$ 63,987,567	\$ 54,867,213	
Miles of Street - per State Gas Tax Report	327.61	327.61	344.42	349.24	358.57	358.87	337.98	312	383	391
Population	58,445	59,645	60,870	62,120	63,396	64,698	66,027	67,383	68,766	68,876

Source: City of Missoula
* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/09.

CITY OF MISSOULA, MONTANA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Four Fiscal Years

Function	Fiscal Year			
	2010	2009	2008	2007
GENERAL GOVERNMENT				
Vehicles	4	4	7	5
Buildings	3	3	3	2
PUBLIC SAFETY ACTIVITIES				
Fire Stations	5	5	5	5
Fire Engines/Trucks/Vehicles/Vans	25	26	26	27
Police Motorcycles	6	6	6	6
Police Patrol Cars/Passenger Vehicles/Other Vehicles	63	62	58	47
PUBLIC WORKS				
Streets (sq. yards)	7,056,869	6,837,927	6,826,850	6,761,248
Curbs (lineal feet)	2,100,819	1,957,574	1,997,728	1,957,574
Sidewalks (sq. feet)	12,699,836	10,232,017	10,015,638	9,830,923
Storm Sewer (lineal feet)	162,158	157,826	153,275	153,275
Sumps	5,385	5,307	5,307	5,160
Signs	57,502	56,635	53,768	54,901
Vehicles	163	161	107	98
Buildings	4	4	4	7
PUBLIC HEALTH ACTIVITIES				
Cemetery & Buildings	7	7	7	7
Vehicles/Tractors/Trucks/Mowers	14	14	16	17
CULTURE AND RECREATION				
Parks	68	67	51	46
Trails		22	20	18.2
Commuter	22	N/A	N/A	N/A
Recreational	55.3	N/A	N/A	N/A
Park Shelter/Band Shells/Pavilions	12	10	10	10
Buildings	23	23	23	20
Vehicles	59	58	55	57
HOUSING & COMMUNITY DEVELOPMENT				
Vehicles	1	1	10	10
Buildings	0	0	2	2

Capital Asset Statistics by Function information prior to 2006 is not readily available in this format.

Source: City of Missoula Fixed Asset Accounting Module
Source: Various City of Missoula Departments

CITY OF MISSOULA, MONTANA
SPECIAL ASSESSMENTS BILLED AND COLLECTED
Last Ten Fiscal Years

Fiscal Year	Assessments Billed	Current Assessments		Delinquent Assessments		Total Assessments	Penalty and Interest Paid
		Paid	Percent Collected	Paid	Percent Collected		
2001	\$ 1,676,420	\$ 1,589,981	94.84%	\$ 102,967	94.84%	\$ 1,692,948	\$ 10,190
2002	1,865,265	1,726,973	92.59%	84,933	92.59%	1,811,906	10,758
2003	1,947,490	2,424,156	124.48%	75,325	124.48%	2,499,481	17,909
2004	2,275,546	2,105,570	92.53%	306,209	92.53%	2,411,779	9,728
2005	2,241,307	2,132,336	95.14%	119,277	95.14%	2,251,613	16,761
2006	2,748,200	2,638,272	96.00%	149,327	96.00%	2,787,599	10,807
2007	2,793,604	2,695,269	96.48%	106,930	96.48%	2,802,199	11,629
2008	2,802,979	2,690,299	95.98%	107,817	95.98%	2,798,116	11,653
2009	2,870,277	2,666,875	92.91%	168,518	92.91%	2,835,392	8,568
2010	2,966,176	2,796,909	94.29%	136,607	94.29%	2,933,516	15,001

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
SPECIAL IMPROVEMENT DISTRICT 512, 521 AND 522
REQUIRED CONTINUING DISCLOSURE

