



City of Missoula, Montana
Comprehensive Annual Financial Report and Audit
For Fiscal Year Ended June 30 2012



Swinging on the Tree of Life By Melissa Madsen



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Prepared by the City of Missoula Finance Department



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INTRODUCTORY SECTION



FINANCE DEPARTMENT

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

Budget and Analysis
Treasury

Finance and Debt Management
Accounting/Utility Billing

DATE: January 30, 2013

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, 2012. 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 and Urban Transportation District are considered related parties to the City of Missoula but they do 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 2012 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.
- 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.

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.
- 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 2010.
- 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 2009. In FY 2010, 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 FY 2012 budget, as adopted, was brought to council six weeks sooner than in previous years. The calculated additional property tax impact for FY 2012 was 3.4% for City taxes, which would be about \$25 per year for a typical \$225,000 home.
- The proposed budget anticipated fee increases in the planning, fire and business licensing areas to become effective at the beginning of the new fiscal year (30 days after the ordinance is adopted). The fee increases in the engineering area would not take effect until October 1st. No fee increases were proposed for any of the building permit categories (building/plumbing/ electrical/mechanical). Two years ago, the City chose to not increase any City fees. This past year, in FY 2011, because many of the City's costs had increased, fees were increased by 3 percent in the business licensing, engineering, planning and building inspection areas.

- The actual level of new tax revenue from growth in the City's tax base was \$389,390. This compares to growth of \$671,312 for FY 2011 and \$1,080,713 for FY 2010. We did budget for the inflationary trending of property taxes allowed by state law (\$152,840).
- City property taxes were raised to support the increased expenses of the General Fund and the City Health Plan. As to the General Fund tax increase, the City is continuing to honor its union contracts. Because the City worked in partnership with both union and non-union employees last year with a wage freeze, the City proposed to move forward in FY 2012 with the wage increases not given a year ago to both union and non-union employees. In both last year and the year before, the City froze top managers' salaries, including the mayor's. In addition, Missoula was the only city in the state to freeze all employee wages for that fiscal year. In FY 2010, the decision was made to reduce spending by nearly 4 percent. For FY2011, the City administration requested another 2 percent reduction. Thus, over the last two years, the City had cut operation budgets by 6 percent. Aside from the proposed salary increases for this year, virtually no new tax funded requests were proposed, except for several mandatory expenses such as costs associated with elections that occur in alternating budget years. On the expenditure side, the largest expense is wages and benefits. About 70 percent of the General Fund budget is devoted to personnel costs.
- The second reason property taxes were raised had to do with funding the increased costs associated with the City's Health Insurance Plan. For FY2012, the City administration 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 would raise the base premium from \$635 per month per employee to \$767 per month per employee. 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 FY2010. 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 last year and negative \$336,000 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 had to override the need to maintain a 3 month reserve for the FY 2012 budget. The City rebuilt the fund balance in FY 2012 by \$86,251 and plans to increase it significantly more in the following 2 years to bring the fund balance back to a 3 month reserve.
- No increase in assessments were proposed for the newly created Park and Road Maintenance Districts, as the City attempts to maintain the current level of service delivery in both of these core areas of service. These maintenance districts are in place throughout Montana.
- Standard & Poor's and Moody's, our ratings agencies, recently completed an updated review of many of our City credits. All of the City's credits were re-affirmed and sustained, which is a very positive factor. One of the areas of concern in that review was that a number of revenue streams that support General Fund functions had been allowed to accumulate balances outside of the General Fund and, to some extent, outside of the City's direct oversight. Many of these funds are now accounted for within General Fund during this budget process 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 General Fund year-end unassigned fund balance to \$2.9 million (which is 7 percent of the General Fund budget per the City's adopted financial policy). Our present unassigned fund balance for the General Fund as of June 30, 2012 was \$1.94 million so this has been attained, while our total year end fund balance for the General Fund was \$4.5 million.
- Funding anticipated from HB124 (city entitlement from the State of Montana) was \$6,740,000, the same level as for FY 2011. This funding stream will likely not increase for another two years.

- As already stated, for FY 2012, having completed an updated cost of services study, the City recommended that business licensing, engineering and certain fire inspection services be recovered at the cost it takes to deliver those services. Certain planning fees were recommended to be increased to 50% recovery of costs, to be consistent with the cost recovery of county planning fees. These fee increases generated an additional \$200,000 of revenue.
- The Building Inspection Fund is recovering nicely as economic conditions continue to improve in the construction portion of the Missoula economy, although we had previously reduced the staffing by four positions in that office several years ago. We again were able to take on the cost of replacing vehicles for the inspectors and to upgrade the permitting system software, a cost that will generate many benefits to both the building community and City staff.
- Impact fees generated approximately \$910,000 of revenue for FY2012, about the same amount as received in FY2011.
- The City is permitted to levy what is necessary to fund voter-approved General Obligation (GO) Bond debt service. In FY2012, the city levied slightly less than in FY 2011, (15.74 mills in FY2012 compared to 17.31 mills for FY2011).
- At least for one more year, all funds collected at the cemetery will be deposited into the General Fund, as they had been in the past in order to shore up the reduced revenues that the General Fund has experienced over the last three years.
- General Fund support for the City's capital improvement program was \$956,558 for FY2012, which compares to \$826,259 in FY2011. Only the required General Fund fixed payments (plus the funding for copier replacements) were budgeted for in the FY12 General Fund CIP. The City administration, in conjunction with all City offices, has 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 (FY2009-2013) than in the following five years. Three years ago, the City 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 are 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 2012.
- Some positions were held open and not replaced until revenues stabilized and ultimately the overall FY 2010 budget was reduced by 12 staff positions and the FY 2011 budget by an additional 7 positions and the FY 2012 budget by 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 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. This project was completed shortly after the end of FY 2012 (summer of 2012).

- **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 Streets 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 issued by the Parking Commission in FY 2011. This project is slated for completion in the winter of FY 13.

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, 2011. This was the fifteenth 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,



Brentt 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, 2011

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.

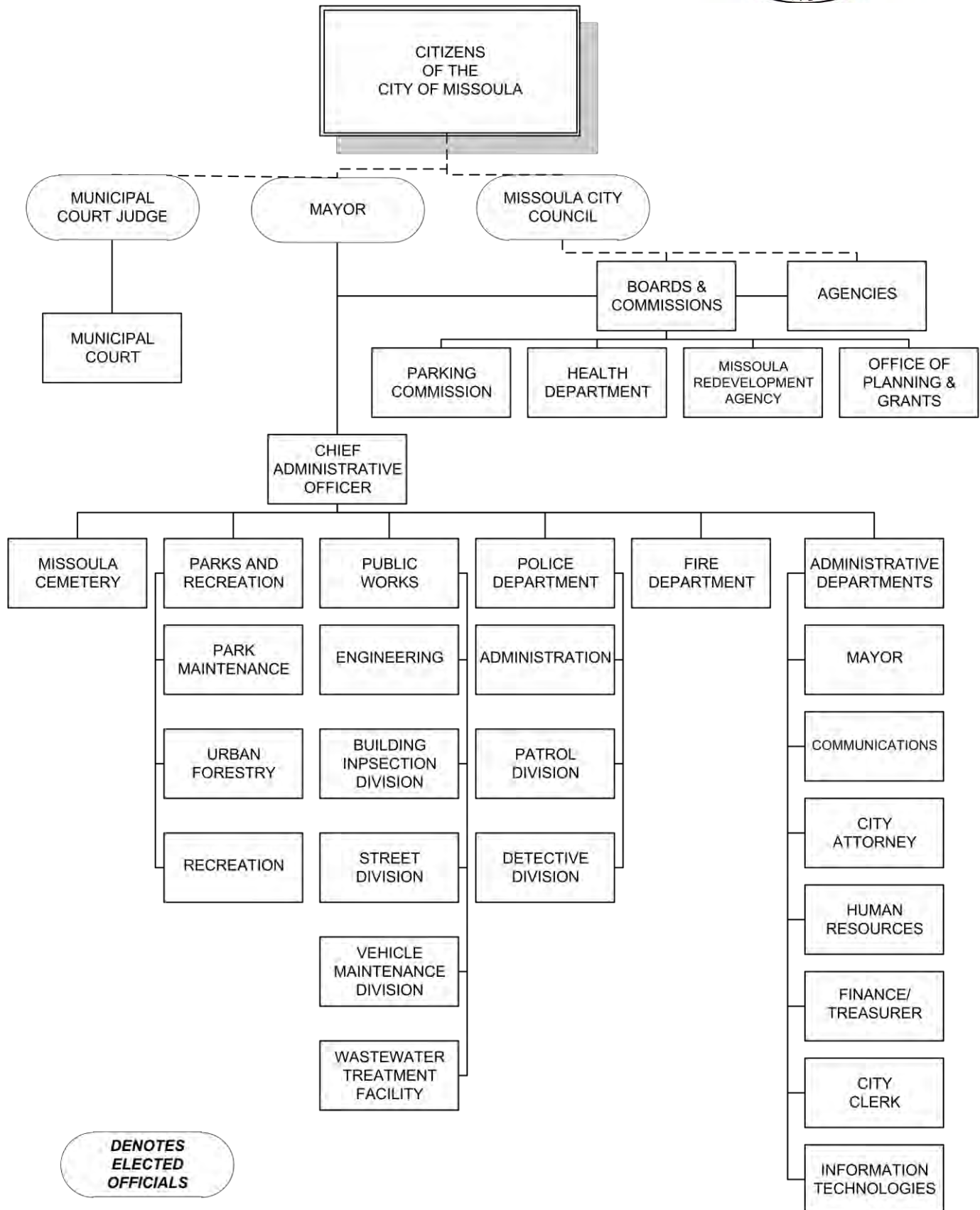


Christopher P. Moynell

President

Jeffrey R. Emen

Executive Director



ELECTED OFFICIALS

MAYOR, John Engen
MUNICIPAL COURT JUDGE, Kathleen Jenks

ALDERPERSONS FIRST WARD

TERM EXPIRES FIRST MONDAY IN:

Dave Strohmaier **2014**
Jason Wiener **2016**

ALDERPERSONS THIRD WARD

TERM EXPIRES FIRST MONDAY IN:

Bob Jaffe **2014**
Alex Taft **2016**

ALDERPERSONS FIFTH WARD

TERM EXPIRES FIRST MONDAY IN:

Dick Haines **2014**
Mike O'Herron **2016**

ALDERPERSONS SECOND WARD

TERM EXPIRES FIRST MONDAY IN:

Cynthia Wolken **2014**
Adam Hertz **2016**

ALDERPERSONS FOURTH WARD

TERM EXPIRES FIRST MONDAY IN:

Caitlin Copple **2016**
Jon Wilkins **2014**

ALDERPERSONS SIXTH WARD

TERM EXPIRES FIRST MONDAY IN:

Ed Childers **2016**
Marilyn Marler **2014**

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ADMINISTRATIVE OFFICIALS

Bruce Bender, CHIEF ADMINISTRATIVE OFFICER

Jason Diehl, 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, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2013, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule – general fund, and schedule of funding status for retiree health insurance on pages FS-62 and FS-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, major and nonmajor governmental funds – budget to actual, and statistical section, are presented for purposes of additional analysis and are not a required part of the 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-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Anderson Zuer Muehlen & Co., P.C.

Missoula, Montana
January 30, 2013

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, 2012. 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 \$231,408,127 (*net assets*). Of this amount, \$275,516 (*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 \$9,100,735. The special revenue funds had a total fund balance of \$4,607,810, of which \$4,761,766 is either restricted or committed to specific City programs while a deficit of \$153,956 exists in certain funds pending either future grant or tax collections. The debt service funds have \$3,816,437 of fund balance that is restricted for debt payments. The capital project funds have a negative fund balance of (\$3,711,562). These funds will be reimbursed by future debt issuance in FY 2013.
- At the end of the current fiscal year, the total fund balance of the General Fund was \$4,562,625 which represented 10.72 percent of total General Fund expenditures and transfers out. The unassigned portion of the fund balance for the General Fund was \$1,940,474, or 4.56% of total General Fund expenditures and transfers but the actual spendable portion (restricted/assigned/unassigned) was \$3,330,323, or 7.82% 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. In FY 2012, the fund balance increased by \$892,038, mainly due to significant realized expenditure savings.

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 fifty nine 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, the Neighborhood Stabilization Fund and the Capital Improvement Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining schedules* elsewhere in this report.

The City of Missoula adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The General Fund is the only major fund required to present budget information in this report. The City of Missoula maintains budgetary control at the fund level. Budget to actual schedules are provided under the supplemental section. The City has adopted the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans," in fiscal year 2009. GASB 45 requires employers to calculate the actuarial liability for future retiree benefits and the annual required contribution (ARC) for retirees. The provisions of this statement were applied prospectively and are disclosed in the Notes to the Financial Statements.

Proprietary Funds. The City of Missoula maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer utility, Civic Stadium fund 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 programs, Civic Stadium fund 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 \$231,408,127 at the close of the most recent fiscal year.

By far the largest portion of the City of Missoula's net assets (89.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City of Missoula uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Missoula's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF MISSOULA'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current & Other Assets	\$ 19,153,041	\$ 28,643,234	\$ 2,667,880	\$ 8,098,349	\$ 21,820,921	\$ 36,741,583
Non-Current Capital Assets	171,559,387	155,284,904	112,088,360	104,044,138	283,647,747	259,329,042
Total Assets	<u>190,712,428</u>	<u>183,928,138</u>	<u>114,756,240</u>	<u>112,142,487</u>	<u>305,468,668</u>	<u>296,070,625</u>
Long-term Liabilities						
Current Liabilities	12,162,560	10,422,987	2,000,787	2,769,364	14,163,347	13,192,351
Non-Current Other Liabilities	34,676,903	35,626,205	25,220,291	23,789,447	59,897,194	59,415,652
Total Liabilities	<u>46,839,463</u>	<u>46,049,192</u>	<u>27,221,078</u>	<u>26,558,811</u>	<u>74,060,541</u>	<u>72,608,003</u>
Net Assets:						
Invested in capital assets, net of related debt	123,514,699	117,493,776	83,405,086	77,159,109	206,919,785	194,652,885
Restricted	21,985,901	22,779,179	2,226,925	2,231,478	24,212,826	25,010,657
Unrestricted	(1,627,636)	(2,394,004)	1,903,151	6,193,089	275,515	3,799,085
Total Net Assets	<u>\$ 143,872,964</u>	<u>\$ 137,878,951</u>	<u>\$ 87,535,162</u>	<u>\$ 85,583,676</u>	<u>\$ 231,408,126</u>	<u>\$ 223,462,627</u>

An additional portion of the City of Missoula's net assets (10.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$275,516) may be used to meet the government's ongoing obligations to citizens and creditors. It should be noted that the FY 2011 breakout of Net Assets was restated to be consistent with the presentation used for FY 2012. It was determined that deferred revenues had been calculated in the Unrestricted Net Assets category in the past. For FY2012, deferred revenues were added to Restricted Net Assets which results in Unrestricted Net Assets calculating at a much lower value than in years past, mainly in the debt service funds.

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 \$5,994,014 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 \$1,951,486 while the amount invested in capital assets increased by \$6,245,977 which was partially offset by an decrease of \$4,289,938 in unrestricted net assets, which was used to help pay for the significant infrastructure that was added to the City's wastewater treatment facility. The reason for the significant increase in net assets invested in capital assets is that \$12,207,098 of new sewer revenue bonds were issued last year and the proceeds were mainly used to construct a new head-works facility at the sewer plant, thus increasing the net asset calculation. The \$4,289,938 decrease in unrestricted net assets is due to the significant amount of capital that was 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 \$1,543,535 in revenue.

CITY OF MISSOULA'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 9,815,294	\$ 9,768,346	\$ 8,337,271	\$ 7,570,885	\$ 18,152,565	\$ 17,339,231
Operating grants & contributions	3,022,078	2,111,526	1,543	176,855	3,023,621	2,288,381
General revenues:						
Property taxes for general purposes	26,187,666	25,754,782	-	-	26,187,666	25,754,782
Intergovernmental revenue	11,758,565	11,458,751	-	-	11,758,565	11,458,751
Miscellaneous	163,567	353,086	2,067,177	5,107	2,230,744	358,193
Gain or loss on sale of capital assets	-	-	-	-	-	-
Investment earnings	19,905	31,158	257,348	21,457	277,253	52,615
Total revenues	<u>50,967,075</u>	<u>49,477,650</u>	<u>10,663,339</u>	<u>7,774,304</u>	<u>61,630,414</u>	<u>57,251,954</u>
Expenses:						
General Government	7,063,259	6,466,035	-	-	7,063,259	6,466,035
Public Safety	24,449,247	23,220,034	-	-	24,449,247	23,220,034
Public Works	8,472,243	7,355,598	8,638,266	7,288,496	17,110,509	14,644,094
Public Health	1,444,647	1,398,035	-	-	1,444,647	1,398,035
Social and Economic Services	116,000	134,457	-	-	116,000	134,457
Culture and Recreation	3,626,741	3,195,731	1,768,346	1,615,583	5,395,087	4,811,314
Conservation of Natural Resources	100	450	-	-	100	450
Miscellaneous	1,003,472	1,189,351	-	-	1,003,472	1,189,351
Housing & Development	10,372,128	2,235,780	-	-	10,372,128	2,235,780
Interest Expense	1,486,745	1,666,641	-	-	1,486,745	1,666,641
Total Expenses	<u>58,034,582</u>	<u>46,862,112</u>	<u>10,406,612</u>	<u>8,904,079</u>	<u>68,441,194</u>	<u>55,766,191</u>
Excess/(Deficiency) Before:	<u>(7,067,507)</u>	<u>2,615,538</u>	<u>256,727</u>	<u>(1,129,775)</u>	<u>(6,810,780)</u>	<u>1,485,763</u>
Capital grants & contributions	13,355,935	7,753,606	1,562,035	1,437,382	14,917,970	9,190,988
Interfund Transactions	(132,724)	257,051	132,724	(257,051)	-	-
Net contributions/other items	<u>13,223,211</u>	<u>8,010,657</u>	<u>1,694,759</u>	<u>1,180,331</u>	<u>14,917,970</u>	<u>9,190,988</u>
Change in net assets	6,155,704	10,626,195	1,951,486	50,556	8,107,190	10,676,751
Restatements	(161,691)	307,904	-	430,205	(161,691)	738,109
Ending Net Assets	<u>\$ 143,872,964</u>	<u>\$ 137,878,951</u>	<u>\$ 87,535,162</u>	<u>\$ 85,583,676</u>	<u>\$ 231,408,126</u>	<u>\$ 223,462,627</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,100,735, an increase of \$464,582 in comparison with the prior year. The majority of this increase occurred in the General Fund, whose fund balance increased by \$892,438. The capital construction funds had a negative year-end fund balance of \$4,238,492, which, although more negative than in FY 2011, 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 2013.

The majority of the fund balance for the special revenue funds was either committed (\$2,048,128) or restricted (\$2,701,596) while \$3,816,437 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 \$4,562,625 which represented 10.7 percent of total General Fund expenditures and transfers out. Eight 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. The City's 2012 budget continued to be structurally balanced and the city increased its General Fund year-end fund balance from \$3.67 million in FY 2011 to \$4.56 million by the end of FY 2012. This continued building of the fund balance was accomplished by budgeting conservatively for revenues and with significant expenditure savings required of many large General Fund departments. The City's goal is to target an unassigned fund balance equal to seven percent of the General Fund expenditures for FY 2013. 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 \$1,940,474, or 4.56% of total General Fund expenditures and transfers but the actual spendable portion (restricted/assigned/unassigned) was \$3,330,323, or 7.82% 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 \$1,845,837, a decrease of \$4,234,567 in unrestricted net assets, which were used to help pay for the significant infrastructure that was added to the City's wastewater treatment facility. The reason for the significant increase of funds invested in capital assets is that \$12,207,098 of new sewer revenue bonds were issued last year, thus providing the funding stream for the investment made in capital assets. 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 \$981,690 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 had 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. In FY 2012, both the employer and employee contributions were increased such that in excess of \$1,000,000 of additional funding was provided to the plan. This did stabilize the declining fund balance for the plan in FY 2012. Additional contributions of \$250,000 will be made to the plan in FY 2013 even though the plan is stabilized in FY 2012 in order to start rebuilding the plan's fund balance.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in budgeted appropriations of \$395,011, due to the need to amend the budget for the carry-forward and re-budget of unexpended contracts approved in the prior year.

The General Fund year-end fund balance increased from \$3.67 million in FY 2011 to \$4,562,625 at the end of FY 2012. This continued building of the fund balance was accomplished by budgeting conservatively for revenues and with significant expenditure savings required of many large General Fund departments. Eight 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 \$3.45 million from \$2.1 million in FY 2010. Fines and forfeitures within the General Fund, to a large extent, reflect the growth in the City of Missoula. Fines and forfeitures increased by \$343,078 in FY 2012, but this revenue stream is dependent on being fully staffed in the Police department. Significant revenue differences between the final amended budget and actual results were due to a decrease in current and delinquent tax collections (-\$263,222), a decline in fees for services (-\$524,558) which was offset by a proportionate reduction in expenses. One other significant variance in budgeted revenue versus actual was the excess of \$446,889 of operating transfers in, mainly due to a close out of excess debt service funds from matured bond issues.

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, 2012, amounts to \$268,818,084 (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 new \$10.3 million head-works upgrade at the wastewater facility has been under construction and nearing completion at the end of this fiscal year.
- A \$1.5 million land acquisition occurred near the city's sewer plant when the adjacent EKO Kompost property was purchased by the city's wastewater facility.
- Additional street infrastructure projects were under construction at fiscal year end.

CITY OF MISSOULA'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 19,679,735	\$ 19,679,735	\$ 2,840,579	\$ 1,333,614	\$ 22,520,314	\$ 21,013,349
Art	236,590	236,590	65,229	65,229	301,819	301,819
Buildings and Improvements	33,391,658	33,391,658	143,201,409	126,561,119	176,593,067	159,952,777
Machinery and Equipment	19,446,588	18,672,480	6,217,395	5,751,718	25,663,983	24,424,198
Infrastructure	234,719,923	224,845,541	-	-	234,719,923	224,845,541
Work in Progress	6,481,004	4,591,469	212,547	7,423,344	6,693,551	12,014,813
Total Capital Assets	313,955,498	301,417,473	152,537,159	141,135,024	466,492,657	442,552,497
Less Accumulated Depreciation	(154,997,250)	(147,280,993)	(42,677,323)	(39,325,564)	(197,674,573)	(186,606,557)
Net Capital Assets	\$ 158,958,248	\$ 154,136,479	\$ 109,859,836	\$ 101,809,457	\$ 268,818,084	\$ 255,945,936

Long-Term Debt. At the end of the current fiscal year, the City of Missoula had a total of \$67,202,874 of long term debt outstanding of which \$56,777,686 was bonded debt. Of this amount, \$12,570,000 comprises debt backed by the full faith and credit of the government and \$15,322,686 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	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 12,570,000	\$ 13,840,000	\$ -	\$ -	\$ 12,570,000	\$ 13,840,000
Limited Obligation Bonds	5,285,000	5,625,000	-	-	5,285,000	5,625,000
Revenue Bonds	-	-	23,600,000	24,579,098	23,600,000	24,579,098
Spec. Assessment Bonds	15,322,686	15,021,055	-	-	15,322,686	15,021,055
State Board of Investment Loans	91,015	125,646	-	-	91,015	125,646
Capital Leases	2,174,848	1,959,752	385,660	71,250	2,560,508	2,031,002
Notes Payable	-	-	2,525,270	-	2,525,270	-
Compensated Absences	3,929,366	3,799,842	215,388	183,761	4,144,754	3,983,603
Post Employment Benefits	1,036,835	813,133	66,806	52,751	1,103,641	865,884
Total Outstanding Debt	<u>\$ 40,409,750</u>	<u>\$ 41,184,428</u>	<u>\$ 26,793,124</u>	<u>\$ 24,886,860</u>	<u>\$ 67,202,874</u>	<u>\$ 66,071,289</u>

The City of Missoula's total debt increased by \$1,131,585 (1.7 percent), during the 2012 fiscal year. The key factors in this increase was the fact that the City issued \$2,755,000 of new proprietary revenue debt, and retired \$979,098 of old revenue debt. The City also issued \$301,631 of net new special assessment bonds to improve roadways and reconstruct old curbs, gutters and sidewalks. Finally, the City also issued \$871,739 of new capital leases to replace an old tandem axel dump trucks, copiers, defibrillators for city fire engines, a street sweeper, 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

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 2012 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.
- 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.

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.
- 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 2010.
- 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 2009. In FY 2010, 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, 2012

	Primary Government			Component Units		
	Governmental Activities	Business Type Activities	Total	Business Improvement District	Missoula Parking Commission	Missoula Redevelopment Agency
ASSETS						
<u>Current Assets</u>						
Cash and investments	\$ 8,807,734	\$ 479,503	\$ 9,287,237	\$ 161,595	\$ 1,897,130	\$ 4,588,469
Taxes/Assessments receivable, net	5,492,655	-	5,492,655	146,493	-	795,158
Accounts receivable	820,896	539,077	1,359,973	526	-	-
Other receivable	23,048	1,538,613	1,561,661	2,870	171,946	82,605
Interest receivable	8,377	5,602	13,979	66	-	4,141
Prepaid expenditures / expenses	327,543	18,408	345,951	-	-	3,835
Due from other governments	2,719,788	138	2,719,926	783	-	57,907
Inventory of supplies	952,999	86,539	1,039,538	-	-	-
Total Current Assets	19,153,041	2,667,880	21,820,921	312,333	2,069,076	5,532,115
<u>Noncurrent Assets</u>						
Cash and investments	-	2,226,925	2,226,925	-	2,456,133	250,400
Bond issuance costs, net	-	1,601	1,601	-	355,399	-
Deferred assessments receivable	11,691,935	-	11,691,935	-	-	-
Long term loans receivable	909,204	-	909,204	-	2,938,000	87,800
Other assets	-	-	-	-	8,507	-
Capital assets - depreciable, net	132,560,919	106,741,481	239,302,400	-	2,242,889	-
Capital assets - land and construction in progress	26,397,329	3,118,355	29,515,684	-	10,350,732	-
Total Noncurrent Assets	171,559,387	112,088,362	283,647,749	-	18,351,660	338,200
Total Assets	190,712,428	114,756,242	305,468,670	312,333	20,420,736	5,870,315
LIABILITIES						
<u>Current Liabilities</u>						
Accounts payable	3,876,900	327,756	4,204,656	30,837	460,526	348,976
Accrued expenses	1,097,294	94,724	1,192,018	25,676	165,474	43,552
Due to Other Government	155,752	-	155,752	-	-	-
Deferred revenue	907,805	5,475	913,280	146,493	-	-
Contributions paid in advance	391,962	-	391,962	-	75,505	-
Compensated absences payable	2,041,174	89,828	2,131,002	-	23,407	34,889
Special assessment debt with government obligation	1,526,170	-	1,526,170	-	-	-
Long-term liabilities - due within one year	2,165,503	1,483,006	3,648,509	-	210,000	767,787
Total Current Liabilities	12,162,560	2,000,789	14,163,349	203,006	934,912	1,195,204
<u>Noncurrent Liabilities</u>						
Net Employment Benefit Obligation	1,036,835	66,806	1,103,641	-	27,645	14,884
Long-term portion of compensated absences	1,888,192	125,561	2,013,753	-	-	16,181
Special assessment debt with government obligation - long-term	13,796,516	-	13,796,516	-	-	-
Long-term liabilities - due in more than one year	17,955,360	25,027,924	42,983,284	-	7,705,000	11,424,923
Total Noncurrent Liabilities	34,676,903	25,220,291	59,897,194	-	7,732,645	11,455,988
Total Liabilities	46,839,463	27,221,080	74,060,543	203,006	8,667,557	12,651,192
NET ASSETS						
Invested in capital assets, net of related debt	123,514,699	83,405,088	206,919,787	-	4,140,755	-
Restricted for:						
Cemetery Memorial	6,805	-	6,805	-	-	-
Title I Program & Revolving Loan Program	98,999	-	98,999	-	-	-
Cable contract restricted for CAT & PEG Access	215,381	-	215,381	-	-	-
Law Enforcement	912,172	-	912,172	-	-	-
Building construction inspections	805,771	-	805,771	-	-	-
Public Works safety & maintenance expenditures	544,259	-	544,259	-	-	-
Grant restrictions for program expenditures	272,874	-	272,874	-	-	-
Debt Service	18,238,355	2,226,925	20,465,280	-	1,411,012	250,400
Capital Projects	891,285	-	891,285	-	1,582,987	-
Unrestricted	(1,627,636)	1,903,149	275,513	109,327	4,618,425	(7,031,277)
Total Net Assets	\$ 143,872,964	\$ 87,535,162	\$ 231,408,126	\$ 109,327	\$ 11,753,179	\$ (6,780,877)

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Net (Expenses) Revenues and Changes in Net Assets										
		Program Revenues			Primary Government			Component Units		
		Charges for	Operating	Capital	Governmental	Business-		Business	Missoula	Missoula
Functions/Programs	Expenses	Services	Grants and	Grants and	Activities	type	Total	Improvement	Parking	Redevelopment
Primary Government:			Contributions	Contributions		Activities		District	Commission	Agency
<u>Governmental activities:</u>										
General government	\$ 7,063,259	\$ 3,081,997	\$ 9,530	\$ -	\$ (3,971,732)	\$ -	\$ (3,971,732)	\$ -	\$ -	\$ -
Public safety	24,449,247	3,033,806	1,495,119	74,716	(19,845,606)	-	(19,845,606)	-	-	-
Public works	8,472,243	2,872,800	189,654	3,913,431	(1,496,358)	-	(1,496,358)	-	-	-
Public health	1,444,647	85,349	62	-	(1,359,235)	-	(1,359,235)	-	-	-
Social and economic services	116,000	18,732	20,946	106,896	30,574	-	30,574	-	-	-
Culture and recreation	3,626,741	531,912	66,149	-	(3,028,680)	-	(3,028,680)	-	-	-
Housing and community development	10,372,128	190,698	1,138,056	9,260,891	217,516	-	217,516	-	-	-
Conservation of natural resources	100	-	102,563	-	102,463	-	102,463	-	-	-
Miscellaneous	1,003,472	-	-	-	(1,003,472)	-	(1,003,472)	-	-	-
Debt service interest expense	1,486,745	-	-	-	(1,486,745)	-	(1,486,745)	-	-	-
Total Governmental Activities	<u>58,034,582</u>	<u>9,815,294</u>	<u>3,022,078</u>	<u>13,355,935</u>	<u>(31,841,275)</u>	<u>-</u>	<u>(31,841,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Business-type activities:</u>										
Sewer	8,638,266	7,308,745	990	1,543,535	-	215,004	215,004	-	-	-
Aquatics	1,648,846	1,028,526	553	18,500	-	(601,267)	(601,267)	-	-	-
Civic Stadium	119,500	-	-	-	-	(119,500)	(119,500)	-	-	-
Total Business-Type Activities	<u>10,406,612</u>	<u>8,337,271</u>	<u>1,543</u>	<u>1,562,035</u>	<u>-</u>	<u>(505,763)</u>	<u>(505,763)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 68,441,194</u>	<u>\$ 18,152,565</u>	<u>\$ 3,023,621</u>	<u>\$ 14,917,970</u>	<u>(31,841,275)</u>	<u>(505,763)</u>	<u>(32,347,038)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Component Units:</u>										
Business Improvement District	\$ 322,878	\$ -	\$ -	\$ -				\$ (322,878)	\$ -	\$ -
Missoula Parking Commission	1,188,640	1,470,810	-	11,739				-	293,909	-
Missoula Redevelopment Agency	5,940,474	-	-	-				-	-	(5,940,474)
Total Component Units	<u>\$ 7,451,992</u>	<u>\$ 1,470,810</u>	<u>\$ -</u>	<u>\$ 11,739</u>				<u>(322,878)</u>	<u>293,909</u>	<u>(5,940,474)</u>
<u>General Revenues</u>										
					Property taxes for general purposes	-	26,187,665	284,166	-	3,912,006
					Intergovernmental revenue, unrestricted	-	11,758,565	-	-	522,691
					Miscellaneous	67,177	230,744	29,210	-	419
					Interest income	19,905	277,253	2,373	116,644	-
					General funds support of Sewer & Aquatic's activities	(132,724)	132,724	-	-	-
					Special Item	-	2,000,000	-	-	-
					Total general revenues and transfers		<u>37,996,979</u>	<u>315,749</u>	<u>116,644</u>	<u>4,435,116</u>
					Change in Net Assets		<u>6,155,704</u>	<u>(7,129)</u>	<u>410,553</u>	<u>(1,505,358)</u>
					Net Assets - July 1, 2011		137,878,951	116,456	11,342,626	(5,336,519)
					Restatements		<u>(161,691)</u>	<u>-</u>	<u>-</u>	<u>61,000</u>
					Net Assets - July 1, 2011 - Restated		137,717,260	116,456	11,342,626	(5,275,519)
					Net Assets - June 30, 2012		<u>\$ 143,872,964</u>	<u>\$ 109,327</u>	<u>\$ 11,753,179</u>	<u>\$ (6,780,877)</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.

NEIGHBORHOOD STABILIZATION

The purpose of Neighborhood Stabilization Program (NSP) Fund is to acquire foreclosed, vacant or abandoned residential properties in the City of Missoula and redevelop them into affordable housing or other community enhancements. This fund receives a federal grant which is being used as partial funding to acquire property at 1311 E. Broadway, demolish the structures on that land, and construct 115 units of rental housing, most of which will be designated for low- and moderate income households in the City of Missoula.

