

MISSOULA COUNTY, MONTANA

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



For the Fiscal Year Ended
June 30, 2006

MISSOULA COUNTY, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2006

Prepared by:

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December 22, 2006

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, 2006. I believe this CAFR presents fairly the financial condition of the County at June 30, 2006 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 consists of four sections:

- The introductory section includes this letter, a copy of Missoula County's 2005 Certificate of Achievement for Excellence in Financial Reporting, the organizational chart for the County, and a list of elected officials.
- The financial section contains the basic financial statements, the notes to the basic financial statements, the combining and individual fund financial statements and the opinion of our independent auditors, Anderson ZurMuehlen & Company.
- The third section, the statistical section, is comprised of various tables, which reflect revenues and expenditures for the County over the last ten years, property valuation and taxation, debt service coverage and other miscellaneous data that describe the County.
- The final section of this report is the single audit section. A single audit is required each year by the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and Office of Management and Budget Circular A-133. The elements of this section are the Schedule of Expenditures of Federal Awards and the auditors' reports on internal controls and compliance with related findings and recommendations.

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 Airport Industrial District, 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 Chairman, Bill Carey, Barbara Evans and Jean Curtiss.

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 2007 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, 62% was invested in the Short Term Investment Pool, 31% was invested in U.S. Government treasury and agency securities, and 5% was invested in repurchase agreements. The average rate of return for fiscal year 2006 was 3.1% based on total investment income in the pool of approximately \$2,108,000, net of fees. The County's share for governmental funds was approximately \$853,000.

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).

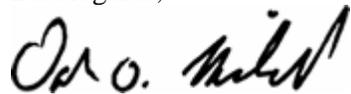
Risk Management – The County has an extensive self-insured risk management program for all property and casualty insurance. The County provides self-insurance coverage to employees for medical and dental insurance. The County also provides Workers' Compensation coverage through a self-insurance program. 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 2005 Comprehensive Annual Financial Report. The Fiscal Year 2006 Report will also be submitted for consideration for the Certificate.

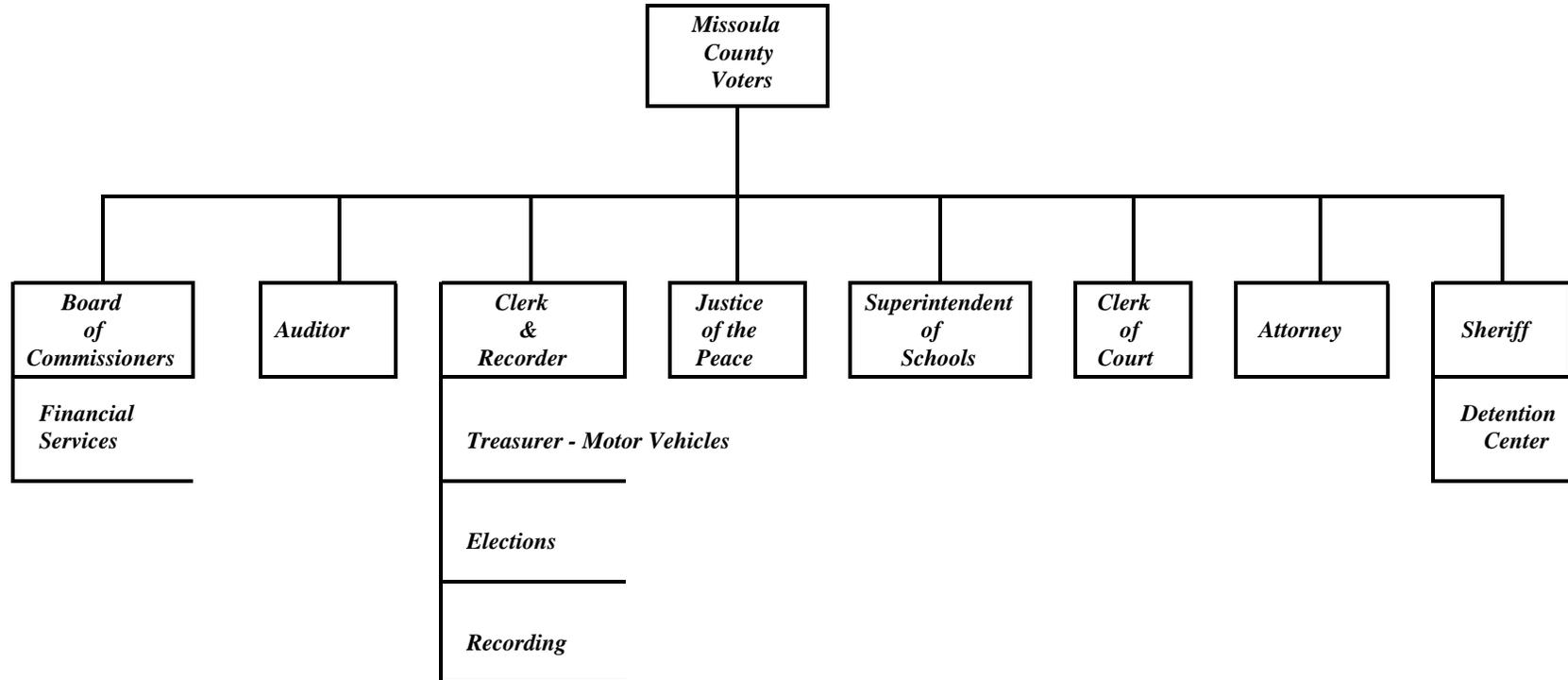
Acknowledgements – I would like to thank everyone in the Missoula County Financial Services Office: Edna Wingfield, Karen Mason, Teresa Graham, Marge Duncan, Dawn Overbaugh, Mary Matthaie, Ruthe Sackey, Alane Stickney, and especially Carol Routh for all their work and dedication. I would also like to 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 black ink, appearing to read "Dale D. Bickell". The signature is written in a cursive style with a large initial "D".

Dale D. Bickell
Chief Financial Officer

MISSOULA COUNTY Organizational Chart



MISSOULA COUNTY, MONTANA

Board of County Commissioners

Barbara Evans
William Carey
Jean Curtiss

Auditor

Barbara A. Berens

Clerk and Recorder - Treasurer

Vickie M. Zeier

Justice of the Peace

Karen Orzech
John E. Odlin

Superintendent of Schools

Rachel 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, 2005

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, 2006, 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 49% and 36%, 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, 2006, 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 MCA Industrial District Fund 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 22, 2006, 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, 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 ZurMuehlen & Co., P.C.

Certified Public Accountants
Missoula, Montana
December 22, 2006

MISSOULA COUNTY, MONTANA
Management's Discussion and Analysis
June 30, 2006

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, 2006. 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, 2006, by \$52.2 million (net assets) compared with \$39.5 million at June 30, 2005. Of this amount, \$20.4 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, vendors and creditors, including \$1.4 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 \$9.2 million, representing a 23.3% increase from 2005. \$2.1 million of this increase is related to a prior period adjustment to correct net capital assets.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$24.0 million, an increase of \$3.5 million from the prior year. Of this amount, \$20.7 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 \$3.0 million, or 20.0% of total general fund expenditures and other financing uses.
- Missoula County's total debt decreased by \$718,239 which represents a 7.1% increase in debt related to governmental activities. The decrease is due to scheduled principal payments.

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, MCA Industrial District, 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 127.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the year ended June 30, 2006 the County's assets exceeded liabilities by \$52.2 million (\$48.6 million in governmental activities and \$3.6 million in business-type activities). 58.2% of the County's net assets reflect its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Other restrictions include \$1,466,019 for debt service. Missoula County had no other legally restricted net assets that require reservation. Therefore, \$20.4 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 2006:

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current & Other Assets	\$ 46,356,536	\$ 40,352,499	\$ 1,475,962	\$ 1,431,755	\$ 47,832,498	\$ 41,784,254
Capital Assets, Net	<u>45,642,425</u>	<u>41,218,397</u>	<u>2,199,939</u>	<u>2,278,903</u>	<u>47,842,364</u>	<u>43,497,300</u>
Total Assets	<u>91,998,961</u>	<u>81,570,896</u>	<u>3,675,901</u>	<u>3,710,658</u>	<u>95,674,862</u>	<u>85,281,554</u>
Liabilities						
Current & Other Liabilities	16,770,345	16,972,431	98,681	133,668	16,869,026	17,106,099
Current Portion of Long-term Debt	2,560,040	2,771,802	-	-	2,560,040	2,771,802
Long-term Debt, Net of Current Portion	<u>24,004,318</u>	<u>24,472,763</u>	<u>-</u>	<u>-</u>	<u>24,004,318</u>	<u>24,472,763</u>
Total Liabilities	<u>43,334,703</u>	<u>44,216,996</u>	<u>98,681</u>	<u>133,668</u>	<u>43,433,384</u>	<u>44,350,664</u>
Net Assets						
Invested in Capital Assets, Net of Debt	28,223,190	16,970,735	2,199,939	2,278,903	30,423,129	19,249,638
Restricted for Debt Service	1,466,019	1,463,452	-	-	1,466,019	1,463,452
Unrestricted	<u>18,975,049</u>	<u>18,919,713</u>	<u>1,377,281</u>	<u>1,298,087</u>	<u>20,352,330</u>	<u>20,217,800</u>
Total Net Assets	<u>\$ 48,664,258</u>	<u>\$ 37,353,900</u>	<u>\$ 3,577,220</u>	<u>\$ 3,576,990</u>	<u>\$ 52,241,478</u>	<u>\$ 39,467,438</u>

The following table provides a summary of the changes in net assets for 2006:

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues						
Charges for Services	\$ 13,765,088	\$ 13,108,399	\$ 1,760,784	\$ 1,587,299	\$ 15,525,872	\$ 14,695,698
Operating Grants and Contributions	8,882,805	9,198,521	-	-	8,882,805	9,198,521
Capital Grants and Contributions	3,865,026	1,919,467	-	-	3,865,026	1,919,467
General Revenues						
Property Taxes	30,428,569	28,263,956	-	-	30,428,569	28,263,956
Intergovernmental Revenue	3,282,638	3,772,657	-	-	3,282,638	3,772,657
Investment Earnings	875,329	466,131	31,726	10,907	907,055	477,038
Gain on Sale of Capital Assets	2,518,878	312,722	-	425	2,518,878	313,147
Miscellaneous	2,035,355	1,453,329	4,711	2,591	2,040,066	1,455,920
Total Revenues	<u>65,653,688</u>	<u>58,495,182</u>	<u>1,797,221</u>	<u>1,601,222</u>	<u>67,450,909</u>	<u>60,096,404</u>
Program Expenses						
General Government	10,793,516	9,656,328	-	-	10,793,516	9,656,328
Criminal Justice	5,119,123	4,813,728	-	-	5,119,123	4,813,728
Public Safety	17,060,430	14,852,072	-	-	17,060,430	14,852,072
Public Works	8,022,496	6,641,539	-	-	8,022,496	6,641,539
Public Health	5,093,221	4,517,190	-	-	5,093,221	4,517,190
Social and Economic Services	3,702,861	3,455,239	-	-	3,702,861	3,455,239
Culture and Recreation	4,090,539	4,252,141	-	-	4,090,539	4,252,141
Housing and Community Develop.	1,845,512	2,007,925	-	-	1,845,512	2,007,925
Interest and Fiscal Charges	935,898	1,196,809	-	-	935,898	1,196,809
Larchmont Golf Course	-	-	859,193	795,539	859,193	795,539
Rural Special Improvement Districts	-	-	703,456	767,857	703,456	767,857
Total Expenses	<u>56,663,596</u>	<u>51,392,971</u>	<u>1,562,649</u>	<u>1,563,396</u>	<u>58,226,245</u>	<u>52,956,367</u>
Change in Net Assets before Transfers	8,990,092	7,102,211	234,572	37,826	9,224,664	7,140,037
Transfers	234,342	101,413	(234,342)	(122,517)	-	(21,104)
Change in Net Assets	<u>\$ 9,224,434</u>	<u>\$ 7,203,624</u>	<u>\$ 230</u>	<u>\$ (84,691)</u>	<u>\$ 9,224,664</u>	<u>\$ 7,118,933</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 the Central Services, 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 2006, general government expenses comprised 19.0% (18.8% in 2005) of governmental activities. Total general government expenses increased approximately \$1.1 million over the prior year. Approximately \$0.7 million of the increase is due to the reclassification of financial administration expenses from Criminal Justice in 2005 to General Government in 2006. The remaining increase is largely due to increased maintenance costs incurred in the Facilities Management budget.

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 9.0% of governmental activities in 2006 (versus 9.4% in 2005). Total expenses increased \$305,395 or 6.3% versus the prior year. The increase, net of the reclassification mentioned above, was due to the increase in expenses in the Public Defender’s Office caused by increased caseloads and turnover in the office. The majority of these costs were reimbursed by the Montana Supreme Court.

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 Communications Backbone capital projects fund. Public safety expenses comprised 30.1% of governmental activities in 2006. Public safety expenses increased \$2.2 million over 2005, or 14.9%. The increase is due to the increase in expenses in the Sheriff’s Office, including increases in personnel, higher than anticipated out-of-county prisoner costs, and increases energy and fuel 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, and the Missoula Development Authority’s Airport Tax Increment District. Public works expenses comprised 14.2% of governmental activities in 2006 and represented a 20.8% increase in expenses over 2005. This increase is primarily due to the completion of the Mullan Corridor Sewer project in 2006 that is included in the RSID Debt Service fund.

Public Health – the public health function is comprised of the Health Department, the Water Quality District, the Junk Vehicle Program, Animal Control, and Clean-up Missoula. Public health expenses comprised 9.0% of governmental activities in 2006. Total public health expenses increased \$576,031 (or 12.8%) over 2005, primarily due to increased grants activity.

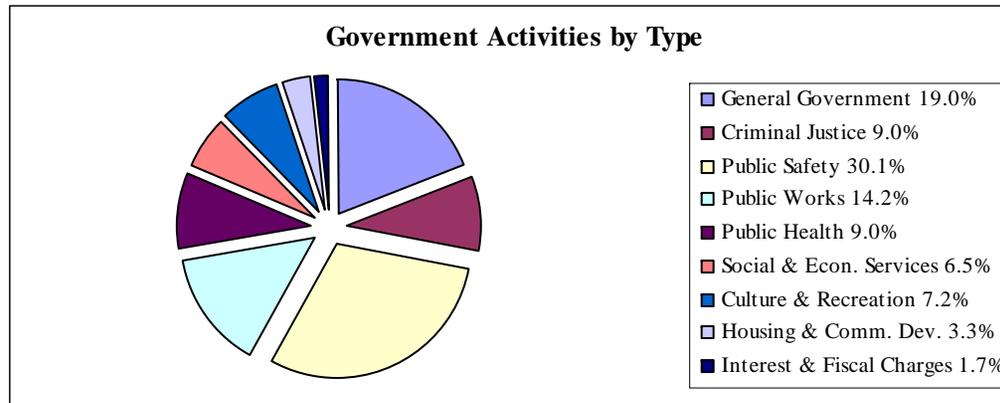
Social & Economic Services – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Poor, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered 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 6.5% of governmental activities in 2006. Social and economic services expense increased \$247,622 (or 7.2%) over 2005 largely due to increases in grant expenditures in the Office of Planning and Grants.

Culture & Recreation – the culture and recreation function includes the Western Montana Fair, the Art Museum of Missoula, the Historical Museum at Fort Missoula, the Library (including the Library Shared Catalog Project) and the Park funds. Culture and recreation expenses comprised 7.2% of governmental activities in 2006. Culture and recreation expense decreased \$161,602 (or 3.8%) under 2005.

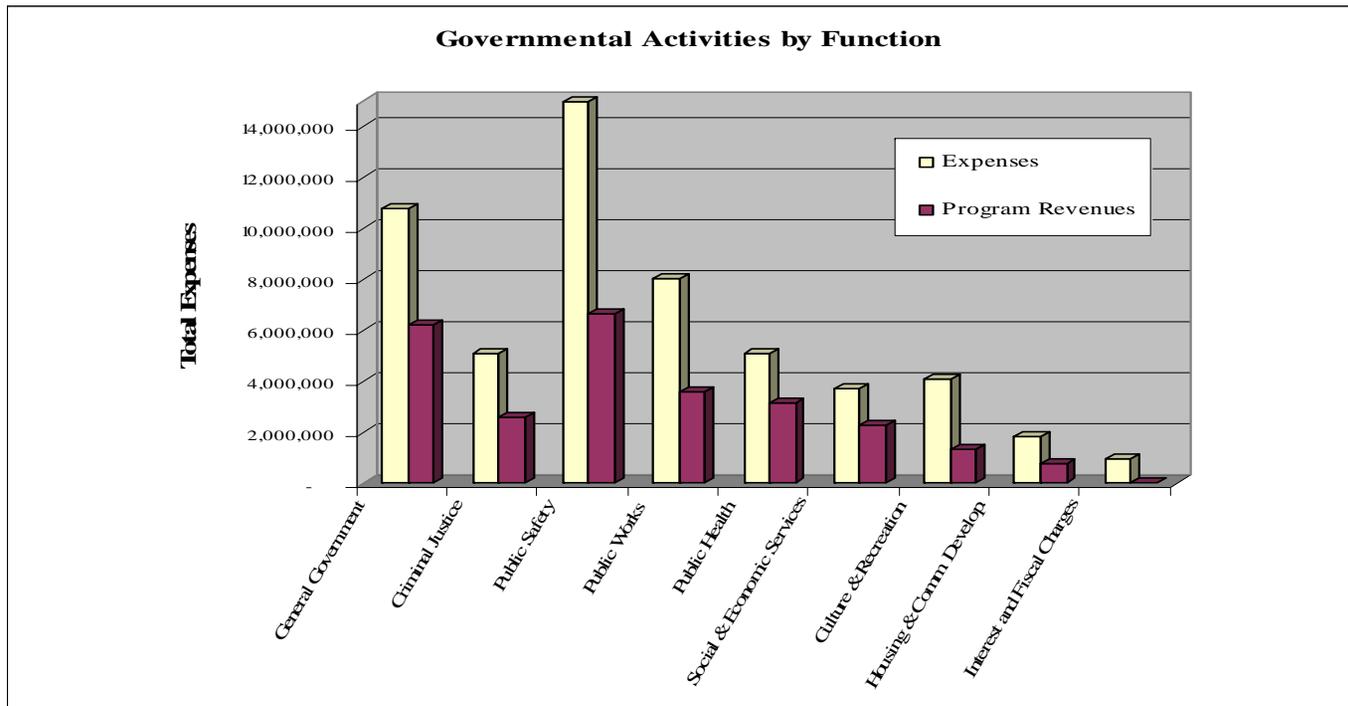
Housing & Community Development – this function includes the land use planning aspects of the Office of Planning and Grants, as well as specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. These expenses comprised 3.3% of governmental activities in 2006. Total expenses decreased \$162,413 or 8.1% versus 2005.

Total governmental activities resulted in an increase in net assets totaling \$9,224,434. This increase is primarily due to the public works expenses the Mullan Corridor Sewer project and the increase in the Sheriff's Office budget as described above.

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 \$230, compared to a decrease of \$84,691 in 2005.

Fund Level Financial Analysis

Governmental Funds

For the fiscal year ended June 30, 2006, the County's governmental funds reported combined fund balance totaling \$23,986,846 compared with \$20,515,777 in 2005. Approximately \$20.7 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, and capital commitments. The governmental funds had a combined increase in fund balance totaling \$3,471,069 for 2006 and \$4,196,511 for 2005.

The General fund is the chief operating fund of the County. For fiscal year 2005, total fund balance decreased \$153,515 to \$2,984,161, \$2,230,818 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 16.6% of total expenditures (16.9% in 2005) while total fund balance represents 22.2% (27.9% in 2004). The 2006 budget was designed to spend down excess cash reserves by approximately \$1.2 million. However, higher than expected intergovernmental revenues and expenditure savings resulted in an increase in fund balance of \$185,847 (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 \$1,850,179 at June 30, 2006 (\$2,090,062 at June 30, 2005). Unreserved fund balance represents 14.2% (17.8% in 2005) of total expenditures. Fund balance decreased during the year by \$170,053 (budget basis), although the 2006 budget was designed to decrease fund balance by \$705,243. Vacancy savings offset unexpected increases in energy, fuel, and 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 \$583,986 at June 30, 2006 (\$941,498 at June 30, 2005), of which \$1,196 was reserved for advances. Unreserved fund balance represents 23.9% (87.9% in 2005) of total expenditures. Fund balances increased in this fund by \$589,510, as grant monies and early pay-offs of special assessments were received.

The MCA Industrial District fund accounts for the tax increment revenues from the Industrial Tax Increment District, which was created to develop an industrial park in the area of the interstate highway interchange near the airport. The District had a fund balance totaling \$6,889,566 at June 30, 2006 (\$5,075,971 June 30, 2005), all of which was unreserved. Unreserved fund balance represents 282.5% (886.7.8% in 2005) of total expenditures. Fund balance increased during the year by \$1,813,595 largely due to higher than expected proceeds from land sales and the postponement of certain infrastructure projects into the next fiscal year.

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 2006, budget amendments resulted in increases in appropriations in the General fund budget by \$3,355,551. Significant budget variances in the General fund include:

- Fines & forfeitures were \$107,574 lower than expected in Justice Court due to a state mandated change in the allocation of these revenues.
- Intergovernmental revenue and capital outlay were \$1,687,594 and \$1,766,480 under budget in the Office of Emergency Services due to grant activity being delayed to the next fiscal year.
- Non-departmental intergovernmental revenue was \$328,464 more than expected due to higher than budgeted payments in lieu of taxes from the federal government. Investment earnings were \$306,132 higher than expected due to improving interest rates over the year.
- Charges for services in the Clerk & Recorder/Treasurer's Office were \$187,767 over budget as the decline in recorded documents reversed itself and returned to historical levels. Operations expenditures were \$114,573 less than budgeted due to lower than expected elections costs.
- Personnel costs were over budget by \$101,495 in 9-1-1 Communications due to higher than expected overtime costs related to employee turnover.

Capital Assets and Debt Administration

Capital Assets

Missoula County's capital assets consist of land, buildings and systems, improvements, equipment, and machinery. Infrastructure assets placed in service in 2005 and after are reported in capital assets. However, infrastructure assets placed into service prior to 2005 are not presented in this report as the County has elected to retroactively report infrastructure in its June 30, 2007 CAFR. Missoula County's investment in capital assets (net of accumulated depreciation and outstanding debt) was \$30,423,129 at June 30, 2006 (\$17,163,714 at June 30, 2005). 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 2006 includes:

- Courthouse renovations were completed at a total project cost of \$515,292.
- Approximately \$1.8 million was spent on the completed Ice Rink at the Western Montana Fair.
- The Public Works Department completed several infrastructure projects, including \$247,503 for the Frenchtown Walkway, \$61,180 for the paving of Deadman's Gulch, \$23,960 for the Elk Creek Bridge, and \$38,347 for Spring Hills Drive construction.. Additionally, infrastructure in progress in the MCA Industrial District totaled \$700,584.
- The MCA Industrial District sold land with a cost of \$17,809 for total proceeds of \$2,080,340 .

Long-term Debt

Long-term debt for Missoula County totaled \$29,796,142 at June 30, 2006 (\$30,514,381 at June 30, 2005). Total debt decreased \$718,239, which is comprised of new general obligation bonds totaling \$13,770,000, new limited obligation bonds totaling \$800,000, new special assessment loans totaling \$374,972, and a new contract payable (\$250,000); principal payments and defeased bonds (\$15,875,179), and a \$38,032 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	\$ 13,933,000
Limited Obligation Bonds and Loans	2,770,000
Tax Increment Bonds	1,875,000
Special Assessment Bonds and Loans	6,276,599
Notes and Contracts Payable	1,709,759
Compensated Absence Liability	<u>3,231,784</u>
	<u>\$ 29,796,142</u>

Economic Factors and the Fiscal Year 2007 Budget

Missoula County continues as the major trade and service center in western Montana and second largest in the state after Billings. According to the Missoula Area Economic Development Corporation, the total trade area population has increased to 363,120, up 12.3% since 1990, and continues to grow. Trade center/service activities constitute 33% of the labor income in basic industries, followed by wood and paper products (16%), transportation (16%), federal government (14%), nonresident travel and other (11%), and the University of Montana and other state government (10%). Of the trade center activities, 39% is from medical services, 24% is from retail/wholesale trade, and 12% 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) slowed from 4.0% in 2003 to 3.6% in 2004. Preliminary 2005 figures show a growth rate of 3.5% and projections for 2006 and 2007 are 3.8% and 3.5%, respectively. Driving this growth are health care and professional services, the University of Montana, and the federal government (primarily the USDA Forest Service). Additionally, the announcement of a major call center in Missoula further bolsters these figures.

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 2006. According to the Missoula County Budget document, General Fund equity (budget basis) was \$2,754,091 at June 30, 2006 compared to \$2,493,932 at the end of fiscal year 2005. However, budgeted ending General Fund equity for 2007 is \$1,991,966. For fiscal year 2007, 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:

Voter Approved Initiatives – For 2007, the voters approved three initiatives to increase property tax mill levies in the following areas:

- Library – voters approved an additional \$995,000 annually. Net of the decrease in the library levy that expired in 2006, the Library levy will increase 2.05 mills, or \$8.74 annually on a house with an assessed value of \$200,000.
- Search & Rescue – voters approved \$87,500 annually or 0.49 mills. This will cost \$2.09 annually on a house with an assessed value of \$200,000.
- Aging – voters approved up to \$350,000 annually. However, the Missoula Aging Services board has determined their FY07 requirements to be an additional \$255,770 or an additional 1.44 mills. This will cost \$6.15 annually on a house with an assessed value of \$200,000.

District Court Fund – The state assumption of the County’s public defender functions was implemented for 2007. This reduced total expenditures in the District Court Fund from \$2,317,944 in 2006 to \$1,211,649 in 2007. The state received revenue for assuming this office by decreasing the County’s entitlement share. However, total County revenue remained the same because the entitlement share reduction was offset by the remaining District Court levy.

Public Works – An examination of the Public Works budget revealed a structural imbalance in ongoing expenses exceeding ongoing revenues. The Commissioners voted to increase the public works property tax levy by 1.39 mills (\$112,500) in order to try and eliminate this imbalance.

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

	Countywide		Rural-only	
	2007	2006	2007	2006
Taxable Value	\$178,546,389	\$172,525,317	\$82,618,450	\$78,991,738
Value of Newly Taxable Property	9,542,279	10,997,912	3,931,978	5,032,515
Value of One Mill	178,546	172,525	82,619	78,992
Property Tax Revenues	23,862,170	22,272,681	2,709,894	2,513,249
Number of Mills Levied	133.7	129.1	33.5	31.8

The following table shows the changes in tax revenue and mills for 2007:

	County-wide	Mills	Rural-only	Mills
Total Property Taxes Assessed – Prior Year	\$22,272,681	129.1	\$2,521,328	34.0
Current Year Taxes Attributable to Floating Mill*	375,247	2.1	47,768	0.6
Current Year Property Taxes Attributable To Newly Taxable Property**	1,194,222	2.3	125,480	(0.4)
Tax Levy Decreases				
<i>Permissive Medical Levy</i>	(10,024)	(0.1)	-	-
<i>District Court</i>	(301,573)	(1.7)	-	-
<i>General Fund</i>	(412,353)	(2.3)	-	-
New Levy Authority:				
<i>Public Safety</i>	45,279	0.3	-	-
<i>Public Works</i>	-	-	112,500	1.39
<i>Library – voter approved (net)</i>	363,324	2.0	-	-
<i>Search & Rescue – voter approved</i>	87,500	0.5	-	-
<i>Aging- voter approved</i>	247,867	1.4	-	-
Total Property Taxes Assessed – Current Year	\$23,862,170	133.7	\$2,709,894	33.5

* 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 on-line www.co.missoula.mt.us.

