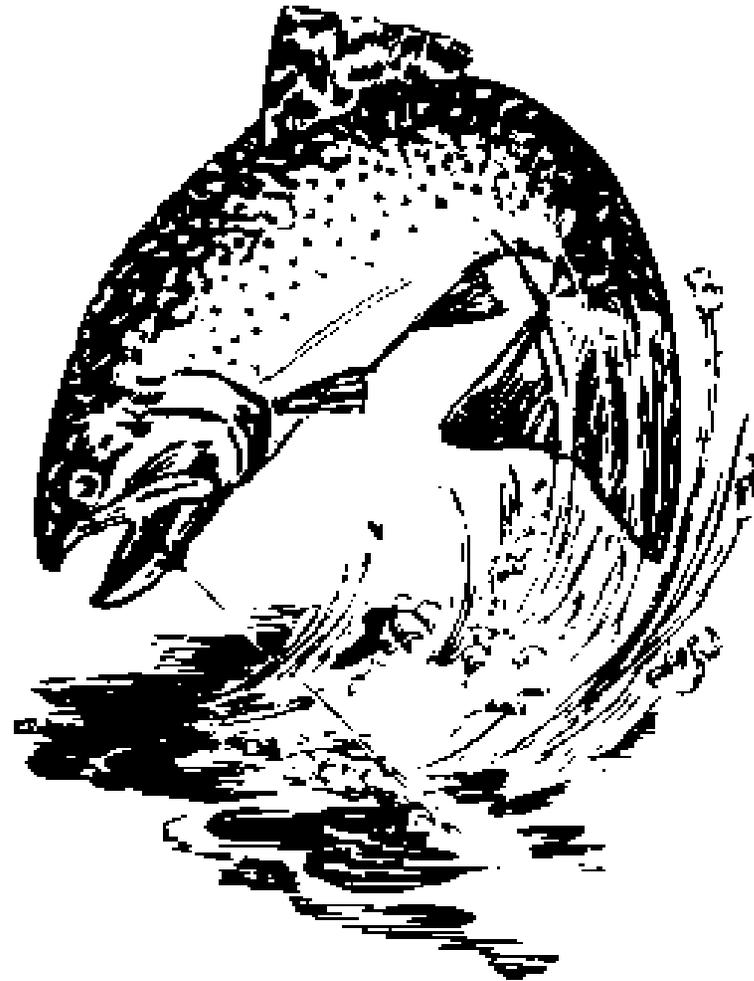


MISSOULA COUNTY, MONTANA

COMPREHENSIVE **A**NNUAL **F**INANCIAL **R**EPORT

For the Fiscal Year Ended
June 30, 2008



MISSOULA COUNTY, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2008

Prepared by:

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February 27, 2009

Board of County Commissioners
and Citizens of Missoula County, Montana

Dear Commissioners,

This letter transmits to the Board of County Commissioners and the citizens of Missoula County the Comprehensive Annual Financial Report (CAFR) for Missoula County for the year ended June 30, 2008. I believe this CAFR presents fairly the financial condition of the County at June 30, 2008 and the results of its operations and cash flows for proprietary type funds for the fiscal year then ended. With the exception of the independent auditors' reports, all the information included in this report is the responsibility of the management of Missoula County.

The County has prepared this report in conformity with generally accepted accounting principles. Consequently, the financial statements reflect the implementation of the Governmental Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

This report is the financial reflection of the services provided by Missoula County. It contains all County funds used to account for the normal range of local government services including criminal justice, public safety, public works, public health, cultural and recreational programs, community development and social services. Also presented are the activities of the Missoula County Development Authority, Larchmont Golf Course, Missoula Aging Services, the Missoula County Workers' Compensation Group Insurance Authority, the Missoula County Employee Benefits Plan, and the Partnership Health Center. Missoula County has sufficient authority over these agencies to justify including them as component units of the County. The details of this authority are discussed in Note 1 to the Basic Financial Statements. Rural fire districts, school districts and other local agencies do not meet the criteria for inclusion in the report, and are consequently excluded, except as agency funds. The CAFR also includes Management's Discussion and Analysis which provides a narrative overview of the County's financial position, results of operations, and significant initiatives.

Independent Audit – Montana statutes require that certain local governments obtain at least biennial audits of the financial statements. Missoula County has chosen to contract with Anderson ZurMuehlen & Company. This audit also satisfies the federal Single Audit Act and Office of Management & Budget Circular A-133.

PROFILE

Missoula County, Montana covers approximately 2,600 square miles in the western part of the state. Five large valleys and two major rivers wind through this mountainous region. Missoula County has a population of over 90,000 people and the county seat is the city of Missoula. The Missoula County Courthouse was completed in 1910. Its south foyer is graced by a series of eight murals painted by famed western artist Edgar S. Paxson between 1912 and 1914. An addition to the Courthouse was completed in 1966. Missoula County is governed by three Commissioners, each elected to staggered six-year terms. The current Commissioners are Chair Bill Carey, Jean Curtiss, and Michelle Landquist.

The County provides a full range of services in general government, criminal justice, public safety, public works, public health, social and economic services, culture & recreation, and housing and community development. Details of the departments under these functions are provided in Management's Discussion and Analysis.

Budgetary control of these functions is maintained through an annual budget adopted by the Board of County Commissioners. Public Budget Hearings are generally conducted in July of each year. The final budget is adopted by the second Monday in August or 45 days after receiving the certified taxable values from the State of Montana. Budget authority is flexible in that the Commissioners may make transfers among budget object lines within a fund and make budget amendments within statutory restrictions as deemed necessary for proper administration of County government. The level of budgetary control is established at the personnel, operations, and capital level within each fund.

The County's Internal controls begin as a process that is effected by the organization's structure, work and authority flows, people and management information systems that are designed to help the County accomplish its goals and objectives. Budgetary controls are maintained in the accounting office and reported to Department Heads and the County Commissioners. The County's Auditor office reviews all departmental expense claims for appropriate backup documentation and departmental approval prior to the presentation to the County Commissioners for final approval and the creation of warrants. Revenues are monitored by Departmental heads and as well as the County C.F.O. Any deviations from the budget are reported to the Commissioners in a timely fashion and budget modifications which are authorized under current County policy are made throughout the year by majority vote of the County Commissioners.

FINANCIAL CONDITION

Missoula County's economic slowdown began earlier than in other counties and is likely to last longer. The closure of the Stimson plywood plant in 2007 blunted the positive impacts of the Direct TV call center opening. The delayed impacts of the plywood plant closing combined with the further closing of the Stimson sawmill and other events led to a small decline in Missoula's economy in 2008. The bad news was not confined to the wood products industry. Missoula continues as a dominant trade and service center in western Montana, but the opening of chain stores and other establishments in nearby communities has meant retail trade is no longer a significant contributor to Missoula's economic growth. Even health care and professional services are not growing at their historical rates. Missoula's construction industry has also taken a hit with the national credit turmoil and rising unemployment. The new construction tax revenue calculation provided by the Department of Revenue for Missoula County this past year was the lowest number in the last decade and the anticipation for the coming year is for more of the same. Additionally, since substantially all growth in property tax revenue is from new construction (and not from increases in market value of existing properties), if

the rate of construction continues to decline in Missoula, the County could be faced with inadequate resources to maintain the current level of service.

In order to mitigate the risk of declining revenue and other financial risks, the County's long-term financial planning includes basic revenue forecasting for most of the County's general revenues, including property taxes, local option motor vehicle tax, entitlement share, Clerk & Recorder fees, and Justice Court fines and forfeitures. The County also maintains multi-year budgets for the Capital Improvement Program and the Technology Program to ensure adequate resources for the future replacement of existing capital assets and to budget for new assets.

Management's Discussion and Analysis, starting on page 3, provides additional information on the economic environment in the County, as well as major initiatives and highlights of the fiscal year 2009 budget.

Other Operating Factors

Fiduciary Responsibilities – The County does not have its own single employer pension fund. However, it acts as either agent or trustee for more than 50 local government agencies within the County in non-pension activities. It collects taxes and other revenues for 45 of those agencies. It also provides accounting and, in some cases, budget monitoring and investment services for those agencies.

Cash Management – The County operates an investment pool for idle cash belonging to the County, school districts, fire districts and other small local agencies. The operation of the pool is governed by an investment policy adopted in September 1985 and amended in March 2004. The policy emphasizes security, liquidity and yield, in that order.

The pool may be invested in the Short Term Investment Pool operated by the State of Montana, U.S. government treasury and agency securities, local bank certificates of deposit and repurchase agreements. At the end of fiscal year 2008, 42% was invested in the Short Term Investment Pool, 52% was invested in U.S. Government treasury and agency securities, 3% was invested in repurchase agreements, and 3% was other demand deposits and cash on hand. The average rate of return for fiscal year 2008 was 4.2% based on total investment income in the pool of approximately \$3,556,609 net of fees. The County's share for governmental funds was approximately \$1,471,847.

Investments are held by a third party in the County's name, or in some cases by the financial institution's trust department in the County's name. Certificates of deposit are covered by insurance or collateralized to the extent required by Montana law (100% for institutions with less than 6% net worth, 50% for those with 6% or greater net worth).

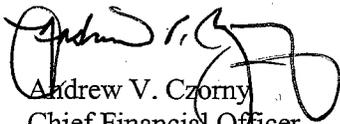
Risk Management – The County has an extensive self-insured risk management program for all property and casualty insurance. The County provides self-insurance coverage to employees for medical and dental insurance. The County also provides Workers' Compensation coverage through a self-insurance program. The Excess Loss Fund provides an additional self-insurance program as an intermediary reinsurance program for the other three programs.

AWARDS & ACKNOWLEDGEMENTS

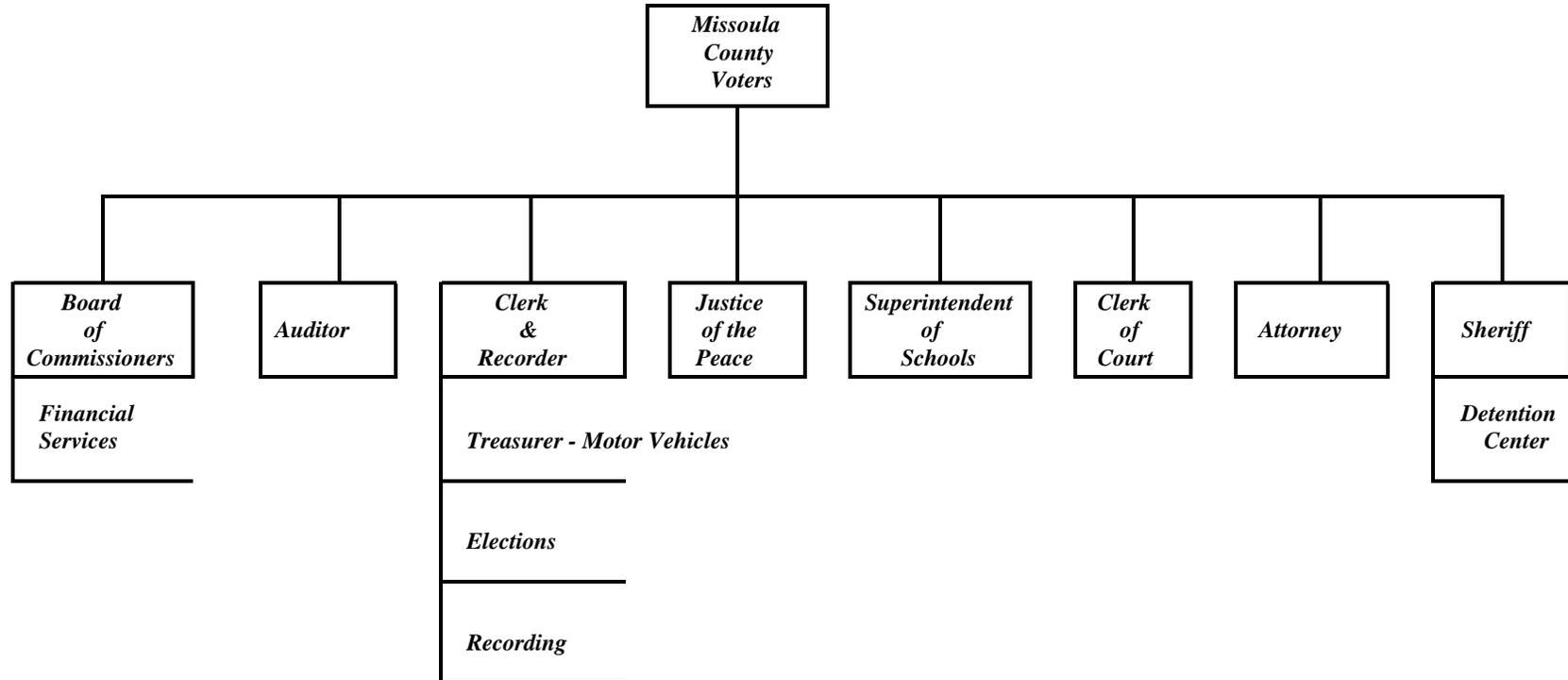
Awards – Missoula County earned its seventeenth consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2007 Comprehensive Annual Financial Report. The Fiscal Year 2008 Report will also be submitted for consideration for the Certificate.

Acknowledgements – I would like to thank everyone in the Missoula County Financial Services Office: Sharon Bowman, Debby Gore, Teresa Graham, Julie Harris, Jackie Harris, Mary Matthaie, Dawn Overbaugh, Ruthe Sackey, Alane Stickney, and especially Carol Routh for all their work and dedication. I would also like to thank Barbara Berens, the Missoula County Auditor, and her staff Nora Morris and Debbie Gross, for their support. A special thanks goes out to my predecessor Dale Bickel whose guidance and patience were priceless. Without the efforts of all these people, this report would not have been completed. Finally, I would like to thank the Board of County Commissioners for their understanding of the value of this report and their continued support for strong financial accountability.

Best regards,


Andrew V. Czorny
Chief Financial Officer

MISSOULA COUNTY Organizational Chart



MISSOULA COUNTY, MONTANA

Board of County Commissioners

William J. Carey
Jean L. Curtiss
Michelle Landquist

Auditor

Barbara A. Berens

Clerk and Recorder - Treasurer

Vickie M. Zeier

Justice of the Peace

Karen A. Orzech
John E. Odlin

Superintendent of Schools

Rachel A. Vielleux

Clerk of Court

Shirley E. Faust

County Attorney

Fred Van Valkenberg

Sheriff

Michael R. McMeekin

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Missoula County
Montana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



President

Executive Director

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FINANCIAL SECTION



Board of County Commissioners
Missoula County, Montana

Independent Auditors' Report

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 Missoula County, Montana (the County), as of and for the fiscal year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Missoula Aging Services, which represent total assets and total revenues constituting 50% and 40%, respectively of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Missoula Aging Services is based on the report of the other auditors.

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 and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 Missoula County, Montana as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, the Public Safety Fund and the Missoula Development Authority 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 February 27, 2009, on our consideration of the County'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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 18, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Missoula County, Montana basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary and capital asset schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Anderson Zew Muehlen & Co., P.C.

Certified Public Accountants
Missoula, Montana
February 27, 2009

MISSOULA COUNTY, MONTANA
Management's Discussion and Analysis
June 30, 2008

The management of Missoula County offers this discussion and analysis of Missoula County's financial position and results of operations for the year ended June 30, 2008. We encourage readers to consider information presented here in conjunction with additional information provided in the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

- The assets of the County exceeded its liabilities at June 30, 2008, by \$75.4 million (net assets) compared with \$71.6 million at June 30, 2007. Of this amount, \$29.8 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, vendors and creditors, including \$1.8 million that is classified as unrestricted in the Larchmont Golf Course and Rural Special Improvement Maintenance Districts.
- The County's total net assets increased by \$3.8 million, representing a 5.3% increase from 2007.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$29.98 million, approximately \$300,154 less than the prior year. Of this amount, \$25.5 million is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2.2 million, or 16.3% of total general fund expenditures and other financing uses.

Missoula County's total debt increased by \$4,965,000 which represents a 15.2% increase in debt related to governmental activities. The increase is due primarily to the issuance of the Series 2007 Open Space Bonds and a new special assessment bond payable.

Using the Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) consists of a series of basic financial statements, notes to those statements, supplementary detail financial statements, and a statistical section. This information is designed to provide the reader information needed to understand Missoula County as a financial whole and by individual functions. This Management's Discussion and Analysis Section (MD&A) provides an overview of the information presented in those other sections.

The Statement of Net Assets and Statement of Activities provide information about all County activities, presenting both an aggregate view of the County's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

Reporting Missoula County as a Whole

Statement of Net Assets and the Statement of Activities

The government-wide financial statements are designed to provide readers with a broad view of Missoula County's finances in a manner similar to a private sector business. While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during the year?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the County's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or worsened. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of County capital assets should also be evaluated.

The Statement of Net Assets and the Statement of Activities, divide the County into three activities:

- Governmental Activities - Most of the County's services are reported here including public safety, social services programs, administration, and all departments with the exception of Larchmont Golf Course and Rural Special Improvement Maintenance Districts (RSIDs).
- Business-Type Activities - These services have a charge based upon the amount of usage. Larchmont Golf Course revenues are generated solely by the course users. The County charges special assessments to recoup the cost of the entire operation of the RSIDs as well as all capital expenses associated with these facilities.
- Component Units -The County includes financial statements of Missoula Aging Services and the Partnership Health Center in its report. Separately issued financial statements are available for both components units.

The component units are separate entities and may conduct activities such as buy, sell, lease and mortgage property in their own name and can sue or be sued in their own name.

Reporting Missoula County's Most Significant Funds

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 County, 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 County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the County's major funds. Based on restrictions on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. Missoula County's major funds are the General, Public Safety, Missoula Development Authority, RSID Debt Service, and Larchmont Golf Course 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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds (see above). Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary statements beginning on page 71.

Proprietary Funds: The County 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 County uses enterprise funds to account for Larchmont Golf Course and the Rural Special Improvement Maintenance Districts. Internal Service funds are used to account for the financing of certain goods and services between departments and agencies of the County. The County uses internal service funds to account for its self-insurance programs: Risk Management, Health Insurance, Workers' Compensation, and Excess Loss. Additionally, Telephone Services, which operates the City/County telephone system, is accounted for in an internal service fund. The proprietary fund financial statements can be found on pages 28-31.

Fiduciary Funds: These 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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund financial statements can be found on pages 32-33.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the governmental-wide and fund financial statements. The notes to the financial statements begin on page 34.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which begin on page 71. Statistical information that shows trends for periods up to ten years is also available beginning on page 137.

Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position over time. For the year ended June 30, 2008 the County's assets exceeded liabilities by \$75.4 million (\$71.5 million in governmental activities and \$3.9 million in business-type activities). 58.2% of the County's net assets reflect its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County'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. Other restrictions include \$1,550,263 for debt service. Missoula County had no other legally restricted net assets that require reservation. Therefore, \$29.9 million in net assets (39.7%) may be used to meet the County's ongoing obligations to its citizens, vendors, and creditors.

The following table provides a summary of the County's net assets for 2008:

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current & Other Assets	\$ 60,129,372	\$ 55,675,743	\$ 1,942,159	\$ 1,731,192	\$ 62,071,531	\$ 57,406,935
Capital Assets, Net	<u>64,091,625</u>	<u>58,842,457</u>	<u>2,125,336</u>	<u>2,125,419</u>	<u>66,216,961</u>	<u>60,967,876</u>
Total Assets	<u>124,220,997</u>	<u>114,518,200</u>	<u>4,067,495</u>	<u>3,856,611</u>	<u>128,288,492</u>	<u>118,374,811</u>
Liabilities						
Current & Other Liabilities	17,730,605	14,040,465	163,763	108,531	17,894,368	14,148,996
Current Portion of Long-term Debt	5,447,729	5,715,671	-	-	5,447,729	5,715,671
Long-term Debt, Net of Current Portion	<u>29,538,038</u>	<u>26,878,278</u>	<u>-</u>	<u>-</u>	<u>29,538,038</u>	<u>26,878,278</u>
Total Liabilities	<u>52,716,372</u>	<u>46,634,414</u>	<u>163,763</u>	<u>108,531</u>	<u>52,880,135</u>	<u>46,742,945</u>
Net Assets						
Invested in Capital Assets, Net of Debt	41,799,334	34,873,468	2,125,336	2,125,419	43,924,670	36,998,887
Restricted for Debt Service	1,550,263	1,755,298	-	-	1,550,263	1,755,298
Unrestricted	<u>28,155,028</u>	<u>31,255,020</u>	<u>1,778,396</u>	<u>1,622,661</u>	<u>29,933,424</u>	<u>32,877,681</u>
Total Net Assets	<u>\$ 71,504,625</u>	<u>\$ 67,883,786</u>	<u>\$ 3,903,732</u>	<u>\$ 3,748,080</u>	<u>\$ 75,408,357</u>	<u>\$ 71,631,866</u>

The following table provides a summary of the changes in net assets for 2008:

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
Revenues	2008	2007	2008	2007	2008	2007
Program Revenues						
Charges for Services	\$ 16,460,244	\$ 15,269,648	\$ 1,764,808	\$ 1,802,270	\$ 18,225,052	\$ 17,071,918
Operating Grants and Contributions	6,862,787	6,479,430	-	-	6,862,787	6,479,430
Capital Grants and Contributions	260,121	2,267,401	-	-	260,121	2,267,401
General Revenues						
Property Taxes	34,367,166	32,154,829	-	-	34,367,166	32,154,829
Intergovernmental Revenue	6,766,492	4,334,436	-	-	6,766,492	4,334,436
Private & Local Grants						
Investment Earnings	1,489,227	1,748,295	38,345	55,242	1,527,572	1,803,537
Gain on Sale of Capital Assets	643,320	(2,230,026)	-	-	643,320	(2,230,026)
Miscellaneous	2,329,610	12,142,118	22,500	56,728	2,352,110	12,198,846
Total Revenues	<u>69,178,967</u>	<u>72,166,131</u>	<u>1,825,653</u>	<u>1,914,240</u>	<u>71,004,620</u>	<u>74,080,371</u>
Program Expenses						
General Government	11,532,881	10,616,135	-	-	11,532,881	10,616,135
Criminal Justice	3,729,153	3,300,060	-	-	3,729,153	3,300,060
Public Safety	17,933,310	17,487,042	-	-	17,933,310	17,487,042
Public Works	13,520,691	17,948,738	-	-	13,520,691	17,948,738
Public Health	5,903,619	5,542,050	-	-	5,903,619	5,542,050
Social and Economic Services	4,078,319	4,289,787	-	-	4,078,319	4,289,787
Culture and Recreation	4,493,107	3,889,031	-	-	4,493,107	3,889,031
Housing and Community Development	3,435,749	2,601,639	-	-	3,435,749	2,601,639
Interest and Fiscal Charges	1,261,685	1,133,118	-	-	1,261,685	1,133,118
Larchmont Golf Course	-	-	852,695	880,832	852,695	880,832
Rural Special Improvement Districts	-	-	707,010	720,567	707,010	720,567
Total Expenses	<u>65,888,514</u>	<u>66,807,600</u>	<u>1,559,705</u>	<u>1,601,399</u>	<u>67,448,219</u>	<u>68,408,999</u>
Change in Net Assets before Transfers	3,290,453	5,358,531	265,948	312,841	3,556,401	5,671,372
Transfers	151,225	141,981	(151,225)	(141,981)	-	-
Change in Net Assets	<u>\$ 3,441,678</u>	<u>\$ 5,500,512</u>	<u>\$ 114,723</u>	<u>\$ 170,860</u>	<u>\$ 3,556,401</u>	<u>\$ 5,671,372</u>

Governmental Activities

General Government – The General Government function includes those elected offices that provide direct service to the public for decision making or record keeping matters. This includes the Board of County Commissioners and staff (including Facilities Management, Financial Services, Human Resources, and Information Services departments); the Clerk & Recorder/Treasurer functions of Elections, Recording, Records Management, and Treasury; the County Auditor; the Superintendent of Schools who maintains a variety of school related records; and the expenses related to the external participants in the County’s self-insurance programs. Additionally, this function includes the Financial Administration department which contains expenses related to general government and the Board of County Commissioners’ agenda. In 2008, general government expenses comprised 17.5% (15.9% in 2007) of governmental activities. Total general government expenses increased by \$916,746 from the prior year. This increase is primarily due to increased transfers to Planning, Mental Health and Capital Improvements.

Criminal Justice – the criminal justice function includes all offices related to the court system. These include the Justice Courts, the County Attorney’s Office, Public Defender’s Office, Court Support (bailiffs), and certain grants related to State District Court. Criminal justice expenses comprised 5.7% of governmental activities in 2008 (versus 4.9% in 2007). Total expenses increased \$429,093 or 13.0% from the prior year. The increase was primarily due to additional personnel costs from new hires in the County Attorney’s office and the Clerk of Court to handle the ever increasing caseload of Missoula County.

Public Safety – the public safety function is comprised of the Sheriff’s Office including the Missoula County Detention Facility, and the Department of Emergency Services including the 9-1-1 Emergency Dispatch Center, the Office of Emergency Management, and the Public Safety Building capital projects fund. Public safety expenses comprised 27.2% of governmental activities in 2008. Public safety expenses increased \$446,268 over 2007, or 2.6%. The increase is due to the increase in expenses in the Sheriff’s Office, primarily related to higher personnel costs.

Public Works – public works includes the Road and Bridge funds and the Surveyor/GIS department, the Weed and Extension funds, the Lolo Mosquito District, the Rural Special Assessment Districts program, Seeley Lake Refuse District and the Missoula Development Authority. Public works expenses comprised 20.5% of governmental activities in 2008 and represented a 24.7% decrease in expenses over 2007. This decrease is primarily due to the completion of an anchor project in the Missoula Development Authority’s Technology District and the completion of the Milltown Dam restoration project.

Public Health – the public health function is comprised of the Health Department, the Water Quality District, the Junk Vehicle Program, and Animal Control. Public health expenses comprised 9.0% of governmental activities in 2008. Total public health expenses increased \$361,569 (or 6.5%) over 2007, primarily due to increased grants activity.

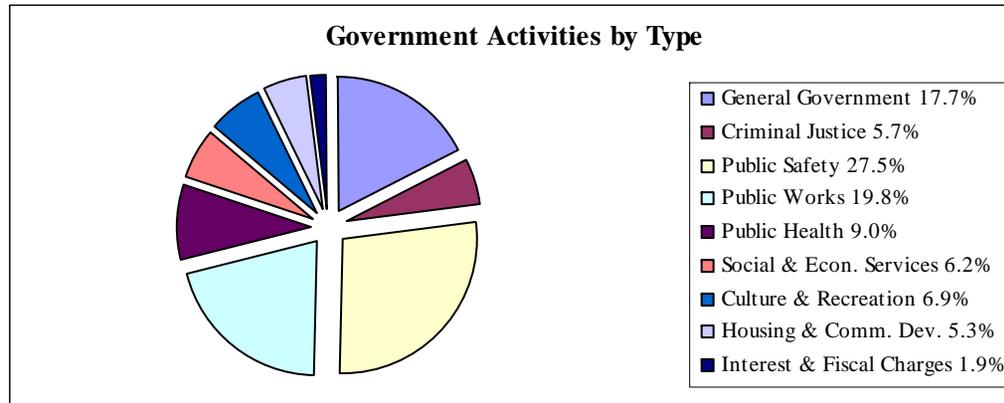
Social & Economic Services – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Poor, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered women, at risk families, recovering alcoholics needing housing, those who have little or no health care coverage, and those who need assistance qualifying for SSI. Many of these programs are administered by the Office of Planning and Grants, and consequently, are accounted for in the Planning fund. These expenses comprised 6.2% of governmental activities in 2008. Social and economic services expense decreased \$211,468 (or -4.9%) over 2007 largely due to decreases in pass-through grant expenditures in the mental health fund.

Culture & Recreation – the culture and recreation function includes the Western Montana Fair, the Historical Museum at Fort Missoula, the Library (including the Library Shared Catalog Project) and the Park funds. Culture and recreation expenses comprised 6.8% of governmental activities in 2008. Culture and recreation expense increased \$604,076 (or 15.5%) from 2007, largely due to higher operational costs at the Library due to expanded services in the main and satellite libraries.

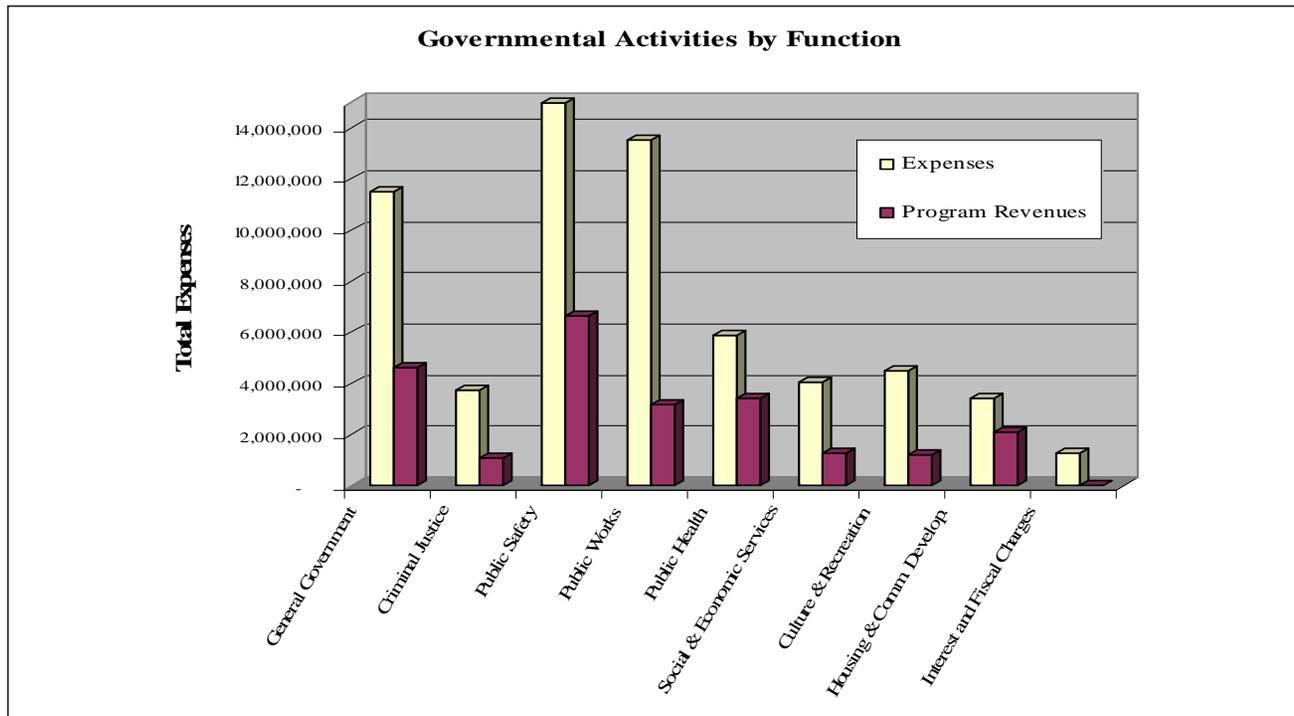
Housing & Community Development – this function includes the land use planning aspects of the Office of Planning and Grants, as well as specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. These expenses comprised 5.2% of governmental activities in 2008. Total expenses increased \$834,110 or 32.1% versus 2007 due to increased grant projects in the planning fund and the acquisition of additional open space lands.

Total governmental activities resulted in an increase in net assets totaling \$3,441,678. This increase is primarily due to higher than anticipated revenues in the General Fund and Detention Facility and expenditure savings in the Detention Facility.

The following chart shows all of the government activities by type as a percentage of total expenditures:



The following graph shows total expenses and program revenue by function. Total general revenues (primarily property taxes) required for each function can be inferred by the difference between total expenses and program revenue:



Business-Type Activities

Total net assets related to business-type activities increased by \$114,723 compared to an increase of \$170,860 in 2007.

Fund Level Financial Analysis

Governmental Funds

For the fiscal year ended June 30, 2008, the County's governmental funds reported combined fund balance totaling \$29,984,112 compared with \$30,315,226 in 2007. Approximately \$25.6 million of this amount constitutes unreserved fund balance, which is available to spend for current needs. The remaining balance is reserved for inventory, advances, capital and debt service commitments. The governmental funds had a combined decrease in fund balances totaling \$331,114 for 2008.

The General fund is the chief operating fund of the County. For fiscal year 2008, total fund balance decreased \$982,721 to \$2,218,236, all of which was unreserved. As a measure of the General fund's total liquidity, it may be useful to compare total (both reserved and unreserved) fund balances to total General fund expenditures. Total General Fund balances represents 16.3% of total expenditures compared to 22.8% in 2007. The 2008 budget was designed to spend down excess cash reserves by approximately \$1,291,000. However, expenditure savings in personnel, operations and deferred capital outlay expenditures resulted in a decrease in fund balance of only \$928,931 (budget basis).

The Public Safety fund accounts for the operation of the Sheriff's Department, including law enforcement and the Missoula County Detention Facility. The Public Safety fund had a fund balance totaling \$2,953,145 at June 30, 2008 (\$2,580,486 at June 30, 2007). Unreserved fund balance represents 19.0% (18.2% in 2007) of total expenditures. Fund balance increased during the year by \$628,946 (budget basis), although the 2008 budget was designed to decrease fund balance by \$712,743. Increased charges for services from out of County prisoner detention revenue, vacancy savings and a decrease in out-of-county prisoner costs resulted in the smaller than expected decrease in the fund balance.

The RSID Debt Service fund is used to collect special assessments and make bond payments for the County's rural special improvement districts. Total fund balance was \$464,297 at June 30, 2008 (\$722,868 at June 30, 2007), all of which is considered reserved for debt service. Fund balance represents 10.0% (66.6% in 2007) of total expenditures. Fund balances decreased in this fund by \$324,475 due to increased construction expenditures.

The Missoula Development Authority fund accounts for the activities of Missoula County Development Park, including the MCA Industrial Tax Increment District (which was created to develop an industrial park) and the Missoula County Technology Increment District (which was created to develop technology based business park). The Authority had a fund balance totaling \$4,640,276 at June 30, 2008 (\$3,787,697 June 30, 2007), all of which was unreserved. Unreserved fund balance represents 155.4% (25.5% in 2007) of total expenditures. Fund balance increased during the year by \$852,579 due to land sales in the Development Park.

Missoula County Budget Highlights

Missoula County's budget is prepared on the basis of cash receipts, disbursements, encumbrances, and certain receivables. During the year, the Board of County Commissioners amends the budget in accordance with state law. For fiscal year 2008, budget amendments resulted in increases in appropriations in the General fund budget by \$156,343. Significant budget variances in the General fund include:

- Non- Departmental General Fund property tax revenue was \$332,093 under budget due to lower than anticipated property tax revenues.
- Intergovernmental revenue was lower than expected in 9-1-1 Communications due to lower than expected reimbursable expenditures.
- Personnel costs were \$105,906 over budget in 911 Communications due to staff turnover and higher than expected overtime requirements from existing staff.
- Non-departmental intergovernmental revenue was higher than expected due to higher than anticipated Payments in Lieu of Tax.
- Investment earning was lower than expected due to declining revenue due to lower interest rates.
- Non-departmental operations were lower than expected due to \$178,347 budgeted as a contingency for Fire costs that was not needed.
- Capital outlay was \$70,000 under budget in Financial Services due to the delay of purchase of print shop capital equipment and \$110,262 under budget in 9-1-1 Communications due to the delay of installation of communications equipment on Ellis Mountain.

Capital Assets and Debt Administration

Capital Assets

Missoula County's capital assets consist of land, buildings and systems, improvements, infrastructure, equipment, and machinery. Infrastructure assets placed in service in 2005 and after are reported in capital assets. Capital assets have been restated to include the retro-active implementation of infrastructure capital assets per GASB No. 34. Missoula County's investment in capital assets (net of accumulated depreciation and outstanding debt) was \$43,924,670 at June 30, 2008 (\$36,998,887 at June 30, 2007 following the restatement). Capital asset activity is presented in Note 4 of the financial statements as well as on pages 121-123 of the supplementary information.

Significant activity in capital assets for 2008 includes:

- The County acquired land and conservation easements in the amount of \$358,824 funded by the 2006 Open Space Bond issuance.
- The Public Works worked to complete several infrastructure projects, including \$659,269 for the Meadows West RSID, \$1,916,873 for the continuation of the WYE area sanitary sewer project, \$405,160 in road construction in the Technology District and \$1,902,105 towards the Bonner Pedestrian Bridge.
- The Missoula Development Authority sold land in the Technology District for total proceeds of \$1,508,694

Long-term Debt

Long-term debt for Missoula County totaled \$34,985,767 at June 30, 2008 (\$32,631,738 at June 30, 2007). Total debt increased \$4,965,000 which is comprised of new General Obligation Open Space bonds totaling \$3,325,000, new special assessment bonds totaling \$1,640,000. Liability for compensated absences increased \$130,159 to a total of \$3,112,319 in compensated absences. Principal payments on outstanding debt were made in the amount of \$2,741,130. Additional information regarding long-term debt can be found in Note 5 to the financial statements.

The following table shows outstanding debt by type:

Total Long-term Debt	
General Obligation Bonds and Loans	\$ 15,432,000
Limited Obligation Bonds and Loans	2,445,000
Tax Increment Bonds	5,675,000
Special Assessment Bonds and Loans	7,244,000
Notes and Contracts Payable	1,077,448
Compensated Absence Liability	<u>3,112,319</u>
	<u>\$ 34,985,767</u>

Economic Factors and the Fiscal Year 2008 Budget

Missoula County continues as the major trade and service center in western Montana and second largest in the state after Billings. Trade center/service activities constitute 31% of the labor income in basic industries, followed by the University of Montana and other state government (19%), federal government (14%), wood and paper products (12%), transportation (12%), and nonresident travel and other (6%). Of the trade center activities, 42% is from medical services, 23% is from retail/wholesale trade, and 35% is from other services.

According to statistics and information provided by the University of Montana Bureau of Business and Economic Research, the economic slowdown began earlier in Missoula than other counties and is likely to last longer. The shut down of the Stimson plywood plant and sawmill and other events led to a small decline in Missoula’s economy during 2008. With the opening of chain stores and other establishments in nearby communities retail growth is no longer a significant contributor to Missoula’s economic growth. Even health care and professional services are not growing at their historical rates. Wood products jobs will not return and competition with other communities is uncertain. Missoula’s economy is expected to grow at 1 to 2 percent per year, well below 2 to 5 percent experienced between 2002 and 2007.

The Board of County Commissioners budget priorities include the continued maintenance of strong cash reserves and the funding of major capital projects, notably the Courthouse and Annex renovations and the construction of a new public safety building. The County maintained its strong financial position in 2008. According to the Missoula County Budget document, General Fund equity (budget basis) was \$2,417,414 at June 30, 2008 compared to \$3,017,413 at the end of fiscal year 2007. However, budgeted ending General Fund equity for 2009 is \$1,740,993. For fiscal year 2009, the Commissioners have established a General Fund reserve of 12% of total revenues. Special Fund reserve parameters remain at 5% of total revenues, except Public Safety (8%) and the Community Based Organization funds (3%). Other significant items in the 2009 budget include:

Partnership Health Center – In 2009 the PHC is projected to receive almost a 10 percent increase in grant and other revenue. With the continued success of the Partnership Health Center the County Commissioners have decided to help the PHC expand into a new building to accommodate their increased patient workload. The County will issue of \$2 million dollars in debt and provide a cash loan to be paid back by the PHC, the Health Department will also provide a cash loan and the PHC will utilize some cash reserves to complete the building acquisition.

Building Codes Division – 2008 was the second full year of operations for the County’s Building Codes Program. With the slow down in the Missoula County housing market the 2009 budget was downsized to eliminate some program costs as fees associated with new construction continue to decline.

Public Safety – The Sheriff’s department and the 911 emergency operations center has outgrown their current space within the County Courthouse. On the 2009 election ballot for Missoula County will be a bond measure to fund the construction of a new emergency operations center located next to the detention center. The County has budgeted \$4,284,767 in development park land sales and the 911 Center has approximately \$900,000 in Federal funds to donate to the project. If the voters do not approve the additional funding through a bond levy the County will have a difficult challenge in front of them with the increasing demands placed on our 911 operations and law enforcement.

Milltown Development Projects - The 2009 budget includes the completion of the \$2.3 million grant funded expenditures for projects related to the removal of the Milltown Dam, most of which is earmarked for Bonner pedestrian bridge costs.

The following table shows taxable value and mill levy information for property Countywide and outside the City limits:

	Countywide		Rural-only	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
Taxable Value	\$189,152,539	\$184,460,260	\$88,033,522	\$82,618,450
Value of Newly Taxable Property	3,041,667	8,156,627	1,782,112	4,221,586
Value of One Mill	189,153	184,460	86,144	83,370
Property Tax Revenues	26,552,977	25,124,441	3,119,369	2,974,386
Number of Mills Levied	140.4	136.2	36.2	35.7

The following table shows the changes in tax revenue and mills for 2009:

	County-wide	Mills	Rural-only	Mills
Total Property Taxes Assessed – Prior Year	\$25,124,441	136.2	\$3,119,369	35.7
Current Year Taxes Attributable to Floating Mill*	464,077	2.45	61,528	.71
Current Year Property Taxes Attributable To Newly Taxable Property**	379,069	(0.92)	59,649	(0.18)
Tax Levy Transfers				
Transfer from general Fund to Animal Control	(23,806)	(0.13)	23,806	0.28
			-	-
New Levy Authority:				
General Government	98,954	0.52		
Debt Service Adjustments	11,322	0.46	-	-
Voter Approved Initiatives				
Substance Abuse Levy	368,920	1.95		
Open Space Levy	130,000	.70		
Total Property Taxes Assessed – Current Year	\$26,552,977	140.4	\$3,119,369	36.21

* The “Floating Mill” represents changes in tax revenue attributable to the inflation factor provided in MCA 15-10-420 and the change in certain personal property reimbursements.

** Newly Taxable Property represents changes in property within the County provided by the Montana Department of Revenue. Generally an increase to the tax base and not to the mills levied.

*** MCA 15-10-420 limits local governments’ ability to increase mill levies beyond the prior year’s dollars levied (with certain exceptions). Therefore any change in taxable value that is not from newly taxable property, such as with reappraisal, has the effect of increasing or decreasing mills in order to raise the same amount of dollars.

Contacting Missoula County

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional information, contact Andrew V. Czorny, Chief Financial Officer, Missoula County, 200 W. Broadway, Missoula, Montana 59801; aczorny@co.mssoula.mt.us (406) 721-5700. Additionally, Missoula County's budget reports and CAFRs are available on-line at www.co.missoula.mt.us.

