



City of Missoula, Montana
Comprehensive Annual Financial Report And Audit
For Fiscal Year Ended June 30 2011



Photo by Dee Andersen

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, 2011

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, 2011. 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 2011 relating to Missoula and Missoula County are restated below.

- University of Montana economist, Patrick Barkey, has forecast that Missoula's economic growth for 2011 should be in the 2 percent range, which is an improvement over the preceding three years when growth overall was negative due to the closure of the Bonner plywood plant in 2007 followed by the Bonner sawmill closure in 2008 and then the closure of the Smurfit-Stone pulp mill in 2010.
- Missoula continues to adjust from the housing downturn, with new home starts lagging from pre-recession numbers. Building-industry activity has a ripple effect in job creation and the Missoula economy.
- A number of projects, including continuing clean-up activity at the former Champion mill site in central Missoula; a well-received request for proposals on the City of Missoula's riverfront triangle property; development activity at the former Smurfit-Stone and Stimson Mills; relocation of a number of small technology companies and the agreement between Rivertop Renewables and The University of Montana to invest jointly in the MonTec incubator suggest increasing confidence and interest in making projects happen in the community.
- The Missoula Economic Partnership, a public-private economic development organization, opened its doors in June 2011 and is fielding calls from a variety of fronts for business relocation, granting activity, expansion assistance and more. The Partnership is working in cooperation with a number of agencies creating easy access to economic-development resources.
- 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 both FY 2011 and FY 2012. The decline in revenues in FY 2009, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses) has reversed and these revenues have been increasing since FY 10.
- 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 and FY 11, 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:

- The decision to modestly increase property taxes in FY 2011 (1.4%), with the intent being that the City would continue to serve our citizens well as compared to the preceding year when property taxes were not increased.
- The decision to implement both a park and street maintenance district in an attempt to maintain the current level of service delivery in those two core areas. These were tax increases for maintaining direct services, but they do not support any other general fund activities. These districts are in place throughout Montana.
- Most fees, licenses and permits were increased 3% in FY 2011, while they were not increased in the preceding year. Because many of the City's costs have increased, we increased our fees by 3 percent in our business licensing, engineering, planning and building inspection areas.
- For FY 2011, the City recommended an increase of \$65 per employee per month (\$315,000 per year) in the City's contribution to the health plan premium in an attempt to stabilize the fund balance for the City's health plan. Over the prior six years, we've consistently built fund balance in our health plan resulting in a \$2.3

million in surplus at the beginning of FY 2010. Extraordinary claims and medical inflation hit their highest levels in over a decade, driving the fund balance down by over \$2 million through the end of FY 2011 to negative \$332,592 for the end of FY 2011. In response to this challenge, for FY2012, the City recommended an increase of \$132 per employee per month (\$681,446 per year) in the City's contribution to the health plan premium in an attempt to stabilize the funding of the plan with its annual costs. The City also asked employees to contribute an additional \$393,012 (\$75/month more) and for retirees to contribute an additional \$118,434 (\$173/month more), together totaling \$511,446 of premium increases for employees and retirees. This raised the base premium from \$635 per month per employee to \$767 per month per employee. The City is committed to maintaining a three-month fund balance.

- Standard & Poor's, our ratings agency, recently completed a review of our credit. One of the areas of concern in that review was that a number of revenue streams that support General Fund functions have been allowed to accumulate balances outside of the General Fund and, to some extent, outside of our direct oversight. Many of these funds were accounted for within General Fund during FY 2011 and will be kept under administration review and oversight going forward. The purpose and intent will not change for these revenue streams, but they will no longer be allowed to accumulate outside of the General Fund and will be managed more closely by the administration in the future. Standard & Poor's also recommended that future budgets plan to increase the year-end fund balance to \$2.9 million (which is 7 percent of the General Fund budget per the City's adopted financial policy). This was achieved in FY 2011.
- In FY11, the City levied approximately the same amount for its GO debt service levies (17.61 mills in FY11 compared to 17.51 mills for FY10). The City is permitted to levy what is necessary to fund voter-approved General Obligation (GO) Bond debt service.
- All utility increase estimates were accepted in all budgets.
- The capital equipment replacement schedule was reduced to just those pieces of equipment absolutely needing replacement. The City administration, in conjunction with all City offices, developed a long-term (20-year) equipment replacement schedule that addresses the fact that the equipment replacement needs are more than \$2 million greater in the first five years (FY09-13) than in the following five years. Last year, the city administration proposed to smooth out this wave of deferred equipment replacement by financing the equipment scheduled for replacement over successively shorter time frames in the future, eventually getting to the point where very little, if any, financing would be needed. This allows our equipment to provide better service to our residents during fiscal times such as these. There were many Non-General Fund CIP projects that were not affected by the extremely tight funding in the General Fund this year.
- No inflation assumptions for operating supplies or purchased services were accepted into the budget, unless a pre-existing contract for service allowed for a scheduled increase in FY 2011.
- 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 and 2.0 percent in the FY 2011 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 FY 2011 budget by an additional 7 positions and the FY 2012 budget by another 6 positions.
- The City took advantage of federal and state economic recovery stimulus funding and initiated the following projects in FY 2010, most of which continued well into FY 2011 and some into FY 2012:
 - \$5.9 million of Federal ARRA funds were used for the following 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 2011 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 \$906 per capita, or 1.9% of estimated true property value.
- The City also recently received an improved credit rating from Standard & Poor's 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

- **New Headworks – Wastewater Treatment Plant.** Due to the growth of the City of Missoula, the current headworks at the sewer plant is inadequate for the future and undersized in relation to the capacity of the rest of the plant. This project was financed with sewer revenue bonds in the fall of 2010. The estimated cost will be \$10,345,000.

- **New Parking Ramp – Near First Interstate Bank – Missoula Parking Commission.** Due to the growth of the City of Missoula, the current parking facilities in the downtown core of the City of Missoula are inadequate for the present and future parking needs of the downtown business district within the city. This project (400 parking stalls) at the corner of Front and Pattee Street was financed with Parking Commission revenue bonds in the fall of 2010. The estimated cost for the project is \$9,600,000 with \$7,500,000 of new revenue bond debt to be issued by the Parking Commission.

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, 2010. This was the fourteenth 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, Chief 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, 2010

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.



Linda C. Danison

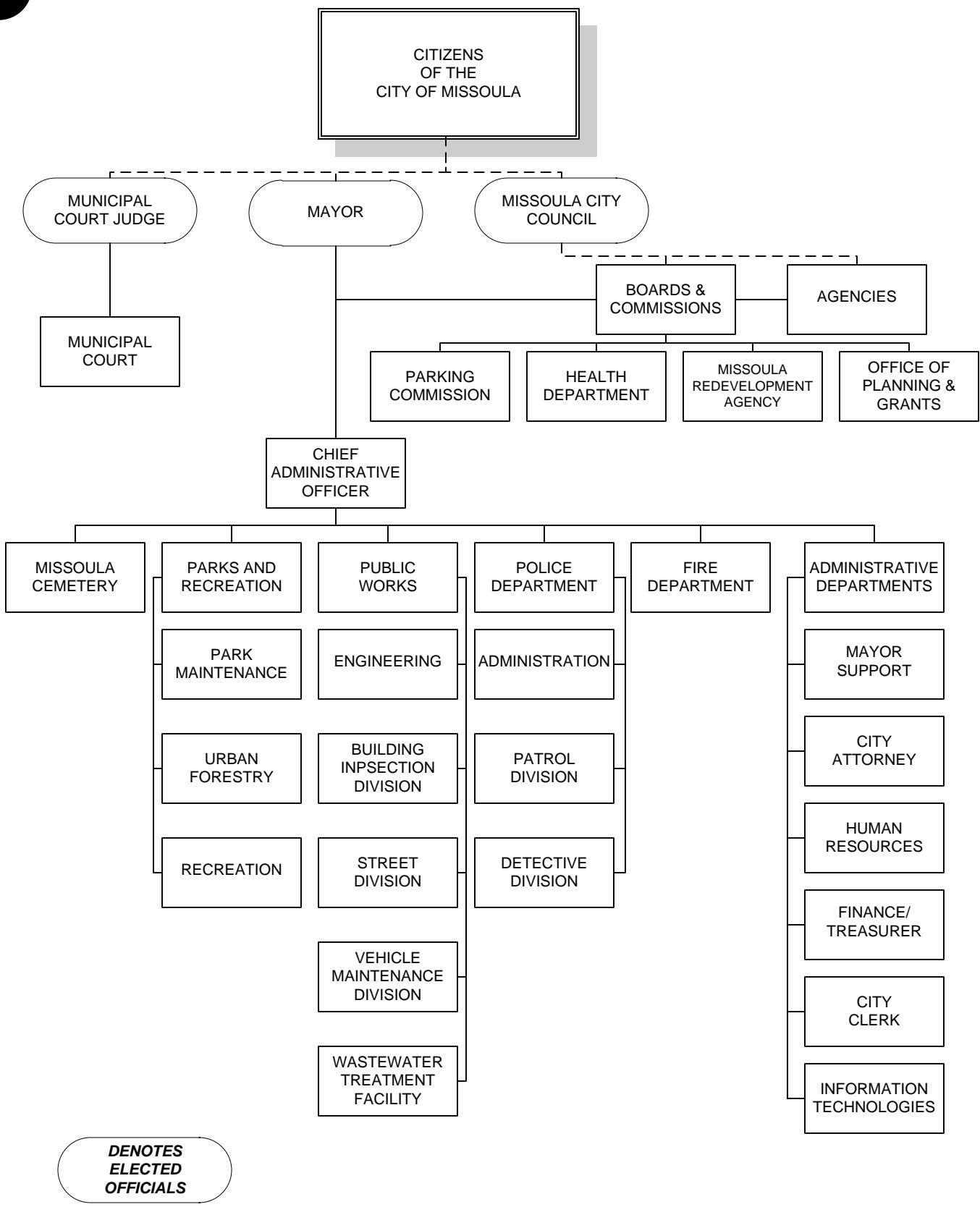
President

Jeffrey R. Einer

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 SECOND WARD

TERM EXPIRES FIRST MONDAY IN:
Cynthia Wolken 2014
Pam Walzer 2012

ALDERPERSONS THIRD WARD

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

ALDERPERSONS FOURTH WARD

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

ALDERPERSONS FIFTH WARD

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

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, 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 (the City), as of and for the year ended June 30, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 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, nonmajor 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 and nonmajor 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 ZurMuehlen & Co., P.C.

Missoula, Montana
December 23, 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, 2011. 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 \$223,462,627 (*net assets*). Of this amount, \$18,501,122 (*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 governmental funds reported combined ending fund balances of \$8,636,154. The special revenue funds had a total fund balance of \$4,107,907, of which \$4,428,976 is either restricted or committed to specific city programs while a deficit of \$332,574 exists in certain funds pending either future grant or tax collections. The debt service funds have \$4,132,057 of fund balance that is restricted for debt payments. The capital project funds have a negative fund balance of (\$3,237,576). 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 \$3,670,187 which represented 8.94 percent of total General Fund expenditures and transfers out. The unassigned portion of the fund balance for the General Fund was \$1,152,657, or 2.81% of total General Fund expenditures and transfers but the actual spendable portion (restricted/assigned/unassigned) was \$2,521,420, or 6.14% of total expenditures and transfers out. Seven special purpose funds under General Fund control were removed from the Special Revenue fund category in FY 2010 and moved to special purpose General Fund accounts in FY 2011. This increased the overall beginning General Fund balance to \$3,539,384 from \$2,088,984 in FY 2010. The remaining increase in fund balance in FY 2011 (\$130,803) was achieved by asking offices to hold back in making expenditures and by the receipt of additional revenues, especially taxes and charges for services. General Fund departments were asked to hold back on spending by 2% which was more than sufficient to offset the any revenue declines that might have occurred.

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 Capital Improvement Fund, both 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, aquatics 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 FS-22 - FS-57 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-58 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 \$223,462,627 at the close of the most recent fiscal year.

By far the largest portion of the City of Missoula's net assets (87.1 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	
	2011	2010	2011	2010	2011	2010
Current & Other Assets	\$ 29,791,664	\$ 27,035,383	\$ 10,333,029	\$ 1,248,801	\$ 40,124,693	\$ 28,284,184
Non-Current Capital Assets	154,136,479	145,469,228	101,809,457	98,713,271	255,945,936	244,182,499
Total Assets	183,928,143	172,504,611	112,142,486	99,962,072	296,070,629	272,466,683
Long-term Liabilities						
Current Liabilities	10,422,987	10,873,421	2,769,364	1,943,803	13,192,351	12,817,224
Non-Current Other Liabilities	35,626,205	34,686,338	23,789,447	12,915,354	59,415,652	47,601,692
Total Liabilities	46,049,192	45,559,759	26,558,811	14,859,157	72,608,003	60,418,916
Net Assets:						
Invested in capital assets, net of related debt	117,493,776	108,461,735	77,159,109	83,162,349	194,652,885	191,624,084
Restricted	8,077,142	3,869,555	2,231,478	1,662,633	10,308,620	5,532,188
Unrestricted	12,308,033	14,613,562	6,193,089	277,933	18,501,122	14,891,495
Total Net Assets	\$ 137,878,951	\$ 126,944,852	\$ 85,583,676	\$ 85,102,915	\$ 223,462,627	\$ 212,047,767

An additional portion of the City of Missoula's net assets (4.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$18,501,122) 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 \$10,934,099 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 \$480,761 while the amount invested in capital assets decreased by \$6,003,240 which was offset by an increase of \$5,915,156 in unrestricted net assets, which can be used to help pay for the significant infrastructure that was added to the City's wastewater treatment facility. The reason for the significant reduction in net assets invested in capital assets is that \$12,207,098 of new sewer revenue bonds were issued during the year, thus reducing the net asset calculation. The \$5,915,156 increase in unrestricted net assets is due to the significant amount of capital on hand that is being invested in an expansion of the city's sewer plant. The Developer contributions continued as a major revenue source for the Sewer Fund during the current fiscal year, producing \$1,236,432 in revenue, although these contributions were \$7,081,207 less than last year.

CITY OF MISSOULA'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 9,768,346	\$ 9,278,557	\$ 7,570,885	\$ 7,426,361	\$ 17,339,231	\$ 16,704,918
Operating grants & contributions	2,111,526	3,413,272	176,855	1,428	2,288,381	3,414,700
General revenues:						
Property taxes for general purposes	25,754,782	24,299,845	-	-	25,754,782	24,299,845
Intergovernmental revenue	11,458,751	11,168,006	-	-	11,458,751	11,168,006
Miscellaneous	353,086	268,617	5,107	190,354	358,193	458,971
Gain or loss on sale of capital assets	-	-	-	-	-	-
Investment earnings	31,158	75,502	21,457	(4,020)	52,615	71,482
Total revenues	49,477,650	48,503,799	7,774,304	7,614,123	57,251,954	56,117,922
Expenses:						
General Government						
General Government	6,466,035	7,596,451	-	-	6,466,035	7,596,451
Public Safety	23,220,034	23,252,086	-	-	23,220,034	23,252,086
Public Works	7,355,598	7,524,949	7,288,496	7,081,714	14,644,094	14,606,663
Public Health	1,398,035	1,387,041	-	-	1,398,035	1,387,041
Social and Economic Services	134,457	118,450	-	-	134,457	118,450
Culture and Recreation	3,195,731	3,466,304	1,615,583	1,459,788	4,811,314	4,926,092
Conservation of Natural Resources	450	7,759	-	-	450	7,759
Miscellaneous	1,189,351	1,041,180	-	-	1,189,351	1,041,180
Housing & Development	2,235,780	4,051,227	-	-	2,235,780	4,051,227
Interest Expense	1,666,641	1,612,770	-	-	1,666,641	1,612,770
Total Expenses	46,862,112	50,058,217	8,904,079	8,541,502	55,766,191	58,599,719
Excess/(Deficiency) Before:	2,615,538	(1,554,418)	(1,129,775)	(927,379)	1,485,763	(2,481,797)
Capital grants & contributions						
Capital grants & contributions	7,753,606	9,869,381	1,437,382	8,451,165	9,190,988	18,320,546
Interfund Transactions	257,051	22,000	(257,051)	(22,000)	-	-
Net contributions/other items	8,010,657	9,891,381	1,180,331	8,429,165	9,190,988	18,320,546
Change in net assets	10,626,195	8,336,963	50,556	7,501,786	10,676,751	15,838,749
Restatements	307,904	-	430,205	-	738,109	-
Ending Net Assets	\$ 137,878,951	\$ 126,944,852	\$ 85,583,676	\$ 85,102,915	\$ 223,462,627	\$ 212,047,767

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 \$8,636,154, an increase of \$2,671,361 in comparison with the prior year. The majority of this increase occurred in the CIP Fund #4060, whose fund balances increased by \$1,222,524 and the impact fee

fund and employee health insurance levy fund, whose fund balances increased \$682,542 and \$314,340 respectively. The capital construction funds had a negative year-end fund balance of \$3,237,576, which, although less negative than in FY 2010, 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 2012.

The special revenue funds had an unreserved fund balance of \$4,107,907 while \$4,095,636 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 \$3,670,187 which represented 8.94 percent of total General Fund expenditures and transfers out. Seven special purpose funds under General Fund control were removed from the Special Revenue fund category in FY 2010 and moved to special purpose General Fund accounts in FY 2011. This increased the overall beginning General Fund balance to \$3,539,384 from \$2,088,984 in FY 2010. The remaining increase in fund balance in FY 2011 (of \$130,803) was achieved by asking offices to hold back in making expenditures and by the receipt of additional revenues, especially taxes and charges for services. General Fund departments were asked to hold back on spending by 2% which was more than sufficient to offset the any revenue declines that might have occurred. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned portion of the fund balance for the General Fund was \$1,152,657, or 2.81% of total General Fund expenditures and transfers but the actual spendable portion (restricted/assigned/unassigned) was \$2,521,420, or 6.14% of total expenditures and transfers out.

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 \$6,080,404, an increase of \$5,915,156 in unrestricted net assets, which can be used to help pay for the significant infrastructure that was added to the City's wastewater treatment facility. The reason for the significant reduction invested in capital assets is that \$12,207,098 of new sewer revenue bonds were issued during the year, thus reducing the net asset calculation. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Missoula's business-type activities.

Prior to last year, the City's Health Plan had consistently built fund balance for six consecutive years, and the city had \$2.3 million in surplus at the beginning of FY10. However, in the last two years, extraordinary claims and medical inflation have hit their highest levels in over a decade, driving the fund balance down to about \$1.0 million at the end of FY 2010 and negative \$332,592 for the end of FY 2011. The City is committed to maintaining a three-month fund balance, but the demands of simply stabilizing the plan in FY 2012 will have to over-ride the need to maintain a 3 month reserve for the FY 2012 budget. Budgeted City contributions were increased by \$315,000 in FY 2011. For FY 2012, the City enacted an increase of \$132 per employee per month (\$681,446 per year) in the City's contribution to the health plan premium in an attempt to stabilize the funding of the plan with its annual costs. The City also asked employees to contribute an additional \$393,012 (\$75/month more) and for retirees to contribute an additional \$118,434 (\$173/month more), together totaling \$511,446 of premium increases for employees and retirees. This would raise the base premium from \$635 per month per employee to \$767 per month per employee.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in budgeted appropriations of \$36,412, due to the need to amend the budget for the carry-forward and re-budget of unexpended contracts approved in the prior year.

Significant revenue differences between the final amended budget and actual results were due to a decrease in current and delinquent tax collections (-\$198,597), a small decrease in expected engineering and planning fees and permits and business licenses(-\$20,220), a decline in fees for services (-\$253,153) which was offset by a proportionate reduction in expenses, and continued reduction in expected fines and forfeits (-\$22,283) due to ongoing staffing shortages in the Police department, and a continued decline in investment earnings (-\$24,733) due to declining interest rates. The increase in fund balance in FY 11 was primarily achieved by asking offices to

hold back in making expenditures. 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, 2011, amounts to \$255,945,936 (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 \$1,236,432 of new construction.
- A new \$10.3 million head-works upgrade at the wastewater facility is under construction.
- A \$4.2 million extension of the sewer system in the Rattlesnake Valley.
- Additional street infrastructure projects were under construction at fiscal year end.

CITY OF MISSOULA'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 19,679,735	\$ 19,342,529	\$ 1,333,614	\$ 1,333,614	\$ 21,013,349	\$ 20,676,143
Art	236,590	236,590	65,229	65,229	301,819	301,819
Buildings and Improvements	33,391,658	33,233,044	126,561,119	120,888,237	159,952,777	154,121,281
Machinery and Equipment	18,672,480	20,954,233	5,751,718	6,192,878	24,424,198	27,147,111
Infrastructure	224,845,541	210,392,597	-	-	224,845,541	210,392,597
Work in Progress	4,591,469	2,816,915	7,423,344	5,413,921	12,014,813	8,230,836
Total Capital Assets	301,417,473	286,975,908	141,135,024	133,893,879	442,552,497	420,869,787
Less Accumulated Depreciation	(147,280,993)	(142,626,743)	(39,325,564)	(36,848,045)	(186,606,557)	(179,474,788)
Net Capital Assets	\$ 154,136,479	\$ 144,349,165	\$ 101,809,457	\$ 97,045,833	\$ 255,945,936	\$ 241,394,998

Long-Term Debt. At the end of the current fiscal year, the City of Missoula had a total of \$66,071,288 of long term debt outstanding of which \$59,065,153 was bonded debt. Of this amount, \$13,840,000 comprises debt backed by the full faith and credit of the government and \$15,021,055 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	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 13,840,000	\$ 15,065,000	-	\$ -	\$ 13,840,000	\$ 15,065,000
Limited Obligation Bonds	5,625,000	4,935,000	-	-	5,625,000	4,935,000
Revenue Bonds	-	-	24,579,098	13,883,485	24,579,098	13,883,485
Spec. Assessment Bonds	15,021,055	14,350,241	-	-	15,021,055	14,350,241
Sidewalk & Curb Warrants	-	-	-	-	-	-
State Board of Investment Loans	125,646	159,063	-	-	125,646	159,063
Capital Leases	2,031,002	1,378,125	-	-	2,031,002	1,378,125
Compensated Absences	3,799,842	3,586,736	183,761	166,623	3,983,603	3,753,359
Post Employment Benefits	813,133	607,104	52,751	39,645	865,884	646,749
Total Outstanding Debt	\$ 41,255,679	\$ 40,081,269	\$ 24,815,610	\$ 14,089,754	\$ 66,071,288	\$ 54,171,023

The City of Missoula's total debt increased by \$11,900,265 (22 percent), during the 2011 fiscal year. The key factors in this increase was the fact that the City issued \$12,207,098 of new sewer revenue bonded debt, and retired \$1,511,485 of old sewer debt, mainly for a new headworks at the sewer plant. The City also issued \$2,379,586 of net new special assessment bonds to extend sewer lines and reconstruct old curbs, gutters and sidewalks. Finally, the City also issued \$850,000 of new capital leases to replace an old fire engines, a tandem axel dump truck, a wheel loader, police patrol vehicles and several utility trucks for various city offices.

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 \$103,517,000 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 an 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 2011 should be in the 2 percent range, which is an improvement over the preceding three years when growth overall was negative due to the closure of the Bonner plywood plant in 2007 followed by the Bonner sawmill closure in 2008 and then the closure of the Smurfit-Stone pulp mill in 2010.
- Missoula continues to adjust from the housing downturn, with new home starts lagging from pre-recession numbers. Building-industry activity has a ripple effect in job creation and the Missoula economy.
- A number of projects, including continuing clean-up activity at the former Champion mill site in central Missoula; a well-received request for proposals on the City of Missoula's riverfront triangle property; development activity at the former Smurfit-Stone and Stimson Mills; relocation of a number of small technology companies and the agreement between Rivertop Renewables and The University of Montana to invest jointly in the MonTec incubator suggest increasing confidence and interest in making projects happen in the community.
- The Missoula Economic Partnership, a public-private economic development organization, opened its doors in June 2011 and is fielding calls from a variety of fronts for business relocation, granting activity, expansion assistance and more. The Partnership is working in cooperation with a number of agencies creating easy access to economic-development resources.
- 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 2012 fiscal year. The decline in revenues in FY 2009, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses) has reversed and these revenues have been increasing since FY 10.

- 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, Montana, 59802.

**BASIC FINANCIAL
STATEMENTS**

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

City of Missoula, Montana
Statement of Net Assets
June 30, 2011

	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	\$ 6,813,286	\$ 5,945,841	\$ 12,759,127	\$ 119,504	\$ 1,889,714	\$ 5,030,587				
Taxes/Assessments receivable, net	4,179,836	-	4,179,836	156,473	-	635,846				
Deferred assessments receivable	13,399,309	-	13,399,309	-	-	-				
Accounts receivable	924,539	517,074	1,441,613	882	-	-				
Other receivable	192,134	1,525,758	1,717,892	-	274,872	139,422				
Interest receivable	3,796	5,997	9,793	86	-	-				
Prepaid expenditures / expenses	313,920	17,641	331,561	-	-	3,068				
Due from other governments	1,970,062	3,043	1,973,105	15,050	-	169,731				
Inventory of supplies	846,352	82,995	929,347	-	-	-				
Total Current Assets	<u>28,643,234</u>	<u>8,098,349</u>	<u>36,741,583</u>	<u>291,995</u>	<u>2,164,586</u>	<u>5,978,654</u>				
Noncurrent Assets										
Cash and investments	-	2,231,478	2,231,478	-	7,671,136	250,400				
Bond issuance costs, net	-	3,203	3,203	-	374,360	-				
Long term loans receivable	1,148,425	-	1,148,425	-	2,966,000	-				
Other assets	-	-	-	-	7,740	-				
Capital assets - depreciable, net	129,628,686	92,987,270	222,615,956	-	2,324,702	-				
Capital assets - land and construction in progress	24,507,793	8,822,187	33,329,980	-	4,868,931	-				
Total Noncurrent Assets	<u>155,284,904</u>	<u>104,044,138</u>	<u>259,329,042</u>	<u>-</u>	<u>18,212,869</u>	<u>250,400</u>				
Total Assets	<u>183,928,138</u>	<u>112,142,487</u>	<u>296,070,625</u>	<u>291,995</u>	<u>20,377,455</u>	<u>6,229,054</u>				
LIABILITIES										
Current Liabilities										
Accounts payable	2,324,356	1,576,843	3,901,199	9,077	398,709	555,456				
Accrued expenses	930,865	87,008	1,017,873	9,989	324,147	29,274				
Deferred revenue	1,588,294	8,100	1,596,394	156,473	-	-				
Contributions paid in advance	-	-	-	-	134,216	-				
Compensated absences payable	1,944,239	96,382	2,040,621	-	21,553	31,842				
Special assessment debt with government obligation	1,648,370	-	1,648,370	-	-	-				
Long-term liabilities - due within one year	1,986,863	1,001,031	2,987,894	-	220,000	279,019				
Total Current Liabilities	<u>10,422,987</u>	<u>2,769,364</u>	<u>13,192,351</u>	<u>175,539</u>	<u>1,098,625</u>	<u>895,591</u>				
Noncurrent Liabilities										
Net Employment Benefit Obligation	813,133	52,751	865,884	-	21,204	11,956				
Long-term portion of compensated absences	1,805,602	87,379	1,892,981	-	-	14,260				
Special assessment debt with government obligation - long-term	13,372,686	-	13,372,686	-	-	-				
Long-term liabilities - due in more than one year	19,634,784	23,649,317	43,284,101	-	7,915,000	10,643,766				
Total Noncurrent Liabilities	<u>35,626,205</u>	<u>23,789,447</u>	<u>59,415,652</u>	<u>-</u>	<u>7,936,204</u>	<u>10,669,982</u>				
Total Liabilities	<u>46,049,192</u>	<u>26,558,811</u>	<u>72,608,003</u>	<u>175,539</u>	<u>9,034,829</u>	<u>11,565,573</u>				
NET ASSETS										
Invested in capital assets, net of related debt	117,493,776	77,159,109	194,652,885	-	3,346,187	-				
Restricted	8,077,142	2,231,478	10,308,620	-	2,642,201	250,400				
Unrestricted	12,308,033	6,193,089	18,501,122	116,456	5,354,238	(5,586,919)				
Total Net Assets	<u>\$ 137,878,951</u>	<u>\$ 85,583,676</u>	<u>\$ 223,462,627</u>	<u>\$ 116,456</u>	<u>\$ 11,342,626</u>	<u>\$ (5,336,519)</u>				

See accompanying Notes to the Financial Statements

City of Missoula, Montana
 Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Net (Expenses) Revenues and Changes in Net Assets					
		Program Revenues			Component Units		
		Operating Grants and Contributions	Capital Grants and Contributions	Business-type Activities	Business Improvement District	Missoula Parking Commission	Missoula Redevelopment Agency
Primary Government:							
Governmental activities:							
General government	\$ 6,466,035	\$ 3,061,618	\$ 17,190	\$ 307,567	\$ (3,387,227)	\$ -	\$ -
Public safety	23,220,034	2,749,672	1,142,311	5,583,339	(19,020,484)	-	-
Public works	7,355,598	3,150,203	-	1,377,944	-	-	-
Public health	1,398,035	96,376	-	(1,301,659)	-	-	-
Social and economic services	134,457	-	946	727,905	-	-	-
Culture and recreation	3,195,731	499,116	52,359	200,235	(2,444,021)	-	-
Housing and community development	2,235,780	211,361	844,666	934,560	(245,193)	-	-
Conservation of natural resources	450	-	54,054	-	53,604	-	-
Miscellaneous	1,189,351	-	-	-	(1,189,351)	-	-
Debt service interest expense	1,666,641	-	-	-	(1,666,641)	-	-
Total Governmental Activities	<u>\$ 46,862,112</u>	<u>9,768,346</u>	<u>2,111,526</u>	<u>7,753,606</u>	<u>(27,228,634)</u>	<u>-</u>	<u>-</u>
Business-type activities:							
Sewer	7,288,496	6,659,348	176,370	1,236,432	-	783,654	-
Aquatics	1,615,583	911,537	485	200,950	-	(502,611)	-
Total Business-Type Activities	<u>8,904,079</u>	<u>7,570,885</u>	<u>176,855</u>	<u>1,437,382</u>	<u>-</u>	<u>281,043</u>	<u>-</u>
Total Primary Government	<u>\$ 55,766,191</u>	<u>\$ 17,339,231</u>	<u>\$ 2,288,381</u>	<u>\$ 9,190,988</u>	<u>(27,228,634)</u>	<u>281,043</u>	<u>(26,947,591)</u>
Component Units:							
Business Improvement District	\$ 316,008	\$ -	\$ -	\$ -	\$ -	\$ (316,008)	\$ -
Missoula Parking Commission	1,295,239	1,308,869	-	-	-	-	-
Missoula Redevelopment Agency	9,659,035	-	-	-	-	-	-
Total Component Units	<u>\$ 11,260,282</u>	<u>\$ 1,308,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(316,008)</u>	<u>23,630</u>
General Revenues							
Property taxes for general purposes	25,754,782	-	25,754,782	298,300	-	-	3,843,054
Intergovernmental revenue, unrestricted	11,458,751	-	11,458,751	4,067	-	-	718,897
Miscellaneous	353,086	5,107	358,193	24,454	-	-	-
Interest income	31,158	21,457	52,615	246	80,253	-	2,419
Sewer & Aquatic funds support of governmental activities	257,051	(257,051)	-	-	-	-	-
Capital Contribution	<u>37,854,828</u>	<u>(230,487)</u>	<u>37,624,341</u>	<u>327,067</u>	<u>3,051,509</u>	<u>-</u>	<u>4,264,370</u>
Total general revenues and transfers	<u>10,626,195</u>	<u>50,556</u>	<u>10,676,751</u>	<u>11,059</u>	<u>3,155,392</u>	<u>-</u>	<u>(5,094,665)</u>
Net Assets - July 1, 2010	126,944,852	85,102,915	212,047,767	105,397	8,187,234	-	(241,834)
Restatements	<u>307,904</u>	<u>430,205</u>	<u>738,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - July 1, 2010 - Restated	<u>127,252,756</u>	<u>85,533,120</u>	<u>212,785,376</u>	<u>105,397</u>	<u>8,187,234</u>	<u>-</u>	<u>(241,834)</u>
Net Assets - June 30, 2011	<u>\$ 137,878,951</u>	<u>\$ 85,583,676</u>	<u>\$ 223,462,627</u>	<u>\$ 116,456</u>	<u>\$ 11,342,626</u>	<u>\$ -</u>	<u>(5,336,519)</u>

See accompanying Notes to the Financial Statements

**FUND
FINANCIAL
STATEMENTS**

MAJOR GOVERNMENTAL FUNDS FUND DESCRIPTIONS

GENERAL FUND

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

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.

