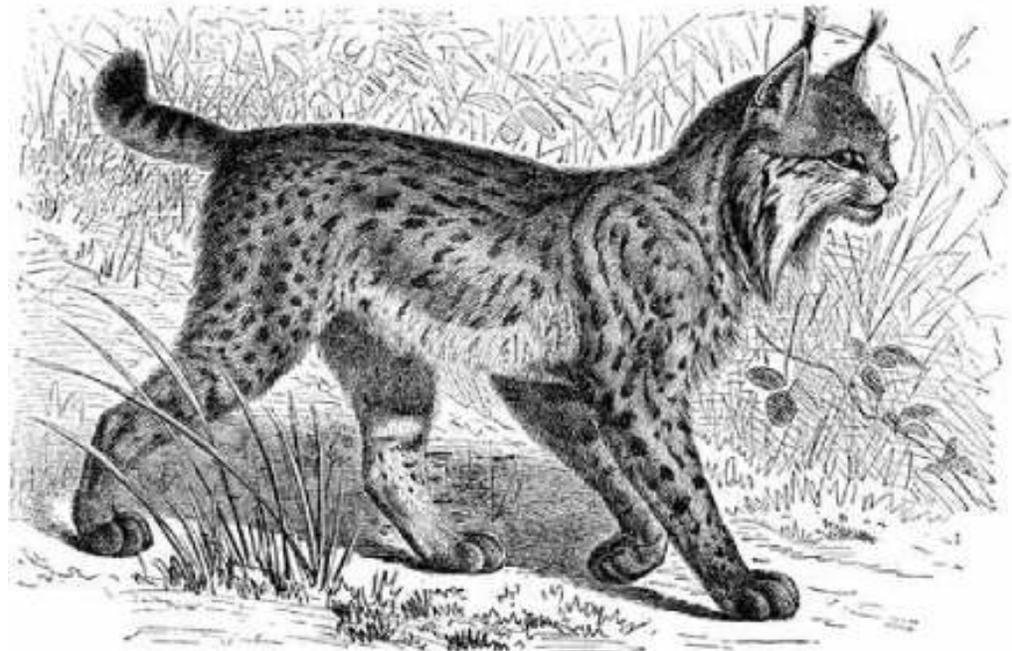


MISSOULA COUNTY, MONTANA

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

For the Fiscal Year Ended
June 30, 2007



MISSOULA COUNTY, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

Prepared by:

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December 28, 2007

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, 2007. I believe this CAFR presents fairly the financial condition of the County at June 30, 2007 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 Jean Curtiss, Larry Anderson, and Bill Carey.

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.

FINANCIAL CONDITION

Missoula County's economic environment continues to be healthy and the indicators point toward continued stability. Steady commercial and residential development continues to provide additional tax base to the County, which has generally been adequate to maintain the current level of service. However, it has not provided enough growth to increase the level of service to accommodate new growth. 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 declines 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 2008 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. On average during fiscal year 2006, 60% was invested in the Short Term Investment Pool, 29% was invested in U.S. Government treasury and agency securities, 10% was invested in repurchase agreements, and 1% was other demand deposits and cash on hand. The average rate of return for fiscal year 2007 was 5.7% based on total investment income in the pool of approximately \$4,297,442 net of fees. The County's share for governmental funds was approximately \$1,529,000.

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 sixteenth consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2006 Comprehensive Annual Financial Report. The Fiscal Year 2007 Report will also be submitted for consideration for the Certificate.

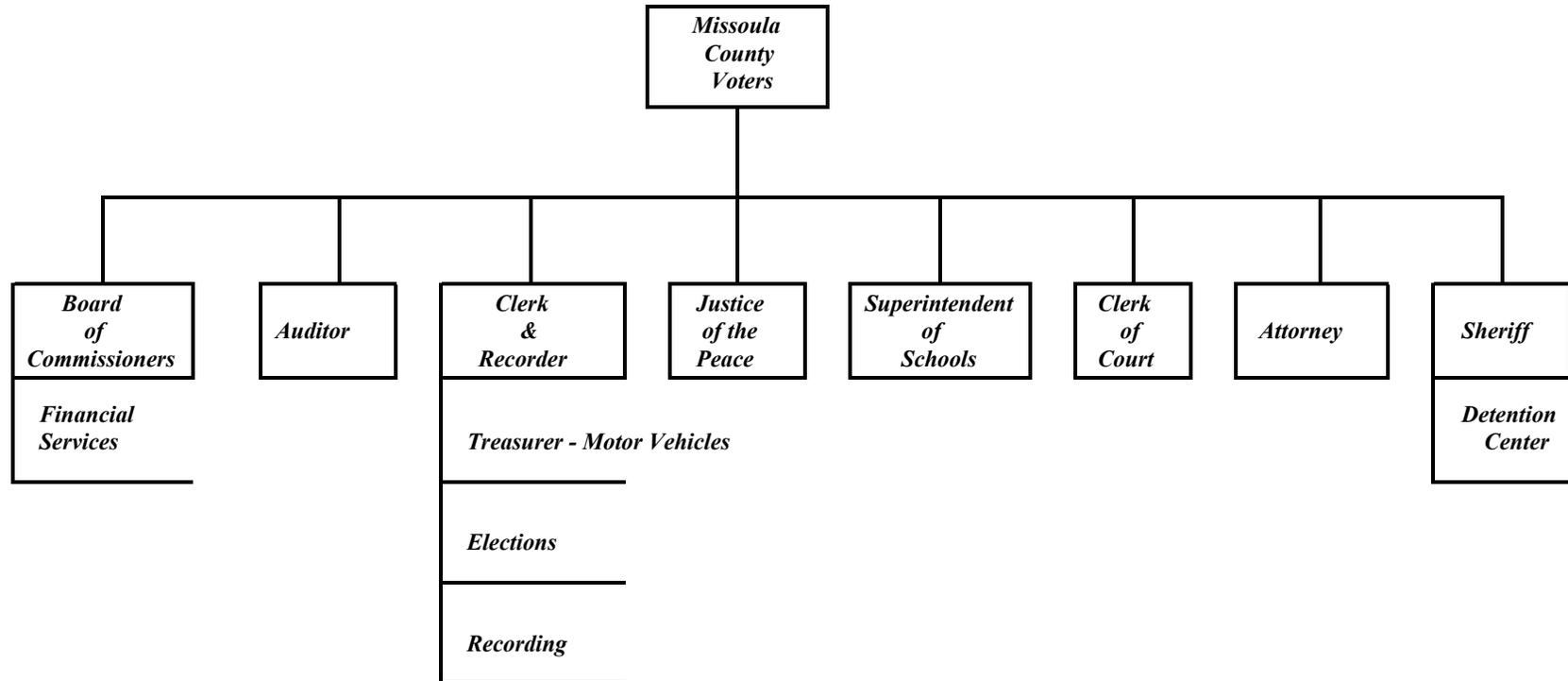
Acknowledgements – I would like to thank everyone in the Missoula County Financial Services Office: Sharon Bowman, Debby Gore, Teresa Graham, Julie Harris, Karen Mason, Mary Matthaie, Dawn Overbaugh, Ruthe Sackey, Alane Stickney, and especially Carol Routh for all their work and dedication. I would also like to thank Barbara Berens, the Missoula County Auditor, and her staff Nora Morris and Debbie Gross, for their support. 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,

A handwritten signature in cursive script, appearing to read "Dale D. Bickell".

Dale D. Bickell
Chief Financial Officer

MISSOULA COUNTY Organizational Chart



MISSOULA COUNTY, MONTANA

Board of County Commissioners

Lawrence L. Anderson
William J. Carey
Jean L. Curtiss

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, 2006

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

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, 2007, 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 52% 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, 2007, 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 December 28, 2007, 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, 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 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 Zur Muehlen & Co., P.C.

Certified Public Accountants
Missoula, Montana
December 28, 2007

MISSOULA COUNTY, MONTANA
Management's Discussion and Analysis
June 30, 2007

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, 2007. 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, 2007, by \$71.6 million (net assets) compared with \$66.0 million at June 30, 2006. Of this amount, \$32.9 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, vendors and creditors, including \$1.6 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 \$5.7 million, representing an 8.6% increase from 2006.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$30.3 million, an increase of \$6.3 million from the prior year. Of this amount, \$26.2 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 \$3.2 million, or 19.4% of total general fund expenditures and other financing uses.

Missoula County's total debt increased by \$2,797,807 which represents a 9.4% increase in debt related to governmental activities. The increase is due primarily to the issuance of the Series 2006 Industrial Tax Increment Bonds, the Series 2006 Technology Tax Increment 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 69.

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 69. Statistical information that shows trends for periods up to ten years is also available beginning on page 129.

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, 2007 the County's assets exceeded liabilities by \$71.6 million (\$67.9 million in governmental activities and \$3.8 million in business-type activities). 51.7% 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. Also, the 2006 capital assets have been restated to include the retro-active implementation of infrastructure capital assets per GASB No. 34. The restatement reflects a \$13,719,016 increase in net capital assets and net assets invested in capital assets, net of debt. Other restrictions include \$1,755,298 for debt service. Missoula County had no other legally restricted net assets that require reservation. Therefore, \$32.9 million in net assets (38.2%) 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 2007:

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
Assets	2007	2006	2007	2006	2007	2006
Current & Other Assets	\$ 55,675,743	\$ 46,356,536	\$ 1,731,192	\$ 1,475,962	\$ 57,406,935	\$ 47,832,498
Capital Assets, Net	<u>58,842,457</u>	<u>59,361,441</u>	<u>2,125,419</u>	<u>2,199,939</u>	<u>60,967,876</u>	<u>61,561,380</u>
Total Assets	<u>114,518,200</u>	<u>105,717,977</u>	<u>3,856,611</u>	<u>3,675,901</u>	<u>118,374,811</u>	<u>109,393,878</u>
Liabilities						
Current & Other Liabilities	14,040,465	16,770,345	108,531	98,681	14,148,996	16,869,026
Current Portion of Long-term Debt	5,715,671	2,560,040	-	-	5,715,671	2,560,040
Long-term Debt, Net of Current Portion	<u>26,878,278</u>	<u>24,004,318</u>	<u>-</u>	<u>-</u>	<u>26,878,278</u>	<u>24,004,318</u>
Total Liabilities	<u>46,634,414</u>	<u>43,334,703</u>	<u>108,531</u>	<u>98,681</u>	<u>46,742,945</u>	<u>43,433,384</u>
Net Assets						
Invested in Capital Assets, Net of Debt	34,873,468	41,942,206	2,125,419	2,199,939	36,998,887	44,142,145
Restricted for Debt Service	1,755,298	1,466,019	-	-	1,755,298	1,466,019
Unrestricted	<u>31,255,020</u>	<u>18,975,049</u>	<u>1,622,661</u>	<u>1,377,281</u>	<u>32,877,681</u>	<u>20,352,330</u>
Total Net Assets	<u>\$ 67,883,786</u>	<u>\$ 62,383,274</u>	<u>\$ 3,748,080</u>	<u>\$ 3,577,220</u>	<u>\$ 71,631,866</u>	<u>\$ 65,960,494</u>

The following table provides a summary of the changes in net assets for 2007:

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
Revenues	2007	2006	2007	2006	2007	2006
Program Revenues						
Charges for Services	\$ 15,269,648	\$ 13,765,088	\$ 1,802,270	\$ 1,760,784	\$ 17,071,918	\$ 15,525,872
Operating Grants and Contributions	6,479,430	8,882,805	-	-	6,479,430	8,882,805
Capital Grants and Contributions	2,267,401	3,865,026	-	-	2,267,401	3,865,026
General Revenues						
Property Taxes	32,154,829	30,428,569	-	-	32,154,829	30,428,569
Intergovernmental Revenue	4,334,436	3,282,638	-	-	4,334,436	3,282,638
Investment Earnings	1,748,295	875,329	55,242	31,726	1,803,537	907,055
Gain on Sale of Capital Assets	(2,230,026)	2,518,878	-	-	(2,230,026)	2,518,878
Miscellaneous	12,142,118	2,035,355	56,728	4,711	12,198,846	2,040,066
Total Revenues	<u>72,166,131</u>	<u>65,653,688</u>	<u>1,914,240</u>	<u>1,797,221</u>	<u>74,080,371</u>	<u>67,450,909</u>
Program Expenses						
General Government	10,616,135	10,793,516	-	-	10,616,135	10,793,516
Criminal Justice	3,300,060	5,119,123	-	-	3,300,060	5,119,123
Public Safety	17,487,042	17,060,430	-	-	17,487,042	17,060,430
Public Works	17,948,738	8,022,496	-	-	17,948,738	8,022,496
Public Health	5,542,050	5,093,221	-	-	5,542,050	5,093,221
Social and Economic Services	4,289,787	3,702,861	-	-	4,289,787	3,702,861
Culture and Recreation	3,889,031	4,090,539	-	-	3,889,031	4,090,539
Housing and Community Develop.	2,601,639	1,845,512	-	-	2,601,639	1,845,512
Interest and Fiscal Charges	1,133,118	935,898	-	-	1,133,118	935,898
Larchmont Golf Course	-	-	880,832	859,193	880,832	859,193
Rural Special Improvement Districts	-	-	720,567	703,456	720,567	703,456
Total Expenses	<u>66,807,600</u>	<u>56,663,596</u>	<u>1,601,399</u>	<u>1,562,649</u>	<u>68,408,999</u>	<u>58,226,245</u>
Change in Net Assets before Transfers	5,358,531	8,990,092	312,841	234,572	5,671,372	9,224,664
Transfers	141,981	234,342	(141,981)	(234,342)	-	-
Change in Net Assets	<u>\$ 5,500,512</u>	<u>\$ 9,224,434</u>	<u>\$ 170,860</u>	<u>\$ 230</u>	<u>\$ 5,671,372</u>	<u>\$ 9,224,664</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 2007, general government expenses comprised 15.9% (19.0% in 2006) of governmental activities. Total general government expenses decreased by \$177,381 from the prior year. This decrease is primarily due a reduction in the amount of internal service allocations to General Government function for the entity-wide presentation.

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 4.9% of governmental activities in 2007 (versus 9.0% in 2006). Total expenses decreased \$1,819,063 or -35.5% versus the prior year. The decrease, was due to the assumption of the Public Defender function by the State of Montana on July 1, 2006 in accordance with SB146 of the 2005 Legislature.

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 26.2% of governmental activities in 2007. Public safety expenses increased \$426,612 over 2006, or 2.5%. 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 26.9% of governmental activities in 2007 and represented a 123.7% increase in expenses over 2006. This increase is primarily due to the completion of the anchor project in the Missoula Development Authority’s Technology District, which comprised the construction of \$1.5 million in infrastructure and the sale-leaseback of a \$12.4 million dollar facility.

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 8.3% of governmental activities in 2007. Total public health expenses increased \$448,829 (or 8.8%) over 2006, primarily due to increased grants activity.

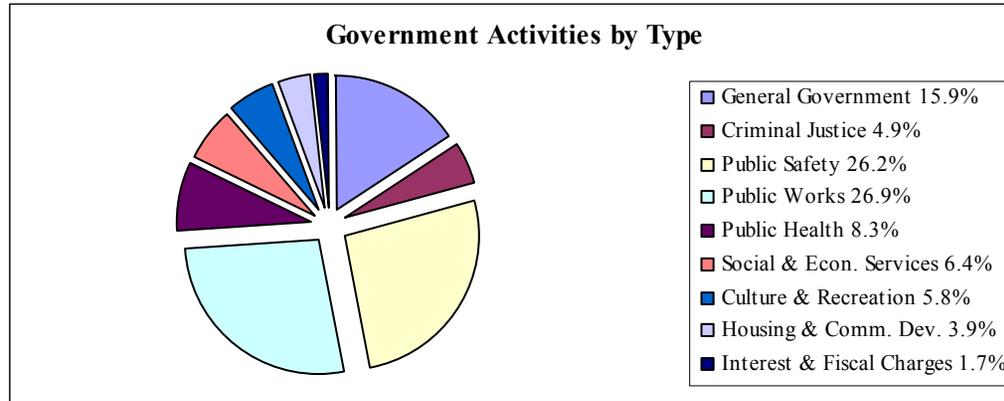
Social & Economic Services – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Poor, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered 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 6.4% of governmental activities in 2007. Social and economic services expense increased \$586,926 (or 15.9%) over 2006 largely due to increases 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 5.8% of governmental activities in 2007. Culture and recreation expense decreased \$201,508 (or -4.9%) under 2006, largely due to the completion of the Fort Missoula Restroom Project in 2006.

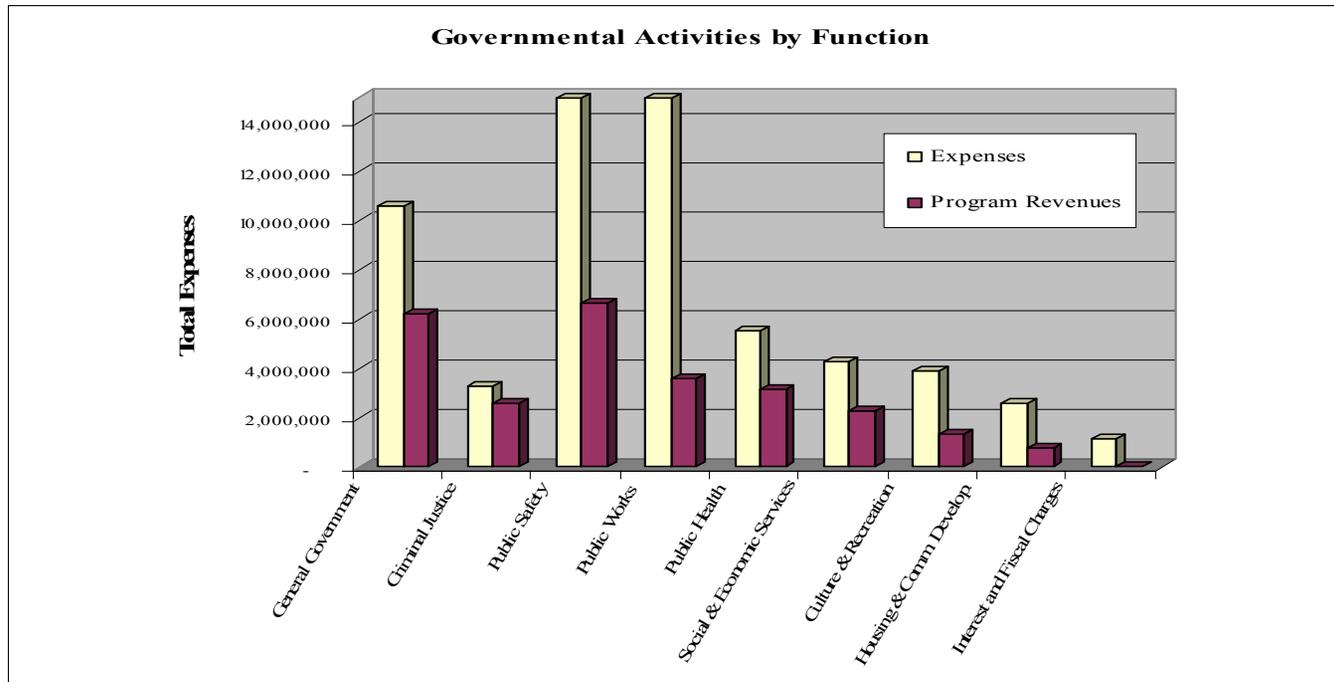
Housing & Community Development – this function includes the land use planning aspects of the Office of Planning and Grants, as well as specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. These expenses comprised 3.9% of governmental activities in 2007. Total expenses increased \$756,127 or 41.0% versus 2006 due to increased grant projects in the planning fund.

Total governmental activities resulted in an increase in net assets totaling \$5,358,531. 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 \$170,860 compared to an increase of \$230 in 2006.

Fund Level Financial Analysis

Governmental Funds

For the fiscal year ended June 30, 2007, the County's governmental funds reported combined fund balance totaling \$30,315,226 compared with \$23,986,846 in 2006. Approximately \$26.2 million of this amount constitutes unreserved fund balance, which is available to spend for current needs. The remaining balance is reserved for interfund loans, inventory, debt service and capital commitments. The governmental funds had a combined increase in fund balance totaling \$6,328,380 for 2007 and \$3,471,069 for 2006.

The General fund is the chief operating fund of the County. For fiscal year 2007, total fund balance increased \$216,796 to \$3,200,957, all of which was unreserved. As a measure of the General fund's total liquidity, it may be useful to compare both reserved and unreserved fund balance to total General fund expenditures. Unreserved fund balance represents 22.8% of total expenditures (16.6% in 2005) while total fund balance represents 22.8% (22.2% in 2006). The 2007 budget was designed to spend down excess cash reserves by approximately \$641,000. However, higher than expected intergovernmental revenues and expenditure savings resulted in an increase in fund balance of \$331,354 (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 \$2,580,486 at June 30, 2007 (\$1,850,179 at June 30, 2006). Unreserved fund balance represents 18.2% (14.2% in 2006) of total expenditures. Fund balance increased during the year by \$730,307 (budget basis), although the 2007 budget was designed to decrease fund balance by \$543,275. Vacancy savings and a decrease in out-of-county prisoner costs resulting in the smaller than expected decrease in 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 \$722,868 at June 30, 2007 (\$583,986 at June 30, 2006), all of which is considered reserved for debt service. Fund balance represents 66.6% (23.9% in 2006) of total expenditures. Fund balances increased in this fund by \$138,882, as early pay-offs of special assessments were received.

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 \$3,787,697 at June 30, 2007 (\$6,889,566 June 30, 2006), all of which was unreserved. Unreserved fund balance represents 25.5% (282.5% in 2006) of total expenditures. Fund balance decreased during the year by \$3,101,869 largely due to a \$4.1 transfer to the Public Safety Building capital projects fund.

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 2007, budget amendments resulted in increases in appropriations in the General fund budget by \$183,424. Significant budget variances in the General fund include:

- Intergovernmental revenue and capital outlay were \$1.7 million under budget due to grant activity being delayed to the next fiscal year.
- Intergovernmental revenue was lower than expected in 9-1-1 Communications due to lower than expected reimbursable expenditures.
- Personnel costs were \$109,732 over budget in Information Services due to the settlement of a grievance related to the termination of an employee.
- Non-departmental intergovernmental revenue was higher than expected due to higher than anticipated Payments in Lieu of Tax.
- Investment earning were higher than expected due to larger cash balances and higher interest rates.
- Non-departmental operations were lower than expected due to lower than expected civil commitment costs and \$200,000 budgeted as a contingency for the Detention Facility that was not needed.
- Non-departmental capital outlay was \$140,000 under budget due to the delay of a capital project until the next fiscal year.

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. The restatement reflects a \$13,719,016 increase in net capital assets and net assets invested in capital assets, net of debt. Missoula County's investment in capital assets (net of accumulated depreciation and outstanding debt) was \$36,998,887 at June 30, 2007 (\$30,423,129 at June 30, 2006 before 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 2007 includes:

- Courthouse ventilation system was updated at a total project cost of \$446,473.
- The Public Works completed several infrastructure projects, including \$1,156,744 for Phase 3C in the Development Park, \$1,080,097 towards infrastructure in the Technology District, \$176,252 towards the Bonner Pedestrian Bridge, and \$116,197 of paving for Whipporwill Drive.
- The Missoula Development Authority sold land with a cost of \$436,271 for total proceeds of \$1,563,000

Long-term Debt

Long-term debt for Missoula County totaled \$32,593,949 at June 30, 2007 (\$29,796,142 at June 30, 2006). Total debt increased \$2,797,807, which is comprised of new tax increment bonds totaling \$6,045,000, new special assessment bonds totaling \$1,103,000, and new contracts payable (\$183,780); principal payments and defeased bonds (\$4,284,349), and a \$249,624 decrease in the liability for compensated absences. 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	\$ 12,995,000
Limited Obligation Bonds and Loans	2,620,000
Tax Increment Bonds	6,045,000
Special Assessment Bonds and Loans	6,532,000
Notes and Contracts Payable	1,419,789
Compensated Absence Liability	<u>2,982,160</u>
	<u>\$ 32,593,949</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 33% of the labor income in basic industries, followed by the University of Montana and other state government (18%), federal government (14%), wood and paper products (13%), transportation (13%), and nonresident travel and other (9%). Of the trade center activities, 39% is from medical services, 24% is from retail/wholesale trade, and 36% is from other services.

According to statistics and information provided by the University of Montana Bureau of Business and Economic Research, actual growth (based on nonfarm labor income) increased from 2.6% in 2004 to 4.4% in 2006. Growth projections for 2007 and 2008 are 4.9% and 3.8%, respectively. Driving this growth are health care and professional services, the University of Montana, and the federal government.

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 2007. According to the Missoula County Budget document, General Fund equity (budget basis) was \$2,754,091 at June 30, 2007 compared to \$2,754,091 at the end of fiscal year 2006. However, budgeted ending General Fund equity for 2008 is \$1,991,966. For fiscal year 2008, 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 2007 budget include:

Office of Planning and Grants - The 2008 budget includes a fee increase adopted by the BCC that is expected to generate an additional \$243,000. The OPG interlocal agreement specifies that the County and City contributions to the Current Planning section be allocated on a pro rata basis, based on level of service for each jurisdiction, net of excess planning cash. Due to unforeseen circumstances under the interlocal, the County and City contributions were higher than anticipated by approximately \$200,000 for each jurisdiction.

Building Codes Division – 2007 was the first full year of operations for the County’s Building Codes Program. With some history established, a 5% fee increase may be proposed in order to add an additional inspector and establish a cash reserve in accordance with budget policy. It should be noted that the County does not allocate any overhead expenses to the Building Codes Program.

Public Safety - Missoula County is working with the Montana Department of Corrections to establish a formula to calculate the reimbursement rate for housing state inmates at the Missoula County Detention Facility. This formula will calculate the reimbursement based on the actual costs incurred, including overhead. In anticipation of the new rate, the FY08 budget includes:

- v \$574,000 in one-time revenues to reimburse the FY07 state inmate costs;
- v Approximately 30% increase in the per diem rate totaling \$650,000;
- v Approximately \$335,000 in levy authority in the public safety fund that may be available for other purposes

Milltown Development Projects - The 2008 budget includes \$2.3 million in grant funded expenditures for projects related to the removal of the Milltown Dam, most of which is earmarked for bridge costs.

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

	Countywide		Rural-only	
	2008	2007	2008	2007
Taxable Value	\$184,460,260	\$178,546,389	\$82,618,450	\$82,618,450
Value of Newly Taxable Property	8,156,627	9,542,279	4,221,586	3,931,978
Value of One Mill	184,460	178,546	83,370	81,020
Property Tax Revenues	25,124,441	23,862,170	2,974,386	2,795,176
Number of Mills Levied	136.2	133.7	35.7	34.5

The following table shows the changes in tax revenue and mills for 2008:

	County-wide	Mills	Rural-only	Mills
Total Property Taxes Assessed – Prior Year	\$23,862,171	133.6	\$2,795,176	34.5
Current Year Taxes Attributable to Floating Mill*	412,413	2.2	54,432	0.7
Current Year Property Taxes Attributable To Newly Taxable Property**	1,006,378	1.2	139,032	0.7
Tax Levy Decreases				
Permissive Medical Levy	(58,655)	(0.3)	(14,254)	(0.2)
Jail Bond Debt Sevice	(200,000)	(1.1)	-	-
New Levy Authority:				
Aging- voter approved	102,133	0.6	-	-
Total Property Taxes Assessed – Current Year	\$25,124,440	136.2	\$2,974,386	35.7

* 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 Dale D. Bickell, Chief Financial Officer, Missoula County, 200 W. Broadway, Missoula, Montana 59801; dbickell@co.missoula.mt.us; (406) 721-5700. Additionally, Missoula County's budget reports and CAFRs are available online at www.co.missoula.mt.us.