MISSOULA COUNTY, MONTANA
Statement of Net Assets
June 30, 2008
(Page 1 of 2)

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Missoula Aging Services</u>	<u>Partnership Health Center</u>
Assets					
Cash & Cash Equivalents	\$ 13,969,687	\$ 694,175	\$ 14,663,862	\$ 1,020,390	\$ 325,223
Cash with Fiscal Agents	2,245,943	-	2,245,943	-	28,426
Investments	25,111,827	1,137,953	26,249,780	237,318	532,633
Property Taxes Receivable, net	4,294,382	-	4,294,382	-	-
RSID Receivable-Delinquent	72,403	41,776	114,179	-	-
RSID Receivable-Deferred	9,216,518	-	9,216,518	-	-
Accounts Receivable, net	2,463,736	40,106	2,503,842	299,728	571,841
Interest Receivable, net	51,246	-	51,246	-	-
Contributions Receivable	196,302	-	196,302	-	-
Grants Receivable	-	-	-	-	160,427
Loans & Notes Receivable (net)	1,022,622	-	1,022,622	-	-
Advances to Component Units	325,058	-	325,058	-	-
Prepaid Costs	73,499	-	73,499	1,019	3,946
Inventory	472,049	28,149	500,198	-	92,418
Debt Issuance Costs	614,100	-	614,100	-	-
Capital Assets - non-depreciable	11,744,039	1,076,758	12,820,797	132,000	-
Capital Assets - depreciable, net	52,347,586	1,048,578	53,396,164	1,639,435	1,603,847
Total Assets	\$ 124,220,997	\$ 4,067,495	\$ 128,288,492	\$ 3,329,890	\$ 3,318,761

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Net Assets (Continued)
June 30, 2008
(Page 2 of 2)

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Missoula Aging Services</u>	<u>Partnership Health Center</u>
Liabilities					
Accounts & Warrants Payable	\$ 2,122,720	\$ 77,117	\$ 2,199,837	\$ 93,690	\$ 22,541
Accrued Interest Payable	673,700	-	673,700	10,640	8,426
Accrued Payroll	1,596,300	86,646	1,682,946	39,635	103,604
Deferred Tax Revenue	9,178,575	-	9,178,575	-	-
Unearned Revenue	-	-	-	2,355	-
Liability for Sick & Vacation - Current Portion	2,737,368	-	2,737,368	115,804	170,479
Liability for Sick & Vacation, net of Current Portion	374,951	-	374,951	-	-
Liability for Claims - Current Portion	1,663,860	-	1,663,860	-	-
Liability for Claims, net of Current Portion	2,495,450	-	2,495,450	-	-
Long-term Liabilities:					
Special Assessment with Government Commitment-					
Due within One Year	531,000	-	531,000	-	-
Due in more than One Year	6,713,000	-	6,713,000	658,958	342,347
Other-Due within One Year	1,804,410	-	1,804,410	-	-
Other-Due in more than One Year	22,825,038	-	22,825,038	43,477	53,193
Total Liabilities	<u>52,716,372</u>	<u>163,763</u>	<u>52,880,135</u>	<u>964,559</u>	<u>700,590</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	41,799,334	2,125,336	43,924,670	1,069,000	1,236,736
Restricted for Debt Service	1,550,263	-	1,550,263	-	-
Restricted for Aging Programs	-	-	-	248,823	-
Restricted for Health Programs	-	-	-	-	21,380
Unrestricted	28,155,028	1,778,396	29,933,424	1,047,508	1,360,055
Total Net Assets	<u>\$ 71,504,625</u>	<u>\$ 3,903,732</u>	<u>\$ 75,408,357</u>	<u>\$ 2,365,331</u>	<u>\$ 2,618,171</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Activities
For Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
Primary Government:									
Governmental Activities:									
General Government	\$ 11,532,881	\$ 4,596,879	\$ 4,281	\$ 16,097	\$ (6,915,624)	\$ -	\$ (6,915,624)	\$ -	\$ -
Criminal Justice	3,729,153	876,544	203,608	-	(2,649,001)	-	(2,649,001)	-	-
Public Safety	17,933,310	5,845,885	803,905	12,634	(11,270,886)	-	(11,270,886)	-	-
Public Works	13,520,691	2,067,227	926,043	181,714	(10,345,707)	-	(10,345,707)	-	-
Public Health	5,903,619	1,730,795	1,699,990	-	(2,472,834)	-	(2,472,834)	-	-
Social & Economic Services	4,078,319	-	1,254,021	49,676	(2,774,622)	-	(2,774,622)	-	-
Culture & Recreation	4,493,107	1,136,630	103,580	-	(3,252,897)	-	(3,252,897)	-	-
Housing & Community Development	3,435,749	206,284	1,867,359	-	(1,362,106)	-	(1,362,106)	-	-
Interest and Fiscal Charges	1,261,685	-	-	-	(1,261,685)	-	(1,261,685)	-	-
Total Governmental Activities	<u>65,888,514</u>	<u>16,460,244</u>	<u>6,862,787</u>	<u>260,121</u>	<u>(42,305,362)</u>	<u>-</u>	<u>(42,305,362)</u>	<u>-</u>	<u>-</u>
Business-type Activities:									
Larchmont Golf Course	852,695	984,778	-	-	-	132,083	132,083	-	-
Rural Special Improvement Districts	707,010	780,030	-	-	-	73,020	73,020	-	-
Total Business-type Activities	<u>1,559,705</u>	<u>1,764,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,103</u>	<u>205,103</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 67,448,219</u>	<u>\$ 18,225,052</u>	<u>\$ 6,862,787</u>	<u>\$ 260,121</u>	<u>(42,305,362)</u>	<u>205,103</u>	<u>(42,100,259)</u>	<u>-</u>	<u>-</u>
Component units:									
Missoula Aging Services	\$ 3,169,430	\$ 158,804	\$ 3,286,928	\$ -				276,302	-
Partnership Health Center	4,716,941	2,917,009	2,221,838	-				-	421,906
Total component units	<u>\$ 7,886,371</u>	<u>\$ 3,075,813</u>	<u>\$ 5,508,766</u>	<u>\$ -</u>				<u>276,302</u>	<u>421,906</u>
General revenues:									
Property Taxes					34,367,166	-	34,367,166	-	-
Intergovernmental Revenue - Unrestricted					6,766,492	-	6,766,492	-	-
Investment Earnings					1,489,227	38,345	1,527,572	41,992	-
Private & Local Grants					-	-	-	-	-
Sale of Capital Asset:					643,320	-	643,320	-	-
Miscellaneous Revenues					2,329,610	22,500	2,352,110	-	226
Transfers					<u>151,225</u>	<u>(151,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues & Transfers					<u>45,747,040</u>	<u>(90,380)</u>	<u>45,656,660</u>	<u>41,992</u>	<u>226</u>
Change in Net Assets					3,441,678	114,723	3,556,401	318,294	422,132
Net Assets - Beginning of Year					67,883,786	\$ 3,748,080	\$ 71,631,866	\$ 2,047,037	\$ 2,196,039
Prior Period Adjustments					179,161	40,929	220,090	-	-
Net Assets - Beginning of Year as Restated					<u>68,062,947</u>	<u>3,789,009</u>	<u>71,851,956</u>	<u>2,047,037</u>	<u>2,196,039</u>
Net Assets - End of Year					<u>\$ 71,504,625</u>	<u>\$ 3,903,732</u>	<u>\$ 75,408,357</u>	<u>\$ 2,365,331</u>	<u>\$ 2,618,171</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Balance Sheet
Governmental Funds
June 30, 2008
(Page 1 of 2)

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Missoula Development Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash & Cash Equivalents	\$ 994,416	\$ 1,205,623	\$ 78,917	\$ 1,660,753	\$ 7,033,993	\$ 10,973,702
Cash with Fiscal Agents	-	-	404,377	499,850	1,341,716	2,245,943
Investments	1,630,140	1,976,367	129,368	2,722,459	11,530,763	17,989,097
Property Taxes Receivable (net)	1,007,552	1,041,954	-	230,509	1,946,968	4,226,983
RSID Receivable:						
Delinquent	-	-	72,403	-	-	72,403
Deferred	-	-	9,216,518	-	-	9,216,518
Accounts Receivable	158,879	233,526	-	-	1,997,382	2,389,787
Loans & Notes Receivable (net)	-	-	-	-	1,022,622	1,022,622
Advances to Other Funds	-	229,181	-	-	1,900,148	2,129,329
Advances to Component Units	-	-	-	-	325,058	325,058
Inventory	-	-	-	-	472,049	472,049
Total Assets	<u>\$ 3,790,987</u>	<u>\$ 4,686,651</u>	<u>\$ 9,901,583</u>	<u>\$ 5,113,571</u>	<u>\$ 27,570,699</u>	<u>\$ 51,063,491</u>
Liabilities						
Accounts & Warrants Payable	\$ 120,830	\$ 215,787	\$ -	\$ 19,774	\$ 1,737,150	\$ 2,093,541
Accrued Interest Payable	-	-	148,365	218,903	306,432	673,700
Accrued Payroll	444,369	475,765	-	4,109	640,075	1,564,318
Advances from Other Funds	-	-	-	-	2,209,294	2,209,294
Deferred Tax Revenue	1,007,552	1,041,954	9,288,921	230,509	1,946,968	13,515,904
Unearned Revenue	-	-	-	-	1,022,622	1,022,622
Total Liabilities	<u>1,572,751</u>	<u>1,733,506</u>	<u>9,437,286</u>	<u>473,295</u>	<u>7,862,541</u>	<u>21,079,379</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Balance Sheet (Continued)
Governmental Funds
June 30, 2008
(Page 2 of 2)

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Missoula Development Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance						
Reserved for Inventory	-	-	-	-	472,049	472,049
Reserved for Advances	-	229,181	-	-	2,125,206	2,354,387
Reserved for Capital	-	-	-	-	48,892	48,892
Reserved for Debt Service	-	-	464,297	-	1,085,966	1,550,263
Unreserved, reported in:						
General Fund	2,218,236	-	-	-	-	2,218,236
Special Revenue Funds	-	-	-	4,640,276	11,186,259	15,826,535
Capital Projects Funds	-	2,723,964	-	-	4,789,786	7,513,750
Total Fund Balance	<u>2,218,236</u>	<u>2,953,145</u>	<u>464,297</u>	<u>4,640,276</u>	<u>19,708,158</u>	<u>29,984,112</u>
Total Liabilities and Fund Balance	<u>\$ 3,790,987</u>	<u>\$ 4,686,651</u>	<u>\$ 9,901,583</u>	<u>\$ 5,113,571</u>	<u>\$ 27,570,699</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	63,877,852
Debt issuance costs used in governmental activities are not financial resources and, therefore, are not reported in the funds.	614,100
Notes receivable are not available to pay for current-period expenditures and, therefore, are, deferred in the funds.	1,022,622
Taxes receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	4,291,144
Delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	72,403
Internal Service Funds are used by management to charge the costs of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	6,628,159
The liability for compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(3,112,319)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(31,873,448)</u>
Net assets of governmental activities	<u>\$ 71,504,625</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Fiscal Year Ended June 30, 2008

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Missoula Development Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property Taxes	\$ 8,327,676	\$ 8,572,270	\$ 966,231	\$ 913,010	\$ 14,446,656	\$ 33,225,843
Licenses & Permits	75,455	12,425	-	-	976,512	1,064,392
Intergovernmental Revenue	1,632,797	416,856	-	104	10,098,868	12,148,625
Charges for Services	2,544,918	5,114,526	-	-	3,686,685	11,346,129
Fines & Forfeits	682,893	33,301	-	-	204,170	920,364
Investment Earnings	518,438	14,733	-	165,036	442,068	1,140,275
Private & Local Grants	-	-	1,702,052	-	506,353	2,208,405
Miscellaneous Revenue	122,832	104,499	-	950,114	1,243,416	2,420,861
Total Revenues	<u>13,905,009</u>	<u>14,268,610</u>	<u>2,668,283</u>	<u>2,028,264</u>	<u>31,604,728</u>	<u>64,474,894</u>
Expenditures:						
Current Operations:						
General Government	7,736,912	-	-	-	233,119	7,970,031
Criminal Justice	2,727,481	-	-	-	962,193	3,689,674
Public Safety	2,093,722	13,933,810	-	-	1,338,628	17,366,160
Public Works	639,798	-	3,401,214	1,004,157	7,167,751	12,212,920
Public Health	-	-	-	-	5,741,099	5,741,099
Social & Economic Services	-	-	-	-	3,871,633	3,871,633
Culture & Recreation	-	-	-	-	4,010,707	4,010,707
Housing & Community Development	-	-	-	-	3,397,241	3,397,241
Capital Outlay	361,474	424,971	-	1,212,119	6,080,921	8,079,485
Debt Service:						
Principal	50,529	-	928,000	440,000	1,322,601	2,741,130
Interest and Fiscal Charges	5,262	-	335,416	330,236	688,039	1,358,953
Total Expenditures	<u>13,615,178</u>	<u>14,358,781</u>	<u>4,664,630</u>	<u>2,986,512</u>	<u>34,813,932</u>	<u>70,439,033</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>289,831</u>	<u>(90,171)</u>	<u>(1,996,347)</u>	<u>(958,248)</u>	<u>(3,209,204)</u>	<u>(5,964,139)</u>
Other Financing Sources (uses):						
Transfer In	668,584	1,028,399	17,752	491,546	4,587,634	6,793,915
Transfer Out	(1,954,431)	(565,569)	(450,177)	(189,715)	(3,577,560)	(6,737,452)
Issuance of Debt	-	-	1,640,000	-	3,325,000	4,965,000
Premium on Issuance of Debt	-	-	-	-	6,908	6,908
Sale of Capital Assets	13,295	-	-	1,508,996	30,691	1,552,982
Total other financing sources and uses	<u>(1,272,552)</u>	<u>462,830</u>	<u>1,207,575</u>	<u>1,810,827</u>	<u>4,372,673</u>	<u>6,581,353</u>
Net Change in Fund Balances	<u>(982,721)</u>	<u>372,659</u>	<u>(788,772)</u>	<u>852,579</u>	<u>1,163,469</u>	<u>617,214</u>
Fund Balances - Beginning of Year Previously Reported	3,200,957	2,580,486	722,868	3,787,697	20,023,221	30,315,229
Prior Period Adjustments	-	-	(227,432)	-	-	(227,432)
Fund Balances - Beginning of Year as restated	<u>3,200,957</u>	<u>2,580,486</u>	<u>495,436</u>	<u>3,787,697</u>	<u>20,023,221</u>	<u>30,087,797</u>
Change in Inventory Reserves	-	-	-	-	(720,899)	(720,899)
Fund Reclassifications	-	-	757,633	-	(757,633)	-
Fund Balances - End of Year	<u>\$ 2,218,236</u>	<u>\$ 2,953,145</u>	<u>\$ 464,297</u>	<u>\$ 4,640,276</u>	<u>\$ 19,708,158</u>	<u>\$ 29,984,112</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For Fiscal Year Ended June 30, 2008

Amounts reported for governmental activities in the statement of activities (page 21) are different because:

Net change in fund balances - total governmental funds (page 24)	\$ 617,214
Governmental funds report capital outlays as expenditures and proceeds from sales as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and gain or loss is reported upon sale or disposal.	
Expenditures for capital assets	8,079,485
Current year depreciation	(2,752,218)
Gain or loss on disposal of capital assets	<u>(909,662)</u>
	<u>4,417,605</u>
Property taxes and special assessment revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,630,780
The issuance of notes receivable consumes the current financial resources of governmental funds, while payments received on notes receivable provide current financial resources. Neither transaction, however, has any effect on net assets.	(107,474)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	
Issuance of debt	(4,965,000)
Restatement of Notes & Contracts payable beginning balances	(37,789)
Principal payments on long-term debt	2,741,130
Governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	137,128
The decrease in expenses due to the decrease in the liability for compensated absences reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.	(130,159)
The increase in expenses due to the decrease in inventory reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.	(720,899)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(140,858)</u>
Change in net assets of governmental activities (page 21)	<u>\$ 3,441,678</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General and Major Special Revenue Funds
For Fiscal Year Ended June 30, 2008
(Page 1 of 2)

	General				Public Safety			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 8,659,769	\$ 8,659,769	\$ 8,327,676	\$ (332,093)	\$ 8,953,773	\$ 8,953,773	\$ 8,572,270	\$ (381,503)
Licenses & Permits	56,566	56,566	75,455	18,889	9,500	9,500	12,425	2,925
Intergovernmental Revenue	1,461,858	1,612,568	1,628,767	16,199	354,771	354,771	416,856	62,085
Charges for Services	2,695,109	2,698,109	2,544,918	(153,191)	4,921,486	4,921,486	5,114,526	193,040
Fines & Forfeits	702,000	702,000	682,893	(19,107)	35,000	35,000	33,301	(1,699)
Investment Earnings	630,000	630,000	561,810	(68,190)	-	-	15,070	15,070
Miscellaneous Revenue	2,100	2,100	122,833	120,733	70,000	70,000	104,499	34,499
Total Revenues	<u>14,207,402</u>	<u>14,361,112</u>	<u>13,944,352</u>	<u>(416,760)</u>	<u>14,344,530</u>	<u>14,344,530</u>	<u>14,268,947</u>	<u>(75,583)</u>
Expenditures:								
Current Operations:								
Personnel	10,157,764	10,161,548	10,074,135	87,413	10,169,017	10,169,017	9,934,994	234,023
Operations	3,544,414	3,547,102	3,048,916	498,186	4,158,333	4,158,333	3,749,615	408,718
Capital Outlay	486,912	636,783	421,889	214,894	420,152	420,152	418,222	1,930
Debt Service:								
Principal	54,550	54,550	50,529	4,021	-	-	-	-
Interest and Fiscal Charges	6,139	6,139	5,262	877	-	-	-	-
Total Expenditures	<u>14,249,779</u>	<u>14,406,122</u>	<u>13,600,731</u>	<u>805,391</u>	<u>14,747,502</u>	<u>14,747,502</u>	<u>14,102,831</u>	<u>644,671</u>
Excess (deficiency) of Revenue over (under) Expenditures	(42,377)	(45,010)	343,621	388,631	(402,972)	(402,972)	166,116	569,088
Other Financing Sources (uses):								
Transfer In	638,798	645,798	668,584	22,786	567,732	567,732	1,028,399	460,667
Transfer Out	(2,104,198)	(2,128,783)	(1,954,431)	174,352	(877,503)	(877,503)	(565,569)	311,934
Issuance of Debt	216,165	216,165	-	(216,165)	-	-	-	-
Sale of Capital Assets	-	-	13,295	13,295	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,291,612)</u>	<u>\$ (1,311,830)</u>	(928,931)	<u>\$ 382,899</u>	<u>\$ (712,743)</u>	<u>\$ (712,743)</u>	628,946	<u>\$ 1,341,689</u>
Fund Balance - Beginning of Year			<u>3,835,236</u>				<u>\$ 3,003,768</u>	
Fund Balance - End of Year			<u>\$ 2,906,305</u>				<u>\$ 3,632,714</u>	

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual - General and Major Special Revenue Funds
For Fiscal Year Ended June 30, 2008
(Page 2 of 2)

	Missoula Development Authority			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property Taxes	\$ 909,607	\$ 909,607	\$ 913,010	\$ 3,403
Intergovernmental Revenue	1,250,104	1,250,104	104	(1,250,000)
Investment Earnings	15,000	15,000	173,282	158,282
Miscellaneous Revenue	313,572	920,716	950,114	29,398
Total Revenues	2,488,283	3,095,427	2,036,510	(1,058,917)
Expenditures:				
Current Operations:				
Personnel	90,384	90,384	91,160	(776)
Operations	982,661	1,029,405	913,102	116,303
Capital Outlay	2,245,358	2,476,391	1,294,973	1,181,418
Debt Service:				
Principal	370,000	370,000	370,000	-
Interest and Fiscal Charges	190,400	190,400	190,875	(475)
Total Expenditures	3,878,803	4,156,580	2,860,110	1,296,470
Excess (deficiency) of Revenue over (under) Expenditures	(1,390,520)	(1,061,153)	(823,600)	237,553
Other Financing Sources (uses):				
Transfer In	819,792	1,050,825	491,546	(559,279)
Transfer Out	(452,811)	(452,811)	(189,715)	263,096
Issuance of Debt	992,056	-	-	-
Sale of Capital Assets	2,045,673	2,045,673	1,508,996	(536,677)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 2,014,190	\$ 1,582,534	987,227	\$ (595,307)
Fund Balance - Beginning of Year			3,873,700	
Fund Balance - End of Year			\$ 4,860,927	

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Balance Sheet
Proprietary Funds
June 30, 2008

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Larchmont Golf Course	RSID Funds		
Assets				
<i>Current Assets:</i>				
Cash & Cash Equivalents	\$ 407,376	\$ 286,799	\$ 694,175	\$ 2,995,985
Investments	667,807	470,146	1,137,953	7,122,730
Taxes Receivable, net	-	-	-	67,399
RSID Receivable-Delinquent	-	41,776	41,776	-
Accounts Receivable (net)	40,106	-	40,106	67,166
Interest Receivable	-	-	-	51,246
Prescription Rebate Receivable	-	-	-	6,783
Contributions Receivable	-	-	-	196,302
Advances to Other Funds	-	-	-	79,965
Prepaid Costs	-	-	-	73,499
Inventory	28,149	-	28,149	-
Total Current Assets	<u>1,143,438</u>	<u>798,721</u>	<u>1,942,159</u>	<u>10,661,075</u>
<i>Noncurrent Assets:</i>				
Capital Assets, net	1,663,924	461,412	2,125,336	213,773
Total Assets	<u>\$ 2,807,362</u>	<u>\$ 1,260,133</u>	<u>\$ 4,067,495</u>	<u>\$ 10,874,848</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts & Warrants Payable	\$ 41,122	\$ 35,995	\$ 77,117	\$ 29,179
Accrued Payroll	77,410	9,236	86,646	31,982
Contributions Paid in Advance	-	-	-	26,218
Liability for Claims, Current Portion	-	-	-	1,663,860
Total Current Liabilities	<u>118,532</u>	<u>45,231</u>	<u>163,763</u>	<u>1,751,239</u>
<i>Noncurrent Liabilities:</i>				
Liability for Claims, net of Current Portion	-	-	-	2,495,450
Total Liabilities	<u>118,532</u>	<u>45,231</u>	<u>163,763</u>	<u>4,246,689</u>
Net Assets				
Invested in Capital Assets, net of Related Debt	1,663,924	461,412	2,125,336	213,773
Reserved for Advances	-	-	-	79,965
Unrestricted	1,024,906	753,490	1,778,396	6,334,421
Total Net Assets	<u>2,688,830</u>	<u>1,214,902</u>	<u>3,903,732</u>	<u>6,628,159</u>
Total Liabilities and Net Assets	<u>\$ 2,807,362</u>	<u>\$ 1,260,133</u>	<u>\$ 4,067,495</u>	<u>\$ 10,874,848</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Fiscal Year Ended June 30, 2008

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Larchmont Golf Course	RSID Funds		
Operating Revenues:				
Special Assessments	\$ -	\$ 780,030	\$ 780,030	\$ -
Charges for Services	984,778	-	984,778	8,078,579
Total Operating Revenues	<u>984,778</u>	<u>780,030</u>	<u>1,764,808</u>	<u>8,078,579</u>
Operating Expenses:				
Personnel	443,472	188,555	632,027	157,856
Operations	259,764	452,217	711,981	143,345
Claims	-	-	-	7,776,460
Reinsurance Premiums	-	-	-	565,713
Administrative	-	-	-	627,944
Depreciation and Amortization	149,459	66,238	215,697	12,946
Total Operating Expenses	<u>852,695</u>	<u>707,010</u>	<u>1,559,705</u>	<u>9,284,264</u>
Operating Income	<u>132,083</u>	<u>73,020</u>	<u>205,103</u>	<u>(1,205,685)</u>
Non-operating Revenues (Expenses):				
Property Taxes	-	-	-	525,539
Investment Earnings	31,639	6,706	38,345	342,044
Other Income (Expenses)	-	13,873	13,873	25,124
Rebates	-	-	-	28,888
Intergovernmental Revenues	-	-	-	48,475
Total Non-operating Revenues (Expenses)	<u>31,639</u>	<u>20,579</u>	<u>52,218</u>	<u>970,070</u>
Net Income before Transfers	163,722	93,599	257,321	(235,615)
Transfers In	-	-	-	146,438
Transfers Out	<u>(121,314)</u>	<u>(29,911)</u>	<u>(151,225)</u>	<u>(51,676)</u>
Change in Net Assets	42,408	63,688	106,096	(140,853)
Total Net Assets - Beginning of Year	2,605,493	1,151,214		7,127,675
Restatement	<u>40,929</u>	<u>-</u>		<u>(358,663)</u>
Total Net Assets - Beginning of Year, Restated	<u>2,646,422</u>	<u>1,151,214</u>		<u>6,769,012</u>
Total Net Assets - End of Year	<u>\$ 2,688,830</u>	<u>\$ 1,214,902</u>		<u>\$ 6,628,159</u>
Adjustments to reflect the consolidation of Internal Service fund activities related to Enterprise funds.			<u>8,627</u>	
Change in Net Assets of Business-type Activities (page 21)			<u>\$ 114,723</u>	

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Cash Flows
Proprietary Funds
For Fiscal Year Ended June 30, 2008
(Page 1 of 2)

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Larchmont Golf Course	RSID Funds		
Cash flows from operating activities:				
Cash receipts for charges for services	\$ 945,164	\$ 769,104	\$ 1,714,268	\$ 8,057,066
Cash payments to employees for services	(432,844)	(187,096)	(619,940)	(257,293)
Cash payments for reinsurance premiums	-	-	-	(668,885)
Cash payments for administrative expenses	-	-	-	(424,221)
Cash payments for claims expenses	-	-	-	(6,880,486)
Cash payments to other suppliers for goods and services	(225,417)	(430,122)	(655,539)	(144,498)
Net cash provided by (used in) operating activities	<u>286,903</u>	<u>151,886</u>	<u>438,789</u>	<u>(318,317)</u>
Cash flows from non-capital financing activities:				
Property taxes collected	-	-	-	502,815
Rebates	-	-	-	28,888
Transfer out	(121,314)	(29,911)	(151,225)	(51,676)
Intergovernmental revenue and other sources	-	13,873	13,873	81,657
Net cash provided (used) by non-capital financing activities	<u>(121,314)</u>	<u>(16,038)</u>	<u>(137,352)</u>	<u>708,122</u>
Cash flows from capital and related financing activities:				
Acquisition of Capital Assets and construction in progress	(84,860)	(105,328)	(190,188)	-
Net cash used for capital and related financing activities	<u>(84,860)</u>	<u>(105,328)</u>	<u>(190,188)</u>	<u>-</u>
Cash flows from investing activities:				
Purchases of investment securities	(3,131,263)	(2,163,020)	(5,294,283)	(11,572,651)
Proceeds from sale of investment securities	3,415,987	2,404,906	5,820,893	11,438,406
Interest on investments	31,639	6,706	38,345	352,387
Net cash provided by investing activities	<u>316,363</u>	<u>248,592</u>	<u>564,955</u>	<u>218,142</u>
Net increase in cash and cash equivalents	397,092	279,112	676,204	607,947
Cash and cash equivalents at beginning of year	10,284	7,687	17,971	2,388,038
Cash and cash equivalents at end of year	<u>\$ 407,376</u>	<u>\$ 286,799</u>	<u>\$ 694,175</u>	<u>\$ 2,995,985</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Cash Flows (Continued)
Proprietary Funds
For Fiscal Year Ended June 30, 2008
(Page 2 of 2)

Reconciliation of Income from Operations to Cash Provided by Operations

	<u>Business-Type Activities-Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Major Fund</u>	<u>Nonmajor Fund</u>		
	Larchmont Golf Course	RSID Funds	Total	
Income from operations	\$ 132,083	\$ 73,020	\$ 205,103	\$ (1,205,685)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	149,459	66,238	215,697	12,946
Change in assets and liabilities:				
Increase in receivables	(39,614)	(10,926)	(50,540)	(22,444)
Increase in prepaid costs	-	-	-	(6,609)
Increase in inventory	(2,206)	-	(2,206)	-
Increase in payables	21,050	22,095	43,145	5,395
Increase in accrued liabilities	26,131	1,459	27,590	898,080
Net cash provided by (used in) operating activities	<u>\$ 286,903</u>	<u>\$ 151,886</u>	<u>\$ 438,789</u>	<u>\$ (318,317)</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Fiduciary Net Assets
June 30, 2008

	<u>Agency Funds</u>	<u>Investment Trusts</u>
Assets		
Cash & Cash Equivalents	\$ 479,262	\$ 19,259,734
Cash with Fiscal Agents	2,391,810	-
Property Taxes Receivable, net	14,379,545	-
Other Assets	8,891	-
Investments, at Fair Value:		
Securities	150,710	13,348,325
Bonds	13,701	-
Repurchase Agreements	-	2,478,183
STIP	292,286	42,570,102
Total Investments	<u>456,697</u>	<u>58,396,610</u>
Total Assets	<u>17,716,205</u>	<u>77,656,344</u>
Liabilities		
Accounts Payable	736,531	-
Other Liabilities	75,122	-
Funds Held in Trust for Agency funds	<u>16,904,552</u>	<u>-</u>
Total Liabilities	<u>811,653</u>	<u>-</u>
Net Assets		
Funds Held in Trust for:		
Investment Trusts	<u>-</u>	<u>77,656,344</u>
Total Net Assets	<u>\$ 16,904,552</u>	<u>\$ 77,656,344</u>

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA
Statement of Changes in Fiduciary Net Assets
For Fiscal Year Ended June 30, 2008

	Investment Trusts
Additions	
Interest Income	3,023,612
Net Investment Income	3,023,612
Participant Investments in Pool	370,182,217
Total Additions	373,205,829
Deductions	
Distribution to Participants	(362,014,200)
Total Deductions	(362,014,200)
Change in Net Assets	11,191,629
Net Assets Held in Trust for Pool Participants	
Net Assets - Beginning of Year	66,464,715
Net Assets - End of Year	\$ 77,656,344

The notes to the financial statements are an integral part of this statement.

MISSOULA COUNTY, MONTANA

Notes to Financial Statements

June 30, 2008

Note 1 - Summary of Significant Accounting Policies

The financial statements of Missoula County have been prepared in accordance with generally accepted accounting principles in the United States of America as set forth by standards established by the Governmental Accounting Standards Board (GASB). Consequently, these financial statements reflect the provisions of GASB Statement No. 34 Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments which became effective for Missoula County for the fiscal year ended June 30, 2003 (the County has elected to retroactively report infrastructure in the fiscal year ending June 30, 2007).

Description of Reporting Entity - Missoula County was incorporated under the Montana Constitution, Article XI, Local Government, Section 2 - Counties. The County operates under a three-member commission form of government and provides the following services authorized by its charter: criminal justice, public safety, public works, public health, social and economic services, culture and recreation, housing and community development, conservation of natural resources and general government services. As required by generally accepted accounting principles, the accompanying financial statements present Missoula County (the primary government) and its component units. The component units discussed in the following paragraphs are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Component Units

Blended Component Units - The following organizations are included in the accompanying financial statements as blended component units. The financial accountability for these entities lies with Missoula County, and the Board of County Commissioners can impose its will on these entities.

Missoula County Employee Benefits Plan

The Board of County Commissioners serves as the governing board for the Missoula County Employee Benefits Plan. The Plan is managed by the County's Risk Manager. The operations of the Plan are reported in a separate Internal Service Fund.

Missoula County Workers' Compensation Group Insurance Authority

The Board of County Commissioners serves as the governing board for the Missoula County Workers' Compensation Group Insurance Authority. The Plan is managed by the County's Risk Manager. The operations of the Plan are reported in a separate Internal Service Fund.

Larchmont Golf Course

The Board of County Commissioners serves as the governing board of Larchmont Golf Course. The course is managed by a seven-member advisory board who are appointed by the Board of County Commissioners of Missoula County. The operations of the golf course are reported in a separate Enterprise Fund.

Note 1 - Summary of Significant Accounting Policies (Continued)

Missoula Development Authority

The Missoula Development Authority is governed by a three-member board consisting of the Board of County Commissioners of Missoula County and was created to develop a business park. The Authority, which was formed in 1992, is financed by tax increment in two districts: The Missoula Airport Industrial District and the Missoula County Technology District, whereby property taxes attributable to increases in taxable valuation of the properties within the district are utilized for debt service and district operations. The Authority is accounted for as a Special Revenue Fund.

Discretely-Presented Component Units - The component units columns in the government-wide financial statements include the financial data of the County's other component units. These are reported in a separate column to emphasize that they are legally separate from the County.

Missoula Aging Services - The Missoula Aging Services is a nonprofit corporation whose purpose is the development and operation of programs for the benefit of senior citizens. The organization's board of directors is appointed by and serves at the will of the Board of County Commissioners of Missoula County. The organization prepares its separately issued financial statements on the basis of GASB Statement 34, using accounting principles applicable to enterprise funds. The complete financial statements for the Missoula Aging Services can be obtained from Missoula Aging Services, 337 Stephens, Missoula, MT 59801.

Community Health Center - The Partnership Health Center, Inc. (Community Health Center), is a nonprofit corporation organized for the purpose of providing health services to the medically underserved in the County. The organization's board is comprised of representatives of local health care providers and consumers and is not controlled by the County. However, under terms of an agreement between the Center and the County, the County has management control over all fiscal and personnel matters of the Center and is responsible for all liabilities arising from the Center's operations. The organization prepares its separately issued financial statements on the basis of GASB Statement 34, using accounting principles applicable to enterprise funds. Complete financial statements of the Partnership Health Center, Inc. can be obtained from the organization at 323 West Alder, Missoula, Montana 59802.

Related Organizations

Three organizations fall into the category of "related organizations" as defined by the Governmental Accounting Standards Board criteria. These are the Missoula County Airport Authority, Lolo Mosquito District, and the Seeley Lake Refuse District. For each of these entities the Missoula County Board of County Commissioners appoints the board of directors, but cannot impose their will on the organization, nor does the County derive any benefit or burden from these organizations.

Missoula County Airport Authority

The Missoula County Airport Authority is governed by a five-member board and has complete responsibility for the operation of the Missoula International Airport.

Lolo Mosquito District

The Lolo Mosquito District is governed by a five-member board of directors appointed by the Missoula County Commissioners. It operates mosquito abatement programs in the community of Lolo.

Seeley Lake Refuse District

The Seeley Lake Refuse District is governed by a five-member board of directors appointed by the Missoula County Commissioners. It is responsible for the operation of the solid waste management program in the Seeley Lake area.

Note 1 - Summary of Significant Accounting Policies (Continued)

Accounting Policies - The accounting policies of Missoula County conform to generally accepted accounting principles (GAAP) applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies.

Basis of Presentation - The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities report information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds, and the discretely presented component units. The activities of the internal service funds and certain interfund transactions (primarily transfers and charges for services) are eliminated to avoid overstating revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted for the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal services funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting - The accounts of Missoula County are organized on the basis of separate accounting entities referred to as funds. Each fund's operations are accounted for with a separate set of self-balancing accounts consisting of its assets, liabilities, fund equity, revenues and expenditures/expenses. There are three categories of funds: governmental, proprietary and fiduciary.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, use, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund

The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.

Public Safety Special Revenue Fund

The Public Safety Fund accounts for the Sheriff's Office, including law enforcement and the operations of the Missoula County Detention Facility. The primary sources of revenue for this fund are property taxes and prisoner board for inmates of other governmental entities.

RSID Debt Service Fund

The RSID Debt Service Fund accounts for the activities of rural special improvement districts for which construction has been completed and principal and interest payments are now required on construction bonds.

Missoula Development Authority

The Missoula Development Authority Fund accounts for the tax increment revenues from the MCA Industrial Tax Increment District and the Missoula County Technology District, which were created to develop a business park in the area of the interstate highway interchange near the airport.

Proprietary Funds

Proprietary funds are used to account for the County's ongoing organizations and activities which are similar to those often found in the private sector.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County reports the following major enterprise fund:

Larchmont Golf Course

The Larchmont Golf Course Fund is used to account for the activities of the County's 18-hole public golf course.

Internal Service Funds

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 County, or to other governments, on a cost-reimbursement basis. These funds include the Risk Management, Health Insurance, Workers' Compensation, Telephone Services, and Excess Loss funds. Risk Management is financed principally through property taxes, while Health Insurance, Workers' Compensation, Telephone Services, and Excess Loss are financed primarily through charges to other funds and departments of the County or its employees.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations or other governments. Investment trust funds are used to account for the portion of the County's investment pool that is held on behalf of legally separate entities that are not part of the County's financial reporting entity. Private-purpose trust funds are used to account for resources held in trust for use by a legally separate entity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operations of the County are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized when incurred.

Fund Financial Statements

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal period, except for tax receipts which are recorded as revenue when received. Intergovernmental grant revenue usually meets the availability criterion. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

Proprietary funds and all trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for Larchmont Golf Course, Telephone Services, self-insurance programs, and special assessments for RSID funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues which do not meet this criteria are considered non-operating and reported as such. Property taxes associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus.

Budgets - As provided by state law, Missoula County follows these procedures to develop the budget information reflected in the financial statements:

- (1) Prior to the first Monday in July, a proposed operating budget is submitted to the County Commissioners for the fiscal year commencing July 1st. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) On or before the second Monday in August, the budget is legally enacted through an official resolution of adoption.

Note 1 - Summary of Significant Accounting Policies (Continued)

The County prepares its budget primarily on the cash basis. Revenues (except for property taxes) are budgeted in the year they are anticipated to be collected. Expenditures are budgeted in the year they are expected to be paid by warrant. The County includes in its budget encumbrances, which represent commitments to expend funds under current budget appropriations. All appropriations lapse at the end of a fiscal year except for amounts encumbered. The County includes in its budget the full amount of property taxes levied for the year. This approximates the cash basis because delinquencies of current year taxes are generally offset by collection of prior years' delinquencies.

Budgets cannot be increased except by:

- (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 funds for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;
- (e) any funds for special assessments approved by the governing body;
- (f) the proceeds from the sale of land;
- (g) any funds for gifts or donations; and
- (h) money borrowed during the fiscal year.

Budget transfers may be made between and among the general classifications of salaries and wages, operations and maintenance, and capital outlay upon a resolution adopted by the governing body; however, no budget transfer can increase an individual salary. Expenditures may not legally exceed appropriations for an individual fund. The level of budgetary control, at which the governing body must approve over-expenditures or transfers of appropriations, is established by the three categories referenced above within an individual fund and within each department of the general fund.

Annual appropriated budgets are adopted for the general fund and most special revenue, debt service, capital projects and internal service funds. Formal budgetary policies are not employed for the Special Revenue and Debt Service funds listed below. Effective budgetary controls are alternatively achieved through Rural Special Improvement District (RSID) bond provisions, and grant contracts. No activity was budgeted for the following funds:

- | | | | |
|-----------------|---------------------|----------------------|-----------------------------------|
| ● Jail Project | ● HUD/CDBG | ● RSID Debt Service | ● Friends of Historical Museum |
| ● Open Space | ● Abandoned Vehicle | ● RSID Projects | ● Subdivision Improvement Bonds |
| ● 9-1-1-Trust | ● 901 Sewer | ● Jail Commissary | ● Historical Museum Gift Shop |
| ● IACP School | ● 901 Water | ● Miller Creek Trust | ● Friends of the Library |
| ● MCFPA Trust | ● LEPC Trust | ● Disaster | ● Transportation Mitigation Trust |
| ● Judgment Levy | ● Art Museum | ● Fair Ice Rink | ● Other Special Revenue |

Individual fund budgetary amounts equal appropriation amounts. Unencumbered appropriations lapse at the end of the year. The amounts reported as the original budget amounts represent the original adopted budget. The amounts reported as final budget amounts represent the final budget, including all amendments and modifications. Supplemental appropriations were generally made for unanticipated state and federal grants awarded during the year.

Property Taxes - Property tax levies are set on or before the second Monday in August, in connection with the budget process. Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal amounts on November 30 and the following May 31. After those dates, they become delinquent (and a lien upon the property). After three years the County exercises the lien and takes title to the property. Properties taken on tax deeds are recorded in taxes receivable at the outstanding delinquent amount.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special assessments are either billed in one installment due November 30 or two equal installments due November 30 and May 31.

Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are billed in two halves, the first due thirty days after billing; the second due November 30.

An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The estimated uncollectible amount at June 30, 2008 is \$1,106,210.

Taxable valuations, mill values and mill levies for November 2007 and May 2008 property tax billings were as follows:

	<u>Taxable Valuation</u>	<u>Valuation of Tax Increment</u>	<u>Value of Mill</u>	<u>Mills Levied</u>
County-wide levies	\$188,407,384	\$ 3,947,560	\$ 184,460	136.19 mills
Unincorporated levies	\$ 85,407,384	\$ 2,037,622	\$ 83,370	35.68 mills

The county-wide value includes \$3,947,560 which is the incremental value of property within the City of Missoula tax increment districts since their creation in 1978, 1991 and 2000. Both the county-wide and unincorporated values include \$2,037,622, the incremental value of property in the Airport Industrial Tax Increment District since 1992. Taxes on that value accrue to the tax increment district, not to the usual taxing authorities, hence the value of a mill which it is budgeted against is reduced by that incremental value.

State law limits the number of mills the County can levy to the amount of property tax dollars levied in the prior fiscal year plus the amounts related to the taxable value for annexation of real property, new construction and improvements, debt service, one-half of the average inflation for the past three years based on the consumer price index, and certain other exceptions.

Cash and Cash Equivalents, Investments and Investment Income - Except for certain specific bank deposits and investments held separately on behalf of the golf course, health benefits, workers compensation, and risk management funds, cash resources, to the extent available, of the individual funds are combined to form an investment pool, which is managed by the County Fiscal Officer. Investments of pooled cash, which are authorized by state law, consist primarily of demand deposits, non-negotiable certificates of deposit, bank repurchase agreements, government agency securities and notes, and investments in the state short-term investment pool (STIP).

Investments are reported at fair value, although certain investments and bank deposits are reported at cost or amortized cost. The following presents the basis of valuation for the County's deposits and investments:

<u>Description of Deposit or Investment</u>	<u>Basis of Valuation</u>
Pooled and non-pooled demand deposits	Cost
Non-negotiable certificates of deposit	Cost
Bank repurchase agreements	Cost
Government agency securities and notes	Fair Value
State Short-Term Investment Pool (STIP)	Share Price (Fair Value)

Note 1 - Summary of Significant Accounting Policies (Continued)

Legally separate entities that are not part of the County reporting entity are permitted to participate in the investment pool, and those entities' portion of the investment pool is reported in an investment trust fund. The investment pool is managed in accordance with the County's stated investment policy. There is no external regulatory oversight for the investment pool. Fair values, to the extent applicable, are determined on a monthly basis. Investments and withdrawals from the pool are based on the underlying value of the deposits and investments (cost or share price, as applicable). The County has not obtained any legally binding guarantees to support the value of the pool, and there are no involuntary participants.

Investment income, which includes realized gains and losses and the change in the fair value of investments, is recognized on the modified accrual basis for internal governmental funds and on the accrual basis for investment trust funds. Investment income is allocated directly to funds holding specific investments. Investment income on pooled investments is allocated to participating external entities on the basis of beginning of month balances. All other pool investment income is allocated to the general fund.

The County issues warrants in payment of its obligations. When warrants are presented to the County Treasurer, the County issues a check to pay the warrants.

For purposes of the statements of cash flows, the Enterprise and Internal Service funds consider all highly liquid investments, (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents. A portion of funds held in the County's cash management pools are considered cash equivalents. Interest and dividends reinvested into separate investment trust accounts are not considered cash equivalents.