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
2001	\$ 135,469,759	180.80	1,529.10	6.90	57.10
2002	146,667,428	196.60	1,586.20	6.20	52.10
2003	136,898,208	127.17	2,887.04	9.01	39.80
2004	158,065,283	89.06	1,154.30	6.30	79.15
2005	166,871,500	95.60	2,692.30	2.07	117.52
2006	158,701,080	757.82	10,797.00	5.82	221.17
2007	191,613,295	1,219.98	13,841.43	6.35	221.37
2008	211,405,977	317.09	4,977.27	5.04	141.94
2009	234,349,048	954.97	6,111.87	20.47	160.49
2010	236,039,170	1,071.95	30,710.27	22.07	247.40

Source: City of Missoula and Missoula County Assessor's Office

CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION RATES AND FEES
Last Ten Fiscal Years

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
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
2006	0.50	0.25	\$55.00 TO \$65.00	\$ 30.00 TO \$ 50.00	44.00
2007	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	45.00
2008	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	45.00
2009	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	45.00
2010	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	45.00

Source: Missoula Parking Commission

CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION OPERATIONS AND FACILITIES
Last Ten Fiscal Years

Fiscal Year	Parking Meters	Leased Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue		Percentage of Garage Revenue		Percentage of Leased Parking Revenue other than Garage		Percentage of Other Revenue
						Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	
2001	1,112	1,256	14	167	1,158	27%	27%	16%	27%	16%	27%	3%
2002	1,116	1,295	16	168	1,148	27%	27%	16%	27%	16%	27%	3%
2003	1,122	1,107	14	172	1,381	27%	33%	16%	27%	16%	27%	3%
2004	1,064	829	13	259	1,097	20%	32%	18%	24%	18%	24%	6%
2005	1,161	816	13	257	1,145	17%	36%	20%	23%	20%	23%	3%
2006	1,075	801	13	257	1,124	20%	34%	14%	28%	14%	28%	5%
2007	1,075	801	13	257	1,124	20%	34%	14%	27%	14%	27%	4%
2008	1,075	801	13	257	1,592	18%	31%	16%	21%	16%	21%	14%
2009	1,129	800	12	257	1,011	19%	35%	16%	21%	16%	21%	10%
2010	1,061	800	12	257	1,166	18%	37%	18%	23%	18%	23%	4%

Source: Missoula Parking Commission

**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			INTEREST PAID	TOTAL DEBT SERVICE	COVERAGE (B)
				PRINCIPAL PAID	PRINCIPAL PAID	INTEREST PAID			
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	
2006	1,474,651	-	855,051	619,600	95,000	66,230	161,230	3.84	
2007	1,391,368	-	903,019	488,349	100,000	63,237	163,237	2.99	
2008	1,429,972	-	1,008,437	421,535	105,000	58,345	163,345	2.58	
2009	1,448,179	-	1,013,313	434,866	110,000	53,162	163,162	2.67	
2010	1,415,863	-	1,026,254	389,609	115,000	46,778	161,778	2.41	

(A) Does not include depreciation or bond interest.

(B) Net available divided by debt service.

Source: City of Missoula Annual Reports

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
HISTORICAL VALUE OF TAX INCREMENT DISTRICTS
For the Last Ten Fiscal Years

Urban Renewal District II

Fiscal Year	Personal Property		
	Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
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
2006	2,444,439	197,268	2,641,707
2007	2,660,473	311,261	2,971,734
2008	2,718,817	342,487	3,061,304
2009	3,162,083	358,422	3,520,505
2010	3,302,146	318,269	3,620,415

Urban Renewal District III

Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(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
2006	6,991,926	677,495	7,669,421
2007	7,111,962	586,632	7,698,594
2008	7,306,424	406,379	7,712,803
2009	8,468,861	468,589	8,937,450
2010	9,027,375	514,481	9,541,856

Front Street URD

Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2009 **	\$ 1,362,450	\$ 51,225	\$ 1,413,675
2010	1,571,488	50,604	\$ 1,622,092

Riverfront Triangle URD

Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2010 ***	\$ 1,571,488	\$ -	\$ 1,571,488

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

** First year data available as district was created in FY 2009

*** First year data available as district was created in FY 2010

Source: City of Missoula and Missoula County Assessor's Office

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
TAXABLE VALUE OF DISTRICTS COMPARED TO CITY
For the Last Ten Fiscal Years