MISSOULA COUNTY, MONTANA
Statement of Net Assets
June 30, 2006
(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	\$ 2,207,242	\$ 46,028	\$ 2,253,270	\$ 615,528	\$ 14,347
Cash with Fiscal Agents	2,131,758	-	2,131,758	-	-
Investments	26,582,704	1,366,128	27,948,832	-	433,168
Property Taxes Receivable, net	2,314,200	-	2,314,200	-	-
RSID Receivable-Delinquent	55,495	31,061	86,556	-	-
RSID Receivable-Deferred	7,735,446	-	7,735,446	-	-
Accounts Receivable, net	1,973,783	-	1,973,783	388,525	174,064
Interest Receivable, net	39,676	-	39,676	-	-
Contributions Receivable	246,586	-	246,586	-	-
Grants Receivable	-	-	-	-	70,217
Loans & Notes Receivable	1,606,147	-	1,606,147	-	-
Advances to (from) Other Funds	-	-	-	-	-
Advances to Component Units	548,252	-	548,252	-	-
Prepaid Costs	70,750	-	70,750	462	7,403
Inventory	489,232	32,745	521,977	-	25,077
Debt Issuance Costs	355,265	-	355,265	-	-
Capital Assets - non-depreciable	7,238,076	1,049,212	8,287,288	132,000	-
Capital Assets - depreciable, net	<u>38,404,349</u>	<u>1,150,727</u>	<u>39,555,076</u>	<u>1,295,973</u>	<u>1,812,025</u>
 Total Assets	 \$ <u>91,998,961</u>	 \$ <u>3,675,901</u>	 \$ <u>95,674,862</u>	 \$ <u>2,432,488</u>	 \$ <u>2,536,301</u>

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

MISSOULA COUNTY, MONTANA
Statement of Net Assets (Continued)
June 30, 2006
(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	\$ 1,067,820	\$ 36,639	\$ 1,104,459	\$ 88,117	\$ 46,561
Accrued Interest Payable	485,518	-	485,518	9,246	44,937
Accrued Payroll	1,145,236	62,042	1,207,278	-	75,252
Due to Other Governments - Current Portion	-	-	-	-	22,270
Due to Other Governments, net of Current Portion	-	-	-	-	-
Advance from Primary Governments - Current Portion	-	-	-	-	49,320
Advance from Primary Governments, net of Current Portion	-	-	-	-	133,877
Deferred Grant Revenue	-	-	-	335,631	-
Unearned Revenue	7,735,446	-	7,735,446	-	-
Liability for Sick & Vacation	3,231,784	-	3,231,784	62,635	129,055
Liability for Claims	3,104,541	-	3,104,541	-	-
Long-term Liabilities:					
Special Assessment with Government Commitment-					
Due within One Year	903,400	-	903,400	-	-
Other-Due within One Year	1,656,640	-	1,656,640	35,917	48,577
Special Assessment with Government Commitment-					
Due in more than One Year	5,373,199	-	5,373,199	-	-
Other-Due in more than One Year	18,631,119	-	18,631,119	801,686	438,096
Total Liabilities	<u>43,334,703</u>	<u>98,681</u>	<u>43,433,384</u>	<u>1,333,232</u>	<u>987,945</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	28,223,190	2,199,939	30,423,129	590,370	1,325,352
Restricted for Debt Service	1,466,019	-	1,466,019	-	-
Restricted for Aging Programs	-	-	-	451,358	-
Restricted for Health Programs	-	-	-	-	96,376
Unrestricted	<u>18,975,049</u>	<u>1,377,281</u>	<u>20,352,330</u>	<u>57,528</u>	<u>126,628</u>
Total Net Assets	<u>\$ 48,664,258</u>	<u>\$ 3,577,220</u>	<u>\$ 52,241,478</u>	<u>\$ 1,099,256</u>	<u>\$ 1,548,356</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, 2006

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	\$ 10,793,516	\$ 5,066,931	\$ 991,093	\$ 140,504	\$ (4,594,988)	\$ -	\$ (4,594,988)	\$ -	\$ -
Criminal Justice	5,119,123	895,178	1,699,011	-	(2,524,934)	-	(2,524,934)	-	-
Public Safety	17,060,430	3,686,470	1,320,729	1,628,691	(10,424,540)	-	(10,424,540)	-	-
Public Works	8,022,496	1,335,476	152,192	2,095,831	(4,438,997)	-	(4,438,997)	-	-
Public Health	5,093,221	1,420,148	1,708,600	-	(1,964,473)	-	(1,964,473)	-	-
Social & Economic Service	3,702,861	-	2,271,950	-	(1,430,911)	-	(1,430,911)	-	-
Culture & Recreation	4,090,539	1,158,955	147,140	-	(2,784,444)	-	(2,784,444)	-	-
Housing & Community Developmen	1,845,512	201,930	592,090	-	(1,051,492)	-	(1,051,492)	-	-
Interest and Fiscal Charge:	935,898	-	-	-	(935,898)	-	(935,898)	-	-
Total Governmental Activities	<u>56,663,596</u>	<u>13,765,088</u>	<u>8,882,805</u>	<u>3,865,026</u>	<u>(30,150,677)</u>	<u>-</u>	<u>(30,150,677)</u>	<u>-</u>	<u>-</u>
Business-type Activities									
Larchmont Golf Course	859,193	958,595	-	-	-	99,402	99,402	-	-
Rural Special Improvement District	703,456	802,189	-	-	-	98,733	98,733	-	-
Total Business-type Activitie	<u>1,562,649</u>	<u>1,760,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,135</u>	<u>198,135</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 58,226,245</u>	<u>\$ 15,525,872</u>	<u>\$ 8,882,805</u>	<u>\$ 3,865,026</u>	<u>(30,150,677)</u>	<u>198,135</u>	<u>(29,952,542)</u>	<u>-</u>	<u>-</u>
Component units:									
Missoula Aging Service:	\$ 2,329,099	\$ 110,255	\$ 2,411,625	\$ -				192,781	-
Partnership Health Center:	3,886,788	2,169,188	2,217,570	-				-	499,970
Total component units	<u>\$ 6,215,887</u>	<u>\$ 2,279,443</u>	<u>\$ 4,629,195</u>	<u>\$ -</u>				<u>192,781</u>	<u>499,970</u>
General revenues:									
Property Taxes					30,428,569	-	30,428,569	-	-
Intergovernmental Revenue - Unrestricte					3,282,638	-	3,282,638	-	-
Investment Earnings					875,329	31,726	907,055	14,531	-
Gain on Sale of Capital Asset:					2,518,878	-	2,518,878	-	-
Miscellaneous Revenue:					2,035,355	4,711	2,040,066	-	11,025
Transfers					<u>234,342</u>	<u>(234,342)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues & Transfers					<u>39,375,111</u>	<u>(197,905)</u>	<u>39,177,206</u>	<u>14,531</u>	<u>11,025</u>
Change in Net Assets					9,224,434	230	9,224,664	207,312	510,995
Net Assets - Beginning of Year					37,353,900	3,576,990	40,930,890	891,944	1,037,361
Prior Period Adjustment:					2,085,924	-	2,085,924	-	-
Net Assets - Beginning of Year as Restated					<u>39,439,824</u>	<u>3,576,990</u>	<u>43,016,814</u>	<u>891,944</u>	<u>1,037,361</u>
Net Assets - End of Year					<u>\$ 48,664,258</u>	<u>\$ 3,577,220</u>	<u>\$ 52,241,478</u>	<u>\$ 1,099,256</u>	<u>\$ 1,548,356</u>

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Governmental Funds
June 30, 2006
(Page 1 of 2)

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>MCA Industrial District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash & Cash Equivalents	\$ 79,168	\$ 66,209	\$ 3,069	\$ 219,722	\$ 320,294	\$ 688,462
Cash with Fiscal Agents	-	-	612,881	151,716	1,367,161	2,131,758
Investments	2,390,268	1,998,992	92,659	6,633,942	9,670,440	20,786,301
Property Taxes Receivable (net)	610,719	492,622	-	100,179	1,074,401	2,277,921
RSID Receivable:						
Delinquent	-	-	55,495	-	-	55,495
Deferred	-	-	7,735,446	-	-	7,735,446
Accounts Receivable	187,343	185,664	-	-	1,600,776	1,973,783
Loans & Notes Receivable	-	-	-	-	1,606,147	1,606,147
Advances to Other Funds	753,343	-	1,196	-	29,935	784,474
Advances to Component Units	-	-	-	-	548,252	548,252
Inventory	-	-	-	-	489,232	489,232
Total Assets	<u>\$ 4,020,841</u>	<u>\$ 2,743,487</u>	<u>\$ 8,500,746</u>	<u>\$ 7,105,559</u>	<u>\$ 16,706,638</u>	<u>\$ 39,077,271</u>
Liabilities						
Accounts & Warrants Payable	\$ 118,254	\$ 96,062	\$ -	\$ 49,758	\$ 742,320	\$ 1,006,394
Accrued Interest Payable	-	-	125,819	63,102	290,391	479,312
Accrued Payroll	307,707	304,624	-	2,954	529,951	1,145,236
Advances from Other Funds	-	-	-	-	784,474	784,474
Deferred Tax Revenue	610,719	492,622	-	100,179	1,074,401	2,277,921
Unearned Revenue	-	-	7,790,941	-	1,606,147	9,397,088
Total Liabilities	<u>1,036,680</u>	<u>893,308</u>	<u>7,916,760</u>	<u>215,993</u>	<u>5,027,684</u>	<u>15,090,425</u>

MISSOULA COUNTY, MONTANA
Balance Sheet (Continued)
Governmental Funds
June 30, 2006
(Page 2 of 2)

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>MCA Industrial District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance						
Reserved for Inventory	-	-	-	-	489,232	489,232
Reserved for Advances	753,343	-	1,196	-	578,187	1,332,726
Reserved for Capital	-	-	-	-	42,269	42,269
Reserved for Debt Service	-	-	582,790	-	883,229	1,466,019
Unreserved, reported in:						
General Fund	2,230,818	-	-	-	-	2,230,818
Special Revenue Funds	-	1,850,179	-	6,889,566	7,870,681	16,610,426
Capital Projects Funds	-	-	-	-	1,815,356	1,815,356
Total Fund Balance	<u>2,984,161</u>	<u>1,850,179</u>	<u>583,986</u>	<u>6,889,566</u>	<u>11,678,954</u>	<u>23,986,846</u>
Total Liabilities and Fund Balance	<u>\$ 4,020,841</u>	<u>\$ 2,743,487</u>	<u>\$ 8,500,746</u>	<u>\$ 7,105,559</u>	<u>\$ 16,706,638</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.	45,402,295
Debt issuance costs used in governmental activities are not financial resources and, therefore, are not reported in the funds.	355,265
Notes receivable are not available to pay for current-period expenditures and, therefore, are, deferred in the funds.	1,606,147
Taxes receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	2,277,921
Delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	55,495
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.	4,776,431
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(29,796,142)</u>
Net assets of governmental activities	<u>\$ 48,664,258</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, 2006

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>MCA Industrial District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property Taxes	\$ 7,760,390	\$ 7,925,207	\$ 892,609	\$ 1,143,408	\$ 12,942,079	\$ 30,663,693
Licenses & Permits	37,337	10,645	-	-	297,276	345,258
Intergovernmental Revenue	3,049,078	579,909	1,659,222	311	10,747,957	16,036,477
Charges for Services	2,313,253	3,608,187	35,976	-	2,872,187	8,829,603
Fines & Forfeits	666,523	46,732	-	-	223,538	936,793
Investment Earnings	390,820	3,634	-	191,443	115,935	701,832
Private & Local Grants	-	-	-	-	257,428	257,428
Miscellaneous Revenue	87,711	84,549	12,062	25,949	1,471,813	1,682,084
Total Revenues	<u>14,305,112</u>	<u>12,258,863</u>	<u>2,599,869</u>	<u>1,361,111</u>	<u>28,928,213</u>	<u>59,453,168</u>
Expenditures:						
	258,615					
Current Operations:						
General Government	6,857,727	-	-	-	274,637	7,132,364
Criminal Justice	2,426,763	-	-	-	2,718,300	5,145,063
Public Safety	1,776,339	12,744,028	-	-	1,026,221	15,546,588
Public Works	587,953	-	912,788	121,381	5,327,869	6,949,991
Public Health	-	-	-	-	5,101,907	5,101,907
Social & Economic Services	-	-	-	-	3,720,110	3,720,110
Culture & Recreation	-	-	-	-	4,389,019	4,389,019
Housing & Community Development	-	-	-	-	1,864,848	1,864,848
Capital Outlay	1,667,774	299,447	-	980,634	2,548,745	5,496,600
Debt Service:						
Principal	95,408	-	1,260,600	165,000	1,231,763	2,752,771
Interest and Fiscal Charges	6,193	-	265,358	122,768	828,956	1,223,275
Total Expenditures	<u>13,418,157</u>	<u>13,043,475</u>	<u>2,438,746</u>	<u>1,389,783</u>	<u>29,032,375</u>	<u>59,322,536</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>886,955</u>	<u>(784,612)</u>	<u>161,123</u>	<u>(28,672)</u>	<u>(104,162)</u>	<u>130,632</u>
Other Financing Sources (uses):						
Transfer In	480,446	792,063	100,134	-	3,700,466	5,073,109
Transfer Out	(1,524,512)	(251,229)	(46,719)	(270,952)	(2,827,066)	(4,920,478)
Issuance of Debt	-	-	374,972	-	1,355,164	1,730,136
Sale of Capital Assets	3,596	3,895	-	2,113,219	50,187	2,170,897
Total other financing sources and uses	<u>(1,040,470)</u>	<u>544,729</u>	<u>428,387</u>	<u>1,842,267</u>	<u>2,278,751</u>	<u>4,053,664</u>
Net Change in Fund Balances	(153,515)	(239,883)	589,510	1,813,595	2,174,589	4,184,296
Fund Balances - Beginning of Year	3,137,676	2,090,062	941,498	5,075,971	9,270,570	20,515,777
Change in Inventory Reserves	-	-	-	-	(713,227)	(713,227)
Fund Reclassifications	-	-	(947,022)	-	947,022	-
Fund Balances - End of Year	<u>\$ 2,984,161</u>	<u>\$ 1,850,179</u>	<u>\$ 583,986</u>	<u>\$ 6,889,566</u>	<u>\$ 11,678,954</u>	<u>\$ 23,986,846</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, 2006

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)	\$ 4,184,296
<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	4,128,023
Current year depreciation	(2,124,767)
Gain or loss on disposal of capital assets	<u>347,981</u>
	<u>2,351,237</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.	218,515
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.	661,422
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.	598,246
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.	184,286
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.	38,032
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.	(713,227)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>1,701,627</u>
Change in net assets of governmental activities (page 21)	<u>\$ 9,224,434</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, 2006
(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	\$ 7,723,367	\$ 7,723,367	\$ 7,760,390	\$ 37,023	\$ 7,914,898	\$ 7,914,898	\$ 7,925,207	\$ 10,309
Licenses & Permit:	38,795	38,795	37,337	(1,458)	7,200	7,200	10,645	3,445
Intergovernmental Revenue	1,256,508	4,469,417	3,102,624	(1,366,793)	468,419	515,966	579,909	63,943
Charges for Service:	2,055,254	2,059,429	2,305,165	245,736	3,685,909	3,685,909	3,683,066	(2,843)
Fines & Forfeits:	791,450	791,450	716,500	(74,950)	35,000	35,000	46,732	11,732
Investment Earnings:	70,000	70,000	376,132	306,132	-	-	3,568	3,568
Miscellaneous Revenue	16,100	16,100	87,712	71,612	85,000	85,000	84,549	(451)
Total Revenues	<u>11,951,474</u>	<u>15,168,558</u>	<u>14,385,860</u>	<u>(782,698)</u>	<u>12,196,426</u>	<u>12,243,973</u>	<u>12,333,676</u>	<u>89,703</u>
Expenditures:								
Current Operations:								
Personnel	8,698,176	8,682,403	8,632,031	50,372	9,064,036	9,064,083	8,808,043	256,040
Operations	2,915,264	3,060,778	2,758,136	302,642	3,382,775	3,764,275	3,935,898	(171,623)
Capital Outlay	286,060	3,508,303	1,667,775	1,840,528	337,992	337,992	304,517	33,475
Debt Service:	88,189	88,189	95,408	(7,219)	-	-	-	-
Interest and Fiscal Charges	4,642	4,642	6,193	(1,551)	-	-	-	-
Total Expenditures	<u>11,992,331</u>	<u>15,344,315</u>	<u>13,159,543</u>	<u>2,184,772</u>	<u>12,784,803</u>	<u>13,166,350</u>	<u>13,048,458</u>	<u>117,892</u>
Excess (deficiency) of Revenue over (under) Expenditure	(40,857)	(175,757)	1,226,317	1,402,074	(588,377)	(922,377)	(714,782)	207,595
Other Financing Sources (uses)								
Transfer In	477,307	485,434	480,446	(4,988)	482,328	482,328	792,063	309,735
Transfer Out	(1,509,608)	(1,513,175)	(1,524,512)	(11,337)	(265,194)	(265,194)	(251,229)	13,965
Sale of Capital Asset:	-	-	3,596	3,596	-	-	3,895	3,895
Excess of Revenues and Othe Financing Sources over (under Expenditures and Othe Financing Uses	<u>\$ (1,073,158)</u>	<u>\$ (1,203,498)</u>	185,847	<u>\$ 1,389,345</u>	<u>\$ (371,243)</u>	<u>\$ (705,243)</u>	(170,053)	<u>\$ 535,190</u>
Fund Balance - Beginning of Year			<u>3,318,038</u>				<u>2,416,580</u>	
Fund Balance - End of Year			<u>\$ 3,503,885</u>				<u>\$ 2,246,527</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, 2006
(Page 2 of 2)

	MCA Industrial District			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property Taxes	\$ 1,103,150	\$ 1,103,150	\$ 1,143,408	\$ 40,258
Intergovernmental Revenue	1,213	1,213	311	(902)
Investment Earnings	15,000	15,000	168,676	153,676
Miscellaneous Revenue	-	-	25,949	25,949
Total Revenues	1,119,363	1,119,363	1,338,344	218,981
Expenditures:				
Current Operations:				
Personnel	73,233	73,233	75,478	(2,245)
Operations	118,357	133,092	39,963	93,129
Capital Outlay	2,281,917	3,706,505	935,048	2,771,457
Debt Service:				
Principal	146,203	165,000	165,000	-
Interest and Fiscal Charges	54,043	110,658	113,708	(3,050)
Total Expenditures	2,673,753	4,188,488	1,329,197	2,859,291
Excess (deficiency) of Revenue over (under) Expenditures	(1,554,390)	(3,069,125)	9,147	3,078,272
Other Financing Sources (uses):				
Transfer In	-	-	-	-
Transfer Out	(189,715)	(714,715)	(270,952)	443,763
Sale of Capital Assets	750,000	764,735	2,113,219	1,348,484
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (994,105)	\$ (3,019,105)	1,851,414	\$ 4,870,519
Fund Balance - Beginning of Year			5,115,350	
Fund Balance - End of Year			\$ 6,966,764	

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Proprietary Funds
June 30, 2006

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Larchmont Golf Course	RSID Funds		
Assets				
Current Assets:				
Cash & Cash Equivalents	\$ 28,592	\$ 17,436	\$ 46,028	\$ 1,518,780
Investments	863,273	526,431	1,389,704	5,800,179
Taxes Receivable, net	-	-	-	36,279
RSID Receivable-Delinquent	-	31,061	31,061	-
Interest Receivable	-	-	-	39,676
Contributions Receivable	-	-	-	246,586
Prepaid Costs	-	-	-	70,750
Inventory	32,745	-	32,745	-
Total Current Assets	<u>924,610</u>	<u>574,928</u>	<u>1,499,538</u>	<u>7,712,250</u>
Noncurrent Assets:				
Capital Assets, net	1,745,044	454,895	2,199,939	240,130
Total Assets	<u>\$ 2,669,654</u>	<u>\$ 1,029,823</u>	<u>\$ 3,699,477</u>	<u>\$ 7,952,380</u>
Liabilities				
Current Liabilities:				
Accounts & Warrants Payable	\$ 23,143	\$ 13,496	\$ 36,639	\$ 61,426
Accrued Payroll	55,134	6,908	62,042	6,206
Estimated Claims Liability	-	-	-	3,104,541
Total Current Liabilities	<u>78,277</u>	<u>20,404</u>	<u>98,681</u>	<u>3,172,173</u>
Net Assets				
Invested in Capital Assets, net of Related Debt	1,745,044	454,895	2,199,939	240,130
Unrestricted	846,333	554,524	1,400,857	4,540,077
Total Net Assets	<u>2,591,377</u>	<u>1,009,419</u>	<u>3,600,796</u>	<u>4,780,207</u>
Total Liabilities and Net Assets	<u>\$ 2,669,654</u>	<u>\$ 1,029,823</u>	<u>3,699,477</u>	<u>\$ 7,952,380</u>
Adjustments to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			(23,576)	
Net Assets of Business-type activities.			<u>\$ 3,577,220</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, 2006

	<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 Assessment:	\$ -	\$ 695,419	\$ 695,419	\$ -
Charges for Services	958,595	106,770	1,065,365	8,297,637
Total Operating Revenues	<u>958,595</u>	<u>802,189</u>	<u>1,760,784</u>	<u>8,297,637</u>
Operating Expenses				
Personnel	436,036	203,412	639,448	186,014
Operations	269,037	446,829	715,866	224,300
Claims	-	-	-	5,966,575
Reinsurance Premiums	-	-	-	528,111
Administrative	-	-	-	646,979
Depreciation and Amortization	156,049	55,062	211,111	13,133
Total Operating Expenses	<u>861,122</u>	<u>705,303</u>	<u>1,566,425</u>	<u>7,565,112</u>
Operating Income (Loss)	<u>97,473</u>	<u>96,886</u>	<u>194,359</u>	<u>732,525</u>
Non-operating Revenues (Expenses)				
Property Taxes	-	-	-	450,046
Miscellaneous Income	385	4,326	4,711	-
Investment Earnings	27,146	4,580	31,726	177,644
Interest Expense	-	-	-	(3,966)
Other Income (Expenses)	-	-	-	64,911
Rebates	-	-	-	47,180
Intergovernmental Revenue:	-	-	-	54,003
Total Non-operating Revenues (Expenses)	<u>27,531</u>	<u>8,906</u>	<u>36,437</u>	<u>789,818</u>
Net Income (Loss) before Transfers	125,004	105,792	230,796	1,522,343
Transfers In	-	-	-	228,236
Transfers Out	<u>(124,256)</u>	<u>(110,086)</u>	<u>(234,342)</u>	<u>(146,525)</u>
Change in Net Assets	748	(4,294)	(3,546)	1,604,054
Total Net Assets - Beginning of Year	<u>2,590,629</u>	<u>1,013,713</u>		<u>3,176,153</u>
Total Net Assets - End of Year	<u>\$ 2,591,377</u>	<u>\$ 1,009,419</u>		<u>\$ 4,780,207</u>
			<u>3,776</u>	
			<u>\$ 230</u>	

Adjustments to reflect the consolidation of Internal Service fund activities related to Enterprise funds.

Change in Net Assets of Business-type Activities (page 21)

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, 2006
(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	\$ 961,509	\$ 807,030	\$ 1,768,539	\$ 8,275,628
Cash payments to employees for services	(430,557)	(197,467)	(628,024)	(810,870)
Cash payments for reinsurance premiums	-	-	-	(648,333)
Cash payments for administrative expenses	-	-	-	(310,618)
Cash payments for claims expenses	-	-	-	(5,168,666)
Cash payments to other suppliers for goods and services	(268,840)	(491,470)	(760,310)	(231,741)
Net cash provided (used) by operating activities	<u>262,112</u>	<u>118,093</u>	<u>380,205</u>	<u>1,105,400</u>
Cash flows from non-capital financing activities:				
Property taxes collected	-	-	-	447,948
Rebates	-	-	-	47,180
Miscellaneous Income	385	-	385	-
Advances (to) from primary government/other funds	-	590,586	590,586	-
Transfer in	-	-	-	220,101
Transfer out	(124,256)	(110,086)	(234,342)	(138,390)
Intergovernmental revenue and other sources	-	4,326	4,326	119,114
Net cash provided (used) by non-capital financing activities	<u>(123,871)</u>	<u>484,826</u>	<u>360,955</u>	<u>695,953</u>
Cash flows from capital and related financing activities:				
Principal paid on revenue bond maturities and notes payable	-	-	-	(81,961)
Interest paid on revenue bond maturities and notes payable	-	-	-	(3,966)
Acquisition of Capital Assets and construction in progress	(68,515)	(63,632)	(132,147)	-
Net cash used for capital and related financing activities	<u>(68,515)</u>	<u>(63,632)</u>	<u>(132,147)</u>	<u>(85,927)</u>
Cash flows from investing activities:				
Purchases of investment securities	(3,693,158)	(2,725,678)	(6,418,836)	(6,738,620)
Proceeds from sale of investment securities	3,606,456	2,199,247	5,805,703	5,374,732
Interest on investments	27,146	4,580	31,726	139,862
Net cash provided (used) by investing activities	<u>(59,556)</u>	<u>(521,851)</u>	<u>(581,407)</u>	<u>(1,224,026)</u>
Net increase (decrease) in cash and cash equivalents	10,170	17,436	27,606	491,400
Cash and cash equivalents at beginning of year	18,422	-	18,422	1,027,380
Cash and cash equivalents at end of year	<u>\$ 28,592</u>	<u>\$ 17,436</u>	<u>\$ 46,028</u>	<u>\$ 1,518,780</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, 2006
(Page 2 of 2)

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

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund		
	Larchmont Golf Course	RSID Funds	Total	
Income (loss) from operations	\$ 97,473	\$ 96,886	\$ 194,359	\$ 732,525
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	156,049	55,062	211,111	13,133
Change in assets and liabilities:				
(Increase) decrease in receivables	2,914	4,841	7,755	(22,009)
(Increase) decrease in prepaid costs	-	-	-	(1,713)
(Increase) decrease in inventory	1,967	-	1,967	-
(Decrease) increase in payables	(1,770)	(44,641)	(46,411)	3,617
(Decrease) increase in accrued liabilities	5,479	5,945	11,424	379,847
Net cash provided (used) by operating activities	\$ 262,112	\$ 118,093	\$ 380,205	\$ 1,105,400

Supplemental Disclosure of Cash Flow Information

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

Internal service funds had \$57,766 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, 2006

	Agency Funds	External Pool Investment Trust
Assets		
Cash & Cash Equivalents	\$ 31,867	\$ 1,453,718
Cash with Fiscal Agents	1,793,455	-
Property Taxes Receivable, net	7,859,172	-
Investments, at Fair Value:		
Securities	317,508	13,301,168
Repurchase Agreements	28,864	2,641,553
STIP	615,772	27,948,496
Total Investments	962,144	43,891,217
Total Assets	10,646,638	45,344,935
Liabilities		
Accounts Payable	994,011	-
Funds Held in Trust	9,652,627	-
Total Liabilities	10,646,638	-
Net Assets		
Net Assets Held in Trust for Pool Participants	\$ -	\$ 45,344,935

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, 2006

	External Pool Investment Trust
Additions	
Interest Income	\$ 1,254,939
Net Investment Income	1,254,939
Participant Investments in Pool	242,676,599
Total Additions	243,931,538
 Deductions	
Distribution to Participants	(241,524,524)
Change in Net Assets	2,407,014
 Net Assets Held in Trust for Pool Participants	
Net Assets - Beginning of Year	42,937,921
Net Assets - End of Year	\$ 45,344,935

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

MISSOULA COUNTY, MONTANA

Notes to Financial Statements

June 30, 2006

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 County Airport Industrial District

The Missoula County Airport Industrial District is governed by a three-member board consisting of the Board of County Commissioners of Missoula County and was created to develop an industrial park. The district, which was formed in 1992, is financed by tax increments, whereby property taxes attributable to increases in taxable valuation of the properties within the district are utilized for debt service and district operations. The district 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 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.

MCA Industrial District

The MCA Industrial District Fund accounts for the tax increment revenues from the Industrial Tax Increment District, which was created to develop an industrial 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 operations.

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
- Judgement Levy
- HUD/CDBG
- Abandoned Vehicle
- 901 Sewer
- 901 Water
- LEPC Trust
- Art Museum
- RSID Debt Service
- RSID Revolving
- RSID Projects
- Jail Commissary
- Miller Creek Trust
- Other Special Revenue
- Friends of Historical Museum
- Subdivision Improvement Bonds
- Historical Museum Gift Shop
- Friends of the Library
- Transportation Mitigation Trust

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 1.7% of total taxes receivable at year-end. At June 30, 2006 the allowance amounted to \$177,743.

Taxable valuations, mill values and mill levies for November 2005 and May 2006 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	\$172,525,317	\$ 3,269,065	\$ 172,525	129.1 mills
Unincorporated levies	\$ 78,991,738	\$ 1,822,106	\$ 78,992	31.8 mills

The county-wide value includes \$1,446,959 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 \$1,822,106, 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 plans to retroactively restate its Fiscal Year 2007 financial statements to record these 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, expenditures for these compensated absences are recorded when paid because the amounts expected to be liquidated from current resources do not vary materially from year to year.

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, 2006, are detailed as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 669,706	\$ -	\$ 669,706
Cash in pooled bank deposits	1,593,617	14,347	1,607,964
Cash in non-pooled bank deposits	1,475,532	615,528	2,091,060
Cash with fiscal agents	3,925,213	-	3,925,213
Pooled investments	68,335,108	433,168	68,768,276
Non-pooled investments	4,494,437	-	4,494,437
Total	<u>\$ 80,493,613</u>	<u>\$ 1,063,043</u>	<u>\$ 81,556,656</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, 2006, the County's carrying amount of deposits was \$763,376 and the bank balance was \$1,721,054. The carrying amount for the County includes \$6,811 of component unit cash balances. Of the bank balance, \$208,329 was covered by federal depository insurance, \$750,000 was covered by securities held by the pledging financial institution's trust department or agent in the County's name, and \$107,233 was uncollateralized and uninsured.

Fiscal agent deposits of \$3,925,213 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, 2006, approximately 53% 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, 2006, 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	\$ -	\$ 3,346,232	\$ 147,047	\$ -	\$ 959,701	\$ -	\$ 4,452,980	AAA
Federal Home Loan Bank Notes-CMO	1,807,795	3,547,597	3,776,862	751,221	680,851	-	10,564,326	AAA
Federal Home Loan Mortgage Corp-CMO	397,690	-	3,680,872	1,928,226	2,057,870	-	8,064,658	AAA
Federal National Mortgage Assoc-CMO	99,063	593,807	100,679	98,164	266,980	-	1,158,693	AAA
Financing Corporation CPN FICO Strips	-	305,269	-	-	-	-	305,269	AAA
US Treasury Notes	98,031	98,031	196,812	121,856	142,636	-	657,366	n/a
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	28,249,197	28,249,197	A1
Corporate Fixed	-	-	-	-	-	5,843,849	5,843,849	A1+
Corporate Variable-rate	-	-	-	-	-	4,472,768	4,472,768	A1+
U.S. Government Indirect-Backed	-	-	-	-	-	4,947,753	4,947,753	NR
	-	-	-	-	-	43,513,567	43,513,567	
Repurchase Agreements	-	-	-	-	-	4,112,686	4,112,686	A3
Total Primary Government	2,402,579	7,890,936	7,902,272	2,899,467	4,108,038	47,626,253	72,829,545	
Component Unit Investments:								
Federal Farm Credit Bank Notes-CMC	-	20,139	-	-	6,083	-	26,222	AAA
Federal Home Loan Bank Notes-CMC	6,416	16,059	21,452	4,149	4,316	-	52,392	AAA
Federal Home Loan Mortgage Corporation-CMC	-	-	21,899	12,223	12,411	-	46,533	AAA
Federal National Mortgage Association Note:	-	2,494	-	-	1,692	-	4,186	AAA
Financing Corporation CPN FICO Strips	-	1,935	-	-	-	-	1,935	AAA
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	179,070	179,070	A1
Corporate Fixed	-	-	-	-	-	37,044	37,044	A1+
Corporate Variable-rate	-	-	-	-	-	28,353	28,353	A1+
U.S. Government Indirect-Backed	-	-	-	-	-	31,363	31,363	NR
Repurchase Agreements	-	-	-	-	-	26,070	26,070	A3
Total Component Unit	6,416	40,627	43,351	16,372	24,502	301,900	433,168	
Total	\$ 2,408,995	\$ 7,931,563	\$ 7,945,623	\$ 2,915,839	\$ 4,132,540	\$ 47,928,153	\$ 73,262,713	

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 35% of STIP investments consisted of asset-backed securities and approximately 10% consisted of variable interest rate securities at June 30, 2006 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, 2006 financial statements at www.investmentmt.com. The County's investment in STIP amounts to 1.96% of total STIP assets.

The external investment pool managed by the County is 62% invested in STIP, with 27,948,496 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2006, STIP's average investment return was 4.27%.