Materials and Supplies Inventories - Inventories of materials and supplies are valued at cost (first-in, first-out), which is lower than market. Inventory in the Special Revenue Funds consists of expendable materials and supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Prepaid Costs - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid costs are valued at cost and include prepaid insurance. Prepaid costs are recorded as expenditures or expenses as policies expire. Reported prepaid costs are equally offset by a fund balance reserve to indicate that they do not constitute "available spendable resources" even though they are a component of net current assets.

Advances to/from Other Funds - Advances to/from other funds record noncurrent portions of long-term debt owed by one fund to another. Fund balances are reserved for advances that do not represent expendable available financial resources in the fund financial statements. Advances to/from other funds are eliminated in the government-wide financial statements.

Other Interfund Transactions - During the course of its operations, the County has transactions between funds to finance operations, provide services, and service debt. These transactions are generally recorded as charges for services revenue and operations expenditures or interfund transfers in and out. To the extent that certain transactions between funds had not been paid or received at year end, balance of short-term interfund amounts receivable or payable are reported as due to and due from other funds in the fund financial statements. These transactions are eliminated in the government-wide financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation - Capital assets in the government-wide financial statements and the proprietary funds are stated at cost less accumulated depreciation. Cost includes expenditures which materially increase values or capacities and extend useful lives of property and equipment beyond one year. Interest costs on assets constructed (net of interest earnings on invested debt proceeds) are capitalized and amortized over the useful lives of the related assets in the proprietary funds. Depreciation on capital assets, including those assets acquired with contributions, is computed using the straight-line method based upon the estimated useful lives of the related assets as follows:

Buildings and improvements	40 years
Improvements other than buildings	30 years
Equipment, furniture and fixtures	5-10 years

Personal property assets costing more than \$5,000 and all real property are capitalized in the government-wide financial statements and proprietary funds. Property and equipment are recorded at cost, including freight and delivery costs incidental to placing the assets into service. Donated capital assets are valued at their estimated fair market value as of the date of donation.

Compensated Absences - Under terms of state law and various union contracts, County employees are granted vacation, sick and other leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to the equivalent of two years' vacation and for 25 percent of accumulated sick leave. In the governmental funds, compensated absences are reported when paid or matured (i.e. unused reimbursable leave outstanding after employee separation from service).

For the government-wide financial statements and the proprietary funds, compensated absences to be funded from future resources are reflected as liabilities to the extent they are vested. The County considers this liability to be due within one year.

Amortization - In the government-wide financial statements and in the proprietary funds deferred bond issuance costs are amortized on a straight-line basis over the life of the related bonds.

Self-Insurance Accruals - Expenses are accrued for estimated claims reported but unpaid at year-end and for health benefits and workers' compensation claims incurred but unreported. Incurred but unreported claims, in aggregate, are not material for risk management.

Fund Equity - Reserves represent those portions of fund equity not appropriated for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Net Assets - Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantor, laws, or regulations of other governments. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available

Note 2 - Cash and Cash Equivalents and Investments

The total cash and cash equivalents, cash with fiscal agents, restricted cash and investments at June 30, 2008, are detailed as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 64,017	\$ -	\$ 64,017
Cash in pooled bank deposits	31,648,437	325,033	31,973,470
Cash in non-pooled bank deposits	2,690,403	1,030,831	3,721,234
Cash with fiscal agents	4,637,753	28,426	4,666,179
Pooled investments	51,985,960	532,823	52,518,783
Non-pooled investments	<u>33,117,126</u>	<u>226,877</u>	<u>33,344,003</u>
Total	<u>\$ 124,143,696</u>	<u>\$ 2,143,990</u>	<u>\$ 126,287,686</u>

Cash on hand - Represents: petty cash, change, and checking accounts not controlled by the County Treasurer. This excludes Larchmont Golf Course, Missoula Aging Services, health benefits, workers' compensation and risk management checking accounts and certificates of deposit which are included in pooled and non-pooled bank deposits.

Cash in bank deposits - Cash in bank balances include deposit items such as daily demand/time deposits, Treasury Money Market deposits and fiscal agent deposits. The County minimizes custodial credit risk by restrictions set forth in County policy and state law. Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the County's deposits may not be returned or the County will not be able to recover the collateral securities in the possession of the outside party. Types of securities that may be pledged as collateral are detailed in Section 17-6-103, Montana Code Annotated (MCA).

At June 30, 2008, the County's carrying amount of demand deposits and money market accounts was \$34,947,999 and the bank balance was \$36,040,432. The carrying amount for the County includes \$325,223 of component unit cash balances. Of the demand deposit bank balance, \$209,345 was covered by federal depository insurance, \$4,944,883 was covered by securities held by the pledging financial institution's trust department or agent in the County's name, and \$28,533,976 was invested in U.S. Government securities within the Institutional Government Money Market account and \$2,352,228 was uninsured and uncollateralized.

Fiscal agent deposits of \$4,666,179 consist of deposits with trustees related to the payment of bonds by the County. These funds are invested in accordance with bond covenants and are pledged for payment of principal and interest. The pledging financial institutions' trust department or agent holds the invested funds in the County's name.

Montana statutes state that the County may have pledged securities equal to 50% of its total bank deposits that are not insured or guaranteed. At June 30, 2008, 94% of the County's uninsured deposits were collateralized.

Note 2 - Cash and Cash Equivalents and Investments (Continued)

Pooled and non-pooled investments - At June 30, 2008, the County's pooled and non-pooled investment balances were as follows:

	Maturity in Years					No Maturity	Fair Value	Rating
	Less than 1	1-2	2-3	3-4	4-5			
Primary Government Investments								
Federal Farm Credit Bank Notes-CMO	\$ 2,147,357	\$ -	\$ 595,951	\$ 1,690,651	\$ 1,475,807	\$ -	\$ 5,909,766	AAA
Federal Home Loan Bank Notes-CMO	2,801,718	4,236,303	4,888,809	1,276,714	800,680	-	14,004,224	AAA
Federal Home Loan Mortgage Corp-CMO	1,129,623	1,142,090	-	105,344	1,186,336	-	3,563,393	AAA
Federal National Mortgage Assoc-CMO	100,156	2,890,976	598,557	495,773	-	-	4,085,462	AAA
US Treasury Notes	403,313	381,758	-	-	-	-	785,071	AAA
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	28,998,975	28,998,975	A1+
Corporate Variable-rate	-	-	-	-	-	4,081,563	4,081,563	A1+
Certificates of Deposit	-	-	-	-	-	1,814,263	1,814,263	A1+
U.S. Government Agency	-	-	-	-	-	9,956,203	9,956,203	A1+
Money Market Accounts (Unrated)	-	-	-	-	-	3,387,151	3,387,151	NR
Money Market Accounts (Rated)	-	-	-	-	-	1,247,338	1,247,338	A1+
Structured Investment Vehicles (SIV)	-	-	-	-	-	3,175,043	3,175,043	D
	-	-	-	-	-	52,660,536	52,660,536	
Repurchase Agreements	-	-	-	-	-	4,094,635	4,094,635	A3
Total Primary Government	6,582,167	8,651,127	6,083,317	3,568,482	3,462,823	56,755,171	85,103,087	
Component Unit Investments:								
Federal Farm Credit Bank Notes-CMO	13,838	-	3,329	9,773	9,978	-	36,918	AAA
Federal Home Loan Bank Notes-CMO	7,454	24,931	28,126	8,632	5,413	-	74,556	AAA
Federal Home Loan Mortgage Corporation-CMO	-	3,369	-	-	8,021	-	11,390	AAA
Federal National Mortgage Association Notes	-	19,545	3,349	3,352	-	-	26,246	AAA
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	196,057	196,057	A1+
Corporate Variable-rate	-	-	-	-	-	27,595	27,595	A1+
Certificates of Deposit	-	-	-	-	-	12,266	12,266	A1+
U.S. Government Agency	-	-	-	-	-	67,312	67,312	A1+
Money Market Accounts (Unrated)	-	-	-	-	-	22,900	22,900	NR
Money Market Accounts (Rated)	-	-	-	-	-	8,433	8,433	A1+
Structured Investment Vehicles (SIV)	-	-	-	-	-	21,466	21,466	D
Equity Mutual Funds	-	-	-	-	-	226,877	226,877	A1+
Repurchase Agreements	-	-	-	-	-	27,683	27,683	A3
Total Component Unit	21,292	47,845	34,804	21,757	23,412	610,589	759,699	
Total	\$ 6,603,459	\$ 8,698,972	\$ 6,118,121	\$ 3,590,239	\$ 3,486,235	\$ 57,365,760	\$ 85,862,786	

Note 2 - Cash and Cash Equivalents and Investments (Continued)

As a means of limiting its exposure to interest rate risk (the risk that the fair value of investments could decrease in a rising interest rate environment), the County uses a laddering technique in which it purchases investments of varying maturities at varying times in order to keep the average maturity of the portfolio within the recommendations of the County's Investment Advisory Committee and the County's investment advisors. Additionally, the County's investment policy prohibits the County from having investments with maturities greater than five years.

As a means of limiting its exposure to credit risk (the risk that an issuer or other counter party to an investment will not fulfill its obligation), the County's investment policy restricts its investments to the following types:

- Direct obligations of the U. S. Government
- Securities issued and guaranteed by agencies of the United States
- Mutual funds that only invest in federal government obligations
- Securities issued by agencies of the United States
- Securities guaranteed by the United States or by an agency of the United States but not issued by agencies of the United States
- Repurchase Agreements
- State of Montana Short Term Investment Pool (STIP)

These investments have credit risk measured by major credit rating services (the ratings in the preceding table are from Standard & Poor's Corporation or Moody's Investment Services), except those obligations of the U.S. Government or obligations explicitly guaranteed by the U. S. Government which are considered to have no credit risk. All of the investments in the schedule are uninsured and unregistered with the pledging financial institution's trust department or agent holding the invested funds in the County's name, except for STIP because those securities are not used as evidence of the investments.

As a means of limiting its exposure to custodial credit risk (the risk that in the event of a financial institution failure, the County's investments would not be returned or the County will not be able to recover the value of its investments of collateral securities that are in possession of the outside party), the County maintains a list of authorized institutions that were selected through a formal procurement process that, in part, was made on the financial position of those institutions.

The State Short-Term Investment Pool (STIP) is an external investment pool administered by the State of Montana in a manner similar to money market funds under SEC Rule 2a7. Montana statutes (MCA Title 17, Chapter 6) and related administrative rules govern the operation of STIP, which is managed by the Montana Board of Investments. The reported share value of STIP (\$1) is equal to fair value of its underlying investments. Fair values are determined on a monthly basis for the pool.

GASB Technical Bulletin No. 94-1 requires certain disclosures about derivatives and similar debt and investment transactions, including those resulting from participation in investment pools. Although STIP held no investments in derivatives, approximately 33.12% of STIP investments consisted of asset-backed securities and approximately 8.8% consisted of variable interest rate securities at June 30, 2008 based on unaudited financial statements provided by the Montana Board of Investments. Additional information regarding STIP investments and related disclosures of credit, market and legal risks is available in STIP's June 30, 2008 financial statements at www.investmentmt.com. The County's investment in STIP amounts to 1.3% of total STIP assets.

The external investment pool managed by the County is 30.97% invested in STIP, with 26,179,742 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2008, STIP's average investment return was 4.42%.

Note 2 - Cash and Cash Equivalents and Investments (Continued)

Condensed financial information for the County's investment pool follows:

Statement of Net Assets

Assets:	
Cash on hand	\$ 64,017
Cash in pooled bank deposits	31,973,471
Investments	
Repurchase agreements	4,122,318
Government securities	22,204,189
STIP	<u>26,192,276</u>
Total assets	<u>84,556,271</u>
Net Assets:	
County funds	33,724,216
External participants	<u>50,832,055</u>
Total net assets	<u>\$ 84,556,271</u>

Statement of Changes in Net Assets

Additions:	
Interest income	\$ <u>3,556,609</u>
Net investment Income	3,556,609
Participant Investments in Pool	<u>435,118,293</u>
Total Additions	<u>438,674,902</u>
Deductions:	
Distribution to Participants	<u>(438,047,205)</u>
Change in Net Assets	627,697
Net assets	
Beginning of year	<u>83,928,574</u>
End of year	<u>\$ 84,556,271</u>

Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2008 consist of:

<u>HUD - Missoula Children's Theatre</u>		
0%, \$24,500 due annually June 2003 through June 2017	\$	122,500
<u>The Good Food Store, Inc.</u>		
5%, \$4,718 due monthly from November 2003 through October 2008		18,676
<u>Rocky Mountain Biologicals, Inc.</u>		
5%, \$4,813 due monthly from November 2005 through October 2014		213,815
<u>Opportunity Resources, Inc.</u>		
0%, \$167 due monthly from May 2006 through April 2015		15,500
<u>Partnership Health Center</u>		
1%, \$2,640 due annually from July 2006 through July 2016		17,759
<u>North Missoula Community Development Corporation</u>		
3%, varying amounts due annually through May 2014		45,618
<u>Western Montana Mental Health Center</u>		
5%, \$9,719 due annually through November 2015		64,349
<u>AquilaVision</u>		
7%, \$10,383 due monthly, all principal and interest due July 1, 2008		129,229
<u>Missoula Aging Services</u>		
Variable interest and varying amounts due annually through February 15, 2016.		208,617
<u>Gleneagle</u>		
Contracts for sale of lots, 10% interest, varying amounts due annually with remainder due at varying dates through July 2005		125,559
<u>Missoula Area Youth Hockey Association</u>		
Variable interest due annually, all principal and interest due January 1, 2016.		61,000
		<hr/>
Loans & Notes Receivable	\$	<u><u>1,022,622</u></u>

The loans and notes receivable has been adjusted by the following to remove them from County assets to reflect their potential uncollectability.

<u>Pyramid Mountain Lumber</u>		
6%, \$1,564 due monthly from May 2008 thru February 2015		105,000
<u>Pioneer Drive, LLC</u>		
6%, \$5,844 due monthly from December 2007 through November 2014		388,412

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows.

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,678,398	\$ 945,391	\$ (729,058)	\$ 6,894,731
Intangibles	173,101	-	-	173,101
Construction in Progress	<u>2,261,518</u>	<u>4,070,494</u>	<u>(1,655,805)</u>	<u>4,676,207</u>
Total capital assets, not being depreciated	<u>\$ 9,113,017</u>	<u>\$ 5,015,885</u>	<u>\$ (2,384,863)</u>	<u>\$ 11,744,039</u>
Capital assets, being depreciated:				
Buildings	\$ 37,102,523	\$ 881,057	\$ (38,882)	\$ 37,944,698
Equipment	15,997,063	1,458,843	(1,218,459)	16,237,447
Infrastructure	<u>28,059,319</u>	<u>2,687,192</u>	<u>-</u>	<u>30,746,511</u>
Total capital assets, being depreciated	<u>81,158,905</u>	<u>5,027,092</u>	<u>(1,257,341)</u>	<u>84,928,656</u>
Less accumulated depreciation for:				
Buildings	10,111,868	876,889	(35,474)	10,953,283
Equipment	9,970,574	1,298,179	(1,036,355)	10,232,398
Infrastructure	<u>10,823,147</u>	<u>577,150</u>	<u>(4,908)</u>	<u>11,395,389</u>
Total accumulated depreciation	<u>30,905,589</u>	<u>2,752,218</u>	<u>(1,076,737)</u>	<u>32,581,070</u>
Total capital assets, being depreciated, net	<u>\$ 50,253,316</u>	<u>\$ 2,274,874</u>	<u>\$ (180,604)</u>	<u>\$ 52,347,586</u>

The beginning balance of construction in progress balance has been restated by \$750,595 to reflect FY 2007 projects in Public Works.

Note 4 - Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,049,212	\$ -	\$ -	\$ 1,049,212
Construction in Progress	3,923	23,623	-	27,546
Total capital assets, not being depreciated	<u>\$ 1,053,135</u>	<u>\$ 23,623</u>	<u>\$ -</u>	<u>\$ 1,076,758</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,041,643	\$ -	\$ -	\$ 1,041,643
Improvements other than buildings	1,599,263	25,462	-	1,624,725
Equipment, furniture and fixtures	2,031,281	141,102	(57,285)	2,115,098
Total capital assets, being depreciated	<u>4,672,187</u>	<u>166,564</u>	<u>(57,285)</u>	<u>4,781,466</u>
Less accumulated depreciation for:				
Buildings and improvements	599,493	34,667	-	634,160
Improvements other than buildings	1,253,796	51,309	-	1,305,105
Equipment, furniture and fixtures	1,705,685	129,721	(41,783)	1,793,623
Total capital assets, being depreciated	<u>3,558,974</u>	<u>215,697</u>	<u>(41,783)</u>	<u>3,732,888</u>
Total capital assets, being depreciated, net	<u>\$ 1,113,213</u>	<u>\$ (49,133)</u>	<u>\$ (15,502)</u>	<u>\$ 1,048,578</u>

Beginning balances were restated by a net amount of \$40,929 due to recalculation of prior years depreciation amounts for Larchmont Golf Course.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	\$ 339,902
Criminal Justice	6,891
Public Works	1,045,774
Public Safety	1,135,260
Public Health	89,599
Culture and Recreation	127,453
Social and Economic Services	7,339
Total depreciation expense - governmental activities	<u>\$ 2,752,218</u>
Business-type activities	
Larchmont Golf Course	\$ 149,459
RSIDs	66,238
Total depreciation expense - business-type activities	<u>\$ 215,697</u>

Note 4 - Capital Assets (Continued)**Discretely presented component units**

Activity for the Missoula Aging Services for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:			
Land	\$ 132,000	\$ -	\$ 132,000
Capital assets, being depreciated:			
Buildings	\$ 1,809,482	\$ 56,778	\$ 1,866,260
Equipment	72,591	13,891	86,482
Total capital assets, being depreciated	<u>1,882,073</u>	<u>70,669</u>	<u>1,952,742</u>
Less accumulated depreciation	<u>(239,423)</u>	<u>(73,884)</u>	<u>(313,307)</u>
Total capital assets, being depreciated, net	<u>\$ 1,642,650</u>	<u>\$ (3,215)</u>	<u>\$ 1,639,435</u>

Activity for the Partnership Health Clinic for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:			
Buildings	\$ 1,948,334	\$ -	\$ 1,948,334
Machinery and equipment	946,775	38,916	985,691
Total capital assets, being depreciated	<u>2,895,109</u>	<u>38,916</u>	<u>2,934,025</u>
Less accumulated depreciation	<u>(1,179,227)</u>	<u>(150,951)</u>	<u>(1,330,178)</u>
Total capital assets, being depreciated, net	<u>\$ 1,715,882</u>	<u>\$ (112,035)</u>	<u>\$ 1,603,847</u>

Note 5 - Long-Term Debt

At June 30, 2008, unmatured principal on long-term debt consisted of the following:

General Obligation Bonds and Loans

\$3,325,000 General Obligation Bonds Series 2007 issued December 2007, 3.625% to 3.75%, due in varying amounts to July 2018	\$ 3,325,000
\$13,770,000 Refunding General Obligation Bonds Series 2005 issued August 2005, 2.85% to 4.0%, due in varying amounts to July 2018	11,960,000
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	147,000
Total general obligation bonds and notes	<u>15,432,000</u>

Limited Obligation Bonds and Notes

Governmental Activities

\$480,000 Partnership Health Center Limited Obligation Note, Series 1998 issued June 16, 1998, 4.1% to 5.5%, due in varying amounts to July 2018	320,000
\$1,000,000 Risk Management Bond, Series 2001 issued July 15, 2001, 3.10% to 4.5%, due in varying amounts to July 2011	450,000
\$995,000 Ice Rink Facility Bond, Series 2004 issued June 10, 2004, 3.75% 5%, due in varying amounts to July 2024	895,000
\$800,000 Ice Rink Facility Bond, Series 2006 issued March, 2006, 3.4% to 4.25%, due in varying amounts to July 2026	780,000
Total limited obligation bonds and notes	<u>2,445,000</u>

Tax Increment Bonds

\$4,945,000 Series 2006 Industrial Tax Increment Bond, 3.6% to 4.0%, due in varying amounts through July 2018; repayment from the Missoula Development Authority - Industrial Tax Increment District	4,575,000
\$1,100,000 Series 2006 Industrial Tax Increment Bond, 5.6% to 6.4%, due in varying amounts through July 2018; repayment from the Missoula Development Authority - Technology Tax Increment District	1,100,000
Total limited obligation bonds and notes	<u>5,675,000</u>

Note 5 - Long-Term Debt (Continued)

Special Assessment Bonds and Loans

Rural Special Improvement Districts, 3.7% to 8%, due at varying dates through July 2027. County is contingently liable for payment of these bonds	3,133,000
\$241,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	52,000
\$1,943,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	520,000
\$291,000 State Revolving Fund Loan, issued November 1998, 4%, due in varying amounts to July 2019	145,000
\$649,936 State Revolving Fund Loan, issued September 2002, 4%, due in varying amounts to July 2023	443,000
\$4,498,121 State Revolving Fund Loan, issued July 2003, 3.75%, due in varying amounts to July 2024	2,716,000
\$169,000 State Revolving Fund Loan, issued April 2005, 2.75%, due in varying amounts to July 2015	104,000
\$281,199 State Revolving Fund Loan, issued April 2005, 3.75%, due in varying amounts to July 2020	131,000
Total special assessment bonds and loans	<u>7,244,000</u>

Note 5 - Long-Term Debt (Continued)

Notes & Contracts Payable

Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through August 2013; repayment from MCA Increment District	379,695
Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through August 2009; repayment from Fair fund	5,668
Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through August 2008; repayment from the Central Services fund	146,085
Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through August 2009; repayment from Fair fund	8,913
Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through August 2009; repayment from Technology fund	111,011
Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through August 2010; repayment from Road & Bridge fund	109,570
Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through August 2014; repayment from Fair fund	107,889
Variable rate (4.25% at 6/30/08) line of credit payable, due in varying amounts through February 2016; repayment from Aging fund	208,617
Total notes and contracts payable	<u>1,077,448</u>
Subtotal	<u>31,873,448</u>

Note 5 - Long-Term Debt (Continued)

Liability for Sick and Vacation (Primary Government)

Accrued vacation benefits	1,906,986
Accrued compensatory time benefits	156,808
Accrued holiday benefits	90,795
Accrued sick benefits	<u>957,730</u>
Total accrued benefits	<u>3,112,319</u>
Total Long-Term Debt	<u>\$ 34,985,767</u>

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2008, follows:

	<u>Beginning Balance</u>	<u>New Debt Issued/ Leave Accrued</u>	<u>Debt Retired/ Leave Used</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation	\$ 12,995,000	\$ 3,325,000	\$ (888,000)	\$ 15,432,000	\$ 920,000
Limited Obligation Note	2,620,000	-	(175,000)	2,445,000	190,000
Tax Increment	6,045,000	-	(370,000)	5,675,000	375,000
Special Assessment Bonds Payable	1,623,000	1,640,000	(130,000)	3,133,000	236,000
Special Assessment Loans Payable	4,909,000	-	(798,000)	4,111,000	295,000
Contracts Payable	1,457,578	-	(380,130)	1,077,448	319,410
Liability for Sick and Vacation	<u>2,982,160</u>	<u>3,028,650</u>	<u>(2,898,491)</u>	<u>3,112,319</u>	<u>2,737,368</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 32,631,738</u>	<u>\$ 7,993,650</u>	<u>\$ (5,639,621)</u>	<u>\$ 34,985,767</u>	<u>\$ 5,072,778</u>

Beginning balance for contracts payable was restated by \$37,789 due to changes in amortization schedule for Seeley Lake Refuse District and Public Works equipment contracts

Note 5 - Long-Term Debt (Continued)

Annual debt service principal and interest payments required on bonds, notes, leases, contracts and loans payable at June 30, 2008, are as follows:

Governmental Activities									
Fiscal Year Ending June 30	Open Space Bond Principal	Open Space Bond Interest	Refunding Bond Principal	Refunding Bond Interest	Fair SRF Principal	Fair SRF Interest	General Obligation Total Principal	General Obligation Total Interest	PHC Ltd Oblig Principal
2009	\$ -	\$ 126,069	910,000	\$ 417,138	\$ 10,000	\$ 3,252	\$ 920,000	\$ 546,459	\$ 20,000
2010	195,000	118,675	935,000	387,741	10,000	3,026	1,140,000	509,442	25,000
2011	290,000	109,581	965,000	357,450	10,000	2,801	1,265,000	469,832	25,000
2012	305,000	98,425	1,000,000	324,894	10,000	2,576	1,315,000	425,895	25,000
2013	320,000	86,706	1,040,000	289,819	10,000	2,351	1,370,000	378,876	25,000
2014-2018	1,810,000	243,263	5,805,000	833,753	62,000	7,864	7,677,000	1,084,880	160,000
2019-2023	405,000	7,341	1,305,000	26,100	35,000	1,181	1,745,000	34,622	40,000
2024-2028	-	-	-	-	-	-	-	-	-
	<u>3,325,000</u>	<u>\$ 790,060</u>	<u>11,960,000</u>	<u>\$ 2,636,895</u>	<u>147,000</u>	<u>\$ 23,051</u>	<u>15,432,000</u>	<u>\$ 3,450,006</u>	<u>320,000</u>
Less current portion	-		(910,000)		(10,000)		(920,000)		(20,000)
	<u>\$ 3,325,000</u>		<u>\$ 11,050,000</u>		<u>\$ 137,000</u>		<u>\$ 14,512,000</u>		<u>\$ 300,000</u>

Governmental Activities (Continued)									
Fiscal Year Ending June 30	PHC Ltd Oblig Interest	Industrial Increment Principal	Industrial Increment Interest	Technology Increment Principal	Technology Increment Interest	Special Assess Bonds Principal	Special Assess Bonds Interest	Special Assess Loans Principal	Special Assess Loans Interest
2009	\$ 16,362	\$ 340,000	\$ 176,200	\$ 35,000	\$ 65,716	\$ 236,000	\$ 136,720	\$ 295,000	\$ 153,261
2010	15,247	350,000	162,400	35,000	63,747	187,000	127,506	305,000	141,868
2011	13,991	365,000	148,100	35,000	61,778	185,000	118,730	332,000	130,050
2012	12,722	380,000	133,200	40,000	59,669	194,000	109,970	340,000	117,301
2013	11,435	395,000	117,700	40,000	57,419	175,000	101,247	343,000	104,336
2014-2018	33,464	2,245,000	331,700	245,000	246,953	761,000	397,861	1,366,000	344,818
2019-2023	1,100	500,000	10,000	325,000	162,797	795,000	231,393	1,044,000	122,018
2024-2028	-	-	-	345,000	45,741	600,000	70,369	86,000	1,621
	<u>\$ 104,321</u>	<u>4,575,000</u>	<u>\$ 1,079,300</u>	<u>1,100,000</u>	<u>\$ 763,820</u>	<u>3,133,000</u>	<u>\$ 1,293,796</u>	<u>4,111,000</u>	<u>\$ 1,115,273</u>
Less current portion		(340,000)		(35,000)		(236,000)		(295,000)	
		<u>\$ 4,235,000</u>		<u>\$ 1,065,000</u>		<u>\$ 2,897,000</u>		<u>\$ 3,816,000</u>	

Note 5 - Long-Term Debt (Continued)

Governmental Activities (Continued)

Fiscal Year Ending June 30	Risk Management		Ice Rink 2004		Ice Rink 2006		Notes & Contracts		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Governmental Principal	Governmental Interest
2009	\$ 105,000	\$ 17,395	\$ 35,000	\$ 39,861	\$ 30,000	\$ 30,870	\$ 319,410	\$ 45,518	\$ 2,335,410	\$ 1,228,362
2010	110,000	12,825	40,000	38,455	30,000	29,820	231,560	35,105	2,453,560	1,136,415
2011	115,000	7,930	40,000	36,955	30,000	28,740	158,226	24,368	2,550,226	1,040,474
2012	120,000	2,700	40,000	35,445	30,000	27,645	112,191	17,618	2,596,191	942,165
2013	-	-	45,000	33,785	35,000	26,415	113,721	12,217	2,541,721	843,430
2014-2018	-	-	245,000	138,908	185,000	111,170	142,340	11,250	13,026,340	2,701,004
2019-2023	-	-	305,000	74,865	225,000	69,908	-	-	4,979,000	706,703
2024-2028	-	-	145,000	7,375	215,000	18,593	-	-	1,391,000	143,699
	<u>450,000</u>	<u>\$ 40,850</u>	<u>895,000</u>	<u>\$ 405,649</u>	<u>780,000</u>	<u>\$ 343,161</u>	<u>1,077,448</u>	<u>\$ 146,076</u>	<u>31,873,448</u>	<u>\$ 8,742,252</u>
Less current portion	<u>(105,000)</u>		<u>(35,000)</u>		<u>(30,000)</u>		<u>(319,410)</u>		<u>(2,335,410)</u>	
	<u>\$ 345,000</u>		<u>\$ 860,000</u>		<u>\$ 750,000</u>		<u>\$ 758,038</u>		<u>\$ 29,538,038</u>	

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, minimum revenue bond coverages, minimum levels of insurance coverage and maintenance of operating assets in good condition. At June 30, 2008, the County was in compliance with all significant indenture provisions.

During 1992, the County created an industrial tax increment district under the provision of state statutes (MCA 7-15-4297-99). The district, known as the Missoula County Airport Industrial District, was created to develop an industrial park in the area of the proposed site of an interstate highway interchange near the Airport. The County is selling parcels in the industrial park to commercial enterprises wishing to establish facilities in the area. In addition, a portion of the property may be used in the future for the development of an inland port facility. In December 2005, the County recharacterized a portion of the industrial district into a technology increment district that was authorized by the 2005 Legislature.

General Obligation Bond Issue - In July 1997, the County issued \$4 million in bond anticipation notes related to a general obligation bond issue approved in 1996 for the construction of a new detention center. The proceeds of the notes were used for the acquisition of land to be used for the detention center. In April 1998, the County issued \$17,100,000 of general obligation bonds, whose net proceeds of \$16,762,636 were used to establish a fund for the construction of the detention facility (\$16,758,000), and to pay accrued interest on the bonds of \$4,636. Concurrently with the closing of the bond issue, the County repaid the \$4 million of general obligation notes plus accrued interest of \$50,567. In August, 2005, the County issued the Series 2005 General Obligation Refunding Bonds in order to capture savings from low interest rates. Proceeds of the note were used to defease the Series 1998 Detention Center Bonds, resulting in a net present value benefit of \$455,615 and an aggregate debt service saving of \$3,072,229. In December 2007 the County issued \$3,325,000 of general obligation notes to support the acquisition of lands to be designated as "Open Space" in perpetuity.

Variable-Rate Debt - Several notes and contracts payable have variable interest rates. The majority of these notes are issued by the State Intercap Revolving Program. Interest rates are determined annually by the State Board of Investments, depending on program experience.

Tax Increment Bond Issue and Defeasance of Prior Issue - In September 1997, the County issued \$2,465,000 in Series 1997 tax increment bonds. The net proceeds of \$2,390,865 were used to defease the outstanding 1996 tax increment bonds (\$279,365), to pay the County's share of the I-90 airport interchange (\$1,292,000), to finance infrastructure projects in the airport industrial park (\$608,000), and to establish a debt service reserve of \$211,500. Because tax increment revenues alone are not expected to be sufficient to meet debt service obligations in the early years of the Series 1997 issue, the County has covenanted to levy annually as much of the 2 mill Port Authority levy as necessary to meet remaining debt service obligations. The economic gain on the refunding portion was immaterial. In August 2006, the County issued \$4,945,000 in Series 2006 tax increment bonds. The net proceeds of \$4,798,061 were used to defease the outstanding 1997 tax increment bonds (\$1,641,286) and \$3,156,775 to complete the infrastructure in the industrial increment portion of the Missoula County Development Park. The net present value benefit of the refunding portion was \$15,237. The aggregate debt service savings on the refunding totaled \$43,963.

Note 5 - Long-Term Debt (Continued)

In December 2006, the County issued \$1,100,000 in taxable Series 2006 tax increment bonds. The net proceeds of \$1,000,716 were used to acquire the site improvements of the anchor project in the technology district (\$900,000) and establish a debt service reserve (\$100,716).

Although tax increment revenues in the industrial district and the technology district are projected to be adequate to service the debt on the tax increment bonds, the County has covenanted to levy annually as much of the 2 mill Port Authority levy as necessary to meet debt service obligations.

Limited Obligation Bonds - In July 2001, the County issued \$1,000,000 in Series 2001 General Fund Bonds. The net proceeds of \$987,000 were transferred to the Risk Management fund to increase self insurance reserves. These bonds will be repaid from General Fund levy authority. In June 2004, the County issued \$995,000 in Series 2004 Limited Obligation General Fund Bonds. The net proceeds of \$981,113 were recorded in the Fair Ice Rink Capital Projects fund. These bonds will be repaid from revenues generated from leasing the Ice Rink facility.

Limited Obligation Note Payable - In June 1998, the County issued \$480,000 in Series 1998 Limited Obligation Notes. The net proceeds of \$471,600 were used to finance a portion of a new health care facility. The health care facility is owned by Partnership Health Center for the purpose of providing health care services to the residents of Missoula County.

RSID Loans Payable - In June 1995, the County borrowed \$2,184,000 from the State of Montana Revolving Fund for two Linda Vista sewer projects. In November 1998, the County borrowed \$291,000 from the State of Montana Revolving Fund for the Sunset West drinking water project. In September 2002, the County borrowed \$649,936 from the State of Montana Revolving Fund to fund improvements for the Lolo sewer project. In July 2003, the County borrowed \$4,498,121 from the State of Montana Revolving Fund for the Mullan Corridor Sewer Project. In April 2005, the County borrowed funds from the State of Montana Revolving Fund to fund two Mullan Corridor Sewer Subdistricts. The County received \$169,000 for the El Mar subdistrict and \$281,199 for the Country Crest subdistrict. The State of Montana Revolving Loan fund was created under a program of the Federal Environmental Protection Agency to help fund waste water treatment and drinking water projects.

Conduit Debt - From time to time the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State of Montana, 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.

In December 1997, the County issued one additional series of Industrial Revenue Bonds. That issue was for a building for the District XI Human Resource Council. The original amount was \$375,000. The amount payable at June 30, 2008 was \$243,442.

In June 2000, the County issued an additional series of Revenue Bonds. This issue was for the purchase, construction, and equipping of a new facility for Dinny Stranahan Research Institute, Inc. The original issue was \$8,500,000. The amount payable at June 30, 2008 was \$6,000,000.

In December 2006, the County entered into a transaction for the purchase of a facility from and a lease to DIRECTV Customer Services, Inc. The DIRECTV purchase was financed through a 4.8% \$10,640,000 loan from the Montana Board of Investments (MBOI) infrastructure loan. Repayment terms of the loan are equal to the monthly lease payments of \$60,714, which are fully assigned to MBOI under the loan agreement, and in the event of default, MBOI may obtain title to the property. Accordingly, the loan is nonrecourse to the County. The lease has an initial term of ten years ending December 2016, with three five-year renewal options. At the end of the initial lease term, DIRECTV has the option to purchase the property for \$7,808,108. Title to the property transfers to DIRECTV at the end of the lease term concurrent with full repayment of the MBOI loan. Because the County acts solely as an intermediary to collect payments from DIRECTV and remit them to MBOI for payments on the loan, the transaction is tantamount to a conduit debt obligation, and no liability is recorded on the County's financial statements.

Note 5 - Long-Term Debt (Continued)

As of June 30, 2008, there were eight series of Industrial Revenue Bonds outstanding, all of which were issued prior to July 1, 1995. The aggregate principal amount payable for these series could not be determined; however, their original issue amounts totaled \$29,360,000.

Legal Debt Margin - The County's legal debt limitation is 2.5% of total assessed value of taxable property. As of June 30, 2008 the debt margin was \$123,640,021.

Note 6 - Commitments and Contingencies

Commitments - At June 30, 2008, the County was committed to spend approximately \$9,500,000 on various contracts for rural special improvement district facilities (principally streets, curbs and gutters), county roads, bridges, social services, and other construction projects. Appropriations for these contractual obligations are budgeted in the years that payments are required.

Protested Taxes - The County and other taxing districts within the County are contingently liable for refunds of property taxes under various tax appeals proceedings. In general, the amount available in the protested tax fund is sufficient to provide for such potential refunds; however, it is possible that refunds could be required relative to taxes not deposited in the protest fund. The County's potential liability, should such refunds be necessary, is not determinable. As of June 30, 2008, taxes remaining under protest totaled \$4,603,309.

Rural Special Improvement Districts (RSIDS) - As of June 30, 2008, delinquent assessments on RSIDs were \$114,179. The delinquencies are due from various residential property owners. The County anticipates payment of the delinquencies from the land owners and will proceed with tax deeds on the property if the assessments are not paid current before the end of the RSID bond terms.

Leases - At June 30, 2008, future minimum annual rental expenditures and rental revenue on noncancellable operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Minimum Annual Rental Expenditures/Expenses</u>	<u>Minimum Annual Rental Revenues</u>
2009	\$ 108,656	\$ 871,957
2008	58,573	867,248
2009	59,604	864,668
2010	34,434	862,063
2011	32,665	868,773
Later	808,777	14,855,125
Total	\$ <u>1,102,709</u>	\$ <u>19,189,834</u>

Operating lease expense for 2008 was \$117,497.

During fiscal year 2004 an operating lease was entered into between Missoula County and the Missoula Area Youth Hockey Association for the use of facilities at the fairgrounds. Yearly minimum rental payments are equal to the bond debt service requirements for bonds issued for construction of ice rink facilities. In addition, the Hockey Association will pay the greater of \$17 per hour or 17% of the hourly ice fee charged by the Association for time exceeding 2000 hours. Total cost and carrying amount of the facility is \$1,778,305 at June 30, 2008.

Note 6 - Commitments and Contingencies (Continued)

As part of the transaction with DIRECTV described in Note 5, the County has entered into a lease for the DIRECTV site. This land lease requires no payments during the initial ten-year lease term, and then provides for three five-year renewal options with monthly rents of approximately \$10,900. DIRECTV has the option to purchase the land at any time during the lease term for the fair value of the property at the initial date of the lease of \$1,317,128. Because the purchase option is not considered a bargain purchase, the land lease is treated as an operating lease.

The County 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 County Attorney reports various contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the County Attorney that the County's liability in the cases not covered by insurance will not be material to the financial statements and amounts reserved are sufficient to cover any losses. Accordingly, no provision has been made in the financial statements for these contingent liabilities.

Note 7 - Risk Management

The County is exposed to various risks of loss related to torts, damage or loss of assets, errors and omissions, injuries to employees, employee medical claims and natural disasters. The County has established four internal service funds to account for and finance its uninsured risks of loss. In the past three years, there have been no settlements that have exceeded self-insurance or re-insurance coverage. Brief descriptions of these funds' self-insurance activities follow:

Risk Management - The Risk Management fund relates to general liability coverage for the County. The County has self-insured several major types of risks, including general liability, various aspects of law enforcement and public officials' liability. There have been claims of \$1,062,720 asserted for risks which are self-insured as of year end.

Excess Loss - The Excess Loss fund is a self-insurance plan that acts as a layer of re-insurance for the County's other self-insurance. The Plan is designed to provide lower insurance costs to the County by giving the other plans the ability to raise deductibles from commercial carriers.

Health Insurance -

Description of the Plan - The County has a self-insured health plan which provides medical, dental, optical, disability and life insurance benefits for all permanent employees electing to be covered. The County also allows other local government and nonprofit entities and their employees to participate in the plan, but the County is the dominant employer. The plan is accounted for as an internal service fund with respect to current employee benefits, while retiree benefits are accounted for in an agency fund. The plan was established in 1980 by resolution of the Board of County Commissioners.

Plan Contributions - County and employee monthly contribution rates depend on whether the employee is full or part time and type of coverage. County contributions for medical benefits are based on expected claims using a five-year history of claims paid. County contributions for long-term disability coverage are calculated as 0.15% of covered payroll. County contributions range from \$406 to \$695 depending on the type of coverage. Employee contributions were \$0 to \$432 for full time employees; contribution rates for part-time employees vary depending on the type of coverage. Continued medical, dental and vision coverage is available for County retirees and qualified terminated employees for monthly employee contributions from \$416 to \$1,095, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2008 were \$3,676,092 for current employees (representing 12.3% of covered payroll), current employee contributions were \$1,075,07 and retiree contributions were \$410,132. Contributions from the ten other agencies participating in the plan were \$1,388,084.

Note 7 - Risk Management (Continued)

Covered Participants - As of June 30, 2008, the Plan covered the following participants

	<u>Missoula County</u>	<u>Other Employers</u>
Current employees and their beneficiaries	1,240	340
Retirees and their beneficiaries	123	11
	<u>1,363</u>	<u>351</u>

Postemployment Benefits - Terminated employees may remain on the County'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 also remain on the County's health insurance plan as long as they wish, provided they pay the monthly premiums. State law requires the County to provide this benefit. There are no other post-employment benefits provided by the County.

The County has adopted the provisions of GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans other than the Pension Plans" to the extent applicable. Under GASB 43, the County's health insurance plan is not administered as a qualifying trust: accordingly, retiree premiums, benefits and net assets are segregated into an agency fund, and as required by GASB Statement No. 10, the internal service fund reflects only the activities related to current employees of the County and other participating employers.

The County is required to adopt the provisions of GASB Statement No. 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 accrued actuarial liability (ALL) and annual required contribution (ARC) for future retiree benefits. The County contracted with an actuarial firm to determine the ALL for postemployment benefits as of June 30, 2008, which was approximately \$3.6 million for County employees and approximately \$4.7 million for the plan as a whole. The County's ARC as of June 30, 2008 was approximately \$386,000. The actuarial calculations, using the projected unit credit cost method, assumed a health care cost inflation rate of 10%, a discount rate of 6%, and a level amortization period of thirty years. The County plans to use the actuarial study as the basis for evaluating its health benefits. Because the self-insured plan has net assets of approximately \$4.4 million, the County does not believe there is a significant unfunded liability.

The liability for health claims consists of an accrual for claims reported, but unpaid, and for claims incurred but not reported (IBNR) as of the balance sheet date. The Plan estimates its IBNR liability based on claims paid within a ninety day period subsequent to the balance sheet date that were incurred prior to but received by the Plan after the balance sheet date. This method of estimating the IBNR is supported by the Plan's historical claims experience.

Workers' Compensation - The County self-insures for workers' compensation coverage for all employees through the Missoula County Workers' Compensation Group Insurance Authority (formerly the Missoula County Workers' Compensation Plan). County contribution rates to the Authority were \$1.00 to \$11.05 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2008 were \$907,098. Asserted workers' compensation claims at June 30, 2008 totaled \$328,036.

The Authority establishes claims liabilities based on estimates of the cost of claims that have been reported but not settled, and claims that have been incurred but not reported. The estimated ultimate cost of settling the reported and unreported claims, and claims reserve development including the effects of inflation and other social and economic factors. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Estimated claims liabilities are recomputed periodically based on current reviews of claims information, experience with similar claims and other factors. Adjustments to estimated claims liabilities are recorded as an increase or decrease in claims expense in the period the adjustments are made.