Urban Renewal District II

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2001	\$ 78,662,970	\$ 2,029,294	\$ 169,471	0.2%
2002	81,279,789	2,177,431	318,674	0.4%
2003	84,728,489	2,291,018	440,310	0.5%
2004	88,189,948	2,371,729	511,906	0.6%
2005	91,358,406	2,567,881	708,058	0.8%
2006	93,533,579	2,641,707	781,884	0.8%
2007	99,332,558	2,971,734	1,111,911	1.1%
2008	103,000,436	3,061,304	1,201,481	1.2%
2009	106,334,891	3,520,504	1,392,741	1.3%
2010	107,159,214	3,620,415	1,760,592	1.6%

Urban Renewal District III

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2002 *	\$ 81,279,789	\$ 7,139,712	\$ 137,634	0.2%
2003	84,728,489	7,131,190	140,662	0.2%
2004	88,189,948	7,208,878	204,532	0.2%
2005	91,358,406	7,431,330	426,984	0.5%
2006	93,533,579	7,669,421	665,075	0.7%
2007	99,332,558	7,698,594	694,248	0.7%
2008	103,000,436	7,712,803	708,457	0.7%
2009	106,334,891	8,937,450	1,933,104	1.8%
2010	107,159,214	9,541,856	2,537,510	2.4%

Front Street URD

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2009 **	\$ 106,334,891	\$ 1,413,675	\$ 640	0.0%
2010	107,159,214	1,622,092	209,057	0.2%

Riverfront Triangle

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2010 ***	\$ 104,408,018	\$ 133,871	\$ -	0.0%

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

** First year data available as district was created in FY 2009

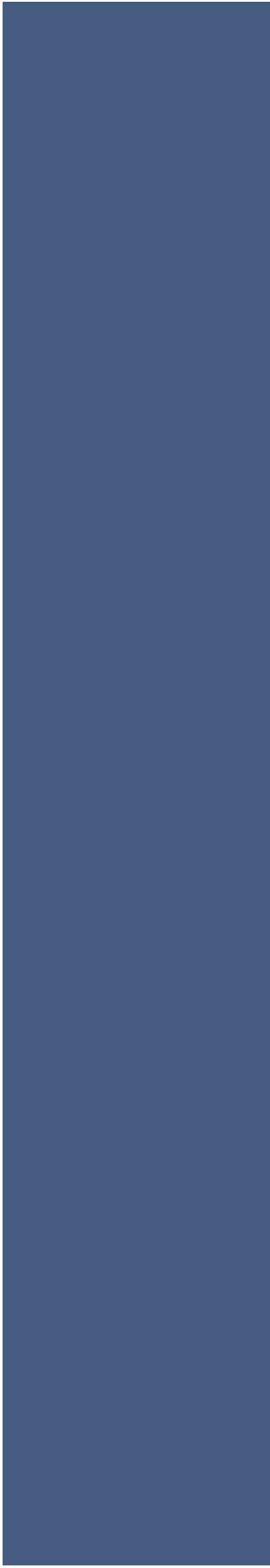
*** First year data available as district was created in FY 2010

Source: City of Missoula and Missoula County Assessor's Office

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
TRENDS IN PROPERTY VALUATION IN CITY
For the Last Ten Fiscal Years

Fiscal Year	City Appraised Value	City Taxable Value (includes district)	Incremental Taxable Value			Incremental Taxable Value			Incremental Taxable Value		
			District I	District II	District III	Front Street URD	Riverfront Triangle URD	Net	Net Taxable Value (excluding districts)	Net Taxable Value (excluding districts)	Net Taxable Value (excluding districts)
2001	\$ 2,111,624,637	\$ 78,662,970	\$ 1,794,540	\$ 169,471	\$ -	\$ -	\$ -	\$ 76,698,959	\$ 78,961,906	\$ -	\$ -
2002	2,247,822,357	81,279,789	1,861,575	318,674	137,634	-	-	-	-	-	-
2003	2,403,250,454	84,728,489	2,071,413	440,310	140,662	-	-	-	-	-	-
2004	2,636,857,585	88,189,948	2,887,057	511,906	204,532	-	-	-	-	-	-
2005	2,805,424,077	91,358,406	2,709,824	708,058	426,984	-	-	-	-	-	-
2006	2,901,638,641	94,980,538	not applicable	781,884	665,075	-	-	-	-	-	-
2007	3,195,587,513	101,138,717	not applicable	1,111,911	694,248	-	-	-	-	-	-
2008	3,369,424,008	103,000,436	not applicable	1,201,481	708,457	-	-	-	-	-	-
2009	3,412,313,560	106,334,891	not applicable	1,392,741	1,933,104	640	-	-	-	-	-
2010	3,684,720,974	107,159,214	not applicable	1,760,592	2,537,510	209,057	-	-	-	-	-