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, 2011

	General Fund	Capital Improvement Program	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 2,305,081	\$ -	\$ 4,216,483	\$ 6,521,564
Taxes/Assessments receivable, net	2,430,204	-	1,749,632	4,179,836
Deferred assessments receivable	-	-	13,399,309	13,399,309
Due from other governments	719,325	-	1,250,737	1,970,062
Accounts receivable	358,423	14,900	551,216	924,539
Long Term Loans	383,845	-	764,580	1,148,425
Interest receivable	(948)	(1,303)	4,578	2,327
Prepaid expenditures	302,415	-	11,505	313,920
Interfund receivable	-	-	2,469,847	2,469,847
Advances receivable	-	-	2,307,919	2,307,919
Inventory of supplies	846,352	-	-	846,352
Total Assets	<u><u>\$ 7,344,697</u></u>	<u><u>\$ 13,597</u></u>	<u><u>\$ 26,725,806</u></u>	<u><u>\$ 34,084,100</u></u>
LIABILITIES				
Accounts payable	\$ 804,535	\$ 176,897	\$ 946,353	\$ 1,927,785
Accrued expenditures	897,555	-	33,310	930,865
Deferred revenue	1,972,420	-	15,839,110	17,811,530
Interfund payable	-	690,595	1,779,252	2,469,847
Advances payable	-	2,080,709	227,210	2,307,919
Total Liabilities	<u><u>3,674,510</u></u>	<u><u>2,948,201</u></u>	<u><u>18,825,235</u></u>	<u><u>25,447,946</u></u>
FUND BALANCES				
Nonspendable	1,148,767	-	11,505	1,160,272
Restricted	165,282	-	7,911,860	8,077,142
Committed	-	-	1,374,228	1,374,228
Assigned	1,203,481	-	-	1,203,481
Unassigned	<u><u>1,152,657</u></u>	<u><u>(2,934,604)</u></u>	<u><u>(1,397,022)</u></u>	<u><u>(3,178,969)</u></u>
Total Fund Balance	<u><u>3,670,187</u></u>	<u><u>(2,934,604)</u></u>	<u><u>7,900,571</u></u>	<u><u>8,636,154</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 7,344,697</u></u>	<u><u>\$ 13,597</u></u>	<u><u>\$ 26,725,806</u></u>	<u><u>\$ 34,084,100</u></u>

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Assets
June 30, 2011

Total fund balances - governmental funds	\$ 8,636,154
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	154,136,480
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	16,644,586
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.	(332,592)
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.	\$ (41,205,677)
Total net assets - governmental activities	\$ 137,878,951

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, 2011

	General	Capital Improvement Program	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes and assessments	\$ 19,909,742	\$ -	\$ 8,346,845	\$ 28,256,587
Licenses and permits	1,212,898	-	1,879,538	3,092,436
Intergovernmental	10,798,634	276,220	6,456,645	17,531,499
Charges for services	4,008,686	-	1,151,640	5,160,326
Fines and forfeitures	978,351	-	30,594	1,008,945
Miscellaneous	221,456	219,385	765,120	1,205,961
Investment earnings	5,267	3,776	23,366	32,409
Total revenues	<u>37,135,034</u>	<u>499,381</u>	<u>18,653,748</u>	<u>56,288,163</u>
EXPENDITURES				
Current:				
General government	6,010,334	86,667	396,865	6,493,866
Public safety	20,633,093	-	1,797,994	22,431,087
Public works	6,727,901	-	1,234,935	7,962,836
Public health	1,372,380	-	-	1,372,380
Social and economic services	116,000	-	-	116,000
Culture and recreation	3,107,799	2,805	178,516	3,289,120
Housing and community development	52,000	-	2,212,947	2,264,947
Conservation of natural resources	-	-	450	450
Miscellaneous	1,183,362	5,989	-	1,189,351
Debt service expenditures	99,961	755,063	4,224,680	5,079,704
Capital outlay	<u>608,374</u>	<u>1,148,382</u>	<u>6,020,568</u>	<u>7,777,324</u>
Total expenditures	<u>39,911,204</u>	<u>1,998,906</u>	<u>16,066,955</u>	<u>57,977,065</u>
Excess (deficiency) of revenues over expenditures	<u>(2,776,170)</u>	<u>(1,499,525)</u>	<u>2,586,793</u>	<u>(1,688,902)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,032,814	933,299	22,953	4,989,066
Transfers (out)	(1,125,841)	-	(3,671,298)	(4,797,139)
Issuance of long term debt/capital leases	-	1,788,750	2,379,586	4,168,336
Total other financing sources (uses)	<u>2,906,973</u>	<u>2,722,049</u>	<u>(1,268,759)</u>	<u>4,360,263</u>
Net Change in Fund Balance	130,803	1,222,524	1,318,034	2,671,361
Fund Balance - July 1, 2010	2,088,984	(4,157,128)	8,062,239	5,994,095
Restatement	1,450,400	-	(1,479,702)	(29,302)
Fund Balance - July 1, 2010 Restated	<u>3,539,384</u>	<u>(4,157,128)</u>	<u>6,582,537</u>	<u>5,964,793</u>
Fund Balance - June 30, 2011	<u>\$ 3,670,187</u>	<u>\$ (2,934,604)</u>	<u>\$ 7,900,571</u>	<u>\$ 8,636,154</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, 2011

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

Net change in fund balances - total governmental funds	\$ 2,671,361
Governmental funds report capital outlays as expenditures	17,689,021
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(7,460,578)
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.	(778,333)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	943,414
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(4,168,336)
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.	3,413,062
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(163,105)
The change in post employment obligations is shown as an addition to payroll expense on the statement of activities	(206,029)
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.	(1,314,282)
Change in net assets - statement of activities	\$ <u>10,626,195</u>

See accompanying Notes to the Financial Statements

**PROPRIETARY FUND
FINANCIAL
STATEMENTS**

City of Missoula, Montana

Balance Sheet
Proprietary Funds
June 30, 2011

	Business-Type Activities			Governmental Activities	
	Sewer (Major)	Aquatics (Major)	Total	Internal Service Self Insurance	
ASSETS					
Current Assets					
Cash and investments	\$ 5,711,110	\$ 234,731	\$ 5,945,841	\$ 291,722	
Accounts receivable	517,074	-	517,074	-	
Interest receivable	5,792	205	5,997	1,469	
Other receivable	1,525,758	-	1,525,758	192,134	
Due from other governments	3,043	-	3,043	-	
Prepaid expenses	15,340	2,301	17,641	-	
Interfund receivable	-	-	-	-	
Inventory of supplies	65,650	17,345	82,995	-	
Total Current Assets	<u>7,843,767</u>	<u>254,582</u>	<u>8,098,349</u>		<u>485,325</u>
Noncurrent Assets					
Cash and investments	2,231,478	-	2,231,478	-	
Art	-	65,229	65,229	-	
Land	1,333,614	-	1,333,614	-	
Construction work in progress	6,061,638	1,361,706	7,423,344	-	
Buildings	8,223,562	12,494,887	20,718,449	-	
Improvements other than buildings	105,842,667	-	105,842,667	-	
Machinery and equipment	5,751,718	-	5,751,718	-	
Allowance for depreciation	(37,673,025)	(1,652,539)	(39,325,564)	-	
Bond issuance costs, net	3,203	-	3,203	-	
Total Noncurrent Assets	<u>91,774,855</u>	<u>12,269,283</u>	<u>104,044,138</u>		<u>-</u>
Total Assets	<u>\$ 99,618,622</u>	<u>\$ 12,523,865</u>	<u>\$ 112,142,487</u>		<u>485,325</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 1,516,923	\$ 59,920	\$ 1,576,843	\$ 396,571	
Accrued expenses	41,353	45,655	87,008	-	
Contributions paid in advance	-	-	-	421,346	
Deferred revenue	8,100	-	8,100	-	
Compensated absences payable	83,393	12,989	96,382	-	
Long-term liabilities - due within one year	1,001,031	-	1,001,031	-	
Total Current Liabilities	<u>2,650,800</u>	<u>118,564</u>	<u>2,769,364</u>		<u>817,917</u>
Noncurrent Liabilities					
Net Employment Benefit Obligation	42,875	9,876	52,751	-	
Long-Term portion of compensated absences	73,922	13,457	87,379	-	
Long-term liabilities - due in more than one year	23,649,317	-	23,649,317	-	
Total Noncurrent Liabilities	<u>23,766,114</u>	<u>23,333</u>	<u>23,789,447</u>		<u>-</u>
Total Liabilities	<u>26,416,914</u>	<u>141,897</u>	<u>26,558,811</u>		<u>817,917</u>
NET ASSETS					
Invested in capital assets, net of related debt	64,889,826	12,269,283	77,159,109	-	
Restricted for debt service	2,231,478	-	2,231,478	-	
Unrestricted	6,080,404	112,685	6,193,089	(332,592)	
Total Net Assets	<u>73,201,708</u>	<u>12,381,968</u>	<u>85,583,676</u>	<u>(332,592)</u>	
Total Liabilities and Net Assets	<u>\$ 99,618,622</u>	<u>\$ 12,523,865</u>	<u>\$ 112,142,487</u>		<u>485,325</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, 2011

	Business-Type Activities - Major Enterprise Funds			Governmental Activities	
	Sewer (Major)	Aquatics (Major)	Total	Internal Service Self-Insurance Funds	
	(Major)	(Major)	Total		
Operating Revenues					
Intergovernmental	\$ 176,370	\$ 485	\$ 176,855	\$ -	-
Charges for services	6,659,348	911,537	7,570,885		-
Miscellaneous	5,107	-	5,107		-
Internal services	-	-	-		2,938,602
Total Operating Revenues	<u>6,840,825</u>	<u>912,022</u>	<u>7,752,847</u>		<u>2,938,602</u>
Operating Expenses					
Personal services	1,327,285	576,706	1,903,991		-
Fixed charges	740,844	-	740,844		-
Depreciation	2,525,409	406,059	2,931,468		-
Insurance claims and expenses	-	-	-		4,317,687
Maintenance and operations	1,808,530	632,818	2,441,348		
Total Operating Expenses	<u>6,402,068</u>	<u>1,615,583</u>	<u>8,017,651</u>		<u>4,317,687</u>
Operating Income	<u>438,757</u>	<u>(703,561)</u>	<u>(264,804)</u>		<u>(1,379,085)</u>
Non-operating revenues (expenses)					
Interest revenue	20,758	699	21,457		(321)
Debt service interest expense	<u>(886,428)</u>	<u>-</u>	<u>(886,428)</u>		<u>-</u>
Total non-operating revenues (expenses)	<u>(865,670)</u>	<u>699</u>	<u>(864,971)</u>		<u>(321)</u>
Income (loss) before contributions and transfers	<u>(426,913)</u>	<u>(702,862)</u>	<u>(1,129,775)</u>		<u>(1,379,406)</u>
Contributions and Transfers					
Contributions	1,236,432	200,950	1,437,382		-
Transfers in	-	142,949	142,949		65,124
Transfers (out)	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>		<u>-</u>
Net Contributions and Transfers	<u>836,432</u>	<u>343,899</u>	<u>1,180,331</u>		<u>65,124</u>
Change in Net Assets	409,519	(358,963)	50,556		(1,314,282)
Net Assets - July 1, 2010	72,361,984	12,740,931	85,102,915		981,690
Restatements	<u>430,205</u>	<u>-</u>	<u>430,205</u>		<u>-</u>
Net Assets - July 1, 2010 - Restated	<u>72,792,189</u>	<u>12,740,931</u>	<u>85,533,120</u>		<u>981,690</u>
Net Assets - June 30, 2011	<u>\$ 73,201,708</u>	<u>\$ 12,381,968</u>	<u>\$ 85,583,676</u>	<u>\$ (332,592)</u>	

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Cash Flows
Proprietary Fund Types
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Major Enterprise Funds			Governmental Activities - Internal Service Funds	
	Sewer	Aquatics	Total	Self-Insurance	
	 	 	 	 	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 6,640,077	\$ 911,637	\$ 7,551,714	\$ -	-
Payments to suppliers	(1,649,398)	(475,293)	(2,124,691)	-	-
Payments to employees	(1,306,838)	(569,080)	(1,875,918)	-	-
Other receipts	185,779	485	186,264	-	-
Receipts from internal services	-	-	-	4,210,833	
Benefit payments	-	-	-	(5,528,184)	
Net Cash Provided (Used) by Operating Activities	<u>3,869,620</u>	<u>(132,251)</u>	<u>3,737,369</u>	<u>(1,317,351)</u>	
Cash Flows from Non-Capital Financing Activities:					
Transfers to other funds	(1,350,892)	-	(1,350,892)	-	-
Transfers from (to) other funds	(400,000)	142,949	(257,051)	65,124	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,750,892)</u>	<u>142,949</u>	<u>(1,607,943)</u>	<u>65,124</u>	
Cash Flows from Capital and Related Financing Activities:					
Proceeds from debt	12,278,348	-	12,278,348	-	-
Principal paid on debt	(1,511,485)	-	(1,511,485)	-	-
Interest paid on debt	(884,827)	-	(884,827)	-	-
Acquisition and construction of capital assets	(5,840,581)	-	(5,840,581)	-	-
Net Cash Used by Capital and Related Financing Activities	<u>4,041,455</u>	<u>-</u>	<u>4,041,455</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest on investments	19,406	683	20,089	4,926	
Receipts from short-term loans	100,117	-	100,117	-	-
Net Cash Provided (Used) by Investing Activities	<u>119,523</u>	<u>683</u>	<u>120,206</u>	<u>4,926</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	6,279,706	11,381	6,291,087	(1,247,301)	
Cash and cash equivalents at July 1, 2010	\$ 1,662,882	\$ 223,350	\$ 1,886,232	\$ 1,539,023	
Cash and cash equivalents at June 30, 2011	<u>\$ 7,942,588</u>	<u>\$ 234,731</u>	<u>\$ 8,177,319</u>	<u>\$ 291,722</u>	
Cash and cash equivalents consists of:					
Cash and investments	\$ 5,711,110	\$ 234,731	\$ 5,945,841	\$ 291,722	
Restricted cash and investments	2,231,478	-	2,231,478	-	-
Total cash and cash equivalents	<u>\$ 7,942,588</u>	<u>\$ 234,731</u>	<u>\$ 8,177,319</u>	<u>\$ 291,722</u>	
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 438,757	\$ (703,561)	\$ (264,804)	\$ (1,379,085)	
Adjustments to reconcile operating income (loss) to net cash provided by (used) operating activities:					
Depreciation	2,525,409	406,059	2,931,468	-	
Changes in assets and liabilities:					
Due from other governments	4,302	-	4,302	-	
Other receivables and notes receivable	(14,246)	100	(14,146)	(146,306)	
Prepaid expense	(2,821)	239	(2,582)	-	
Deferred revenue	(5,025)	-	(5,025)	-	
Contributions paid in advance	-	-	-	66,859	
Compensated absences payable	16,234	904	17,138	-	
Net employment benefit obligation	11,009	2,097	13,106	-	
Inventories	-	150,340	150,340	-	
Accounts and other payables	899,976	7,185	907,161	141,180	
Accrued expenses	(3,975)	4,386	411	-	
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,869,620</u>	<u>\$ (132,251)</u>	<u>\$ 3,737,369</u>	<u>\$ (1,317,352)</u>	

Disclosure of Non-Cash Items:

The Sewer fund had non-cash transactions that increased assets in the amount of \$1,236,432, developer contributions of capital assets of \$1,236,432, and annual bond issuance cost amortization of \$1,601. The Aquatics fund had non-cash transactions that increased capital assets in the amount of \$200,950. This was attributed to a contribution of capital assets of \$200,950.

**FIDUCIARY FUND
FINANCIAL
STATEMENTS**

City of Missoula, Montana
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Agency</u> <u>Funds</u>
ASSETS	
Cash and short-term investments	\$ 307,110
Due from other governments	5,881
Total assets	<u>\$ 312,991</u>
LIABILITIES	
Accounts payable	\$ 40,197
Due to private parties	257,726
Due to other governments	15,068
Total liabilities	<u>\$ 312,991</u>

See accompanying Notes to the Financial Statements

**NOTES TO
FINANCIAL
STATEMENTS**

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 and confirmed by the City Council. 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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 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. A third lot is under construction at the corner of Front and Patty Streets to be completed in spring of 2012. 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. The BID is included in the City's financial statements as a component unit due to the nature and significance of its relationship with the City. The BID is financially accountable to the City; the City appoints the BID's seven member Board of Trustees and approves the BID budget. Additionally, the BID receives its funding through an assessment of the property owners (ratepayers) in the district which are collected and disseminated by the City. 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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made to minimize the double-counting of internal activities.

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

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

Measurement Focus and Basis of Accounting

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

Fund Financial Statements

Basis of Presentation

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the fund financial statements. All of the remaining funds are aggregated and reported in a single column as non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 city uses an internal service fund to account for providing health insurance benefits for employees. 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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Public Defender Fees – Accounts for public defender fees charged and owed to the State of Montana.
Tourism Business Improvement District - accounts for revenues collected by participating hotels and owed to the District to aid tourism, promotion, and marketing within the District.

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 and direct obligations of the U.S. Treasury. 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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011 were \$1,319,279.

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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 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 \$10,000 or greater. Beginning with Fiscal Year 2011, the City increased the minimum threshold for the capitalization of assets from \$5,000 to \$10,000. 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*.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 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

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.

GASB Statement No. 54 requires, among other things, that all state and local governmental entities to adopt a policy regarding spending priorities of fund balance in governmental funds. The fund balance resources of the City's governmental funds have been categorized as follows:

RESOURCE CATEGORIES

- a. **Nonspendable** Resources not in spendable form (ex: inventory) or those legally required to be maintained intact (ex: principal portion of permanent trust funds)
- b. **Restricted**: Constraint is externally imposed by third party (grantor, contributor, etc.), State Constitution or by enabling legislation by the State Legislature
- c. **Committed**: Constraint is internally imposed by City Council by resolution
- d. **Assigned**: Constraint is internally expressed intent by City Administration or City Council through budget approval process or express assignment
- e. **Unassigned**: no constraints and negative fund balance in non-general fund funds.

EXPENDITURE ORDER FOR RESOURCE CATEGORIES

GENERAL FUND AND SPECIAL REVENUE FUNDS:

- a. First: Restricted
- b. Second: Committed
- c. Third: Assigned
- d. Fourth: Unassigned

DEBT SERVICE AND CAPITAL PROJECTS FUNDS:

- a. First: Assigned
- b. Second: Committed
- c. Third: Restricted
- d. Fourth: Unassigned

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 2011, principal and interest payments on revenue bonds totaled \$2,394,560 and charges for services revenue was \$6,659,348

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

Six special revenue funds with deficit fund balances were identified as of June 30, 2011. The Employee Health Insurance Levy fund (\$223,293), the Street Maintenance fund (\$10,517), the Russell Park Maintenance fund (\$2,475), the Law Enforcement Grant fund (\$16,843), the Community Development Block Grant fund (\$8,856), and the Neighborhood Stabilization Program fund (\$70,590) all carried deficit fund balances which will be covered by future assessments and grant revenue in fiscal year 2012.

One general obligation bond was identified as having a negative fund balance as of June 30, 2011. This deficit will be covered by tax revenues collections in the next fiscal year. This fund was the 2007 Refunding Bond fund (\$6,628).

One Sidewalk and Curb bond fund had negative fund balances at the end of the fiscal year. This fund deficit will be covered by assessments collected in future fiscal years. This fund is the 03 Sidewalk and Curb fund (\$29,733).

One SID sinking fund, SID 515 (\$60), had a deficit fund balance at June 30, 2011. 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 539	(7,920)
SID 531	(13,441)	SID 542	(498)
SID 533	(6,706)	SID 543	(62,386)
SID 535	(23,983)		

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

CITY OF MISSOULA, MONTANA
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The capital projects 08 Sidewalk and Curb Fund (\$12), 09 Sidewalk and Curb Fund (\$64), 11 Sidewalk and Curb Fund (\$331,930), 12 Sidewalk and Curb Fund (\$98,031), Miller Creek Twite Construction (\$2,731), 5th, 6th, & Arthur Improvements (\$420,032), Phillips St. Traffic Calming (\$19,272), Pattee Creek Drive (\$14,636), ARRA Enhancement (\$2,542), HB 645 (\$23,652), WFL Miller Creek Road (\$25), and Western Federal Lands (\$32) had deficit balances which will be mitigated through future debt issuance and grant revenues in FY 2012. The Capital Improvement fund reported a negative fund balance (\$2,934,604) due to ongoing 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, 2011:

Construction Funds	
ARRA Enhancement	\$ 141,380

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

A. Cash and Cash Equivalents

At June 30, 2011, cash and investments consisted of the following:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Petty Cash and Cash on Hand	\$ 12,833	\$ 16,704	\$ 29,537
Repurchase Agreements	968,178	960,708	1,928,886
Demand Deposits	263,772	39,813	303,585
Certificates of Deposit	200,775	199,225	400,000
Marketable Government Securities	<u>13,851,760</u>	<u>13,744,889</u>	<u>27,596,649</u>
	<u><u>\$ 15,297,317</u></u>	<u><u>\$ 14,961,340</u></u>	<u><u>\$ 30,258,657</u></u>

At June 30, 2011, the carrying amount of the City's deposits in local banks was \$426,455 and the bank balances were \$1,198,288. Of the bank balance, \$1,107,295 was covered by federal depository insurance and \$90,993 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	\$6,813,286	\$ -	\$ 6,813,286
Business-Type Activities	5,945,842	2,231,478	8,177,320
Fiduciary Funds	307,110	-	307,110
Component Units	<u>7,039,806</u>	<u>7,921,536</u>	<u>14,961,340</u>
Total	<u><u>\$20,106,044</u></u>	<u><u>\$10,153,014</u></u>	<u><u>\$ 30,258,657</u></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.

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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.

<u>Investment</u>	<u>Maturities</u>	<u>Credit Risk Rating</u>	<u>Fair Value</u>
U.S. Government Agency Obligations	01/2012-02/2014	AAA	\$ 27,596,649
Certificates of Deposit	11/2011-11/2012	NA	400,000
Demand Deposits	NA	NA	303,585
Repurchase Agreements	NA	NA	1,928,886
Petty Cash and Cash on Hand	NA	NA	<u>29,537</u>
Total			<u><u>\$ 30,258,657</u></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.

B. Receivables

Other Receivables

A summary of the City's accounts receivable and other receivables as of June 30, 2011, follows:

Proprietary Funds:

Sewer (major fund) – Sewer Fees	\$ 517,074
Sewer (major fund) – Mountain Water Notes	1,196,666
Sewer (major fund) – Sewer Connection Notes	19,292
Sewer (major fund) – Glenn Eagle Note	250,000
Sewer (major fund) – Lease receivable	8,100
Sewer (major fund) – Disposal and Development Fees	51,700
Internal Service – Flexible Benefits	15,662
Internal Service – Excess Loss Refunds	159,349
Internal Service – Prescription Rebates	17,124
Total Proprietary Funds	<u><u>\$ 2,042,832</u></u>

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Governmental Funds

General (major fund) – Various Licenses, Services and Fees	\$ 78,086
General (major fund) – Mountain Water Notes	255,663
General (major fund) – Sidewalk & Curb	24,674
NSP-Reimbursement of Loan Lock Fees	32,304
Impact Fee – Impact Fees	167,773
Cable TV Franchise – Franchise Fees	180,623
Building Inspection – Permit Fees	31,388
Program Income – Mountain Water Notes	4,489
SID Revolving Fund – Mountain Water Notes	134,639
Capital Improvement – Refund of Bond Escrow Overpayment	14,900
Total Government Funds	<u>\$ 924,539</u>

Long Term Loans Receivable

A summary of the City's long-term loans receivable as of June 30, 2011, 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.	\$ 188,000
CDBG – Missoula Housing Authority	
\$200,000 at 1% interest to be repaid \$11,083 per year through 2030.	168,917
CDBG – Parenting Place	
\$130,000 at 1% interest to be repaid \$1,300 per year through 2016, \$7,204 per year through 2036.	123,500
CDBG – Partnership Health Center	
\$25,000 at 1% interest to be repaid \$2,640 per year through 2015.	9,162
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.	9,116
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.	<u>374,729</u>
Total Primary Government	<u>\$ 1,148,425</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 advances to the Capital Improvement Program fund from several Governmental funds.

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	Advances Receivable	Advances Payable
Non-major governmental funds	\$2,307,919	\$ 227,210
^ Capital Improvement Program	<u>-</u>	<u>2,080,709</u>
	<u><u>\$2,307,919</u></u>	<u><u>\$2,307,919</u></u>

^indicates a major fund

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.

	(Interfund Receivable)	(Interfund Payable)
	<u>Due From</u>	<u>Due To</u>
^ Capital Improvement Program	\$ -	\$ 690,595
Non-major governmental funds	<u>2,469,847</u>	<u>1,779,252</u>
	<u><u>\$ 2,469,847</u></u>	<u><u>\$ 2,469,847</u></u>

^indicates a major fund

Due From Other Governments:

Primary Government

General Fund

Due from Missoula County – Taxes Receivable	\$ 264,367
Due from Missoula County – Reimburse Fire & Streets Departments	2,766
Due from Missoula County – Miscellaneous	5,563
Due from Missoula County – Sewer rebates, Water Quality District	20,000
Due from City of Ronan-Police Department	325
Due from Missoula County Public Schools – School Resource Officer	75,000
Due from State of Montana – Grants, Gambling, Public Works	152,847
Due from Federal Government – SAFER Grant	11,258
Due from Federal Government – Parks & Recreation Grants	75,690
Due from City Municipal Court	<u>111,508</u>
Total General Fund	<u><u>719,324</u></u>

Special Revenue Funds

Due from Missoula County – Taxes Receivable	42,468
Due from City Municipal Court – Drug Forfeiture and Crime Victim Surcharge	7,321
Due from Missoula County – COPS in Shops Grant and STEP Grant	7,559
Due from State of Montana – Grants	625,550
Due from Federal Government – Grants	<u>429,282</u>
Total Special Revenue Funds	<u><u>1,112,180</u></u>

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Debt Service Funds	
Due from Missoula County – Taxes Receivable	<u>85,435</u>
Capital Projects Funds	
Due from Federal Governments – Grants	<u>53,123</u>
Total Due from Other Governments, Governmental Funds	<u><u>\$ 1,970,062</u></u>

Proprietary Funds	
Due from Missoula County – Delinquent Sewer Collections	<u>\$ 3,043</u>

Agency Funds	
Due from City Municipal Court – Court Surcharge and Public Defender Fees	<u>\$ 5,881</u>
Due to Other Governments:	

Agency Funds	
Court Surcharge	\$ 7,991
County Park Board	5,500
County Clearing	<u>1,577</u>
Total Due to Other Governments	<u>\$ 15,068</u>

Due to Private Parties:

Agency Funds	
Sewer Rebates	\$ 26,976
Youth Programs	473
Municipal Court Restitution	223,650
Residential Inspection	168
Elk Hills Subdivision	3,868
Tourism Business Improvement District	<u>2,591</u>
Total Due to Private Parties	<u>\$ 257,726</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)	\$ 3,203
Component Unit, Parking Commission Revenue Bond Costs	<u>374,360</u>
Total Bond Issuance Cost, Reporting Entity	<u>\$ 377,563</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.

CITY OF MISSOULA, MONTANA
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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 2011:

	<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.

Capital Asset activity for the fiscal year ended June 30, 2011, is summarized as follows:

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets not being Depreciated:					
Art	\$ 236,590	\$ -	\$ -	\$ -	\$ 236,590
Land	19,342,529	337,206	-	-	19,679,735
Work-In-Progress	2,816,915	-	1,933,169	(158,615)	4,591,469
Total Capital Assets not being Depreciated	<u>22,396,033</u>	<u>337,206</u>	<u>2,270,375</u>	<u>(158,615)</u>	<u>24,507,793</u>
Capital Assets being Depreciated:					
Buildings	33,233,044	-	158,615	-	33,391,658
Infrastructure	210,392,597	-	14,452,944	-	224,845,541
Machinery & Equipment	20,954,233	-	1,144,293	(3,426,046)	18,672,480
Total Capital Assets being Depreciated	<u>264,579,873</u>	<u>-</u>	<u>15,755,852</u>	<u>(3,426,046)</u>	<u>276,909,679</u>
Less Accumulated Depreciation for:					
Buildings	(11,903,316)	-	(989,495)	-	(12,892,810)
Infrastructure	(117,619,105)	-	(5,253,144)	-	(122,872,249)
Machinery & Equipment	(13,104,322)	-	(1,217,940)	2,806,328	(11,515,934)
Total Accumulated Depreciation	<u>(142,626,743)</u>	<u>-</u>	<u>(7,460,578)</u>	<u>2,806,328</u>	<u>(147,280,993)</u>
Total Capital Assets being Depreciated, Net	<u>121,953,131</u>	<u>-</u>	<u>8,295,274</u>	<u>(619,718)</u>	<u>129,628,686</u>
Capital Assets, Net	<u>\$ 144,349,164</u>	<u>\$ 337,206</u>	<u>\$ 10,565,648</u>	<u>\$ (778,333)</u>	<u>\$ 154,136,479</u>

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Depreciation expense was charged to functions as follows:

General Government	\$ 317,767
Public Safety	978,082
Public Works	5,571,128
Public Health	18,272
Culture & Recreation	435,620
Housing & Community Development	<u>139,709</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 7,460,578</u></u>

The following is a summary of business-type capital assets for the year ended June 30, 2011:

	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	5,413,921	5,197,675	(3,188,252)	7,423,344
Total Capital Assets not being Depreciated	<u>6,812,764</u>	<u>5,197,675</u>	<u>(3,188,252)</u>	<u>8,822,187</u>
Capital Assets being Depreciated:				
Buildings	20,363,274	355,177	- -	20,718,451
Improvements	100,524,965	5,317,702	- -	105,842,668
Machinery & Equipment	6,192,878	16,401	(457,560)	5,751,718
Total Capital Assets being Depreciated	<u>127,081,117</u>	<u>5,689,280</u>	<u>(457,560)</u>	<u>132,312,837</u>
Less Accumulated Depreciation for:				
Buildings	(5,223,826)	(614,539)	- -	(5,838,365)
Improvements	(26,785,404)	(2,011,542)	- -	(28,796,947)
Machinery & Equipment	(4,838,815)	(224,412)	372,974	(4,690,253)
Total Accumulated Depreciation	<u>(36,848,045)</u>	<u>(2,850,493)</u>	<u>372,974</u>	<u>(39,325,564)</u>
Total Capital Assets being Depreciated, Net	<u>90,233,072</u>	<u>2,838,787</u>	<u>(84,586)</u>	<u>92,987,273</u>
Capital Assets, Net	<u><u>\$ 97,045,836</u></u>	<u><u>\$ 8,036,462</u></u>	<u><u>\$ (3,272,838)</u></u>	<u><u>\$ 101,809,457</u></u>

Depreciation is calculated on a straight line basis.