MISSOULA COUNTY, MONTANA
Statement of Net Assets
June 30, 2007
(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	\$ 2,342,385	\$ 17,971	\$ 2,360,356	\$ 757,196	\$ 6,806
Cash with Fiscal Agents	2,616,330	-	2,616,330	-	-
Investments	35,250,008	1,655,936	36,905,944	155,609	630,415
Property Taxes Receivable, net	2,753,804	-	2,753,804	-	-
RSID Receivable-Delinquent	23,638	30,850	54,488	-	-
RSID Receivable-Deferred	7,940,300	-	7,940,300	-	-
Accounts Receivable, net	1,144,549	492	1,145,041	463,801	376,355
Interest Receivable, net	59,400	-	59,400	-	-
Contributions Receivable	237,306	-	237,306	-	-
Grants Receivable	-	-	-	-	89,738
Loans & Notes Receivable	1,130,096	-	1,130,096	-	-
Advances to Component Units	345,057	-	345,057	-	-
Prepaid Costs	69,037	-	69,037	791	5,928
Inventory	1,192,948	25,943	1,218,891	-	66,867
Debt Issuance Costs	570,885	-	570,885	-	-
Capital Assets - non-depreciable	8,362,422	1,053,135	9,415,557	132,000	-
Capital Assets - depreciable, net	<u>50,480,035</u>	<u>1,072,284</u>	<u>51,552,319</u>	<u>1,642,650</u>	<u>1,715,882</u>
 Total Assets	 \$ <u>114,518,200</u>	 \$ <u>3,856,611</u>	 \$ <u>118,374,811</u>	 \$ <u>3,152,047</u>	 \$ <u>2,891,991</u>

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

MISSOULA COUNTY, MONTANA
Statement of Net Assets (Continued)
June 30, 2007
(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	\$ 948,414	\$ 33,972	\$ 982,386	\$ 161,800	\$ 45,619
Accrued Interest Payable	546,221	-	546,221	9,953	8,906
Accrued Payroll	1,277,365	74,559	1,351,924	31,499	90,466
Deferred Grant Revenue	-	-	-	44,345	-
Unearned Revenue	7,965,212	-	7,965,212	-	-
Liability for Sick & Vacation - Current Portion	2,683,661	-	2,683,661	67,335	154,832
Liability for Sick & Vacation, net of Current Portion	298,499	-	298,499	-	-
Liability for Claims - Current Portion	1,577,051	-	1,577,051	-	-
Liability for Claims, net of Current Portion	1,726,202	-	1,726,202	-	-
Long-term Liabilities:					
Special Assessment with Government Commitment- Due within One Year	963,000	-	963,000	-	-
Other-Due within One Year	1,770,511	-	1,770,511	38,826	24,220
Special Assessment with Government Commitment- Due in more than One Year	5,569,000	-	5,569,000	-	-
Other-Due in more than One Year	21,309,278	-	21,309,278	751,250	371,909
Total Liabilities	<u>46,634,414</u>	<u>108,531</u>	<u>46,742,945</u>	<u>1,105,008</u>	<u>695,952</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	34,873,468	2,125,419	36,998,887	984,574	1,319,753
Restricted for Debt Service	1,755,298	-	1,755,298	-	-
Restricted for Aging Programs	-	-	-	198,521	-
Restricted for Health Programs	-	-	-	-	59,632
Unrestricted	<u>31,255,020</u>	<u>1,622,661</u>	<u>32,877,681</u>	<u>863,944</u>	<u>816,654</u>
Total Net Assets	<u>\$ 67,883,786</u>	<u>\$ 3,748,080</u>	<u>\$ 71,631,866</u>	<u>\$ 2,047,039</u>	<u>\$ 2,196,039</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, 2007

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	\$ 10,616,135	\$ 4,909,952	\$ 20,379	\$ 219,150	\$ (5,466,654)	\$ -	\$ (5,466,654)	\$ -	\$ -
Criminal Justice	3,300,060	831,522	247,773	-	(2,220,765)	-	(2,220,765)	-	-
Public Safety	17,487,042	4,007,155	911,861	1,573,281	(10,994,745)	-	(10,994,745)	-	-
Public Works	17,948,738	2,319,001	590,504	71,470	(14,967,763)	-	(14,967,763)	-	-
Public Health	5,542,050	1,633,125	1,585,624	-	(2,323,301)	-	(2,323,301)	-	-
Social & Economic Services	4,289,787	-	1,674,859	403,500	(2,211,428)	-	(2,211,428)	-	-
Culture & Recreation	3,889,031	1,335,514	387,347	-	(2,166,170)	-	(2,166,170)	-	-
Housing & Community Development	2,601,639	233,379	1,061,083	-	(1,307,177)	-	(1,307,177)	-	-
Interest and Fiscal Charges	1,133,118	-	-	-	(1,133,118)	-	(1,133,118)	-	-
Total Governmental Activities	<u>66,807,600</u>	<u>15,269,648</u>	<u>6,479,430</u>	<u>2,267,401</u>	<u>(42,791,121)</u>	<u>-</u>	<u>(42,791,121)</u>	<u>-</u>	<u>-</u>
Business-type Activities:									
Larchmont Golf Course	880,832	951,976	-	-	-	71,144	71,144	-	-
Rural Special Improvement Districts	720,567	850,294	-	-	-	129,727	129,727	-	-
Total Business-type Activities	<u>1,601,399</u>	<u>1,802,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,871</u>	<u>200,871</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 68,408,999</u>	<u>\$ 17,071,918</u>	<u>\$ 6,479,430</u>	<u>\$ 2,267,401</u>	<u>(42,791,121)</u>	<u>200,871</u>	<u>(42,590,250)</u>	<u>-</u>	<u>-</u>
Component units:									
Missoula Aging Services	\$ 2,456,269	\$ 137,030	\$ 2,862,952	\$ -	-	-	-	543,713	-
Partnership Health Center	4,159,787	2,610,198	2,196,140	-	-	-	-	-	646,551
Total component units	<u>\$ 6,616,056</u>	<u>\$ 2,747,228</u>	<u>\$ 5,059,092</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543,713</u>	<u>646,551</u>
General revenues:									
Property Taxes					32,154,829	-	32,154,829	-	-
Intergovernmental Revenue - Unrestricted					4,334,436	-	4,334,436	-	-
Investment Earnings					1,748,295	55,242	1,803,537	57,516	-
Loss on Sale of Capital Asset					(2,230,026)	-	(2,230,026)	-	-
Other Revenue					-	-	-	198,521	-
Miscellaneous Revenues					12,142,118	56,728	12,198,846	-	1,132
Transfers					<u>141,981</u>	<u>(141,981)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues & Transfers					<u>48,291,633</u>	<u>(30,011)</u>	<u>48,261,622</u>	<u>256,037</u>	<u>1,132</u>
Change in Net Assets					5,500,512	170,860	5,671,372	799,750	647,683
Net Assets - Beginning of Year					48,664,258	\$ 3,577,220	\$ 52,241,478	\$ 1,099,256	\$ 1,548,356
Prior Period Adjustments					<u>13,719,016</u>	<u>-</u>	<u>13,719,016</u>	<u>148,031</u>	<u>-</u>
Net Assets - Beginning of Year as Restated					<u>62,383,274</u>	<u>3,577,220</u>	<u>65,960,494</u>	<u>1,247,287</u>	<u>1,548,356</u>
Net Assets - End of Year					<u>\$ 67,883,786</u>	<u>\$ 3,748,080</u>	<u>\$ 71,631,866</u>	<u>\$ 2,047,037</u>	<u>\$ 2,196,039</u>

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Governmental Funds
June 30, 2007
(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	\$ 37,500	\$ 29,073	\$ 732	\$ 36,689	\$ 193,386	\$ 297,380
Cash with Fiscal Agents	-	-	763,074	468,900	1,384,356	2,616,330
Investments	3,473,307	2,693,036	67,782	3,398,492	17,911,254	27,543,871
Property Taxes Receivable (net)	703,971	640,839	-	127,687	1,236,632	2,709,129
RSID Receivable:						
Delinquent	-	-	23,638	-	-	23,638
Deferred	-	-	7,940,300	-	-	7,940,300
Accounts Receivable	236,397	131,511	-	-	745,949	1,113,857
Loans & Notes Receivable	-	-	-	-	1,130,096	1,130,096
Advances to Other Funds	2,949	202,001	-	-	660,981	865,931
Advances to Component Units	-	-	-	-	345,057	345,057
Inventory	-	-	-	-	1,192,948	1,192,948
Total Assets	<u>\$ 4,454,124</u>	<u>\$ 3,696,460</u>	<u>\$ 8,795,526</u>	<u>\$ 4,031,768</u>	<u>\$ 24,800,659</u>	<u>\$ 45,778,537</u>
Liabilities						
Accounts & Warrants Payable	\$ 204,508	\$ 115,720	\$ -	\$ 866	\$ 599,022	\$ 920,116
Accrued Interest Payable	-	-	108,720	112,145	325,356	546,221
Accrued Payroll	344,688	359,415	-	3,373	537,896	1,245,372
Advances from Other Funds	-	-	-	-	948,439	948,439
Deferred Tax Revenue	703,971	640,839	7,963,938	127,687	1,236,632	10,673,067
Unearned Revenue	-	-	-	-	1,130,096	1,130,096
Total Liabilities	<u>1,253,167</u>	<u>1,115,974</u>	<u>8,072,658</u>	<u>244,071</u>	<u>4,777,441</u>	<u>15,463,311</u>

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

MISSOULA COUNTY, MONTANA
Balance Sheet (Continued)
Governmental Funds
June 30, 2007
(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	-	-	-	-	1,192,948	1,192,948
Reserved for Advances	-	202,001	-	-	903,238	1,105,239
Reserved for Capital	-	-	-	-	48,164	48,164
Reserved for Debt Service	-	-	722,868	-	1,032,430	1,755,298
Unreserved, reported in:						
General Fund	3,200,957	-	-	-	-	3,200,957
Special Revenue Funds	-	2,378,485	-	3,787,697	8,426,433	14,592,615
Capital Projects Funds	-	-	-	-	8,420,005	8,420,005
Total Fund Balance	<u>3,200,957</u>	<u>2,580,486</u>	<u>722,868</u>	<u>3,787,697</u>	<u>20,023,218</u>	<u>30,315,226</u>
Total Liabilities and Fund Balance	<u>\$ 4,454,124</u>	<u>\$ 3,696,460</u>	<u>\$ 8,795,526</u>	<u>\$ 4,031,768</u>	<u>\$ 24,800,659</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.	58,615,738
Debt issuance costs used in governmental activities are not financial resources and, therefore, are not reported in the funds.	570,885
Notes receivable are not available to pay for current-period expenditures and, therefore, are, deferred in the funds.	1,130,096
Taxes receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	2,709,129
Delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	23,638
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.	7,113,023
The liability for compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(2,982,160)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(29,611,789)</u>
Net assets of governmental activities	<u>\$ 67,883,786</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, 2007

	<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	\$ 7,982,868	\$ 8,477,583	\$ 1,222,294	\$ 793,301	\$ 13,981,212	\$ 32,457,258
Licenses & Permits	41,484	10,575	-	-	891,883	943,942
Intergovernmental Revenue	3,115,041	506,059	-	460,207	8,694,840	12,776,147
Charges for Services	2,280,303	3,956,918	-	-	3,145,320	9,382,541
Fines & Forfeits	674,893	30,833	-	-	333,603	1,039,329
Investment Earnings	659,285	10,781	-	252,059	454,045	1,376,170
Private & Local Grants	-	-	-	-	664,723	664,723
Miscellaneous Revenue	60,740	59,350	-	264,106	1,509,014	1,893,210
Total Revenues	<u>14,814,614</u>	<u>13,052,099</u>	<u>1,222,294</u>	<u>1,769,673</u>	<u>29,674,640</u>	<u>60,533,320</u>
Expenditures:						
Current Operations:						
General Government	7,274,505	-	-	-	326,261	7,600,766
Criminal Justice	2,505,128	-	-	-	900,468	3,405,596
Public Safety	1,860,625	12,771,888	-	-	1,069,443	15,701,956
Public Works	556,868	-	14,000	423,331	6,290,334	7,284,533
Public Health	-	-	-	-	5,594,396	5,594,396
Social & Economic Services	-	-	-	-	3,936,569	3,936,569
Culture & Recreation	-	-	-	-	3,523,019	3,523,019
Housing & Community Development	-	-	-	-	2,684,171	2,684,171
Capital Outlay	1,855,386	277,640	-	13,757,966	3,088,772	18,979,764
Debt Service:						
Principal	-	-	847,599	381,500	1,494,313	2,723,412
Interest and Fiscal Charges	-	-	223,537	287,450	900,027	1,411,014
Total Expenditures	<u>14,052,512</u>	<u>13,049,528</u>	<u>1,085,136</u>	<u>14,850,247</u>	<u>29,807,773</u>	<u>72,845,196</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>762,102</u>	<u>2,571</u>	<u>137,158</u>	<u>(13,080,574)</u>	<u>(133,133)</u>	<u>(12,311,876)</u>
Other Financing Sources (uses):						
Transfer In	697,309	986,293	2,150	1,198,453	7,527,991	10,412,196
Transfer Out	(1,336,376)	(261,728)	(426)	(4,409,194)	(4,345,108)	(10,352,832)
Issuance of Debt	86,242	-	-	11,740,000	6,179,007	18,005,249
Defeasance of Debt	-	-	-	-	(1,641,286)	(1,641,286)
Sale of Capital Assets	7,519	3,171	-	1,449,446	53,077	1,513,213
Total other financing sources and uses	<u>(545,306)</u>	<u>727,736</u>	<u>1,724</u>	<u>9,978,705</u>	<u>7,773,681</u>	<u>17,936,540</u>
Net Change in Fund Balances	216,796	730,307	138,882	(3,101,869)	7,640,548	5,624,664
Fund Balances - Beginning of Year	2,984,161	1,850,179	583,986	6,889,566	11,678,954	23,986,846
Change in Inventory Reserves	-	-	-	-	703,716	703,716
Fund Balances - End of Year	<u>\$ 3,200,957</u>	<u>\$ 2,580,486</u>	<u>\$ 722,868</u>	<u>\$ 3,787,697</u>	<u>\$ 20,023,218</u>	<u>\$ 30,315,226</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, 2007

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)	\$ 5,624,664
<p>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.</p>	
Expenditures for capital assets	5,852,902
Current year depreciation	(2,611,460)
Gain or loss on disposal of capital assets	<u>(3,743,239)</u>
	<u>(501,797)</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.	399,351
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.	(476,051)
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	(7,331,780)
Defeasance of debt	1,641,286
Principal payments on long-term debt	2,643,063
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.	215,620
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.	249,624
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.	703,716
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>2,332,816</u>
Change in net assets of governmental activities (page 21)	<u>\$ 5,500,512</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, 2007
(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	\$ 7,977,503	\$ 7,977,503	\$ 7,982,868	\$ 5,365	\$ 8,572,912	\$ 8,572,912	\$ 8,477,583	\$ (95,329)
Licenses & Permits	38,795	38,795	41,484	2,689	8,500	8,500	10,575	2,075
Intergovernmental Revenue	4,616,374	4,642,126	3,087,589	(1,554,537)	429,338	429,338	506,059	76,721
Charges for Services	2,207,204	2,207,204	2,280,303	73,099	3,664,013	3,664,013	3,956,918	292,905
Fines & Forfeits	702,000	702,000	674,893	(27,107)	45,000	45,000	30,833	(14,167)
Investment Earnings	379,000	379,000	638,707	259,707	-	-	9,767	9,767
Miscellaneous Revenue	2,100	2,100	60,740	58,640	75,000	75,000	59,350	(15,650)
Total Revenues	<u>15,922,976</u>	<u>15,948,728</u>	<u>14,766,584</u>	<u>(1,182,144)</u>	<u>12,794,763</u>	<u>12,794,763</u>	<u>13,051,085</u>	<u>256,322</u>
Expenditures:								
Current Operations:								
Personnel	9,184,461	9,184,461	9,233,654	(49,193)	9,446,713	9,446,713	9,314,597	132,116
Operations	3,347,247	3,510,764	2,886,649	624,115	3,860,936	3,860,936	3,427,921	433,015
Capital Outlay	<u>3,551,169</u>	<u>3,570,361</u>	<u>1,769,621</u>	<u>1,800,740</u>	<u>312,992</u>	<u>312,992</u>	<u>279,062</u>	<u>33,930</u>
Total Expenditures	<u>16,082,877</u>	<u>16,265,586</u>	<u>13,889,924</u>	<u>2,375,662</u>	<u>13,620,641</u>	<u>13,620,641</u>	<u>13,021,580</u>	<u>599,061</u>
Excess (deficiency) of Revenue over (under) Expenditures	(159,901)	(316,858)	876,660	1,193,518	(825,878)	(825,878)	29,505	855,383
Other Financing Sources (uses):								
Transfer In	689,776	691,599	697,309	5,710	589,941	601,941	986,293	384,352
Transfer Out	(1,402,028)	(1,402,743)	(1,336,376)	66,367	(307,338)	(319,338)	(261,728)	57,610
Issuance of Debt	70,000	86,242	86,242	-	-	-	-	-
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>7,519</u>	<u>7,519</u>	<u>-</u>	<u>-</u>	<u>3,171</u>	<u>3,171</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (802,153)</u>	<u>\$ (941,760)</u>	<u>331,354</u>	<u>\$ 1,273,114</u>	<u>\$ (543,275)</u>	<u>\$ (543,275)</u>	<u>757,241</u>	<u>\$ 1,300,516</u>
Fund Balance - Beginning of Year			<u>3,503,882</u>			\$ <u>2,246,527</u>		
Fund Balance - End of Year			<u>\$ 3,835,236</u>			<u>\$ 3,003,768</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, 2007
(Page 2 of 2)

	Missoula Development Authority			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property Taxes	\$ 616,010	\$ 616,010	\$ 793,301	\$ 177,291
Intergovernmental Revenue	910	1,710,910	460,207	(1,250,703)
Investment Earnings	15,000	15,000	260,294	245,294
Miscellaneous Revenue	10,000	313,572	264,106	(49,466)
Total Revenues	<u>641,920</u>	<u>2,655,492</u>	<u>1,777,908</u>	<u>(877,584)</u>
Expenditures:				
Current Operations:				
Personnel	84,386	84,386	88,160	(3,774)
Operations	143,357	446,929	338,058	108,871
Capital Outlay	2,547,687	15,283,509	13,803,552	1,479,957
Debt Service:				
Principal	381,500	593,000	381,500	211,500
Interest and Fiscal Charges	136,499	137,849	198,631	(60,782)
Total Expenditures	<u>3,293,429</u>	<u>16,545,673</u>	<u>14,809,901</u>	<u>1,735,772</u>
Excess (deficiency) of Revenue over (under) Expenditures	(2,651,509)	(13,890,181)	(13,031,993)	858,188
Other Financing Sources (uses):				
Transfer In	-	-	1,198,453	1,198,453
Transfer Out	(4,308,478)	(4,479,194)	(4,409,194)	70,000
Issuance of Debt	1,452,613	12,092,613	11,700,224	(392,389)
Sale of Capital Assets	750,000	750,000	1,449,446	699,446
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (4,757,374)</u>	<u>\$ (5,526,762)</u>	(3,093,064)	<u>\$ 2,433,698</u>
Fund Balance - Beginning of Year			<u>6,966,764</u>	
Fund Balance - End of Year			<u>\$ 3,873,700</u>	

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Proprietary Funds
June 30, 2007

	<u>Business-Type Activities-Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>	
	Larchmont Golf Course	RSID Funds		
Assets				
<i>Current Assets:</i>				
Cash & Cash Equivalents	\$ 10,284	\$ 7,687	\$ 17,971	\$ 2,527,865
Investments	952,531	712,032	1,664,563	7,237,929
Taxes Receivable, net	-	-	-	44,675
RSID Receivable-Delinquent	-	30,850	30,850	11,584
Accounts Receivable (net)	492	-	492	-
Interest Receivable	-	-	-	59,400
Prescription Rebate Receivable	-	-	-	19,108
Contributions Receivable	-	-	-	237,306
Advances to Other Funds	-	-	-	82,508
Prepaid Costs	-	-	-	69,037
Inventory	25,943	-	25,943	-
Total Current Assets	<u>989,250</u>	<u>750,569</u>	<u>1,739,819</u>	<u>10,289,412</u>
<i>Noncurrent Assets:</i>				
Capital Assets, net	1,703,097	422,322	2,125,419	226,719
Total Assets	<u>\$ 2,692,347</u>	<u>\$ 1,172,891</u>	<u>\$ 3,865,238</u>	<u>\$ 10,516,131</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts & Warrants Payable	\$ 20,072	\$ 13,900	\$ 33,972	\$ 28,298
Accrued Payroll	66,782	7,777	74,559	31,993
Deferred Revenue	-	-	-	24,912
Liability for Claims, Current Portion	-	-	-	1,577,051
Total Current Liabilities	<u>86,854</u>	<u>21,677</u>	<u>108,531</u>	<u>1,662,254</u>
<i>Noncurrent Liabilities:</i>				
Liability for Claims, net of Current Portion	-	-	-	1,726,202
Total Liabilities	<u>86,854</u>	<u>21,677</u>	<u>108,531</u>	<u>3,388,456</u>
Net Assets				
Invested in Capital Assets, net of Related Debt	1,703,097	-	1,703,097	226,719
Reserved for Advances	-	-	-	82,508
Unrestricted	902,396	1,151,214	2,053,610	6,818,448
Total Net Assets	<u>2,605,493</u>	<u>1,151,214</u>	<u>3,756,707</u>	<u>7,127,675</u>
Total Liabilities and Net Assets	<u>\$ 2,692,347</u>	<u>\$ 1,172,891</u>	<u>3,865,238</u>	<u>\$ 10,516,131</u>
Adjustments to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			(8,627)	
Net Assets of Business-type activities.			<u>\$ 3,748,080</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, 2007

	<u>Business-Type Activities-Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>	
	Larchmont Golf Course	RSID Funds		
Operating Revenues:				
Special Assessments	\$ -	\$ 850,294	\$ 850,294	\$ -
Charges for Services	951,976	-	951,976	8,571,350
Total Operating Revenues	<u>951,976</u>	<u>850,294</u>	<u>1,802,270</u>	<u>8,571,350</u>
Operating Expenses:				
Personnel	441,261	224,039	665,300	192,526
Operations	263,313	441,953	705,266	396,723
Claims	-	-	-	5,543,058
Reinsurance Premiums	-	-	-	560,457
Administrative	-	-	-	644,551
Depreciation and Amortization	184,481	61,302	245,783	13,133
Total Operating Expenses	<u>889,055</u>	<u>727,294</u>	<u>1,616,349</u>	<u>7,350,448</u>
Operating Income	<u>62,921</u>	<u>123,000</u>	<u>185,921</u>	<u>1,220,902</u>
Non-operating Revenues (Expenses):				
Property Taxes	-	-	-	488,657
Miscellaneous Income	27,184	-	27,184	-
Investment Earnings	47,951	7,291	55,242	380,030
Other Income (Expenses)	-	29,545	29,545	78,389
Rebates	-	-	-	47,648
Intergovernmental Revenues	-	-	-	49,225
Total Non-operating Revenues (Expenses)	<u>75,135</u>	<u>36,836</u>	<u>111,971</u>	<u>1,043,949</u>
Net Income before Transfers	138,056	159,836	297,892	2,264,851
Transfers In	-	10,023	10,023	115,090
Transfers Out	(123,940)	(28,064)	(152,004)	(32,473)
Change in Net Assets	14,116	141,795	155,911	2,347,468
Total Net Assets - Beginning of Year	<u>2,591,377</u>	<u>1,009,419</u>		<u>4,780,207</u>
Total Net Assets - End of Year	<u>\$ 2,605,493</u>	<u>\$ 1,151,214</u>		<u>\$ 7,127,675</u>
Adjustments to reflect the consolidation of Internal Service fund activities related to Enterprise funds.			<u>14,949</u>	
Change in Net Assets of Business-type Activities (page 21)			<u>\$ 170,860</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, 2007
(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	\$ 951,484	\$ 850,505	\$ 1,801,989	\$ 8,294,145
Cash payments to employees for services	(429,613)	(223,170)	(652,783)	(368,381)
Cash payments for reinsurance premiums	-	-	-	(953,335)
Cash payments for administrative expenses	-	-	-	(434,954)
Cash payments for claims expenses	-	-	-	(5,344,346)
Cash payments to other suppliers for goods and services	(259,582)	(441,549)	(701,131)	(129,249)
Net cash provided by operating activities	<u>262,289</u>	<u>185,786</u>	<u>448,075</u>	<u>1,063,880</u>
Cash flows from non-capital financing activities:				
Property taxes collected	-	-	-	480,261
Rebates	-	-	-	47,648
Miscellaneous Income	27,184	-	27,184	-
Transfer in	-	10,023	10,023	115,090
Transfer out	(123,940)	(28,064)	(152,004)	(32,473)
Intergovernmental revenue and other sources	-	29,545	29,545	406,319
Net cash provided (used) by non-capital financing activities	<u>(96,756)</u>	<u>11,504</u>	<u>(85,252)</u>	<u>1,016,845</u>
Cash flows from capital and related financing activities:				
Deferred revenue	-	-	-	24,912
Acquisition of Capital Assets and construction in progress	(142,534)	(28,729)	(171,263)	-
Net cash used for capital and related financing activities	<u>(142,534)</u>	<u>(28,729)</u>	<u>(171,263)</u>	<u>24,912</u>
Cash flows from investing activities:				
Purchases of investment securities	(3,375,759)	(2,642,309)	(6,018,068)	(7,171,654)
Proceeds from sale of investment securities	3,286,501	2,456,708	5,743,209	5,765,102
Interest on investments	47,951	7,291	55,242	310,000
Net cash used by investing activities	<u>(41,307)</u>	<u>(178,310)</u>	<u>(219,617)</u>	<u>(1,096,552)</u>
Net increase (decrease) in cash and cash equivalents	(18,308)	(9,749)	(28,057)	1,009,085
Cash and cash equivalents at beginning of year	28,592	17,436	73,634	1,518,780
Cash and cash equivalents at end of year	<u>\$ 10,284</u>	<u>\$ 7,687</u>	<u>\$ 45,577</u>	<u>\$ 2,527,865</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, 2007
(Page 2 of 2)

Reconciliation of Income from Operations to Cash Provided by Operations

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund		
	Larchmont Golf Course	RSID Funds	Total	
Income from operations	\$ 62,921	\$ 123,000	\$ 185,921	\$ 938,446
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	184,481	61,302	245,783	13,133
Change in assets and liabilities:				
(Increase) decrease in receivables	(492)	211	(281)	(80,783)
Decrease in prepaid costs	-	-	-	1,713
Decrease in inventory	6,802	-	6,802	-
(Decrease) increase in payables	(3,071)	404	(2,667)	(7,996)
(Decrease) increase in accrued liabilities	11,648	869	12,517	199,367
Net cash provided by operating activities	\$ 262,289	\$ 185,786	\$ 448,075	\$ 1,063,880

Supplemental Disclosure of Cash Flow Information

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

Internal service funds had \$31,198 of net investment income that was reinvested in their trust portfolios for the year.

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

MISSOULA COUNTY, MONTANA
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>	<u>Individual Investment Trust</u>	<u>External Pool Investment Trust</u>
Assets			
Cash & Cash Equivalents	\$ 13,151	\$ 1,118,395	\$ 542,605
Cash with Fiscal Agents	1,838,557	-	-
Property Taxes Receivable, net	9,337,215	-	-
Investments, at Fair Value:			
Securities	401,975	-	12,434,668
Repurchase Agreements	36,543	-	3,873,443
STIP	<u>779,588</u>	<u>14,546,588</u>	<u>33,949,016</u>
Total Investments	<u>1,218,107</u>	<u>14,546,588</u>	<u>50,257,127</u>
Total Assets	<u>12,407,030</u>	<u>15,664,983</u>	<u>50,799,732</u>
Liabilities			
Accounts Payable	1,231,258	-	-
Funds Held in Trust	<u>11,175,772</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>12,407,030</u>	<u>-</u>	<u>-</u>
Net Assets			
Net Assets Held in Trust for Pool Participants	\$ <u>-</u>	\$ <u>15,664,983</u>	\$ <u>50,799,732</u>

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

MISSOULA COUNTY, MONTANA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For Fiscal Year Ended June 30, 2007

	<u>Individual Investment Trust</u>	<u>External Pool Investment Trust</u>
Additions		
Interest Income	\$ 176,132	\$ 2,616,601
Net Investment Income	176,132	2,616,601
Participant Investments in Pool	15,488,851	289,829,205
Total Additions	<u>15,664,983</u>	<u>292,445,806</u>
Deductions		
Distribution to Participants	-	(286,991,009)
Change in Net Assets	15,664,983	5,454,797
Net Assets Held in Trust for Pool Participants		
Net Assets - Beginning of Year	-	45,344,935
Net Assets - End of Year	<u>\$ 15,664,983</u>	<u>\$ 50,799,732</u>

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

MISSOULA COUNTY, MONTANA

Notes to Financial Statements

June 30, 2007

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
- Open Space
- 9-1-1-Trust
- IACP School
- MCFPA Trust
- Judgment Levy
- HUD/CDBG
- Abandoned Vehicle
- 901 Sewer
- 901 Water
- LEPC Trust
- Art Museum
- RSID Debt Service
- RSID Projects
- Jail Commissary
- Miller Creek Trust
- Disaster
- Fair Ice Rink
- Friends of Historical Museum
- Subdivision Improvement Bonds
- Historical Museum Gift Shop
- Friends of the Library
- Transportation Mitigation Trust
- 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 September 30.

An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The estimated uncollectible amount is recorded as 1.66% of total taxes receivable at year-end. At June 30, 2007 the allowance amounted to \$206,100.

Taxable valuations, mill values and mill levies for November 2006 and May 2007 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	\$178,546,389	\$ 3,404,619	\$ 178,546	133.64 mills
Unincorporated levies	\$ 81,019,990	\$ 1,598,460	\$ 81,020	34.50 mills

The county-wide value includes \$1,806,159 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 \$1,598,460, 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.

In Fiscal Year 2005, the County started to capitalize capital assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, including those financed by special assessments districts. The County retroactively restated its Fiscal Year 2007 financial statements to record those improvements that were placed into service prior to 2005.

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, 2007, are detailed as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 67,376	\$ -	\$ 67,376
Cash in pooled bank deposits	822,280	6,806	829,086
Cash in non-pooled bank deposits	3,627,711	757,196	4,384,907
Cash with fiscal agents	4,454,887	-	4,454,887
Pooled investments	82,401,697	630,415	83,032,112
Non-pooled investments	<u>20,066,488</u>	<u>155,609</u>	<u>20,222,097</u>
Total	<u>\$ 111,440,439</u>	<u>\$ 1,550,026</u>	<u>\$ 112,990,465</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, 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, 2007, the County's carrying amount of deposits was \$7,231,826 and the bank balance was \$8,731,123. The carrying amount for the County includes \$6,806 of component unit cash balances. Of the bank balance, \$307,257 was covered by federal depository insurance, \$7,179,210 was covered by securities held by the pledging financial institution's trust department or agent in the County's name, and \$1,244,656 was uncollateralized and uninsured

Fiscal agent deposits of \$4,454,888 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, 2007, 100% 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, 2007, 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	\$ 2,430,052	\$ 3,082,983	\$ 468,685	\$ 98,844	\$ -	\$ -	\$ 6,080,564	AAA
Federal Home Loan Bank Notes-CMO	5,629,417	1,780,214	4,494,649	655,819	690,693	-	13,250,792	AAA
Federal Home Loan Mortgage Corp-CMO	1,731,649	2,040,066	295,183	599,545	100,906	-	4,767,349	AAA
Federal National Mortgage Assoc-CMO	598,344	98,562	272,803	98,594	-	-	1,068,303	AAA
US Treasury Notes	-	396,750	367,110	-	-	-	763,860	n/a
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	46,657,990	46,657,990	A1+
Corporate Fixed	-	-	-	-	-	11,949,068	11,949,068	A1+
Corporate Variable-rate	-	-	-	-	-	9,558,794	9,558,794	A1+
U.S. Government Indirect-Backed	-	-	-	-	-	1,257,780	1,257,780	A1+
Municipal Variable-rate	-	-	-	-	-	125,779	125,779	NR
Money Market Accounts	-	-	-	-	-	628,898	628,898	A1+
	-	-	-	-	-	70,178,309	70,178,309	
Repurchase Agreements	-	-	-	-	-	6,358,089	6,358,089	A3
Total Primary Government	10,389,462	7,398,575	5,898,430	1,452,802	791,599	76,536,398	102,467,266	
Component Unit Investments:								
Federal Farm Credit Bank Notes-CMO	14,042	19,428	3,052	-	-	-	36,522	AAA
Federal Home Loan Bank Notes-CMO	23,980	9,663	27,969	2,969	4,498	-	69,079	AAA
Federal Home Loan Mortgage Corporation-CMO	7,081	12,634	1,922	3,904	-	-	25,541	AAA
Federal National Mortgage Association Notes	-	-	1,777	-	-	-	1,777	AAA
Financing Corporation CPN FICO Strips	-	-	-	-	-	-	-	AAA
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	303,843	303,843	A1+
Corporate Fixed	-	-	-	-	-	77,814	77,814	A1+
Corporate Variable-rate	-	-	-	-	-	62,248	62,248	A1+
U.S. Government Indirect-Backed	-	-	-	-	-	8,191	8,191	A1+
Municipal Variable-rate	-	-	-	-	-	819	819	NR
Money Market Accounts	-	-	-	-	-	4,095	4,095	A1+
Equity Mutual Funds	-	-	-	-	-	155,609	155,609	A1+
Repurchase Agreements	-	-	-	-	-	41,405	41,405	A3
Total Component Unit	45,103	41,725	34,720	6,873	4,498	654,024	786,943	
Total	\$ 10,434,565	\$ 7,440,300	\$ 5,933,150	\$ 1,459,675	\$ 796,097	\$ 77,190,422	\$ 103,254,209	

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 97.1% of STIP investments consisted of asset-backed securities and approximately 13.6% consisted of variable interest rate securities at June 30, 2007 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, 2007 financial statements at www.investmentmt.com. The County's investment in STIP amounts to 2.5% of total STIP assets.

The external investment pool managed by the County is 66.8% invested in STIP, with 56,088,731 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2007, STIP's average investment return was 5.348%.

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	\$ 67,376
Cash in pooled bank deposits	829,086
Investments	
Repurchase agreements	6,399,494
Government securities	20,543,887
STIP	<u>56,088,731</u>
Total assets	<u>83,928,574</u>
Net Assets:	
County funds	36,464,782
External participants	<u>47,463,792</u>
Total net assets	<u>\$ 83,928,574</u>

Statement of Changes in Net Assets

Additions:	
Interest income	\$ <u>4,297,442</u>
Net investment Income	4,297,442
Participant Investments in Pool	<u>358,883,364</u>
Total Additions	<u>363,180,806</u>
Deductions:	
Distribution to Participants	<u>(350,298,178)</u>
Change in Net Assets	12,882,628
Net assets	
Beginning of year	<u>71,045,946</u>
End of year	<u>\$ 83,928,574</u>

Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2007 consist of:

<u>HUD - Missoula Children's Theatre</u> 0%, \$24,500 due annually through June 2017	\$ 122,500
<u>The Good Food Store, Inc.</u> 5%, \$4,718 due monthly from November 2003 through October 2008	72,877
<u>Rocky Mountain Biologicals, Inc.</u> 5%, \$4,813 due monthly from November 2005 through October 2014	237,779
<u>Opportunity Resources, Inc.</u> 0%, \$167 due monthly from May 2006 through April 2015	17,500
<u>Partnership Health Center</u> 1%, \$2,640 due annually from July 2006 through July 2016	22,610
<u>North Missoula Community Development Corporation</u> 3%, varying amounts due annually through May 2014	49,150
<u>Western Montana Mental Health Center</u> 5%, \$9,719 due annually through November 2015	68,636
<u>AquilaVision</u> 7%, \$10,383 due monthly, all principal and interest due July 1, 2008	120,000
<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 Aging Services</u> Variable interest and varying amounts due annually through February 15, 2016.	230,242
<u>Missoula Area Youth Hockey Association</u> Variable interest due annually, all principal and interest due January 1, 2016.	61,000
<u>Missoula Ravalli Transportation Management Association</u> Variable interest, annual payments of \$2,700 plus interest through January 2008	2,243
	<u>\$ 1,130,096</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2007 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	\$ 6,177,976	\$ 943,457	\$ 443,035	\$ 6,678,398
Intangibles	173,101	-	-	173,101
Construction in Progress	886,999	821,403	197,479	1,510,923
Total capital assets, not being depreciated	<u>\$ 7,238,076</u>	<u>\$ 1,764,860</u>	<u>\$ 640,514</u>	<u>\$ 8,362,422</u>
Capital assets, being depreciated:				
Buildings	\$ 36,874,865	\$ 227,658	\$ -	\$ 37,102,523
Equipment	19,054,826	974,502	4,032,265	15,997,063
Infrastructure	25,173,437	2,885,882	-	28,059,319
Total capital assets, being depreciated	<u>81,103,128</u>	<u>4,088,042</u>	<u>4,032,265</u>	<u>81,158,905</u>
Less accumulated depreciation for:				
Buildings	9,245,689	866,179	-	10,111,868
Equipment	9,412,212	1,243,696	685,334	9,970,574
Infrastructure	10,321,562	501,585	-	10,823,147
Total accumulated depreciation	<u>28,979,463</u>	<u>2,611,460</u>	<u>685,334</u>	<u>30,905,589</u>
Total capital assets, being depreciated, net	<u>\$ 52,123,665</u>	<u>\$ 1,476,582</u>	<u>\$ 3,346,931</u>	<u>\$ 50,253,316</u>

The 2006 infrastructure balances have been restated to reflect the retro-active implementation of infrastructure capital assets per GASB No. 34. The restatements reflects a \$24,007,239 increase to the cost of infrastructure and a \$10,288,223 increase in infrastructure accumulated depreciation.

