

MISSOULA COUNTY, MONTANA

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



For the Fiscal Year Ended
June 30, 2004

MISSOULA COUNTY, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2004

Prepared by:

Financial Services Department

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December 22, 2004

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, 2004. I believe this CAFR presents fairly the financial condition of the County at June 30, 2004 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 2003 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, Elmore & Associates, P.C.
- 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.

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 Barbara Evans, Chairman, Bill Carey, 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.

MAJOR INITIATIVES

The County is currently conducting major Courthouse renovations, including the restoration of the exterior of the original Courthouse, demolition and remodeling of the annex fourth floor (the former home to the County Jail), and interior renovations of various office locations as departments are moved to take advantage of the new fourth floor space. Total project cost is estimated at \$2.4 million with completion expected in fiscal year

2006. The Board of County Commissioners have designated \$591,626 in general fund reserves at June 30, 2004 and have budgeted an additional \$300,000 to be expended in fiscal year 2005.

The County is upgrading its aging communications backbone. This project has two phases: phase one is upgrading the analog microwave system to a digital system; phase two is upgrading the two-way radio equipment to P25 equipment. Total cost of the entire project is estimated at \$3,000,000, of which \$1,500,000 is estimated to be local dollars. In 2004, a Capital Projects fund was established to account for the project and the General fund transferred \$500,050 to this fund which represented funds previously designated the project. The Commissioners have designated an additional \$250,000 to be transferred in fiscal year 2005.

The County is expanding its ice rink facilities at the Western Montana Fairgrounds by enclosing the current rink and constructing a second open-air rink. The total project is estimated at \$1,500,000, with Phase I being financed with \$995,000 in bonds that were issued in June 2004. Phase II will be financed through a debt instrument estimated at \$505,000 that will be issued in the spring of 2005. Repayment of the debt will be accomplished through revenues generated by the rinks.

The Partnership Health Center, Missoula's community health clinic, suffered a significant operating loss totaling \$525,456 in fiscal year 2002 resulting in deficit unrestricted net assets totaling \$750,010, which increased to \$787,704 in fiscal year 2003. However, significant changes in operations made in 2003 and 2004 have resulted in an increase in net assets totaling \$202,354 for the year ended June 30, 2004, and this trend is expected to continue into the foreseeable future.

Management's Discussion and Analysis, starting on page 3, provides additional information on County initiatives and the fiscal year 2005 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, government agency securities, local bank certificates of deposit and repurchase agreements. During fiscal year 2004, it was invested primarily in the Short Term Investment Pool. However, the pool diversified its investing during the year to include government agency securities managed by two external investment managers. The

average rate of return for fiscal year 2004 was 0.5%. Total investment income in the pool was approximately \$218,000. The County's share for governmental funds was approximately \$77,000.

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. It also provides Workers' Compensation coverage through a self-insurance program.

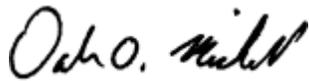
OTHER INFORMATION

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 Elmore & Associates, P.C. This audit also satisfies the federal Single Audit Act and Office of Management & Budget Circular A-133.

Awards – Missoula County earned its fifteenth consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2003 Comprehensive Annual Financial Report. The Fiscal Year 2004 Report will also be submitted for consideration for the Certificate.