Depreciation expense was charged to functions as follows:

Business-type activities:

Sewer	\$ 2,525,408
Aquatics	406,059
Total Business-type activities Depreciation Expense	<u><u>\$ 2,931,467</u></u>

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	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit: MPC				
Capital Assets not being Depreciated:				
Parking Lots	\$ 2,397,866	\$ -	\$ -	\$ 2,397,866
Work In Process	- -	2,471,065	- -	2,471,065
Total Capital Assets not being Depreciated	2,397,866	2,471,065	- -	4,868,931
Capital Assets being Depreciated:				
Parking Structures	2,265,634	187,385	- -	2,453,019
Furniture, Fixtures & Computers	46,367	24,473	- -	70,840
Machinery, equipment and vehicles	469,484	31,707	(143,896)	357,295
Parking Lot improvements	1,165,976	- -	- -	1,165,976
Capitalized Interest	409,007	- -	- -	409,007
	4,356,468	243,565	(143,896)	4,456,137
Less Accumulated Depreciation	(2,137,984)	(129,616)	136,176	(2,131,435)
Total Capital Assets being depreciated, net	2,218,484	113,949	(7,720)	2,324,702
Capital Assets, net	<u>\$ 4,616,350</u>	<u>\$ 2,585,014</u>	<u>\$ (7,720)</u>	<u>\$ 7,193,633</u>

F. Long-Term Obligations

During the year ended June 30, 2011 the following changes occurred in long-term liabilities reported in the governmental activities, the City's proprietary funds and component units:

	Balance	(a)		
	July 1, 2010	Additions	Reductions	June 30, 2011
Governmental Activities:				
General Obligation Bonds	\$ 15,065,000	\$ -	\$ 1,225,000	\$ 13,840,000
Limited Obligation Bonds	4,935,000	1,010,000	320,000	5,625,000
Special Assessment Bonds	14,350,241	2,379,586	1,708,772	15,021,055
Sidewalk and Curb Warrants	- -	- -	- -	- -
Intercap Loans	159,063	- -	33,417	125,646
Capital Leases	1,378,125	850,000	197,123	2,031,002
Compensated Absences	3,586,736	2,189,568	1,976,462	3,799,842
Post Employment Benefits	607,104	206,029	- -	813,133
Total Governmental Activities	<u>\$ 40,081,269</u>	<u>\$ 6,635,183</u>	<u>\$ 5,460,774</u>	<u>\$ 41,255,678</u>
				<u>\$ 5,629,472</u>
Proprietary Funds/				
Business-type Activities:				
Revenue Bonds	\$ 13,883,485	\$ 12,207,098	\$ 1,511,485	\$ 24,579,098
Compensated Absences	166,624	105,886	88,749	183,761
Post Employment Benefits	39,645	13,106	- -	52,751
Total Proprietary Funds	<u>\$ 14,089,754</u>	<u>\$ 12,326,090</u>	<u>\$ 1,600,234</u>	<u>\$ 24,815,610</u>
				<u>\$ 1,074,479</u>

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Component Units:

Revenue Bonds	\$ 5,575,000	\$ 8,135,000	\$ 960,000	\$ 12,750,000	\$ 355,000
Notes Payable	1,263,009	5,136,940	92,165	6,307,784	144,325
Compensated Absences	71,741	38,984	43,071	67,654	43,474
Post Employment Benefits	25,296	7,864	-	33,160	-
Total Component Units	<u>\$ 6,909,750</u>	<u>\$ 13,310,924</u>	<u>\$ 1,095,236</u>	<u>\$ 19,125,438</u>	<u>\$ 542,799</u>

(a) Included in Balance June 30, 2011

Primary Government

For governmental activities, compensated absences and other post employment benefits 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, 2011</u>
2004 Aquatics	2004	2024	3.0-4.5%	\$ 8,100,000	\$ 5,855,000
2004 Refunding	2004	2013	3.0-3.8%	2,705,000	490,000
2005 Fire Station	2006	2026	3.95-4.5%	5,740,000	4,710,000
2007 Refunding	2007	2018	3.6-4.0%	4,355,000	2,785,000
Total GO Bonds				<u>\$ 20,900,000</u>	<u>\$ 13,840,000</u>

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2011, were as follows:

Fiscal Year Ending				
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,205,000	382,470	1,587,470	
2017-2021	4,225,000	1,315,966	5,540,966	
2022-2026	<u>3,545,000</u>	<u>410,294</u>	<u>3,955,294</u>	
Total	<u>\$ 13,840,000</u>	<u>\$ 4,097,797</u>	<u>\$ 17,937,797</u>	

Limited Obligation Bonds

Paid from General Fund revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2011</u>
2006 Council/MRA Remodel	2006	2026	4.25-4.55%	\$ 1,100,000	\$ 900,000
2006 Aquatics Support	2006	2026	3.625-4.0%	1,860,000	1,495,000
2007B Fire Subsidy	2007	2026	3.70-4.20%	680,000	575,000
2007C 50 Meter Pool	2008	2027	3.50-4.40%	840,000	710,000
2010A Refunding	2010	2020	3.0-3.5%	1,000,000	1,000,000
2010C Energy	2011	2025	3.0-4.0%	1,010,000	945,000
Total Limited Obligation Bonds				<u>\$ 6,490,000</u>	<u>\$ 5,625,000</u>

CITY OF MISSOULA, MONTANA
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Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2011, were as follows:

Fiscal Year Ending					
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ 340,000	\$ 206,816	\$ 546,816		
2013	350,000	195,795	545,795		
2014	360,000	185,335	545,335		
2015	365,000	174,283	539,283		
2016	375,000	162,769	537,769		
2017-2021	2,000,000	601,978	2,601,978		
2022-2026	1,775,000	235,915	2,010,915		
2027	<u>60,000</u>	<u>2,640</u>	<u>62,640</u>		
Total	<u>\$ 5,625,000</u>	<u>\$ 1,765,531</u>	<u>\$ 7,390,531</u>		

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, 2011</u>
1999 Sewer Bonds	6/24/1999	7/1/2019	4.00%	\$ 1,820,000	\$ 902,000
2000(B) Sewer Bonds	10/3/2000	7/1/2020	4.00%	718,000	394,000
2001 Sewer Bonds - Bellevue & Reserve	4/27/2001	1/1/2021	4.00%	459,162	261,000
2002 Sewer Bonds - 39th St.	5/16/2002	1/1/2022	4.00%	1,395,000	793,000
2002 Missoula Treatment Plant A	11/21/2002	7/1/2022	4.00%	5,000,000	3,228,000
2002 Missoula Treatment Plant B	10/15/2003	7/1/2023	3.75%	3,800,000	2,607,000
2002 Missoula Treatment Plant C	3/23/2004	7/1/2024	3.75%	3,688,000	2,621,000
2005 Sewer Bonds - Brdwy/Lincolnwood	11/28/2005	7/1/2025	3.75%	1,997,000	1,299,000
2006 Sewer Bonds - Lincolnwood Ph. II	9/21/2006	7/1/2026	3.75%	419,000	239,000
2009 Sewer Bonds Series C - Lolo Street	12/23/2009	7/1/2029	3.75%	64,000	60,000
Rattlesnake Series 2009B	12/23/09	2029	3.75%	572,098	540,098
2010 RZED Sewer Bonds-Headworks *	11/15/10	2035	1.75 to 6.14%	10,345,000	10,345,000
Series 2011 Taxable Sewer Bonds	5/1/11	7/23/05	2.0 to 5.50%	<u>1,290,000</u>	<u>1,290,000</u>
Total Revenue Bonds				<u>\$ 31,567,260</u>	<u>\$ 24,579,098</u>

*Federal Credit received for portion of interest

Annual debt service requirements to maturity for revenue bonds as of June 30, 2011, were as follows:

Fiscal Year Ending					
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Credit*</u>	<u>Total</u>
2012	\$ 978,098	\$ 1,133,937	\$ (257,826)	\$ 1,854,209	
2013	1,108,000	1,087,065	(257,431)	1,937,634	
2014	1,151,000	1,046,768	(256,273)	1,941,495	
2015	1,197,000	1,004,182	(254,857)	1,946,325	
2016	1,240,000	959,084	(253,177)	1,945,907	
2017-2021	6,836,000	4,077,313	(1,227,351)	9,685,962	
2022-2026	4,893,000	2,739,127	(1,072,771)	6,559,356	
2027-2031	3,836,000	1,725,826	(734,329)	4,827,497	
2032-2036	<u>3,340,000</u>	<u>527,868</u>	<u>(237,540)</u>	<u>3,630,328</u>	
Total	<u>\$ 24,579,098</u>	<u>\$ 14,301,170</u>	<u>\$ (4,551,555)</u>	<u>\$ 34,328,713</u>	

CITY OF MISSOULA, MONTANA
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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.

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, 2011 is \$751,052. The Revolving Fund cash at June 30, 2011 is \$793,638.

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2011:

Bonds	Date Issued	Date Matures	Rate	Amount Issued	Balance June 30, 2011
498	1992	2012	4.00%	\$ 2,465,000	\$ 98,000
501	1992	2012	4.00%	943,000	28,000
503	1993	2013	4.00%	324,000	24,000
511	1994	2014	4.00%	304,000	41,000
512	1998	2018	4.00-5.25%	1,724,000	454,940
513	1996	2007	5.90%	41,000	3,108
514	1996	2012	5.90%	213,000	16,155
515	1996	2007	5.90%	9,800	737
517	1997	2012	4.20-5.50%	91,000	5,420
518	1997	2012	4.20-5.50%	39,000	2,304
519	1997	2012	4.20-5.50%	109,000	6,475
520	1998	2019	4.00%	2,634,000	1,082,000
521	1998	2018	4.50-5.25%	7,900	2,070
522	1998	2018	4.50-5.25%	11,200	2,990
524	2002	2023	4.00%	4,577,000	2,895,000
525	2001	2020	4.00%	658,000	239,000
526	2000	2021	4.00%	2,671,000	1,579,000
527	2004	2011	2.70-3.80%	22,400	-
530	2006	2016	3.80-4.75%	6,706	3,356
532	2005	2024	3.50-5.00%	556,000	370,000
533	2006	2025	3.75%	244,000	189,000
534	2006	2026	3.75%	254,000	207,000
536	2006	2026	3.75%	438,000	357,000

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540	2006	2027	3.75-4.65%	1,570,000	1,350,000
541	2009	2029	2.10-5.40%	750,000	690,000
544-Series C	2009	2029	3.75%	1,608,102	1,576,000
544-Series D	2009	2029	3.75%	31,000	29,500
544-Series B	2009	2029	1.75%	359,300	344,000
FY99 S&C	1999	2011	3.20-4.60%	644,000	-
FY00 S&C	2000	2012	4.625-5.50%	840,000	35,000
FY01 S&C	2001	2013	3.00-4.50%	340,000	30,000
FY02 S&C	2002	2014	2.00-4.40%	430,000	30,000
FY03 S&C	2003	2015	2.00-3.80%	805,000	100,000
FY04 S&C	2004	2016	2.00-4.75%	710,000	120,000
FY05 S&C	2005	2017	3.50-4.65%	765,000	290,000
FY06 S&C	2006	2018	3.75-4.25%	1,145,000	490,000
FY07 S&C	2007	2027	4.00-4.75%	920,000	600,000
FY08 S&C	2008	2028	2.50-5.00%	560,000	405,000
FY09 S&C	2009	2029	1.00-5.40%	645,000	525,000
FY10 S&C				885,000	800,000
Total Special Assessment Bonds				<u>\$ 31,350,408</u>	<u>\$ 15,021,055</u>

Annual debt service requirements to maturity for special assessment bonds as of June 30, 2011, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,648,370	\$ 607,529	\$ 2,255,899
2013	1,406,170	541,650	1,947,820
2014	1,302,170	487,599	1,789,769
2015	1,200,170	435,860	1,636,030
2016	1,122,176	387,394	1,509,570
2017-2021	4,877,500	1,399,075	6,276,575
2022-2026	2,522,500	476,568	2,999,068
2027-2030	942,000	82,843	1,024,843
Total	<u>\$ 15,021,056</u>	<u>\$ 4,418,518</u>	<u>\$ 19,439,574</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 1.95% for fiscal year 2011.

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Balance June 30, 2011</u>
2004	2014	<u>\$ 300,000</u>	<u>\$ 125,646</u>

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Annual debt service requirements to maturity for Intercap loan as of June 30, 2011, were as follows:
 Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 34,631	\$ 2,592	\$ 37,223
2013	35,888	3,901	39,789
2014	37,194	2,180	39,374
2015	<u>17,933</u>	<u>426</u>	<u>18,359</u>
Total	<u><u>\$ 125,646</u></u>	<u><u>\$ 9,099</u></u>	<u><u>\$ 134,745</u></u>

Capital Leases

Three capital leases were entered into by the City during fiscal year 2009, and another three leases were entered into in 2011. 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 \$2,031,000 and accumulated depreciation of \$474,394 at June 30, 2011.

The following table lists the original amount financed and the minimum lease payments of June 30, 2011:

<u>Capital Leases</u>	Date	Date	Amount		Balance
	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Issued</u>	<u>June 30, 2011</u>
3 Year Equipment Lease	2010	2013	3.50%	\$ 280,054	\$ 189,895
5 Year Equipment Lease	2010	2015	3.73%	177,523	144,570
10 Year Equipment Lease	2010	2020	4.76%	920,548	846,535
3 Year Equipment Lease	2011	2013	3.52%	285,000	285,000
10 Year Equipment Lease	2011	2020	4.74%	<u>565,000</u>	<u>565,000</u>
Total Capital Leases				<u><u>\$ 2,228,125</u></u>	<u><u>\$ 2,031,000</u></u>

Annual lease payment requirements as of June 30, 2011, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 342,232	\$ 89,146	\$ 431,378
2013	355,848	75,530	431,378
2014	270,056	61,362	331,418
2015	179,538	50,115	229,653
2016	148,106	41,973	190,079
2017-2021	<u>735,220</u>	<u>97,345</u>	<u>832,565</u>
Total	<u><u>\$ 2,031,000</u></u>	<u><u>\$ 415,471</u></u>	<u><u>\$ 2,446,471</u></u>

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Component Units

Revenue Bonds

Missoula Parking Commission: Revenue bonds paid from parking revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2011</u>
Series 2010A Refunding Bond	12/29/10	7/7/05	2-2.5%	\$ 635,000	\$ 635,000
Series 2010B Parking Facility Revenue Bond *	12/29/10	10/1/35	2.29-6%	<u>7,500,000</u>	<u>7,500,000</u>
				<u>\$ 8,135,000</u>	<u>\$ 8,135,000</u>

*Interest cost on the Series 2010B Bonds has been reduced by Federal interest subsidies of \$120,752 in 2011

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

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Credit*</u>	<u>Total</u>
2012	\$ 220,000	\$ 687,012	\$ (302,199)	\$ 604,813
2013	210,000	542,023	(239,731)	512,292
2014	220,000	537,036	(238,768)	518,268
2015	230,000	531,125	(237,547)	523,578
2016	235,000	523,285	(235,141)	523,144
2017-2021	1,285,000	2,423,109	(1,090,399)	2,617,710
2022-2026	1,530,000	1,955,914	(880,161)	2,605,753
2027-2031	1,880,000	1,312,725	(590,726)	2,601,999
2032-2036	<u>2,325,000</u>	<u>481,000</u>	<u>(216,450)</u>	<u>2,589,550</u>
Total	<u>\$ 8,135,000</u>	<u>\$ 8,993,229</u>	<u>\$ (4,031,122)</u>	<u>\$ 13,097,107</u>

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, 2011</u>
2006 Tax Increment	8/15/2006	2031	4.89%	\$ 3,600,000	\$ 3,145,000
2007 Tax Increment	10/15/2007	2031	6.95%	<u>1,500,000</u>	<u>1,470,000</u>
Total				<u>\$ 5,100,000</u>	<u>\$ 4,615,000</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>
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	170,000	220,924	390,924
2017-2021	1,810,000	833,700	2,643,700

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2022-2026	400,000	536,961	936,961
2027-2031	<u>1,655,000</u>	<u>275,393</u>	<u>1,930,393</u>
Total	<u><u>\$ 4,615,000</u></u>	<u><u>\$ 2,827,596</u></u>	<u><u>\$ 7,442,596</u></u>

<u>Notes Payable</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2011</u>
MAEDC Note Payable	8/10/2006	2031	1.50%	\$ 1,418,560	\$ 1,370,330
Safeway Note Payable	3/1/2010	2017	0.00%	166,239	140,904
FIB Subordinate TIF Note	12/29/10	2035	6.550%	1,623,380	1,623,380
MRA Front Street Parking Note-to MPC	12/29/10	2035	2.29-6%	3,000,000	3,000,000
Wilma Condominium Note	12/15/10	2015	3.25%	<u>220,000</u>	<u>173,169</u>
Total				<u><u>\$ 6,428,179</u></u>	<u><u>\$ 6,307,783</u></u>

In 2004, 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 (RLF) to be used for brownfields remediation. 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, at the direction of the Missoula Brownfields Cleanup RLF Committee, made a loan of \$1,000,000 bearing interest at 1.5% to MRP LLC, the developer of the Old Sawmill District, with MRP and MRA identified as co-borrowers. The loan will be repaid solely from MRA 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. The City received additional funding from EPA, and upon approval of the Brownfields Committee, during 2010, MRA, MRP, and MAEDC elected to increase the loan by \$400,000 under the same terms. During 2011, the MAEDC board decided to voluntarily dissolve the organization. On September 27, 2011, the Montana Community Development Corporation, with City approval, assumed the rights and responsibilities of MAEDC under the extant sub recipient agreement.

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>		
2012	\$ 144,325	\$ 314,752	\$ 459,077		
2013	122,787	244,352	367,139		
2014	130,972	240,415	371,387		
2015	122,582	236,173	358,755		
2016	123,157	232,054	355,211		
2017-2021	758,901	1,079,873	1,838,774		
2022-2026	1,648,104	870,520	2,518,624		
2027-2031	1,777,572	559,218	2,336,790		
2032-2036	<u>1,479,383</u>	<u>200,340</u>	<u>1,679,723</u>		
Total	<u><u>\$ 6,307,783</u></u>	<u><u>\$ 3,977,697</u></u>	<u><u>\$ 10,285,480</u></u>		

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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. In 2011, the Agency repaid \$30,000 to the Guarantor.

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, 2011, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$965,855

Refunding Bond

On December 29, 2010, the Commission issued \$635,000 of Series 2010 A refunding bonds, with an average interest rate of 2.18% to advance refund the Series 2000 parking facilities revenue bonds, which had an average interest rate of 5.38%. Proceeds from the sale of the refunding bonds of \$627,962 and \$98,008 from the Series 2000 debt service reserve, for a total of \$725,969, was deposited in an irrevocable escrow account to call the outstanding bonds on February 15, 2011. The result of the advance refunding was a reduction of total debt service payments of \$44,137 and an economic gain of \$41,364. The difference between the amount placed in escrow and the outstanding refunding bonds of \$10,969 was charged to interest expense in the statement of activities in 2011.

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 \$ 23,260,431 for 2011, of which \$21,605,373 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. PERS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

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.

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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). 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. FURS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

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 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 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). 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. MPORS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

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 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.

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The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 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.

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, 2009, 2010 and 2011 as listed below, were equal to the required contributions for each year. The State on-behalf of contributions are recorded as revenues and expenditures for the period.

	Primary Government								Component Units	
	PERS		MPORS		FURS		PERS			
	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>
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		
2011	709,550	10,522	753,543	1,733,031	813,842	1,730,840	47,656	666		

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 \$318 for a half time employee to \$635 for a full time employee. Employee contributions were \$10 for full time employees up to \$328 for half time employees. Retirees may also participate in the plan. The City subsidizes the retiree's premium cost at 15%. They paid \$509 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, 2011 were \$3,294,749, employee contributions were \$450,098 and retiree contributions were \$328,133. 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 \$65,124 from the General Fund was made to the Employee Benefit Fund during fiscal year 2011. 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, 2010 and 2011.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

	<u>Claims Payable</u> <u>Beginning of Fiscal Year</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Claims Payable</u> <u>End of Fiscal Year</u>
2009	\$ 222,073	\$ 3,429,784	\$ 3,383,784	\$ 268,073
2010	268,073	4,425,520	4,438,202	255,391
2011	255,391	4,919,595	4,778,415	396,571

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 490 individuals covered by the plan at June 2011, there were 57 retirees and no C.O.B.R.A. participants.

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. 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 used for health benefits. Accordingly, amounts related to retirees have been excluded from the internal service fund.

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. Contribution rates are established by the City Council based on the recommendations received from both the Employee Benefits Committee and the City Administration. 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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Coverage	Retiree	City	Total
	Contribution	Contribution	Premium
Retiree	\$ 509.49	\$ 89.91	\$ 599.40
Retiree, spouse	564.74	99.66	664.40
Retiree, spouse, child	588.12	103.79	691.91
Retiree, spouse, 2 children	611.49	107.91	719.40
Retiree, spouse, 3 children	634.87	112.04	746.91
Retiree, spouse, 4 children	658.24	116.16	774.40
Retiree, child	532.87	94.04	626.91
Retiree, 2 children	556.24	98.16	654.40
Retiree, 3 children	579.62	102.29	681.91
Retiree, 4 children	602.99	106.41	709.40

Based on an actuarial study prepared as of June 30, 2011, the City's annual other post-employment benefit cost was \$539,638 for the fiscal year ended June 30, 2011. This cost consisted of the annual required contribution of \$565,636, interest on the net OPEB obligation of \$22,376, and an adjustment to the ARC of \$48,374. There were contributions of \$312,639 made in fiscal year 2011, which was 58% of the annual cost.

	Fiscal Year Ending		
	June 30, 2011	June 30, 2010	June 30, 2009
Beginning OPEB Obligation	\$ 672,045	\$ 499,446	\$ -
Annual OPEB Cost	539,638	485,884	499,446
Annual OPEB Contributions	(312,639)	(313,285)	-
Ending OPEB Obligation	<u>\$ 899,044</u>	<u>\$ 672,045</u>	<u>\$ 499,446</u>
Percentage of cost contributed	58%	64%	0%

As of June 30, 2011, the most recent actuarial valuation date, the plan had an unfunded accrued actuarial liability of \$6,987,069. 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 \$21,511,706 for fiscal year 2011; the unfunded actuarial liability was 32% 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:

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

	Governmental Activities	Sewer	Aquatics	Component Units		
				MRA	Parking Commission	Total
Annual OPEB Cost	\$489,870	\$26,281	\$4,922	\$6,168	\$12,397	\$539,638
Annual OPEB Contributions	283,841	15,272	2,825	3,547	7,154	312,639
Net OPEB Obligation Unfunded Actuarial Liability	813,133	42,875	9,876	11,956	21,204	899,044
	6,341,612	338,865	64,546	80,682	161,364	6,987,069

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 perspective 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, 2011 the projected unit credit actuarial cost method was used. The health care cost trend rate was 7.0% for 2011 decreasing to 5% for 2015 and after. The assumed discount and long-term rate of return was 3.326%. The unfunded actuarial liability was amortized on a level-dollar basis over an open 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.

H. Restricted Cash/Investments/Assets

The following restricted cash/investments were held by the City as of June 30, 2011:

<u>Description</u>	<u>Amount</u>
Primary Government	
Sewer Fund - Restricted for debt service	\$ 2,231,478
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,400
Missoula Parking Commission - Restricted for debt service	7,671,136
Total Restricted Cash	\$ 10,153,014

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

The following net assets were restricted by the City for the reasons stated below as of June 30, 2011:

<u>Description</u>	<u>Amount</u>
Primary Government	
Governmental Funds - Restricted as shown in Note I.	\$ 8,077,142
Sewer - Restricted for debt service	2,231,478
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,400
Missoula Parking Commission - Restricted for debt service and capital projects	<u>2,642,201</u>
Total Restricted Net Assets	<u>\$ 13,201,221</u>

I. Governmental Fund Balances

At June 30, 2011 the City had a total fund balance in governmental funds of \$8,636,154. In accordance with GASB Statement 54 this fund balance has been classified as follows:

General Fund

Nonspendable	\$ 1,148,767	Inventories and Prepaid Expenses
Restricted	165,282	Cemetery memorial, Title I Program and Revolving Loan Program
Assigned	1,203,481	Specific general fund programs
Unassigned	1,152,657	Remainder

Non Major Special Revenue Funds

Nonspendable	11,505	Prepaid Expenses Cable Contract for CAT and PEG access, State and Federal Law for law enforcement, building construction inspections, public works safety and maintenance and various Grant restrictions for program expenditures.
Restricted	3,054,748	City Ordinance for specific budgeted programs and by Developer Agreement for future development.
Committed	1,374,228	
Unassigned	(332,574)	Negative fund balance is Unassigned per GASB 54 definitions.

Non Major Debt Service Funds

Restricted	4,132,057	Debt Service
Unassigned	(36,421)	Negative fund balance is Unassigned per GASB 54 definitions.

Non Major Capital Projects Funds

Restricted	725,055	Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures.
Unassigned	(1,028,027)	Negative fund balance is Unassigned per GASB 54 definitions.

Major Capital Projects Fund

Unassigned	<u>(2,934,604)</u>	Negative fund balance is Unassigned per GASB 54 definitions.
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Total Governmental Fund Balance	<u><u>\$ 8,636,154</u></u>
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CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

City of Missoula - Schedule of Transfers "IN" as of June 30, 2011

Transfer From:	Transfer To:	Amount	Explanation
Street Maintenance	General Fund	\$ 35,984	Reimburse General Fund for costs incurred within the flushing district
Gas Tax	General Fund	564,000	For street maintenance work by City street staff
Employee Health Insurance	General Fund	2,786,185	Reimburse General Fund from special health levy funds for health insurance premiums paid
Cable TV Franchise	General Fund	174,645	For right of way maintenance
SID Revolving	General Fund	72,000	To reimburse General Fund for SID costs
Sewer	General Fund	190,000	Utility locating reimbursed to Engineering/Budget transfer to clear acct
Sewer	General Fund	190,000	Debt coverage transfer
Sewer	General Fund	20,000	Debt coverage transfer
		<u>4,032,814</u>	Total transfers To General Fund
General Fund	Capital Improvement	850,460	Support for capital projects
General Fund	Capital Improvement	7,862	Mountain Water notes revenue transferred to CIP
General Fund	Capital Improvement	59,446	Support for capital projects
SID Revolving	Capital Improvement	15,531	Mountain Water notes revenue transferred to CIP
		<u>933,299</u>	Total transfers to Major Capital Projects
CDBG Program	CDBG Operating	13,722	Transfer CDBG Program Income
CDBG Operating	CDBG Program	5,300	Transfer CDBG Program Income
1997 Open Space GO Bonds	1998 Safety Bonds	2,854	Transfer to pay back internally financed projects
1997 Open Space GO Bonds	2007 Refunding	1,077	Transfer to pay back internally financed projects
		<u>22,953</u>	Total transfers To Other NonMajor Governmental Funds
General Fund	Aquatics	<u>142,949</u>	Support for aquatics activities
		<u>142,949</u>	Total transfers To Major Proprietary Fund
General Fund	Employee Benefit Plan	<u>65,124</u>	Retiree subsidizing of health insurance premium approved by the City council
		<u>65,124</u>	Total transfers To Internal Service Fund
	Total Transfers "IN"	<u>\$ 5,197,139</u>	

City of Missoula - Schedule of Transfers "OUT" as of June 30, 2011

Transfer From:	Transfer To:	Amount	Explanation
General Fund	Aquatics	\$ 142,949	Support for aquatics activities
General Fund	Employee Benefit Plan	65,124	Retiree subsidizing of health insurance premium approved by the City council
General Fund	Capital Improvement	850,460	Support for capital projects
General Fund	Capital Improvement	7,862	Mountain Water notes revenue transferred to CIP
General Fund	Capital Improvement	59,446	Support for capital projects
		<u>1,125,841</u>	Total transfers From General Fund

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Street Maintenance	General Fund	35,984	Reimburse General Fund for costs incurred within the flushing district
Gas Tax	General Fund	564,000	For street maintenance work by City street staff
Employee Health Insurance	General Fund	2,786,185	Reimburse General Fund from special health levy funds for health insurance premiums paid
Cable TV Franchise	General Fund	174,645	For right of way maintenance
SID Revolving	General Fund	72,000	To reimburse General Fund for SID costs
SID Revolving	Capital Improvement	15,531	Mountain Water notes revenue transferred to CIP
CDBG Program	CDBG Operating	13,722	Transfer CDBG Program Income
CDBG Operating	CDBG Program	5,300	Transfer CDBG Program Income
1997 Open Space GO Bonds	1998 Safety Bonds	2,854	Transfer to pay back internally financed projects
1997 Open Space GO Bonds	2007 Refunding	1,077	Transfer to pay back internally financed projects
		<u>3,671,298</u>	Total transfers From Other NonMajor Governmental Funds
Sewer	General Fund	190,000	Utility locating reimbursed to Engineering/Budget transfer to clear acct
Sewer	General Fund	190,000	Debt coverage transfer
Sewer	General Fund	20,000	Debt coverage transfer
		<u>400,000</u>	Total Transfers From Major Proprietary Fund
	Total Transfers OUT"	<u>\$ 5,197,139</u>	

K. 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.

L. 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.

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 \$140,000 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.

M. Construction Commitments

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

	Expended to Date	Remaining Commitment
<u>Sewer Funds</u>		
Headworks Upgrade	\$ 4,175,106	\$ 4,520,169
Airport Interceptor Sewer	29,946	100,309
<u>Governmental Funds</u>		
5th/6th/Arthur	335,270	638,363
Russell/South 3rd Road	886,855	31,728
Rattlesnake to University Crossing	25,028	152,335
South 3rd Street	66,548	176
North Higgins Streetscape	276,101	9,281
Miller Creek Road Improvement	1,933,305	76,579
Lower Miller Creek Road Improvements	53,963	449,694
University Area Ph. III curb/sidewalk	-	325,140
University Area Ph. III curb/sidewalk	77,365	108,805
Slant Streets Area Ph. III curb/sidewalk	-	49,367
U of M Crosswalk		
Grant Creek Trail	92,351	3,349
Milwaukee Trail	2,429,760	309,022
44 Ranch	75,000	55,000
California Street Bridge	-	105,811
Total Construction Commitments		
	\$ 10,456,598	\$ 6,935,128

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

N. Subsequent Events

The following bond issue was competitively sold and closed on July 5, 2011:
\$1,250,000 Special Improvement District No. 548, Series 2011

The City of Missoula entered into the purchase of land (34 acres + improvements) from Eko Compost, Inc. adjacent to the city's wastewater treatment plant (purchase price is \$1,500,000 with \$300,000 paid down at closing and the balance of \$1,200,000 to be carried by the current owner at 3% with 20 consecutive quarterly payments of \$64,836.76 with a closing on August 18, 2011). The city will allow the composting business to continue to operate on the land purchased for which the business will pay the City of Missoula rent each month for the use of the land and space. The property is currently owned by Eko Compost and is being operated as a composting facility using the bio solids generated at the wastewater treatment facility. This purchase does not include Eko Compost's business franchise. This purchase will give the City control of the property to ensure continued use as a composting operation for the beneficial reuse and the most cost effective method to dispose of bio solids generated at the wastewater treatment facility. Eko Compost will continue to operate a composting facility on the site but if Eko Compost ceased its business operation at the site the City could contract with another composting operation or operate it as a composting facility itself. Payments will be made to Eko Compost over a 5 year period. Eko Compost will lease the property back from the City for \$45,000 per year.

In FY 2012 the City of Missoula agreed to the substitution of the original bond insurer for another insurer for both the City of Missoula General Obligation Bonds, Series 2006 and City of Missoula General Obligation Refunding Bonds, Series 2007A. Subsequent to the issuance of the Bonds, CIFG's insurer financial strength ratings were downgraded and ultimately withdrawn due to CIFG's exposure to structured finance transactions involving sub-prime mortgages. Assured Guaranty Corp. ("Assured") has agreed to assume \$13.0 billion of municipal bond insurance policies from CIFG, including the Policy. As of the date hereof, Assured has financial strength ratings of AA+ from Standard & Poor's and Aa3 from Moody's. The City of Missoula has filed the event with EMMANotifications@msrb.org, the national repository for ongoing continuing disclosure filings.

O. Restatements/Prior Period Adjustments

The fund balances of the City's governmental funds have been restated to reflect the following:

\$1,450,400 restatement to reflect the transfer from nonmajor Special Revenue Funds to the General Fund budgeted by the City Council in the FY 2011 budget adoption resolution. This Restatement reflects the reclassification of six funds from Special Revenue to the General Fund due to the adoption of GASB 54.

There was a (\$29,302) restatement to the nonmajor Special Revenue fund balances reflecting the write off of uncollectible accounts receivable.

The City's Sewer Net Assets were increased by \$430,205. This adjustment consisted of:

\$417,125 capital contribution from private sewer developer in FY 2010.

\$13,080 sewer connection loans not previously reflected in the financial statements.

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

City of Missoula, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30,2011

General Fund

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	
Revenues			
Taxes and assessments	\$ 20,108,339	\$ 19,909,742	\$ (198,597)
Licenses and permits	1,233,118	1,212,898	(20,220)
Intergovernmental	10,976,521	10,798,634	(177,887)
Charges for services	4,261,839	4,008,686	(253,153)
Fines and forfeitures	1,000,634	978,351	(22,283)
Miscellaneous	635,019	221,456	(416,563)
Investment earnings	30,000	5,267	(24,733)
Total revenues	<u>38,245,470</u>	<u>38,248,470</u>	<u>(1,113,436)</u>
Expenditures			
General government-41	6,297,758	\$ 6,010,334	320,836
Public safety-42	21,638,221	20,633,093	1,005,128
Public works-43	6,504,408	6,727,901	(223,493)
Public health-44	1,372,380	1,372,380	-
Social and economic services-45	116,000	116,000	-
Culture and recreation-46	3,884,744	3,107,799	776,945
Housing & Community Development-47	49,000	52,000	-
Miscellaneous-51&52	1,171,345	1,183,362	(12,017)
Debt service expense-49	99,961	99,961	-
Capital outlay	1,075,336	608,374	466,962
Total Expenditures	<u>42,209,153</u>	<u>42,245,565</u>	<u>2,334,361</u>
Excess of revenues over (under) expenditures	<u>(3,963,683)</u>	<u>(3,997,095)</u>	<u>1,220,925</u>
Other Financing Sources (Uses)			
Transfers in	4,291,325	4,032,814	(258,511)
Transfers out	(1,091,985)	(1,125,841)	33,856
Total Other Financing Sources (Uses)	<u>3,199,340</u>	<u>2,906,973</u>	<u>(224,655)</u>
Net change in fund balance	(764,343)	(797,755)	130,803
Fund balances - beginning	3,539,384	3,539,384	-
Fund balances - ending	<u>\$ 2,775,041</u>	<u>\$ 2,741,629</u>	<u>\$ 996,270</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, 2011

	Component Units						Total
	Governmental Activities	Sewer	Aquatics	MRA	Parking	Commission	
<i>Actuarial Valuation Date: 6/30/11</i>							
Accrued Actuarial Liability	\$ 6,341,612	\$ 338,865	\$ 64,546	\$ 80,682	\$ 161,364	\$	6,987,069
Actuarial Value of Assets	-	-	-	-	-	-	-
Unfunded Actuarial Liability	6,341,612	338,865	64,546	80,682	161,364	\$	6,987,069
Funded Ratio	0%	0%	0%	0%	0%	0%	0%
Annual Covered Payroll (***)	19,841,435	931,876	119,072	276,145	343,178	40%	21,511,706
Unfunded Actuarial Liability to Covered Payroll	32%	36%	54%	29%	47%	32%	
<i>Actuarial Valuation Date: 6/30/09</i>							
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 (***)	19,841,435	931,876	119,072	276,145	343,178	40%	21,511,706
Unfunded Actuarial Liability to Covered Payroll	25%	26%	53%	27%	47%	25%	

(***) FY-11: Calculation includes all Employees that were in the health plan.