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	\$ 669,706
Cash in pooled bank deposits	1,607,964
Investments	
Repurchase agreements	4,138,756
Government securities	20,840,124
STIP	43,789,396
Total assets	<u>71,045,946</u>
Net Assets:	
County funds	25,701,011
External participants	45,344,935
Total net assets	<u>\$ 71,045,946</u>

Statement of Changes in Net Assets

Additions:	
Interest income	\$ <u>2,107,545</u>
Net investment Income	2,107,545
Participant Investments in Pool	<u>312,001,434</u>
Total Additions	314,108,979
Deductions:	
Distribution to Participants	<u>(306,066,365)</u>
Change in Net Assets	8,042,614
Net assets	
Beginning of year	<u>63,003,332</u>
End of year	<u>\$ 71,045,946</u>

Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2006 consist of:

<u>HUD - Missoula Children's Theatre</u> 0%, \$24,500 due annually through June 2017	\$ 245,000
<u>The Good Food Store, Inc.</u> 5%, \$4,718 due monthly from November 2003 through October 2008	124,440
<u>Nuture, Inc.</u> 5%, \$3,977 due monthly from December 2004 through November 2013	331,867
<u>Rocky Mountain Biologicals, Inc.</u> 5%, \$4,813 due monthly from November 2005 through October 2014	266,101
<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	50,000
<u>Western Montana Mental Health Center</u> 5%, \$9,719 due annually through November 2015	75,045
<u>Gleneagle</u> Contracts for sale of lots, 10% interest, varying amounts due annually with remainder due at varying dates through July 2005	428,009
<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	5,185
	<u>\$ 1,606,147</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2006 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	\$ 6,111,186	\$ 84,599	\$ 17,809	\$ 6,177,976
Intangibles	173,101	-	-	173,101
Construction in Progress	1,767,649	1,637,634	2,518,284	886,999
Total capital assets, not being depreciated	<u>\$ 8,051,936</u>	<u>\$ 1,722,233</u>	<u>\$ 2,536,093</u>	<u>\$ 7,238,076</u>
Capital assets, being depreciated:				
Buildings	\$ 34,362,138	\$ 2,562,726	\$ 49,999	\$ 36,874,865
Equipment	17,752,940	2,030,351	728,465	19,054,826
Infrastructure	778,562	387,636	-	1,166,198
Total capital assets, being depreciated	<u>52,893,640</u>	<u>4,980,713</u>	<u>778,464</u>	<u>57,095,889</u>
Less accumulated depreciation for:				
Buildings	8,455,830	837,776	47,917	9,245,689
Equipment	9,177,997	1,253,652	1,019,437	9,412,212
Infrastructure	7,428	33,339	7,128	33,639
Total accumulated depreciation	<u>17,641,255</u>	<u>2,124,767</u>	<u>1,074,482</u>	<u>18,691,540</u>
Total capital assets, being depreciated, net	<u>\$ 35,252,385</u>	<u>\$ 2,855,946</u>	<u>\$ (296,018)</u>	<u>\$ 38,404,349</u>

The 2005 balances have been restated to reflect a correction in the Public Works Department capital assets related to physical inventories and reconciliations performed. The restatement reflects a \$250,755 decrease in the cost of buildings, a \$620,539 reduction in the cost of equipment, a \$6,646 reduction in the cost of infrastructure, and a \$2,963,864 decrease in 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
Total capital assets, not being depreciated	<u>\$ 1,049,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,049,212</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 841,697	\$ -	\$ -	\$ 841,697
Improvements other than buildings	1,575,358	-	-	1,575,358
Equipment, furniture and fixtures	2,038,438	137,345	5,198	2,170,585
Total capital assets, being depreciated	<u>4,455,493</u>	<u>137,345</u>	<u>5,198</u>	<u>4,587,640</u>
Less accumulated depreciation for:				
Buildings and improvements	390,517	33,035	-	423,552
Improvements other than buildings	1,492,146	45,136	-	1,537,282
Equipment, furniture and fixtures	1,343,139	134,359	1,419	1,476,079
Total capital assets, being depreciated	<u>3,225,802</u>	<u>212,530</u>	<u>1,419</u>	<u>3,436,913</u>
Total capital assets, being depreciated, net	<u>\$ 1,229,691</u>	<u>\$ (75,185)</u>	<u>\$ 3,779</u>	<u>\$ 1,150,727</u>

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

Governmental activities:	
General government	\$ 366,819
Criminal Justice	5,608
Public works	447,923
Public safety	1,132,793
Public health	76,097
Culture and recreation	88,863
Social and economic services	6,664
Total depreciation expense - governmental activities	<u>\$ 2,124,767</u>
Business-type activities	
Larchmont Golf Course	\$ 156,049
RSIDs	55,062
Total depreciation expense - business-type activities	<u>\$ 211,111</u>

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

Activity for the Missoula Aging Services for the year ended June 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:			
Land	\$ 132,000	\$ -	\$ 132,000
Capital assets, being depreciated:			
Buildings	\$ 979,369	\$ 417,963	\$ 1,397,332
Equipment	45,772	8,850	54,622
Construction in Progress	-	40,025	40,025
Total capital assets, being depreciated	<u>1,025,141</u>	<u>466,838</u>	<u>1,491,979</u>
Less accumulated depreciation	<u>(148,340)</u>	<u>(47,666)</u>	<u>(196,006)</u>
Total capital assets, being depreciated, net	<u>\$ 876,801</u>	<u>\$ 419,172</u>	<u>\$ 1,295,973</u>

Activity for the Partnership Health Clinic for the year ended June 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:			
Buildings	\$ 1,947,147	\$ 1,187	\$ 1,948,334
Machinery and equipment	800,199	121,638	921,837
Total capital assets, being depreciated	<u>2,747,346</u>	<u>122,825</u>	<u>2,870,171</u>
Less accumulated depreciation	<u>(941,663)</u>	<u>(116,483)</u>	<u>(1,058,146)</u>
Total capital assets, being depreciated, net	<u>\$ 1,805,683</u>	<u>\$ 6,342</u>	<u>\$ 1,812,025</u>

Note 5 - Long-Term Debt

At June 30, 2006, 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	\$ 13,770,000
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	163,000
Total general obligation bonds and notes	<u>13,933,000</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	360,000
\$1,000,000 Risk Management Bond, Series 2001 issued July 15, 2001, 3.10% to 4.5%, due in varying amounts to July 2011	645,000
\$995,000 Ice Rink Facility Bond, Series 2004 issued June 10, 2004, 3.75% to 5%, due in varying amounts to July 2024	965,000
\$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>2,770,000</u>

Tax Increment Bonds

\$2,465,000 Series 1997 Tax Increment Bond, 4.3% to 5.75%, due in varying amounts through July 2018; repayment from Tax Increment Fund	<u>1,875,000</u>
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Special Assessment Bonds and Loans

Rural Special Improvement Districts, 3.5% to 8.8%, due at varying dates through 2018. County is contingently liable for payment of these bonds	688,000
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Note 5 - Long-Term Debt (Continued)

\$241,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	79,000
\$1,943,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	682,000
\$291,000 State Revolving Fund Loan, issued November 1998, 4%, due in varying amounts to July 2019	170,000
\$649,936 State Revolving Fund Loan, issued September 2002, 4%, due in varying amounts to July 2023	518,000
\$4,498,121 State Revolving Fund Loan, issued July 2003, 3.75%, due in varying amounts to July 2024	3,660,000
\$169,000 State Revolving Fund Loan, issued April 2005, 2.75%, due in varying amounts to July 2015	163,500
\$14,000 State Revolving Fund Loan, issued April 2005, 2.75%, due in varying amounts to July 2010	11,900
\$31,000 State Revolving Fund Loan, issued April 2005, 3.75%, due in varying amounts to July 2020	30,000
\$281,199 State Revolving Fund Loan, issued April 2005, 3.75%, due in varying amounts to July 2020	<u>274,199</u>
Total special assessment bonds and loans	<u>6,276,599</u>

Notes & Contracts Payable

Variable rate (5.25% at 6/30/06) line of credit payable, due in varying amounts through August 2013; repayment from MCA Increment District	519,695
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2006; repayment from Capital Improvement fund	31,176
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2007; repayment from Capital Improvement fund	40,096

Note 5 - Long-Term Debt (Continued)

Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through February 2007; repayment from Capital Improvement fund	22,706
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through February 2007; repayment from Road & Bridge funds	109,558
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2009; repayment from Fair fund	19,923
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2008; repayment from the Central Services fund	49,720
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2008; repayment from Fair fund	26,973
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2009; repayment from Technology fund	253,480
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2010; repayment from Road & Bridge fund	248,960
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2012; repayment from Fair fund	137,472
Variable rate (3.8% at 6/30/06) contract payable, due in varying amounts through August 2005; repayment from Aging fund	<u>250,000</u>
Total notes and contracts payable	<u>1,709,759</u>
Subtotal	<u>26,564,358</u>

Note 5 - Long-Term Debt (Continued)

Liability for Sick and Vacation (Primary Government)

Accrued vacation benefits	2,044,608
Accrued compensatory time benefits	165,236
Accrued holiday benefits	81,321
Accrued sick benefits	<u>940,619</u>
Total accrued benefits	<u>3,231,784</u>
Total Long-Term Debt	<u>\$ 29,796,142</u>

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2006, 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	\$ 13,926,000	\$ 13,770,000	\$ (13,763,000)	\$ 13,933,000	\$ 938,000
Limited Obligation Note	2,115,000	800,000	(145,000)	2,770,000	150,000
Tax Increment	1,970,000	-	(95,000)	1,875,000	100,000
Special Assessment Bonds Payable	873,000	-	(185,000)	688,000	172,000
Special Assessment Loans Payable	6,287,227	374,972	(1,073,600)	5,588,599	731,400
Contracts Payable	2,073,338	250,000	(613,579)	1,709,759	468,640
Liability for Sick and Vacation	<u>3,269,816</u>	<u>3,231,784</u>	<u>(3,269,816)</u>	<u>3,231,784</u>	<u>3,231,784</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 30,514,381</u>	<u>\$ 18,426,756</u>	<u>\$ (19,144,995)</u>	<u>\$ 29,796,142</u>	<u>\$ 5,791,824</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, 2006, 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	Ice Rink 2004 Principal
2007	\$ 930,000	\$ 471,578	\$ 8,000	\$ 6,440	\$ 938,000	\$ 478,018	\$ 95,000	\$ 25,600	\$ 35,000
2008	880,000	445,126	8,000	6,120	888,000	451,246	100,000	21,650	35,000
2009	910,000	417,138	10,000	5,781	920,000	422,919	105,000	17,395	35,000
2010	935,000	387,741	10,000	5,380	945,000	393,121	110,000	12,825	40,000
2011	965,000	357,450	10,000	4,980	975,000	362,430	115,000	7,930	40,000
2012-2016	5,385,000	1,247,771	56,000	18,600	5,441,000	1,266,371	120,000	2,700	225,000
2017-2021	3,765,000	226,795	61,000	6,150	3,826,000	232,945	-	-	280,000
2022-2026	-	-	-	-	-	-	-	-	275,000
	<u>13,770,000</u>	<u>\$ 3,553,599</u>	<u>163,000</u>	<u>\$ 53,451</u>	<u>13,933,000</u>	<u>\$ 3,607,050</u>	<u>645,000</u>	<u>\$ 88,100</u>	<u>965,000</u>
Less current portion	<u>(930,000)</u>		<u>(8,000)</u>		<u>(938,000)</u>		<u>(95,000)</u>		<u>(35,000)</u>
	<u>\$ 12,840,000</u>		<u>\$ 155,000</u>		<u>\$ 12,995,000</u>		<u>\$ 550,000</u>		<u>\$ 930,000</u>

Governmental Activities (Continued)									
Fiscal Year Ending June 30	Ice Rink 2004 Interest	PHC Ltd Oblig Principal	PHC Ltd Oblig Interest	Tax Increment Principal	Tax Increment Interest	Special Assess Bonds Principal	Special Assess Bonds Interest	Special Assess Loans Principal	Special Assess Loans Interest
2007	\$ 42,530	\$ 20,000	\$ 18,288	\$ 100,000	\$ 100,930	\$ 172,000	\$ 37,984	\$ 731,400	\$ 208,253
2008	41,174	20,000	17,333	110,000	95,625	126,000	29,363	366,000	182,927
2009	39,862	20,000	16,363	115,000	89,830	84,000	22,122	381,000	168,638
2010	38,456	25,000	15,247	120,000	83,690	67,000	17,401	395,500	153,400
2011	36,956	25,000	13,991	125,000	77,228	65,000	13,215	378,000	137,762
2012-2016	165,661	140,000	49,388	745,000	270,896	174,000	18,283	1,641,699	476,035
2017-2021	102,892	110,000	9,333	560,000	49,738	-	-	1,181,000	213,206
2022-2026	28,342	-	-	-	-	-	-	514,000	24,094
	<u>\$ 495,873</u>	<u>360,000</u>	<u>\$ 139,943</u>	<u>1,875,000</u>	<u>\$ 767,937</u>	<u>688,000</u>	<u>\$ 138,368</u>	<u>5,588,599</u>	<u>\$ 1,564,315</u>
Less current portion		<u>(20,000)</u>		<u>(100,000)</u>		<u>(172,000)</u>		<u>(731,400)</u>	
		<u>\$ 340,000</u>		<u>\$ 1,775,000</u>		<u>\$ 516,000</u>		<u>\$ 4,857,199</u>	

Note 5 - Long-Term Debt (Continued)

Fiscal Year Ending June 30	Governmental Activities (Continued)					
	Ice Rink 2006 Principal	Ice Rink 2006 Interest	Notes & Contracts Principal	Notes & Contracts Interest	Total Governmental Principal	Total Governmental Interest
2007	\$ -	\$ 25,476	\$ 468,640	\$ 52,928	\$ 2,560,040	\$ 990,007
2008	20,000	31,728	299,739	40,012	1,964,739	911,058
2009	30,000	30,870	276,169	31,120	1,966,169	839,119
2010	30,000	29,820	186,237	20,058	1,918,737	764,018
2011	30,000	28,740	110,718	12,654	1,863,718	690,906
2012-2016	170,000	125,115	368,256	36,601	9,024,955	2,411,050
2017-2021	210,000	87,639	-	-	6,167,000	695,753
2022-2026	255,000	39,811	-	-	1,044,000	92,247
2027-2031	55,000	1,169	-	-	55,000	1,169
	800,000	\$ 400,368	1,709,759	\$ 193,373	26,564,358	\$ 7,395,327
Less current portion	-	-	(468,640)	-	(2,560,040)	-
	\$ 800,000	-	\$ 1,241,119	-	\$ 24,004,318	-

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, 2006, 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.

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.

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.

Note 5 - Long-Term Debt (Continued)

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 arranged to borrow up to \$2,263,000 from the State of Montana Revolving Fund to fund the Linda Vista sewer project represented by RSIDs 8452 and 8453. The project was completed in Fiscal Year 1996 for a total of \$2,138,000. In November 1998, the County arranged to borrow up to \$291,000 from the State of Montana Revolving Fund to fund the Sunset West drinking water project represented by RSID 8458. In September 2002, the County arranged to borrow up to \$654,000 from the State of Montana Revolving Fund to fund improvements for the Lolo sewer project. In July 2003, the County arranged to borrow up to \$4,729,000 from the State of Montana Revolving Fund for the Mullan Corridor Sewer Project represented by RSID 8474. The project was completed in Fiscal Year 2005 for a total of \$4,498,121. In April 2005, the County arranged to borrow funds from the State of Montana Revolving Fund to fund four Mullan Corridor Sewer Subdistricts. In Fiscal Year 2005, RSID 8479 received \$21,346 and in Fiscal Year 2006, received \$147,654 for a total of \$169,000. In Fiscal Year 2005, RSID 8480 received \$3,168 and in Fiscal Year 2006, received \$10,832 for a total of \$14,000. In Fiscal Year 2005, RSID 8485 received \$24,42 and in Fiscal Year 2006, received \$6,558 for a total of \$31,000. In Fiscal Year 2005, RSID 8486 received \$71,271 and in Fiscal Year 2006, received \$209,928 for a total of \$281,199 of original commitment of \$283,000. The 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.

As of June 30, 2006, 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.

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, 2006 was \$276,799.

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, 2006 was \$6,800,000.

Legal Debt Margin - The County's legal debt limitation is 1.4% of total assessed value of taxable property. As of June 30, 2006 the debt margin was \$46,731,621 for total debt.

Note 6 - Commitments and Contingencies

Commitments - At June 30, 2006, 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, 2006, taxes remaining under protest totaled \$2,194,501.

Rural Special Improvement Districts (RSIDS) - As of June 30, 2006, delinquent assessments on RSIDs were \$86,556. 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, 2006, future minimum annual rental expenditures and rental revenue on noncancellable operating leases are as follow

<u>Fiscal Year Ending June 30</u>	<u>Minimum Annual Rental Expenditures/Expenses</u>	<u>Minimum Annual Rental Revenues</u>
2007	\$ 128,052	\$ 78,430
2008	72,006	76,574
2009	34,402	75,262
2010	34,402	78,855
2011	34,402	77,355
Later	<u>877,668</u>	<u>1,077,296</u>
Total	<u>\$ 1,180,932</u>	<u>\$ 1,463,772</u>

Operating lease expense for 2006 was \$101,296.

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, 2006

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 \$373,299 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 \$200 to \$724 and \$0 to \$764, 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 \$370 to \$1,018, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2006, were \$3,846,463. Asserted health benefits claims at June 30, 2006 totaled \$462,619.

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 \$.78 to \$7.89 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2006 were \$803,382. Asserted workers' compensation claims at June 30, 2006 totaled \$639,353.

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 2005 and 2006 are as follows:

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>
Claims liability June 30, 2004	\$ 1,365,772	\$ 612,133	\$ 1,631,119
Claims incurred in 2005	97,401	5,266,908	673,485
Reduction of claims liability	(591,455)	-	-
Claims paid in 2005	<u>(533,693)</u>	<u>(5,159,945)</u>	<u>(631,006)</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	<u>\$ 373,299</u>	<u>\$ 561,889</u>	<u>\$ 2,169,353</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, 2006, expressed as a percent of covered payroll, are as follows:

	<u>Employees</u>	<u>County</u>	<u>State</u>
MSRS	9.245%	9.535%	-
MTRS	7.150%	7.470%	0.110%
MPERS	6.900%	6.800%	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>
2006	\$ 306,971	\$ 4,809	\$ 1,494,903
2005	230,515	4,728	1,455,969
2004	248,969	4,548	1,363,217

On behalf payments made by the State of Montana totaled \$71 and \$21,984 for MTRS and MPERS respectively.

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, 2006 was \$4,446,317.

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, 2006, the following funds had a deficit fund balance or retained earnings resulting from expenditures/expenses in excess of revenues during 2006 and prior years:

Nonmajor Governmental Funds	
Special Revenue Funds	
Weed Grant	\$ 5,344
Building Code Division	131,277
LEPC Trust	1,163
Judgment Levy	1,005
Debt Service Funds	
Fair Ice Rink	42,822
Capital Projects Fund	
Fair Ice Rink Project	24,591
RSID Projects	1,196

The Judgement Levy Fund deficits will be eliminated through a delinquent tax collections over the next two years.

The deficit fund balance in the RSID Projects fund will be eliminated with future assessments.

The deficits in the Weed Grant, Building Code Division, the LEPC Trust, and the Fair Ice Rink Debt Service and Project funds are expected to be eliminated through future income

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, 2006:

Governmental Activities	
Major Funds	
General Fund	
Commissioners	
Personnel	\$ 9,886
Justice Court	
Transfers Out	400
Attorney	
Personnel	15,953
Transfers Out	1,540
Facilities Management	
Operations	483
Capital Outlay	11,985

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

9-1-1 Communications Center	
Personnel	101,495
Human Resources	
Operations	5,377
Central Services	
Operations	13,313
Capital Outlay	521
Debt Service	8,770
Non-Departmental	
Transfers Out	11,397
Public Safety	
Operations	171,623
MCA Industrial District	
Personnel	2,245
Interest	3,050
Nonmajor Governmental Funds	
Special Revenue Funds	
Road	
Transfers Out	1,832
Bridge	
Transfers Out	611
Fair	
Personnel	42,036
Operations	42,407
Transfers Out	85,409
Library	
Capital Outlay	47,453
Drug Forfeiture	
Personnel	2,649
Museum	
Operations	7,372
Junk Vehicle	
Capital Outlay	3,521
RSIS Administration	
Operations	1,364
Transfers Out	9,500

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

Seeley Lake Refuse	
Operations	2,032
Interest	313
Debt Service Funds	
Fair Ice Rink	
Interest	1,000
Capital Projects Funds	
Technology	
Transfers Out	7,077
Communications Backbone	
Operations	71,740
Fair Ice Rink	
Capital Outlay	154,317
Interest	14,550
Business-type Activities	
Internal Service Funds	
Risk Management	
Personnel	1,204
Transfers Out	6,525
Health Insurance	
Debt Service	59,939
Workers' Compensation	
Personnel	9,818

Personnel over-expenditures in the County Attorney’s Office were primarily due to higher than expected overtime costs related to increased case loads. Personnel over-expenditures in 9-1-1 Communications Center were due to overtime costs associated with higher than expected turnover. Operations over-expenditures in Public Safety were primarily due to higher than anticipated out-of-county prisoner costs. Personnel and operations over-expenditures at the Fair were due to higher than expected horse racing, security, and entertainment costs. The over-expenditure in transfers out at the Fair was due to unbudgeted pass-through monies funds for the ice rink project. Over-expenditures at the Library were due to higher than anticipated costs of the basement remodel. Over-expenditures in Drug Forfeiture were due to a change in the allocation of expenditures (the Sheriff has the authority to exceed appropriations in Drug Forfeiture without Commissioner approval). Operations over-expenditures in the Communications Backbone Project were due to consultant fees budgeted in capital outlay, but expensed in operations (not budget transfer form was completed). Over-expenditures in the Fair Ice Rink Project are due to an agreement by the Commissioners to provide financing for an aspect for the project originally to be paid by the County’s management company. The County will be repaid for these costs through increased lease payments. Over-expenditures in the Health Insurance internal service fund is due to the early pay-off of a loan payable. 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	MCA Industrial District	Nonmajor Governmental	Internal Service
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis	\$ (153,515)	\$ (239,883)	\$ 589,510	\$ 1,813,595	\$ 2,174,589	\$ 1,604,054
Cash & Investments - 6/30/06	(739,925)	(363)	-	(25,219)	(7,631)	(14,420)
Cash & Investments - 6/30/05	756,431	297	-	2,452	3,053	15,036
Accounts Receivable - 6/30/06	-	-	-	-	-	(309,157)
Accounts Receivable - 6/30/05	64,249	74,879	-	-	351,469	224,777
Advances to Other Funds - 6/30/06	-	-	-	-	20,250	-
Accounts Payable - 6/30/06	97,112	92,087	-	49,758	516,744	61,426
Accounts Payable - 6/30/05	(99,479)	(356,138)	-	(786)	(750,220)	(31,590)
Claims Payable - 6/30/06	-	-	-	-	-	3,104,541
Claims Payable - 6/30/05	-	-	-	-	-	(2,690,047)
Accrued Payroll - 6/30/06	307,707	304,624	-	2,954	583,869	6,206
Accrued Payroll - 6/30/05	(46,733)	(45,556)	-	(400)	(81,947)	(25,313)
Prepaid Cost - 6/30/06	-	-	-	-	-	(70,750)
Prepaid Cost - 6/30/05	-	-	-	-	-	25,449
Accrued Interest - 6/30/06	-	-	-	63,102	290,391	-
Accrued Interest - 6/30/05	-	-	-	(54,042)	(379,813)	-
Depreciation	-	-	-	-	-	13,133
Debt Service	-	-	-	-	-	(81,961)
Non-budgeted Funds:						
Excess of Revenues and Other Financing Source over (under) Expenditures and Other Financing Uses	-	-	(589,510)	-	(513,630)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ 185,847</u>	<u>\$ (170,053)</u>	<u>\$ -</u>	<u>\$ 1,851,414</u>	<u>\$ 2,207,124</u>	<u>\$ 1,831,384</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: \$150,758 from the 9-1-1 Trust to Communications Backbone Project Fund for project construction and \$350,000 from the General Fund to the Capital Improvement Fund to upgrade the Courthouse venitlation system. An analysis of transfers in and out during 2006 follows:

General Fund to:	
Public Safety	\$ 381,674
Capital Improvements	428,280
Nonmajor Governmental Funds (Animal Control, Technology, Community Based Organizations, Parks, Fair, Planning, Museum, Local Government Study Commission, District Court)	714,558
Public Safety Fund to:	
Nonmajor Governmental Funds (Drug Forfeiture, Planning, Technology)	173,028
Internal Service (Risk Management)	78,201
RSID Debt Service Funds to:	
Nonmajor Governmental Funds (RSID Revolving, RSID Admin)	46,719
MCA Industrial District to:	
General Fund	22,000
Capital Improvements	157,000
Nonmajor Governmental Funds (Road, Technology, Public Safety Building Fund)	91,952
Nonmajor Governmental Funds to:	
General Fund	437,545
Public Safety Fund	410,389
Capital Improvements	311,010
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, Rural Initiatives, City Initiatives, Weed Building)	1,658,087
Internal Service (Risk Management, Health Insurance)	10,035
Internal Service Funds to:	
General Fund	6,525
Internal Service (Health Benefits, Excess Loss)	140,000

Note 11 - Interfund Transactions (Continued)

Larchmont Golf Course Fund to:	
General Fund	14,376
Capital Improvements	109,880
Nonmajor Enterprise Fund to:	
RSID Debt Service	100,134
Nonmajor Governmental Funds (RSID Admin)	9,952
	<hr/>
Total Transfers In/Out	\$ 5,301,345

Advances to other funds - Interfund advances at June 30, 2006 consist of the following:

General Fund - Cash flow advances to:	
Nonmajor Governmental Funds (District Court, Planning, Building Code Division, Jail Bonds, Health Center Bonds, Risk Management Bonds, Fair Ice Rink Bonds, Judgement Levy, LEPC Trust)	\$ 753,343
RSID Debt Service - Cash flow advances to:	
Nonmajor Governmental Funds (RSID Projects)	1,196
Nonmajor Governmental Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Weed Grant, Fair Ice Rink Project)	29,935
	<hr/>
Total Advances to Other Funds	\$ 784,474

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

Cash-flow advance from Nonmajor Governmental Funds (Health Fund)	\$ 183,195
Other advance from Nonmajor Governmental Funds (Health Center Bonds)	365,057
	<hr/>
	\$ 548,252

Note 12 - Transactions with Component Units (Continued)

Transfers from General Government

Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$	19,012
Health insurance premiums paid to Internal Service Funds		248,223
Community Based Organizations Grant from Nonmajor Governmental Fund (Poor Fund)		216,207

Missoula Aging Services

Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)	\$	247,115
Community Based Organizations Loan from Nonmajor Governmental Fund (Aging Fund) (Variable interest, semi-annual payments of \$16,212 through August 2015)		250,000

Note 13 - Subsequent Events

On September 20, 2006, the County issued \$4,945,000 of Series 2006 Tax increment Industrial Infrastructure District Revenue Bonds. Proceeds of the bonds were used to advance refund and defease all outstanding Series 1997 Tax Increment Bonds (\$1,852,207) and to complete the remaining infrastructure in the industrial increment portion of the Misoula County Development Park (\$3,156,775). The 4.0% bonds are due in varying amounts through July 1, 2018.

On November 22, 2006, the County issued \$1,103,000 of Series 2006 Pooled Rural Special Improvement District Bonds. Proceeds of the bonds were used to pay for infrastructure improvements for RSID No. 8483 and RSID No. 8488. The 3.7%-4.6% bonds are due in varying amounts through July 1, 2027.

On December 20, 2006, the County issued \$1,100,000 of taxable Series 2006 Tax Increment Technology Infrastructure Bonds. Proceeds of the bonds were used toward the on-site infrastructure improvements of the facility acquisition described in the next paragraph. The 5.6%-6.4% bonds are due in varying amounts through July 1, 2027.

On December 22, 2006, the County acquired constructed facility and improvements in the County's Technology District for \$12.4 million. \$10.64 million was funded through a Montana Board of Investments (MBOI) Infrastructure Loan to the County. \$900,000 was funded through the Technology Infrastructure Bonds described in the previous paragraph. The remaining \$860,000 was funded through grants received from the Montana Department of Commerce. The County also entered into an agreement to lease the facility to a major employer, the terms and lease payments under which are tied to the MBOI Infrastructure Loan. The MBOI Infrastructure Loan is a special limited obligation of the County whereby the County's liability is limited to the remittance of the lease payments received from the lessee. Land at the facility, with a book value of \$13,850, was already owned by the County and serves as collateral for the MBOI Infrastructure Loan.

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.

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.

Judgement Levy – To account for revenues used to fund judgements against the County.

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.

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

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

9-1-1 Trust
Abandoned Vehicles
901 Water
901 Sewer
Jail Commissary
IACP School

MCFPA Trust
LEPC Trust
Art Museum
Friends of the Library
Other Special Revenue Funds

Transportation Mitigation Trust
Friends of Historical Museum
Historical Museum Gift
Subdivision Improvement Bonds
Miller Creek Trust - for future capital improvements

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 limited general obligation bond issue for the ice facilities at the Western Montana Fairgrounds.

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.

Sunny Meadows Water & Sewer - To account for the engineering grants of the Sunny Meadows Water & Sewer District

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.

Communications Backbone Project - To account for revenues used for the upgrade of the County’s communication backbone.

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.

MISSOULA COUNTY, MONTANA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006
(Page 1 of 7)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Assets:										
Cash & Cash Equivalents	\$ 18,932	\$ 3,545	\$ 11,029	\$ 13,094	\$ 5,646	\$ -	\$ -	\$ 16,471	\$ 18,321	\$ -
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	571,602	107,029	332,992	395,334	170,471	-	-	497,297	553,145	-
Property Taxes Receivable (net)	158,825	69,136	66,058	30,514	5,638	79,757	-	15,285	136,619	44,429
Accounts Receivable	327	-	-	-	-	646,533	-	-	-	616,363
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	5,344	24,591	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	489,232	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,238,918	\$ 179,710	\$ 410,079	\$ 444,286	\$ 206,346	\$ 726,290	\$ -	\$ 529,053	\$ 708,085	\$ 660,792
Liabilities:										
Accounts & Warrants Payable	\$ 205,134	\$ -	\$ 6,088	\$ 25,910	\$ 151,621	\$ 126,688	\$ -	\$ 58,138	\$ 21,193	\$ 25,868
Accrued Interest Payable	-	-	-	-	3,330	-	-	-	-	-
Accrued Payroll	67,102	-	22,379	10,044	11,939	99,344	-	721	38,799	82,878
Advances from Other Funds	-	-	-	-	-	104,713	5,344	-	-	19,646
Deferred Tax Revenue	158,825	69,136	66,058	30,514	5,638	79,757	-	15,285	136,619	44,429
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	431,061	69,136	94,525	66,468	172,528	410,502	5,344	74,144	196,611	172,821
Fund Balance:										
Reserved for Inventory	489,232	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	318,625	110,574	315,554	377,818	33,818	315,788	(5,344)	454,909	511,474	487,971
Total Fund Balance	807,857	110,574	315,554	377,818	33,818	315,788	(5,344)	454,909	511,474	487,971
Total Liabilities and Fund Balance	\$ 1,238,918	\$ 179,710	\$ 410,079	\$ 444,286	\$ 206,346	\$ 726,290	\$ -	\$ 529,053	\$ 708,085	\$ 660,792

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2006
(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	\$ 4,115	\$ 3,720	\$ -	\$ 32,617	\$ 14,613	\$ 3,440	\$ 3,586	\$ 855	\$ 428	\$ 3,031
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	124,254	112,319	-	984,799	441,189	103,848	108,271	25,826	12,928	91,515
Property Taxes Receivable (net)	-	-	-	68,214	47,474	9,432	23,320	-	-	39,430
Accounts Receivable	-	-	-	306,972	25,954	2,315	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	183,195	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 128,369</u>	<u>\$ 116,039</u>	<u>\$ -</u>	<u>\$ 1,575,797</u>	<u>\$ 529,230</u>	<u>\$ 119,035</u>	<u>\$ 135,177</u>	<u>\$ 26,681</u>	<u>\$ 13,356</u>	<u>\$ 133,976</u>
Liabilities:										
Accounts & Warrants Payable	\$ 163	\$ 2	\$ 3,441	\$ 9,620	\$ 7,145	\$ 17,757	\$ 650	\$ 319	\$ -	\$ 4,220
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	5,414	6,789	11,718	116,592	9,836	13,266	7,837	6,407	-	8,379
Advances from Other Funds	-	-	116,118	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	68,214	47,474	9,432	23,320	-	-	39,430
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>5,577</u>	<u>6,791</u>	<u>131,277</u>	<u>194,426</u>	<u>64,455</u>	<u>40,455</u>	<u>31,807</u>	<u>6,726</u>	<u>-</u>	<u>52,029</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	183,195	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	122,792	109,248	(131,277)	1,198,176	464,775	78,580	103,370	19,955	13,356	81,947
Total Fund Balance	<u>122,792</u>	<u>109,248</u>	<u>(131,277)</u>	<u>1,381,371</u>	<u>464,775</u>	<u>78,580</u>	<u>103,370</u>	<u>19,955</u>	<u>13,356</u>	<u>81,947</u>
Total Liabilities and Fund Balance	<u>\$ 128,369</u>	<u>\$ 116,039</u>	<u>\$ -</u>	<u>\$ 1,575,797</u>	<u>\$ 529,230</u>	<u>\$ 119,035</u>	<u>\$ 135,177</u>	<u>\$ 26,681</u>	<u>\$ 13,356</u>	<u>\$ 133,976</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2006
(Page 3 of 7)