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	-	3,923
Total capital assets, not being depreciated	<u>\$ 1,049,212</u>	<u>\$ 3,923</u>	<u>\$ -</u>	<u>\$ 1,053,135</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 841,697	\$ 30,886	\$ 26,889	\$ 845,694
Improvements other than buildings	1,575,358	63,010	54,680	1,583,688
Equipment, furniture and fixtures	2,170,585	73,444	155,147	2,088,882
Total capital assets, being depreciated	<u>4,587,640</u>	<u>167,340</u>	<u>236,716</u>	<u>4,518,264</u>
Less accumulated depreciation for:				
Buildings and improvements	384,281	34,294	26,889	391,686
Improvements other than buildings	1,254,747	57,644	54,680	1,257,711
Equipment, furniture and fixtures	1,797,885	153,845	155,147	1,796,583
Total capital assets, being depreciated	<u>3,436,913</u>	<u>245,783</u>	<u>236,716</u>	<u>3,445,980</u>
Total capital assets, being depreciated, net	<u>\$ 1,150,727</u>	<u>\$ (78,443)</u>	<u>\$ -</u>	<u>\$ 1,072,284</u>

Certain 2006 balances have been reclassified to reflect a correction in the Larchmont Golf Course depreciation schedules. The reclassification represents a \$39,271 decrease in accumulated depreciation-buildings and improvements, a \$282,535 decrease in accumulated depreciation-improvements other than buildings, and a \$321,806 increase in accumulated depreciation-equipment, furniture and fixtures.

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

Governmental activities:	
General government	\$ 356,594
Criminal Justice	5,656
Public works	936,925
Public safety	1,106,178
Public health	83,776
Culture and recreation	118,334
Social and economic services	3,997
Total depreciation expense - governmental activities	<u>\$ 2,611,460</u>
Business-type activities	
Larchmont Golf Course	\$ 184,481
RSIDs	61,302
Total depreciation expense - business-type activities	<u>\$ 245,783</u>

Note 4 - Capital Assets (Continued)

Discretely presented component units

Activity for the Missoula Aging Services for the year ended June 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 132,000	\$ -	\$ -	\$ 132,000
Capital assets, being depreciated:				
Buildings	\$ 1,397,332	\$ 412,150	\$ -	\$ 1,809,482
Equipment	54,622	17,969	-	72,591
Construction in Progress	40,025	-	40,025	-
Total capital assets, being depreciated	<u>1,491,979</u>	<u>430,119</u>	<u>40,025</u>	<u>1,882,073</u>
Less accumulated depreciation	<u>(196,006)</u>	<u>(43,417)</u>	<u>-</u>	<u>(239,423)</u>
Total capital assets, being depreciated, net	<u>\$ 1,295,973</u>	<u>\$ 386,702</u>	<u>\$ 40,025</u>	<u>\$ 1,642,650</u>

Activity for the Partnership Health Clinic for the year ended June 30, 2007, 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	921,837	24,938	946,775
Total capital assets, being depreciated	<u>2,870,171</u>	<u>24,938</u>	<u>2,895,109</u>
Less accumulated depreciation	<u>(1,058,146)</u>	<u>(121,081)</u>	<u>(1,179,227)</u>
Total capital assets, being depreciated, net	<u>\$ 1,812,025</u>	<u>\$ (96,143)</u>	<u>\$ 1,715,882</u>

Note 5 - Long-Term Debt

At June 30, 2007, unmatured principal on long-term debt consisted of the following:

General Obligation Bonds and Loans

\$13,770,000 Refunding General Obligation Bonds Series 2005 issued August 2005, 2.85% to 4.0%, due in varying amounts to July 2018	\$ 12,840,000
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	155,000
Total general obligation bonds and notes	<u>12,995,000</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	340,000
\$1,000,000 Risk Management Bond, Series 2001 issued July 15, 2001, 3.10% to 4.5%, due in varying amounts to July 2011	550,000
\$995,000 Ice Rink Facility Bond, Series 2004 issued June 10, 2004, 3.75% to 5%, due in varying amounts to July 2024	930,000
\$800,000 Ice Rink Facility Bond, Series 2006 issued March, 2006, 3.4% to 4.25%, due in varying amounts to July 2026	800,000
Total limited obligation bonds and notes	<u>2,620,000</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	4,945,000
\$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>6,045,000</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	1,623,000
\$241,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	69,000
\$1,943,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	594,000
\$291,000 State Revolving Fund Loan, issued November 1998, 4%, due in varying amounts to July 2019	157,000
\$649,936 State Revolving Fund Loan, issued September 2002, 4%, due in varying amounts to July 2023	468,000
\$4,498,121 State Revolving Fund Loan, issued July 2003, 3.75%, due in varying amounts to July 2024	3,360,000
\$169,000 State Revolving Fund Loan, issued April 2005, 2.75%, due in varying amounts to July 2015	116,000
\$281,199 State Revolving Fund Loan, issued April 2005, 3.75%, due in varying amounts to July 2020	145,000
Total special assessment bonds and loans	<u>6,532,000</u>

Note 5 - Long-Term Debt (Continued)

Notes & Contracts Payable

Variable rate (7.25% at 6/30/07) line of credit payable, due in varying amounts through August 2013; repayment from MCA Increment District	449,695
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through August 2014; repayment from Seeley Lake Refuse District	38,313
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through August 2009; repayment from Fair fund	16,576
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through August 2008; repayment from the Central Services fund	184,145
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through August 2009; repayment from Fair fund	14,535
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through August 2009; repayment from Technology fund	183,201
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through August 2010; repayment from Road & Bridge fund	180,203
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through August 2014; repayment from Fair fund	122,879
Variable rate (4.9% at 6/30/07) contract payable, due in varying amounts through February 2016; repayment from Aging fund	230,242
Total notes and contracts payable	<u>1,419,789</u>
Subtotal	<u>29,611,789</u>

Note 5 - Long-Term Debt (Continued)

Liability for Sick and Vacation (Primary Government)

Accrued vacation benefits	1,803,693
Accrued compensatory time benefits	167,350
Accrued holiday benefits	92,925
Accrued sick benefits	<u>918,192</u>
Total accrued benefits	<u>2,982,160</u>
Total Long-Term Debt	<u>\$ 32,593,949</u>

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2007, 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	\$ 13,933,000	\$ -	\$ (938,000)	\$ 12,995,000	\$ 888,000
Limited Obligation Note	2,770,000	-	(150,000)	2,620,000	175,000
Tax Increment	1,875,000	6,045,000	(1,875,000)	6,045,000	370,000
Special Assessment Bonds Payable	688,000	1,103,000	(168,000)	1,623,000	130,000
Special Assessment Loans Payable	5,588,599	-	(679,599)	4,909,000	833,000
Contracts Payable	1,709,759	183,780	(473,750)	1,419,789	337,511
Liability for Sick and Vacation	<u>3,231,784</u>	<u>2,482,624</u>	<u>(2,732,248)</u>	<u>2,982,160</u>	<u>2,683,661</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 29,796,142</u>	<u>\$ 9,814,404</u>	<u>\$ (7,016,597)</u>	<u>\$ 32,593,949</u>	<u>\$ 5,417,172</u>

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, 2007, are as follows:

Governmental Activities									
Fiscal Year Ending June 30	Refunding Bond Principal	Refunding Bond Interest	Fair SRF Principal	Fair SRF Interest	General Obligation Total Principal	General Obligation Total Interest	Risk Management Principal	Risk Management Interest	PHC Ltd Oblig Principal
2008	\$ 880,000	\$ 445,126	\$ 8,000	\$ 6,120	\$ 888,000	\$ 451,246	\$ 100,000	\$ 21,650	\$ 20,000
2009	910,000	417,138	10,000	5,781	920,000	422,919	105,000	17,395	20,000
2010	935,000	387,741	10,000	5,380	945,000	393,121	110,000	12,825	25,000
2011	965,000	357,450	10,000	4,980	975,000	362,430	115,000	7,930	25,000
2012	1,000,000	324,893	10,000	4,580	1,010,000	329,473	120,000	2,700	25,000
2013-2017	5,590,000	1,047,057	58,000	16,340	5,648,000	1,063,397	-	-	150,000
2018-2022	2,560,000	102,616	49,000	3,830	2,609,000	106,446	-	-	75,000
2023-2027	-	-	-	-	-	-	-	-	-
2028-2032	-	-	-	-	-	-	-	-	-
	<u>12,840,000</u>	<u>\$ 3,082,021</u>	<u>155,000</u>	<u>\$ 47,011</u>	<u>12,995,000</u>	<u>\$ 3,129,032</u>	<u>550,000</u>	<u>\$ 62,500</u>	<u>340,000</u>
Less current portion	<u>(880,000)</u>		<u>(8,000)</u>		<u>(888,000)</u>		<u>(100,000)</u>		<u>(20,000)</u>
	<u>\$ 11,960,000</u>		<u>\$ 147,000</u>		<u>\$ 12,107,000</u>		<u>\$ 450,000</u>		<u>\$ 320,000</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
2008	\$ 17,333	\$ 370,000	\$ 190,400	\$ -	\$ 68,738	\$ 130,000	\$ 80,556	\$ 833,000	\$ 173,523
2009	16,363	340,000	176,200	35,000	65,716	142,000	67,163	330,000	151,495
2010	15,247	350,000	162,400	35,000	63,747	127,000	60,244	331,000	138,952
2011	13,991	365,000	148,100	35,000	61,778	125,000	53,792	331,000	126,441
2012	12,723	380,000	133,200	40,000	59,669	124,000	47,585	338,000	113,730
2013-2017	40,737	2,155,000	419,700	230,000	260,856	410,000	165,037	1,419,000	384,861
2018-2022	4,263	985,000	39,700	305,000	182,024	300,000	93,448	1,049,000	160,788
2023-2027	-	-	-	420,000	70,032	225,000	32,941	278,000	10,267
2028-2032	-	-	-	-	-	40,000	920	-	-
	<u>\$ 120,657</u>	<u>4,945,000</u>	<u>\$ 1,269,700</u>	<u>1,100,000</u>	<u>\$ 832,560</u>	<u>1,623,000</u>	<u>\$ 601,686</u>	<u>4,909,000</u>	<u>\$ 1,260,057</u>
Less current portion		<u>(370,000)</u>		<u>-</u>		<u>(130,000)</u>		<u>(833,000)</u>	
		<u>\$ 4,575,000</u>		<u>\$ 1,100,000</u>		<u>\$ 1,493,000</u>		<u>\$ 4,076,000</u>	

Note 5 - Long-Term Debt (Continued)

Fiscal Year Ending June 30	Governmental Activities (Continued)							
	Ice Rink 2004 Principal	Ice Rink 2004 Interest	Ice Rink 2006 Principal	Ice Rink 2006 Interest	Notes & Contracts Principal	Notes & Contracts Interest	Total Governmental Principal	Total Governmental Interest
	2008	\$ 35,000	\$ 41,174	\$ 20,000	\$ 31,728	\$ 337,511	\$ 75,573	\$ 2,733,511
2009	35,000	39,862	30,000	30,870	315,510	65,594	2,272,510	1,053,577
2010	40,000	38,456	30,000	29,820	227,225	47,801	2,220,225	962,613
2011	40,000	36,956	30,000	28,740	153,414	33,292	2,194,414	873,450
2012	40,000	35,445	30,000	27,645	117,301	25,585	2,224,301	787,755
2013-2017	235,000	149,399	180,000	118,328	268,828	38,321	10,695,828	2,640,636
2018-2022	295,000	89,286	215,000	78,966	-	-	5,833,000	754,921
2023-2027	210,000	16,250	265,000	28,795	-	-	1,398,000	158,285
2028-2032	-	-	-	-	-	-	40,000	920
	<u>930,000</u>	<u>\$ 446,828</u>	<u>800,000</u>	<u>\$ 374,892</u>	<u>1,419,789</u>	<u>\$ 286,166</u>	<u>29,611,789</u>	<u>\$ 8,384,078</u>
Less current portion	<u>(35,000)</u>		<u>(20,000)</u>		<u>(337,511)</u>		<u>(2,733,511)</u>	
	<u>\$ 895,000</u>		<u>\$ 780,000</u>		<u>\$ 1,082,278</u>		<u>\$ 26,878,278</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, 2007, 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

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, 2007 was \$260,702.

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, 2007 was \$6,400,000.

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, 2007, 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 1.4% of total assessed value of taxable property. As of June 30, 2007 the debt margin was \$53,108,288 for total debt.

Note 6 - Commitments and Contingencies

Commitments - At June 30, 2007, the County was committed to spend approximately \$2,500,000 on various contracts for rural special improvement district facilities (principally streets, curbs and gutters), county roads, bridges, social services, and other 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, 2007, taxes remaining under protest totaled \$3,681,435.

Rural Special Improvement Districts (RSIDs) - As of June 30, 2007, delinquent assessments on RSIDs were \$30,850. 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, 2007, 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>
2008	\$ 117,497	\$ 135,359
2009	66,370	142,885
2010	63,719	138,676
2011	64,250	136,096
2012	39,079	133,490
Later	843,385	1,880,484
Total	\$ <u>1,194,300</u>	\$ <u>2,566,990</u>

Operating lease expense for 2007 was \$128,052.

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 \$1,994,724 at June 30, 2007.

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. 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 \$470,414 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 - The County has a self-insured health plan which provides medical benefits to all employees electing to be covered. County and employee monthly contribution rates were \$430 to \$775 and \$0 to \$456, respectively, depending on the type of coverage.

County retirees and qualified terminated employees may elect to obtain health insurance coverage from the County for monthly contributions from \$277 to \$1,105, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2007, were \$3,776,054. Asserted health benefits claims at June 30, 2007 totaled \$373,525.

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 \$.99 to \$10.04 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2007 were \$818,772. Asserted workers' compensation claims at June 30, 2007 totaled \$380,202.

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 2006 and 2007 are as follows:

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>
Claims liability June 30, 2005	\$ 338,025	\$ 719,096	\$ 1,673,598
Claims incurred in 2006	313,039	4,634,134	1,026,390
Claims paid in 2006	<u>(277,765)</u>	<u>(4,791,341)</u>	<u>(530,635)</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	<u>\$ 470,414</u>	<u>\$ 606,637</u>	<u>\$ 2,226,202</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, 2007, 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>
2007	\$ 451,455	\$ 5,061	\$ 1,482,656
2006	306,971	4,809	1,494,903
2005	230,515	4,728	1,455,969

On behalf payments made by the State of Montana totaled \$75 and \$20,995 for MTRS and MPERS respectively. On behalf payments totaling \$21,070 are recognized as intergovernmental revenue and general government expenditures in the County's General Fund.

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, 2007 was \$5,027,365.

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, 2007, the following funds had a deficit fund balance or retained earnings resulting from expenditures/expenses in excess of revenues during 2007 and prior years:

Nonmajor Governmental Funds	
Special Revenue Funds	
Planning	\$ 36,808
Building Code Division	33,635
Disaster & Emergency Levy	1,468
Permissive Medical Levy	845
Judgment Levy	636
Debt Service Funds	
Fair Ice Rink Series 2004	40,221
Fair Ice Rink Series 2006	5,862
Capital Projects Fund	
Milltown Development Projects	178,126
Fair Ice Rink Project	21,978

The Judgment Levy and Disaster & Emergency deficits will be eliminated through delinquent tax collections over the next few years.

The deficits in the Planning, Building Code Division, Permissive Medical Levy, the Fair Ice Rink Debt Service 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, 2007:

Governmental Activities	
Major Funds	
General Fund	
Commissioners	
Personnel	\$ 364
Justice Court	
Personnel	36,106
Financial Services	
Operations	5,227
Clerk & Recorder/Treasurer	
Personnel	27,720
Auditor	
Personnel	458
Operations	398

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

Office of Emergency Management	
Personnel	4,986
9-1-1 Communications Center	
Capital Outlay	41,460
Information Services	
Personnel	109,732
Central Services	
Operations	25,670
Superintendent of Schools	
Personnel	6,828
Missoula Development Authority	
Personnel	3,774
Interest	60,782
Nonmajor Governmental Funds	
Special Revenue Funds	
Road	
Transfers Out	3,000
Fair	
Personnel	34,573
Transfers Out	21,278
Health	
Transfers Out	1,333
Water Quality District	
Personnel	4,549
Building Code Division	
Operations	2,256
Capital Outlay	14,331
Drug Forfeiture	
Personnel	1,153
Transfers Out	295
RSID Administration	
Operations	765

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

Seeley Lake Refuse	
Operations	4,159
Principal	2,555
Interest	1,100
Debt Service Funds	
Jail Bonds	
Interest	100
Health Center Bonds	
Interest	300
Capital Projects Funds	
Technology	
Transfers Out	2,235
Business-type Activities	
Internal Service Funds	
Risk Management	
Personnel	2,936
Telephone Services	
Personnel	40,801

Personnel over-expenditures in Justice Court were due to a department wide reclassification during the fiscal year. Personnel over-expenditures in Clerk & Recorder/Treasurer department were due to a higher than expected fringe cost in the Treasurer's Division and additional overtime in the Clerk & Records Division. Capital outlay over-expenditure in the 9-1-1 Communications Center was due to the budget authority being placed in operations for this purchase, while the actual expenditure was coded to capital outlay and no budget transfer was completed. Personnel over-expenditures in Information Services and Telephone Services were due to settlements of labor claims. Operations over-expenditures in Central Services was primarily due to higher than expected vehicle repair costs in the motor pool and higher than expected operation costs in the print shop. Interest and fiscal charges were higher than expected in the Missoula Development Authority due to larger than anticipated costs related to the defeasance of the Series 1997 Industrial Increment Bonds. Personnel over-expenditures at the Fair were due to an increase in employees versus contractors at the annual fair event.

Transfers-out was higher than anticipated pass-through payments on certain debt instruments. Capital outlay over-expenditures in the Building Code Division were due to higher than anticipated software costs. 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	\$ 216,796	\$ 730,307	\$ 138,882	\$ (3,101,869)	\$ 7,640,548	\$ 2,347,468
Cash & Investments - 6/30/07	(766,885)	(1,377)	-	(16,984)	(38,406)	(14,988)
Cash & Investments - 6/30/06	739,925	363	-	25,219	7,631	15,265
Accounts Receivable - 6/30/07	-	-	-	-	-	(304,934)
Accounts Receivable - 6/30/06	-	-	-	-	-	272,878
Advances to Other Funds - 6/30/07	-	-	-	-	20,000	-
Accounts Payable - 6/30/07	201,649	65,244	-	866	301,789	20,169
Accounts Payable - 6/30/06	(97,112)	(92,087)	-	(49,758)	(517,944)	(61,426)
Claims Payable - 6/30/07	-	-	-	-	-	2,929,954
Claims Payable - 6/30/06	-	-	-	-	-	(2,731,242)
Accrued Payroll - 6/30/07	344,688	359,415	-	3,373	556,932	31,993
Accrued Payroll - 6/30/06	(307,707)	(304,624)	-	(2,954)	(583,869)	(6,206)
Prepaid Cost - 6/30/07	-	-	-	-	-	(69,037)
Prepaid Cost - 6/30/06	-	-	-	-	-	70,750
Accrued Interest - 6/30/07	-	-	-	112,145	289,924	-
Accrued Interest - 6/30/06	-	-	-	(63,102)	(290,391)	-
Deferred Tax Revenue	-	-	-	-	-	(44,675)
Other Deferred Revenue - 6/30/07	-	-	-	-	-	24,912
Depreciation	-	-	-	-	-	13,133
Non-budgeted Funds:						
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	-	(138,882)	-	(1,038,295)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ 331,354</u>	<u>\$ 757,241</u>	<u>\$ -</u>	<u>\$ (3,093,064)</u>	<u>\$ 6,347,919</u>	<u>\$ 2,494,014</u>

Note 11 - Interfund Transactions

Interfund transfers - The County uses interfund transfers for regular reoccurring internal charges, such as debt service, supplies and materials, and services provided. Significant nonrecurring transfers include: \$250,000 from the District Court Fund to the General Fund to distribute excess cash after the State assumption of the Public Defender Office and \$200,000 from the Commissary to the Public Safety Fund to increase the inmate medical reserve. An analysis of transfers in and out during 2007 follows:

General Fund to:	
Public Safety	\$ 380,414
Nonmajor Governmental Funds (Animal Control, Technology, Community Based Organizations, Road, Fair, Planning, Museum, Local Government Study Commission, Rural Initiatives, Capital Improvements)	955,962
Public Safety Fund to:	
Nonmajor Governmental Funds (Drug Forfeiture, Planning, Technology)	181,618
Internal Service (Risk Management)	80,110
RSID Debt Service Funds to:	
Nonmajor Governmental Funds (RSID Revolving)	403
Nonmajor Enterprise Funds (RSID Enterprise)	23
Missoula County Development Park to:	
General Fund	22,000
Nonmajor Governmental Funds (Road, Technology, Public Safety Building Fund, Capital Improvements, Technology Tax Increment Bonds)	4,387,194
Nonmajor Governmental Funds to:	
General Fund	652,963
Public Safety Fund	605,879
Missoula Development Authority	1,198,453
Nonmajor Governmental Funds (Library, Animal Control, Fair Planning, Technology, Extension, Road, Weed, Health, Museum, RSID Administration, Parks, District Court, Bridge, Communications Backbone Project, Fair Ice Rink, Fair Ice Rink Series 2004, Fair Ice Rink Series 2006, Rural Initiatives, City Initiatives, Capital Improvements, Weed Building Trust	1,867,833
Internal Service (Risk Management, Health Insurance)	9,980
Nonmajor Enterprise Funds (RSID Enterprise)	10,000
Internal Service Funds to:	
General Fund	7,473
Internal Service (Excess Loss)	25,000

Note 11 - Interfund Transactions (Continued)

Larchmont Golf Course Fund to:	
General Fund	14,873
Capital Improvements	109,067
Nonmajor Enterprise Fund to:	
Nonmajor Governmental Funds (RSID Administration, Parks)	28,064
	<hr/>
Total Transfers In/Out	\$ 10,537,309

Advances to other funds - Interfund advances at June 30, 2007 consist of the following:

General Fund - Cash flow advances to:	
Nonmajor Governmental Funds (Disaster, Judgment Levy, Permissive Medical Levy)	\$ 2,949
Public Safety - Cash flow advances to:	
Nonmajor Governmental Funds (Jail Bonds)	202,001
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)	660,981
Internal Service Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Risk Management Bonds)	82,508
	<hr/>
Total Advances to Other Funds	\$ 948,439

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)	\$ 345,057
--	------------

Note 12 - Transactions with Component Units (Continued)

Transfers from General Government

Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$	18,113
Health insurance premiums paid to Internal Service Funds		234,585
Community Based Organizations Grant from Nonmajor Governmental Fund (Poor Fund)		221,676

Missoula Aging Services

Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)		431,747
Community Based Organizations Loan from Nonmajor Governmental Fund (Aging Fund) (Variable interest, semi-annual payments of \$16,212 through August 2015)		230,242

Note 13 - Restatements and Reclassifications

In addition to the restatement for the retro-active implementation of infrastructure described in Note 4, discretely presented component unit Missoula Aging Services had the following restatements

During 2007, Missoula Aging Services discovered that accumulated depreciation as of June 30, 2006 was overstated by \$9,171 resulting in an increase to net assets of \$9,171.

During 2007, Missoula Aging Services also discovered that contributions receivable as of June 30, 2006 were understated by \$138,860 resulting in an increase to net assets of \$138,860.

Note 14 - Subsequent Events

On August 21, 2007, the County issued \$1,640,000 of Series 2007 Pooled Rural Special Improvement District Bonds. Proceeds of the bonds were used to pay for infrastructure improvements for RSID No. 8487 and RSID No. 8494. The 3.8% - 4.6% bonds are due in varying amounts through July 1, 2027.

On December 20, 2007 the County issued \$3,325,000 in Series 2007 Open Space General Obligation Bonds. Proceeds of the bonds are used for acquisition of land and easements in the Missoula County Open Space Program. The 3.6% - 3.8% bonds are due in varying amounts through July 1, 2018.

The investment rating of certain Structured Investment Vehicles (SIVs) held by the Short-Term Investment Pool (STIP) were downgraded in November and December of 2007, which according to the Montana Board of Investments was approximately 3.69% of total STIP investments. These types of investments are issued by financial institutions and/or investment managers and are backed by underlying assets of various types. At June 30, 2007, Missoula County's investment in STIP totaled \$56,088,731 which amounted to 66.8% of its total investments. Subsequent to the credit downgrades, Missoula County reduced its investment in STIP to \$18,097,331. Based on available information, management does not believe that the effect of any potential revaluation of STIP would be material to Missoula County's financial statements.

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.

Local Government Study Commission - To account for activities of the locally elected Commission tasked with studying the governance structure of Missoula County.

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

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

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.

(Continued)

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.

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

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

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
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.

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.

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.

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, 2007
(Page 1 of 7)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Assets:										
Cash & Cash Equivalents	\$ 5,344	\$ 1,631	\$ 5,015	\$ 4,196	\$ 1,637	\$ 1,474	\$ 178	\$ 4,185	\$ 7,370	\$ -
Cash with Fiscal Agents	-	-	-	-	7,100	-	-	-	-	-
Investments	495,054	151,072	464,530	388,655	151,657	136,501	16,446	387,618	682,684	-
Property Taxes Receivable (net)	208,600	85,685	81,332	38,139	6,718	64,463	-	19,113	190,966	54,941
Accounts Receivable	2,305	-	-	-	-	3,544	-	-	-	420,856
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	67,835	-	-	-	123,061	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	1,192,948	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,972,086	\$ 238,388	\$ 550,877	\$ 430,990	\$ 290,173	\$ 205,982	\$ 16,624	\$ 410,916	\$ 881,020	\$ 475,797
Liabilities:										
Accounts & Warrants Payable	\$ 252,957	\$ 1,999	\$ 3,357	\$ 4,469	\$ 32,963	\$ 8,753	\$ 7,840	\$ 515	\$ 52,784	\$ 26,620
Accrued Interest Payable	-	-	-	-	3,100	-	-	-	-	-
Accrued Payroll	84,319	-	28,121	8,823	11,763	24,072	-	1,643	48,877	92,665
Advances from Other Funds	-	-	-	-	-	-	-	-	-	338,379
Deferred Tax Revenue	208,600	85,685	81,332	38,139	6,718	64,463	-	19,113	190,966	54,941
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ 545,876	\$ 87,684	\$ 112,810	\$ 51,431	\$ 54,544	\$ 97,288	\$ 7,840	\$ 21,271	\$ 292,627	\$ 512,605
Fund Balance:										
Reserved for Inventory	1,192,948	-	-	-	-	-	-	-	-	-
Reserved for Advances	67,835	-	-	-	123,061	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	165,427	150,704	438,067	379,559	112,568	108,694	8,784	389,645	588,393	(36,808)
Total Fund Balance	1,426,210	150,704	438,067	379,559	235,629	108,694	8,784	389,645	588,393	(36,808)
Total Liabilities and Fund Balance	\$ 1,972,086	\$ 238,388	\$ 550,877	\$ 430,990	\$ 290,173	\$ 205,982	\$ 16,624	\$ 410,916	\$ 881,020	\$ 475,797

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2007
(Page 2 of 7)

	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	\$ 497	\$ 1,217	\$ -	\$ 12,930	\$ 4,029	\$ 898	\$ 1,378	\$ 434	\$ 150	\$ 1,472
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	46,051	112,711	-	1,197,690	373,169	83,174	127,619	40,187	13,914	136,340
Property Taxes Receivable (net)	-	-	-	85,029	44,454	11,947	28,813	-	-	41,037
Accounts Receivable	-	-	-	314,287	-	2,512	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	169,189	169,190	-	28,906	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 215,737</u>	<u>\$ 283,118</u>	<u>\$ -</u>	<u>\$ 1,638,842</u>	<u>\$ 421,652</u>	<u>\$ 98,531</u>	<u>\$ 157,810</u>	<u>\$ 40,621</u>	<u>\$ 14,064</u>	<u>\$ 178,849</u>
Liabilities:										
Accounts & Warrants Payable	\$ 1,027	\$ 24,538	\$ 4,697	\$ 11,402	\$ 2,175	\$ 3,403	\$ 256	\$ 2,072	\$ -	\$ 6,863
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	12,252	7,798	17,393	138,180	11,039	16,859	8,258	6,909	-	9,283
Advances from Other Funds	-	-	11,545	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	85,029	44,454	11,947	28,813	-	-	41,037
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>13,279</u>	<u>32,336</u>	<u>33,635</u>	<u>234,611</u>	<u>57,668</u>	<u>32,209</u>	<u>37,327</u>	<u>8,981</u>	<u>-</u>	<u>57,183</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	169,189	169,190	-	28,906	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	33,269	81,592	(33,635)	1,375,325	363,984	66,322	120,483	31,640	14,064	121,666
Total Fund Balance	<u>202,458</u>	<u>250,782</u>	<u>(33,635)</u>	<u>1,404,231</u>	<u>363,984</u>	<u>66,322</u>	<u>120,483</u>	<u>31,640</u>	<u>14,064</u>	<u>121,666</u>
Total Liabilities and Fund Balance	<u>\$ 215,737</u>	<u>\$ 283,118</u>	<u>\$ -</u>	<u>\$ 1,638,842</u>	<u>\$ 421,652</u>	<u>\$ 98,531</u>	<u>\$ 157,810</u>	<u>\$ 40,621</u>	<u>\$ 14,064</u>	<u>\$ 178,849</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2007
(Page 3 of 7)

	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	\$ 289	\$ 144	\$ -	\$ 576	\$ 3,845	\$ 5,591	\$ 5,808	\$ 1,504	\$ -	\$ 898
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	26,802	13,311	-	53,380	356,144	517,890	537,995	139,346	-	83,203
Property Taxes Receivable (net)	5,609	347	294	-	-	-	-	52,628	-	44,608
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	125,559	711,052	230,242	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 32,700</u>	<u>\$ 13,802</u>	<u>\$ 294</u>	<u>\$ 53,956</u>	<u>\$ 359,989</u>	<u>\$ 649,040</u>	<u>\$ 1,254,855</u>	<u>\$ 423,720</u>	<u>\$ -</u>	<u>\$ 128,709</u>
Liabilities:										
Accounts & Warrants Payable	\$ 2,226	\$ 1,982	\$ -	\$ 2,254	\$ 1,850	\$ -	\$ -	\$ -	\$ -	\$ 5,863
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	714	-	3,538	-	2,156	-	-	-	3,234
Advances from Other Funds	-	-	1,468	-	-	-	-	845	-	-
Deferred Tax Revenue	5,609	347	294	-	-	-	-	52,628	-	44,608
Unearned Revenue	-	-	-	-	-	125,559	711,052	230,242	-	-
Total Liabilities	<u>7,835</u>	<u>3,043</u>	<u>1,762</u>	<u>5,792</u>	<u>1,850</u>	<u>127,715</u>	<u>711,052</u>	<u>282,870</u>	<u>845</u>	<u>53,705</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	48,164	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	24,865	10,759	(1,468)	-	358,139	521,325	543,803	140,850	(845)	75,004
Total Fund Balance	<u>24,865</u>	<u>10,759</u>	<u>(1,468)</u>	<u>48,164</u>	<u>358,139</u>	<u>521,325</u>	<u>543,803</u>	<u>140,850</u>	<u>(845)</u>	<u>75,004</u>
Total Liabilities and Fund Balance	<u>\$ 32,700</u>	<u>\$ 13,802</u>	<u>\$ 294</u>	<u>\$ 53,956</u>	<u>\$ 359,989</u>	<u>\$ 649,040</u>	<u>\$ 1,254,855</u>	<u>\$ 423,720</u>	<u>\$ -</u>	<u>\$ 128,709</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2007
(Page 4 of 7)