See accompanying Notes to the Financial Statements

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.

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.

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.

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.

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

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

SPECIAL REVENUE FUNDS (Cont.)

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.

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.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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.

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.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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, 2011

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 3,212,710	\$ 920,392	\$ 83,381	\$ 4,216,483
Taxes Receivable	375,483	212,342	-	587,825
Special Assessments Receivable	16,683	1,145,124	-	1,161,807
Interest Receivable	1,557	2,945	76	4,578
Prepaid Expense	11,505	-	-	11,505
Other Receivables	416,577	134,639	-	551,216
Long Term Loans	764,580	-	-	764,580
Interfund Receivable	658,827	1,074,704	736,316	2,469,847
Due From Other Governments	1,112,180	85,434	53,123	1,250,737
Advances Receivable	-	2,307,919	-	2,307,919
Deferred Assessments Receivable	-	13,399,309	-	13,399,309
TOTAL ASSETS	\$ 6,570,102	\$ 19,282,808	\$ 872,896	\$ 26,725,806
LIABILITIES				
Accounts Payable	\$ 759,010	\$ -	\$ 187,343	\$ 946,353
Accrued Payroll	33,310	-	-	33,310
Interfund Payable	658,827	384,110	736,315	1,779,252
Advances Payable	-	-	227,210	227,210
Deferred Revenues	1,011,048	14,803,062	25,000	15,839,110
TOTAL LIABILITIES	2,462,195	15,187,172	1,175,868	18,825,235
FUND BALANCES				
Nonspendable	11,505	-	-	11,505
Restricted	3,054,748	4,132,057	725,055	7,911,860
Committed	1,374,228	-	-	1,374,228
Unassigned	(332,574)	(36,421)	(1,028,027)	(1,397,022)
Total Fund Balance	4,107,907	4,095,636	(302,972)	7,900,571
Total Liabilities and Fund Balance	\$ 6,570,102	\$ 19,282,808	\$ 872,896	\$ 26,725,806

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL
REVENUES				
Taxes	\$ 3,095,754	\$ 1,820,324	\$ -	\$ 4,916,078
Special Assessments	827,071	2,603,696	-	3,430,767
Licenses & Permits	1,879,538	-	-	1,879,538
Intergovernmental	4,942,395	-	1,514,250	6,456,645
Charges for Services	1,124,053	-	27,587	1,151,640
Fines and Forfeitures	30,594	-	-	30,594
Miscellaneous	30,152	-	734,968	765,120
Investment Earnings	10,569	14,036	(1,239)	23,366
TOTAL REVENUES	11,940,126	4,438,056	2,275,566	18,653,748
EXPENDITURES				
General Government	396,358	507	-	396,865
Public Safety	1,797,994	-	-	1,797,994
Public Works	970,506	-	264,429	1,234,935
Culture and Recreation	178,516	-	-	178,516
Community Development	2,212,947	-	-	2,212,947
Conservation of Natural Resources	450	-	-	450
Debt Service	-	4,224,680	-	4,224,680
Capital Outlay	1,359,532	-	4,661,036	6,020,568
TOTAL EXPENDITURES	6,916,303	4,225,187	4,925,465	16,066,955
Excess (Deficiency) of Revenues Over Expenditures	5,023,823	212,869	(2,649,899)	2,586,793
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	19,022	3,931	-	22,953
Operating Transfers Out	(3,579,836)	(91,462)	-	(3,671,298)
Issuance of Long Term Debt	-	100,743	2,278,843	2,379,586
TOTAL OTHER FINANCING SOURCES (USES)	(3,560,814)	13,212	2,278,843	(1,268,759)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,463,009	226,081	(371,056)	1,318,034
Fund Balance, July 1, 2010	4,124,600	3,869,555	68,084	8,062,239
Restatement	(1,479,702)	-	-	(1,479,702)
Fund Balance, July 1, 2010, As Restated	2,644,898	3,869,555	68,084	6,582,537
Fund Balance, June 30, 2011	\$ 4,107,907	\$ 4,095,636	\$ (302,972)	\$ 7,900,571

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

COMBINING BALANCE SHEET

FOR NONMAJOR

GOVERNMENTAL

SPECIAL REVENUE

FUNDS

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Impact Fee	George Elmer Cattle Drive	Public Art	Employee Health Ins	Cable TV Franchise	Drug Forfeiture	Building Division	Program Income	Street Lighting
ASSETS AND OTHER DEBITS									
Cash and Investments	\$ 1,189,325	\$ 17,613	\$ 16,343	\$ 360,210	\$ 14,667	\$ 675,438	\$ 2,703	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	(591)	-	-	-	-	13,854
Interest Receivable	1,063	-	-	-	-	-	581	(360)	-
Prepaid Expenses	-	-	-	-	-	-	6,903	-	-
Other Receivables	-	-	-	-	180,623	-	31,388	-	-
Vendors	167,774	-	-	-	-	-	-	4,489	262,034
Mountain Water Notes	-	-	-	-	196,653	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-	-	-
Long Term Loans	-	-	-	-	-	-	-	-	-
Missoula Art Museum	-	-	-	-	-	-	-	-	-
Missoula Housing Authority	-	-	-	-	-	-	-	-	-
Parenting Place	-	-	-	-	-	-	-	-	-
Partnership Health Center	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	25,062	-	1,246	-	-	-
TOTAL ASSETS	\$ 1,358,162	\$ 17,613	\$ 16,343	\$ 384,681	\$ 377,276	\$ 15,913	\$ 714,310	\$ 6,832	\$ 278,867
LIABILITIES, EQUITY AND OTHER CREDITS									
Accounts Payable	\$ 17,773	\$ -	\$ 117	\$ -	\$ 48,370	\$ 17	\$ 7,903	\$ -	\$ 142
Accrued Payroll	-	-	-	-	-	-	17,556	-	-
Interfund Payable	-	-	-	397,951	-	-	-	-	-
Deferred Revenues	-	-	-	210,023	-	-	-	4,489	13,854
TOTAL LIABILITIES	\$ 17,773	-	117	607,974	48,370	17	25,459	4,489	13,996
FUND EQUITY AND OTHER CREDITS									
Fund Balance	-	-	-	-	-	-	-	6,903	-
Nonspendable:									
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Restricted:									
Cable contract restricted for CAT & PEG Access	-	-	-	-	328,906	-	-	-	-
State and Federal law restrictions for:	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	15,896	-	-	-
Building construction inspections	-	-	-	-	-	-	681,948	-	-
Public Works safety & maintenance expenditures	-	-	-	-	-	-	-	2,343	264,871
Grant restrictions for program expenditures	-	-	-	-	-	-	-	-	-
Committed:									
By City Ordinance for specific budgeted programs	1,340,389	-	16,226	-	-	-	-	-	-
By Developer Agreement for future development	-	17,613	-	(223,293)	-	-	-	-	-
Unassigned	-	-	-	(223,293)	-	-	-	-	-
Total Fund Balance	\$ 1,340,389	17,613	16,226	328,906	15,896	688,851	2,343	264,871	
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,358,162	\$ 17,613	\$ 16,343	\$ 384,681	\$ 377,276	\$ 15,913	\$ 714,310	\$ 6,832	\$ 278,867

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Street Maintenance	Russell Park Minc	Willowwood Park Minc	Road District #1	Park District #1	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant
ASSETS AND OTHER DEBITS									
Cash and Investments	\$ -	\$ -	\$ -	\$ 43	\$ 42,826	\$ 12,526	\$ 93,529	\$ 14,325	\$ 780,149
Taxes Receivable	2,829	-	-	9,164	6,109	-	-	-	-
Special Assessments Receivable	-	-	-	(7)	(9)	-	-	14	(17) 879
Interest Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-
Vendors	-	-	-	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	200,140	-	-	-
Long Term Loans	-	-	-	-	-	-	-	-	-
Missoula Art Museum	-	-	-	-	-	-	-	-	-
Missoula Housing Authority	-	-	-	-	-	-	-	-	-
Parenting Place	-	-	-	-	-	-	-	-	-
Partnership Health Center	-	-	-	-	-	-	-	-	-
Due From Other Governments	1,373	-	-	7,653	5,101	-	-	6,375	1,434
TOTAL ASSETS	\$ 4,202	\$ -	\$ 43	\$ 59,636	\$ 23,727	\$ 293,669	\$ 20,714	\$ 1,417	\$ 781,028
LIABILITIES, EQUITY AND OTHER CREDITS									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,646	\$ 12,680	\$ 15,511
Accrued Payroll	11,890	-	2,475	-	-	-	-	-	979
Interfund Payable	2,829	-	2,475	-	9,164	6,109	-	-	2,749
Deferred Revenues	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 14,719	\$ 2,475	\$ -	\$ 9,164	\$ 6,109	\$ 77,646	\$ 12,680	\$ 18,260	\$ 979
FUND EQUITY AND OTHER CREDITS									
Fund Balance	-	-	-	-	-	-	-	-	-
Nonspendable:									
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Restricted:									
Cable contract restricted for CAT & PEG Access	-	-	-	-	-	-	-	-	-
State and Federal law restrictions for:	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-	-	780,049
Building construction inspections	-	-	-	-	-	-	-	-	-
Public Works safety & maintenance expenditures	-	-	-	-	-	-	-	-	-
Grant restrictions for program expenditures	-	-	-	-	-	-	-	-	-
Committed:									
By City Ordinance for specific budgeted programs	-	-	-	-	-	-	-	-	-
By Developer Agreement for future development	(10,517)	(2,475)	-	-	-	-	-	(16,843)	-
Unassigned									
Total Fund Balance	(10,517)	(2,475)	\$ 43	50,472	17,618	216,023	8,034	(16,843)	780,049
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 4,202	\$ -	\$ 43	\$ 59,636	\$ 23,727	\$ 293,669	\$ 20,714	\$ 1,417	\$ 781,028

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Comm. Program Income	Devel. Community Development	HOME Grant	ADDI Program	Neighborhood Stabilization	Federal Transportation	Grants & Donations	TOTALS
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 695	\$ -	\$ 3,707	\$ 10,965	\$ -	\$ -	\$ 337,856	\$ 3,212,710
Taxes Receivable	-	-	-	-	-	-	-	375,483
Special Assessments Receivable	-	-	-	-	-	-	-	16,683
Interest Receivable	4	-	-	-	-	-	-	1,557
Prepaid Expenses	-	-	-	-	-	-	4,602	11,505
Other Receivables	-	-	-	-	-	-	-	-
Vendors	-	-	-	-	32,303	-	-	412,088
Mountain Water Notes	-	-	-	-	-	-	-	4,489
Interfund Receivable	-	-	-	-	-	-	-	658,827
Long Term Loans	-	-	-	-	-	-	-	-
Missoula Art Museum	188,000	-	-	-	-	-	-	188,000
Missoula Housing Authority	168,917	-	-	-	-	-	-	168,917
Parenting Place	123,500	-	-	-	-	-	-	123,500
Partnership Health Center	284,163	-	-	-	-	-	-	284,163
Due From Other Governments	-	24,903	\$ 55,793	-	341,637	\$ 274,678	\$ 363,946	1,112,180
TOTAL ASSETS	\$ 765,279	\$ 24,903	\$ 59,500	\$ 10,965	\$ 373,940	\$ 274,678	\$ 706,404	\$ 6,570,102
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ -	\$ 2,926	\$ 50,428	\$ -	\$ 328,605	\$ 47,120	\$ 148,793	\$ 759,010
Accrued Payroll	-	-	-	-	-	-	15,754	33,310
Interfund Payable	-	30,833	-	-	115,925	97,004	-	658,827
Deferred Revenues	764,580	-	-	-	-	-	-	1,011,048
TOTAL LIABILITIES	\$ 764,580	33,759	50,428	-	444,530	144,124	164,547	2,462,195
FUND EQUITY AND OTHER CREDITS								
Fund Balance	-	-	-	-	-	-	-	4,602
Nonspendable:								11,505
Prepaid Expenses	-	-	-	-	-	-	-	-
Restricted:								328,906
Cable contract restricted for CAT & PEG Access	-	-	-	-	-	-	-	-
State and Federal law restrictions for:	-	-	-	-	-	-	-	803,979
Law Enforcement	-	-	-	-	-	-	-	681,948
Building construction inspections	-	-	-	-	-	-	-	549,027
Public Works safety & maintenance expenditures	-	-	-	-	-	-	-	690,888
Grant restrictions for program expenditures	699	-	9,072	10,965	-	130,554	537,255	-
Committed:								-
By City Ordinance for specific budgeted programs	-	-	-	-	-	-	-	1,356,615
By Developer Agreement for future development	-	-	-	-	-	-	-	17,613
Unassigned								(332,574)
Total Fund Balance	\$ 699	(8,856)	9,072	10,965	(70,590)	130,554	541,857	\$ 4,107,907
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 765,279	\$ 24,903	\$ 59,500	\$ 10,965	\$ 373,940	\$ 274,678	\$ 706,404	\$ 6,570,102

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

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	SID Revolving	1998 Safety Bond	1996 Open Space Bonds	1997 Open Space Bond	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bonds	2004 Refunding
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 793,638	\$ -	\$ 1,606	\$ 3,420	\$ 1,133	\$ 2,065	\$ 3,376	\$ 66,888
Taxes Receivable	-	-	-	-	-	-	-	30,174
Special Assessments Receivable	-	-	-	-	-	-	-	-
Interest Receivable	909	(4)	2	429	-	-	-	(409)
Other Receivables	-	-	-	-	-	-	-	-
Mountain Water Notes	134,639	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-	-
Due From Other Governments	-	2	-	-	-	-	-	2,118
Advances Receivable	-	-	-	-	-	-	-	-
Deferred Assessments	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 929,186	\$ 1,604	\$ 5,283	\$ 1,562	\$ 2,066	\$ 3,378	\$ 71,843	\$ 31,883
LIABILITIES, EQUITY AND OTHER CREDITS								
Intefund Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88
Deferred Revenues	134,639	1,599	3,407	1,129	2,065	3,376	37,755	17,494
TOTAL LIABILITIES	134,639	1,599	3,407	1,129	2,065	3,376	67,920	17,582
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	794,547	5	1,876	433	1	2	3,923	14,301
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	794,547	5	1,876	433	1	2	3,923	14,301
TOTAL LIABILITIES, FUND EQUITY								
AND OTHER CREDITS								

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 46,299	-	\$ 57,381	\$ 1,644	\$ 3,340	-	\$ -	\$ -
Taxes Receivable	-	-	-	7,214	-	29,710	-	-
Special Assessments Receivable	810	80	-	-	8	48	48	46,759
Interest Receivable	-	-	-	-	-	-	-	(21)
Other Receivables	-	-	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-	-
Due From Other Governments	3,451	4,328	-	-	747	8,163	-	-
Advances Receivable	-	-	-	-	-	-	-	-
Deferred Assessments	-	-	-	-	-	34,352	30,759	104,293
TOTAL ASSETS	\$ 50,560	\$ 61,789	\$ 8,858	\$ 37,122	\$ 72,233	\$ 76,805	\$ 47,999	\$ 159,174
LIABILITIES, EQUITY AND OTHER CREDITS								
Interfund Payable	\$ 24,338	\$ 36,921	\$ 7,214	\$ -	\$ 754	\$ -	\$ -	\$ 37,854
Deferred Revenues	25,670	31,496	-	33,027	64,062	31,792	26,833	151,053
TOTAL LIABILITIES	\$ 50,008	68,417	7,214	33,027	64,816	31,792	26,833	188,907
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	552	-	1,644	4,095	7,417	45,013	21,166	-
Unassigned	-	(6,628)	-	-	-	-	-	(29,733)
Total Fund Balance	552	(6,628)	1,644	4,095	7,417	45,013	21,166	(29,733)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 50,560	\$ 61,789	\$ 8,858	\$ 37,122	\$ 72,233	\$ 76,805	\$ 47,999	\$ 159,174

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb	FY06 Sidewalk & Curb	FY07 Sidewalk & Curb	FY08 Sidewalk & Curb	FY09 Sidewalk & Curb	FY10 Sidewalk & Curb	SID 495
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 628
Taxes Receivable	44,242	45,964	65,452	52,217	33,697	37,526	60,022	-
Special Assessments Receivable	52	(14)	(10)	(16)	9	79	25	1
Interest Receivable								
Other Receivables								
Mountain Water Notes	32,199	-	-	-	12,633	67,836	18,046	-
Interfund Receivable	2,123	4,281	2,136	5,147	5,005	-	5,428	-
Due From Other Governments	-	102,775	186,864	93,432	-	-	-	-
Advances Receivable								
Deferred Assessments	128,997	257,126	441,402	564,900	404,973	524,030	782,832	-
TOTAL ASSETS	\$ 207,613	\$ 410,132	\$ 695,844	\$ 715,680	\$ 456,317	\$ 629,471	\$ 866,353	\$ 629
LIABILITIES, EQUITY AND OTHER CREDITS								
Interfund Payable	\$ -	\$ 30,455	\$ 32,045	\$ 36,754	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	173,239	303,090	506,854	617,117	438,670	561,556	842,854	404
TOTAL LIABILITIES	173,239	333,545	538,899	653,871	438,670	561,556	842,854	404
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	34,374	76,587	156,945	61,809	17,647	67,915	23,499	225
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	34,374	76,587	156,945	61,809	17,647	67,915	23,499	225
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 207,613	\$ 410,132	\$ 695,844	\$ 715,680	\$ 456,317	\$ 629,471	\$ 866,353	\$ 629

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	SID 497	SID 498	SID 501	SID 503	SID 505	SID 506	SID 507	SID 508
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 3,608	\$ -	\$ -	\$ -	\$ -	\$ 4,280	\$ 1,383	\$ 7,354
Taxes Receivable	-	-	-	-	-	-	-	-
Special Assessments Receivable	242	52,046	19,308	3,979	-	-	-	-
Interest Receivable	4	33	117	28	14	2	8	116
Other Receivables	-	-	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-	-	-
Interfund Receivable	-	45,186	110,882	23,990	8,627	-	-	-
Due From Other Governments	-	1,606	1,035	-	-	-	-	-
Advances Receivable	-	168,177	-	-	-	-	-	-
Deferred Assessments	-	101,714	34,078	16,673	-	-	-	541
TOTAL ASSETS	\$ 3,854	\$ 368,762	\$ 165,420	\$ 44,670	\$ 12,921	\$ 1,385	\$ 7,362	\$ 1,993
LIABILITIES, EQUITY AND OTHER CREDITS								
Interfund Payable	\$ -	\$ 153,760	\$ 53,386	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	-	-	-	20,652	-	-	-	657
TOTAL LIABILITIES	242	153,760	53,386	20,652	-	-	-	657
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	3,612	215,002	112,034	24,018	12,921	1,385	7,362	1,336
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	3,612	215,002	112,034	24,018	12,921	1,385	7,362	1,336
TOTAL LIABILITIES, FUND EQUITY	\$ 3,854	\$ 368,762	\$ 165,420	\$ 44,670	\$ 12,921	\$ 1,385	\$ 7,362	\$ 1,993
AND OTHER CREDITS								

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	SID 510	SID 511	SID 512	SID 513	SID 514	SID 515	SID 517	SID 518
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 113	\$ -	\$ 3,172	\$ 2,475
Taxes Receivable	-	7,751	45,795	-	-	-	-	-
Special Assessments Receivable	6,027	38	30	(70)	-	3,678	-	2,917
Interest Receivable	-	-	-	-	95	-	7	1,749
Other Receivables	-	-	-	-	-	-	-	5
Mountain Water Notes	-	51,071	28,222	-	-	73,942	-	-
Interfund Receivable	746	353	2,537	-	89	-	66	1,292
Due From Other Governments	93,432	-	233,579	-	-	-	-	-
Advances Receivable	37,749	36,876	514,654	-	9,179	-	3,469	1,547
Deferred Assessments	\$ 189,063	\$ 73,232	\$ 796,495	\$ 113	\$ 86,983	\$ -	\$ 9,631	\$ 7,068
TOTAL ASSETS								
LIABILITIES, EQUITY AND OTHER CREDITS								
Interfund Payable	\$ 43,776	\$ 44,627	\$ 133,132	\$ -	\$ 12,857	\$ 60	\$ -	\$ -
Deferred Revenues	-	560,448	-	-	-	-	6,385	3,296
TOTAL LIABILITIES	43,776	44,627	693,580	-	12,857	60	6,385	3,296
FUND EQUITY AND OTHER CREDITS								
Func Balance								
Restricted:								
Debt Service	145,287	28,605	102,915	113	74,126	-	3,246	3,772
Unassigned	-	-	-	-	(60)	-	-	-
Total Fund Balance	145,287	28,605	102,915	113	74,126	(60)	3,246	3,772
TOTAL LIABILITIES, FUND EQUITY	\$ 189,063	\$ 73,232	\$ 796,495	\$ 113	\$ 86,983	\$ -	\$ 9,631	\$ 7,068
AND OTHER CREDITS								

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	SID 519	SID 520	SID 521	SID 522	SID 524	SID 525	SID 526	SID 527
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 8,322	\$ -	\$ 3,316	\$ 2,750	\$ -	\$ 42,423	\$ -	\$ 7,030
Taxes Receivable	-	70,672	14	-	142,781	17,557	-	-
Special Assessments Receivable	2,508	(8)	4	4	72	35	79,098	1,219
Interest Receivable	12						33	8
Other Receivables	-	-	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	108,203	-	-	-
Interfund Receivable	-	-	-	-	4,759	-	23,491	-
Due From Other Governments	-	5,004	-	-	569,934	177,520	4,248	102
Advances Receivable	-	156,840	-	-	2,354,199	232,291	373,727	-
Deferred Assessments	4,971	973,082	-	-			1,025,501	-
TOTAL ASSETS	\$ 15,813	\$ 1,205,590	\$ 3,334	\$ 2,754	\$ 3,179,948	\$ 469,826	\$ 1,506,098	\$ 8,359
LIABILITIES, EQUITY AND OTHER CREDITS								
Interfund Payable	\$ -	\$ 21,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	7,479	1,043,754	14	-	2,496,981	249,848	1,104,600	1,219
TOTAL LIABILITIES	7,479	1,065,298	14	-	2,496,981	249,848	1,104,600	1,219
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	8,334	140,292	3,320	2,754	682,967	219,978	401,498	7,140
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	8,334	140,292	3,320	2,754	682,967	219,978	401,498	7,140
TOTAL LIABILITIES, FUND EQUITY	\$ 15,813	\$ 1,205,590	\$ 3,334	\$ 2,754	\$ 3,179,948	\$ 469,826	\$ 1,506,098	\$ 8,359
AND OTHER CREDITS								
							Continued	

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	SID 530	SID 531	SID 532	SID 533	SID 534	SID 535	SID 536	SID 539
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 4,777	\$ 4,496	\$ -	\$ -	\$ -	\$ 5,710	\$ -	\$ 2,042
Taxes Receivable	-	-	-	-	-	-	-	-
Special Assessments Receivable	313	1,733	22,128	8,125	8,403	2,631	14,694	961
Interest Receivable	2	2	57	46	38	2	81	1
Other Receivables	-	-	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	46,892	40,239	37,416	-	76,379	-
Due From Other Governments	26	131	606	54	234	161	634	47
Advances Receivable	-	-	-	-	-	-	-	-
Deferred Assessments	1,610	11,400	336,209	134,733	174,093	20,971	288,641	7,656
TOTAL ASSETS	\$ 6,728	\$ 17,762	\$ 405,892	\$ 183,197	\$ 220,184	\$ 29,475	\$ 380,429	\$ 10,707
LIABILITIES, EQUITY AND OTHER CREDITS								
Interfund Payable	\$ 1,922	\$ 13,133	\$ 358,337	\$ 142,857	\$ 182,496	\$ 23,602	\$ 303,336	\$ -
Deferred Revenues	-	-	-	-	-	-	-	8,617
TOTAL LIABILITIES	\$ 1,922	\$ 13,133	\$ 358,337	\$ 142,857	\$ 182,496	\$ 23,602	\$ 303,336	\$ 8,617
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	4,806	4,629	47,555	40,340	37,688	5,873	77,093	2,090
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	4,806	4,629	47,555	40,340	37,688	5,873	77,093	2,090
TOTAL LIABILITIES, FUND EQUITY	\$ 6,728	\$ 17,762	\$ 405,892	\$ 183,197	\$ 220,184	\$ 29,475	\$ 380,429	\$ 10,707
AND OTHER CREDITS								
Continued								

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2011

	SID 540	SID 541	SID 543	SID 544	SID 545	SID 546	TOTALS
ASSETS AND OTHER DEBITS							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 8,937	\$ 3,348	\$ 2,407
Taxes Receivable	-	-	-	-	-	-	\$ 920,392
Special Assessments Receivable	55,238	26,611	4,567	78,719	1,238	888	\$ 212,342
Interest Receivable	29	67	3	53	1	1	1,145,124
Other Receivables	-	-	-	-	-	-	2,945
Mountain Water Notes	-	-	-	-	-	-	134,639
Interfund Receivable	31,235	56,359	10,880	106,267	-	-	1,074,704
Due From Other Governments	977	870	270	2,058	145	39	85,434
Advances Receivable	151,639	-	-	-	-	-	2,307,919
Deferred Assessments	1,187,926	637,870	57,832	1,867,637	16,873	13,392	13,399,309
TOTAL ASSETS	\$ 1,427,044	\$ 721,777	\$ 73,552	\$ 2,063,671	\$ 21,605	\$ 16,727	\$ 19,282,808
LIABILITIES, EQUITY AND OTHER CREDITS							
Interfund Payable	\$ 1,243,164	\$ 664,078	\$ 62,399	\$ 1,946,355	\$ 18,110	\$ 14,280	\$ 384,110
Deferred Revenues	-	-	-	-	-	-	14,803,062
TOTAL LIABILITIES	1,243,164	664,078	62,399	1,946,355	18,110	14,280	15,187,172
FUND EQUITY AND OTHER CREDITS							
Fund Balance							
Restricted:							
Debt Service	183,880	57,699	111,153	117,316	3,495	2,447	4,132,057
Unassigned	-	-	-	-	-	-	(36,421)
Total Fund Balance	183,880	57,699	111,153	117,316	3,495	2,447	4,095,636
TOTAL LIABILITIES, FUND EQUITY							
AND OTHER CREDITS							

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

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	1997 Open Space	New Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb	09 Sidewalk & Curb	10 Sidewalk & Curb	11 Sidewalk & Curb
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ -	\$ -	\$ 98	\$ 34	\$ -	\$ -	\$ 877	\$ -
Interest Receivable	-	-	-	-	-	-	2	(246)
Other Receivables	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-
Interfund Receivable	382,102	86,563	-	-	-	-	-	-
TOTAL ASSETS	\$ 382,102	\$ 86,563	\$ 98	\$ 34	\$ -	\$ -	\$ 879	\$ (246)
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ 64	\$ -
Interfund Payable	-	-	-	-	-	-	-	331,684
Advances Payable	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	12	64	-	331,684
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Restricted by Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures	382,102	86,563	98	34	-	(12)	(64)	-
Unassigned	-	-	-	-	-	(12)	(64)	(331,930)
Total Fund Balance	\$ 382,102	\$ 86,563	\$ 98	\$ 34	\$ -	\$ -	\$ 879	(331,930)
TOTAL LIABILITIES, FUND EQUITY	\$ 382,102	\$ 86,563	\$ 98	\$ 34	\$ -	\$ -	\$ 879	\$ (246)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	12 Sidewalk & Curb	SID 530 Construction	SID 531 Construction	SID 532 Construction	SID 533 Construction	SID 534 Construction	SID 535 Construction	SID 536 Construction
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ (8)	-	\$ -	\$ 34	\$ 44	\$ -	\$ 9	\$ -
Interest Receivable	-	-	-	-	-	-	-	\$ 48
Other Receivables	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	\$ 30,379	\$ 39,335	\$ -	\$ 8,450	\$ 42,890	\$ -
TOTAL ASSETS	\$ (8)	\$ -	\$ 30,413	\$ 39,379	\$ (7)	\$ 8,459	\$ 42,938	\$ 2,223
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ 98,023	\$ -	\$ 115	\$ -	\$ -	\$ 6,699	\$ -	\$ -
Interfund Payable	-	-	-	\$ 43,854	\$ -	\$ -	\$ -	\$ -
Advances Payable	-	-	-	-	-	-	-	\$ 66,921
Deferred Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 98,023	\$ 115	\$ 43,854	\$ -	\$ 6,699	\$ -	\$ 66,921	\$ -
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Restricted by Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures								
Unassigned								
Total Fund Balance	\$ (98,031)	\$ (115)	\$ (13,441)	\$ -	\$ 39,379	\$ (6,706)	\$ 8,459	\$ (23,983)
TOTAL LIABILITIES, FUND EQUITY	\$ (98,031)	\$ (115)	\$ (13,441)	\$ -	\$ 39,379	\$ (6,706)	\$ 8,459	\$ (23,983)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	SID 538 Construction	SID 539 Construction	SID 540 Construction	SID 541 Construction	SID 542 Construction	SID 543 Construction	Miller Creek Mitigation	Miller Creek Mitigation (T)
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ -	\$ -	\$ 14	\$ 122	\$ 58	\$ 7,542	\$ -	\$ -
Interest Receivable	-	-	-	-	-	(1)	11	4
Other Receivables	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	12,341	109,842	24,414	-	-	-
TOTAL ASSETS	\$ -	\$ 12,355	\$ 109,964	\$ 32,014	\$ (1)	\$ 9,467	\$ 3,527	\$ (3)
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	19	-	20,275	-	-	497	-	-
Advances Payable	-	-	-	-	-	-	71,853	-
Deferred Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	19	20,275	-	-	497	71,853	-	2,728
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Restricted by Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures								
Unassigned								
Total Fund Balance	(19)	(7,920)	-	109,964	-	32,014	(498)	(62,386)
TOTAL LIABILITIES, FUND EQUITY	\$ -	\$ 12,355	\$ 109,964	\$ 32,014	\$ (1)	\$ 9,467	\$ 3,527	\$ (3)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	Miller Creek Mitigation (M)	Miller Creek Mitigation (Mc)	5th, 6th, & Arthur Improvements	Maloney Twite	Rattlesnake Sewer Collection	Phillips St Traffic Calming	Pattee Creek Drive	ARRA Enhancement
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 12,272 14	\$ 20,268 23	\$ (139)	\$ 1,256 94	\$ 25,834 52	\$ (6)	\$ (4)	\$ (44)
Interest Receivable	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 12,286	\$ 20,291	\$ (139)	\$ 1,350	\$ 25,886	\$ (6)	\$ (4)	\$ (44)
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ -	\$ -	\$ 144,744	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	250,149	-	-	5,586	4,005	2,498
Advances Payable	-	-	-	-	-	13,680	10,627	-
Deferred Revenue	-	-	25,000	-	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ -	\$ 419,893	\$ -	\$ -	\$ 19,266	\$ 14,632	\$ 2,498
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Restricted by Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures								
Unassigned								
Total Fund Balance	\$ 12,286	\$ 20,291	\$ (139)	\$ 1,350	\$ 25,886	\$ (6)	\$ (4)	\$ (44)
TOTAL LIABILITIES, FUND EQUITY								

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	HB 645	WFL Miller Creek Road	Western Federal Lands	Totals
ASSETS AND OTHER DEBITS				
Cash and Investments	\$ 9	-	\$ (6)	-
Interest Receivable	-	-	-	76
Other Receivables	-	28,078	25,045	-
Due From Other Governments	-	-	-	53,123
Interfund Receivable	-	-	-	736,316
TOTAL ASSETS	\$ 9	\$ 28,072	\$ 25,045	\$ 872,896
LIABILITIES, EQUITY AND OTHER CREDITS				
Accounts Payable	\$ 23,661	\$ 22,602	\$ 19,997	\$ 187,343
Interfund Payable	-	5,495	5,080	736,315
Advances Payable	-	-	-	227,210
Deferred Revenue	-	-	-	25,000
TOTAL LIABILITIES	\$ 23,661	\$ 28,097	\$ 25,077	\$ 1,175,868
FUND EQUITY AND OTHER CREDITS				
Fund Balance				
Restricted:				
Restricted by Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures				
Unassigned				
Total Fund Balance	\$ 9	\$ 28,072	\$ 25,045	\$ 872,896
TOTAL LIABILITIES, FUND EQUITY				

**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, 2011

	MOVED TO GF	MOVED TO GF	MOVED TO GF	MOVED TO GF	MOVED TO GF	MOVED TO GF	MOVED TO GF
	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall & Memorial	Cemetery Care	Title One Projects	Impact Fee
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	1,071,737
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	17,613
Investment Earnings	-	-	-	-	-	-	2,257
Total Revenues	-	-	-	-	-	-	1,073,994
							17,613
EXPENDITURES							
Current	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	296
Community Development	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	391,156
Total Expenditures	-	-	-	-	-	-	391,452
							-
Excess (Deficiency) of Revenue Over Expenditures	-	-	-	-	-	-	682,542
							17,613
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	-	-	-	-	-	-	682,542
							17,613
Fund Balance, June 30, 2010	415,360	206,590	254,774	49,626	281,873	202,052	657,847
Restatement	(415,360)	(206,590)	(254,774)	(49,626)	(281,873)	(202,052)	-
Fund Balance, June 30, 2010, Restated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	657,847
Fund Balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,340,359 \$ 17,613