Source: City of Missoula and Missoula County Assessor's Office



SINGLE AUDIT SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT 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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 24, 2011. 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the

deficiency identified in the accompanying schedule of findings and questioned costs as finding 2010-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 or other matters that are required to be reported under *Government Auditing Standards*.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

We noted certain other matters that we reported to management of the City in a separate letter dated January 24, 2011.

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 Zermuchler & Co., P.C.

Missoula, Montana
January 24, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor and City Council
City of Missoula
Missoula, Montana

Compliance

We have audited City of Missoula, Montana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the summary of auditor's 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of City of Missoula, Montana, is responsible for establishing and maintaining effective internal control over compliance with the 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 to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2010-2 to be a material weakness.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

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 ZornMukler & Co., P.C.

Missoula, Montana
January 24, 2011

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Beginning Balance July 1, 2009</u>	<u>Federal Revenue</u>	<u>Match/Other Revenue</u>	<u>Federal Expenditures</u>	<u>Match/Other Expenditures</u>	<u>Ending Balance June 30, 2010</u>
Office of National Drug Control Policy									
<i>Direct:</i>									
High Intensity Drug Trafficking Area 2007	07	Unknown	17PRMP604Z	\$ 163,220	\$ -	\$ 17,209	\$ -	\$ -	\$ -
High Intensity Drug Trafficking Area 2008	07	Unknown	18PRMP604Z	152,249	-	29,509	-	29,509	-
High Intensity Drug Trafficking Area 2009	07	Unknown	G9RM0037A	100,121	-	61,889	-	61,889	-
High Intensity Drug Trafficking Area 2010	07	Unknown	G10RM0037A	153,410	-	78,724	-	78,724	-
Total Office of National Drug Control Policy				569,000		187,331		187,331	
U.S. Department of Agriculture-Forest Service									
<i>Passed through the Montana Department of Natural Resources and Conservation:</i>									
Cooperative Forestry Assistance	10,664	UCF-10-108	14,000	-	12,741	-	12,741	-	-
Forest Health Protection	10,680	FHE-10-001	125,000	-	24,532	-	24,532	-	-
Total U.S. Department of Agriculture-Forest Service			139,000		37,273		20,000		20,000
U.S. Department of Housing and Urban Development									
<i>Direct:</i>									
Community Development Block Grant Entitlement Grants	14,218	B-07/08/09-MC-30-0003	1,898,538	-	1,245,131	26,459	1,245,131	26,459	-
ARRA - Community Development Block Grant ARRA Entitlement Grants	14,253	B-09-MY-30-0003	168,720	-	34,658	-	34,658	-	-
Home Investment Partnership Program	14,239	M-08/09-MC-30-0219	1,224,920	-	339,131	-	339,131	-	-
<i>Passed through the Montana Department of Transportation:</i>									
Community Development Block Grant - State's Program	14,228	MT-NSP-016-01-001	5,000,000	-	2,331,186	-	2,331,186	-	-
Total U.S. Department of Housing and Urban Development			8,292,178		3,950,106		26,459		26,459
U.S. Department of the Interior									
<i>Passed through the Montana Historical Society:</i>									
Historic Preservation Fund Grant	15,904	09-022	5,500	-	5,500	-	5,500	-	-
U.S. Department of Justice									
<i>Direct:</i>									
Bulletproof Vest Partnership Grant	16,607	904/7266	9,737	-	3,666	-	3,666	-	-
ARRA BJA FY09 Edward Byrne Memorial JAG Program-JAG Grant V	16,804	2009-SB-BP-1537	245,398	-	153,484	-	153,484	-	-
BIA FY09 Edward Byrne Memorial JAG Program-JAG Grant VI	16,738	2009-DJ-BX-0870	45,485	-	12,835	120	12,835	120	120
OIDP-FY2008 Edward Byrne Memorial Earmarks	16,541	2008-DD-BX-K082	552,260	-	128,776	-	128,776	-	-
Technology-2009-2	16,710	2009CKWX0171	300,000	-	6,409	-	6,409	-	-
ARRA Public Safety Partnership and Community Policing Grants-COPS Hiring	16,710	2009RKWX0529	1,092,230	-	301,754	-	301,754	-	-
Recovery Program			1,392,230		308,163		308,163		-
Total Public Safety Partnership and Community Policing Grants									
<i>Passed through State of Montana Board of Crime Control:</i>									
Underage Drinking Enforcement	16,727	07-U01-90715	3,529	-	3,529	-	3,529	-	-
Underage Drinking Enforcement	16,727	08-U01-90457	36,308	-	28,721	-	28,721	-	-
Total Underage Drinking Enforcement			39,837		32,250		32,250		-
Total U.S. Department of Justice			2,284,947		639,174		120		120