	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	\$ 4,011	\$ 13	\$ 1,185	\$ 6,023	\$ 3,548	\$ 1	\$ 8	\$ 4	\$ 22	\$ 328
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	371,526	1,228	109,731	557,900	328,669	69	790	333	182	30,354
Property Taxes Receivable (net)	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 375,537</u>	<u>\$ 1,241</u>	<u>\$ 110,916</u>	<u>\$ 563,923</u>	<u>\$ 332,217</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ 337</u>	<u>\$ 204</u>	<u>\$ 30,682</u>
Liabilities:										
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ 5,679	\$ -	\$ -	\$ -	\$ -	\$ 20
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	375,537	1,241	110,916	563,923	326,538	70	798	337	204	30,662
Total Fund Balance	<u>375,537</u>	<u>1,241</u>	<u>110,916</u>	<u>563,923</u>	<u>326,538</u>	<u>70</u>	<u>798</u>	<u>337</u>	<u>204</u>	<u>30,662</u>
Total Liabilities and Fund Balance	<u>\$ 375,537</u>	<u>\$ 1,241</u>	<u>\$ 110,916</u>	<u>\$ 563,923</u>	<u>\$ 332,217</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ 337</u>	<u>\$ 204</u>	<u>\$ 30,682</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2007
(Page 5 of 7)

	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	Local Gov't Study Commission
Assets:									
Cash & Cash Equivalents	\$ 2,746	\$ 5,086	\$ 454	\$ 171	\$ 103	\$ 213	\$ -	\$ 497	\$ -
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	254,387	471,112	42,031	15,853	9,556	19,741	-	46,021	-
Property Taxes Receivable (net)	-	-	-	-	-	-	491	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 257,133</u>	<u>\$ 476,198</u>	<u>\$ 42,485</u>	<u>\$ 16,024</u>	<u>\$ 9,659</u>	<u>\$ 19,954</u>	<u>\$ 491</u>	<u>\$ 46,518</u>	<u>\$ -</u>
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ 3,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	636	-	-
Deferred Tax Revenue	-	-	-	-	-	-	491	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,127</u>	<u>-</u>	<u>-</u>
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	257,133	476,198	39,182	16,024	9,659	19,954	(636)	46,518	-
Total Fund Balance	<u>257,133</u>	<u>476,198</u>	<u>39,182</u>	<u>16,024</u>	<u>9,659</u>	<u>19,954</u>	<u>(636)</u>	<u>46,518</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 257,133</u>	<u>\$ 476,198</u>	<u>\$ 42,485</u>	<u>\$ 16,024</u>	<u>\$ 9,659</u>	<u>\$ 19,954</u>	<u>\$ 491</u>	<u>\$ 46,518</u>	<u>\$ -</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2007
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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
Assets:							
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 3,489	\$ -	\$ -	\$ 698
Cash with Fiscal Agents	111,850	1,109,163	28,906	-	55,915	36,034	35,388
Investments	-	-	-	323,111	-	-	64,630
Property Taxes Receivable (net)	10,979	120,420	-	251	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-
Advances to Component Units	-	-	345,057	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 122,829</u>	<u>\$ 1,229,583</u>	<u>\$ 373,963</u>	<u>\$ 326,851</u>	<u>\$ 55,915</u>	<u>\$ 36,034</u>	<u>\$ 100,716</u>
Liabilities:							
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	11,850	229,163	8,906	-	20,915	16,034	35,388
Accrued Payroll	-	-	-	-	-	-	-
Advances from Other Funds	82,508	202,001	28,906	-	75,221	25,862	-
Deferred Tax Revenue	10,979	120,420	-	251	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>105,337</u>	<u>551,584</u>	<u>37,812</u>	<u>251</u>	<u>96,136</u>	<u>41,896</u>	<u>35,388</u>
Fund Balance:							
Reserved for Inventory	-	-	-	-	-	-	-
Reserved for Advances	-	-	345,057	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-
Reserved for Debt Service	17,492	677,999	(8,906)	326,600	(40,221)	(5,862)	65,328
Unreserved Fund Balance:							
Undesignated	-	-	-	-	-	-	-
Total Fund Balance	<u>17,492</u>	<u>677,999</u>	<u>336,151</u>	<u>326,600</u>	<u>(40,221)</u>	<u>(5,862)</u>	<u>65,328</u>
Total Liabilities and Fund Balance	<u>\$ 122,829</u>	<u>\$ 1,229,583</u>	<u>\$ 373,963</u>	<u>\$ 326,851</u>	<u>\$ 55,915</u>	<u>\$ 36,034</u>	<u>\$ 100,716</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2007
(Page 7 of 7)

Capital Projects

	Capital Improvements	Technology	Public Safety Building	Milltown Development Projects	Milltown Historical Preservation	Ice Rink Project	Jail Project	MCA Industrial District Construction	RSID Projects	Total
Assets:										
Cash & Cash Equivalents	\$ 3,458	\$ 9,590	\$ 44,964	\$ -	\$ -	\$ -	\$ 6,120	\$ 21,998	\$ 5,966	\$ 193,386
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	1,384,356
Investments	320,354	888,302	4,165,070	-	-	-	566,877	2,037,691	552,593	17,911,254
Property Taxes Receivable (net)	-	39,768	-	-	-	-	-	-	-	1,236,632
Accounts Receivable	-	2,445	-	-	-	-	-	-	-	745,949
Loans & Notes Receivable	2,243	-	-	-	-	61,000	-	-	-	1,130,096
Advances to Other Funds	-	-	-	-	102,800	-	-	-	-	660,981
Advances to Component Units	-	-	-	-	-	-	-	-	-	345,057
Inventory	-	-	-	-	-	-	-	-	-	1,192,948
Total Assets	\$ 326,055	\$ 940,105	\$ 4,210,034	\$ -	\$ 102,800	\$ 61,000	\$ 572,997	\$ 2,059,689	\$ 558,559	\$ 24,800,659
Liabilities:										
Accounts & Warrants Payable	\$ 275	\$ 52,545	\$ -	\$ 19,036	\$ -	\$ -	\$ -	\$ -	\$ 55,299	\$ 599,022
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	325,356
Accrued Payroll	-	-	-	-	-	-	-	-	-	537,896
Advances from Other Funds	-	-	-	159,090	-	21,978	-	-	-	948,439
Deferred Tax Revenue	-	39,768	-	-	-	-	-	-	-	1,236,632
Unearned Revenue	2,243	-	-	-	-	61,000	-	-	-	1,130,096
Total Liabilities	2,518	92,313	-	178,126	-	82,978	-	-	55,299	4,777,441
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	1,192,948
Reserved for Advances	-	-	-	-	-	-	-	-	-	903,238
Reserved for Capital	-	-	-	-	-	-	-	-	-	48,164
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	1,032,430
Unreserved Fund Balance:										
Undesignated	323,537	847,792	4,210,034	(178,126)	102,800	(21,978)	572,997	2,059,689	503,260	16,846,438
Total Fund Balance	323,537	847,792	4,210,034	(178,126)	102,800	(21,978)	572,997	2,059,689	503,260	20,023,218
Total Liabilities and Fund Balance	\$ 326,055	\$ 940,105	\$ 4,210,034	\$ -	\$ 102,800	\$ 61,000	\$ 572,997	\$ 2,059,689	\$ 558,559	\$ 24,800,659

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2007
(Page 1 of 7)

	Special Revenue									
	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Revenues:										
Property Taxes	\$ 1,739,284	\$ 861,535	\$ 804,375	\$ 395,134	\$ 59,157	\$ 713,411	\$ -	\$ 196,716	\$ 2,038,753	\$ 1,020,128
Licenses & Permits	20,819	-	-	-	-	-	-	-	-	57,239
Intergovernmental Revenue	1,956,178	175,456	105,638	49,238	8,238	181,305	68,697	8,181	444,366	2,669,169
Charges for Services	16,146	-	-	27,828	1,173,551	55,773	-	-	61,960	1,677
Fines & Forfeits	-	-	-	-	-	542	-	-	52,269	174,463
Investment Earnings	7,437	-	-	15,570	7,250	-	-	-	16,913	890
Private & Local Grants	-	-	-	-	50	10,000	-	-	-	10,000
Miscellaneous Revenues	6,245	-	-	2,906	39,875	-	-	8,384	6,446	2,283
Total Revenues	<u>3,746,109</u>	<u>1,036,991</u>	<u>910,013</u>	<u>490,676</u>	<u>1,288,121</u>	<u>961,031</u>	<u>68,697</u>	<u>213,281</u>	<u>2,620,707</u>	<u>3,935,849</u>
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	900,468	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	3,437,154	-	701,835	453,656	-	-	78,469	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	714,292	-	-	-	-	-	-	-	2,099,828
Culture & Recreation	-	-	-	-	946,064	-	-	144,679	1,917,950	-
Housing & Community Development	-	-	-	-	-	-	-	-	-	1,967,883
Capital Outlay	392,602	-	70,809	3,261	-	-	-	151,788	666,882	414,809
Debt Service:										
Principal	-	-	-	-	8,000	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	6,210	-	-	-	-	-
Total Expenditures	<u>3,829,756</u>	<u>714,292</u>	<u>772,644</u>	<u>456,917</u>	<u>960,274</u>	<u>900,468</u>	<u>78,469</u>	<u>296,467</u>	<u>2,584,832</u>	<u>4,482,520</u>
Excess of Revenues over (under) Expenditures	(83,647)	322,699	137,369	33,759	327,847	60,563	(9,772)	(83,186)	35,875	(546,671)
Other Financing Sources (uses)										
Transfers In	68,651	-	19,262	13,382	33,294	35,677	23,900	18,637	41,044	696,116
Transfers Out	(123,444)	(282,569)	(34,118)	(45,400)	(159,330)	(303,334)	-	(715)	-	(674,224)
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Defeasance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	53,077	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(85,363)	40,130	122,513	1,741	201,811	(207,094)	14,128	(65,264)	76,919	(524,779)
Fund Balance - Beginning of Year	807,857	110,574	315,554	377,818	33,818	315,788	(5,344)	454,909	511,474	487,971
Change in Inventory Reserves	703,716	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,426,210</u>	<u>\$ 150,704</u>	<u>\$ 438,067</u>	<u>\$ 379,559</u>	<u>\$ 235,629</u>	<u>\$ 108,694</u>	<u>\$ 8,784</u>	<u>\$ 389,645</u>	<u>\$ 588,393</u>	<u>\$ (36,808)</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2007
(Page 2 of 7)

	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	\$ -	\$ -	\$ -	\$ 1,690,567	\$ -	\$ 308,883	\$ 287,182	\$ -	\$ -	\$ 381,832
Licenses & Permits	-	-	599,110	99,556	-	115,159	-	-	-	-
Intergovernmental Revenue	-	35,045	-	1,460,929	31,048	16,981	43,743	106,741	-	64,786
Charges for Services	-	-	-	949,783	394,458	73,809	8,123	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	8,829	-	-
Investment Earnings	-	-	-	15,873	10,545	-	-	762	708	-
Private & Local Grants	-	-	-	58,441	18,750	1,955	-	-	-	16,767
Miscellaneous Revenues	-	-	-	21,448	-	3,906	6,117	-	-	-
Total Revenues	-	35,045	599,110	4,296,597	454,801	520,693	345,165	116,332	708	463,385
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	200,027	-	-
Public Works	-	-	468,963	-	-	-	347,750	-	-	-
Public Health	-	-	-	4,360,797	532,324	552,277	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	422,360
Housing & Community Development	344,066	235,141	-	-	-	-	-	-	-	-
Capital Outlay	-	-	118,084	2,390	23,268	18,774	1,978	-	-	14,697
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	344,066	235,141	587,047	4,363,187	555,592	571,051	349,728	200,027	-	437,057
Excess of Revenues over (under) Expenditures	(344,066)	(200,096)	12,063	(66,590)	(100,791)	(50,358)	(4,563)	(83,695)	708	26,328
Other Financing Sources (uses)										
Transfers In	428,737	344,371	-	98,783	-	38,100	26,676	100,600	-	20,320
Transfers Out	(5,005)	(2,741)	(1,257)	(9,333)	-	-	(5,000)	(5,220)	-	(6,929)
Issuance of Debt	-	-	86,836	-	-	-	-	-	-	-
Defeasance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	79,666	141,534	97,642	22,860	(100,791)	(12,258)	17,113	11,685	708	39,719
Fund Balance - Beginning of Year	122,792	109,248	(131,277)	1,381,371	464,775	78,580	103,370	19,955	13,356	81,947
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 202,458	\$ 250,782	\$ (33,635)	\$ 1,404,231	\$ 363,984	\$ 66,322	\$ 120,483	\$ 31,640	\$ 14,064	\$ 121,666

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2007
(Page 3 of 7)

	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	\$ 81,220	\$ -	\$ 422	\$ -	\$ -	\$ -	\$ -	\$ 599,199	\$ 1,002,760	\$ 19,874
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	7,223	-	-	124,935	112,771	-	19,947	48,900	6,494	-
Charges for Services	-	13,903	-	360	-	-	-	-	-	215,098
Fines & Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	2,235	-	-	21,204	-	-	2,350
Private & Local Grants	-	-	-	-	-	-	-	467,502	-	-
Miscellaneous Revenues	29	-	-	990	-	416,473	451,902	30,611	-	-
Total Revenues	88,472	13,903	422	128,520	112,771	416,473	493,053	1,146,212	1,009,254	237,322
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	11,737	-	-	-	47,393	-	-	-	-	-
Public Works	-	12,466	-	-	-	80,408	-	-	-	193,601
Public Health	-	-	-	109,281	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	1,122,449	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	137,081	-	-	-
Capital Outlay	51,870	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	19,759	-	7,665
Interest and Fiscal Charges	-	-	-	-	-	-	-	10,852	-	3,342
Total Expenditures	63,607	12,466	-	109,281	47,393	80,408	137,081	1,153,060	-	204,608
Excess of Revenues over (under) Expenditures	24,865	1,437	422	19,239	65,378	336,065	355,972	(6,848)	1,009,254	32,714
Other Financing Sources (uses)										
Transfers In	-	-	-	-	-	50,694	-	75,756	-	-
Transfers Out	-	-	(1,890)	-	-	(9,500)	-	-	(1,010,099)	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Defeasance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	24,865	1,437	(1,468)	19,239	65,378	377,259	355,972	68,908	(845)	32,714
Fund Balance - Beginning of Year	-	9,322	-	28,925	292,761	144,066	187,831	71,942	-	42,290
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 24,865	\$ 10,759	\$ (1,468)	\$ 48,164	\$ 358,139	\$ 521,325	\$ 543,803	\$ 140,850	\$ (845)	\$ 75,004

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2007
(Page 4 of 7)

	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
Revenues:										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	473,202	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	85,321	-	-	-	-	-	18,699
Fines & Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Earnings	19,347	-	5,871	28,212	4,280	-	-	-	-	1,727
Private & Local Grants	-	-	-	-	-	-	1,500	-	-	-
Miscellaneous Revenues	-	-	-	-	459,064	-	-	-	-	-
Total Revenues	492,549	-	5,871	113,533	463,344	-	-	1,500	-	20,426
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	408,828	-	-	-	339,708	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	2	17,548
Housing & Community Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	7,409
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	408,828	-	-	-	339,708	-	-	-	2	24,957
Excess of Revenues over (under) Expenditures	83,721	-	5,871	113,533	123,636	-	-	1,500	(2)	(4,531)
Other Financing Sources (uses)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	(7,000)	-	(275,000)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Defeasance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	83,721	-	(1,129)	113,533	(151,364)	-	-	1,500	(2)	(4,531)
Fund Balance - Beginning of Year	291,816	1,241	112,045	450,390	477,902	70	798	(1,163)	206	35,193
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 375,537</u>	<u>\$ 1,241</u>	<u>\$ 110,916</u>	<u>\$ 563,923</u>	<u>\$ 326,538</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ 337</u>	<u>\$ 204</u>	<u>\$ 30,662</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2007
(Page 5 of 7)

	Special Revenue								
	Transportation Mitigation Trust	Miller Creek Trust	Friends of Historical Museum	Historical Gift Shop	Other Special Revenue	Subdivision Improvement Bonds	Judgment Levy	Open Space	Local Gov't Study Commission
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369	\$ 2	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	5,249	23,786	-	3,375	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	12,388	23,710	2,581	-	1,036	1,344	-	-	-
Private & Local Grants	-	-	61,737	-	18,021	-	-	-	-
Miscellaneous Revenues	44,935	5,400	-	-	-	-	-	-	-
Total Revenues	57,323	29,110	69,567	23,786	19,057	4,719	369	2	-
Expenditures:									
Current Operations:									
General Government	-	-	-	-	-	-	-	-	27,111
Criminal Justice	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	15,000	-	-	-
Public Health	-	-	-	-	39,717	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	65,093	9,323	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	65,093	9,323	39,717	15,000	-	-	27,111
Excess of Revenues over (under) Expenditures	57,323	29,110	4,474	14,463	(20,660)	(10,281)	369	2	(27,111)
Other Financing Sources (uses)									
Transfers In	-	-	-	-	-	-	-	-	6,336
Transfers Out	-	-	(1,334)	-	(3,800)	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-
Defeasance of Debt	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	57,323	29,110	3,140	14,463	(24,460)	(10,281)	369	2	(20,775)
Fund Balance - Beginning of Year	199,810	447,088	36,042	1,561	34,119	30,235	(1,005)	46,516	20,775
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 257,133	\$ 476,198	\$ 39,182	\$ 16,024	\$ 9,659	\$ 19,954	\$ (636)	\$ 46,518	\$ -

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2007
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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	\$ 116,511	\$ 1,234,206	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-
Intergovernmental Revenue	9,027	209,995	18,588	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-
Investment Earnings	(92)	12,165	-	-	(1,041)	(286)	-
Private & Local Grants	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-
Total Revenues	<u>125,446</u>	<u>1,456,366</u>	<u>18,588</u>	<u>-</u>	<u>(1,041)</u>	<u>(286)</u>	<u>-</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	95,000	930,000	20,000	-	35,000	-	-
Interest and Fiscal Charges	24,000	458,926	18,113	-	42,230	41,760	35,388
Total Expenditures	<u>119,000</u>	<u>1,388,926</u>	<u>38,113</u>	<u>-</u>	<u>77,230</u>	<u>41,760</u>	<u>35,388</u>
Excess of Revenues over (under) Expenditures	6,446	67,440	(19,525)	-	(78,271)	(42,046)	(35,388)
Other Financing Sources (uses):							
Transfers In	-	-	-	55,553	80,872	36,184	100,716
Transfers Out	-	-	-	(42,780)	-	-	-
Issuance of Debt	-	-	-	-	-	-	-
Defeasance of Debt	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	6,446	67,440	(19,525)	12,773	2,601	(5,862)	65,328
Fund Balance - Beginning of Year	11,046	610,559	355,676	313,827	(42,822)	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 17,492</u>	<u>\$ 677,999</u>	<u>\$ 336,151</u>	<u>\$ 326,600</u>	<u>\$ (40,221)</u>	<u>\$ (5,862)</u>	<u>\$ 65,328</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2007
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	Capital Projects									Total
	Capital Improvements	Technology	Public Safety Building	Milltown Development Projects	Milltown Historical Preservation	Ice Rink Project	Jail Project	MCA Industrial District Construction	RSID Projects	
Revenues:										
Property Taxes	\$ -	\$ 429,692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,981,212
Licenses & Permits	-	-	-	-	-	-	-	-	-	891,883
Intergovernmental Revenue	-	238,019	-	-	-	-	-	-	-	8,694,840
Charges for Services	-	16,421	-	-	-	-	-	-	-	3,145,320
Fines & Forfeits	-	-	-	-	97,500	-	-	-	-	333,603
Investment Earnings	-	-	153,021	(1,874)	1,500	(387)	-	88,806	-	454,045
Private & Local Grants	-	-	-	-	-	-	-	-	-	664,723
Miscellaneous Revenues	-	-	-	-	-	2,000	-	-	-	1,509,014
Total Revenues	-	684,132	153,021	(1,874)	99,000	1,613	-	88,806	-	29,674,640
Expenditures:										
Current Operations:										
General Government	-	299,150	-	-	-	-	-	-	-	326,261
Criminal Justice	-	-	-	-	-	-	-	-	-	900,468
Public Safety	-	-	61,750	-	-	-	-	-	-	1,069,443
Public Works	-	-	-	-	-	-	-	-	501,032	6,290,334
Public Health	-	-	-	-	-	-	-	-	-	5,594,396
Social & Economic Services	-	-	-	-	-	-	-	-	-	3,936,569
Culture & Recreation	-	-	-	-	-	-	-	-	-	3,523,019
Housing & Community Development	-	-	-	-	-	-	-	-	-	2,684,171
Capital Outlay	493,187	480,712	-	176,252	-	-	-	-	-	3,088,772
Debt Service:										
Principal	378,889	-	-	-	-	-	-	-	-	1,494,313
Interest and Fiscal Charges	41,530	-	-	-	-	-	-	175,314	42,362	900,027
Total Expenditures	913,606	779,862	61,750	176,252	-	-	-	175,314	543,394	29,807,773
Excess of Revenues over (under) Expenditures	(913,606)	(95,730)	91,271	(178,126)	99,000	1,613	-	(86,508)	(543,394)	(133,133)
Other Financing Sources (uses):										
Transfers In	664,725	326,042	4,118,763	-	3,800	1,000	-	-	-	7,527,991
Transfers Out	-	(81,483)	-	-	-	-	-	(1,198,453)	(55,150)	(4,345,108)
Issuance of Debt	3,235	-	-	-	-	-	-	4,985,936	1,103,000	6,179,007
Defeasance of Debt	-	-	-	-	-	-	-	(1,641,286)	-	(1,641,286)
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	53,077
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(245,646)	148,829	4,210,034	(178,126)	102,800	2,613	-	2,059,689	504,456	7,640,548
Fund Balance - Beginning of Year	569,183	698,963	-	-	-	(24,591)	572,997	-	(1,196)	11,678,954
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	703,716
Fund Balance - End of Year	<u>\$ 323,537</u>	<u>\$ 847,792</u>	<u>\$ 4,210,034</u>	<u>\$ (178,126)</u>	<u>\$ 102,800</u>	<u>\$ (21,978)</u>	<u>\$ 572,997</u>	<u>\$ 2,059,689</u>	<u>\$ 503,260</u>	<u>\$ 20,023,218</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, 2007
(Page 1 of 8)

	Commissioners				Justice 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	2,238	2,238
Fines & Forfeits	-	-	-	-	574,000	574,000	566,156	(7,844)
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	1,080	1,080
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>574,000</u>	<u>574,000</u>	<u>569,474</u>	<u>(4,526)</u>
Expenditures:								
Current Operations:								
Personnel	469,207	469,207	469,571	(364)	568,035	568,035	604,141	(36,106)
Operations	35,664	35,664	21,735	13,929	61,689	82,135	71,301	10,834
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>9,349</u>	<u>651</u>	<u>6,000</u>	<u>7,450</u>	<u>1,721</u>	<u>5,729</u>
Total Expenditures	<u>514,871</u>	<u>514,871</u>	<u>500,655</u>	<u>14,216</u>	<u>635,724</u>	<u>657,620</u>	<u>677,163</u>	<u>(19,543)</u>
Excess of Revenues over (under) Expenditures	(514,871)	(514,871)	(500,655)	14,216	(61,724)	(83,620)	(107,689)	(24,069)
Other Financing Sources (Uses):								
Transfers In	12,000	12,000	12,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (502,871)</u>	<u>\$ (502,871)</u>	<u>\$ (488,655)</u>	<u>\$ 14,216</u>	<u>\$ (61,724)</u>	<u>\$ (83,620)</u>	<u>\$ (107,689)</u>	<u>\$ (24,069)</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, 2007
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	Attorney				Financial 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	70,017	70,017	56,468	(13,549)	-	-	-	-
Charges for Services	130,600	130,600	110,076	(20,524)	79,000	# 79,000	84,379	5,379
Fines & Forfeits	128,000	128,000	108,737	(19,263)	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	21,666	21,666	-	-	-	-
Total Revenues	<u>328,617</u>	<u>328,617</u>	<u>296,947</u>	<u>(31,670)</u>	<u>79,000</u>	<u>79,000</u>	<u>84,379</u>	<u>5,379</u>
Expenditures:								
Current Operations:								
Personnel	1,798,521	1,798,521	1,765,455	33,066	561,900	561,900	551,603	10,297
Operations	72,472	72,856	56,756	16,100	189,898	189,898	195,125	(5,227)
Capital Outlay	-	1,500	-	1,500	-	-	-	-
Total Expenditures	<u>1,870,993</u>	<u>1,872,877</u>	<u>1,822,211</u>	<u>50,666</u>	<u>751,798</u>	<u>751,798</u>	<u>746,728</u>	<u>5,070</u>
Excess of Revenues over (under) Expenditures	(1,542,376)	(1,544,260)	(1,525,264)	18,996	(672,798)	(672,798)	(662,349)	10,449
Other Financing Sources (Uses):								
Transfers In	84,711	81,534	81,534	-	8,500	8,500	8,500	-
Transfers Out	(20,240)	(20,240)	(9,925)	10,315	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	2,365	2,365
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,477,905)</u>	<u>\$ (1,482,966)</u>	<u>\$ (1,453,655)</u>	<u>\$ 29,311</u>	<u>\$ (664,298)</u>	<u>\$ (664,298)</u>	<u>\$ (651,484)</u>	<u>\$ 12,814</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, 2007
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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	26,100	26,100	27,465	1,365	-	-	-	-
Intergovernmental Revenue	58,000	63,000	55,527	(7,473)	-	-	-	-
Charges for Services	1,183,500	1,183,500	1,221,178	37,678	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	1,276	1,276	-	-	-	-
Total Revenues	<u>1,267,600</u>	<u>1,272,600</u>	<u>1,305,446</u>	<u>32,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,550,181	1,550,181	1,577,901	(27,720)	185,675	185,675	186,133	(458)
Operations	326,770	400,770	366,691	34,079	49,160	49,160	49,558	(398)
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,876,951</u>	<u>1,950,951</u>	<u>1,944,592</u>	<u>6,359</u>	<u>234,835</u>	<u>234,835</u>	<u>235,691</u>	<u>(856)</u>
Excess of Revenues over (under) Expenditures	(609,351)	(678,351)	(639,146)	39,205	(234,835)	(234,835)	(235,691)	(856)
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>\$ (609,351)</u>	<u>\$ (678,351)</u>	<u>\$ (639,146)</u>	<u>\$ 39,205</u>	<u>\$ (234,835)</u>	<u>\$ (234,835)</u>	<u>\$ (235,691)</u>	<u>\$ (856)</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, 2007
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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	-	10,752	10,752	-	3,262,909	3,262,909	1,598,078	(1,664,831)
Charges for Services	340,849	340,849	380,810	39,961	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	3,717	3,717
Total Revenues	<u>340,849</u>	<u>351,601</u>	<u>391,562</u>	<u>39,961</u>	<u>3,262,909</u>	<u>3,262,909</u>	<u>1,601,795</u>	<u>(1,661,114)</u>
Expenditures:								
Current Operations:								
Personnel	588,184	588,184	574,917	13,267	85,804	85,804	90,790	(4,986)
Operations	759,220	759,220	695,711	63,509	52,369	52,369	10,084	42,285
Capital Outlay	<u>58,760</u>	<u>58,760</u>	<u>34,761</u>	<u>23,999</u>	<u>3,212,909</u>	<u>3,212,909</u>	<u>1,554,177</u>	<u>1,658,732</u>
Total Expenditures	<u>1,406,164</u>	<u>1,406,164</u>	<u>1,305,389</u>	<u>100,775</u>	<u>3,351,082</u>	<u>3,351,082</u>	<u>1,655,051</u>	<u>1,696,031</u>
Excess of Revenues over (under) Expenditures	(1,065,315)	(1,054,563)	(913,827)	140,736	(88,173)	(88,173)	(53,256)	34,917
Other Financing Sources (Uses):								
Transfers In	-	-	9,333	9,333	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,065,315)</u>	<u>\$ (1,054,563)</u>	<u>\$ (904,494)</u>	<u>\$ 150,069</u>	<u>\$ (88,173)</u>	<u>\$ (88,173)</u>	<u>\$ (53,256)</u>	<u>\$ 34,917</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, 2007
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	9-1-1 Communications				Information 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	518,922	518,922	408,828	(110,094)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	193	193	-	-	-	-
Total Revenues	<u>518,922</u>	<u>518,922</u>	<u>409,021</u>	<u>(109,901)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,501,848	1,501,848	1,445,174	56,674	638,704	638,704	748,436	(109,732)
Operations	336,613	391,300	314,053	77,247	26,850	26,850	12,153	14,697
Capital Outlay	5,000	5,000	46,460	(41,460)	-	-	-	-
Total Expenditures	<u>1,843,461</u>	<u>1,898,148</u>	<u>1,805,687</u>	<u>92,461</u>	<u>665,554</u>	<u>665,554</u>	<u>760,589</u>	<u>(95,035)</u>
Excess of Revenues over (under) Expenditures	(1,324,539)	(1,379,226)	(1,396,666)	(17,440)	(665,554)	(665,554)	(760,589)	(95,035)
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>\$ (1,324,539)</u>	<u>\$ (1,379,226)</u>	<u>\$ (1,396,666)</u>	<u>\$ (17,440)</u>	<u>\$ (667,954)</u>	<u>\$ (667,954)</u>	<u>\$ (760,589)</u>	<u>\$ (92,635)</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, 2007
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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	-	-	-	-	393,000	393,000	404,872	11,872
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,000</u>	<u>393,000</u>	<u>404,872</u>	<u>11,872</u>
Expenditures:								
Current Operations:								
Personnel	370,205	370,205	358,724	11,481	-	-	-	-
Operations	190,375	190,375	157,649	32,726	282,876	282,876	308,546	(25,670)
Capital Outlay	-	-	-	-	70,000	86,242	75,228	11,014
Total Expenditures	<u>560,580</u>	<u>560,580</u>	<u>516,373</u>	<u>44,207</u>	<u>352,876</u>	<u>369,118</u>	<u>383,774</u>	<u>(14,656)</u>
Excess of Revenues over (under) Expenditures	(560,580)	(560,580)	(516,373)	44,207	40,124	23,882	21,098	(2,784)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(103,152)	(103,152)	(73,762)	29,390
Issuance of Debt	-	-	-	-	70,000	86,242	86,242	-
Sale of Capital Assets	-	-	-	-	-	-	5,154	5,154
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (560,580)</u>	<u>\$ (560,580)</u>	<u>\$ (516,373)</u>	<u>\$ 44,207</u>	<u>\$ 6,972</u>	<u>\$ 6,972</u>	<u>\$ 38,732</u>	<u>\$ 31,760</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, 2007
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	Superintendent of Schools				Surveyor			
	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	-	-	-	-	71,000	71,000	35,598	(35,402)
Charges for Services	3,300	3,300	3,300	-	59,675	59,675	51,341	(8,334)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>	<u>130,675</u>	<u>130,675</u>	<u>86,939</u>	<u>(43,736)</u>
Expenditures:								
Current Operations:								
Personnel	192,023	192,023	198,851	(6,828)	544,677	544,677	534,462	10,215
Operations	18,986	18,986	15,874	3,112	72,950	72,950	33,717	39,233
Capital Outlay	-	-	-	-	48,500	48,500	47,925	575
Total Expenditures	<u>211,009</u>	<u>211,009</u>	<u>214,725</u>	<u>(3,716)</u>	<u>666,127</u>	<u>666,127</u>	<u>616,104</u>	<u>50,023</u>
Excess of Revenues over (under) Expenditures	(207,709)	(207,709)	(211,425)	(3,716)	(535,452)	(535,452)	(529,165)	6,287
Other Financing Sources (Uses):								
Transfers In	-	5,000	7,473	2,473	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (207,709)</u>	<u>\$ (202,709)</u>	<u>\$ (203,952)</u>	<u>\$ (1,243)</u>	<u>\$ (535,452)</u>	<u>\$ (535,452)</u>	<u>\$ (529,165)</u>	<u>\$ 6,287</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, 2007
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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	\$ 7,977,503	\$ 7,977,503	\$ 7,982,868	\$ 5,365	\$ 7,977,503	\$ 7,977,503	\$ 7,982,868	\$ 5,365
License & Permits	12,695	12,695	14,019	1,324	38,795	38,795	41,484	2,689
Intergovernmental Revenue	635,526	645,526	922,338	276,812	4,616,374	4,642,126	3,087,589	(1,554,537)
Charges for Services	17,280	17,280	22,109	4,829	2,207,204	2,207,204	2,280,303	73,099
Fines & Forfeits	-	-	-	-	702,000	702,000	674,893	(27,107)
Investment Earnings	379,000	379,000	638,707	259,707	379,000	379,000	638,707	259,707
Miscellaneous Revenues	2,100	2,100	32,808	30,708	2,100	2,100	60,740	58,640
Total Revenues	<u>9,024,104</u>	<u>9,034,104</u>	<u>9,612,849</u>	<u>578,745</u>	<u>15,922,976</u>	<u>15,948,728</u>	<u>14,766,584</u>	<u>(1,182,144)</u>
Expenditures:								
Current Operations:								
Personnel	129,497	129,497	127,496	2,001	9,184,461	9,184,461	9,233,654	(49,193)
Operations	871,355	885,355	577,696	307,659	3,347,247	3,510,764	2,886,649	624,115
Capital Outlay	140,000	140,000	-	140,000	3,551,169	3,570,361	1,769,621	1,800,740
Total Expenditures	<u>1,140,852</u>	<u>1,154,852</u>	<u>705,192</u>	<u>449,660</u>	<u>16,082,877</u>	<u>16,265,586</u>	<u>13,889,924</u>	<u>2,375,662</u>
Excess of Revenues over (under) Expenditures	7,883,252	7,879,252	8,907,657	1,028,405	(159,901)	(316,858)	876,660	1,193,518
Other Financing Sources (Uses):								
Transfers In	584,565	584,565	578,469	(6,096)	689,776	691,599	697,309	5,710
Transfers Out	(1,276,236)	(1,276,951)	(1,252,689)	24,262	(1,402,028)	(1,402,743)	(1,336,376)	66,367
Issuance of Debt	-	-	-	-	70,000	86,242	86,242	-
Sale of Capital Assets	-	-	-	-	-	-	7,519	7,519
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 7,191,581</u>	<u>\$ 7,186,866</u>	<u>\$ 8,233,437</u>	<u>\$ 1,046,571</u>	<u>\$ (802,153)</u>	<u>\$ (941,760)</u>	331,354	<u>\$ 1,273,114</u>
Fund Balance:								
Beginning of Year							<u>3,503,882</u>	
End of Year							<u>\$ 3,835,236</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, 2007