	Special Revenue									
	Local Gov't Study Commission	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	\$ 681	\$ 342	\$ -	\$ 1,012	\$ 9,424	\$ 4,730	\$ 6,038	\$ 2,306	\$ -	\$ 1,799
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	20,569	10,337	-	30,567	284,537	142,817	181,793	69,636	-	54,330
Property Taxes Receivable (net)	-	236	692	-	-	-	-	29,595	72,681	37,536
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	428,009	1,111,953	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 21,250</u>	<u>\$ 10,915</u>	<u>\$ 692</u>	<u>\$ 31,579</u>	<u>\$ 293,961</u>	<u>\$ 575,556</u>	<u>\$ 1,299,784</u>	<u>\$ 101,537</u>	<u>\$ 72,681</u>	<u>\$ 93,665</u>
Liabilities:										
Accounts & Warrants Payable	\$ -	\$ 205	\$ -	\$ 47	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ 11,047
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	475	1,152	-	2,607	-	3,481	-	-	-	2,792
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	236	692	-	-	-	-	29,595	72,681	37,536
Unearned Revenue	-	-	-	-	-	428,009	1,111,953	-	-	-
Total Liabilities	<u>475</u>	<u>1,593</u>	<u>692</u>	<u>2,654</u>	<u>1,200</u>	<u>431,490</u>	<u>1,111,953</u>	<u>29,595</u>	<u>72,681</u>	<u>51,375</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	42,269	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	20,775	9,322	-	(13,344)	292,761	144,066	187,831	71,942	-	42,290
Total Fund Balance	<u>20,775</u>	<u>9,322</u>	<u>-</u>	<u>28,925</u>	<u>292,761</u>	<u>144,066</u>	<u>187,831</u>	<u>71,942</u>	<u>-</u>	<u>42,290</u>
Total Liabilities and Fund Balance	<u>\$ 21,250</u>	<u>\$ 10,915</u>	<u>\$ 692</u>	<u>\$ 31,579</u>	<u>\$ 293,961</u>	<u>\$ 575,556</u>	<u>\$ 1,299,784</u>	<u>\$ 101,537</u>	<u>\$ 72,681</u>	<u>\$ 93,665</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2006
(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	\$ 9,355	\$ 39	\$ 3,592	\$ 14,439	\$ 15,479	\$ 2	\$ 26	\$ -	\$ 7	\$ 1,128
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	282,461	1,202	108,453	435,951	467,362	68	772	-	199	34,065
Property Taxes Receivable (net)	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 291,816</u>	<u>\$ 1,241</u>	<u>\$ 112,045</u>	<u>\$ 450,390</u>	<u>\$ 482,841</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 35,193</u>
Liabilities:										
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ 4,939	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	1,163	-	-
Deferred Tax Revenue	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,939</u>	<u>-</u>	<u>-</u>	<u>1,163</u>	<u>-</u>	<u>-</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	<u>291,816</u>	<u>1,241</u>	<u>112,045</u>	<u>450,390</u>	<u>477,902</u>	<u>70</u>	<u>798</u>	<u>(1,163)</u>	<u>206</u>	<u>35,193</u>
Total Fund Balance	<u>291,816</u>	<u>1,241</u>	<u>112,045</u>	<u>450,390</u>	<u>477,902</u>	<u>70</u>	<u>798</u>	<u>(1,163)</u>	<u>206</u>	<u>35,193</u>
Total Liabilities and Fund Balance	<u>\$ 291,816</u>	<u>\$ 1,241</u>	<u>\$ 112,045</u>	<u>\$ 450,390</u>	<u>\$ 482,841</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 35,193</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2006
(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	Judgement Levy	Open Space
Assets:								
Cash & Cash Equivalents	\$ 6,406	\$ 14,333	\$ 1,234	\$ 77	\$ 1,083	\$ 969	\$ -	\$ 1,491
Cash with Fiscal Agents	-	-	-	-	-	-	-	-
Investments	193,404	432,755	37,243	2,318	33,106	29,266	-	45,025
Property Taxes Receivable (net)	-	-	-	-	-	-	819	332
Accounts Receivable	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 199,810</u>	<u>\$ 447,088</u>	<u>\$ 38,477</u>	<u>\$ 2,395</u>	<u>\$ 34,189</u>	<u>\$ 30,235</u>	<u>\$ 819</u>	<u>\$ 46,848</u>
Liabilities:								
Accounts & Warrants Payable	\$ -	\$ -	\$ 2,435	\$ 834	\$ 70	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	1,005	-
Deferred Tax Revenue	-	-	-	-	-	-	819	332
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,435</u>	<u>834</u>	<u>70</u>	<u>-</u>	<u>1,824</u>	<u>332</u>
Fund Balance:								
Reserved for Inventory	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-
Unreserved Fund Balance:								
Undesignated	199,810	447,088	36,042	1,561	34,119	30,235	(1,005)	46,516
Total Fund Balance	<u>199,810</u>	<u>447,088</u>	<u>36,042</u>	<u>1,561</u>	<u>34,119</u>	<u>30,235</u>	<u>(1,005)</u>	<u>46,516</u>
Total Liabilities and Fund Balance	<u>\$ 199,810</u>	<u>\$ 447,088</u>	<u>\$ 38,477</u>	<u>\$ 2,395</u>	<u>\$ 34,189</u>	<u>\$ 30,235</u>	<u>\$ 819</u>	<u>\$ 46,848</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2006
(Page 6 of 7)

	Debt Service				
	Risk Management	Jail Bond	Health Center	RSID Revolving	Fair Ice Rink
Assets:					
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 10,061	\$ -
Cash with Fiscal Agents	108,750	1,172,415	29,381	-	56,615
Investments	-	-	-	303,766	-
Property Taxes Receivable (net)	8,448	96,807	-	251	-
RSID Receivable					
Delinquent	-	-	-	-	-
Deferred	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Advances to Component Units	-	-	365,057	-	-
Inventory	-	-	-	-	-
Total Assets	\$ 117,198	\$ 1,269,222	\$ 394,438	\$ 314,078	\$ 56,615
Liabilities:					
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	13,750	242,415	9,381	-	21,515
Accrued Payroll	-	-	-	-	-
Advances from Other Funds	83,954	319,441	29,381	-	77,922
Deferred Tax Revenue	8,448	96,807	-	251	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	106,152	658,663	38,762	251	99,437
Fund Balance:					
Reserved for Inventory	-	-	-	-	-
Reserved for Advances	-	-	365,057	-	-
Reserved for Capital	-	-	-	-	-
Reserved for Debt Service	11,046	610,559	(9,381)	313,827	(42,822)
Unreserved Fund Balance:					
Undesignated	-	-	-	-	-
Total Fund Balance	11,046	610,559	355,676	313,827	(42,822)
Total Liabilities and Fund Balance	\$ 117,198	\$ 1,269,222	\$ 394,438	\$ 314,078	\$ 56,615

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2006
(Page 7 of 7)

Capital Projects

	Capital Improvements	Technology	Public Safety Building	Sunny Meadows Water & Sewer	Ice Rink Project	Communications Backbone Project	Jail Project	RSID Projects	Total
Assets:									
Cash & Cash Equivalents	\$ 18,365	\$ 24,063	\$ -	\$ -	\$ -	\$ -	\$ 18,370	\$ -	\$ 320,294
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	1,367,161
Investments	554,486	726,506	-	-	-	-	554,627	-	9,670,440
Property Taxes Receivable (net)	-	32,873	-	-	-	-	-	-	1,074,401
Accounts Receivable	-	2,312	-	-	-	-	-	-	1,600,776
Loans & Notes Receivable	5,185	-	-	-	61,000	-	-	-	1,606,147
Advances to Other Funds	-	-	-	-	-	-	-	-	29,935
Advances to Component Units	-	-	-	-	-	-	-	-	548,252
Inventory	-	-	-	-	-	-	-	-	489,232
Total Assets	<u>\$ 578,036</u>	<u>\$ 785,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,000</u>	<u>\$ -</u>	<u>\$ 572,997</u>	<u>\$ -</u>	<u>\$ 16,706,638</u>
Liabilities:									
Accounts & Warrants Payable	\$ 3,668	\$ 53,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 742,320
Accrued Interest Payable	-	-	-	-	-	-	-	-	290,391
Accrued Payroll	-	-	-	-	-	-	-	-	529,951
Advances from Other Funds	-	-	-	-	24,591	-	-	1,196	784,474
Deferred Tax Revenue	-	32,873	-	-	-	-	-	-	1,074,401
Unearned Revenue	5,185	-	-	-	61,000	-	-	-	1,606,147
Total Liabilities	<u>8,853</u>	<u>86,791</u>	<u>-</u>	<u>-</u>	<u>85,591</u>	<u>-</u>	<u>-</u>	<u>1,196</u>	<u>5,027,684</u>
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	489,232
Reserved for Advances	-	-	-	-	-	-	-	-	548,252
Reserved for Capital	-	-	-	-	-	-	-	-	42,269
Reserved for Debt Service	-	-	-	-	-	-	-	-	883,229
Unreserved Fund Balance:									
Undesignated	569,183	698,963	-	-	(24,591)	-	572,997	(1,196)	9,715,972
Total Fund Balance	<u>569,183</u>	<u>698,963</u>	<u>-</u>	<u>-</u>	<u>(24,591)</u>	<u>-</u>	<u>572,997</u>	<u>(1,196)</u>	<u>11,678,954</u>
Total Liabilities and Fund Balance	<u>\$ 578,036</u>	<u>\$ 785,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,000</u>	<u>\$ -</u>	<u>\$ 572,997</u>	<u>\$ -</u>	<u>\$ 16,706,638</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
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	Special Revenue									
	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Revenues:										
Property Taxes	\$ 1,542,874	\$ 803,316	\$ 747,354	\$ 370,875	\$ 54,766	\$ 1,105,388	\$ -	\$ 184,705	\$ 1,629,174	\$ 890,096
Licenses & Permits	22,804	-	-	-	-	-	-	-	-	49,348
Intergovernmental Revenue	2,196,580	176,113	120,252	53,205	9,370	1,605,251	11,382	9,696	187,365	2,819,020
Charges for Service:	13,435	-	-	6,810	1,032,217	55,293	-	35,855	57,579	2,239
Fines & Forfeits:	-	-	-	-	-	174	-	-	51,415	150,343
Investment Earnings:	4,086	-	-	8,628	4,283	-	-	-	8,219	-
Private & Local Grants	-	-	-	-	-	-	-	-	-	9,998
Miscellaneous Revenue:	8,276	5	54,653	3,500	92,990	3,253	-	1,329	304,973	2,812
Total Revenues	<u>3,788,055</u>	<u>979,434</u>	<u>922,259</u>	<u>443,018</u>	<u>1,193,626</u>	<u>2,769,359</u>	<u>11,382</u>	<u>231,585</u>	<u>2,238,725</u>	<u>3,923,856</u>
Expenditures:										
Current Operations:										
General Government:	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	2,718,300	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	3,259,310	-	719,673	490,375	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	738,824	-	-	-	-	-	-	-	2,247,116
Culture & Recreation	-	-	-	-	1,296,399	-	26,481	147,902	1,834,367	-
Housing & Community Development	-	-	-	-	-	-	-	-	-	1,614,149
Capital Outlay	393,040	-	111,840	1,306	6,000	56,000	-	51,905	369,672	44,659
Debt Service:										
Principal	-	-	-	-	8,000	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	6,600	-	-	-	-	-
Total Expenditures	<u>3,652,350</u>	<u>738,824</u>	<u>831,513</u>	<u>491,681</u>	<u>1,316,999</u>	<u>2,774,300</u>	<u>26,481</u>	<u>199,807</u>	<u>2,204,039</u>	<u>3,905,924</u>
Excess of Revenues over (under) Expenditures	135,705	240,610	90,746	(48,663)	(123,373)	(4,941)	(15,099)	31,778	34,686	17,932
Other Financing Sources (uses)										
Transfers In	65,871	-	19,368	43,428	17,066	96,624	-	13,141	41,273	594,244
Transfers Out	(173,117)	(270,337)	(47,511)	(18,000)	(117,851)	(64,996)	-	(715)	-	(628,179)
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	23,187	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	51,646	(29,727)	62,603	(23,235)	(224,158)	26,687	(15,099)	44,204	75,959	(16,003)
Fund Balance - Beginning of Year	1,469,438	140,301	252,951	401,053	257,976	289,101	9,755	410,705	435,515	503,974
Fund Reclassification:	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	(713,227)	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 807,857</u>	<u>\$ 110,574</u>	<u>\$ 315,554</u>	<u>\$ 377,818</u>	<u>\$ 33,818</u>	<u>\$ 315,788</u>	<u>\$ (5,344)</u>	<u>\$ 454,909</u>	<u>\$ 511,474</u>	<u>\$ 487,971</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
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	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	\$ -	\$ -	\$ -	\$ 1,564,168	\$ -	\$ 293,735	\$ 266,821	\$ -	\$ -	\$ 466,553
Licenses & Permits	-	-	48,359	78,505	-	98,260	-	-	-	-
Intergovernmental Revenue	-	-	-	1,440,665	119,473	17,045	63,849	146,135	-	94,337
Charges for Service:	-	-	-	799,786	374,221	67,491	10,097	-	-	-
Fines & Forfeits:	-	-	-	700	-	-	-	20,906	-	-
Investment Earnings:	-	-	-	10,363	7,444	-	-	957	470	-
Private & Local Grants	-	-	-	101,603	11,250	2,564	-	-	-	-
Miscellaneous Revenue:	-	-	135	101,384	78	2,426	8,374	-	-	13,668
Total Revenues	-	-	48,494	4,097,174	512,466	481,521	349,141	167,998	470	574,558
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	202,289	425	-
Public Works	-	-	134,715	-	-	-	352,749	-	-	-
Public Health	-	-	-	4,046,251	430,253	521,351	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	204,112	217,243	-	-	-	-	-	-	-	516,314
Housing & Community Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	45,056	-	-	17,627	2,861	-	-	50,587
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-	-
Total Expenditures	204,112	217,243	179,771	4,046,251	430,253	538,978	355,610	202,289	425	566,901
Excess of Revenues over (under) Expenditures:	(204,112)	(217,243)	(131,277)	50,923	82,213	(57,457)	(6,469)	(34,291)	45	7,657
Other Financing Sources (uses)										
Transfers In	329,530	329,530	-	98,289	-	38,028	23,213	65,000	-	30,264
Transfers Out	(2,626)	(3,039)	-	-	-	-	(35,000)	(34,825)	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets:	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	122,792	109,248	(131,277)	149,212	82,213	(19,429)	(18,256)	(4,116)	45	37,921
Fund Balance - Beginning of Year	-	-	-	1,232,159	382,562	98,009	121,626	24,071	13,311	44,026
Fund Reclassifications	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 122,792	\$ 109,248	\$ (131,277)	\$ 1,381,371	\$ 464,775	\$ 78,580	\$ 103,370	\$ 19,955	\$ 13,356	\$ 81,947

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
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	Special Revenue									
	Local Gov't Study Commission	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	\$ -	\$ -	\$ 2,650	\$ -	\$ -	\$ -	\$ -	\$ 341,940	\$ 1,013,065	\$ 11,187
Licenses & Permit:	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	2,219	125,599	111,654	-	36,233	53,722	8,203	-
Charges for Service:	-	13,419	-	1,185	-	-	-	-	-	38,991
Fines & Forfeit:	-	-	-	-	-	-	-	-	-	-
Investment Earnings:	-	-	-	2,330	-	-	6,849	-	-	11
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	-	459	-	-	168,329	(5)	-	162,094
Total Revenues	-	13,419	4,869	129,573	111,654	-	211,411	395,657	1,021,268	212,283
Expenditures:										
Current Operations:										
General Government	41,897	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	96,304	-	-	-	-	-
Public Works	-	10,720	-	-	-	106,210	-	-	-	216,883
Public Health	-	-	-	101,122	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	734,170	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Housing & Community Developmen	-	-	-	-	-	-	250,699	-	-	-
Capital Outlay	-	-	-	67,521	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-	352
Total Expenditures	41,897	10,720	-	168,643	96,304	106,210	250,699	734,170	-	217,235
Excess of Revenues ove (under) Expenditures:	(41,897)	2,699	4,869	(39,070)	15,350	(106,210)	(39,288)	(338,513)	1,021,268	(4,952)
Other Financing Sources (uses)										
Transfers In	17,796	-	-	-	-	100,962	-	75,756	-	-
Transfers Out	(715)	-	(4,574)	-	-	(9,500)	-	-	(1,021,268)	(3,846)
Issuance of Debt	-	-	-	-	-	-	-	250,000	-	51,088
Sale of Capital Asset:	-	-	-	27,000	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	(24,816)	2,699	295	(12,070)	15,350	(14,748)	(39,288)	(12,757)	-	42,290
Fund Balance - Beginning of Yea	45,591	6,623	(295)	40,995	277,411	158,814	227,119	84,699	-	-
Fund Reclassifications	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 20,775	\$ 9,322	\$ -	\$ 28,925	\$ 292,761	\$ 144,066	\$ 187,831	\$ 71,942	\$ -	\$ 42,290

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
(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	548,111	-	-	-	-	-	-	-	-	-
Charges for Service:	-	-	-	201,857	-	-	-	-	-	31,490
Fines & Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Earnings	12,266	-	3,851	12,413	3,280	-	-	-	-	1,091
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	-	-	463,704	-	-	-	-	-
Total Revenues	<u>560,377</u>	<u>-</u>	<u>3,851</u>	<u>214,270</u>	<u>466,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,581</u>
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	317,439	-	-	-	264,948	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	23,406
Housing & Community Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	1,714
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>317,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,120</u>
Excess of Revenues over (under) Expenditures	242,938	-	3,851	214,270	202,036	-	-	-	-	7,461
Other Financing Sources (uses)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	(150,757)	-	-	-	(75,000)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	92,181	-	3,851	214,270	127,036	-	-	-	-	7,461
Fund Balance - Beginning of Year	199,635	1,241	108,194	236,120	350,866	70	798	(1,163)	206	27,732
Fund Reclassification:	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 291,816</u>	<u>\$ 1,241</u>	<u>\$ 112,045</u>	<u>\$ 450,390</u>	<u>\$ 477,902</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ (1,163)</u>	<u>\$ 206</u>	<u>\$ 35,193</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
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	Special Revenue							
	Transportation Mitigation Trust	Miller Creek Trust	Friends of Historical Museum	Historical Gift Shop	Other Special Revenue	Subdivision Improvement Bonds	Judgement Levy	Open Space
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,776	\$ 12
Licenses & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Service:	-	-	12,436	30,410	-	25,000	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	15,466	2,296	-	47	-	-	-
Private & Local Grants	-	-	95,016	-	36,997	-	-	-
Miscellaneous Revenue:	77,065	-	-	-	-	-	-	-
Total Revenues	<u>77,065</u>	<u>15,466</u>	<u>109,748</u>	<u>30,410</u>	<u>37,044</u>	<u>25,000</u>	<u>1,776</u>	<u>12</u>
Expenditures:								
Current Operations:								
General Government	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	3,500	-	-	-	-	-	-
Public Health	-	-	-	-	2,930	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	94,212	28,583	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	-	-
Capital Outlay	-	-	1,900	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,500</u>	<u>96,112</u>	<u>28,583</u>	<u>2,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	77,065	11,966	13,636	1,827	34,114	25,000	1,776	12
Other Financing Sources (uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(15,000)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	77,065	11,966	(1,364)	1,827	34,114	25,000	1,776	12
Fund Balance - Beginning of Year	122,745	435,122	37,406	(266)	5	5,235	(2,781)	46,504
Fund Reclassification:	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 199,810</u>	<u>\$ 447,088</u>	<u>\$ 36,042</u>	<u>\$ 1,561</u>	<u>\$ 34,119</u>	<u>\$ 30,235</u>	<u>\$ (1,005)</u>	<u>\$ 46,516</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
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	Debt Service				
	Risk Management	Jail Bond	Health Center	RSID Revolving	Fair Ice Rink
Revenues:					
Property Taxes	\$ 109,316	\$ 1,140,710	\$ -	\$ 7	\$ -
Licenses & Permits	-	-	-	-	-
Intergovernmental Revenue	10,401	238,023	19,232	-	-
Charges for Services	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-
Investment Earnings	100	8,446	-	-	-
Private & Local Grants	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-
Total Revenues	<u>119,817</u>	<u>1,387,179</u>	<u>19,232</u>	<u>7</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	710,000	20,000	-	30,000
Interest and Fiscal Charges	27,700	660,736	19,012	-	43,430
Total Expenditures	<u>122,700</u>	<u>1,370,736</u>	<u>39,012</u>	<u>-</u>	<u>73,430</u>
Excess of Revenues over (under) Expenditures	(2,883)	16,443	(19,780)	7	(73,430)
Other Financing Sources (uses):					
Transfers In	-	-	-	25,919	78,230
Transfers Out	-	-	-	(70,210)	-
Issuance of Debt	-	255,104	-	-	-
Sale of Capital Assets	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(2,883)	271,547	(19,780)	(44,284)	4,800
Fund Balance - Beginning of Year	13,929	339,012	375,456	358,111	(47,622)
Fund Reclassifications	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 11,046</u>	<u>\$ 610,559</u>	<u>\$ 355,676</u>	<u>\$ 313,827</u>	<u>\$ (42,822)</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
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	Capital Projects							Total	
	Capital Improvements	Technology	Public Safety Building	Sunny Meadows Water & Sewer	Ice Rink Project	Communications Backbone Project	Jail Project		RSID Projects
Revenues:									
Property Taxes	\$ -	\$ 401,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,942,079
Licenses & Permits	-	-	-	-	-	-	-	-	297,276
Intergovernmental Revenue	76,635	98,124	42,060	33,500	-	274,503	-	-	10,747,957
Charges for Services	-	62,376	-	-	-	-	-	-	2,872,187
Fines & Forfeits	-	-	-	-	-	-	-	-	223,538
Investment Earnings	3,039	-	-	-	-	-	-	-	115,935
Private & Local Grants	-	-	-	-	-	-	-	-	257,428
Miscellaneous Revenues	-	376	-	-	1,935	-	-	-	1,471,813
Total Revenues	79,674	562,467	42,060	33,500	1,935	274,503	-	-	28,928,213
Expenditures:									
Current Operations:									
General Government	-	232,740	-	-	-	-	-	-	274,637
Criminal Justice	-	-	-	-	-	-	-	-	2,718,300
Public Safety	-	-	77,960	-	-	66,856	-	-	1,026,221
Public Works	-	-	-	33,500	-	-	-	234	5,327,869
Public Health	-	-	-	-	-	-	-	-	5,101,907
Social & Economic Services	-	-	-	-	-	-	-	-	3,720,110
Culture & Recreation	-	-	-	-	-	-	-	-	4,389,019
Housing & Community Development	-	-	-	-	-	-	-	-	1,864,848
Capital Outlay	398,854	341,880	45,337	-	297,009	243,977	-	-	2,548,745
Debt Service:									
Principal	368,763	-	-	-	-	-	-	-	1,231,763
Interest and Fiscal Charges	42,819	-	-	-	28,307	-	-	-	828,956
Total Expenditures	810,436	574,620	123,297	33,500	325,316	310,833	-	234	29,032,375
Excess of Revenues over (under) Expenditures	(730,762)	(12,153)	(81,237)	-	(323,381)	(36,330)	-	(234)	(104,162)
Other Financing Sources (uses):									
Transfers In	1,006,170	358,769	81,237	-	-	150,758	-	-	3,700,466
Transfers Out	-	(80,000)	-	-	-	-	-	-	(2,827,066)
Issuance of Debt	-	-	-	-	798,972	-	-	-	1,355,164
Sale of Capital Assets	-	-	-	-	-	-	-	-	50,187
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	275,408	266,616	-	-	475,591	114,428	-	(234)	2,174,589
Fund Balance - Beginning of Year	293,775	432,347	-	-	(500,182)	(114,428)	572,997	(947,984)	9,270,570
Fund Reclassifications	-	-	-	-	-	-	-	947,022	947,022
Change in Inventory Reserves	-	-	-	-	-	-	-	-	(713,227)
Fund Balance - End of Year	\$ 569,183	\$ 698,963	\$ -	\$ -	\$ (24,591)	\$ -	\$ 572,997	\$ (1,196)	\$ 11,678,954

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, 2006
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	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	-	-	-	-	-	-	3,524	3,524
Fines & Forfeits	-	-	-	-	673,450	673,450	565,876	(107,574)
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>673,450</u>	<u>673,450</u>	<u>569,400</u>	<u>(104,050)</u>
Expenditures:								
Current Operations:								
Personnel	470,268	470,268	480,154	(9,886)	563,040	563,040	525,578	37,462
Operations	36,336	36,336	24,955	11,381	58,716	58,716	49,311	9,405
Capital Outlay	-	-	-	-	6,000	6,000	930	5,070
Debt Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>506,604</u>	<u>506,604</u>	<u>505,109</u>	<u>1,495</u>	<u>627,756</u>	<u>627,756</u>	<u>575,819</u>	<u>51,937</u>
Excess of Revenues over (under) Expenditures	(506,604)	(506,604)	(505,109)	1,495	45,694	45,694	(6,419)	(52,113)
Other Financing Sources (Uses):								
Transfers In	12,000	12,000	12,000	-	-	-	-	-
Transfers Out	-	-	-	-	(5,400)	(5,400)	(5,800)	(400)
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (494,604)</u>	<u>\$ (494,604)</u>	<u>\$ (493,109)</u>	<u>\$ 1,495</u>	<u>\$ 40,294</u>	<u>\$ 40,294</u>	<u>\$ (12,219)</u>	<u>\$ (52,513)</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, 2006
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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	66,266	66,266	132,015	65,749	-	-	-	-
Charges for Services	132,100	132,100	136,687	4,587	79,000	79,000	83,438	4,438
Fines & Forfeits	118,000	118,000	150,624	32,624	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	25,762	25,762	-	-	-	-
Total Revenues	<u>316,366</u>	<u>316,366</u>	<u>445,088</u>	<u>128,722</u>	<u>79,000</u>	<u>79,000</u>	<u>83,438</u>	<u>4,438</u>
Expenditures:								
Current Operations:								
Personnel	1,698,434	1,698,434	1,714,387	(15,953)	529,348	529,348	497,400	31,948
Operations	71,947	71,947	67,379	4,568	187,398	187,398	175,376	12,022
Capital Outlay	3,000	3,000	-	3,000	16,000	16,000	8,864	7,136
Debt Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,773,381</u>	<u>1,773,381</u>	<u>1,781,766</u>	<u>(8,385)</u>	<u>732,746</u>	<u>732,746</u>	<u>681,640</u>	<u>51,106</u>
Excess of Revenues over (under) Expenditures	(1,457,015)	(1,457,015)	(1,336,678)	120,337	(653,746)	(653,746)	(598,202)	55,544
Other Financing Sources (Uses):								
Transfers In	109,171	115,676	115,676	-	8,500	8,500	8,500	-
Transfers Out	(19,525)	(19,585)	(21,125)	(1,540)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	1,461	1,461
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,367,369)</u>	<u>\$ (1,360,924)</u>	<u>\$ (1,242,127)</u>	<u>\$ 118,797</u>	<u>\$ (645,246)</u>	<u>\$ (645,246)</u>	<u>\$ (588,241)</u>	<u>\$ 57,005</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, 2006
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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	22,270	(3,830)	-	-	-	-
Intergovernmental Revenue	58,000	58,000	49,806	(8,194)	-	-	-	-
Charges for Services	1,061,500	1,061,500	1,249,267	187,767	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>1,145,600</u>	<u>1,145,600</u>	<u>1,321,343</u>	<u>175,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,595,512	1,578,117	1,495,169	82,948	181,510	181,510	178,323	3,187
Operations	381,770	394,831	280,258	114,573	63,815	63,815	56,131	7,684
Capital Outlay	19,200	23,534	15,222	8,312	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,996,482</u>	<u>1,996,482</u>	<u>1,790,649</u>	<u>205,833</u>	<u>245,325</u>	<u>245,325</u>	<u>234,454</u>	<u>10,871</u>
Excess of Revenues over (under) Expenditures	(850,882)	(850,882)	(469,306)	381,576	(245,325)	(245,325)	(234,454)	10,871
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(400)	(400)	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (850,882)</u>	<u>\$ (850,882)</u>	<u>\$ (469,306)</u>	<u>\$ 381,576</u>	<u>\$ (245,325)</u>	<u>\$ (245,725)</u>	<u>\$ (234,854)</u>	<u>\$ 10,871</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, 2006
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	Facilities Management				Office of Emergency Services			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	50,000	3,262,909	1,575,315	(1,687,594)
Charges for Services	302,857	302,857	363,403	60,546	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	14,000	14,000	9,521	(4,479)
Total Revenues	<u>302,857</u>	<u>302,857</u>	<u>363,403</u>	<u>60,546</u>	<u>64,000</u>	<u>3,276,909</u>	<u>1,584,836</u>	<u>(1,692,073)</u>
Expenditures:								
Current Operations:								
Personnel	546,428	546,428	540,405	6,023	128,043	128,043	122,666	5,377
Operations	687,220	687,220	687,703	(483)	67,497	67,497	33,930	33,567
Capital Outlay	39,750	39,750	51,735	(11,985)	-	3,212,909	1,446,429	1,766,480
Debt Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,273,398</u>	<u>1,273,398</u>	<u>1,279,843</u>	<u>(6,445)</u>	<u>195,540</u>	<u>3,408,449</u>	<u>1,603,025</u>	<u>1,805,424</u>
Excess of Revenues over (under) Expenditures	(970,541)	(970,541)	(916,440)	54,101	(131,540)	(131,540)	(18,189)	113,351
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (970,541)</u>	<u>\$ (970,541)</u>	<u>\$ (916,440)</u>	<u>\$ 54,101</u>	<u>\$ (131,540)</u>	<u>\$ (131,540)</u>	<u>\$ (18,189)</u>	<u>\$ 113,351</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, 2006
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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	394,613	394,613	317,439	(77,174)	-	-	-	-
Charges for Services	-	-	-	-	-	-	200	200
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Internal Services	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	176	176	-	-	-	-
Total Revenues	<u>394,613</u>	<u>394,613</u>	<u>317,615</u>	<u>(76,998)</u>	<u>-</u>	<u>-</u>	<u>200</u>	<u>200</u>
Expenditures:								
Current Operations:								
Personnel	1,245,271	1,245,271	1,346,766	(101,495)	631,107	631,107	631,000	107
Operations	276,613	276,613	238,279	38,334	28,501	28,501	12,129	16,372
Capital Outlay	113,110	113,110	53,855	59,255	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,634,994</u>	<u>1,634,994</u>	<u>1,638,900</u>	<u>(3,906)</u>	<u>659,608</u>	<u>659,608</u>	<u>643,129</u>	<u>16,479</u>
Excess of Revenues over (under) Expenditures	(1,240,381)	(1,240,381)	(1,321,285)	(80,904)	(659,608)	(659,608)	(643,129)	16,679
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(2,000)	(2,000)	-	2,000	(2,400)	(2,400)	(2,400)	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,242,381)</u>	<u>\$ (1,242,381)</u>	<u>\$ (1,321,285)</u>	<u>\$ (78,904)</u>	<u>\$ (662,008)</u>	<u>\$ (662,008)</u>	<u>\$ (645,529)</u>	<u>\$ 16,479</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, 2006
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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	-	-	-	-	391,717	391,717	375,480	(16,237)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,717</u>	<u>391,717</u>	<u>375,480</u>	<u>(16,237)</u>
Expenditures:								
Current Operations:								
Personnel	338,894	338,894	337,458	1,436	-	-	-	-
Operations	121,175	121,175	126,552	(5,377)	298,886	298,886	312,199	(13,313)
Capital Outlay	-	-	-	-	55,000	55,000	55,521	(521)
Debt Service	-	-	-	-	88,189	88,189	95,408	(7,219)
Interest	-	-	-	-	4,642	4,642	6,193	(1,551)
Total Expenditures	<u>460,069</u>	<u>460,069</u>	<u>464,010</u>	<u>(3,941)</u>	<u>446,717</u>	<u>446,717</u>	<u>469,321</u>	<u>(22,604)</u>
Excess of Revenues over (under) Expenditures	(460,069)	(460,069)	(464,010)	(3,941)	(55,000)	(55,000)	(93,841)	(38,841)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	2,135	2,135
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (460,069)</u>	<u>\$ (460,069)</u>	<u>\$ (464,010)</u>	<u>\$ (3,941)</u>	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>	<u>\$ (91,706)</u>	<u>\$ (36,706)</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, 2006
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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	-	-	-	-	25,000	25,000	36,956	11,956
Charges for Services	3,300	3,300	3,300	-	67,500	71,675	64,034	(7,641)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>	<u>92,500</u>	<u>96,675</u>	<u>100,990</u>	<u>4,315</u>
Expenditures:								
Current Operations:								
Personnel	185,785	187,407	187,407	-	552,564	552,564	548,995	3,569
Operations	18,986	18,986	16,446	2,540	35,200	30,200	24,060	6,140
Capital Outlay	-	-	-	-	34,000	39,000	35,219	3,781
Debt Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>204,771</u>	<u>206,393</u>	<u>203,853</u>	<u>2,540</u>	<u>621,764</u>	<u>621,764</u>	<u>608,274</u>	<u>13,490</u>
Excess of Revenues over (under) Expenditures	(201,471)	(203,093)	(200,553)	2,540	(529,264)	(525,089)	(507,284)	17,805
Other Financing Sources (Uses):								
Transfers In	5,000	6,622	6,525	(97)	15,000	15,000	15,000	-
Transfers Out	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (196,471)</u>	<u>\$ (196,471)</u>	<u>\$ (194,028)</u>	<u>\$ 2,443</u>	<u>\$ (514,264)</u>	<u>\$ (510,089)</u>	<u>\$ (492,284)</u>	<u>\$ 17,805</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, 2006
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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	\$ 7,723,367	\$ 7,723,367	\$ 7,760,390	\$ 37,023	\$ 7,723,367	\$ 7,723,367	\$ 7,760,390	\$ 37,023
License & Permits	12,695	12,695	15,067	2,372	38,795	38,795	37,337	(1,458)
Intergovernmental Revenue	662,629	662,629	991,093	328,464	1,256,508	4,469,417	3,102,624	(1,366,793)
Charges for Services	17,280	17,280	25,832	8,552	2,055,254	2,059,429	2,305,165	245,736
Fines & Forfeits	-	-	-	-	791,450	791,450	716,500	(74,950)
Investment Earnings	70,000	70,000	376,132	306,132	70,000	70,000	376,132	306,132
Miscellaneous Revenues	2,100	2,100	52,253	50,153	16,100	16,100	87,712	71,612
Total Revenues	<u>8,488,071</u>	<u>8,488,071</u>	<u>9,220,767</u>	<u>732,696</u>	<u>11,951,474</u>	<u>15,168,558</u>	<u>14,385,860</u>	<u>(782,698)</u>
Expenditures:								
Current Operations:								
Personnel	31,972	31,972	26,323	5,649	8,698,176	8,682,403	8,632,031	50,372
Operations	581,204	718,657	653,428	65,229	2,915,264	3,060,778	2,758,136	302,642
Capital Outlay	-	-	-	-	286,060	3,508,303	1,667,775	1,840,528
Debt Service	-	-	-	-	88,189	88,189	95,408	(7,219)
Interest	-	-	-	-	4,642	4,642	6,193	(1,551)
Total Expenditures	<u>613,176</u>	<u>750,629</u>	<u>679,751</u>	<u>70,878</u>	<u>11,992,331</u>	<u>15,344,315</u>	<u>13,159,543</u>	<u>2,184,772</u>
Excess of Revenues over (under) Expenditures	7,874,895	7,737,442	8,541,016	803,574	(40,857)	(175,757)	1,226,317	1,402,074
Other Financing Sources (Uses):								
Transfers In	327,636	327,636	322,745	(4,891)	477,307	485,434	480,446	(4,988)
Transfers Out	(1,480,283)	(1,483,390)	(1,494,787)	(11,397)	(1,509,608)	(1,513,175)	(1,524,512)	(11,337)
Sale of Capital Assets	-	-	-	-	-	-	3,596	3,596
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 6,722,248</u>	<u>\$ 6,581,688</u>	<u>\$ 7,368,974</u>	<u>\$ 787,286</u>	<u>\$ (1,073,158)</u>	<u>\$ (1,203,498)</u>	185,847	<u>\$ 1,389,345</u>
Fund Balance:								
Beginning of Year							<u>3,318,035</u>	
End of Year							<u>\$ 3,503,882</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, 2006