Note 7 - Risk Management (Continued)

Changes in the funds' claims liability for 2007 and 2008 are as follows:

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>
Claims liability June 30, 2006	\$ 373,299	\$ 561,889	\$ 2,169,353
Claims incurred in 2007	334,044	4,654,520	554,662
Claims paid in 2007	<u>(236,929)</u>	<u>(4,609,772)</u>	<u>(497,813)</u>
Claims liability June 30, 2007	470,414	606,637	2,226,202
Adjustment to exclude Health plan retirees	-	(39,917)	-
Claims incurred in 2008	1,068,358	5,602,793	695,619
Claims paid in 2008	<u>(476,052)</u>	<u>(5,497,959)</u>	<u>(496,785)</u>
Claims liability June 30, 2008	<u>\$ 1,062,720</u>	<u>\$ 671,554</u>	<u>\$ 2,425,036</u>

Note 8 - Retirement Plans

The County participates in three state-administered cost-sharing multiple-employer defined benefit pension plans. The plans provide retirement, death and disability benefits to plan members and beneficiaries. Sheriff employees are covered by the Montana Sheriffs' Retirement System (MSRS), the county superintendent of schools is covered by the Montana Teachers' Retirement System (MTRS), and substantially all other County employees are covered by the Montana Public Employees' Retirement System (MPERS). The state statutes which assign the authority to establish and amend plan benefits, and the administrative bodies given this authority are as follows:

<u>Plan</u>	<u>Statute</u>	<u>Administering Body</u>
MSRS	Title 19 Chapter 7	Public Employees' Retirement Division
MTRS	Title 19 Chapter 20	Teachers' Retirement Board
MPERS	Title 19 Chapters 2-3	Public Employees' Retirement Division

The plans issue publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained by writing or calling the respective plans' offices as follows:

Sheriffs' Retirement System and
Public Employees' Retirement System
1712 Ninth Avenue
Helena, Montana 59620-0131
(406) 444-3154

Teachers' Retirement System
1500 Sixth Avenue
Helena, Montana 59620-0139
(406) 444-3134

Note 8 - Retirement Plans (Continued)

Funding Policy - Contributions by plan members and the County are mandatory and are determined by state law. Contribution rates for the year ended June 30, 2008, expressed as a percent of covered payroll, are as follows:

	<u>Employees</u>	<u>County</u>	<u>State</u>
MSRS	9.245%	9.825%	-
MTRS	7.150%	7.470%	0.110%
MPERS	6.900%	6.935%	0.100%

The County's actual contributions to the plans (which equal the required amounts) for each of the three fiscal years ended June 30, were as follows:

	<u>MSRS</u>	<u>MTRS</u>	<u>MPERS</u>
2008	\$ 532,691	\$ 5,328	\$ 1,605,045
2007	451,455	5,061	1,482,656
2006	306,971	4,809	1,494,903

On behalf payments made by the State of Montana totaled \$78 and \$23,144 for MTRS and MPERS respectively. On behalf payments totaling \$23,222 are recognized as intergovernmental revenue and general government expenditures in the County's General Fund.

The above funding policies provide for periodic employer and employee contributions at rates specified by State law. Contribution requirements are not actuarially determined. An actuary determines the actuarial implications of the funding requirements in a biennial actuarial valuation. The actuarial method used to determine the implications of the statutory funding level is the entry age normal funding method, with both normal costs and amortization of the unfunded accrued liability determined as a level percentage of payrolls. To maintain the fund on an actuarially sound basis, the rate of contributions should fund the normal cost in addition to amortizing the unfunded liability over a period of 40 years. each system functions uniquely as described as follows:

Public Employees' Retirement System (PERS)

This mandatory system established in 1945 provides retirement services to substantially all public employees. Benefit eligibility is age 60 with at least 5 years of service: age 65 and in active service: or 30 years of service regardless of age. Monthly benefits for retirement with at least 25 years of service are determined by taking 2% times the number of years of service credit times the highest average compensation. Actuarially reduced benefits may be taken at any age with 25 years of service or at age 50 with at least 5 years of service. Members' rights become vested after 5 years of service.

Teachers' Retirement System (TRS)

This mandatory system established in 1937 and governed by Title 19, Chapter 4 of the Montana Code Annotated, as a cost-sharing multi-employer defined benefit pension plan that provides retirement services to all persons employed as teachers or professional staff of any public elementary or secondary school, vocation-technical center or unit of the university system. Eligibility is met with a minimum of 25 years of service or age 60 with at least 5 years of creditable service. The formula for accrual benefits is 1/60 times creditable service times the average final compensation. Rights are vested after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits.

Note 8 - Retirement Plans (Continued)

Sheriffs' Retirement System (SRS)

The Sheriffs' Retirement System is a public pension plan for all Montana sheriffs hired after July 1, 1974, Department of Justice investigators hired after July 1, 1993 and detention officers hired after July 1, 2005. In 1974, the Legislature created the SRS to grant a retirement, disability, or death benefit to plan members and their beneficiaries. Eligibility for service retirement benefits is met upon completing 20 years of membership service at any age. Monthly retirement benefits are calculated by taking 2.5% times years of service credit times highest average compensation. Early retirement, with reduced benefits, may be taken at age 50 with at least 5 years of membership service.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is available to all County employees. This permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation in the plan is optional. The fair value of assets held in the plan at June 30, 2008 was \$4,652,761.

Effective July 1, 1998, the County amended its deferred compensation plan to conform with section 457(g) of the Internal Revenue Code. Trusts were established to hold deferred compensation plan assets for the exclusive benefit of participants and their beneficiaries. The trusts are administered by Valic and Equitable, and the County's duty with respect to the plan is limited to withholding deferred compensation amounts from employees and remitting them to Valic and Equitable. Because the County's involvement with the plan is limited to ministerial functions, the plan is not included in the County reporting entity because it does not meet the definition of a fiduciary fund under generally accepted accounting principles.

Note 9 - Deficit Fund Balances/Net Assets and Excess of Expenditures over Appropriations

Deficit fund balances - At June 30, 2008, the following funds had a deficit fund balance or retained earnings resulting from expenditures/expenses in excess of revenues during 2008 and prior years:

Nonmajor Governmental Funds	
Special Revenue Funds	
Planning	\$ 2,174
Disaster & Emergency Levy	67,859
Judgment Levy	429
Debt Service Funds	
Fair Ice Rink Series 2004	43,680
Capital Projects Fund	
RSID Projects	207,772
Milltown Development Projects	1,243,553
Fair Ice Rink Project	20,042

The Judgment Levy and Disaster & Emergency deficits will be eliminated through delinquent tax collections over the next few years. The deficits in the Planning, the Fair Ice Rink Debt Service, RSID Projects and Milltown Development Projects funds are expected to be eliminated through future income. The deficit in the Fair Ice Rink Project will be eliminated through collections on a note receivable.

Expenditures in excess of appropriations - The following funds had an excess of actual expenditures/expenses over budget, at the level of budgetary control, for the year ended June 30, 2008:

Governmental Activities	
Major Funds	
General Fund	
9-1-1 Communications Center	
Personnel	\$ 105,906
Human Resources	
Personnel	2,132
Central Services	
Operations	19,447
Capital Outlay	2,461
Non-Departmental	
Personnel	1,273
Missoula Development Authority	
Personnel	776
Interest	475

Note 9 - Deficit Fund Balances/Retained Earnings and Excess of Expenditures over Appropriations (Continued)

Nonmajor Governmental Funds	
Special Revenue Funds	
Road	
Transfers Out	18,305
Poor	
Operations	13,826
Fair	
Personnel	28,692
District Court	
Capital	85
Library	
Operations	290,169
Rural Initiatives	
Transfers Out	278
Animal Control	
Operations	12,150
Transfers Out	604
Junk Vehicle	
Operations	3,132
Building Code Division	
Operations	6,645
Principal	33
Interest	6
Drug Forfeiture	
Personnel	9,839
Operations	2,809
RSID Administration	
Operations	389
Seeley Lake Refuse	
Personnel	16,196
Operations	1,389

Note 9 - Deficit Fund Balances/Retained Earnings and Excess of Expenditures over Appropriations (Continued)

Debt Service Funds	
Jail Bonds	
Interest	99
Fair Ice Rink - Series 2006	
Interest	808
RSID Revolving	
Transfers Out	5,298
Capital Projects Funds	
Open Space	
Operations	33,151
Business-type Activities	
Internal Service Funds	
Health Insurance	
Operations	294,418
Other Benefits Programs	
Operations	14,059
Telephone Services	
Personnel	5,831

Personnel over-expenditure in the 9-1-1 Communications Center was due to high over-time wages related to major wildfires. Operations over-expenditures in Central Services was primarily due to higher than expected vehicle repair costs and fuel costs in the motor pool. Over-expenditure in Road Transfers was due to the funds being budgeted in Operations. The Poor Fund distributed excess funds to qualifying entities. Personnel over-expenditures at the Fair were due to an increase in employees versus contractors at the annual fair event. Library budget authority was in capital instead of operations for funds that were remitted to the Montana State Library for the Library Shared Catalog Project. Over-expenditures in Animal Control were due to an increase in lab supplies, fuel costs, and veterinarian fees. Personnel over-expenditure in the Seeley Lake Refuse District was due to change in personnel and pay-out of accrued leave. The Open Space over-expenditure is due to unbudgeted consultation fees concerning the recent bond issue. Higher than expected claims resulted in over-expenditures in Health Insurance and Other Benefits Programs.

Over expenditures in the remaining funds represent expenditures approved by the Commissioners, but for which no transfer form or amendment was formally completed.

Note 10 - Budgetary-GAAP Reporting Reconciliation

The accompanying combining schedules of revenues and expenditures-budget and actual are presented on the budget basis. The following is a reconciliation of the change in Fund Balance-GAAP basis to the change in Fund Balance-budget basis for budgeted funds:

	General	Public Safety	RSID Debt Service	Missoula Development Authority	Nonmajor Governmental	Internal Service
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis	\$ (982,721)	\$ 372,659	\$ (788,772)	\$ 852,579	\$ 1,163,469	\$ (140,853)
Cash & Investments - 6/30/08	(727,543)	(1,040)	-	(8,738)	(13,310)	(201,409)
Cash & Investments - 6/30/07	766,885	1,377	-	16,984	40,720	14,988
Accounts Receivable - 6/30/08	-	-	-	-	(1,087,409)	(317,831)
Accounts Receivable - 6/30/07	-	-	-	-	-	323,872
Accounts Payable - 6/30/08	116,416	204,843	-	19,774	1,652,920	29,179
Accounts Payable - 6/30/07	(201,649)	(65,244)	-	(866)	(320,825)	(25,826)
Claims Payable - 6/30/08	-	-	-	-	-	4,159,310
Claims Payable - 6/30/07	-	-	-	-	-	(3,303,253)
Accrued Payroll - 6/30/08	444,369	475,766	-	4,109	640,076	31,983
Accrued Payroll - 6/30/07	(344,688)	(359,415)	-	(3,373)	(537,893)	(31,993)
Prepaid Cost - 6/30/08	-	-	-	-	-	(73,499)
Prepaid Cost - 6/30/07	-	-	-	-	-	69,037
Accrued Interest - 6/30/08	-	-	-	218,903	306,432	-
Accrued Interest - 6/30/07	-	-	-	(112,145)	(325,356)	-
Deferred Tax Revenue	-	-	-	-	-	(67,399)
Other Deferred Revenue - 6/30/08	-	-	-	-	-	24,833
Other Deferred Revenue - 6/30/07	-	-	-	-	-	(24,912)
Depreciation	-	-	-	-	-	12,946
Prior Period Adjustments	-	-	227,432	-	19,999	-
Non-budgeted Funds:						
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	-	-	-	491,940	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ (928,931)</u>	<u>\$ 628,946</u>	<u>\$ (561,340)</u>	<u>\$ 987,227</u>	<u>\$ 2,030,763</u>	<u>\$ 479,173</u>

Note 11 - Interfund Transactions

Interfund transfers - The County uses interfund transfers for regular recurring internal charges, such as debt service, supplies and materials, and services provided. An analysis of transfers in and out during 2008 follows:

General Fund to:	
Public Safety	\$ 400,977
Nonmajor Governmental Funds (Animal Control, Technology, Community Based Organizations, Planning, Rural Initiatives Public Safety Building, Capital Improvements)	1,553,454
Public Safety Fund to:	
General Fund	286,993
Nonmajor Governmental Funds (Drug Forfeiture, Planning, Technology)	192,593
Internal Service (Risk Management)	85,983
RSID Debt Service Funds to:	
Nonmajor Governmental Funds (RSID Revolving)	83,275
Nonmajor Capital Funds (RSID Capital)	254,240
Nonmajor Governmental Funds (RSID Administration)	112,662
Missoula County Development Park to:	
General Fund	22,000
Nonmajor Governmental Funds (Road, Technology, Capital Improvements)	167,715
Nonmajor Governmental Funds to:	
General Fund	345,103
Public Safety Fund	627,422
Missoula Development Authority	491,546
RSID Debt Service	17,752
Nonmajor Governmental Funds (Library, Animal Control, Fair Planning, Technology, Extension, Road, Weed, Health, Museum, RSID Administration, RSID Enterprise, RSID Capital, Parks, District Court, Bridge, Fair Ice Rink Series 2004, Fair Ice Rink Series 2006, Rural Initiatives, City Initiatives, Capital Improvements, Weed Grant)	2,086,958
Internal Service (Risk Management, Health Insurance)	8,779
Internal Service Funds to:	
Internal Service (Excess Loss)	15,000
Internal Service (Wellness Program)	36,676

Note 11 - Interfund Transactions (Continued)

Larchmont Golf Course Fund to:	
General Fund	14,488
Capital Improvements	106,826
Nonmajor Enterprise Fund to:	
Nonmajor Governmental Funds (RSID Administration, Parks)	29,911
Total Transfers In/Out	<u>\$ 6,940,353</u>

Advances to other funds - Interfund advances at June 30, 2008 consist of the following:

Public Safety - Cash flow advances to:	
Nonmajor Governmental Funds (Jail Bonds)	\$ 229,181
Nonmajor Governmental Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Planning, Building Code Division, Milltown Development Projects, Fair Ice Rink Series 2004, Fair Ice Rink Series 2006, Fair Ice Rink Project, Disaster, Judgement Levy)	1,900,148
Internal Service Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Risk Management Bonds, Employee Benefits)	79,965
Total Advances to Other Funds	<u>\$ 2,209,294</u>

Note 12 - Transactions with Component Units

Missoula County's significant transactions with its discretely-presented component units include:

Partnership Health Center

Advances from Primary Government

Other advance from Nonmajor Governmental Funds (Health Center Bonds)	\$ 325,058
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Note 12 - Transactions with Component Units (Continued)

Transfers from General Government

Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$	17,333
Health insurance premiums paid to Internal Service Funds		230,284
Community Based Organizations Grant from Nonmajor Governmental Fund (Poor Fund)		269,500

Missoula Aging Services

Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)		620,453
Community Based Organizations Loan from Nonmajor Governmental Fund (Aging Fund) (Variable interest, semi-annual payments of \$16,212 through August 2015)		208,617

Note 13 - Restatements and Reclassifications

During 2008, \$757,633 was reclassified from RSID Capital Projects to RSID Debt Service

During 2008, The Internal Service Funds (Health Insurance) restated beginning net assets by \$358,663, as this amount was moved into the Other Post-Employment Benefits fund

During 2008, RSID fund balance was adjusted by \$227,432 to reflect claims paid in fiscal year 2008 which should have been recognized in fiscal year 2007.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue funds are used to account for revenues which are legally restricted to certain specific uses.

Road Fund - To account for taxes and other revenues to be used for construction and maintenance of County highways.

Poor Fund - To account for taxes to be used for welfare programs which the State of Montana will not cover in its Welfare Assumption Program.

Bridge Fund - To account for taxes and other revenues restricted to the construction and maintenance of bridges.

Weed Fund - To account for taxes and other revenues restricted to use in weed control programs.

Fair Fund - To account for various revenues restricted to use for funding the Western Montana Fair and maintenance of the fairgrounds.

District Court Fund - To account for revenues to be used for expenditures by Clerk of Court, Public Defender, and the Sheriff in court-related matters.

Weed Grant - To account for revenues related to the State of Montana Weed Grant Program.

Parks Fund - To account for revenues to support County parks and recreational programs.

Library Fund - To account for revenues restricted to use in various public library programs in the County.

Planning Fund - To account for revenues used by the Office of Planning and Grants.

Rural Initiatives Fund - To account for revenues used by the Rural Initiatives Office.

City Initiatives Fund - To account for revenues used by the City Initiatives Office.

Building Code Division - To account for revenues used by the Building Code Division.

Health Fund - To account for revenues restricted to use in programs related to public health.

Water Quality District - To account for revenues to be used by the Water Quality District.

Animal Control - To account for revenues to support Animal Control programs.

Extension Fund - To account for revenues restricted to use by the County Extension Service.

Drug Forfeiture Fund - To account for revenues from seizures made by the Sheriff's Department in drug-related arrests, and revenues from Board of Crime Control grants to be used in drug-related law enforcement.

Y.E.S. Fund - To account for revenues used to support the Youth Education and Safety program.

Museum Fund - To account for revenues restricted to use in art or historical museum programs.

Search & Rescue - To account for revenues used in the Search & Rescue Program.

Lolo Mosquito District - To account for the revenues of the mosquito abatement program in Lolo, Montana.

Disaster - To account for certain costs and related revenues for County disasters as declared by the Board of County Commissioners.

Junk Vehicle Fund - To account for state grant monies restricted to programs to eliminate junk vehicles.

Forest Reserve Title III - To account for the special mitigation projects set aside from the County's Forest Reserve receipts.

RSID Administration - To account for the administration costs and revenues of the County's Rural Special Improvement District Program.

HUD/CDBG - To account for the use of Housing and Urban Development grants and Community Block Grants.

Community Based Organization Fund - To account for revenues to be used for community programs such as aging programs, child daycare, programs for the developmentally disabled and mentally ill, assistance to victims and witnesses of crimes, cultural grants from the State of Montana and grant supported housing and infrastructure projects.

Permissive Medical Levy - To account for the revenues used to support the County's health insurance program

(Continued)

Seeley Lake Refuse - To account for those resources used in the Seeley Lake Refuse District.

Judgment Levy - To account for revenues used to support judgments against the County.

Open Space Fund - To account for those resources used in the Growth Management Process.

Other Special Revenue Funds - To account for various trusts which are expendable both as to principal and interest for specific County purposes, including:

9-1-1 Trust	MCFPA Trust	Transportation Mitigation Trust
Abandoned Vehicles	LEPC Trust	Friends of Historical Museum
901 Water	Art Museum	Historical Museum Gift Shop
901 Sewer	Friends of the Library	Subdivision Improvement Bonds
Jail Commissary	Other Special Revenue Funds	Miller Creek Trust - for future capital improvements
IACP School		

Debt Service Funds - To account for the accumulation of resources for and the payment of general long-term debt principal and interest:

Risk Management - To account for principal and interest payments for the 2002 General Fund bond issue for the risk management program.

Jail Bond Fund - To account for principal and interest payments for the 1998 general obligation bond issue for jail construction.

Health Center - To account for principal and interest payments for the 1998 general fund note for the Partnership Health Clinic building.

RSID Revolving Fund - To account for revenues set aside to make principal and interest payments in the event that collections of special assessments are insufficient to make those payments.

Fair Ice Rink - To account for principal and interest payments for the 2004 and 2006 limited general obligation bond issue for the ice facilities at the Western Montana Fairgrounds.

Technology Tax Increment - To account for principal and interest payments for the 2006 Technology Tax Increment Bonds.

Capital Project Funds - To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary funds:

Capital Improvement Fund - To account for revenues legally set aside for capital purchases that are too low to justify the use of a capital project fund

Technology Fund - To account for technology-related capital purchases in the County's Capital Improvement Plan.

Open Space - To account for bond proceeds and other revenues used in the acquisition and maintenance of Open Space properties.

Grant Creek Project - To account for revenues used in the pre-disaster mitigation of the Grant Creek Area.

Jail Project - To account for bond proceeds and other revenues used for the construction of the Missoula County Detention Facility.

RSID Funds - To account for financial resources in those special improvement districts (RSIDs) which are in the construction phase.

Public Safety Building Fund - To account for construction of the Public Safety Building.

Milltown Development Projects - To account for revenues used in Public Works projects related to the removal of the Milltown dam.

Milltown Historical Preservation - To account for revenues used in the historical preservation projects on the Milltown dam site.

Ice Rink Project - To account for bond proceeds and other revenues used for the construction of additional ice rink facilities at the Western Montana Fair.

MCA Industrial District Construction - To account for proceeds from the series 2006 Industrial Tax Increment Bonds.

MISSOULA COUNTY, MONTANA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008
(Page 1 of 8)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Assets:										
Cash & Cash Equivalents	\$ 21,727	\$ 7,398	\$ 7,711	\$ 164,911	\$ 35,177	\$ 79,665	\$ 11,632	\$ 200,032	\$ 160,955	\$ -
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	35,616	12,126	12,640	270,336	57,665	130,594	19,069	327,911	263,853	-
Property Taxes Receivable (net)	304,066	130,938	122,358	60,045	9,112	84,584	-	30,027	299,612	84,413
Accounts Receivable	215,141	-	-	-	-	4,355	-	-	-	512,676
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	700,000	-	522,399	-	125,770	429	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	472,049	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,748,599	\$ 150,462	\$ 665,108	\$ 495,292	\$ 227,724	\$ 299,627	\$ 30,701	\$ 557,970	\$ 724,420	\$ 597,089
Liabilities:										
Accounts & Warrants Payable	\$ 232,004	\$ 1,987	\$ 7,730	\$ 3,753	\$ 36,645	\$ 52,789	\$ -	\$ 1,863	\$ 93,975	\$ 47,756
Accrued Interest Payable	-	-	-	-	2,940	-	-	-	-	-
Accrued Payroll	84,309	-	27,329	12,044	14,691	33,659	-	1,735	63,217	113,306
Advances from Other Funds	-	-	-	-	-	-	-	-	-	353,788
Deferred Tax Revenue	304,066	130,938	122,358	60,045	9,112	84,584	-	30,027	299,612	84,413
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	620,379	132,925	157,417	75,842	63,388	171,032	-	33,625	456,804	599,263
Fund Balance:										
Reserved for Inventory	472,049	-	-	-	-	-	-	-	-	-
Reserved for Advances	700,000	-	522,399	-	125,770	429	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	(43,829)	17,537	(14,708)	419,450	38,566	128,166	30,701	524,345	267,616	(2,174)
Total Fund Balance	1,128,220	17,537	507,691	419,450	164,336	128,595	30,701	524,345	267,616	(2,174)
Total Liabilities and Fund Balance	\$ 1,748,599	\$ 150,462	\$ 665,108	\$ 495,292	\$ 227,724	\$ 299,627	\$ 30,701	\$ 557,970	\$ 724,420	\$ 597,089

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2008
(Page 2 of 8)

	Special Revenue									
	Rural Initiatives	City Initiatives	Building Code Division	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Youth Education & Safety	Museum
Assets:										
Cash & Cash Equivalents	\$ 37,566	\$ 7,675	\$ 291	\$ 560,006	\$ 138,235	\$ 29,685	\$ 54,810	\$ 12,555	\$ 5,569	\$ 59,073
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	61,582	12,581	477	918,014	226,607	48,662	89,849	20,581	9,130	96,838
Property Taxes Receivable (net)	-	-	-	121,171	38,940	17,455	43,674	-	-	59,642
Accounts Receivable	-	349	-	368,340	7,533	2,760	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	200,000	153,788	30,000	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 299,148</u>	<u>\$ 174,393</u>	<u>\$ 30,768</u>	<u>\$ 1,967,531</u>	<u>\$ 411,315</u>	<u>\$ 98,562</u>	<u>\$ 188,333</u>	<u>\$ 33,136</u>	<u>\$ 14,699</u>	<u>\$ 215,553</u>
Liabilities:										
Accounts & Warrants Payable	\$ 1,816	\$ 8,656	\$ 4,586	\$ 35,541	\$ 6,807	\$ 6,580	\$ 2,050	\$ -	\$ -	\$ 7,422
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	12,505	12,298	22,912	164,540	13,757	18,830	8,968	10,829	-	12,817
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	121,171	38,940	17,455	43,674	-	-	59,642
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>14,321</u>	<u>20,954</u>	<u>27,498</u>	<u>321,252</u>	<u>59,504</u>	<u>42,865</u>	<u>54,692</u>	<u>10,829</u>	<u>-</u>	<u>79,881</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	200,000	153,788	30,000	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	84,827	(349)	(26,730)	1,646,279	351,811	55,697	133,641	22,307	14,699	135,672
Total Fund Balance	<u>284,827</u>	<u>153,439</u>	<u>3,270</u>	<u>1,646,279</u>	<u>351,811</u>	<u>55,697</u>	<u>133,641</u>	<u>22,307</u>	<u>14,699</u>	<u>135,672</u>
Total Liabilities and Fund Balance	<u>\$ 299,148</u>	<u>\$ 174,393</u>	<u>\$ 30,768</u>	<u>\$ 1,967,531</u>	<u>\$ 411,315</u>	<u>\$ 98,562</u>	<u>\$ 188,333</u>	<u>\$ 33,136</u>	<u>\$ 14,699</u>	<u>\$ 215,553</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2008
(Page 3 of 8)

	Special Revenue									
	Search & Rescue	Lolo Mosquito	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse
Assets:										
Cash & Cash Equivalents	\$ 12,279	\$ 6,071	\$ -	\$ 24,839	\$ 156,627	\$ 224,070	\$ 68,094	\$ 28,472	\$ -	\$ 24,752
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	20,128	9,952	-	40,718	256,757	367,317	111,626	46,675	-	40,577
Property Taxes Receivable (net)	10,600	491	137	-	-	-	-	96,839	141,373	41,505
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable (net)	-	-	-	-	-	125,559	627,446	208,617	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 43,007</u>	<u>\$ 16,514</u>	<u>\$ 137</u>	<u>\$ 65,557</u>	<u>\$ 413,384</u>	<u>\$ 716,946</u>	<u>\$ 807,166</u>	<u>\$ 380,603</u>	<u>\$ 141,373</u>	<u>\$ 106,834</u>
Liabilities:										
Accounts & Warrants Payable	\$ 4,462	\$ 4,654	\$ -	\$ 1,626	\$ 270	\$ -	\$ 400	\$ -	\$ -	\$ 25,316
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	1,900	97	3,320	-	3,892	-	-	-	3,120
Advances from Other Funds	-	-	67,762	-	-	-	-	-	-	-
Deferred Tax Revenue	10,600	491	137	-	-	-	-	96,839	141,373	41,505
Unearned Revenue	-	-	-	-	-	125,559	627,446	208,617	-	-
Total Liabilities	<u>15,062</u>	<u>7,045</u>	<u>67,996</u>	<u>4,946</u>	<u>270</u>	<u>129,451</u>	<u>627,846</u>	<u>305,456</u>	<u>141,373</u>	<u>69,941</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	48,892	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	27,945	9,469	(67,859)	11,719	413,114	587,495	179,320	75,147	-	36,893
Total Fund Balance	<u>27,945</u>	<u>9,469</u>	<u>(67,859)</u>	<u>60,611</u>	<u>413,114</u>	<u>587,495</u>	<u>179,320</u>	<u>75,147</u>	<u>-</u>	<u>36,893</u>
Total Liabilities and Fund Balance	<u>\$ 43,007</u>	<u>\$ 16,514</u>	<u>\$ 137</u>	<u>\$ 65,557</u>	<u>\$ 413,384</u>	<u>\$ 716,946</u>	<u>\$ 807,166</u>	<u>\$ 380,603</u>	<u>\$ 141,373</u>	<u>\$ 106,834</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2008
(Page 4 of 8)

Special Revenue

	9-1-1 Trust	Abandoned Vehicle	901 Water	901 Sewer	Jail Commissary	IACP School	MCFPA Trust	LEPC Trust	Art Museum	Friends of the Library
Assets:										
Cash & Cash Equivalents	\$ 186,268	\$ 470	\$ 43,921	\$ 235,863	\$ 61,183	\$ 27	\$ 303	\$ 128	\$ 78	\$ 12,444
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	305,347	771	72,000	386,649	100,297	43	496	209	128	20,399
Property Taxes Receivable (net)	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	67,762	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 559,377	\$ 1,241	\$ 115,921	\$ 622,512	\$ 161,480	\$ 70	\$ 799	\$ 337	\$ 206	\$ 32,843
Liabilities:										
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ 106
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	30	-	-	-	-	106
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	67,762	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	491,615	1,241	115,921	622,512	161,450	70	799	337	206	32,737
Total Fund Balance	559,377	1,241	115,921	622,512	161,450	70	799	337	206	32,737
Total Liabilities and Fund Balance	\$ 559,377	\$ 1,241	\$ 115,921	\$ 622,512	\$ 161,480	\$ 70	\$ 799	\$ 337	\$ 206	\$ 32,843

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2008
(Page 5 of 8)

	Special Revenue							
	Transportation Mitigation Trust	Miller Creek Trust	Friends of Historical Museum	Historical Museum Gift Shop	Other Special Revenue	Subdivision Improvement Bonds	Judgment Levy	Open Space
Assets:								
Cash & Cash Equivalents	\$ 120,793	\$ 541	\$ 17,478	\$ 7,105	\$ 3,551	\$ 7,417	\$ -	\$ 14,973
Cash with Fiscal Agents	-	-	-	-	-	-	-	-
Investments	198,016	887	28,651	11,647	5,821	12,159	-	24,545
Property Taxes Receivable (net)	-	-	-	-	-	-	317	95
Accounts Receivable	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 318,809	\$ 1,428	\$ 46,129	\$ 18,752	\$ 9,372	\$ 19,576	\$ 317	\$ 39,613
Liabilities:								
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	429	-
Deferred Tax Revenue	-	-	-	-	-	-	317	95
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	746	95
Fund Balance:								
Reserved for Inventory	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-
Unreserved Fund Balance:								
Undesignated	318,809	1,428	46,129	18,752	9,372	19,576	(429)	39,518
Total Fund Balance	318,809	1,428	46,129	18,752	9,372	19,576	(429)	39,518
Total Liabilities and Fund Balance	\$ 318,809	\$ 1,428	\$ 46,129	\$ 18,752	\$ 9,372	\$ 19,576	\$ 317	\$ 39,613

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2008
(Page 6 of 8)

Debt Service

	Risk Management	Jail Bond	Health Center	RSID Revolving	Fair Ice Rink Series 2004	Fair Ice Rink Series 2006	Technology Tax Increment Bonds
Assets:							
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 137,234	\$ -	\$ -	\$ 38,047
Cash with Fiscal Agents	114,800	1,125,963	-	-	55,259	45,694	-
Investments	-	-	-	224,966	-	-	62,369
Property Taxes Receivable (net)	17,647	166,751	-	59	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-
Advances to Component Units	-	-	325,058	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 132,447</u>	<u>\$ 1,292,714</u>	<u>\$ 325,058</u>	<u>\$ 362,259</u>	<u>\$ 55,259</u>	<u>\$ 45,694</u>	<u>\$ 100,416</u>
Liabilities:							
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	9,800	215,963	8,426	-	20,259	15,694	33,350
Accrued Payroll	-	-	-	-	-	-	-
Advances from Other Funds	79,965	229,181	-	-	78,680	27,048	-
Deferred Tax Revenue	17,647	166,751	-	59	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>107,412</u>	<u>611,895</u>	<u>8,426</u>	<u>59</u>	<u>98,939</u>	<u>42,742</u>	<u>33,350</u>
Fund Balance:							
Reserved for Inventory	-	-	-	-	-	-	-
Reserved for Advances	-	-	325,058	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-
Reserved for Debt Service	25,035	680,819	(8,426)	362,200	(43,680)	2,952	67,066
Unreserved Fund Balance:							
Undesignated	-	-	-	-	-	-	-
Total Fund Balance	<u>25,035</u>	<u>680,819</u>	<u>316,632</u>	<u>362,200</u>	<u>(43,680)</u>	<u>2,952</u>	<u>67,066</u>
Total Liabilities and Fund Balance	<u>\$ 132,447</u>	<u>\$ 1,292,714</u>	<u>\$ 325,058</u>	<u>\$ 362,259</u>	<u>\$ 55,259</u>	<u>\$ 45,694</u>	<u>\$ 100,416</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2008
(Page 7 of 8)

	Capital Projects					
	Capital Improvements	Technology	Open Space	Grant Creek Project	Jail Project	RSID Projects
Assets:						
Cash & Cash Equivalents	\$ 358,179	\$ 395,802	\$ 655,024	\$ 122,811	\$ 217,103	\$ -
Cash with Fiscal Agents	-	-	-	-	-	-
Investments	587,159	648,836	1,073,775	201,323	355,894	-
Property Taxes Receivable (net)	-	65,117	-	-	-	-
RSID Receivable						
Delinquent	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Accounts Receivable	-	11,769	-	272,156	-	-
Loans & Notes Receivable	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 945,338	\$ 1,121,524	\$ 1,728,799	\$ 596,290	\$ 572,997	\$ -
Liabilities:						
Accounts & Warrants Payable	\$ 244	\$ 79,491	\$ -	\$ 362,875	\$ -	\$ 207,772
Accrued Interest Payable	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Deferred Tax Revenue	-	65,117	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Total Liabilities	244	144,608	-	362,875	-	207,772
Fund Balance:						
Reserved for Inventory	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-
Unreserved Fund Balance:						
Undesignated	945,094	976,916	1,728,799	233,415	572,997	(207,772)
Total Fund Balance	945,094	976,916	1,728,799	233,415	572,997	(207,772)
Total Liabilities and Fund Balance	\$ 945,338	\$ 1,121,524	\$ 1,728,799	\$ 596,290	\$ 572,997	\$ -

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2008
(Page 8 of 8)

	Capital Projects					
	Public Safety Building	Milltown Development Projects	Milltown Historical Preservation	Ice Rink Project	MCA Industrial District Construction	Total
Assets:						
Cash & Cash Equivalents	\$ 1,627,477	\$ -	\$ 3,998	\$ -	\$ 625,898	\$ 7,033,993
Cash with Fiscal Agents	-	-	-	-	-	1,341,716
Investments	2,667,910	-	6,555	-	1,026,030	11,530,763
Property Taxes Receivable (net)	-	-	-	-	-	1,946,968
Accounts Receivable	-	602,303	-	-	-	1,997,382
Loans & Notes Receivable	-	-	-	61,000	-	1,022,622
Advances to Other Funds	-	-	100,000	-	-	1,900,148
Advances to Component Units	-	-	-	-	-	325,058
Inventory	-	-	-	-	-	472,049
Total Assets	<u>\$ 4,295,387</u>	<u>\$ 602,303</u>	<u>\$ 110,553</u>	<u>\$ 61,000</u>	<u>\$ 1,651,928</u>	<u>\$ 27,570,699</u>
Liabilities:						
Accounts & Warrants Payable	\$ 4,487	\$ 493,457	\$ -	\$ -	\$ -	\$ 1,737,150
Accrued Interest Payable	-	-	-	-	-	306,432
Accrued Payroll	-	-	-	-	-	640,075
Advances from Other Funds	-	1,352,399	-	20,042	-	2,209,294
Deferred Tax Revenue	-	-	-	-	-	1,946,968
Unearned Revenue	-	-	-	61,000	-	1,022,622
Total Liabilities	<u>4,487</u>	<u>1,845,856</u>	<u>-</u>	<u>81,042</u>	<u>-</u>	<u>7,862,541</u>
Fund Balance:						
Reserved for Inventory	-	-	-	-	-	472,049
Reserved for Advances	-	-	-	-	-	2,125,206
Reserved for Capital	-	-	-	-	-	48,892
Reserved for Debt Service	-	-	-	-	-	1,085,966
Unreserved Fund Balance:						
Undesignated	<u>4,290,900</u>	<u>(1,243,553)</u>	<u>110,553</u>	<u>(20,042)</u>	<u>1,651,928</u>	<u>15,976,045</u>
Total Fund Balance	<u>4,290,900</u>	<u>(1,243,553)</u>	<u>110,553</u>	<u>(20,042)</u>	<u>1,651,928</u>	<u>19,708,158</u>
Total Liabilities and Fund Balance	<u>\$ 4,295,387</u>	<u>\$ 602,303</u>	<u>\$ 110,553</u>	<u>\$ 61,000</u>	<u>\$ 1,651,928</u>	<u>\$ 27,570,699</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
(Page 1 of 8)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Revenues:										
Property Taxes	\$ 1,839,753	\$ 891,657	\$ 832,406	\$ 409,195	\$ 61,212	\$ 791,096	\$ -	\$ 204,528	\$ 2,069,016	\$ 1,104,525
Licenses & Permits	16,841	-	-	-	-	-	-	-	-	55,317
Intergovernmental Revenue	2,310,946	165,981	106,218	39,931	8,296	121,473	67,970	7,724	168,404	2,588,657
Charges for Services	10,775	-	-	55,903	947,733	52,853	-	29,695	61,922	1,447
Fines & Forfeits	-	-	-	-	-	417	-	-	50,874	146,520
Investment Earnings	7,168	-	-	14,314	6,411	-	-	-	12,695	927
Private & Local Grants	-	-	-	-	-	7,500	-	-	-	7,502
Miscellaneous Revenues	49,424	-	-	264	106,997	-	-	7,593	279,615	936
Total Revenues	4,234,907	1,057,638	938,624	519,607	1,130,649	973,339	67,970	249,540	2,642,526	3,905,831
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	962,193	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	3,455,472	-	738,755	449,026	-	-	69,758	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	813,905	-	-	-	-	-	-	-	2,181,243
Culture & Recreation	-	-	-	-	977,569	-	-	142,796	2,366,109	-
Housing & Community Development	-	-	-	-	-	-	-	-	-	2,179,915
Capital Outlay	437,464	-	58,276	2,770	38,571	4,385	-	1,700	633,761	1,645
Debt Service:										
Principal	-	-	-	-	8,000	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	5,960	-	-	-	-	-
Total Expenditures	3,892,936	813,905	797,031	451,796	1,030,100	966,578	69,758	144,496	2,999,870	4,362,803
Excess of Revenues over (under) Expenditures	341,971	243,733	141,593	67,811	100,549	6,761	(1,788)	105,044	(357,344)	(456,972)
Other Financing Sources (uses)										
Transfers In	132,679	-	17,659	17,285	6,469	55,811	23,705	31,571	36,567	1,168,106
Transfers Out	(77,188)	(376,900)	(89,628)	(45,205)	(178,311)	(42,671)	-	(1,915)	-	(676,500)
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	25,447	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	422,909	(133,167)	69,624	39,891	(71,293)	19,901	21,917	134,700	(320,777)	34,634
Fund Balance - Beginning of Year	1,426,210	150,704	438,067	379,559	235,629	108,694	8,784	389,645	588,393	(36,808)
Fund Reclassification:	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	(720,899)	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 1,128,220	\$ 17,537	\$ 507,691	\$ 419,450	\$ 164,336	\$ 128,595	\$ 30,701	\$ 524,345	\$ 267,616	\$ (2,174)

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
(Page 2 of 8)

Special Revenue

	Rural Initiatives	City Initiatives	Building Code Division	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Youth Education & Safety	Museum
Revenues:										
Property Taxes	\$ -	\$ 7,339	\$ -	\$ 1,821,037	\$ -	\$ 329,812	\$ 297,287	\$ -	\$ -	\$ 390,700
Licenses & Permits	-	-	661,149	110,309	-	129,896	-	-	-	-
Intergovernmental Revenue	-	-	-	1,606,848	51,238	16,964	34,541	99,875	-	33,380
Charges for Services	-	-	1,325	1,024,172	393,240	73,018	7,379	-	-	-
Fines & Forfeits	-	-	-	160	-	-	-	6,199	-	-
Investment Earnings	-	-	-	14,321	9,512	-	-	3,727	635	-
Private & Local Grants	-	-	-	-	15,000	-	-	-	-	16,083
Miscellaneous Revenues	25,000	-	2	138,187	-	8,511	9,157	-	-	-
Total Revenues	25,000	7,339	662,476	4,715,034	468,990	558,201	348,364	109,801	635	440,163
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	225,414	-	-
Public Works	-	-	582,571	-	-	-	350,006	-	-	-
Public Health	-	-	-	4,520,910	481,163	607,613	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	424,055
Housing & Community Development	335,364	358,963	-	-	-	-	-	-	-	-
Capital Outlay	-	-	18,774	41,008	-	-	1,226	-	-	27,291
Debt Service:										
Principal	-	-	20,251	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	3,975	-	-	-	-	-	-	-
Total Expenditures	335,364	358,963	625,571	4,561,918	481,163	607,613	351,232	225,414	-	451,346
Excess of Revenues over (under) Expenditures	(310,364)	(351,624)	36,905	153,116	(12,173)	(49,412)	(2,868)	(115,613)	635	(11,183)
Other Financing Sources (uses)										
Transfers In	434,044	374,678	-	88,932	-	36,947	26,026	111,000	-	25,189
Transfers Out	(41,311)	(120,397)	-	-	-	-	(10,000)	(4,720)	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	1,840	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	82,369	(97,343)	36,905	242,048	(12,173)	(10,625)	13,158	(9,333)	635	14,006
Fund Balance - Beginning of Year	202,458	250,782	(33,635)	1,404,231	363,984	66,322	120,483	31,640	14,064	121,666
Fund Reclassifications	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 284,827	\$ 153,439	\$ 3,270	\$ 1,646,279	\$ 351,811	\$ 55,697	\$ 133,641	\$ 22,307	\$ 14,699	\$ 135,672

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
(Page 3 of 8)

Special Revenue

	Search & Rescue	Lolo Mosquito	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse
Revenues:										
Property Taxes	\$ 81,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 709,709	\$ 913,345	\$ 29,168
Licenses & Permits	-	-	-	-	-	-	3,000	-	-	-
Intergovernmental Revenue	16,793	-	309,043	146,156	112,592	-	-	48,561	2,641	-
Charges for Services	-	14,761	-	-	-	-	-	-	-	212,308
Fines & Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	1,868	-	-	15,123	-	-	2,931
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	300	-	-	7,290	-	9,986	138,892	32,529	-	-
Total Revenues	98,997	14,761	309,043	155,314	112,592	9,986	157,015	790,799	915,986	244,407
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	25,546	-	375,434	-	57,617	-	-	-	-	-
Public Works	-	16,051	-	-	-	86,679	-	-	-	237,090
Public Health	-	-	-	121,272	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	876,485	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	521,498	-	-	-
Capital Outlay	70,371	-	-	24,999	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	21,625	-	43,386
Interest and Fiscal Charges	-	-	-	-	-	-	-	10,904	-	2,042
Total Expenditures	95,917	16,051	375,434	146,271	57,617	86,679	521,498	909,014	-	282,518
Excess of Revenues over (under) Expenditures	3,080	(1,290)	(66,391)	9,043	54,975	(76,693)	(364,483)	(118,215)	915,986	(38,111)
Other Financing Sources (uses)										
Transfers In	-	-	-	-	-	152,363	-	75,756	-	-
Transfers Out	-	-	-	-	-	(9,500)	-	(23,244)	(915,141)	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	3,404	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	3,080	(1,290)	(66,391)	12,447	54,975	66,170	(364,483)	(65,703)	845	(38,111)
Fund Balance - Beginning of Year	24,865	10,759	(1,468)	48,164	358,139	521,325	543,803	140,850	(845)	75,004
Fund Reclassifications	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 27,945	\$ 9,469	\$ (67,859)	\$ 60,611	\$ 413,114	\$ 587,495	\$ 179,320	\$ 75,147	\$ -	\$ 36,893