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, 2012

	General Fund	Capital Improvement Program	Neighborhood Stabilization	Other Governmental Funds	Total Governmental Funds
ASSETS					
<u>Current Assets</u>					
Cash and investments	\$ 2,196,118	\$ 349,580	\$ -	\$ 5,660,949	\$ 8,206,647
Taxes/Assessments receivable, net	2,256,547	-	-	3,236,108	5,492,655
Deferred assessments receivable	-	-	-	11,691,935	11,691,935
Due from other governments	1,163,209	-	456,198	1,100,381	2,719,788
Accounts receivable	323,205	-	166,506	331,185	820,896
Long Term Loans	168,170	-	-	741,034	909,204
Interest receivable	460	-	-	7,360	7,820
Prepaid expenditures	279,303	-	-	12,042	291,345
Interfund receivable	1,003,192	-	-	2,050,219	3,053,411
Advances receivable	-	-	-	2,160,727	2,160,727
Inventory of supplies	952,999	-	-	-	952,999
Total Assets	\$ <u>8,343,203</u>	\$ <u>349,580</u>	\$ <u>622,704</u>	\$ <u>26,991,941</u>	\$ <u>36,307,428</u>
LIABILITIES					
<u>Current Liabilities</u>					
Accounts payable	\$ 936,956	\$ 347,936	\$ 621,474	\$ 1,455,629	\$ 3,361,996
Accrued expenditures	1,054,723	-	-	42,571	1,097,294
Due to Other Governments	-	-	-	155,752	155,752
Deferred revenue	1,788,898	-	-	15,588,615	17,377,513
Interfund payable	-	2,306,619	5,369	741,423	3,053,411
Advances payable	-	1,933,517	-	227,210	2,160,727
Total Liabilities	<u>3,780,578</u>	<u>4,588,072</u>	<u>626,843</u>	<u>18,211,200</u>	<u>27,206,693</u>
FUND BALANCES					
Nonspendable	1,232,302	-	-	12,042	1,244,344
Restricted	105,804	-	-	7,409,318	7,515,122
Committed	-	-	-	2,048,128	2,048,128
Assigned	1,284,045	-	-	-	1,284,045
Unassigned	1,940,474	(4,238,492)	(4,139)	(688,747)	(2,990,904)
Total Fund Balance	<u>4,562,625</u>	<u>(4,238,492)</u>	<u>(4,139)</u>	<u>8,780,741</u>	<u>9,100,735</u>
Total Liabilities and Fund Balance	\$ <u>8,343,203</u>	\$ <u>349,580</u>	\$ <u>622,704</u>	\$ <u>26,991,941</u>	\$ <u>36,307,428</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, 2012

Total fund balances - governmental funds	\$ 9,100,735
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	158,958,248
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.	16,469,710
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.	(245,977)
Long-term liabilities (current and non-current portions) are not due and payable in the current period and therefore are not reported as liabilities in the funds.	\$ (40,409,750)
Total net assets - governmental activities	\$ <u>143,872,964</u>

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General	Capital Improvement Program	Neighborhood Stabilization	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	\$ 20,393,231	\$ -	\$ -	\$ 9,002,785	\$ 29,396,016
Licenses and permits	1,099,709	-	-	1,766,520	2,866,229
Intergovernmental	11,097,623	189,653	8,064,938	5,778,347	25,130,561
Charges for services	3,907,579	-	-	1,198,820	5,106,399
Fines and forfeitures	1,321,429	-	-	23,149	1,344,578
Miscellaneous	310,004	18,732	-	284,519	613,255
Investment earnings	26,787	(895)	-	15,799	41,691
Total revenues	<u>38,156,361</u>	<u>207,490</u>	<u>8,064,938</u>	<u>18,069,939</u>	<u>64,498,728</u>
EXPENDITURES					
Current:					
General government	6,363,725	21,309	-	564,216	6,949,250
Public safety	21,675,033	-	-	2,159,123	23,834,156
Public works	6,580,494	-	-	857,043	7,437,537
Public health	1,431,431	-	-	-	1,431,431
Social and economic services	116,000	-	-	-	116,000
Culture and recreation	3,310,584	2,157	-	215,308	3,528,049
Housing and community development	46,300	-	7,998,487	2,304,072	10,348,859
Conservation of natural resources	100	-	-	-	100
Miscellaneous	1,003,472	-	-	-	1,003,472
Debt service expenditures	176,285	828,204	-	4,240,807	5,245,296
Capital outlay	518,627	2,174,855	-	3,509,295	6,202,777
Total expenditures	<u>41,222,052</u>	<u>3,026,525</u>	<u>7,998,487</u>	<u>13,849,864</u>	<u>66,096,927</u>
Excess (deficiency) of revenues over expenditures	<u>(3,065,690)</u>	<u>(2,819,035)</u>	<u>66,451</u>	<u>4,220,075</u>	<u>(1,598,199)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,295,781	980,751	-	867,442	7,143,974
Transfers (out)	(1,338,053)	-	-	(6,140,846)	(7,478,899)
Issuance of long term debt/capital leases	-	534,396	-	2,025,000	2,559,396
Total other financing sources (uses)	<u>3,957,728</u>	<u>1,515,147</u>	<u>-</u>	<u>(3,248,404)</u>	<u>2,224,471</u>
Net Change in Fund Balance	892,038	(1,303,888)	66,451	971,671	626,272
Fund Balance - July 1, 2011	3,670,187	(2,934,604)	(70,590)	7,971,161	8,636,154
Restatements	400	-	-	(162,091)	(161,691)
Fund Balance - July 1, 2011 Restated	<u>3,670,587</u>	<u>(2,934,604)</u>	<u>(70,590)</u>	<u>7,809,070</u>	<u>8,474,463</u>
Fund Balance - June 30, 2012	<u>\$ 4,562,625</u>	<u>\$ (4,238,492)</u>	<u>\$ (4,139)</u>	<u>\$ 8,780,741</u>	<u>\$ 9,100,735</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, 2012

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

Net change in fund balances - total governmental funds	\$ 626,272
Governmental funds report capital outlays as expenditures	13,442,516
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(8,099,443)
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.	(521,305)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(174,878)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(2,559,396)
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.	3,758,550
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(179,525)
The change in post employment obligations is shown as an addition to payroll expense on the statement of activities	(223,702)
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.	86,615
Change in net assets - statement of activities	\$ <u><u>6,155,704</u></u>

See accompanying Notes to the Financial Statements

**PROPRIETARY FUND
FINANCIAL
STATEMENTS**

City of Missoula, Montana
Balance Sheet
Proprietary Funds
June 30, 2012

	Business-Type Activities				Governmental
	Sewer (Major)	Aquatics (Major)	Civic Stadium (non-major)	Total	Activities Internal Service Self Insurance
ASSETS					
<u>Current Assets</u>					
Cash and investments	\$ 248,630	\$ 230,873	\$ -	\$ 479,503	\$ 601,087
Accounts receivable	539,077	-	-	539,077	-
Interest receivable	5,443	159	-	5,602	557
Other receivable	1,520,113	18,500	-	1,538,613	23,048
Due from other governments	138	-	-	138	-
Prepaid expenses	14,573	3,835	-	18,408	36,198
Inventory of supplies	65,650	20,889	-	86,539	-
Total Current Assets	2,393,624	274,256	-	2,667,880	660,890
<u>Noncurrent Assets</u>					
Cash and investments	2,226,925	-	-	2,226,925	-
Art	-	65,229	-	65,229	-
Land	2,840,579	-	-	2,840,579	-
Construction work in progress	212,547	-	-	212,547	-
Buildings	8,223,564	12,494,887	-	20,718,451	-
Improvements other than buildings	117,606,282	1,321,676	3,555,000	122,482,958	-
Machinery and equipment	6,158,531	58,864	-	6,217,395	-
Allowance for depreciation	(40,440,323)	(2,118,500)	(118,500)	(42,677,323)	-
Bond Issuance costs, net	1,601	-	-	1,601	-
Total Noncurrent Assets	96,829,706	11,822,156	3,436,500	112,088,362	-
Total Assets	\$ 99,223,330	\$ 12,096,412	\$ 3,436,500	\$ 114,756,242	\$ 660,890
LIABILITIES					
<u>Current Liabilities</u>					
Accounts payable	\$ 263,104	\$ 64,652	\$ -	327,756	\$ 514,905
Accrued expenses	47,064	47,660	-	94,724	-
Contributions paid in advance	-	-	-	-	391,962
Deferred revenue	5,475	-	-	5,475	-
Compensated absences payable	77,121	12,707	-	89,828	-
Long-term liabilities - due within one year	1,426,824	-	56,182	1,483,006	-
Total Current Liabilities	1,819,588	125,019	56,182	2,000,789	906,867
<u>Noncurrent Liabilities</u>					
Net Post Employment Benefit Obligation	54,002	12,804	-	66,806	-
Long-Term portion of compensated absences	102,624	22,937	-	125,561	-
Long-term liabilities - due in more than one year	23,529,106	-	1,498,818	25,027,924	-
Total Noncurrent Liabilities	23,685,732	35,741	1,498,818	25,220,291	-
Total Liabilities	25,505,320	160,760	1,555,000	27,221,080	906,867
NET ASSETS					
Invested in capital assets, net of related debt	69,645,250	11,822,156	1,937,682	83,405,088	-
Restricted for debt service	2,226,925	-	-	2,226,925	-
Unrestricted	1,845,835	113,496	(56,182)	1,903,149	(245,977)
Total Net Assets	73,718,010	11,935,652	1,881,500	87,535,162	(245,977)
Total Liabilities and Net Assets	\$ 99,223,330	\$ 12,096,412	\$ 3,436,500	\$ 114,756,242	\$ 660,890

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, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Self-Insurance Funds
	Sewer (Major)	Aquatics (Major)	Civic Stadium (non-major)	Total	
Operating Revenues					
Intergovernmental	\$ 990	\$ 553	\$ -	\$ 1,543	\$ -
Charges for services	7,308,745	1,028,526	-	8,337,271	-
Miscellaneous	66,177	-	1,000	67,177	-
Internal services	-	-	-	-	4,206,672
Total Operating Revenues	<u>7,375,912</u>	<u>1,029,079</u>	<u>1,000</u>	<u>8,405,991</u>	<u>4,206,672</u>
Operating Expenses					
Personal services	1,441,280	654,591	-	2,095,871	-
Fixed charges	1,045,135	-	-	1,045,135	-
Depreciation	2,767,299	465,960	118,500	3,351,759	-
Insurance claims and expenses	-	-	-	-	4,321,417
Maintenance and operations	2,214,828	528,295	1,000	2,744,123	-
Total Operating Expenses	<u>7,468,542</u>	<u>1,648,846</u>	<u>119,500</u>	<u>9,236,888</u>	<u>4,321,417</u>
Operating Loss	<u>(92,630)</u>	<u>(619,767)</u>	<u>(118,500)</u>	<u>(830,897)</u>	<u>(114,745)</u>
Non-operating revenues (expenses)					
IRS Interest Reimbursement	257,900	-	-	257,900	-
Interest revenue	(503)	(49)	-	(552)	(840)
Debt service interest expense	(1,169,724)	-	-	(1,169,724)	-
Total non-operating revenues (expenses)	<u>(912,327)</u>	<u>(49)</u>	<u>-</u>	<u>(912,376)</u>	<u>(840)</u>
Loss before contributions, transfers and special items	<u>(1,004,957)</u>	<u>(619,816)</u>	<u>(118,500)</u>	<u>(1,743,273)</u>	<u>(115,585)</u>
Contributions and Transfers					
Contributions	1,543,535	18,500	-	1,562,035	-
Transfers in	2,724	155,000	-	157,724	202,200
Transfers (out)	(25,000)	-	-	(25,000)	-
Net Contributions and Transfers	<u>1,521,259</u>	<u>173,500</u>	<u>-</u>	<u>1,694,759</u>	<u>202,200</u>
Special Items					
Contributions from governmental activities	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Change in Net Assets	516,302	(446,316)	1,881,500	1,951,486	86,615
Net Assets - July 1, 2011	<u>73,201,708</u>	<u>12,381,968</u>	<u>-</u>	<u>85,583,676</u>	<u>(332,592)</u>
Net Assets - June 30, 2012	<u>\$ 73,718,010</u>	<u>\$ 11,935,652</u>	<u>\$ 1,881,500</u>	<u>\$ 87,535,162</u>	<u>\$ (245,977)</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, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer (Major)	Aquatics (Major)	Civic Stadium (non-major)	Total	Self-Insurance
Cash Flows from Operating Activities:					
Receipts from customers	\$ 7,286,742	\$ 1,028,526	\$ -	\$ 8,315,268	\$ -
Payments to suppliers	(3,280,035)	(527,107)	(1,000)	(3,808,142)	-
Payments to employees	(1,401,245)	(641,994)	-	(2,043,239)	-
Other receipts	73,092	553	1,000	74,645	-
Receipts from internal services	-	-	-	-	4,177,288
Benefit payments	-	-	-	-	(4,070,195)
Net Cash Provided (Used) by Operating Activities	<u>2,678,554</u>	<u>(140,022)</u>	<u>-</u>	<u>2,538,532</u>	<u>107,093</u>
Cash Flows from Non-Capital Financing Activities:					
Transfers to other funds	(25,000)	-	-	(25,000)	-
Transfers from other funds	2,724	155,000	-	157,724	202,200
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(22,276)</u>	<u>155,000</u>	<u>-</u>	<u>132,724</u>	<u>202,200</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from debt	1,537,343	-	-	1,537,343	-
Principal paid on debt	(1,231,761)	-	-	(1,231,761)	-
Interest paid on debt	(1,168,122)	-	-	(1,168,122)	-
IRS interest reimbursement	257,900	-	-	257,900	-
Payment on accounts payable used for capital assets	(1,233,749)	-	-	(1,233,749)	-
Acquisition and construction of capital assets	(6,284,768)	(18,833)	-	(6,303,601)	-
Net Cash Used by Capital and Related Financing Activities	<u>(8,123,157)</u>	<u>(18,833)</u>	<u>-</u>	<u>(8,141,990)</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest on investments	(154)	(3)	-	(157)	72
Net Cash Provided (Used) by Investing Activities	<u>(154)</u>	<u>(3)</u>	<u>-</u>	<u>(157)</u>	<u>72</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,467,033)	(3,858)	-	(5,470,891)	309,365
Cash and cash equivalents at July 1, 2011	<u>7,942,588</u>	<u>234,731</u>	<u>-</u>	<u>8,177,319</u>	<u>291,722</u>
Cash and cash equivalents at June 30, 2012	<u>\$ 2,475,555</u>	<u>\$ 230,873</u>	<u>\$ -</u>	<u>\$ 2,706,428</u>	<u>\$ 601,087</u>
Cash and cash equivalents consists of:					
Cash and investments	\$ 248,630	\$ 230,873	\$ -	\$ 479,503	\$ 601,087
Restricted cash and investments	2,226,925	-	-	2,226,925	-
Total cash and cash equivalents	<u>\$ 2,475,555</u>	<u>\$ 230,873</u>	<u>\$ -</u>	<u>\$ 2,706,428</u>	<u>\$ 601,087</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:					
Operating loss	\$ (92,630)	\$ (619,767)	\$ (118,500)	\$ (830,897)	\$ (114,745)
Adjustments to reconcile operating loss to net cash provided by (used) operating activities:					
Depreciation	2,767,299	465,960	118,500	3,351,759	-
Changes in assets and liabilities:					
Due from other governments	2,905	-	-	2,905	-
Other receivables and notes receivable	(16,358)	-	-	(16,358)	169,086
Prepaid expense	767	(1,534)	-	(767)	(36,198)
Deferred revenue	(2,625)	-	-	(2,625)	-
Contributions paid in advance	-	-	-	-	(29,384)
Compensated absences payable	22,430	9,198	-	31,628	-
Net post employment benefit obligation	11,127	2,928	-	14,055	-
Inventories	-	(3,544)	-	(3,544)	-
Accounts and other payables	(20,072)	4,732	-	(15,340)	118,334
Accrued expenses	5,711	2,005	-	7,716	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,678,554</u>	<u>\$ (140,022)</u>	<u>\$ -</u>	<u>\$ 2,538,532</u>	<u>\$ 107,093</u>

Disclosure of Non-Cash Items:

The Sewer fund had non-cash transactions that increased capital assets and developer contributions in the amount of \$1,543,535, and annual bond issuance cost amortization of \$1,601. The Aquatics fund had non-cash transactions related to a capital grant that increased accounts receivable and contributions revenue in the amount of \$18,500. The Civic Stadium fund had non-cash transactions that increased capital assets by \$3,555,000, contribution from governmental funds by \$2,000,000 and long-term debt by \$1,555,000. This was the result of MRA purchasing the civic stadium for \$2,000,000 and contributing it to the city and the city assuming existing debt of \$1,555,000 related to the stadium.

See accompanying Notes to the Financial Statements

**FIDUCIARY FUND
FINANCIAL
STATEMENTS**

City of Missoula, Montana
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Agency Funds
ASSETS	
Cash and short-term investments	\$ 474,475
Accounts receivable	14,596
Interest receivable	16
Due from other governments	8,631
Total assets	\$ <u>497,718</u>
LIABILITIES	
Accounts payable	\$ 66,575
Due to private parties	416,735
Due to other governments	14,408
Total liabilities	\$ <u>497,718</u>

See accompanying Notes to the Financial Statements

**NOTES TO
FINANCIAL
STATEMENTS**

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

2. The Missoula Parking Commission (MPC) 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 MPC 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, MPC is exempt from income tax. MPC currently operates approximately 1,061 parking meters on various streets and in various lots throughout the downtown business area. MPC operates approximately 800 leased parking spaces in various lots throughout downtown Missoula. MPC 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. MPC operates two parking structures (Central Park and Bank Street Structure) that offer both short-term and long-term parking.

The Missoula Parking Commission 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 responsible for appointing members of the Urban Transportation District Board of Directors. The purpose of the Missoula Urban Transportation District Board of Directors is to set policy for Mountain Line, Missoula's public transit agency, and guide the agency in its vision to be an essential public transportation provider in the urban area and a major contributor to a multi-county, multi-modal transportation infrastructure in the western Montana region. Three members are appointed by the Mayor, three members are appointed by the County Commissioners and one member alternating City / County appointment.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Government-wide Statements

Basis of Presentation

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's 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 are 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:

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

- 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.

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.

Neighborhood Stabilization Fund - The purpose of Neighborhood Stabilization Program (NSP) Fund is to acquire foreclosed, vacant or abandoned residential properties in the City of Missoula and redevelop them into affordable housing or other community enhancements.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 measurement 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, 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.

Civic Stadium Fund - This fund was created for the issuance of \$1,555,000 of Revenue Bonds and purchase of the interest of certain secured lenders in the Civic Stadium to facilitate the City of Missoula's purchase of the Civic Stadium. The fund will receive lease payments in the amount of \$120,000 a year for 20 years from Mountain Baseball. The lease payments will be used to make the debt service payments to the creditors of the \$1,555,000 Civic Stadium Revenue Bonds.

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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

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.

Rattlesnake Cornerstone Trail SW - accounts for funds received from the housing developer for Rattlesnake Cornerstone subdivision to be used for the construction of a trail within the subdivision.

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.

CITY OF MISSOULA, MONTANA
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Montana State statutes authorize the City to invest in interest-bearing savings accounts, certificates of deposits, and time deposits, which are insured up to either \$250,000, or an unlimited amount if held in a non-interest bearing account by the Federal Deposit Insurance Corporation, or fully collateralized. Also authorized are 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.

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

Receivables arise from 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, 2012 were \$683,506.

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.

CITY OF MISSOULA, MONTANA
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4. Prepaids

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

5. Warrants Payable

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

6. Capital Assets

Capital assets purchased are recorded as expenditures in the governmental funds. All purchased capital assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated capital assets (including infrastructure acquired through developer's 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. 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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
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8. Compensated Absences

It is the City's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from City service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation. There is no restriction on the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave. The liability associated with governmental fund-type employees is reported in the governmental activities column of the statement of net assets, while the liability associated with proprietary fund-type employees is recorded in the respective fund and the business-type activities column of the statement of net assets.

9. Other Post Employment Benefits

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

10. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the governmental activities column of the statement of net assets. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the governmental activities column in the 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) which issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which was 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 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 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:

CITY OF MISSOULA, MONTANA
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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, removal of constraint is imposed by same.
- 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 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:

- e. First: Assigned
- f. Second: Committed
- g. Third: Restricted
- h. Fourth: Unassigned

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 2012, principal and interest payments on revenue bonds totaled \$2,113,016 and charges for services revenue was \$7,308,745.

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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

Three special revenue funds with deficit fund balances were identified as of June 30, 2012. The Employee Health Insurance Levy fund (\$135,560), the Law Enforcement Grant fund (\$4,776) and the Community Development Block Grant fund (\$8,856), all carried deficit fund balances which will be covered by future assessments and grant revenue in fiscal year 2013.

Five general obligation bonds were identified as having negative fund balances as of June 30, 2012: 1997 Open Space Bond (\$195), 2004 Aquatics Refunding Bond (\$40,311), 2004 Refunding Bond (\$18,609), 2006 Fire Station GO Bond (\$44,062) and the 2007 Refunding Bond (\$43,618). These deficits will be covered by tax revenue collections in the next fiscal year.

One Sidewalk and Curb bond fund had a negative fund balance 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 (\$27,408).

Two SID sinking funds, SID 519 (\$45), SID 548 (\$327) had deficit fund balances at June 30, 2012. These deficits 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 531	\$	(13,442)	SID 539	\$	(7,920)
SID 534	\$	(6)	SID 542	\$	(1)
SID 535	\$	(23,984)	SID 543	\$	(62,386)

The following Capital Projects funds have deficit fund balances which will be mitigated through future debt issuance and grant revenues in FY 2013:

13 Sidewalk and Curb Fund	\$	(196,366)	HB 645	\$	(23,687)
Phillips St. Traffic Calming	\$	(19,272)	WFL Miller Creek Road	\$	(108)
Pattee Creek Drive	\$	(14,637)	Western Federal Lands	\$	(45)
ARRA Enhancement	\$	(2,500)			

The Capital Improvement fund reported a negative fund balance (\$4,238,492) due to ongoing internal and external financing activities.

The Neighborhood Stabilization fund had a negative fund balance (\$4,139) at the end of the fiscal year which will be covered by grant revenue in fiscal year 2013.

DETAILED NOTES ON ALL THE PRIMARY GOVERNMENT'S FUNDS

A. Cash and Cash Equivalents

At June 30, 2012, cash and investments consisted of the following:

	Primary Government	Component Units	Total
Petty Cash and Cash on Hand	\$ 12,012	\$ 31,645	\$ 43,657
Demand Deposits	1,400,736	874,560	2,275,297
Certificates of Deposit	222,376	177,624	400,000
Marketable Government Securities	10,353,513	8,269,898	18,623,411
	<u>\$ 11,988,637</u>	<u>\$ 9,353,727</u>	<u>\$ 21,342,364</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
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At June 30, 2012, the carrying amount of the City's deposits in local banks was \$421,224 and the bank balances were \$2,972,771, which was covered entirely by federal depository insurance.

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

	Unrestricted	Restricted	Total
Governmental Activities	\$ 8,807,734	\$ -	\$ 8,807,734
Business-Type Activities	479,503	2,226,925	2,706,428
Fiduciary Funds	474,475	-	474,475
Component Units	6,647,194	2,706,533	9,353,727
Total	<u>\$ 16,408,906</u>	<u>\$ 4,933,458</u>	<u>\$ 21,342,364</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 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. In FY 2012, all city deposits at local banks were 100% covered by FDIC insurance at all times thereby negating any collateralization requirements by the banks.

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. In FY 2012, most city investments were placed in U.S. Treasury money market funds with a 30 day average maturity to minimize the risk of any market value declines.

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	08/2012-08/2014	AAA	\$ 18,623,411
Certificates of Deposit	11/2012-11/2015	NA	400,000
Demand Deposits	NA	NA	2,275,297
Petty Cash and Cash on Hand	NA	NA	43,657
Total			<u>\$ 21,342,364</u>

Credit risk is defined as the risk that an issuer or other counterparty to an investment 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 Fitch & Moody's. 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. The city also has intentionally restricted all investments to AAA rated U.S. Treasuries or U.S. Agency investments to minimize credit risk. This keeps City investments aligned with the City's investment policy in which safety of principal is the foremost objective of the investment program.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

B. Receivables

Other Receivables

A summary of the City's accounts receivable and other receivables as of June 30, 2012, follows:

Proprietary Funds:

Sewer (major fund) - Sewer Fees	\$ 539,077
Sewer (major fund) - Mountain Water Notes	1,196,666
Sewer (major fund) - Sewer Connection Notes	28,019
Sewer (major fund) - Glenn Eagle Note	250,000
Sewer (major fund) - Lease Receivable	5,475
Sewer (major fund) - Disposal and Development Fees	39,953
Aquatics (major fund) - Donations	18,500
Internal Service - Refunds from Providers	7,672
Internal Service - Prescription Rebates	15,376
Total Proprietary Funds	<u>\$ 2,100,738</u>

Governmental Funds:

General (major fund) - Various Licenses, Services and Fees	\$ 23,556
General (major fund) - Mountain Water Notes	255,663
General (major fund) - Sidewalk & Curb	31,236
General (major fund) Parks & Rec - Fees and Insurance Recovery	12,750
Public Art Fund - Donations	2,000
Neighborhood Stabilization Program (major fund) - Reimbursement of Loan Lock Fees	166,506
Impact Fee - Impact Fees	5,549
Cable TV Franchise - Franchise Fees	174,196
Building Inspection - Permit Fees	9,722
Program Income - Mountain Water Notes	4,489
SID Revolving Fund - Mountain Water Notes	134,639
SID 514 Debt Service - Interest Overpayment	590
Total Government Funds	<u>\$ 820,896</u>

Long Term Loans Receivable

A summary of the City's long-term loans receivable as of June 30, 2012, follows:

Primary Government:

CDBG - Missoula Art Museum	\$ 186,000
\$200,000 at 1% interest to be repaid \$2,000 per year through 2014, then \$11,083 per year through 2034.	
CDBG - Missoula Housing Authority	157,834
\$200,000 at 1% interest to be repaid \$11,083 per year through 2030	
CDBG - Parenting Place	122,200
\$130,000 at 1% interest to be repaid \$1,300 per year through 2016, then \$7,204 per year through 2036.	

CITY OF MISSOULA, MONTANA
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CDBG - Partnership Health Center	275,000
\$275,000 with interest rate deferred and determined upon sale of property.	
Title One - Extended Family Services	8,170
\$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.	
Title One - North Missoula Community Development Corporation	160,000
\$180,000 available at 0% interest, payments of \$20,688 to be repaid upon sale of remaining 8 units.	
Total Primary Government	<u>\$ 909,204</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.

	<u>Advances Receivable</u>	<u>Advances Payable</u>
Non-major governmental funds	\$ 2,160,727	\$ 227,210
^ Capital Improvement Program	-	1,933,517
	<u>\$ 2,160,727</u>	<u>\$ 2,160,727</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 are 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.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
	<u>Due From</u>	<u>Due To</u>
^ General Fund	\$ 1,003,192	\$ -
^ Neighborhood Stabilization	-	5,369
^ Capital Improvement Program	-	2,306,619
Non-major governmental funds	2,050,219	741,423
	<u>\$ 3,053,411</u>	<u>\$ 3,053,411</u>

^indicates a major fund

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Due From Other Governments:

Primary Government

General Fund

Due from Missoula County – Taxes Receivable	\$ 334,610
Due from Missoula County – Board of Adjustment Fees	1,850
Due from Missoula County – State Maintenance Contracts	113,683
Due from Missoula County Public Schools – School Resource Officer	75,000
Due from State of Montana – Fire Dept. Overtime	2,621
Due from State of Montana – MCPS Police Overtime	198
Due from State of Montana – Personal Property Tax Reimbursement	255,192
Due from State of Montana – Grants, Gambling, Public Works	123,657
Due from State of Montana DNRC – Wildfire Reimbursement	64,024
Due from Federal Government – SAFER Grant	25,330
Due from Federal Government – Police Overtime	2,345
Due from City Municipal Court	<u>164,700</u>

Total General Fund	<u><u>1,163,209</u></u>
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Neighborhood Stabilization Program (major fund)

Due from State of Montana - HUD	396,527
Due from State of Montana - Neighborhood Stabilization Program grant	<u>59,671</u>

Total Neighborhood Stabilization Program Fund	<u><u>456,198</u></u>
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Non-Major Special Revenue Funds

Due from Missoula County – Taxes Receivable	73,904
Due from Missoula County – Grant Administration Fees	13,035
Due from Missoula County – COPS in Shops Grant	2,991
Due from State of Montana – Grants	166,670
Due from Federal Government – Grants	711,017
Due from City Municipal Court – Drug Forfeiture and Crime Victim Surcharge	<u>11,264</u>

Total Non-Major Special Revenue Funds	<u><u>978,881</u></u>
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Non-Major Debt Service Funds

Due from Missoula County – Taxes Receivable	<u>94,056</u>
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Non-Major Capital Projects Funds

Due from Federal Government – Grants	<u>27,444</u>
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Total Due from Other Governments, Governmental Funds	<u><u>\$ 2,719,788</u></u>
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Proprietary Funds - Sewer (major fund)

Due from Missoula County - Delinquent Sewer Collections	<u><u>\$ 138</u></u>
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Agency Funds

Due from City Municipal Court - Court Surcharge and Public Defender Fees	<u><u>\$ 8,632</u></u>
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CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Due to Other Governments:

Special Revenue Funds

Due to Federal Government - Police grants overdraw	\$ 155,752
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Agency Funds	\$ 5,500
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Court Surcharge	7,991
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County Park Board	5,500
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County Clearing	917
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Total Due to Other Governments	<u>\$ 175,660</u>
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Due to Private Parties:

Agency Funds

Sewer Rebates	\$ 30,300
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Youth Programs	473
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Municipal Court Restitution	305,829
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Residential Inspection	93
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Elk Hills Subdivision	3,868
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Rattlesnake Cornerstone Trail	27,413
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Tourism Business Improvement District	48,759
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Total Due to Private Parties	<u>\$ 416,735</u>
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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)	\$ 1,601
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Component Unit, Parking Commission Revenue Bond Costs	355,399
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Total Bond Issuance Cost, Reporting Entity	<u>\$ 357,000</u>
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E. Capital Assets

The City has identified three types of street infrastructure:

- 1) Arterial/collector streets
- 2) Commercial streets
- 3) Residential streets

Estimating construction costs

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

Estimating overhead

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Total estimates per square yard

The total estimated construction and overhead costs per square yard of street are shown below for fiscal year 2012:

	<u>Construction</u>		<u>Overhead</u>		<u>Total</u>	
Arterial/Collector	\$	41 /Sq Yard	\$	41 /Sq Yard	\$	41 /Sq Yard
Commercial	\$	38 /Sq Yard	\$	38 /Sq Yard	\$	38 /Sq Yard
Residential	\$	26 /Sq Yard	\$	26 /Sq Yard	\$	26 /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 year ended June 30, 2012 was as follows:

Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not being Depreciated:				
Art	\$ 236,590	\$ -	\$ -	\$ 236,590
Land	19,679,735	-	-	19,679,735
Work-In-Progress	4,591,469	2,323,906	(434,371)	6,481,004
Total Capital Assets not being Depreciated	24,507,793	2,323,906	(434,371)	26,397,329
Capital Assets being Depreciated:				
Buildings	33,391,658	-	-	33,391,658
Infrastructure	224,845,541	9,874,382	-	234,719,923
Machinery & Equipment	18,672,480	1,244,228	(470,120)	19,446,588
Total Capital Assets being Depreciated	276,909,679	11,118,610	(470,120)	287,558,169
Less Accumulated Depreciation for:				
Buildings	(12,892,810)	(1,023,521)	-	(13,916,331)
Infrastructure	(122,872,249)	(5,639,405)	-	(128,511,654)
Machinery & Equipment	(11,515,934)	(1,436,517)	383,186	(12,569,265)
Total Accumulated Depreciation	(147,280,993)	(8,099,443)	383,186	(154,997,250)
Total Capital Assets being Depreciated, Net	129,628,686	3,019,167	(86,934)	132,560,919
Capital Assets, Net	\$ 154,136,479	\$ 5,343,073	\$ (521,305)	\$ 158,958,248

Depreciation expense was charged to functions as follows:

General Government	\$ 389,375
Public Safety	1,068,743
Public Works	6,022,207
Public Health	17,876
Culture & Recreation	455,607
Housing & Community Development	145,635
Total Governmental Activities Depreciation Expense	\$ 8,099,443

CITY OF MISSOULA, MONTANA
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The following is a summary of business-type capital assets for the year ended June 30, 2012:

<u>Business-type Activities:</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not being Depreciated:				
Art	\$ 65,229	\$ -	\$ -	\$ 65,229
Land	1,333,614	1,506,965	-	2,840,579
Work-In-Progress	7,423,344	69,239	(7,280,036)	212,547
Total Capital Assets not being Depreciated	8,822,187	1,576,204	(7,280,036)	3,118,355
Capital Assets being Depreciated:				
Buildings	20,718,451	-	-	20,718,451
Improvements	105,842,668	16,640,290	-	122,482,958
Machinery & Equipment	5,751,718	465,677	-	6,217,395
Total Capital Assets being Depreciated	132,312,837	17,105,967	-	149,418,804
Less Accumulated Depreciation for:				
Buildings	(5,838,365)	(626,363)	-	(6,464,728)
Improvements	(28,796,947)	(2,480,600)	-	(31,277,547)
Machinery & Equipment	(4,690,253)	(244,795)	-	(4,935,048)
Total Accumulated Depreciation	(39,325,564)	(3,351,759)	-	(42,677,323)
Total Capital Assets being Depreciated, Net	92,987,270	13,754,208	-	106,741,481
Capital Assets, Net	\$ 101,809,454	\$ 15,330,418	\$ (7,280,036)	\$ 109,859,836

Depreciation is calculated on a straight line basis.

Depreciation expense was charged to functions as follows:

Business-type activities:

Sewer	\$ 2,767,298
Aquatics	465,960
Civic Stadium	118,500
Total Business-type activities Depreciation Expense	\$ 3,351,758

<u>Component Unit : MPC</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not being Depreciated:				
Construction In Process	\$ 2,471,065	\$ 5,481,801	\$ -	\$ 7,952,866
Parking Lots	2,397,866	-	-	2,397,866
Total Capital Assets not being Depreciated	4,868,931	5,481,801	-	10,350,732
Capital Assets being Depreciated:				
Parking Structures	2,871,199	-	-	2,871,199
Furniture, Fixtures & Computers	12,364	51,838	-	64,202
Machinery, equipment and vehicles	406,597	-	(63,311)	343,286
Parking Lot improvements	1,165,976	-	-	1,165,976
	4,456,136	51,838	(63,311)	4,444,663
Less Accumulated Depreciation	(2,131,434)	(133,651)	63,311	(2,201,774)
Total Capital Assets being Depreciated, Net	2,324,702	(81,813)	-	2,242,889
Capital Assets, Net	\$ 7,193,633	\$ 5,399,988	\$ -	\$ 12,593,621

CITY OF MISSOULA, MONTANA
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JUNE 30, 2012

F. Long-Term Obligations

During the year ended June 30, 2012 the following changes occurred in long-term obligations reported in the governmental activities, the City's proprietary funds and component units:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 13,840,000	\$ -	\$ 1,270,000	\$ 12,570,000	\$ 1,320,000
Limited Obligation Bonds	5,625,000	-	340,000	5,285,000	350,000
Special Assessment Bonds	15,021,055	2,025,000	1,723,369	15,322,686	1,526,170
Intercap Loans	125,646	-	34,631	91,015	35,888
Capital Leases	1,959,752	534,396	319,300	2,174,848	459,615
Compensated Absences	3,799,842	2,235,410	2,105,886	3,929,366	2,041,174
Post Employment Benefits	813,133	496,462	272,760	1,036,835	-
Total Governmental Activities	<u>\$ 41,184,428</u>	<u>\$ 5,291,268</u>	<u>\$ 6,065,946</u>	<u>\$ 40,409,750</u>	<u>\$ 5,732,847</u>
Proprietary Funds/					
Business-type Activities:					
Revenue Bonds	\$ 24,579,098	\$ -	\$ 979,098	\$ 23,600,000	\$ 1,107,000
Capital Leases	71,250	337,343	22,933	385,660	86,982
Notes Payable	-	2,755,000	229,730	2,525,270	289,024
Compensated Absences	183,761	122,535	90,907	215,389	89,828
Post Employment Benefits	52,751	31,179	17,124	66,806	-
Total Proprietary Funds	<u>\$ 24,886,860</u>	<u>\$ 3,246,057</u>	<u>\$ 1,339,792</u>	<u>\$ 26,793,125</u>	<u>\$ 1,572,834</u>
Component Units:					
Revenue Bonds	\$ 12,750,000	\$ -	\$ 355,000	\$ 12,395,000	\$ 355,000
Notes Payable	6,307,784	1,570,263	165,337	7,712,710	624,128
Compensated Absences	67,654	42,371	35,548	74,477	39,310
Post Employment Benefits	33,160	20,852	11,483	42,529	-
Total Component Units	<u>\$ 19,158,598</u>	<u>\$ 1,633,486</u>	<u>\$ 567,368</u>	<u>\$ 20,224,716</u>	<u>\$ 1,018,438</u>

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:

Bonds	Date Issued	Date Matures	Rate	Amount Issued	Balance June 30, 2012
2004 Aquatics	2004	2024	3.0-4.5%	\$ 8,100,000	\$ 5,495,000
2004 Refunding	2004	2013	3.0-3.8%	2,705,000	250,000
2005 Fire Station	2006	2026	3.95-4.5%	5,740,000	4,480,000
2007 Refunding	2007	2018	3.6-4.0%	4,355,000	2,345,000
Total GO Bonds				<u>\$ 20,900,000</u>	<u>\$ 12,570,000</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2012, were as follows:

Fiscal Year Ending				
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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	950,000	334,758	1,284,758	
2018-2022	4,145,000	1,138,596	5,283,596	
2023-2026	2,675,000	252,906	2,927,906	
Total	<u>\$ 12,570,000</u>	<u>\$ 3,528,049</u>	<u>\$ 16,098,049</u>	

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.