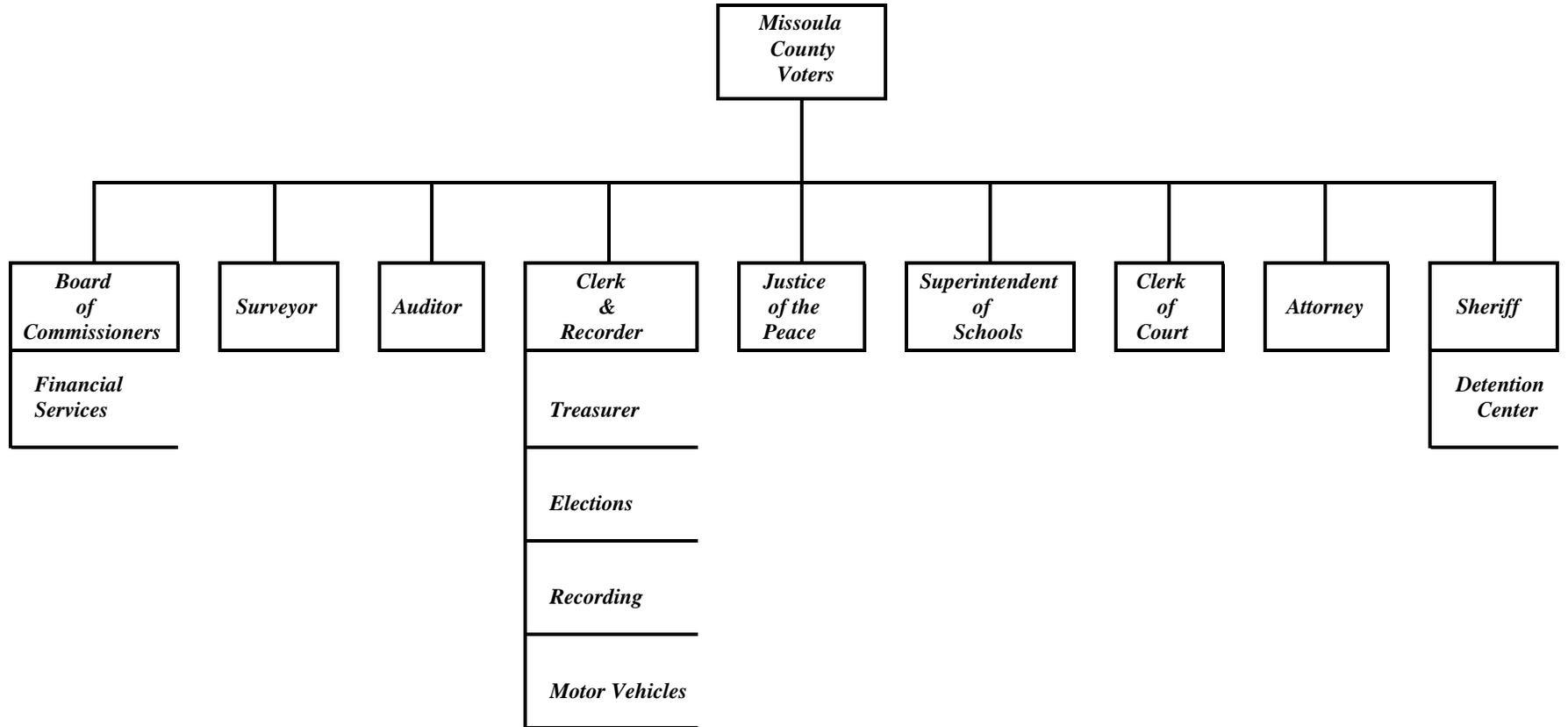
Acknowledgements – I would like to thank everyone in the Missoula County Financial Services Office: Edna Wingfield, Karen Mason, Teresa Graham, Marge Duncan, and especially Carol Routh for all their work and dedication. I would also like to thank Barbara Berens, the Missoula County Auditor, and her staff 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.

Sincerely,



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, 2002

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.



Nancy L. Zjelle
President

Jeffrey R. Enos
Executive Director

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FINANCIAL SECTION

Board of County Commissioners
Missoula County, Montana



Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana (the County), as of and for the fiscal year ended June 30, 2004, 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 46% and 41%, 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, 2004, 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, 2004, 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.

Management's Discussion and Analysis on pages 3 through 17, 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.

Elmore & Associates, P.C.

Certified Public Accountants
Missoula, Montana
December 22, 2004

MISSOULA COUNTY, MONTANA
Management's Discussion and Analysis
June 30, 2004

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, 2004. 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 for the year ended June 30, 2004, by \$33.8 million (net assets) compared with \$35.4 million at June 30, 2003. Of this amount, \$10.2 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, vendors and creditors, including \$1.3 million that is classified as unrestricted in the Larchmont Golf Course and Rural Special Improvement Maintenance Districts.
- The County's total net assets decreased by \$1.8 million, representing a 4.5% decrease from 2003.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$16.3 million, an increase of \$2.9 million from the prior year. Of this amount, \$13.5 million is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3.3 million, or 26% of total general fund expenditures and other financing uses.
- Missoula County's total debt increased by \$4,152,502 which represents a 17.8% increase in debt related to governmental activities. The majority of the new debt issue consists of a Montana State Revolving Fund Loan totaling \$3,661,561 for the Mullan Corridor Sewer RSID project.

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 67.

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) became an internal service fund in 2004. Previously it was accounted for as a General fund department. 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 67. Statistical information that shows trends for periods up to ten years is also available beginning on page 121.