	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	\$ 8,572,912	\$ 8,572,912	\$ 8,477,583	\$ (95,329)	\$ 616,010	\$ 616,010	\$ 793,301	\$ 177,291
License & Permits	8,500	8,500	10,575	2,075	-	-	-	-
Intergovernmental Revenue	429,338	429,338	506,059	76,721	910	1,710,910	460,207	(1,250,703)
Charges for Services	3,664,013	3,664,013	3,956,918	292,905	-	-	-	-
Fines & Forfeits	45,000	45,000	30,833	(14,167)	-	-	-	-
Investment Earnings	-	-	9,767	9,767	15,000	15,000	260,294	245,294
Miscellaneous Revenues	75,000	75,000	59,350	(15,650)	10,000	313,572	264,106	(49,466)
Total Revenues	<u>12,794,763</u>	<u>12,794,763</u>	<u>13,051,085</u>	<u>256,322</u>	<u>641,920</u>	<u>2,655,492</u>	<u>1,777,908</u>	<u>(877,584)</u>
Expenditures:								
Current Operations:								
Personnel	9,446,713	9,446,713	9,314,597	132,116	84,386	84,386	88,160	(3,774)
Operations	3,860,936	3,860,936	3,427,921	433,015	143,357	446,929	338,058	108,871
Capital Outlay	312,992	312,992	279,062	33,930	2,547,687	15,283,509	13,803,552	1,479,957
Debt Service:								
Principal	-	-	-	-	381,500	593,000	381,500	211,500
Interest & Fiscal Charges	-	-	-	-	136,499	137,849	198,631	(60,782)
Total Expenditures	<u>13,620,641</u>	<u>13,620,641</u>	<u>13,021,580</u>	<u>599,061</u>	<u>3,293,429</u>	<u>16,545,673</u>	<u>14,809,901</u>	<u>1,735,772</u>
Excess of Revenues over (under) Expenditures	(825,878)	(825,878)	29,505	855,383	(2,651,509)	(13,890,181)	(13,031,993)	858,188
Other Financing Sources (Uses)								
Transfers In	589,941	601,941	986,293	384,352	-	-	1,198,453	1,198,453
Transfers Out	(307,338)	(319,338)	(261,728)	57,610	(4,308,478)	(4,479,194)	(4,409,194)	70,000
Issuance of Debt	-	-	-	-	1,452,613	12,092,613	11,700,224	(392,389)
Sale of Capital Assets	-	-	3,171	3,171	750,000	750,000	1,449,446	699,446
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (543,275)</u>	<u>\$ (543,275)</u>	757,241	<u>\$ 1,300,516</u>	<u>\$ (4,757,374)</u>	<u>\$ (5,526,762)</u>	(3,093,064)	<u>\$ 2,433,698</u>
Fund Balance:								
Beginning of Year			2,246,527				6,966,764	
End of Year			<u>\$ 3,003,768</u>				<u>\$ 3,873,700</u>	

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, 2007
(Page 1 of 22)

	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	\$ 1,805,766	\$ 1,805,766	\$ 1,739,284	\$ (66,482)	\$ 883,929	\$ 883,929	\$ 861,535	\$ (22,394)
License & Permits	21,000	21,000	20,819	(181)	-	-	-	-
Intergovernmental Revenue	2,230,206	2,230,206	1,956,178	(274,028)	153,813	153,813	175,456	21,643
Charges for Services	12,000	12,000	16,146	4,146	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	7,096	7,096	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	12,500	12,500	6,245	(6,255)	-	-	-	-
Total Revenues	4,081,472	4,081,472	3,745,768	(335,704)	1,037,742	1,037,742	1,036,991	(751)
Expenditures:								
Current Operations:								
Personnel	2,163,872	2,163,872	1,996,982	166,890	-	-	-	-
Operations	1,575,110	1,575,110	1,530,441	44,669	810,414	810,914	714,292	96,622
Capital Outlay	594,000	594,000	415,348	178,652	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	4,332,982	4,332,982	3,942,771	390,211	810,414	810,914	714,292	96,622
Excess of Revenues over (under) Expenditures	(251,510)	(251,510)	(197,003)	54,507	227,328	226,828	322,699	95,871
Other Financing Sources (Uses)								
Transfers In	60,852	60,852	68,651	7,799	-	-	-	-
Transfers Out	(120,444)	(120,444)	(123,444)	(3,000)	(282,569)	(282,569)	(282,569)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	53,077	53,077	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (311,102)	\$ (311,102)	(198,719)	\$ 112,383	\$ (55,241)	\$ (55,741)	40,130	\$ 95,871
Fund Balance:								
Beginning of Year			870,420				107,976	
End of Year			\$ 671,701				\$ 148,106	

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, 2007
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	Special Revenue Funds							
	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	\$ 825,167	\$ 825,167	\$ 804,375	\$ (20,792)	\$ 406,047	\$ 406,047	\$ 395,134	\$ (10,913)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	106,363	106,363	105,638	(725)	48,702	48,702	49,238	536
Charges for Services	-	-	-	-	67,786	67,786	27,828	(39,958)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	15,205	15,205
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,000	1,000	2,906	1,906
Total Revenues	<u>931,530</u>	<u>931,530</u>	<u>910,013</u>	<u>(21,517)</u>	<u>523,535</u>	<u>523,535</u>	<u>490,311</u>	<u>(33,224)</u>
Expenditures:								
Current Operations:								
Personnel	722,177	722,177	665,988	56,189	335,770	335,770	292,383	43,387
Operations	38,575	38,575	29,772	8,803	241,364	241,364	183,935	57,429
Capital Outlay	313,000	313,000	73,873	239,127	4,000	4,000	3,261	739
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,073,752</u>	<u>1,073,752</u>	<u>769,633</u>	<u>304,119</u>	<u>581,134</u>	<u>581,134</u>	<u>479,579</u>	<u>101,555</u>
Excess of Revenues over (under) Expenditures	(142,222)	(142,222)	140,380	282,602	(57,599)	(57,599)	10,732	68,331
Other Financing Sources (Uses)								
Transfers In	19,650	19,650	19,262	(388)	8,551	8,551	13,382	4,831
Transfers Out	(34,118)	(34,118)	(34,118)	-	(46,400)	(46,400)	(45,400)	1,000
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (156,690)</u>	<u>\$ (156,690)</u>	125,524	<u>\$ 282,214</u>	<u>\$ (95,448)</u>	<u>\$ (95,448)</u>	(21,286)	<u>\$ 74,162</u>
Fund Balance:								
Beginning of Year			<u>410,013</u>				<u>416,319</u>	
End of Year			<u>\$ 535,537</u>				<u>\$ 395,033</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, 2007
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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	\$ 60,049	\$ 60,049	\$ 59,157	\$ (892)	\$ 666,202	\$ 666,202	\$ 713,411	\$ 47,209
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	8,287	8,287	8,238	(49)	150,184	233,581	181,305	(52,276)
Charges for Services	1,127,468	1,127,468	1,173,551	46,083	48,000	48,000	55,773	7,773
Fines & Forfeits	-	-	-	-	200	200	542	342
Investment Earnings	-	-	6,890	6,890	-	-	-	-
Private & Local Grants	-	-	50	50	-	10,000	10,000	-
Miscellaneous Revenues	-	-	39,875	39,875	-	-	-	-
Total Revenues	<u>1,195,804</u>	<u>1,195,804</u>	<u>1,287,761</u>	<u>91,957</u>	<u>864,586</u>	<u>957,983</u>	<u>961,031</u>	<u>3,048</u>
Expenditures:								
Current Operations:								
Personnel	280,830	280,830	315,403	(34,573)	669,115	691,115	666,744	24,371
Operations	809,581	794,936	748,730	46,206	234,523	326,620	304,823	21,797
Capital Outlay	128,985	26,267	-	26,267	1,500	1,500	-	1,500
Debt Service:								
Principal	8,000	8,000	8,000	-	-	-	-	-
Interest	6,645	6,645	6,440	205	-	-	-	-
Total Expenditures	<u>1,234,041</u>	<u>1,116,678</u>	<u>1,078,573</u>	<u>38,105</u>	<u>905,138</u>	<u>1,019,235</u>	<u>971,567</u>	<u>47,668</u>
Excess of Revenues over (under) Expenditures	(38,237)	79,126	209,188	130,062	(40,552)	(61,252)	(10,536)	50,716
Other Financing Sources (Uses)								
Transfers In	59,936	59,936	33,294	(26,642)	43,852	36,397	35,677	(720)
Transfers Out	(35,334)	(138,052)	(159,330)	(21,278)	(306,511)	(303,334)	(303,334)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (13,635)</u>	<u>\$ 1,010</u>	<u>83,152</u>	<u>\$ 82,142</u>	<u>\$ (303,211)</u>	<u>\$ (328,189)</u>	<u>(278,193)</u>	<u>\$ 49,996</u>
Fund Balance:								
Beginning of Year			<u>203,963</u>				<u>452,708</u>	
End of Year			<u>\$ 287,115</u>				<u>\$ 174,515</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, 2007
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	Special Revenue Funds							
	Weed Grant				Parks			
	<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	\$ -	\$ -	\$ -	\$ -	\$ 202,104	\$ 202,104	\$ 196,716	\$ (5,388)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	114,729	114,729	68,697	(46,032)	8,389	8,389	8,181	(208)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	2,750	2,750	8,384	5,634
Total Revenues	<u>114,729</u>	<u>114,729</u>	<u>68,697</u>	<u>(46,032)</u>	<u>213,243</u>	<u>213,243</u>	<u>213,281</u>	<u>38</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	40,972	40,972	39,317	1,655
Operations	138,629	138,629	70,629	68,000	202,829	202,829	134,638	68,191
Capital Outlay	-	-	-	-	389,041	389,041	151,788	237,253
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>138,629</u>	<u>138,629</u>	<u>70,629</u>	<u>68,000</u>	<u>632,842</u>	<u>632,842</u>	<u>325,743</u>	<u>307,099</u>
Excess of Revenues over (under) Expenditures	(23,900)	(23,900)	(1,932)	21,968	(419,599)	(419,599)	(112,462)	307,137
Other Financing Sources (Uses)								
Transfers In	23,900	23,900	23,900	-	29,761	29,761	18,637	(11,124)
Transfers Out	-	-	-	-	(1,115)	(1,115)	(715)	400
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>21,968</u>	<u>\$ 21,968</u>	<u>\$ (390,953)</u>	<u>\$ (390,953)</u>	<u>(94,540)</u>	<u>\$ 296,413</u>
Fund Balance:								
Beginning of Year			<u>(5,344)</u>				<u>467,432</u>	
End of Year			<u>\$ 16,624</u>				<u>\$ 372,892</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, 2007
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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	\$ 2,107,156	\$ 2,107,156	\$ 2,038,753	\$ (68,403)	\$ 975,254	\$ 975,254	\$ 1,020,128	\$ 44,874
License & Permits	-	-	-	-	40,000	40,000	57,239	17,239
Intergovernmental Revenue	504,189	504,189	444,366	(59,823)	2,684,109	3,084,109	2,669,169	(414,940)
Charges for Services	5,800	5,800	61,960	56,160	2,200	2,200	1,677	(523)
Fines & Forfeits	42,000	42,000	52,269	10,269	136,800	136,800	174,463	37,663
Investment Earnings	150	150	16,376	16,226	-	-	890	890
Private & Local Grants	-	-	-	-	13,326	13,326	10,000	(3,326)
Miscellaneous Revenues	5,000	5,000	6,446	1,446	500	500	2,283	1,783
Total Revenues	<u>2,664,295</u>	<u>2,664,295</u>	<u>2,620,170</u>	<u>(44,125)</u>	<u>3,852,189</u>	<u>4,252,189</u>	<u>3,935,849</u>	<u>(316,340)</u>
Expenditures:								
Current Operations:								
Personnel	1,272,838	1,272,838	1,249,223	23,615	2,629,337	2,627,090	2,499,155	127,935
Operations	749,307	749,307	626,233	123,074	1,776,175	1,778,422	1,577,089	201,333
Capital Outlay	343,900	684,722	667,707	17,015	25,796	425,796	414,809	10,987
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,366,045</u>	<u>2,706,867</u>	<u>2,543,163</u>	<u>163,704</u>	<u>4,431,308</u>	<u>4,831,308</u>	<u>4,491,053</u>	<u>340,255</u>
Excess of Revenues over (under) Expenditures	298,250	(42,572)	77,007	119,579	(579,119)	(579,119)	(555,204)	23,915
Other Financing Sources (Uses)								
Transfers In	41,872	41,872	41,044	(828)	696,550	696,550	696,116	(434)
Transfers Out	(179,814)	(179,814)	-	179,814	(690,812)	(690,812)	(674,224)	16,588
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 160,308</u>	<u>\$ (180,514)</u>	118,051	<u>\$ 298,565</u>	<u>\$ (573,381)</u>	<u>\$ (573,381)</u>	(533,312)	<u>\$ 40,069</u>
Fund Balance:								
Beginning of Year			596,182				520,386	
End of Year			<u>\$ 714,233</u>				<u>\$ (12,926)</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, 2007
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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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	35,045	35,045
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>35,045</u>	<u>35,045</u>
Expenditures:								
Current Operations:								
Personnel	331,484	331,484	271,329	60,155	212,453	212,453	192,904	19,549
Operations	92,836	95,836	62,840	32,996	188,250	188,250	16,890	171,360
Capital Outlay	3,500	3,500	3,199	301	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>427,820</u>	<u>430,820</u>	<u>337,368</u>	<u>93,452</u>	<u>400,703</u>	<u>400,703</u>	<u>209,794</u>	<u>190,909</u>
Excess of Revenues over (under) Expenditures	(427,820)	(430,820)	(337,368)	93,452	(400,703)	(400,703)	(174,749)	225,954
Other Financing Sources (Uses)								
Transfers In	436,736	436,736	428,737	(7,999)	352,369	352,369	344,371	(7,998)
Transfers Out	(16,033)	(16,033)	(5,005)	11,028	(3,068)	(3,068)	(2,741)	327
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$(7,117)</u>	<u>\$(10,117)</u>	86,364	<u>\$ 96,481</u>	<u>\$(51,402)</u>	<u>\$(51,402)</u>	166,881	<u>\$ 218,283</u>
Fund Balance:								
Beginning of Year			<u>128,369</u>				<u>116,039</u>	
End of Year			<u>\$ 214,733</u>				<u>\$ 282,920</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, 2007
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	Special Revenue Funds							
	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	\$ -	\$ -	\$ -	\$ -	\$ 1,707,967	\$ 1,707,967	\$ 1,690,567	\$ (17,400)
License & Permits	575,003	575,003	599,110	24,107	124,350	124,350	99,556	(24,794)
Intergovernmental Revenue	-	-	-	-	1,467,566	1,469,246	1,460,929	(8,317)
Charges for Services	-	-	-	-	935,876	1,026,057	949,783	(76,274)
Fines & Forfeits	-	-	-	-	10	10	-	(10)
Investment Earnings	-	-	-	-	-	-	15,528	15,528
Private & Local Grants	-	-	-	-	63,210	66,210	58,441	(7,769)
Miscellaneous Revenues	-	-	-	-	10,400	10,400	21,448	11,048
Total Revenues	<u>575,003</u>	<u>575,003</u>	<u>599,110</u>	<u>24,107</u>	<u>4,309,379</u>	<u>4,404,240</u>	<u>4,296,252</u>	<u>(107,988)</u>
Expenditures:								
Current Operations:								
Personnel	556,745	556,745	415,549	141,196	3,598,221	3,660,532	3,581,051	79,481
Operations	42,700	42,700	44,956	(2,256)	801,781	829,331	754,394	74,937
Capital Outlay	95,300	105,300	119,611	(14,311)	20,000	25,000	2,390	22,610
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>694,745</u>	<u>704,745</u>	<u>580,116</u>	<u>124,629</u>	<u>4,420,002</u>	<u>4,514,863</u>	<u>4,337,835</u>	<u>177,028</u>
Excess of Revenues over (under) Expenditures	(119,742)	(129,742)	18,994	148,736	(110,623)	(110,623)	(41,583)	69,040
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	102,654	102,654	98,783	(3,871)
Transfers Out	(15,287)	(15,287)	(1,257)	14,030	(8,000)	(8,000)	(9,333)	(1,333)
Issuance of Debt	135,029	135,029	86,836	(48,193)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>104,573</u>	<u>\$ 114,573</u>	<u>\$ (15,969)</u>	<u>\$ (15,969)</u>	<u>47,867</u>	<u>\$ 63,836</u>
Fund Balance:								
Beginning of Year			<u>(116,118)</u>				<u>1,636,225</u>	
End of Year			<u>\$ (11,545)</u>				<u>\$ 1,684,092</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, 2007
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	Special Revenue Funds							
	Water Quality District				Animal Control			
	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	\$ -	\$ -	\$ -	\$ -	\$ 311,349	\$ 311,349	\$ 308,883	\$ (2,466)
License & Permits	-	-	-	-	97,800	97,800	115,159	17,359
Intergovernmental Revenue	63,000	63,000	31,048	(31,952)	17,091	17,091	16,981	(110)
Charges for Services	397,089	397,089	394,458	(2,631)	75,200	75,200	73,809	(1,391)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	10,315	10,315	-	-	-	-
Private & Local Grants	15,000	15,000	18,750	3,750	1,040	1,040	1,955	915
Miscellaneous Revenues	-	-	-	-	1,500	1,500	3,906	2,406
Total Revenues	475,089	475,089	454,571	(20,518)	503,980	503,980	520,693	16,713
Expenditures:								
Current Operations:								
Personnel	277,991	277,991	282,540	(4,549)	410,188	427,402	416,242	11,160
Operations	262,708	262,708	253,551	9,157	126,021	148,021	146,796	1,225
Capital Outlay	55,000	55,000	23,268	31,732	-	25,000	18,774	6,226
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	595,699	595,699	559,359	36,340	536,209	600,423	581,812	18,611
Excess of Revenues over (under) Expenditures	(120,610)	(120,610)	(104,788)	15,822	(32,229)	(96,443)	(61,119)	35,324
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	38,660	38,660	38,100	(560)
Transfers Out	-	-	-	-	(3,800)	(3,800)	-	3,800
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$(120,610)	\$(120,610)	(104,788)	\$ 15,822	\$ 2,631	\$(61,583)	(23,019)	\$ 38,564
Fund Balance:								
Beginning of Year			482,965				115,122	
End of Year			\$ 378,177				\$ 92,103	

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, 2007
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	Special Revenue Funds							
	Extension				Drug Forfeiture			
	<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	\$ 295,078	\$ 295,078	\$ 287,182	\$ (7,896)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	38,708	38,708	43,743	5,035	96,875	96,875	106,741	9,866
Charges for Services	10,000	10,000	8,123	(1,877)	-	-	-	-
Fines & Forfeits	-	-	-	-	20,000	20,000	8,829	(11,171)
Investment Earnings	-	-	-	-	-	-	677	677
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	7,000	7,000	6,117	(883)	-	-	-	-
Total Revenues	<u>350,786</u>	<u>350,786</u>	<u>345,165</u>	<u>(5,621)</u>	<u>116,875</u>	<u>116,875</u>	<u>116,247</u>	<u>(628)</u>
Expenditures:								
Current Operations:								
Personnel	265,971	265,971	208,961	57,010	190,432	190,432	191,585	(1,153)
Operations	195,598	195,598	138,762	56,836	21,350	21,350	6,187	15,163
Capital Outlay	4,000	4,000	1,978	2,022	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>465,569</u>	<u>465,569</u>	<u>349,701</u>	<u>115,868</u>	<u>211,782</u>	<u>211,782</u>	<u>197,772</u>	<u>14,010</u>
Excess of Revenues over (under) Expenditures	(114,783)	(114,783)	(4,536)	110,247	(94,907)	(94,907)	(81,525)	13,382
Other Financing Sources (Uses)								
Transfers In	28,811	28,811	26,676	(2,135)	98,500	98,500	100,600	2,100
Transfers Out	(6,500)	(6,500)	(5,000)	1,500	(4,925)	(4,925)	(5,220)	(295)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (92,472)</u>	<u>\$ (92,472)</u>	17,140	<u>\$ 109,612</u>	<u>\$ (1,332)</u>	<u>\$ (1,332)</u>	13,855	<u>\$ 15,187</u>
Fund Balance:								
Beginning of Year			<u>133,352</u>				<u>31,046</u>	
End of Year			<u>\$ 150,492</u>				<u>\$ 44,901</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, 2007
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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	\$ -	\$ -	\$ -	\$ -	\$ 386,422	\$ 386,422	\$ 381,832	\$ (4,590)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	65,113	65,113	64,786	(327)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	693	693	-	-	-	-
Private & Local Grants	-	-	-	-	16,000	16,000	16,767	767
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>693</u>	<u>693</u>	<u>467,535</u>	<u>467,535</u>	<u>463,385</u>	<u>(4,150)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	246,305	246,305	232,500	13,805
Operations	450	450	-	450	192,904	192,904	186,313	6,591
Capital Outlay	-	-	-	-	48,083	61,833	14,697	47,136
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>450</u>	<u>450</u>	<u>-</u>	<u>450</u>	<u>487,292</u>	<u>501,042</u>	<u>433,510</u>	<u>67,532</u>
Excess of Revenues over (under) Expenditures	(450)	(450)	693	1,143	(19,757)	(33,507)	29,875	63,382
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	44,091	44,091	20,320	(23,771)
Transfers Out	-	-	-	-	(16,929)	(16,929)	(6,929)	10,000
Issuance of Debt	-	-	-	-	20,000	20,000	-	(20,000)
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>693</u>	<u>\$ 1,143</u>	<u>\$ 27,405</u>	<u>\$ 13,655</u>	<u>43,266</u>	<u>\$ 29,611</u>
Fund Balance:								
Beginning of Year			<u>13,312</u>				<u>102,257</u>	
End of Year			<u>\$ 14,005</u>				<u>\$ 145,523</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, 2007
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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	\$ 81,220	\$ (6,280)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	7,223	7,223	-	-	-	-
Charges for Services	-	-	-	-	14,605	14,605	13,903	(702)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	100	100	-	(100)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	29	29	-	-	-	-
Total Revenues	<u>87,500</u>	<u>87,500</u>	<u>88,472</u>	<u>972</u>	<u>14,705</u>	<u>14,705</u>	<u>13,903</u>	<u>(802)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	8,280	8,280	7,140	1,140
Operations	13,500	13,000	11,186	1,814	8,200	8,200	3,987	4,213
Capital Outlay	70,000	70,500	50,195	20,305	8,255	8,255	-	8,255
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>83,500</u>	<u>83,500</u>	<u>61,381</u>	<u>22,119</u>	<u>24,735</u>	<u>24,735</u>	<u>11,127</u>	<u>13,608</u>
Excess of Revenues over (under) Expenditures	4,000	4,000	27,091	23,091	(10,030)	(10,030)	2,776	12,806
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>4,000</u>	<u>4,000</u>	27,091	<u>23,091</u>	<u>(10,030)</u>	<u>(10,030)</u>	2,776	<u>12,806</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>10,679</u>	
End of Year			<u>\$ 27,091</u>				<u>\$ 13,455</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, 2007
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	Special Revenue Funds							
	Junk Vehicle				Forest Reserve - Title III			
	<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	125,600	155,600	124,935	(30,665)	104,000	110,000	112,771	2,771
Charges for Services	1,000	1,000	360	(640)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	2,108	2,108	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	500	500	990	490	-	-	-	-
Total Revenues	<u>127,100</u>	<u>157,100</u>	<u>128,393</u>	<u>(28,707)</u>	<u>104,000</u>	<u>110,000</u>	<u>112,771</u>	<u>2,771</u>
Expenditures:								
Current Operations:								
Personnel	83,566	83,566	77,662	5,904	-	-	-	-
Operations	34,100	34,100	28,481	5,619	402,307	402,307	46,743	355,564
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>117,666</u>	<u>117,666</u>	<u>106,143</u>	<u>11,523</u>	<u>402,307</u>	<u>402,307</u>	<u>46,743</u>	<u>355,564</u>
Excess of Revenues over (under) Expenditures	9,434	39,434	22,250	(17,184)	(298,307)	(292,307)	66,028	358,335
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(19,752)	(19,752)	-	19,752	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (10,318)</u>	<u>\$ 19,682</u>	22,250	<u>\$ 2,568</u>	<u>\$ (298,307)</u>	<u>\$ (292,307)</u>	66,028	<u>\$ 358,335</u>
Fund Balance:								
Beginning of Year			<u>33,001</u>				<u>15,350</u>	
End of Year			<u>\$ 55,251</u>				<u>\$ 81,378</u>	

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							
	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	\$ -	\$ -	\$ -	\$ -	\$ 626,866	\$ 626,866	\$ 599,199	\$ (27,667)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	47,506	47,506	48,900	1,394
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	467,502	467,502	-
Miscellaneous Revenues	-	-	416,473	416,473	-	30,611	30,611	-
Total Revenues	<u>-</u>	<u>-</u>	<u>416,473</u>	<u>416,473</u>	<u>674,372</u>	<u>1,172,485</u>	<u>1,146,212</u>	<u>(26,273)</u>
Expenditures:								
Current Operations:								
Personnel	78,221	78,221	75,968	2,253	-	-	-	-
Operations	5,000	5,000	5,765	(765)	722,290	1,229,792	1,122,449	107,343
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	19,759	19,759	-
Interest	-	-	-	-	-	10,852	10,852	-
Total Expenditures	<u>83,221</u>	<u>83,221</u>	<u>81,733</u>	<u>1,488</u>	<u>722,290</u>	<u>1,260,403</u>	<u>1,153,060</u>	<u>107,343</u>
Excess of Revenues over (under) Expenditures	(83,221)	(83,221)	334,740	417,961	(47,918)	(87,918)	(6,848)	81,070
Other Financing Sources (Uses)								
Transfers In	87,721	87,721	50,694	(37,027)	75,756	75,756	75,756	-
Transfers Out	(9,500)	(9,500)	(9,500)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	375,934	<u>\$ 380,934</u>	<u>\$ 27,838</u>	<u>\$ (12,162)</u>	68,908	<u>\$ 81,070</u>
Fund Balance:								
Beginning of Year			<u>147,547</u>				<u>233,387</u>	
End of Year			<u>\$ 523,481</u>				<u>\$ 302,295</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, 2007
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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	\$ 1,031,121	\$ 1,031,121	\$ 1,002,760	\$ (28,361)	\$ -	\$ -	\$ 19,874	\$ 19,874
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	2,569	2,569	6,494	3,925	-	-	-	-
Charges for Services	-	-	-	-	238,050	238,050	215,098	(22,952)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	1,985	1,985
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>1,033,690</u>	<u>1,033,690</u>	<u>1,009,254</u>	<u>(24,436)</u>	<u>238,050</u>	<u>238,050</u>	<u>236,957</u>	<u>(1,093)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	78,622	78,622	82,781	(4,159)
Operations	-	-	-	-	121,913	121,913	119,230	2,683
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	5,110	5,110	7,665	(2,555)
Interest	-	-	-	-	2,242	2,242	3,342	(1,100)
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,887</u>	<u>207,887</u>	<u>213,018</u>	<u>(5,131)</u>
Excess of Revenues over (under) Expenditures	1,033,690	1,033,690	1,009,254	(24,436)	30,163	30,163	23,939	(6,224)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(1,033,690)	(1,033,690)	(1,010,099)	23,591	(6,970)	(6,970)	-	6,970
Issuance of Debt	-	-	-	-	100	100	-	(100)
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>\$ 23,293</u>	<u>\$ 23,293</u>	<u>23,939</u>	<u>\$ 646</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>56,129</u>	
End of Year			<u>\$ (845)</u>				<u>\$ 80,068</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							
	Open Space Programs				Local Government Study Commission			
	<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	-	-	-	-	-	-	-	-
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	-	-	-	-	12,019	12,019	8,763	3,256
Operations	-	-	-	-	33,922	33,922	18,823	15,099
Capital Outlay	-	200,000	-	200,000	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>45,941</u>	<u>45,941</u>	<u>27,586</u>	<u>18,355</u>
Excess of Revenues over (under) Expenditures	-	(200,000)	-	200,000	(45,941)	(45,941)	(27,586)	18,355
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	25,191	25,191	6,336	(18,855)
Transfers Out	-	-	-	-	(715)	(715)	-	715
Issuance of Debt	-	200,000	-	(200,000)	-	-	-	-
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>(21,465)</u>	<u>(21,465)</u>	<u>(21,250)</u>	<u>215</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>21,250</u>	
End of Year			<u>\$ -</u>				<u>\$ -</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, 2007
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	Debt Service							
	Risk Management Bond				Jail Bond			
	<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	\$ 119,122	\$ 119,122	\$ 116,511	\$ (2,611)	\$ 1,266,604	\$ 1,266,604	\$ 1,234,206	\$ (32,398)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	9,138	9,138	9,027	(111)	211,059	211,059	209,995	(1,064)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	327	327	(135)	(462)	500	500	11,148	10,648
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>128,587</u>	<u>128,587</u>	<u>125,403</u>	<u>(3,184)</u>	<u>1,478,163</u>	<u>1,478,163</u>	<u>1,455,349</u>	<u>(22,814)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	95,000	95,000	95,000	-	930,000	930,000	930,000	-
Interest	26,050	26,050	25,900	150	472,078	472,078	472,178	(100)
Total Expenditures	<u>121,050</u>	<u>121,050</u>	<u>120,900</u>	<u>150</u>	<u>1,402,078</u>	<u>1,402,078</u>	<u>1,402,178</u>	<u>(100)</u>
Excess of Revenues over (under) Expenditures	7,537	7,537	4,503	(3,034)	76,085	76,085	53,171	(22,914)
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>7,537</u>	<u>7,537</u>	4,503	<u>(3,034)</u>	<u>76,085</u>	<u>76,085</u>	53,171	<u>(22,914)</u>
Fund Balance:								
Beginning of Year			<u>24,711</u>				<u>846,415</u>	
End of Year			<u>\$ 29,214</u>				<u>\$ 899,586</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, 2007
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	Debt Service							
	Health Center Bond				RSID Revolving			
	<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	38,288	38,288	38,588	300	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>38,288</u>	<u>38,288</u>	<u>38,588</u>	<u>300</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	-	236,058	236,058	-	236,058
Interest	18,288	18,288	18,588	(300)	-	-	-	-
Total Expenditures	<u>38,288</u>	<u>38,288</u>	<u>38,588</u>	<u>(300)</u>	<u>236,058</u>	<u>236,058</u>	<u>-</u>	<u>236,058</u>
Excess of Revenues over (under) Expenditures	-	-	-	-	(236,058)	(236,058)	-	236,058
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	55,553	55,553
Transfers Out	-	-	-	-	(77,769)	(77,769)	(42,780)	34,989
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>(313,827)</u>	<u>(313,827)</u>	<u>12,773</u>	<u>326,600</u>
Fund Balance:								
Beginning of Year			<u>(5)</u>				<u>313,827</u>	
End of Year			<u><u>(5)</u></u>				<u><u>326,600</u></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, 2007
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Debt Service