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, 2012</u>
2006 Council/MRA Remodel	2006	2026	4.25-4.55%	\$ 1,100,000	\$ 855,000
2006 Aquatics Support	2006	2026	3.625-4.0%	1,860,000	1,420,000
2007B Fire Subsidy	2007	2026	3.70-4.20%	680,000	545,000
2007C 50 Meter Pool	2008	2027	3.50-4.40%	840,000	680,000
2010A Refunding	2010	2020	3.0-3.5%	1,000,000	900,000
2010C Energy	2011	2025	3.0-4.0%	1,010,000	885,000
Total Limited Obligation Bonds				<u>\$ 6,490,000</u>	<u>\$ 5,285,000</u>

Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2012, were as follows:

Fiscal Year Ending				
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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	400,000	150,218	550,218	
2018-2022	1,940,000	527,978	2,467,978	
2023-2027	1,495,000	162,338	1,657,338	
Total	<u>\$ 5,285,000</u>	<u>\$ 1,558,716</u>	<u>\$ 6,843,716</u>	

CITY OF MISSOULA, MONTANA
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JUNE 30, 2012

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, 2012</u>
1999 Sewer Bonds	06/24/99	7/1/2019	4.00%	\$ 1,820,000	\$ 357,000
2000(B) Sewer Bonds	10/03/00	7/1/2020	4.00%	718,000	238,000
2001 Sewer Bonds - Bellevue & Reserve	04/27/01	1/1/2021	4.00%	459,162	730,000
2002 Sewer Bonds - 39th St.	05/16/02	1/1/2022	4.00%	1,395,000	805,000
2002 Missoula Treatment Plant A	11/21/02	7/1/2022	4.00%	5,000,000	2,989,000
2002 Missoula Treatment Plant B	10/15/03	7/1/2023	3.75%	3,800,000	2,431,000
2002 Missoula Treatment Plant C	03/23/04	7/1/2024	3.75%	3,688,000	2,453,000
2005 Sewer Bonds - Brdwy/Lincolnwood	11/28/05	7/1/2025	3.75%	1,731,833	1,227,000
2006 Sewer Bonds - Lincolnwood Ph. II	09/21/06	7/1/2026	3.75%	310,190	227,000
2009 Sewer Bonds Series C - Lolo Street	12/23/09	7/1/2029	3.75%	64,000	58,000
Rattlesnake Series 2009B	12/23/09	2029	3.75%	572,098	520,000
2010 RZED Sewer Bonds-Headworks*	11/15/10	2035	1.75 to 6.14%	10,345,000	10,295,000
Series 2011 Taxable Sewer Bonds	05/01/11	7/23/05	2.0 to 5.50%	1,290,000	1,270,000
Total Revenue Bonds				<u>\$ 31,193,283</u>	<u>\$ 23,600,000</u>

*Federal Credit received for portion of interest

Annual debt service requirements to maturity for Revenue Bonds as of June 30, 2012, were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Credit *</u>	<u>Total</u>
2013	\$ 1,107,000	\$ 1,087,028	\$ (257,431)	\$ 1,936,597
2014	1,151,000	1,046,768	(256,273)	1,941,495
2015	1,196,000	1,004,182	(254,857)	1,945,325
2016	1,239,000	959,140	(253,177)	1,944,963
2017	1,285,000	911,834	(251,145)	1,945,689
2018-2022	7,049,000	3,805,972	(1,208,541)	9,646,431
2023-2027	4,087,000	2,528,694	(1,020,097)	5,595,597
2028-2032	3,906,000	1,500,564	(646,922)	4,759,642
2033-2036	2,580,000	322,859	(145,286)	2,757,573
Total	<u>\$ 23,600,000</u>	<u>\$ 13,167,041</u>	<u>\$ (4,293,729)</u>	<u>\$ 32,473,312</u>

Revenue Bond Covenants

The Sewer Revenue Bonds require:

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

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012 is \$766,134. The Revolving Fund cash at June 30, 2012 is \$774,812.

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2012:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2012</u>
503	1993	2013	4.00%	324,000	\$ 13,000
511	1994	2014	4.00%	304,000	28,000
512	1998	2018	4.00-5.25%	1,724,000	331,315
520	1998	2019	4.00%	2,634,000	965,000
521	1998	2018	4.50-5.25%	7,900	1,508
522	1998	2018	4.50-5.25%	11,200	2,177
524	2002	2023	4.00%	4,577,000	2,701,000
525	2001	2020	4.00%	658,000	217,000
526	2000	2021	4.00%	2,671,000	1,448,000
530	2006	2016	3.80-4.75%	6,706	2,686
532	2005	2024	3.50-5.00%	556,000	340,000
533	2006	2025	3.75%	244,000	179,000
534	2006	2026	3.75%	254,000	197,000
536	2006	2026	3.75%	438,000	339,000
540	2006	2027	3.75-4.65%	1,570,000	1,290,000
541	2009	2029	2.10-5.40%	750,000	660,000
544-Series C	2009	2029	3.75%	1,608,102	1,517,000
544-Series D	2009	2029	3.75%	31,000	28,000
544-Series B	2009	2029	1.75%	359,300	328,000
548	2009	2029	1.75%	1,250,000	1,175,000
FY01 S&C	2001	2013	3.00-4.50%	340,000	15,000
FY02 S&C	2002	2014	2.00-4.40%	430,000	20,000
FY03 S&C	2003	2015	2.00-3.80%	805,000	75,000
FY04 S&C	2004	2016	2.00-4.75%	710,000	40,000
FY05 S&C	2005	2017	3.50-4.65%	765,000	215,000
FY06 S&C	2006	2018	3.75-4.25%	1,145,000	360,000
FY07 S&C	2007	2027	4.00-4.75%	920,000	520,000
FY08 S&C	2008	2028	2.50-5.00%	560,000	355,000
FY09 S&C	2009	2029	1.00-5.40%	645,000	470,000
FY10 S&C	2010	2030	2.25-6.0%	885,000	715,000
FY12 S&C	2012	2032	0.95-4.375%	775,000	775,000
Total Special Assessment Bonds				<u>\$ 27,958,208</u>	<u>\$ 15,322,686</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Annual debt service requirements to maturity for special assessment bonds as of June 30, 2012, were as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,526,170	\$ 617,876	\$ 2,144,046
2014	1,422,170	560,684	1,982,854
2015	1,315,170	506,195	1,821,365
2016	1,237,176	455,004	1,692,180
2017	1,218,500	405,641	1,624,141
2018-2022	4,945,500	1,468,647	6,414,147
2023-2027	2,673,500	536,366	3,209,866
2028-2032	<u>984,500</u>	<u>94,382</u>	<u>1,078,882</u>
2022-2026			
Total	<u>\$ 15,322,686</u>	<u>\$ 4,644,795</u>	<u>\$ 19,967,481</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 2012.

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Balance June 30, 2012</u>
2004	2015	<u>\$ 300,000</u>	<u>\$ 91,015</u>

Annual debt service requirements to maturity for Intercap loan as of June 30, 2012, were as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 35,888	\$ 3,901	\$ 39,789
2014	37,195	2,180	39,375
2015	<u>17,932</u>	<u>426</u>	<u>18,358</u>
Total	<u>\$ 91,015</u>	<u>\$ 6,507</u>	<u>\$ 97,522</u>

Capital Leases

Three capital leases were entered into by the City during fiscal year 2009, another three leases in 2011, and an additional 3 leases in fiscal year 2012. 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 \$2,788,921 and accumulated depreciation of \$305,514 at June 30, 2012.

The following table lists the original amount financed and the minimum lease payments of June 30, 2012:

	<u>Date</u> <u>Issued</u>	<u>Date</u> <u>Matures</u>	<u>Rate</u>	<u>Amount</u> <u>Issued</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Capital Leases</u>					
3 Year Equipment Lease	2010	2013	3.50%	\$ 280,054	\$ 96,581
5 Year Equipment Lease	2010	2015	3.73%	177,523	110,388
10 Year Equipment Lease	2010	2020	4.76%	920,548	769,001
3 Year Equipment Lease	2011	2013	3.52%	285,000	193,267
10 Year Equipment Lease	2011	2020	4.74%	565,000	519,532
3 Year Equipment Lease	2012	2015	3.00%	345,567	345,567
5 Year Equipment Lease	2012	2017	3.40%	337,343	337,343
10 Year Equipment Lease	2012	2022	4.40%	188,829	188,830
				<u>\$ 3,099,864</u>	<u>\$ 2,560,509</u>

CITY OF MISSOULA, MONTANA
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JUNE 30, 2012

Annual lease payment requirements as of June 30, 2012, were as follows:

Fiscal Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 546,597	\$ 102,649	\$ 649,246
2014	466,713	82,573	549,286
2015	382,289	65,232	447,521
2016	235,303	51,662	286,965
2017	245,341	41,624	286,965
2018-2022	684,266	74,820	759,086
Total	<u>\$ 2,560,509</u>	<u>\$ 418,560</u>	<u>\$ 2,979,069</u>

Notes Payable

In fiscal year 2012 the City entered into two notes payable as part of the purchase of the Civic Stadium. The payments on the notes payable are funded by a long-term lease of the Civic Stadium, which will enable the City to make the required debt service payments.

The following table lists all outstanding Civic Stadium Enterprise Fund Notes Payable and the outstanding balances as of June 30, 2012:

	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2012</u>
Paid from Civic Stadium operating revenues:					
R-1 MFCU	2012	2036	5.50%	\$ 1,290,000	\$ 1,290,000
R-2 MCDC	2012	2036	5.50%	265,000	265,000
				<u>\$ 1,555,000</u>	<u>\$ 1,555,000</u>

Annual debt service requirements to maturity for Civic Stadium notes payable as of June 30, 2012, were as follows:

Fiscal Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 56,182	\$ 60,818	\$ 117,000
2014	33,420	83,580	117,000
2015	35,284	81,716	117,000
2016	37,251	79,750	117,001
2017	39,116	77,884	117,000
2018-2022	231,827	353,173	585,000
2023-2027	304,112	280,888	585,000
2028-2032	398,941	186,059	585,000
2033-2036	418,867	61,657	480,524
	<u>\$ 1,555,000</u>	<u>\$ 1,265,525</u>	<u>\$ 2,820,525</u>

CITY OF MISSOULA, MONTANA
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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.

The following table lists all outstanding Sewer Enterprise Fund Notes Payable and the outstanding balance as of June 30, 2012:

Paid from sewer utility revenues:

EKO Promissory Note	2012	2016	3.00%	\$ 1,200,000	\$ 970,270
				<u>\$ 1,200,000</u>	<u>\$ 970,270</u>

Annual debt service requirements to maturity for Sewer utility notes payable as of June 30, 2012, were as follows:

Fiscal Year Ending				
June 30	Principal	Interest	Total	
2013	\$ 232,842	\$ 26,505	\$ 259,347	
2014	239,906	19,441	259,347	
2015	247,185	12,162	259,347	
2016	250,337	4,663	255,000	
	<u>\$ 970,270</u>	<u>\$ 62,771</u>	<u>\$ 1,033,041</u>	

Component Units

Revenue Bonds

Missoula Parking Commission: Revenue bonds paid from parking revenues:

	Date	Date		Amount	Balance
<u>Bonds</u>	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Issued</u>	<u>June 30, 2012</u>
Series 2010A Refunding Bond	12/29/10	2015	2-2.5%	\$ 635,000	\$ 500,000
Series 2010B Parking Facility Revenue Bond *	12/29/10	2035	2.29-6%	7,500,000	7,415,000
				<u>\$ 8,135,000</u>	<u>\$ 7,915,000</u>

*Interest cost on the Series 2010B Bonds has been reduced by Federal interest subsidies of \$302,199 in 2012.

During the construction of a new parking garage, MPC incurred interest cost of \$543,205 and \$310,184, of which \$293,306 and \$268,228 was capitalized into construction in progress as of June 30, 2012 and 2011, respectively. The capitalized interest cost at June 30, 2012 and 2010 has been offset by the federal credit of \$240,168 and 120,752, respectively.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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>
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	240,000	512,736	(230,731)	522,005
2018-2022	1,325,000	2,344,948	(1,055,277)	2,614,671
2023-2027	1,595,000	1,841,805	(828,812)	2,607,993
2028-2032	1,960,000	1,161,259	(522,567)	2,598,692
2033-2036	1,900,000	312,000	(140,400)	2,071,600
Total	<u>\$ 7,915,000</u>	<u>\$ 8,306,217</u>	<u>\$ (3,728,974)</u>	<u>\$ 12,492,243</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, 2012</u>
2006 Tax Increment	08/15/06	2031	4.89%	\$ 3,600,000	\$ 3,045,000
2007 Tax Increment	10/15/07	2031	6.95%	1,500,000	1,435,000
Total				<u>\$ 5,100,000</u>	<u>\$ 4,480,000</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>
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	175,000	212,049	387,049
2018-2022	1,705,000	739,608	2,444,608
2023-2027	625,000	508,640	1,133,640
2028-2031	1,360,000	185,758	1,545,758
Total	<u>\$ 4,480,000</u>	<u>\$ 2,576,428</u>	<u>\$ 7,056,428</u>

An MRA Civic Stadium TIF note was issued to pay certain secured creditors for their interest in the Civic Stadium. This was done to enable the City to purchase the property for continued use by the public. Tax increment revenues will be used to fund this note.

<u>Notes Payable</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2012</u>
MAEDC Note Payable	08/10/06	2031	1.50%	\$ 1,516,668	\$ 1,420,770
Safeway Note Payable	03/01/10	2017	0.00%	166,239	117,304
FIB Subordinate TIF Note	12/29/10	2035	6.55%	1,623,380	1,580,201
MRA Front Street Parking Note-to MPC	12/29/10	2035	2.29-6%	3,000,000	2,966,000
Wilma Condominium Note	12/15/10	2015	3.25%	220,000	128,436
2012 Civic Stadium	08/15/11	2015	0.00%	1,500,000	1,500,000
Total				<u>\$ 8,026,287</u>	<u>\$ 7,712,711</u>

CITY OF MISSOULA, MONTANA
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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>
2013	\$	624,128	\$	245,012	\$ 869,140
2014		630,972		245,012	875,984
2015		622,582		245,012	867,594
2016		123,157		245,012	368,169
2017		154,919		245,012	399,931
2018-2022		906,642		1,050,861	1,957,503
2023-2027		1,658,766		818,810	2,477,576
2028-2032		1,778,556		496,456	2,275,012
2033-2037		1,212,989		130,332	1,343,321
Total	\$	<u>7,712,711</u>	\$	<u>3,721,519</u>	<u>\$ 11,434,230</u>

MRA 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. At June 30, 2012, the balance payable to the Guarantor was \$117,304.

CITY OF MISSOULA, MONTANA
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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, 2012, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$920,684.

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 \$24,306,451 for 2012, of which \$22,355,654 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.

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 hired before July 1, 2011 are required to contribute 6.9% of monthly compensation. Members hired on or after July 1, 2011 are required to contribute 7.9% 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.

CITY OF MISSOULA, MONTANA
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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 $\frac{1}{2}$ of the last monthly compensation received. An additional amount equal to 2% of the last monthly compensation earned for each year in excess of 20 years can be received. For those hired on or after July 1, 1981, and members hired prior to July 1, 1997 who have elected to be covered by GABA, the retirement allowance is equal to 2.5% of the highest average compensation for the last consecutive 36 months of service. For members hired after June 30, 1997, and members hired prior to 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 $\frac{1}{2}$ of the compensation of a newly hired officer. For members hired after June 30, 1997, and members hired prior to July 1, 1997 who have elected GABA coverage a guaranteed annual benefit adjustment (GABA) of 3.0% is provided each January if the benefit recipient has been receiving a benefit for 12 months prior to January 1. Rights become vested after 20 years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

CITY OF MISSOULA, MONTANA
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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, 2012, were:

	PERS	MPORS	FURS
Employee	6.9% - 7.9% (1)	5.8-9.0% (2)	9.5-10.7% (3)
Employer	7.07%	14.41%	14.36%
State	0.10%	29.37%	32.61%
(1)	6.9% for members hired prior to July 1, 2011 7.9% for members hired on or after July 1, 2011		
(2)	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)		
(3)	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, 2010, 2011, and 2012 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	
<u>PERS</u>		<u>MPORS</u>		<u>FURS</u>			<u>PERS</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>
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
2012	731,464	10,839	852,130	1,821,869	766,285	1,780,318	47,545	656

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 \$384 for a half time employee to \$767 for a full time employee. Employee contributions were \$22 for full time employees up to \$406 for half time employees. Retirees may also participate in the plan. The City subsidizes the retiree's premium cost at 15%. They paid \$632 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, 2012 were \$3,701,345 employee contributions were \$886,979 and retiree contributions were \$482,820. Premium expenses are charged to the appropriate departments, then deposited into the Employee Benefit Fund, an internal service fund. This fund is used to pay claims, stop loss insurance and an administrator to process claims. An operating transfer in the amount of \$202,200 from the General Fund was made to the Employee Benefit Fund during fiscal year 2012. Following is a summary of the changes in the balances of claim liabilities (based on calculations provided by the plan administrator) during fiscal years 2010, 2011, and 2012.

	Claims Payable Beginning of Fiscal Year		Claims Incurred		Claims Paid		Claims Payable Ending of Fiscal Year
2010	\$ 268,073	\$	4,425,520	\$	4,438,202	\$	255,391
2011	255,391		4,919,595		4,778,415		396,571
2012	396,571		4,613,100		4,500,506		509,165

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 488 individuals covered by the plan at June 2012, there were 62 retirees, and 1 C.O.B.R.A. participant.

The City 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 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, excluding retirees, is the City's self insurance internal service fund. The plan does not issue separate audited financial statements.

CITY OF MISSOULA, MONTANA
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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 fiscal year 2012.

Coverage	Retiree Contribution	City Contribution	Total Premium
Retiree	\$ 631.68	\$ 111.47	\$ 743.15
Retiree, spouse	727.73	128.42	856.15
Retiree, spouse, child	767.68	135.47	903.15
Retiree, spouse, 2 children	807.63	142.52	950.15
Retiree, spouse, 3 children	847.58	149.57	997.15
Retiree, spouse, 4 children	887.53	156.62	1,044.15
Retiree, child	671.63	118.52	790.15
Retiree, 2 children	711.58	125.57	837.15
Retiree, 3 children	751.53	132.62	884.15
Retiree, 4 children	791.48	139.67	931.15

Based on an actuarial study prepared as of June 30, 2011, the City's annual other post-employment benefit cost was \$548,493 for the fiscal year ended June 30, 2012. This cost consisted of the annual required contribution of \$565,636 interest on the net OPEB obligation of \$29,902, and an adjustment to the ARC of \$47,045. There were contributions of \$301,367 made in fiscal year 2012, which was 55% of the annual cost.

	Fiscal Year Ending		
	June 30, 2012	June 30, 2011	June 30, 2010
Beginning OPEB Obligation	\$ 899,044	\$ 672,045	\$ 499,446
Annual OPEB Cost	548,493	539,638	485,884
Annual OPEB Contributions	(301,367)	(312,639)	(313,285)
Ending OPEB Obligation	<u>\$ 1,146,170</u>	<u>\$ 899,044</u>	<u>\$ 672,045</u>
Percentage of cost contributed	55%	58%	64%

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 \$21,923,636 for fiscal year 2012; 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:

	Component Units					
	Governmental Activities	Sewer	Aquatics	MRA	Parking Commission	Total
Annual OPEB Cost	\$ 496,462	\$ 24,636	\$ 6,543	\$ 6,504	\$ 14,348	\$ 548,493
Annual OPEB Contributions	272,760	13,509	3,615	3,576	7,907	301,367
Net OPEB Obligation	1,036,835	54,002	12,804	14,884	27,645	1,146,170
Unfunded Actuarial Liability	6,324,788	314,584	82,785	82,785	182,127	6,987,069

CITY OF MISSOULA, MONTANA
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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. The schedule of funding progress in the required supplementary information section presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. 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, 2012:

<u>Description</u>	<u>Amount</u>
Primary Government	
Sewer Fund - Restricted for debt service	\$ 2,226,925
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,400
Missoula Parking Commission - Restricted for debt service and capital projects	2,456,133
Total Restricted Cash	<u>\$ 4,933,458</u>

The following net assets were restricted by the City for the reasons stated below as of June 30, 2012:

<u>Description</u>	<u>Amount</u>
Primary Government	
Governmental Funds - Restricted as shown in Note I	\$ 21,985,901
Sewer - Restricted for debt service	2,226,925
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,400
Missoula Parking Commission - Restricted for debt service and capital projects	2,993,999
Total Restricted Net Assets	<u>\$ 27,457,225</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

I. Governmental Fund Balances

At June 30, 2012 the City had a total fund balance in governmental funds of \$9,100,735. In accordance with GASB Statement 54 this fund balance has been classified as follows:

General Fund

Nonspendable	\$	1,232,302	Inventories and Prepaid Expenses
Restricted		105,804	Cemetery memorial, Title I Program and Revolving Loan Program
Assigned		1,284,045	Specific general fund programs
Unassigned		1,940,474	Remainder

Non Major Special Revenue Funds

Nonspendable	\$	12,042	Prepaid Expenses
Restricted		2,701,596	State and Federal Law for law enforcement, building construction inspections, public works safety and maintenance and various Grant restrictions for program expenditures.
Committed		2,048,128	City Ordinance for specific budgeted programs and by Developer Agreement for future development.
Unassigned		(149,817)	Negative fund balance is Unassigned per GASB 54 definitions.

Non Major Debt Service Funds

Restricted	\$	3,816,437	Debt Service
Unassigned		(174,575)	Negative fund balance is Unassigned per GASB 54 definitions.

Non Major Capital Projects Funds

Restricted	\$	891,285	Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures.
Unassigned		(364,355)	Negative fund balance is Unassigned per GASB 54 definitions.

Major Special Revenue Fund

Unassigned	\$	<u>(4,139)</u>	Negative fund balance is Unassigned per GASB 54 definitions.
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Major Capital Projects Fund

Unassigned	\$	<u>(4,238,492)</u>	Negative fund balance is Unassigned per GASB 54 definitions.
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Total

Governmental

Fund Balance	\$	<u><u>9,100,735</u></u>
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CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

City of Missoula - Schedule of Transfers "IN" as of June 30, 2012

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Street Maintenance	\$ 36,988	Reimburse General Fund for costs incurred within the flushing district
General Fund	Gas Tax	564,000	For street maintenance work by City street staff
General Fund	Employee Health Insurance	3,902,365	Reimburse General Fund from special health levy funds for health insurance premiums paid
General Fund	Cable TV Franchise	186,846	For right of way maintenance
General Fund	SID Revolving	475,000	To reimburse General Fund for SID costs
General Fund	Sewer	25,000	Utility locating reimbursed to Engineering/Budget transfer to clear acct
GF: Parks & Rec Trails, Dev	CDBG	105,582	Debt coverage transfer
		5,295,781	Total transfers To General Fund
Capital Improvement	General Fund	956,558	Support for capital projects
Capital Improvement	General Fund	8,662	Mountain Water notes revenue transferred to CIP
Capital Improvement	SID Revolving	15,531	Mountain Water notes revenue transferred to CIP
		980,751	Total transfers to Major Capital Projects
Street Maintenance	General Fund	10,434	Transfer to clear deficit balance
Wildwood Park Maintenance	General Fund	2,475	Transfer to clear deficit balance
CDBG Program	CDBG Operating	15,767	Transfer CDBG program income
SID Revolving	SID Debt Service Funds	419,080	Transfer Excess funds to SID Revolving, debt service completed
SID Revolving	Capital Project Funds	101,250	Transfer Excess funds to SID Revolving, debt service completed
SID Debt Service Funds	SID Revolving	48,673	Excess funds in SID Revolving Fund to clear deficits, debt service completed
2004 Refunding Debt	93 Fire GO Bond	3	Debt Service Transfers due to refundings
SID 534 Debt Service	SID 534 Construction	8,463	Clear construction deficit bond proceeds
2007 Refunding Bonds	Public Safety and Open Space Bonds	2,554	Debt Service Transfers due to refundings
2008 S/C Construction	2008 S/C Debt Service	12	Clear construction deficit bond proceeds
2009 S/C Construction	2009 S/C Debt Service	64	Clear construction deficit bond proceeds
FY11 S/C Construction	FY12 S/C Construction	247,204	Transfer construction debt proceeds to correct fund
SID 530 Christian Dr. Traffic Calming	SID 530 Debt Service	115	Clear construction deficit debt proceeds

CITY OF MISSOULA, MONTANA
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Rattlesnake Sewer SID	Rattlesnake Debt Service	6,709	Clear construction deficit debt proceeds
SID 538 Hillview Way	Impact Fee Fund	19	Clear deficit with funding stream used to cover expenses
SID 539 4th Street	Impact Fee Fund	498	Clear deficit with funding stream used to cover expenses
SID 543 Traffic Calming	Miller Cr. Maloney Construction	2,241	Reallocate costs correctly
SID 543 Traffic Calming	Miller Cr. McCarthy Construction	1,601	Reallocate costs correctly
SID 543 Traffic Calming	Impact Fee Fund	280	Clear deficit with funding stream used to cover
		867,442	Total transfers To Other NonMajor Governmental Funds
Sewer	General Fund	2,724	
Aquatics	General Fund	155,000	Support for aquatics activities
		157,724	Total transfers To Major Proprietary Funds
Employee Benefit Plan	General Fund	202,200	Retiree subsidizing of health insurance premium approved by the City council
		202,200	Total transfers To Internal Service Fund
Total Transfers "IN"		\$ 7,503,898	

City of Missoula - Schedule of Transfers "OUT" as of June 30, 2012

Transfer From:	Transfer To:		Explanation
General Fund	Street Maintenance	\$ 10,434	Transfers to clear deficit balance
General Fund	Wildwood Park	2,475	Transfers to clear deficit balance
General Fund	Capital Improvement	956,558	Support for capital projects
General Fund	Capital Improvement	8,662	Mountain Water notes revenue transferred to CIP
General Fund	Employee Benefit Plan	202,200	Retiree subsidizing of health insurance premium approved by the City council
General Fund	Sewer	2,724	
General Fund	Aquatics	155,000	Support for aquatics activities
		1,338,053	Total transfers From General Fund
Street Maintenance	General Fund	36,988	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	3,902,365	Reimburse General Fund from special health levy funds for health insurance premiums paid
Cable TV Franchise	General Fund	186,846	For right of way maintenance
SID Revolving	General Fund	475,000	To reimburse General Fund for SID costs
CDBG	GF: Parks & Rec Trails,	105,582	Debt coverage transfer
SID Revolving	Capital Improvement	15,531	Mountain Water notes revenue transferred to CIP
CDBG Operating	CDBG Program	15,767	Transfer CDBG Program Income
SID Debt Service Funds	SID Revolving	419,080	Transfer Excess funds to SID Revolving, debt service completed
Capital Project Funds	SID Revolving	101,250	Transfer Excess funds to SID Revolving, debt service completed

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

SID Revolving	SID Debt Service Funds	48,673	Excess funds in SID Revolving Fund to clear deficits debt service completed
93 Fire GO Bond	2004 Refunding Debt Service	3	Debt Service Transfers due to Refundings
SID 534 Construction	SID 534 Debt Service	8,463	Clear construction deficit bond proceeds
Public Safety & Open Space Bonds	2007 Refunding Bonds	2,554	Debt Service Transfers due to Refundings
2008 S/C Debt Service	2008 S/C Construction	12	Clear construction deficit bond proceeds
2009 S/C Debt Service	2009 S/C Construction	64	Clear construction deficit bond proceeds
FY12 S/C Construction	FY11 S/C Construction	247,204	Transfer construction debt proceeds to correct fund
SID 530 Debt Service	SID 530 Christian Dr. Traffic Calming	115	Clear construction deficit bond proceeds
Rattlesnake Debt Service	Rattlesnake Sewer SID	6,710	Clear construction deficit bond proceeds
Impact Fee Fund	SID 538 Hillview Way	19	Clear deficit with funding stream used to cover
Impact Fee Fund	SID 539 4th Street	498	Clear deficit with funding stream used to cover expenses
Miller Cr. Maloney Construction	SID 543 Traffic Calming	2,241	Reallocate costs correctly
Miller Cr. McCarthy Construction	SID 543 Traffic Calming	1,601	Reallocate costs correctly
Impact Fee Fund	SID 543 Traffic Calming	280	Clear deficit with funding stream used to cover expenses
		6,140,846	Total transfers From Other NonMajor Governmental Funds
Sewer	General Fund	25,000	Utility locating reimbursed to Engineering/Budget transfer to clear acct
		25,000	Total Transfers From Major Proprietary Fund
Total Transfers OUT"		\$ 7,503,898	

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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

M. Construction Commitments

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

<u>Sewer Funds</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Headworks Upgrade	\$ 9,572,236	\$ 39,517
Airport Interceptor Sewer	145,508	156,569
 <u>Governmental Funds</u>		
5th/6th/Arthur	1,094,556	78,046
Rattlesnake to University Crossing	114,315	70,829
S. 3rd St.- Russell to Reserve PE-Design	79,268	71,869
Safe Routes to Schools	72,256	67,495
Lolo St - Bridge to Duncan curb/sidewalk	87,042	38,131
East Broadway Ph. II curb/sidewalk	10,000	333,935
Van Buren- Poplar to Elm curb/sidewalk PE- Design	6,305	33,033
U of M Crosswalk	60,974	227,856
Milwaukee Trail	960,666	28,163
Total Construction Commitments	<u>\$ 12,203,126</u>	<u>\$ 1,145,443</u>

N. Subsequent Events

The following bond issue was competitively sold and closed on October 1, 2012:

\$5,480,000 City of Missoula's General Obligation Refunding Bond Series 2012A which refunded the 2004 Aquatics Bond.

The City closed on its FY 12 Master Equipment Lease in the amount of \$622,896 on December 21, 2012. This lease reimbursed the City for equipment purchased in FY 12 that included new replacements for dump trucks, police cars, copiers for various offices, defibrillators for fire trucks, street sweepers and light duty work trucks for various departments.

The City closed on its FY 12 Accela Permitting Software Lease in the amount of \$925,000 on December 27, 2012. This lease reimbursed the City for software development costs associated with the implementation of upgraded software to process the public works, building inspection and planning permits as well as the City's business licensing function.

The City of Missoula and Missoula County have chosen to eliminate portions of the Interlocal Agreement that provides planning services to both entities. As of January 1, 2013, the City of Missoula has acquired 19 new employees (formerly county employees who were under contract with the city through the old planning Interlocal) for providing planning services to the public. These employees will be integrated into a new City of Missoula Development Services department that will also include a significant number of city employees that were formerly organized in the city's engineering and building inspection departments. The revenue support formerly provided to the county employees providing planning services support will be transferred to the city, such that no additional unfunded payroll or operating costs will be incurred by the city with this reorganization.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

O. Restatements/Prior Period Adjustments

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

\$400 restatement to reflect the unrecognized petty cash tills set up in various General Fund departments in prior years.

A restatement of \$162,091 was made in fiscal year 2012 to reflect revenue recognized in prior periods for unallowable costs related to the Public Safety Partnership and Community Policing Grant - CFDA No. 16.710, and Part E - Developing, Testing and Demonstrating Promising New Programs (shown as OJJDP FY2008 Edward Byrne Memorial Earmarks on the accompanying Schedule of Expenditures of Federal Awards) - CFDA No. 16.541. The funds were returned in full to the Department of Justice in fiscal year 2013 and will be available for additional grant expenditures in future periods.

MRA made a restatement of \$61,000 after determining that a prior year note receivable was incorrectly recorded as an expenditure instead of a note receivable.

P. Special Item / Civic Stadium

In fiscal year 2012 the City purchased a previously constructed baseball field and civic stadium for \$3,555,000. The Civic Stadium is accounted for in an enterprise fund and the purchase was funded through the issuance of two revenue bonds totaling \$1,555,000, one Tax Increment Financing note which was issued by the Missoula Redevelopment Agency for \$1,500,000 and \$500,000 of tax increment revenue which was paid upon closing. The tax increment note payable will be funded through future tax increment revenues and the two revenue bonds will be paid from operating funds of the Civic Stadium. The Civic Stadium fund recognized a \$2,000,000 capital contribution for the portion of the purchase supported by MRA funds, which was recorded as a special item.