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
(Page 4 of 8)

Special Revenue

	9-1-1 Trust	Abandoned Vehicle	901 Water	901 Sewer	Jail Commissary	IACP School	MCFPA Trust	LEPC Trust	Art Museum	Friends of the Library
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-
Charges for Services	679,434	-	-	32,134	-	-	-	-	-	24,441
Fines & Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Earnings	20,511	-	5,005	26,455	2,966	-	-	-	-	1,335
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	184,678	-	-	-	-	-
Total Revenues	699,945	-	5,005	58,589	187,644	-	-	-	-	25,776
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	516,105	-	-	-	27,732	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	20,488
Housing & Community Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	3,213
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	516,105	-	-	-	27,732	-	-	-	-	23,701
Excess of Revenues over (under) Expenditures	183,840	-	5,005	58,589	159,912	-	-	-	-	2,075
Other Financing Sources (uses)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(325,000)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	183,840	-	5,005	58,589	(165,088)	-	-	-	-	2,075
Fund Balance - Beginning of Year	375,537	1,241	110,916	563,923	326,538	70	799	337	206	30,662
Fund Reclassification:										
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 559,377	\$ 1,241	\$ 115,921	\$ 622,512	\$ 161,450	\$ 70	\$ 799	\$ 337	\$ 206	\$ 32,737

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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Special Revenue

	Mitigation Trust	Creek Trust	Historical Museum	Gift Shop	Special Revenue	Improvement Bonds	Judgment Levy	Open Space
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	21,965	-	(13,375)	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	12,561	19,462	2,099	-	397	1,227	-	-
Private & Local Grants	-	-	85,811	-	9,457	-	-	-
Miscellaneous Revenues	49,115	111,534	-	-	-	11,770	-	-
Total Revenues	61,676	130,996	87,910	21,965	9,854	(378)	207	-
Expenditures:								
Current Operations:								
General Government	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	605,766	-	-	-	-	-	-
Public Health	-	-	-	-	10,141	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	60,453	19,237	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	7,000
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	605,766	60,453	19,237	10,141	-	-	7,000
Excess of Revenues over (under) Expenditures	61,676	(474,770)	27,457	2,728	(287)	(378)	207	(7,000)
Other Financing Sources (uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(20,510)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	61,676	(474,770)	6,947	2,728	(287)	(378)	207	(7,000)
Fund Balance - Beginning of Year	257,133	476,198	39,182	16,024	9,659	19,954	(636)	46,518
Fund Reclassification:								
Change in Inventory Reserves	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 318,809	\$ 1,428	\$ 46,129	\$ 18,752	\$ 9,372	\$ 19,576	\$ (429)	\$ 39,518

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Debt Service						
	Risk Management	Jail Bond	Health Center	RSID Revolving	Fair Ice Rink Series 2004	Fair Ice Rink Series 2006	Technology Tax Increment Bonds
Revenues:							
Property Taxes	\$ 120,651	\$ 1,097,988	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-
Intergovernmental Revenue	8,896	211,862	17,633	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-
Investment Earnings	(2,104)	5,495	-	-	(3,309)	(1,086)	-
Private & Local Grants	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	68,738
Total Revenues	<u>127,443</u>	<u>1,315,345</u>	<u>17,633</u>	<u>-</u>	<u>(3,309)</u>	<u>(1,086)</u>	<u>68,738</u>
Expenditures:							
Current Operations:							
General Government	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	100,000	880,000	20,000	-	35,000	20,000	-
Interest and Fiscal Charges	19,900	432,525	17,152	-	40,817	31,638	67,000
Total Expenditures	<u>119,900</u>	<u>1,312,525</u>	<u>37,152</u>	<u>-</u>	<u>75,817</u>	<u>51,638</u>	<u>67,000</u>
Excess of Revenues over (under) Expenditures	7,543	2,820	(19,519)	-	(79,126)	(52,724)	1,738
Other Financing Sources (uses):							
Transfers In	-	-	-	83,275	75,667	61,538	-
Transfers Out	-	-	-	(47,675)	-	-	-
Issuance of Debt	-	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	7,543	2,820	(19,519)	35,600	(3,459)	8,814	1,738
Fund Balance - Beginning of Year	17,492	677,999	336,151	326,600	(40,221)	(5,862)	65,328
Fund Reclassifications	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 25,035</u>	<u>\$ 680,819</u>	<u>\$ 316,632</u>	<u>\$ 362,200</u>	<u>\$ (43,680)</u>	<u>\$ 2,952</u>	<u>\$ 67,066</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Capital Projects					
	Capital Improvements	Technology	Open Space	Grant Creek Project	Jail Project	RSID Projects
Revenues:						
Property Taxes	\$ -	\$ 444,121	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-
Intergovernmental Revenue	-	45,110	-	411,571	-	-
Charges for Services	-	55,555	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-
Investment Earnings	3,237	-	-	-	-	-
Private & Local Grants	-	-	-	365,000	-	-
Miscellaneous Revenues	-	-	-	-	-	-
Total Revenues	<u>3,237</u>	<u>544,786</u>	<u>-</u>	<u>776,571</u>	<u>-</u>	<u>-</u>
Expenditures:						
Current Operations:						
General Government	-	233,119	-	-	-	-
Criminal Justice	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	362,875	-	207,772
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-
Capital Outlay	142,059	418,060	1,569,959	180,281	-	-
Debt Service:						
Principal	174,339	-	-	-	-	-
Interest and Fiscal Charges	22,976	-	33,150	-	-	-
Total Expenditures	<u>339,374</u>	<u>651,179</u>	<u>1,603,109</u>	<u>543,156</u>	<u>-</u>	<u>207,772</u>
Excess of Revenues over (under) Expenditures	(336,137)	(106,393)	(1,603,109)	233,415	-	(207,772)
Other Financing Sources (uses):						
Transfers In	957,694	315,715	-	-	-	254,373
Transfers Out	-	(80,198)	-	-	-	-
Issuance of Debt	-	-	3,325,000	-	-	-
Premium on Issuance of Debt	-	-	6,908	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>621,557</u>	<u>129,124</u>	<u>1,728,799</u>	<u>233,415</u>	<u>-</u>	<u>46,601</u>
Fund Balance - Beginning of Year	323,537	847,792	-	-	572,997	503,260
Fund Reclassifications	-	-	-	-	-	(757,633)
Change in Inventory Reserves	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 945,094</u>	<u>\$ 976,916</u>	<u>\$ 1,728,799</u>	<u>\$ 233,415</u>	<u>\$ 572,997</u>	<u>\$ (207,772)</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Capital Projects					Total
	Public Safety Building	Milltown Development Projects	Milltown Historical Preservation	Ice Rink Project	MCA Industrial District Construction	
Revenues:						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,446,656
Licenses & Permits	-	-	-	-	-	976,512
Intergovernmental Revenue	-	1,337,878	1,686	-	-	10,098,868
Charges for Services	-	-	-	-	-	3,686,685
Fines & Forfeits	-	-	-	-	-	204,170
Investment Earnings	188,642	(20,848)	7,568	(962)	83,785	442,068
Private & Local Grants	-	-	-	-	-	506,353
Miscellaneous Revenues	-	-	-	2,898	-	1,243,416
Total Revenues	<u>188,642</u>	<u>1,317,030</u>	<u>9,254</u>	<u>1,936</u>	<u>83,785</u>	<u>31,604,728</u>
Expenditures:						
Current Operations:						
General Government	-	-	-	-	-	233,119
Criminal Justice	-	-	-	-	-	962,193
Public Safety	110,780	-	-	-	-	1,338,628
Public Works	-	5,930	-	-	-	7,167,751
Public Health	-	-	-	-	-	5,741,099
Social & Economic Services	-	-	-	-	-	3,871,633
Culture & Recreation	-	-	-	-	-	4,010,707
Housing & Community Development	-	-	1,501	-	-	3,397,241
Capital Outlay	21,581	2,376,527	-	-	-	6,080,921
Debt Service:						
Principal	-	-	-	-	-	1,322,601
Interest and Fiscal Charges	-	-	-	-	-	688,039
Total Expenditures	<u>132,361</u>	<u>2,382,457</u>	<u>1,501</u>	<u>-</u>	<u>-</u>	<u>34,813,932</u>
Excess of Revenues over (under) Expenditures	56,281	(1,065,427)	7,753	1,936	83,785	(3,209,204)
Other Financing Sources (uses):						
Transfers In	24,585	-	-	-	-	4,587,634
Transfers Out	-	-	-	-	(491,546)	(3,577,560)
Issuance of Debt	-	-	-	-	-	3,325,000
Premium on Issuance of Debt	-	-	-	-	-	6,908
Sale of Capital Assets	-	-	-	-	-	30,691
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	80,866	(1,065,427)	7,753	1,936	(407,761)	1,163,469
Fund Balance - Beginning of Year	4,210,034	(178,126)	102,800	(21,978)	2,059,689	20,023,221
Fund Reclassifications	-	-	-	-	-	(757,633)
Change in Inventory Reserves	-	-	-	-	-	(720,899)
Fund Balance - End of Year	<u>\$ 4,290,900</u>	<u>\$ (1,243,553)</u>	<u>\$ 110,553</u>	<u>\$ (20,042)</u>	<u>\$ 1,651,928</u>	<u>\$ 19,708,158</u>

GENERAL FUND – Budget and Actual

The General Fund is used to account for all activities of the County not accounted for in another fund.

Commissioners - To account for the budget of the County Commissioners Office.

Justice Court - To account for the budget of the Justices of the Peace.

Attorney - To account for the budget of the County Attorney's Office.

Financial Services - To account for the budget of the Financial Services Office.

Clerk & Recorder/Treasurer - To account for the budgets of the offices for which the Clerk & Recorder/Treasurer is responsible (Elections, Recording, Records Management, Treasurer).

Auditor - To account for the budget of the County Auditor.

Facilities Management - To account for maintenance of County buildings and grounds.

Office of Emergency Services - To account for the budget for Emergency Services and the County Communications Program.

9-1-1 Communications Center - To account for the budget of the 9-1-1 Central Dispatch function.

Information Services - To account for the budget for the County's Information Services department and the County's PBX system.

Human Resources - To account for the budget of the Personnel Office.

Central Services - To account for the budget for central purchasing, postage, printing and motor pool.

Superintendent of Schools - To account for the budget of the Superintendent of Schools.

Surveyor – To account for the budget of the County Surveyor.

Non-departmental- To account for those budget items that cannot be identified with a particular operational department.

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	<u>Commissioners</u>				<u>Justice Court</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	1,470	1,470
Fines & Forfeits	-	-	-	-	574,000	574,000	572,549	(1,451)
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	465	465
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>574,000</u>	<u>574,000</u>	<u>574,484</u>	<u>484</u>
Expenditures:								
Current Operations:								
Personnel	566,498	566,498	537,840	28,658	659,873	659,873	644,070	15,803
Operations	35,664	35,664	20,874	14,790	61,139	61,139	49,258	11,881
Capital Outlay	-	-	-	-	4,000	4,000	551	3,449
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>602,162</u>	<u>602,162</u>	<u>558,714</u>	<u>43,448</u>	<u>725,012</u>	<u>725,012</u>	<u>693,879</u>	<u>31,133</u>
Excess of Revenues over (under) Expenditures	(602,162)	(602,162)	(558,714)	43,448	(151,012)	(151,012)	(119,395)	31,617
Other Financing Sources (Uses):								
Transfers In	12,000	12,000	12,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$(590,162)</u>	<u>\$(590,162)</u>	<u>\$(546,714)</u>	<u>\$ 43,448</u>	<u>\$(151,012)</u>	<u>\$(151,012)</u>	<u>\$(119,395)</u>	<u>\$ 31,617</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	<u>Attorney</u>				<u>Financial Services</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	70,461	70,461	74,635	4,174	-	-	-	-
Charges for Services	217,455	217,455	150,911	(66,544)	87,500	87,500	93,715	6,215
Fines & Forfeits	128,000	128,000	110,344	(17,656)	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	(11,228)	(11,228)	-	-	-	-
Total Revenues	<u>415,916</u>	<u>415,916</u>	<u>324,662</u>	<u>(91,254)</u>	<u>87,500</u>	<u>87,500</u>	<u>93,715</u>	<u>6,215</u>
Expenditures:								
Current Operations:								
Personnel	1,971,181	1,971,181	1,954,235	16,946	615,125	615,125	611,164	3,961
Operations	74,865	74,865	54,923	19,942	207,998	207,998	205,344	2,654
Capital Outlay	11,699	11,699	10,201	1,498	70,000	70,000	-	70,000
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,057,745</u>	<u>2,057,745</u>	<u>2,019,359</u>	<u>38,386</u>	<u>893,123</u>	<u>893,123</u>	<u>816,508</u>	<u>76,615</u>
Excess of Revenues over (under) Expenditures	(1,641,829)	(1,641,829)	(1,694,697)	(52,868)	(805,623)	(805,623)	(722,793)	82,830
Other Financing Sources (Uses):								
Transfers In	35,941	35,941	70,441	34,500	-	-	8,500	8,500
Transfers Out	(19,240)	(19,240)	(8,925)	10,315	-	-	-	-
Issuance of Debt	-	-	-	-	70,000	70,000	-	(70,000)
Sale of Capital Assets	-	-	-	-	-	-	3,092	3,092
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,625,128)</u>	<u>\$ (1,625,128)</u>	<u>\$ (1,633,181)</u>	<u>\$ (8,053)</u>	<u>\$ (735,623)</u>	<u>\$ (735,623)</u>	<u>\$ (711,201)</u>	<u>\$ 24,422</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	Clerk & Recorder/Treasurer				Auditor			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	22,100	22,100	29,815	7,715	-	-	-	-
Intergovernmental Revenue	48,000	48,000	50,000	2,000	-	-	-	-
Charges for Services	1,288,500	1,291,500	1,234,607	(56,893)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	1,046	1,046	-	-	-	-
Total Revenues	<u>1,358,600</u>	<u>1,361,600</u>	<u>1,315,468</u>	<u>(46,132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,709,906	1,709,906	1,695,659	14,247	195,494	195,494	194,760	734
Operations	539,385	539,385	539,165	220	49,160	49,160	47,706	1,454
Capital Outlay	10,000	10,000	9,020	980	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,259,291</u>	<u>2,259,291</u>	<u>2,243,844</u>	<u>15,447</u>	<u>244,654</u>	<u>244,654</u>	<u>242,466</u>	<u>2,188</u>
Excess of Revenues over (under) Expenditures	(900,691)	(897,691)	(928,376)	(30,685)	(244,654)	(244,654)	(242,466)	2,188
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (900,691)</u>	<u>\$ (897,691)</u>	<u>\$ (928,376)</u>	<u>\$ (30,685)</u>	<u>\$ (244,654)</u>	<u>\$ (244,654)</u>	<u>\$ (242,466)</u>	<u>\$ 2,188</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	Facilities Management				Office of Emergency Services			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	50,000	200,710	48,341	(152,369)
Charges for Services	420,286	420,286	428,738	8,452	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	105,873	105,873
Total Revenues	<u>420,286</u>	<u>420,286</u>	<u>428,738</u>	<u>8,452</u>	<u>50,000</u>	<u>200,710</u>	<u>154,214</u>	<u>(46,496)</u>
Expenditures:								
Current Operations:								
Personnel	686,173	686,173	631,546	54,627	96,046	99,830	99,547	283
Operations	793,357	793,357	766,865	26,492	52,369	48,913	34,550	14,363
Capital Outlay	25,617	25,617	8,171	17,446	-	149,871	149,871	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,505,147</u>	<u>1,505,147</u>	<u>1,406,582</u>	<u>98,565</u>	<u>148,415</u>	<u>298,614</u>	<u>283,968</u>	<u>14,646</u>
Excess of Revenues over (under) Expenditures	(1,084,861)	(1,084,861)	(977,844)	107,017	(98,415)	(97,904)	(129,754)	(31,850)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(24,585)	(24,585)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,084,861)</u>	<u>\$ (1,084,861)</u>	<u>\$ (977,844)</u>	<u>\$ 107,017</u>	<u>\$ (98,415)</u>	<u>\$ (122,489)</u>	<u>\$ (154,339)</u>	<u>\$ (31,850)</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	<u>9-1-1 Communications</u>				<u>Information Services</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	645,376	645,376	516,105	(129,271)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>645,376</u>	<u>645,376</u>	<u>516,105</u>	<u>(129,271)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,534,346	1,534,346	1,640,252	(105,906)	732,688	732,688	697,601	35,087
Operations	317,116	317,113	299,127	17,986	21,350	21,350	15,772	5,578
Capital Outlay	155,500	155,500	44,571	110,929	2,500	2,500	894	1,606
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,006,962</u>	<u>2,006,959</u>	<u>1,983,950</u>	<u>23,009</u>	<u>756,538</u>	<u>756,538</u>	<u>714,267</u>	<u>42,271</u>
Excess of Revenues over (under) Expenditures	(1,361,586)	(1,361,583)	(1,467,845)	(106,262)	(756,538)	(756,538)	(714,267)	42,271
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(2,400)	(2,400)	-	2,400
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,361,586)</u>	<u>\$ (1,361,583)</u>	<u>\$ (1,467,845)</u>	<u>\$ (106,262)</u>	<u>\$ (758,938)</u>	<u>\$ (758,938)</u>	<u>\$ (714,267)</u>	<u>\$ 44,671</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	Human Resources				Central Services			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	379,818	379,818	425,019	45,201
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	379,818	379,818	425,019	45,201
Expenditures:								
Current Operations:								
Personnel	386,968	386,968	389,100	(2,132)	-	-	-	-
Operations	173,375	173,375	131,950	41,425	319,129	319,129	338,576	(19,447)
Capital Outlay	-	-	-	-	146,165	146,165	148,626	(2,461)
Debt Service								
Principal	-	-	-	-	54,550	54,550	50,529	4,021
Interest	-	-	-	-	6,139	6,139	5,262	877
Total Expenditures	560,343	560,343	521,050	39,293	525,983	525,983	542,993	(17,010)
Excess of Revenues over (under) Expenditures	(560,343)	(560,343)	(521,050)	39,293	(146,165)	(146,165)	(117,974)	28,191
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	146,165	146,165	-	(146,165)
Sale of Capital Assets	-	-	-	-	-	-	10,203	10,203
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (560,343)	\$ (560,343)	\$ (521,050)	\$ 39,293	\$ -	\$ -	\$ (107,771)	\$ (107,771)

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	<u>Superintendent of Schools</u>				<u>Surveyor</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	36,000	36,000	32,621	(3,379)
Charges for Services	3,300	3,300	3,300	-	59,675	59,675	63,031	3,356
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	2,844	2,844	-	-	-	-
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>6,144</u>	<u>2,844</u>	<u>95,675</u>	<u>95,675</u>	<u>95,652</u>	<u>(23)</u>
Expenditures:								
Current Operations:								
Personnel	206,107	206,107	204,062	2,045	616,649	616,649	592,316	24,333
Operations	18,986	18,986	16,840	2,146	40,950	40,825	29,546	11,279
Capital Outlay	-	-	-	-	21,500	21,500	16,018	5,482
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>225,093</u>	<u>225,093</u>	<u>220,902</u>	<u>4,191</u>	<u>679,099</u>	<u>678,974</u>	<u>637,880</u>	<u>41,094</u>
Excess of Revenues over (under) Expenditures	(221,793)	(221,793)	(214,758)	7,035	(583,424)	(583,299)	(542,228)	41,071
Other Financing Sources (Uses):								
Transfers In	-	7,000	-	(7,000)	-	-	1,200	1,200
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (221,793)</u>	<u>\$ (214,793)</u>	<u>\$ (214,758)</u>	<u>\$ 35</u>	<u>\$ (583,424)</u>	<u>\$ (583,299)</u>	<u>\$ (541,028)</u>	<u>\$ 42,271</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2008
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	Non-Departmental				Totals			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 8,659,769	\$ 8,659,769	\$ 8,327,676	\$ (332,093)	\$ 8,659,769	\$ 8,659,769	\$ 8,327,676	\$ (332,093)
License & Permits	34,466	34,466	45,640	11,174	56,566	56,566	75,455	18,889
Intergovernmental Revenue	612,021	612,021	907,065	295,044	1,461,858	1,612,568	1,628,767	16,199
Charges for Services	238,575	238,575	144,127	(94,448)	2,695,109	2,698,109	2,544,918	(153,191)
Fines & Forfeits	-	-	-	-	702,000	702,000	682,893	(19,107)
Investment Earnings	630,000	630,000	561,810	(68,190)	630,000	630,000	561,810	(68,190)
Miscellaneous Revenues	2,100	2,100	23,833	21,733	2,100	2,100	122,833	120,733
Total Revenues	<u>10,176,931</u>	<u>10,176,931</u>	<u>10,010,151</u>	<u>(166,780)</u>	<u>14,207,402</u>	<u>14,361,112</u>	<u>13,944,352</u>	<u>(416,760)</u>
Expenditures:								
Current Operations:								
Personnel	180,710	180,710	181,983	(1,273)	10,157,764	10,161,548	10,074,135	87,413
Operations	839,571	845,843	498,420	347,423	3,544,414	3,547,102	3,048,916	498,186
Capital Outlay	39,931	39,931	33,966	5,965	486,912	636,783	421,889	214,894
Debt Service								
Principal	-	-	-	-	54,550	54,550	50,529	4,021
Interest	-	-	-	-	6,139	6,139	5,262	877
Total Expenditures	<u>1,060,212</u>	<u>1,066,484</u>	<u>714,369</u>	<u>352,115</u>	<u>14,249,779</u>	<u>14,406,122</u>	<u>13,600,731</u>	<u>805,391</u>
Excess of Revenues over (under) Expenditures	9,116,719	9,110,447	9,295,782	185,335	(42,377)	(45,010)	343,621	388,631
Other Financing Sources (Uses):								
Transfers In	590,857	590,857	576,443	(14,414)	638,798	645,798	668,584	22,786
Transfers Out	(2,082,558)	(2,082,558)	(1,920,921)	161,637	(2,104,198)	(2,128,783)	(1,954,431)	174,352
Issuance of Debt	-	-	-	-	216,165	216,165	-	(216,165)
Sale of Capital Assets	-	-	-	-	-	-	13,295	13,295
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 7,625,018</u>	<u>\$ 7,618,746</u>	<u>\$ 7,951,304</u>	<u>\$ 332,558</u>	<u>\$ (1,291,612)</u>	<u>\$ (1,311,830)</u>	<u>(928,931)</u>	<u>\$ 382,899</u>
Fund Balance:								
Beginning of Year							3,835,236	
End of Year							<u>\$ 2,906,305</u>	

MAJOR FUNDS – Budget and Actual

Public Safety - To account for the budget of the County Sheriff and the Missoula County Detention Facility.

MCA Industrial District - To account for tax increment revenues from the Industrial Tax Increment District near the Airport.

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Major Governmental Funds
For Fiscal Year Ended June 30, 2008

	Public Safety				Missoula Development Authority			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 8,953,773	\$ 8,953,773	\$ 8,572,270	\$ (381,503)	\$ 909,607	\$ 909,607	\$ 913,010	\$ 3,403
License & Permits	9,500	9,500	12,425	2,925	-	-	-	-
Intergovernmental Revenue	354,771	354,771	416,856	62,085	1,250,104	1,250,104	104	(1,250,000)
Charges for Services	4,921,486	4,921,486	5,114,526	193,040	-	-	-	-
Fines & Forfeits	35,000	35,000	33,301	(1,699)	-	-	-	-
Investment Earnings	-	-	15,070	15,070	15,000	15,000	173,282	158,282
Miscellaneous Revenues	70,000	70,000	104,499	34,499	313,572	920,716	950,114	29,398
Total Revenues	<u>14,344,530</u>	<u>14,344,530</u>	<u>14,268,947</u>	<u>(75,583)</u>	<u>2,488,283</u>	<u>3,095,427</u>	<u>2,036,510</u>	<u>(1,058,917)</u>
Expenditures:	-	-						
Current Operations:								
Personnel	10,169,017	10,169,017	9,934,994	234,023	90,384	90,384	91,160	(776)
Operations	4,158,333	4,158,333	3,749,615	408,718	982,661	1,029,405	913,102	116,303
Capital Outlay	420,152	420,152	418,222	1,930	2,245,358	2,476,391	1,294,973	1,181,418
Debt Service:								
Principal	-	-	-	-	370,000	370,000	370,000	-
Interest & Fiscal Charges	-	-	-	-	190,400	190,400	190,875	(475)
Total Expenditures	<u>14,747,502</u>	<u>14,747,502</u>	<u>14,102,831</u>	<u>644,671</u>	<u>3,878,803</u>	<u>4,156,580</u>	<u>2,860,110</u>	<u>1,296,470</u>
Excess of Revenues over (under) Expenditures	(402,972)	(402,972)	166,116	569,088	(1,390,520)	(1,061,153)	(823,600)	237,553
Other Financing Sources (Uses)								
Transfers In	567,732	567,732	1,028,399	460,667	819,792	1,050,825	491,546	(559,279)
Transfers Out	(877,503)	(877,503)	(565,569)	311,934	(452,811)	(452,811)	(189,715)	263,096
Issuance of Debt	-	-	-	-	992,056	-	-	-
Sale of Capital Assets	-	-	-	-	2,045,673	2,045,673	1,508,996	(536,677)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (712,743)</u>	<u>\$ (712,743)</u>	628,946	<u>\$ 1,341,689</u>	<u>\$ 2,014,190</u>	<u>\$ 1,582,534</u>	987,227	<u>\$ (595,307)</u>
Fund Balance:								
Beginning of Year			3,003,768				3,873,700	
End of Year			<u>\$ 3,632,714</u>				<u>\$ 4,860,927</u>	

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NON-MAJOR FUNDS – Budget and Actual

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Special Revenue Funds							
	Road				Poor			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 1,939,054	\$ 1,939,054	\$ 1,839,753	\$ (99,301)	\$ 941,322	\$ 941,322	\$ 891,657	\$ (49,665)
License & Permits	20,000	20,000	16,841	(3,159)	-	-	-	-
Intergovernmental Revenue	2,340,263	2,340,263	2,097,996	(242,267)	152,886	152,886	165,981	13,095
Charges for Services	17,000	17,000	10,775	(6,225)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	7,536	7,536	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	10,000	45,000	49,424	4,424	-	-	-	-
Total Revenues	<u>4,326,317</u>	<u>4,361,317</u>	<u>4,022,325</u>	<u>(338,992)</u>	<u>1,094,208</u>	<u>1,094,208</u>	<u>1,057,638</u>	<u>(36,570)</u>
Expenditures:								
Current Operations:								
Personnel	2,115,147	2,115,147	1,950,219	164,928	-	-	-	-
Operations	1,593,500	1,593,625	1,353,935	239,690	800,079	800,079	813,905	(13,826)
Capital Outlay	930,500	979,500	437,882	541,618	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,639,147</u>	<u>4,688,272</u>	<u>3,742,036</u>	<u>946,236</u>	<u>800,079</u>	<u>800,079</u>	<u>813,905</u>	<u>(13,826)</u>
Excess of Revenues over (under) Expenditures	(312,830)	(326,955)	280,289	607,244	294,129	294,129	243,733	(50,396)
Other Financing Sources (Uses)								
Transfers In	243,101	257,101	132,679	(124,422)	-	-	-	-
Transfers Out	(58,883)	(58,883)	(77,188)	(18,305)	(300,500)	(376,900)	(376,900)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	25,447	25,447	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (128,612)</u>	<u>\$ (128,737)</u>	361,227	<u>\$ 489,964</u>	<u>\$ (6,371)</u>	<u>\$ (82,771)</u>	(133,167)	<u>\$ (50,396)</u>
Fund Balance:								
Beginning of Year			671,701				148,106	
End of Year			<u>\$ 1,032,928</u>				<u>\$ 14,939</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Bridge				Weed			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 878,744	\$ 878,744	\$ 832,406	\$ (46,338)	\$ 432,409	\$ 432,409	\$ 409,195	\$ (23,214)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	381,350	381,350	106,218	(275,132)	44,910	44,910	39,931	(4,979)
Charges for Services	-	-	-	-	26,000	59,686	55,903	(3,783)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	15,080	15,080
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,000	1,000	264	(736)
Total Revenues	1,260,094	1,260,094	938,624	(321,470)	504,319	538,005	520,373	(17,632)
Expenditures:								
Current Operations:								
Personnel	695,724	695,724	643,505	52,219	313,224	313,224	263,736	49,488
Operations	96,075	101,675	91,669	10,006	239,300	254,140	182,785	71,355
Capital Outlay	473,700	473,700	58,276	415,424	4,000	4,000	2,770	1,230
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	1,265,499	1,271,099	793,450	477,649	556,524	571,364	449,291	122,073
Excess of Revenues over (under) Expenditures	(5,405)	(11,005)	145,174	156,179	(52,205)	(33,359)	71,082	104,441
Other Financing Sources (Uses)								
Transfers In	18,566	18,566	17,659	(907)	7,659	7,659	17,285	9,626
Transfers Out	(197,628)	(192,028)	(89,628)	102,400	(46,205)	(46,205)	(45,205)	1,000
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (184,467)	\$ (184,467)	73,205	\$ 257,672	\$ (90,751)	\$ (71,905)	43,162	\$ 115,067
Fund Balance:								
Beginning of Year			535,537				395,033	
End of Year			\$ 608,742				\$ 438,195	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
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	Special Revenue Funds							
	Fair				District Court			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 63,950	\$ 63,950	\$ 61,212	\$ (2,738)	\$ 815,499	\$ 815,499	\$ 791,096	\$ (24,403)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	8,293	8,293	8,296	3	216,957	136,853	121,473	(15,380)
Charges for Services	1,057,902	1,057,902	947,733	(110,169)	53,000	53,000	52,853	(147)
Fines & Forfeits	-	-	-	-	500	500	417	(83)
Investment Earnings	-	-	6,780	6,780	-	-	-	-
Private & Local Grants	-	-	-	-	10,000	10,000	7,500	(2,500)
Miscellaneous Revenues	-	-	106,997	106,997	-	-	-	-
Total Revenues	1,130,145	1,130,145	1,131,018	873	1,095,956	1,015,852	973,339	(42,513)
Expenditures:								
Current Operations:								
Personnel	262,694	262,694	291,386	(28,692)	834,657	834,657	716,317	118,340
Operations	687,625	687,625	677,790	9,835	276,451	263,986	241,600	22,386
Capital Outlay	20,000	84,971	38,571	46,400	4,300	4,300	4,385	(85)
Debt Service:								
Principal	8,000	8,000	8,000	-	-	-	-	-
Interest	6,120	6,120	6,120	-	-	-	-	-
Total Expenditures	984,439	1,049,410	1,021,867	27,543	1,115,408	1,102,943	962,302	140,641
Excess of Revenues over (under) Expenditures	145,706	80,735	109,151	28,416	(19,452)	(87,091)	11,037	98,128
Other Financing Sources (Uses)								
Transfers In	6,801	71,772	6,469	(65,303)	34,239	84,499	55,811	(28,688)
Transfers Out	(195,107)	(195,107)	(178,310)	16,797	(53,334)	(69,257)	(42,671)	26,586
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$(42,600)	\$(42,600)	(62,690)	\$(20,090)	\$(38,547)	\$(71,849)	24,177	96,026
Fund Balance:								
Beginning of Year			287,115				174,515	
End of Year			\$ 224,425				\$ 198,692	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	Weed Grant				Parks			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 215,225	\$ 215,225	\$ 204,528	\$ (10,697)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	163,880	163,880	67,970	(95,910)	7,710	7,710	7,724	14
Charges for Services	-	-	-	-	-	-	29,695	29,695
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	7,650	7,650	7,593	(57)
Total Revenues	<u>163,880</u>	<u>163,880</u>	<u>67,970</u>	<u>(95,910)</u>	<u>230,585</u>	<u>230,585</u>	<u>249,540</u>	<u>18,955</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	43,841	43,841	40,187	3,654
Operations	185,699	185,699	77,598	108,101	209,792	209,792	101,167	108,625
Capital Outlay	-	-	-	-	291,000	291,000	1,700	289,300
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>185,699</u>	<u>185,699</u>	<u>77,598</u>	<u>108,101</u>	<u>544,633</u>	<u>544,633</u>	<u>143,054</u>	<u>401,579</u>
Excess of Revenues over (under) Expenditures	(21,819)	(21,819)	(9,628)	12,191	(314,048)	(314,048)	106,486	420,534
Other Financing Sources (Uses)								
Transfers In	23,705	23,705	23,705	-	31,595	31,595	31,571	(24)
Transfers Out	-	-	-	-	(1,915)	(1,915)	(1,915)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,886</u>	<u>\$ 1,886</u>	14,077	<u>\$ 12,191</u>	<u>\$ (284,368)</u>	<u>\$ (284,368)</u>	136,142	<u>\$ 420,510</u>
Fund Balance:								
Beginning of Year			<u>16,624</u>				<u>372,892</u>	
End of Year			<u>\$ 30,701</u>				<u>\$ 509,034</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	Library				Planning			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 2,182,983	\$ 2,182,983	\$ 2,069,016	\$ (113,967)	\$ 1,120,137	\$ 1,120,137	\$ 1,104,525	\$ (15,612)
License & Permits	-	-	-	-	50,000	50,000	55,317	5,317
Intergovernmental Revenue	164,071	170,941	168,404	(2,537)	2,899,781	3,537,335	2,588,657	(948,678)
Charges for Services	15,800	39,800	61,922	22,122	2,200	2,200	1,447	(753)
Fines & Forfeits	44,000	44,000	50,874	6,874	140,248	140,248	146,520	6,272
Investment Earnings	-	-	13,804	13,804	-	-	927	927
Private & Local Grants	-	-	-	-	10,056	10,056	7,502	(2,554)
Miscellaneous Revenues	5,000	13,000	279,615	266,615	500	500	936	436
Total Revenues	<u>2,411,854</u>	<u>2,450,724</u>	<u>2,643,635</u>	<u>192,911</u>	<u>4,222,922</u>	<u>4,860,476</u>	<u>3,905,831</u>	<u>(954,645)</u>
Expenditures:								
Current Operations:								
Personnel	1,465,686	1,465,686	1,452,697	12,989	2,825,778	2,825,778	2,622,326	203,452
Operations	625,058	631,928	922,097	(290,169)	1,962,735	2,706,189	1,687,655	1,018,534
Capital Outlay	357,300	857,300	569,545	287,755	2,177	2,177	1,645	532
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,448,044</u>	<u>2,954,914</u>	<u>2,944,339</u>	<u>10,575</u>	<u>4,790,690</u>	<u>5,534,144</u>	<u>4,311,626</u>	<u>1,222,518</u>
Excess of Revenues over (under) Expenditures	(36,190)	(504,190)	(300,704)	203,486	(567,768)	(673,668)	(405,795)	267,873
Other Financing Sources (Uses)								
Transfers In	38,444	84,783	36,567	(48,216)	1,240,737	1,317,137	1,168,106	(149,031)
Transfers Out	(170,705)	-	-	-	(714,845)	(714,845)	(676,500)	38,345
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (168,451)</u>	<u>\$ (419,407)</u>	<u>(264,137)</u>	<u>\$ 155,270</u>	<u>\$ (41,876)</u>	<u>\$ (71,376)</u>	<u>85,811</u>	<u>\$ 157,187</u>
Fund Balance:								
Beginning of Year			714,233				(12,926)	
End of Year			<u>\$ 450,096</u>				<u>\$ 72,885</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	Rural Initiatives				City Initiatives			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,339	\$ 7,339	\$ 7,339	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	25,000	25,000	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>7,339</u>	<u>7,339</u>	<u>7,339</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	356,673	356,673	300,014	56,659	240,624	240,624	229,350	11,274
Operations	136,811	107,311	33,304	74,007	175,750	175,750	140,798	34,952
Capital Outlay	10,000	10,000	-	10,000	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>503,484</u>	<u>473,984</u>	<u>333,318</u>	<u>140,666</u>	<u>416,374</u>	<u>416,374</u>	<u>370,148</u>	<u>46,226</u>
Excess of Revenues over (under) Expenditures	(503,484)	(473,984)	(308,318)	165,666	(409,035)	(409,035)	(362,809)	46,226
Other Financing Sources (Uses)								
Transfers In	451,463	451,463	434,044	(17,419)	392,097	392,097	374,678	(17,419)
Transfers Out	(41,033)	(41,033)	(41,311)	(278)	(206,891)	(206,891)	(120,397)	86,494
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (93,054)</u>	<u>\$ (63,554)</u>	84,415	<u>\$ 147,969</u>	<u>\$ (223,829)</u>	<u>\$ (223,829)</u>	(108,528)	<u>\$ 115,301</u>
Fund Balance:								
Beginning of Year			<u>214,733</u>				<u>282,920</u>	
End of Year			<u>\$ 299,148</u>				<u>\$ 174,392</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Building Code Division				Health			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
	Revenues:							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,859,623	\$ 1,859,623	\$ 1,821,037	\$ (38,586)
License & Permits	615,206	615,206	661,149	45,943	94,150	94,150	110,309	16,159
Intergovernmental Revenue	-	-	-	-	1,510,020	1,567,244	1,606,848	39,604
Charges for Services	-	1,250	1,325	75	929,858	946,520	1,024,172	77,652
Fines & Forfeits	-	-	-	-	10	10	160	150
Investment Earnings	-	-	-	-	-	-	15,108	15,108
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	2	2	171,461	171,461	138,187	(33,274)
Total Revenues	<u>615,206</u>	<u>616,456</u>	<u>662,476</u>	<u>46,020</u>	<u>4,565,122</u>	<u>4,639,008</u>	<u>4,715,821</u>	<u>76,813</u>
Expenditures:								
Current Operations:								
Personnel	550,742	550,742	496,933	53,809	3,822,864	3,859,944	3,700,140	159,804
Operations	97,163	74,226	80,871	(6,645)	789,902	805,108	773,862	31,246
Capital Outlay	21,200	31,000	18,774	12,226	465,000	68,000	41,008	26,992
Debt Service:								
Principal	-	20,218	20,251	(33)	-	-	-	-
Interest	-	3,969	3,975	(6)	-	-	-	-
Total Expenditures	<u>669,105</u>	<u>680,155</u>	<u>620,804</u>	<u>59,351</u>	<u>5,077,766</u>	<u>4,733,052</u>	<u>4,515,010</u>	<u>218,042</u>
Excess of Revenues over (under) Expenditures	(53,899)	(63,699)	41,672	105,371	(512,644)	(94,044)	200,811	294,855
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	93,020	93,020	88,932	(4,088)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	19,000	-	(19,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (53,899)</u>	<u>\$ (44,699)</u>	41,672	<u>\$ 86,371</u>	<u>\$ (419,624)</u>	<u>\$ (1,024)</u>	289,743	<u>\$ 290,767</u>
Fund Balance:								
Beginning of Year			(11,545)				1,684,092	
End of Year			<u>\$ 30,127</u>				<u>\$ 1,973,835</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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Special Revenue Funds

	Water Quality District				Animal Control			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 330,866	\$ 335,366	\$ 329,812	\$ (5,554)
License & Permits	-	-	-	-	98,100	98,100	129,896	31,796
Intergovernmental Revenue	60,000	60,000	51,238	(8,762)	16,952	16,952	16,964	12
Charges for Services	409,658	409,658	393,240	(16,418)	75,350	75,350	73,018	(2,332)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	10,035	10,035	-	-	-	-
Private & Local Grants	15,000	15,000	15,000	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	7,300	7,300	8,511	1,211
Total Revenues	<u>484,658</u>	<u>484,658</u>	<u>469,513</u>	<u>(15,145)</u>	<u>528,568</u>	<u>533,068</u>	<u>558,201</u>	<u>25,133</u>
Expenditures:								
Current Operations:								
Personnel	303,392	308,392	307,759	633	461,972	461,972	456,559	5,413
Operations	233,163	233,163	166,054	67,109	129,256	133,756	145,906	(12,150)
Capital Outlay	55,000	55,000	-	55,000	6,350	6,350	-	6,350
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>591,555</u>	<u>596,555</u>	<u>473,813</u>	<u>122,742</u>	<u>597,578</u>	<u>602,078</u>	<u>602,465</u>	<u>(387)</u>
Excess of Revenues over (under) Expenditures	(106,897)	(111,897)	(4,300)	107,597	(69,010)	(69,010)	(44,264)	24,746
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	37,551	37,551	36,947	(604)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	800	800	1,840	1,040
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (106,897)</u>	<u>\$ (111,897)</u>	<u>(4,300)</u>	<u>\$ 107,597</u>	<u>\$ (30,659)</u>	<u>\$ (30,659)</u>	<u>(5,477)</u>	<u>\$ 25,182</u>
Fund Balance:								
Beginning of Year			<u>378,177</u>				<u>92,103</u>	
End of Year			<u>\$ 373,877</u>				<u>\$ 86,626</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
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	Special Revenue Funds							
	Extension				Drug Forfeiture			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 314,235	\$ 314,235	\$ 297,287	\$ (16,948)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	37,525	37,525	34,541	(2,984)	96,875	96,875	99,875	3,000
Charges for Services	10,000	10,000	7,379	(2,621)	-	-	-	-
Fines & Forfeits	-	-	-	-	8,000	8,000	6,199	(1,801)
Investment Earnings	-	-	-	-	-	-	3,845	3,845
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	7,000	7,000	9,157	2,157	-	-	-	-
Total Revenues	<u>368,760</u>	<u>368,760</u>	<u>348,364</u>	<u>(20,396)</u>	<u>104,875</u>	<u>104,875</u>	<u>109,919</u>	<u>5,044</u>
Expenditures:								
Current Operations:								
Personnel	278,801	278,801	207,952	70,849	189,568	189,568	199,407	(9,839)
Operations	197,285	196,885	139,550	57,335	21,350	21,350	24,159	(2,809)
Capital Outlay	4,000	4,000	1,226	2,774	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	400	-	400	-	-	-	-
Total Expenditures	<u>480,086</u>	<u>480,086</u>	<u>348,728</u>	<u>131,358</u>	<u>210,918</u>	<u>210,918</u>	<u>223,566</u>	<u>(12,648)</u>
Excess of Revenues over (under) Expenditures	(111,326)	(111,326)	(364)	110,962	(106,043)	(106,043)	(113,647)	(7,604)
Other Financing Sources (Uses)								
Transfers In	26,335	26,335	26,026	(309)	111,000	111,000	111,000	-
Transfers Out	(10,000)	(10,000)	(10,000)	-	(4,925)	(4,925)	(4,720)	205
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (94,991)</u>	<u>\$ (94,991)</u>	15,662	<u>\$ 110,653</u>	<u>\$ 32</u>	<u>\$ 32</u>	(7,367)	<u>\$ (7,399)</u>
Fund Balance:								
Beginning of Year			<u>150,492</u>				<u>44,901</u>	
End of Year			<u>\$ 166,154</u>				<u>\$ 37,534</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
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	Special Revenue Funds							
	Youth Education & Safety				Museum			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 411,510	\$ 411,510	\$ 390,700	\$ (20,810)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	33,358	33,358	33,380	22
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	670	670	-	-	-	-
Private & Local Grants	-	-	-	-	15,000	15,000	16,083	1,083
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>670</u>	<u>670</u>	<u>459,868</u>	<u>459,868</u>	<u>440,163</u>	<u>(19,705)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	266,878	266,878	265,542	1,336
Operations	450	450	-	450	181,286	181,286	154,420	26,866
Capital Outlay	-	-	-	-	19,000	39,510	27,291	12,219
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>450</u>	<u>450</u>	<u>-</u>	<u>450</u>	<u>467,164</u>	<u>487,674</u>	<u>447,253</u>	<u>40,421</u>
Excess of Revenues over (under) Expenditures	(450)	(450)	670	1,120	(7,296)	(27,806)	(7,090)	20,716
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	14,919	35,429	25,189	(10,240)
Transfers Out	-	-	-	-	(10,000)	(10,000)	-	10,000
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>(450)</u>	<u>(450)</u>	<u>670</u>	<u>1,120</u>	<u>(2,377)</u>	<u>(2,377)</u>	<u>18,099</u>	<u>20,476</u>
Fund Balance:								
Beginning of Year			<u>14,005</u>				<u>145,523</u>	
End of Year			<u>\$ 14,675</u>				<u>\$ 163,622</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Special Revenue Funds							
	Search & Rescue				Lolo Mosquito District			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 87,500	\$ 87,500	\$ 81,904	\$ (5,596)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	304	6,904	16,793	9,889	-	-	-	-
Charges for Services	-	-	-	-	15,189	15,189	14,761	(428)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	100	100	-	(100)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	300	300	-	-	-	-
Total Revenues	87,804	94,404	98,997	4,593	15,289	15,289	14,761	(528)
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	8,957	8,957	6,576	2,381
Operations	15,450	24,050	21,634	2,416	8,600	8,600	5,617	2,983
Capital Outlay	68,050	78,550	72,046	6,504	9,742	9,742	-	9,742
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	83,500	102,600	93,680	8,920	27,299	27,299	12,193	15,106
Excess of Revenues over (under) Expenditures	4,304	(8,196)	5,317	13,513	(12,010)	(12,010)	2,568	14,578
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(4,000)	(4,000)	-	4,000	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	304	(12,196)	5,317	17,513	(12,010)	(12,010)	2,568	14,578
Fund Balance:								
Beginning of Year			27,091				13,455	
End of Year			32,408				16,023	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Special Revenue Funds							
	Junk Vehicle				Forest Reserve - Title III			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	146,156	146,156	146,156	-	104,000	104,000	112,592	8,592
Charges for Services	1,000	1,000	-	(1,000)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	1,986	1,986	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	500	500	7,290	6,790	-	-	-	-
Total Revenues	<u>147,656</u>	<u>147,656</u>	<u>155,432</u>	<u>7,776</u>	<u>104,000</u>	<u>104,000</u>	<u>112,592</u>	<u>8,592</u>
Expenditures:								
Current Operations:								
Personnel	88,206	88,206	84,886	3,320	-	-	-	-
Operations	34,100	34,100	37,232	(3,132)	402,307	402,307	59,197	343,110
Capital Outlay	26,000	26,000	24,999	1,001	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>148,306</u>	<u>148,306</u>	<u>147,117</u>	<u>1,189</u>	<u>402,307</u>	<u>402,307</u>	<u>59,197</u>	<u>343,110</u>
Excess of Revenues over (under) Expenditures	(650)	(650)	8,315	8,965	(298,307)	(298,307)	53,395	351,702
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(1,269)	(1,269)	-	1,269	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	2,500	2,500	3,404	904	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 581</u>	<u>\$ 581</u>	11,719	<u>\$ 11,138</u>	<u>\$ (298,307)</u>	<u>\$ (298,307)</u>	53,395	<u>\$ 351,702</u>
Fund Balance:								
Beginning of Year			<u>55,251</u>				<u>81,378</u>	
End of Year			<u>\$ 66,970</u>				<u>\$ 134,773</u>	