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, 2011

	Public Art	Employee Health Insurance	Cable TV Franchise	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program	Dangerous Building Demo & Repair
REVENUES								
Taxes	\$ -	\$ 3,095,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-	-
Licenses & Permits	-	-	649,712	-	-	1,229,826	-	-
Intergovernmental	9,000	-	-	-	-	440	-	-
Charges for Services	-	-	-	-	-	865	-	-
Fines and Forfeitures	-	-	-	-	24,219	-	-	-
Miscellaneous	-	-	-	-	-	-	224	-
Investment Earnings	-	4,771	-	-	-	1,788	-	-
Total Revenues	9,000	3,100,525	649,712	24,219	1,232,919	224	224	-
EXPENDITURES								
Current	-	-	396,358	-	-	-	-	-
General Government	-	-	-	17,163	866,242	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	2,013	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Capital Outlay	13,000	-	48,182	-	-	-	-	-
Total Expenditures	15,013	-	444,540	17,163	866,242	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(6,013)	3,100,525	205,172	7,056	366,677	224	224	-
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	(2,786,185)	-	(174,645)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(2,786,185)	(174,645)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(6,013)	314,340	30,527	7,056	366,677	224	224	-
Fund Balance, June 30, 2010	22,239	(537,633)	298,379	8,840	322,174	2,119	40,125	-
Restatement	-	-	-	-	-	-	(40,125)	-
Fund Balance, June 30, 2010, Restated	22,239	(537,633)	298,379	8,840	322,174	2,119	-	-
Fund Balance, June 30, 2011	\$ 16,226	\$ (223,293)	\$ 328,906	\$ 15,896	\$ 688,851	\$ 2,343	\$ -	\$ -

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, 2011

	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc	Road District #1	Park District #1	State Gas Tax	Crime Victim Surcharge
REVENUES								
Taxes	\$ 291,171	\$ -	\$ 51,544	\$ -	\$ -	\$ 290,505	\$ 193,851	\$ -
Special Assessments	-	-	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	18	13	1,087,885
Charges for Services	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	6,375
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	(33)	(39)	-
Total Revenues	291,171	51,544			290,490	193,825	1,087,885	28
EXPENDITURES								
Current	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	291,301	20,695	-	-	-	240,018	-	-
Culture and Recreation	-	-	-	-	-	-	176,207	-
Community Development	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	441,135	-
Total Expenditures	291,301	20,695			-	240,018	176,207	441,135
Excess (Deficiency) of Revenue Over Expenditures	(130)	30,849	-	-	-	50,472	17,618	646,750
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	(35,984)	-	-	-	-	-	(564,000)
Sale of Capital Assets	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(35,984)	-	-	-	-	-	(564,000)
Excess (Deficiency) of Revenue Over Expenditures	(130)	(5,135)	-	-	-	50,472	17,618	82,750
Fund Balance, June 30, 2010	265,001	(5,382)	(2,475)	43	-	-	-	6,403
Restatement	-	-	-	-	-	-	-	-
Fund Balance, June 30, 2010, Restated	265,001	(5,382)	(2,475)	43	-	-	133,273	1,631
Fund Balance, June 30, 2011	\$ 264,871	\$ (10,517)	\$ (2,475)	\$ 43	\$ 50,472	\$ 17,618	\$ 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, 2011

	Law Enforcement Grant	HIDTA Grant	Comm. Devel. Program Income	Community Development	HOME Grant	ADDI Program	Neighborhood Stabilization	Federal Transportation
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-	-
Intergovernmental	51,805	-	11,723	390,018	542,328	10,965	815,225	403,792
Charges for Services	-	50,841	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	89	1,759	(51)	-	-	-	-	-
Total Revenues	51,894	52,600	11,672	390,018	542,328	10,965	815,225	403,792
EXPENDITURES								
Current	-	-	-	-	-	-	-	-
General Government	58,542	72,783	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	413,289	585,441	-	885,815	-
Community Development	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	7,201	-	-	-	-	-	-
Capital Outlay	-	65,743	72,783	-	413,289	585,441	-	439,447
Total Expenditures	(13,849)	(20,183)	11,672	(23,271)	(43,113)	10,965	(70,590)	(35,655)
Excess (Deficiency) of Revenue Over Expenditures								
Other Financing Sources (Uses)	-	-	-	5,300	13,722	-	-	-
Operating Transfers In	-	-	-	(19,022)	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(13,722)	13,722	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(13,849)	(20,183)	(2,050)	(9,549)	(43,113)	10,965	(70,590)	(35,655)
Fund Balance, June 30, 2010 Restatement	(2,994)	800,232	2,749	693	52,185	-	-	191,156 (24,947)
Fund Balance, June 30, 2010, Restated	(2,994)	800,232	2,749	693	52,185	-	-	166,209
Fund Balance, June 30, 2011	\$ (16,843)	\$ 780,049	\$ 699	\$ (8,856)	\$ 9,072	\$ 10,965	\$ (70,590)	\$ 130,554

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, 2011

	Grants & Donations	TOTALS
REVENUES		
Taxes	\$ -	\$ 3,095,754
Special Assessments	-	827,071
Licenses & Permits	-	1,879,538
Intergovernmental	1,619,183	4,942,395
Charges for Services	610	1,124,053
Fines and Forfeitures	-	30,594
Miscellaneous	12,315	30,152
Investment Earnings	-	10,569
Total Revenues	<u>1,632,108</u>	<u>11,940,126</u>
EXPENDITURES		
Current		
General Government	-	396,358
Public Safety	783,264	1,797,994
Public Works	418,492	970,506
Culture and Recreation	-	178,516
Community Development	328,402	2,212,947
Conservation of Natural Resources	450	450
Capital Outlay	19,411	1,359,532
Total Expenditures	<u>1,550,019</u>	<u>6,916,303</u>
Excess (Deficiency) of Revenue Over Expenditures	82,089	5,023,823
Other Financing Sources (Uses)		
Operating Transfers In	-	19,022
Operating Transfers Out	-	(3,579,836)
Sale of Capital Assets	-	-
Total Other Financing Sources (Uses)		<u>(3,560,814)</u>
Excess (Deficiency) of Revenue Over Expenditures	82,089	1,463,009
Fund Balance, June 30, 2010	464,123	4,124,600
Restatement	(4,355)	(1,479,702)
Fund Balance, June 30, 2010, Restated	<u>459,768</u>	<u>2,644,898</u>
Fund Balance, June 30, 2011	<u>\$ 541,857</u>	<u>\$ 4,107,907</u>

**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, 2011

	SID Revolving	1998 Safety Bonds	1996 Open Space Bonds	1997 Open Space Bonds	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bond	2004 Refunding
REVENUES								
Taxes	\$ 15,531	\$ 642	\$ 82	\$ 32	\$ -	\$ -	\$ 601,120	\$ 263,079
Special Assessments	-	-	-	-	-	-	-	-
Investment Earnings	1,703	(4)	7	660	(1)	(1)	147	134
Total Revenues	17,234	638	89	692	(1)	(1)	601,267	263,213
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	606,475	262,340
Total Expenditures	-	-	-	-	-	-	606,475	262,340
Excess (Deficiency) of Revenue Over Expenditures	17,234	638	89	692	(1)	(1)	(5,208)	873
Other Financing Sources (Uses)								
Operating Transfers In	-	2,854	-	-	-	-	-	-
Operating Transfers Out	(87,531)	-	-	(3,931)	-	-	-	-
Issuance of Long Term Debt	100,743	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	13,212	2,854	-	(3,931)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	30,446	3,492	89	(3,239)	(1)	(1)	(5,208)	873
Fund Balance, June 30, 2010	\$ 764,101	(3,487)	1,787	3,672	2	3	9,131	13,428
Fund Balance, June 30, 2011	\$ 794,547	\$ 5	\$ 1,876	\$ 433	\$ 1	\$ 2	\$ 3,923	\$ 14,301

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, 2011

	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb
REVENUES								
Taxes	\$ 424,174	\$ 531,195	\$ -	\$ 1,580	\$ 27,796	\$ 45,995	\$ 26,467	\$ 10,485
Special Assessments	-	-		(33)	20	5	87	-
Investment Earnings	518	320						94,713
Total Revenues	424,692	531,515	1,547	27,816	46,000	26,554	10,506	(62)
EXPENDITURES								
General Government	-	-						-
Debt Service	430,592	542,045			26,450	39,330	17,402	12,130
Total Expenditures	430,592	542,045			26,450	39,330	17,402	12,130
Excess (Deficiency) of Revenue Over Expenditures	(5,900)	(10,530)	1,547	1,366	6,670	9,152	(1,624)	2,884
Other Financing Sources (Uses)								
Operating Transfers In		1,077						-
Operating Transfers Out		-						-
Issuance of Long Term Debt		-						-
Total Other Financing Sources (Uses)		-	1,077	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(5,900)	(9,453)	1,547	1,366	6,670	9,152	(1,624)	2,884
Fund Balance, June 30, 2010	6,452	2,825	97	2,729	747	35,861	22,790	(32,617)
Fund Balance, June 30, 2011	\$ 552	\$ (6,628)	\$ 1,644	\$ 4,095	\$ 7,417	\$ 45,013	\$ 21,166	\$ (29,733)

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, 2011

	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb	FY06 Sidewalk & Curb	FY07 Sidewalk & Curb	FY08 Sidewalk & Curb	FY09 Sidewalk & Curb	FY10 Sidewalk & Curb	SID 495
REVENUES								
Taxes	\$ 88,984	\$ 81,902	\$ -	\$ 145,112	\$ 98,768	\$ 88,404	\$ 94,068	\$ 145,654
Special Assessments	78	376	806	362	11	239	110	-
Investment Earnings								
Total Revenues	89,062	82,278	145,918	99,130	88,415	94,307	145,764	1
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	88,899	91,369	155,318	110,569	69,042	83,032	122,265	-
Total Expenditures	88,899	91,369	155,318	110,569	69,042	83,032	122,265	-
Excess (Deficiency) of Revenue Over Expenditures	163	(9,091)	(9,400)	(11,439)	19,373	11,275	23,499	1
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	163	(9,091)	(9,400)	(11,439)	19,373	11,275	23,499	1
Fund Balance, June 30, 2010	34,211	85,678	166,345	73,248	(1,726)	56,640	-	224
Fund Balance, June 30, 2011	\$ 34,374	\$ 76,587	\$ 156,945	\$ 61,809	\$ 17,647	\$ 67,915	\$ 23,499	\$ 225

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, 2011

	SID 497	SID 498	SID 501	SID 503	SID 505	SID 506	SID 507	SID 508
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 9,462	\$ -	\$ -	\$ -
Special Assessments	7	114,246	37,834	240	48	25	3	237
Investment Earnings	827	827						3
Total Revenues	7	115,073	38,074	9,510	25	3	15	240
EXPENDITURES								
General Government	- -	- -	- -	- -	- -	- -	- -	- -
Debt Service	- 101,780	28,940	11,260	- -	- -	- -	- -	- -
Total Expenditures	- 101,780	28,940	11,260	- -	- -	- -	- -	- -
Excess (Deficiency) of Revenue Over Expenditures	7	13,293	9,134	(1,750)	25	3	15	240
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	7	13,293	9,134	(1,750)	25	3	15	240
Fund Balance, June 30, 2010	3,605	201,709	102,900	25,768	12,896	1,382	7,347	1,096
Fund Balance, June 30, 2011	\$ 3,612	\$ 215,002	\$ 112,034	\$ 24,018	\$ 12,921	\$ 1,385	\$ 7,362	\$ 1,336

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, 2011

	SID 510	SID 511	SID 512	SID 513	SID 514	SID 515	SID 517	SID 518
REVENUES								
Taxes	\$ 16,964	\$ 16,396	\$ -	\$ 102,139	\$ -	\$ 11,815	\$ -	\$ 4,068
Special Assessments	517	55	708	(59)	168	31	11	2,457
Investment Earnings								3
Total Revenues	17,481	16,451	102,847	(59)	11,983	31	4,079	2,460
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	-	14,000	173,841	-	21,301	-	6,763	2,898
Total Expenditures	-	14,000	173,841	-	21,301	-	6,763	2,898
Excess (Deficiency) of Revenue Over Expenditures	17,481	2,451	(70,994)	(59)	(9,318)	31	(2,684)	(438)
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	17,481	2,451	(70,994)	(59)	(9,318)	31	(2,684)	(438)
Fund Balance, June 30, 2010	\$ 127,806	\$ 26,154	\$ 173,909	\$ 172	\$ 83,444	\$ (91)	\$ 5,930	\$ 4,210
Fund Balance, June 30, 2011	\$ 145,287	\$ 28,605	\$ 102,915	\$ 113	\$ 74,126	\$ (60)	\$ 3,246	\$ 3,772

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, 2011

	SID 519	SID 520	SID 521	SID 522	SID 524	SID 525	SID 526	SID 527
REVENUES								
Taxes	\$ 6,310	\$ -	\$ 151,062	\$ -	\$ -	\$ 336,710	\$ 42,040	\$ -
Special Assessments	18		(428)	5	4	2,728	864	
Investment Earnings							1,685	3,038
Total Revenues	6,328	150,634	(8)	4	339,438	42,904	179,066	19
EXPENDITURES								
General Government	-	-	-	-	-	58	-	-
Debt Service	8,099	159,680	789	1,139	307,400	32,220	189,900	3,231
Total Expenditures	8,099	159,680	789	1,139	307,458	32,220	189,900	3,231
Excess (Deficiency) of Revenue Over Expenditures	(1,771)	(9,046)	(797)	(1,135)	31,980	10,684	(10,834)	(174)
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	(1,771)	(9,046)	(797)	(1,135)	31,980	10,684	(10,834)	(174)
Fund Balance, June 30, 2010	\$ 10,105	149,338	4,117	3,889	650,987	209,294	412,332	7,314
Fund Balance, June 30, 2011	\$ 8,334	\$ 140,292	\$ 3,320	\$ 2,754	\$ 682,967	\$ 219,978	\$ 401,498	\$ 7,140

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, 2011

	SID 530	SID 531	SID 532	SID 533	SID 534	SID 535	SID 536	SID 539
REVENUES								
Taxes	\$ 693	\$ 4,287	\$ 50,662	\$ 19,013	\$ 23,850	\$ 5,656	\$ 42,708	\$ -
Special Assessments	(2)	(35)	104	90	90	(49)	172	1,973
Investment Earnings								(21)
Total Revenues	691	4,252	50,766	19,103	23,940	5,607	42,880	1,952
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	742	-	48,872	17,369	18,044	-	-	31,894
Total Expenditures	742	-	48,872	17,369	18,044	-	31,894	-
Excess (Deficiency) of Revenue Over Expenditures	(51)	4,252	1,894	1,734	5,896	5,607	10,986	1,952
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	(51)	4,252	1,894	1,734	5,896	5,607	10,986	1,952
Fund Balance, June 30, 2010	\$ 4,857	\$ 377	\$ 45,661	\$ 38,606	\$ 31,792	\$ 266	\$ 66,107	\$ 138
Fund Balance, June 30, 2011	\$ 4,806	\$ 4,629	\$ 47,555	\$ 40,340	\$ 37,688	\$ 5,873	\$ 77,093	\$ 2,090

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, 2011

	SID 540	SID 541	SID 543	SID 544	SID 545	SID 546	TOTALS
REVENUES							
Taxes	\$ 141,991	\$ 71,557	\$ -	\$ 10,623	\$ -	\$ 227,134	\$ -
Special Assessments	293	178	(36)	(36)	242	6	2,444
Investment Earnings							3
Total Revenues	142,284	71,735	10,587	227,376	3,506	2,447	4,438,056
EXPENDITURES							
General Government	- 122,215	146	- 63,510	- 63,656	292	11	- 507
Debt Service					109,768	-	4,224,680
Total Expenditures	122,215	-	-	-	110,060	11	- 4,225,187
Excess (Deficiency) of Revenue Over Expenditures	20,069	8,079	10,587	117,316	3,495	2,447	212,869
Other Financing Sources (Uses)							
Operating Transfers In	-	-	-	-	-	-	3,931
Operating Transfers Out	-	-	-	-	-	-	(91,462)
Issuance of Long Term Debt	-	-	-	-	-	-	100,743
Total Other Financing Sources (Uses)	-	-	-	-	-	-	13,212
Excess (Deficiency) of Revenue Over Expenditures	20,069	8,079	10,587	117,316	3,495	2,447	226,081
Fund Balance, June 30, 2010	\$ 163,811	49,620	.566	\$ 11,153	\$ -	\$ 3,495	\$ 2,447
Fund Balance, June 30, 2011	\$ 183,880	\$ 57,699	\$ -	\$ 117,316	\$ -	\$ 2,447	\$ 4,095,636

**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, 2011

	1997 Open Space	New Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb	09 Sidewalk & Curb	10 Sidewalk & Curb	11 Sidewalk & Curb
REVENUES								
Intergovernmental Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-	-	81,968
Investment Earnings	-	(465)	(51)	(18)	6	34	2,216	(1,057)
Total Revenues	-	(465)	(51)	(18)	6	34	2,216	80,911
EXPENDITURES								
Public Works	-	-	-	-	-	-	37,550	283,651
Capital Outlay	-	48,536	-	-	-	-	-	-
Total Expenditures	-	48,536	-	-	-	-	37,550	283,651
Excess(Deficiency) of Revenue Over Expenditures	-	(49,001)	(51)	(18)	6	34	(35,334)	(202,740)
Other Financing Sources (Uses)								
Issuance of Long Term Debt	-	-	-	-	-	-	840,750	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-	-	840,750
Excess(Deficiency) of Revenues Over Expenditures	-	(49,001)	(51)	(18)	6	34	805,416	(202,740)
Fund Balance, June 30, 2010	\$ 382,102	\$ 135,564	\$ 149	\$ 32	\$ (18)	\$ (98)	\$ (804,537)	\$ (129,190)
Fund Balance, June 30, 2011	\$ 382,102	\$ 86,563	\$ 98	\$ 34	\$ (12)	\$ (64)	\$ 879	\$ (331,930)

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, 2011

	12 Sidewalk & Curb	SID 530 Construction	SID 531 Construction	SID 532 Construction	SID 533 Construction	SID 534 Construction	SID 535 Construction	SID 536 Construction
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services								
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	(34)	-	258	79	(13)	17	378	4
Total Revenues	(34)	-	258	79	(13)	17	378	4
EXPENDITURES								
Public Works	-	-	-	-	-	-	-	-
Capital Outlay	97,997	-	-	-	-	-	-	-
Total Expenditures	97,997	-	-	-	-	-	-	-
Excess(Deficiency) of Revenue								
Over Expenditures	(98,031)	-	258	79	(13)	17	378	4
Other Financing Sources (Uses)								
Issuance of Long Term Debt	-	-	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-	-	-
Excess(Deficiency) of Revenues								
Over Expenditures	(98,031)	-	258	79	(13)	17	378	4
Fund Balance, June 30, 2010	\$ -	\$ (115)	\$ (13,699)	\$ 39,300	\$ (6,693)	\$ 8,442	\$ (24,361)	\$ 2,219
Fund Balance, June 30, 2011	\$ (98,031)	\$ (115)	\$ (13,441)	\$ 39,379	\$ (6,706)	\$ 8,459	\$ (23,983)	\$ 2,223

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, 2011

	SID 538 Construction	SID 539 Construction	SID 540 Construction	SID 541 Construction	SID 542 Construction	SID 543 Construction	Miller Creek Mitigation	Miller Creek Mitigation (T)
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services								
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	10 111		206	(90)	256	236	8	(6)
Total Revenues	10 111		206	(90)	256	236	8	(6)
EXPENDITURES								
Public Works	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	119,178	-	-	-	-
Total Expenditures	-	-	-	119,178	-	-	-	-
Excess(Deficiency) of Revenue	10 111	206	(119,268)		256	236	8	(6)
Over Expenditures								
Other Financing Sources (Uses)								
Issuance of Long Term Debt	-	-	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-	-	-
Excess(Deficiency) of Revenues								
Over Expenditures	10 111	206	(119,268)		256	236	8	(6)
Fund Balance, June 30, 2010	\$ (29) \$ (8,031)	\$ (7,920)	\$ 109,758	\$ 151,282	\$ (754)	\$ (62,622)	\$ 3,519	\$ (2,725)
Fund Balance, June 30, 2011	\$ (19) \$ (19)	\$ (19)	\$ 109,964	\$ 32,014	\$ (498)	\$ (62,396)	\$ 3,527	\$ (2,731)

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, 2011

	Miller Creek Mitigation (M)	Miller Creek Mitigation (M)	5th, 6th, & Arthur Improvements	Maloney Twite	Rattlesnake Sewer Collection	Phillips St Traffic Calming	Pattee Creek Drive	ARRA Enhancement
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 77,610	\$ -	\$ -	\$ 1,265,254
Charges for Services								
Miscellaneous	-	-	-	650,000	-	-	-	-
Investment Earnings	(611)	(832)	(531)	(82)	845	4	(3)	(169)
Total Revenues	(611)	(832)	(531)	649,918	78,455	4	(3)	1,265,085
EXPENDITURES								
Public Works	-	-	238,392	-	-	-	-	-
Capital Outlay	-	-	101,112	856,007	1,088,198	-	-	1,267,188
Total Expenditures	-	-	339,504	856,007	1,088,198	-	-	1,267,188
Excess(Deficiency) of Revenue								
Over Expenditures	(611)	(832)	(340,035)	(206,089)	(1,009,743)	4	(3)	(2,103)
Other Financing Sources (Uses)								
Issuance of Long Term Debt	-	-	-	-	1,438,093	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	1,438,093	-	-	-
Excess(Deficiency) of Revenues								
Over Expenditures	(611)	(832)	(340,035)	(206,089)	428,350	4	(3)	(2,103)
Fund Balance, June 30, 2010	\$ 12,897	\$ 21,123	\$ (79,997)	\$ 207,439	\$ (402,464)	\$ (19,276)	\$ (14,633)	\$ (439)
Fund Balance, June 30, 2011	\$ 12,286	\$ 20,291	\$ (420,032)	\$ 1,350	\$ 25,886	\$ (19,272)	\$ (14,636)	\$ (2,542)

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, 2011

	HB 645	WFL Miller Creek Road	Western Federal Lands	TOTALS
REVENUES				
Intergovernmental	\$ 106,705	\$ 39,636	\$ 25,045	\$ 1,514,250
Charges for Services	27,587		-	27,587
Miscellaneous	3,000	-	-	734,968
Investment Earnings	(1,919)	(25)	(1)	(1,239)
Total Revenues	<u>135,373</u>	<u>39,611</u>	<u>25,044</u>	<u>2,275,566</u>
EXPENDITURES				
Public Works	1,009	-	25,028	264,429
Capital Outlay	721,935	39,636	48	4,661,036
Total Expenditures	<u>722,944</u>	<u>39,636</u>	<u>25,076</u>	<u>4,925,465</u>
Excess(Deficiency) of Revenue Over Expenditures	(587,571)	(25)	(32)	(2,649,899)
Other Financing Sources (Uses)				
Issuance of Long Term Debt	-	-	-	2,278,843
Total Other Financing Sources(Uses)	-	-	-	<u>2,278,843</u>
Excess(Deficiency) of Revenues Over Expenditures	(587,571)	(25)	(32)	(371,056)
Fund Balance, June 30, 2010	\$ 563,919	-	-	68,084
Fund Balance, June 30, 2011	<u>\$ (23,652)</u>	<u>\$ (25)</u>	<u>\$ (32)</u>	<u>\$ (302,972)</u>

AGENCY FUNDS

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2011

	Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011
COURT SURCHARGE				
ASSETS				
Cash	\$ 39,041	\$ -	\$ 6,581	\$ 32,460
Due From Other Governments	\$ 5,123	\$ 583	\$ -	\$ 5,706
TOTAL ASSETS	\$ 44,164	\$ 583	\$ 6,581	\$ 38,166
LIABILITIES				
Accounts Payable	\$ 22,523	\$ 7,652	\$ -	\$ 30,175
Due to Other Governments	\$ 21,641	\$ -	\$ 13,650	\$ 7,991
TOTAL LIABILITIES	\$ 44,164	\$ 7,652	\$ 13,650	\$ 38,166
PUBLIC DEFENDER FEES				
ASSETS				
Cash	\$ 745	\$ -	\$ 506	\$ 239
Due From Other Governments	\$ 76	\$ 99	\$ -	\$ 175
TOTAL ASSETS	\$ 821	\$ 99	\$ 506	\$ 414
LIABILITIES				
Accounts Payable	\$ 821	\$ -	\$ 407	\$ 414
COUNTY CLEARING				
ASSETS				
Cash	\$ 1,654	\$ 143	\$ -	\$ 1,797
LIABILITIES				
Accounts Payable	\$ 1,343	\$ -	\$ 1,123	\$ 220
Due to Other Governments	\$ 311	\$ 1,266	\$ -	\$ 1,577
TOTAL LIABILITIES	\$ 1,654	\$ 1,266	\$ 1,123	\$ 1,797
SEWER REBATE				
ASSETS				
Cash	\$ 64,589	\$ -	\$ 37,613	\$ 26,976
TOTAL ASSETS	\$ 64,589	\$ -	\$ 37,613	\$ 26,976
LIABILITIES				
Due to Private Parties	\$ 64,589	\$ -	\$ 37,613	\$ 26,976
YOUTH PROGRAMS				
ASSETS				
Cash	\$ 473	\$ -	\$ -	\$ 473
LIABILITIES				
Due to Private Parties	\$ 473	\$ -	\$ -	\$ 473

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2011

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	\$	195,739	\$	27,911	\$	223,650
LIABILITIES						
Due to Private Parties	\$	195,739	\$	27,911	\$	223,650

RESIDENTIAL INSPECTION FUND

ASSETS						
Cash	\$	604	\$	-	\$	168
LIABILITIES						
Accounts Payable	\$	-	\$	-	\$	-
Due to Private Parties		604		-	436	168
TOTAL LIABILITIES	\$	604	\$	-	\$	168

TOURISM BUSINESS IMPROVEMENT DISTRICT

ASSETS						
Cash	\$	-	\$	11,979	\$	11,979
LIABILITIES						
Accounts Payable	\$	-	\$	9,388	\$	9,388
Due to Private Parties		-		2,591		2,591
TOTAL LIABILITIES	\$	-	\$	11,979	\$	11,979

TOTALS - ALL AGENCY FUNDS

ASSETS						
Cash	\$	312,213	\$	40,033	\$	45,136
Due From Other Governments		5,199		682		-
TOTAL ASSETS	\$	317,412	\$	40,715	\$	45,136
LIABILITIES						
Accounts Payable	\$	24,687	\$	17,040	\$	1,530
Due to Other Governments		27,452		1,266		13,650
Due to Private Parties		265,273		30,502		38,049
TOTAL LIABILITIES	\$	317,412	\$	48,808	\$	53,229

**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, 2011

	Capital Improvement				Variance with Final Budget
	Original Budget	Final Budget	Actual		
REVENUES					
Intergovernmental	\$ 258,400	\$ 258,400	\$ 276,220	\$ 17,820	
Miscellaneous	20,290	20,290	219,385	199,095	
Investment Earnings	-	-	3,776	3,776	
Total Revenues	<u>278,690</u>	<u>278,690</u>	<u>499,381</u>	<u>220,691</u>	
EXPENDITURES					
General Government	159,677	264,808	86,667	178,141	
Culture and Recreation	-	-	2,805	(2,805)	
Miscellaneous	-	-	5,989	(5,989)	
Debt Service	656,807	765,716	755,063	10,653	
Capital Outlay	378,000	2,940,022	1,148,382	1,791,640	
Total Expenditures	<u>1,194,484</u>	<u>3,970,546</u>	<u>1,998,906</u>	<u>1,971,640</u>	
Excess(Deficiency) of Revenue Over Expenditures	(915,794)	(3,691,856)	(1,499,525)	2,192,331	
Other Financing Sources (Uses)					
Operating Transfers In	826,259	1,045,500	933,299	(112,201)	
Issuance of refunding bond	-	1,036,179	-	(1,036,179)	
Bond Proceeds	-	55,000	1,788,750	1,733,750	
Proceeds from Capital lease	-	1,098,724	-	(1,098,724)	
Total Other Financing Sources(Uses)	<u>826,259</u>	<u>3,235,403</u>	<u>2,722,049</u>	<u>(513,354)</u>	
Excess(Deficiency) of Revenues Over Expenditures	(89,535)	(456,453)	1,222,524	1,678,977	
Fund Balance, June 30, 2010	(4,157,128)	(4,157,128)	(4,157,128)	-	
Fund Balance, June 30, 2011	<u>\$ (4,246,663)</u>	<u>\$ (4,613,581)</u>	<u>\$ (2,934,604)</u>	<u>\$ 1,678,977</u>	

**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, 2011

	Impact Fee			Public Art			Employee Health Insurance			Variance with Final Budget	
	Budget		Actual	Variance with Final Budget	Budget		Variance with Final Budget	Budget			
	\$	\$	\$	\$	\$	\$	\$	\$	\$		
REVENUES											
Taxes	-	-	-	-	-	-	-	\$ 3,143,952	\$ 3,095,754	\$ (48,198)	
Special Assessments	-	-	-	-	-	-	-	-	-	-	
Licenses	-	-	-	-	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	9,000	9,000	-	-	-	
Charges for Services	1,050,000	1,071,737	21,737	-	-	-	-	-	-	-	
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	
Interest	-	2,257	2,257	-	-	-	-	-	4,771	4,771	
Total Revenues	1,050,000	1,073,994	23,994	-	9,000	9,000	-	3,143,952	3,100,525	(43,427)	
EXPENDITURES											
Current											
General Government	-	-	-	-	-	-	-	-	-	-	
Public Safety	-	-	-	-	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	-	-	-	-	
Culture and Recreation	-	296	-	(296)	24,457	2,013	22,444	-	-	-	
Community Development	-	-	-	-	-	-	-	-	-	-	
Conservation of Natural Resources	1,650,000	391,156	1,258,844	-	-	13,000	(13,000)	-	-	-	
Capital Outlay	1,650,000	391,452	1,258,548	-	24,457	15,013	9,444	-	-	-	
Total Expenditures	(600,000)	682,542	1,282,542	(24,457)	(6,013)	18,444	3,143,952	3,100,525	(43,427)		
Excess (Deficiency) of Revenue Over Expenditures											
Other Financing Sources (Uses)											
Operating Transfers In	-	-	-	-	-	-	-	(3,186,185)	(2,786,185)	400,000	
Operating Transfers Out	-	-	-	-	-	-	-	(3,186,185)	(2,786,185)	400,000	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	(3,186,185)	(2,786,185)	400,000	
Excess (Deficiency) of Revenue Over Expenditures	(600,000)	682,542	1,282,542	(24,457)	(6,013)	18,444	(42,233)	314,340	356,573		
Fund Balance, June 30, 2010	657,847	657,847	-	22,239	22,239	-	(537,633)	(537,633)			
Fund Balance, June 30, 2011	\$ 57,847	\$ 1,340,389	\$ 1,282,542	\$ (2,218)	\$ 16,226	\$ 18,444	\$ (579,866)	\$ (223,293)	\$ 356,573	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, 2011

	Cable TV Franchise			Drug Forfeiture			Building Division			Variance with Final Budget	
			Variance with Final Budget			Budget			Budget	Actual	
	Budget	Actual		Budget	Actual		Budget	Actual			
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Assessments	627,115	649,712	22,597	-	-	-	-	-	996,357	1,229,826	
Licenses	-	-	-	-	-	-	-	-	440	233,469	
Intergovernmental	-	-	-	-	-	-	-	-	(635)	440	
Charges for Services	-	-	-	65,000	24,219	(40,781)	-	1,500	865	-	
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	1,788	1,788	1,788	
Total Revenues	627,115	649,712	22,597	65,000	24,219	(40,781)	997,857	1,232,919	235,062	-	
EXPENDITURES											
Current											
General Government	402,470	396,358	6,112	-	63,000	17,163	45,837	-	866,242	(866,242)	
Public Safety	-	-	-	-	-	-	-	-	867,591	867,591	
Public Works	-	-	-	-	-	-	-	-	-	-	
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	-	-	-	-	
Conservation of Natural Resources	-	50,000	48,182	1,818	-	15,000	-	15,000	-	-	
Capital Outlay	452,470	444,540	7,930	-	78,000	17,163	60,837	-	2,100	2,100	
Total Expenditures	174,645	205,172	30,527	(13,000)	7,056	20,056	128,166	366,677	238,511	-	
Excess (Deficiency) of Revenue Over Expenditures	174,645	205,172	30,527	(13,000)	7,056	20,056	128,166	366,677	238,511	-	
Other Financing Sources (Uses)											
Operating Transfers In	-	30,527	30,527	(13,000)	7,056	20,056	128,166	366,677	238,511	-	
Operating Transfers Out	(174,645)	(174,645)	-	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	(174,645)	(174,645)	-	-	-	-	-	-	-	-	
Excess (Deficiency) of Revenue Over Expenditures	298,379	298,379	-	8,840	8,840	-	322,174	322,174	-	-	
Fund Balance, June 30, 2010	\$ 298,379	\$ 328,906	\$ 30,527	\$ (4,160)	\$ 15,896	\$ 20,056	\$ 450,340	\$ 688,851	\$ 238,511	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, 2011