	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	-	-	(957)	(957)	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	(330)	(330)
Total Revenues	<u>-</u>	<u>-</u>	<u>(957)</u>	<u>(957)</u>	<u>-</u>	<u>-</u>	<u>(330)</u>	<u>(330)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	35,000	35,000	35,000	-	-	-	-	-
Interest	43,130	43,130	42,830	300	25,788	25,788	25,726	62
Total Expenditures	<u>78,130</u>	<u>78,130</u>	<u>77,830</u>	<u>300</u>	<u>25,788</u>	<u>25,788</u>	<u>25,726</u>	<u>62</u>
Excess of Revenues over (under) Expenditures	(78,130)	(78,130)	(78,787)	(657)	(25,788)	(25,788)	(26,056)	(268)
Other Financing Sources (Uses)								
Transfers In	78,130	78,130	80,872	2,742	25,788	25,788	36,184	10,396
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>\$ -</u>	<u>2,085</u>	<u>\$ 2,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,128</u>	<u>\$ 10,128</u>
Fund Balance:								
Beginning of Year			<u>(21,307)</u>				<u>-</u>	
End of Year			<u>\$ (19,222)</u>				<u>\$ 10,128</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, 2007
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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	\$ -	\$ -	\$ -	\$ -	\$ 440,302	\$ 440,302	\$ 429,692	\$ (10,610)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	333,560	333,560	238,019	(95,541)
Charges for Services	-	-	-	-	42,400	42,400	16,421	(25,979)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>816,262</u>	<u>816,262</u>	<u>684,132</u>	<u>(132,130)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	346,715	346,715	261,650	85,065
Capital Outlay	1,167,980	984,197	496,580	487,617	554,777	980,507	519,585	460,922
Debt Service:								
Principal	311,716	388,205	378,889	9,316	-	-	-	-
Interest	35,286	46,619	41,530	5,089	-	-	-	-
Total Expenditures	<u>1,514,982</u>	<u>1,419,021</u>	<u>916,999</u>	<u>502,022</u>	<u>901,492</u>	<u>1,327,222</u>	<u>781,235</u>	<u>545,987</u>
Excess of Revenues over (under) Expenditures	(1,514,982)	(1,419,021)	(916,999)	502,022	(85,230)	(510,960)	(97,103)	413,857
Other Financing Sources (Uses)								
Transfers In	627,302	783,328	664,725	(118,603)	335,805	335,805	326,042	(9,763)
Transfers Out	-	-	-	-	(79,248)	(79,248)	(81,483)	(2,235)
Issuance of Debt	2,854	2,854	3,235	381	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (884,826)</u>	<u>\$ (632,839)</u>	<u>(249,039)</u>	<u>\$ 383,800</u>	<u>\$ 171,327</u>	<u>\$ (254,403)</u>	<u>147,456</u>	<u>\$ 401,859</u>
Fund Balance:								
Beginning of Year			<u>618,554</u>				<u>737,988</u>	
End of Year			<u>\$ 369,515</u>				<u>\$ 885,444</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, 2007
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	Capital Projects							
	Public Safety Building Fund				Milltown Development Projects			
	<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	-	-	-	-	975,652	975,652	-	(975,652)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	134,707	134,707	-	-	(1,182)	(1,182)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	325,218	325,218	-	(325,218)
Total Revenues	<u>-</u>	<u>-</u>	<u>134,707</u>	<u>134,707</u>	<u>1,300,870</u>	<u>1,300,870</u>	<u>(1,182)</u>	<u>(1,302,052)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	13,659	13,659	-	13,659
Operations	100,000	100,000	61,750	38,250	-	-	-	-
Capital Outlay	678,000	678,000	-	678,000	1,287,048	1,287,048	157,216	1,129,832
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>778,000</u>	<u>778,000</u>	<u>61,750</u>	<u>716,250</u>	<u>1,300,707</u>	<u>1,300,707</u>	<u>157,216</u>	<u>1,143,491</u>
Excess of Revenues over (under) Expenditures	(778,000)	(778,000)	72,957	850,957	163	163	(158,398)	(158,561)
Other Financing Sources (Uses)								
Transfers In	4,118,763	4,118,763	4,118,763	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,340,763</u>	<u>\$ 3,340,763</u>	4,191,720	<u>\$ 850,957</u>	<u>\$ 163</u>	<u>\$ 163</u>	(158,398)	<u>\$ (158,561)</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>-</u>	
End of Year			<u>\$ 4,191,720</u>				<u>\$ (158,398)</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, 2007
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	Capital Projects							
	Milltown Historic Preservation				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	-	2,500	-	(2,500)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	48,750	97,500	48,750	-	-	-	-
Investment Earnings	-	-	1,053	1,053	-	-	79,846	79,846
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>51,250</u>	<u>98,553</u>	<u>47,303</u>	<u>-</u>	<u>-</u>	<u>79,846</u>	<u>79,846</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	51,250	-	51,250	-	-	-	-
Capital Outlay	-	-	-	-	-	1,968,415	-	1,968,415
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	50,000	49,079	921
Total Expenditures	<u>-</u>	<u>51,250</u>	<u>-</u>	<u>51,250</u>	<u>-</u>	<u>2,018,415</u>	<u>49,079</u>	<u>1,969,336</u>
Excess of Revenues over (under) Expenditures	-	-	98,553	98,553	-	(2,018,415)	30,767	2,049,182
Other Financing Sources (Uses)								
Transfers In	-	-	3,800	3,800	-	-	-	-
Transfers Out	-	-	-	-	-	(1,200,000)	(1,198,453)	1,547
Issuance of Debt	-	-	-	-	-	3,218,415	3,218,415	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>102,353</u>	<u>\$ 102,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,050,729</u>	<u>\$ 2,050,729</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>-</u>	
End of Year			<u>\$ 102,353</u>				<u>\$ 2,050,729</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, 2007
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	Totals			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property Taxes	\$ 14,204,005	\$ 14,204,005	\$ 13,980,419	\$ (223,586)
License & Permits	858,153	858,153	891,883	33,730
Intergovernmental Revenue	9,604,696	10,128,273	8,221,691	(1,906,582)
Charges for Services	2,977,474	3,067,655	3,008,890	(58,765)
Fines & Forfeits	199,010	247,760	333,603	85,843
Investment Earnings	1,077	1,077	302,243	301,166
Private & Local Grants	108,576	589,078	583,465	(5,613)
Miscellaneous Revenues	366,368	396,979	545,383	148,404
Total Revenues	<u>28,319,359</u>	<u>29,492,980</u>	<u>27,867,577</u>	<u>(1,625,403)</u>
Expenditures:				
Current Operations:				
Personnel	14,479,068	14,578,346	13,770,170	808,176
Operations	10,289,052	10,980,053	9,211,335	1,768,718
Capital Outlay	5,792,165	8,894,881	3,134,279	5,760,602
Debt Service:				
Principal	1,640,884	1,737,132	1,494,313	242,819
Interest	629,507	701,692	696,465	5,227
Total Expenditures	<u>32,830,676</u>	<u>36,892,104</u>	<u>28,306,562</u>	<u>8,585,542</u>
Excess of Revenues over (under) Expenditures	(4,511,317)	(7,399,124)	(438,985)	6,960,139
Other Financing Sources (Uses):				
Transfers In	7,461,201	7,609,772	7,426,275	(183,497)
Transfers Out	(2,999,303)	(4,298,844)	(4,000,934)	297,910
Issuance of Debt	157,983	3,576,398	3,308,486	(267,912)
Sale of Capital Assets	-	-	53,077	53,077
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 108,564</u>	<u>\$ (511,798)</u>	6,347,919	<u>\$ 6,859,717</u>
Fund Balance:				
Beginning of Year			<u>9,720,150</u>	
End of Year			<u>\$ 16,068,069</u>	

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, 2007

	<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							
Current Assets:							
Cash & Cash Equivalents	\$ 482,860	\$ 1,717,776	\$ 318,420	\$ 5,243	\$ 504	\$ 3,062	\$ 2,527,865
Investments	803,528	3,129,378	2,489,082	485,610	46,725	283,606	7,237,929
Taxes Receivable, net	44,675	-	-	-	-	-	44,675
Accounts Receivable	-	-	8,058	-	-	3,526	11,584
Interest Receivable	-	40,462	18,938	-	-	-	59,400
Prescription Rebate Receivable	-	19,108	-	-	-	-	19,108
Contributions Receivable	-	185,121	52,185	-	-	-	237,306
Advances to Other Funds	82,508	-	-	-	-	-	82,508
Prepaid Costs	-	26,364	42,673	-	-	-	69,037
Total Current Assets	<u>1,413,571</u>	<u>5,118,209</u>	<u>2,929,356</u>	<u>490,853</u>	<u>47,229</u>	<u>290,194</u>	<u>10,289,412</u>
Noncurrent Assets:							
Capital Assets, net	7,289	192,120	14,578	-	-	12,732	226,719
Total Assets	<u>\$ 1,420,860</u>	<u>\$ 5,310,329</u>	<u>\$ 2,943,934</u>	<u>\$ 490,853</u>	<u>\$ 47,229</u>	<u>\$ 302,926</u>	<u>\$ 10,516,131</u>
Liabilities							
Current Liabilities:							
Accounts Payable	\$ 6,508	\$ 14,493	\$ -	\$ -	\$ -	\$ 7,297	\$ 28,298
Accrued Payroll	2,427	26,008	-	-	-	3,558	31,993
Net cash provided by non-capital financing activities	-	24,912	-	-	-	-	24,912
Liability for Claims, Current Portion	470,414	606,637	500,000	-	-	-	1,577,051
Total Current Liabilities	<u>479,349</u>	<u>672,050</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>10,855</u>	<u>1,662,254</u>
Noncurrent Liabilities:							
Liability for Claims, net of Current Portion	-	-	1,726,202	-	-	-	1,726,202
Total Liabilities	<u>479,349</u>	<u>672,050</u>	<u>2,226,202</u>	<u>-</u>	<u>-</u>	<u>10,855</u>	<u>3,388,456</u>
Net Assets							
Invested in Capital Assets, net of Related Debt	7,289	192,120	14,578	-	-	12,732	226,719
Reserved for Advances	82,508	-	-	-	-	-	82,508
Unrestricted	851,714	4,446,159	703,154	490,853	47,229	279,339	6,818,448
Total Net Assets	<u>941,511</u>	<u>4,638,279</u>	<u>717,732</u>	<u>490,853</u>	<u>47,229</u>	<u>292,071</u>	<u>7,127,675</u>
Total Liabilities and Net Assets	<u>\$ 1,420,860</u>	<u>\$ 5,310,329</u>	<u>\$ 2,943,934</u>	<u>\$ 490,853</u>	<u>\$ 47,229</u>	<u>\$ 302,926</u>	<u>\$ 10,516,131</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For Fiscal Year Ended June 30, 2007

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Other Benefits Programs	Telephone Services	Total
Operating Revenues:							
Charges for Services	\$ -	\$ 6,761,040	\$ 1,224,771	\$ -	\$ 282,456	\$ 303,083	\$ 8,571,350
Total Operating Revenues	<u>-</u>	<u>6,761,040</u>	<u>1,224,771</u>	<u>-</u>	<u>282,456</u>	<u>303,083</u>	<u>8,571,350</u>
Operating Expenses:							
Personnel	62,609	-	-	-	-	129,917	192,526
Operations	11,854	-	-	-	263,824	121,045	396,723
Claims	333,876	4,654,520	554,662	-	-	-	5,543,058
Reinsurance Premiums	217,464	285,478	57,515	-	-	-	560,457
Administrative	-	432,754	211,797	-	-	-	644,551
Depreciation and Amortization	1,458	6,933	2,916	-	-	1,826	13,133
Total Operating Expense	<u>627,261</u>	<u>5,379,685</u>	<u>826,890</u>	<u>-</u>	<u>263,824</u>	<u>252,788</u>	<u>7,350,448</u>
Income from Operations	(627,261)	1,381,355	397,881	-	18,632	50,295	1,220,902
Non-operating Revenues (Expenses):							
Property Taxes	488,657	-	-	-	-	-	488,657
Investment Earnings	21,518	202,345	132,451	23,716	-	-	380,030
Other Income	-	20,722	29,070	-	28,597	-	78,389
Rebates	-	47,648	-	-	-	-	47,648
Intergovernmental Revenues	49,225	-	-	-	-	-	49,225
Net Income before Transfers	(67,861)	1,652,070	559,402	23,716	47,229	50,295	2,264,851
Transfers In	82,000	8,090	-	25,000	-	-	115,090
Transfers Out	<u>(7,473)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,473)</u>
Change in Net Assets	6,666	1,635,160	559,402	48,716	47,229	50,295	2,347,468
Net Assets - Beginning of Year	<u>934,845</u>	<u>3,003,119</u>	<u>158,330</u>	<u>442,137</u>	<u>-</u>	<u>241,776</u>	<u>4,780,207</u>
Net Assets - End of Year	<u>\$ 941,511</u>	<u>\$ 4,638,279</u>	<u>\$ 717,732</u>	<u>\$ 490,853</u>	<u>\$ 47,229</u>	<u>\$ 292,071</u>	<u>\$ 7,127,675</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2007

	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	\$ -	\$ 6,775,835	\$ 1,215,227	\$ -	\$ -	\$ 303,083	\$ 8,294,145
Cash payments to employees for services	(144,737)	(223,644)	-	-	-	-	(368,381)
Cash payments for reinsurance premiums	(211,199)	(285,478)	(58,790)	-	(263,824)	(134,044)	(953,335)
Cash payments for administrative expenses	-	(202,721)	(232,233)	-	-	-	(434,954)
Cash payments for claims expenses	(236,761)	(4,609,772)	(497,813)	-	-	-	(5,344,346)
Cash payments to other suppliers for goods and services	(11,854)	-	-	-	-	(117,395)	(129,249)
Net cash provided (used) by operating activities	<u>(604,551)</u>	<u>1,454,220</u>	<u>426,391</u>	<u>-</u>	<u>(263,824)</u>	<u>51,644</u>	<u>1,063,880</u>
Cash flows from non-capital financing activities:							
Property taxes	480,261	-	-	-	-	-	480,261
Rebates	-	47,648	-	-	-	-	47,648
Transfers in	82,000	8,090	-	25,000	-	-	115,090
Transfers out	(7,473)	(25,000)	-	-	-	-	(32,473)
Intergovernmental revenue	49,225	-	-	-	282,456	-	331,681
Other Cash Receipts	-	21,000	25,041	-	28,597	-	74,638
Net cash provided by non-capital financing activities	<u>604,013</u>	<u>51,738</u>	<u>25,041</u>	<u>25,000</u>	<u>311,053</u>	<u>-</u>	<u>1,016,845</u>
Cash flows from capital financing activities:							
Deferred revenue	-	24,912	-	-	-	-	24,912
Net cash provided by capital financing activities	<u>-</u>	<u>24,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,912</u>
Cash flows from investing activities:							
Purchases of investment securities	(542,833)	(2,124,925)	(1,678,669)	(1,743,863)	(46,725)	(1,034,639)	(7,171,654)
Proceeds of sale and maturities of investment securities	775,365	1,200,000	1,125,000	1,686,215	-	978,522	5,765,102
Interest on investments	21,518	149,213	115,553	23,716	-	-	310,000
Net cash provided (used) by investing activities	<u>254,050</u>	<u>(775,712)</u>	<u>(438,116)</u>	<u>(33,932)</u>	<u>(46,725)</u>	<u>(56,117)</u>	<u>(1,096,552)</u>
Net increase (decrease) in cash and cash equivalents	253,512	755,158	13,316	(8,932)	504	(4,473)	1,009,085
Cash and cash equivalents at beginning of year	229,348	962,618	305,104	14,175	-	7,535	1,518,780
Cash and cash equivalents at end of year	<u>\$ 482,860</u>	<u>\$ 1,717,776</u>	<u>\$ 318,420</u>	<u>\$ 5,243</u>	<u>\$ 504</u>	<u>\$ 3,062</u>	<u>\$ 2,527,865</u>

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

Income (loss) from operations	\$ (627,261)	\$ 1,381,355	\$ 397,881	\$ -	\$ (263,824)	\$ 50,295	\$ 938,446
Adjustments to reconcile (income) loss from operations to net cash provided (used) by operating activities:							
Depreciation and amortization	1,458	6,933	2,916	-	-	1,826	13,133
Change in assets and liabilities:							
Decrease (increase) in receivables	(82,508)	14,795	(9,544)	-	-	(3,526)	(80,783)
Decrease (increase) in prepaid costs	-	2,988	(1,275)	-	-	-	1,713
Increase (decrease) in payables	6,265	2,525	(20,436)	-	-	3,650	(7,996)
Increase (decrease) in accrued liabilities	97,495	45,624	56,849	-	-	(601)	199,367
Net cash provided (used) by operating activities	<u>\$ (604,551)</u>	<u>\$ 1,454,220</u>	<u>\$ 426,391</u>	<u>\$ -</u>	<u>\$ (263,824)</u>	<u>\$ 51,644</u>	<u>\$ 1,063,880</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 \$19,854 and \$11,344, 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, 2007
(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	\$ -	\$ -	\$ -	\$ -	\$ 6,728,800	\$ 6,728,800	\$ 6,775,835	\$ 47,035
Total Operating Revenue	-	-	-	-	6,728,800	6,728,800	6,775,835	47,035
Operating Expense:								
Personnel	59,293	59,293	62,229	(2,936)	230,648	230,648	223,644	7,004
Operations	499,880	499,880	465,471	34,409	6,514,500	6,514,500	5,082,429	1,432,071
Total Operating Expense	559,173	559,173	527,700	31,473	6,745,148	6,745,148	5,306,073	1,439,075
Income (Loss) from Operation	(559,173)	(559,173)	(527,700)	31,473	(16,348)	(16,348)	1,469,762	1,486,110
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	454,438	454,438	443,982	(10,456)	-	-	-	-
Investment Earnings	-	-	21,145	21,145	50,000	50,000	188,175	138,175
Intergovernmental Revenue	47,945	47,945	49,225	1,280	-	-	-	-
Interest Expense	-	-	-	-	(42,000)	(42,000)	-	42,000
Other Income	-	-	-	-	51,500	51,500	68,370	16,870
Debt Service Principal Payment	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	(2,800)	(2,800)	-	2,800
Net Income (Loss) before Transfers	(56,790)	(56,790)	(13,348)	43,442	40,352	40,352	1,726,307	1,685,955
Transfers In	82,038	82,038	82,000	(38)	13,253	13,253	8,090	(5,163)
Transfers Out	(10,000)	(10,000)	(7,473)	2,527	(55,000)	(55,000)	(25,000)	30,000
Change in Net Assets	\$ 15,248	\$ 15,248	61,179	\$ 45,931	\$ (1,395)	\$ (1,395)	1,709,397	\$ 1,710,792
Net Assets - Beginning of Year			947,502				3,344,722	
Net Assets - End of Year			\$ 1,008,681				\$ 5,054,119	

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, 2007
(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	\$ 1,090,194	\$ 1,090,194	\$ 1,215,227	\$ 125,033	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>1,090,194</u>	<u>1,090,194</u>	<u>1,215,227</u>	<u>125,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	135,680	135,680	122,282	13,398	-	-	-	-
Operations	<u>846,990</u>	<u>846,990</u>	<u>649,034</u>	<u>197,956</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Operating Expense	<u>982,670</u>	<u>982,670</u>	<u>771,316</u>	<u>211,354</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Income (Loss) from Operation	107,524	107,524	443,911	336,387	(5,000)	(5,000)	-	5,000
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	50,000	50,000	126,897	76,897	16,000	16,000	23,099	7,099
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	28,346	28,346	4,604	(23,742)	-	-	-	-
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	185,870	185,870	575,412	389,542	11,000	11,000	23,099	12,099
Transfers In	-	-	-	-	35,000	35,000	25,000	(10,000)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 185,870</u>	<u>\$ 185,870</u>	575,412	<u>\$ 389,542</u>	<u>\$ 46,000</u>	<u>\$ 46,000</u>	48,099	<u>\$ 2,099</u>
Net Assets - Beginning of Year			<u>2,141,278</u>				<u>440,619</u>	
Net Assets - End of Year			<u>\$ 2,716,690</u>				<u>\$ 488,718</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, 2007
(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	\$ 274,000	\$ 274,000	\$ 282,456	\$ 8,456	\$ 256,680	\$ 256,680	\$ 303,083	\$ 46,403
Total Operating Revenue	<u>274,000</u>	<u>274,000</u>	<u>282,456</u>	<u>8,456</u>	<u>256,680</u>	<u>256,680</u>	<u>303,083</u>	<u>46,403</u>
Operating Expense:								
Personnel	-	-	-	-	89,717	89,717	130,518	(40,801)
Operations	314,000	314,000	263,824	50,176	167,006	167,006	119,867	47,139
Total Operating Expense	<u>314,000</u>	<u>314,000</u>	<u>263,824</u>	<u>50,176</u>	<u>256,723</u>	<u>256,723</u>	<u>250,385</u>	<u>6,338</u>
Income (Loss) from Operation	(40,000)	(40,000)	18,632	58,632	(43)	(43)	52,698	52,741
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	28,597	28,597	-	-	-	-
Debt Service Principal Payment	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Net Income (Loss) before Transfers	(40,000)	(40,000)	47,229	87,229	(43)	(43)	52,698	52,741
Transfers In	40,000	40,000	-	(40,000)	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>47,229</u>	<u>\$ 47,229</u>	<u>\$ (43)</u>	<u>\$ (43)</u>	<u>52,698</u>	<u>\$ 52,741</u>
Net Assets - Beginning of Year			-				235,024	
Net Assets - End of Year			<u>\$ 47,229</u>				<u>\$ 287,722</u>	

AGENCY FUNDS

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.

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.

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

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For Fiscal Year Ended June 30, 2007
(Page 1 of 3)

SCHOOLS

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assets:				
Cash with Fiscal Agents	\$ 1,793,455	\$ 1,838,558	\$ 1,793,456	\$ 1,838,557
Property Taxes Receivable (net)	<u>4,015,358</u>	<u>4,887,088</u>	<u>4,015,358</u>	<u>4,887,088</u>
Total Assets	<u>\$ 5,808,813</u>	<u>\$ 6,725,646</u>	<u>\$ 5,808,814</u>	<u>\$ 6,725,645</u>
Liabilities:				
Funds Held in Trust	<u>\$ 5,808,813</u>	<u>\$ 6,725,646</u>	<u>\$ 5,808,814</u>	<u>\$ 6,725,645</u>
Total Liabilities	<u>\$ 5,808,813</u>	<u>\$ 6,725,646</u>	<u>\$ 5,808,814</u>	<u>\$ 6,725,645</u>

OTHER LOCAL TAXING UNITS

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assets:				
Property Taxes Receivable (net)	\$ 488,462	\$ 572,854	\$ 488,462	\$ 572,854
Total Assets	<u>\$ 488,462</u>	<u>\$ 572,854</u>	<u>\$ 488,462</u>	<u>\$ 572,854</u>
Liabilities:				
Funds Held in Trust	<u>\$ 488,462</u>	<u>\$ 572,854</u>	<u>\$ 488,462</u>	<u>\$ 572,854</u>
Total Liabilities	<u>\$ 488,462</u>	<u>\$ 572,854</u>	<u>\$ 488,462</u>	<u>\$ 572,854</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2007
(Page 2 of 3)

STATE

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assets:				
Property Taxes Receivable (net)	\$ 1,694,643	\$ 1,935,684	\$ 1,694,643	\$ 1,935,684
Total Assets	<u>\$ 1,694,643</u>	<u>\$ 1,935,684</u>	<u>\$ 1,694,643</u>	<u>\$ 1,935,684</u>
Liabilities:				
Funds Held in Trust	\$ 1,694,643	\$ 1,935,684	\$ 1,694,643	\$ 1,935,684
Total Liabilities	<u>\$ 1,694,643</u>	<u>\$ 1,935,684</u>	<u>\$ 1,694,643</u>	<u>\$ 1,935,684</u>

CITY

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assets:				
Property Taxes Receivable (net)	\$ 1,660,709	\$ 1,941,589	\$ 1,660,709	\$ 1,941,589
Total Assets	<u>\$ 1,660,709</u>	<u>\$ 1,941,589</u>	<u>\$ 1,660,709</u>	<u>\$ 1,941,589</u>
Liabilities:				
Funds Held in Trust	\$ 1,660,709	\$ 1,941,589	\$ 1,660,709	\$ 1,941,589
Total Liabilities	<u>\$ 1,660,709</u>	<u>\$ 1,941,589</u>	<u>\$ 1,660,709</u>	<u>\$ 1,941,589</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2007
(Page 3 of 3)

PAYROLL & CLAIMS

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assets:				
Cash & Cash Equivalents	\$ 31,867	\$ 13,151	\$ 31,867	\$ 13,151
Investments	962,144	1,218,107	962,144	1,218,107
Total Assets	\$ 994,011	\$ 1,231,258	\$ 994,011	\$ 1,231,258
Liabilities:				
Accounts & Warrants Payable	\$ 994,011	\$ 1,231,258	\$ 994,011	\$ 1,231,258
Total Liabilities	\$ 994,011	\$ 1,231,258	\$ 994,011	\$ 1,231,258

TOTAL AGENCY FUNDS

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assets:				
Cash & Cash Equivalents	\$ 31,867	\$ 13,151	\$ 31,867	\$ 13,151
Cash with Fiscal Agents	1,793,455	1,838,558	1,793,456	1,838,557
Investments	962,144	1,218,107	962,144	1,218,107
Property Taxes Receivable (net)	7,859,172	9,337,215	7,859,172	9,337,215
Total Assets	\$ 10,646,638	\$ 12,407,031	\$ 10,646,639	\$ 12,407,030
Liabilities:				
Accounts & Warrants Payable	\$ 994,011	\$ 1,231,258	\$ 994,011	\$ 1,231,258
Funds Held in Trust	9,652,627	11,175,773	9,652,628	11,175,772
Total Liabilities	\$ 10,646,638	\$ 12,407,031	\$ 10,646,639	\$ 12,407,030

CAPITAL ASSETS

Capital assets used in the operation of Governmental Funds.

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source ¹
June 30, 2007 and 2006

	2007	2006
Governmental Funds Capital Assets:		
Land	\$ 6,678,398	\$ 6,177,976
Buildings	37,102,523	36,874,865
Machinery and Equipment	15,997,063	19,054,826
Infrastructure	28,059,319	1,166,198
Intangibles	173,101	173,101
Construction in Progress	1,510,923	886,999
Total Governmental Funds Capital Assets	\$ 89,521,327	\$ 64,333,965
 Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 8,812,479	\$ 7,608,434
Special Revenue Fund	76,577,724	52,967,034
Federal Grants	2,185,028	1,812,401
Initial Start of System	1,946,096	1,946,096
Total Governmental Funds Capital Assets	\$ 89,521,327	\$ 64,333,965

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity ¹
June 30, 2007

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:							
Administration and Finance	\$ -	\$ -	\$ 123,989	\$ -	\$ -	\$ -	\$ 123,989
Records and Election	-	-	915,709	-	-	28,948	944,657
Data Processing	-	-	684,185	-	-	4,605	688,790
General Services	14,203	5,401,016	766,576	-	-	457,993	6,639,788
Criminal Justice	-	-	104,590	-	-	310,665	415,255
Total General Government	<u>14,203</u>	<u>5,401,016</u>	<u>2,595,049</u>	<u>-</u>	<u>-</u>	<u>802,211</u>	<u>8,812,479</u>
Public Works:							
Road & Bridge	5,100	2,675,563	5,854,921	26,642,528	-	-	35,178,112
Missoula Development Authority	-	-	-	1,390,062	-	700,584	2,090,646
Weed & Extension	-	-	115,254	-	-	-	115,254
Seeley Lake Refuse	65,400	72,319	20,160	-	-	-	157,879
Total Public Works	<u>70,500</u>	<u>2,747,882</u>	<u>5,990,335</u>	<u>28,032,590</u>	<u>-</u>	<u>700,584</u>	<u>37,541,891</u>
Public Safety:							
Sheriff	19,199	-	2,170,033	-	173,101	-	2,362,333
Communications	-	51,096	2,463,171	-	-	-	2,514,267
Detention Center	1,791,035	22,388,493	1,644,596	-	-	-	25,824,124
Total Public Safety	<u>1,810,234</u>	<u>22,439,589</u>	<u>6,277,800</u>	<u>-</u>	<u>173,101</u>	<u>-</u>	<u>30,700,724</u>
Public Health:							
City/County Health	58,162	1,989,491	272,851	-	-	-	2,320,504
Environmental Health	-	5,000	388,950	-	-	-	393,950
Total Public Health	<u>58,162</u>	<u>1,994,491</u>	<u>661,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,714,454</u>
Social and Economic Services	-	-	45,487	-	-	-	45,487
Culture and Recreation	1,902,245	4,519,545	426,591	26,729	-	8,128	6,883,238
Nondepartmental	1,946,096	-	-	-	-	-	1,946,096
Land Held for Resale	876,958	-	-	-	-	-	876,958
Total Governmental Funds Capital Assets	<u>\$ 6,678,398</u>	<u>\$ 37,102,523</u>	<u>\$ 15,997,063</u>	<u>\$ 28,059,319</u>	<u>\$ 173,101</u>	<u>\$ 1,510,923</u>	<u>\$ 89,521,327</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity ¹
For Fiscal Year Ended June 30, 2007

<u>Function and Activity</u>	Governmental Funds Capital Assets July 1, 2006	Adjustments & Reclasses	As Restated July 1, 2005	Additions	Deductions	Governmental Funds Capital Assets June 30, 2007
General Government:						
Administration and Finance	\$ 123,200	\$ -	\$ 123,200	\$ 5,500	\$ (4,711)	\$ 123,989
Records and Election	939,875	-	939,875	28,948	(24,166)	944,657
Data Processing	775,294	-	775,294	69,651	(156,155)	688,790
General Services	6,341,758	-	6,341,758	583,629	(285,599)	6,639,788
Criminal Justice	203,601	-	203,601	216,585	(4,931)	415,255
Total General Government	<u>8,383,728</u>	<u>-</u>	<u>8,383,728</u>	<u>904,313</u>	<u>(475,562)</u>	<u>8,812,479</u>
Public Works:						
Road & Bridge	9,254,376	24,007,239	33,261,615	2,162,367	(245,870)	35,178,112
Missoula Development Authority	933,902	-	933,902	1,156,744	-	2,090,646
Weed & Extension	128,860	-	128,860	-	(13,606)	115,254
Seeley Lake Refuse	157,879	-	157,879	-	-	157,879
Total Public Works	<u>10,475,017</u>	<u>24,007,239</u>	<u>34,482,256</u>	<u>3,319,111</u>	<u>(259,476)</u>	<u>37,541,891</u>
Public Safety:						
Sheriff	2,194,455	-	2,194,455	283,680	(115,802)	2,362,333
Communications	2,553,335	-	2,553,335	11,793	(50,861)	2,514,267
Detention Center	25,895,900	-	25,895,900	22,563	(94,339)	25,824,124
Total Public Safety	<u>30,643,690</u>	<u>-</u>	<u>30,643,690</u>	<u>318,036</u>	<u>(261,002)</u>	<u>30,700,724</u>
Public Health:						
City/County Health	2,301,730	-	2,301,730	18,774	-	2,320,504
Environmental Health	387,102	-	387,102	23,268	(16,420)	393,950
Total Public Health	<u>2,688,832</u>	<u>-</u>	<u>2,688,832</u>	<u>42,042</u>	<u>(16,420)</u>	<u>2,714,454</u>
Social and Economic Services	59,998	-	59,998	7,210	(21,721)	45,487
Culture and Recreation	9,552,433	-	9,552,433	526,368	(3,195,563)	6,883,238
Nondepartmental	1,946,096	-	1,946,096	-	-	1,946,096
Land Held for Resale	584,171	-	584,171	735,822	(443,035)	876,958
Total General Capital Assets	<u>\$ 64,333,965</u>	<u>\$ 24,007,239</u>	<u>88,341,204</u>	<u>5,852,902</u>	<u>\$ (4,672,779)</u>	<u>\$ 89,521,327</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities					
Invested in Capital Assets, net of Related Debt	\$ 21,440,382	\$ 21,269,578	\$ 16,970,735	\$ 28,223,190	\$ 34,873,468
Restricted	599,302	783,387	1,463,452	1,466,019	1,755,298
Unrestricted	<u>9,793,543</u>	<u>8,097,311</u>	<u>18,919,713</u>	<u>18,975,049</u>	<u>31,255,020</u>
Total Governmental Activities Net Assets	<u>\$ 31,833,227</u>	<u>\$ 30,150,276</u>	<u>\$ 37,353,900</u>	<u>\$ 48,664,258</u>	<u>\$ 67,883,786</u>
Business-type Activities					
Invested in Capital Assets, net of Related Debt	\$ 2,311,891	\$ 2,322,777	\$ 2,278,903	\$ 2,199,939	\$ 2,125,419
Unrestricted	<u>1,252,355</u>	<u>1,338,904</u>	<u>1,298,087</u>	<u>1,377,281</u>	<u>1,622,661</u>
Total Business-type Activities Net Assets	<u>\$ 3,564,246</u>	<u>\$ 3,661,681</u>	<u>\$ 3,576,990</u>	<u>\$ 3,577,220</u>	<u>\$ 3,748,080</u>
Primary Government					
Invested in Capital Assets, net of Related Debt	\$ 23,752,273	\$ 23,592,355	\$ 19,249,638	\$ 30,423,129	\$ 36,998,887
Restricted	599,302	783,387	1,463,452	1,466,019	1,755,298
Unrestricted	<u>11,045,898</u>	<u>9,436,215</u>	<u>20,217,800</u>	<u>20,352,330</u>	<u>32,877,681</u>
Total Primary Government Net Assets	<u>\$ 35,397,473</u>	<u>\$ 33,811,957</u>	<u>\$ 40,930,890</u>	<u>\$ 52,241,478</u>	<u>\$ 71,631,866</u>