	Public Safety				MCA Industrial 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	\$ 7,914,898	\$ 7,914,898	\$ 7,925,207	\$ 10,309	\$ 1,103,150	\$ 1,103,150	\$ 1,143,408	\$ 40,258
License & Permits	7,200	7,200	10,645	3,445	-	-	-	-
Intergovernmental Revenue	468,419	515,966	579,909	63,943	1,213	1,213	311	(902)
Charges for Services	3,685,909	3,685,909	3,683,066	(2,843)	-	-	-	-
Fines & Forfeits	35,000	35,000	46,732	11,732	-	-	-	-
Investment Earnings	-	-	3,568	3,568	15,000	15,000	168,676	153,676
Miscellaneous Revenues	85,000	85,000	84,549	(451)	3,798,070	3,798,070	25,949	(3,772,121)
Total Revenues	<u>12,196,426</u>	<u>12,243,973</u>	<u>12,333,676</u>	<u>89,703</u>	<u>4,917,433</u>	<u>4,917,433</u>	<u>1,338,344</u>	<u>(3,579,089)</u>
Expenditures:								
Current Operations:								
Personnel	9,064,036	9,064,083	8,808,043	256,040	73,233	73,233	75,478	(2,245)
Operations	3,382,775	3,764,275	3,935,898	(171,623)	118,357	133,092	39,963	93,129
Capital Outlay	337,992	337,992	304,517	33,475	2,281,917	3,706,505	935,048	2,771,457
Debt Service:								
Principal	-	-	-	-	146,203	165,000	165,000	-
Interest & Fiscal Charges	-	-	-	-	54,043	110,658	113,708	(3,050)
Total Expenditures	<u>12,784,803</u>	<u>13,166,350</u>	<u>13,048,458</u>	<u>117,892</u>	<u>2,673,753</u>	<u>4,188,488</u>	<u>1,329,197</u>	<u>2,859,291</u>
Excess of Revenues ove (under) Expenditures	(588,377)	(922,377)	(714,782)	207,595	2,243,680	728,945	9,147	(719,798)
Other Financing Sources (Uses)								
Transfers In	482,328	482,328	792,063	309,735	-	-	-	-
Transfers Out	(265,194)	(265,194)	(251,229)	13,965	(189,715)	(714,715)	(270,952)	443,763
Issuance of Debt	-	-	-	-	-	1,500,000	-	(1,500,000)
Sale of Capital Assets	-	-	3,895	3,895	750,000	764,735	2,113,219	1,348,484
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (371,243)</u>	<u>\$ (705,243)</u>	(170,053)	<u>\$ 535,190</u>	<u>\$ 2,803,965</u>	<u>\$ 2,278,965</u>	1,851,414	<u>\$ (427,551)</u>
Fund Balance:								
Beginning of Year			<u>2,416,580</u>				<u>5,115,350</u>	
End of Year			<u>\$ 2,246,527</u>				<u>\$ 6,966,764</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, 2006
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	Special Revenue Funds							
	Road				Poor			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 1,578,761	\$ 1,578,761	\$ 1,542,874	\$ (35,887)	\$ 810,093	\$ 810,093	\$ 803,316	\$ (6,777)
License & Permits	28,500	28,500	22,804	(5,696)	-	-	-	-
Intergovernmental Revenue	2,058,325	2,058,325	2,196,580	138,255	181,438	181,438	176,113	(5,325)
Charges for Services	14,500	14,500	13,435	(1,065)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	4,051	4,051	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	12,000	12,000	8,276	(3,724)	-	-	5	5
Total Revenues	3,692,086	3,692,086	3,788,020	95,934	991,531	991,531	979,434	(12,097)
Expenditures:								
Current Operations:								
Personnel	2,063,835	2,063,835	1,938,335	125,500	-	-	-	-
Operations	1,235,165	1,504,165	1,252,464	251,701	781,503	781,503	739,760	41,743
Capital Outlay	464,618	495,718	487,118	8,600	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	3,763,618	4,063,718	3,677,917	385,801	781,503	781,503	739,760	41,743
Excess of Revenues ove (under) Expenditures	(71,532)	(371,632)	110,103	481,735	210,028	210,028	239,674	29,646
Other Financing Sources (Uses)								
Transfers In	134,852	98,352	65,871	(32,481)	-	-	-	-
Transfers Out	(171,285)	(171,285)	(173,117)	(1,832)	(270,337)	(270,337)	(270,337)	-
Issuance of Debt	255,000	255,000	-	(255,000)	-	-	-	-
Sale of Capital Assets	-	-	23,187	23,187	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	\$ 147,035	\$ (189,565)	26,044	\$ 215,609	\$ (60,309)	\$ (60,309)	(30,663)	\$ 29,646
Fund Balance:								
Beginning of Year			844,376				138,639	
End of Year			\$ 870,420				\$ 107,976	

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, 2006
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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	\$ 753,677	\$ 753,677	\$ 747,354	\$ (6,323)	\$ 373,541	\$ 373,541	\$ 370,875	\$ (2,666)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	120,369	224,073	120,252	(103,821)	53,273	53,273	53,205	(68)
Charges for Services	-	-	-	-	9,000	9,000	6,810	(2,190)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	8,296	8,296
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	56,000	54,653	(1,347)	14,000	14,000	3,500	(10,500)
Total Revenues	<u>874,046</u>	<u>1,033,750</u>	<u>922,259</u>	<u>(111,491)</u>	<u>449,814</u>	<u>449,814</u>	<u>442,686</u>	<u>(7,128)</u>
Expenditures:								
Current Operations:								
Personnel	689,625	689,625	679,102	10,523	308,971	308,971	274,657	34,314
Operations	39,200	39,200	21,488	17,712	260,510	260,510	185,812	74,698
Capital Outlay	265,500	339,500	108,776	230,724	4,000	4,000	1,306	2,694
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>994,325</u>	<u>1,068,325</u>	<u>809,366</u>	<u>258,959</u>	<u>573,481</u>	<u>573,481</u>	<u>461,775</u>	<u>111,706</u>
Excess of Revenues over (under) Expenditures	(120,279)	(34,575)	112,893	147,468	(123,667)	(123,667)	(19,089)	104,578
Other Financing Sources (Uses)								
Transfers In	19,650	19,650	19,368	(282)	43,551	43,551	43,428	(123)
Transfers Out	(46,900)	(46,900)	(47,511)	(611)	(18,000)	(18,000)	(18,000)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (147,529)</u>	<u>\$ (61,825)</u>	84,750	<u>\$ 146,575</u>	<u>\$ (98,116)</u>	<u>\$ (98,116)</u>	6,339	<u>\$ 104,455</u>
Fund Balance:								
Beginning of Year			<u>325,263</u>				<u>409,980</u>	
End of Year			<u>\$ 410,013</u>				<u>\$ 416,319</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, 2006
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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	\$ 54,769	\$ 54,769	\$ 54,766	\$ (3)	\$ 877,467	\$ 1,090,168	\$ 1,105,388	\$ 15,220
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	9,371	9,371	9,370	(1)	1,262,183	1,721,617	1,605,251	(116,366)
Charges for Services	1,118,500	1,118,500	1,032,217	(86,283)	43,000	43,000	55,293	12,293
Fines & Forfeits	-	-	-	-	350	350	174	(176)
Investment Earnings	-	-	4,156	4,156	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	92,990	92,990	-	-	3,253	3,253
Total Revenues	<u>1,182,640</u>	<u>1,182,640</u>	<u>1,193,499</u>	<u>10,859</u>	<u>2,183,000</u>	<u>2,855,135</u>	<u>2,769,359</u>	<u>(85,776)</u>
Expenditures:								
Current Operations:								
Personnel	304,179	304,179	346,215	(42,036)	1,746,615	1,903,174	1,898,436	4,738
Operations	786,110	771,030	813,437	(42,407)	492,702	779,966	761,849	18,117
Capital Outlay	83,830	83,830	6,000	77,830	53,400	56,507	56,000	507
Debt Service:								
Principal	-	8,000	8,000	-	-	-	-	-
Interest	-	7,080	6,760	320	-	-	-	-
Total Expenditures	<u>1,174,119</u>	<u>1,174,119</u>	<u>1,180,412</u>	<u>(6,293)</u>	<u>2,292,717</u>	<u>2,739,647</u>	<u>2,716,285</u>	<u>23,362</u>
Excess of Revenues ove (under) Expenditures	8,521	8,521	13,087	4,566	(109,717)	115,488	53,074	(62,414)
Other Financing Sources (Uses)								
Transfers In	17,169	17,169	17,066	(103)	97,252	100,359	96,624	(3,735)
Transfers Out	(32,442)	(32,442)	(117,851)	(85,409)	(57,251)	(65,936)	(64,996)	940
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (6,752)</u>	<u>\$ (6,752)</u>	<u>(87,698)</u>	<u>\$ (80,946)</u>	<u>\$ (69,716)</u>	<u>\$ 149,911</u>	<u>84,702</u>	<u>\$ (65,209)</u>
Fund Balance:								
Beginning of Year			<u>291,661</u>				<u>368,006</u>	
End of Year			<u>\$ 203,963</u>				<u>\$ 452,708</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, 2006
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	Special Revenue Funds							
	Weed Grant				Parks			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 186,998	\$ 186,998	\$ 184,705	\$ (2,293)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	150,880	150,880	11,382	(139,498)	9,730	9,730	9,696	(34)
Charges for Services	-	-	-	-	-	-	35,855	35,855
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	2,400	2,742	1,329	(1,413)
Total Revenues	<u>150,880</u>	<u>150,880</u>	<u>11,382</u>	<u>(139,498)</u>	<u>199,128</u>	<u>199,470</u>	<u>231,585</u>	<u>32,115</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	29,746	29,746	28,348	1,398
Operations	156,391	156,391	26,481	129,910	184,250	184,592	88,757	95,835
Capital Outlay	-	-	-	-	348,140	348,140	51,905	296,235
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>156,391</u>	<u>156,391</u>	<u>26,481</u>	<u>129,910</u>	<u>562,136</u>	<u>562,478</u>	<u>169,010</u>	<u>393,468</u>
Excess of Revenues ove (under) Expenditures	(5,511)	(5,511)	(15,099)	(9,588)	(363,008)	(363,008)	62,575	425,583
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	13,150	13,150	13,141	(9)
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 Use:	<u>\$ (5,511)</u>	<u>\$ (5,511)</u>	<u>(15,099)</u>	<u>\$ (9,588)</u>	<u>\$ (350,973)</u>	<u>\$ (350,973)</u>	<u>75,001</u>	<u>\$ 425,974</u>
Fund Balance:								
Beginning of Year			<u>9,755</u>				<u>392,431</u>	
End of Year			<u>\$ (5,344)</u>				<u>\$ 467,432</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, 2006
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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	\$ 1,644,445	\$ 1,644,445	\$ 1,629,174	\$ (15,271)	\$ 904,182	\$ 904,182	\$ 890,096	\$ (14,086)
License & Permits	-	-	-	-	-	-	49,348	49,348
Intergovernmental Revenue	506,632	506,632	492,338	(14,294)	2,998,656	3,127,079	2,819,020	(308,059)
Charges for Services	5,800	5,800	57,579	51,779	-	-	2,239	2,239
Fines & Forfeits	37,000	37,000	51,415	14,415	117,353	117,353	150,343	32,990
Investment Earnings	150	150	8,051	7,901	-	-	-	-
Private & Local Grants	-	-	-	-	13,006	13,006	9,998	(3,008)
Miscellaneous Revenues	-	-	-	-	-	-	572	572
Total Revenues	<u>2,194,027</u>	<u>2,194,027</u>	<u>2,238,557</u>	<u>44,530</u>	<u>4,033,197</u>	<u>4,161,620</u>	<u>3,921,616</u>	<u>(240,004)</u>
Expenditures:								
Current Operations:								
Personnel	1,148,844	1,148,844	1,140,206	8,638	2,394,623	2,408,903	2,125,839	283,064
Operations	682,771	682,771	663,940	18,831	1,899,062	2,013,205	1,680,795	332,410
Capital Outlay	325,044	325,044	372,497	(47,453)	286,518	286,518	44,659	241,859
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,156,659</u>	<u>2,156,659</u>	<u>2,176,643</u>	<u>(19,984)</u>	<u>4,580,203</u>	<u>4,708,626</u>	<u>3,851,293</u>	<u>857,333</u>
Excess of Revenues ove (under) Expenditures	37,368	37,368	61,914	24,546	(547,006)	(547,006)	70,323	617,329
Other Financing Sources (Uses)								
Transfers In	41,872	41,872	41,273	(599)	585,538	585,538	594,244	8,706
Transfers Out	-	-	-	-	(637,214)	(637,214)	(628,179)	9,035
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 79,240</u>	<u>\$ 79,240</u>	103,187	<u>\$ 23,947</u>	<u>\$ (598,682)</u>	<u>\$ (598,682)</u>	36,388	<u>\$ 635,070</u>
Fund Balance:								
Beginning of Year			492,995				483,998	
End of Year			<u>\$ 596,182</u>				<u>\$ 520,386</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, 2006
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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	-	-	-	-	-	-	-	-
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	167,610	167,610	161,879	5,731	202,378	202,378	188,262	14,116
Operations	60,227	63,265	36,656	26,609	47,682	47,682	22,190	25,492
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>227,837</u>	<u>230,875</u>	<u>198,535</u>	<u>32,340</u>	<u>250,060</u>	<u>250,060</u>	<u>210,452</u>	<u>39,608</u>
Excess of Revenues ove (under) Expenditures	(227,837)	(230,875)	(198,535)	32,340	(250,060)	(250,060)	(210,452)	39,608
Other Financing Sources (Uses)								
Transfers In	332,636	332,636	329,530	(3,106)	333,636	332,636	329,530	(3,106)
Transfers Out	(2,872)	(2,872)	(2,626)	246	(3,327)	(3,327)	(3,039)	288
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 101,927</u>	<u>\$ 98,889</u>	128,369	<u>\$ 29,480</u>	<u>\$ 80,249</u>	<u>\$ 79,249</u>	116,039	<u>\$ 36,790</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>-</u>	
End of Year			<u>\$ 128,369</u>				<u>\$ 116,039</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							
	Building Code Division				Health			
	<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	\$ -	\$ -	\$ -	\$ -	\$ 1,578,263	\$ 1,578,263	\$ 1,564,168	\$ (14,095)
License & Permits	308,165	308,165	48,359	(259,806)	76,750	76,750	78,505	1,755
Intergovernmental Revenue	-	-	-	-	1,360,280	1,398,994	1,458,272	59,278
Charges for Services	-	-	-	-	705,509	741,601	799,786	58,185
Fines & Forfeits	-	-	-	-	10	10	700	690
Investment Earnings	-	-	-	-	-	-	10,176	10,176
Private & Local Grants	-	-	-	-	122,046	122,046	101,603	(20,443)
Miscellaneous Revenues	-	-	135	135	75,840	105,840	101,384	(4,456)
Total Revenues	<u>308,165</u>	<u>308,165</u>	<u>48,494</u>	<u>(259,671)</u>	<u>3,918,698</u>	<u>4,023,504</u>	<u>4,114,594</u>	<u>91,090</u>
Expenditures:								
Current Operations:								
Personnel	222,793	222,793	107,378	115,415	3,295,669	3,377,402	3,215,460	161,942
Operations	31,700	25,200	13,705	11,495	743,378	765,784	732,798	32,986
Capital Outlay	20,000	58,000	43,529	14,471	10	10	-	10
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>274,493</u>	<u>305,993</u>	<u>164,612</u>	<u>141,381</u>	<u>4,039,057</u>	<u>4,143,196</u>	<u>3,948,258</u>	<u>194,938</u>
Excess of Revenues ove (under) Expenditures	33,672	2,172	(116,118)	(118,290)	(120,359)	(119,692)	166,336	286,028
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	125,654	125,654	98,289	(27,365)
Transfers Out	(38,000)	(38,000)	-	38,000	(29,590)	(29,590)	-	29,590
Issuance of Debt	175,000	175,000	-	(175,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 170,672</u>	<u>\$ 139,172</u>	<u>(116,118)</u>	<u>\$ (255,290)</u>	<u>\$ (24,295)</u>	<u>\$ (23,628)</u>	<u>264,625</u>	<u>\$ 288,253</u>
Fund Balance:								
Beginning of Year			-				1,371,600	
End of Year			<u>\$ (116,118)</u>				<u>\$ 1,636,225</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	Water Quality District				Animal Control			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 296,160	\$ 296,160	\$ 293,735	\$ (2,425)
License & Permits	-	-	-	-	106,200	106,200	98,260	(7,940)
Intergovernmental Revenue	55,100	70,588	119,473	48,885	16,986	16,986	17,045	59
Charges for Services	388,043	388,043	374,221	(13,822)	59,250	59,250	67,491	8,241
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	6,757	6,757	-	-	-	-
Private & Local Grants	25,000	25,000	11,250	(13,750)	1,700	1,700	2,564	864
Miscellaneous Revenues	100	100	78	(22)	1,500	1,500	2,426	926
Total Revenues	<u>468,243</u>	<u>483,731</u>	<u>511,779</u>	<u>28,048</u>	<u>481,796</u>	<u>481,796</u>	<u>481,521</u>	<u>(275)</u>
Expenditures:								
Current Operations:								
Personnel	271,688	271,688	268,350	3,338	396,689	396,689	388,779	7,910
Operations	279,617	261,317	148,915	112,402	87,812	114,812	106,693	8,119
Capital Outlay	7,000	40,788	-	40,788	-	25,000	17,627	7,373
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>558,305</u>	<u>573,793</u>	<u>417,265</u>	<u>156,528</u>	<u>484,501</u>	<u>536,501</u>	<u>513,099</u>	<u>23,402</u>
Excess of Revenues ove (under) Expenditures	(90,062)	(90,062)	94,514	184,576	(2,705)	(54,705)	(31,578)	23,127
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	38,660	38,660	38,028	(632)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (90,062)</u>	<u>\$ (90,062)</u>	94,514	<u>\$ 184,576</u>	<u>\$ 35,955</u>	<u>\$ (16,045)</u>	6,450	<u>\$ 22,495</u>
Fund Balance:								
Beginning of Year			<u>388,451</u>				<u>108,672</u>	
End of Year			<u>\$ 482,965</u>				<u>\$ 115,122</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							
	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	\$ 269,969	\$ 269,969	\$ 266,821	\$ (3,148)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	43,321	43,321	63,849	20,528	146,135	146,135	146,135	-
Charges for Services	12,500	12,500	10,097	(2,403)	-	-	-	-
Fines & Forfeits	-	-	-	-	32,000	32,000	20,906	(11,094)
Investment Earnings	-	-	-	-	-	-	938	938
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	6,500	6,500	8,374	1,874	-	-	-	-
Total Revenues	<u>332,290</u>	<u>332,290</u>	<u>349,141</u>	<u>16,851</u>	<u>178,135</u>	<u>178,135</u>	<u>167,979</u>	<u>(10,156)</u>
Expenditures:								
Current Operations:								
Personnel	228,265	228,265	200,797	27,468	184,085	184,085	186,734	(2,649)
Operations	199,570	199,170	151,925	47,245	21,350	21,350	11,380	9,970
Capital Outlay	5,000	5,000	2,861	2,139	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	400	400	-	400	-	-	-	-
Total Expenditures	<u>433,235</u>	<u>432,835</u>	<u>355,583</u>	<u>77,252</u>	<u>205,435</u>	<u>205,435</u>	<u>198,114</u>	<u>7,321</u>
Excess of Revenues ove (under) Expenditures	(100,945)	(100,545)	(6,442)	94,103	(27,300)	(27,300)	(30,135)	(2,835)
Other Financing Sources (Uses)								
Transfers In	23,311	23,311	23,213	(98)	62,000	62,000	65,000	3,000
Transfers Out	(35,000)	(35,000)	(35,000)	-	(35,890)	(35,890)	(34,825)	1,065
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (112,634)</u>	<u>\$ (112,234)</u>	(18,229)	<u>\$ 94,005</u>	<u>\$ (1,190)</u>	<u>\$ (1,190)</u>	40	<u>\$ 1,230</u>
Fund Balance:								
Beginning of Year			<u>151,581</u>				<u>31,006</u>	
End of Year			<u>\$ 133,352</u>				<u>\$ 31,046</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, 2006
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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	\$ -	\$ -	\$ -	\$ -	\$ 471,618	\$ 471,618	\$ 466,553	\$ (5,065)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	94,602	94,602	94,337	(265)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	464	464	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	13,668	13,668	13,668	-
Total Revenues	<u>-</u>	<u>-</u>	<u>464</u>	<u>464</u>	<u>579,888</u>	<u>579,888</u>	<u>574,558</u>	<u>(5,330)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	236,122	236,122	214,151	21,971
Operations	471	471	425	46	310,856	310,856	318,228	(7,372)
Capital Outlay	-	-	-	-	70,000	70,000	50,587	19,413
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>471</u>	<u>471</u>	<u>425</u>	<u>46</u>	<u>616,978</u>	<u>616,978</u>	<u>582,966</u>	<u>34,012</u>
Excess of Revenues ove (under) Expenditures	(471)	(471)	39	510	(37,090)	(37,090)	(8,408)	28,682
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	40,673	40,673	30,264	(10,409)
Transfers Out	-	-	-	-	(10,000)	(10,000)	-	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 Use:	<u>\$(471)</u>	<u>\$(471)</u>	<u>39</u>	<u>\$ 510</u>	<u>\$ 13,583</u>	<u>\$ 13,583</u>	<u>21,856</u>	<u>\$ 8,273</u>
Fund Balance:								
Beginning of Year			<u>13,273</u>				<u>80,401</u>	
End of Year			<u>\$ 13,312</u>				<u>\$ 102,257</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, 2006
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	Special Revenue Funds							
	Local Government Study Commission				Lolo Mosquito District			
	<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	-	-	-	-	100	100	-	(100)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	14,180	14,180	13,419	(761)
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,280</u>	<u>14,280</u>	<u>13,419</u>	<u>(861)</u>
Expenditures:								
Current Operations:								
Personnel	17,113	17,113	14,890	2,223	7,586	7,586	5,287	2,299
Operations	44,568	43,853	26,826	17,027	6,550	6,550	4,311	2,239
Capital Outlay	2,000	2,000	-	2,000	6,288	6,288	-	6,288
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>63,681</u>	<u>62,966</u>	<u>41,716</u>	<u>21,250</u>	<u>20,424</u>	<u>20,424</u>	<u>9,598</u>	<u>10,826</u>
Excess of Revenues ove (under) Expenditures	(63,681)	(62,966)	(41,716)	21,250	(6,144)	(6,144)	3,821	9,965
Other Financing Sources (Uses)								
Transfers In	17,796	17,796	17,796	-	-	-	-	-
Transfers Out	-	(715)	(715)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (45,885)</u>	<u>\$ (45,885)</u>	<u>(24,635)</u>	<u>\$ 21,250</u>	<u>\$ (6,144)</u>	<u>\$ (6,144)</u>	<u>3,821</u>	<u>\$ 9,965</u>
Fund Balance:								
Beginning of Year			<u>45,885</u>				<u>6,858</u>	
End of Year			<u>\$ 21,250</u>				<u>\$ 10,679</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, 2006
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	Special Revenue Funds							
	Disaster/Emergency				Junk Vehicle			
	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	\$ -	\$ -	\$ 2,650	\$ 2,650	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	2,219	2,219	125,599	125,599	125,599	-
Charges for Services	-	-	-	-	1,000	1,000	1,185	185
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	2,327	2,327
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,000	1,000	459	(541)
Total Revenues	<u>-</u>	<u>-</u>	<u>4,869</u>	<u>4,869</u>	<u>127,599</u>	<u>127,599</u>	<u>129,570</u>	<u>1,971</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	82,323	82,323	73,453	8,870
Operations	-	-	-	-	29,600	29,600	26,534	3,066
Capital Outlay	-	-	-	-	-	64,000	67,521	(3,521)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,923</u>	<u>175,923</u>	<u>167,508</u>	<u>8,415</u>
Excess of Revenues ove (under) Expenditures	-	-	4,869	4,869	15,676	(48,324)	(37,938)	10,386
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	31,024	-	(31,024)
Transfers Out	-	(4,574)	(4,574)	-	(8,877)	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	27,000	27,000	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ -</u>	<u>\$ (4,574)</u>	<u>295</u>	<u>\$ 4,869</u>	<u>\$ 6,799</u>	<u>\$ 9,700</u>	<u>(10,938)</u>	<u>\$ (20,638)</u>
Fund Balance:								
Beginning of Year			<u>(295)</u>				<u>43,939</u>	
End of Year			<u>\$ -</u>				<u>\$ 33,001</u>	