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

City of Missoula, Montana
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30,2012

	General Fund			
	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues				
Taxes and assessments	\$ 20,656,453	\$ 20,656,453	\$ 20,393,231	\$ (263,222)
Licenses and permits	1,266,693	1,266,693	1,099,709	(166,984)
Intergovernmental	11,354,181	11,294,181	11,097,623	(196,558)
Charges for services	4,432,137	4,432,137	3,907,579	(524,558)
Fines and forfeitures	1,002,000	1,002,000	1,321,429	319,429
Miscellaneous	581,004	521,004	310,004	(211,000)
Investment earnings	10,000	10,000	26,787	16,787
Total revenues	<u>39,302,468</u>	<u>39,182,468</u>	<u>38,156,361</u>	<u>(1,026,107)</u>
Expenditures				
General government-41	6,935,729	6,838,087	6,363,725	474,362
Public safety-42	22,052,583	22,663,147	21,675,033	988,114
Public works-43	6,422,883	6,826,127	6,580,494	245,633
Public health-44	1,431,431	1,431,431	1,431,431	-
Social and economic services-45	116,000	116,000	116,000	-
Culture and recreation-46	3,783,425	3,857,950	3,310,584	547,366
Housing & Community Development-47	50,000	50,000	46,300	3,700
Conservation-48	-	-	100	-
Miscellaneous-51&52	1,713,025	1,096,845	1,003,472	93,373
Debt service expense-49	176,285	176,285	176,285	-
Capital outlay	1,344,209	1,364,709	518,627	846,082
Total Expenditures	<u>44,025,570</u>	<u>44,420,581</u>	<u>41,222,052</u>	<u>3,198,629</u>
Excess of revenues over (under) expenditures	<u>(4,723,102)</u>	<u>(5,238,113)</u>	<u>(3,065,690)</u>	<u>2,172,522</u>
Other Financing Sources (Uses)				
Transfers in	4,823,892	4,848,892	5,295,781	446,889
Transfers out	<u>(1,451,400)</u>	<u>(1,451,400)</u>	<u>(1,338,053)</u>	<u>(113,347)</u>
Total Other Financing Sources (Uses)	<u>3,372,492</u>	<u>3,397,492</u>	<u>3,957,728</u>	<u>333,542</u>
Net change in fund balance	(1,350,610)	(1,840,621)	892,038	2,506,064
Fund balances - beginning	<u>3,670,587</u>	<u>3,670,587</u>	<u>3,670,587</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,319,977</u>	<u>\$ 1,829,966</u>	<u>\$ 4,562,625</u>	<u>\$ 2,506,064</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, 2012

	Primary Government			Component Units		
	Governmental			Parking		
	Activities	Sewer	Aquatics	MRA	Commission	Total
<i>Actuarial Valuation Date: 6/30/11</i>						
Accrued Actuarial Liability	\$ 6,324,788	\$ 314,584	\$ 82,785	\$ 82,785	\$ 182,127	\$ 6,987,069
Unfunded Actuarial Liability	6,324,788	314,584	82,785	82,785	182,127	6,987,069
Funded Ratio	0%	0%	0%	0%	0%	0%
Annual Covered Payroll (***)	20,193,208	934,491	161,666	272,110	362,161	21,923,636
Unfunded Actuarial Liability to Covered Payroll	31%	34%	51%	30%	50%	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
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%
Annual Covered Payroll (***)	20,193,208	934,491	161,666	272,110	362,161	21,923,636
Unfunded Actuarial Liability to Covered Payroll	24%	26%	39%	28%	38%	25%

(***) Calculation includes all Employees that were in the health plan.

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.

George Elmer Cattle Drive - This fund is used to contract for the construction of the intersection improvements (roundabout) at George Elmer Drive and Cattle Drive. The area developers (44 Ranch and Flynn Ranch) were unable to come to agreement between themselves in order to fulfill both of their respective subdivision conditions.

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.

Dangerous Building Demolition and Repair - This fund has been established to account for the costs of steps taken to abate a danger or demolish a building. The City Council may levy a special assessment upon this property to recover its costs.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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.

Road District #1 – This fund accounts for a City-wide road district designed to maintain the current level of service as provided to all city residents. Additionally, the road district provides financial assistance to property owners for ADA curb ramps as an additional financial resource to reduce sidewalk installation assessment costs.

Park District #1 – accounts for a city-wide park district designed to maintain the base level of service (FY09) provided to all city residents. An annual assessment will be established for the purpose of funding and/or financing costs associated with providing services.

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.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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.

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%.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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.

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

FUND DESCRIPTIONS (Cont.)

5th, 6th, Arthur Streets Construction – This project was funded by special improvement district assessments charged to the benefitting landowners, which in this case was the University of Montana for the street improvements designed to improve traffic circulation near the north end of the campus. Additionally, the Montana Department of Transportation funded signals and associated work.

Maloney/Twite Miller Creek \$1.2M Contribution – This project reconstructed Miller Creek Road between Briggs and the roundabout. The project was funded through a combination of contributions and fees from the developers in the area and impact fees.

Rattlesnake Sewer Collection – this project was funded by a combination of grants and special improvement district assessments charged to the benefitting landowners for the extension of sewer mains to the majority of the remaining areas of the city in the Rattlesnake Valley that were not connected to the sewer system.

Phillips Street Traffic Calming – this project was funded by special improvement district assessments charged to the benefitting landowners fronting on Phillips Street between Scott Street and Russell Street for the installation of traffic calming improvements designed to slow traffic down in their neighborhood.

ARRA Enhancements –Federal ARRA stimulus funds were used for the following transportation projects: North Higgins streetscape project, Mullan Road bike/pedestrian path, Greenough Drive sidewalks, sidewalk ramps, other pavement preservation, Higgins Street Roundabout and the Scott Street Bridge.

ARRA HB645 –State ARRA stimulus money was used for: the construction of curb ramps, North Higgins Street paving, Brooks Street curb/sidewalk work, Greenough Park Bridge construction and four new playgrounds in City parks.

Western Federal Lands Miller Creek – This project reconstructed Lower Miller Creek Road between the roundabout and Linda Vista Boulevard.

Western Federal Lands - This project will install a pedestrian and bicycle bridge across Rattlesnake Creek and construct a trail from Rattlesnake Creek Bridge to Van Buren Street. The project will enhance access to the University of Montana with improved pedestrian and bicycle facilities.

**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, 2012

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 3,057,668	\$ 1,566,573	\$ 1,036,708	\$ 5,660,949
Taxes Receivable	410,951	180,213	-	591,164
Special Assessments Receivable	34,365	2,610,579	-	2,644,944
Interest Receivable	3,615	3,110	635	7,360
Prepaid Expense	12,042	-	-	12,042
Other Receivables	195,955	135,230	-	331,185
Long Term Loans	741,034	-	-	741,034
Interfund Receivable	2,050,219	-	-	2,050,219
Due From Other Governments	978,881	94,056	27,444	1,100,381
Advances Receivable	-	2,160,727	-	2,160,727
Deferred Assessments Receivable	-	11,691,935	-	11,691,935
TOTAL ASSETS	\$ 7,484,730	\$ 18,442,423	\$ 1,064,788	\$ 26,991,941
LIABILITIES				
Accounts Payable	\$ 1,212,841	\$ 1,871	\$ 240,917	\$ 1,455,629
Accrued Payroll	42,571	-	-	42,571
Due to Other Governments	155,752	-	-	155,752
Interfund Payable	414,028	257,664	69,731	741,423
Advances Payable	-	-	227,210	227,210
Deferred Revenues	1,047,589	14,541,026	-	15,588,615
TOTAL LIABILITIES	2,872,781	14,800,561	537,858	18,211,200
FUND BALANCES				
Nonspendable	12,042	-	-	12,042
Restricted	2,701,596	3,816,437	891,285	7,409,318
Committed	2,048,128	-	-	2,048,128
Unassigned	(149,817)	(174,575)	(364,355)	(688,747)
Total Fund Balance	4,611,949	3,641,862	526,930	8,780,741
Total Liabilities and Fund Balance	\$ 7,484,730	\$ 18,442,423	\$ 1,064,788	\$ 26,991,941

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL
REVENUES				
Taxes	\$ 3,989,686	\$ 1,683,279	\$ -	\$ 5,672,965
Special Assessments	850,709	2,479,111	-	3,329,820
Licenses & Permits	1,766,520	-	-	1,766,520
Intergovernmental	4,982,603	-	795,744	5,778,347
Charges for Services	1,198,820	-	-	1,198,820
Fines and Forfeitures	23,149	-	-	23,149
Miscellaneous	5,918	-	278,601	284,519
Investment Earnings	3,524	12,487	(212)	15,799
TOTAL REVENUES	12,820,929	4,174,877	1,074,133	18,069,939
EXPENDITURES				
General Government	542,801	125	21,290	564,216
Public Safety	2,159,123	-	-	2,159,123
Public Works	689,607	-	167,436	857,043
Culture and Recreation	215,308	-	-	215,308
Community Development	2,304,072	-	-	2,304,072
Debt Service	-	4,240,807	-	4,240,807
Capital Outlay	1,530,807	-	1,978,487	3,509,294
TOTAL EXPENDITURES	7,441,718	4,240,932	2,167,213	13,849,863
Excess (Deficiency) of Revenues Over Expenditures	5,379,211	(66,055)	(1,093,081)	4,220,075
OTHER FINANCING SOURCES (USES)				
Transfers In	28,676	580,023	258,743	867,442
Transfers Out	(4,812,344)	(967,742)	(360,760)	(6,140,846)
Issuance of Long Term Debt	-	-	2,025,000	2,025,000
TOTAL OTHER FINANCING SOURCES (USES)	(4,783,668)	(387,719)	1,922,983	(3,248,404)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	595,543	(453,774)	829,902	971,671
Fund Balance, July 1, 2011	4,178,497	4,095,636	(302,972)	7,971,161
Restatement	(162,091)	-	-	(162,091)
Fund Balance, July 1, 2010, As Restated	4,016,406	4,095,636	(302,972)	7,809,070
Fund Balance, June 30, 2011	\$ 4,611,949	\$ 3,641,862	\$ 526,930	\$ 8,780,741

COMBINING BALANCE SHEET

**FOR NONMAJOR
GOVERNMENTAL
SPECIAL REVENUE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Impact Fee	George Elmer Cattle Drive	Public Art	Employee Health Ins
ASSETS AND OTHER DEBITS				
Cash and Investments	\$ 53,929	\$ 1	\$ 15,106	\$ 1,044
Taxes Receivable	-	-	-	400,720
Special Assessments Receivable	-	-	-	-
Interest Receivable	1,819	8	-	-
Prepaid Expenses	-	-	-	-
Other Receivables				
Vendors	5,549	-	2,000	-
Mountain Water Notes		-	-	-
Interfund Receivable	2,048,984	-	-	1,235
Long Term Loans				
Missoula Art Museum	-	-	-	-
Parenting Place	-	-	-	-
Partnership Health Center	-	-	-	-
Missoula Housing Corporation	-	-	-	-
Due From Other Governments	-	-	-	46,178
TOTAL ASSETS	\$ 2,110,281	\$ 9	\$ 17,106	\$ 449,177
LIABILITIES, EQUITY AND OTHER CREDITS				
Accounts Payable	\$ 79,268.00	\$ -	\$ -	\$ 179
Accrued Payroll	-	-	-	-
Due to Other Governments	-	-	-	-
Interfund Payable	-	-	-	325,469
Deferred Revenues	-	-	-	259,089
TOTAL LIABILITIES	79,268	-	-	584,737
FUND EQUITY AND OTHER CREDITS				
Fund Balance				
Nonspendable:				
Prepaid Expenses	-	-	-	-
Restricted:				
State and Federal law restrictions for:				
Cable contract restricted for CAT & PEG Access	-	-	-	-
Law Enforcement	-	-	-	-
Building construction inspections	-	-	-	-
Public Works safety & maintenance expenditures	-	-	-	-
Grant restrictions for program expenditures	-	-	-	-
Committed:				
By City Ordinance for specific budgeted programs	2,031,013	-	17,106	-
By Developer Agreement for future development	-	9	-	-
Unassigned				
	-	-	-	(135,560)
Total Fund Balance	2,031,013	9	17,106	(135,560)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 2,110,281	\$ 9	\$ 17,106	\$ 449,177

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Cable TV Franchise	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 161,457	\$ 8,192	\$ 815,448	\$ 2,756	\$ -
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Interest Receivable	-	-	820	-	-
Prepaid Expenses	-	-	6,903	-	-
Other Receivables					
Vendors	174,195	-	9,722	-	-
Mountain Water Notes	-	-	-	4,489	-
Interfund Receivable	-	-	-	-	-
Long Term Loans					
Missoula Art Museum	-	-	-	-	-
Parenting Place	-	-	-	-	-
Partnership Health Center	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-
Due From Other Governments	-	2,773	-	-	-
TOTAL ASSETS	\$ 335,652	\$ 10,965	\$ 832,893	\$ 7,245	\$ -
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 120,271	\$ 390	\$ 6,723	\$ 274	\$ -
Accrued Payroll	-	-	20,467	-	-
Due to Other Governments	-	-	-	-	-
Interfund Payable	-	-	-	-	-
Deferred Revenues	-	-	-	4,264	-
TOTAL LIABILITIES	120,271	390	27,190	4,538	-
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Nonspendable:					
Prepaid Expenses	-	-	6,903	-	-
Restricted:					
State and Federal law restrictions for:					
Cable contract restricted for CAT & PEG Access	215,381	-	-	-	-
Law Enforcement	-	10,575	-	-	-
Building construction inspections	-	-	798,800	2,707	-
Public Works safety & maintenance expenditures	-	-	-	-	-
Grant restrictions for program expenditures	-	-	-	-	-
Committed:					
By City Ordinance for specific budgeted programs	-	-	-	-	-
By Developer Agreement for future development	-	-	-	-	-
Unassigned					
Total Fund Balance	215,381	10,575	805,703	2,707	-
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 335,652	\$ 10,965	\$ 832,893	\$ 7,245	\$ -

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Dangerous Bldg Demo & Repair	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowood Park Mtnc
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ 261,201	\$ -	\$ -	\$ 43
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	-	10,170	24,195	-	-
Interest Receivable	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Other Receivables					
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
Long Term Loans					
Missoula Art Museum	-	-	-	-	-
Parenting Place	-	-	-	-	-
Partnership Health Center	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-
Due From Other Governments	-	3,957	2,364	-	-
TOTAL ASSETS	\$ -	\$ 275,328	\$ 26,559	\$ -	\$ 43
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ 25,286	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Interfund Payable	-	-	-	-	-
Deferred Revenues	-	10,171	24,195	-	-
TOTAL LIABILITIES	-	35,457	24,195	-	-
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Nonspendable:					
Prepaid Expenses	-	-	-	-	-
Restricted:					
State and Federal law restrictions for:					
Cable contract restricted for CAT & PEG Access	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Building construction inspections	-	-	-	-	-
Public Works safety & maintenance expenditures	-	239,871	2,364	-	43
Grant restrictions for program expenditures	-	-	-	-	-
Committed:					
By City Ordinance for specific budgeted programs	-	-	-	-	-
By Developer Agreement for future development	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	-	239,871	2,364	-	43
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ -	\$ 275,328	\$ 26,559	\$ -	\$ 43

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Road District #1	Park District #1	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 61,536	\$ 14,428	\$ 332,152	\$ 45,696	\$ -
Taxes Receivable	6,139	4,092	-	-	-
Special Assessments Receivable	-	-	-	-	-
Interest Receivable	121	-	-	25	6
Prepaid Expenses	-	-	-	-	625
Other Receivables					
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
Long Term Loans					
Missoula Art Museum	-	-	-	-	-
Parenting Place	-	-	-	-	-
Partnership Health Center	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-
Due From Other Governments	10,322	9,440	-	10,132	25,008
TOTAL ASSETS	\$ 78,118	\$ 27,960	\$ 332,152	\$ 55,853	\$ 25,639
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ 19,852	\$ 150,763	\$ 47,795	\$ -
Accrued Payroll	-	-	-	-	2,400
Due to Other Governments	-	-	-	-	-
Interfund Payable	-	-	-	-	28,015
Deferred Revenues	6,139	4,092	-	-	-
TOTAL LIABILITIES	6,139	23,944	150,763	47,795	30,415
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Nonspendable:					
Prepaid Expenses	-	-	-	-	625
Restricted:					
State and Federal law restrictions for:					
Cable contract restricted for CAT & PEG Access	-	-	-	-	-
Law Enforcement	-	-	-	8,058	-
Building construction inspections	-	-	-	-	-
Public Works safety & maintenance expenditures	71,979	4,016	181,389	-	-
Grant restrictions for program expenditures	-	-	-	-	-
Committed:					
By City Ordinance for specific budgeted programs	-	-	-	-	-
By Developer Agreement for future development	-	-	-	-	-
Unassigned					
	-	-	-	-	(5,401)
Total Fund Balance	71,979	4,016	181,389	8,058	(4,776)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 78,118	\$ 27,960	\$ 332,152	\$ 55,853	\$ 25,639

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2012

	HIDTA Grant	Comm. Devel. Program Income	Community Development	HOME Grant	ADDI Program
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 904,638	\$ 11,255	\$ -	\$ 8,822	\$ 10,965
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Interest Receivable	814	2	-	-	-
Prepaid Expenses	-	-	-	-	-
Other Receivables					
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
Long Term Loans					
Missoula Art Museum	-	186,000	-	-	-
Parenting Place	-	122,200	-	-	-
Partnership Health Center	-	275,000	-	-	-
Missoula Housing Corporation	-	157,834	-	-	-
Due From Other Governments	-	-	132,256	8,361	-
TOTAL ASSETS	\$ 905,452	\$ 752,291	\$ 132,256	\$ 17,183	\$ 10,965
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 11,913	\$ -	\$ 88,266	\$ 8,361	\$ -
Accrued Payroll	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Interfund Payable	-	-	52,846	-	-
Deferred Revenues	-	739,639	-	-	-
TOTAL LIABILITIES	11,913	739,639	141,112	8,361	-
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Nonspendable:					
Prepaid Expenses	-	-	-	-	-
Restricted:					
State and Federal law restrictions for:					
Cable contract restricted for CAT & PEG Access	-	-	-	-	-
Law Enforcement	893,539	-	-	-	-
Building construction inspections	-	-	-	-	-
Public Works safety & maintenance expenditures	-	-	-	-	-
Grant restrictions for program expenditures	-	12,652	-	8,822	10,965
Committed:					
By City Ordinance for specific budgeted programs	-	-	-	-	-
By Developer Agreement for future development	-	-	-	-	-
Unassigned					
	-	-	(8,856)	-	-
Total Fund Balance	893,539	12,652	(8,856)	8,822	10,965
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 905,452	\$ 752,291	\$ 132,256	\$ 17,183	\$ 10,965

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Federal Transportation	Grants & Donations	TOTALS
ASSETS AND OTHER DEBITS			
Cash and Investments	\$ -	\$ 348,999	\$ 3,057,668
Taxes Receivable	-	-	410,951
Special Assessments Receivable	-	-	34,365
Interest Receivable	-	-	3,615
Prepaid Expenses	-	4,514	12,042
Other Receivables			
Vendors	-	-	191,466
Mountain Water Notes	-	-	4,489
Interfund Receivable	-	-	2,050,219
Long Term Loans			
Missoula Art Museum	-	-	186,000
Parenting Place	-	-	122,200
Partnership Health Center	-	-	275,000
Missoula Housing Corporation	-	-	157,834
Due From Other Governments	97,684	630,406	978,881
TOTAL ASSETS	\$ 97,684	\$ 983,919	\$ 7,484,730
LIABILITIES, EQUITY AND OTHER CREDITS			
Accounts Payable	\$ 70,148	\$ 583,352	\$ 1,212,841
Accrued Payroll	-	19,704	42,571
Due to Other Governments	-	155,752	155,752
Interfund Payable	7,698	-	414,028
Deferred Revenues	-	-	1,047,589
TOTAL LIABILITIES	77,846	758,808	2,872,781
FUND EQUITY AND OTHER CREDITS			
Fund Balance			
Nonspendable:			
Prepaid Expenses	-	4,514	12,042
Restricted:			
State and Federal law restrictions for:			
Cable contract restricted for CAT & PEG Access	-	-	215,381
Law Enforcement	-	-	912,172
Building construction inspections	-	-	801,507
Public Works safety & maintenance expenditures	-	-	499,662
Grant restrictions for program expenditures	19,838	220,597	272,874
Committed:			
By City Ordinance for specific budgeted programs	-	-	2,048,119
By Developer Agreement for future development	-	-	9
Unassigned			
	-	-	(149,817)
Total Fund Balance	19,838	225,111	4,611,949
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 97,684	\$ 983,919	\$ 7,484,730

COMBINING BALANCE SHEET

**FOR NONMAJOR
GOVERNMENTAL
DEBT SERVICE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID Revolving	1998 Safety Bond	1996 Open Space Bonds	1997 Open Space Bond	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bonds
ASSETS AND OTHER DEBITS							
Cash and Investments	\$ 774,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	-	1,589	3,389	1,121	2,066	3,377	56,824
Special Assessments Receivable	-	-	-	-	-	-	-
Interest Receivable	866	-	2	390	-	-	87
Other Receivables							
Mountain Water Notes	134,640	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Due From Other Governments	-	2	-	-	-	-	6,462
Advances Receivable	-	-	-	-	-	-	-
Deferred Assessments	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 910,318	\$ 1,591	\$ 3,391	\$ 1,511	\$ 2,066	\$ 3,377	\$ 63,373
LIABILITIES, EQUITY AND OTHER CREDITS							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90
Interfund Payable	-	-	3	586	-	-	67,030
Deferred Revenues	119,109	1,577	3,387	1,120	2,066	3,377	36,564
TOTAL LIABILITIES	119,109	1,577	3,390	1,706	2,066	3,377	103,684
FUND EQUITY AND OTHER CREDITS							
Fund Balance							
Restricted:							
Debt Service	791,209	14	1	-	-	-	-
Unassigned	-	-	-	(195)	-	-	(40,311)
Total Fund Balance	791,209	14	1	(195)	-	-	(40,311)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 910,318	\$ 1,591	\$ 3,391	\$ 1,511	\$ 2,066	\$ 3,377	\$ 63,373

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	2004 Refunding	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ -	\$ 1,644	\$ 4,087	\$ 374
Taxes Receivable	24,107	38,570	49,170	-	-	-
Special Assessments Receivable	-	-	-	6,588	19,155	26,787
Interest Receivable	68	126	98	2	4	16
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Governments	2,594	4,489	5,822	-	2,266	4,297
Advances Receivable	-	-	-	-	-	-
Deferred Assessments	-	-	-	-	-	-
TOTAL ASSETS	\$ 26,769	\$ 43,185	\$ 55,090	\$ 8,234	\$ 25,512	\$ 31,474
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 90	\$ 89	\$ 90	\$ -	\$ -	\$ -
Interfund Payable	29,451	62,679	67,621	-	-	-
Deferred Revenues	15,837	24,479	30,997	6,588	19,155	26,787
TOTAL LIABILITIES	45,378	87,247	98,708	6,588	19,155	26,787
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Restricted:						
Debt Service	-	-	-	1,646	6,357	4,687
Unassigned	(18,609)	(44,062)	(43,618)	-	-	-
Total Fund Balance	(18,609)	(44,062)	(43,618)	1,646	6,357	4,687
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 26,769	\$ 43,185	\$ 55,090	\$ 8,234	\$ 25,512	\$ 31,474

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb	FY06 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 45,934	\$ 16,434	\$ 134	\$ 32,306	\$ 32	\$ 22
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	8,209	4,067	17,353	42,189	39,259	59,301
Interest Receivable	50	23	-	55	-	6
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Governments	491	1,238	2,145	172	1,449	3,633
Advances Receivable	-	-	-	-	71,379	142,545
Deferred Assessments	15,134	14,852	74,324	50,145	187,811	323,822
TOTAL ASSETS	\$ 69,818	\$ 36,614	\$ 93,956	\$ 124,867	\$ 299,930	\$ 529,329
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 90	\$ 90	\$ 112	\$ 90	\$ 95	\$ 89
Interfund Payable	-	-	29,575	-	-	-
Deferred Revenues	23,343	18,919	91,677	92,334	227,070	383,123
TOTAL LIABILITIES	23,433	19,009	121,364	92,424	227,165	383,212
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Restricted:						
Debt Service	46,385	17,605	-	32,443	72,765	146,117
Unassigned	-	-	(27,408)	-	-	-
Total Fund Balance	46,385	17,605	(27,408)	32,443	72,765	146,117
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 69,818	\$ 36,614	\$ 93,956	\$ 124,867	\$ 299,930	\$ 529,329

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	FY07 Sidewalk & Curb	FY08 Sidewalk & Curb	FY09 Sidewalk & Curb	FY10 Sidewalk & Curb	FY12 Sidewalk & Curb	SID 433
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 64	\$ 17,638	\$ 64,742	\$ 40,556	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	49,980	30,890	34,044	61,724	775,000	-
Interest Receivable	-	30	84	68	-	-
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Due From Other Governments	10,944	3,494	311	5,695	-	-
Advances Receivable	42,077	-	-	-	-	-
Deferred Assessments	497,180	356,269	473,349	668,584	-	405
TOTAL ASSETS	\$ 600,245	\$ 408,321	\$ 572,530	\$ 776,627	\$ 775,000	\$ 405
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 100	\$ 90	\$ 90	\$ 90	\$ -	\$ -
Interfund Payable	25	-	-	-	-	-
Deferred Revenues	547,161	387,159	507,394	730,309	775,000	405
TOTAL LIABILITIES	547,286	387,249	507,484	730,399	775,000	405
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Restricted:						
Debt Service	52,959	21,072	65,046	46,228	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	52,959	21,072	65,046	46,228	-	-
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 600,245	\$ 408,321	\$ 572,530	\$ 776,627	\$ 775,000	\$ 405

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID 495	SID 497	SID 498	SID 501	SID 503	SID 505	SID 506	SID 507	SID 508
ASSETS AND OTHER DEBITS									
Cash and Investments	\$ 225	\$ 3,608	\$ -	\$ -	\$ 21,228	\$ 12,908	\$ 1,383	\$ 7,354	\$ 1,556
Taxes Receivable	-	-	-	-	-	-	-	-	-
Special Assessments Receivable	-	242	9,845	5,067	718	-	-	-	-
Interest Receivable	-	3	49	109	24	13	2	8	2
Other Receivables									
Mountain Water Notes	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	2,914	957	-	-	-	-	-
Advances Receivable	-	-	-	-	-	-	-	-	-
Deferred Assessments	-	-	478	-	8,337	-	-	-	361
TOTAL ASSETS	\$ 225	\$ 3,853	\$ 13,286	\$ 6,133	\$ 30,307	\$ 12,921	\$ 1,385	\$ 7,362	\$ 1,919
LIABILITIES, EQUITY AND OTHER CREDITS									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	82	191	-	-	-	-	-
Deferred Revenues	0	242	10,323	5,067	9,055	-	-	-	361
TOTAL LIABILITIES	0	242	10,405	5,258	9,055	-	-	-	361
FUND EQUITY AND OTHER CREDITS									
Fund Balance									
Restricted:									
Debt Service	225	3,611	2,881	875	21,252	12,921	1,385	7,362	1,558
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	225	3,611	2,881	875	21,252	12,921	1,385	7,362	1,558
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 225	\$ 3,853	\$ 13,286	\$ 6,133	\$ 30,307	\$ 12,921	\$ 1,385	\$ 7,362	\$ 1,919

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID 510	SID 511	SID 512	SID 513	SID 514	SID 515	SID 517	SID 518
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 42,215	\$ 31,551	\$ 1,636	\$ -	\$ 3,960	\$ -	\$ 10,170	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Special Assessments Receivable	3,173	1,639	16,558	-	2,312	-	2,139	538
Interest Receivable	57	32	-	-	73	-	4	4
Other Receivables								
Mountain Water Notes	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	590	-	-	-
Due From Other Governments	102	642	1,018	-	185	-	504	568
Advances Receivable	117,922		57,865	-	-	-	-	-
Deferred Assessments	25,166	20,368	439,945	-	-	-	-	-
TOTAL ASSETS	\$ 188,635	\$ 54,232	\$ 517,022	\$ -	\$ 7,120	\$ -	\$ 12,817	\$ 1,110
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ -	\$ -	\$ 190	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-	-	22
Deferred Revenues	28,339	22,006	456,503	-	2,312	-	2,139	538
TOTAL LIABILITIES	28,339	22,006	456,693	-	2,312	-	2,139	560
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	160,296	32,226	60,329	-	4,808	-	10,678	550
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	160,296	32,226	60,329	-	4,808	-	10,678	550
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 188,635	\$ 54,232	\$ 517,022	\$ -	\$ 7,120	\$ -	\$ 12,817	\$ 1,110

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID 519	SID 520	SID 521	SID 522	SID 524	SID 525	SID 526	SID 527
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ -	\$ 58	\$ 2,649	\$ 1,787	\$ 20,934	\$ 17,140	\$ 22,768	\$ 7,193
Taxes Receivable	-	-	-	-	-	-	-	-
Special Assessments Receivable	642	22,187	-	-	31,219	2,178	26,878	-
Interest Receivable	9	-	3	2	122	47	23	7
Other Receivables								
Mountain Water Notes	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Due From Other Governments	-	5,321	-	-	6,866	475	4,083	-
Advances Receivable	-	156,840	-	-	677,318	209,707	347,289	-
Deferred Assessments	-	858,001	-	-	2,138,832	206,482	909,765	-
TOTAL ASSETS	\$ 651	\$ 1,042,407	\$ 2,652	\$ 1,789	\$ 2,875,291	\$ 436,029	\$ 1,310,806	\$ 7,200
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	54	36	-	-	-	-	-	-
Deferred Revenues	642	880,188	-	-	2,170,050	208,660	936,643	-
TOTAL LIABILITIES	696	880,234	-	-	2,170,050	208,660	936,643	-
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	-	162,173	2,652	1,789	705,241	227,369	374,163	7,200
Unassigned	(45)	-	-	-	-	-	-	-
Total Fund Balance	(45)	162,173	2,652	1,789	705,241	227,369	374,163	7,200
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 651	\$ 1,042,407	\$ 2,652	\$ 1,789	\$ 2,875,291	\$ 436,029	\$ 1,310,806	\$ 7,200

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID 530	SID 531	SID 532	SID 533	SID 534	SID 535	SID 536	SID 539
ASSETS AND OTHER DEBITS								
Cash and Investments	\$ 4,726	\$ 9,591	\$ 48,550	\$ 34,043	\$ 47,748	\$ 11,281	\$ 76,661	\$ 4,027
Taxes Receivable	-	-	-	-	-	-	-	-
Special Assessments Receivable	37	440	2,547	3,958	1,746	413	1,119	44
Interest Receivable	6	6	61	43	40	8	80	2
Other Receivables								
Mountain Water Notes	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Due From Other Governments	25	183	1,499	2,263	231	201	929	45
Advances Receivable	-	-	-	-	-	-	-	-
Deferred Assessments	901	8,400	299,891	121,992	162,487	16,546	269,399	6,125
TOTAL ASSETS	\$ 5,695	\$ 18,620	\$ 352,548	\$ 162,299	\$ 212,252	\$ 28,449	\$ 348,188	\$ 10,243
LIABILITIES, EQUITY AND OTHER CREDITS								
Accounts Payable	\$ -	\$ -	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-	-	-
Deferred Revenues	938	8,840	302,438	125,949	164,233	16,959	270,518	6,169
TOTAL LIABILITIES	938	8,840	302,528	125,949	164,233	16,959	270,518	6,169
FUND EQUITY AND OTHER CREDITS								
Fund Balance								
Restricted:								
Debt Service	4,757	9,780	50,020	36,350	48,019	11,490	77,670	4,074
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	4,757	9,780	50,020	36,350	48,019	11,490	77,670	4,074
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 5,695	\$ 18,620	\$ 352,548	\$ 162,299	\$ 212,252	\$ 28,449	\$ 348,188	\$ 10,243

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID 540	SID 541	SID 543	SID 544	SID 545	SID 546	SID 548
ASSETS AND OTHER DEBITS							
Cash and Investments	\$ 58,560	\$ 10,651	\$ 22,012	\$ 19,323	\$ 5,754	\$ 4,458	\$ 86
Taxes Receivable	-	-	-	-	-	-	-
Special Assessments Receivable	6,495	24,973	4,380	75,121	1,128	797	1,187,500
Interest Receivable	66	70	17	139	4	-	-
Other Receivables							
Mountain Water Notes	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Due From Other Governments	2,500	1,474	579	4,820	109	59	-
Advances Receivable	145,890	50,000	-	141,895	-	-	-
Deferred Assessments	1,105,996	605,619	49,501	1,748,814	14,999	11,655	-
TOTAL ASSETS	\$ 1,319,507	\$ 692,787	\$ 76,489	\$ 1,990,112	\$ 21,994	\$ 16,969	\$ 1,187,586
LIABILITIES, EQUITY AND OTHER CREDITS							
Accounts Payable	\$ 90	\$ 90	\$ -	\$ -	\$ -	\$ 2	\$ 104
Interfund Payable	-	-	-	-	-	-	309
Deferred Revenues	1,112,492	630,593	53,882	1,823,937	16,127	12,446	1,187,500
TOTAL LIABILITIES	1,112,582	630,683	53,882	1,823,937	16,127	12,448	1,187,913
FUND EQUITY AND OTHER CREDITS							
Fund Balance							
Restricted:							
Debt Service	206,925	62,104	22,607	166,175	5,867	4,521	-
Unassigned	-	-	-	-	-	-	(327)
Total Fund Balance	206,925	62,104	22,607	166,175	5,867	4,521	(327)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,319,507	\$ 692,787	\$ 76,489	\$ 1,990,112	\$ 21,994	\$ 16,969	\$ 1,187,586

Continued

CITY OF MISSOULA, MONTANA
 COMBINING BALANCE SHEET
 TOTALS FOR NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	<u>TOTALS</u>
ASSETS AND OTHER DEBITS	
Cash and Investments	\$ 1,566,573
Taxes Receivable	180,213
Special Assessments Receivable	2,610,579
Interest Receivable	3,110
Other Receivables	
Mountain Water Notes	134,640
Miscellaneous	590
Due From Other Governments	94,056
Advances Receivable	2,160,727
Deferred Assessments	11,691,935
TOTAL ASSETS	<u><u>\$ 18,442,423</u></u>
LIABILITIES, EQUITY AND OTHER CREDITS	
Accounts Payable	\$ 1,871
Interfund Payable	257,664
Deferred Revenues	14,541,026
TOTAL LIABILITIES	<u>14,800,561</u>
FUND EQUITY AND OTHER CREDITS	
Fund Balance	
Restricted:	
Debt Service	3,816,437
Unassigned	<u>(174,575)</u>
Total Fund Balance	<u>3,641,862</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u><u>\$ 18,442,423</u></u>

COMBINING BALANCE SHEET

FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	1997 Open Space	New Fire Station GO Bond	2004 GO Aquatics	06 Sidewalk & Curb	07 Sidewalk & Curb
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 375,602	\$ 72,564	\$ -	\$ 99	\$ 34
Interest Receivable	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
TOTAL ASSETS	\$ 375,602	\$ 72,564	\$ -	\$ 99	\$ 34
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-
Advances Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Nonspendable:					
Inventories					
Prepaid Expenses					
Long Term Receivables					
Restricted:					
Restricted by Federal & State law, Bond					
Covenants, and County & Developer Agreements					
for Capital Project expenditures	375,602	72,564	-	99	34
Committed:					
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	375,602	72,564	-	99	34
TOTAL LIABILITIES, FUND EQUITY	\$ 375,602	\$ 72,564	\$ -	\$ 99	\$ 34