	Program Income			Dangerous Building Demolition & Repair			Street Lighting			Variance with Final Budget
	Budget		Actual	Variance with Final Budget		Budget	Actual	Budget	Actual	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
REVENUES										
Taxes	-	-	-	-	-	-	-	361,378	291,171	\$ (70,207)
Special Assessments	-	-	-	-	-	-	-	-	-	-
Licenses	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	224	224	-	15,000	-	-	-	-
Miscellaneous	-	-	-	-	-	-	(15,000)	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	224	224	-	15,000	-	(15,000)	361,378	291,171	\$ (70,207)
EXPENDITURES										
Current	-	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	15,000	-	15,000	-	-	-
Public Safety	-	-	-	-	-	-	361,378	291,301	70,077	-
Public Works	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	50,000	-	-	-	-	-	-
Community Development	50,000	-	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	50,000	-	50,000	-	15,000	-	15,000	361,378	291,301	70,077
Excess (Deficiency) of Revenue Over Expenditures	(50,000)	224	50,224	-	-	-	-	-	(130)	(130)
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(50,000)	224	50,224	-	-	-	-	-	(130)	(130)
Fund Balance, June 30, 2010	<u>2,119</u>	<u>2,119</u>	<u>\$ 2,343</u>	<u>\$ 50,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,001</u>	<u>\$ 265,001</u>	<u>\$ (130)</u>
Fund Balance, June 30, 2011	<u><u>\$ (47,388)</u></u>	<u><u>224</u></u>	<u><u>50,224</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 265,001</u></u>	<u><u>\$ 264,871</u></u>	<u><u>\$ (130)</u></u>

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, 2011

	Street Maintenance			Russell Park Maintenance			Willowwood Park Maintenance		
			Variance with Final Budget			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual		Budget	Actual	
REVENUES									
Taxes	\$ 56,680	\$ 51,544	\$ (5,136)	\$ 3,380	\$ (3,380)	\$ 2,434	\$ 2,434	\$ 2,434	\$ (2,434)
Special Assessments	-	-	-	-	-	-	-	-	-
Licenses	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 56,680	\$ 51,544	\$ (5,136)	\$ 3,380	\$ (3,380)	\$ 2,434	\$ 2,434	\$ 2,434	\$ (2,434)
EXPENDITURES									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	21,288	20,695	593	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	21,288	20,695	593	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures									
Other Financing Sources (Uses)	35,392	30,849	(4,543)	3,380	-	(3,380)	2,434	-	(2,434)
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	(35,392)	(35,984)	592	(3,380)	-	3,380	(2,434)	-	2,434
Total Other Financing Sources (Uses)	(35,392)	(35,984)	592	(3,380)	-	3,380	(2,434)	-	2,434
Excess (Deficiency) of Revenue Over Expenditures									
Fund Balance, June 30, 2010	\$ (5,382)	\$ (5,382)	-	\$ (2,475)	\$ (2,475)	-	\$ 43	\$ 43	\$ 43
Fund Balance, June 30, 2011	\$ (10,517)	\$ (3,951)	-	\$ (2,475)	\$ (2,475)	-	\$ 43	\$ 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, 2011

	Road District #1			Park District #1			State Gas Tax			Variance with Final Budget	
			Variance with Final Budget			Variance with Final Budget					
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget		
REVENUES											
Taxes	\$ 300,000	\$ 290,505	\$ (9,495)	\$ 200,000	\$ 193,851	\$ (6,149)	\$ 1,048,039	\$ 1,087,885	\$ -	\$ -	
Special Assessments	-	-	-	-	13	13	-	-	-	-	
Licenses	-	18	18	-	-	-	-	-	-	39,846	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	
Charges for Services	-	-	-	-	-	-	-	-	-	-	
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	
Interest	-	(33)	(33)	-	(39)	(39)	-	-	-	-	
Total Revenues	\$ 300,000	\$ 290,490	\$ (9,510)	\$ 200,000	\$ 193,825	\$ (6,175)	\$ 1,048,039	\$ 1,087,885	\$ 39,846	\$ -	
EXPENDITURES											
Current	-	-	-	-	-	-	-	-	-	-	
General Government	-	-	-	-	-	-	-	-	-	-	
Public Safety	\$ 300,002	\$ 240,018	\$ 59,984	\$ 200,000	\$ 176,207	\$ 23,793	\$ 12,009	\$ -	\$ -	\$ 12,009	
Public Works	-	-	-	-	-	-	-	-	-	-	
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	-	-	-	-	
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	\$ 472,030	\$ 441,135	\$ 30,895	\$ -	
Total Expenditures	\$ 300,002	\$ 240,018	\$ 59,984	\$ 200,000	\$ 176,207	\$ 23,793	\$ 484,039	\$ 441,135	\$ 42,904	\$ -	
Excess (Deficiency) of Revenue Over Expenditures	(2)	50,472	50,474	-	17,618	17,618	\$ 564,000	\$ 646,750	\$ 82,750	\$ 82,750	
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	
Operating Transfers Out	-	-	-	-	-	-	\$ (564,000)	\$ (564,000)	\$ (564,000)	\$ -	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	
Excess (Deficiency) of Revenue Over Expenditures	(2)	50,472	50,474	-	17,618	17,618	-	-	82,750	82,750	
Fund Balance, June 30, 2010	\$ (2)	\$ 50,472	\$ 50,474	\$ -	\$ 17,618	\$ 17,618	\$ 133,273	\$ 133,273	\$ 82,750	\$ 82,750	
Fund Balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,023	\$ 216,023	\$ 82,750	\$ 82,750	

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, 2011

	Crime Victim Surcharge			Law Enforcement Grant			HIDTA Grant		
				Variance with Final Budget			Variance with Final Budget		
	Budget	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-	-	-
Licenses	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	207,770	51,805	(155,965)	-	-	-
Charges for Services	-	6,375	6,375	-	-	-	-	-	50,841
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	28	28	-	-	-	-	-
Interest	-	-	-	-	89	89	-	-	-
Total Revenues	-	6,403	6,403	207,770	51,894	(155,876)	-	-	52,600
EXPENDITURES									
Current	-	-	-	-	-	-	-	-	-
General Government	-	-	-	135,301	58,542	76,759	603,292	72,783	530,509
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	72,469	7,201	65,268	-	-	-
Total Expenditures	-	-	-	207,770	65,743	142,027	603,292	72,783	530,509
Excess (Deficiency) of Revenue Over Expenditures	-	6,403	6,403	-	(13,849)	(13,849)	(603,292)	(20,183)	583,109
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	6,403	6,403	-	(13,849)	(13,849)	(603,292)	(20,183)	583,109
Fund Balance, June 30, 2010	\$ 2,749	2,749	\$ 6,403	\$ (2,994)	\$ (2,994)	\$ (16,843)	\$ 800,232	\$ 800,232	\$ 800,232
Fund Balance, June 30, 2011	\$ 2,749	\$ 9,152	\$ 6,403	\$ (2,994)	\$ (2,994)	\$ (13,849)	\$ 196,940	\$ 780,049	\$ 583,109

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, 2011

	Community Development Program Income			Community Development			Home Grant			Variance with Final Budget	
				Variance with Final Budget							
	Budget	Actual	Budget	Budget	Actual	Budget	Budget	Actual			
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Assessments	-	-	-	-	-	-	-	-	-	-	
Licenses	-	-	-	-	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	
Charges for Services	-	-	-	-	-	-	-	-	-	-	
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	
Interest	-	(51)	-	(51)	-	-	-	-	-	-	
Total Revenues	-	11,672	11,672	867,050	390,018	(477,032)	708,713	542,328	(166,385)		
EXPENDITURES											
Current											
General Government	-	-	-	-	-	-	-	-	-	-	
Public Safety	-	-	-	-	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	-	-	-	-	
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	
Community Development	32,316	-	32,316	867,050	413,289	453,761	708,713	585,441	123,272		
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	32,316	-	32,316	867,050	413,289	453,761	708,713	585,441	123,272		
Excess (Deficiency) of Revenue Over Expenditures	(32,316)	11,672	43,988	-	(23,271)	(23,271)	-	(43,113)	(43,113)		
Other Financing Sources (Uses)											
Operating Transfers In	-	5,300	5,300	-	13,722	13,722	-	-	-	-	
Operating Transfers Out	-	(19,022)	(19,022)	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	(13,722)	(13,722)	-	13,722	13,722	-	-	-	-	
Excess (Deficiency) of Revenue Over Expenditures	(32,316)	(2,050)	30,266	-	(9,549)	(9,549)	-	(43,113)	(43,113)		
Fund Balance, June 30, 2010	\$ 2,749	2,749	\$ 30,266	\$ 693	\$ 693	\$ 693	\$ 52,185	\$ 52,185	\$ 52,185		
Fund Balance, June 30, 2011	\$ (29,567)	\$ 699	\$ 30,266	\$ 693	\$ (8,856)	\$ (9,549)	\$ 52,185	\$ 9,072	\$ (43,113)	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, 2011

	ADDI		Neighborhood Stabilization Program		Federal Transportation		Variance with Final Budget	
	Variance with Final Budget		Variance with Final Budget		Budget			
	Budget	Actual	Budget	Actual	Budget	Actual		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Assessments	-	-	-	-	-	-	-	
Licenses	-	-	-	-	50,000	815,225	765,225	
Intergovernmental	-	-	-	-	-	-	-	
Charges for Services	-	-	-	-	-	-	(247,408)	
Fines and Forfeitures	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	
Total Revenues	-	-	-	-	50,000	815,225	765,225	
							(247,408)	
EXPENDITURES								
Current								
General Government	12,846	-	12,846	-	-	-	-	
Public Safety	-	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	-	
Culture and Recreation	-	-	-	-	-	-	-	
Community Development	-	-	-	2,714,059	885,815	1,828,244	-	
Conservation of Natural Resources	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	
Total Expenditures	12,846	-	12,846	-	2,714,059	885,815	1,828,244	
Excess (Deficiency) of Revenue Over Expenditures	(12,846)	-	(12,846)	(2,664,059)	(70,590)	2,593,469	-	
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	-	
Operating Transfers Out	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	
Excess (Deficiency) of Revenue Over Expenditures	(12,846)	-	(12,846)	(2,664,059)	(70,590)	2,593,469	-	
Fund Balance, June 30, 2010	\$ 12,846	-	\$ (12,846)	\$ (2,664,059)	\$ (70,590)	\$ 2,593,469	\$ 166,209	
Fund Balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,554	

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, 2011

				Grants & Donations	Variance with Final Budget
		Budget	Actual		
REVENUES					
Taxes		\$ -	\$ -	\$ -	\$ -
Special Assessments		-	-	-	-
Licenses		-	-	-	-
Intergovernmental					
Charges for Services	4,818,009	1,619,183		(3,198,826)	
Fines and Forfeitures	5,000	610		(4,390)	
Miscellaneous					
Interest				(125,755)	
Total Revenues	4,961,079	1,632,108		(3,328,971)	
EXPENDITURES					
Current					
General Government	47,570				47,570
Public Safety	2,029,474	783,264			1,246,210
Public Works	-	418,492			(418,492)
Culture and Recreation	-				-
Community Development	2,636,932	328,402			2,308,530
Conservation of Natural Resources					
Capital Outlay	70,322	450			(450)
Total Expenditures	4,784,298	1,550,019			50,911
Excess (Deficiency) of Revenue Over Expenditures	176,781	82,089			(94,692)
Other Financing Sources (Uses)					
Operating Transfers In					
Operating Transfers Out					
Total Other Financing Sources (Uses)	(293,592)				293,592
Excess (Deficiency) of Revenue Over Expenditures	(116,811)	82,089			198,900
Fund Balance, June 30, 2010					
Fund Balance, June 30, 2011	\$ 342,957	\$ 541,857	\$ 459,768		\$ 198,900

**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, 2011

	SID Revolving			1998 Safety Bonds			1996 Open Space		
	Budget		Actual	Budget		Actual	Variance with Final Budget	Budget	
	\$	-\$	\$	\$	-\$	\$	\$	\$	\$
REVENUES									
Taxes	\$ 66,246	-\$ 15,531	\$ -	\$ -	-\$ (50,715)	\$ -	\$ 642	\$ 642	\$ 82
Special Assessments	-	1,703	1,703	-	-	-	-	-	-\$ 82
Investment Earnings	-	-	-	-	-	-	-	-	-
Total Revenues	66,246	17,234	(49,012)	-	638	638	(4)	(4)	7
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue	66,246	17,234	(49,012)	-	638	638	-	-	89
Over Expenditures	-\$ 53	-	-	-	-	-	-	-	89
Other Financing Sources (Uses)									
Operating Transfers In	-	(105,532)	(87,531)	-\$ 18,001	-	-	2,854	2,854	-
Operating Transfers Out	-	-	100,743	100,743	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(105,532)	13,212	118,744	-	-	2,854	2,854	-	-
Excess (Deficiency) of Revenue	(39,286)	30,446	69,732	-	3,492	3,492	-	-	89
Over Expenditures	-\$ 53	-	-	-	-	-	-	-	89
Fund Balance, June 30, 2010	\$ 764,101	764,101	-	\$ (3,487)	(3,487)	-	-\$ 1,787	-\$ 1,787	-
Fund Balance, June 30, 2011	\$ 724,815	\$ 794,547	\$ 69,732	\$ (3,487)	\$ 5	\$ 3,492	\$ 1,787	\$ 1,787	\$ 89

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, 2011

	1997 Open Space			1994 City Hall & Fire Bonds			1993 Fire Bonds		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ -	\$ 32	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-	-	-
Investment Earnings	-	660	660	-	-	(1)	(1)	-	(1)
Total Revenues	-	692	692	-	-	(1)	(1)	-	(1)
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	692	692	-	(1)	(1)	-	(1)	(1)
Over Expenditures	-	(3,931)	(3,931)	-	(1)	(1)	-	(1)	(1)
Other Financing Sources (Uses)									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(3,931)	(3,931)	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	(3,239)	(3,239)	-	(1)	(1)	-	(1)	(1)
Over Expenditures	-	3,672	3,672	-	2	2	-	3	3
Fund Balance, June 30, 2010	\$ 3,672	\$ 433	\$ (3,239)	\$ 2	\$ 1	\$ (1)	\$ 3	\$ 2	\$ (1)
Fund Balance, June 30, 2011	\$ 3,672	\$ 433	\$ (3,239)	\$ 2	\$ 1	\$ (1)	\$ 3	\$ 2	\$ (1)

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, 2011

	2004 Aquatics Bonds			2004 Refunding Bonds			New Fire Station GO		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 606,475	\$ 601,120	\$ (5,355)	\$ 262,340	\$ 263,079	\$ 739	\$ 428,905	\$ 424,174	\$ (4,731)
Special Assessments	-	-	-	-	-	-	-	-	-
Investment Earnings	-	147	147	-	-	134	-	-	-
Total Revenues	606,475	601,267	(5,208)	262,340	263,213	873	428,905	424,692	(4,213)
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	606,475	606,475	-	262,340	262,340	(0)	430,593	430,592	1
Total Expenditures	606,475	606,475	-	262,340	262,340	(0)	430,593	430,592	1
Excess (Deficiency) of Revenue	-	(5,208)	(5,208)	0	873	873	(1,688)	(5,900)	(4,212)
Over Expenditures	-	-	-	-	-	-	-	-	-
Other Financing Sources (Uses)									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	(5,208)	(5,208)	0	873	873	(1,688)	(5,900)	(4,212)
Over Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, June 30, 2010	9,131	9,131	-	13,428	13,428	-	6,452	6,452	-
Fund Balance, June 30, 2011	\$ 9,131	\$ 3,923	\$ (5,208)	\$ 13,428	\$ 14,301	\$ 873	\$ 4,764	\$ 552	\$ (4,212)

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, 2011

	2007 Refunding Bonds			Sidewalk & Curb			FY99 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Variance with Final Budget			Budget	Actual	Variance with Final Budget
				Budget	Actual	Variance with Final Budget			
REVENUES									
Taxes	\$ 540,628	\$ 531,195	\$ (9,433)	\$ -	\$ -	\$ -	\$ 26,450	\$ 27,796	\$ -
Special Assessments	-	-	-	1,580	1,580	-	-	-	1,346
Investment Earnings	-	320	320	-	(33)	(33)	-	20	20
Total Revenues	540,628	531,515	(9,113)				26,450	27,816	1,366
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	542,045	542,045	-	-	-	-	26,450	26,450	-
Total Expenditures	542,045	542,045	-				26,450	26,450	-
Excess (Deficiency) of Revenue	(1,417)	(10,530)	(9,113)						
Over Expenditures				1,547	1,547	-	-	1,366	1,366
Other Financing Sources (Uses)									
Operating Transfers In	-	1,077	1,077	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)		-	1,077	1,077					
Excess (Deficiency) of Revenue	(1,417)	(9,453)	(8,036)						
Over Expenditures				1,547	1,547	-	-	1,366	1,366
Fund Balance, June 30, 2010	2,825	2,825	-	97	97	-	2,729	2,729	-
Fund Balance, June 30, 2011	\$ 1,408	\$ (6,628)	\$ (8,036)	\$ 97	\$ 1,644	\$ 1,547	\$ 2,729	\$ 4,095	\$ 1,366

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, 2011

	FY00 Sidewalk & Curb			FY01 Sidewalk & Curb			FY02 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 39,330	-	\$ 45,995	-	\$ 6,665	\$ 17,403	-	\$ 26,467	\$ 9,064
Special Assessments	-	5	-	5	-	-	87	87	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Total Revenues	39,330	46,000	6,670	17,403	26,554	9,151	-	-	-
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	39,330	39,330	-	17,403	17,402	-	1	12,130	12,130
Total Expenditures	39,330	39,330	-	17,403	17,402	1	1	12,130	12,130
Excess (Deficiency) of Revenue									
Over Expenditures	-	6,670	6,670	-	9,152	9,152	-	(1,624)	(1,624)
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	-	6,670	6,670	-	9,152	9,152	-	(1,624)	(1,624)
Fund Balance, June 30, 2010	747	747	-	35,861	35,861	-	22,790	22,790	-
Fund Balance, June 30, 2011	\$ 747	\$ 7,417	\$ 6,670	\$ 35,861	\$ 45,013	\$ 9,152	\$ 22,790	\$ 21,166	\$ (1,624)

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, 2011

	FY03 Sidewalk & Curb			FY04 Sidewalk & Curb			FY05 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 91,768	-	\$ 94,713	-	\$ 2,945	\$ 88,900	-	\$ 88,984	-
Special Assessments									
Investment Earnings									
Total Revenues	91,768	94,651	(62)	2,883		88,900	89,062	162	
EXPENDITURES									
General Government	-	-	-	-		88,900	88,899	1	
Debt Service	91,768	91,767	1			88,900	88,899	1	
Total Expenditures	91,768	91,767	1						
Excess (Deficiency) of Revenue Over Expenditures	-	2,884	2,884	-		163	163	-	
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	-	2,884	2,884	-		163	163	-	
Fund Balance, June 30, 2010	(32,617)	(32,617)	-	34,211	34,211	-	85,678	85,678	-
Fund Balance, June 30, 2011	\$ (32,617)	\$ (29,733)	\$ 2,884	\$ 34,211	\$ 34,374	\$ 163	\$ 85,678	\$ 76,587	\$ (9,091)

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, 2011

	FY06 Sidewalk & Curb			FY07 Sidewalk & Curb			FY08 Sidewalk & Curb		
	Variance with Final Budget			Variance with Final Budget			Variance with Final Budget		
	Budget	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES									
Taxes	\$ 155,319	-	\$ 145,112	-	\$ 110,570	98,768	\$ (11,802)	\$ 69,042	\$ 88,404
Special Assessments	-	806	(10,207)	-	-	-	-	-	-
Investment Earnings	-	806	806	-	362	362	-	11	19,362
Total Revenues	155,319	145,918	(9,401)	110,570	99,130	(11,440)	69,042	88,415	19,373
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	155,319	155,318	1	110,570	110,569	1	-	69,042	69,042
Total Expenditures	155,319	155,318	1	110,570	110,569	1	69,042	69,042	-
Excess (Deficiency) of Revenue Over Expenditures									
	-	(9,400)	(9,400)	-	(11,439)	(11,439)	-	19,373	19,373
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									
Fund Balance, June 30, 2010	166,345	166,345	-	73,248	73,248	-	(1,726)	(1,726)	-
Fund Balance, June 30, 2011	\$ 166,345	\$ 156,945	\$ (9,400)	\$ 73,248	\$ 61,809	\$ (11,439)	\$ (1,726)	\$ 17,647	\$ 19,373

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, 2011

	FY09 Sidewalk & Curb			FY10 Sidewalk & Curb			SID 495		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 83,033	-	\$ 94,068	-	\$ 11,035	\$ 122,265	-	\$ -	\$ -
Special Assessments	-	-	239	239	-	-	(122,265)	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Total Revenues	83,033	94,307	11,274	122,265	-	(122,265)	-	-	-
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	83,033	83,032	1	122,265	-	122,265	-	-	-
Total Expenditures	83,033	83,032	1	122,265	-	122,265	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	11,275	11,275	-	-	-	-	1	1
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	-	11,275	11,275	-	-	-	-	1	1
Fund Balance, June 30, 2010	56,640	56,640	-	\$ 11,275	\$ -	\$ -	\$ 224	224	-
Fund Balance, June 30, 2011	\$ 56,640	\$ 67,915	\$ -	\$ -	\$ -	\$ -	\$ 224	\$ 225	\$ 1

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, 2011

	SID 497			SID 498			SID 501		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 101,780	\$ 114,246	\$ -	\$ 28,940	\$ -	\$ -
Special Assessments	-	-	-	-	827	12,466	37,834	37,834	8,894
Investment Earnings	-	-	-	-	827	827	-	240	240
Total Revenues	-	7	7	101,780	115,073	13,293	28,940	38,074	9,134
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	101,780	101,780	-	28,940	-	28,940
Total Expenditures	-	7	7	101,780	101,780	-	28,940	-	28,940
Excess (Deficiency) of Revenue	-	7	7	-	13,293	13,293	-	9,134	9,134
Over Expenditures	-	6	6	-	-	-	-	-	-
Other Financing Sources (Uses)									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	7	7	-	13,293	13,293	-	9,134	9,134
Over Expenditures	-	6	6	-	-	-	-	-	-
Fund Balance, June 30, 2010	\$ 3,605	3,605	-	\$ 201,709	\$ 201,709	-	\$ 102,900	\$ 102,900	-
Fund Balance, June 30, 2011	\$ 3,605	\$ 3,612	\$ 7	\$ 201,709	\$ 215,002	\$ 13,293	\$ 102,900	\$ 112,034	\$ 9,134

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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, 2011

	SID 503			SID 505			SID 506		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 11,260	-	\$ 9,462	-	\$ (1,798)	-	-	\$ -	-
Special Assessments	-	48	48	-	-	-	25	25	-
Investment Earnings	-	-	-	-	-	-	25	25	-
Total Revenues	11,260	9,510	(1,750)	-	-	-	25	25	-
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	11,260	11,260	-	-	-	-	-	-	-
Total Expenditures	11,260	11,260	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	(1,750)	(1,750)	-	-	-	25	25	-
Over Expenditures	62	-	-	-	-	-	-	-	-
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	(1,750)	(1,750)	-	-	25	25	-	3
Over Expenditures	62	-	-	-	-	-	-	-	3
Fund Balance, June 30, 2010	25,768	25,768	-	\$ 12,896	\$ 12,896	-	\$ 1,382	\$ 1,382	-
Fund Balance, June 30, 2011	\$ 25,768	\$ 24,018	\$ (1,750)	\$ 12,896	\$ 12,921	\$ 25	\$ 1,382	\$ 1,385	\$ 3

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, 2011

	SID 507			SID 508			SID 510		
				Variance with Final Budget			Variance with Final Budget		
	Budget	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	237	237	16,964	16,964
Investment Earnings	-	15	15	-	-	3	3	-	517
Total Revenues	-	15	15	-	-	240	240	-	17,481
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue									
Over Expenditures	-	15	15	-	240	240	-	17,481	17,481
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	-	15	15	-	240	240	-	17,481	17,481
Fund Balance, June 30, 2010	7,347	7,347	-	1,096	1,096	-	127,806	127,806	-
Fund Balance, June 30, 2011	\$ 7,347	\$ 7,362	\$ 15	\$ 1,096	\$ 1,336	\$ 240	\$ 127,806	\$ 145,287	\$ 17,481

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, 2011

	SID 511			SID 512			SID 513		
			Variance with Final Budget		Variance with Final Budget		Variance with Final Budget		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
REVENUES									
Taxes	\$ 14,000	-	\$ 16,396	-	\$ 2,396	-	\$ 173,841	102,139	-
Special Assessments	-	55	-	55	-	708	708	(71,702)	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Total Revenues	14,000	16,451	2,451	2,451	173,841	102,847	(70,994)	-	(59)
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	14,000	14,000	-	-	173,841	173,841	-	-	-
Total Expenditures	14,000	14,000	-	-	173,841	173,841	-	-	-
Excess (Deficiency) of Revenue Over Expenditures									
	-	2,451	2,451	-	(70,994)	(70,994)	-	(59)	(59)
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									
	-	2,451	2,451	-	(70,994)	(70,994)	-	(59)	(59)
Fund Balance, June 30, 2010									
Fund Balance, June 30, 2011	\$ 26,154	26,154	-	-	173,909	173,909	-	172	172
	<u>\$ 26,154</u>	<u>\$ 28,605</u>	<u>\$ 2,451</u>	<u>-</u>	<u>\$ 173,909</u>	<u>\$ 102,915</u>	<u>\$ (70,994)</u>	<u>\$ 172</u>	<u>\$ 113</u>
									<u>(59)</u>

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, 2011

	SID 514			SID 515			SID 517		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 21,301	-	\$ 11,815	-	\$ (9,486)	-	\$ -	\$ -	\$ -
Special Assessments	-	168	168	-	-	31	31	6,763	4,068 (2,695)
Investment Earnings	-	-	-	-	-	-	-	-	-
Total Revenues	21,301	11,983	(9,318)	-	31	31	31	6,763	4,079 (2,684)
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	21,301	21,301	-	-	-	-	-	6,763	6,763
Total Expenditures	21,301	21,301	-	-	-	-	-	6,763	6,763
Excess (Deficiency) of Revenue Over Expenditures	-	(9,318)	(9,318)	-	31	31	-	(2,684)	(2,684)
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	-	(9,318)	(9,318)	-	31	31	-	(2,684)	(2,684)
Fund Balance, June 30, 2010	\$ 83,444	83,444	-	\$ (91)	(91)	-	\$ 5,930	5,930	-
Fund Balance, June 30, 2011	\$ 83,444	\$ 74,126	\$ (9,318)	\$ (91)	\$ (60)	\$ 31	\$ 5,930	\$ 3,246	\$ (2,684)

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, 2011

	SID 518			SID 519			SID 520		
				Variance with Final Budget			Variance with Final Budget		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 2,898	-	\$ 2,457	\$ (441)	\$ 8,099	-	\$ 6,310	\$ (1,789)	\$ 159,680
Special Assessments	-	3	3	-	18	18	18	-	151,062
Investment Earnings	-	-	-	-	-	-	-	-	(8,618)
Total Revenues	2,898	2,460	(438)	8,099	6,328	(1,771)	159,680	150,634	(9,046)
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	2,898	2,898	-	8,099	8,099	-	159,680	159,680	-
Total Expenditures	2,898	2,898	-	8,099	8,099	-	159,680	159,680	-
Excess (Deficiency) of Revenue Over Expenditures									
	-	(438)	(438)	-	(1,771)	(1,771)	-	(9,046)	(9,046)
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									
	-	(438)	(438)	-	(1,771)	(1,771)	-	(9,046)	(9,046)
Fund Balance, June 30, 2010									
	4,210	4,210	-	10,105	10,105	-	149,338	149,338	-
Fund Balance, June 30, 2011									
	\$ 4,210	\$ 3,772	\$ (438)	\$ 10,105	\$ 8,334	\$ (1,771)	\$ 149,338	\$ 140,292	\$ (9,046)

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, 2011

	SID 521			SID 522			SID 524		
			Variance with Final Budget		Variance with Final Budget		Variance with Final Budget		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
REVENUES									
Taxes	\$ 789	-	\$ (13)	-	\$ (802)	-	\$ 1,140	-	-
Special Assessments	-	-	5	5	-	-	(1,140)	-	\$ 307,459
Investment Earnings	-	-	-	-	-	-	-	-	336,710
Total Revenues	789	(8)	(797)	5	-	-	4	4	2,728
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	59
Debt Service	790	789	1	1	1,140	1,139	1	1	307,400
Total Expenditures	790	789	1	1	1,140	1,139	1	1	307,459
Excess (Deficiency) of Revenue Over Expenditures	(1)	(797)	(796)	-	(1,135)	(1,135)	-	-	31,980
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	(1)	(797)	(796)	-	(1,135)	(1,135)	-	-	31,980
Fund Balance, June 30, 2010	4,117	4,117	-	-	3,889	3,889	-	-	650,987
Fund Balance, June 30, 2011	\$ 4,116	\$ 3,320	\$ (796)	\$ 3,389	\$ 2,754	\$ (1,135)	\$ 650,987	\$ 682,967	\$ 31,980

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, 2011

			SID 525			SID 526			SID 527		
			Variance with Final Budget			Variance with Final Budget			Variance with Final Budget		
	Budget	Actual	Budget	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Variance with Final Budget
REVENUES											
Taxes	\$ 44,140	-	\$ 42,040	-	\$ (2,100)	\$ 205,900	-	\$ 177,381	-	\$ (28,519)	\$ 3,276
Special Assessments	-	864	864	-	-	-	1,685	1,685	-	-	(238)
Investment Earnings											
Total Revenues	44,140	42,904	(1,236)	205,900	179,066	(26,834)			3,276	3,057	(219)
EXPENDITURES											
General Government	-	-	-	-	-	-	-	-	-	-	-
Debt Service	44,140	32,220	11,920	205,900	189,900	16,000			3,276	3,231	45
Total Expenditures	44,140	32,220	11,920	205,900	189,900	16,000			3,276	3,231	45
Excess (Deficiency) of Revenue Over Expenditures	-	10,684	10,684	-	(10,834)	(10,834)	-	(10,834)	-	(174)	(174)
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	-	10,684	10,684	-	(10,834)	(10,834)	-	(10,834)	-	(174)	(174)
Fund Balance, June 30, 2010	209,294	209,294	-	412,332	412,332	-			7,314	7,314	-
Fund Balance, June 30, 2011	\$ 209,294	\$ 219,978	\$ 10,684	\$ 412,332	\$ 401,498	\$ (10,834)			\$ 7,314	\$ 7,140	\$ (174)

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, 2011

		SID 530		SID 531		SID 532		Variance with Final Budget	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	742	693	(49)	742	(2)	4,287	4,287	48,873	50,662
Investment Earnings	-	(2)	-	-	(35)	(35)	-	-	1,789
Total Revenues	742	691	(51)	-	4,252	4,252	48,873	104	104
EXPENDITURES									
General Government	-	-	-	-	-	-	-	48,873	48,872
Debt Service	742	742	-	-	-	-	-	-	1
Total Expenditures	742	742	-	-	-	-	48,873	48,872	1
Excess (Deficiency) of Revenue Over Expenditures									
	-	(51)	(51)	-	4,252	4,252	-	1,894	1,894
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									
	-	(51)	(51)	-	4,252	4,252	-	1,894	1,894
Fund Balance, June 30, 2010									
	\$ 4,857	4,857	-	\$ 377	377	-	45,661	45,661	-
Fund Balance, June 30, 2011									
	\$ 4,857	\$ 4,806	\$ (51)	\$ 377	\$ 4,629	\$ 4,252	\$ 45,661	\$ 47,555	\$ 1,894

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, 2011

	SID 533			SID 534			SID 535		
				Variance with Final Budget			Variance with Final Budget		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 17,369	-	\$ 19,013	-	\$ 1,644	\$ 18,044	-	\$ 23,850	\$ 5,806
Special Assessments	-	90	-	90	-	90	90	-	90
Investment Earnings	-	-	-	-	-	-	-	-	-
Total Revenues	17,369	19,103	1,734	18,044	23,940	5,896	-	-	5,607
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	17,369	17,369	-	18,044	18,044	-	-	-	-
Total Expenditures	17,369	17,369	-	18,044	18,044	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	1,734	1,734	-	5,896	5,896	-	5,607	5,607
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	-	1,734	1,734	-	5,896	5,896	-	5,607	5,607
Fund Balance, June 30, 2010	38,606	38,606	-	31,792	31,792	-	266	266	-
Fund Balance, June 30, 2011	\$ 38,606	\$ 40,340	\$ 1,734	\$ 31,792	\$ 37,688	\$ 5,896	\$ 266	\$ 5,873	\$ 5,607