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, 2004 the County's assets exceeded liabilities by \$33.8 million (\$30.2 million in governmental activities and \$3.6 million in business-type activities). The largest portion of the County's net assets (70%) reflects its investment in capital assets (e.g., land, buildings, 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. Missoula County had no legally restricted net assets that require reservation. Therefore, \$10.2 million in net assets (30%) 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 2004:

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Assets						
Current & Other Assets	\$ 31,396,863	\$ 28,715,462	\$ 1,452,642	\$ 1,346,476	\$ 32,849,505	\$ 30,061,938
Capital Assets, Net	39,360,297	38,078,009	2,322,777	2,311,891	41,683,074	40,389,900
Total Assets	<u>70,757,160</u>	<u>66,793,471</u>	<u>3,775,419</u>	<u>3,658,367</u>	<u>74,532,579</u>	<u>70,451,838</u>
Liabilities						
Current & Other Liabilities	13,089,819	11,595,641	113,738	94,121	13,203,557	11,689,762
Current Portion of Long-term Debt	1,696,659	1,651,541	-	-	1,696,659	1,651,541
Long-term Debt, Net of Current Portion	<u>25,820,406</u>	<u>21,713,022</u>	<u>-</u>	<u>-</u>	<u>25,820,406</u>	<u>21,713,022</u>
Total Liabilities	<u>40,606,884</u>	<u>34,960,204</u>	<u>113,738</u>	<u>94,121</u>	<u>40,720,622</u>	<u>35,054,325</u>
Net Assets						
Invested in Capital Assets, Net of Debt	21,269,578	21,440,382	2,322,777	2,311,891	23,592,355	23,752,273
Unrestricted	<u>8,880,698</u>	<u>10,392,845</u>	<u>1,338,904</u>	<u>1,252,355</u>	<u>10,219,602</u>	<u>11,645,200</u>
Total Net Assets	<u>\$ 30,150,276</u>	<u>\$ 31,833,227</u>	<u>\$ 3,661,681</u>	<u>\$ 3,564,246</u>	<u>\$ 33,811,957</u>	<u>\$ 35,397,473</u>

The following table provides a summary of the changes in net assets for 2004:

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
Revenues	2004	2003	2004	2003	2004	2003
Program Revenues						
Charges for Services	\$ 12,661,069	\$ 12,103,175	\$ -	\$ -	\$ 12,661,069	\$ 12,103,175
Operating Grants and Contributions	7,333,961	7,774,613	-	-	7,333,961	7,774,613
Capital Grants and Contributions	1,292,253	1,332,656	-	-	1,292,253	1,332,656
General Revenues						
Property Taxes	26,181,489	26,785,411	-	-	26,181,489	26,785,411
Intergovernmental Revenue	3,572,783	3,671,830	-	8,548	3,572,783	3,680,378
Investment Earnings	142,626	345,657	3,476	2,927	146,102	348,584
Gain on Sale of Capital Assets	934,408	1,297,461	28,191	763	962,599	1,298,224
Miscellaneous	2,293,524	462,055	1,200	-	2,294,724	462,055
Larchmont Golf Course	-	-	1,018,458	1,051,408	1,018,458	1,051,408
Rural Special Improvement Districts	-	-	768,824	809,059	768,824	809,059
Total Revenues	<u>54,412,113</u>	<u>53,772,858</u>	<u>1,820,149</u>	<u>1,872,705</u>	<u>56,232,262</u>	<u>55,645,563</u>
Program Expenses						
General Government	10,329,199	7,877,591	-	-	10,329,199	7,877,591
Criminal Justice	3,749,739	3,651,663	-	-	3,749,739	3,651,663
Public Safety	15,777,067	14,242,692	-	-	15,777,067	14,242,692
Public Works	11,218,785	9,232,818	-	-	11,218,785	9,232,818
Public Health	4,543,610	4,145,794	-	-	4,543,610	4,145,794
Social and Economic Services	3,255,769	2,440,503	-	-	3,255,769	2,440,503
Culture and Recreation	4,383,917	3,715,192	-	-	4,383,917	3,715,192
Housing and Community Develop.	2,107,607	1,980,185	-	-	2,107,607	1,980,185
Interest and Fiscal Charges	1,160,354	1,114,181	-	-	1,160,354	1,114,181
Larchmont Golf Course	-	-	829,362	781,626	829,362	781,626
Rural Special Improvement Districts	-	-	622,832	660,452	622,832	660,452
Total Expenses	<u>56,526,047</u>	<u>48,400,619</u>	<u>1,452,194</u>	<u>1,442,078</u>	<u>57,978,241</u>	<u>49,842,697</u>
Change in Net Assets before Transfers	(2,113,934)	5,372,239	367,955	430,627	(1,745,979)	5,802,866
Transfers	<u>270,520</u>	<u>166,242</u>	<u>(270,520)</u>	<u>(166,242)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ (1,843,414)</u>	<u>\$ 5,538,481</u>	<u>\$ 97,435</u>	<u>\$ 264,385</u>	<u>\$ (1,745,979)</u>	<u>\$ 5,802,866</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 2004, general government expenses comprised 18.3% (16.3% in 2003) of governmental activities. Total general government expenses increased \$2.5 million over the prior year. A large portion of the increase is due to the allocation of losses incurred by the County’s self-insurance programs which had losses totaling over \$1.2 million during the year.