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2010

U.S. Department of Transportation

Direct through Federal Highway Administration:

Passed through the Montana Department of Transportation:

Congestion Mitigation and Air Quality

Congestion Mitigation and Air Quality

Surface Transportation Planning and Urban Funds

Safe Routes to School (Non-infrastructure)

Safe Routes to School (Infrastructure)

Community Transportation Enhancement Program

Community Transportation Enhancement Program

ARRA - Community Transportation Enhancement Program

ARRA - Community Transportation Enhancement Program

Total Highway Planning and Construction

State and Community Highway Safety

State and Community Highway Safety

Passed through Missoula County:

State and Community Highway Safety

Total State and Community Highway Safety

Passed through the Montana Natural History Center:

Recreational Trails Program

Total U.S. Department of Transportation

20.205	DTFH70-09-E-00025	537,548	-	19,893	-	19,893	-
20.205	CM 8199(87)	29,783	-	29,783	31,542	29,783	31,542
20.205	CM 8117(3) CN 4498	267,609	-	26,588	412	2,658	412
20.205	STPU 8105(8) CN 4128	861,750	-	205,665	-	205,665	-
20.205	104599	31,900	-	23,960	-	23,960	-
20.205	SRTS 8199(82)	72,200	-	63,267	-	63,267	-
20.205	STPE 8199(56)	636,490	-	274,900	42,610	274,900	42,610
20.205	STPE 8199(86)	99,742	-	81,138	12,576	81,138	12,576
20.205	ARRA 8119(1)	1,250,000	-	500,165	-	500,165	-
20.205	ARRA 8199(89)	200,000	-	84,644	-	84,644	-
		3,987,022	-	1,286,073	87,140	1,286,073	87,140
20.600	2010-05-04-19/2010-16-04-19	35,000	-	15,322	-	15,322	-
20.600	2009-11-04-19/2009-17-04-19	39,700	-	18,512	-	18,512	-
20.600	2010-02-20-03	14,000	-	2,595	-	2,595	-
		88,700	-	364,29	-	364,29	-
20.219	RT2009-21	27,918	-	11,220	-	11,220	-
		4,103,640	-	1,335,722	87,140	1,333,722	87,140

Environmental Protection Agency

Direct:

Congressionally Mandated Projects

Brownfields Assessment and Cleanup-RLF

Total Brownfields Assessment and Cleanup

Passed through State Department of Natural Resources and Conservation:

Capitalization Grants for Clean Water State Revolving Funds

Total Environmental Protection Agency

U.S. Department of Homeland Security

Direct:

SAFER

Total Federal Financial Assistance

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule is presented on the modified accrual basis of accounting. While OMB Circular A-133 requires only federal expenditures to be included in the schedule, the State of Montana requires the inclusion of fund balances, federal contributions, local contributions, other income and ending fund balances.