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, 2011

	SID 536			SID 539			SID 540		
				Variance with Final Budget			Variance with Final Budget		
	Budget	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 31,894	-	\$ 42,708	-	\$ 10,814	-	\$ 1,973	-	\$ 141,991
Special Assessments	-	172	172	-	-	(21)	1,973	-	19,776
Investment Earnings	-	42,880	10,986	-	-	(21)	-	-	293
Total Revenues	31,894	42,880	10,986	-	1,952	1,952	122,215	142,284	20,069
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Debt Service	31,894	31,894	-	-	-	-	122,215	122,215	-
Total Expenditures	31,894	31,894	-	-	-	-	122,215	122,215	-
Excess (Deficiency) of Revenue	-	10,986	10,986	-	1,952	1,952	-	20,069	20,069
Over Expenditures	-	-	-	-	-	-	-	-	-
Other Financing Sources (Uses)	-	10,986	10,986	-	1,952	1,952	-	20,069	20,069
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	10,986	10,986	-	1,952	1,952	-	20,069	20,069
Over Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, June 30, 2010	66,107	66,107	-	\$ 10,986	\$ 138	138	-	\$ 163,811	163,811
Fund Balance, June 30, 2011	\$ 66,107	\$ 77,093	\$ 10,986	\$ 138	\$ 2,090	\$ 1,952	-	\$ 163,811	\$ 183,880
									20,069

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, 2011

SID 541			SID 543			SID 544		
	Budget	Actual	Budget	Actual	Budget	Budget	Actual	Variance with Final Budget
REVENUES								
Taxes	\$ 63,656	-	\$ 71,557	-	\$ 7,901	-	\$ 10,623	-
Special Assessments	-	178	178	-	-	(36)	10,623	110,061
Investment Earnings						(36)	110,061	227,134
Total Revenues	63,656	71,735	8,079			10,587	10,587	117,073
EXPENDITURES								
General Government	-	146	(146)	-	-	-	-	242
Debt Service	63,656	63,510	146	-	-	-	109,768	242
Total Expenditures	63,656	63,656	-			-	110,061	117,315
Excess (Deficiency) of Revenue								
Over Expenditures	-	8,079	8,079	-	10,587	10,587	(0)	117,316
Total Other Financing Sources (Uses)								
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	-	8,079	8,079	-	10,587	10,587	(0)	117,316
Fund Balance, June 30, 2010	49,620	49,620	-		566	566	-	-
Fund Balance, June 30, 2011	\$ 49,620	\$ 57,699	\$ 8,079		\$ 566	\$ 11,153	\$ 10,587	\$ 117,316

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, 2011

	SID 545		SID 546			
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	11	3,500	6	3,489	-	2,444
Investment Earnings	-	6	6	6	-	3
Total Revenues	11	3,506	3,495	-	-	2,447
EXPENDITURES						
General Government	11	11	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	11	11	-	-	-	-
Excess (Deficiency) of Revenue	-	3,495	3,495	-	2,447	2,447
Over Expenditures	73					
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue	-	3,495	3,495	-	2,447	2,447
Over Expenditures	73					
Fund Balance, June 30, 2010	\$ -	\$ 3,495	\$ 3,495	\$ -	\$ 2,447	\$ 2,447
Fund Balance, June 30, 2011	\$ -					

**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, 2011

		1997 Open Space		New Fire Station GO Bond		06 Sidewalk & Curb	
		Variance with Final		Variance with Final		Variance with Final	
		Budget	Actual	Budget	Actual	Budget	Actual
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	(465)	(465)	(51)
Total Revenues	-	-	-	-	(465)	(465)	(51)
EXPENDITURES							
Public Works	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	382,102	-	382,102	140,800	48,536	92,264	-
Total Expenditures	382,102	-	382,102	140,800	48,536	92,264	-
Excess(Deficiency) of Revenue Over Expenditures	(382,102)	-	382,102	(140,800)	(49,001)	91,799	-
Other Financing Sources (Uses)							
Issuance of Long Term Debt							
Total Other Financing Sources (Uses)							
Excess(Deficiency) of Revenues Over Expenditures	(382,102)	-	382,102	(140,800)	(49,001)	91,799	-
Fund Balance, June 30, 2010	382,102	382,102	-	135,564	135,564	-	149
Fund Balance, June 30, 2011	\$ -	\$ 382,102	\$ 382,102	\$ (5,236)	\$ 86,563	\$ 91,799	\$ 149

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, 2011

	07 Sidewalk & Curb		08 Sidewalk & Curb		09 Sidewalk & Curb	
	Variance with Final Budget		Variance with Final Budget		Variance with Final Budget	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(18)	(18)	-	6	6
Total Revenues	-	(18)	(18)	-	6	6
EXPENDITURES						
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	(18)	(18)	-	6	6
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	(18)	(18)	-	6	6
Fund Balance, June 30, 2010	\$ 52	\$ 52	\$ 34	\$ (18)	\$ (12)	\$ 6
Fund Balance, June 30, 2011	\$ 52	\$ 34	\$ (18)	\$ (18)	\$ (98)	\$ (98)

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, 2011

	10 Sidewalk & Curb		11 Sidewalk & Curb		12 Sidewalk & Curb	
	Variance with Final Budget		Variance with Final Budget		Variance with Final Budget	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	81,968	81,968
Investment Earnings	-	2,216	2,216	-	(1,057)	(1,057)
Total Revenues	-	2,216	2,216	-	80,911	80,911
EXPENDITURES						
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Capital Outlay	823,050	37,550	785,500	283,651	283,651	283,651
Total Expenditures	823,050	37,550	785,500	283,651	283,651	283,651
Excess(Deficiency) of Revenue Over Expenditures	(823,050)	(35,334)	787,716	(283,651)	(202,740)	80,911
Other Financing Sources (Uses)	823,050	840,750	17,700	283,651	(283,651)	97,997
Issuance of Long Term Debt	823,050	840,750	17,700	283,651	(283,651)	97,997
Total Other Financing Sources (Uses)						(97,997)
Excess(Deficiency) of Revenues Over Expenditures			805,416	805,416	(202,740)	(202,740)
Fund Balance, June 30, 2010	(804,537)	(804,537)	-	(129,190)	(129,190)	-
Fund Balance, June 30, 2011	\$ 879	\$ 879	\$ 805,416	\$ (331,930)	\$ (202,740)	\$ (98,031)

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, 2011

	SID 530		SID 531		SID 532	
	Budget	Actual	Budget	Actual	Budget	Actual
	Variance with Final Budget		Variance with Final Budget		Variance with Final Budget	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	258	258	79
Total Revenues	-	-	-	258	258	79
 EXPENDITURES						
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	258	258	79
 Excess(Deficiency) of Revenue Over Expenditures						
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
 Excess(Deficiency) of Revenues Over Expenditures						
Fund Balance, June 30, 2010	(115)	(115)	-	(13,699)	(13,699)	-
Fund Balance, June 30, 2011	\$ (115)	\$ (115)	-	\$ (13,699)	\$ (13,441)	\$ 258

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, 2011

		SID 533		SID 534		SID 535		Variance with Final Budget	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		-	-	-	-	-	-	-	-
Charges for Services		-	-	-	-	-	-	-	-
Miscellaneous		-	-	-	-	-	-	-	-
Investment Earnings		-	(13)	-	-	17	17	-	378
Total Revenues		-	(13)	(13)	-	17	17	-	378
EXPENDITURES		-	-	-	-	-	-	-	-
Public Works		-	-	-	-	-	-	-	-
Culture & Recreation		-	-	-	-	-	-	-	-
Capital Outlay		-	-	-	-	-	-	-	-
Total Expenditures		-	-	-	-	-	-	-	-
Excess(Deficiency) of Revenue		-	(13)	(13)	-	17	17	-	378
Over Expenditures									378
Other Financing Sources (Uses)		-	-	-	-	-	-	-	378
Issuance of Long Term Debt		-	-	-	-	-	-	-	378
Total Other Financing Sources(Uses)		-	-	-	-	-	-	-	378
Excess(Deficiency) of Revenues		-	(13)	(13)	-	17	17	-	378
Over Expenditures									378
Fund Balance, June 30, 2010		\$ (6,693)	(6,693)	-	8,442	8,442	-	(24,361)	(24,361)
Fund Balance, June 30, 2011		\$ (6,693)	\$ (6,706)	\$ (13)	\$ 8,442	\$ 8,459	\$ 17	\$ (24,361)	\$ (23,983)

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, 2011

	SID 536		SID 538		SID 539	
	Variance with Final Budget		Variance with Final Budget		Variance with Final Budget	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	4	4	-	10	10
Total Revenues	-	4	4	-	10	10
EXPENDITURES						
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	4	4	-	10	10
Other Financing Sources (Uses)	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	4	4	-	10	10
Fund Balance, June 30, 2010	2,219	2,219	-	(29)	(29)	-
Fund Balance, June 30, 2011	\$ 2,219	\$ 2,223	\$ 4	\$ (29)	\$ (19)	\$ (8,031)

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, 2011

	SID 540			SID 541			SID 542		
			Variance with Final Budget		Variance with Final Budget				
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance with Final Budget	
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	21,884	-	-	(21,884)	-	-
Investment Earnings	-	206	206	-	(90)	(90)	-	256	256
Total Revenues	-	206	206	21,884	(90)	(21,974)	-	256	256
EXPENDITURES									
Public Works	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	119,178	119,178	(0)	-	-	-
Total Expenditures	-	-	-	119,178	119,178	(0)	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	206	206	(97,294)	(119,268)	(21,974)	-	256	256
Other Financing Sources (Uses)									
Issuance of Long Term Debt	-	-	-	119,178	-	(119,178)	-	-	-
Total Other Financing Sources(Uses)	-	-	-	119,178	-	(119,178)	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	206	206	21,884	(119,268)	(141,152)	-	(754)	(754)
Fund Balance, June 30, 2010	\$ 109,758	109,758	-	151,282	151,282	-	\$ (754)	\$ (754)	\$ (754)
Fund Balance, June 30, 2011	\$ 109,758	\$ 109,964	\$ 206	\$ 173,166	\$ 32,014	\$ (141,152)	\$ (754)	\$ (498)	\$ 256

Continued

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, 2011

	SID 543		Miller Creek Mitigation		Miller Creek (T) Construction	
	Variance with Final Budget		Variance with Final Budget		Variance with Final Budget	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	236	236	-	8	8
Total Revenues	-	236	236	-	8	8
EXPENDITURES						
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	236	236	-	8	8
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	236	236	-	8	8
Fund Balance, June 30, 2010	<u><u>\$ (62,622)</u></u>	<u><u>\$ (62,622)</u></u>	<u><u>-</u></u>	<u><u>\$ 3,519</u></u>	<u><u>\$ 3,519</u></u>	<u><u>-</u></u>
Fund Balance, June 30, 2011	<u><u>\$ (62,386)</u></u>	<u><u>\$ 236</u></u>	<u><u>\$ 3,519</u></u>	<u><u>\$ 3,527</u></u>	<u><u>\$ 8</u></u>	<u><u>\$ (2,725)</u></u>

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, 2011

		Miller Creek (M) Construction		Miller Creek (Mc) Construction		5th, 6th, & Arthur Improvements	
		Variance with Final Budget		Variance with Final Budget		Variance with Final Budget	
		Budget	Actual	Budget	Actual	Budget	Actual
REVENUES							
Intergovernmental		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services		-	-	-	-	-	-
Miscellaneous		-	-	-	-	-	-
Investment Earnings		-	(611)	(611)	-	(832)	(832)
Total Revenues		-	(611)	(611)	-	(832)	(832)
EXPENDITURES							
Public Works		-	-	-	-	239,683	238,392
Culture & Recreation		-	-	-	-	-	-
Capital Outlay		-	-	-	-	101,112	101,112
Total Expenditures		-	-	-	-	340,795	339,504
Excess(Deficiency) of Revenue Over Expenditures		-	(611)	(611)	-	(832)	(832)
Other Financing Sources (Uses)		-	-	-	-	340,795	(340,035)
Issuance of Long Term Debt		-	-	-	-	340,795	-
Total Other Financing Sources (Uses)		-	-	-	-	340,795	-
Excess(Deficiency) of Revenues Over Expenditures		-	(611)	(611)	-	(832)	(832)
Fund Balance, June 30, 2010		12,897	12,897	-	21,123	21,123	-
Fund Balance, June 30, 2011		\$ 12,897	\$ 12,286	\$ (611)	\$ 21,123	\$ 20,291	\$ (832)

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, 2011

		Maloney Twite		Rattlesnake Sewer Collection		Phillips St Traffic Calming	
		Variance with Final Budget		Variance with Final Budget		Variance with Final Budget	
	Budget	Actual	Budget	Budget	Actual	Budget	Actual
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 77,610	\$ 77,610	\$ -
Charges for Services	-	-	-	-	-	-	-
Miscellaneous	1,200,000	650,000	(550,000)	-	-	-	-
Investment Earnings	-	(82)	(82)	-	845	845	-
Total Revenues	1,200,000	649,918	(550,082)	-	78,455	78,455	-
EXPENDITURES							
Public Works	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	856,007	856,007	-	1,660,296	1,088,198	572,098	-
Total Expenditures	856,007	856,007	-	1,660,296	1,088,198	572,098	-
Excess(Deficiency) of Revenue Over Expenditures	343,993	(206,089)	(550,082)	(1,660,296)	(1,009,743)	650,553	-
Other Financing Sources (Uses)	-	-	-	1,660,296	1,438,093	(222,203)	-
Issuance of Long Term Debt	-	-	-	1,660,296	1,438,093	(222,203)	-
Total Other Financing Sources (Uses)	-	-	-	1,660,296	1,438,093	(222,203)	-
Excess(Deficiency) of Revenues Over Expenditures	343,993	(206,089)	(550,082)	-	428,350	428,350	-
Fund Balance, June 30, 2010	207,439	207,439	-	(402,464)	(402,464)	-	(19,276)
Fund Balance, June 30, 2011	\$ 551,432	\$ 1,350	\$ (550,082)	\$ (402,464)	\$ 25,886	\$ 428,350	\$ (19,276)

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, 2011

	Pattee Creek Drive			ARRA Enhancement			HB 645			
	Budget		Actual	Budget		Actual	Budget		Actual	Budget
	Variance with Final Budget			Variance with Final Budget			Variance with Final Budget			Variance with Final Budget
REVENUES										
Intergovernmental	\$	-	\$	-	\$	1,125,808	\$	1,265,254	\$	139,446
Charges for Services		-		-		-		-		696,492
Miscellaneous		-		-		-		-		26,434
Investment Earnings		-	(3)	(3)		-		(169)		(169)
Total Revenues		-	(3)	(3)		1,125,808		1,265,085		139,277
EXPENDITURES										
Public Works		-		-		-		-		-
Culture & Recreation		-		-		-		-		-
Capital Outlay		-		-		1,125,808		1,267,188		(141,380)
Total Expenditures		-		-		1,125,808		1,267,188		(141,380)
Excess(Deficiency) of Revenue Over Expenditures		-	(3)	(3)		-		(2,103)		(2,103)
Other Financing Sources (Uses)		-		-		-		-		-
Issuance of Long Term Debt		-		-		-		-		-
Total Other Financing Sources (Uses)		-		-		-		-		-
Excess(Deficiency) of Revenues Over Expenditures		-	(3)	(3)		-		(2,103)		(2,103)
Fund Balance, June 30, 2010		<u>(14,633)</u>	<u>(14,633)</u>	<u>-</u>		<u>\$ (439)</u>		<u>(439)</u>		<u>-</u>
Fund Balance, June 30, 2011		<u>\$ (14,633)</u>	<u>\$ (14,636)</u>	<u>\$ (3)</u>		<u>\$ (439)</u>		<u>\$ (2,542)</u>		<u>\$ (2,103)</u>

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, 2011

	WFL Miller Creek Road		WFL		Variance with Final Budget
	Budget	Actual	Budget	Actual	
REVENUES					
Intergovernmental	\$ 39,636	\$ 39,636	\$ -	\$ 25,076	\$ 25,045
Charges for Services	-	-	-	-	(31)
Miscellaneous	-	-	-	-	-
Investment Earnings	-	(25)	(25)	-	-
Total Revenues	39,636	39,611	(25)	25,076	25,045
EXPENDITURES					
Public Works	-	-	-	-	25,028
Culture & Recreation	-	-	-	-	(25,028)
Capital Outlay	39,636	39,636	-	25,076	48
Total Expenditures	39,636	39,636	-	25,076	25,028
Excess(Deficiency) of Revenue Over Expenditures	-	(25)	(25)	-	(31)
Other Financing Sources (Uses)	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	(25)	(25)	-	(31)
Fund Balance, June 30, 2010	\$ -	\$ (25)	\$ (25)	\$ -	\$ (31)
Fund Balance, June 30, 2011	\$ -	\$ (25)	\$ (25)	\$ -	\$ (31)

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 35

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 Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
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
Restricted	5,786,102	13,144,514	3,280,061	3,602,376	3,007,558	3,175,573
Unrestricted	7,694,919	6,552,715	18,145,146	11,552,345	17,010,325	18,285,910
Total government activities net assets	\$ 90,521,650	<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>
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
Restricted	560,772	1,307,315	2,525,370	1,303,028	1,320,306	1,303,028
Unrestricted	5,793,401	4,949,789	2,432,543	6,053,027	5,604,871	1,441,584
Total business-type activities net assets	\$ 51,950,832	<u>\$ 56,694,538</u>	<u>\$ 59,685,932</u>	<u>\$ 60,839,730</u>	<u>\$ 62,732,424</u>	<u>\$ 75,049,948</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
Restricted	6,346,874	14,451,829	5,805,431	4,905,404	4,327,864	4,478,601
Unrestricted	13,488,320	11,502,504	20,577,689	17,605,372	22,615,196	18,285,910
Total primary government net assets	\$142,472,482	<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>

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.

Source: City of Missoula

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

Expenses	Fiscal Year						2010	2011
	2003	2004	2005	2006	2007	2008		
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	15,744,300	17,596,888	18,706,533	20,685,934	22,864,926	20,993,673	23,220,034
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	134,457
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	1,416,594	2,189,207	1,336,972	4,051,227
Conservation of natural resources	-	-	108,599	169,228	296,617	-	-	2,235,780
Miscellaneous	788,987	590,225	910,387	-	-	-	-	450
Interest on long-term debt	1,755,702	1,235,533	1,867,190	1,429,993	1,675,186	-	1,595,937	1,041,180
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>47,775,169</u>	<u>46,862,112</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	\$ 7,288,496
Aquatics	-	-	-	-	-	1,412,133	1,456,758	1,615,583
Total business-type activities expenses	<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>8,128,370</u>	<u>8,195,221</u>	<u>8,904,079</u>
Total primary government expenses	<u><u>\$ 52,675,693</u></u>	<u><u>\$ 42,204,399</u></u>	<u><u>\$ 43,807,240</u></u>	<u><u>\$ 46,584,628</u></u>	<u><u>\$ 47,492,416</u></u>	<u><u>\$ 57,418,030</u></u>	<u><u>\$ 55,970,390</u></u>	<u><u>\$ 55,766,191</u></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	3,333,888	1,326,436	1,465,396	1,370,015	2,180,372	1,825,008	2,833,485
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 revenues	<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>18,752,765</u>	<u>13,542,390</u>	<u>19,633,478</u>

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities						
Charges for services						
Sewer	4,912,232	6,306,775	7,265,855	6,620,032	6,510,110	6,707,510
Aquatics	-	-	-	-	927,665	6,735,343
Operating grants & contributions	-	-	-	-	-	946,248
Capital grants & contributions	4,551,646	1,121,104	1,283,828	827	1,208,512	1,435
Total business-type activities program revenues	9,463,878	7,427,879	8,549,683	6,620,859	7,718,622	8,451,165
Total primary governmental program revenues	<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>
Net (expense) revenue	<u>(\$ 37,872,503)</u>	<u>(\$ 22,696,273)</u>	<u>\$ (23,291,549)</u>	<u>\$ (26,260,091)</u>	<u>\$ (22,512,998)</u>	<u>\$ (30,536,895)</u>
Governmental activities:						
Business-type activities	5,391,941	2,027,473	2,645,339	536,414	1,479,315	921,254
Total primary government expenses	<u><u>\$ (32,480,562)</u></u>	<u><u>\$ (20,668,800)</u></u>	<u><u>\$ (20,646,210)</u></u>	<u><u>\$ (25,723,677)</u></u>	<u><u>\$ (21,033,683)</u></u>	<u><u>\$ (29,615,641)</u></u>
General Revenues and Other Changes In Net Assets						
Governmental activities						
Property taxes for general purposes	\$ 16,688,381	\$ 19,972,703	\$ 17,967,026	\$ 17,869,988	\$ 21,003,491	\$ 23,662,238
Annexation & developer contributions	-	9,964,080	5,772,066	4,935,983	-	\$ 23,994,499
State contribution for retirement	2,304,555	-	-	-	-	-
5,040,469	5,191,107	9,048,644	9,789,157	10,078,402	11,370,796	10,600,677
232,802	381,380	209,628	203,490	695,655	652,572	210,232
Intergovernmental revenue	-	-	-	(54,070)	1,980,388	1,383,397
Investment earnings	-	-	-	959,284	1,383,397	468,609
Gain on sale of capital assets	-	-	-	233,065	224,539	122,637
Miscellaneous	689,427	545,714	684,960	517,530	647,798	122,637
Interfund transactions	(20,980)	242,188	220,635	-	-	22,000
Special Items	-	-	-	-	-	257,051
Total governmental activities	<u>\$ 24,934,654</u>	<u>36,297,172</u>	<u>33,902,959</u>	<u>33,540,687</u>	<u>32,915,827</u>	<u>25,575,385</u>
Business-type activities						
Annexation & developer contributions	-	-	-	-	-	-
Investment earnings	106,838	369,797	299,782	775,800	330,545	168,312
Miscellaneous	-	23,773	8,749	63,237	2,337	3,378
Gain or loss on sale of capital assets	-	-	-	9,860	5,778	47,494
Interfund transactions	20,980	(242,188)	(220,635)	(224,539)	(233,065)	(64,798)
Special Items	-	-	-	-	-	(122,637)
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>
Total primary government	<u><u>\$ 25,062,472</u></u>	<u><u>\$ 36,448,554</u></u>	<u><u>\$ 33,990,855</u></u>	<u><u>\$ 34,158,071</u></u>	<u><u>\$ 33,025,504</u></u>	<u><u>\$ 39,226,859</u></u>
Change in Net Assets						
Governmental activities	<u>\$ (12,937,849)</u>	<u>\$ 13,600,899</u>	<u>\$ 10,611,410</u>	<u>\$ 7,280,596</u>	<u>\$ 10,402,829</u>	<u>\$ (4,961,510)</u>
Business-type activities	<u>5,519,759</u>	<u>2,178,855</u>	<u>2,733,235</u>	<u>1,153,798</u>	<u>1,588,992</u>	<u>14,572,728</u>
Total primary government	<u><u>\$ (7,418,090)</u></u>	<u><u>\$ 15,779,754</u></u>	<u><u>\$ 13,344,645</u></u>	<u><u>\$ 8,434,394</u></u>	<u><u>\$ 11,991,820</u></u>	<u><u>\$ 9,611,218</u></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					
	2002	2003	2004	2005	2006	2007
General Fund						
Reserved	\$ 6,826	\$ -	\$ 396,988	\$ 639,060	\$ 588,145	\$ 759,606
Unreserved	1,645,837	1,011,574	1,450,347	1,167,446	1,341,370	1,365,053
Nonspendable*	-	-	-	-	-	643,449
Restricted*	-	-	-	-	-	-
Assigned*	-	-	-	-	-	-
Unassigned*	-	-	-	-	-	-
Total General Fund	\$ 1,652,663	\$ 1,011,574	\$ 1,847,335	\$ 1,806,506	\$ 1,929,515	\$ 2,124,659
All other governmental funds						
Reserved	\$ 3,602,376	\$ 2,054,790	\$ 2,993,025	\$ 3,280,061	\$ 3,602,376	\$ 3,007,558
Unreserved, reported in:						
Special revenue funds	2,952,039	2,458,951	2,124,775	1,939,572	1,462,685	3,208,509
Debt service funds	(35,775)	-	-	-	-	-
Capital projects funds	1,939,572	7,692,538	7,181,073	(5,290,370)	521,612	(1,471,297)
Nonspendable*	(5,290,370)	(912,811)	-	-	-	(4,728,035)
Restricted*	-	-	-	-	-	(4,089,044)
Committed*	-	-	-	-	-	-
Unassigned*, reported in:						
Special revenue funds	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Total other governmental funds	\$ 251,578	\$ 4,058,243	\$ 13,144,514	\$ 12,585,909	\$ 251,578	\$ 4,991,855

Source: City of Missoula

* Restated to conform to GASB Statement No. 54

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 28,256,587
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	3,092,436
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	17,531,499
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	5,160,326
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	1,008,945
Miscellaneous	420,425	520,337	309,781	949,537	975,534	1,699,515	1,168,486	1,464,092	1,205,961
Interest earnings	231,951	449,387	226,538	192,758	538,418	584,698	156,522	63,362	32,409
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	56,288,163
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	6,493,866
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	22,431,087
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	7,962,836
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	1,372,380
Social and economic	105,100	100,706	105,238	108,395	132,897	115,000	118,450	118,450	116,000
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	3,289,120
Community development	709,847	681,088	2,129,109	2,379,741	2,202,392	2,041,498	1,193,372	4,017,676	2,264,947
Conservation of natural resources	-	-	-	-	-	-	-	7,757	450
Miscellaneous	788,987	795,362	910,387	-	947,093	-	-	1,041,180	1,189,351
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	3,484,312
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	1,595,391
Capital outlay	-	6,514,225	4,980,661	18,496,532	9,116,240	7,575,647	5,401,985	8,518,735	7,777,324
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	57,977,065
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)	(1,688,902)
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	4,989,066
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)	(4,797,139)
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	4,168,336
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	4,360,263
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	\$ 2,671,361
Debt service as a percentage of non-capital expenditures	13%	18%	15%	12%	23%	12%	12%	11%	12%

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
OVERLAPPING PROPERTY TAX LEVIES
Last Ten Fiscal Years

Taxing Authority	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City of Missoula	165.19	169.48	176.32	182.57	196.39	204.73	212.23	222.45	222.45	225.56
County of Missoula										
County Wide	117.80	123.97	122.79	127.12	129.11	133.64	136.19	140.35	138.94	142.47
County Wide Schools	96.56	100.75	108.34	101.59	102.26	104.26	104.04	105.61	104.62	100.94
Total	214.36	224.72	231.13	228.71	231.37	237.90	240.23	245.96	243.56	243.41
District Schools										
School District One	149.04	153.24	159.27	158.29	150.66	150.26	145.45	140.24	142.75	104.07
High Schools	77.30	84.65	84.27	83.16	83.40	82.21	77.05	79.13	76.46	82.41
Total	226.34	237.89	243.54	241.45	234.06	232.47	222.50	219.37	219.21	186.48
State Levies										
University	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Education Foundation	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Total	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Urban Transportation District	11.31	11.66	11.93	12.23	12.38	13.91	14.62	14.86	16.30	17.69
Total Levy on City Residents	<u>663.20</u>	<u>689.75</u>	<u>708.92</u>	<u>710.96</u>	<u>720.20</u>	<u>735.01</u>	<u>735.58</u>	<u>748.64</u>	<u>747.52</u>	<u>719.14</u>

Other Levies of Interest

County Only	24.54	27.32	25.33	33.97	31.83	34.50	35.68	35.80	35.80	36.18
Missoula Rural Fire	73.97	74.25	77.37	78.26	79.64	80.89	91.13	94.13	94.13	97.97

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
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
2011	3,965,146,053	106,229,033	2.68%	5,245,004	225.56

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
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
2011	96,914	4,785	5,304	397	393	3,681	(5,245)	106,229

*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 are no longer available due to Department of Revenue (DOR) software constraints and timing issues in FY2009.

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		
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	2,552,415	1,306	
2011	3,965,146,053	95	8,892,276	262	17,010,385	1,334	

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

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

Taxpayer	2011			2002		
	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	909,890	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%			
ST PATRICK HOSPITAL CORPORATION	618,450	8	0.59%			
FIRST INTERSTATE BANK	614,753	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	\$ 11,162,820		10.69%	\$ 9,193,340		11.64%

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	Collected within the Fiscal		Total Collections to Date*	
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount
2002	\$ 13,043,228	\$ 12,359,529	94.76%	\$ 399,678	\$ 12,759,207
2003	13,897,789	13,233,442	95.22%	387,103	13,620,545
2004	14,911,332	14,943,191	100.21%	281,762	15,224,953
2005	15,976,238	15,900,407	99.53%	208,969	16,109,376
2006	18,368,735	17,935,902	97.64%	366,878	18,302,780
2007	19,967,941	19,806,028	99.19%	220,890	20,026,918
2008	21,454,303	20,926,264	97.54%	56,389	20,982,653
2009	22,915,155	21,901,904	95.58%	887,073	22,788,977
2010	22,916,556	22,249,952	97.09%	942,450	23,192,402
2011	23,960,119	22,526,690	94.02%	1,003,845	23,530,535

Source: City of Missoula

* This includes all collections, current and delinquent

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

The following general obligation debt ratios are provided as of June 30, 2011

Market Valuation	\$	3,965,146,053
Market Valuation (Less Tax Increment)	\$	3,959,901,049
Taxable Valuation	\$	109,653,022
Taxable Valuation (Less Tax Increment)	\$	106,229,033
Population		66,788
Direct Debt Per Capita	\$	207
Direct and Overlapping Debt Per Capita	\$	662
Direct Debt to Market Valuation		0.35%
Direct and Overlapping Debt to Market Valuation		1.12%
Direct Debt to Taxable Valuation		12.62%
Direct and Overlapping Debt to Taxable Valuation		40.35%
Market Valuation per Capita	\$	59,369
Taxable Valuation per Capita	\$	1,591

Source: City of Missoula

SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2011

	Summary of Direct Debt			Net Direct Debt
	Gross Debt	Less: Debt Service Funds (a)	Net Direct Debt	
General Obligation Debt Supported by Taxes	\$ 13,840,000	\$ 2,312	\$ 13,842,312	
Debt Supported by General Fund	5,625,000	-	5,625,000	
Revenue Debt (Sewer)	24,579,098	(b)	24,579,098	
Revenue Debt (TIF and Parking)	19,057,783	(c)	19,057,783	
Subtotal of Direct Debt	<u><u>\$ 63,101,881</u></u>			<u><u>\$ 63,104,193</u></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	\$ 325,000	53.80%	\$ 174,857
Missoula County High School District	12,210,000	92.25%	11,263,938
Hellgate Elementary School District	12,185,000	15.68%	1,910,086
Target Range Elementary School District	-	4.55%	-
Missoula County	17,730,823	96.17%	17,052,470
Subtotal of Indirect Debt	<u><u>\$ 42,450,823</u></u>		<u><u>\$ 30,401,351</u></u>

Total of Direct and Indirect Debt \$ 93,505,543

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value Per Capita	0.35% \$ 207	1.12% \$ 662

*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)

	2002	2003	2004	2005	2006	Fiscal Year	2008	2009	2010	2011
						2006	2007	2008	2009	2010
Debt Limit	\$ 36,289	\$ 39,817	\$ 42,362	\$ 43,815	\$ 48,253	\$ 84,236	\$ 85,308	\$ 93,949	\$ 93,949	\$ 99,129
Total net debt applicable to limit	<u>8,438</u>	<u>15,995</u>	<u>15,566</u>	<u>14,511</u>	<u>18,972</u>	<u>17,944</u>	<u>16,426</u>	<u>16,426</u>	<u>15,224</u>	<u>13,966</u>
Legal debt Margin	<u>\$ 27,851</u>	<u>\$ 23,822</u>	<u>\$ 26,796</u>	<u>\$ 29,304</u>	<u>\$ 29,281</u>	<u>\$ 66,292</u>	<u>\$ 68,882</u>	<u>\$ 77,523</u>	<u>\$ 78,725</u>	<u>\$ 85,163</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>23.25%</u>	<u>40.17%</u>	<u>36.75%</u>	<u>33.12%</u>	<u>39.32%</u>	<u>21.30%</u>	<u>19.26%</u>	<u>17.48%</u>	<u>16.20%</u>	<u>14.09%</u>

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	\$ 3,965,146
Debt Limit 2.5% of Assessed Value (1)	<u>2.50%</u>
General Obligation Debt Limit	99,129
Less: Outstanding General Obligation Debt, June 30, 2009	<u>13,966</u>
Total net debt applicable to limit	<u>85,163</u>
Legal Debt Margin	<u>\$ 85,163</u>

(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					Business-Type Activities			Personal Income*			Debt as a Percentage of Personal Income		
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	State Board of Investment Loans	Sidewalk and Curb Warrants	Revenue Bonds	Total Primary Government	Total Population	Total Per capita Income	Total Per capita Population	Debt as a Percentage of Personal Income	Debt Per Capita	Debt as a Percentage of Market Value	
2002	\$ 8,822,432	\$ 1,550,000	\$ 11,457,860	\$ 456,971	\$ 478,911	\$ 5,007,021	\$ 27,773,195	\$ 27,255	\$ 59,645	1,71%	466	1.16%		
2003	8,302,060	1,495,000	12,928,173	236,290	327,830	8,693,367	31,982,720	28,075	60,870	1.87%	525	1.33%		
2004	15,895,000	1,440,000	14,649,201	100,179	316,409	15,215,987	47,616,776	28,849	62,120	2.66%	767	1.81%		
2005	15,020,000	1,380,000	14,226,402	546,373	228,628	16,586,138	47,987,541	30,098	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	31,397	64,081	2.42%	759	1.68%		
2007	18,720,000	4,760,000	15,455,681	252,453	120,923	16,797,231	56,106,288	33,247	65,826	2.56%	852	1.76%		
2008	17,500,000	5,360,000	15,510,165	222,425	120,923	15,818,231	54,531,744	34,451	66,000	2.40%	826	1.62%		
2009	16,235,000	5,130,000	14,030,295	191,309	100,248	14,801,231	50,488,083	35,294	66,295	2.16%	762	1.34%		
2010	15,065,000	4,935,000	14,350,241	159,063	-	13,883,485	48,392,789	35,156	66,500	2.07%	728	1.29%		
2011	13,840,000	5,625,000	15,021,055	125,646	-	24,579,098	59,190,799	35,799	66,788	2.48%	886	1.58%		

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
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%	64,081	219.57
2007	18,720	93,534	20%	65,826	284.39
2008	17,500	99,333	18%	66,000	265.15
2009	16,235	103,000	16%	66,295	244.89
2010	15,065	104,408	14%	66,500	226.54
2011	13,840	106,229	13%	66,788	207.22

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	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt	Debt Service Requirements		
				Principal Paid	Interest Paid	Total Debt Service
2002	\$ 5,137,531	\$ 3,266,074	\$ 1,871,457	\$ 289,000	\$ 188,532	\$ 477,532
2003	6,234,505	2,555,053	3,679,452	489,162	231,961	721,123
2004	6,308,650	3,036,426	3,272,224	689,000	503,234	1,192,234
2005	7,265,854	3,151,625	4,114,229	797,233	655,716	1,452,949
2006	6,620,032	3,263,652	3,356,380	894,751	660,341	1,555,092
2007	6,778,103	3,492,891	3,285,211	941,000	682,728	1,623,728
2008	6,848,299	3,900,755	2,947,544	979,000	641,677	1,620,677
2009	6,543,754	3,860,411	2,683,343	1,017,000	605,558	1,622,558
2010	6,705,911	3,769,644	2,936,267	1,050,023	568,464	1,618,487
2011 ^	6,678,968	3,876,659	2,802,309	1,511,485	721,218	2,232,703

^ Debt Service Coverage Calculation - 2011	
FY 2011	
Revenues	
Operating Revenue	\$ 6,840,825
Less: Federal Credit	(161,857)
Total Operating Revenue	<u>6,678,968</u>
Expenses	
Operating Expenses	(6,402,068)
Add back Depreciation	2,525,409
Total Operating Expenses	<u>(3,876,659)</u>
Revenues Available for Debt Service:	\$ 2,802,309
Debt Service	
Principal	\$ 1,511,485
Interest	883,075
Less: Federal Credit	(161,857)
Net Debt Service	<u>\$ 2,232,703</u>
Coverage	126%

Source: City of Missoula Annual Financial Reports

(1) Does not include depreciation or bond interest.