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 6.6% of governmental activities in 2004 (versus 7.5% in 2003). Total expenses increased \$98,076, or 2.7% versus the prior year.

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 and the Office of Emergency Management. Public safety expenses comprised 27.9% of governmental activities in 2004. Public safety expenses increased \$1,534,375 over 2003, or 10.8%. This is partially attributable to disaster expenses related to the 2003 forest fire season.

Public Works – public works includes the Road and Bridge funds and the Surveyor/GIS department, the Weed and Extension funds, and the Missoula Development Authority’s Airport Tax Increment District. Public works expenses comprised 19.8% of governmental activities in 2004 and represented a 21.5% increase in expenses over 2003. This increase is primarily due to the Mullan Corridor Sewer project that is included in the RSID Projects 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 8.0% of governmental activities in 2004. Total public health expenses increased \$397,816 (or 9.6%) over 2003. This increase primarily relates to sewer connection grants related to Mullan Corridor Sewer and the Rattlesnake Sewer projects in the Water Quality District.

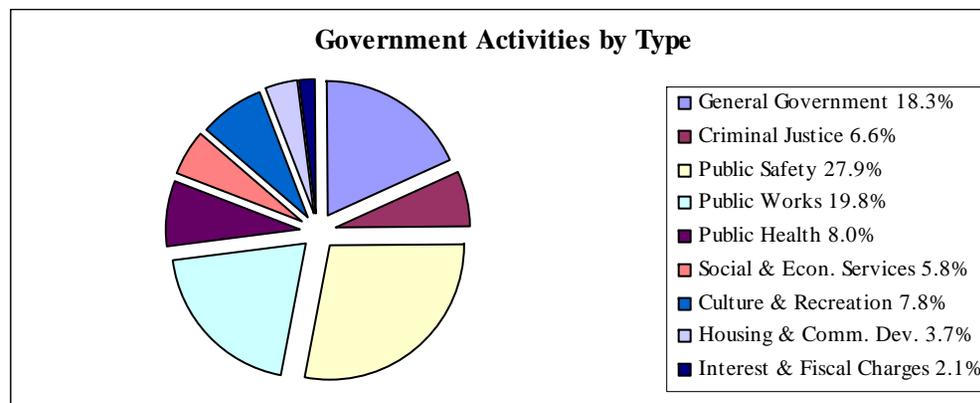
Social & Economic Services – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Poor, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered 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 5.8% of governmental activities in 2004. Social and economic services expense increased \$815,266 (or 33.4%) over 2003 largely due to an increase 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 7.8% of governmental activities in 2004. Culture and recreation expense increased \$668,725 (or 18.0%) over 2003.

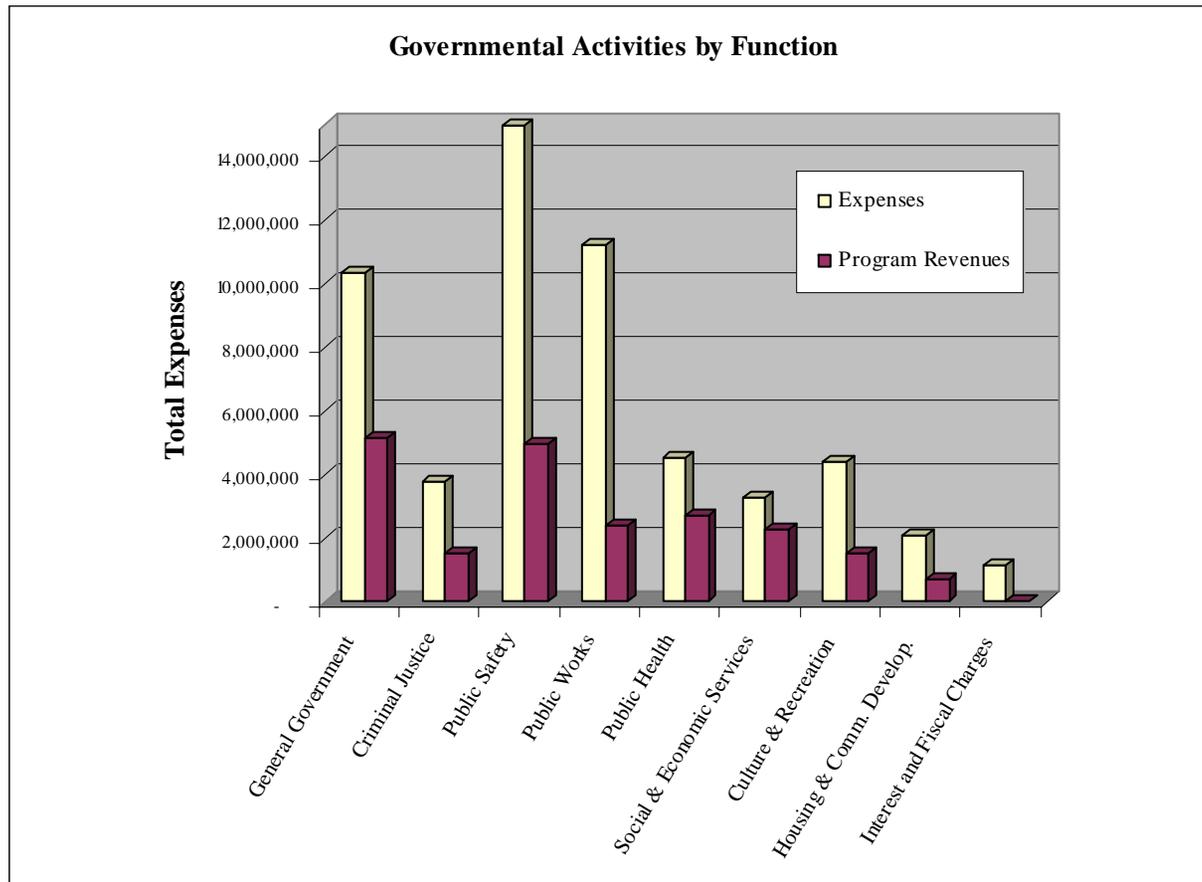
Housing & Community Development – this function includes the land use planning aspects of the Office of Planning and Grants, as well as specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. These expenses comprised 3.7% of governmental activities in 2003. Total expenses increased \$127,422 or 6.4% versus 2003.