2. Program Clusters

The CDBG-Entitlement Grants Cluster consists of CFDA 14.218 and 14.253. This program cluster is treated as one program for major program determination and testing.

3. Sub awards

The City awarded sub recipient grants of \$98,129 for the JAG V grant, CFDA 16.804 and \$18,194 for the JAG VI grant, CFDA 16.758, during the year ended June 30, 2010.

CITY OF MISSOULA, MONTANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2010

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.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2010

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified	
not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies 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)?	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218 and 14.253	Community Development Block Grant/Entitlement Grants and Community Development Block Grant ARRA Entitlement Grants
14.228	Community Development Block Grant/ State’s Program
16.710	ARRA Public Safety Partnership and Community Policing Grant
16.804	ARRA Edward Byrne Memorial Justice Assistance Grant
20.205	Highway Planning and Construction and Recreational Trails Program
66.202	Congressionally Mandated Projects
66.458	Capitalization Grants for Clean Water State Revolving Funds

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2010

Federal Awards, continued

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

Finding 2010-1

Information Supporting the Financial Statements

Condition –

During our testing we noted several supporting schedules that did not tie to the financial statements, some by a material amount. Although these inconsistencies were corrected by the client, when material differences exist between the financial statements and supporting documentation, it indicates a material weakness in internal control over financial reporting due to the possible material quantitative impact on financial information.

Criteria –

When material audit adjustments are recorded, it indicates a material weakness in internal control over financial reporting due to the quantitative impact on the fund and government-wide financial statements.

Effect –

Material audit adjustments were noted in several funds.

Cause –

The source documents that we use to perform our audit procedures are the supporting schedules that should reconcile to the financial statements. At the time fieldwork began, we understood that the supporting schedules were complete for all of the audit areas. However, as fieldwork progressed, we noted discrepancies in most of the areas being audited between the supporting documentation and the financial statements, some of which were material.

Recommendation –

We recommend that management implement procedures to ensure that supporting schedules reconcile to the financial statements prior to the commencement of the audit. We believe that City personnel likely would have found the errors had these reconciliations been performed. As a result, we believe this error is not likely to occur in the future if sufficient time is spent reconciling the accounts before presenting it to the auditors for their testing.

*Client response and
Corrective actions –*

The City did not have adequate staffing to handle the impact of the audit demands this year. We will strive to be better prepared next year. When the budget process doesn't end until late September, the ability of the finance office to be adequately prepared for the audit is significantly reduced.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2010

Section III – Federal Award Findings and Questioned Costs

Finding 2010-2

Schedule of Expenditures of Federal Awards

Affected Programs

ARRA Public Safety Partnership and Community Policing Grant No. 16.710
Surface Transportation Planning Urban Funds CFDA No. 20.205
Community Transportation Enhancement CFDA No. 20.205

Condition –

We noted that the outside consultant who prepared the Schedule of Federal Expenditures of Federal Awards (SEFA) did not have a correct CFDA number listed for the ARRA Public Safety Partnership and Community Policing Grant. We further noted that the consultant did not correctly reflect the award amounts for the Surface Transportation Planning Urban Funds grant and the Community Transportation Enhancement Program grant that resulted from contract amendments.

Criteria –

Management is responsible for ensuring that the SEFA is complete and accurate.

Effect –

The inaccurate CFDA number and the incorrect award amounts caused the SEFA to be materially misstated until the corrections we identified were made.

Cause –

For the ARRA Public Safety Partnership and Community Policing Grant, there was no CFDA number listed on the grant document, and an incorrect CFDA number was provided by one of the grant administrators to the outside consultant with no independent verification of the accuracy of the information. For the two grants which had incorrect award amounts listed, the program administrator had the amendments in his files, but these were not included in the information that the outside consultant used to compile the SEFA.

Recommendation –

We recommend that management and the outside consultant implement procedures to ensure that the SEFA is accurate and complete.

*Client response and
Corrective actions –*

The City will require that all CFDA numbers are independently verified and that all amendments are reflected in the SEFA to ensure its accuracy.