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2006
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	Special Revenue Funds							
	Forest Reserve - Title III				RSID Administration			
	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	110,000	110,000	111,654	1,654	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>111,654</u>	<u>1,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	99,025	99,025	97,770	1,255
Operations	388,612	388,612	96,304	292,308	-	4,115	5,479	(1,364)
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>388,612</u>	<u>388,612</u>	<u>96,304</u>	<u>292,308</u>	<u>99,025</u>	<u>103,140</u>	<u>103,249</u>	<u>(109)</u>
Excess of Revenues over (under) Expenditures	(278,612)	(278,612)	15,350	293,962	(99,025)	(103,140)	(103,249)	(109)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	99,025	99,025	100,962	1,937
Transfers Out	-	-	-	-	-	-	(9,500)	(9,500)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (278,612)</u>	<u>\$ (278,612)</u>	15,350	<u>\$ 293,962</u>	<u>\$ -</u>	<u>\$ (4,115)</u>	(11,787)	<u>\$ (7,672)</u>
Fund Balance:								
Beginning of Year			-				159,334	
End of Year			<u>\$ 15,350</u>				<u>\$ 147,547</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							
	Community Based Organizations				Permissive Medical Levy			
	<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	\$ 346,349	\$ 346,349	\$ 341,940	\$ (4,409)	\$ 1,041,145	\$ 1,041,145	\$ 1,013,065	\$ (28,080)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	53,779	53,779	53,722	(57)	3,425	3,425	8,203	4,778
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	(5)	(5)	-	-	-	-
Total Revenues	<u>400,128</u>	<u>400,128</u>	<u>395,657</u>	<u>(4,471)</u>	<u>1,044,570</u>	<u>1,044,570</u>	<u>1,021,268</u>	<u>(23,302)</u>
Expenditures:								
Current Operations:								
Personnel	56,500	56,500	56,500	-	-	-	-	-
Operations	427,145	681,100	677,670	3,430	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>483,645</u>	<u>737,600</u>	<u>734,170</u>	<u>3,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues ove (under) Expenditures	(83,517)	(337,472)	(338,513)	(1,041)	1,044,570	1,044,570	1,021,268	(23,302)
Other Financing Sources (Uses)								
Transfers In	75,756	75,756	75,756	-	-	-	-	-
Transfers Out	-	-	-	-	(1,041,145)	(1,041,145)	(1,021,268)	19,877
Issuance of Debt	-	250,000	250,000	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (7,761)</u>	<u>\$ (11,716)</u>	(12,757)	<u>\$ (1,041)</u>	<u>\$ 3,425</u>	<u>\$ 3,425</u>	-	<u>\$ (3,425)</u>
Fund Balance:								
Beginning of Year			<u>246,144</u>				<u>-</u>	
End of Year			<u>\$ 233,387</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, 2006
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	Special Revenue Funds				Debt Service			
	<u>Seeley Lake Refuse</u>				<u>Fair Ice Rink</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ 11,187	\$ 11,187	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	22,300	38,991	16,691	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	11	11	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	187,800	162,094	(25,706)	-	-	-	-
Total Revenues	<u>-</u>	<u>210,100</u>	<u>212,283</u>	<u>2,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	83,508	81,270	2,238	-	-	-	-
Operations	-	119,742	121,774	(2,032)	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	35,000	35,000	30,000	5,000
Interest	-	39	352	(313)	43,130	43,130	44,130	(1,000)
Total Expenditures	<u>-</u>	<u>203,289</u>	<u>203,396</u>	<u>(107)</u>	<u>78,130</u>	<u>78,130</u>	<u>74,130</u>	<u>4,000</u>
Excess of Revenues ove (under) Expenditures	-	6,811	8,887	2,076	(78,130)	(78,130)	(74,130)	4,000
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	78,130	78,130	78,230	100
Transfers Out	-	(15,261)	(3,846)	11,415	-	-	-	-
Issuance of Debt	-	100	51,088	50,988	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>-</u>	<u>(8,350)</u>	<u>56,129</u>	<u>64,479</u>	<u>-</u>	<u>-</u>	<u>4,100</u>	<u>4,100</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>(25,407)</u>	
End of Year			<u>\$ 56,129</u>				<u>\$ (21,307)</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, 2006
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	Debt Service							
	Risk Management Bond				Jail Bond			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 109,650	\$ 109,650	\$ 109,316	\$ (334)	\$ 1,150,368	\$ 1,150,368	\$ 1,140,710	\$ (9,658)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	10,425	10,425	10,401	(24)	238,217	238,217	238,023	(194)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	327	327	15	(312)	500	500	5,517	5,017
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>120,402</u>	<u>120,402</u>	<u>119,732</u>	<u>(670)</u>	<u>1,389,085</u>	<u>1,389,085</u>	<u>1,384,250</u>	<u>(4,835)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	95,000	95,000	95,000	-	710,000	710,000	710,000	-
Interest	29,755	29,755	29,505	250	659,955	659,955	537,017	122,938
Total Expenditures	<u>124,755</u>	<u>124,755</u>	<u>124,505</u>	<u>250</u>	<u>1,369,955</u>	<u>1,369,955</u>	<u>1,247,017</u>	<u>122,938</u>
Excess of Revenues ove (under) Expenditures	(4,353)	(4,353)	(4,773)	(420)	19,130	19,130	137,233	118,103
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	35,247	35,247
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (4,353)</u>	<u>\$ (4,353)</u>	(4,773)	<u>\$ (420)</u>	<u>\$ 19,130</u>	<u>\$ 19,130</u>	172,480	<u>\$ 153,350</u>
Fund Balance:								
Beginning of Year			<u>29,484</u>				<u>673,935</u>	
End of Year			<u>\$ 24,711</u>				<u>\$ 846,415</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, 2006
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	Debt Service				Capital Projects			
	Health Center Bond				Capital Improvements			
	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	39,483	39,483	39,482	(1)	178,197	178,197	76,635	(101,562)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	2,931	2,931	3,038	107
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>39,483</u>	<u>39,483</u>	<u>39,482</u>	<u>(1)</u>	<u>181,128</u>	<u>181,128</u>	<u>79,673</u>	<u>(101,455)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	870,521	872,971	459,291	413,680
Debt Service:								
Principal	20,000	20,000	20,000	-	453,637	453,637	368,763	84,874
Interest	19,483	19,483	19,482	1	50,404	50,404	42,819	7,585
Total Expenditures	<u>39,483</u>	<u>39,483</u>	<u>39,482</u>	<u>1</u>	<u>1,374,562</u>	<u>1,377,012</u>	<u>870,873</u>	<u>506,139</u>
Excess of Revenues ove (under) Expenditures	-	-	-	-	(1,193,434)	(1,195,884)	(791,200)	404,684
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	985,553	985,553	1,006,170	20,617
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (207,881)</u>	<u>\$ (210,331)</u>	<u>214,970</u>	<u>\$ 425,301</u>
Fund Balance:								
Beginning of Year			<u>(5)</u>				<u>403,584</u>	
End of Year			<u>\$ (5)</u>				<u>\$ 618,554</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, 2006
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	Capital Projects							
	Technology				Communications Backbone Project			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 405,801	\$ 405,801	\$ 401,591	\$ (4,210)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	389,347	389,347	98,124	(291,223)	421,560	608,000	608,365	365
Charges for Services	74,600	74,600	62,376	(12,224)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	376	376	-	-	-	-
Total Revenues	<u>869,748</u>	<u>869,748</u>	<u>562,467</u>	<u>(307,281)</u>	<u>421,560</u>	<u>608,000</u>	<u>608,365</u>	<u>365</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	400,334	400,334	290,656	109,678	-	-	71,740	(71,740)
Capital Outlay	784,344	789,552	314,917	474,635	747,000	747,000	314,396	432,604
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,184,678</u>	<u>1,189,886</u>	<u>605,573</u>	<u>584,313</u>	<u>747,000</u>	<u>747,000</u>	<u>386,136</u>	<u>360,864</u>
Excess of Revenues ove (under) Expenditures	(314,930)	(320,138)	(43,106)	277,032	(325,440)	(139,000)	222,229	361,229
Other Financing Sources (Uses)								
Transfers In	285,050	285,050	358,769	73,719	550,000	139,000	150,758	11,758
Transfers Out	(72,923)	(72,923)	(80,000)	(7,077)	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (102,803)</u>	<u>\$ (108,011)</u>	235,663	<u>\$ 343,674</u>	<u>\$ 224,560</u>	<u>\$ -</u>	372,987	<u>\$ 372,987</u>
Fund Balance:								
Beginning of Year			502,325				(372,987)	
End of Year			<u>\$ 737,988</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, 2006
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	Capital Projects							
	Public Safety Building Fund				Sunny Meadows Water & Sewer			
	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	-	-	42,060	42,060	-	33,500	33,500	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>42,060</u>	<u>42,060</u>	<u>-</u>	<u>33,500</u>	<u>33,500</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	100,000	100,000	77,960	22,040	-	33,500	33,500	-
Capital Outlay	425,000	425,000	45,337	379,663	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>525,000</u>	<u>525,000</u>	<u>123,297</u>	<u>401,703</u>	<u>-</u>	<u>33,500</u>	<u>33,500</u>	<u>-</u>
Excess of Revenues ove (under) Expenditures	(525,000)	(525,000)	(81,237)	443,763	-	-	-	-
Other Financing Sources (Uses)								
Transfers In	525,000	525,000	81,237	(443,763)	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>-</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, 2006
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	Capital Projects				Totals			
	Fair Ice Rink Project							
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 12,853,256	\$ 13,065,957	\$ 12,940,284	\$ (125,673)
License & Permits	-	-	-	-	519,615	519,615	297,276	(222,339)
Intergovernmental Revenue	-	-	-	-	10,637,313	11,603,016	10,840,305	(762,711)
Charges for Services	-	-	-	-	2,431,702	2,490,094	2,557,575	67,481
Fines & Forfeits	-	-	-	-	186,713	186,713	223,538	36,825
Investment Earnings	-	-	-	-	4,008	4,008	53,797	49,789
Private & Local Grants	-	-	-	-	161,752	161,752	125,415	(36,337)
Miscellaneous Revenues	-	-	-	-	141,188	415,330	466,986	51,656
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,935,547</u>	<u>28,446,485</u>	<u>27,505,176</u>	<u>(941,309)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	14,154,284	14,490,364	13,692,098	798,266
Operations	-	-	-	-	9,697,136	10,790,646	9,210,452	1,580,194
Capital Outlay	202,600	202,600	356,917	(154,317)	4,970,813	5,247,466	2,801,244	2,446,222
Debt Service:								
Principal	-	-	-	-	1,313,637	1,321,637	1,231,763	89,874
Interest	-	-	14,550	(14,550)	803,127	810,246	694,615	115,631
Total Expenditures	<u>202,600</u>	<u>202,600</u>	<u>371,467</u>	<u>(168,867)</u>	<u>30,938,997</u>	<u>32,660,359</u>	<u>27,630,172</u>	<u>5,030,187</u>
Excess of Revenues ove (under) Expenditures	(202,600)	(202,600)	(371,467)	(168,867)	(4,003,450)	(4,213,874)	(124,996)	4,088,878
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	4,525,914	4,111,545	3,674,547	(436,998)
Transfers Out	-	-	-	-	(2,512,168)	(2,532,526)	(2,516,099)	16,427
Bond Proceeds	642,874	642,874	787,150	144,276	1,092,874	1,342,974	1,123,485	(219,489)
Sale of Capital Assets	-	-	-	-	-	27,000	50,187	23,187
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 440,274</u>	<u>\$ 440,274</u>	415,683	<u>\$ (24,591)</u>	<u>\$ (896,830)</u>	<u>\$ (1,264,881)</u>	<u>2,207,124</u>	<u>\$ 3,472,005</u>
Fund Balance:								
Beginning of Year			<u>(440,274)</u>				<u>7,174,608</u>	
End of Year			<u>\$ (24,591)</u>				<u>\$ 9,381,732</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.

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

MISSOULA COUNTY, MONTANA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2006

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Telephone Services</u>	<u>Total</u>
Assets						
<i>Current Assets:</i>						
Cash & Cash Equivalents	\$ 229,348	\$ 962,618	\$ 305,104	\$ 14,175	\$ 7,535	\$ 1,518,780
Investments	1,036,060	2,184,599	1,924,069	427,962	227,489	5,800,179
Taxes Receivable, net	36,279	-	-	-	-	36,279
Interest Receivable	-	26,292	13,384	-	-	39,676
Contributions Receivable	-	199,916	46,670	-	-	246,586
Prepaid Costs	-	29,352	41,398	-	-	70,750
Total Current Assets	<u>1,301,687</u>	<u>3,402,777</u>	<u>2,330,625</u>	<u>442,137</u>	<u>235,024</u>	<u>7,712,250</u>
<i>NonCurrent Assets:</i>						
Capital Assets, net	<u>8,747</u>	<u>199,331</u>	<u>17,494</u>	<u>-</u>	<u>14,558</u>	<u>240,130</u>
Total Assets	<u>\$ 1,310,434</u>	<u>\$ 3,602,108</u>	<u>\$ 2,348,119</u>	<u>\$ 442,137</u>	<u>\$ 249,582</u>	<u>\$ 7,952,380</u>
Liabilities						
<i>Current Liabilities:</i>						
Accounts Payable	\$ 243	\$ 37,100	\$ 20,436	\$ -	\$ 3,647	\$ 61,426
Accrued Payroll	2,047	-	-	-	4,159	6,206
Liability for Claims	373,299	561,889	2,169,353	-	-	3,104,541
Notes Payable-Current Portion	-	-	-	-	-	-
Total Current Liabilities	<u>375,589</u>	<u>598,989</u>	<u>2,189,789</u>	<u>-</u>	<u>7,806</u>	<u>3,172,173</u>
Net Assets						
Invested in Capital Assets, net of Related Debt	8,747	199,331	17,494	-	14,558	240,130
Unrestricted	<u>926,098</u>	<u>2,803,788</u>	<u>140,836</u>	<u>442,137</u>	<u>227,218</u>	<u>4,540,077</u>
Total Net Assets	<u>934,845</u>	<u>3,003,119</u>	<u>158,330</u>	<u>442,137</u>	<u>241,776</u>	<u>4,780,207</u>
Total Liabilities and Net Assets	<u>\$ 1,310,434</u>	<u>\$ 3,602,108</u>	<u>\$ 2,348,119</u>	<u>\$ 442,137</u>	<u>\$ 249,582</u>	<u>\$ 7,952,380</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For Fiscal Year Ended June 30, 2006

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Telephone Services	Total
Operating Revenues:						
Charges for Services	\$ -	\$ 6,791,457	\$ 1,112,711	\$ -	\$ 393,469	\$ 8,297,637
Total Operating Revenues	<u>-</u>	<u>6,791,457</u>	<u>1,112,711</u>	<u>-</u>	<u>393,469</u>	<u>8,297,637</u>
Operating Expenses:						
Personnel	60,989	-	-	-	125,025	186,014
Operations	69,495	-	-	-	154,805	224,300
Claims	306,051	4,634,134	1,026,390	-	-	5,966,575
Reinsurance Premiums	203,476	265,982	58,653	-	-	528,111
Administrative	-	418,143	228,836	-	-	646,979
Depreciation and Amortization	1,458	6,933	2,916	-	1,826	13,133
Total Operating Expense	<u>641,469</u>	<u>5,325,192</u>	<u>1,316,795</u>	<u>-</u>	<u>281,656</u>	<u>7,565,112</u>
Income from Operations	(641,469)	1,466,265	(204,084)	-	111,813	732,525
Non-operating Revenues (Expenses):						
Property Taxes	450,046	-	-	-	-	450,046
Investment Earnings	30,428	76,164	58,610	12,442	-	177,644
Interest Expense	-	(3,966)	-	-	-	(3,966)
Other Income	-	37,000	27,911	-	-	64,911
Rebates	-	47,180	-	-	-	47,180
Intergovernmental Revenues	<u>54,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,003</u>
Net Income before Transfers	(106,992)	1,622,643	(117,563)	12,442	111,813	1,522,343
Transfers In	80,101	8,135	-	140,000	-	228,236
Transfers Out	<u>(21,525)</u>	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(146,525)</u>
Change in Net Assets	(48,416)	1,505,778	(117,563)	152,442	111,813	1,604,054
Net Assets - Beginning of Year	<u>983,261</u>	<u>1,497,341</u>	<u>275,893</u>	<u>289,695</u>	<u>129,963</u>	<u>3,176,153</u>
Net Assets - End of Year	<u>\$ 934,845</u>	<u>\$ 3,003,119</u>	<u>\$ 158,330</u>	<u>\$ 442,137</u>	<u>\$ 241,776</u>	<u>\$ 4,780,207</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2006

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Telephone Services	Total
Cash flows from operating activities						
Cash receipts for charges for service	\$ -	\$ 6,775,081	\$ 1,107,078	\$ -	\$ 393,469	\$ 8,275,628
Cash payments to employees for service	(58,942)	(221,293)	(530,635)	-	-	(810,870)
Cash payments for reinsurance premium	(204,386)	(265,982)	(56,463)	-	(121,502)	(648,333)
Cash payments for administrative expense	-	(188,330)	(122,288)	-	-	(310,618)
Cash payments for claims expenses	(270,777)	(4,791,341)	(106,548)	-	-	(5,168,666)
Cash payments to other suppliers for goods and service	(69,495)	-	-	-	(162,246)	(231,741)
Net cash provided (used) by operating activities	<u>(603,600)</u>	<u>1,308,135</u>	<u>291,144</u>	<u>-</u>	<u>109,721</u>	<u>1,105,400</u>
Cash flows from non-capital financing activities:						
Property taxes	447,948	-	-	-	-	447,948
Rebates	-	47,180	-	-	-	47,180
Transfers in	80,101	-	-	140,000	-	220,101
Transfers out	(21,525)	(116,865)	-	-	-	(138,390)
Intergovernmental revenue	54,003	-	28,111	-	-	82,114
Other Cash Receipts	-	37,000	-	-	-	37,000
Net cash provided (used) by non-capital financing activities	<u>560,527</u>	<u>(32,685)</u>	<u>28,111</u>	<u>140,000</u>	<u>-</u>	<u>695,953</u>
Cash flows from capital financing activities:						
Cash paid for interest	-	(3,966)	-	-	-	(3,966)
Principal payments on long-term debt	-	(81,961)	-	-	-	(81,961)
Net cash used by non-capital financing activities	<u>-</u>	<u>(85,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,927)</u>
Cash flows from investing activities:						
Purchases of investment securities	(587,515)	(1,975,001)	(1,134,907)	(1,985,734)	(1,055,463)	(6,738,620)
Proceeds of sale and maturities of investment securities	738,325	898,427	946,853	1,840,754	950,373	5,374,732
Interest on investment	30,428	83,412	13,580	12,442	-	139,862
Net cash provided (used) by investing activities	<u>181,238</u>	<u>(993,162)</u>	<u>(174,474)</u>	<u>(132,538)</u>	<u>(105,090)</u>	<u>(1,224,026)</u>
Net increase (decrease) in cash and cash equivalents	138,165	196,361	144,781	7,462	4,631	491,400
Cash and cash equivalents at beginning of year	91,183	766,257	160,323	6,713	2,904	1,027,380
Cash and cash equivalents at end of year	<u>\$ 229,348</u>	<u>\$ 962,618</u>	<u>\$ 305,104</u>	<u>\$ 14,175</u>	<u>\$ 7,535</u>	<u>\$ 1,518,780</u>

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

Income (loss) from operation	\$ (641,469)	\$ 1,466,265	\$ (204,084)	\$ -	\$ 111,813	\$ 732,525
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 receivable	-	(16,376)	(5,633)	-	-	(22,009)
Decrease (increase) in prepaid cost	-	(3,903)	2,190	-	-	(1,713)
Increase (decrease) in payable	(910)	11,968	-	-	(7,441)	3,617
Increase (decrease) in accrued liabilities	37,321	(156,752)	495,755	-	3,523	379,847
Net cash provided (used) by operating activities	<u>\$ (603,600)</u>	<u>\$ 1,308,135</u>	<u>\$ 291,144</u>	<u>\$ -</u>	<u>\$ 109,721</u>	<u>\$ 1,105,400</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 \$12,802 and \$44,964, 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, 2006
(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	\$ -	\$ -	\$ -	\$ -	\$ 6,881,917	\$ 6,881,917	\$ 6,775,081	\$ (106,836)
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,881,917</u>	<u>6,881,917</u>	<u>6,775,081</u>	<u>(106,836)</u>
Operating Expense:								
Personnel	57,378	57,738	58,942	(1,204)	248,609	248,609	221,293	27,316
Operations	620,300	620,300	543,505	76,795	6,327,000	6,327,000	5,266,009	1,060,991
Total Operating Expense	<u>677,678</u>	<u>678,038</u>	<u>602,447</u>	<u>75,591</u>	<u>6,575,609</u>	<u>6,575,609</u>	<u>5,487,302</u>	<u>1,088,307</u>
Income (Loss) from Operation	(677,678)	(678,038)	(602,447)	75,591	306,308	306,308	1,287,779	981,471
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	417,012	417,012	413,767	(3,245)	-	-	-	-
Investment Earnings	-	-	29,819	29,819	20,000	20,000	60,067	40,067
Intergovernmental Revenue	54,037	54,037	54,003	(34)	-	-	-	-
Interest Expense	-	-	-	-	(17,977)	(17,977)	(3,966)	14,011
Other Income	-	-	-	-	71,500	71,500	84,180	12,680
Debt Service Principal Payment	-	-	-	-	(22,023)	(22,023)	(81,962)	(59,939)
Capital Outlay	-	-	-	-	(3,000)	(3,000)	-	3,000
Net Income (Loss) before Transfers	<u>(206,629)</u>	<u>(206,989)</u>	<u>(104,858)</u>	<u>102,131</u>	<u>354,808</u>	<u>354,808</u>	<u>1,346,098</u>	<u>991,290</u>
Transfers In	80,129	80,129	80,101	(28)	13,253	13,253	8,135	(5,118)
Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(21,525)</u>	<u>(6,525)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Change in Net Assets	<u>\$ (141,500)</u>	<u>\$ (141,860)</u>	<u>(46,282)</u>	<u>\$ 95,578</u>	<u>\$ 243,061</u>	<u>\$ 243,061</u>	<u>1,229,233</u>	<u>\$ 986,172</u>
Net Assets - Beginning of Year			<u>993,784</u>				<u>2,115,489</u>	
Net Assets - End of Year			<u>\$ 947,502</u>				<u>\$ 3,344,722</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, 2006
(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	\$ 1,107,078	\$ 16,884	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>1,090,194</u>	<u>1,090,194</u>	<u>1,107,078</u>	<u>16,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	112,470	112,470	122,288	(9,818)	-	-	-	-
Operations	<u>875,400</u>	<u>875,400</u>	<u>696,562</u>	<u>178,838</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Operating Expense	<u>987,870</u>	<u>987,870</u>	<u>818,850</u>	<u>169,020</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Income (Loss) from Operation	102,324	102,324	288,228	185,904	(25,000)	(25,000)	-	25,000
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	20,000	20,000	50,167	30,167	2,500	25,000	11,769	(13,231)
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	28,000	28,000	48,548	20,548	-	-	-	-
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	150,324	150,324	386,943	236,619	(22,500)	-	11,769	11,769
Transfers In	-	-	-	-	155,000	155,000	140,000	(15,000)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 150,324</u>	<u>\$ 150,324</u>	386,943	<u>\$ 236,619</u>	<u>\$ 132,500</u>	<u>\$ 155,000</u>	151,769	<u>\$ (3,231)</u>
Net Assets - Beginning of Year			<u>1,754,335</u>				<u>288,850</u>	
Net Assets - End of Year			<u>\$ 2,141,278</u>				<u>\$ 440,619</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, 2006
(Page 3 of 3)

	Telephone Services			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:				
Charges for Services	\$ 296,500	\$ 296,500	\$ 393,469	\$ 96,969
Total Operating Revenue	296,500	296,500	393,469	96,969
Operating Expense:				
Personnel	122,285	122,285	121,502	783
Operations	172,235	172,235	162,246	9,989
Total Operating Expense	294,520	294,520	283,748	10,772
Income (Loss) from Operation	1,980	1,980	109,721	107,741
Non-operating Revenues (Expenses):				
Operating Property Tax Revenue	-	-	-	-
Investment Earnings	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Interest Expense	-	-	-	-
Other Income	-	-	-	-
Debt Service Principal Payment	-	-	-	-
Capital Outlay	-	-	-	-
Net Income (Loss) before Transfers	1,980	1,980	109,721	107,741
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Net Assets	\$ 1,980	\$ 1,980	109,721	\$ 107,741
Net Assets - Beginning of Year			125,303	
Net Assets - End of Year			\$ 235,024	

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.

Miscellaneous Agencies Fund - To account for other small entities and individuals for which the County acts as agent.

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, 2006
(Page 1 of 4)

SCHOOLS

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Assets:				
Cash with Fiscal Agents	\$ 2,318,448	\$ 1,793,455	\$ 2,318,448	\$ 1,793,455
Property Taxes Receivable (net)	<u>3,756,626</u>	<u>4,015,358</u>	<u>3,756,626</u>	<u>4,015,358</u>
Total Assets	<u>\$ 6,075,074</u>	<u>\$ 5,808,813</u>	<u>\$ 6,075,074</u>	<u>\$ 5,808,813</u>
Liabilities:				
Funds Held in Trust	<u>\$ 6,075,074</u>	<u>\$ 5,808,813</u>	<u>\$ 6,075,074</u>	<u>\$ 5,808,813</u>
Total Liabilities	<u>\$ 6,075,074</u>	<u>\$ 5,808,813</u>	<u>\$ 6,075,074</u>	<u>\$ 5,808,813</u>

OTHER LOCAL TAXING UNITS

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Assets:				
Property Taxes Receivable (net)	\$ 503,731	\$ 488,462	\$ 503,731	\$ 488,462
Total Assets	<u>\$ 503,731</u>	<u>\$ 488,462</u>	<u>\$ 503,731</u>	<u>\$ 488,462</u>
Liabilities:				
Funds Held in Trust	<u>\$ 503,731</u>	<u>\$ 488,462</u>	<u>\$ 503,731</u>	<u>\$ 488,462</u>
Total Liabilities	<u>\$ 503,731</u>	<u>\$ 488,462</u>	<u>\$ 503,731</u>	<u>\$ 488,462</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2006
(Page 2 of 4)

STATE

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Assets:				
Property Taxes Receivable (net)	\$ 1,651,177	\$ 1,694,643	\$ 1,651,177	\$ 1,694,643
Total Assets	<u>\$ 1,651,177</u>	<u>\$ 1,694,643</u>	<u>\$ 1,651,177</u>	<u>\$ 1,694,643</u>
Liabilities:				
Funds Held in Trust	\$ 1,651,177	\$ 1,694,643	\$ 1,651,177	\$ 1,694,643
Total Liabilities	<u>\$ 1,651,177</u>	<u>\$ 1,694,643</u>	<u>\$ 1,651,177</u>	<u>\$ 1,694,643</u>

CITY

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2006
Assets:				
Property Taxes Receivable (net)	\$ 1,893,487	\$ 1,660,709	\$ 1,893,487	\$ 1,660,709
Total Assets	<u>\$ 1,893,487</u>	<u>\$ 1,660,709</u>	<u>\$ 1,893,487</u>	<u>\$ 1,660,709</u>
Liabilities:				
Funds Held in Trust	\$ 1,893,487	\$ 1,660,709	\$ 1,893,487	\$ 1,660,709
Total Liabilities	<u>\$ 1,893,487</u>	<u>\$ 1,660,709</u>	<u>\$ 1,893,487</u>	<u>\$ 1,660,709</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2006
(Page 3 of 4)

MISCELLANEOUS AGENCIES

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Assets:				
Cash & Cash Equivalents	\$ 100,343	\$ -	\$ 100,343	\$ -
Total Assets	\$ 100,343	\$ -	\$ 100,343	\$ -
Liabilities:				
Funds Held in Trust	\$ 100,343	\$ -	\$ 100,343	\$ -
Total Liabilities	\$ 100,343	\$ -	\$ 100,343	\$ -

PAYROLL & CLAIMS

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Assets:				
Cash & Cash Equivalents	\$ 15,630	\$ 31,867	\$ 15,630	\$ 31,867
Investments	658,853	962,144	658,853	962,144
Total Assets	\$ 674,483	\$ 994,011	\$ 674,483	\$ 994,011
Liabilities:				
Accounts & Warrants Payable	\$ 674,483	\$ 994,011	\$ 674,483	\$ 994,011
Total Liabilities	\$ 674,483	\$ 994,011	\$ 674,483	\$ 994,011

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2006
(Page 4 of 4)

TOTAL AGENCY FUNDS				
	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Assets:				
Cash & Cash Equivalents	\$ 115,973	\$ 31,867	\$ 115,973	\$ 31,867
Cash with Fiscal Agents	2,318,448	1,793,455	2,318,448	1,793,455
Investments	658,853	962,144	658,853	962,144
Property Taxes Receivable (net)	<u>7,805,021</u>	<u>7,859,172</u>	<u>7,805,021</u>	<u>7,859,172</u>
Total Assets	<u>\$ 10,898,295</u>	<u>\$ 10,646,638</u>	<u>\$ 10,898,295</u>	<u>\$ 10,646,638</u>
Liabilities:				
Accounts & Warrants Payable	\$ 674,483	\$ 994,011	\$ 674,483	\$ 994,011
Funds Held in Trust	<u>10,223,812</u>	<u>9,652,627</u>	<u>10,223,812</u>	<u>9,652,627</u>
Total Liabilities	<u>\$ 10,898,295</u>	<u>\$ 10,646,638</u>	<u>\$ 10,898,295</u>	<u>\$ 10,646,638</u>

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, 2006 and 2005

	2006	2005
Governmental Funds Capital Assets:		
Land	\$ 6,177,976	\$ 6,111,186
Buildings	36,874,865	34,362,138
Machinery and Equipment	19,054,826	17,752,940
Infrastructure	1,166,198	778,562
Intangibles	173,101	173,101
Construction in Progress	886,999	1,767,649
Total Governmental Funds Capital Assets	\$ 64,333,965	\$ 60,945,576
 Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 7,608,434	\$ 6,839,294
Special Revenue Fund	52,967,034	50,347,785
Federal Grants	1,812,401	1,812,401
Initial Start of System	1,946,096	1,946,096
Total Governmental Funds Capital Assets	\$ 64,333,965	\$ 60,945,576

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, 2006

<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	\$ -	\$ -	\$ 123,200	\$ -	\$ -	\$ -	\$ 123,200
Records and Election	-	-	939,875	-	-	-	939,875
Data Processing	-	-	775,294	-	-	-	775,294
General Services	-	5,356,634	962,751	-	-	22,373	6,341,758
Criminal Justice	-	-	88,553	-	-	115,048	203,601
Total General Government	-	5,356,634	2,889,673	-	-	137,421	8,383,728
Public Works:							
Road & Bridge	5,100	2,675,563	5,660,312	913,401	-	-	9,254,376
MCA Industrial District	-	-	-	233,318	-	700,584	933,902
Weed & Extension	-	-	128,860	-	-	-	128,860
Seeley Lake Refuse	65,400	72,319	20,160	-	-	-	157,879
Total Public Works	70,500	2,747,882	5,809,332	1,146,719	-	700,584	10,475,017
Public Safety:							
Sheriff	19,199	-	2,002,155	-	173,101	-	2,194,455
Communications	-	51,096	2,502,239	-	-	-	2,553,335
Detention Center	1,791,035	22,388,493	1,716,372	-	-	-	25,895,900
Total Public Safety	1,810,234	22,439,589	6,220,766	-	173,101	-	30,643,690
Public Health:							
City/County Health	58,162	1,989,491	254,077	-	-	-	2,301,730
Environmental Health	-	5,000	382,102	-	-	-	387,102
Total Public Health	58,162	1,994,491	636,179	-	-	-	2,688,832
Social and Economic Services	-	-	59,998	-	-	-	59,998
Culture and Recreation	1,708,813	4,336,269	3,438,878	19,479	-	48,994	9,552,433
Nondepartmental	1,946,096	-	-	-	-	-	1,946,096
Land Held for Resale	584,171	-	-	-	-	-	584,171
Total Governmental Funds Capital Assets	\$ 6,177,976	\$ 36,874,865	\$ 19,054,826	\$ 1,166,198	\$ 173,101	\$ 886,999	\$ 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 of Changes By Function and Activity ¹
For Fiscal Year Ended June 30, 2006

Function and Activity	Governmental Funds Capital Assets July 1, 2005	Adjustments & Recalses	As Restated July 1, 2005	Additions	Deductions	Governmental Funds Capital Assets June 30, 2006
General Government:						
Administration and Finance	\$ 10,212	\$ 112,988	\$ 123,200	\$ -	\$ -	\$ 123,200
Records and Election	980,911	(41,036)	939,875	-	-	939,875
Data Processing	877,851	-	877,851	8,505	(111,062)	775,294
General Services	938,184	4,714,723	5,652,907	948,085	(259,234)	6,341,758
Criminal Justice	123,312	-	123,312	80,289	-	203,601
Other	4,294	(4,294)	-	-	-	-
Total General Government	<u>2,934,764</u>	<u>4,782,381</u>	<u>7,717,145</u>	<u>1,036,879</u>	<u>(370,296)</u>	<u>8,383,728</u>
Public Works:						
Road & Bridge	8,973,041	(262,146)	8,710,895	567,850	(24,369)	9,254,376
MCA Industrial District	233,318	-	233,318	700,584	-	933,902
Weed & Extension	99,788	29,072	128,860	-	-	128,860
Extension	29,072	(29,072)	-	-	-	-
Seeley Lake Refuse	-	-	-	157,879	-	157,879
Total Public Works	<u>9,335,219</u>	<u>(262,146)</u>	<u>9,073,073</u>	<u>1,426,313</u>	<u>(24,369)</u>	<u>10,475,017</u>
Public Safety:						
Sheriff	2,197,196	-	2,197,196	188,253	(190,994)	2,194,455
Communications	2,186,218	146,896	2,333,114	231,221	(11,000)	2,553,335
Disaster and Emergency	146,896	(146,896)	-	-	-	-
Detention Center	25,586,359	-	25,586,359	651,288	(341,747)	25,895,900
Total Public Safety	<u>30,116,669</u>	<u>-</u>	<u>30,116,669</u>	<u>1,070,762</u>	<u>(543,741)</u>	<u>30,643,690</u>
Public Health:						
City/County Health	2,471,846	(175,100)	2,296,746	17,627	(12,643)	2,301,730
Environmental Health	143,481	175,100	318,581	68,521	-	387,102
Total Public Health	<u>2,615,327</u>	<u>-</u>	<u>2,615,327</u>	<u>86,148</u>	<u>(12,643)</u>	<u>2,688,832</u>
Social and Economic Services	58,142	-	58,142	10,353	(8,497)	59,998
Culture and Recreation	8,858,415	(41,271)	8,817,144	2,733,623	(1,998,334)	9,552,433
Nondepartmental	6,677,727	(4,731,631)	1,946,096	-	-	1,946,096
Land Held for Resale	601,980	-	601,980	-	(17,809)	584,171
Total General Capital Assets	<u>\$ 61,198,243</u>	<u>\$ (252,667)</u>	<u>60,945,576</u>	<u>6,364,078</u>	<u>\$ (2,975,689)</u>	<u>\$ 64,333,965</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