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	08 Sidewalk & Curb	09 Sidewalk & Curb	10 Sidewalk & Curb	11 Sidewalk & Curb	12 Sidewalk & Curb	13 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ 878	\$ 1,605	\$ 46,730	\$ 14
Interest Receivable	-	-	1	-	-	-
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 879	\$ 1,605	\$ 46,730	\$ 14
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ 276	\$ 20,900	\$ 164,219
Interfund Payable	-	-	-	1,067	-	32,162
Advances Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	1,343	20,900	196,380
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Nonspendable:						
Inventories						
Prepaid Expenses						
Long Term Receivables						
Restricted:						
Restricted by Federal & State law, Bond						
Covenants, and County & Developer Agreements						
for Capital Project expenditures	-	0	879	262	25,830	-
Committed:						
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(196,366)
Total Fund Balance	-	0	879	262	25,830	(196,366)
TOTAL LIABILITIES, FUND EQUITY	\$ -	\$ 0	\$ 879	\$ 1,605	\$ 46,730	\$ 14

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	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	\$ 30,381	\$ 2,675	\$ 36	\$ -	\$ 42,893	\$ 2,221
Interest Receivable	31	18	-	8	44	2
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ 30,412	\$ 2,693	\$ 36	\$ 8	\$ 42,937	\$ 2,223
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable		\$ -	\$ 7	\$ -		\$ -
Interfund Payable	-	-	25	14	-	-
Advances Payable	43,854	-	-	-	66,921	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	43,854	-	32	14	66,921	-
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Nonspendable:						
Inventories						
Prepaid Expenses						
Long Term Receivables						
Restricted:						
Restricted by Federal & State law, Bond						
Covenants, and County & Developer Agreements						
for Capital Project expenditures	-	2,693	4	-	-	2,223
Committed:						
Assigned	-	-	-	-	-	-
Unassigned	(13,442)	-	-	(6)	(23,984)	-
Total Fund Balance	(13,442)	2,693	4	(6)	(23,984)	2,223
TOTAL LIABILITIES, FUND EQUITY	\$ 30,412	\$ 2,693	\$ 36	\$ 8	\$ 42,937	\$ 2,223

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	SID 539 Construction	SID 540 Construction	SID 541 Construction	SID 542 Construction	SID 543 Construction	Miller Creek Mitigation
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 12,343	\$ 109,850	\$ 28,958	\$ -	\$ 9,456	\$ 3,523
Interest Receivable	12	112	32	-	11	4
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ 12,355	\$ 109,962	\$ 28,990	\$ -	\$ 9,467	\$ 3,527
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable		\$ -	\$ -	1		\$ -
Interfund Payable	-	-	-	-	-	-
Advances Payable	20,275	-	-	-	71,853	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	20,275	-	-	1	71,853	-
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Nonspendable:						
Inventories						
Prepaid Expenses						
Long Term Receivables						
Restricted:						
Restricted by Federal & State law, Bond						
Covenants, and County & Developer Agreements						
for Capital Project expenditures	-	109,962	28,990	-	-	3,527
Committed:						
Assigned	-	-	-	-	-	-
Unassigned	(7,920)	-	-	(1)	(62,386)	-
Total Fund Balance	(7,920)	109,962	28,990	(1)	(62,386)	3,527
TOTAL LIABILITIES, FUND EQUITY	\$ 12,355	\$ 109,962	\$ 28,990	\$ -	\$ 9,467	\$ 3,527

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Miller Creek Mitigation (T)	Miller Creek Mitigation (M)	Miller Creek Mitigation (Mc)	5th, 6th, & Arthur Improvements	Maloney Twite
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 1,394	\$ 10,032	\$ 18,668	\$ 249,606	\$ 1,255
Interest Receivable	-	13	20	306	2
Due From Other Governments	-	-	-	-	-
TOTAL ASSETS	\$ 1,394	\$ 10,045	\$ 18,689	\$ 249,912	\$ 1,257
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 3	\$ -	\$ -	\$ 14,249	\$ -
Interfund Payable	-	-	-	-	-
Advances Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	3	-	-	14,249	-
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Nonspendable:					
Inventories					
Prepaid Expenses					
Long Term Receivables					
Restricted:					
Restricted by Federal & State law, Bond					
Covenants, and County & Developer Agreements					
for Capital Project expenditures	1,391	10,045	18,689	235,663	1,257
Committed:					
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	1,391	10,045	18,689	235,663	1,257
TOTAL LIABILITIES, FUND EQUITY	\$ 1,394	\$ 10,045	\$ 18,689	\$ 249,912	\$ 1,257

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Rattlesnake Sewer Collection	Phillips St Traffic Calming	Pattee Creek Drive	ARRA Enhancement	HB 645	WFL Miller Creek Road
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 1,552	\$ 33	\$ 24	\$ 15	\$ 139	\$ 470
Interest Receivable	19	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,571	\$ 33	\$ 24	\$ 15	\$ 139	\$ 470
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 6	\$ 4	\$ 2	\$ 24	\$ 80
Interfund Payable	-	5,619	4,030	2,513	23,803	498
Advances Payable	-	13,680	10,627	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	-	19,305	14,661	2,515	23,827	578
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Nonspendable:						
Inventories						
Prepaid Expenses						
Long Term Receivables						
Restricted:						
Restricted by Federal & State law, Bond						
Covenants, and County & Developer Agreements						
for Capital Project expenditures	1,571	-	-	-	-	-
Committed:						
Assigned	-	-	-	-	-	-
Unassigned	-	(19,272)	(14,637)	(2,500)	(23,688)	(108)
Total Fund Balance	1,571	(19,272)	(14,637)	(2,500)	(23,688)	(108)
TOTAL LIABILITIES, FUND EQUITY	\$ 1,571	\$ 33	\$ 24	\$ 15	\$ 139	\$ 470
	Continued					Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Western Federal Lands	Totals
ASSETS AND OTHER DEBITS		
Cash and Investments	\$ 13,657	\$ 1,036,708
Interest Receivable	-	635
Due From Other Governments	27,444	27,444
TOTAL ASSETS	<u>\$ 41,101</u>	<u>\$ 1,064,788</u>
LIABILITIES, EQUITY AND OTHER CREDITS		
Accounts Payable	\$ 41,146	\$ 240,917
Interfund Payable	-	69,731
Advances Payable	-	227,210
Deferred Revenue	-	-
TOTAL LIABILITIES	<u>41,146</u>	<u>537,858</u>
FUND EQUITY AND OTHER CREDITS		
Fund Balance		
Nonspendable:		-
Inventories		-
Prepaid Expenses		-
Long Term Receivables		-
Restricted:		
Restricted by Federal & State law, Bond		
Covenants, and County & Developer Agreements		
for Capital Project expenditures	-	891,285
Committed:	-	-
Assigned	-	-
Unassigned	(45)	(364,355)
Total Fund Balance	<u>(45)</u>	<u>526,930</u>
TOTAL LIABILITIES, FUND EQUITY	<u>\$ 41,101</u>	<u>\$ 1,064,788</u>

**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 GOVERNMENTAL SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	Impact Fee	George Elmer Cattle Drive	Public Art	Employee Health Insurance	Cable TV Franchise
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 3,989,686	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	677,527
Intergovernmental	-	-	-	-	-
Charges for Services	910,711	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	3,000	-	-
Investment Earnings	1,020	9	-	412	-
Total Revenues	911,731	9	3,000	3,990,098	677,527
EXPENDITURES					
Current					
General Government	-	-	-	-	498,719
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	2,120	-	-
Community Development	-	-	-	-	-
Capital Outlay	220,311	17,613	-	-	105,487
Total Expenditures	220,311	17,613	2,120	-	604,206
Excess (Deficiency) of Revenue Over Expenditures	691,420	(17,604)	880	3,990,098	73,321
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(796)	-	-	(3,902,365)	(186,846)
Total Other Financing Sources (Uses)	(796)	-	-	(3,902,365)	(186,846)
Excess (Deficiency) of Revenue Over Expenditures	690,624	(17,604)	880	87,733	(113,525)
Fund Balance, June 30, 2011	1,340,389	17,613	16,226	(223,293)	328,906
Restatement	-	-	-	-	-
Fund Balance, June 30, 2011, Restated	1,340,389	17,613	16,226	(223,293)	328,906
Fund Balance, June 30, 2012	\$ 2,031,013	\$ 9	\$ 17,106	\$ (135,560)	\$ 215,381

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program	Dangerous Building Demo & Repair
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	1,088,993	-	-	-
Intergovernmental	-	444	-	-	-
Charges for Services	-	779	-	-	-
Fines and Forfeitures	23,149	-	-	-	-
Miscellaneous	-	-	224	-	-
Investment Earnings	-	332	140	-	-
Total Revenues	23,149	1,090,548	364	-	-
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	28,470	879,711	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	93,985	-	-	-
Total Expenditures	28,470	973,696	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(5,321)	116,852	364	-	-
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(5,321)	116,852	364	-	-
Fund Balance, June 30, 2011	15,896	688,851	2,343	-	-
Restatement	-	-	-	-	-
Fund Balance, June 30, 2011, Restated	15,896	688,851	2,343	-	-
Fund Balance, June 30, 2012	\$ 10,575	\$ 805,703	\$ 2,707	\$ -	\$ -

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc	Road District #1
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	297,720	57,867	-	-	295,532
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	-	-	-	-	119
Total Revenues	297,720	57,867	-	-	295,651
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	322,720	18,432	-	-	235,519
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	-	-	-	38,625
Total Expenditures	322,720	18,432	-	-	274,144
Excess (Deficiency) of Revenue Over Expenditures	(25,000)	39,435	-	-	21,507
Other Financing Sources (Uses)					
Transfers In	-	10,434	2,475	-	-
Transfers Out	-	(36,988)	-	-	-
Total Other Financing Sources (Uses)	-	(26,554)	2,475	-	-
Excess (Deficiency) of Revenue Over Expenditures	(25,000)	12,881	2,475	-	21,507
Fund Balance, June 30, 2011	264,871	(10,517)	(2,475)	43	50,472
Restatement	-	-	-	-	-
Fund Balance, June 30, 2011, Restated	264,871	(10,517)	(2,475)	43	50,472
Fund Balance, June 30, 2012	\$ 239,871	\$ 2,364	\$ -	\$ 43	\$ 71,979

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	Park District #1	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	199,590	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	1,088,041	-	150,363	-
Charges for Services	-	-	-	-	286,924
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(4)	-	24	49	29
Total Revenues	199,586	1,088,041	24	150,412	286,953
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	136,762	173,463
Public Works	-	6,000	-	-	-
Culture and Recreation	213,188	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	552,675	-	1,583	-
Total Expenditures	213,188	558,675	-	138,345	173,463
Excess (Deficiency) of Revenue Over Expenditures	(13,602)	529,366	24	12,067	113,490
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	(564,000)	-	-	-
Total Other Financing Sources (Uses)	-	(564,000)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(13,602)	(34,634)	24	12,067	113,490
Fund Balance, June 30, 2011	17,618	216,023	8,034	(16,843)	780,049
Restatement	-	-	-	-	-
Fund Balance, June 30, 2011, Restated	17,618	216,023	8,034	(16,843)	780,049
Fund Balance, June 30, 2012	\$ 4,016	\$ 181,389	\$ 8,058	\$ (4,776)	\$ 893,539

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	Comm. Devel. Program Income	Community Development	HOME Grant	ADDI Program	Federal Transportation
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	26,326	850,020	234,526	-	316,508
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	1,394	-	-	-	-
Total Revenues	27,720	850,020	234,526	-	316,508
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	760,205	234,776	-	-
Capital Outlay	-	-	-	-	427,224
Total Expenditures	-	760,205	234,776	-	427,224
Excess (Deficiency) of Revenue Over Expenditures	27,720	89,815	(250)	-	(110,716)
Other Financing Sources (Uses)					
Transfers In	-	15,767	-	-	-
Transfers Out	(15,767)	(105,582)	-	-	-
Total Other Financing Sources (Uses)	(15,767)	(89,815)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	11,953	-	(250)	-	(110,716)
Fund Balance, June 30, 2011	699	(8,856)	9,072	10,965	130,554
Restatement	-	-	-	-	-
Fund Balance, June 30, 2011, Restated	699	(8,856)	9,072	10,965	130,554
Fund Balance, June 30, 2012	\$ 12,652	\$ (8,856)	\$ 8,822	\$ 10,965	\$ 19,838

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	Grants & Donations	TOTALS
REVENUES		
Taxes	\$ -	\$ 3,989,686
Special Assessments	-	850,709
Licenses & Permits	-	1,766,520
Intergovernmental	2,316,375	4,982,603
Charges for Services	406	1,198,820
Fines and Forfeitures	-	23,149
Miscellaneous	2,694	5,918
Investment Earnings	-	3,524
Total Revenues	<u>2,319,475</u>	<u>12,820,929</u>
EXPENDITURES		
Current		
General Government	44,082	542,801
Public Safety	940,717	2,159,123
Public Works	106,936	689,607
Culture and Recreation	-	215,308
Community Development	1,309,091	2,304,072
Capital Outlay	73,304	1,530,807
Total Expenditures	<u>2,474,130</u>	<u>7,441,718</u>
Excess (Deficiency) of Revenue Over Expenditures	(154,655)	5,379,211
Other Financing Sources (Uses)		
Transfers In	-	28,676
Transfers Out	-	(4,812,344)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,783,668)</u>
Excess (Deficiency) of Revenue Over Expenditures	(154,655)	595,543
Fund Balance, June 30, 2011	541,857	4,178,497
Restatement	<u>(162,091)</u>	<u>(162,091)</u>
Fund Balance, June 30, 2011, Restated	379,766	4,016,406
Fund Balance, June 30, 2012	<u>\$ 225,111</u>	<u>\$ 4,611,949</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
 JUNE 30, 2012

	SID Revolving	SID Rebate	1998 Safety Bonds	1996 Open Space Bonds	1997 Open Space Bonds	1994 City Hall & Fire Bonds	1993 Fire Bonds
REVENUES							
Taxes	\$ -	\$ -	\$ 29	\$ 30	\$ 10	\$ -	\$ -
Special Assessments	15,531	-	-	-	-	-	-
Investment Earnings	4	-	4	(1)	(12)	-	-
Total Revenues	15,535	-	33	29	(2)	-	-
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	15,535	-	33	29	(2)	-	-
Other Financing Sources (Uses)							
Transfers In	520,330	-	-	-	-	-	-
Transfers Out	(539,203)	-	(24)	(1,904)	(626)	(1)	(2)
Total Other Financing Sources (Uses)	(18,873)	-	(24)	(1,904)	(626)	(1)	(2)
Excess (Deficiency) of Revenue Over Expenditures	(3,338)	-	9	(1,875)	(628)	(1)	(2)
Fund Balance, June 30, 2011	794,547	-	5	1,876	433	1	2
Fund Balance, June 30, 2012	\$ 791,209	\$ -	\$ 14	\$ 1	\$ (195)	\$ -	\$ -

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	2004 Aquatics Bond	2004 Refunding	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb
REVENUES						
Taxes	\$ 561,187	\$ 225,464	390,432	\$ 506,127	\$ -	\$ -
Special Assessments	-	-	-	-	-	2,266
Investment Earnings	(11)	463	(694)	(8)	2	(4)
Total Revenues	561,176	225,927	389,738	506,119	2	2,262
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	605,410	258,840	434,352	545,663	-	-
Total Expenditures	605,410	258,840	434,352	545,663	-	-
Excess (Deficiency) of Revenue Over Expenditures	(44,234)	(32,913)	(44,614)	(39,544)	2	2,262
Other Financing Sources (Uses)						
Transfers In	-	3	-	2,554	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	3	-	2,554	-	-
Excess (Deficiency) of Revenue Over Expenditures	(44,234)	(32,910)	(44,614)	(36,990)	2	2,262
Fund Balance, June 30, 2011	3,923	14,301	552	(6,628)	1,644	4,095
Fund Balance, June 30, 2012	\$ (40,311)	\$ (18,609)	\$ (44,062)	\$ (43,618)	\$ 1,646	\$ 6,357

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	34,366	18,091	8,123	31,367	83,647	83,806
Investment Earnings	4	6	(4)	(3)	2	627
Total Revenues	34,370	18,097	8,119	31,364	83,649	84,433
EXPENDITURES						
General Government	-	-	-	74	-	-
Debt Service	37,100	16,725	11,680	28,965	85,580	88,255
Total Expenditures	37,100	16,725	11,680	29,039	85,580	88,255
Excess (Deficiency) of Revenue Over Expenditures	(2,730)	1,372	(3,561)	2,325	(1,931)	(3,822)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(2,730)	1,372	(3,561)	2,325	(1,931)	(3,822)
Fund Balance, June 30, 2011	7,417	45,013	21,166	(29,733)	34,374	76,587
Fund Balance, June 30, 2012	\$ 4,687	\$ 46,385	\$ 17,605	\$ (27,408)	\$ 32,443	\$ 72,765

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	FY06 Sidewalk & Curb	FY07 Sidewalk & Curb	FY08 Sidewalk & Curb	FY09 Sidewalk & Curb	FY10 Sidewalk & Curb	SID433
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	138,246	97,754	70,918	73,900	142,829	-
Investment Earnings	1,134	566	21	7	42	-
Total Revenues	139,380	98,320	70,939	73,907	142,871	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	150,208	107,170	67,502	76,712	120,142	-
Total Expenditures	150,208	107,170	67,502	76,712	120,142	-
Excess (Deficiency) of Revenue Over Expenditures	(10,828)	(8,850)	3,437	(2,805)	22,729	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(12)	(64)	-	-
Total Other Financing Sources (Uses)	-	-	(12)	(64)	-	-
Excess (Deficiency) of Revenue Over Expenditures	(10,828)	(8,850)	3,425	(2,869)	22,729	-
Fund Balance, June 30, 2011	156,945	61,809	17,647	67,915	23,499	-
Fund Balance, June 30, 2012	\$ 146,117	\$ 52,959	\$ 21,072	\$ 65,046	\$ 46,228	\$ -

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	SID 495	SID 497	SID 498	SID 501	SID 503	SID 505	SID 506	SID 507
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	108,174	36,805	9,097	-	-	-
Investment Earnings	-	(1)	1,022	(19)	(3)	-	-	-
Total Revenues	-	(1)	109,196	36,786	9,094	-	-	-
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	-	-	100,940	28,840	11,860	-	-	-
Total Expenditures	-	-	100,940	28,840	11,860	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(1)	8,256	7,946	(2,766)	-	-	-
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(220,377)	(119,105)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(220,377)	(119,105)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(1)	(212,121)	(111,159)	(2,766)	-	-	-
Fund Balance, June 30, 2011	225	3,612	215,002	112,034	24,018	12,921	1,385	7,362
Fund Balance, June 30, 2012	\$ 225	\$ 3,611	\$ 2,881	\$ 875	\$ 21,252	\$ 12,921	\$ 1,385	\$ 7,362

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID 508	SID 510	SID 511	SID 512	SID 513	SID 514	SID 515	SID 517
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	222	14,429	18,135	103,030	-	9,180	-	4,085
Investment Earnings	-	580	6	1,378	-	(28)	-	(5)
Total Revenues	222	15,009	18,141	104,408	-	9,152	-	4,080
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	-	-	14,520	146,994	3,290	17,093	797	6,432
Total Expenditures	-	-	14,520	146,994	3,290	17,093	797	6,432
Excess (Deficiency) of Revenue Over Expenditures	222	15,009	3,621	(42,586)	(3,290)	(7,941)	(797)	(2,352)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	3,177	-	857	9,784
Transfers Out	-	-	-	-	-	(61,377)	-	-
Total Other Financing Sources (Uses)	-	-	-	-	3,177	(61,377)	857	9,784
Excess (Deficiency) of Revenue Over Expenditures	222	15,009	3,621	(42,586)	(113)	(69,318)	60	7,432
Fund Balance, June 30, 2011	1,336	145,287	28,605	102,915	113	74,126	(60)	3,246
Fund Balance, June 30, 2012	\$ 1,558	\$ 160,296	\$ 32,226	\$ 60,329	\$ -	\$ 4,808	\$ -	\$ 10,678

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	SID 518	SID 519	SID 520	SID 521	SID 522	SID 524	SID 525	SID 526
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	1,671	5,281	156,300	-	-	326,705	37,655	163,288
Investment Earnings	(1)	(4)	-	(1)	(1)	3,467	1,076	2,237
Total Revenues	1,670	5,277	156,300	(1)	(1)	330,172	38,731	165,525
EXPENDITURES								
General Government	-	-	33	-	-	18	-	-
Debt Service	2,752	7,696	159,120	667	964	307,880	31,340	192,860
Total Expenditures	2,752	7,696	159,153	667	964	307,898	31,340	192,860
Excess (Deficiency) of Revenue Over Expenditures	(1,082)	(2,419)	(2,853)	(668)	(965)	22,274	7,391	(27,335)
Other Financing Sources (Uses)								
Transfers In	2,664	7,457	24,734	-	-	-	-	-
Transfers Out	(4,804)	(13,417)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,140)	(5,960)	24,734	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(3,222)	(8,379)	21,881	(668)	(965)	22,274	7,391	(27,335)
Fund Balance, June 30, 2011	3,772	8,334	140,292	3,320	2,754	682,967	219,978	401,498
Fund Balance, June 30, 2012	\$ 550	\$ (45)	\$ 162,173	\$ 2,652	\$ 1,789	\$ 705,241	\$ 227,369	\$ 374,163

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	SID 527	SID 530	SID 531	SID 532	SID 533	SID 534	SID 535	SID 536
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	60	792	5,146	52,910	19,965	19,529	5,610	31,792
Investment Earnings	-	4	5	7	(1)	8	7	4
Total Revenues	60	796	5,151	52,917	19,964	19,537	5,617	31,796
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	-	729	-	50,452	17,244	17,669	-	31,219
Total Expenditures	-	729	-	50,452	17,244	17,669	-	31,219
Excess (Deficiency) of Revenue Over Expenditures	60	67	5,151	2,465	2,720	1,868	5,617	577
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	8,463	-	-
Transfers Out	-	(116)	-	-	(6,710)	-	-	-
Total Other Financing Sources (Uses)	-	(116)	-	-	(6,710)	8,463	-	-
Excess (Deficiency) of Revenue Over Expenditures	60	(49)	5,151	2,465	(3,990)	10,331	5,617	577
Fund Balance, June 30, 2011	7,140	4,806	4,629	47,555	40,340	37,688	5,873	77,093
Fund Balance, June 30, 2012	\$ 7,200	\$ 4,757	\$ 9,780	\$ 50,020	\$ 36,350	\$ 48,019	\$ 11,490	\$ 77,670

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2012

	SID 539	SID 540	SID 541	SID 543	SID 544	SID 545	SID 546	SID 548
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	1,982	142,355	67,302	11,440	190,889	2,369	2,069	130,000
Investment Earnings	2	525	(2)	14	73	3	2	(12)
Total Revenues	1,984	142,880	67,300	11,454	190,962	2,372	2,071	129,988
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Debt Service	-	119,835	62,895	-	142,103	-	(3)	130,315
Total Expenditures	-	119,835	62,895	-	142,103	-	(3)	130,315
Excess (Deficiency) of Revenue Over Expenditures	1,984	23,045	4,405	11,454	48,859	2,372	2,074	(327)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	1,984	23,045	4,405	11,454	48,859	2,372	2,074	(327)
Fund Balance, June 30, 2011	2,090	183,880	57,699	11,153	117,316	3,495	2,447	-
Fund Balance, June 30, 2012	\$ 4,074	\$ 206,925	\$ 62,104	\$ 22,607	\$ 166,175	\$ 5,867	\$ 4,521	\$ (327)

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
 JUNE 30, 2012

	TOTALS
REVENUES	
Taxes	\$ 1,683,279
Special Assessments	2,479,111
Investment Earnings	12,487
Total Revenues	<u>4,174,877</u>
EXPENDITURES	
General Government	125
Debt Service	4,240,807
Total Expenditures	<u>4,240,932</u>
Excess (Deficiency) of Revenue Over Expenditures	(66,055)
Other Financing Sources (Uses)	
Transfers In	580,023
Transfers Out	(967,742)
Total Other Financing Sources (Uses)	<u>(387,719)</u>
Excess (Deficiency) of Revenue Over Expenditures	(453,774)
Fund Balance, June 30, 2011	4,095,636
Fund Balance, June 30, 2012	<u><u>\$ 3,641,862</u></u>

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

**FOR NONMAJOR
GOVERNMENTAL
CAPITAL PROJECT FUNDS**

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
 JUNE 30, 2012

	1997 Open Space	New Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb	09 Sidewalk & Curb
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	1	-	-	-
Total Revenues	-	-	1	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Capital Outlay	6,500	13,999	-	-	-	-
Total Expenditures	6,500	13,999	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	(6,500)	(13,999)	1	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	12	64
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	12	64
Excess(Deficiency) of Revenues Over Expenditures	(6,500)	(13,999)	1	-	12	64
Fund Balance, June 30, 2011	382,102	86,563	98	34	(12)	(64)
Fund Balance, June 30, 2012	\$ 375,602	\$ 72,564	\$ 99	\$ 34	\$ -	\$ -

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
 JUNE 30, 2012

	10 Sidewalk & Curb	11 Sidewalk & Curb	12 Sidewalk & Curb	13 Sidewalk & Curb	SID 530 Construction	SID 531 Construction
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	85,000	193,601	-	-	-
Investment Earnings	-	(12)	(353)	(7)	-	(1)
Total Revenues	-	84,988	193,248	(7)	-	(1)
EXPENDITURES						
General Government	-	-	11,424	-	-	-
Public Works	-	-	-	-	-	-
Capital Outlay	-	-	547,009	196,359	-	-
Total Expenditures	-	-	558,433	196,359	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	84,988	(365,185)	(196,366)	-	(1)
Other Financing Sources (Uses)						
Transfers In	-	247,204	-	-	115	-
Transfers Out	-	-	(285,954)	-	-	-
Issuance of Long Term Debt	-	-	775,000	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	247,204	489,046	-	115	-
Excess(Deficiency) of Revenues Over Expenditures	-	332,192	123,861	(196,366)	115	(1)
Fund Balance, June 30, 2011	879	(331,930)	(98,031)	-	(115)	(13,441)
Fund Balance, June 30, 2012	\$ 879	\$ 262	\$ 25,830	\$ (196,366)	\$ -	\$ (13,442)

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
 JUNE 30, 2012

	SID 532 Construction	SID 533 Construction	SID 534 Construction	SID 535 Construction	SID 536 Construction	SID 537 Construction
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	(28)	1	(2)	(1)		
Total Revenues	(28)	1	(2)	(1)	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Capital Outlay	36,658	-	-	-	-	-
Total Expenditures	36,658	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	(36,686)	1	(2)	(1)	-	-
Other Financing Sources (Uses)						
Transfers In	-	6,709	-	-	-	-
Transfers Out	-	-	(8,463)	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	6,709	(8,463)	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(36,686)	6,710	(8,465)	(1)	-	-
Fund Balance, June 30, 2011	39,379	(6,706)	8,459	(23,983)	2,223	-
Fund Balance, June 30, 2012	\$ 2,693	\$ 4	\$ (6)	\$ (23,984)	\$ 2,223	\$ -

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
 JUNE 30, 2012

	SID 538 Construction	SID 539 Construction	SID 540 Construction	SID 541 Construction	SID 542 Construction	SID 543 Construction
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	(2)	(24)	(1)	-
Total Revenues	-	-	(2)	(24)	(1)	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Capital Outlay	-	-	-	3,000	-	-
Total Expenditures	-	-	-	3,000	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	-	(2)	(3,024)	(1)	-
Other Financing Sources (Uses)						
Transfers In	19	-	-	-	498	-
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	19	-	-	-	498	-
Excess(Deficiency) of Revenues Over Expenditures	19	-	(2)	(3,024)	497	-
Fund Balance, June 30, 2011	(19)	(7,920)	109,964	32,014	(498)	(62,386)
Fund Balance, June 30, 2012	\$ -	\$ (7,920)	\$ 109,962	\$ 28,990	\$ (1)	\$ (62,386)

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
 JUNE 30, 2012

	Miller Creek Mitigation	Miller Creek Mitigation (T)	Miller Creek Mitigation (M)	Miller Creek Mitigation (Mc)	5th, 6th, & Arthur Improvements
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 160,302
Miscellaneous	-	-	-	-	-
Investment Earnings	-	-	-	-	446
Total Revenues	-	-	-	-	160,748
EXPENDITURES					
General Government	-	-	-	-	9,866
Public Works	-	-	-	-	53,121
Capital Outlay	-	-	-	-	629,565
Total Expenditures	-	-	-	-	692,552
Excess(Deficiency) of Revenue Over Expenditures	-	-	-	-	(531,805)
Other Financing Sources (Uses)					
Transfers In	-	4,122	-	-	-
Transfers Out	-	-	(2,241)	(1,602)	(62,500)
Issuance of Long Term Debt	-	-	-	-	1,250,000
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources(Uses)	-	4,122	(2,241)	(1,602)	1,187,500
Excess(Deficiency) of Revenues Over Expenditures	-	4,122	(2,241)	(1,602)	655,695
Fund Balance, June 30, 2011	3,527	(2,731)	12,286	20,291	(420,032)
Fund Balance, June 30, 2012	\$ 3,527	\$ 1,391	\$ 10,045	\$ 18,689	\$ 235,663

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
 JUNE 30, 2012

	Maloney Twite	Rattlesnake Sewer Collection	Phillips St Traffic Calming	Pattee Creek Drive	ARRA Enhancement
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 12,281
Miscellaneous	-	-	-	-	-
Investment Earnings	(93)	(45)		(1)	42
Total Revenues	(93)	(45)	-	(1)	12,323
EXPENDITURES					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Capital Outlay	-	24,270	-	-	12,281
Total Expenditures	-	24,270	-	-	12,281
Excess(Deficiency) of Revenue Over Expenditures	(93)	(24,315)	-	(1)	42
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(93)	(24,315)	-	(1)	42
Fund Balance, June 30, 2011	1,350	25,886	(19,272)	(14,636)	(2,542)
Fund Balance, June 30, 2012	\$ 1,257	\$ 1,571	\$ (19,272)	\$ (14,637)	\$ (2,500)

Continued

CITY OF MISSOULA, MONTANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
 JUNE 30, 2012

	HB 645	WFL Miller Creek Road	Western Federal Lands	TOTALS
REVENUES				
Intergovernmental	\$ -	\$ 469,498	\$ 153,664	\$ 795,744
Miscellaneous	-	-	-	278,601
Investment Earnings	(35)	(83)	(13)	(212)
Total Revenues	(35)	469,415	153,651	1,074,133
EXPENDITURES				
General Government	-	-	-	21,290
Public Works	-	-	114,315	167,436
Capital Outlay	-	469,498	39,349	1,978,488
Total Expenditures	-	469,498	153,664	2,167,214
Excess(Deficiency) of Revenue Over Expenditures	(35)	(83)	(13)	(1,093,081)
Other Financing Sources (Uses)				
Transfers In	-	-	-	258,743
Transfers Out	-	-	-	(360,760)
Issuance of Long Term Debt	-	-	-	2,025,000
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	1,922,983
Excess(Deficiency) of Revenues Over Expenditures	(35)	(83)	(13)	829,902
Fund Balance, June 30, 2011	(23,652)	(25)	(32)	(302,972)
Fund Balance, June 30, 2012	\$ (23,687)	\$ (108)	\$ (45)	\$ 526,930

AGENCY FUNDS

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL
AGENCY FUNDS JUNE 30, 2012

	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
COURT SURCHARGE				
ASSETS				
Cash	\$ 32,460	\$ 28,858	\$ -	\$ 61,318
Due From Other Governments	5,706	2,076	-	7,782
TOTAL ASSETS	\$ 38,166	\$ 30,934	\$ -	\$ 69,100
LIABILITIES				
Accounts Payable	\$ 30,175	\$ 30,934	\$ -	\$ 61,109
Due to Other Governments	7,991	-	-	7,991
TOTAL LIABILITIES	\$ 38,166	\$ 30,934	\$ -	\$ 69,100
PUBLIC DEFENDER FEES				
ASSETS				
Cash	\$ 239	\$ 4,378	\$ -	\$ 4,617
Due From Other Governments	175	674	-	849
TOTAL ASSETS	\$ 414	\$ 5,052	\$ -	\$ 5,466
LIABILITIES				
Accounts Payable	\$ 414	\$ 5,052	\$ -	\$ 5,466
COUNTY CLEARING				
ASSETS				
Cash	\$ 1,797	\$ -	\$ 880	\$ 917
LIABILITIES				
Accounts Payable	\$ 220	\$ -	\$ 220	\$ -
Due to Other Governments	1,577	-	660	917
TOTAL LIABILITIES	\$ 1,797	\$ -	\$ 880	\$ 917
SEWER REBATE				
ASSETS				
Cash	\$ 26,976	\$ 3,324	\$ -	\$ 30,300
LIABILITIES				
Due to Private Parties	\$ 26,976	\$ 3,324	\$ -	\$ 30,300
YOUTH PROGRAMS				
ASSETS				
Cash	\$ 473	\$ -	\$ -	\$ 473
LIABILITIES				
Due to Private Parties	\$ 473	\$ -	\$ -	\$ 473
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	\$ 223,650	\$ 82,179	\$ -	\$ 305,829
LIABILITIES				
Due to Private Parties	\$ 223,650	\$ 82,179	\$ -	\$ 305,829

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS JUNE 30, 2012

	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
RATTLESNAKE CORNERSTONE TRAIL SW				
ASSETS				
Cash	\$ -	\$ 27,413	\$ -	\$ 27,413
LIABILITIES				
Due to Private Parties	\$ -	\$ 27,413		\$ 27,413
RESIDENTIAL INSPECTION FUND				
ASSETS				
Cash	\$ 168	\$ -	\$ 75	\$ 93
LIABILITIES				
Due to Private Parties	\$ 168	\$ -	\$ 75	\$ 93
TOURISM BUSINESS IMPROVEMENT DISTRICT				
ASSETS				
Cash	\$ 11,979	\$ 232,071	\$ 209,903	\$ 34,147
Interest Receivable	-	16	-	16
Accounts Receivable	-	246,584	231,988	14,596
TOTAL ASSETS	\$ 11,979	\$ 478,671	\$ 441,891	\$ 48,759
LIABILITIES				
Accounts Payable	\$ 9,388	\$ -	\$ 9,388	\$ -
Due to Private Parties	2,591	46,168	-	48,759
TOTAL LIABILITIES	\$ 11,979	\$ 46,168	\$ 9,388	\$ 48,759
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 307,110	\$ 378,223	\$ 210,858	\$ 474,475
Interest Receivable	-	16	-	16
Accounts Receivable	-	246,584	231,988	14,596
Due From Other Governments	5,881	2,750	-	8,631
TOTAL ASSETS	\$ 312,991	\$ 627,573	\$ 442,846	\$ 497,718
LIABILITIES				
Accounts Payable	\$ 40,197	\$ 35,986	\$ 9,608	\$ 66,575
Due to Other Governments	15,068	-	660	14,408
Due to Private Parties	257,726	159,084	75	416,735
TOTAL LIABILITIES	\$ 312,991	\$ 195,070	\$ 10,343	\$ 497,718