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

	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
General Government	\$ 7,877,591	\$ 10,329,199	\$ 9,656,328	\$ 10,793,516	\$ 10,616,135
Criminal Justice	3,651,663	3,749,739	4,813,728	5,119,123	3,300,060
Public Safety	14,242,692	15,777,067	14,852,072	17,060,430	17,487,042
Public Works	9,232,818	11,218,785	6,641,539	8,022,496	17,948,738
Public Health	4,145,794	4,543,610	4,517,190	5,093,221	5,542,050
Social & Economic Services	2,440,503	3,255,769	3,455,239	3,702,861	4,289,787
Culture & Recreation	3,715,192	4,383,917	4,252,141	4,090,539	3,889,031
Housing & Community Development	1,980,185	2,107,607	2,007,925	1,845,512	2,601,639
Interest on Long-term Debt	1,114,181	1,160,354	1,196,809	935,898	1,133,118
Total Governmental Activities Expenses	<u>48,400,619</u>	<u>56,526,047</u>	<u>51,392,971</u>	<u>56,663,596</u>	<u>66,807,600</u>
Business-type Activities:					
Larchmont Golf Course	781,626	829,362	795,539	859,193	880,832
Rural Special Improvement Districts	660,452	622,832	767,857	703,456	720,567
Total Business-type Activities Expenses	<u>1,442,078</u>	<u>1,452,194</u>	<u>1,563,396</u>	<u>1,562,649</u>	<u>1,601,399</u>
Total Primary Government Expenses	<u>\$ 49,842,697</u>	<u>\$ 57,978,241</u>	<u>\$ 52,956,367</u>	<u>\$ 58,226,245</u>	<u>\$ 68,408,999</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 3,541,864	\$ 4,616,907	\$ 4,917,291	\$ 5,066,931	\$ 4,909,952
Criminal Justice	839,079	837,962	969,501	895,178	831,522
Public Safety	4,563,602	3,980,917	3,385,998	3,686,470	4,007,155
Public Works	654,784	606,293	1,013,088	1,335,476	2,319,001
Public Health	1,167,320	1,252,154	1,373,916	1,420,148	1,633,125
Social & Economic Services	-	52	-	-	-
Culture & Recreation	1,130,866	1,148,071	1,199,618	1,158,955	1,335,514
Housing & Community Development	205,660	218,713	248,987	201,930	233,379
Operating Grants and Contributions	7,774,613	7,333,961	9,198,521	8,882,805	6,479,430
Capital Grants and Contributions	1,332,656	1,292,253	1,919,467	3,865,026	2,267,401
Total Governmental Activities Program Revenues	<u>21,210,444</u>	<u>21,287,283</u>	<u>24,226,387</u>	<u>26,512,919</u>	<u>24,016,479</u>
Business-type Activities:					
Charges for Services:					
Larchmont Golf Course	1,051,408	1,018,458	911,171	958,595	951,976
Rural Special Improvement Districts	809,059	768,824	676,128	802,189	850,294
Total Business-type Activities Program Revenues	<u>1,860,467</u>	<u>1,787,282</u>	<u>1,587,299</u>	<u>1,760,784</u>	<u>1,802,270</u>
Total Primary Government Program Revenues	<u>\$ 23,070,911</u>	<u>\$ 23,074,565</u>	<u>\$ 25,813,686</u>	<u>\$ 28,273,703</u>	<u>\$ 25,818,749</u>
Net (Expense) Revenue					
Governmental Activities:	\$ (27,190,175)	\$ (35,238,764)	\$ (27,166,584)	\$ (30,150,677)	\$ (42,791,121)
Business-type Activities:	418,389	335,088	23,903	198,135	200,871
Total Primary Government Net (Expenses) Revenues	<u>\$ (26,771,786)</u>	<u>\$ (34,903,676)</u>	<u>\$ (27,142,681)</u>	<u>\$ (29,952,542)</u>	<u>\$ (42,590,250)</u>

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

	2003	2004	2005	2006	2007
General Revenue and Other					
Changes in Net Assets					
Governmental Activities:					
Property Taxes	\$ 26,785,411	\$ 26,181,489	\$ 28,263,956	\$ 30,428,569	\$ 32,154,829
Intergovernmental Revenue	3,671,830	3,572,783	3,772,657	3,282,638	4,334,436
Investment Earnings	345,657	142,626	466,131	875,329	1,748,295
Gain on Sale of Capital Assets	1,297,461	934,408	312,722	2,518,878	(2,230,026)
Miscellaneous Revenues	462,055	2,293,524	1,453,329	2,035,355	12,142,118
Transfers	166,242	270,520	101,413	234,342	141,981
Total Governmental Activities	32,728,656	33,395,350	34,370,208	39,375,111	48,291,633
Business-type Activities:					
Intergovernmental Revenue	8,548	-	-	-	-
Investment Earnings	2,927	3,476	10,907	31,726	55,242
Gain on Sale of Capital Assets	763	28,191	425	-	-
Miscellaneous Revenues	-	1,200	2,591	4,711	56,728
Transfers	(166,242)	(270,520)	(122,517)	(234,342)	(141,981)
Total Business-type Activities	(154,004)	(237,653)	(108,594)	(197,905)	(30,011)
Total Primary Government	\$ 32,574,652	\$ 33,157,697	\$ 34,261,614	\$ 39,177,206	\$ 48,261,622
Changes in Net Assets					
Governmental Activities	\$ 5,538,481	\$ (1,843,414)	\$ 7,203,624	\$ 9,224,434	\$ 5,500,512
Business-type Activities	264,385	97,435	(84,691)	230	170,860
Total Primary Government Changes in Net Assets	\$ 5,802,866	\$ (1,745,979)	\$ 7,118,933	\$ 9,224,664	\$ 5,671,372

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

	<u>1998</u>	<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>
General Fund										
Reserved	\$ 1,504,572	\$ 727,427	\$ 800,000	\$ 1,273,561	\$ 813,933	\$ 597,207	\$ 457,949	\$ 1,236,826	\$ 753,343	\$ -
Unreserved	104,294	-	(542,799)	822,696	1,879,817	3,039,340	3,299,145	1,900,850	2,230,818	3,200,957
Total General Fund	<u>\$ 1,608,866</u>	<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>
All Other Governmental Funds										
Reserved	\$ 386,748	\$ 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
Unreserved, reported in:										
Special Revenue Funds	3,875,419	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
Debt Service Funds	270,655	1,003,155	1,528,679	1,072,788	992,500	599,302	783,387	1,463,452	1,466,019	1,755,298
Capital Project Funds	10,604,775	3,733,612	(516,632)	(577,033)	(775,888)	(762,493)	471,827	(263,475)	1,815,356	8,420,005
Total All Other Governmental Funds	<u>\$ 15,137,597</u>	<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>

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes/assessments	\$ 16,082,267	\$ 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
Licenses and Permits	958,746	995,505	1,079,009	558,742	237,354	344,741	324,880	356,015	345,258	943,942
Intergovernmental Revenues	9,122,352	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
Charges for Services	3,516,602	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
Fines and Forfeitures	786,960	760,552	692,313	775,376	824,053	838,956	846,521	1,037,664	936,793	1,039,329
Investment Earnings	593,461	1,025,824	421,953	416,479	262,472	204,249	110,902	375,877	701,832	1,376,170
Private & Local Grants	290,300	279,623	190,035	242,035	196,553	117,015	111,576	122,446	257,428	664,723
Miscellaneous Revenue	57,282	94,532	124,363	236,143	482,489	495,489	2,432,173	2,206,685	1,682,084	1,893,210
Total Revenues	31,407,970	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
Expenditures:										
General Government	4,198,808	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
Criminal Justice	4,419,335	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
Public Safety	5,976,342	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
Public Works	4,888,420	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
Public Health	3,318,964	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
Social & Economic Services	2,060,193	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
Culture & Recreation	1,958,893	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
Housing & Community Development	1,408,971	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
Capital Outlay	10,346,575	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
Debt Service										
Principal	5,484,861	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
Interest	867,073	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
Total Expenditures	44,928,435	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
Excess of Revenues over (under) Expenditures	(13,520,465)	(12,389,149)	(8,476,350)	832,990	(1,568,887)	(2,345,863)	(4,205,432)	113,607	130,632	(12,311,876)
Other Financing Sources (uses):										
Transfers In	7,015,388	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
Transfers Out	(6,761,165)	(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)
Issuance of Debt	23,989,730	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
Defeasance of Debt	-	-	-	-	-	-	-	-	-	(1,641,286)
Sale of Capital Assets	60,257	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
Total Other Financing Sources (uses)	24,304,210	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
Net Change in Fund Balance	\$ 10,783,745	\$ (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
Ratio of Debt Service Expenditures to Noncapital Expenditures	22.2%	14.8%	18.4%	7.4%	7.0%	6.1%	6.1%	5.6%	8.2%	6.6%

MISSOULA COUNTY, MONTANA
Bureau of Census (BOC) Supplemental Schedule
As of and for the Fiscal Year ended June 30, 2007

Purpose	Amount	
	Paid to local governments	Paid to state
Airports	\$ -	\$ -
Libraries	-	-
Health	-	-
Local Schools	-	-
Welfare	-	-
All other	\$ -	\$ -

2. Salaries and wages:	\$ 27,108,619
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Purpose	Amount					
	Bonds outstanding July 1, 2005	Bonds during the Fiscal Year		Outstanding as of June 30, 2006		
		Issued	Retired	General Obligation	Revenue bonds	
Water utility	\$ -	\$ -	\$ -	\$ -	\$ -	
Sewer	-	-	-	-	-	
Electric utility	-	-	-	-	-	
Gas utility	-	-	-	-	-	
Industrial revenue	-	-	-	-	-	
All other	\$ 26,564,358	\$ 7,331,780	\$ (4,284,349)	\$ 12,995,000	\$ -	

Type	Beginning of fiscal year	End of fiscal year
	Registered warrants payable	\$ -
Contracts payable	-	-
Notes payable	-	-
Totals	\$ -	\$ -

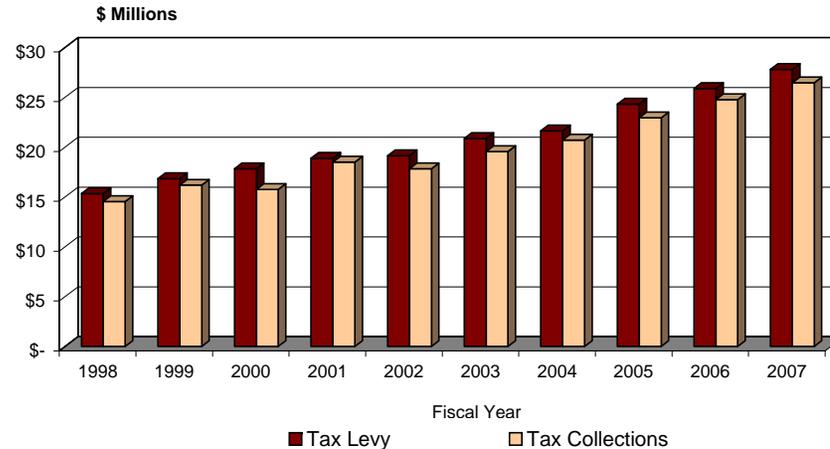
Type of funds	Amount
General fund	\$ 3,510,807
Special revenue funds	15,723,019
Debt service funds	2,600,772
Capital projects funds	8,622,983
Enterprise funds	1,682,534
Internal service funds	9,765,794
Trust and agency funds	69,534,530
Total	\$ 111,440,439

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
1998	\$ 15,344,948	\$ 14,544,661	94.78 %	\$ 589,353	\$ 15,134,014	98.63 %	\$ 1,020,671	6.65 %
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	27,828,770	26,482,952	95.16	1,044,444	27,527,396	98.92	1,817,178	6.53

- (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 (2)	Taxable Value (1)	Ration of Total Taxable Value to Total Assessed Market Value
1998	\$ 3,536,353,427	\$ 148,728,828	4.2%
1999	3,749,185,160	151,539,149	4.0%
2000	3,802,848,360	149,709,112 ⁽³⁾	3.9%
2001	3,956,036,976	142,233,548	3.6%
2002	4,234,386,253	145,789,091	3.4%
2003	4,556,367,054	151,159,660	3.3%
2004	4,908,943,897	155,594,087	3.2%
2005	5,235,427,044	161,743,087	3.1%
2006	5,569,029,080	172,525,317	3.1%
2007	5,908,576,909	178,546,389	3.0%

(1) 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%.

(2) Source: Montana Department of Revenue

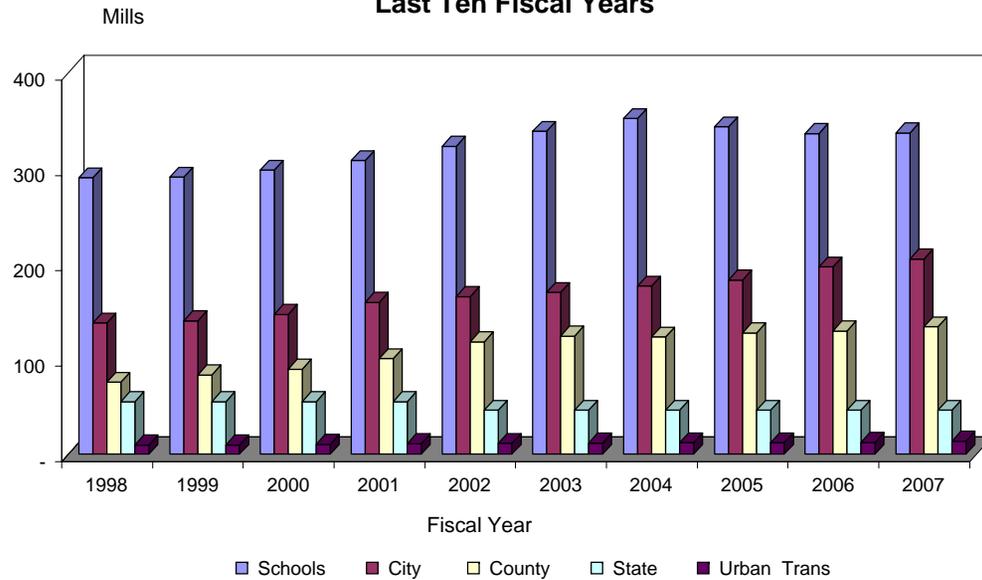
(3) 2000 - 2001 taxable value decreased due to Legislative change in the determination of taxable values

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	
1998	75.59	289.78	137.62	55.00	9.82	567.81
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

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

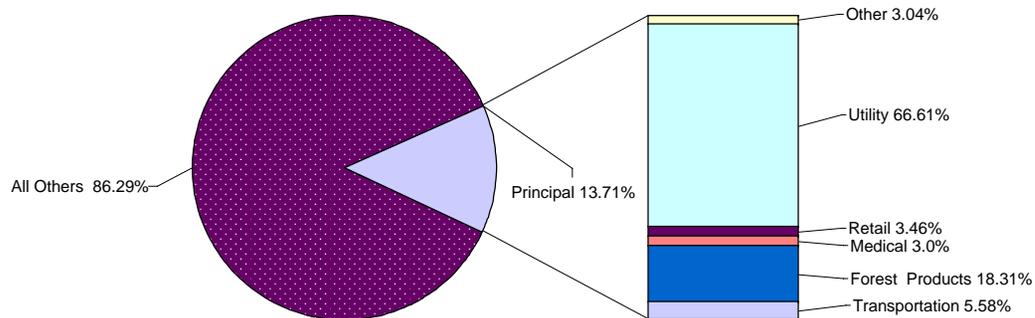


**MISSOULA COUNTY, MONTANA
Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Industry	2007			1998		
		Tax Dollars All Taxing Agencies	Taxable Value	% of Total Taxable Value	Taxable Value	% of Total Taxable Value	
Northwestern Energy/Montana Power	Utility	\$ 6,838,041	\$ 11,173,218	6.26 %	\$ 8,986,668	6.04 %	
Stone Container Corp	Forest Products	1,824,645	3,200,271	1.79	9,983,411	6.71	
Qwest Communications/U.S. West	Utility	1,773,272	2,509,461	1.41	8,511,470	5.72	
Montana Rail Link	Transportation	827,063	1,365,318	0.76	2,493,939	1.68	
Mountain Water Company	Utility	799,483	1,110,476	0.62	1,013,658	0.68	
Southgate Mall	Retail	624,517	846,518	0.47	834,091	0.56	
St. Patrick Hospital Corp	Medical	561,982	734,938	0.41	-	-	
Gateway Limited Partnership	Other	558,549	743,358	0.42	493,427	0.33	
Plum Creek Timber	Forest Products	434,333	689,470	0.39	952,526	0.64	
Missoula Electric Cooperative	Utility	465,736	835,671	0.47	586,286	0.39	
Puget Sound Energy	Utility	363,169	672,000	0.38	1,004,979	0.68	
Stimson Lumber Co	Forest Products	400,994	591,211	0.33	1,348,834	0.91	
Louisiana Pacific	Forest Products	-	-	-	876,645	0.59	
		<u>\$ 15,471,784</u>	<u>\$ 24,471,910</u>	<u>13.71 %</u>	<u>\$ 37,085,934</u>	<u>24.94 %</u>	
Total County Taxable Value:			<u>\$ 178,546,389</u>		<u>\$ 148,728,828</u>		

Source: Tax roll for fiscal year 2007

**PRINCIPAL TAXPAYERS BY TYPE
June 30, 2007**



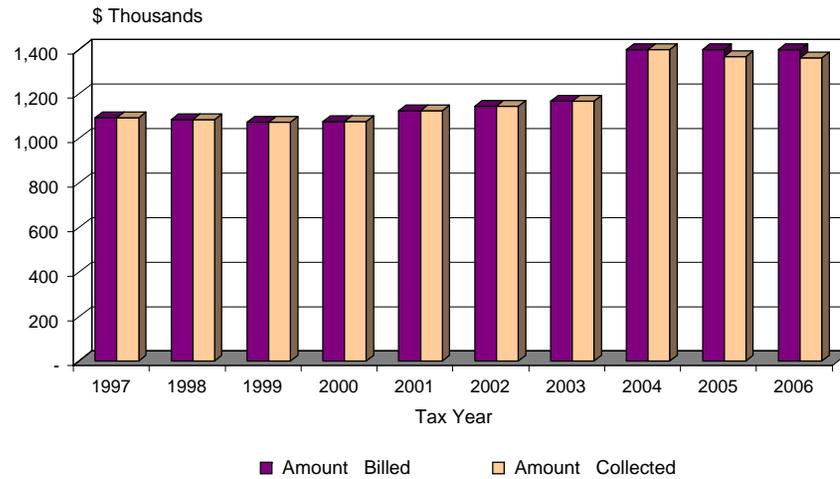
MISSOULA COUNTY, MONTANA
Special Assessments Billings and Collections
June 30, 2007

<u>Tax Year (a)</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>% Collected through 6/30/07</u>
1997	\$ 1,093,608	\$ 1,093,608	100.00 %
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	1,423,291	99.88
2005	1,633,073	1,369,247	83.84
2006	1,412,330	1,363,062	96.51

Source: Missoula County RSID Technician

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

RSID BILLINGS AND COLLECTIONS
June 30, 2007



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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Limit on Total Indebtedness:										
Assessed Value					\$ 4,234,386	\$ 4,556,367	\$ 4,908,944	\$ 5,235,427	\$ 5,569,029	\$ 5,908,577
Taxable Value	\$ 148,729	\$ 151,539	\$ 149,709	\$ 142,234						
Debt Limit % of Value (1)	23%	23%	23%	23%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Debt Limit	34,208	34,854	34,433	32,714	59,281	63,789	68,725	73,296	77,966	82,720
Net Debt Applicable to Limit	24,258	23,347	24,818	24,157	24,085	23,365	27,517	27,245	26,564	29,612
Legal Debt Margin	<u>\$ 9,950</u>	<u>\$ 11,507</u>	<u>\$ 9,615</u>	<u>\$ 8,557</u>	<u>\$ 35,196</u>	<u>\$ 40,424</u>	<u>\$ 41,208</u>	<u>\$ 46,051</u>	<u>\$ 51,402</u>	<u>\$ 53,108</u>
Ratio of Net Debt Applicable to Debt Limit	<u>70.91%</u>	<u>66.99%</u>	<u>72.08%</u>	<u>73.84%</u>	<u>40.63%</u>	<u>36.63%</u>	<u>40.04%</u>	<u>37.17%</u>	<u>34.07%</u>	<u>35.80%</u>

(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 1.4% of the assessed

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>
1998	\$ 1,600,000	\$ -	\$ -	\$ 17,580,000	\$ -	\$ 19,180,000
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

(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 (Assessed) Value (a)	G.O. Bonded Debt	Less Amount Available In Debt Service	Net G.O. Bonded Debt	Ratio Net Debt to Assessed Value	Net Bonded Debt Per Capita
1998	88,818	\$ 148,728,828	\$ 18,555,000	\$ 315,160	\$ 18,239,840	12.26	\$ 205
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

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				
2003	\$ 15,257,000	\$ 1,335,000	\$ 2,150,000	\$ 3,241,936	\$ 1,380,627	\$ 23,364,563	\$ 27,294	0.12%	\$ 243
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 (b)	0.11%	292

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		
1998	\$ 4,170,000	\$ 135,085	\$ 4,305,085	\$ 44,781,354	9.61
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

MISSOULA COUNTY, MONTANA
Computation of Direct and Overlapping Debt
June 30, 2007

	<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>12,995,000</u>	100.00%	\$ <u>12,995,000</u>
Overlapping Debt			
City of Missoula	18,720,000	100.00%	18,720,000
School District 1	19,315,000	100.00%	19,315,000
Other Schools	20,636,000	100.00%	20,636,000
Seeley Lake Fire	<u>65,000</u>	100.00%	<u>65,000</u>
	<u>58,736,000</u>		<u>58,736,000</u>
Total of Direct and Overlapping Debt	\$ <u><u>71,731,000</u></u>	100.00%	\$ <u><u>71,731,000</u></u>

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

<u>Employees</u>	<u>2007</u>		<u>1998</u>	
	<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
	DIRECTV	Communications	University of Montana	Education
	St. Patrick Hospital	Medical Services		
	University of Montana	Education		
500-999	County of Missoula	Government	County of Missoula	Government
	Wal-Mart	Retail	Smurfit-Stone Container Corp.	Paper Mill
	U.S. Forest Service	Government	Stimson Lumber Company	Forest Products
			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		
	Stimson Lumber Company	Forest Products		
	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>
1998	206.28	30.89	54.31	39.11	56.73	51.08	0.18	438.58
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

Major Taxpayers in the MCA Industrial District

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
Feist Limited Partnership	Distribution	\$ 140,116
Big Sky Brewing Company	Brewery	114,740
Sheridan Montana Ventures		64,101
Mountain Water Company	Utility	61,947
Minuteman Aviation	Aviation	61,266
Sun Mountain Sports	Manufacturing	60,014
Northstar Air Express	Aviation	50,162
Budding Star	Manufacturing	40,411
Roscoe Steel & Culvert	Manufacturing	39,832
Neptune Aviation	Aviation	<u>30,536</u>
	Total	<u>\$ 663,125</u>

The taxable value of the property of these ten taxpayers represents approximately 47.62% of taxable value of taxable property in the District for tax year 2006.

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⁾
1999	\$ 323,472	\$ 146,867	\$ 70,073	\$ 60,369	\$ 63,952
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	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 2008 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 2008 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)
1999	\$ 64,866	\$ 267,710	\$ 10,575	\$ 343,151	1.62
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

- (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)
1999 ⁽¹⁾	\$ 151,539,549	\$ 303,078
2000	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

- (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
1998	88,818	1,478	870	\$ 20,787	14,032	1,183	49,321	3.9
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

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
1998	\$ 955,578,983	\$ 148,728,828	39	\$ 15,617,183	596	\$ 39,564,794	635	\$ 55,181,977
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	74,781,253	453	38,143,398	479	112,924,651
2007	1,461,647,000 (d)	178,546,389	19	9,317,273	456	39,061,829	475	48,379,102

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	Full-Time Equivalent Employees									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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	19.19	17.62	16.67	15.47	21.53	20.98	20.48	21.23	19.61	23.71
Judicial Services	10.75	10.75	11.00	11.00	11.00	11.00	11.00	11.00	13.00	13.00
Legal Services	19.58	19.98	20.13	21.65	24.11	25.55	26.55	27.30	29.29	29.41
Financial Services	10.32	10.32	10.00	10.16	10.25	9.75	10.09	10.09	10.75	11.00
Human Resource	5.00	5.00	5.00	4.75	5.00	5.00	6.00	6.00	6.00	6.00
Information Services	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00
Treasurer/MV	22.40	22.40	22.40	22.49	23.15	24.65	24.45	24.45	21.65	21.65
911 Communications	25.90	25.90	25.00	25.42	25.25	26.25	27.25	27.29	27.34	32.24
Election Services	4.30	4.30	5.65	4.28	4.28	5.79	4.23	4.23	4.23	4.23
Records Administration	10.65	10.65	11.45	10.00	10.15	10.90	10.15	11.15	9.40	9.40
Internal Services	8.32	8.65	8.95	9.70	9.05	9.55	9.83	10.08	10.05	9.05
Facilities Administration	4.00	4.00	4.00	4.00	4.00	4.00	5.00	9.98	10.00	10.00
District Court										
Clerk of Court	14.00	14.00	15.00	13.50	13.50	13.00	13.50	14.50	15.00	15.00
Court Services	12.85	13.60	12.90	15.01	14.95	2.00	1.00	1.00	1.00	1.00
Youth Court	17.14	18.60	18.38	18.90	17.92	-	-	-	-	-
Public Defenders	10.00	12.00	12.00	13.50	14.50	16.00	17.00	19.00	20.00	-
Public Safety										
Law Enforcement Services	58.50	58.50	59.25	55.50	60.00	59.00	60.85	61.00	60.25	61.25
Detention Center	27.75	27.75	76.96	113.00	115.40	117.00	115.57	112.50	107.26	107.26
Emergency Services	1.50	1.50	1.50	1.00	0.95	0.95	0.95	0.95	1.00	1.00
Public Works										
Road - Bridge	53.77	51.64	53.43	52.27	48.26	47.30	46.93	47.60	47.93	48.57
Building Code Division	-	-	-	-	-	-	-	-	4.67	10.00
Seeley Lake Refuse	-	-	-	-	-	-	-	-	-	2.00
Weed	3.00	3.00	3.00	4.80	4.80	4.80	5.25	5.25	5.32	6.35
Public Health										
Public Health Services	59.74	60.74	60.85	65.26	59.87	58.12	61.27	63.26	63.88	69.56
Partnership Health Clinic	19.27	19.00	23.45	29.60	37.45	39.65	34.67	37.29	43.92	45.15
Animal Control	7.00	7.00	7.05	7.05	7.05	7.05	7.00	7.79	8.00	8.00
Culture & Recreation										
Parks & Recreations Services	-	-	-	-	0.50	0.73	0.73	0.73	0.73	1.03
Library	20.75	20.60	20.60	21.10	24.60	26.97	27.00	26.58	29.68	30.85
Museum	3.75	3.75	3.75	3.00	3.05	4.18	4.34	4.34	4.54	4.60
Fair	4.70	4.56	4.58	3.75	3.96	4.50	4.81	5.40	4.40	3.75
Social & Economics										
County Extension	5.62	5.33	5.50	4.80	5.05	5.05	5.07	5.00	5.57	6.10
Planning & Grants	33.35	35.70	37.39	38.98	46.15	48.25	53.15	52.72	56.22	61.74
	<u>505.10</u>	<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>

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

Function/Program		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government											
Registered Voters (June)	(1)	53,480	47,838	50,967	57,928	52,338	61,557	49,116	57,294	60,521	67,240
Property Transactions:											
Deeds Recorded		N/A	N/A	N/A	4,850	5,734	9,371	5,796	6,074	5,881	-
Subdivision Plates Filed		N/A	N/A	N/A	78	110	210	147	129	117	-
Certificates of Survey		N/A	N/A	N/A	97	125	210	142	130	110	-
Motor Vehicle Title Transfers		N/A	N/A	N/A	N/A	34,695	36,932	39,172	38,000	37,674	-
Motor Vehicle Registrations		N/A	N/A	N/A	N/A	117,433	118,790	120,233	98,792	96,885	-
Payroll Payments Processed	(1)	N/A	N/A	N/A	N/A	N/A	19,246	19,769	20,358	20,448	20,697
Claims Payments Processed	(1)	N/A	N/A	N/A	N/A	N/A	19,115	19,621	18,371	22,080	21,863
911 Emergency Communications											
Law Enforcement		N/A	N/A	76,250	73,840	79,564	74,303	83,895	90,103	89,426	-
Fire & Medical dispatched to Fire Dept		N/A	N/A	7,369	7,142	7,424	8,110	7,793	8,450	9,578	-
Medical-Ambulance		N/A	N/A	6,298	6,328	6,950	7,351	7,010	7,677	8,366	-
Other		N/A	N/A	10,497	11,366	9,868	10,055	9,745	9,832	5,720	-
Criminal Justice Activities											
Justice Court Civil Caseload		1,892	2,340	3,463	3,966	4,101	4,459	5,083	5,520	5,210	-
Justice Court Criminal Caseload		17,806	20,183	18,213	17,452	19,896	19,569	17,918	17,364	17,011	-
Clerk of District Court:											
Marriage Licenses Issued		N/A	N/A	N/A	815	818	734	841	811	863	-
Adoptions		N/A	N/A	N/A	61	57	57	49	44	61	-
Civil Case		N/A	N/A	N/A	1,032	1,119	1,069	1,221	1,228	1,189	-
Criminal Cases		N/A	N/A	N/A	518	487	543	589	642	531	-
All Other Open Cases		N/A	N/A	N/A	1,688	1,582	1,950	1,874	1,829	2,064	-
Public Safety											
Detention Center:											
Daily Occupancy (392 available beds)		N/A	N/A	N/A	N/A	354	344	365	365	363	-

(1) Fiscal Year

N/A - Data Not Available

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

	<u>2006</u>	<u>2007</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	39	42
Detectives Vehicles	14	15
Detention Vehicles	14	20
Search & Rescue Vehicles	n/a	6
Search & Rescue Snowmobiles	n/a	9
Search & Rescue Boats	n/a	2
Public Works		
Shops	2	2
Single Axel Trucks	n/a	21
Tandem Axel trucks	n/a	17
Snow Plows (attachments)	27	30
Sanders (attachments)	28	24
Sweepers	n/a	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, 2007

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	67,240			

Total County Government Employees:	<u>Part-time</u>	<u>Full-time</u>
Officials & Managers	-	53
Professionals	26	55
Technical	3	36
Protective services	44	140
Paraprofessionals	21	116
Administrative Support	46	179
Craft Workers-Semi-skilled	2	28
Service & Maintenance	2	18
	<u>144</u>	<u>625</u>

Police protection	<u>City Police</u>	<u>County Sheriff</u>
Stations	1	1
Officers	100	50
Detention Facility		1
Detention Officers		96

Fire protection	<u>City Fire</u>	<u>Missoula Rural Fire</u>
Stations	4	5
Full-time employees	83	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, 2007

Educational Facilities

Public Schools 2005-2006		
Type	Number	Enrolled
Elementary (District 1)	12	4,775
Elementary (Other Districts)	12	4,169
High Schools (MCHS)	4	3,858
High Schools (Other Dist)	1	400
Trade & Technical	1	900
University	1	14,287
Private Schools 2005-2006		
Type	Number	Enrolled
Elementary	7	1,020
High School	4	360

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



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 \$1,770,411 and \$1,744,851, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2007. 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 Zar Muehlen & Co., P.C.