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Special Revenue Funds							
	RSID Administration				Community Based Organizations			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 754,508	\$ 754,508	\$ 709,709	\$ (44,799)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	48,240	48,240	48,561	321
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	9,986	9,986	32,529	32,529	32,529	-
Total Revenues	<u>-</u>	<u>-</u>	<u>9,986</u>	<u>9,986</u>	<u>835,277</u>	<u>835,277</u>	<u>790,799</u>	<u>(44,478)</u>
Expenditures:								
Current Operations:								
Personnel	113,093	113,093	84,554	28,539	-	-	-	-
Operations	-	-	389	(389)	900,858	908,329	876,485	31,844
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	21,625	21,625	-
Interest	-	-	-	-	-	10,904	10,904	-
Total Expenditures	<u>113,093</u>	<u>113,093</u>	<u>84,943</u>	<u>28,150</u>	<u>900,858</u>	<u>940,858</u>	<u>909,014</u>	<u>31,844</u>
Excess of Revenues over (under) Expenditures	(113,093)	(113,093)	(74,957)	38,136	(65,581)	(105,581)	(118,215)	(12,634)
Other Financing Sources (Uses)								
Transfers In	52,329	52,329	152,363	100,034	-	75,756	75,756	-
Transfers Out	(9,500)	(9,500)	(9,500)	-	-	(23,244)	(23,244)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$(70,264)</u>	<u>\$(70,264)</u>	67,906	<u>\$ 138,170</u>	<u>\$(65,581)</u>	<u>\$(53,069)</u>	(65,703)	<u>\$(12,634)</u>
Fund Balance:								
Beginning of Year			<u>523,481</u>				<u>302,295</u>	
End of Year			<u>\$ 591,387</u>				<u>\$ 236,592</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Special Revenue Funds							
	Permissive Medical Levy				Seeley Lake Refuse			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 958,212	\$ 958,212	\$ 913,345	\$ (44,867)	\$ -	\$ -	\$ 29,168	\$ 29,168
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	3,085	3,085	2,641	(444)	-	-	-	-
Charges for Services	-	-	-	-	238,050	238,050	212,308	(25,742)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	100	100	3,179	3,079
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>961,297</u>	<u>961,297</u>	<u>915,986</u>	<u>(45,311)</u>	<u>238,150</u>	<u>238,150</u>	<u>244,655</u>	<u>6,505</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	113,093	78,898	95,094	(16,196)
Operations	-	-	-	-	121,913	121,746	123,135	(1,389)
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	45,941	43,386	2,555
Interest	-	-	-	-	-	3,240	2,042	1,198
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,006</u>	<u>249,825</u>	<u>263,657</u>	<u>(13,832)</u>
Excess of Revenues over (under) Expenditures	961,297	961,297	915,986	(45,311)	3,144	(11,675)	(19,002)	(7,327)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(961,297)	(961,297)	(915,141)	46,156	(6,970)	(6,970)	-	6,970
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>845</u>	<u>\$ 845</u>	<u>\$ (3,826)</u>	<u>\$ (18,645)</u>	<u>(19,002)</u>	<u>\$ (357)</u>
Fund Balance:								
Beginning of Year			<u>(845)</u>				<u>80,068</u>	
End of Year			<u>\$ -</u>				<u>\$ 61,066</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Special Revenue Funds				Debt Service Funds			
	Open Space Programs				Technology Tax Increment			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	-	-	-	-
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	10,350	7,000	3,350	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	69,038	69,038	69,038	-
Total Expenditures	<u>-</u>	<u>10,350</u>	<u>7,000</u>	<u>3,350</u>	<u>69,038</u>	<u>69,038</u>	<u>69,038</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	-	(10,350)	(7,000)	3,350	(69,038)	(69,038)	(69,038)	-
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	69,038	69,038	68,738	(300)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>-</u>	<u>(10,350)</u>	<u>(7,000)</u>	<u>3,350</u>	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>(300)</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>-</u>	
End of Year			<u>\$ (7,000)</u>				<u>\$ (300)</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Debt Service Funds							
	Risk Management Bond				Jail Bond			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 126,859	\$ 126,859	\$ 120,651	\$ (6,208)	\$ 1,148,842	\$ 1,148,842	\$ 1,097,988	\$ (50,854)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	8,891	8,891	8,896	5	212,455	212,455	211,862	(593)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(2,038)	(2,038)	5,000	5,000	7,836	2,836
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>135,750</u>	<u>135,750</u>	<u>127,509</u>	<u>(8,241)</u>	<u>1,366,297</u>	<u>1,366,297</u>	<u>1,317,686</u>	<u>(48,611)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	100,000	100,000	100,000	-	880,000	880,000	880,000	-
Interest	22,100	22,100	21,950	150	445,626	445,626	445,725	(99)
Total Expenditures	<u>122,100</u>	<u>122,100</u>	<u>121,950</u>	<u>150</u>	<u>1,325,626</u>	<u>1,325,626</u>	<u>1,325,725</u>	<u>(99)</u>
Excess of Revenues over (under) Expenditures	13,650	13,650	5,559	(8,091)	40,671	40,671	(8,039)	(48,710)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>13,650</u>	<u>13,650</u>	5,559	<u>(8,091)</u>	<u>40,671</u>	<u>40,671</u>	(8,039)	<u>(48,710)</u>
Fund Balance:								
Beginning of Year			<u>29,214</u>				<u>899,586</u>	
End of Year			<u>\$ 34,773</u>				<u>\$ 891,547</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Debt Service Funds							
	Health Center Bond				RSID Revolving			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	20,000	20,000	20,000	-	283,175	283,175	-	283,175
Interest	17,632	17,632	17,632	-	-	-	-	-
Total Expenditures	<u>37,632</u>	<u>37,632</u>	<u>37,632</u>	<u>-</u>	<u>283,175</u>	<u>283,175</u>	<u>-</u>	<u>283,175</u>
Excess of Revenues over (under) Expenditures	(37,632)	(37,632)	(37,632)	-	(283,175)	(283,175)	-	283,175
Other Financing Sources (Uses)								
Transfers In	37,632	37,632	37,632	-	-	-	83,275	83,275
Transfers Out	-	-	-	-	(42,377)	(42,377)	(47,675)	(5,298)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(325,552)</u>	<u>(325,552)</u>	<u>35,600</u>	<u>361,152</u>
Fund Balance:								
Beginning of Year			<u>(5)</u>				<u>326,600</u>	
End of Year			<u>(5)</u>				<u>362,200</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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Debt Service Funds

	Fair Ice Rink Series 2004				Fair Ice Rink Series 2006			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(3,351)	(3,351)	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	(1,075)	(1,075)
Total Revenues	-	-	(3,351)	(3,351)	-	-	(1,075)	(1,075)
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	35,000	35,000	35,000	-	30,000	30,000	20,000	10,000
Interest	41,474	41,474	41,474	-	31,170	31,170	31,978	(808)
Total Expenditures	76,474	76,474	76,474	-	61,170	61,170	51,978	9,192
Excess of Revenues over (under) Expenditures	(76,474)	(76,474)	(79,825)	(3,351)	(61,170)	(61,170)	(53,053)	8,117
Other Financing Sources (Uses)								
Transfers In	76,474	76,474	75,668	(806)	61,170	61,170	61,538	368
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	(4,157)	\$ (4,157)	\$ -	\$ -	8,485	\$ 8,485
Fund Balance:								
Beginning of Year			(19,222)				10,128	
End of Year			\$ (23,379)				\$ 18,613	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Capital Projects							
	Capital Improvements				Technology			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 468,893	\$ 468,893	\$ 444,121	\$ (24,772)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	117,086	117,086	45,110	(71,976)
Charges for Services	-	-	-	-	47,900	47,900	55,555	7,655
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633,879</u>	<u>633,879</u>	<u>544,786</u>	<u>(89,093)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	333,222	333,222	232,765	100,457
Capital Outlay	441,177	548,724	142,090	406,634	970,851	982,751	391,468	591,283
Debt Service:								
Principal	174,338	174,338	174,339	(1)	-	-	-	-
Interest	22,976	22,976	22,976	-	-	-	-	-
Total Expenditures	<u>638,491</u>	<u>746,038</u>	<u>339,405</u>	<u>406,633</u>	<u>1,304,073</u>	<u>1,315,973</u>	<u>624,233</u>	<u>691,740</u>
Excess of Revenues over (under) Expenditures	(638,491)	(746,038)	(339,405)	406,633	(670,194)	(682,094)	(79,447)	602,647
Other Financing Sources (Uses)								
Transfers In	463,314	959,867	957,694	(2,173)	321,005	321,005	315,715	(5,290)
Transfers Out	-	-	-	-	(80,198)	(80,198)	(80,198)	-
Issuance of Debt	3,235	3,235	3,237	2	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (171,942)</u>	<u>\$ 217,064</u>	621,526	<u>\$ 404,462</u>	<u>\$ (429,387)</u>	<u>\$ (441,287)</u>	156,070	<u>\$ 597,357</u>
Fund Balance:								
Beginning of Year			<u>369,515</u>				<u>885,444</u>	
End of Year			<u>\$ 991,041</u>				<u>\$ 1,041,514</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Capital Projects							
	Public Safety Building Fund				Milltown Development Projects			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	1,951,276	1,951,276	735,575	(1,215,701)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	199,270	199,270	-	-	(19,120)	(19,120)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	381,121	381,121	-	(381,121)
Total Revenues	<u>-</u>	<u>-</u>	<u>199,270</u>	<u>199,270</u>	<u>2,332,397</u>	<u>2,332,397</u>	<u>716,455</u>	<u>(1,615,942)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	14,412	14,412	5,930	8,482
Operations	124,600	124,600	110,780	13,820	-	-	-	-
Capital Outlay	678,000	678,000	17,094	660,906	2,317,985	2,317,985	1,902,106	415,879
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>802,600</u>	<u>802,600</u>	<u>127,874</u>	<u>674,726</u>	<u>2,332,397</u>	<u>2,332,397</u>	<u>1,908,036</u>	<u>424,361</u>
Excess of Revenues over (under) Expenditures	(802,600)	(802,600)	71,396	873,996	-	-	(1,191,581)	(1,191,581)
Other Financing Sources (Uses)								
Transfers In	-	-	24,585	24,585	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (802,600)</u>	<u>\$ (802,600)</u>	95,981	<u>\$ 898,581</u>	<u>\$ -</u>	<u>\$ -</u>	(1,191,581)	<u>\$ (1,191,581)</u>
Fund Balance:								
Beginning of Year			<u>4,191,720</u>				<u>(158,398)</u>	
End of Year			<u>\$ 4,287,701</u>				<u>\$ (1,349,979)</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Capital Projects							
	Milltown Historic Preservation				Grant Creek Project			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	1,686	1,686	3,400,000	3,400,000	139,415	(3,260,585)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	7,817	7,817	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	450,000	450,000	365,000	(85,000)
Total Revenues	<u>-</u>	<u>-</u>	<u>9,503</u>	<u>9,503</u>	<u>3,850,000</u>	<u>3,850,000</u>	<u>504,415</u>	<u>(3,345,585)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	2,500	1,501	999	-	-	-	-
Capital Outlay	-	-	-	-	3,950,000	3,950,000	180,281	3,769,719
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,500</u>	<u>1,501</u>	<u>999</u>	<u>3,950,000</u>	<u>3,950,000</u>	<u>180,281</u>	<u>3,769,719</u>
Excess of Revenues over (under) Expenditures	-	(2,500)	8,002	10,502	(100,000)	(100,000)	324,134	424,134
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	100,000	100,000	-	(100,000)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>-</u>	<u>(2,500)</u>	<u>8,002</u>	<u>10,502</u>	<u>-</u>	<u>-</u>	<u>324,134</u>	<u>324,134</u>
Fund Balance:								
Beginning of Year			<u>102,353</u>				<u>-</u>	
End of Year			<u>\$ 110,355</u>				<u>\$ 324,134</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Capital Projects							
	Open Space				MCA Industrial District Construction			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	89,789	89,789	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,789</u>	<u>89,789</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	33,151	(33,151)	-	-	-	-
Capital Outlay	2,310,750	2,310,750	1,569,958	740,792	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,310,750</u>	<u>2,310,750</u>	<u>1,603,109</u>	<u>707,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(2,310,750)	(2,310,750)	(1,603,109)	707,641	-	-	89,789	89,789
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(809,792)	(491,546)	318,246
Issuance of Debt	2,310,750	2,310,750	3,331,908	1,021,158	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,728,799</u>	<u>\$ 1,728,799</u>	<u>\$ -</u>	<u>\$ (809,792)</u>	<u>(401,757)</u>	<u>\$ 408,035</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>2,050,729</u>	
End of Year			<u>\$ 1,728,799</u>				<u>\$ 1,648,972</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2008
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	Totals			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property Taxes	\$ 15,057,710	\$ 15,062,210	\$ 14,446,449	\$ (615,761)
License & Permits	877,456	877,456	973,512	96,056
Intergovernmental Revenue	14,126,324	14,754,468	8,684,783	(6,069,685)
Charges for Services	2,898,907	2,974,505	2,942,086	(32,419)
Fines & Forfeits	192,758	192,758	204,170	11,412
Investment Earnings	5,200	5,200	359,153	353,953
Private & Local Grants	50,056	50,056	46,085	(3,971)
Miscellaneous Revenues	1,074,061	1,117,061	1,039,716	(77,345)
Total Revenues	<u>34,282,472</u>	<u>35,033,714</u>	<u>28,695,954</u>	<u>(6,337,760)</u>
Expenditures:				
Current Operations:				
Personnel	15,366,026	15,373,911	14,421,069	952,842
Operations	10,579,780	11,323,477	9,311,011	2,012,466
Capital Outlay	13,436,082	13,823,660	5,510,115	8,313,545
Debt Service:				
Principal	1,530,513	1,618,297	1,322,601	295,696
Interest	656,136	674,649	673,814	835
Total Expenditures	<u>41,568,537</u>	<u>42,813,994</u>	<u>31,238,610</u>	<u>11,575,384</u>
Excess of Revenues over (under) Expenditures	(7,286,065)	(7,780,280)	(2,542,656)	5,237,624
Other Financing Sources (Uses):				
Transfers In	3,914,643	4,759,432	4,402,685	(356,747)
Transfers Out	(3,080,031)	(3,829,085)	(3,195,102)	633,983
Issuance of Debt	2,313,985	2,332,985	3,335,145	1,002,160
Sale of Capital Assets	3,300	3,300	30,691	27,391
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (4,134,168)</u>	<u>\$ (4,513,648)</u>	2,030,763	<u>\$ 6,544,411</u>
Fund Balance:				
Beginning of Year			16,068,069	
End of Year			<u>\$ 17,664,343</u>	

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost-reimbursement basis.

Risk Management Fund – To account for taxes and other revenues used for insurance and risk management purposes.

Health Insurance Fund – To account for the County's self insurance program for employee health, dental and vision insurance.

Workers' Compensation Fund - To account for the County's self-insured workers' compensation program and related debt issues.

Excess Loss Fund – To account for the County's self-insured plan that provides a layer of re-insurance to the Risk Management, Health Insurance, and Workers' Compensation plans.

Other Benefits Programs – To account for the County's programs for wellness, dependant care and medical flexible benefits plans.

Telephone Services - To account for the County's telephone system.

MISSOULA COUNTY, MONTANA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2008

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Telephone Services</u>	<u>Total</u>
Assets							
<i>Current Assets:</i>							
Cash & Cash Equivalents	\$ 157,332	\$ 712,092	\$ 1,768,589	\$ 200,117	\$ 20,225	\$ 137,630	\$ 2,995,985
Investments	958,537	3,893,107	1,684,263	328,050	33,156	225,617	7,122,730
Taxes Receivable, net	67,399	-	-	-	-	-	67,399
Accounts Receivable	-	-	63,500	-	-	3,666	67,166
Interest Receivable	-	37,921	13,325	-	-	-	51,246
Prescription Rebate Receivable	-	6,783	-	-	-	-	6,783
Contributions Receivable	-	196,302	-	-	-	-	196,302
Advances to Other Funds	79,965	-	-	-	-	-	79,965
Prepaid Costs	-	27,451	46,048	-	-	-	73,499
Total Current Assets	<u>1,263,233</u>	<u>4,873,656</u>	<u>3,575,725</u>	<u>528,167</u>	<u>53,381</u>	<u>366,913</u>	<u>10,661,075</u>
<i>Noncurrent Assets:</i>							
Capital Assets, net	5,832	185,373	11,662	-	-	10,906	213,773
Total Assets	<u>\$ 1,269,065</u>	<u>\$ 5,059,029</u>	<u>\$ 3,587,387</u>	<u>\$ 528,167</u>	<u>\$ 53,381</u>	<u>\$ 377,819</u>	<u>\$ 10,874,848</u>
Liabilities							
<i>Current Liabilities:</i>							
Accounts Payable	\$ 6,000	\$ 13,681	\$ 3,354	\$ -	\$ -	\$ 6,144	\$ 29,179
Accrued Payroll	2,474	25,300	-	-	-	4,208	31,982
Contributions Paid in Advance	-	24,833	1,385	-	-	-	26,218
Liability for Claims, Current Portion	592,306	671,554	400,000	-	-	-	1,663,860
Total Current Liabilities	<u>600,780</u>	<u>735,368</u>	<u>404,739</u>	<u>-</u>	<u>-</u>	<u>10,352</u>	<u>1,751,239</u>
<i>Noncurrent Liabilities:</i>							
Liability for Claims, net of Current Portion	470,414	-	2,025,036	-	-	-	2,495,450
Total Liabilities	<u>1,071,194</u>	<u>735,368</u>	<u>2,429,775</u>	<u>-</u>	<u>-</u>	<u>10,352</u>	<u>4,246,689</u>
Net Assets							
Invested in Capital Assets, net of Related Debt	5,832	185,373	11,662	-	-	10,906	213,773
Reserved for Advances	79,965	-	-	-	-	-	79,965
Unrestricted	112,074	4,138,288	1,145,950	528,167	53,381	356,561	6,334,421
Total Net Assets	<u>197,871</u>	<u>4,323,661</u>	<u>1,157,612</u>	<u>528,167</u>	<u>53,381</u>	<u>367,467</u>	<u>6,628,159</u>
Total Liabilities and Net Assets	<u>\$ 1,269,065</u>	<u>\$ 5,059,029</u>	<u>\$ 3,587,387</u>	<u>\$ 528,167</u>	<u>\$ 53,381</u>	<u>\$ 377,819</u>	<u>\$ 10,874,848</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For Fiscal Year Ended June 30, 2008

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Other Benefits Programs	Telephone Services	Total
Operating Revenues:							
Charges for Services	\$ -	\$ 6,139,248	\$ 1,321,801	\$ -	\$ 331,167	\$ 286,363	\$ 8,078,579
Total Operating Revenues	<u>-</u>	<u>6,139,248</u>	<u>1,321,801</u>	<u>-</u>	<u>331,167</u>	<u>286,363</u>	<u>8,078,579</u>
Operating Expenses:							
Personnel	58,057	-	-	-	-	99,799	157,856
Operations	34,003	-	-	-	-	109,342	143,345
Claims	1,113,033	5,602,793	695,619	-	365,015	-	7,776,460
Reinsurance Premiums	217,836	286,500	61,377	-	-	-	565,713
Administrative	-	396,597	231,347	-	-	-	627,944
Depreciation and Amortization	1,457	6,747	2,916	-	-	1,826	12,946
Total Operating Expense	<u>1,424,386</u>	<u>6,292,637</u>	<u>991,259</u>	<u>-</u>	<u>365,015</u>	<u>210,967</u>	<u>9,284,264</u>
Income from Operations	(1,424,386)	(153,389)	330,542	-	(33,848)	75,396	(1,205,685)
Non-operating Revenues (Expenses):							
Property Taxes	525,539	-	-	-	-	-	525,539
Investment Earnings	34,064	176,328	109,338	22,314	-	-	342,044
Other Income	-	21,800	-	-	3,324	-	25,124
Rebates	-	28,888	-	-	-	-	28,888
Intergovernmental Revenues	48,475	-	-	-	-	-	48,475
Net Income before Transfers	(816,308)	73,627	439,880	22,314	(30,524)	75,396	(235,615)
Transfers In	87,668	7,094	-	15,000	36,676	-	146,438
Transfers Out	(15,000)	(36,676)	-	-	-	-	(51,676)
Change in Net Assets	(743,640)	44,045	439,880	37,314	6,152	75,396	(140,853)
Net Assets - Beginning of Year	941,511	4,638,279	717,732	490,853	47,229	292,071	7,127,675
Restatement	-	(358,663)	-	-	-	-	(358,663)
Net Assets - Beginning of Year, Restated	<u>941,511</u>	<u>4,279,616</u>	<u>717,732</u>	<u>490,853</u>	<u>47,229</u>	<u>292,071</u>	<u>6,769,012</u>
Net Assets - End of Year	<u>\$ 197,871</u>	<u>\$ 4,323,661</u>	<u>\$ 1,157,612</u>	<u>\$ 528,167</u>	<u>\$ 53,381</u>	<u>\$ 367,467</u>	<u>\$ 6,628,159</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2008

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Other Benefits Programs	Telephone Services	Total
Cash flows from operating activities:							
Cash receipts for charges for services	\$ -	\$ 6,127,665	\$ 1,311,871	\$ -	\$ 331,167	\$ 286,363	\$ 8,057,066
Cash payments to employees for services	(55,467)	(201,826)	-	-	-	-	(257,293)
Cash payments for reinsurance premiums	(218,344)	(286,500)	(64,752)	-	-	(99,289)	(668,885)
Cash payments for administrative expenses	-	(196,228)	(227,993)	-	-	-	(424,221)
Cash payments for claims expenses	(520,727)	(5,497,959)	(496,785)	-	(365,015)	-	(6,880,486)
Cash payments to other suppliers for goods and services	(34,003)	-	-	-	-	(110,495)	(144,498)
Net cash provided (used) by operating activities	<u>(828,541)</u>	<u>(54,848)</u>	<u>522,341</u>	<u>-</u>	<u>(33,848)</u>	<u>76,579</u>	<u>(318,317)</u>
Cash flows from non-capital financing activities:							
Property taxes	502,815	-	-	-	-	-	502,815
Rebates	-	28,888	-	-	-	-	28,888
Transfers in	87,668	7,094	-	15,000	36,676	-	146,438
Transfers out	(15,000)	(36,676)	-	-	-	-	(51,676)
Intergovernmental revenue	48,475	-	-	-	-	-	48,475
Other Cash Receipts	-	21,800	8,058	-	3,324	-	33,182
Net cash provided by non-capital financing activities	<u>623,958</u>	<u>21,106</u>	<u>8,058</u>	<u>15,000</u>	<u>40,000</u>	<u>-</u>	<u>708,122</u>
Cash flows from investing activities:							
Purchases of investment securities	(4,995,802)	(2,858,442)	(945,181)	(1,521,104)	(156,031)	(1,096,091)	(11,572,651)
Proceeds of sale and maturities of investment securities	4,840,793	1,845,269	1,750,000	1,678,664	169,600	1,154,080	11,438,406
Interest on investments	34,064	181,058	114,951	22,314	-	-	352,387
Net cash provided (used) by investing activities	<u>(120,945)</u>	<u>(832,115)</u>	<u>919,770</u>	<u>179,874</u>	<u>13,569</u>	<u>57,989</u>	<u>218,142</u>
Net increase (decrease) in cash and cash equivalents	(325,528)	(865,857)	1,450,169	194,874	19,721	134,568	607,947
Cash and cash equivalents at beginning of year	482,860	1,577,949	318,420	5,243	504	3,062	2,388,038
Cash and cash equivalents at end of year	<u>\$ 157,332</u>	<u>\$ 712,092</u>	<u>\$ 1,768,589</u>	<u>\$ 200,117</u>	<u>\$ 20,225</u>	<u>\$ 137,630</u>	<u>\$ 2,995,985</u>

Reconciliation of Income from Operations to Cash Provided (Used) by Operations

Income (loss) from operations	\$ (1,424,386)	\$ (153,389)	\$ 330,542	\$ -	\$ (33,848)	\$ 75,396	\$ (1,205,685)
Adjustments to reconcile (income) loss from operations to net cash provided (used) by operating activities:							
Depreciation and amortization	1,457	6,747	2,916	-	-	1,826	12,946
Change in assets and liabilities:							
Decrease (increase) in receivables	2,543	(13,532)	(11,315)	-	-	(140)	(22,444)
Decrease (increase) in prepaid costs	-	(3,234)	(3,375)	-	-	-	(6,609)
Increase (decrease) in payables and contributions paid in advance	(508)	2,317	4,739	-	-	(1,153)	5,395
Increase (decrease) in accrued liabilities	592,353	106,243	198,834	-	-	650	898,080
Net cash provided (used) by operating activities	<u>\$ (828,541)</u>	<u>\$ (54,848)</u>	<u>\$ 522,341</u>	<u>\$ -</u>	<u>\$ (33,848)</u>	<u>\$ 76,579</u>	<u>\$ (318,317)</u>

Supplemental Disclosure of Cash Flow Information

Noncash capital financing, non-capital financing and investing activities:

The Health Insurance Plan and the Workers' Compensation Plan had \$15,287 and \$2,156, respectively, of net investment income that was reinvested in their trust portfolios for the year.

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenses and Changes in Fund Net Assets
Budget and Actual - Internal Service Funds
For Fiscal Year Ending June 30, 2008
(Page 1 of 3)

	Risk Management				Health Insurance			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 6,407,000	\$ 6,407,000	\$ 6,538,019	\$ 131,019
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,407,000</u>	<u>6,407,000</u>	<u>6,538,019</u>	<u>131,019</u>
Operating Expense:								
Personnel	65,058	65,058	58,009	7,049	246,116	246,116	220,068	26,048
Operations	<u>779,445</u>	<u>779,445</u>	<u>773,074</u>	<u>6,371</u>	<u>6,306,800</u>	<u>6,306,800</u>	<u>6,601,218</u>	<u>(294,418)</u>
Total Operating Expense	<u>844,503</u>	<u>844,503</u>	<u>831,083</u>	<u>13,420</u>	<u>6,552,916</u>	<u>6,552,916</u>	<u>6,821,286</u>	<u>(268,370)</u>
Income (Loss) from Operation	(844,503)	(844,503)	(831,083)	13,420	(145,916)	(145,916)	(283,267)	(137,351)
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	483,948	483,948	458,140	(25,808)	-	-	-	-
Investment Earnings	-	-	34,654	34,654	187,000	187,000	191,413	4,413
Intergovernmental Revenue	49,213	49,213	48,475	(738)	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	10,000	10,000	53,306	43,306
Debt Service Principal Payment	-	-	-	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
Net Income (Loss) before Transfers	(311,342)	(311,342)	(289,814)	21,528	48,084	48,084	(38,548)	(86,632)
Transfers In	137,755	137,755	87,668	(50,087)	12,458	12,458	7,094	(5,364)
Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>(52,400)</u>	<u>(52,400)</u>	<u>(36,676)</u>	<u>15,724</u>
Change in Net Assets	<u>\$ (188,587)</u>	<u>\$ (188,587)</u>	(217,146)	<u>\$ (28,559)</u>	<u>\$ 8,142</u>	<u>\$ 8,142</u>	(68,130)	<u>\$ (76,272)</u>
Net Assets - Beginning of Year			<u>1,008,681</u>				<u>5,054,119</u>	
Net Assets - End of Year			<u>\$ 791,535</u>				<u>\$ 4,985,989</u>	

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Budget and Actual - Internal Service Funds
For Fiscal Year Ending June 30, 2008
(Page 2 of 3)

	Workers' Compensation				Excess Loss			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 1,307,209	\$ 1,307,209	\$ 1,310,486	\$ 3,277	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>1,307,209</u>	<u>1,307,209</u>	<u>1,310,486</u>	<u>3,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	135,229	135,229	128,389	6,840	-	-	-	-
Operations	<u>897,075</u>	<u>897,075</u>	<u>664,057</u>	<u>233,018</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Operating Expense	<u>1,032,304</u>	<u>1,032,304</u>	<u>792,446</u>	<u>239,858</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Income (Loss) from Operation	274,905	274,905	518,040	243,135	(5,000)	(5,000)	-	5,000
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	122,892	122,892	114,504	(8,388)	16,000	16,000	23,504	7,504
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	4,029	4,029	8,058	4,029	-	-	-	-
Debt Service Principal Payment	-	-	-	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	401,826	401,826	640,602	238,776	11,000	11,000	23,504	12,504
Transfers In	-	-	-	-	37,400	37,400	15,000	(22,400)
Transfers Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 391,826</u>	<u>\$ 391,826</u>	640,602	<u>\$ 248,776</u>	<u>\$ 48,400</u>	<u>\$ 48,400</u>	38,504	<u>\$ (9,896)</u>
Net Assets - Beginning of Year			<u>2,716,690</u>				<u>488,718</u>	
Net Assets - End of Year			<u>\$ 3,357,292</u>				<u>\$ 527,222</u>	

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Budget and Actual - Internal Service Funds
For Fiscal Year Ending June 30, 2008
(Page 3 of 3)

	Other Benefits Programs				Telephone Services			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 312,000	\$ 312,000	\$ 331,167	\$ 19,167	\$ 256,680	\$ 268,432	\$ 286,363	\$ 17,931
Total Operating Revenue	<u>312,000</u>	<u>312,000</u>	<u>331,167</u>	<u>19,167</u>	<u>256,680</u>	<u>268,432</u>	<u>286,363</u>	<u>17,931</u>
Operating Expense:								
Personnel	-	-	-	-	89,717	93,318	99,149	(5,831)
Operations	<u>350,956</u>	<u>350,956</u>	<u>365,015</u>	<u>(14,059)</u>	<u>167,006</u>	<u>175,500</u>	<u>108,023</u>	<u>67,477</u>
Total Operating Expense	<u>350,956</u>	<u>350,956</u>	<u>365,015</u>	<u>(14,059)</u>	<u>256,723</u>	<u>268,818</u>	<u>207,172</u>	<u>61,646</u>
Income (Loss) from Operation	(38,956)	(38,956)	(33,848)	5,108	(43)	(386)	79,191	79,577
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	40,000	40,000	-	-	-	-
Debt Service Principal Payment	-	-	-	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	(38,956)	(38,956)	6,152	45,108	(43)	(386)	79,191	79,577
Transfers In	40,000	40,000	-	(40,000)	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 1,044</u>	<u>\$ 1,044</u>	6,152	<u>\$ 5,108</u>	<u>\$ (43)</u>	<u>\$ (386)</u>	79,191	<u>\$ 79,577</u>
Net Assets - Beginning of Year			<u>47,229</u>				<u>287,722</u>	
Net Assets - End of Year			<u>\$ 53,381</u>				<u>\$ 366,913</u>	

TRUST AND AGENCY FUNDS

Trust and agency funds are those used to account for situations where the County holds assets in trust or acts as an agent for another governmental entity or an individual.

Investment Trust Funds - To account for external participants' share of the County's investment pool and investments held separate for external participants.

Schools Fund – To account for revenues collected and cash held in trust for various school districts.

Other Local Taxing Units Fund - To account for revenues collected and cash held for fire districts, irrigation districts, cemetery districts, the hospital district, the mosquito district and the urban transportation district.

State Fund – To account for revenues collected and cash held for the State of Montana.

City Fund – To account for revenues collected and cash held for the City of Missoula.

Other Post Employment Benefits– To account for revenues collected and cash held in trust for post employment benefits.

Payroll and Claims Fund - To account for the County's payroll and claims clearing activities.

MISSOULA COUNTY, MONTANA
Combining Statement of Fiduciary Net Assets
June 30, 2008

	Individual Investment Trust	External Pool Investment Trust	Total Investment Trust
Assets			
Cash & Cash Equivalents	\$ -	\$ 19,259,734	\$ 19,259,734
Securities	-	13,348,325	13,348,325
Repurchase Agreements	-	2,478,183	2,478,183
STIP	26,824,289	15,745,813	42,570,102
Total Investments	26,824,289	31,572,321	58,396,610
Total Assets	26,824,289	50,832,055	77,656,344
Net Assets			
Funds Held in Trust for:			
Investment Trusts	26,824,289	50,832,055	77,656,344
Total Net Assets	\$ 26,824,289	\$ 50,832,055	\$ 77,656,344

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Fiduciary Net Assets
For Fiscal Year Ended June 30, 2008

	<u>Individual Investment Trust</u>	<u>External Pool Investment Trust</u>	<u>Total Investment Trust</u>
Additions			
Interest Income	\$ 938,850	\$ 2,084,762	\$ 3,023,612
Net Investment Income	938,850	2,084,762	3,023,612
Participant Investments in Pool	10,220,456	359,961,761	370,182,217
Total Additions	11,159,306	362,046,523	373,205,829
Deductions			
Distribution to Participants	-	(362,014,200)	(362,014,200)
Total Deductions	-	(362,014,200)	(362,014,200)
Change in Net Assets	11,159,306	32,323	11,191,629
Net Assets Held in Trust for Pool Participants			
Net Assets - Beginning of Year	15,664,983	50,799,732	66,464,715
Net Assets - End of Year	<u>\$ 26,824,289</u>	<u>\$ 50,832,055</u>	<u>\$ 77,656,344</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For Fiscal Year Ended June 30, 2008
(Page 1 of 4)

SCHOOLS

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Assets:				
Cash with Fiscal Agents	\$ 1,838,557	\$ 2,391,811	\$ 1,838,558	\$ 2,391,810
Property Taxes Receivable (net)	<u>4,887,088</u>	<u>7,504,311</u>	<u>4,980,892</u>	<u>7,410,507</u>
Total Assets	\$ <u>6,725,645</u>	\$ <u>9,896,122</u>	\$ <u>6,819,450</u>	\$ <u>9,802,317</u>
Liabilities:				
Funds Held in Trust	\$ <u>6,725,645</u>	\$ <u>9,896,122</u>	\$ <u>6,819,450</u>	\$ <u>9,802,317</u>
Total Liabilities	\$ <u>6,725,645</u>	\$ <u>9,896,122</u>	\$ <u>6,819,450</u>	\$ <u>9,802,317</u>

OTHER LOCAL TAXING UNITS

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Assets:				
Property Taxes Receivable (net)	\$ <u>572,854</u>	\$ <u>790,784</u>	\$ <u>544,269</u>	\$ <u>819,369</u>
Total Assets	\$ <u>572,854</u>	\$ <u>790,784</u>	\$ <u>544,269</u>	\$ <u>819,369</u>
Liabilities:				
Funds Held in Trust	\$ <u>572,854</u>	\$ <u>790,784</u>	\$ <u>544,269</u>	\$ <u>819,369</u>
Total Liabilities	\$ <u>572,854</u>	\$ <u>790,784</u>	\$ <u>544,269</u>	\$ <u>819,369</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2008
(Page 2 of 4)

STATE

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Assets:				
Property Taxes Receivable (net)	\$ 1,935,684	\$ 2,930,969	\$ 1,965,778	\$ 2,900,875
Total Assets	<u>\$ 1,935,684</u>	<u>\$ 2,930,969</u>	<u>\$ 1,965,778</u>	<u>\$ 2,900,875</u>
Liabilities:				
Funds Held in Trust	\$ 1,935,684	\$ 2,930,969	\$ 1,965,778	\$ 2,900,875
Total Liabilities	<u>\$ 1,935,684</u>	<u>\$ 2,930,969</u>	<u>\$ 1,965,778</u>	<u>\$ 2,900,875</u>

CITY

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Assets:				
Property Taxes Receivable (net)	\$ 1,941,589	\$ 2,889,389	\$ 1,582,184	\$ 3,248,794
Total Assets	<u>\$ 1,941,589</u>	<u>\$ 2,889,389</u>	<u>\$ 1,582,184</u>	<u>\$ 3,248,794</u>
Liabilities:				
Funds Held in Trust	\$ 1,941,589	\$ 2,889,389	\$ 1,582,184	\$ 3,248,794
Total Liabilities	<u>\$ 1,941,589</u>	<u>\$ 2,889,389</u>	<u>\$ 1,582,184</u>	<u>\$ 3,248,794</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2008
(Page 3 of 4)

OTHER POST-RETIREMENT BENEFITS (OPEB)

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Assets:				
Cash & Cash Equivalents	\$ -	\$ 200,668	\$ -	\$ 200,668
Other Assets	-	8,891	-	8,891
Total Assets	\$ -	\$ 209,559	\$ -	\$ 209,559
Liabilities:				
Accounts & Warrants Payable	\$ -	\$ 1,240	\$ -	\$ 1,240
Other Liabilities	-	75,122	-	75,122
Funds Held in Trust	-	133,197	-	133,197
Total Liabilities	\$ -	\$ 209,559	\$ -	\$ 209,559

PAYROLL & CLAIMS

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Assets:				
Cash & Cash Equivalents	\$ 13,151	\$ 278,594	\$ 13,151	\$ 278,594
Investments	1,218,107	456,697	1,218,107	456,697
Total Assets	\$ 1,231,258	\$ 735,291	\$ 1,231,258	\$ 735,291
Liabilities:				
Accounts & Warrants Payable	\$ 1,231,258	\$ 735,291	\$ 1,231,258	\$ 735,291
Total Liabilities	\$ 1,231,258	\$ 735,291	\$ 1,231,258	\$ 735,291

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2008
(Page 4 of 4)

TOTAL AGENCY FUNDS

	Balance <u>July 1, 2007</u>	Additions	Deletions	Balance <u>June 30, 2008</u>
Assets:				
Cash & Cash Equivalents	\$ 13,151	\$ 479,262	\$ 13,151	\$ 479,262
Cash with Fiscal Agents	1,838,557	2,391,811	1,838,558	2,391,810
Other Assets	-	8,891	-	8,891
Investments	1,218,107	456,697	1,218,107	456,697
Property Taxes Receivable (net)	<u>9,337,215</u>	<u>14,115,453</u>	<u>9,073,123</u>	<u>14,379,545</u>
Total Assets	<u>\$ 12,407,030</u>	<u>\$ 17,452,114</u>	<u>\$ 12,142,939</u>	<u>\$ 17,716,205</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,231,258	\$ 736,531	\$ 1,231,258	\$ 736,531
Other Liabilities	-	75,122	-	75,122
Funds Held in Trust	<u>11,175,772</u>	<u>16,640,461</u>	<u>10,911,681</u>	<u>16,904,552</u>
Total Liabilities	<u>\$ 12,407,030</u>	<u>\$ 17,452,114</u>	<u>\$ 12,142,939</u>	<u>\$ 17,716,205</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the County'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 County's overall financial health.

Financial Trends

This segment contains trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

This segment includes information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

This segment presents information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic & Demographic Information

This segment depicts demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating information

This segment displays service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year. The County implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in FY 2000-01; schedules presenting government-wide activities include information beginning from that year.