**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, 2012

	Capital Improvement				Neighborhood Stabilization			
	Original	Final	Variance		Original	Final	Variance	
	Budget	Budget	Actual	with Final Budget	Budget	Budget	Actual	with Final Budget
REVENUES								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	189,653	189,653	-	-	8,064,938	8,064,938
Miscellaneous	18,612	18,612	18,732	120	-	-	-	-
Investment Earnings			(895)	(895)	-	-	-	-
Total Revenues	18,612	18,612	207,490	188,878	-	-	8,064,938	8,064,938
EXPENDITURES								
General Government	159,677	157,520	21,309	136,211	-	-	-	-
Culture and Recreation	-	2,157	2,157	-	-	-	-	-
Community Development	-	-	-	-	2,227,529.00	7,998,487	7,998,487	-
Debt Service	815,492	815,492	828,204	(12,712)	-	-	-	-
Capital Outlay	55,000	2,615,717	2,174,855	440,862	-	-	-	-
Total Expenditures	1,030,169	3,590,886	3,026,525	564,361	2,227,529	7,998,487	7,998,487	-
Excess(Deficiency) of Revenue Over Expenditures	(1,011,557)	(3,572,274)	(2,819,035)	753,239	(2,227,529)	(7,998,487)	66,451	8,064,938
Other Financing Sources (Uses)								
Transfers In	956,558	956,558	980,751	24,193	-	-	-	-
Bond Proceeds	55,000	55,000	-	(55,000)	-	-	-	-
Proceeds from Capital lease	-	-	534,396	534,396	-	-	-	-
Total Other Financing Sources(Uses)	1,011,558	1,011,558	1,515,147	503,589	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	1	(2,560,716)	(1,303,888)	1,256,828	(2,227,529)	(7,998,487)	66,451	8,064,938
Fund Balance, June 30, 2011	(2,934,604)	(2,934,604)	(2,934,604)	-	(70,590)	(70,590)	(70,590)	-
Fund Balance, June 30, 2012	\$ (2,934,603)	\$ (5,495,320)	\$ (4,238,492)	\$ 1,256,828	\$ (2,298,119)	\$ (8,069,077)	\$ (4,139)	\$ 8,064,938

**NONMAJOR GOVERNMENTAL
FUNDS**

BUDGET TO ACTUAL

**NONMAJOR GOVERNMENTAL
FUNDS**

BUDGET TO ACTUAL

SPECIAL REVENUE FUNDS

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Impact Fee			George Elmer Cattle Drive		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	900,000	910,711	10,711	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	1,020	1,020	-	-	-
Interest	-	-	-	-	9	9
Total Revenues	900,000	911,731	11,731	-	9	9
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	1,900,000	220,311	1,679,689	17,613	17,613	-
Total Expenditures	1,900,000	220,311	1,679,689	17,613	17,613	-
Excess (Deficiency) of Revenue Over Expenditures	(1,000,000)	691,420	1,691,420	(17,613)	(17,604)	9
Other Financing Sources (Uses)						
Transfers In	8,912	-	-	-	-	-
Transfers Out	-	(796)	(796)	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	8,912	(796)	(796)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(991,088)	690,624	1,690,624	(17,613)	(17,604)	9
Fund Balance, June 30, 2011	1,340,389	1,340,389	-	17,613	17,613	-
Fund Balance as of June 30, 2011, Restated	1,340,389	1,340,389	-	17,613	17,613	-
Fund Balance, June 30, 2012	\$ 349,301	\$ 2,031,013	\$ 1,690,624	\$ -	\$ 9	\$ 9

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Public Art			Employee Health Insurance		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 4,069,557	\$ 3,989,686	\$ (79,871)
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	40,000	3,000	(37,000)	-	-	-
Interest	-	-	-	-	412	412
Total Revenues	40,000	3,000	(37,000)	4,069,557	3,990,098	(79,459)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	2,120	(2,120)	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	2,120	(2,120)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	40,000	880	(39,120)	4,069,557	3,990,098	(79,459)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(60,000)	-	60,000	3,902,365	(3,902,365)	(7,804,730)
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(60,000)	-	60,000	3,902,365	(3,902,365)	(7,804,730)
Excess (Deficiency) of Revenue Over Expenditures	(20,000)	880	20,880	7,971,922	87,733	(7,884,189)
Fund Balance, June 30, 2011	16,226	16,226	-	(223,293)	(223,293)	-
Fund Balance as of June 30, 2011, Restated	16,226	16,226	-	(223,293)	(223,293)	-
Fund Balance, June 30, 2012	\$ (3,774)	\$ 17,106	\$ 20,880	\$ 7,748,629	\$ (135,560)	\$ (7,884,189)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Cable TV Franchise			Drug Forfeiture		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	603,846	677,527	73,681	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	15,800	23,149	7,349
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	603,846	677,527	73,681	15,800	23,149	7,349
EXPENDITURES						
Current						
General Government	508,777	498,719	10,057	-	-	-
Public Safety	-	-	-	16,800	28,470	(11,670)
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	105,487	105,487	-	12,000	-	12,000
Total Expenditures	614,264	604,206	10,057	28,800	28,470	330
Excess (Deficiency) of Revenue Over Expenditures	(10,418)	73,321	83,739	(13,000)	(5,321)	7,679
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(206,816)	(186,846)	19,970	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(206,816)	(186,846)	19,970	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(217,234)	(113,525)	103,709	(13,000)	(5,321)	7,679
Fund Balance, June 30, 2011	328,906	328,906	-	15,896	15,896	-
Fund Balance as of June 30, 2011, Restated	328,906	328,906	-	15,896	15,896	-
Fund Balance, June 30, 2012	\$ 111,672	\$ 215,381	\$ 103,709	\$ 2,896	\$ 10,575	\$ 7,679

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Building Division			Program Income		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	1,148,022	1,089,438	(58,584)	-	224	224
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,728	779	(949)	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	332	332	-	139	139
Total Revenues	1,149,750	1,090,549	(59,201)	-	364	364
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	903,430	879,711	23,719	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	2,315	-	2,315
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	123,591	93,986	29,605	-	-	-
Total Expenditures	1,027,021	973,697	53,324	2,315	-	2,315
Excess (Deficiency) of Revenue Over Expenditures	122,729	116,852	(5,877)	(2,315)	364	2,679
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	122,729	116,852	(5,877)	(2,315)	364	2,679
Fund Balance, June 30, 2011	688,851	688,851	-	2,343	2,343	-
Fund Balance as of June 30, 2011, Restated	688,851	688,851	-	2,343	2,343	-
Fund Balance, June 30, 2012	\$ 811,580	\$ 805,703	\$ (5,877)	\$ 28	\$ 2,707	\$ 2,679

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Dangerous Building Demolition & Repair			Street Lighting		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	323,627	295,769	(27,858)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	15,000	-	(15,000)	-	-	-
Interest	-	-	-	-	1,950	1,950
Total Revenues	15,000	-	(15,000)	323,627	297,720	(25,907)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	15,000	-	15,000	-	-	-
Public Works	-	-	-	323,627	322,720	907
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	15,000	-	15,000	323,627	322,720	907
Excess (Deficiency) of Revenue Over Expenditures	-	-	-	-	(25,000)	(25,000)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	-	-	-	(25,000)	(25,000)
Fund Balance, June 30, 2011	-	-	-	264,871	264,871	-
Fund Balance as of June 30, 2011, Restated	-	-	-	264,871	264,871	-
Fund Balance, June 30, 2012	\$ -	\$ -	\$ -	\$ 264,871	\$ 239,871	\$ (25,000)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Street Maintenance			Russell Park Maintenance		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	48,569	57,504	8,935	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	363	363	-	-	-
Total Revenues	48,569	57,868	9,298	-	-	-
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	21,288	18,432	2,856	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	21,288	18,432	2,856	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	27,281	39,436	12,155	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	10,434	10,434	-	-	-
Transfers Out	(34,132)	(36,988)	(2,856)	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(34,132)	(26,554)	7,578	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(6,851)	12,881	19,732	-	-	-
Fund Balance, June 30, 2011	(10,517)	(10,517)	-	43	43	-
Fund Balance as of June 30, 2011, Restated	(10,517)	(10,517)	-	43	43	-
Fund Balance, June 30, 2012	\$ (17,368)	\$ 2,364	\$ 19,732	\$ 43	\$ 43	\$ -

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Road District #1			Park District #1		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	300,000	295,532	(4,468)	200,000	199,590	(410)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	119	119	-	(4)	(4)
Total Revenues	300,000	295,651	(4,349)	200,000	199,586	(414)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	240,000	235,519	4,481	-	-	-
Culture and Recreation	-	-	-	224,520	213,188	11,332
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	60,000	38,625	21,375	-	-	-
Total Expenditures	300,000	274,144	25,856	224,520	213,188	11,332
Excess (Deficiency) of Revenue Over Expenditures	-	21,507	21,507	(24,520)	(13,602)	10,918
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	21,507	21,507	(24,520)	(13,602)	10,918
Fund Balance, June 30, 2011	50,472	50,472	-	17,618	17,618	-
Fund Balance as of June 30, 2011, Restated	50,472	50,472	-	17,618	17,618	-
Fund Balance, June 30, 2012	\$ 50,472	\$ 71,979	\$ 21,507	\$ (6,902)	\$ 4,016	\$ 10,918

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	State Gas Tax			Crime Victim Surcharge		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,169,197	1,088,041	(81,156)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	1,169,197	1,088,041	(81,156)	-	-	-
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	12,987	6,000	6,987	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	592,210	552,675	39,535	-	-	-
Total Expenditures	605,197	558,675	46,522	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	564,000	529,366	(34,634)	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(564,000)	(564,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(564,000)	(564,000)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(34,634)	(34,634)	-	-	-
Fund Balance, June 30, 2011	216,023	216,023	-	8,034	8,034	-
Fund Balance as of June 30, 2011, Restated	216,023	216,023	-	8,034	8,034	-
Fund Balance, June 30, 2012	\$ 216,023	\$ 181,389	\$ (34,634)	\$ 8,034	\$ 8,034	\$ -

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Law Enforcement Grant			HIDTA Grant		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	334,264	150,363	(183,901)	-	-	-
Charges for Services	-	-	-	-	286,924	286,924
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	49	49	-	27	27
Total Revenues	334,264	150,412	(183,852)	-	286,951	286,951
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	256,945	136,762	120,183	668,490	173,463	495,027
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	77,319	1,583	75,736	-	-	-
Total Expenditures	334,264	138,345	195,919	668,490	173,463	495,027
Excess (Deficiency) of Revenue Over Expenditures	-	12,066	12,066	(668,490)	113,489	781,979
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	12,066	12,066	(668,490)	113,489	781,979
Fund Balance, June 30, 2011	(16,843)	(16,843)	-	780,049	780,049	-
Fund Balance as of June 30, 2011, Restated	(16,843)	(16,843)	-	780,049	780,049	-
Fund Balance, June 30, 2012	\$ (16,843)	\$ (4,777)	\$ 12,066	\$ 111,559	\$ 893,538	\$ 781,979

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Community Development Program Income			Community Development		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	26,326	26,326	1,395,189	850,020	(545,169)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	26,326	26,326	1,395,189	850,020	(545,169)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	700	-	700	1,395,189	760,206	634,983
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	700	-	700	1,395,189	760,206	634,983
Excess (Deficiency) of Revenue Over Expenditures	(700)	26,326	27,026	-	89,815	89,815
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	15,767	15,767
Transfers Out	(15,067)	(15,767)	(700)	-	(105,582)	(105,582)
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(15,067)	(15,767)	(700)	-	(89,815)	(89,815)
Excess (Deficiency) of Revenue Over Expenditures	(15,067)	10,558	26,325	-	-	-
Fund Balance, June 30, 2011	699	699	-	(8,856)	(8,856)	-
Fund Balance as of June 30, 2011, Restated	699	699	-	(8,856)	(8,856)	-
Fund Balance, June 30, 2012	\$ (14,368)	\$ 11,257	\$ 26,325	\$ (8,856)	\$ (8,856)	\$ -

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Home Grant			ADDI		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,167,050	234,526	(932,524)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	1,167,050	234,526	(932,524)	-	-	-
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	1,167,050	234,776	932,274	12,846	-	12,846
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	1,167,050	234,776	932,274	12,846	-	12,846
Excess (Deficiency) of Revenue Over Expenditures	-	(250)	(250)	(12,846)	-	12,846
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(250)	(250)	(12,846)	-	12,846
Fund Balance, June 30, 2011	9,072	9,072	-	10,965	10,965	-
Fund Balance as of June 30, 2011, Restated	9,072	9,072	-	10,965	10,965	-
Fund Balance, June 30, 2012	\$ 9,072	\$ 8,822	\$ (250)	\$ (1,881)	\$ 10,965	\$ 12,846

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Federal Transportation			Grants & Donations		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,567,520	316,509	(1,251,011)	4,592,077	2,317,375	(2,274,702)
Charges for Services	-	-	-	5,000	406	(4,595)
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	136,870	1,695	(135,175)
Interest	-	-	-	-	-	-
Total Revenues	1,567,520	316,509	(1,251,011)	4,733,947	2,319,475	(2,414,472)
EXPENDITURES						
Current						
General Government	-	-	-	1,870	44,082	(42,212)
Public Safety	-	-	-	1,522,586	940,717	581,869
Public Works	-	-	-	-	106,936	(106,936)
Culture and Recreation	-	-	-	15,000	-	15,000
Community Development	-	-	-	1,964,593	1,309,091	655,502
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	1,567,520	427,224	1,140,296	1,093,320	73,304	1,020,016
Total Expenditures	1,567,520	427,224	1,140,296	4,597,369	2,474,131	2,123,238
Excess (Deficiency) of Revenue Over Expenditures	-	(110,715)	(110,715)	136,578	(154,656)	(291,234)
Other Financing Sources (Uses)						
Transfers In	-	-	-	8,912	-	(8,912)
Transfers Out	-	-	-	(262,628)	-	262,628
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(253,716)	-	253,716
Excess (Deficiency) of Revenue Over Expenditures	-	(110,715)	(110,715)	(117,138)	(154,656)	(37,518)
Fund Balance, June 30, 2011	130,554	130,554	-	379,766	379,766	-
Fund Balance as of June 30, 2011, Restated	130,554	130,554	-	379,766	379,766	-
Fund Balance, June 30, 2012	\$ 130,554	\$ 19,839	\$ (110,715)	\$ 262,628	\$ 225,110	\$ (37,518)

**NONMAJOR GOVERNMENTAL
FUNDS**

BUDGET TO ACTUAL

DEBT SERVICE

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID Revolving			1998 Safety Bonds		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 29	\$ 29
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	15,531	15,531	-	-	-
Investment Earnings	-	4	4	-	4	4
Total Revenues	-	15,535	15,535	-	33	33
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	15,535	15,535	-	33	33
Other Financing Sources (Uses)						
Transfers In	68,245	520,330	452,085	-	-	-
Transfers Out	(539,204)	(539,203)	1	(24)	(24)	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(470,959)	(18,873)	452,086	(24)	(24)	-
Excess (Deficiency) of Revenue						
Over Expenditures	(470,959)	(3,338)	467,621	(24)	9	33
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (470,959)	\$ (3,338)	\$ 467,621	\$ (24)	\$ 9	\$ 33

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	1996 Open Space			1997 Open Space		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 10
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	(12)	(12)
Total Revenues	-	-	-	-	(2)	(2)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	-	-	-	(2)	(2)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(1,904)	(1,904)	-	(607)	(607)	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,904)	(1,904)	-	(607)	(607)	-
Excess (Deficiency) of Revenue						
Over Expenditures	(1,904)	(1,904)	-	(607)	(609)	(2)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (1,904)	\$ (1,904)	\$ -	\$ (607)	\$ (609)	\$ (2)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	1994 City Hall & Fire Bonds			1993 Fire Bonds		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(1)	(1)	-	(2)	(2)	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1)	(1)	-	(2)	(2)	-
Excess (Deficiency) of Revenue Over Expenditures	(1)	(1)	-	(2)	(2)	-
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (1)	\$ (1)	\$ -	\$ (2)	\$ (2)	\$ -

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	2004 Aquatics Bonds			2004 Refunding Bonds		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ 566,320	\$ 561,187	\$ (5,133)	\$ 226,750	\$ 225,464	\$ (1,286)
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(12)	(12)	-	462	462
Total Revenues	566,320	561,175	(5,145)	226,750	225,926	(824)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	605,410	605,410	-	258,840	258,840	-
Total Expenditures	605,410	605,410	-	258,840	258,840	-
Excess (Deficiency) of Revenue						
Over Expenditures	(39,090)	(44,235)	(5,145)	(32,090)	(32,914)	(824)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	3	3
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	3	3
Excess (Deficiency) of Revenue						
Over Expenditures	(39,090)	(44,235)	(5,145)	(32,090)	(32,911)	(821)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (39,090)	\$ (44,235)	\$ (5,145)	\$ (32,090)	\$ (32,911)	\$ (821)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	New Fire Station GO			2007 Refunding Bonds		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ 393,613	\$ 390,432	\$ (3,181)	\$ 511,565	\$ 506,127	\$ (5,438)
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(694)	(694)	-	(8)	(8)
Total Revenues	393,613	389,738	(3,875)	511,565	506,118	(5,447)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	434,353	434,352	1	545,663	545,663	-
Total Expenditures	434,353	434,352	1	545,663	545,663	-
Excess (Deficiency) of Revenue						
Over Expenditures	(40,740)	(44,614)	(3,876)	(34,098)	(39,545)	(5,447)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	2,554	2,554
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	2,554	2,554
Excess (Deficiency) of Revenue						
Over Expenditures	(40,740)	(44,614)	(3,876)	(34,098)	(36,991)	(2,893)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (40,740)	\$ (44,614)	\$ (3,876)	\$ (34,098)	\$ (36,991)	\$ (2,893)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Sidewalk & Curb			FY99 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	2,266	2,266
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1	1	-	(3)	(3)
Total Revenues	-	1	1	-	2,262	2,262
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	1	1	-	2,262	2,262
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	1	1	-	2,262	2,262
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 1	\$ 1	\$ -	\$ 2,262	\$ 2,262

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FY00 Sidewalk & Curb			FY01 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	37,225	34,366	(2,859)	16,635	18,091	1,456
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	5	5
Total Revenues	37,225	5	(2,859)	16,635	18,097	1,462
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	37,225	37,100	125	16,725	16,725	-
Total Expenditures	37,225	37,100	125	16,725	16,725	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	(37,095)	(2,984)	(90)	1,372	1,462
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	(37,095)	(2,984)	(90)	1,372	1,462
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ (37,095)	\$ (2,984)	\$ (90)	\$ 1,372	\$ 1,462

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FY02 Sidewalk & Curb			FY03 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	11,590	8,123	(3,467)	28,875	31,367	2,492
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(4)	(4)	-	(5)	(5)
Total Revenues	11,590	8,119	(3,471)	28,875	31,362	2,487
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	11,680	11,680	-	29,040	29,039	1
Total Expenditures	11,680	11,680	-	29,040	29,039	1
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	(3,561)	(3,471)	(165)	2,323	2,486
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	(3,561)	(3,471)	(165)	2,323	2,486
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (90)	\$ (3,561)	\$ (3,471)	\$ (165)	\$ 2,323	\$ 2,486

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FY04 Sidewalk & Curb			FY05 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	85,490	83,647	(1,843)	88,165	83,806	(4,359)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	2	2	-	627	627
Total Revenues	85,490	83,649	(1,841)	88,165	84,433	(3,732)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	85,580	85,580	-	88,255	88,255	-
Total Expenditures	85,580	85,580	-	88,255	88,255	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	(1,931)	(1,841)	(90)	(3,822)	(3,732)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	(1,931)	(1,841)	(90)	(3,822)	(3,732)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (90)	\$ (1,931)	\$ (1,841)	\$ (90)	\$ (3,822)	\$ (3,732)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FY06 Sidewalk & Curb			FY07 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	150,119	138,246	(11,873)	107,080	97,754	(9,326)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,134	1,134	-	566	566
Total Revenues	150,119	139,380	(10,739)	107,080	98,320	(8,760)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	150,209	150,208	1	107,170	107,170	-
Total Expenditures	150,209	150,208	1	107,170	107,170	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	(10,828)	(10,740)	(90)	(8,850)	(8,760)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	(10,828)	(10,740)	(90)	(8,850)	(8,760)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (90)	\$ (10,828)	\$ (10,740)	\$ (90)	\$ (8,850)	\$ (8,760)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FY08 Sidewalk & Curb			FY09 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	67,413	70,424	3,011	76,623	73,849	(2,774)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	515	515	-	59	59
Total Revenues	67,413	70,939	3,526	76,623	73,909	(2,714)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	67,514	67,514	-	76,777	76,777	-
Total Expenditures	67,514	67,514	-	76,777	76,777	-
Excess (Deficiency) of Revenue						
Over Expenditures	(101)	3,425	3,526	(154)	(2,868)	(2,714)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(101)	3,425	3,526	(154)	(2,868)	(2,714)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (101)	\$ 3,425	\$ 3,526	\$ (154)	\$ (2,868)	\$ (2,714)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FY10 Sidewalk & Curb			SID 497		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	120,053	141,785	21,732	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,085	1,085	-	(11)	(11)
Total Revenues	120,053	142,870	22,817	-	(11)	(11)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	120,143	120,142	1	-	-	-
Total Expenditures	120,143	120,142	1	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	22,728	22,816	-	(11)	(11)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	22,728	22,816	-	(11)	(11)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (90)	\$ 22,728	\$ 22,816	\$ -	\$ (11)	\$ (11)

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 498			SID 501		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	100,940	108,174	7,234	28,840	36,805	7,965
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,021	1,021	-	(18)	(18)
Total Revenues	100,940	109,195	8,255	28,840	36,786	7,946
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	100,940	100,940	-	28,840	28,840	-
Total Expenditures	100,940	100,940	-	28,840	28,840	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	8,255	8,255	-	7,946	7,946
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(220,377)	(220,377)	-	(119,105)	(119,105)	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(220,377)	(220,377)	-	(119,105)	(119,105)	-
Excess (Deficiency) of Revenue						
Over Expenditures	(220,377)	(212,122)	8,255	(119,105)	(111,159)	7,946
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (220,377)	\$ (212,122)	\$ 8,255	\$ (119,105)	\$ (111,159)	\$ 7,946

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 503			SID 506		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	11,860	9,097	(2,763)	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(3)	-	-	1	1
Total Revenues	11,860	9,094	(2,763)	-	1	1
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	11,860	11,860	-	-	-	-
Total Expenditures	11,860	11,860	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	(2,766)	(2,763)	-	1	1
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	(2,766)	(2,763)	-	1	1
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ (2,766)	\$ (2,763)	\$ -	\$ 1	\$ 1

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 507			SID 508		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	222	222
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1	1	-	(0)	(0)
Total Revenues	-	1	1	-	221	221
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	1	1	-	221	221
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	1	1	-	221	221
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 1	\$ 1	\$ -	\$ 221	\$ 221

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 510			SID 511		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	14,429	14,429	14,520	18,093	3,573
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	580	580	-	47	47
Total Revenues	-	15,009	15,009	14,520	18,140	3,620
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	14,520	14,520	-
Total Expenditures	-	-	-	14,520	14,520	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	15,009	15,009	-	3,620	3,620
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	15,009	15,009	-	3,620	3,620
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 15,009	\$ 15,009	\$ -	\$ 3,620	\$ 3,620

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 512			SID 513		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	146,604	103,030	(43,574)	3,293	-	(3,293)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,379	1,379	-	-	-
Total Revenues	146,604	104,409	(42,195)	3,293	-	(3,293)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	146,994	146,994	-	3,293	3,290	3
Total Expenditures	146,994	146,994	-	3,293	3,290	3
Excess (Deficiency) of Revenue						
Over Expenditures	(390)	(42,585)	(42,195)	-	(3,290)	(3,296)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	3,176	3,176
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	3,176	3,176
Excess (Deficiency) of Revenue						
Over Expenditures	(390)	(42,585)	(42,195)	-	(114)	(120)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (390)	\$ (42,585)	\$ (42,195)	\$ -	\$ (114)	\$ (120)

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 514			SID 515		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	17,101	9,180	(7,921)	788	-	(788)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(29)	(29)	-	-	-
Total Revenues	17,101	9,152	(7,949)	788	-	(788)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	17,101	17,093	8	796	797	(1)
Total Expenditures	17,101	17,093	8	796	797	(1)
Excess (Deficiency) of Revenue						
Over Expenditures	-	(7,941)	(7,957)	(8)	(797)	(787)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	857	857
Transfers Out	(61,378)	(61,377)	1	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(61,378)	(61,377)	1	-	857	857
Excess (Deficiency) of Revenue						
Over Expenditures	(61,378)	(69,318)	(7,956)	(8)	60	70
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (61,378)	\$ (69,318)	\$ (7,956)	\$ (8)	\$ 60	\$ 70

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 517			SID 518		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	5,761	4,085	(1,676)	2,442	1,671	(771)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(4)	(4)	-	(2)	(2)
Total Revenues	5,761	4,081	(1,680)	2,442	1,669	(773)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	6,431	6,432	(1)	2,752	2,752	-
Total Expenditures	6,431	6,432	(1)	2,752	2,752	-
Excess (Deficiency) of Revenue						
Over Expenditures	(670)	(2,351)	(1,679)	(310)	(1,083)	(773)
Other Financing Sources (Uses)						
Transfers In	-	9,784	9,784	-	2,664	2,664
Transfers Out	-	-	-	(4,804)	(4,804)	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	9,784	9,784	(4,804)	(2,140)	2,664
Excess (Deficiency) of Revenue						
Over Expenditures	(670)	7,433	8,105	(5,114)	(3,223)	1,891
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (670)	\$ 7,433		\$ (5,114)	\$ (3,223)	\$ 1,891

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 519			SID 520		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	6,876	5,281	(1,595)	159,120	156,300	(2,820)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(4)	(4)	-	-	-
Total Revenues	6,876	5,277	(1,599)	159,120	156,300	(2,820)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	7,697	7,696	1	159,120	159,120	-
Total Expenditures	7,697	7,696	1	159,120	159,120	-
Excess (Deficiency) of Revenue						
Over Expenditures	(821)	(2,419)	(1,600)	-	(2,820)	(2,820)
Other Financing Sources (Uses)						
Transfers In	-	7,457	7,457	-	24,734	24,734
Transfers Out	(13,417)	(13,417)	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(13,417)	(5,960)	7,457	-	24,734	24,734
Excess (Deficiency) of Revenue						
Over Expenditures	(14,238)	(8,379)	5,857	-	21,914	21,914
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (14,238)	\$ (8,379)	\$ 5,857	\$ -	\$ 21,914	\$ 21,914

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 521			SID 522		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	667	-	(667)	1,264	-	(1,264)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(1)	(1)	-	(1)	(1)
Total Revenues	667	(1)	(668)	1,264	(1)	(1,265)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	667	667	-	1,264	964	300
Total Expenditures	667	667	-	1,264	964	300
Excess (Deficiency) of Revenue						
Over Expenditures	-	(668)	(668)	-	(965)	(1,566)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	(668)	(668)	-	(965)	(1,566)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ (668)	\$ (668)	\$ -	\$ (965)	\$ (1,566)

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 524			SID 525		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	307,880	326,705	18,825	31,340	37,655	6,315
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	47	47	-	1,075	1,075
Total Revenues	307,880	326,752	18,872	31,340	38,731	7,391
EXPENDITURES						
General Government			-	-	-	-
Debt Service	307,880	307,880	-	31,340	31,340	-
Total Expenditures	307,880	307,880	-	31,340	31,340	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	18,872	18,872	-	7,391	7,391
Other Financing Sources (Uses)						
Transfers In	-	3,420	3,420	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	3,420	3,420	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	22,292	22,292	-	7,391	7,391
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 22,292	\$ 22,292	\$ -	\$ 7,391	\$ 7,391

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CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 526			SID 527		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	192,860	163,288	(29,572)	-	60	60
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	2,238	2,238	-	-	-
Total Revenues	192,860	165,525	(27,335)	-	60	60
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	192,860	192,860	-	-	-	-
Total Expenditures	192,860	192,860	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	(27,335)	(27,335)	-	60	60
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	(27,335)	(27,335)	-	60	60
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ (27,335)	\$ (27,335)	\$ -	\$ 60	\$ 60

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 530			SID 531		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	47,513	789	(46,724)	-	5,146	5,146
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	5	5	-	6	6
Total Revenues	47,513	795	(46,718)	-	5,151	5,151
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	729	729	-	-	-	-
Total Expenditures	729	729	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	46,784	66	(46,718)	-	5,151	5,151
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(116)	(116)	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(116)	(116)	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	46,668	(50)	(46,718)	-	5,151	5,151
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ 46,668	\$ (50)	\$ (46,718)	\$ -	\$ 5,151	\$ 5,151

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 532			SID 533		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	52,910	52,910	16,994	19,965	2,971
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	6	6	-	(1)	(1)
Total Revenues	-	52,916	52,916	16,994	19,964	2,970
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	50,452	50,452	-	17,244	17,244	-
Total Expenditures	50,452	50,452	-	17,244	17,244	-
Excess (Deficiency) of Revenue						
Over Expenditures	(50,452)	2,464	52,916	(250)	2,720	2,970
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(6,710)	(6,710)	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(6,710)	(6,710)	-
Excess (Deficiency) of Revenue						
Over Expenditures	(50,452)	2,464	52,916	(6,960)	(3,990)	2,970
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (50,452)	\$ 2,464	\$ 52,916	\$ (6,960)	\$ (3,990)	\$ 2,970

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 534			SID 535		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	17,669	19,529	1,860	-	5,610	5,610
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	7	7	-	7	7
Total Revenues	17,669	19,535	1,866	-	5,617	5,617
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	17,669	17,669	-	-	-	-
Total Expenditures	17,669	17,669	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	1,867	1,866	-	5,617	5,617
Other Financing Sources (Uses)						
Transfers In	-	8,463	8,463	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	8,463	8,463	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	10,330	10,330	-	5,617	5,617
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 10,330	\$ 10,330	\$ -	\$ 5,617	\$ 5,617

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 536			SID 539		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	31,792	31,792	31,219	1,982	(29,237)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	4	4	-	3	3
Total Revenues	-	31,795	31,795	31,219	1,985	(29,234)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	31,219	31,219	-	-	-	-
Total Expenditures	31,219	31,219	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(31,219)	577	31,795	31,219	1,985	(29,234)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(31,219)	577	31,795	31,219	1,985	(29,234)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (31,219)	\$ 577	\$ 31,795	\$ 31,219	\$ 1,985	\$ (29,234)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 540			SID 541		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	119,745	142,355	22,610	62,802	67,302	4,500
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	526	526	-	(3)	(3)
Total Revenues	119,745	142,880	23,135	62,802	67,299	4,497
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	119,835	119,835	-	62,895	62,895	-
Total Expenditures	119,835	119,835	-	62,895	62,895	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	23,045	23,135	(93)	4,404	4,497
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(90)	23,045	23,135	(93)	4,404	4,497
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (90)	\$ 23,045	\$ 23,135	\$ (93)	\$ 4,404	\$ 4,497

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 543			SID 544		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	11,440	11,440	142,103	190,889	48,786
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	14	14	73	-	(73)
Total Revenues	-	11,454	11,454	142,176	190,889	48,713
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	142,103	142,103	-
Total Expenditures	-	-	-	142,103	142,103	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	11,454	11,454	73	48,786	48,713
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	11,454	11,454	73	48,786	48,713
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 11,454	\$ 11,454	\$ 73	\$ 48,786	\$ 48,713

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 545			SID 546		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	2,369	2,369	-	2,069	2,069
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	4	4	-	3	3
Total Revenues	-	2,373	2,373	-	2,072	2,072
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	2,373	2,373	-	2,072	2,072
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	2,373	2,373	-	2,072	2,072
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 2,373	\$ 2,373	\$ -	\$ 2,072	\$ 2,072

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 548		
	Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ -	\$ -	\$ -
Special Assessments	-	130,000	130,000
Licenses	-	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Miscellaneous	-	-	-
Investment Earnings	-	(12)	(12)
Total Revenues	-	129,988	129,988
EXPENDITURES			
General Government	-	-	-
Debt Service	130,315	130,315	-
Total Expenditures	130,315	130,315	-
Excess (Deficiency) of Revenue			
Over Expenditures	(130,315)	(327)	129,988
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-
Refunding Bond Proceeds	-	-	-
Issuance of Long Term Debt	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Revenue			
Over Expenditures	(130,315)	(327)	129,988
Fund Balance, June 30, 2011	-	-	-
Fund Balance, June 30, 2012	\$ (130,315)	\$ (327)	\$ 129,988

**NONMAJOR GOVERNMENTAL
FUNDS**

BUDGET TO ACTUAL

CAPITAL PROJECT FUNDS

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	1997 Open Space			New Fire Station GO Bond		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	382,102	6,500	375,602	86,500	13,999	72,501
Total Expenditures	382,102	6,500	375,602	86,500	13,999	72,501
Excess(Deficiency) of Revenue Over Expenditures	(382,102)	(6,500)	375,602	(86,500)	(13,999)	72,501
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(382,102)	(6,500)	375,602	(86,500)	(13,999)	72,501
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (382,102)	\$ (6,500)	\$ 375,602	\$ (86,500)	\$ (13,999)	\$ 72,501

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	08 Sidewalk & Curb			09 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	12	12	-	-	-
Total Revenues	-	12	12	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	12	12	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	64	64
Transfers Out	-	-	-	-	11,423	(11,423)
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	11,488	(11,359)
Excess(Deficiency) of Revenues Over Expenditures	-	12	12	-	11,488	(11,359)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 12	\$ 12	\$ -	\$ 11,488	\$ (11,359)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	10 Sidewalk & Curb			11 Sidewalk & Curb		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	85,000	85,000
Investment Earnings	-	1	1	-	(11)	(11)
Total Revenues	-	1	1	-	84,989	84,989
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	1	1	-	84,989	84,989
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	247,204	247,204
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	247,204	247,204
Excess(Deficiency) of Revenues Over Expenditures	-	1	1	-	332,193	332,193
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 1	\$ 1	\$ -	\$ 332,193	\$ 332,193

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	12 Sidewalk & Curb			SID 530		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	193,601	193,601	-	-	-
Investment Earnings	-	(354)	(354)	-	(7)	(7)
Total Revenues	-	193,248	193,248	-	(7)	(7)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	11,423	11,423	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	547,009	547,009	-	196,359	196,359	-
Total Expenditures	558,432	558,432	-	196,359	196,359	-
Excess(Deficiency) of Revenue Over Expenditures	(558,432)	(365,184)	193,248	(196,359)	(196,366)	(7)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(297,378)	(297,377)	(1)	-	-	-
Issuance of Long Term Debt	-	775,000	775,000	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	(297,378)	477,623	774,999	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(855,810)	112,439	968,247	(196,359)	(196,366)	(7)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (855,810)	\$ 112,439	\$ 968,247	\$ (196,359)	\$ (196,366)	\$ (7)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 531			SID 532		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	1	1
Total Revenues	-	-	-	-	1	1
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	-	-	-	1	1
Other Financing Sources (Uses)						
Transfers In	-	116	116	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	116	116	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	116	116	-	1	1
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 116	\$ 116	\$ -	\$ 1	\$ 1