Total governmental activities resulted in a decrease in net assets totaling \$1,843,414. This decrease is primarily due to public works expenses totaling approximately \$3.6 million for the Mullan Corridor Sewer project. Debt was issued to finance this project and repayment will be accomplished through future assessments.

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 \$97,435. This is primarily due to the continued profitability of Larchmont Golf Course, which provided a transfer totaling \$142,904 to general government activities. Additionally, charges for services have exceeded expenses in the Rural Special Improvement Maintenance Districts also adding to the increase in net assets.

Fund Level Financial Analysis

Governmental Funds

For the fiscal year ended June 30, 2004, the County's governmental funds reported combined fund balance totaling \$16,319,266 compared with \$13,004,392 in 2003. Approximately \$13.5 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 \$2,972,540 for 2004 and \$1,588,563 for 2003.

The General fund is the chief operating fund of the County. For fiscal year 2004, total fund balance increased \$120,547 to \$3,757,094, including \$3,299,145 that 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 25.6% of total expenditures (27.2% in 2003) while total fund balance represents 29.2% (32.5% in 2003). The 2004 budget was designed to spend down excess cash reserves by approximately \$1.5 million. However, expenditure savings due to lower than expected utilities and postage costs, the receipt of Northwestern Energy's delinquent property taxes, and not having to complete certain cash flow transfers to other funds resulted in the increase in fund balance for 2004.

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 \$1,507,527 at June 30, 2004 (\$1,483,094 at June 30, 2003), including \$149,584 that was reserved for advances. Unreserved fund balance represents 12.5% (12% in 2003) of total expenditures. Fund balance increased during the year by \$24,433, although the 2004 budget was designed to decrease fund balance by \$461,816. The increase in fund balance is largely due to higher than expected property tax and charges for services collections and lower than expected jail medical costs.

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 \$43,451 at June 30, 2004 (\$218,090 at June 30, 2003), all of which was unreserved. Unreserved fund balance represents 6.4% (39% in 2003) of total expenditures. Fund balance decreased in this fund by \$174,639, as excess cash was used to call bonds early.

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 \$2,759,825 at June 30, 2004 (\$1,851,692 June 30, 2003), all of which was unreserved. Unreserved fund balance represents 301.8% (84.5% in 2003) of total expenditures. Fund balance increased during the year by \$908,133, largely due to higher than expected proceeds from land sales and the postponement of certain infrastructure projects in to 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 2004, budget amendments resulted in increases in appropriations as follows: the General fund budget increased \$569,173, the Public Safety fund budget increased \$176,484, the MCA Industrial District budget was not amended, and the other nonmajor governmental funds increased \$2,632,396. The great majority of these amendments were due to unanticipated and/or unawarded federal and state grants at the time the budget was adopted. Significant budget variances in the general fund include:

- Property tax revenue exceeded budget in the County-wide mill levies, primarily due to the timing of property tax due dates in 2004. Because of legislative changes, business and mobile home property tax billings were due after June 30, 2003 which inflated collections in 2004. In the unincorporated-only mill levies, a valuation error made by the State of Montana Department of Revenue caused the County to under-levy taxes in those funds by approximately \$183,000. A one-time levy was assessed for fiscal year 2005 to correct this error.
- Operations expenditures in the Central Services department of the General fund were \$97,065 under budget due to lower than expected postage costs and volumes. Consequently, charges for services were also under budget in this department by \$83,171.
- Operations expenditures in the non-departmental General fund were \$683,150 under budget. \$300,000 of this was an unused contingency that was a hedge against Northwestern Energy's delinquent tax payments (which were received with penalty and interest in January 2004). Additionally, Grant Creek PMP project had approximately \$358,000 in available budget authority that will be carried forward to fiscal year 2005.
- Transfers in exceeded budget by \$153,786 in the non-departmental General fund principally due to a reimbursement from the MCA Industrial District for prior years' expenses.

Capital Assets and Debt Administration

Capital Assets

Missoula County's capital assets consist of land, buildings and systems, improvements, equipment, and machinery. Infrastructure assets 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 \$23,592,355 at June 30, 2004 (\$23,752,273 at June 30, 2003). Capital asset activity is presented in Note 4 of the financial statements as well as on pages 117-119 of the supplementary information.

Significant activity in capital assets for 2004 includes:

- The new animal control facility was placed into service in 2004 at a total cost of \$730,688, \$169,584 of which was incurred in 2004.
- Certain phases of the Courthouse Renovation Project were completed in 2004 including replacing the boiler (\$366,146) and restoring the exterior terra cotta and granite (\$295,900).
- New elections equipment (\$573,057) was purchased in order to comply with the federal HAVA laws. A federal grant provided \$216,480 toward the cost of the purchase while local dollars will make up the balance.
- The Public Works Department purchased new heavy equipment totaling \$626,429. The purchase was financed through the Montana Board of Investment INTERCAP program which will be repaid through Forest Reserve Receipts.
- The 9-1-1 Communications Center implemented its Enhanced 9-1-1 system at a cost of \$258,478, which was paid through State “Quarter” money.
- The MCA Industrial District sold land with a cost of \$36,244 at a gain totaling nearly \$900,000.

Long-term Debt

Long-term debt for Missoula County totaled \$30,680,931 at June 30, 2004 (\$26,471,421 at June 30, 2003). The following table shows outstanding debt by type:

Total Long-term Debt		
General Obligation Bonds and Loans	\$	14,609,000
Limited Obligation Bonds and Loans		2,225,000
Tax Increment Bonds		2,060,000
Special Assessment Bonds and Loans		6,465,561
Notes and Contracts Payable		2,157,504
Compensated Absence Liability		3,163,866
	\$	30,680,931

Total debt increased \$4,209,510, which is comprised of new limited obligation notes (\$995,000) special assessment debt totaling \$3,661,561, new contract payable (\$1,309,764); principal payments made (\$1,813,823), and a \$57,008 increase in the liability for compensated absences. Additional information regarding long-term debt can be found in Note 5 to the financial statements.

Economic Factors and the Fiscal Year 2005 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 343,980, up 28.7% since 1990, and continues to grow. Trade center/service activities constitute 33% of the labor income in basic industries, followed by wood products (16%), transportation (16%), federal government (14%), the University of Montana (10%), and nonresident travel and other (11%).

According to statistics and information provided by the University of Montana Bureau of Business and Economic Research, growth (based on nonfarm labor income) slowed to 2.9% in 2003, but is projected to increase to a healthy 4.4% in 2004 and remain strong through 2007. Driving this growth are health care and professional services, the University of Montana, and the federal government (primarily the USDA Forest Service). Additionally, Missoula County's unemployment rate of 3.6% remained lower than the state average of 4.8% and national average of 5.5%. Confounding these growth numbers is the sharp increase in housing prices that have greatly exceeded inflationary and growth rates for the past several years. In 2003 alone, the average single-family home price increased 7.5% putting Missoula in the top 25% of the fastest growing house price locations in the nation.

The Board of County Commissioners budget priorities for fiscal year 2005 include the continued maintenance of strong cash reserves and the funding of major capital projects, notably the Courthouse and annex renovations, the ice rink project at the Western Montana Fairgrounds, and the upgrade of the communications backbone. The County's financial condition continues to improve with the General Fund hitting its cash reserve target during fiscal year 2003 after several years of rebuilding. Although General fund equity (as reported in the Missoula County Budget Document) has decreased from \$3,389,409 at the end of fiscal year 2003 to \$2,896,535 at the end of fiscal year 2004, year end General fund equity still exceeded targets by \$1,489,154. For fiscal year 2005, the Commissioners have established a General fund reserve of 12% of total revenues. Other governmental fund reserve parameters remain at 5% of total revenues, except Public Safety (8%) and the Community Based Organization funds (3%).