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

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

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

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
General Government	\$ 7,877,591	\$ 10,329,199	\$ 9,656,328	\$ 10,793,516
Criminal Justice	3,651,663	3,749,739	4,813,728	5,119,123
Public Safety	14,242,692	15,777,067	14,852,072	17,060,430
Public Works	9,232,818	11,218,785	6,641,539	8,022,496
Public Health	4,145,794	4,543,610	4,517,190	5,093,221
Social & Economic Services	2,440,503	3,255,769	3,455,239	3,702,861
Culture & Recreation	3,715,192	4,383,917	4,252,141	4,090,539
Housing & Community Development	1,980,185	2,107,607	2,007,925	1,845,512
Interest on Long-term Debt	1,114,181	1,160,354	1,196,809	935,898
Total Governmental Activities Expenses	<u>48,400,619</u>	<u>56,526,047</u>	<u>51,392,971</u>	<u>56,663,596</u>
Business-type Activities:				
Larchmont Golf Course	781,626	829,362	795,539	859,193
Rural Special Improvement Districts	660,452	622,832	767,857	703,456
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>
Total Primary Government Expenses	<u>\$ 49,842,697</u>	<u>\$ 57,978,241</u>	<u>\$ 52,956,367</u>	<u>\$ 58,226,245</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 3,541,864	\$ 4,616,907	\$ 4,917,291	\$ 5,066,931
Criminal Justice	839,079	837,962	969,501	895,178
Public Safety	4,563,602	3,980,917	3,385,998	3,686,470
Public Works	654,784	606,293	1,013,088	1,335,476
Public Health	1,167,320	1,252,154	1,373,916	1,420,148
Social & Economic Services	-	52	-	-
Culture & Recreation	1,130,866	1,148,071	1,199,618	1,158,955
Housing & Community Development	205,660	218,713	248,987	201,930
Operating Grants and Contributions	7,774,613	7,333,961	9,198,521	8,882,805
Capital Grants and Contributions	1,332,656	1,292,253	1,919,467	3,865,026
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>
Business-type Activities:				
Charges for Services:				
Larchmont Golf Course	1,051,408	1,018,458	911,171	958,595
Rural Special Improvement Districts	809,059	768,824	676,128	802,189
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>
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>
Net (Expense) Revenue				
Governmental Activities:	\$ (27,190,175)	\$ (35,238,764)	\$ (27,166,584)	\$ (30,150,677)
Business-type Activities:	418,389	335,088	23,903	198,135
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>

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

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

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

	<u>1997</u>	<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>
General Fund										
Reserved	\$ 358,802	\$ 1,504,572	\$ 727,427	\$ 800,000	\$ 1,273,561	\$ 813,933	\$ 597,207	\$ 457,949	\$ 1,236,826	\$ 753,343
Unreserved	1,178,548	104,294	-	(542,799)	822,696	1,879,817	3,039,340	3,299,145	1,900,850	2,230,818
Total General Fund	<u>\$ 1,537,350</u>	<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>
All Other Governmental Funds										
Reserved	\$ 300,577	\$ 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
Unreserved, reported in:										
Special Revenue Funds	3,409,153	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
Debt Service Funds	687,088	270,655	1,003,155	1,528,679	1,072,788	992,500	599,302	783,387	1,463,452	1,466,019
Capital Project Funds	81,789	10,604,775	3,733,612	(516,632)	(577,033)	(775,888)	(762,493)	471,827	(263,475)	1,815,356
Total All Other Governmental Funds	<u>\$ 4,478,607</u>	<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>

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues:										
Taxes/assessments	\$ 16,053,139	\$ 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
Licenses and Permits	942,810	958,746	995,505	1,079,009	558,742	237,354	344,741	324,880	356,015	345,258
Intergovernmental Revenues	7,422,677	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
Charges for Services	2,961,070	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
Fines and Forfeitures	668,978	786,960	760,552	692,313	775,376	824,053	838,956	846,521	1,037,664	936,793
Investment Earnings	345,506	593,461	1,025,824	421,953	416,479	262,472	204,249	110,902	375,877	701,832
Private & Local Grants	194,949	290,300	279,623	190,035	242,035	196,553	117,015	111,576	122,446	257,428
Miscellaneous Revenue	54,784	57,282	94,532	124,363	236,143	482,489	495,489	2,432,173	2,206,685	1,682,084
Total Revenues	28,643,913	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
Expenditures:										
General Government	4,109,379	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
Criminal Justice	3,941,078	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
Public Safety	6,156,944	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
Public Works	3,765,651	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
Public Health	3,182,452	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
Social & Economic Services	2,259,640	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
Culture & Recreation	1,966,624	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
Housing & Community Development	1,165,987	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
Capital Outlay	2,545,250	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
Debt Service										
Principal	1,882,319	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
Interest	506,926	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
Total Expenditures	31,482,250	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
Excess of Revenues over (under) Expenditures	(2,838,337)	(13,520,465)	(12,389,149)	(8,476,350)	832,990	(1,568,887)	(2,345,863)	(4,205,432)	113,607	130,632
Other Financing Sources (uses):										
Transfers In	2,519,859	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
Transfers Out	(2,432,249)	(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)
Issuance of Debt	643,208	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
Sale of Capital Assets	139,288	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
Total Other Financing Sources (uses)	870,106	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
Net Change in Fund Balance	\$ (1,968,231)	\$ 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
Ratio of Debt Service Expenditures to Noncapital Expenditures	9.0%	22.5%	15.6%	19.7%	7.8%	7.7%	6.4%	6.3%	6.1%	8.0%

MISSOULA COUNTY, MONTANA
Bureau of Census (BOC) Supplemental Schedule
As of and for the Fiscal Year ended June 30, 2006

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

2. Salaries and wages:	\$ 22,376,372
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3. Debt outstanding:						
A. Long-term debt outstanding, issued and retired						
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	\$ 27,244,565	\$ 15,194,972	\$ (15,875,179)	\$ 13,933,000	\$ -	-
B. Short-term Debt						
Type	Beginning of fiscal year		End of fiscal year			
Registered warrants payable	\$ -	-	\$ -	-		
Contracts payable	-	-	-	-		
Notes payable	-	-	-	-		
Totals	\$ -	-	\$ -	-		

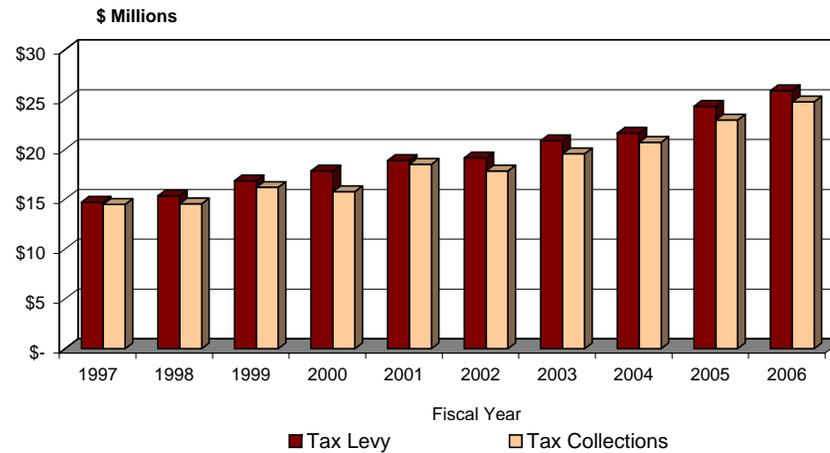
4. Cash balances of fund type groups:	
Type of funds	Amount
General fund	\$ 2,469,436
Special revenue funds	16,851,071
Debt service funds	2,389,597
Capital projects funds	1,896,417
Enterprise funds	1,435,732
Internal service funds	7,318,959
Trust and agency funds	48,132,401
Totals	\$ 80,493,613

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	Total Tax Collections	Ratio of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (b)	Ratio of Outstanding Delinquent Taxes to Current Tax Levy
1997	\$ 14,700,076	\$ 14,477,137	98.48 %	\$ 633,361	\$ 15,110,498	102.79 %	\$ 735,331	5.00 %
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

- (a) From budget documents - includes " amount to be levied" and, prior to 2001, 2.5% MV flat fees (not reimbursed)
(b) 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	Market Value (2)	Taxable Value (1)
1997	\$ 3,356,354,282	\$ 144,753,737
1998	3,536,353,427	148,728,828
1999	3,749,185,160	151,539,149
2000	3,802,848,360	149,709,112 ⁽³⁾
2001	3,956,036,976	142,233,548
2002	4,234,386,253	145,789,091
2003	4,556,367,054	151,159,660
2004	4,908,943,897	155,594,087
2005	5,235,427,044	161,743,087
2006	5,569,029,080	172,525,317

(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

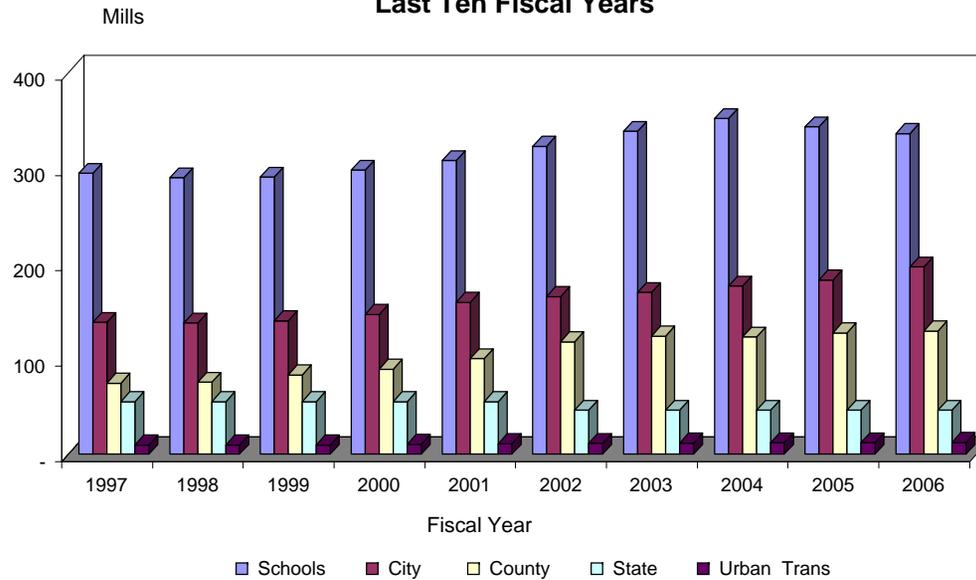
(3) 2000 - 2001 taxable value decreased due to Legislative change in the determination of taxable values

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	
1997	74.42	294.44	138.20	55.00	9.82	571.88
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

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

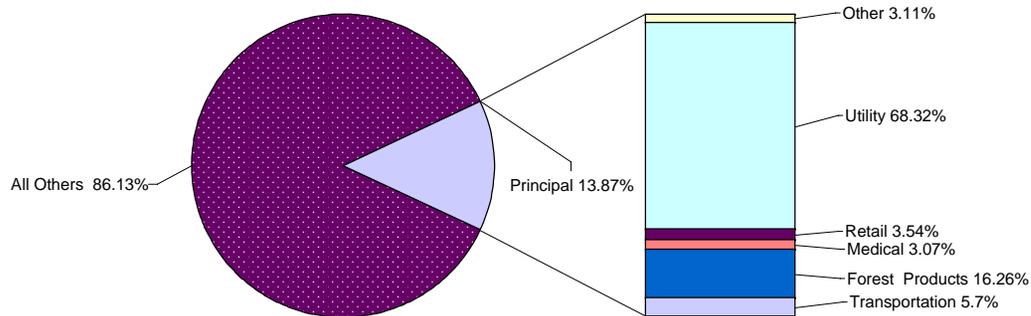


**MISSOULA COUNTY, MONTANA
Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Industry	2007			1997		
		Tax Dollars All Taxing Agencies	Taxable Value	% of Total Taxable Value	Taxable Value	% of Total Taxable Value	
Northwestern Energy/Montana Power	Utility	\$ 6,845,472	\$ 11,185,173	6.48 %	\$ 8,620,448	5.96 %	
Stone Container Corp	Forest Products	1,824,645	3,200,271	1.85	10,841,627	7.49	
Qwest Communications/U.S. West	Utility	2,276,245	3,219,228	1.87	7,965,757	5.50	
Montana Rail Link	Transportation	827,063	1,365,318	0.79	2,610,688	1.80	
Mountain Water Company	Utility	799,483	1,110,476	0.64	1,062,417	0.73	
Southgate Mall	Retail	624,517	846,518	0.49	827,465	0.57	
St. Patrick Hospital Corp	Medical	561,982	734,938	0.43	-	-	
Gateway Limited Partnership	Other	558,549	743,358	0.43	-	-	
Plum Creek Timber	Forest Products	435,560	691,535	0.40	813,320	0.56	
Missoula Electric Cooperative	Utility	465,736	835,671	0.48	-	-	
Puget Sound Energy	Utility	-	-	-	1,035,440	0.72	
Stimson Lumber Co	Forest Products	-	-	-	1,432,171	0.99	
Louisiana Pacific	Forest Products	-	-	-	1,013,008	0.70	
		<u>\$ 15,219,252</u>	<u>\$ 23,932,486</u>	<u>13.87 %</u>	<u>\$ 36,222,341</u>	<u>21.00 %</u>	
Total County Taxable Value:			<u>\$ 172,525,317</u>		<u>\$ 144,753,737</u>		

Source: Tax roll for fiscal year 2006

**PRINCIPAL TAXPAYERS BY TYPE
June 30, 2006**



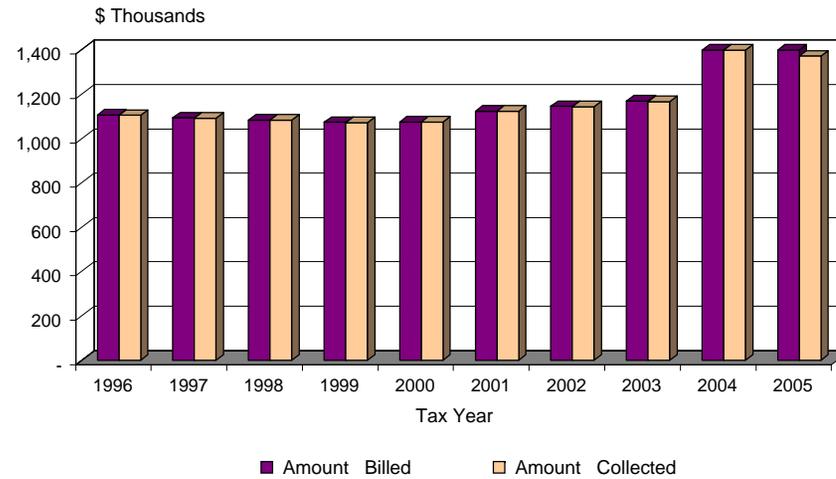
MISSOULA COUNTY, MONTANA
Special Assessments Billings and Collections
June 30, 2006

<u>Tax Year (a)</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>% Collected through 6/30/06</u>
1996	\$ 1,105,760	\$ 1,105,162	99.95 %
1997	1,093,608	1,092,057	99.86
1998	1,084,541	1,083,980	99.95
1999	1,073,570	1,073,022	99.95
2000	1,076,125	1,075,589	99.95
2001	1,124,234	1,123,397	99.93
2002	1,145,534	1,144,711	99.93
2003	1,169,115	1,166,409	99.77
2004	1,425,008	1,408,700	98.86
2005	1,633,073	1,372,446	84.04

Source: Missoula County RSID Technician

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

RSID BILLINGS AND COLLECTIONS
June 30, 2006



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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Limit on Total Indebtedness:										
Assessed Value						\$ 4,234,386	\$ 4,556,367	\$ 4,908,944	\$ 5,235,427	\$ 5,569,029
Taxable Value	\$ 144,754	\$ 148,729	\$ 151,539	\$ 149,709	\$ 142,234					
Debt Limit % of Value (1)	23%	23%	23%	23%	23%	1.4%	1.4%	1.4%	1.4%	1.4%
Debt Limit	33,293	34,208	34,854	34,433	32,714	59,281	63,789	68,725	73,296	77,966
Net Debt Applicable to Limit	5,086	24,258	23,347	24,818	24,157	24,085	23,365	27,517	27,245	26,564
Legal Debt Margin	<u>\$ 28,207</u>	<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>
Ratio of Net Debt Applicable to Debt Limit	<u>15.28%</u>	<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>

(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 valuation.

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

<u>Calendar Year</u>	<u>TANs or RANs (1)</u>	<u>BANs (2)</u>	<u>RSIDs</u>	<u>General Obligation</u>	<u>Other</u>	<u>Total</u>
1997	\$ -	\$ 4,000,000	\$ 63,000	\$ -	\$ 2,465,000	\$ 6,528,000
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

(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
1997	88,523	\$ 144,753,737	\$ 1,190,000	\$ 122,864	\$ 1,067,136	0.74	\$ 12
1998	88,818	148,728,828	18,555,000	229,218	18,325,782	12.32	206
1999	88,989	151,539,149	18,340,000	933,773	17,406,227	11.49	196
2000	89,344	149,709,112	17,810,000	2,008,678	15,801,322	10.55	177
2001	95,802	142,233,548	16,869,080	1,693,008	15,176,072	10.67	158
2002	95,802	145,789,091	15,875,000	1,511,132	14,363,868	9.85	150
2003	96,303	151,159,660	15,070,000	161,382	14,908,618	9.86	155
2004	98,616	155,594,087	14,430,000	348,279	14,081,721	9.05	143
2005	99,018	161,743,087	13,755,000	1,980,384	11,774,616	7.28	119
2006	100,086	172,525,317	13,770,000	1,832,272	11,937,728	6.92	119

Source:

- (a) Montana Department of Revenue
- (b) Missoula Economic Development Bureau Estimate

MISSOULA COUNTY, MONTANA
Ratios of Outstanding Debt by Type
Last Four 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 (b)	0.12%	265

Source:

- (a) Pacific Northwest Regional Economics Analysis Project (PNREAP)
- (b) Preliminary data from U.S. Bureau of Economic Analysis (BEA)
- N/A Data not available

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		
1997	\$ 170,000	\$ 21,787	\$ 191,787	\$ 31,154,454	0.62 %
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

MISSOULA COUNTY, MONTANA
Computation of Direct and Overlapping Debt
June 30, 2006

	<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>13,933,000</u>	100.00%	\$ <u>13,933,000</u>
Overlapping Debt			
City of Missoula	17,858,110	100.00%	17,858,110
School District 1	25,991,966	100.00%	25,991,966
Other Schools	7,726,000	100.00%	7,726,000
Seeley Lake Fire	<u>125,000</u>	100.00%	<u>125,000</u>
	<u>51,701,076</u>		<u>51,701,076</u>
Total of Direct and Overlapping Debt	\$ <u><u>65,634,076</u></u>	100.00%	\$ <u><u>65,634,076</u></u>

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

<u>Employees</u>	<u>2006</u>		<u>1997</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
	Plum Creek Timber	Forest Products	University of Montana	Education
	St. Patrick Hospital	Medical Services		
	University of Montana	Education		
750-1000	Southgate Mall	Retail	Community Medical Center	Medical Services
500-750	County of Missoula	Government	County of Missoula	Government
	Smurfit-Stone Container Corp.	Paper Mill	Smurfit-Stone Container Corp.	Paper Mill
	Wal-Mart	Forest Products	Stimson Lumber Company	Forest Products
	U.S. Forest Service	Government	U.S. Forest Service	Government
	Washington Corporations	Construction		
250-500	City of Missoula	Government	City of Missoula	Government
	Jim Palmer Trucking	Trucking	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		

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>
1997	175.61	35.24	61.45	44.23	76.91	59.50	35.68	488.62
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

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	30,536
	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⁾
1998	\$ 314,463	\$ 137,858	\$ 64,866	\$ 54,434	\$ 55,121
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	2,240,910	1,598,460	968,491	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 2007 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 2007 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)
1998	\$ 64,866	\$ 267,710	\$ 10,575	\$ 343,151	1.62
1999	70,073	272,770	10,575	353,418	1.67
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
2006	968,491	321,384	10,288	1,300,162	6.32

- (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)
1998	\$ 148,728,820	\$ 297,456
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

- (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
1997	88,253	1,423	766	\$ 19,818	14,276	1,226	48,857	4.1 %
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

Source:

- (a) Missoula Economic Development Corporation.
- (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	\$ 984,364,749	\$ 144,753,737	50	\$ 11,275,806	453	\$ 36,844,558	503	\$ 48,120,364
1999	955,578,983	148,728,828	39	15,617,183	596	39,564,794	635	55,181,977
2000	1,183,537,793	151,539,149	37	15,091,543	696	46,243,332	733	61,334,875
2001	1,238,330,274	149,709,112	43	28,801,023	469	38,249,157	512	67,050,180
2002	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

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.

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

Function/Program	Full-Time Equivalent Employees									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
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	18.61	19.19	17.62	16.67	15.47	21.53	20.98	20.48	21.23	19.61
Judicial Services	11.00	10.75	10.75	11.00	11.00	11.00	11.00	11.00	11.00	13.00
Legal Services	19.58	19.58	19.98	20.13	21.65	24.11	25.55	26.55	27.30	29.29
Financial Services	10.32	10.32	10.32	10.00	10.16	10.25	9.75	10.09	10.09	10.75
Human Resource	5.00	5.00	5.00	5.00	4.75	5.00	5.00	6.00	6.00	6.00
Information Services	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00
Treasurer/MV	23.40	22.40	22.40	22.40	22.49	23.15	24.65	24.45	24.45	21.65
911 Communications	25.90	25.90	25.90	25.00	25.42	25.25	26.25	27.25	27.29	27.34
Election Services	3.80	4.30	4.30	5.65	4.28	4.28	5.79	4.23	4.23	4.23
Records Administration	10.65	10.65	10.65	11.45	10.00	10.15	10.90	10.15	11.15	9.40
Internal Services	8.25	8.32	8.65	8.95	9.70	9.05	9.55	9.83	10.08	10.05
Facilities Administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	9.98	10.00
District Court										
Clerk of Court	14.00	14.00	14.00	15.00	13.50	13.50	13.00	13.50	14.50	15.00
Court Services	12.90	12.85	13.60	12.90	15.01	14.95	2.00	1.00	1.00	1.00
Youth Court	16.94	17.14	18.60	18.38	18.90	17.92	-	-	-	-
Public Defenders	10.00	10.00	12.00	12.00	13.50	14.50	16.00	17.00	19.00	20.00
Public Safety										
Law Enforcement Services	57.50	58.50	58.50	59.25	55.50	60.00	59.00	60.85	61.00	60.25
Detention Center	27.75	27.75	27.75	76.96	113.00	115.40	117.00	115.57	112.50	107.26
Emergency Services	1.50	1.50	1.50	1.50	1.00	0.95	0.95	0.95	0.95	1.00
Public Works										
Road - Bridge	57.31	53.77	51.64	53.43	52.27	48.26	47.30	46.93	47.60	47.93
Building Code Division	-	-	-	-	-	-	-	-	-	4.67
Weed	3.00	3.00	3.00	3.00	4.80	4.80	4.80	5.25	5.25	5.32
Public Health										
Public Health Services	60.67	59.74	60.74	60.85	65.26	59.87	58.12	61.27	63.26	63.88
Partnership Health Clinic	17.50	19.27	19.00	23.45	29.60	37.45	39.65	34.67	37.29	43.92
Animal Control	7.00	7.00	7.00	7.05	7.05	7.05	7.05	7.00	7.79	8.00
Culture & Recreation										
Parks & Recreations Services	-	-	-	-	-	0.50	0.73	0.73	0.73	0.73
Library	20.25	20.75	20.60	20.60	21.10	24.60	26.97	27.00	26.58	29.68
Museum	3.75	3.75	3.75	3.75	3.00	3.05	4.18	4.34	4.34	4.54
Fair	4.68	4.70	4.56	4.58	3.75	3.96	4.50	4.81	5.40	4.40
Social & Economics										
County Extension	5.62	5.62	5.33	5.50	4.80	5.05	5.05	5.07	5.00	5.57
Planning & Grants	32.26	33.35	35.70	37.39	38.98	46.15	48.25	53.15	52.72	56.22
	<u>505.14</u>	<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>

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

Function/Program		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government											
Registered Voters (June)	(1)	51,355	53,480	47,838	50,967	57,928	52,338	61,557	49,116	77,123	60,521
Property Transactions:											
Deeds Recorded		N/A	N/A	N/A	N/A	4,850	5,734	9,371	5,796	6,074	-
Subdivision Plates Filed		N/A	N/A	N/A	N/A	78	110	210	147	129	-
Certificates of Survey		N/A	N/A	N/A	N/A	97	125	210	142	130	-
Motor Vehicle Title Transfers		N/A	N/A	N/A	N/A	N/A	34,695	36,932	39,172	38,000	-
Motor Vehicle Registrations		N/A	N/A	N/A	N/A	N/A	117,433	118,790	120,233	98,792	-
Payroll Payments Processed	(1)	N/A	N/A	N/A	N/A	N/A	N/A	19,246	19,769	20,358	20,448
Claims Payments Processed	(1)	N/A	N/A	N/A	N/A	N/A	N/A	19,115	19,621	18,371	22,080
911 Emergency Communications											
Law Enforcement		N/A	N/A	N/A	76,250	73,840	79,564	74,303	83,895	90,103	-
Fire & Medical dispatched to Fire Dept		N/A	N/A	N/A	7,369	7,142	7,424	8,110	7,793	8,450	-
Medical-Ambulance		N/A	N/A	N/A	6,298	6,328	6,950	7,351	7,010	7,677	-
Other		N/A	N/A	N/A	10,497	11,366	9,868	10,055	9,745	9,832	-
Criminal Justice Activities											
Justice Court Civil Caseload		N/A	1,892	2,340	3,463	3,966	4,101	4,459	5,083	5,520	-
Justice Court Criminal Caseload		N/A	17,806	20,183	18,213	17,452	19,896	19,569	17,918	17,364	-
Clerk of District Court:											
Marriage Licenses Issued		N/A	N/A	N/A	N/A	815	818	734	841	811	-
Adoptions		N/A	N/A	N/A	N/A	61	57	57	49	44	-
Civil Case		N/A	N/A	N/A	N/A	1,032	1,119	1,069	1,221	1,228	-
Criminal Cases		N/A	N/A	N/A	N/A	518	487	543	589	642	-
All Other Open Cases		N/A	N/A	N/A	N/A	1,688	1,582	1,950	1,874	1,829	-
Public Safety											
Detention Center:											
Daily Occupancy (392 available beds)		N/A	N/A	N/A	N/A	N/A	354	344	365	365	-

(1) Fiscal Year

N/A - Data Not Available

MISSOULA COUNTY, MONTANA
Capital Assets by Function/Program
Fiscal Year 2006

	2006
General Government	
Election tabulator	1
M100 Precinct counters	88
Touch screen handicap voting devices	39
Criminal Justice	
Court Rooms - District Court	4
Court Rooms - Justice Court	2
Public Safety	
Station	1
Detention Center	1
Patrol Units	39
Detectives Vehicles	14
Detention Vehicles	14
Public Works	
Shops	2
Snow Plows	27
Sanders	28
Graders	14
Public Health	
Animal Control Vehicles	5
Culture and Recreation	
Fairgrounds	1
Museums	1
Parks	100

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data
June 30, 2006

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	60,466			

Total County Government Employees:	<u>Part-time</u>	<u>Full-time</u>
Officials & Managers	-	39
Professionals	28	95
Technical	3	48
Protective services	46	139
Paraprofessionals	23	66
Administrative Support	66	181
Craft Workers-Semi-skilled	-	30
Service & Maintenance	10	17
	<u>176</u>	<u>615</u>

Police protection	<u>City Police</u>	<u>County Sheriff</u>
Stations	1	1
Officers	92	50

Fire protection	<u>City Fire</u>	<u>Missoula Rural Fire</u>
Stations	4	5
Full-time employees	82	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, 2006

Educational Facilities

Public Schools 2005-2006		
Type	Number	Enrolled
Elementary (District 1)	12	4,859
Elementary (Other Districts)	12	4,081
High Schools (MCHS)	4	3,894
High Schools (Other Dist)	1	410
Trade & Technical	1	900
University	1	14,287
Private Schools 2005-2006		
Type	Number	Enrolled
Elementary	7	1,089
High School	4	375
Special Education: Programs within school districts and community services.		