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

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
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	5.2%
2011	794,547	15,021,055	5.3%

Source: City of Missoula

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

Last Ten Years

	2002	2003	2004	2005	2006	Fiscal Year	2007	2008	2009	2010	2011
Beginning Balance	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101	
Disbursements/Transfers	\$ 76,237	<u>(16,199)</u>	<u>177,736</u>	<u>(147,325)</u>	<u>81,258</u>	<u>64,430</u>	<u>(174,182)</u>	<u>(60,567)</u>	<u>44,702</u>	<u>30,446</u>	
Ending Balance	<u>\$ 794,248</u>	<u>\$ 778,049</u>	<u>\$ 955,785</u>	<u>\$ 808,460</u>	<u>\$ 889,718</u>	<u>\$ 954,148</u>	<u>\$ 779,966</u>	<u>\$ 719,399</u>	<u>\$ 764,101</u>	<u>\$ 794,547</u>	
Assets:											
Cash	\$ 765,477	\$ 742,524	\$ 852,799	\$ 808,460	\$ 885,738	\$ 928,632	\$ 776,343	\$ 702,257	\$ 746,320	\$ 793,639	
Due from SID Funds	28,771	35,525	72,062	-	-	-	-	-	-	-	
Other Receivables	330,525	310,660	320,488	227,828	218,910	222,281	184,856	182,844	167,952	135,548	
Total Assets	<u>1,124,773</u>	<u>1,088,709</u>	<u>1,245,349</u>	<u>1,036,288</u>	<u>1,104,648</u>	<u>1,150,913</u>	<u>961,200</u>	<u>885,101</u>	<u>914,272</u>	<u>929,187</u>	
Liabilities:											
Deferred Revenue	330,525	310,660	289,564	227,828	214,930	196,765	181,233	165,702	150,171	134,639	
Total Liabilities	<u>330,525</u>	<u>310,660</u>	<u>289,564</u>	<u>227,828</u>	<u>214,930</u>	<u>196,765</u>	<u>181,233</u>	<u>165,702</u>	<u>150,171</u>	<u>134,639</u>	
Total Fund Balance	<u>\$ 794,248</u>	<u>\$ 778,049</u>	<u>\$ 955,785</u>	<u>\$ 808,460</u>	<u>\$ 889,718</u>	<u>\$ 954,148</u>	<u>\$ 779,966</u>	<u>\$ 719,399</u>	<u>\$ 764,101</u>	<u>\$ 794,547</u>	

Source: City of Missoula

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

Fiscal Year	Population		Income Statistics			Missoula County	
	Estimated City Population (1)	County Population	Total Personal Income (2)	Per Capita Income (2)	State Unemployment Rate	Missoula County Unemployment Rate	
2002	59,645	98,944	\$ 2,654,619	\$ 27,255	4.5%	4.1%	
2003	60,870	99,911	2,777,124	28,075	4.4%	3.9%	
2004	62,120	100,891	2,880,100	28,849	4.3%	4.0%	
2005	63,396	102,118	3,032,540	30,098	4.0%	3.7%	
2006	64,081	104,145	3,204,473	31,397	3.5%	3.3%	
2007	65,826	105,911	3,460,865	33,247	2.5%	2.3%	
2008	66,000	107,565	3,646,623	34,451	4.1%	4.1%	
2009	66,295	108,000	3,795,962	35,294	5.9%	5.8%	
2010	66,500	108,500	3,818,772	35,156	7.2%	7.3%	
2011	66,788	109,299 *	3,841,582 *	35,799 *	7.8%	7.8%	

(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	2011	Percentage of Total City Employment	2002	Percentage of Total City Employment
University of Montana	Higher Education	2,779	4.16%	2291	3.84%
St. Patrick Hospital	Healthcare	1,745	2.61%	1250	2.10%
Community Medical Center	Healthcare	1,205	1.80%	1045	1.75%
Missoula County Public Schools	Public Education	1,163	1.74%	1161	1.95%
Missoula County	County Government	808	1.21%	600	1.01%
DirecTV Customer Service	Service	749	1.12%	*	*
U.S. Forest Service	Government	610	0.91%	560	0.94%
Wal-Mart	Retail	585	0.88%	*	*
Opportunity Resources	Service	523	0.78%	*	*
City of Missoula	City Government	497	0.74%	384	0.64%
Village Health Care Center	Healthcare	421	0.63%	*	*
Albertsons	Retail	279	0.42%	*	*

* Employers were added after 2002

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Full Time Equivalent Employees										
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	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Human Resources	3.90	3.90	3.90	3.90	4.15	4.15	4.15	4.00	4.00	4.00
Communications	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
City Clerk	3.25	3.25	3.25	3.50	4.00	4.50	4.50	4.50	4.50	3.50
Information Systems	4.00	4.50	4.50	5.00	5.50	6.00	6.00	6.00	6.00	6.00
Finance/Treasurer	13.22	12.97	13.13	12.75	12.75	16.00	16.00	16.00	15.00	15.00
Public Safety										
Municipal Court	8.11	8.50	9.00	10.50	10.50	10.50	13.00	14.25	13.75	13.75
City Attorney	9.90	9.90	9.90	9.90	12.40	14.40	14.40	14.90	13.25	12.75
Police Department	102.00	102.00	108.00	116.00	119.00	125.50	125.50	125.50	121.50	117.00
Fire Department	76.00	76.00	76.00	78.00	78.00	82.00	83.00	95.00	95.00	95.00
Building Inspection	14.37	14.37	13.50	13.86	14.34	14.36	13.34	13.00	9.00	9.00
Parking Commission	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.33
Public Works										
Engineering	25.92	25.92	27.12	28.12	28.62	28.82	29.82	29.87	29.84	29.84
Street Division	28.29	28.29	28.29	28.54	28.54	28.54	28.54	28.54	28.54	28.54
Vehicle Maintenance	10.50	10.50	10.50	10.50	11.00	11.00	11.00	11.00	11.00	10.50
Public Health										
Wastewater	20.20	20.20	20.20	22.20	22.20	22.20	22.20	22.20	22.20	21.50
Social Services										
City Cemetery	8.93	8.50	8.50	8.50	8.50	8.50	8.92	8.92	8.92	8.92
Community Development										
MRA	6.14	6.14	6.14	6.14	6.00	6.00	6.00	6.00	6.00	6.00
Culture and Recreation										
Parks and Recreation	47.89	48.80	49.94	52.94	54.02	55.70	54.24	56.27	55.24	55.74
Aquatics					4.75	26.36	30.81	30.81	30.81	30.81
Total	410.62	411.74	419.87	438.35	452.27	492.53	499.42	514.76	502.58	496.18

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT

Bargaining Unit	Number of Members	Date of Expired Contract
International Association of Firefighters, Local No. 271	85	June 30, 2015
Missoula Police Protective Association	93	June 30, 2015
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept	8	June 30, 2013
Wastewater Lab Techs	2	June 30, 2015
Parking Commission	7	June 30, 2014
Teamsters Union, Local No. 2	22	June 30, 2015
Operators' Union, Local No. 4000	8	June 30, 2015
Machinists Union, Local No. 88, District No. 86	8	June 30, 2015
Teamsters, Parks and Recreation Seasonal	18	June 30, 2013
Wastewater Operator's Union, Local 400	14	June 30, 2015
International Brotherhood of Electrical Workers	2	June 30, 2012
International Brotherhood of Electrical Workers (Building)	5	Negotiating

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

MISSOULA, MONTANA METROPOLITAN AREA
EMPLOYMENT BY MAJOR INDUSTRY TYPE
ANNUAL AVERAGE

	2011 (A)	2010	2009	2008	2007	2006	2005	2004	2003	2002
Last Ten Fiscal Years										
Goods Producing										
Trade, Transportation and Utilities	4,700	4,600	5,500	6,100	6,200	6,200	6,200	6,200	6,000	5,800
Professional and Business Service	11,300	11,300	12,100	12,900	12,900	12,800	12,600	12,500	12,200	11,900
Educational and Health Services	6,900	6,900	6,100	6,200	5,900	5,200	5,000	4,900	4,800	4,900
Healthcare and Social Assistance	9,400	9,200	8,900	8,700	8,300	8,300	8,200	8,000	7,600	7,500
Leisure and Hospitality	8,900	8,700	8,400	8,200	7,900	7,900	7,900	7,800	7,200	7,300
Government	7,000	7,000	7,600	7,900	7,600	7,100	6,900	6,800	6,600	6,400
	8,800	10,300	8,300	9,300	10,400	10,600	10,200	10,100	9,900	9,700
	<u>57,000</u>	<u>58,000</u>	<u>56,900</u>	<u>59,300</u>	<u>59,200</u>	<u>58,100</u>	<u>56,900</u>	<u>56,100</u>	<u>54,300</u>	<u>53,500</u>

Source: Department of Labor & Industry, Research & Analysis Bureau

(A) Most recent data available through September 2011.

All other years are annual data

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Business Licenses Issued	\$ 7,791	7,823	7,907	4,484	5,173	5,290	6,386	5,141	5,947	5,103
Amount of SID's Billed	\$ 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	\$ 2,979,149
Number of Sewer Bills	32,642	35,124	35,448	36,641	38,728	41,002	41,818	42,323	42,860	43,493
Public Safety Activities										
Citations issued	No data	21,809	25,136	31,008	33,262	38,468	32,219	31,700	25,136	20,232
Orders of Protection issued	447	523	298	586	604	417	400	398	273	210
Attorney's Office - Lawsuits & Claims	21	41	51	53	51	47	49	41	26	24
Attorney - Opened criminal files	1,605	1,890	2,476	2,179	4,235	3,181	2,708	2,372	2,336	1,909
Officers/1,000 population	1.37	1.40	1.42	1.51	1.56	1.55	1.53	1.52	1.50	1.50
Total sworn officers	82	85	88	96	100	102	101	101	100	100
Police calls for Service	36,256	36,221	37,398	37,494	43,778	40,515	40,981	41,424	41,373	40,272
Total Fire Department Incident Responses*	4,451	4,729	4,701	5,259	5,497	5,805	5,850	6,217	5,752	6,980
Public Works										
Miles of sidewalk installed	8.53	11.03	17.45	24.74	9.34	9.19	7.00	4.00	6.78	5.42
Building Permits Issued	2,180	1,663	1,677	1,494	1,613	1,530	1,291	1,306	1,334	
Construction Value of Bldg permits issued	\$ 193,963,792	\$ 109,963,100	\$ 113,217,490	\$ 99,855,627	\$ 89,139,379	\$ 89,139,379	\$ 63,987,567	\$ 54,867,213	\$ 87,790,572	
Miles of Street - per State Gas Tax Report	327.61	344.42	349.24	358.57	358.87	337.98	312	383	391	413
Population	59,645	60,870	62,120	63,396	64,081	65,826	66,000	66,295	66,500	66,788

Source: City of Missoula

* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/10.

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

Function	Fiscal Year				
	2011	2010	2009	2008	2007
GENERAL GOVERNMENT					
Vehicles	4	4	4	7	5
Buildings	3	3	3	3	2
PUBLIC SAFETY ACTIVITIES					
Fire Stations	5	5	5	5	5
Fire Engines/Trucks/Vehicles/Vans	25	25	26	26	27
Police Motorcycles	6	6	6	6	6
Police Patrol Cars/Passenger Vehicles/Other Vehicles	63	63	62	58	47
PUBLIC WORKS					
Streets (sq. yards)	7,265,469	7,056,869	6,837,927	6,826,850	6,761,248
Curbs (lineal feet)	2,135,361	2,100,819	1,957,574	1,997,728	1,957,574
Sidewalks (sq. feet)	12,699,836	10,599,017	10,232,017	10,015,638	9,830,923
Storm Sewer (lineal feet)	168,148	162,158	157,826	153,275	153,275
Sumps	5,496	5,385	5,307	5,307	5,160
Signs	58,369	57,502	56,635	53,768	54,901
Vehicles	165	163	161	107	98
Buildings	4	4	4	4	7
PUBLIC HEALTH ACTIVITIES					
Cemetery & Buildings	7	7	7	7	7
Vehicles/Tractors/Trucks/Mowers	15	14	14	16	17
CULTURE AND RECREATION					
Parks	69	68	67	51	46
Trails			22	20	18.2
Commuter	22	22	N/A	N/A	N/A
Recreational	55.3	55.3	N/A	N/A	N/A
Park Shelter/Band Shells/Pavilions	15	12	10	10	10
Buildings	23	23	23	23	20
Vehicles	59	59	58	55	57
HOUSING & COMMUNITY DEVELOPMENT					
Vehicles	1	1	1	10	10
Buildings	0	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		Percent Collected	Delinquent Assessments Paid	Total Assessments		Penalty and Interest Paid
	Billed	Paid			Paid	Paid	
2002	\$ 1,865,265	\$ 1,726,973	92.59%	\$ 84,933	\$ 1,811,906	\$ 10,758	
2003	1,947,490	2,424,156	124.48%	75,325	2,499,481	17,909	
2004	2,275,546	2,105,570	92.53%	306,209	2,411,779	9,728	
2005	2,241,307	2,132,336	95.14%	119,277	2,251,613	16,761	
2006	2,748,200	2,638,272	96.00%	149,327	2,787,599	10,807	
2007	2,793,604	2,695,269	96.48%	106,930	2,802,199	11,629	
2008	2,802,979	2,690,299	95.98%	107,817	2,798,116	11,653	
2009	2,870,277	2,666,875	92.91%	168,518	2,835,392	8,568	
2010	2,966,176	2,796,909	94.29%	136,607	2,933,516	15,001	
2011	2,966,176	2,818,935	95.04%	132,042	2,950,977	16,900	

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
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
2011	215,320,296	970.68	20,413.48	28.17	917.27

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

CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICTS
Current as of June 30, 2011

SID Number	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
0498	\$ 87,782,778	\$ 897.19	\$ 3,380.33	\$ 146.64	\$ 877.16
0501	86,178,855	7,184.29	42,350.68	23.48	2,917.88
0503	4,391,059	263.37	359.45	199.94	252.51
0508	157,739	291.33	291.33	291.33	291.33
0510	9,751,696	471.92	1,118.47	65.60	383.96
0511	9,390,324	416.63	5,190.00	128.98	271.41
512/521/522	215,320,296	970.68	20,413.48	28.17	917.27
0514	18,776,912	3,311.14	19,572.40	430.55	2,235.36
0517	7,342,704	3,381.00	11,718.31	478.67	2,921.26
0518	1,359,022	875.88	1,247.12	565.41	815.11
0519	8,786,474	3,038.21	9,258.59	313.71	2,307.19
0520	96,002,123	168.94	4,428.55	10.81	124.68
0524	715,595,868	458.99	21,526.75	0.08	306.72
0525	24,439,616	132.26	414.75	52.44	118.20
0526	92,946,671	141.87	587.90	3.85	106.78
0530	7,587,420	4,532.83	5,497.05	3,219.31	4,565.91
0531	12,453,837	1,132.17	4,533.00	541.74	1,035.72
0532	69,504,483	209.83	524.18	132.04	203.19
0533	8,329,689	76.23	362.24	21.25	65.56
0534	14,722,246	89.65	148.83	66.93	85.48
0535	56,287,999	2,696.38	14,686.07	1,110.19	2,540.60
0536	23,536,195	85.05	193.54	61.60	81.89
0539	6,839,460	893.35	2,324.71	341.67	798.18
0540	102,061,262	112.33	190.15	20.15	108.36
0541	521,324,561	878.67	5,339.55	117.24	800.51
0543	89,237,735	1,548.85	2,731.23	394.55	1,504.14
0544	88,136,460	50.45	105.92	12.65	51.57
0545	14,008,944	841.34	2,091.80	152.29	842.64
0546	12,090,154	962.98	1,269.44	693.19	971.41
CS08	25,194,421	215.01	1,853.24	8.25	177.41
CS09	20,429,612	74.32	259.92	9.74	55.84
CS10	32,231,480	100.04	1,672.35	8.67	44.80
3302	13,146,998	1,388.47	5,434.02	74.27	702.18
3402	19,266,600	1,031.24	5,807.07	86.71	375.55
3412	2,549,735	279.11	610.15	26.43	223.52
3422	8,762,064	141.55	607.46	27.30	91.66
CS343	42,296,235	1,015.19	15,439.48	59.99	644.42
CS344	42,198,863	776.62	5,840.38	14.21	502.19
CS345	60,104,187	381.85	3,177.53	0.03	246.86
CS346	28,427,164	187.06	1,191.31	2.48	57.46
Total ^	\$ 2,698,949,941	\$ 709.22	\$ 42,350.68	\$ 0.03	\$ 368.14

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

^ First year to disclose information for all City SID's is FY 2011

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
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
2011	0.50	1.00	65.00 TO 75.00	35.00 TO 55.00	49.00

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 Revenue		Percentage of Leased Parking Revenue		Percentage of Other Revenue	
						Ticket Revenue	Meter Revenue	Parking Revenue	Garage Revenue	Other Revenue	
2002	1,116	1,295	16	168	1,148	27%	27%	16%	27%	3%	3%
2003	1,122	1,107	14	172	1,381	27%	33%	16%	27%	3%	3%
2004	1,064	829	13	259	1,097	20%	32%	18%	24%	6%	6%
2005	1,161	816	13	257	1,145	17%	36%	20%	23%	3%	3%
2006	1,075	801	13	257	1,124	20%	34%	14%	28%	5%	5%
2007	1,075	801	13	257	1,124	20%	34%	14%	27%	4%	4%
2008	1,075	801	13	257	1,592	18%	31%	16%	21%	14%	14%
2009	1,129	800	12	257	1,011	19%	35%	16%	21%	10%	10%
2010	1,061	800	12	257	1,166	18%	37%	18%	23%	4%	4%
2011	1,061	800	12	257	1,198	18%	37%	18%	23%	4%	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	NET				TOTAL DEBT SERVICE	COVERAGE (B)
			OPERATING EXPENSES (A)	AVAILABLE FOR DEBT SERVICE	PRINCIPAL PAID	INTEREST PAID		
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
2011 *	1,443,085	-	947,789	495,296	120,000	(86,268)	33,732	14.68

* Debt Service Coverage Calculation - 2011	
FY 2011	
Revenues	
Total Operating Revenue	\$ 1,308,869
MRA Pledge	<u>134,216</u>
Total Revenues Pledged	1,443,085
Expenses	
Operating Expenses	(1,231,716)
Add back Depreciation	138,479
Add back PILOT-Admin Chg	<u>145,448</u>
Total Operating Expenses	(947,789)
Revenues Available for Debt Service	\$ 495,296
Debt Service	
Principal	\$ 120,000
Interest	34,484
Less: Federal Credit	<u>(120,752)</u>
Net Debt Service	\$ 33,732
Coverage	14.68

(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 Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
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
2011	3,415,110	336,897	3,752,007

Urban Renewal District III

Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
2002 *	\$ 6,701,861	\$ 437,851	\$ 7,139,712
2003	6,665,087	466,103	7,131,190
2004	6,739,549	469,329	7,208,878
2005	6,809,431	621,899	7,431,330
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
2011	8,939,540	568,590	9,508,130

Front Street URD

Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
2009 **	\$ 1,362,450	\$ 51,225	\$ 1,413,675
2010	1,571,488	50,604	1,622,092
2011	2,105,933	124,059	2,229,992

Riverfront Triangle URD

Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
2010 ^	\$ 1,571,488	\$ -	\$ 1,571,488
2011	153,701	36,236	189,937

* 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 as Percentage of City's Taxable Value
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%
2011	111,474,037	3,752,007	1,892,184	1.7%

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 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%
2011	111,474,037	9,508,130	2,503,784	2.2%

Front Street URD

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax 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%
2011	111,474,037	2,229,992	816,957	0.7%

Riverfront Triangle

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax as Percentage of City's Taxable Value
2010 ^	\$ 104,408,018	\$ 133,871	\$ -	0.0%
2011	111,474,037	189,937	32,079	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			Net Taxable Value (excluding districts)
			District I	District II	District III	Front Street URD	Riverfront Triangle URD	URD	Front Street URD	Riverfront Triangle URD	URD	
2002	\$ 2,247,822,357	\$ 81,279,789	\$ 1,861,575	\$ 318,674	\$ 137,634	-	-	-	-	-	-	\$ 78,961,906
2003	2,403,250,454	84,728,489	2,071,413	440,310	140,662	-	-	-	-	-	-	82,076,104
2004	2,636,857,585	88,189,948	2,887,057	511,906	204,532	-	-	-	-	-	-	84,586,453
2005	2,805,424,077	91,358,406	2,709,824	708,058	426,984	-	-	-	-	-	-	87,513,540
2006	2,901,638,641	94,980,538	not applicable	781,884	665,075	-	-	-	-	-	-	93,533,579
2007	3,195,587,513	101,138,717	not applicable	1,111,911	694,248	-	-	-	-	-	-	99,332,558
2008	3,369,424,008	103,000,436	not applicable	1,201,481	708,457	-	-	-	-	-	-	101,090,498
2009	3,412,313,560	106,334,891	not applicable	1,392,741	1,933,104	640	-	-	-	-	-	103,008,406
2010	3,684,720,974	107,159,214	not applicable	1,760,592	2,557,510	209,057	-	-	-	-	-	102,652,055
2011	3,965,146,053	111,474,037	not applicable	1,892,184	2,503,784	816,957	-	-	-	-	-	106,229,033

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

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

**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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 23, 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.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

We noted certain other matters that we reported to management of the City in a separate letter dated December 23, 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 Zurmuhlen & Co., P.C.

Missoula, Montana
December 23, 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, 2011. 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.

As described in item 2011-1, in the accompanying schedule of findings and questioned costs, the City did not comply with reporting requirements that are applicable to its ARRA Public Safety Partnership and Community Policing Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the compliance 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, 2011.

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 2011-1 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 it.

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 Zurmuhlen & Co., P.C.

Missoula, Montana

December 23, 2011

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2011

<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, 2010</u>	<u>Federal Revenue</u>	<u>Match/Other Revenue</u>	<u>Federal Expenditures</u>	<u>Match/Other Expenditures</u>	<u>Ending Balance June 30, 2011</u>
Office of National Drug Control Policy									
<i>Direct:</i>									
High Intensity Drug Trafficking Area 2011	95.001	G1 IRM0037A	183,231	-	59,960	-	59,960	-	-
High Intensity Drug Trafficking Area 2010	95.001	G10RM0037A	153,410	-	74,686	-	74,686	-	-
High Intensity Drug Trafficking Area 2009	95.001	G09RM0037A	100,121	-	5,454	-	5,454	-	-
Total Office of National Drug Control Policy			436,762		140,100		140,100		
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	-	1,227	-	1,227	-	-
Forest Health Protection	10.680	FHE-10-001	125,000	-	48,225	-	48,225	-	-
Total U.S. Department of Agriculture-Forest Service			139,000		49,452		49,452		
U.S. Department of Housing and Urban Development									
<i>Direct:</i>									
Community Development Block Grant Entitlement Grants	14.218	B-09-10-MC-30-0003	1,321,347	-	285,896	19,023	285,896	19,023	-
ARRA - Community Development Block Grant ARRA Entitlement Grants	14.253	B-09-MY-30-0003	168,720	-	117,223	-	117,223	-	-
Home Investment Partnership Program	14.239	M-09-10-MC-30-0219	1,208,800	-	542,327	43,564	542,327	43,564	-
<i>Passed through the Montana Department of Commerce:</i>									
Community Development Block Grant - "State" Program	14.228	MT-NSP-016-01-001	5,050,000	-	782,922	-	782,922	-	-
Total U.S. Department of Housing and Urban Development			7,748,867		62,387		62,387		
U.S. Department of the Interior									
<i>Passed through the Montana Historical Society:</i>									
ARRA Save America's Treasures	15.929	09-004	8,432	-	8,432	-	8,432	-	-
Historic Preservation Fund Grant	15.904	10-022	5,500	-	5,500	-	5,500	-	-
Total U.S. Department of the Interior			13,932		13,932		13,932		
U.S. Department of Justice									
<i>Direct:</i>									
Bulletproof Vest Partnership Grant	16.607	9047266	18,270	-	7,492	-	7,492	-	-
ARRA BIA FY09 Edward Byrne Memorial JAG Program-JAG Grant V	16.804	2009-SB-B9-1537	245,398	-	23,284	-	23,284	-	-
OJIDP FY2008 Edward Byrne Memorial Earmarks	16.541	2008-DD-BX-K082	552,260	-	159,490	-	159,490	-	-
BIA FY09 Edward Byrne Memorial JAG Program-JAG Grant VI	16.738	2009-DJ-BX-0870	45,485	-	23,371	-	23,371	-	-
BIA FY09 Edward Byrne Memorial JAG Program-JAG Grant VII	16.738	2010-DJ-BX-1011	85,343	-	5,150	-	5,150	-	-
Total BIA FY09 Edward Byrne Memorial JAG Program			130,828		28,521		28,521		
<i>Passed through State of Montana Board of Crime Control:</i>									
Underage Drinking Enforcement	16.727	09-U01-90724	36,308	-	35,408	-	35,408	-	-
Underage Drinking Enforcement	16.727	08-U01-90457	36,308	-	7,587	-	7,587	-	-
Total Underage Drinking Enforcement			72,616		42,995		42,995		
Total U.S. Department of Justice			2,111,602		671,648		671,648		

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2011

U.S. Department of Transportation

Direct through Federal Highway Administration:

Highway Planning and Construction

Passed through the Montana Department of Transportation:

Congressionally Mandated Projects

Surface Transportation Planning and Air Quality

Safe Routes to School (Non-infrastructure)

Community Transportation Enhancement Program

ARRA - 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 Montana Fish, Wildlife, and Parks:

Recreational Trails Program

Passed through the Montana Natural History Center:

Recreational Trails Program

Total Recreational Trails Program

Total U.S. Department of Transportation

20.205	DTFH70-09-E-00025	537,548	-	39,636	-	39,636	-
20.205	CM 8109(97)	30,859	-	30,760	10,728	30,760	10,728
20.205	STPU 8105(8) CN 4128	861,750	-	60,575	-	60,575	-
20.205	105145	43,000	-	29,215	-	29,215	-
20.205	STPE 8109(66)	636,490	-	327,236	-	327,236	-
20.205	STPE 8109(86)	99,742	-	6,398	992	6,398	992
20.205	ARRA 8119(1)	1,250,000	-	749,835	-	749,835	-
20.205	ARRA 8119(88)	350,000	-	350,000	-	350,000	-
20.205	ARRA 8119(89)	200,000	-	115,356	-	115,356	-
		4,009,389	-	1,709,011	62,442	1,709,011	62,442

Environmental Protection Agency

Direct:

Congressionally Mandated Projects

Brownfields Assessment and Cleanup-RLF

ARRA Brownfields Assessment and Cleanup-RLF

Total Brownfields Assessment and Cleanup

Total Environmental Protection Agency

U.S. Department of Energy

Direct:

ARRA Energy Efficiency and Conservation Block Grant Program (EECBG)

ARRA Energy Efficiency and Conservation Block Grant Program (EECBG)

414,814

414,814

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CITY OF MISSOULA, MONTANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2011

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, 2011

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
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:	Qualified
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
14.239	Home Investment Partnership Program
16.710	ARRA Public Safety Partnership and Community Policing Grant
20.205 and 20.219	Highway Planning and Construction and Recreational Trails Program
81.128	ARRA Energy Efficiency and Conservation Block Grant Program
66.818	Brownfields Assessment and Cleanup – RLF and ARRA Brownfields Assessment and Cleanup - RLF

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011

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

None reported.

Section III – Federal Award Findings and Questioned Costs

<i>Finding 2011-1</i>	<i>Reporting for federal programs</i>
<i>Affected Program -</i>	ARRA Public Safety Partnership and Community Policing Grant No. 16.710
<i>Condition –</i>	During our testing we noted that the information reported on the Prime Recipient Forms (ARRA reports), although filed timely, did not agree to underlying documentation by a material amount.
<i>Criteria –</i>	OMB Circular A-133 requires that reports for federal awards include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with governing requirements.
<i>Effect –</i>	Reports filed did not agree to underlying accounting records by a material amount.
<i>Cause –</i>	There were no controls in place to ensure that the information reported on the Prime Recipient Forms were accurate.
<i>Recommendation –</i>	We recommend that management implement procedures to ensure that reports filed for federal programs are accurate and agree to underlying accounting records.
<i>Client response and Corrective actions –</i>	In fiscal year 2012 we will follow up with detailed questionnaires, including requests for documentation that tie to provided dollar amounts, in an attempt to ensure that departments are correctly reporting all pertinent information to the Finance department.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2011

Summary Schedule of Prior Audit Findings

<i><u>Finding 2010-1</u></i>	<i><u>Information Supporting the Financial Statements</u></i>
<i>Condition –</i>	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.
<i>Criteria –</i>	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.
<i>Effect –</i>	Material audit adjustments were noted in several funds.
<i>Cause –</i>	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.
<i>Recommendation –</i>	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.
<i>Client response and Corrective actions –</i>	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.
<i>Status –</i>	This issue has been resolved.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2011

<u><i>Finding 2010-2</i></u>	<u><i>Schedule of Expenditures of Federal Awards</i></u>
<i>Affected Programs</i>	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
<i>Condition –</i>	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.
<i>Criteria –</i>	Management is responsible for ensuring that the SEFA is complete and accurate.
<i>Effect –</i>	The inaccurate CFDA number and the incorrect award amounts caused the SEFA to be materially misstated until the corrections we identified were made.
<i>Cause –</i>	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.
<i>Recommendation –</i>	We recommend that management and the outside consultant implement procedures to ensure that the SEFA is accurate and complete.
<i>Client response and Corrective actions –</i>	The City will require that all CFDA numbers are independently verified and that all amendments are reflected in the SEFA to ensure its accuracy.
<i>Status –</i>	This issue has been resolved.

CITY OF MISSOULA, MONTANA
Comprehensive Annual Financial Report
for Fiscal Year

Ended June 30, 2011

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