The County's self-insured health insurance plan had an approximate \$712,000 loss from operations during the fiscal year 2004 and projections showed continued significant losses if no action was taken. In order to stabilize the Plan, the Commissioners instituted the following changes:

- Premiums were increased 12% and a permissive medical levy totaling \$341,224 was used to pay for the employers share or the increase.
- Benefit reductions, including the implementation of a \$500 deductible, are expected to save \$400,000 annually.
- An insurance surcharge of \$131,300 was also added to the permissive medical levy.
- A contingency of \$300,000 was designated in the General fund in case claims experience continues to worsen.
- The 2005 budget includes \$50,000 to retain a health insurance consultant to review the Plan's structure and recommend changes to promote future stability.

The following table shows the changes in mill levies for the 2005 budget:

	County-wide	Mills	Rural-only	Mills
Total Property Taxes Assessed – Prior Year	\$19,106,037	122.79	1,981,991	25.33
Current Year Property Taxes Attributable to Floating Mill*	32,486	0.20	14,500	0.20
Current Year Property Taxes Attributable To Newly Taxable Property**	1,038,598	-	124,625	-
Change in Mills due to changes in taxable value from sources other than newly taxable property***	-	1.76	-	3.05
One-time tax levies in 2004	(125,713)	(0.78)	-	-
New Levy Authority:				
Judgment Levy	20,000	0.12	-	-
County Attorney Pay Exception	73,596	0.46	-	-
Dust Abatement Program	-	-	100,000	1.35
Emergency Levy	-	-	58,650	0.79
FY04 Taxable Value Correction	-	-	183,368	2.47
Permissive Medical Levy	414,330	2.56	58,194	.78
Total Property Taxes Assessed – Current Year	\$20,559,334	127.12	\$2,521,328	33.97

* 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. For fiscal year 2005, the Board of County Commissioners elected to levy \$46,986 of the \$296,105 allowed for the floating mill levy.

** 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.

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MISSOULA COUNTY, MONTANA
Statement of Net Assets
June 30, 2004
(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	\$ 2,489,937	\$ 69,997	\$ 2,559,934	\$ 462,604	\$ 7,919
Cash with Fiscal Agents	1,471,538	-	1,471,538	-	-
Investments	17,223,098	663,140	17,886,238	-	80,098
Property Taxes Receivable, net	2,088,426	-	2,088,426	-	-
RSID Receivable-Delinquent	31,148	48,477	79,625	-	-
RSID Receivable-Deferred	3,318,894	-	3,318,894	-	-
Accounts Receivable, net	1,849,506	2,623	1,852,129	223,193	156,842
Interest Receivable, net	11,420	-	11,420	-	-
Contributions Receivable	169,204	-	169,204	-	-
Grants Receivable	-	-	-	-	96,444
Loans & Notes Receivable	1,668,714	-	1,668,714	-	-
Advances to (from) Other Funds	(644,661)	644,661	-	-	-
Advances to Component Units	898,504	-	898,504	-	-
Prepaid Costs	63,537	-	63,537	1,433	5,105
Inventory	588,082	23,744	611,826	-	16,518
Debt Issuance Costs	169,516	-	169,516	-	-
Capital Assets - non-depreciable	8,108,027	1,049,212	9,157,239	132,000	-
Capital Assets - depreciable, net	<u>31,252,270</u>	<u>1,273,565</u>	<u>32,525,835</u>	<u>899,925</u>	<u>1,652,782</u>
 Total Assets	 <u>\$ 70,757,160</u>	 <u>\$ 3,775,419</u>	 <u>\$ 74,532,579</u>	 <u>\$ 1,719,155</u>	 <u>\$ 2,015,708</u>