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 533			SID 534		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(28)	(28)	-	1	1
Total Revenues	-	(28)	(28)	-	1	1
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	36,658	36,658	-	-	-	-
Total Expenditures	36,658	36,658	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	(36,658)	(36,686)	(28)	-	1	1
Other Financing Sources (Uses)						
Transfers In	-	-	-		6,710	6,710
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	6,710	6,710
Excess(Deficiency) of Revenues Over Expenditures	(36,658)	(36,686)	(28)	-	6,711	6,711
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (36,658)	\$ (36,686)	\$ (28)	\$ -	\$ 6,711	\$ 6,711

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 535			SID 536		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(2)	(2)	-	(1)	(1)
Total Revenues	-	(2)	(2)	-	(1)	(1)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	(2)	(2)	-	(1)	(1)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(8,464)	(8,463)	(1)	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	(8,464)	(8,463)	(1)	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(8,464)	(8,465)	(2)	-	(1)	(1)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (8,464)	\$ (8,465)	\$ (2)	\$ -	\$ (1)	\$ (1)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 538			SID 539		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	19	19
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	19	19
Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	19	19
Fund Balance, June 30, 2011	(29)	(29)	-	-	-	-
Fund Balance, June 30, 2012	\$ (29)	\$ (29)	\$ -	\$ -	\$ 19	\$ 19

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 541			SID 542		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(2)	(2)	-	(24)	(24)
Total Revenues	-	(2)	(2)	-	(24)	(24)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	3,000	3,000	-
Total Expenditures	-	-	-	3,000	3,000	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	(2)	(2)	(3,000)	(3,024)	(24)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	-	(2)	(2)	(3,000)	(3,024)	(24)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ (2)	\$ (2)	\$ (3,000)	\$ (3,024)	\$ (24)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SID 543			Miller Creek (M) Construction		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(1)	(1)	-	1	1
Total Revenues	-	(1)	(1)	-	1	1
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	(1)	(1)	-	1	1
Other Financing Sources (Uses)						
Transfers In	-	498	498	-	4,122	4,122
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	498	498	-	4,122	4,122
Excess(Deficiency) of Revenues Over Expenditures	-	497	497	-	4,122	4,122
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 497	\$ 497	\$ -	\$ 4,122	\$ 4,122

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Miller Creek (Mc) Construction			5th, 6th, & Arthur Improvements		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(2,241)	(2,241)	-	(1,602)	(1,602)	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	(2,241)	(2,241)	-	(1,602)	(1,602)	-
Excess(Deficiency) of Revenues Over Expenditures	(2,241)	(2,241)	-	(1,602)	(1,602)	-
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (2,241)	\$ (2,241)	\$ -	\$ (1,602)	\$ (1,602)	\$ -

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Maloney Twite			Rattlesnake Sewer Collection		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ 160,302	\$ 160,302	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	446	446	-	(93)	(93)
Total Revenues	-	160,747	160,747	-	(93)	(93)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	62,987	(62,987)	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	1,250,000	629,565	620,435	-	-	-
Total Expenditures	1,250,000	692,552	557,448	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	(1,250,000)	(531,805)	718,195	-	(93)	(93)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(62,500)	62,500	-	-	-
Issuance of Long Term Debt	1,250,000	1,250,000	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	1,250,000	1,187,500	62,500	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	655,695	780,695	-	(93)	(93)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ 655,695	\$ 780,695	\$ -	\$ (93)	\$ (93)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Phillips St Traffic Calming			ARRA Enhancement		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 12,281	\$ 12,281
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(45)	(45)	-	41	41
Total Revenues	-	(45)	(45)	-	12,322	12,322
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	24,270	24,270	-	12,281	12,281	-
Total Expenditures	24,270	24,270	-	12,281	12,281	-
Excess(Deficiency) of Revenue Over Expenditures	(24,270)	(24,314)	(45)	(12,281)	41	12,322
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(24,270)	(24,314)	(45)	(12,281)	41	12,322
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ (24,270)	\$ (24,314)	\$ (45)	\$ (12,281)	\$ 41	\$ 12,322

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	HB 645			WFL Miller Creek Road		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 469,498	\$ 469,498	\$ (1)
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(35)	(35)	-	(83)	(83)
Total Revenues	-	(35)	(35)	469,498	469,415	(83)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	469,498	469,498	1
Total Expenditures	-	-	-	469,498	469,498	1
Excess(Deficiency) of Revenue Over Expenditures	-	(35)	(35)	-	(83)	(83)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	(35)	(35)	-	(83)	(83)
Fund Balance, June 30, 2011	-	-	-	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ (35)	\$ (35)	\$ -	\$ (83)	\$ (83)

Continued

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	WFL		
	Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 153,665	\$ 153,664	\$ (1)
Charges for Services	-	-	-
Miscellaneous	-	-	-
Investment Earnings	-	(14)	(14)
Total Revenues	153,665	153,651	(14)
EXPENDITURES			
General Government	-	-	-
Public Safety	-	-	-
Public Works	114,315	114,315	-
Culture & Recreation	-	-	-
Debt Service	-	-	-
Capital Outlay	39,350	39,349	1
Total Expenditures	153,665	153,664	1
Excess(Deficiency) of Revenue Over Expenditures	-	(14)	(14)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Long Term Debt	-	-	-
Sale of Capital Assets	-	-	-
Total Other Financing Sources(Uses)	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	(14)	(14)
Fund Balance, June 30, 2011	-	-	-
Fund Balance, June 30, 2012	\$ -	\$ (14)	\$ (14)

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 38

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
Government activities										
Investment in capital assets, net of related debt	\$ 77,040,629	\$ 84,425,320	\$ 85,219,599	\$ 97,908,705	\$ 103,905,986	\$ 95,716,983	\$ 100,490,698	\$ 108,461,735	\$ 117,493,776	\$ 123,514,699
Restricted for:	5,786,102	13,144,514	3,280,061	3,602,376	3,007,558	3,175,573	3,654,339	3,869,555		
Cemetery Memorial									5,633	6,805
Title I Program & Revolving Loan Program									159,649	98,999
Cable contract restricted for CAT & PEG Access									328,906	215,381
Law Enforcement									803,979	912,172
Building construction inspections									681,948	805,771
Public Works safety & maintenance expenditures									578,152	544,259
Grant restrictions for program expenditures									695,377	272,874
Debt Service									18,800,480	18,238,355
Capital Projects									725,055	891,285
Unrestricted	7,694,919	6,552,715	18,145,146	11,552,345	17,010,325	18,285,910	14,462,852	14,613,562	(2,394,004)	(1,627,635)
Total government activities net assets	<u>\$ 90,521,650</u>	<u>\$ 104,122,549</u>	<u>\$ 106,644,806</u>	<u>\$ 113,063,426</u>	<u>\$ 123,923,869</u>	<u>\$ 117,178,466</u>	<u>\$ 118,607,889</u>	<u>\$ 126,944,852</u>	<u>\$ 137,878,951</u>	<u>\$ 143,872,965</u>
Business-type activities										
Investment in capital assets, net of related debt	\$ 45,596,659	\$ 50,437,434	\$ 54,728,019	\$ 53,483,675	\$ 55,807,247	\$ 73,746,920	\$ 74,821,900	\$ 83,162,349	\$ 77,159,109	\$ 83,405,086
Restricted for:	560,772	1,307,315	2,525,370	1,303,028	1,320,306	1,303,028	1,337,645	1,662,261		
Debt Service									2,231,478	2,226,925
Unrestricted	5,793,401	4,949,789	2,432,543	6,053,027	5,604,871		1,441,584	278,305	6,193,089	1,903,151
Total business-type activities net assets	<u>\$ 51,950,832</u>	<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>	<u>\$ 77,601,129</u>	<u>\$ 85,102,915</u>	<u>\$ 85,583,676</u>	<u>\$ 87,535,162</u>
Primary Government										
Investment in capital assets, net related debt	\$ 122,637,288	\$ 134,862,754	\$ 139,947,618	\$ 151,392,380	\$ 159,713,233	\$ 169,463,903	\$ 175,312,598	\$ 191,624,084	\$ 194,652,885	\$ 206,919,785
Restricted for:	6,346,874	14,451,829	5,805,431	4,905,404	4,327,864	4,478,601	4,991,984	5,531,816		
Cemetery Memorial									5,633	6,805
Title I Program & Revolving Loan Program									159,649	98,999
Cable contract restricted for CAT & PEG Access									328,906	215,381
Law Enforcement									803,979	912,172
Building construction inspections									681,948	805,771
Public Works safety & maintenance expenditures									578,152	544,259
Grant restrictions for program expenditures									695,377	272,874
Debt Service									21,031,958	20,465,280
Capital Projects									725,055	891,285
Unrestricted	13,488,320	11,502,504	20,577,689	17,605,372	22,615,196	18,285,910	15,904,436	14,891,867	3,799,085	275,516
Total primary government net assets	<u>\$ 142,472,482</u>	<u>\$ 160,817,087</u>	<u>\$ 166,330,738</u>	<u>\$ 173,903,156</u>	<u>\$ 186,656,293</u>	<u>\$ 192,228,414</u>	<u>\$ 196,209,018</u>	<u>\$ 212,047,767</u>	<u>\$ 223,462,627</u>	<u>\$ 231,408,127</u>

Source: City of Missoula

* Restatement for Management Discussion and Analysis

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 4,237,489	\$ 4,814,217	\$ 5,447,966	\$ 7,670,901	\$ 7,947,585	\$ 7,164,932	\$ 8,492,155	\$ 7,596,451	\$ 6,466,035	\$ 7,063,259
Public safety	15,267,862	15,774,300	17,596,888	18,706,533	20,685,934	22,864,926	20,993,673	23,252,086	23,220,034	24,449,247
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	7,355,598	8,472,243
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	1,398,035	1,444,647
Social and economic	105,100	245,802	131,017	138,564	165,849	115,000	118,450	118,450	134,457	116,000
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	3,195,731	3,626,741
Housing & development	849,904	669,857	1,494,654	1,391,082	1,416,594	2,189,207	1,336,972	4,051,227	2,235,780	10,372,128
Conservation of natural resources	-	-	108,599	169,228	296,617	-	-	7,759	450	100
Miscellaneous	788,987	590,225	910,387	-	-	-	-	1,041,180	1,189,351	1,003,472
Interest on long-term debt	1,755,702	1,235,533	1,867,190	1,429,993	1,675,186	-	1,595,937	1,612,770	1,666,641	1,486,745
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>50,058,217</u>	<u>46,862,112</u>	<u>58,034,582</u>
Business-type activities										
Wastewater treatment	4,071,937	5,400,406	5,904,344	6,084,445	\$ 6,239,307	\$ 6,716,237	\$ 6,738,463	\$ 7,081,714	\$ 7,288,496	\$ 8,638,266
Aquatics	-	-	-	-	-	1,412,133	1,456,758	1,459,788	1,615,583	1,648,846
Civic Stadium	-	-	-	-	-	-	-	-	-	119,500
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>8,541,502</u>	<u>8,904,079</u>	<u>10,406,612</u>
Total primary government expenses	<u>\$ 52,675,693</u>	<u>\$ 42,204,399</u>	<u>\$ 43,807,240</u>	<u>\$ 46,584,628</u>	<u>\$ 47,492,416</u>	<u>\$ 57,418,030</u>	<u>\$ 55,970,390</u>	<u>\$ 58,599,719</u>	<u>\$ 55,766,191</u>	<u>\$ 68,441,194</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	\$ 3,061,618	\$ 3,081,997
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	2,749,672	3,033,806
Public works	2,392,590	3,333,858	1,326,436	1,465,396	1,370,015	2,180,372	1,825,008	2,833,485	3,150,203	2,872,800
Public health	-	-	-	-	-	-	-	19,323	96,376	85,349
Social and economic service	(179,064)	80,253	21,379	32,899	84,758	21,140	20,338	-	-	18,732
Culture and recreation	336,123	669,222	481,468	581,157	1,780,345	1,519,854	537,764	515,405	499,116	531,912
Housing and community development	114,750	55,235	423,873	324,124	382,683	367,359	379,530	331,478	211,361	190,698
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	2,111,526	3,022,078
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	7,753,606	13,355,935
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>22,561,210</u>	<u>19,633,478</u>	<u>26,193,307</u>
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	6,735,343	6,514,558	6,659,348	7,308,745
Aquatics	-	-	-	-	-	927,665	946,248	911,803	911,537	1,028,526
Operating grants & contributions	-	-	-	-	-	-	1,435	1,428	176,855	1,543
Capital grants & contributions	4,551,646	1,121,104	1,283,828	827	1,208,512	1,414,448	885,658	8,451,165	1,437,382	1,562,035
Total business-type activities program revenues	<u>9,463,878</u>	<u>7,427,879</u>	<u>8,549,683</u>	<u>6,620,859</u>	<u>7,718,622</u>	<u>9,049,623</u>	<u>8,568,684</u>	<u>15,878,954</u>	<u>9,185,122</u>	<u>9,900,849</u>
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>	<u>\$ 22,111,074</u>	<u>\$ 38,440,164</u>	<u>\$ 28,818,600</u>	<u>\$ 36,094,156</u>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense) revenue										
Governmental activities:	\$(37,872,503)	\$(22,696,273)	\$(23,291,549)	\$(26,260,091)	\$(22,512,998)	\$(30,536,895)	\$(34,232,779)	\$(27,497,007)	\$(27,228,634)	\$(31,841,275)
Business-type activities	5,391,941	2,027,473	2,645,339	536,414	1,479,315	921,254	373,463	7,337,452	281,043	(505,763)
Total primary government expenses	<u>\$(32,480,562)</u>	<u>\$(20,668,800)</u>	<u>\$(20,646,210)</u>	<u>\$(25,723,677)</u>	<u>\$(21,033,683)</u>	<u>\$(29,615,641)</u>	<u>\$(33,859,316)</u>	<u>\$(20,159,555)</u>	<u>\$(26,947,591)</u>	<u>\$(32,347,038)</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	\$ 23,994,499	\$ 24,299,845	\$ 25,754,782	\$ 26,187,667
Annexation & developer contributions	-	9,964,080	5,772,066	4,935,983	-	-	-	-	-	-
State contribution for retirement	2,304,555	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	5,040,469	5,191,107	9,048,644	9,789,157	10,078,402	11,370,796	10,600,677	11,168,006	11,458,751	11,758,565
Investment earnings	232,802	381,380	209,628	203,490	695,655	652,572	210,232	75,502	31,158	19,905
Gain on sale of capital assets	-	-	-	-	(54,070)	1,980,388	15,979	-	-	-
Miscellaneous	689,427	545,714	684,960	517,530	959,284	1,383,397	468,609	268,617	353,086	163,566
Interfund transactions	(20,980)	242,188	220,635	224,539	233,065	(64,798)	122,637	22,000	257,051	(132,724)
Special Items	-	-	-	-	-	(13,409,208)	-	-	-	-
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>	<u>35,412,633</u>	<u>35,833,970</u>	<u>37,854,828</u>	<u>37,996,980</u>
Business-type activities										
Annexation & developer contributions	-	-	-	775,800	-	-	-	-	-	-
Investment earnings	106,838	369,797	299,782	63,237	330,545	168,312	47,494	(4,020)	21,457	257,348
Miscellaneous	-	23,773	8,749	2,886	2,337	3,378	2,405	190,354	5,107	67,177
Gain or loss on sale of capital assets	-	-	-	-	9,860	5,778	-	-	-	-
Interfund transactions	20,980	(242,188)	(220,635)	(224,539)	(233,065)	64,798	(122,637)	(22,000)	(257,051)	132,724
Special Items	-	-	-	-	-	13,409,208	-	-	-	2,000,000
Total business-type activities	<u>127,818</u>	<u>151,382</u>	<u>87,896</u>	<u>617,384</u>	<u>109,677</u>	<u>13,651,474</u>	<u>(72,738)</u>	<u>164,334</u>	<u>(230,487)</u>	<u>2,457,249</u>
Total primary government	<u>\$ 25,062,472</u>	<u>\$ 36,448,554</u>	<u>\$ 33,990,855</u>	<u>\$ 34,158,071</u>	<u>\$ 33,025,504</u>	<u>\$ 39,226,859</u>	<u>\$ 35,339,895</u>	<u>\$ 35,998,304</u>	<u>\$ 37,624,341</u>	<u>\$ 40,454,229</u>
Change in Net Assets										
Governmental activities	\$(12,937,849)	\$ 13,600,899	\$ 10,611,410	\$ 7,280,596	\$ 10,402,829	\$ (4,961,510)	\$ 1,179,854	\$ 8,336,963	\$ 10,626,195	\$ 6,155,705
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>	<u>300,725</u>	<u>7,501,786</u>	<u>50,556</u>	<u>1,951,486</u>
Total primary government	<u>\$ (7,418,090)</u>	<u>\$ 15,779,754</u>	<u>\$ 13,344,645</u>	<u>\$ 8,434,394</u>	<u>\$ 11,991,820</u>	<u>\$ 9,611,218</u>	<u>\$ 1,480,579</u>	<u>\$ 15,838,749</u>	<u>\$ 10,676,751</u>	<u>\$ 8,107,191</u>

Source: City of Missoula

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ -	\$ 396,988	\$ 639,060	\$ 588,145	\$ 759,606	\$ 558,624	\$ 699,325	\$ 740,667	\$ -	\$ -
Unreserved	1,011,574	1,450,347	1,167,446	1,341,370	1,365,053	643,449	201,062	1,348,317	-	-
Nonspendable*	-	-	-	-	-	-	-	-	1,148,767	1,232,302
Restricted*	-	-	-	-	-	-	-	-	165,282	105,804
Assigned*	-	-	-	-	-	-	-	-	1,203,481	1,284,045
Unassigned*	-	-	-	-	-	-	-	-	1,152,657	1,940,474
Total General Fund	<u>\$ 1,011,574</u>	<u>\$ 1,847,335</u>	<u>\$ 1,806,506</u>	<u>\$ 1,929,515</u>	<u>\$ 2,124,659</u>	<u>\$ 1,202,073</u>	<u>\$ 900,387</u>	<u>\$ 2,088,984</u>	<u>\$ 3,670,187</u>	<u>\$ 4,562,625</u>
All other governmental funds										
Reserved	\$ 2,054,790	\$ 2,993,025	\$ 3,280,061	\$ 3,602,376	\$ 3,007,558	\$ 3,175,573	\$ 3,654,339	\$ 3,869,555	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,952,039	2,458,951	2,124,775	1,939,572	1,462,685	3,208,509	3,814,089	4,124,600	-	-
Debt service funds	(35,775)	-	-	-	-	-	-	-	-	-
Capital projects funds	(912,811)	7,692,538	7,181,073	(5,290,370)	521,612	(1,471,297)	(4,728,035)	(4,089,044)	-	-
Nonspendable*	-	-	-	-	-	-	-	-	11,505	12,042
Restricted*	-	-	-	-	-	-	-	-	7,911,860	7,409,318
Committed*	-	-	-	-	-	-	-	-	1,374,228	2,048,128
Unassigned*, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	(332,574)	(149,817)
Debt service funds	-	-	-	-	-	-	-	-	(36,421)	(174,575)
Capital projects funds	-	-	-	-	-	-	-	-	(3,962,631)	(4,602,847)
Neighborhood stabilization funds	-	-	-	-	-	-	-	-	-	(4,139)
Total other governmental funds	<u>\$ 4,058,243</u>	<u>\$ 13,144,514</u>	<u>\$ 12,585,909</u>	<u>\$ 251,578</u>	<u>\$ 4,991,855</u>	<u>\$ 4,912,785</u>	<u>\$ 2,740,393</u>	<u>\$ 3,905,111</u>	<u>\$ 4,965,967</u>	<u>\$ 4,538,110</u>

Source: City of Missoula

* Restated to conform to GASB Statement No. 54

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 29,396,016
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	2,866,229
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	25,130,561
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	5,106,399
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	1,344,578
Miscellaneous	420,425	520,337	309,781	949,537	975,534	1,699,515	1,168,486	1,464,092	1,205,961	613,255
Interest earnings	231,951	449,387	226,538	192,758	538,418	584,698	156,522	63,362	32,409	41,691
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	64,498,728
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	6,949,250
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	23,834,156
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	7,437,537
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	1,431,431
Social and economic	105,100	100,706	105,238	108,395	132,897	115,000	118,450	118,450	116,000	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	3,528,049
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	10,348,859
Conservation of natural resources	-	-	-	-	-	-	-	7,757	450	100
Miscellaneous	788,987	795,362	910,387	-	947,093	-	-	1,041,180	1,189,351	1,003,472
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	3,689,100
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	1,556,195
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	6,202,777
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	66,096,927
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)	(1,598,199)
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	7,143,975
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)	(7,478,899)
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	2,559,396
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	2,224,471
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	\$ 626,272
Debt service as a percentage of non-capital expenditures:	13%	18%	15%	12%	23%	12%	12%	11%	12%	10%

Source: City of Missoula

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

Taxing Authority	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Missoula	169.48	176.32	182.57	196.39	204.73	212.23	222.45	222.45	225.56	233.24
County of Missoula										
County Wide	123.97	122.79	127.12	129.11	133.64	136.19	140.35	138.94	139.80	142.47
County Wide Schools	100.75	108.34	101.59	102.26	104.26	104.04	105.61	104.62	103.45	100.94
Total	224.72	231.13	228.71	231.37	237.90	240.23	245.96	243.56	243.25	243.41
District Schools										
School District One	153.24	159.27	158.29	150.66	150.26	145.45	140.24	142.75	141.50	145.18
High Schools	84.65	84.27	83.16	83.40	82.21	77.05	79.13	76.46	74.63	76.44
Total	237.89	243.54	241.45	234.06	232.47	222.50	219.37	219.21	216.13	221.62
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	11.66	11.93	12.23	12.38	13.91	14.62	14.86	16.30	16.45	17.69
Total Levy on City Residents	<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>747.39</u>	<u>761.96</u>
Other Levies of Interest										
County Only	27.32	25.33	33.97	31.83	34.50	35.68	35.80	35.80	36.18	36.18
Missoula Rural Fire	74.25	77.37	78.26	79.64	80.89	91.13	94.13	94.13	97.97	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

<u>Fiscal Year</u>	<u>Estimated Market Value</u>	<u>Taxable Value City Without Tax Increment</u>	<u>Ratio of Total Assessed Value to Total Estimated Market Value</u>	<u>Taxable Value Tax Increment Districts</u>	<u>Mill Levy</u>
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
2012	4,140,685,284	107,878,992	2.61%	5,114,782	233.24

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
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
2012	98,235	4,851	5,376	402	398	3,732	(5,115)	107,879

*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		All Construction		
		Number	Value Estimate	Number	Value Estimate	Number	Value Estimate	
2003	\$ 2,247,822,357	419	\$ 38,976,115	1,111	\$ 47,410,182	2,180	\$ 193,963,792	89.63%
2004	2,403,250,454	367	31,611,232	359	15,081,537	1,663	109,963,100	-43.31%
2005	2,636,857,585	457	38,970,878	194	8,157,757	1,677	113,217,490	2.96%
2006	2,805,424,077	374	35,521,132	79	4,393,527	1,494	99,855,627	-11.80%
2007	2,901,638,641	303	31,466,438	153	7,595,391	1,613	89,139,379	-10.73%
2008	3,195,587,513	229	21,554,764	154	9,711,099	1,530	133,165,009	49.39%
2009	3,369,424,088	142	11,627,586	73	3,019,865	1,291	63,987,567	-51.95%
2010	3,757,969,949	139	12,643,362	63	2,552,415	1,306	54,867,213	-14.25%
2011	3,965,146,053	95	8,892,276	262	17,010,385	1,283	87,790,572	60.01%
2012	4,140,685,284	96	9,675,751	329	15,186,996	1,395	58,443,007	-33.43%

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

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value
NORTHWESTERN CORPORATION	\$ 2,806,214	1	2.60%	\$ 2,125,611	2	2.69%
QWEST COMMUNICATIONS	1,536,222	2	1.42%	2,357,212	1	2.99%
BRESNAN COMMUNICATIONS	1,129,724	3	1.05%			
MOUNTAIN WATER COMPANY	897,748	4	0.83%	908,148	3	1.15%
SOUTHGATE MALL	699,823	5	0.65%	836,147	4	1.06%
CELLCO PARTNERSHIP DBA VERIZON	653,492	6	0.61%			
GATEWAY LIMITED PARTNERSHIP	578,122	7	0.54%	778,822	5	0.99%
AT&T MOBILITY LLC INCLUDING NEW CING	478,524	8	0.44%			
ST PATRICK HOSPITAL CORPORATION	474,892	9	0.44%	712,139	6	0.90%
FIRST INTERSTATE BANK	362,000	10	0.34%			
WAL-MART REAL ESTATE TRUST				494,019	7	0.63%
MONTANA RAIL LINK				385,324	8	0.49%
WOODMONT MISSOULA LP				306,615	9	0.39%
Total	<u>\$ 9,616,760</u>		<u>8.91%</u>	<u>\$ 8,904,037</u>		<u>11.28%</u>

Source: Department of Revenue - Missoula County Finance Office

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

Fiscal Year Ended June 30th	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date*		Percentage of Delinquencies
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2003	\$ 13,897,789	\$ 13,233,442	95.22%	\$ 387,103	\$ 13,620,545	98.01%	4.78%
2004	14,911,332	14,943,191	100.21%	281,762	15,224,953	102.10%	-0.21%
2005	15,976,238	15,900,407	99.53%	208,969	16,109,376	100.83%	0.47%
2006	18,368,735	17,935,902	97.64%	366,878	18,302,780	99.64%	2.36%
2007	19,967,941	19,806,028	99.19%	220,890	20,026,918	100.30%	0.81%
2008	21,454,303	20,926,264	97.54%	56,389	20,982,653	97.80%	2.46%
2009	22,915,155	21,901,904	95.58%	887,073	22,788,977	99.45%	4.42%
2010	22,916,556	22,249,952	97.09%	942,450	23,192,402	101.20%	2.91%
2011	23,960,119	22,526,690	94.02%	1,003,845	23,530,535	98.21%	5.98%
2012	20,656,453	20,154,453	97.57%	203,657	20,358,110	98.56%	2.43%

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, 2012

Market Valuation	\$	4,140,685,284
Market Valuation (Less Tax Increment)	\$	4,135,570,502
Taxable Valuation	\$	112,993,774
Taxable Valuation (Less Tax Increment)	\$	107,878,992
Population		67,242
Direct Debt Per Capita	\$	187
Direct and Overlapping Debt Per Capita	\$	504
Direct Debt to Market Valuation		0.30%
Direct and Overlapping Debt to Market Valuation		0.82%
Direct Debt to Taxable Valuation		11.12%
Direct and Overlapping Debt to Taxable Valuation		30.00%
Market Valuation per Capita	\$	61,579
Taxable Valuation per Capita	\$	1,604

Source: City of Missoula

**SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2012**

	Summary of Direct Debt		
	Gross Debt	Less: Debt Service Funds (a)	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 12,570,000	\$ -	\$ 12,570,000
Debt Supported by General Fund	5,285,000	-	5,285,000
Revenue Debt (Sewer)	23,600,000	(b)	23,600,000
Revenue Debt (TIF and Parking)	20,107,711	(c)	20,107,711
Subtotal of Direct Debt	<u>\$ 61,562,711</u>		<u>\$ 61,562,711</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, 2012	Debt Applicable to Tax Capacity of City Percentage^	Amount
Taxing Unit:			
Missoula County High School District	\$ 11,110,000	57.60%	\$ 6,399,360
Hellgate Elementary School District	11,410,000	15.68%	1,788,599
School District No. 20 (Desmet)	310,000	0.50%	1,550
Missoula County	24,640,000	53.30%	13,133,120
Subtotal of Indirect Debt	<u>\$ 47,470,000</u>		<u>\$ 21,322,629</u>

Total of Direct and Indirect Debt \$ 82,885,340

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value	0.30%	0.82%
Per Capita	\$ 187	\$ 504

*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)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 39,817	\$ 42,362	\$ 43,815	\$ 48,253	\$ 84,236	\$ 85,308	\$ 93,949	\$ 93,949	\$ 99,129	\$ 103,517
Total net debt applicable to limit	15,995	15,566	14,511	18,972	17,944	16,426	16,426	15,224	13,966	12,661
Legal debt Margin	<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>	<u>\$ 90,856</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>12.23%</u>

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	\$ 4,140,685
Debt Limit 2.5% of Assessed Value (1)	<u>2.50%</u>
General Obligation Debt Limit	103,517
Less: Outstanding General Obligation Debt, June 30, 2012	<u>12,661</u>
Total net debt applicable to limit	<u>90,856</u>
Legal Debt Margin	<u>\$ 90,856</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.

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		Total Personal Per capita Income*	Total Population	Debt as a Percentage of Personal Income	Debt Per Capita	Debt as a Percentage of Market Value
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	State Board of Investment Loans	Sidewalk and Curb Warrants	Revenue Bonds	Total Primary Government					
2003	\$ 8,302,060	\$ 1,495,000	\$12,928,173	\$ 236,290	\$ 327,830	\$ 8,693,367	\$ 31,982,720	\$ 28,849	60,870	1.82%	\$ 525	1.33%
2004	15,895,000	1,440,000	14,649,201	100,179	316,409	15,215,987	47,616,776	30,098	62,120	2.55%	767	1.81%
2005	15,020,000	1,380,000	14,226,402	546,373	228,628	16,586,138	47,987,541	31,397	63,396	2.41%	757	1.71%
2006	14,070,000	1,315,000	15,594,203	440,972	120,923	17,079,212	48,620,310	33,247	64,081	2.28%	759	1.68%
2007	18,720,000	4,760,000	15,455,681	252,453	120,923	16,797,231	56,106,288	34,451	65,826	2.47%	852	1.76%
2008	17,500,000	5,360,000	15,510,165	222,425	120,923	15,818,231	54,531,744	35,294	66,000	2.34%	826	1.62%
2009	16,235,000	5,130,000	14,030,295	191,309	100,248	14,801,231	50,488,083	35,156	66,295	2.17%	762	1.34%
2010	15,065,000	4,935,000	14,350,241	159,063	-	13,883,485	48,392,789	35,592	66,500	2.04%	728	1.29%
2011	13,840,000	5,625,000	15,021,055	125,646	-	24,579,098	59,190,799	36,032	66,788	2.46%	886	1.58%
2012	12,570,000	5,285,000	15,322,685	91,014	-	23,600,000	56,868,700	36,479	67,242	2.32%	846	1.37%

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total Taxable Assessed Valuation</u>	<u>Percentage of Taxable Value of Property</u>	<u>Estimated Population</u>	<u>Per Capita</u>
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
2012	12,570	107,879	12%	67,242	186.94

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	Coverage (2)
2003	\$ 6,234,505	\$ 2,555,053	\$ 3,679,452	\$ 489,162	\$ 231,961	\$ 721,123	510%
2004	6,308,650	3,036,426	3,272,224	689,000	503,234	1,192,234	274%
2005	7,265,854	3,151,625	4,114,229	797,233	655,716	1,452,949	283%
2006	6,620,032	3,263,652	3,356,380	894,751	660,341	1,555,092	216%
2007	6,778,103	3,492,891	3,285,211	941,000	682,728	1,623,728	202%
2008	6,848,299	3,900,755	2,947,544	979,000	641,677	1,620,677	182%
2009	6,543,754	3,860,411	2,683,343	1,017,000	605,558	1,622,558	165%
2010	6,705,911	3,769,644	2,936,267	1,050,023	568,464	1,618,487	181%
2011 ^	6,678,968	3,876,659	2,802,309	1,511,485	721,218	2,232,703	126%
2012	7,375,912	4,701,243	2,674,669	979,098	876,018	1,855,116	144%

^ Debt Service Coverage Calculation - 2012	
	FY 2012
Revenues	
Operating Revenue	\$ 7,633,812
Less: Federal Credit	(257,900)
Total Operating Revenue	7,375,912
Expenses	
Operating Expenses	(7,468,542)
Add back Depreciation	2,767,299
Total Operating Expenses	(4,701,243)
Revenues Available for Debt Service:	\$ 2,674,669
Debt Service	
Principal	\$ 979,098
Interest	1,133,918
Less: Federal Credit	(257,900)
Net Debt Service	\$ 1,855,116
Coverage	144%

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
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%
2012	774,812	15,322,685	5.1%

Source: City of Missoula

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Beginning Balance	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101	\$ 794,547
Disbursements/Transfers	(16,199)	177,736	(147,325)	81,258	64,430	(174,182)	(60,567)	44,702	30,446	(3,338)
Ending Balance	<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>	<u>\$ 791,209</u>
Assets:										
Cash	\$ 742,524	\$ 852,799	\$ 808,460	\$ 885,738	\$ 928,632	\$ 776,343	\$ 702,257	\$ 746,320	\$ 793,639	\$ 774,812
Due from SID Funds	35,525	72,062	-	-	-	-	-	-	-	865
Other Receivables	310,660	320,488	227,828	218,910	222,281	184,856	182,844	167,952	135,548	134,640
Total Assets	<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>	<u>910,317</u>
Liabilities:										
Deferred Revenue	310,660	289,564	227,828	214,930	196,765	181,233	165,702	150,171	134,639	119,108
Total Liabilities	<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>	<u>119,108</u>
Total Fund Balance	<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>	<u>\$ 791,209</u>

Source: City of Missoula

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

Fiscal Year	Population		Income Statistics			State	Missoula County
	Estimated City Population (1)	County Population	Total Personal Income (2)	Per Capita Income (2)		Unemployment Rate	Unemployment Rate
2003	60,870	99,911	\$ 2,880,100	\$ 28,849		4.4%	3.9%
2004	62,120	100,891	3,032,540	30,098		4.3%	4.0%
2005	63,396	102,118	3,204,473	31,397		4.0%	3.7%
2006	64,081	104,145	3,460,865	33,247		3.5%	3.3%
2007	65,826	105,911	3,646,623	34,451		2.5%	2.3%
2008	66,000	107,565	3,795,962	35,294		4.1%	4.1%
2009	66,295	108,000	3,818,772	35,156		5.3%	5.1%
2010	66,500	108,500	3,866,079	35,592		6.6%	6.3%
2011	66,788	109,299 *	3,913,971 *	36,032 *		6.9%	6.8%
2012	67,242	110,042 *	3,962,457 *	36,479 *		6.5%	6.4%

(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	2012	Percentage of Total City Employment	2003	Percentage of Total City Employment
University of Montana	Higher Education	3,119	4.64%	2795	4.59%
St. Patrick Hospital	Healthcare	1,787	2.66%	1450	2.38%
Missoula County Public Schools	Public Education	1,172	1.74%	1481	2.43%
Community Medical Center	Healthcare	1,185	1.76%	1243	2.04%
DirecTV Customer Service	Service	850	1.26%	*	*
Missoula County	County Government	810	1.20%	700	1.15%
Us Forrest Service	Federal Government	750	1.12%	400	0.66%
Opportunity Resources	Service	700	1.04%	*	*
Wal-Mart	Retail	585	0.87%	*	*
City of Missoula	City Government	490	0.73%	516	0.85%
Village Health Care Center	Healthcare	405	0.60%	*	*
Montana Rail Link	Rail Transportation	287	0.43%	321	0.53%

* Employers were added after 2003

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	5.00	5.00	5.00	5.00	5.00	5.00
Human Resources	3.90	3.90	3.90	4.15	4.15	4.15	4.15	4.00	4.00	4.00
Communications	1.00	1.00	1.00	1.00	-	-	-	-	-	-
City Clerk	3.25	3.25	3.50	4.00	4.00	4.50	4.50	4.50	3.50	4.00
Information Systems	4.50	4.50	5.00	5.50	6.00	6.00	6.00	6.00	6.00	6.00
Finance/Treasurer	12.97	13.13	12.75	12.75	16.00	16.00	16.00	15.00	15.00	15.00
Public Safety										
Municipal Court	8.50	9.00	10.50	13.00	13.00	14.25	13.00	14.25	13.75	13.75
City Attorney	9.90	9.90	9.90	12.40	14.40	14.40	14.90	13.25	12.75	12.75
Police Department	102.00	108.00	116.00	119.00	125.50	125.50	124.50	124.50	117.00	117.00
Fire Department	76.00	76.00	78.00	82.00	83.00	95.00	95.00	94.00	95.00	95.00
Building Inspection	14.37	13.50	13.86	14.34	15.00	13.34	13.00	9.00	9.00	9.00
Parking Commission	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.33	11.33
Public Works										
Engineering	25.92	27.12	28.12	28.62	28.82	29.82	29.87	29.87	29.82	27.52
Street Division	28.29	28.29	28.54	28.54	28.54	28.54	28.54	28.54	28.54	28.54
Vehicle Maintenance	10.50	10.50	10.50	11.00	11.00	11.00	11.00	11.00	10.50	10.50
Public Health										
Wastewater	20.20	20.20	22.20	22.20	22.20	22.20	22.20	22.20	21.50	21.50
Social Services										
City Cemetery	8.50	8.50	8.50	8.50	8.50	8.92	8.92	8.92	8.92	8.92
Community Development										
MRA	6.14	6.14	6.14	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Culture and Recreation										
Parks and Recreation	48.80	49.94	52.94	54.02	58.10	53.74	55.74	55.74	55.74	55.74
Aquatics				4.75	26.36	30.81	30.81	30.81	30.81	26.81
Total	411.74	419.87	438.35	458.77	498.57	512.17	512.13	505.58	496.16	490.36

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT**

<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Date of Expired Contract</u>
International Association of Firefighters, Local No. 271	86	June 30, 2015
Missoula Police Protective Association	94	June 30, 2015
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept	9	June 30, 2014
Wastewater Lab Techs	2	June 30, 2015
Parking Commission	7	June 30, 2014
Teamsters Union, Local No. 2	20	June 30, 2015
Operators' Union, Local No. 4000	10	June 30, 2015
Machinists Union, Local No. 88, District No. 86	8	June 30, 2015
Teamsters, Parks and Recreation Seasonal	18	June 30, 2014
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	June 30, 2012

Note: Basic Services provided through City government include Police and Fire protection, Municipal Sewer and Sanitation, street Maintenance and Construction, Building Inspection, Zoning Enforcement, Public Works, and Parks and Recreation. As of June 30, 2008, the City employed approximately 639 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 40% were members of organized bargaining units. State law requires Montana Cities to bargain collectively with formally recognized bargaining units. The City considers relations with its bargaining groups to be satisfactory.