CITY OF MISSOULA, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Fiscal Year Ended June 30, 2010

Summary Schedule of Prior Audit Findings

Finding 2009-1

Property Taxes, Special Assessments and Deferred Revenue

Condition –

During our testing of taxes receivable, special assessments receivable, deferred assessments receivable, and deferred revenue, we noted that the general ledger detail did not agree to supporting documentation. These audit differences resulted in material adjustments being recorded in the government wide and certain individual fund financial statements.

Criteria –

When material audit adjustments are recorded, it indicates a material weakness in internal control over financial reporting due to the quantitative impact on the fund and government-wide financial statements.

Effect –

Material audit adjustments were noted in the other debt service fund, general fund and government-wide financial statements.

Cause –

We understood that certain audit areas were complete and we began auditing those areas, specifically taxes and assessments receivable and deferred revenue. In later discussions with City Finance staff it was brought to our attention that certain audit areas had not in fact been finalized and were not ready to be audited. During the time between when we began audit procedures and when we were notified that certain areas were not complete,

we noted that the general ledger detail did not agree to the supporting documentation. These discrepancies were brought to the attention of the Finance Department and were immediately corrected. We appreciate the effort that was made to correct these differences; unfortunately, current auditing standards require that when it is represented to the auditor that audit areas are ready to be tested, any material audit differences identified after that point must be assessed to determine whether there is an internal control deficiency. Due to the fact that the adjustments were material, they resulted in a material weakness finding.

Recommendation –

We believe that had the City personnel not indicated that taxes and assessments were ready for audit, they likely would have found the errors. As a result, we believe this error is not likely to occur in the future if sufficient time is spent reconciling the accounts before presenting it to the auditors for their testing.

CITY OF MISSOULA, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Fiscal Year Ended June 30, 2010

Finding 2009-1

Property Taxes, Special Assessments and Deferred Revenue, continued

Client response and Corrective actions –

The finance office was understaffed as the audit began, with the result that communication was compromised between finance staff members right at the start of the audit due to heavier than normal staff responsibilities. We are hopeful that our office will be fully staffed at the onset of next year's audit, which should allow more time for clearer communication between staff members working to get the financial statements ready to be audited.

Status –

The issue has been resolved.

Finding 2009-2

Capital Assets

Condition –

During our testing of capital assets we noted that there was an error in the supporting schedule for infrastructure. The correction in this spreadsheet resulted in the recording of a material audit adjustment to capital assets.

Criteria –

When material audit adjustments are recorded, it indicates a material weakness in internal control over financial reporting due to the quantitative impact on the government-wide financial statements.

Effect –

Material audit adjustments were noted in the government-wide financial statements.

Cause –

The capital assets supporting schedule had been updated by the Finance Director prior to the preparation of the comprehensive annual financial report (CAFR). The City of Missoula's Information Technology Department had corrected a network problem that same time by performing a restore function on the network, and this process eliminated certain changes that had been made to the capital assets supporting schedule. The schedule was provided to the auditors without City staff realizing that the file did not include the most recent changes. Correcting the formula on the spreadsheet resulted in a material audit adjustment, including an adjustment to the prior year. Unfortunately, the capital assets information was presented to the auditors as ready for testing without the error being detected. Due to the fact that the adjustment was considered to be material, it resulted in a material weakness.

Recommendation –

The error in the infrastructure schedule appears to have occurred because the capital asset information was not given a final review before being presented

CITY OF MISSOULA, MONTANA
to us for testing. In the future, efforts should be made to give all information a thorough review before presenting it to us for audit testing.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2010

Finding 2009-2

Capital Assets, continued

*Client response and
Corrective actions –*

This situation is not likely to be repeated in the future, as the network problem requiring a restore function on the network has rarely occurred at the city. City finance office staff will definitely exercise heightened awareness should any network problems occur during future audit time frames.

Status –

The issue has been resolved.



CITY OF MISSOULA, MONTANA
Comprehensive Annual Financial Report
for Fiscal Year
Ended June 30, 2010

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