Health Care Facilities

Hospitals	2
Beds	359
Clinics	20
Nursing Homes	4
Beds	413
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	222,940
Audios	9,194
Videos	1,000
Annual Circulation	778,337
Churches:	
Protestant	26
Catholic	13
Other	74
Restaurants	153
Hotels/motels	52
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	10
Health Clubs		21
Tennis Courts		30
Bowling Centers		3
Parks		50
Movie Theaters		25
Ski Areas		4
Theatrical Playhouses		8
Museums		8
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, 2006. 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 \$1,479,600 and \$1,693,654, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2006. 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 22, 2006

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis
For the Year Ended June 30, 2006
(Page 1 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/05	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF AGRICULTURE:									
Passed Through State Department of Public Health									
Women/Infants/Children 05-06	10.557	05-07-5-21-014-0	\$ 382,131	\$ (31,031)	\$ 135,625	\$ 12,462	\$ -	\$ -	\$ 148,087
Women/Infants/Children 06-07	10.577	06-07-5-21-014-0	391,381	-	195,825	47	-	-	195,872
WIC Farmer's Market Nutrition Program	10.572	N/A	1,413	-	1,413	-	-	-	1,413
Passed Through State Department of Natural Resources									
Wildland Urban Interface - Greenough Potomac Fir	-	N/A	22,069	(9,611)	9,611	-	-	-	9,611
Passed Through State Department of Agriculture									
Nine Mile Fire Grant	10.644	02-626	167,728	11,164	-	-	-	-	-
Passed Through the State Auditor									
Forest Reserve Receipts	10.665	N/A	744,360	278,611	744,360	-	-	-	744,360
Total Department of Agriculture				249,133	1,086,834	12,509	-	-	1,099,343
DEPARTMENT OF TRANSPORTATION:									
Passed Through State Department of Transportation									
CMAQ-TDM	20.205	CM8199(64)	203,463	(6,477)	-	6,477	-	-	6,477
CMAQ-TDM	20.205	CM8199(69)	267,493	(58,799)	81,375	-	-	-	81,375
CMAQ-TDM	20.205	CM8199(72)	267,493	-	140,131	-	-	-	140,131
CMAQ-TDM - Spurgin, Clements Widening	20.205	CM8199(62)	173,160	(68,931)	115,068	18,929	-	-	133,997
FTA 04	20.205	MT-04-50-0079	72,478	17,403	-	-	-	-	-
FTA 05	20.205	MT-05-50-0079	72,936	(18,961)	40,497	730	-	-	41,227
FTA 06	20.205	MT-06-50-0079	75,716	-	30,314	921	-	-	31,235
P.L. Transport 05	20.205	N/A	289,010	(81,187)	154,999	-	-	-	154,999
P.L. Transport 06	20.205	N/A	320,080	-	136,416	-	-	-	136,416
STEP-Impaired Driving/Occupant Protection Project	20.600	2005-08-02-20, 2005-13-01-20	18,600	(1,385)	15,747	-	-	-	15,747
STEP-Impaired Driving/Occupant Protection Project	20.600	2006-09-02-20, 2006-11-01-20	27,250	-	14,104	-	-	-	14,104
W MT Interoperable Mobile Data Communication	20.607	2006-12-09-02	499,892	-	-	-	-	-	-
CTEP									
Frenchtown Walkway Phase I	-	STPE 32(43)	205,195	(84,932)	217,837	39,757	-	-	257,594
Van Buren St Bridge	-	STPE 8199(65)	420,905	(35,436)	-	35,436	-	-	35,436
Cote Lane Walkway	-	STPE 32(35)	93,126	(3,531)	-	3,531	-	-	3,531
Passed Through State Department of Justice									
Traffic Safety 05-06	20.600	2005-05-03-02, 2005-02-03-02	33,673	(7,124)	16,395	-	-	-	16,395
Traffic Safety 06-07	20.600	2006-02-03-01, 2006-05-03-01	38,048	-	14,283	-	-	-	14,283
Total Department of Transportation				(349,360)	977,166	105,781	-	-	1,082,947
DEPARTMENT OF JUSTICE:									
Direct Programs:									
Records Management System	16.710	2002-CKWX-0099	400,000	(1,869)	63,869	-	-	-	63,869
Rural Domestic Violence	16.589	1996-WR-NX-0010	1,275,505	(73,752)	179,755	-	-	-	179,755
Rural Domestic Violence	16.589	2005-X0358-MT-WR	399,873	-	-	-	-	-	-

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
(Page 2 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/06
				Federal	Local	Total Disbursements	
DEPARTMENT OF AGRICULTURE:							
Passed Through State Department of Public Health							
Women/Infants/Children 05-06	10.557	05-07-5-21-014-0	\$ 382,131	\$ 117,056	\$ -	\$ 117,056	\$ -
Women/Infants/Children 06-07	10.577	06-07-5-21-014-0	391,381	290,904	-	290,904	(95,032)
WIC Farmer's Market Nutrition Program	10.572	N/A	1,413	1,413	-	1,413	-
Passed Through State Department of Natural Resources							
Wildland Urban Interface - Greenough Potomac Fir	-	N/A	22,069	-	-	-	-
Passed Through State Department of Agriculture							
Nine Mile Fire Grant	10.644	02-626	167,728	22,095	-	22,095	(10,931)
Forest Reserve Receipts							
Total Department of Agriculture	10.665	N/A	744,360	729,010	-	729,010	293,961
				<u>1,160,478</u>	<u>-</u>	<u>1,160,478</u>	<u>187,998</u>
DEPARTMENT OF TRANSPORTATION:							
Passed Through State Department of Transportation							
CMAQ-TDM	20.205	CM8199(64)	203,463	-	-	-	-
CMAQ-TDM	20.205	CM8199(69)	267,493	18,868	2,925	21,793	783
CMAQ-TDM	20.205	CM8199(72)	267,493	207,284	32,103	239,387	(99,256)
CMAQ-TDM - Spurgin, Clements Widening	20.205	CM8199(62)	173,160	56,334	8,732	65,066	-
FTA 04	20.205	MT-04-50-0079	72,478	17,403	-	17,403	-
FTA 05	20.205	MT-05-50-0079	72,936	21,947	319	22,266	-
FTA 06	20.205	MT-06-50-0079	75,716	52,979	1,382	54,361	(23,126)
P.L. Transport 05	20.205	N/A	289,010	73,812	-	73,812	-
P.L. Transport 06	20.205	N/A	320,080	220,402	-	220,402	(83,986)
STEP-Impaired Driving/Occupant Protection Project	20.600	2005-08-02-20, 2005-13-01-20	18,600	14,362	-	14,362	-
STEP-Impaired Driving/Occupant Protection Project	20.600	2006-09-02-20, 2006-11-01-20	27,250	14,104	-	14,104	-
W MT Interoperable Mobile Data Communication	20.607	2006-12-09-02	499,892	101,232	-	101,232	(101,232)
CTEP							
Frenchtown Walkway Phase I	-	STPE 32(43)	205,195	149,491	23,171	172,662	-
Van Buren St Bridge	-	STPE 8199(65)	420,905	-	-	-	-
Cote Lane Walkway	-	STPE 32(35)	93,126	-	-	-	-
Passed Through State Department of Justice							
Traffic Safety 05-06	20.600	2005-05-03-02, 2005-02-03-02	33,673	9,245	26	9,271	-
Traffic Safety 06-07	20.600	2006-02-03-01, 2006-05-03-01	38,048	22,734	6	22,740	(8,457)
Total Department of Transportation				<u>980,197</u>	<u>68,664</u>	<u>1,048,861</u>	<u>(315,274)</u>
DEPARTMENT OF JUSTICE:							
Direct Programs:							
Records Management System	16.710	2002-CKWX-0099	400,000	63,082	-	63,082	(1,082)
Rural Domestic Violence	16.589	1996-WR-NX-0010	1,275,505	55,630	50,373	106,003	-
Rural Domestic Violence	16.589	2005-X0358-MT-WR	399,873	143,387	-	143,387	(143,387)

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
(Page 3 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/05	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
2005 Block Grant	16.592	2004-LB-BX-1116	10,584	10,584	-	1,176	-	-	1,176
Safety Vest	16.607	N/A	5,602	(233)	3,441	3,106	-	-	6,547
OVW Safe Havens Grant	16.527	2002-CW-BX-2002	120,000	1,067	-	-	-	-	-
OVW Safe Havens Grant	16.527	2004-CW-AX-0010	340,461	(34,991)	137,974	-	-	-	137,974
Passed Through State Department of Justice:									
Multidimensional Family Therapy	16.540	03-J19-82088	8,084	-	8,084	-	-	-	8,084
Juvenile Accountability	16.523	05-A15-82115	57,021	-	47,021	5,364	-	-	52,385
VAWA Planning Project/Coordinated CJS Response	16.588	05-W05-82010	25,000	-	25,000	8,333	-	-	33,333
VOCA-County	16.575	03-V01-81375	62,240	7,459	-	-	-	-	-
VOCA-County	16.575	05-V01-81955	60,000	-	60,000	15,000	-	-	75,000
West Central Drug Task Force	16.579	05-G01-82082	146,135	-	146,135	89,097	-	-	235,232
Passed Through Bitterroot RC&D Area, Inc.									
Lewis & Clark Bicentennial	16.580	2004-DD-BX-1178	121,743	(18,544)	18,544	-	-	-	18,544
Lewis & Clark Bicentennial	16.580	SBAHQ-04-I-0074	90,000	-	83,319	-	-	-	83,319
Total Department of Justice				(110,279)	773,142	122,076	-	-	895,218
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:									
Direct Programs:									
Institute of Museum and Library Service	45.301	MA-01-04-0487-04	138,451	(8,644)	42,466	33,821	-	-	76,287
Passed Through Montana State Library Commission:									
Shared Catalogue Project	45.301	#2005 MSC-SUP	47,008	72,914	53,021	264,876	-	3,326	321,223
Library Board Education Program	45.301	N/A	500	-	500	-	-	-	500
Total National Foundation on the Arts & Humanities				64,270	95,987	298,697	-	3,326	398,010
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:									
Direct Programs:									
Share House	14.235	MT01B400002	393,330	-	195,494	-	-	-	195,494
March Against Homelessness	14.235	MT01B300008	34,401	-	10,568	-	-	-	10,568
Ada's Place	14.235	MT01B400003	101,001	-	72,233	-	-	-	72,233
Ada Feldman	14.235	MT01B300006	25,807	-	8,582	-	-	-	8,582
Salvation Army Gateway Center	14.235	MT01B20004	61,580	-	62,849	-	-	-	62,849
Passed Through State Department of Commerce									
CDBG-Community Resource:	14.228	N/A	N/A	100,744	112,170	-	-	4,962	117,132
CDBG-Revolving Fund Loan	14.228	N/A	N/A	60,839	58,707	-	-	1,542	60,249
Home Investment Partnership Program	14.239	M04-SG300105	282,918	-	26,849	-	-	-	26,849
Total Department of Housing & Urban Development				161,583	547,452	-	-	6,504	553,956
ENVIRONMENTAL PROTECTION AGENCY:									
Direct Programs:									
Mullan Corridor Sewer Subdistricts	66.606	XP98881001	727,220	(579,709)	727,220	804,995	-	-	1,532,215
Mullan Corridor Backbone	66.606	XP98881001	73,780	-	73,780	-	-	-	73,780
Clean School Bus USA	66.034	XA-83175101-0	4,550	104	298	692	-	-	990

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/06
				Federal	Local	Total Disbursements	
2005 Block Grant	16.592	2004-LB-BX-1116	10,584	10,584	1,176	11,760	-
Safety Vest	16.607	N/A	5,602	3,106	3,106	6,212	102
OVW Safe Havens Grant	16.527	2002-CW-BX-2002	120,000	-	1,067	1,067	-
OVW Safe Havens Grant	16.527	2004-CW-AX-0010	340,461	143,665	-	143,665	(40,682)
Passed Through State Department of Justice:							
Multidimensional Family Therapy	16.540	03-J19-82088	8,084	8,084	-	8,084	-
Juvenile Accountability	16.523	05-A15-82115	57,021	48,275	5,364	53,639	(1,254)
VAWA Planning Project/Coordinated CJS Response	16.588	05-W05-82010	25,000	25,000	8,333	33,333	-
VOCA-County	16.575	03-V01-81375	62,240	-	7,459	7,459	-
VOCA-County	16.575	05-V01-81955	60,000	60,000	15,000	75,000	-
West Central Drug Task Force	16.579	05-G01-82082	146,135	146,135	89,097	235,232	-
Passed Through Bitterroot RC&D Area, Inc.							
Lewis & Clark Bicentennial	16.580	2004-DD-BX-1178	121,743	-	-	-	-
Lewis & Clark Bicentennial	16.580	SBAHQ-04-I-0074	90,000	83,319	-	83,319	-
Total Department of Justice				<u>790,267</u>	<u>180,975</u>	<u>971,242</u>	<u>(186,303)</u>
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:							
Direct Programs:							
Institute of Museum and Library Service	45.301	MA-01-04-0487-04	138,451	38,385	33,821	72,206	(4,563)
Passed Through Montana State Library Commission:							
Shared Catalogue Project	45.301	#2005 MSC-SUP	47,008	53,021	233,273	286,294	107,843
Library Board Education Program	45.301	N/A	500	500	-	500	-
Total National Foundation on the Arts & Humanities				<u>91,906</u>	<u>267,094</u>	<u>359,000</u>	<u>103,280</u>
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:							
Direct Programs:							
Share House	14.235	MT01B400002	393,330	195,494	-	195,494	-
March Against Homelessness	14.235	MT01B300008	34,401	10,568	-	10,568	-
Ada's Place	14.235	MT01B400003	101,001	72,233	-	72,233	-
Ada Feldman	14.235	MT01B300006	25,807	8,582	-	8,582	-
Salvation Army Gateway Center	14.235	MT01B20004	61,580	62,849	-	62,849	-
Passed Through State Department of Commerce							
CDBG-Community Resource:	14.228	N/A	N/A	72,548	-	72,548	145,328
CDBG-Revolving Fund Loan	14.228	N/A	N/A	83,266	-	83,266	37,822
Home Investment Partnership Program	14.239	M04-SG300105	282,918	57,145	-	57,145	(30,296)
Total Department of Housing & Urban Development				<u>562,685</u>	<u>-</u>	<u>562,685</u>	<u>152,854</u>
ENVIRONMENTAL PROTECTION AGENCY:							
Direct Programs:							
Mullan Corridor Sewer Subdistricts	66.606	XP98881001	727,220	147,511	804,995	952,506	-
Mullan Corridor Sewer Subdistricts	66.606	XP98881001	73,780	73,780	-	73,780	-
Clean School Bus USA	66.034	XA-83175101-0	4,550	533	692	1,225	(131)

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/05	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
Passed Through State Department Environmental Quality:									
Air Pollution 05	66.001	505005	96,517	(16,571)	16,571	-	-	-	16,571
Air Pollution 06	66.001	506020	97,160	-	84,263	69,026	-	-	153,289
Air Compliance Monitoring	66.001	505006	2,000	(2,000)	2,000	-	-	-	2,000
Air Compliance Monitoring	66.001	506021	2,000	-	2,000	-	-	-	2,000
Radon 05	66.032	205009	3,000	(148)	148	-	-	-	148
Radon 06	66.032	206022	2,550	-	750	-	-	-	750
Source Water Protection 02-05	66.468	202023	150,000	21,500	-	-	-	-	-
Source Water Protection 06	66.468	205029	65,000	-	63,700	-	-	-	63,700
Public Water Supply/Safe Drinking Water 05	66.605	505025	27,300	(4,650)	13,223	-	-	-	13,223
Milltown Dam Sediments Analysis	66.802	405011-T01A	30,000	-	29,819	-	-	-	29,819
Milltown Dam Domestic Well Inventory	66.8802	405011-T02A	31,405	-	-	559	-	-	559
Passed Through State Department of Natural Resources & Conservation									
Water Pollution Control State Revolving Fund Program	66.458	El Mar	169,000	(147,654)	122,996	24,658	-	-	147,654
Water Pollution Control State Revolving Fund Program	66.458	Golden West	14,000	(10,832)	9,023	1,809	-	-	10,832
Water Pollution Control State Revolving Fund Program	66.458	Mullan Trail	31,000	(2,515)	5,463	1,095	-	-	6,558
Water Pollution Control State Revolving Fund Program	66.458	Country Crest	283,000	(7,016)	174,870	35,058	-	-	209,928
Total Environmental Protection Agency				(749,491)	1,326,124	937,892	-	-	2,264,016
DEPARTMENT OF DEFENSE									
Department of the Army :									
Grant Creek Environmental Restoration	12.106	N/A	445,264	-	30,527	9,943	-	-	40,470
Total Department of Defense				-	30,527	9,943	-	-	40,470
DEPARTMENT OF THE INTERIOR									
National Park Service:									
Historic Preservation Grant	12.106	MT-05-022	5,500	-	5,500	-	-	-	5,500
Bureau of Land Management:									
Blackfoot Weed Management Program	15.225	ESA990008	16,500	-	8,000	8,000	-	-	16,000
Public Land Protection	15.225	N/A	2,000	(2,000)	2,000	-	-	-	2,000
Recreation Resource Management	15.225	N/A	6,036	-	5,723	-	-	-	5,723
Community Wildfire Protection Plan	15.228	ESA04CC30	10,000	(6,051)	6,051	-	-	-	6,051
Total Department of the Interior				(8,051)	27,274	8,000	-	-	35,274
NATIONAL ENDOWMENT FOR THE HUMANITIES									
Passed through the Montana Committee for the Humanities:									
Battles Won and Lost	45.129	N/A	1,096	-	1,096	-	-	-	1,096
Total General Services Administration				-	1,096	-	-	-	1,096
GENERAL SERVICES ADMINISTRATION									
Passed through the Montana Secretary of the State:									
HAVA Accessibility Grant	39.011	N/A	13,900	13,900	-	-	-	-	-
Total General Services Administration				13,900	-	-	-	-	-

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/06
				Federal	Local	Total Disbursements	
Passed Through State Department Environmental Quality:							
Air Pollution 05	66.001	505005	96,517	-	-	-	-
Air Pollution 06	66.001	506020	97,160	97,160	69,026	166,186	(12,897)
Air Compliance Monitoring	66.001	505006	2,000	-	-	-	-
Air Compliance Monitoring	66.001	506021	2,000	2,000	-	2,000	-
Radon 05	66.032	205009	3,000	-	-	-	-
Radon 06	66.032	206022	2,550	750	-	750	-
Source Water Protection 02-05	66.468	202023	150,000	-	-	-	21,500
Source Water Protection 06	66.468	205029	65,000	40,799	-	40,799	22,901
Public Water SupplySafe Drinking Water 05	66.605	505025	27,300	12,968	-	12,968	(4,395)
Milltown Dam Sediments Analysis	66.802	405011-T01A	30,000	30,000	-	30,000	(181)
Milltown Dam Domestic Well Inventory	66.8802	405011-T02A	31,405	25,773	559	26,332	(25,773)
Passed Through State Department of Natural Resources & Conservation							
Water Pollution Control State Revolving Fund Program	66.458	El Mar	169,000	-	-	-	-
Water Pollution Control State Revolving Fund Program	66.458	Golden West	14,000	-	-	-	-
Water Pollution Control State Revolving Fund Program	66.458	Mullan Trail	31,000	3,368	675	4,043	-
Water Pollution Control State Revolving Fund Program	66.458	Country Crest	283,000	169,026	33,886	202,912	-
Total Environmental Protection Agency				603,668	909,833	1,513,501	1,024
DEPARTMENT OF DEFENSE							
Department of the Army :							
Grant Creek Environmental Restoration	12.106	N/A	445,264	40,470	-	40,470	-
Total Department of Defense				40,470	-	40,470	-
DEPARTMENT OF THE INTERIOR							
National Park Service:							
Historic Preservation Grant	12.106	MT-05-022	5,500	5,500	-	5,500	-
Bureau of Land Management:							
Blackfoot Weed Management Program	15.225	ESA990008	16,500	8,000	8,000	16,000	-
Public Land Protection	15.225	N/A	2,000	-	-	-	-
Recreation Resource Management	15.225	N/A	6,036	5,723	-	5,723	-
Community Wildfire Protection Plan	15.228	ESA04CC30	10,000	-	-	-	-
Total Department of the Interior				19,223	8,000	27,223	-
NATIONAL ENDOWMENT FOR THE HUMANITIES							
Passed through the Montana Committee for the Humanities:							
Battles Won and Lost	45.129	N/A	1,096	1,096	-	1,096	-
Total General Services Administration				1,096	-	1,096	-
GENERAL SERVICES ADMINISTRATION							
Passed through the Montana Secretary of the State :							
HAVA	39.011	N/A	13,900	13,065	835	13,900	-
Total General Services Administration				13,065	835	13,900	-

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
(Page 7 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/05	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF HOMELAND SECURITY									
Passed Through State Department of Military Affairs :									
Domestic Preparedness Equipment 04	97.004	2004-GE-T4-0002	608,526	(333,862)	608,365	7,162	-	-	615,527
Domestic Preparedness Exercise Grant	16.007	N/A	10,000	(8,992)	8,992	-	-	-	8,992
Emergency Management Program 05	97.042	N/A	50,000	(11,665)	11,665	-	-	-	11,665
Emergency Management Program 06	97.042	N/A	50,000	-	22,595	-	-	-	22,595
FY05 HSGP/Buffer Zone Protection Program	97.078	2005-GE-T5-0006	45,768	-	45,768	-	-	-	45,768
FY05 HSGP/Law Enforcement Terrorism Prevention Program	97.067	2005-GE-T5-0006	2,710,667	-	1,345,197	-	-	-	1,345,197
War Supplemental Critical Infrastructure 03	97.004	2003-MU-T3-0021	44,315	(3,102)	6,385	-	-	-	6,385
Passed Through Montana Department of Natural Resources:									
FEMA Hurricane Katrina Response		N/A	20,433	-	20,433	-	-	-	20,433
Total Department of Homeland Security				(357,621)	2,069,400	7,162	-	-	2,076,562
DEPARTMENT OF HEALTH & HUMAN SERVICES:									
Direct Programs:									
TB 05-06	93.994	05-07-4-11-045-0	7,000	(3,390)	4,682	-	-	-	4,682
TB 06-07	93.994	06-07-4-11-105-0	5,000	-	1,250	11,785	-	-	13,035
Mentoring Children of Prisoners 05	93.616	90CV0046/02	60,000	-	36,034	-	-	-	36,034
Mentoring Children of Prisoners 06	93.616	90CV0046/03	60,000	-	32,104	-	-	-	32,104
Drug Free Community Support Program	93.276	SP12366-03	100,000	(12,096)	12,096	-	-	-	12,096
Drug Free Community Support Program	93.276	SP12366-03	100,000	-	85,945	-	-	-	85,945
Passed Through State Department of Public Health & Human Services:									
AIDS HIV Prevention 05-06	93.118	05-07-4-51-019-0	12,727	-	11,577	-	-	-	11,577
AIDS HIV Prevention 06-07	93.118	05-07-4-51-019-0	6,052	-	994	2,953	-	-	3,947
Community Incentive Program 05	93.243	04-332-74409-0	65,225	-	29,294	-	-	-	29,294
Community Incentive Program 06	93.243	04-332-74409-0	75,429	-	33,572	-	-	-	33,572
Tobacco 05	93.283	05-07-3-31-011-0	76,000	(15,200)	15,200	-	-	-	15,200
Tobacco 06	93.283	05-07-3-31-011-0	80,000	-	64,000	-	-	-	64,000
Public Health Emergency Preparedness 03	93.283	03-07-4-61-032-0	151,342	25,641	-	-	-	-	-
Public Health Emergency Preparedness 04-06	93.283	04-07-4-61-033-0	358,285	(57,649)	93,377	-	-	-	93,377
Public Health Emergency Preparedness 05	93.283	06-07-4-11-033-0	141,974	-	78,086	-	-	-	78,086
Environmental Health Assessment	93.283	05-07-6-31-004-0	12,000	(343)	10,251	-	-	-	10,251
Domestic Violence Program	93.671	20043DMVL0014	55,000	(20)	20	-	-	-	20
Domestic Violence Program	93.671	20053DMVL0010	55,000	(13,750)	13,750	-	-	-	13,750
Domestic Violence Program	93.671	20063DMVL0012	58,000	-	29,000	-	-	-	29,000
Infant Immunization 05-06	93.994	05-07-4-31-031-0	30,204	-	30,104	-	-	-	30,104

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/06
				Federal	Local	Total Disbursements	
DEPARTMENT OF HOMELAND SECURITY							
Passed Through State Department of Military Affairs :							
Domestic Preparedness Equipment 04	97.004	2004-GE-T4-0002	608,526	274,503	7,162	281,665	-
Domestic Preparedness Exercise Grant	16.007		10,000	-	-	-	-
Emergency Management Program 05	97.042	N/A	50,000	-	-	-	-
Emergency Management Program 06	97.042	N/A	50,000	35,007	-	35,007	(12,412)
FY05 HSGP/Buffer Zone Protection Program	97.078	2005-GE-T5-0006	45,768	45,768	-	45,768	-
FY05 HSGP/Law Enforcement Terrorism Prevention Program	97.067	2005-GE-T5-0006	2,710,667	1,345,197	-	1,345,197	-
War Supplemental Critical Infrastructure 03	97.004	2003-MU-T3-0021	44,315	3,283	-	3,283	-
Passed Through Montana Department of Natural Resources:							
FEMA Hurricane Katrina Response		N/A	20,433	20,433	-	20,433	-
Total Department of Homeland Security				<u>1,724,191</u>	<u>7,162</u>	<u>1,731,353</u>	<u>(12,412)</u>
DEPARTMENT OF HEALTH & HUMAN SERVICES:							
Direct Programs:							
TB 05-06	93.994	05-07-4-11-045-0	7,000	1,292	-	1,292	-
TB 06-07	93.994	06-07-4-11-105-0	5,000	2,500	11,785	14,285	(1,250)
Mentoring Children of Prisoners 05	93.616	90CV0046/02	60,000	36,034	-	36,034	-
Mentoring Children of Prisoners 06	93.616	90CV0046/02	60,000	32,104	-	32,104	-
Drug Free Community Support Program	93.276	SP12366-03	100,000	-	-	-	-
Drug Free Community Support Program	93.276	SP12366-03	100,000	96,265	-	96,265	(10,320)
Passed Through State Department of Public Health & Human Services:							
AIDS HIV Prevention 05-06	93.118	05-07-4-51-019-0	12,727	11,577	-	11,577	-
AIDS HIV Prevention 06-07	93.118	05-07-4-51-019-0	6,052	3,608	1,488	5,096	(1,149)
Community Incentive Program 05	93.243	04-332-74409-0	65,225	29,294	-	29,294	-
Community Incentive Program 06	93.243	04-332-74409-0	75,429	33,572	-	33,572	-
Tobacco 05	93.283	05-07-3-31-011-0	76,000	-	-	-	-
Tobacco 06	93.283	05-07-3-31-011-0	80,000	79,076	-	79,076	(15,076)
Public Health Emergency Preparedness 03	93.283	03-07-4-61-032-0	151,342	-	-	-	25,641
Public Health Emergency Preparedness 04-06	93.283	04-07-4-61-033-0	358,285	29,982	-	29,982	5,746
Public Health Emergency Preparedness 05	93.283	06-07-4-11-033-0	141,974	119,129	-	119,129	(41,043)
Environmental Health Assessment	93.283	05-07-6-31-004-0	12,000	8,994	914	9,908	-
Domestic Violence Program	93.671	20043DMVL0014	55,000	-	-	-	-
Domestic Violence Program	93.671	20053DMVL0010	55,000	-	-	-	-
Domestic Violence Program	93.671	20063DMVL0012	58,000	58,000	-	58,000	(29,000)
Infant Immunization 05-06	93.994	05-07-4-31-031-0	30,204	30,104	-	30,104	-

Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/05	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
Transitioning Healthy Child Care Montana	93.994	04-07-5-31-006-0	68,000	522	-	-	-	-	-
MCH Block Grant 05	93.994	05-07-5-01-030-0	182,605	8,242	-	-	-	-	-
MCH Block Grant 06	93.994	06-07-5-01-030-0	122,666	-	122,666	531,265	-	-	653,931
Healthy Tomorrow Partnership for Children - Yr 2	93.110	H17MC02513-02-01	60,408	(4,978)	40,000	46,441	-	-	86,441
Children's Oral Health	93.110	05-07-6-31-006-0	4,000	(284)	3,512	154	-	-	3,666
Community Youth Suicide Prevention	93.991	06-07-531-018-0	10,000	-	10,000	605	-	-	10,605
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	-	-	51,432	-	-	-	51,432
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0001	-	-	11,573	34,720	-	-	46,293
Passed through Montana State University:									
Montana Nutrition and Physical Activity Program (Obesity)	93.283	05-07-3-01-021-0	30,000	(8,171)	12,000	-	-	-	12,000
Montana Nutrition and Physical Activity Program (Obesity)	93.283	06-07-3-01-021-0	45,000	-	33,707	-	-	-	33,707
MSU Walkability	93.284	05-07-3-01-021-0	6,000	(4,936)	6,000	-	-	-	6,000
Total Department of Health & Human Services				(86,412)	872,226	627,923	-	-	1,500,149
Total Federal Financial Assistance				\$ (1,172,328)	\$ 7,807,228	\$ 2,129,983	\$ -	\$ 9,830	\$ 9,947,041

See accompanying notes.

Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2006
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/06
				Federal	Local	Total Disbursements	
Transitioning Healthy Child Care Montana	93.994	04-07-5-31-006-0	68,000	-	522	522	-
MCH Block Grant 05	93.994	05-07-5-01-030-0	182,605	-	8,242	8,242	-
MCH Block Grant 06	93.994	06-07-5-01-030-0	122,666	122,666	531,265	653,931	-
Healthy Tomorrow Partnership for Children - Yr 2	93.110	H17MC02513-02-01	60,408	44,002	46,441	90,443	(8,980)
Children's Oral Health	93.110	05-07-6-31-006-0	4,000	3,229	153	3,382	-
Community Youth Suicide Prevention	93.991	06-07-531-018-0	10,000	10,000	605	10,605	-
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	-	59,231	-	59,231	(7,799)
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0001	-	12,255	36,766	49,021	(2,728)
Passed through Montana State University:							
Montana Nutrition and Physical Activity Program (Obesity)	93.283	05-07-3-01-021-0	30,000	3,829	-	3,829	-
Montana Nutrition and Physical Activity Program (Obesity)	93.283	05-07-3-01-021-0	30,000	45,000	-	45,000	(11,293)
MSU Walkability	93.284	05-07-3-01-021-0	6,000	1,064	-	1,064	-
Total Department of Health & Human Services				872,807	638,181	1,510,988	(97,251)
Total Federal Financial Assistance				\$ 6,860,053	\$ 2,080,744	\$ 8,940,797	\$ (166,084)

See accompanying notes.

MISSOULA COUNTY, MONTANA

Notes to Schedule of Expenditures of Federal Awards - Cash Basis

For the Year Ended June 30, 2006

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, 2006:

Revolving Loan Fund

Missoula Children's Theatre - 0%, \$24,500 due annually from June 2003 through June 2017	\$ 245,000
The Good Food Store - 5%, \$4,718 due monthly from November 2003 through October 2008	124,440
Nuture, Inc. - 5%, 3977 due monthly from December 2004 through November 2013	331,867
Rocky Mountain Biologicals, Inc. - 5%, \$4,813 due monthly from November 2005 thru October 2014	266,101
Opportunity Resources, Inc. - 0%, \$167 due monthly from May 2006 thru April 2015	19,500
North Missoula Community Development Corporation - 3%, varying amounts due annually through May 2014	50,000
Western Montana Mental Health Center - 5%, \$9,719 due annually through November 2015	75,045

Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2006:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 79,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	682,000
\$291,000, issued November 1998, 4% due in varying amounts through July 2019	170,000
\$649,936, issued September 2002, 4% due in varying amounts through July 2023	518,000
\$4,498,121, issued July 2003, 3.75% due in varying amounts through July 2024	3,660,000
\$169,000, issued April 2005, 2.75% due in varying amounts through July 2015	163,500
\$14,000, issued April 2005, 2.75% due in varying amounts through July 2010	11,900
\$31,000, issued April 2005, 3.75% due in varying amounts through July 2020	30,000
\$281,199, issued April 2005, 3.75% due in varying amounts through July 2020	274,199

Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2006 as follows:

- Ada's Place (CDFA# 14.235) passed-through \$72,233 to the YWCA.
- Ada Feldman Transitional Housing (CDFA# 14.235) passed-through \$8,582 to the YWCA.
- Rural Domestic Violence Program (CFDA# 16.589) passed-through \$66,783 to the YWCA and the National Coalition Building Institute.
- Domestic Violence Program (CFDA# 14.235) passed-through \$58,000 to the YWCA.
- Community Incentive Program (CFDA# 93.230) passed-through \$64,503 to W.O.R.D., Parenting Place, and Missoula City-County Health Department.
- Gateway Center (CFDA# 14.235) passed-through \$61,484 to the Salvation Army.
- OVW Safe Havens (CFDA# 16.527) passed through \$169,590 to the YWCA.
- Drug Free Community Support Program (CFDA# 93.276) passed-through \$46,857 to Missoula Public Schools, Turning Point, WORD, and Golden Wattle, Inc.
- Mentoring Children of Prisoners (CFDA# 93.616) passed-through \$68,138 to Big Brothers & Big Sisters.
- March against Homelessness (CFDA# 14.235) passed-through \$10,149 to the YWCA.
- Share House Transitional Housing (CFDA# 14.235) passed-through \$282,643 to the YWCA and the Western Montana Mental Health Center.



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, 2006 and have issued our report thereon dated December 22, 2006. 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 Missoula County, Montana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. 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 22, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Missoula County, Montana'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 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 State of Montana Department of Administration, 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 22, 2006



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* that are applicable to each of its major federal programs for the year ended June 30, 2006. Missoula County, Montana's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Missoula County, Montana's management. Our responsibility is to express an opinion on Missoula 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 \$1,479,600 and \$1,693,654, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2006. 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 Missoula County, Montana'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 Missoula County, Montana's compliance with those requirements.

In our opinion, Missoula County, Montana 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, 2006.

Internal Control Over Compliance

The management of 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 Missoula County, Montana'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the State of Montana Department of Administration, 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 22, 2006

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2006

Summary of Auditors' Results

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

There were no reportable conditions 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 reportable conditions 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, 2006 were as follows:

<u>CFDA#</u>	<u>Federal Program</u>
14.235	Supportive Housing Program
20.607	Western Montana Interoperable Mobile Data Communications
97.067	Law Enforcement Terrorism Prevention

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:

- Reportable conditions 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 findings 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.