MISSOULA COUNTY, MONTANA
Net Assets by Component
Last Five Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities					
Invested in Capital Assets, net of Related Debt	\$ 21,269,578	\$ 16,970,735	\$ 28,223,190	\$ 34,873,468	\$ 41,799,334
Restricted	783,387	1,463,452	1,466,019	1,755,298	1,550,263
Unrestricted	<u>8,097,311</u>	<u>18,919,713</u>	<u>18,975,049</u>	<u>31,255,020</u>	<u>28,155,028</u>
Total Governmental Activities Net Assets	<u>\$ 30,150,276</u>	<u>\$ 37,353,900</u>	<u>\$ 48,664,258</u>	<u>\$ 67,883,786</u>	<u>\$ 71,504,625</u>
Business-type Activities					
Invested in Capital Assets, net of Related Debt	\$ 2,322,777	\$ 2,278,903	\$ 2,199,939	\$ 2,125,419	\$ 2,125,336
Unrestricted	<u>1,338,904</u>	<u>1,298,087</u>	<u>1,377,281</u>	<u>1,622,661</u>	<u>1,778,396</u>
Total Business-type Activities Net Assets	<u>\$ 3,661,681</u>	<u>\$ 3,576,990</u>	<u>\$ 3,577,220</u>	<u>\$ 3,748,080</u>	<u>\$ 3,903,732</u>
Primary Government					
Invested in Capital Assets, net of Related Debt	\$ 23,592,355	\$ 19,249,638	\$ 30,423,129	\$ 36,998,887	\$ 43,924,670
Restricted	783,387	1,463,452	1,466,019	1,755,298	1,550,263
Unrestricted	<u>9,436,215</u>	<u>20,217,800</u>	<u>20,352,330</u>	<u>32,877,681</u>	<u>29,933,424</u>
Total Primary Government Net Assets	<u>\$ 33,811,957</u>	<u>\$ 40,930,890</u>	<u>\$ 52,241,478</u>	<u>\$ 71,631,866</u>	<u>\$ 75,408,357</u>

MISSOULA COUNTY, MONTANA
Schedule of Changes in Net Assets
Last Five Fiscal Years
(Page 1 of 2)

	2004	2005	2006	2007	2008
Expenses					
Governmental Activities:					
General Government	\$ 10,329,199	\$ 9,656,328	\$ 10,793,516	\$ 10,616,135	\$ 11,532,881
Criminal Justice	3,749,739	4,813,728	5,119,123	3,300,060	3,729,153
Public Safety	15,777,067	14,852,072	17,060,430	17,487,042	17,933,310
Public Works	11,218,785	6,641,539	8,022,496	17,948,738	13,520,691
Public Health	4,543,610	4,517,190	5,093,221	5,542,050	5,903,619
Social & Economic Services	3,255,769	3,455,239	3,702,861	4,289,787	4,078,319
Culture & Recreation	4,383,917	4,252,141	4,090,539	3,889,031	4,493,107
Housing & Community Development	2,107,607	2,007,925	1,845,512	2,601,639	3,435,749
Interest on Long-term Debt	1,160,354	1,196,809	935,898	1,133,118	1,261,685
Total Governmental Activities Expenses	<u>56,526,047</u>	<u>51,392,971</u>	<u>56,663,596</u>	<u>66,807,600</u>	<u>65,888,514</u>
Business-type Activities:					
Larchmont Golf Course	829,362	795,539	859,193	880,832	852,695
Rural Special Improvement Districts	622,832	767,857	703,456	720,567	707,010
Total Business-type Activities Expenses	<u>1,452,194</u>	<u>1,563,396</u>	<u>1,562,649</u>	<u>1,601,399</u>	<u>1,559,705</u>
Total Primary Government Expenses	<u>\$ 57,978,241</u>	<u>\$ 52,956,367</u>	<u>\$ 58,226,245</u>	<u>\$ 68,408,999</u>	<u>\$ 67,448,219</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 4,616,907	\$ 4,917,291	\$ 5,066,931	\$ 4,909,952	\$ 4,596,879
Criminal Justice	837,962	969,501	895,178	831,522	876,544
Public Safety	3,980,917	3,385,998	3,686,470	4,007,155	5,845,885
Public Works	606,293	1,013,088	1,335,476	2,319,001	2,067,227
Public Health	1,252,154	1,373,916	1,420,148	1,633,125	1,730,795
Social & Economic Services	52	-	-	-	-
Culture & Recreation	1,148,071	1,199,618	1,158,955	1,335,514	1,136,630
Housing & Community Development	218,713	248,987	201,930	233,379	206,284
Operating Grants and Contributions	7,333,961	9,198,521	8,882,805	6,479,430	6,862,787
Capital Grants and Contributions	1,292,253	1,919,467	3,865,026	2,267,401	260,121
Total Governmental Activities Program Revenues	<u>21,287,283</u>	<u>24,226,387</u>	<u>26,512,919</u>	<u>24,016,479</u>	<u>23,583,152</u>
Business-type Activities:					
Charges for Services:					
Larchmont Golf Course	1,018,458	911,171	958,595	951,976	984,778
Rural Special Improvement Districts	768,824	676,128	802,189	850,294	780,030
Total Business-type Activities Program Revenues	<u>1,787,282</u>	<u>1,587,299</u>	<u>1,760,784</u>	<u>1,802,270</u>	<u>1,764,808</u>
Total Primary Government Program Revenues	<u>\$ 23,074,565</u>	<u>\$ 25,813,686</u>	<u>\$ 28,273,703</u>	<u>\$ 25,818,749</u>	<u>\$ 25,347,960</u>
Net (Expense) Revenue					
Governmental Activities:	\$ (35,238,764)	\$ (27,166,584)	\$ (30,150,677)	\$ (42,791,121)	\$ (42,305,362)
Business-type Activities:	335,088	23,903	198,135	200,871	205,103
Total Primary Government Net (Expenses) Revenues	<u>\$ (34,903,676)</u>	<u>\$ (27,142,681)</u>	<u>\$ (29,952,542)</u>	<u>\$ (42,590,250)</u>	<u>\$ (42,100,259)</u>

MISSOULA COUNTY, MONTANA
Schedule of Changes in Net Assets (Continued)
Last Five Fiscal Years
(Page 2 of 2)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenue and Other					
Changes in Net Assets					
Governmental Activities:					
Property Taxes	\$ 26,181,489	\$ 28,263,956	\$ 30,428,569	\$ 32,154,829	\$ 34,367,166
Intergovernmental Revenue	3,572,783	3,772,657	3,282,638	4,334,436	6,766,492
Investment Earnings	142,626	466,131	875,329	1,748,295	1,489,227
Gain on Sale of Capital Assets	934,408	312,722	2,518,878	(2,230,026)	643,320
Miscellaneous Revenues	2,293,524	1,453,329	2,035,355	12,142,118	2,329,610
Transfers	270,520	101,413	234,342	141,981	151,225
Total Governmental Activities	<u>33,395,350</u>	<u>34,370,208</u>	<u>39,375,111</u>	<u>48,291,633</u>	<u>45,747,040</u>
Business-type Activities:					
Intergovernmental Revenue	-	-	-	-	-
Investment Earnings	3,476	10,907	31,726	55,242	38,345
Gain on Sale of Capital Assets	28,191	425	-	-	-
Miscellaneous Revenues	1,200	2,591	4,711	56,728	22,500
Transfers	(270,520)	(122,517)	(234,342)	(141,981)	(151,225)
Total Business-type Activities	<u>(237,653)</u>	<u>(108,594)</u>	<u>(197,905)</u>	<u>(30,011)</u>	<u>(90,380)</u>
Total Primary Government	<u>\$ 33,157,697</u>	<u>\$ 34,261,614</u>	<u>\$ 39,177,206</u>	<u>\$ 48,261,622</u>	<u>\$ 45,656,660</u>
Changes in Net Assets					
Governmental Activities	\$ (1,843,414)	\$ 7,203,624	\$ 9,224,434	\$ 5,500,512	\$ 3,441,678
Business-type Activities	97,435	(84,691)	230	170,860	114,723
Total Primary Government Changes in Net Assets	<u>\$ (1,745,979)</u>	<u>\$ 7,118,933</u>	<u>\$ 9,224,664</u>	<u>\$ 5,671,372</u>	<u>\$ 3,556,401</u>

MISSOULA COUNTY, MONTANA
Fund Balance of Governmental Funds
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 727,427	\$ 800,000	\$ 1,273,561	\$ 813,933	\$ 597,207	\$ 457,949	\$ 1,236,826	\$ 753,343	\$ -	\$ -
Unreserved	-	(542,799)	822,696	1,879,817	3,039,340	3,299,145	1,900,850	2,230,818	3,200,957	2,218,236
Total General Fund	<u>\$ 727,427</u>	<u>\$ 257,201</u>	<u>\$ 2,096,257</u>	<u>\$ 2,693,750</u>	<u>\$ 3,636,547</u>	<u>\$ 3,757,094</u>	<u>\$ 3,137,676</u>	<u>\$ 2,984,161</u>	<u>\$ 3,200,957</u>	<u>\$ 2,218,236</u>
All Other Governmental Funds										
Reserved	\$ 1,445,134	\$ 801,314	\$ 1,195,599	\$ 2,044,716	\$ 1,089,587	\$ 2,348,607	\$ 2,609,491	\$ 1,110,884	\$ 2,346,351	\$ 2,875,328
Unreserved, reported in:										
Special Revenue Funds	984,331	1,692,598	3,502,438	4,310,351	8,441,449	8,958,351	13,568,633	16,610,426	14,592,615	15,826,535
Debt Service Funds	1,003,155	1,528,679	1,072,788	992,500	599,302	783,387	1,463,452	1,466,019	1,755,298	1,550,263
Capital Project Funds	<u>3,733,612</u>	<u>(516,632)</u>	<u>(577,033)</u>	<u>(775,888)</u>	<u>(762,493)</u>	<u>471,827</u>	<u>(263,475)</u>	<u>1,815,356</u>	<u>8,420,005</u>	<u>7,513,750</u>
Total All Other Governmental Funds	<u>\$ 7,166,232</u>	<u>\$ 3,505,959</u>	<u>\$ 5,193,792</u>	<u>\$ 6,571,679</u>	<u>\$ 9,367,845</u>	<u>\$ 12,562,172</u>	<u>\$ 17,378,101</u>	<u>\$ 21,002,685</u>	<u>\$ 27,114,269</u>	<u>\$ 27,765,876</u>

MISSOULA COUNTY, MONTANA
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes/assessments	\$ 17,270,667	\$ 18,745,489	\$ 22,432,100	\$ 22,908,495	\$ 24,270,711	\$ 26,866,402	\$ 28,737,286	\$ 30,663,693	\$ 32,457,258	\$ 33,225,843
Licenses and Permits	995,505	1,079,009	558,742	237,354	344,741	324,880	356,015	345,258	943,942	1,064,392
Intergovernmental Revenues	14,504,846	10,327,481	14,406,678	13,692,561	12,756,743	12,940,233	15,055,952	16,036,477	12,776,147	12,148,625
Charges for Services	3,582,475	5,412,375	4,226,188	8,269,696	9,211,933	8,519,919	8,329,904	8,829,603	9,382,541	11,346,129
Fines and Forfeitures	760,552	692,313	775,376	824,053	838,956	846,521	1,037,664	936,793	1,039,329	920,364
Investment Earnings	1,025,824	421,953	416,479	262,472	204,249	110,902	375,877	701,832	1,376,170	1,140,275
Private & Local Grants	279,623	190,035	242,035	196,553	117,015	111,576	122,446	257,428	664,723	2,208,405
Miscellaneous Revenue	94,532	124,363	236,143	482,489	495,489	2,432,173	2,206,685	1,682,084	1,893,210	2,420,861
Total Revenues	38,514,024	36,993,018	43,293,741	46,873,673	48,239,837	52,152,606	56,221,829	59,453,168	60,533,320	64,474,894
Expenditures:										
General Government	4,282,698	4,863,843	4,836,440	5,258,354	5,897,355	6,205,827	6,070,921	7,132,364	7,600,766	7,970,031
Criminal Justice	5,137,996	4,508,894	4,726,227	4,963,031	3,717,155	3,715,236	4,909,894	5,145,063	3,405,596	3,689,674
Public Safety	6,633,951	8,886,112	11,175,902	12,512,472	13,113,342	14,560,716	14,626,708	15,546,588	15,701,956	17,366,160
Public Works	3,749,572	3,720,564	3,908,521	5,170,623	7,385,860	9,478,401	6,860,922	6,949,991	7,284,533	12,212,920
Public Health	3,430,242	3,819,661	4,689,569	3,801,529	4,051,339	4,477,474	4,812,944	5,101,907	5,594,396	5,741,099
Social & Economic Services	2,231,141	2,756,889	2,358,424	3,581,418	2,276,328	3,202,355	3,291,473	3,720,110	3,936,569	3,871,633
Culture & Recreation	2,266,817	2,065,390	2,202,326	2,524,565	3,136,719	3,368,214	3,608,099	4,389,019	3,523,019	4,010,707
Housing & Community Development	1,187,299	1,134,968	1,206,180	901,215	2,370,871	1,952,543	2,090,784	1,864,848	2,684,171	3,397,241
Capital Outlay	17,470,251	7,468,532	4,628,677	6,743,978	5,950,500	6,446,469	7,017,579	5,496,600	18,979,764	8,079,485
Debt Service										
Principal	3,284,897	4,979,594	1,588,504	1,765,227	1,576,374	1,793,811	1,622,089	2,752,771	2,723,412	2,741,130
Interest	1,228,309	1,264,921	1,139,981	1,220,148	1,109,857	1,156,992	1,196,809	1,223,275	1,411,014	1,358,953
Total Expenditures	50,903,173	45,469,368	42,460,751	48,442,560	50,585,700	56,358,038	56,108,222	59,322,536	72,845,196	70,439,033
Excess of Revenues over (under) Expenditures	(12,389,149)	(8,476,350)	832,990	(1,568,887)	(2,345,863)	(4,205,432)	113,607	130,632	(12,311,876)	(5,964,139)
Other Financing Sources (uses):										
Transfers In	2,407,756	2,617,971	2,845,061	4,303,790	4,078,009	4,611,705	5,179,028	5,073,109	10,412,196	6,793,915
Transfers Out	(2,875,120)	(2,302,669)	(2,648,604)	(5,380,227)	(3,981,767)	(4,462,964)	(5,315,570)	(4,920,478)	(10,352,832)	(6,737,452)
Issuance of Debt	2,396,061	2,599,194	1,008,792	2,828,187	1,704,875	5,968,629	1,370,582	1,730,136	18,005,249	4,965,000
Defeasance of Debt	-	-	-	-	-	-	-	-	(1,641,286)	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	-	6,908
Sale of Capital Assets	1,304,905	2,005,757	2,263,841	1,829,779	2,133,309	1,060,602	2,234,487	2,170,897	1,513,213	1,552,982
Total Other Financing Sources (uses)	3,233,602	4,920,253	3,469,090	3,581,529	3,934,426	7,177,972	3,468,527	4,053,664	17,936,540	6,581,353
Net Change in Fund Balance	\$ (9,155,547)	\$ (3,556,097)	\$ 4,302,080	\$ 2,012,642	\$ 1,588,563	\$ 2,972,540	\$ 3,582,134	\$ 4,184,296	\$ 5,624,664	\$ 617,214
Ratio of Debt Service Expenditures to Noncapital Expenditures	13.50%	16.43%	7.21%	7.16%	6.02%	5.91%	5.74%	7.39%	7.68%	6.57%

MISSOULA COUNTY, MONTANA
Bureau of Census (BOC) Supplemental Schedule
As of and for the Fiscal Year ended June 30, 2008

1. Intergovernmental expenditures:		Amount	
Purpose	Paid to local governments	Paid to state	
Airports	\$ -	\$	-
Libraries	-	-	-
Health	-	-	-
Local Schools	-	-	-
Welfare	-	-	-
All other	\$ -	\$	-

2. Salaries and wages:	\$ 29,153,427
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3. Debt outstanding:		Amount			
A. Long-term debt outstanding, issued and retired		Bonds during the Fiscal Year		Outstanding as of June 30, 2008	
Purpose	Bonds outstanding July 1, 2007	Issued	Retired	General Obligation	Revenue bonds
Water utility	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	-	-	-	-	-
Electric utility	-	-	-	-	-
Gas utility	-	-	-	-	-
Industrial revenue	-	-	-	-	-
All other	\$ 29,649,578	\$ 4,965,000	\$ (2,741,130)	\$ 15,432,000	\$ -
B. Short-term Debt		Beginning of fiscal year	End of fiscal year		
Type					
Registered warrants payable	\$ -	\$ -	\$ -	-	-
Contracts payable	-	-	-	-	-
Notes payable	-	-	-	-	-
Totals	\$ -	\$ -	\$ -	-	-

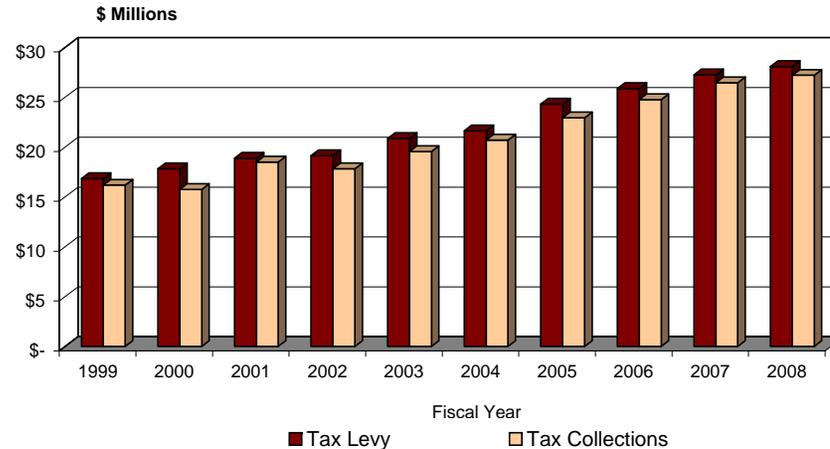
4. Cash balances of fund type groups:		Amount
Type of funds		
General fund	\$	2,624,556
Special revenue funds		15,593,418
Debt service funds		2,416,994
Capital projects funds		10,573,774
Enterprise funds		1,832,128
Internal service funds		10,118,715
Trust and agency funds		80,984,113
Totals	\$	124,143,698

MISSOULA COUNTY, MONTANA
Property Tax Levies and Collections
Governmental and Internal Service Fund Types
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy July 1 (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (b)	Total Tax Collections	Ratio of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (c)	Ratio of Outstanding Delinquent Taxes to Current Tax Levy
1999	\$ 16,842,301	\$ 16,201,247	96.19 %	\$ 774,231	\$ 16,975,478	100.79 %	\$ 887,494	5.27 %
2000	17,850,409	15,777,067	88.38	1,103,007	16,880,074	94.56	914,301	5.12
2001	18,904,780	18,513,021	97.93	783,729	19,296,750	102.07	1,468,789	7.77
2002	19,162,880	17,854,304	93.17	1,023,575	18,877,879	98.51	1,888,048	9.85
2003	20,880,647	19,581,637	93.78	680,696	20,262,333	97.04	2,547,903	12.20
2004	21,638,028	20,720,218	95.76	1,649,096	22,369,314	103.38	2,375,435	10.98
2005	24,343,154	22,956,636	94.30	1,165,936	24,122,572	99.09	2,035,313	8.36
2006	25,889,080	24,789,174	95.75	834,858	25,624,032	98.98	1,944,649	7.51
2007	27,273,357	26,482,952	97.10	1,044,444	27,527,396	100.93	1,817,178	6.66
2008	28,098,827	27,225,756	96.89	1,259,987	28,485,743	101.38	1,740,170	6.19

- (a) From budget documents - includes" amount to be levied" and, prior to 2001, 2.5% MV flat fees (not reimbursed)
- (b) Excludes penalties and interest
- (c) Presented at gross, excluding allowance for uncollectibles.

**COMPARISON OF TOTAL TAX LEVY
and Current Tax Collections**



MISSOULA COUNTY, MONTANA
Property Tax Assessments and Taxable Value
Last Ten Fiscal Years

Fiscal Year	Assessed Market Value (1)	Taxable Value (2)	Total Direct Tax Rate (4)	Ratio of Total Taxable Value to Total Assessed Market Value
1999	\$ 3,749,185,160	\$ 151,539,149	\$ 4.49	4.04%
2000	3,802,848,360	149,709,112 ⁽³⁾	4.69	3.94%
2001	3,956,036,976	142,233,548	4.78	3.60%
2002	4,234,386,253	145,789,091	4.53	3.44%
2003	4,556,367,054	151,159,660	4.58	3.32%
2004	4,908,943,897	155,594,087	4.41	3.17%
2005	5,235,427,044	161,743,087	4.65	3.09%
2006	5,569,029,080	172,525,317	4.65	3.10%
2007	5,908,576,909	178,546,389	4.62	3.02%
2008	6,221,102,645	184,460,260	4.52	2.97%

(1) Source: Montana Department of Revenue

(2) Market value is converted to taxable value by multiplying by a taxable percentage which varies depending on the class of property. The Montana legislature has created 21 classes of property with taxable percentages ranging from .79 to 26.712%.

(3) 2000 - 2001 taxable value decreased due to Legislative change in the determination of taxable values

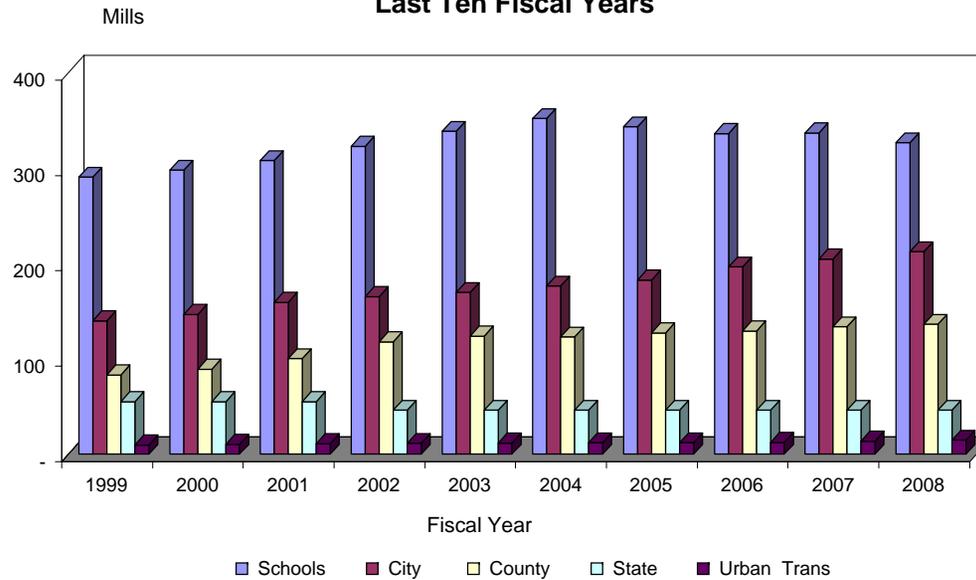
(4) Tax Rates are per \$1,000 of assessable market value

MISSOULA COUNTY, MONTANA
Property Tax Levies by Mills - Direct and Overlapping
Last Ten Fiscal Years

Fiscal Year	Direct	Overlapping Rates				Total
	County	Schools	City	State	Urban Trans	
1999	83.15	290.35	139.84	55.00	9.82	578.16
2000	89.24	297.89	146.63	55.00	10.37	599.13
2001	100.15	307.86	159.15	55.00	10.94	633.10
2002	117.80	322.90	165.19	46.00	11.31	663.20
2003	123.97	338.64	169.48	46.00	11.66	689.75
2004	122.79	351.88	176.32	46.00	11.93	708.92
2005	127.12	343.04	182.57	46.00	12.23	710.96
2006	129.11	336.32	196.39	46.00	12.38	720.20
2007	133.64	336.73	204.73	46.00	13.91	735.01
2008	136.19	326.54	212.23	46.00	14.62	735.58

The property tax levy is limited to the amount of property taxes assessed in the prior year plus the value of newly taxable property plus one half of the average rate of inflation for the prior three years.

TOTAL PROPERTY TAX LEVIES BY MILLS
Last Ten Fiscal Years

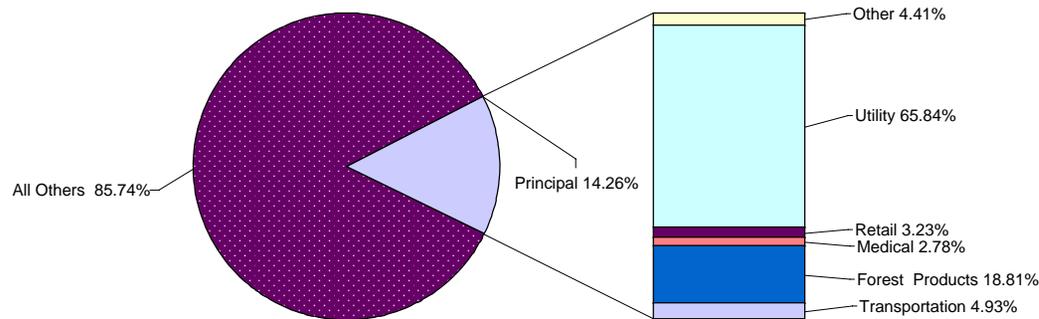


**MISSOULA COUNTY, MONTANA
Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Industry	2008			1999		
		Tax Dollars All Taxing Agencies	Taxable Value	% of Total Taxable Value	Taxable Value	% of Total Taxable Value	
Northwestern Energy/Montana Power	Utility	\$ 7,024,880	\$ 11,385,991	6.17 %	\$ 9,923,731	6.55 %	
Qwest Communications/U.S. West	Utility	2,236,418	3,106,832	1.68	8,230,578	5.43	
Stone Container Corp	Forest Products	2,186,635	3,269,084	1.77	8,663,476	5.72	
Montana Rail Link	Transportation	853,734	1,329,131	0.72	2,402,091	1.59	
Mountain Water Company	Utility	828,682	1,132,367	0.61	815,876	0.54	
Southgate Mall	Retail	655,370	872,208	0.47	847,992	0.56	
Gateway Limited Partnership	Other	591,688	753,833	0.41	516,826	0.34	
St. Patrick Hospital Corp	Medical	581,195	748,952	0.41	-	-	
Missoula Electric Cooperative	Utility	573,200	974,013	0.53	685,263	0.45	
Plum Creek Timber	Forest Products	426,705	644,384	0.35	1,260,865	0.83	
Roseburg Forest Products	Forest Products	397,965	595,566	0.32	1,260,865	0.83	
Stimson Lumber Co	Forest Products	386,166	564,731	0.31	1,238,570	0.82	
Verizon Wireless	Utility	385,313	562,134	0.30	-	0.00	
Mountain States Leasing	Other	335,794	435,087	0.24	-	0.00	
Puget Sound Energy	Utility	329,025	595,415	0.32	970,345	0.64	
		<u>\$ 17,792,770</u>	<u>\$ 26,969,728</u>	<u>14.62 %</u>	<u>\$ 36,816,478</u>	<u>24.30 %</u>	
	Total County Taxable Value:		<u>\$ 184,460,260</u>		<u>\$ 151,539,149</u>		

Source: Tax roll for fiscal year 2008

**PRINCIPAL TAXPAYERS BY TYPE
June 30, 2008**



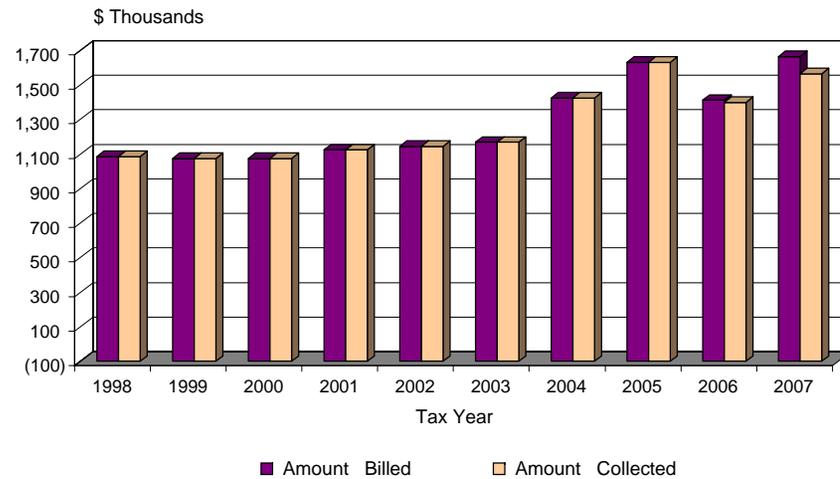
MISSOULA COUNTY, MONTANA
Special Assessments Billings and Collections
June 30, 2008

<u>Tax Year (a)</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>% Collected through 6/30/07</u>
1998	\$ 1,084,541	\$ 1,084,541	100.00 %
1999	1,073,570	1,073,570	100.00
2000	1,076,125	1,076,125	100.00
2001	1,124,234	1,124,226	100.00
2002	1,145,534	1,145,526	100.00
2003	1,169,115	1,169,115	100.00
2004	1,425,008	1,424,569	99.97
2005	1,633,073	1,632,387	99.96
2006	1,412,330	1,398,330	99.01
2007	1,665,327	1,566,263	94.05

Source: Missoula County RSID Technician

(a) Tax year is calendar year rather than fiscal year.

RSID BILLINGS AND COLLECTIONS
June 30, 2008



MISSOULA COUNTY, MONTANA
Computation of Legal Debt Margin
Last Ten Fiscal Years
(Amounts expressed in thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Limit on Total Indebtedness:										
Assessed Value				\$ 4,234,386	\$ 4,556,367	\$ 4,908,944	\$ 5,235,427	\$ 5,569,029	\$ 5,908,577	\$ 6,221,103
Taxable Value	\$ 151,539	\$ 149,709	\$ 142,234							
Debt Limit % of Value (1)	23%	23%	23%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Debt Limit	34,854	34,433	32,714	105,860	113,909	122,724	130,886	139,226	147,714	155,528
Net Debt Applicable to Limit	23,347	24,818	24,157	24,085	23,365	27,517	27,245	26,564	29,612	31,873
Legal Debt Margin	\$ 11,507	\$ 9,615	\$ 8,557	\$ 81,775	\$ 90,544	\$ 95,207	\$ 103,641	\$ 112,662	\$ 118,102	\$ 123,655
Ratio of Net Debt Applicable to Debt Limit	66.99%	72.08%	73.84%	22.75%	20.51%	22.42%	20.82%	19.08%	20.05%	20.49%

(1) Prior to 2002, Montana statute set the legal debt limit at 23% of taxable valuation. The 2001 Legislature changed the statutes to prescribe a legal debt limit of 2.5% of the assessed valuation.

MISSOULA COUNTY, MONTANA
Tax Exempt Debt Issued
Last Ten Calendar Years

<u>Calendar Year</u>	<u>TANs or RANs (1)</u>	<u>BANs (2)</u>	<u>RSIDs</u>	<u>General Obligation</u>	<u>Other</u>	<u>Total</u>
1999	\$ 2,600,000	\$ -	\$ -	\$ -	\$ 653,854	\$ 3,253,854
2000	2,600,000	-	-	-	-	2,600,000
2001	-	-	-	-	-	-
2002	-	-	327,000	-	1,000,000	1,327,000
2003	-	-	225,000	-	-	225,000
2004	-	-	3,661,561	-	995,000	4,656,561
2005	-	-	954,787	-	415,795	1,370,582
2006	-	-	374,972	13,770,000	800,000	14,944,972
2007	-	-	1,103,000	-	-	1,103,000
2008	-	-	1,640,000	3,325,000	-	4,965,000

(1) Tax anticipation or Revenue anticipation notes

(2) Bond anticipation notes

MISSOULA COUNTY, MONTANA
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (b)	Taxable Value (a)	G.O. Bonded Debt	Less Amount Available In Debt Service	Net G.O. Bonded Debt	Ratio Net Debt to Taxable Value	Net Bonded Debt Per Capita
1999	88,989	\$ 151,539,149	\$ 18,340,000	\$ 569,669	\$ 17,406,227	11.49	\$ 196
2000	89,344	149,709,112	17,810,000	1,106,844	15,801,322	10.55	177
2001	95,802	142,233,548	16,869,080	773,337	15,176,072	10.67	158
2002	95,802	145,789,091	15,875,000	598,847	15,276,153	10.48	159
2003	96,303	151,159,660	15,070,000	427,263	14,642,737	9.69	152
2004	98,616	155,594,087	14,430,000	379,130	14,050,870	9.03	142
2005	99,018	161,743,087	13,755,000	339,012	13,415,988	8.29	135
2006	100,086	172,525,317	13,770,000	610,559	13,159,441	7.63	131
2007	101,417	178,546,389	12,840,000	1,229,583	11,610,417	6.50	114
2008	105,650	184,460,260	11,960,000	1,292,714	10,667,286	5.78	101

Source:

- (a) Montana Department of Revenue
- (b) Montana Department of Commerce

MISSOULA COUNTY, MONTANA
Ratios of Outstanding Debt by Type
Last Five Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Personal Income (a)	Percentage of Personal Income	Debt Per Capita
	General Obligation Debt	Limited Obligation Debt	Tax Increment Debt	Special Assessment Debt	Contracts				
2004	\$ 14,609,000	\$ 2,225,000	\$ 2,060,000	\$ 6,465,561	\$ 2,157,504	\$ 27,517,065	\$ 28,274	0.10%	\$ 279
2005	13,926,000	2,115,000	1,970,000	7,160,227	2,073,338	27,244,565	29,625	0.11%	275
2006	13,933,000	2,770,000	1,875,000	6,276,599	1,709,759	26,564,358	30,991	0.12%	265
2007	12,995,000	2,620,000	6,045,000	6,532,000	1,419,789	29,611,789	31,611	0.11%	292
2008	15,432,000	2,445,000	5,675,000	7,244,000	1,077,448	31,873,448	32,243 (b)	0.10%	302

Source:

- (a) Pacific Northwest Regional Economics Analysis Project (PNREAP)
- (b) Preliminary data from U.S. Bureau of Economic Analysis (BEA)

MISSOULA COUNTY, MONTANA
Ratio of Annual Debt Service Requirements for
General Obligation Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

Fiscal Year	Debt Service Expenditures			General Expenditures	Ratio of Debt Service To General Expenditures
	Principal	Interest	Total Debt Service		
1999	\$ 170,000	\$ 425,568	\$ 595,568	\$ 50,705,106	1.17
2000	485,000	854,564	1,339,564	45,041,349	2.97
2001	544,000	797,802	1,341,802	41,923,031	3.20
2002	1,765,227	1,220,148	2,985,375	47,904,492	6.23
2003	1,576,374	1,109,857	2,686,231	50,585,700	5.31
2004	1,793,811	1,156,992	2,950,803	56,358,038	5.24
2005	1,622,089	1,196,809	2,818,898	56,108,222	5.02
2006	2,752,771	1,223,275	3,976,046	59,322,536	6.70
2007	2,723,412	1,411,014	4,134,426	72,845,196	5.68
2008	2,741,130	1,358,953	4,100,083	70,439,033	5.82

MISSOULA COUNTY, MONTANA
Computation of Direct and Overlapping Debt
June 30, 2008

	<u>Gross G.O. Debt Outstanding</u>	<u>% Applicable to Missoula County</u>	<u>Amount Applicable to Missoula County</u>
Direct Debt			
Missoula County	\$ <u>15,432,000</u>	100.00%	\$ <u>15,432,000</u>
Overlapping Debt			
City of Missoula	17,500,000	100.00%	17,500,000
School District 1	16,170,000	100.00%	16,170,000
Other Schools	34,426,000	100.00%	34,426,000
Seeley Lake Fire	<u>35,000</u>	100.00%	<u>35,000</u>
	<u>68,131,000</u>		<u>68,131,000</u>
Total of Direct and Overlapping Debt	\$ <u><u>83,563,000</u></u>	100.00%	\$ <u><u>83,563,000</u></u>

MISSOULA COUNTY, MONTANA
Major Employers
Current Fiscal Year and Nine Years Ago

<u>Employees</u>	2008		1999	
	<u>Employer</u>	<u>Business Activities</u>	<u>Employer</u>	<u>Business Activities</u>
Over 1000	Community Medical Center	Medical Services	Missoula County Public Schools	Education
	Missoula County Public Schools	Education	St. Patrick Hospital	Medical Services
	St. Patrick Hospital	Medical Services	University of Montana	Education
	University of Montana	Education		
500-999	County of Missoula	Government	County of Missoula	Government
	DIRECTV	Communications	Smurfit-Stone Container Corp.	Paper Mill
	Wal-Mart	Retail	Stimson Lumber Company	Forest Products
	U.S. Forest Service	Government	U.S. Forest Service	Government
			Community Medical Center	Medical Services
250-499	City of Missoula	Government	City of Missoula	Government
	Village Health Care Center	Medical Services	Montana Rail Link	Railroad
	Missoula International Airport	Air Travel	Sun Mountain Sports	Athletic Equipment Manufacturing
	Opportunity Resources	Production/Packaging	Western Montana Clinic	Medical Services
	Western Montana Clinic	Medical Services		
	Albertson's	Retail		
	Smurfit-Stone Container Corp.	Paper Mill		

Source: Missoula Economic Development Corporation
 Due to confidentiality laws, no specific employment data
 can be provided for individual businesses.

MISSOULA COUNTY, MONTANA
Property Tax Levies in the MCA Industrial District
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>MCA Industrial District</u>	<u>State of Montana</u>	<u>Missoula County</u>	<u>Missoula High School District No. 1</u>	<u>DeSmet School District No. 20</u>	<u>Countywide Schools</u>	<u>Missoula Rural Fire</u>	<u>Total</u>
1999	216.61	30.04	56.95	35.66	57.75	48.98	31.13	477.12
2000	298.12	22.59	46.04	27.19	48.10	38.41	25.52	505.97
2001	353.41	22.91	43.38	24.60	42.29	34.45	24.60	545.64
2002	366.80	19.80	49.12	26.68	44.84	33.32	25.53	566.09
2003	499.70	12.57	24.84	13.90	24.13	16.54	12.19	603.87
2004	517.57	11.54	20.52	11.68	19.78	15.01	10.72	606.82
2005	535.35	10.79	19.27	9.95	17.24	12.16	9.37	614.13
2006	536.08	10.46	17.95	9.33	15.27	11.42	8.89	609.40
2007	545.61	9.98	16.73	8.18	12.97	10.37	8.05	611.89
2008	528.19	9.62	15.56	6.98	8.75	9.42	8.25	586.77

Major Taxpayers in the MCA Industrial District

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
Feist Limited Partnership	Distribution	\$ 171,011
Big Sky Brewing Company	Brewery	133,218
EWR LLC (Sun Mountain Sports)	Sports Equipment	106,698
Sheridan Montana Ventures	Office/Warehouses	65,028
Rocky Mountain Biologicals	Medical	64,803
Mountain Water Company	Utility	64,379
Minuteman Aviation	Aviation	63,476
American Eagle Instruments Inc.	Medical	59,239
Northstar Air Express	Aviation	50,714
GTC Oats Inc.	Nutrition	<u>47,671</u>
	Total	<u>\$ 826,237</u>

The taxable value of the property of these ten taxpayers represents approximately 45.85% of taxable value of taxable property in the District for tax year 2008.

MISSOULA COUNTY, MONTANA
MCA Industrial District
Taxable Value, Incremental Taxable Value & Tax Increment Revenue

Fiscal Year	Taxable Value	Incremental Taxable Value	Anticipated Tax Increment to be Collected ⁽¹⁾	Current Tax Collections ⁽²⁾	Total Tax Collections ⁽³⁾
2000	\$ 429,861	\$ 253,256	\$ 128,140	\$ 106,040	\$ 122,483
2001	511,712	335,107	182,848	160,135	184,299
2002	668,585	491,980	245,237	229,958	246,470
2003	1,075,456	898,851	537,409	507,524	516,469
2004	1,274,588	1,097,983	659,745	619,331	711,529
2005	1,748,514	1,571,909	959,261	827,341	894,601
2006	1,998,711	1,822,106	1,104,079	902,456	1,143,408
2007	1,775,065	1,598,460	968,491	793,745	795,915
2008	1,950,516	1,773,911	1,030,252	634,032	761,463
2009	1,801,900	1,625,295	928,742	N/A	N/A

- (1) The amount of Tax Increment to be collected if the current fiscal year's tax collections were to be paid in full, and no delinquent property taxes from prior fiscal years were paid in such fiscal year.
- (2) The amount of Tax Increment actually collected from the levy of the current fiscal year's property taxes. Collection information for FY 2009 is not yet available.
- (3) The actual Tax Increment collections in the fiscal year, including current and delinquent property tax collections. Collection information for FY 2009 is not yet available.

**MISSOULA COUNTY, MONTANA
MCA Industrial District
Increment Bond Coverage**

Maximum Principal & Interest in any 12 Month Period - \$205,750

Sources of Coverage

Fiscal Year	Tax Increment (1)	Port Authority Levy (2)	Interest (3)	Total	Coverage (4)
2000	\$ 128,140	\$ 269,476	\$ 10,575	\$ 408,191	1.93
2001	182,848	256,020	10,575	449,443	2.13
2002	245,237	262,420	10,288	517,945	2.52
2003	537,409	272,088	10,288	819,785	3.98
2004	659,745	280,069	10,288	950,102	4.62
2005	959,261	291,138	10,288	1,260,686	6.13
2006	1,104,079	310,546	10,288	1,424,912	6.93
2007	968,491	321,384	10,288	1,300,162	6.32
2008	1,030,252	332,028	10,288	1,372,568	6.67
2009	928,742	340,475	10,288	1,279,504	6.22

- (1) Assumes increment taxes are collected in full
- (2) Assumes 90% current collection rate on 2-mill levy
- (3) Assumes 5% return on Reserve Account of \$205,750
- (4) Assuming only the Series 1997 Bonds are outstanding

**MISSOULA COUNTY, MONTANA
Port Authority Tax Levy
Last Ten Fiscal Years**

Tax Year	Taxable Value of County Property	Potential Revenue from the Port Authority Levy (Two Mills)
2000 ⁽¹⁾	\$ 149,709,112	\$ 299,418
2001	142,233,548	284,467
2002	145,789,091	291,578
2003	151,159,660	302,319
2004	155,594,087	311,188
2005	161,743,087	323,486
2006	172,525,317	345,051
2007	178,546,389	357,093
2008	184,460,260	368,921
2009	189,152,539	378,305

- (1) The 1999 Montana Legislature made several changes in property taxation which resulted in reduction in values.

MISSOULA COUNTY, MONTANA
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Estimated Population (a)	Births (b)	Deaths (b)	Estimated Per Capita Income	Schools (c)		Employment Statistics (d)	
					Public School Enrollment	Private School Enrollment	Civilian Employment	Unemployment Rate
1999	88,989	1,674	839	\$ 22,437	13,909	1,251	51,560	3.4 %
2000	89,344	1,496	981	23,246	12,572	1,207	52,368	4.2
2001	95,802	1,631	843	24,476	13,780	1,259	52,399	3.9
2002	95,802	1,249	896	24,111	13,570	1,207	53,510	4.0
2003	97,580	1,983	931	25,818	13,459	1,171	54,553	3.9
2004	98,616	1,451	948	26,823	13,259	1,418	54,643	4.1
2005	99,018	1,901	826	27,997	13,290	1,313	55,803	4.0
2006	100,086	1,591	940	29,625	13,244	1,464	58,692	3.7
2007	101,417	1,770	842	30,131	13,202	1,380	59,655	2.2
2008	105,650	2,021	987	31,535	13,082	1,334	55,868	3.8

Source:

- (a) Montana Department of Commerce
- (b) Missoula County Clerk & Recorder.
- (c) Missoula County Superintendent of Schools.
- (d) Montana Department of Labor & Industry.