Source: City of Missoula

**MISSOULA, MONTANA METROPOLITAN AREA
EMPLOYMENT BY MAJOR INDUSTRY TYPE
ANNUAL AVERAGE
Last Ten Fiscal Years**

	2012 (A)	2011	2010	2009	2008	2007	2006	2005	2004	2003
Goods Producing	4,500	4,700	4,600	5,500	6,100	6,200	6,200	6,200	6,200	6,000
Trade, Transportation and Utilities	11,900	11,400	11,300	12,100	12,900	12,900	12,800	12,600	12,500	12,200
Professional and Business Service	7,300	6,900	6,900	6,100	6,200	5,900	5,200	5,000	4,900	4,800
Educational and Health Services	9,500	9,500	9,200	8,900	8,700	8,300	8,300	8,200	8,000	7,600
Healthcare and Social Assistance	9,000	9,000	8,700	8,400	8,200	7,900	7,900	7,800	7,600	7,200
Leisure and Hospitality	7,200	6,900	7,000	7,600	7,900	7,600	7,100	6,900	6,800	6,600
Government	9,900	8,400	10,300	8,300	9,300	10,400	10,600	10,200	10,100	9,900
	<u>59,300</u>	<u>56,800</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>

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

(A) Most recent data available through October 2012.
All other years are annual data

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Business Licenses Issued	7,823	7,907	4,484	5,173	5,290	6,386	5,141	5,947	5,103	5,872
Amount of SID's Billed	\$ 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	\$ 2,806,974
# Sewer Bills	35,124	35,448	36,641	38,728	41,002	41,818	42,323	42,860	43,493	44,495
Public Safety Activities										
Citations issued	21,809	25,136	31,008	33,262	38,468	32,219	31,700	25,136	20,232	20,554
Orders of Protection issued	523	298	586	604	417	400	398	277	209	236
Attorney's Office - Lawsuits & Claims	41	51	53	51	47	49	41	26	24	22
Attorney - Opened criminal files	1,890	2,476	2,179	4,235	3,181	2,708	2,372	2,313	3,029	4,007
Officers/1,000 population	1	1	2	2	2	2	2	2	1	2
Total sworn officers	85	88	96	100	102	101	101	100	100	104
Police calls for Service	36,221	37,398	37,494	43,778	40,515	40,981	41,424	41,373	40,272	41,334
Total Fire Department Incident Responses*	4,451	4,729	4,701	5,259	5,497	5,805	5,850	6,217	5,752	6,131
Public Works										
Miles of sidewalk installed	11.03	17.45	24.74	9.34	9.19	7.00	4.00	6.78	5.42	4.72
Building Permits Issued	1,663	1,677	1,494	1,613	1,613	1,530	1,291	1,306	1,283	1,395
Construction Value of Bldg permits issued	\$ 109,963,100	\$ 113,217,490	\$ 99,855,627	\$ 89,139,379	\$ 89,139,379	\$ 133,165,009	\$ 63,987,567	\$ 54,867,213	\$ 87,790,572	\$ 58,443,007
Miles of Street - per State Gas Tax Report	344	349	359	359	338	312	383	391	413	416
Population	60,870	62,120	63,396	64,081	65,826	66,000	66,295	66,500	66,788	67,242

Source: City of Missoula

* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/11.

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

Function	Fiscal Year					
	2012	2011	2010	2009	2008	2007
GENERAL GOVERNMENT						
Vehicles	2	4	4	4	7	5
Buildings	4	3	3	3	3	2
PUBLIC SAFETY ACTIVITIES						
Fire Stations	5	5	5	5	5	5
Fire Engines/Trucks/Vehicles/Vans	31	25	25	26	26	27
Police Motorcycles	4	6	6	6	6	6
Police Patrol Cars/Passenger Vehicles/Other Vehicles	66	63	63	62	58	47
PUBLIC WORKS						
Streets (sq. yards)	7,399,746	7,265,469	7,056,869	6,837,927	6,826,850	6,761,248
Curbs (lineal feet)	2,159,796	2,135,361	2,100,819	1,957,574	1,997,728	1,957,574
Sidewalks (sq. feet)	12,824,406	12,699,836	10,599,017	10,232,017	10,015,638	9,830,923
Storm Sewer (lineal feet)	172,360	168,148	162,158	157,826	153,275	153,275
Sumps	5,524	5,496	5,385	5,307	5,307	5,160
Signs	29,236	58,369	57,502	56,635	53,768	54,901
Vehicles	163	165	163	161	107	98
Buildings	4	4	4	4	4	7
PUBLIC HEALTH ACTIVITIES						
Cemetery & Buildings	7	7	7	7	7	7
Vehicles/Tractors/Trucks/Mowers	17	15	14	14	16	17
CULTURE AND RECREATION						
Parks	70	69	68	67	51	46
Trails				22	20	18
Commuter	23	22	22	N/A	N/A	N/A
Recreational	56	55	55	N/A	N/A	N/A
Park Shelter/Band Shells/Pavilions	17	15	12	10	10	10
Buildings	23	23	23	23	23	20
Vehicles	59	59	59	58	55	57
HOUSING & COMMUNITY DEVELOPMENT						
Vehicles	1	1	1	1	10	10
Buildings	-	-	-	-	2	2

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

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

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

Fiscal Year	Assessments Billed	Current Assessments Paid	Percent Collected	Delinquent Assessments Paid	Total Assessments Paid	Penalty and Interest Paid
2003	\$ 1,947,490	\$ 2,424,156	124.48%	\$ 88,387	\$ 2,512,543	\$ 13,363
2004	2,275,546	2,105,570	92.53%	94,509	2,200,079	14,225
2005	2,241,307	2,132,336	95.14%	425,988	2,558,324	16,314
2006	2,748,200	2,638,272	96.00%	246,280	2,884,552	10,996
2007	2,793,604	3,695,269	132.28%	106,930	3,802,199	11,629
2008	2,802,979	2,690,299	95.98%	107,817	2,798,116	11,653
2009	2,781,168	2,666,875	95.89%	109,340	2,776,215	11,539
2010	2,979,149	2,796,909	93.88%	136,607	2,933,516	14,999
2011	2,979,149	2,818,935	94.62%	159,941	2,978,876	18,139
2012	2,806,974	2,760,131	98.33%	160,377	2,920,508	16,070

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
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
2012	290,142,694	1,313.47	26,719.49	2.05	954.39

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

CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICTS
Current as of June 30, 2012

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
FY11 Total ^	\$ 2,698,949,941	\$ 1,042.61	\$ 42,350.68	0.03	341.14
0503	\$ 4,020,500	\$ 482	\$ 588	382.98	468.09
0508	158,842	440.05	440.05	440.05	440.05
0510	19,176,032	593.36	1,476.89	148.44	534.54
0511	9,635,207	760.16	7,488.06	294.04	429.81
512/521/522	290,142,694	1,313.47	26,719.49	2.05	954.39
0520	149,592,706	171.15	7,100.81	14.74	139.53
0524	892,112,468	467.12	20,113.91	1.76	312.85
0525	28,186,866	155.10	435.37	49.81	128.18
0526	118,646,237	148.02	750.60	5.14	117.61
0530	6,852,600	7,257.27	8,555.45	5,994.87	7,162.17
0531	22,559,518	1,550.48	5,815.45	434.72	1,381.33
0532	64,945,612	215.46	583.02	41.03	214.09
0533	11,069,685	120.28	599.68	55.56	81.94
0534	14,099,391	87.41	141.36	30.87	88.67
0535	97,547,091	3,335.54	16,960.60	1,157.39	3,254.29
0536	24,065,700	85.76	192.34	2.98	83.30
0539	7,626,192	1,245.13	2,905.89	710.10	1,121.41
0540	104,189,280	121.92	197.80	2.88	120.16
0541	570,927,450	898.65	6,179.85	103.38	798.09
0543	162,227,012	1,745.63	3,229.71	720.98	1,676.42
0544	92,385,537	51.58	106.00	2.40	52.92
0545	21,000,329	938.60	2,353.18	398.34	907.02
0546	12,033,400	1,078.26	1,425.81	779.84	1,069.76
CS08	33,853,153	266.61	2,261.50	13.72	184.22
CS09	31,945,431	94.71	494.15	9.43	76.83
CS10	45,486,206	124.07	1,931.27	8.01	62.13
3402	25,433,656	1,853.36	12,476.31	101.29	627.48
3412	3,680,808	694.00	1,693.92	69.54	750.23
3422	10,300,008	167.77	800.14	34.59	102.29
CS343	11,800,736	598.62	1,752.24	33.86	856.73
CS344	61,006,919	1,488.56	11,546.56	17.42	1,065.03
CS345	108,587,806	617.80	4,619.19	15.86	392.03
CS346	49,855,872	317.60	1,662.34	9.10	90.68
FY12 Total ^	\$ 3,105,150,944	\$ 893.51	\$ 26,719.49	1.76	429.81

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
2012	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	51.00

Source: Missoula Parking Commission

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

Fiscal Year	Parking Meters	Leased Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue	Percentage of Parking Meter Revenue	Percentage of Garage Parking Revenue	Percentage of Leased Parking Revenue other than Parking Garage	Percentage of Other Revenue
2002	1,116	1,295	16	168	1,148	27%	27%	16%	27%	3%
2003	1,122	1,107	14	172	1,381	27%	33%	16%	27%	3%
2004	1,064	829	13	259	1,097	20%	32%	18%	24%	6%
2005	1,161	816	13	257	1,145	17%	36%	20%	23%	3%
2006	1,075	801	13	257	1,124	20%	34%	14%	28%	5%
2007	1,075	801	13	257	1,124	20%	34%	14%	27%	4%
2008	1,075	801	13	257	1,592	18%	31%	16%	21%	14%
2009	1,129	800	12	257	1,011	19%	35%	16%	21%	10%
2010	1,061	800	12	257	1,166	18%	37%	18%	23%	4%
2011	1,061	800	12	257	1,198	18%	37%	18%	23%	4%
2012	1,015	855	12	257	1,012	17%	38%	14%	29%	3%

Source: Missoula Parking Commission

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

FISCAL YEAR	OPERATING REVENUES	SID 470 REVENUES	OPERATING EXPENSES (A)	NET AVAILABLE FOR DEBT SERVICE	PRINCIPAL PAID	INTEREST PAID	TOTAL DEBT SERVICE	COVERAGE (B)
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
2012 *	1,739,234	-	876,485	862,749	220,000	384,813	604,813	1.43

* Debt Service Coverage Calculation - 2012	
	FY 2012
Revenues	
Total Operating Revenue	\$ 1,470,812
MRA Pledge	<u>268,422</u>
Total Revenues Pledged	1,739,234
Expenses	
Operating Expenses	(1,159,948)
Add back Depreciation	133,651
Add back PILOT-Admin Chg	<u>149,812</u>
Total Operating Expenses	(876,485)
Revenues Available for Debt Service	<u>\$ 862,749</u>
Debt Service	
Principal	\$ 220,000
Interest	687,012
Less: Federal Credit	<u>(302,199)</u>
Net Debt Service	<u>\$ 604,813</u>
Coverage	1.43

(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
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
2012	3,371,473	309,233	3,680,706

Urban Renewal District III

Fiscal Year	Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
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
2012	9,118,547	552,532	9,671,079

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
2012	1,908,040	121,154	2,029,194

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
2012	132,286	36,579	168,865

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

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

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

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

Urban Renewal District II

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
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		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%
2012	112,993,774	3,680,706	1,820,883	1.6%

Urban Renewal District III

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
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%
2012	112,993,774	9,671,079	2,666,733	2.4%

Front Street URD

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2009 *	\$ 106,334,891	\$ 1,413,675	\$ 640	0.0%
2010	107,159,214	1,622,092	209,057	0.2%
2011	111,474,037	2,229,992	816,957	0.7%
2012	112,993,774	2,029,197	616,159	0.5%

Riverfront Triangle

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2010 ^	\$ 104,408,018	\$ 133,871	\$ -	0.0%
2011	111,474,037	189,937	32,079	0.0%
2012	112,993,774	168,865	11,007	0.0%

* 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 District I	Incremental Taxable Value District II	Incremental Taxable Value District III	Incremental Taxable Value Front Street URD	Incremental Taxable Value Riverfront Triangle URD	Net Taxable Value (excluding districts)
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	2,537,510	209,057	-	102,652,055
2011	3,965,146,053	111,474,037	not applicable	1,892,184	2,503,784	816,957	32,079	106,229,033
2012	4,140,685,284	112,993,774	not applicable	1,820,883	2,666,733	616,159	11,007	107,878,992

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

CITY OF MISSOULA, MONTANA
MISSOULA REDEVELOPMENT AGENCY
COMPONENT UNIT TAX INCREMENT REVENUE BOND COVERAGE
URD II: MILLSITE \$3.6M BONDS

FISCAL YEAR	PROJECTED PLEDGED TAX INCREMENT	MAXIMUM PROJECTED DEBT SERVICE	COVERAGE
2007			
With State Entitlement	\$ 1,033,421	\$ 250,500	413%
Without State Entitlement	749,799	250,500	299%
2008			
With State Entitlement	1,129,477	250,500	451%
Without State Entitlement	845,855	250,500	338%
2009			
With State Entitlement	1,302,970	250,400	520%
Without State Entitlement	1,019,348	250,400	407%
2010			
With State Entitlement	1,369,859	250,400	547%
Without State Entitlement	1,113,237	250,400	445%
2011			
With State Entitlement	1,493,995	250,400	597%
Without State Entitlement	1,210,373	250,400	483%
2012			
With State Entitlement	1,429,000 *	500,400 **	286%
Without State Entitlement	1,173,740	500,400	235%

* State Entitlement amount reduced by 10% to \$255,260 by 2011 Legislative action

** Civic Stadium Noted issued February 2012 on parity with Series 2006 bonds.

Source: City of Missoula Annual Reports

CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES IN THE URBAN RENEWAL DISTRICT II
Last Ten Fiscal Years

	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY '09	FY '10	FY '11	FY '12
Taxing Authority	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	35.88		31.28	30.20	25.91	25.39	25.44	26.92	26.60	26.28
General Countywide School Levy	90.38	92.32	79.45	77.20	67.53	66.04	67.17	54.71	53.28	51.18
Missoula County	111.20	104.68	99.42	97.47	86.56	86.44	89.27	72.66	72.00	72.24
Missoula Highschool District	75.93	71.81	65.04	62.96	53.25	48.91	50.33	39.98	38.44	38.76
City of Missoula	152.03	150.25	142.78	148.27	132.60	134.71	141.49	116.33	116.17	118.27
Urban Transportation District	10.46	10.17	9.56	9.35	9.01	9.28	9.45	8.52	8.47	8.97
Increment 1-1C *	70.41	103.94	153.64	175.00	256.84	266.50	270.27	353.75	359.55	372.64
Subtotal	552.29	573.26	587.17	606.45	637.70	643.27	659.42	678.87	680.51	694.34

School District 1-1C	137.46	135.72	123.79	113.74	97.32	92.32	89.20	74.65	72.88	73.61
Total leviesfor property in the District lying within School District 1-1C	689.75	708.98	710.96	720.19	735.02	735.59	748.62	753.52	753.39	767.95

	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY '09	FY '10	FY '11	FY '12
Taxing Authority	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	21.76	22.51	21.23	21.13	21.46	20.06	18.77	24.90	22.73	25.87
General Countywide School Levy	54.82	60.98	53.93	24.02	55.95	52.19	49.56	49.44	43.27	50.14
Missoula County	67.45	69.14	67.48	68.21	71.71	68.31	65.86	65.66	58.47	70.77
Missoula Highschool District	46.06	47.43	44.15	44.06	44.11	38.65	37.13	36.13	31.21	37.97
City of Missoula	92.21	99.27	96.92	103.75	109.86	106.45	104.38	105.12	94.34	115.86
Urban Transportation District	6.34	6.71	6.49	6.54	7.46	7.33	6.97	7.70	6.88	8.79
Increment 4-1C *	292.93	288.25	314.24	328.52	335.27	355.00	402.98	398.69	441.03	384.35
Subtotal	587.57	600.29	610.44	602.23	651.82	653.99	691.65	693.64	703.93	699.75

School District 4-1C	60.93	65.10	65.38	70.20	77.67	64.27	73.61	74.27	66.18	75.98
Total leviesfor property in the District lying within School District	648.50	665.39	675.82	672.43	729.49	718.26	765.26	767.91	770.11	775.73

* Note: Tax Increment districts are not taxing authorities and do not levy taxes, i.e. levy mills. Total incremental taxable value can be viewed as a percentage of total taxable value in a district, from information provided by the Montana Department of Revenue. For purposes of disclosure, this report shows that same percentage broken down as a portion of the total mills levied in the district.

MISSOULA COUNTY
Urban Renewal District II - Top 10 Taxpayers
Tax Year 2012 (FY13)

	Taxpayer	Type of Business	2012 Total Tax	2012 Market Value	2012 Taxable Value	
1	Safeway Inc.	Grocery Store	\$ 187,594	\$ 8,763,340	\$ 237,233	*
2	Mountain Water Co	Water Company	145,517	7,067,512	185,788	
3	Nutritional Laboratories	Food Supplement Manufacturer	116,975	5,563,895	135,364	*
4	Blackfoot Telephone	Coop Communications	99,854	4,268,965	128,069	
5	Good Food Store	Commercial Grocery	96,531	4,785,962	120,524	
6	Missoula Electric Coop	Coop Electric Utility	82,047	3,507,728	105,232	
7	Like-Nu Auto Services	Automotive Repair	57,587	2,801,157	73,670	
8	Norman B. Carey	Bowling Alley, Undeveloped Land	50,506	2,417,533	63,581	
9	Silver Foundation/Millsite Revitalization Project LLC	Undeveloped Land	43,393	2,113,564	55,587	**
10	Talbert Demeester	Residential/Commercial Development	39,841	1,871,229	49,214	
11	UBC Real Estate LLC	Building Center	30,154	741,352	44,481	
		Total	<u>\$ 949,999</u>	<u>\$ 43,902,237</u>	<u>\$ 1,198,743</u>	

* Combines two tax IDs listed seperately for Safeway and Nutritional Labs on County report.

** Combines tax IDs listed separately for Millsite property.

**SINGLE AUDIT
SECTION**

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 (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 30, 2013. 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

Management of the City is responsible for establishing and maintaining effective 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 in internal control over financial reporting that might be 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. However, we identified a deficiency in internal control over financial reporting, described as finding 2012-1 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 January 30, 2013.

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 response and, accordingly, we express no opinion on it.

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 Zermohlen & Co., P.C.

Missoula, Montana
January 30, 2013

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 the City of Missoula, Montana's (the City) 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, 2012. 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 2012-2, in the accompanying schedule of findings and questioned costs, the City did not comply with Davis Bacon, reporting, and subrecipient monitoring requirements that are applicable to its ARRA Brownsfield 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, 2012.

Internal Control Over Compliance

Management of the City 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 a certain deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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 2012-2 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-3 to be significant deficiencies.

The City's responses to the findings 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.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the City's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the City's compliance but not to provide an opinion on the effectiveness of the City's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

Anderson Zermohlen & Co., P.C.

Missoula, Montana
January 30, 2013

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Beginning Balance July 1, 2011	Federal Revenue	Match/Other Revenue	Federal Expenditures	Match/Other Expenditures	Ending Balance June 30, 2012
<u>Office of National Drug Control Policy</u>									
<i>Direct:</i>									
High Intensity Drug Trafficking Area 2012	95.001	G12RM0037A	\$ 218,358	\$ -	\$ 60,322	\$ -	\$ 60,322	\$ -	\$ -
High Intensity Drug Trafficking Area 2011	95.001	G11RM0037A	248,358	-	172,946	-	172,946	-	-
Total Office of National Drug Control Policy			466,716	-	233,268	-	233,268	-	-
<u>U.S. Department of Agriculture-Forest Service</u>									
<i>Passed through the Montana Department of Natural Resources and Conservation:</i>									
Forest Health Protection	10.680	FHE-10-001	125,000	-	52,497	-	52,497	-	-
<u>U.S. Department of Housing and Urban Development</u>									
<i>Direct:</i>									
Community Development Block Grant Entitlement Grants	14.218	B-10/11/12-MC-30-0003	1,822,150	-	824,329	15,767	824,329	15,767	-
ARRA - Community Development Block Grant ARRA Entitlement Grants	14.253	B-09-MY-30-0003	168,720	-	16,839		16,839		-
Total CDBG-Entitlement Grants Cluster			1,990,870	-	841,168	15,767	841,168	15,767	-
Home Investment Partnership Program	14.239	M-10/11-MC-30-0219	1,139,148	-	234,526	-	234,526	-	-
<i>Passed through the Montana Department of Commerce:</i>									
Community Development Block Grant - State's Program	14.228	MT-NSP-016-01-001	5,050,000	-	2,205,193	-	2,205,193	-	-
Total U.S. Department of Housing and Urban Development			8,180,018	-	3,280,887	15,767	3,280,887	15,767	-
<u>U.S. Department of the Interior</u>									
<i>Passed through the Montana Historical Society:</i>									
ARRA Save America's Treasures	15.929	11-030	-	-	1,510	-	1,510	-	-
Historic Preservation Fund Grant	15.904	11-022	5,500	-	5,500	-	5,500	-	-
Total U.S. Department of the Interior			5,500	-	7,010	-	7,010	-	-
<u>U.S. Department of Justice</u>									
<i>Direct:</i>									
OJJDP FY2008 Edward Byrne Memorial Earmarks	16.541	2008-DD-BX-K082	552,260	-	114,167	-	114,167	-	-
ARRA BJA FY09 Edward Byrne Memorial JAG Program-JAG Grant V	16.804	2009-SB-B9-1537	245,398	-	1,997	-	1,997	-	-
BJA FY09 Edward Byrne Memorial JAG Program-JAG Grant VI	16.738	2009-DJ-BX-0870	45,485	-	5,611	-	5,611	-	-
BJA FY09 Edward Byrne Memorial JAG Program-JAG Grant VII	16.738	2010-DJ-BX-1011	85,343	-	61,137	-	61,137	-	-
BJA FY11 Edward Byrne Memorial JAG program-JAG Grant VIII	16.738	2011-DJ-BX-2858	68,547	-	29,735	-	29,735	-	-
Total JAG Program Cluster			444,773	-	98,480	-	98,480	-	-
COPS Technology Grant Program	16.710	2010CKWX0514	750,000	-	72,299	-	72,299	-	-
ARRA Public Safety Partnership and Community Policing Grants-COPS									
Hiring Recovery Program	16.710	2009RKWX0529	1,092,230	-	346,107	-	346,107	-	-
Public Safety Partnership and Community Policing Grants	16.710	2011UMWX0108	234,936	-	41,654	-	41,654	-	-
Total Public Safety Partnership and Community Policing Grants			2,077,166	-	460,060	-	460,060	-	-
<i>Passed through State of Montana Board of Crime Control:</i>									
Underage Drinking Enforcement	16.727	10-U01-91056	34,701	-	31,375	-	31,375	-	-
Total U.S. Department of Justice			3,108,900	-	704,082	-	704,082	-	-

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Beginning Balance July 1, 2011	Federal Revenue	Match/Other Revenue	Federal Expenditures	Match/Other Expenditures	Ending Balance June 30, 2012
<u>U.S. Department of Transportation</u>									
<i>Direct through Federal Highway Administration:</i>									
Highway Planning and Construction	20.205	DTFH70-09-E-00025	537,548	-	469,498	-	469,498	-	-
Highway Planning and Construction	20.205	DTFH70-10-E-00031	625,000	-	153,664	-	153,664	-	-
<i>Passed through the Montana Department of Transportation:</i>									
Congestion Mitigation and Air Quality	20.205	CM STWD (110)	175,879	-	175,879	27,262	175,879	27,262	-
Congestion Mitigation and Air Quality	20.205	CM 8199(101)	45,454	-	31,836	5,410	31,836	5,410	-
Congestion Mitigation and Air Quality	20.205	CM 8199(104)	44,696	-	42,880	6,647	42,880	6,647	-
Surface Transportation Planning Urban Funds	20.205	STPU 8105(8) CN 4128	861,750	-	41,859	-	41,859	-	-
Safe Routes to School (Non-infrastructure)	20.205	105761	39,000	-	31,872	-	31,872	-	-
Safe Routes to School	20.205	7035	129,642	-	76,575	-	76,575	-	-
Community Transportation Enhancement Program	20.205	STPE 8199(66)	636,490	-	34,354	220,046	34,354	220,046	-
Community Transportation Enhancement Program	20.205	7500	870,129	-	15,563	-	15,563	-	-
Community Transportation Enhancement Program	20.205	7479	67,835	-	25,079	-	25,079	-	-
Community Transportation Enhancement Program	20.205	7485	259,740	-	52,791	8,183	52,791	8,183	-
Subtotal 20.205			4,293,163	-	1,151,850	267,548	1,151,850	267,548	-
<i>Passed through the Montana Fish, Wildlife, & Parks-MT State Parks Division:</i>									
Recreational Trails Program	20.219	RTP 2011-20	35,000	-	35,000	-	35,000	-	-
Total Highway Planning and Construction Cluster			4,328,163	-	1,186,850	267,548	1,186,850	267,548	-
State and Community Highway Safety	20.600	105983	25,000	-	16,384	-	16,384	-	-
State and Community Highway Safety	20.600	2011-02-06-26	25,000	-	12,162	-	12,162	-	-
Total State and Community Highway Safety			50,000	-	28,546	-	28,546	-	-
Total U.S. Department of Transportation			4,378,163	-	1,215,396	267,548	1,215,396	267,548	-
<u>Environmental Protection Agency</u>									
<i>Direct:</i>									
Brownfields Assessment and Cleanup-RLF	66.818	BF 97810201	2,250,000	-	461,529	-	461,529	-	-
ARRA Brownfields Assessment and Cleanup-RLF	66.818	2B-97863201	900,000	-	731,312	-	731,312	-	-
Total Environmental Protection Agency			3,150,000	-	1,192,841	-	1,192,841	-	-
<u>U.S. Department of Energy</u>									
<i>Direct:</i>									
ARRA Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0003386	680,400	-	106,896	-	106,896	-	-
<u>U.S. Department of Homeland Security</u>									
<i>Direct:</i>									
Assistance to Firefighters Grant-SAFER	97.044	EMW-2007-FF-01110	843,400	-	90,062	485,369	90,062	485,369	-
Total Federal Financial Assistance			\$ 20,938,097	\$ -	\$ 6,882,939	\$ 768,684	\$ 6,882,939	\$ 768,684	\$ -

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF MISSOULA, MONTANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2012

BASIS OF PRESENTATION

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

RESTATEMENT

A restatement of \$162,091 was made in fiscal year 2012 to reflect revenue recognized in prior periods for unallowable costs related to the Public Safety Partnership and Community Policing Grant - CFDA No. 16.710, and Part E – Developing, Testing and Demonstrating Promising New Programs (shown as OJJDP FY2008 Edward Byrne Memorial Earmarks on the accompanying Schedule of Expenditures of Federal Awards) - CFDA No. 16.541. The funds were returned in full to the Department of Justice in fiscal year 2013 and will be available for additional grant expenditures in future periods.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2012

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	Yes
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	Yes
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>
14.228	Community Development Block Grant/State's Program
16.710	Public Safety Partnership and Community
	Policing Grant
66.818	Brownfields Assessment and Cleanup – RLF and ARRA
	Brownfields Assessment and Cleanup - RLF
95.001	High Intensity Drug Trafficking Areas Program

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

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Fiscal Year Ended June 30, 2012

Section II – Financial Statement Findings

Finding 2012-1

Information Supporting the Financial Statements

Condition –

During our testing we noted several supporting schedules that did not tie to the financial statements. We further noted that certain tax information was not updated correctly for the current year. The inconsistencies were corrected by the auditee.

Criteria –

When differences exist between the financial statements and supporting documentation, it indicates a significant deficiency in internal control over financial reporting due to the quantitative impact on the fund and government-wide financial statements.

Effect –

Differences between supporting schedules and the financial statements are indicative of misstated account balances.

Cause –

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

Recommendation –

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

*Client response and
corrective actions –*

We acknowledge the auditor's comment regarding supporting schedules. The City Finance staff was faced with an issue of under-staffing and a major software conversion that further strained the capacity of existing staff. We are hopeful that the department can be fully staffed in the upcoming year.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Fiscal Year Ended June 30, 2012

Section III – Federal Award Findings and Questioned Costs

Finding 2012-2

Reporting for federal programs

Affected Program -

ARRA Brownfields Assessment and Cleanup No. 66.818

Condition –

During our testing we noted that the information reported on the Prime Recipient Forms (ARRA reports) and quarterly progress reports, although filed timely, did not agree to underlying documentation by a material amount for two quarters of the fiscal year.

Criteria –

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.

Effect –

Reports filed did not agree to underlying accounting records by a material amount.

Cause –

There were no controls in place to ensure that the information reported on the Prime Recipient Forms and quarterly progress reports were accurate.

Recommendation –

We recommend that management implement procedures to ensure that reports filed for federal programs are accurate and agree to underlying accounting records.

*Client response and
corrective actions –*

We agree with the auditor's comments and have been working to educate grant administrators in their responsibilities. In FY 2012 we contracted with our independent audit firm for a grant reporting seminar that was available for all grant administrators and managers. As this training did not have the intended result of ensuring complete accuracy in grant reporting, the Finance department and City Administration commits to escalating this issue in FY 2013 including meetings with grant managers and their personnel and a policy of complete compliance on all grant requirements regardless of the source.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Fiscal Year Ended June 30, 2012

Section III – Federal Award Findings and Questioned Costs, continued

<i>Finding 2012-3</i>	<i>Davis Bacon and subrecipient monitoring for federal programs</i>
<i>Affected Program -</i>	ARRA Brownfields Assessment and Cleanup No. 66.818
<i>Condition –</i>	During our testing, we noted that the City did not ensure weekly certified payroll reports were obtained from one subrecipient.
<i>Criteria –</i>	OMB Circular A-133 and CFR sections 5.5 and 5.6 requires grantees to obtain weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) from contractors and subcontractors. Further, OMB A-133 requires that recipients perform monitoring procedures to ensure subrecipients are following applicable laws and regulations.
<i>Effect –</i>	The City did not monitor the subrecipient to ensure weekly certified payroll reports were obtained.
<i>Cause –</i>	There were inadequate controls in place over subrecipient monitoring and Davis Bacon requirements.
<i>Recommendation –</i>	We recommend that management implement procedures to ensure that subrecipients are monitored adequately to ensure all laws and regulations are followed.
<i>Client response and corrective actions –</i>	We agree with the auditor's comments and have been working to educate grant administrators in their responsibilities. In FY 2012 we contracted with our independent audit firm for a grant reporting seminar that was available for all grant administrators and managers. As this training did not have the intended result of ensuring complete accuracy in grant compliance, the Finance department and City Administration commits to escalating this issue in FY 2013 including meetings with grant managers and their personnel and a policy of complete compliance on all grant requirements regardless of the source.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Fiscal Year Ended June 30, 2012

Summary Schedule of Prior Audit Findings

<u><i>Finding 2011-1</i></u>	<u><i>Reporting for federal programs</i></u>
<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.
<i>Status –</i>	This issue has been resolved.



City of Missoula, Montana
Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2012