Certified Public Accountants
Missoula, Montana
December 28, 2007

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis
For the Year Ended June 30, 2007
(Page 1 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/06	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF AGRICULTURE:									
Passed Through State Department of Public Health									
Women/Infants/Children 06-07	10.557	06-07-5-21-014-0	\$ 391,381	\$ (95,032)	\$ 195,187	\$ 25,988	\$ -	\$ -	\$ 221,175
Women/Infants/Children 07-08	10.557	07-07-5-21-014-0	421,449	-	210,948	20	-	-	210,968
WIC Breastfeeding Support Services	10.557	07-07-5-21-060-0	24,160	-	-	-	-	-	-
WIC Outreach Program	10.557	06-07-5-21-034-0	10,000	-	10,000	64	-	-	10,064
Passed Through State Department of Agriculture:									
Nine Mile Fire Grant	10.644	02-626	167,728	(10,931)	10,931	-	-	-	10,931
Woodworth Weed Management Project	10.664	MDA 2006-706	26,793	-	5,123	-	-	-	5,123
Passed Through the State Auditor:									
Forest Reserve Receipts	10.665	N/A	751,803	293,961	751,803	-	-	-	751,803
Total Department of Agriculture				187,998	1,183,992	26,072	-	-	1,210,064
DEPARTMENT OF COMMERCE:									
Economic Development Administration:									
DirecTV Infrastructure Improvements	11.300	05-01-04327	1,250,000	-	-	-	-	-	-
Total Department of Commerce				-	-	-	-	-	-
DEPARTMENT OF TRANSPORTATION:									
Passed Through State Department of Transportation:									
CMAQ-TDM	20.205	CM8199(69)	267,493	783	-	-	-	-	-
CMAQ-TDM	20.205	CM8199(72)	267,493	(99,256)	91,464	-	-	-	91,464
CMAQ-TDM	20.205	CM8199(77)	267,493	-	129,149	35,332	-	-	164,481
FTA 06	20.205	MT-06-50-0079	75,716	(23,126)	42,541	810	-	-	43,351
FTA 07	20.205	MT-07-50-0079	116,888	-	39,266	1,176	-	-	40,442
P.L. Transport 06	20.205	N/A	320,080	(83,986)	165,962	-	-	-	165,962
P.L. Transport 07	20.205	N/A	436,932	-	235,347	-	-	-	235,347
Milltown Dam Pedestrian Bridges	20.205	6167	2,905,652	-	-	-	-	-	-
Frontage Road Walkway-Frenchtown	20.205	STPE 32(43)	263,704	-	45,866	16,926	-	-	62,792
Bike/Pedestrian Path-Frenchtown to Huson	20.205	STPE 32(49)	159,308	-	12,873	1,995	-	-	14,868
Boy Scout Road Path	20.205	STPE 32(50)	39,363	-	5,195	1,254	-	-	6,449
Riverview Road Path-Seeley Lake	20.205	STPE 32(51)	149,351	-	7,537	1,168	-	-	8,705
Safe Kids/Safe Communities 06-07	20.600	N/A	30,000	(4,833)	13,465	-	-	-	13,465
Safe Kids/Safe Communities 07-08	20.600	N/A	30,000	-	9,160	-	-	-	9,160
Traffic Safety 06-07	20.600	2006-02-03-01, 2006-05-03-01	38,048	(8,457)	21,429	2,245	-	-	23,674
Traffic Safety 07-08	20.600	2006-02-03-01, 2006-05-03-01	37,292	-	17,512	772	-	-	18,284
Law Enforcement Equipment Speed Trailer	20.600	2007-06-01-05	12,550	-	12,550	-	-	-	12,550
STEP 06	20.602	2006-09-02-20, 2006-11-03-20	27,250	-	8,475	-	-	-	8,475
STEP 07	20.602	2007-23-01-22, 2007-21-02-22	27,250	-	18,977	-	-	-	18,977
Law Enforcement Equipment Radar	20.608	2007-18-01-20	11,500	-	11,500	753	-	-	12,253
W MT Interoperable Mobile Data Communications	20.607	2006-12-09-02	499,892	(101,232)	370,557	-	-	-	370,557
Total Department of Transportation				(320,107)	1,258,825	62,431	-	-	1,321,256

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2007
(Page 2 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/07
				Federal	Local	Total Disbursements	
DEPARTMENT OF AGRICULTURE:							
Passed Through State Department of Public Health							
Women/Infants/Children 06-07	10.557	06-07-5-21-014-0	\$ 391,381	\$ 100,155	\$ 25,988	\$ 126,143	\$ -
Women/Infants/Children 07-08	10.577	07-07-5-21-014-0	421,449	313,938	-	313,938	(102,970)
WIC Breastfeeding Support Services	10.557	07-07-5-21-060-0	24,160	6,433	-	6,433	(6,433)
WIC Outreach Program	10.557	06-07-5-21-034-0	10,000	10,000	64	10,064	-
Passed Through State Department of Agriculture:							
Nine Mile Fire Grant	10.644	02-626	167,728	-	-	-	-
Woodworth Weed Management Project	10.664	MDA 2006-706	26,793	5,123	-	5,123	-
Passed Through the State Auditor:							
Forest Reserve Receipts	10.665	N/A	751,803	685,776	-	685,776	359,988
Total Department of Agriculture				<u>1,121,425</u>	<u>26,052</u>	<u>1,147,477</u>	<u>250,585</u>
DEPARTMENT OF COMMERCE:							
Economic Development Administration:							
DirecTV Infrastructure Improvements	11.300	05-01-04327	1,250,000	1,075,230	-	1,075,230	(1,075,230)
Total Department of Commerce				<u>1,075,230</u>	<u>-</u>	<u>1,075,230</u>	<u>(1,075,230)</u>
DEPARTMENT OF TRANSPORTATION:							
Passed Through State Department of Transportation:							
CMAQ-TDM	20.205	CM8199(69)	267,493	678	105	783	-
CMAQ-TDM	20.205	CM8199(72)	267,493	24,311	3,768	28,079	(35,871)
CMAQ-TDM	20.205	CM8199(77)	267,493	218,014	33,793	251,807	(87,326)
FTA 06	20.205	MT-06-50-0079	75,716	19,876	349	20,225	-
FTA 07	20.205	MT-07-50-0079	116,888	67,592	1,830	69,422	(28,980)
P.L. Transport 06	20.205	N/A	320,080	81,976	-	81,976	-
P.L. Transport 07	20.205	N/A	436,932	359,885	-	359,885	(124,538)
Milltown Dam Pedestrian Bridges	20.205	6167	2,905,652	158,398	-	158,398	(158,398)
Frontage Road Walkway-Frenchtown	20.205	STPE 32(43)	263,704	45,866	16,926	62,792	-
Bike/Pedestrian Path-Frenchtown to Huson	20.205	STPE 32(49)	159,308	182,224	28,245	210,469	(195,601)
Boy Scout Road Path	20.205	STPE 32(50)	39,363	26,443	4,548	30,991	(24,542)
Riverview Road Path-Seeley Lake	20.205	STPE 32(51)	149,351	7,537	1,168	8,705	-
Safe Kids/Safe Communities 06-07	20.600	N/A	30,000	8,632	-	8,632	-
Safe Kids/Safe Communities 07-08	20.600	N/A	30,000	20,135	-	20,135	(10,975)
Traffic Safety 06-07	20.600	2006-02-03-01, 2006-05-03-01	38,048	15,217	-	15,217	-
Traffic Safety 07-08	20.600	2006-02-03-01, 2006-05-03-01	37,292	22,752	-	22,752	(4,468)
Law Enforcement Equipment Speed Trailer	20.600	2007-06-01-05	12,550	12,550	-	12,550	-
STEP 06	20.602	2006-09-02-20, 2006-11-03-20	27,250	8,475	-	8,475	-
STEP 07	20.602	2007-23-01-22, 2007-21-02-22	27,250	18,977	-	18,977	-
Law Enforcement Equipment Radar	20.608	2007-18-01-20	11,500	11,500	753	12,253	-
W MT Interoperable Mobile Data Communications	20.607	2006-12-09-02	499,892	268,816	-	268,816	509
Total Department of Transportation				<u>1,579,854</u>	<u>91,485</u>	<u>1,671,339</u>	<u>(670,190)</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2007
(Page 3 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/06	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	(1,082)	196,082	-	-	-	196,082
Rural Domestic Violence	16.589	2005-WRA0067	399,873	(143,387)	254,322	-	-	-	254,322
Safety Vest	16.607	N/A	5,602	102	4,326	4,224	-	-	8,550
OVW Safe Havens Grant	16.527	2004-CW-AX-0010	340,461	(40,682)	186,612	-	-	-	186,612
Passed Through State Department of Justice:									
Juvenile Accountability	16.523	05-A15-82115	57,021	(1,254)	10,000	971	-	-	10,971
Juvenile Accountability	16.523	06-A15-82319	71,397	-	64,257	7,140	-	-	71,397
Juvenile Justice Title II Formula Grant	16.523	05-J11-82310	12,000	-	12,000	-	-	-	12,000
VAWA Planning Project/Coordinated CJS Response	16.588	06-W05-82236	17,000	-	17,000	5,667	-	-	22,667
Victim/Witness Program	16.575	06-V01-82203	59,450	-	59,450	14,862	-	-	74,312
West Central Drug Task Force	16.579	06-G01-82288	96,875	-	93,875	123,076	-	-	216,951
Middleware Solution	16.579	04-K15-82135	12,316	-	12,316	8,089	-	-	20,405
Passed Through Bitterroot RC&D Area, Inc.									
Lewis & Clark Bicentennial	16.580	2004-DD-BX-1178	61,103	-	59,775	-	-	-	59,775
Lewis & Clark Bicentennial	16.580	SBAHQ-04-I-0074	90,000	-	4,851	-	-	-	4,851
Total Department of Justice				(186,303)	974,866	164,029	-	-	1,138,895
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:									
Direct Programs:									
Institute of Museum and Library Service	45.301	MA-01-04-0487-04	138,451	(4,563)	31,144	31,284	-	-	62,428
Total National Foundation on the Arts & Humanities				(4,563)	31,144	31,284	-	-	62,428
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:									
Direct Programs:									
Share House	14.235	MT01B400002	393,330	-	134,232	-	-	-	134,232
Ada's Place	14.235	MT01B400003	101,001	-	28,768	-	-	-	28,768
Ada's Place	14.235	MT01B500002	101,001	-	76,778	-	-	-	76,778
Salvation Army Gateway Center	14.235	MT01B500005	61,579	-	61,579	-	-	-	61,579
Salvation Army Gateway Center	14.235	MT01B600009	61,579	-	-	-	-	-	-
Passed Through State Department of Commerce:									
CDBG-Community Resources	14.228	N/A	N/A	145,328	-	-	421,331	15,891	437,222
CDBG-Revolving Fund Loan	14.228	N/A	N/A	37,822	-	-	30,571	2,396	32,967
CDBG-DirecTV	14.228	MT-CDBG-ED06-08	400,000	-	400,000	-	-	-	400,000
HOME - Pioneer II Group home	14.239	M04-SG3001-05	282,918	(30,296)	30,296	-	-	-	30,296
HOME - Native American Housing	14.239	M06-SG3001-05	215,205	-	120,000	-	-	-	120,000
Total Department of Housing & Urban Development				152,854	851,653	-	451,902	18,287	1,321,842

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2007
(Page 4 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/07
				Federal	Local	Total Disbursements	
DEPARTMENT OF JUSTICE:							
Direct Programs:							
Records Management System	16.710	2002-CKWX-0099	400,000	195,617	-	195,617	(617)
Rural Domestic Violence	16.589	2005-WRA0067	399,873	194,335	-	194,335	(83,400)
Safety Vest	16.607	N/A	5,602	4,536	4,537	9,073	(421)
OVW Safe Havens Grant	16.527	2004-CW-AX-0010	340,461	145,930	-	145,930	-
Passed Through State Department of Justice:							
Juvenile Accountability	16.523	05-A15-82115	57,021	8,746	971	9,717	-
Juvenile Accountability	16.523	06-A15-82319	71,397	63,764	7,633	71,397	-
Juvenile Justice Title II Formula Grant	16.523	05-J11-82310	12,000	12,000	-	12,000	-
VAWA Planning Project/Coordinated CJS Response	16.588	06-W05-82236	17,000	17,000	5,667	22,667	-
Victim/Witness Program	16.575	06-V01-82203	59,450	59,450	14,862	74,312	-
West Central Drug Task Force	16.579	06-G01-82288	96,875	96,875	123,076	219,951	(3,000)
Middleware Solution	16.579	04-K15-82135	12,316	12,316	8,089	20,405	-
Passed Through Bitterroot RC&D Area, Inc.							
Lewis & Clark Bicentennial	16.580	2004-DD-BX-1178	61,103	59,863	-	59,863	(88)
Lewis & Clark Bicentennial	16.580	SBAHQ-04-I-0074	90,000	6,681	-	6,681	(1,830)
Total Department of Justice				<u>877,113</u>	<u>164,835</u>	<u>1,041,948</u>	<u>(89,356)</u>
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:							
Direct Programs:							
Institute of Museum and Library Service	45.301	MA-01-04-0487-04	138,451	26,651	31,214	57,865	-
Total National Foundation on the Arts & Humanities				<u>26,651</u>	<u>31,214</u>	<u>57,865</u>	<u>-</u>
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:							
Direct Programs:							
Share House	14.235	MT01B400002	393,330	134,232	-	134,232	-
Ada's Place	14.235	MT01B400003	101,001	28,768	-	28,768	-
Ada's Place	14.235	MT01B500002	101,001	76,778	-	76,778	-
Salvation Army Gateway Center	14.235	MT01B500005	61,579	61,579	-	61,579	-
Salvation Army Gateway Center	14.235	MT01B600009	61,579	5,137	-	5,137	(5,137)
Passed Through State Department of Commerce:							
CDBG-Community Resources	14.228	N/A	N/A	120,000	-	120,000	462,550
CDBG-Revolving Fund Loan	14.228	N/A	N/A	7,550	-	7,550	63,239
CDBG-DirectTV	14.228	MT-CDBG-ED06-08	400,000	400,000	-	400,000	-
HOME - Pioneer II Group home	14.239	M04-SG3001-05	282,918	-	-	-	-
HOME - Native American Housing	14.239	M06-SG3001-05	215,205	120,000	-	120,000	-
Total Department of Housing & Urban Development				<u>954,044</u>	<u>-</u>	<u>954,044</u>	<u>520,652</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2007
(Page 5 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/06	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
ENVIRONMENTAL PROTECTION AGENCY:									
Direct Programs:									
Clean School Bus USA	66.034	XA-83175101-0	4,550	(131)	131	-	-	-	131
Milltown Superfund Site Remediation	66.802	V-9785501-0	1,586,204	-	20,918	-	-	-	20,918
Passed Through State Department Environmental Quality:									
Air Pollution 06	66.001	506020	97,160	(12,897)	12,897	-	-	-	12,897
Air Pollution 07	66.001	507008	97,332	-	87,402	-	-	-	87,402
Radon 07	66.032	207021	2,550	-	1,102	377	-	-	1,479
Public Water Supply Safe Drinking Water 06	66.605	505025	9,300	(4,395)	4,950	-	-	-	4,950
Public Water Supply Safe Drinking Water 07	66.605	505025	13,500	-	8,910	-	-	-	8,910
Milltown Dam Sediments Analysis	66.802	405011-T01A	30,000	(181)	181	-	-	-	181
Milltown Dam Domestic Well Inventory	66.802	405011-T02A	31,405	(25,773)	25,524	249	-	-	25,773
Milltown Dam Remedial Design/Remedial Action	66.802	405011-T03	25,000	-	10,380	944	-	-	11,324
Total Environmental Protection Agency				(43,377)	172,395	1,570	-	-	173,965
DEPARTMENT OF DEFENSE									
Department of the Army :									
Grant Creek Environmental Restoration	12.106	N/A	445,264	-	1,036	345	-	-	1,381
Total Department of Defense				-	1,036	345	-	-	1,381
DEPARTMENT OF THE INTERIOR									
Passed Through the Montana Historical Society:									
Preserve America	15.929	MRHE-PA-2006-003	15,440	-	-	-	-	-	-
Bureau of Land Management:									
Blackfoot Weed Management Program	15.225	ESA05N014	16,000	-	8,000	8,000	-	-	16,000
Total Department of the Interior				-	8,000	8,000	-	-	16,000
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				-	-	-	-	-	-
GENERAL SERVICES ADMINISTRATION									
Passed through the Montana Secretary of the State:									
HAVA Polling Place Accessibility Grant	39.011	N/A	20,095	-	20,095	3,378	-	-	23,473
Total General Services Administration				-	20,095	3,378	-	-	23,473

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2007
(Page 6 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/07
				Federal	Local	Total Disbursements	
ENVIRONMENTAL PROTECTION AGENCY:							
Direct Programs:							
Clean School Bus USA	66.034	XA-83175101-0	4,550	-	-	-	-
Milltown Superfund Site Remediation	66.802	V-9785501-0	1,586,204	-	-	-	20,918
Passed Through State Department Environmental Quality:							
Air Pollution 06	66.001	506020	97,160	-	-	-	-
Air Pollution 07	66.001	507008	97,332	97,332	-	97,332	(9,930)
Radon 07	66.032	207021	2,550	2,546	377	2,923	(1,444)
Public Water Supply Safe Drinking Water 06	66.605	505025	9,300	555	-	555	-
Public Water Supply Safe Drinking Water 07	66.605	505025	13,500	12,525	-	12,525	(3,615)
Milltown Dam Sediments Analysis	66.802	405011-T01A	30,000	-	-	-	-
Milltown Dam Domestic Well Inventory	66.802	405011-T02A	31,405	-	-	-	-
Milltown Dam Remedial Design/Remedial Action	66.802	405011-T03	25,000	10,380	944	11,324	-
Total Environmental Protection Agency				<u>123,338</u>	<u>1,321</u>	<u>124,659</u>	<u>5,929</u>
DEPARTMENT OF DEFENSE							
Department of the Army :							
Grant Creek Environmental Restoration	12.106	N/A	445,264	1,036	345	1,381	-
Total Department of Defense				<u>1,036</u>	<u>345</u>	<u>1,381</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR							
Passed Through the Montana Historical Society:							
Preserve America	15.929	MRHE-PA-2006-003	15,440	1,250	-	1,250	(1,250)
Bureau of Land Management:							
Blackfoot Weed Management Program	15.225	ESA05N014	16,000	8,000	8,000	16,000	-
Total Department of the Interior				<u>9,250</u>	<u>8,000</u>	<u>17,250</u>	<u>(1,250)</u>
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	-	2,989	(2,989)
Total National Endowment for the Humanities				<u>2,989</u>	<u>-</u>	<u>2,989</u>	<u>(2,989)</u>
GENERAL SERVICES ADMINISTRATION							
Passed through the Montana Secretary of the State:							
HAVA Polling Place Accessibility Grant	39.011	N/A	20,095	20,095	3,378	23,473	-
Total General Services Administration				<u>20,095</u>	<u>3,378</u>	<u>23,473</u>	<u>-</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2007
(Page 7 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/06	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF HOMELAND SECURITY									
Passed Through State Department of Military Affairs :									
Emergency Management Program 06	97.042	N/A	50,000	(12,412)	12,412	-	-	-	12,412
Emergency Management Program 07	97.042	N/A	50,000	-	31,490	-	-	-	31,490
FY05 HSGP/Law Enforcement Terrorism Prevention Program	97.067	2005-GE-T5-0006	2,710,667	-	1,104,611	-	-	-	1,104,611
Total Department of Homeland Security				(12,412)	1,148,513	-	-	-	1,148,513
DEPARTMENT OF HEALTH & HUMAN SERVICES:									
Direct Programs:									
Tuberculosis Control & Prevention 06-07	93.994	06-07-4-11-105-0	5,000	(1,250)	3,750	2,264	-	-	6,014
Tuberculosis Control & Prevention 07-08	93.994	07-07-4-11-045-0	4,000	-	-	-	-	-	-
Mentoring Children of Prisoners 06	93.616	CV900046/04	60,000	-	27,896	-	-	-	27,896
Mentoring Children of Prisoners 07	93.616	CV900046/04	60,000	-	31,925	-	-	-	31,925
Drug Free Community Support Program	93.276	SP12366-03	100,000	(10,320)	35,055	36	-	-	35,091
Drug Free Community Support Program	93.276	SP12366-04	100,000	-	57,603	-	-	-	57,603
Passed Through State Department of Public Health & Human Services:									
AIDS HIV Prevention 06-07	93.118	06-07-4-51-019-0	6,052	(1,149)	5,058	158	1,574	-	6,790
AIDS HIV Prevention 07-08	93.118	07-07-4-51-019-0	6,052	-	990	92	99	-	1,181
Community Incentive Program 06	93.243	04-332-74409-0	75,429	-	41,839	-	-	-	41,839
Public Health Emergency Preparedness 06-07	93.283	06-07-4-11-030-0	141,974	(41,043)	75,274	-	-	-	75,274
Public Health Emergency Preparedness 07-08	93.283	07-07-6-11-035-0	161,974	-	98,086	-	-	-	98,086
Domestic Violence Program	93.671	20063DMVL0012	58,000	(29,000)	29,000	-	-	-	29,000
Children's Immunization Program	93.994	06-07-4-31-031-0	29,385	-	29,385	-	-	-	29,385
Children's Immunization Program	93.994	07-07-4-31-031-0	31,782	-	-	-	-	-	-
MCH Block Grant	93.994	07-07-5-01-032-0	122,666	-	122,666	681,023	-	-	803,689
Children's Special Health Services	93.994	06-07-5-51-004-0	4,999	-	1,458	-	-	-	1,458
Healthy Tomorrow Partnership for Children - Yr 2	93.110	H17MC02513-02-01	60,408	(8,980)	48,500	50,807	-	-	99,307
Community Youth Suicide Prevention	93.991	07-07-5-31-026-0	122,245	-	49,697	-	-	-	49,697
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	-	(7,799)	19,834	-	-	-	19,834
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0001	-	(2,728)	8,909	26,726	-	-	35,635
Passed through Montana State University:									
Montana Nutrition and Physical Activity Program (Obesity)	93.283	06-07-3-01-021-0	45,000	(11,293)	11,293	-	-	-	11,293
Montana Nutrition and Physical Activity Program (Obesity)	93.283	07-07-3-01-021-0	45,000	-	35,650	648	-	-	36,298
Total Department of Health & Human Services				(113,562)	733,868	761,754	1,673	-	1,497,295
Total Federal Financial Assistance				\$ (339,472)	\$ 6,384,387	\$ 1,058,863	\$ 453,575	\$ 18,287	\$ 7,915,112

See accompanying notes.

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2007
(Page 8 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/07
				Federal	Local	Total Disbursements	
DEPARTMENT OF HOMELAND SECURITY							
Passed Through State Department of Military Affairs :							
Emergency Management Program 06	97.042	N/A	50,000	-	-	-	-
Emergency Management Program 07	97.042	N/A	50,000	37,682	-	37,682	(6,192)
FY05 HSGP/Law Enforcement Terrorism Prevention Program	97.067	2005-GE-T5-0006	2,710,667	1,211,369	-	1,211,369	(106,758)
Total Department of Homeland Security				<u>1,249,051</u>	<u>-</u>	<u>1,249,051</u>	<u>(112,950)</u>
DEPARTMENT OF HEALTH & HUMAN SERVICES:							
Direct Programs:							
Tuberculosis Control & Prevention 06-07	93.994	06-07-4-11-105-0	5,000	2,500	2,264	4,764	-
Tuberculosis Control & Prevention 07-08	93.994	07-07-4-11-045-0	4,000	2,000	-	2,000	(2,000)
Mentoring Children of Prisoners 06	93.616	CV900046/04	60,000	27,896	-	27,896	-
Mentoring Children of Prisoners 07	93.616	CV900046/04	60,000	31,925	-	31,925	-
Drug Free Community Support Program	93.276	SP12366-03	100,000	24,771	-	24,771	-
Drug Free Community Support Program	93.276	SP12366-04	100,000	75,291	-	75,291	(17,688)
Passed Through State Department of Public Health & Human Services:							
AIDS HIV Prevention 06-07	93.118	06-07-4-51-019-0	6,052	3,909	1,732	5,641	-
AIDS HIV Prevention 07-08	93.118	07-07-4-51-019-0	6,052	1,701	191	1,892	(711)
Community Incentive Program 06	93.243	04-332-74409-0	75,429	41,839	-	41,839	-
Public Health Emergency Preparedness 06-07	93.283	06-07-4-11-030-0	141,974	28,873	-	28,873	5,358
Public Health Emergency Preparedness 07-08	93.283	07-07-6-11-035-0	161,974	126,756	-	126,756	(28,670)
Domestic Violence Program	93.671	20063DMVL0012	58,000	-	-	-	-
Children's Immunization Program	93.994	06-07-4-31-031-0	29,385	29,385	-	29,385	-
Children's Immunization Program	93.994	07-07-4-31-031-0	31,782	19,873	-	19,873	(19,873)
MCH Block Grant	93.994	07-07-5-01-032-0	122,666	122,666	681,023	803,689	-
Children's Special Health Services	93.994	06-07-5-51-004-0	4,999	1,458	-	1,458	-
Healthy Tomorrow Partnership for Children - Yr 2	93.110	H17MC02513-02-01	60,408	50,963	50,807	101,770	(11,443)
Community Youth Suicide Prevention	93.991	07-07-5-31-026-0	122,245	19,734	-	19,734	29,963
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	-	24,070	-	24,070	(12,035)
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0001	-	27,418	9,139	36,557	(3,650)
Passed through Montana State University:							
Montana Nutrition and Physical Activity Program (Obesity)	93.283	06-07-3-01-021-0	45,000	-	-	-	-
Montana Nutrition and Physical Activity Program (Obesity)	93.283	07-07-3-01-021-0	45,000	45,000	648	45,648	(9,350)
Total Department of Health & Human Services				<u>708,028</u>	<u>745,804</u>	<u>1,453,832</u>	<u>(70,099)</u>
Total Federal Financial Assistance				<u>\$ 7,748,104</u>	<u>\$ 1,072,434</u>	<u>\$ 8,820,538</u>	<u>\$ (1,244,898)</u>

See accompanying notes.

MISSOULA COUNTY, MONTANA

Notes to Schedule of Expenditures of Federal Awards - Cash Basis

For the Year Ended June 30, 2007

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, 2007:

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	72,877
<u>Rocky Mountain Biologicals, Inc.</u>	
5%, \$4,813 due monthly from November 2005 through October 2014	237,779
<u>Opportunity Resources, Inc.</u>	
0%, \$167 due monthly from May 2006 through April 2015	19,500
<u>North Missoula Community Development Corporation</u>	
3%, varying amounts due annually through May 2014	49,150
<u>Western Montana Mental Health Center</u>	
5%, \$9,719 due annually through November 2015	68,636
<u>Aquila Vision</u>	
7%, \$10,383 due monthly, all principal and interest due July 1, 2008	120,000

Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2007:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 69,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	594,000
\$291,000, issued November 1998, 4% due in varying amounts through July 2019	157,000
\$649,936, issued September 2002, 4% due in varying amounts through July 2023	468,000
\$4,498,121, issued July 2003, 3.75% due in varying amounts through July 2024	3,360,000
\$169,000, issued April 2005, 2.75% due in varying amounts through July 2015	116,000
\$281,199, issued April 2005, 3.75% due in varying amounts through July 2020	145,000
\$206,194, issued August 2000, 4% due in varying amounts through July 2020	155,000

Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2007 as follows:

- Ada's Place (CFDA# 14.235) passed-through \$103,141 to the YWCA.
- Rural Domestic Violence Program (CFDA# 16.589) passed-through \$83,267 to the YWCA and the National Coalition Building Institute.
- Community Incentive Program (CFDA# 93.243) passed-through \$41,839 to W.O.R.D., Parenting Place, and Missoula City-County Health Department.
- Gateway Center (CFDA# 14.235) passed-through \$65,251 to the Salvation Army.
- OVW Safe Havens (CFDA# 16.527) passed through \$181,228 to the YWCA.
- Drug Free Community Support Program (CFDA# 93.276) passed-through \$27,150 to Turning Point and Golden Wattle, Inc.
- Mentoring Children of Prisoners (CFDA# 93.616) passed-through \$59,821 to Big Brothers & Big Sisters.
- Share House Transitional Housing (CFDA# 14.235) passed-through \$134,232 to the Western Montana Mental Health Center.
- Juvenile Accountability Block Grant (CFDA# 16.523) passed-through \$6,500 to Community Care, Inc.
- Community Youth Suicide Prevention (CFDA# 93.243) passed-through \$3,000 to the university of Montana Curry Health Center.
- Juvenile Justice Title II Formula Grant (CFDA# 16.523) passed-through \$12,000 to Habitat for Humanity.

Note 5 - Restatement of Beginning Cash

Cash balances at June 30, 2006 have been restated for Safe Kids/Safe Communities (CFDA# 20.600) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing cash balances at June 30, 2006 by \$4,833.

Cash balances at June 30, 2006 have been restated for the Shared Catalog project (CFDA# 45.301) to reflect the correction of prior period receipts. The restatement had the effect of decreasing cash balances at June 30, 2006 by \$107,843.

Cash balances at June 30, 2006 have been restated for Source Water Protection 02-05 (CFDA# 66.468) to reflect the correction of prior period receipts. The restatement had the effect of decreasing cash balances at June 30, 2006 by \$21,500.

Cash balances at June 30, 2006 have been restated for Source Water Protection 06 (CFDA# 66.468) to reflect the correction of prior period receipts. The restatement had the effect of decreasing cash balances at June 30, 2006 by \$22,901.

Cash balances at June 30, 2006 have been restated for Tobacco 06 (CFDA# 93.283) to reflect the correction of prior period expenditures. The restatement had the effect of increasing cash balances at June 30, 2006 by \$15,076.

Cash balances at June 30, 2006 have been restated for Public Health Emergency Preparedness 03 (CFDA# 93.283) to reflect the correction of prior period receipts. The restatement had the effect of decreasing cash balances at June 30, 2006 by \$25,641.

Cash balances at June 30, 2006 have been restated for Public Health Emergency Preparedness 04-06 (CFDA# 93.283) to reflect the correction of prior period receipts. The restatement had the effect of decreasing cash balances at June 30, 2006 by \$5,746.



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 Missoula County, Montana, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2007. 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.

The financial statements of Missoula County, Montana include Missoula Aging Services and Partnership Health Center (both discretely presented component units). Our consideration of compliance and internal control over financial reporting did not include these component units because they obtained their own audits in accordance with *Government Auditing Standards*.

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.

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 entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity'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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted certain other matters involving the internal control over financial reporting that we have reported to management of Missoula County, Montana in a separate letter dated December 28, 2007.

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 Zur Muehlen & Co., P.C.

Certified Public Accountants
Missoula, Montana
December 28, 2007



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, 2007. 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 \$1,770,411 and \$1,744,851, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2007. 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, 2007.

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 Zur Muehlen & Co., P.C.

Certified Public Accountants
Missoula, Montana
December 28, 2007

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

Summary of Auditors' Results

The auditors' report on the financial statements of Missoula County, Montana was unqualified.

There were no significant deficiencies or material weaknesses in internal control disclosed in the audit of the financial statements of Missoula County, Montana.

The audit disclosed no instances of noncompliance that are material to the financial statements of Missoula County, Montana.

The audit disclosed no significant deficiencies or material weaknesses in internal control over major programs of Missoula County, Montana.

The auditors' report on compliance for major programs was unqualified.

The audit disclosed no findings which are required to be reported under OMB Circular A-133.

Major programs for the year ended June 30, 2007 were as follows:

<u>CFDA#</u>	<u>Federal Program</u>
10.557	Women, Infants, and Children
11.300	DIRECTV Infrastructure Improvements
14.228	Community Development Block Grant

The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133 was \$300,000.

Missoula County, Montana qualified as a low-risk auditee under the provisions of OMB Circular A-133.

Findings Relating to the Financial Statements Which are Required to be Reported
in Accordance with Government Auditing Standards

The audit disclosed no findings relative to the financial statements which were required to be reported under *Government Auditing Standard* issued by OMB.

Federal Awards Findings and Questioned Costs

The audit contains 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, 2006 contained no findings that were required to be reported under OMB Circular A-133.