MISSOULA COUNTY, MONTANA
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	Commercial and Savings Banks Deposits (b)	Property Value	Commercial Construction (c)		Residential Construction (c)		Total	
		Net Taxable (a)	Number of Units	Value	Number of Units	Value	Number of Units	Value
1999	\$ 1,183,537,793	\$ 151,539,149	37	\$ 15,091,543	696	\$ 46,243,332	733	\$ 61,334,875
2000	1,238,330,274	149,709,112	43	28,801,023	469	38,249,157	512	67,050,180
2001	1,250,326,682	142,233,548	50	32,654,140	567	40,649,542	617	73,303,682
2002	1,706,044,951	145,789,091	39	13,525,293	700	48,015,530	739	61,540,823
2003	1,927,869,534	151,159,660	53	20,973,429	1,530	86,386,297	1,583	107,359,726
2004	2,022,706,234	155,594,087	42	24,430,995	726	46,692,769	768	71,123,764
2005	1,646,928,870	161,743,087	36	21,277,315	651	47,128,635	687	68,405,950
2006	2,484,000,000	172,525,317	26	14,781,253	453	38,143,398	479	52,924,651
2007	1,461,647,000 (d)	178,546,389	19	9,317,273	456	39,061,829	475	48,379,102
2008	N/A (d)	184,460,260	15	17,130,289	383	31,265,863	398	48,396,152

Source:

- (a) Past annual Financial Reports and Annual Budget Reports.
- (b) Statistical Abstract of the United States - Missoula Economic Development Corp.
- (c) City of Missoula Building Inspection & Permit Department.
- (d) Commercial Banks only

MISSOULA COUNTY, MONTANA
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Legislative	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	17.62	16.67	15.47	21.53	20.98	20.48	21.23	19.61	23.71	23.51
Judicial Services	10.75	11.00	11.00	11.00	11.00	11.00	11.00	13.00	13.00	13.00
Legal Services	19.98	20.13	21.65	24.11	25.55	26.55	27.30	29.29	29.41	31.39
Financial Services	10.32	10.00	10.16	10.25	9.75	10.09	10.09	10.75	11.00	10.50
Human Resource	5.00	5.00	4.75	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Information Services	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	11.00
Treasurer/MV	22.40	22.40	22.49	23.15	24.65	24.45	24.45	21.65	21.65	21.65
911 Communications	25.90	25.00	25.42	25.25	26.25	27.25	27.29	27.34	32.24	32.29
Election Services	4.30	5.65	4.28	4.28	5.79	4.23	4.23	4.23	4.23	4.53
Records Administration	10.65	11.45	10.00	10.15	10.90	10.15	11.15	9.40	9.40	9.40
Internal Services	8.65	8.95	9.70	9.05	9.55	9.83	10.08	10.05	9.05	9.05
Facilities Administration	4.00	4.00	4.00	4.00	4.00	5.00	9.98	10.00	10.00	10.82
District Court										
Clerk of Court	14.00	15.00	13.50	13.50	13.00	13.50	14.50	15.00	15.00	17.00
Court Services	13.60	12.90	15.01	14.95	2.00	1.00	1.00	1.00	1.00	1.17
Youth Court	18.60	18.38	18.90	17.92	-	-	-	-	-	-
Public Defenders	12.00	12.00	13.50	14.50	16.00	17.00	19.00	20.00	-	-
Public Safety										
Law Enforcement Services	58.50	59.25	55.50	60.00	59.00	60.85	61.00	60.25	61.25	62.30
Detention Center	27.75	76.96	113.00	115.40	117.00	115.57	112.50	107.26	107.26	107.25
Emergency Services	1.50	1.50	1.00	0.95	0.95	0.95	0.95	1.00	1.00	0.95
Public Works										
Road - Bridge	51.64	53.43	52.27	48.26	47.30	46.93	47.60	47.93	48.57	45.07
Building Code Division	-	-	-	-	-	-	-	4.67	10.00	9.00
Seeley Lake Refuse	-	-	-	-	-	-	-	-	2.00	1.75
Weed	3.00	3.00	4.80	4.80	4.80	5.25	5.25	5.32	6.35	5.25
Public Health										
Public Health Services	60.74	60.85	65.26	59.87	58.12	61.27	63.26	63.88	69.56	69.59
Partnership Health Clinic	19.00	23.45	29.60	37.45	39.65	34.67	37.29	43.92	45.15	44.45
Animal Control	7.00	7.05	7.05	7.05	7.05	7.00	7.79	8.00	8.00	9.00
Culture & Recreation										
Parks & Recreations Services	-	-	-	0.50	0.73	0.73	0.73	0.73	1.03	1.03
Library	20.60	20.60	21.10	24.60	26.97	27.00	26.58	29.68	30.85	33.12
Museum	3.75	3.75	3.00	3.05	4.18	4.34	4.34	4.54	4.60	5.07
Fair	4.56	4.58	3.75	3.96	4.50	4.81	5.40	4.40	3.75	3.25
Social & Economics										
County Extension	5.33	5.50	4.80	5.05	5.05	5.07	5.00	5.57	6.10	5.70
Planning & Grants	35.70	37.39	38.98	46.15	48.25	53.15	52.72	56.22	61.74	64.16
	<u>508.84</u>	<u>567.83</u>	<u>611.94</u>	<u>637.73</u>	<u>620.95</u>	<u>627.12</u>	<u>640.71</u>	<u>653.69</u>	<u>665.90</u>	<u>671.24</u>

MISSOULA COUNTY, MONTANA
Operating Indicators by Function/Program
Last Ten Calendar Years

Function/Program		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government											
Registered Voters (June)	(1)	47,838	50,967	57,928	52,338	61,557	49,116	57,294	60,521	67,240	57,215
Property Transactions:											
Deeds Recorded	(1)	N/A	N/A	4,850	5,734	9,371	5,796	6,074	5,881	4,146	4,233
Subdivision Plates Filed	(1)	N/A	N/A	78	110	210	147	129	117	90	87
Certificates of Survey	(1)	N/A	N/A	97	125	210	142	130	110	94	132
Motor Vehicle Title Transfers		N/A	N/A	N/A	34,695	36,932	39,172	38,000	37,674	37,952	-
Motor Vehicle Registrations		N/A	N/A	N/A	117,433	118,790	120,233	98,792	96,885	86,390	-
Payroll Payments Processed	(1)	N/A	N/A	N/A	N/A	19,246	19,769	20,358	20,448	20,697	20,722
Claims Payments Processed	(1)	N/A	N/A	N/A	N/A	19,115	19,621	18,371	22,080	21,863	20,462
911 Emergency Communications											
Law Enforcement		N/A	76,250	73,840	79,564	74,303	83,895	90,103	89,426	89,207	-
Fire & Medical dispatched to Fire Dept		N/A	7,369	7,142	7,424	8,110	7,793	8,450	9,578	10,207	-
Medical-Ambulance		N/A	6,298	6,328	6,950	7,351	7,010	7,677	8,366	8,707	-
Other		N/A	10,497	11,366	9,868	10,055	9,745	9,832	5,720	12,795	-
Criminal Justice Activities											
Justice Court Civil Caseload		2,340	3,463	3,966	4,101	4,459	5,083	5,520	5,210	4,670	-
Justice Court Criminal Caseload		20,183	18,213	17,452	19,896	19,569	17,918	17,364	17,011	19,163	-
Clerk of District Court:											
Marriage Licenses Issued	(1)	N/A	N/A	815	818	734	841	811	863	847	567
Adoptions	(1)	N/A	N/A	61	57	57	49	44	61	64	84
Civil Case	(1)	N/A	N/A	1,032	1,119	1,069	1,221	1,228	1,189	1,330	1,683
Criminal Cases	(1)	N/A	N/A	518	487	543	589	642	531	529	594
All Other Open Cases	(1)	N/A	N/A	1,688	1,582	1,950	1,874	1,829	2,064	1,962	2,076
Public Safety											
Detention Center:											
Daily Occupancy (392 available beds)	(1)	N/A	N/A	N/A	354	344	365	365	363	318	305

(1) Fiscal Year

N/A - Data Not Available

MISSOULA COUNTY, MONTANA
Capital Assets by Function/Program
Last Two Fiscal Years

	<u>2007</u>	<u>2008</u>
General Government		
Election tabulator	1	1
M100 Precinct counters	88	88
Touch screen handicap voting devices	39	39
Criminal Justice		
Court Rooms - District Court	4	4
Court Rooms - Justice Court	2	2
Public Safety		
Station	1	1
Detention Center	1	1
Patrol Units	42	42
Detectives Vehicles	15	15
Detention Vehicles	20	20
Search & Rescue Vehicles	6	6
Search & Rescue Snowmobiles	9	9
Search & Rescue Boats	2	2
Public Works		
Shops	2	2
Single Axel Trucks	21	21
Tandem Axel trucks	17	17
Snow Plows (attachments)	30	30
Sanders (attachments)	24	24
Sweepers	8	8
Graders	14	14
Public Health		
Animal Control Vehicles	5	5
Culture and Recreation		
Fairgrounds	1	1
Museums	1	1
Parks	100	100

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data
June 30, 2008

County Seat	Missoula, MT		<u>Population</u>	<u>Median age</u>
		Year 1940	29,038	N/A
Established as a County	1860	Year 1950	35,493	N/A
		Year 1960	44,663	26.2
Form of Government	Commission	Year 1970	58,263	24.4
		Year 1980	76,016	27.6
Commission Government Established	1865	Year 1990	78,687	31.6
		Year 2000	95,802	33.2
Area in square miles	2,624			
Registered voters	57,215			

Total County Government Employees:	<u>Part-time</u>	<u>Full-time</u>
Officials & Managers	-	53
Professionals	26	57
Technical	3	37
Protective services	44	141
Paraprofessionals	21	117
Administrative Support	46	179
Craft Workers-Semi-skilled	2	28
Service & Maintenance	2	18
	<u>144</u>	<u>630</u>

Police protection	<u>City Police</u>	<u>County Sheriff</u>
Stations	1	1
Officers	102	50
Detention Facility		1
Detention Officers		96

Fire protection	<u>City Fire</u>	<u>Missoula Rural Fire</u>
Stations	5	5
Full-time employees	95	36
Volunteers	-	45
Fire hydrants	1042	195
Fire vehicles	14	21

Note: There are 9 other Fire Districts with approximately 180 regular & volunteer firefighters in outlying areas of Missoula County.

Miles of Rural Roads

There are approximately 1,500 miles of rural roads open to the Public within Missoula County

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data (Continued)
June 30, 2008

Educational Facilities

Public Schools 2005-2006		
Type	Number	Enrolled
Elementary (District 1)	12	4,712
Elementary (Other Districts)	12	4,309
High Schools (MCHS)	4	3,659
High Schools (Other Dist)	1	402
Trade & Technical	1	1,424
University	1	13,858
Private Schools 2005-2006		
Type	Number	Enrolled
Elementary	7	785
High School	4	303
Home School		246
Christian On-line School		130

Special Education: Programs within school districts and community services.

Health Care Facilities

Hospitals	2
Beds	359
Clinics	20
Nursing Homes	4
Beds	413
Assisted Living Facilities	16
Physicians	275
Chiropractors	47
Dentists	55
Medical Therapists	130
Registered and Practical Nurses	1,053

Sources:

Missoula County Election Office
 Missoula County Sheriff's Department
 Missoula County Road Department
 Missoula City-County Library

Missoula County Personnel Department
 Missoula County Superintendent of Schools
 Missoula Economic Development Corporation

Missoula Rural Fire Department
 Missoula City Fire Department
 Missoula City Police Department

Community Facilities

Public libraries:	2
Branch facilities	2
Volumes	289,757
Audios	16,966
Videos	11,906
Annual Circulation	690,082
Churches:	
Protestant	26
Catholic	13
Other	74
Restaurants	193
Hotels/motels	48
Rooms	3,036
Shopping Centers	12
Indoor Shopping Mall (105 stores)	1
Day Care Centers	261

Recreation and Cultural

Swimming Pools	Private - 5	Public - 4
Golf Courses	Private - 1	9
Health Clubs		25
Tennis Courts		30
Bowling Centers		3
Parks		100
Movie Theaters		25
Ski Areas		3
Theatrical Playhouses		8
Museums		10
Art Galleries		20
Symphonies/orchestras		4

SINGLE AUDIT SECTION



ANDERSON ZURMUEHLEN & CO., P.C. • CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS
MEMBER: American Institute of Certified Public Accountants • MSI Global Alliance Independent Member Firm

Board of County Commissioners
Missoula County, Montana

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-CASH BASIS

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 Missoula County, Montana, as of and for the year ended June 30, 2007. These financial statements are the responsibility of Missoula County, Montana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements of Missoula County, Montana include Missoula Aging Services and Partnership Health Center (both discretely presented component units), which expended \$1,426,074 and \$1,722,059, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2008. Our audit, as described below, did not include Missoula Aging Services and Partnership Health Center because the component units obtained their own audits conducted in accordance with OMB Circular A-133.

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 opinion.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Missoula County, Montana, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards-Cash Basis 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 not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Anderson Zurmuehlen & Co., P.C.

Certified Public Accountants
Missoula, Montana
February 27, 2009

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis
For the Year Ended June 30, 2008
(Page 1 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/07	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF AGRICULTURE:									
Passed Through State Department of Public Health									
Women/Infants/Children 07-08	10.557	07-07-5-21-014-0	\$ 421,499	\$ (102,970)	\$ 211,001	\$ 22,269	\$ -	\$ -	\$ 233,270
Women/Infants/Children 08-09	10.557	08-07-5-21-014-0	440,292	-	248,593	104	-	-	248,697
WIC Breastfeeding Support Services 07-08	10.557	07-07-5-21-060-0	24,160	(6,433)	24,160	-	-	-	24,160
WIC Breastfeeding Support Services 08-09	10.557	08-07-5-21-060-0	24,360	-	10,635	-	-	-	10,635
Passed Through State Department of Agriculture:									
North Hills Weed Management Projex\c	10.664	MDA 2007-708	11,856	-	3,977	4,575	-	-	8,552
Woodworth Weed Management Project	10.664	MDA 2006-706	26,793	-	9,640	-	-	-	9,640
Passed Through the State Auditor:									
Forest Reserve Receipts	10.665	N/A	750,260	359,989	750,260	-	-	355	750,615
Total Department of Agriculture				250,586	1,258,266	26,948	-	355	1,285,569
DEPARTMENT OF COMMERCE:									
Economic Development Administration:									
DirecTV Infrastructure Improvements	11.300	05-01-04327	1,250,000	(1,075,230)	-	-	-	-	-
Total Department of Commerce				(1,075,230)	-	-	-	-	-
DEPARTMENT OF TRANSPORTATION:									
Passed Through State Department of Transportation:									
CMAQ-TDM	20.205	CM8199(72)	267,493	(35,871)	-	35,871	-	-	35,871
CMAQ-TDM	20.205	CM8199(77)	267,493	(87,326)	88,865	-	-	-	88,865
CMAQ-TDM	20.205	CM8199(80)	267,493	-	158,099	37,946	-	-	196,045
CMAQ-Air Quality Equipment	20.205	Flush Truck	173,413	-	150,141	23,272	-	-	173,413
P.L. Transport 07	20.205	N/A	436,932	(124,538)	200,889	-	-	-	200,889
P.L. Transport 08	20.205	N/A	436,932	-	291,202	-	-	-	291,202
Bike/Pedestrian Path-Frenchtown to Huson	20.205	STPE 32(49)	159,308	(195,601)	-	-	-	-	-
Boy Scout Road Path	20.205	STPE 32(50)	39,363	(24,542)	31,573	-	-	-	31,573
FTA 07	20.505	MT-07-50-0079	116,888	(28,980)	53,356	1,129	-	-	54,485
FTA 08	20.505	103690	126,124	-	48,718	1,131	-	-	49,849
Safe Kids/Safe Communities 07-08	20.600	N/A	30,000	(10,975)	20,481	805	-	-	21,286
Safe Kids/Safe Communities 08-09	20.600	N/A	30,000	-	15,078	-	-	-	15,078
DUI Task Force Association Facilitator	20.600	2008-02-25-01	17,550	-	3,934	-	-	-	3,934
Traffic Safety 07-08	20.600	2006-02-03-01, 2006-05-03-01	37,292	(4,468)	9,696	3,714	-	-	13,410
Traffic Safety 08-09	20.600	N/A	3,535	-	3,535	34	-	-	3,569
STEP 07	20.602	2007-23-01-22, 2007-21-02-22	27,250	-	11,499	-	-	-	11,499
STEP 08	20.602	2008-13-13-26, 2008-09-08-26	30,000	-	11,756	-	-	-	11,756
STEP Equipment	20.607	2008-19-07-14	4,500	-	-	-	-	-	-
W MT Interoperable Mobile Data Communications	20.607	2006-12-09-02	499,892	510	-	-	-	-	-
Total Department of Transportation				(511,791)	1,098,822	103,902	-	-	1,202,724

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2008
(Page 2 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/08
				Federal	Local	Total Disbursements	
DEPARTMENT OF AGRICULTURE:							
Passed Through State Department of Public Health Women/Infants/Children 07-08	10.557	07-07-5-21-014-0	\$ 421,449	\$ 130,300	\$ -	\$ 130,300	\$ -
Women/Infants/Children 08-09	10.557	08-07-5-21-014-0	440,292	322,168	104	322,272	(73,575)
WIC Breastfeeding Support Services	10.557	07-07-5-21-060-0	24,160	17,727	-	17,727	-
WIC Breastfeeding Support Services 08-09	10.557	08-07-5-21-060-0	24,360	16,662	-	16,662	(6,027)
Passed Through State Department of Agriculture:							
North Hills Weed Management Projex/c	10.664	MDA 2007-708	11,856	10,474	-	10,474	(1,922)
Woodworth Weed Management Project	10.664	MDA 2006-706	26,793	9,640	-	9,640	-
Passed Through the State Auditor:							
Forest Reserve Receipts	10.665	N/A	750,260	697,220	-	697,220	413,384
Total Department of Agriculture				<u>1,204,191</u>	<u>104</u>	<u>1,204,295</u>	<u>331,860</u>
DEPARTMENT OF COMMERCE:							
Economic Development Administration:							
DirecTV Infrastructure Improvements	11.300	05-01-04327	1,250,000	218,299	-	218,299	(1,293,529)
Total Department of Commerce				<u>218,299</u>	<u>-</u>	<u>218,299</u>	<u>(1,293,529)</u>
DEPARTMENT OF TRANSPORTATION:							
Passed Through State Department of Transportation:							
CMAQ-TDM	20.205	CM8199(72)	267,493	-	-	-	-
CMAQ-TDM	20.205	CM8199(77)	267,493	-	1,539	1,539	-
CMAQ-TDM	20.205	CM8199(80)	267,493	227,333	35,237	262,570	(66,525)
CMAQ-Air Quality Equipment	20.205	Flush Truck	173,413	150,141	23,272	173,413	-
P.L. Transport 07	20.205	N/A	436,932	76,351	-	76,351	-
P.L. Transport 08	20.205	N/A	436,932	503,271	-	503,271	(212,069)
Bike/Pedestrian Path-Frenchtown to Huson	20.205	STPE 32(49)	159,308	13,070	2,026	15,096	(210,697)
Boy Scout Road Path	20.205	STPE 32(50)	39,363	8,031	1,253	9,284	(2,253)
FTA 07	20.505	MT-07-50-0079	116,888	25,030	475	25,505	-
FTA 08	20.505	103690	126,124	76,609	2,414	79,023	(29,174)
Safe Kids/Safe Communities 07-08	20.600	N/A	30,000	9,506	805	10,311	-
Safe Kids/Safe Communities 08-09	20.600	N/A	30,000	18,901	-	18,901	(3,823)
DUI Task Force Association Facilitator	20.600	2008-02-25-01	17,550	9,643	-	9,643	(5,709)
Traffic Safety 07-08	20.600	2006-02-03-01, 2006-05-03-01	37,292	8,942	-	8,942	-
Traffic Safety 08-09	20.600	N/A	3,535	3,535	34	3,569	-
STEP 07	20.602	2007-23-01-22, 2007-21-02-22	27,250	11,499	-	11,499	-
STEP 08	20.602	2008-13-13-26, 2008-09-08-26	30,000	17,310	-	17,310	(5,554)
STEP Equipment	20.607	2008-19-07-14	4,500	3,000	-	3,000	(3,000)
W MT Interoperable Mobile Data Communications	20.607	2006-12-09-02	499,892	-	510	510	-
Total Department of Transportation				<u>1,162,172</u>	<u>67,565</u>	<u>1,229,737</u>	<u>(538,804)</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2008
(Page 3 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/07	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF JUSTICE:									
Direct Programs:									
Records Management System	16.710	2002-CKWX-0099	400,000	(617)	16,097	-	-	-	16,097
Rural Domestic Violence	16.589	2005-WRA0067	399,873	(83,400)	83,400	-	-	-	83,400
Safety Vest	16.607	N/A	5,602	(422)	4,522	4,100	-	-	8,622
OVW Safe Havens Grant-Planet Kds	16.527	200704306	329,712	-	155,643	-	-	-	155,643
Passed Through State Department of Justice:									
Juvenile Accountability Block Grant	16.523	07-A15-90144	45,541	-	45,541	5,060	-	-	50,601
Juvenile Accountability Alternative Initiative	16.523	07-J02-90115	10,000	-	10,000	-	-	-	10,000
JDAI Conference Grant	16.523	08-I01-90306	11,841	-	332	-	-	-	332
Juvenile Justice Title II Formula Grant	16.523	05-J11-82310	13,221	-	1,221	-	-	-	1,221
Victim/Witness Project	16.575	07-V01-90043	59,450	-	59,450	14,862	-	-	74,312
West Central Drug Task Force	16.579	06-G01-82288	96,875	(3,000)	3,000	-	-	-	3,000
West Central Drug Task Force	16.579	07-G01-90133	96,875	-	96,875	155,735	-	-	252,610
Passed Through Bitterroot RC&D Area, Inc.									
Lewis & Clark Bicentennial	16.580	2004-DD-BX-1178	30,000	(88)	24,715	-	-	-	24,715
Lewis & Clark Bicentennial	16.580	SBAHQ-04-I-0074	90,000	(1,829)	1,829	-	-	-	1,829
Total Department of Justice				(89,356)	502,625	179,757	-	-	682,382
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:									
Direct Programs:									
Share House	14.235	MT01B600010	196,665	-	196,665	-	-	-	196,665
Share House	14.235	MT01B700012	196,665	-	67,116	-	-	-	67,116
Ada's Place	14.235	MT01B500002	101,001	-	24,223	-	-	-	24,223
Ada's Place	14.235	MT01B600007	101,001	-	71,778	-	-	-	71,778
Ada's Place II	14.235	MT01B600014	14,965	-	8,724	-	-	-	8,724
Salvation Army Gateway Center	14.235	MT01B600009	61,579	(5,137)	61,579	-	-	-	61,579
Passed Through State Department of Commerce:									
CDBG-Community Resources	14.228	N/A	N/A	462,550	-	-	105,773	13,077	118,850
CDBG-Revolving Fund Loan	14.228	N/A	N/A	63,239	-	-	33,119	3,472	36,591
CDBG-Rocky Mountain Biological	14.228	MTEDBG-ED05-03A	64,800	-	17,745	-	-	-	17,745
HOME - Native American Housing	14.239	M06-SG3001-05	215,205	-	-	-	-	-	-
Total Department of Housing & Urban Development				520,652	447,830	-	138,892	16,549	603,271

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2008
(Page 4 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/08
				Federal	Local	Total Disbursements	
DEPARTMENT OF JUSTICE:							
Direct Programs:							
Records Management System	16.710	2002-CKWX-0099	400,000	15,480	-	15,480	-
Rural Domestic Violence	16.589	2005-WRA0067	399,873	-	-	-	-
Safety Vest	16.607	N/A	5,602	4,100	4,100	8,200	-
OVW Safe Havens Grant-Planet Kds	16.527	200704306	329,712	155,643	-	155,643	-
Passed Through State Department of Justice:							
Juvenile Accountability Block Grant	16.523	07-A15-90144	45,541	45,541	5,060	50,601	-
Juvenile Accountability Alternative Initiative	16.523	07-J02-90115	10,000	10,000	-	10,000	-
JDAI Conference Grant	16.523	08-I01-90306	11,841	4,716	-	4,716	(4,384)
Juvenile Justice Title II Formula Grant	16.523	05-J11-82310	12,000	1,124	97	1,221	-
Victim/Witness Project	16.575	07-V01-90043	59,450	59,450	14,862	74,312	-
West Central Drug Task Force	16.579	06-G01-82288	96,875	-	-	-	-
West Central Drug Task Force	16.579	07-G01-90133	96,875	96,875	155,735	252,610	-
Passed Through Bitterroot RC&D Area, Inc.							
Lewis & Clark Bicentennial	16.580	2004-DD-BX-1178	30,000	24,627	-	24,627	-
Lewis & Clark Bicentennial	16.580	SBAHQ-04-I-0074	90,000	-	-	-	-
Total Department of Justice				417,556	179,854	597,410	(4,384)
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:							
Direct Programs:							
Share House	14.235	MT01B600010	196,665	196,665	-	196,665	-
Share House	14.235	MT01B700012	196,665	67,116	-	67,116	-
Ada's Place	14.235	MT01B500002	101,001	24,223	-	24,223	-
Ada's Place	14.235	MT01B600007	101,001	71,778	-	71,778	-
Ada's Place II	14.235	MT01B600014	14,965	8,724	-	8,724	-
Salvation Army Gateway Center	14.235	MT01B600009	61,579	56,442	-	56,442	-
Passed Through State Department of Commerce:							
CDBG-Community Resources	14.228	N/A	N/A	505,000	-	505,000	76,400
CDBG-Revolving Fund Loan	14.228	N/A	N/A	5,333	-	5,333	94,497
CDBG-Rocky Mountain Biological	14.228	MTEDBG-ED05-03A	64,800	17,745	-	17,745	-
HOME - Native American Housing	14.239	M06-SG3001-05	215,205	43,041	-	43,041	(43,041)
Total Department of Housing & Urban Development				996,067	-	996,067	127,856

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2008
(Page 5 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/07	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
ENVIRONMENTAL PROTECTION AGENCY:									
Direct Programs:									
Milltown Superfund Site Remediation	66.802	V-9785501-0	1,586,204	(137,480)	782,471	-	-	-	782,471
Passed Through State Department Environmental Quality:									
Air Pollution 07	66.001	507008	97,332	(9,930)	9,930	-	-	-	9,930
Air Pollution 08	66.001	508008	97,332	-	84,190	-	-	-	84,190
Air Monitoring	66.001	508009	2,000	-	2,000	-	-	-	2,000
Radon 07	66.032	207021	2,550	(1,444)	1,444	-	-	-	1,444
Radon 08	66.032	208013	2,300	-	2,274	-	-	-	2,274
Public Water Supply Safe Drinking Water 07	66.605	505025	13,500	(3,615)	3,615	-	-	-	3,615
Public Water Supply Safe Drinking Water 08	66.605	505025	15,500	-	10,735	-	-	-	10,735
Total Environmental Protection Agency				(152,469)	896,659	-	-	-	896,659
DEPARTMENT OF THE INTERIOR									
Passed Through the Montana Historical Society:									
Preserve America	15.929	MRHE-PA-2006-003	15,440	(1,250)	14,322	-	-	-	14,322
Bureau of Land Management:									
Recreation Resource Management	15.225	ESA05N013	6,000	-	3,843	-	-	-	3,843
Total Department of the Interior				(1,250)	18,165	-	-	-	18,165
NATIONAL ENDOWMENT FOR THE HUMANITIES									
Passed through the Montana Committee for the Humanities:									
Then and Now	45.129	28-1-37	2,989	(2,989)	2,890	99	-	-	2,989
Total National Endowment for the Humanities				(2,989)	2,890	99	-	-	2,989

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2008
(Page 6 of 8)

<u>Program/Grantor Agency and Program Title</u>	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/08
				Federal	Local	Total Disbursements	
ENVIRONMENTAL PROTECTION AGENCY:							
Direct Programs:							
Milltown Superfund Site Remediation	66.802	V-9785501-0	1,586,204	1,418,055	-	1,418,055	(773,064)
Passed Through State Department Environmental Quality:							
Air Pollution 07	66.001	507008	97,332	-	-	-	-
Air Pollution 08	66.001	508008	97,332	97,332	-	97,332	(13,142)
Air Monitoring	66.001	508009	2,000	2,000	-	2,000	-
Radon 07	66.032	207021	2,550	-	-	-	-
Radon 08	66.032	208013	2,300	2,274	-	2,274	-
Public Water Supply Safe Drinking Water 07	66.605	505025	13,500	-	-	-	-
Public Water Supply Safe Drinking Water 08	66.605	505025	15,500	11,735	-	11,735	(1,000)
Total Environmental Protection Agency				<u>1,531,396</u>	<u>-</u>	<u>1,531,396</u>	<u>(787,206)</u>
DEPARTMENT OF THE INTERIOR							
Passed Through the Montana Historical Society:							
Preserve America	15.929	MRHE-PA-2006-003	15,440	13,072	-	13,072	-
Bureau of Land Management:							
Recreation Resource Management	15.225	ESA05N013	6,000	3,843	-	3,843	-
Total Department of the Interior				<u>16,915</u>	<u>-</u>	<u>16,915</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES							
Passed through the Montana Committee for the Humanities:							
Then and Now	45.129	28-1-37	2,989	-	-	-	-
Total National Endowment for the Humanities				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2008
(Page 7 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/07	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF HOMELAND SECURITY									
Passed Through State Department of Military Affairs :									
FEMA Predisaster Mitigation Program	97.016	PDMC-08-MT-2005	3,000,000	-	139,415	46,472	-	-	185,887
FEMA Fire Assistance Grant-Jocko Lakes	97.046	N/A	167,665	-	123,837	41,916	-	-	165,753
FEMA Fire Assistance Grant-Black Cat	97.046	N/A	98,629	-	72,240	24,657	-	-	96,897
Emergency Management Program 07	97.042	N/A	50,000	(6,192)	6,192	-	-	-	6,192
Emergency Management Program 08	97.042	N/A	50,000	-	34,037	-	-	-	34,037
FY05 HSGP/Law Enforcement Terrorism Prevention Program	97.067	2005-GE-T5-0006	2,710,667	(106,758)	144,902	65,416	-	-	210,318
Total Department of Homeland Security				(112,950)	520,623	178,461	-	-	699,084
DEPARTMENT OF HEALTH & HUMAN SERVICES:									
Direct Programs:									
Mentoring Children of Prisoners 08	93.616	CV900268/02	89,405	-	57,171	-	-	-	57,171
Drug Free Community Support Program	93.276	SP12366-05	100,000	(17,688)	108,669	-	-	-	108,669
Passed Through State Department of Public Health & Human Services:									
AIDS HIV Prevention 07-08	93.118	07-07-4-51-019-0	6,052	(711)	4,735	-	-	-	4,735
AIDS HIV Prevention 08-09	93.118	08-07-4-51-019-0	6,052	-	-	-	-	-	-
Public Health Emergency Preparedness 07-08	93.283	07-07-6-11-035-0	161,974	(28,670)	86,760	-	-	-	86,760
Public Health Emergency Preparedness 08-09	93.283	08-07-6-11-035-0	141,974	-	76,903	2,998	-	-	79,901
Infant Immunization Program	93.994	07-07-4-31-031-0	31,782	(19,873)	31,782	-	-	-	31,782
MCH Block Grant	93.994	08-07-5-01-032-0	123,895	-	123,895	660,143	-	-	784,038
Children's Special Health Services	93.994	08-07-5-51-004-0	4,999	-	1,594	-	-	-	1,594
Healthy Tomorrow Partnership for Children - Yr 2	93.110	H17MC02513-05-01	49,126	(11,443)	54,514	56,597	-	-	111,111
Community Youth Suicide Prevention	93.243	07-07-5-31-026-0	122,245	29,963	61,122	-	-	-	61,122
Tuberculosis Control & Prevention 07-08	93.991	07-07-4-11-045-0	4,000	(2,000)	4,000	-	-	-	4,000
Tuberculosis Control & Prevention 08-09	93.991	08-07-4-11-045-0	4,000	-	-	-	-	-	-
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	39,440	(12,035)	37,344	-	-	-	37,344
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0001	30,784	(3,650)	36,290	-	-	-	36,290
Passed through Montana State University:									
Montana Nutrition and Physical Activity Program (Obesity)	93.283	07-07-3-01-021-0	45,000	(9,350)	40,670	-	-	-	40,670
Total Department of Health & Human Services				(75,457)	725,449	719,738	-	-	1,445,187
Total Federal Financial Assistance				\$ (1,250,254)	\$ 5,471,329	\$ 1,208,905	\$ 138,892	\$ 16,904	\$ 6,836,030

See accompanying notes.

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2008
(Page 8 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/08
				Federal	Local	Total Disbursements	
DEPARTMENT OF HOMELAND SECURITY							
Passed Through State Department of Military Affairs :							
FEMA Predisaster Mitigation Program	97.016	PDMC-08-MT-2005	3,000,000	139,415	46,472	185,887	-
FEMA Fire Assistance Grant-Jocko Lakes	97.046	N/A	167,665	125,749	41,916	167,665	(1,912)
FEMA Fire Assistance Grant-Black Cat	97.046	N/A	98,629	73,972	24,657	98,629	(1,732)
Emergency Management Program 07	97.042	N/A	50,000	-	-	-	-
Emergency Management Program 08	97.042	N/A	50,000	40,380	-	40,380	(6,343)
FY05 HSGP/Law Enforcement Terrorism Prevention Program	97.067	2005-GE-T5-0006	2,710,667	170,658	-	170,658	(67,098)
Total Department of Homeland Security				550,174	113,045	663,219	(77,085)
DEPARTMENT OF HEALTH & HUMAN SERVICES:							
Direct Programs:							
Mentoring Children of Prisoners 08	93.616	CV900268/02	89,405	69,545	-	69,545	(12,374)
Drug Free Community Support Program	93.276	SP12366-05	100,000	104,160	-	104,160	(13,179)
Passed Through State Department of Public Health & Human Services:							
AIDS HIV Prevention 07-08	93.118	07-07-4-51-019-0	6,052	4,024	-	4,024	-
AIDS HIV Prevention 08-09	93.118	08-07-4-51-019-0	6,052	1,965	-	1,965	(1,965)
Public Health Emergency Preparedness 07-08	93.283	07-07-6-11-035-0	161,974	47,636	-	47,636	10,454
Public Health Emergency Preparedness 08-09	93.283	08-07-6-11-035-0	141,974	112,437	-	112,437	(32,536)
Infant Immunization Program	93.994	07-07-4-31-031-0	31,782	11,909	-	11,909	-
MCH Block Grant	93.994	08-07-5-01-032-0	123,895	123,895	660,143	784,038	-
Children's Special Health Services	93.994	08-07-5-51-004-0	4,999	2,694	-	2,694	(1,100)
Healthy Tomorrow Partnership for Children - Yr 2	93.110	H17MC02513-05-01	49,126	57,007	56,597	113,604	(13,936)
Community Youth Suicide Prevention	93.243	07-07-5-31-026-0	122,245	25,079	-	25,079	66,006
Tuberculosis Control & Prevention 07-08	93.991	07-07-4-11-045-0	4,000	2,000	-	2,000	-
Tuberculosis Control & Prevention 08-09	93.991	08-07-4-11-045-0	4,000	3,369	-	3,369	(3,369)
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	39,440	48,319	-	48,319	(23,010)
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0001	30,784	39,733	-	39,733	(7,093)
Passed through Montana State University:							
Montana Nutrition and Physical Activity Program (Obesity)	93.283	07-07-3-01-021-0	45,000	38,019	-	38,019	(6,699)
Total Department of Health & Human Services				691,791	716,740	1,408,531	(38,801)
Total Federal Financial Assistance				\$ 6,788,561	\$ 1,077,308	\$ 7,865,869	\$ (2,280,093)

See accompanying notes.

MISSOULA COUNTY, MONTANA

Notes to Schedule of Expenditures of Federal Awards - Cash Basis

For the Year Ended June 30, 2008

Note 1 - Basis of Presentation

The accompanying schedule is presented on the basis of cash receipts and disbursements. Accordingly, federal contributions, local contributions, program income and investment income are recognized when received rather than when measurable and available, and expenditures are recognized when a warrant is issued rather than when the obligation is incurred.

While OMB Circular A-133 requires only federal expenditures to be included in the schedule, the State of Montana requires the inclusion of cash balances, federal contributions, local contributions, other income and ending cash balances.

Note 2 - Loans Receivable

The Department of Housing and Urban Development-Community Development Block Grant programs had the following loans receivable at June 30, 2008:

Revolving Loan Fund

<u>Missoula Children's Theatre</u>	
0%, \$24,500 due annually from June 2003 through June 2017	\$ 122,500
<u>The Good Food Store</u>	
5%, \$4,718 due monthly from November 2003 through October 2008	18,676
<u>Rocky Mountain Biologicals, Inc.</u>	
5%, \$4,813 due monthly from November 2005 through October 2014	213,815
<u>Opportunity Resources, Inc.</u>	
0%, \$167 due monthly from May 2006 through April 2015	15,500
<u>North Missoula Community Development Corporation</u>	
3%, varying amounts due annually through May 2014	45,618
<u>Western Montana Mental Health Center</u>	
5%, \$9,719 due annually through November 2015	64,349
<u>Aquila Vision</u>	
7%, \$10,383 due monthly, all principal and interest due July 1, 2008	129,229

The following have been removed from the notes receivable to reflect their potential uncollectability:

<u>Pyramid Mountain Lumber</u>	
6%, \$1,564 due monthly from May 2008 through February 2015	105,000
<u>Pioneer Drive LLC</u>	
6%, \$5,844 due monthly from December 2007 through December 2014	388,412

Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2008:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 52,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	520,000
\$291,000, issued November 1998, 4% due in varying amounts through July 2019	145,000
\$649,936, issued September 2002, 4% due in varying amounts through July 2023	443,000
\$4,498,121, issued July 2003, 3.75% due in varying amounts through July 2024	2,716,000
\$169,000, issued April 2005, 2.75% due in varying amounts through July 2015	104,000
\$281,199, issued April 2005, 3.75% due in varying amounts through July 2020	131,000
\$206,194, issued August 2000, 4% due in varying amounts through July 2020	147,000

Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2008 as follows:

- Ada's Place (CFDA# 14.235) passed-through \$93,597 to the YWCA.
- Ada's Place II (CFDA# 14.235) passed-through \$8,724 to the YWCA.
- Rural Domestic Violence Program (CFDA# 16.589) passed-through \$34,045 to the YWCA and the National Coalition Building Institute.
- Gateway Center (CFDA# 14.235) passed-through \$54,977 to the Salvation Army.
- OVW Safe Havens (CFDA# 16.527) passed through \$153,234 to the YWCA.
- Drug Free Community Support Program (CFDA# 93.276) passed-through \$41,470 to Turning Point and The Parenting Place.
- Mentoring Children of Prisoners (CFDA# 93.616) passed-through \$57,171 to Big Brothers & Big Sisters.
- Share House Transitional Housing (CFDA# 14.235) passed-through \$259,098 to the Western Montana Mental Health Center.
- Juvenile Accountability Block Grant (CFDA# 16.523) passed-through \$24,660 to Habitat for Humanity.
- Community Youth Suicide Prevention (CFDA# 93.243) passed-through \$2,800 to the University of Montana Curry Health Center.

Note 5 - Restatement of Beginning Cash

Cash balances at June 30, 2007 have been restated for Public Health Emergency Preparedness 06-07 (CFDA# 93.283) to reflect the correction of prior period receipts. The restatement had the effect of decreasing cash balances at June 30, 2007 by \$5,358.

The cash balance at June 30, 2007 for the Milltown Dam Pedestrian Bridges (CFDA #20.205) of (\$158,398) has been reclassified and is included in Milltown Superfund Site Remediation (CFDA #66.802).



Board of County Commissioners
Missoula County, Montana

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

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 the County as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2008-1 and 2008-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider findings 2008-1 and 2008-2 to be material weaknesses.

In addition, we noted other matters involving the internal control and its operation that we have reported to management of the County in a separate letter dated February 27, 2009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

This report is intended solely for the information and use of the audit committee, 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 Zumwalt & Co., P.C.

Certified Public Accountants
Missoula, Montana
February 27, 2009



Board of County Commissioners
Missoula County, Montana

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

Compliance

We have audited the compliance of Missoula County, Montana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement*, and the requirements described in the compliance supplement for Montana local governmental entities, that are applicable to each of its major federal programs for the year ended June 30, 2008. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion of the County's compliance based on our audit.

The financial statements of Missoula County, Montana include Missoula Aging Services and Partnership Health Center (both discretely presented component units), which expended \$1,426,074 and \$1,722,059, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2008. Our audit, as described below, did not include Missoula Aging Services and Partnership Health Center, because these component units obtained their own audits conducted in accordance with OMB Circular A-133.

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 County'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 County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Anderson Zuercher & Co., P.C.

Certified Public Accountants
Missoula, Montana
February 27, 2009

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2008

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA#	Federal Program
10.665	Forest Reserve Reciept
20.205	Highway Planning and Construction
66.802	Superfund Cooperative Agreements - Milltown Dam

Dollar threshold used to distinguish between Type A and Type B programs:	\$300.000
Auditee qualified as a low-risk auditee?	Yes

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2008

Section II - Financial Statement Findings

2008-1

Criteria: Receivables and payables should be monitored for proper cutoff.

Condition: During our testing of account receivable and accounts payable, we noted several instances where revenues and expenditures were not properly accrued as of June 30, 2008.

Cause: Cash receipts and cash disbursements that occurred after year end were not monitored for proper cutoff.

Effect or potential effect: Amounts for accounts receivable and related revenue, and accounts payable and related expenditures may be materially understated.

Recommendation: We recommend management to closely monitor all receipts and disbursements that occur after year end so that proper cutoff of revenues and expenditures is achieved and reflected in the financial statements.

Management response: Management will instruct the Department Heads and Finance Managers of the various County budgeted programs on the proper handling of year end revenues and expenditures for accruals. The County Finance staff will then make every effort to review all documentation of revenues and expenses received after year end to assure that they are booked to the correct fiscal year.

2008-2

Criteria: Property taxes that will not be collected should be included in the allowance for uncollectible taxes.

Condition: During our testing of taxes receivable, we noted that the balance of property taxes receivable was materially overstated as a result of delinquent taxes that were deemed uncollectible, but were not included in the estimate of the allowance for uncollectible taxes.

Cause: The allowance for uncollectible taxes did not adequately reflect the amount of property taxes that will be collected.

Effect or potential effect: The amount of property taxes receivable may be materially overstated if the allowance for uncollectible taxes is not accurately monitored.

Recommendation: We recommend management to monitor the collectibility of property taxes on an annual basis to determine the amounts that should be reflected as uncollectible and include them in the allowance estimate.

Management response: Management will review annually the unpaid amounts of each of the various types of property tax the County receives and make a determination on the collectibility of each outstanding property tax bill. The taxes deemed to be uncollectible will be included in the allowance for uncollectible taxes.

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2008

Section III - Federal Awards Findings and Questioned Costs

The audit reported no findings which constitute:

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

Summary Schedule of Prior Audit Findings

The audit for the year ended June 30, 2007, contained no audit findings.

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