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

MISSOULA COUNTY, MONTANA
Statement of Net Assets (Continued)
June 30, 2004
(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	\$ 1,240,864	\$ 57,948	\$ 1,298,812	\$ 72,097	\$ 52,719
Accrued Interest Payable	576,737	-	576,737	-	6,019
Accrued Payroll	904,296	55,790	960,086	-	56,506
Due to Other Governments - Current Portion	-	-	-	-	41,700
Due to Other Governments, net of Current Portion	-	-	-	-	46,031
Advance from Primary Governments - Current Portion	-	-	-	-	74,627
Advance from Primary Governments, net of Current Portion	-	-	-	-	823,877
Deferred Grant Revenue	-	-	-	151,332	-
Other Deferred Revenue	3,595,032	-	3,595,032	-	-
Liability for Sick & Vacation	3,163,866	-	3,163,866	58,113	174,913
Liability for Claims	3,609,024	-	3,609,024	-	-
Long-term Liabilities:					
Due within One Year	1,696,659	-	1,696,659	84,525	18,801
Due in more than One Year	25,820,406	-	25,820,406	602,491	81,378
Total Liabilities	<u>40,606,884</u>	<u>113,738</u>	<u>40,720,622</u>	<u>968,558</u>	<u>1,376,571</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	21,269,578	2,322,777	23,592,355	344,909	1,152,602
Restricted for Component Unit	-	-	-	323,524	50,000
Unrestricted	8,880,698	1,338,904	10,219,602	82,164	(563,465)
Total Net Assets	<u>\$ 30,150,276</u>	<u>\$ 3,661,681</u>	<u>\$ 33,811,957</u>	<u>\$ 750,597</u>	<u>\$ 639,137</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, 2004

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	\$ 10,329,199	\$ 4,616,907	\$ 159,259	\$ 359,921	\$ (5,193,112)	\$ -	\$ (5,193,112)	\$ -	\$ -	
Criminal Justice	3,749,739	837,962	690,991	-	(2,220,786)	-	(2,220,786)	-	-	
Public Safety	15,777,067	3,980,917	988,346	17,264	(10,790,540)	-	(10,790,540)	-	-	
Public Works	11,218,785	606,293	851,605	915,068	(8,845,819)	-	(8,845,819)	-	-	
Public Health	4,543,610	1,252,154	1,442,607	-	(1,848,849)	-	(1,848,849)	-	-	
Social & Economic Services	3,255,769	52	2,298,464	-	(957,253)	-	(957,253)	-	-	
Culture & Recreation	4,383,917	1,148,071	387,472	-	(2,848,374)	-	(2,848,374)	-	-	
Housing & Community Development	2,107,607	218,713	515,217	-	(1,373,677)	-	(1,373,677)	-	-	
Interest and Fiscal Charge	1,160,354	-	-	-	(1,160,354)	-	(1,160,354)	-	-	
Total Governmental Activities	<u>56,526,047</u>	<u>12,661,069</u>	<u>7,333,961</u>	<u>1,292,253</u>	<u>(35,238,764)</u>	<u>-</u>	<u>(35,238,764)</u>	<u>-</u>	<u>-</u>	
Business-type Activities										
Larchmont Golf Course	829,362	1,018,458	-	-	-	189,096	189,096	-	-	
Rural Special Improvement District	622,832	768,824	-	-	-	145,992	145,992	-	-	
Total Business-type Activities	<u>1,452,194</u>	<u>1,787,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,088</u>	<u>335,088</u>	<u>-</u>	<u>-</u>	
Total Primary Government	<u>\$ 57,978,241</u>	<u>\$ 14,448,351</u>	<u>\$ 7,333,961</u>	<u>\$ 1,292,253</u>	<u>(35,238,764)</u>	<u>335,088</u>	<u>(34,903,676)</u>	<u>-</u>	<u>-</u>	
Component units:										
Missoula Aging Service	\$ 2,154,422	\$ 111,422	\$ 1,873,013	\$ -				(169,987)	-	
Partnership Health Center	3,159,208	1,380,820	1,967,896	-				-	189,508	
Total component units	<u>\$ 5,313,630</u>	<u>\$ 1,492,242</u>	<u>\$ 3,840,909</u>	<u>\$ -</u>				<u>(169,987)</u>	<u>189,508</u>	
General revenues:										
Property Taxes					26,181,489	-	26,181,489	-	-	
Intergovernmental Revenue					3,572,783	-	3,572,783	-	-	
Investment Earnings					142,626	3,476	146,102	-	-	
Contributions not Restricted to Specific Program					-	-	-	63,083	-	
Grants not Restricted to Specific Program					-	-	-	239,958	-	
Gain on Sale of Capital Asset:					934,408	28,191	962,599	-	-	
Transfers					270,520	(270,520)	-	-	-	
Miscellaneous Revenue					2,293,524	1,200	2,294,724	2,174	12,846	
Total General Revenues & Transfers					<u>33,395,350</u>	<u>(237,653)</u>	<u>33,157,697</u>	<u>305,215</u>	<u>12,846</u>	
Change in Net Assets					<u>(1,843,414)</u>	<u>97,435</u>	<u>(1,745,979)</u>	<u>135,228</u>	<u>202,354</u>	
Net Assets - Beginning of Year					31,833,227	3,564,246	35,397,473	615,369	436,783	
Prior Period Adjustments					160,463	-	160,463	-	-	
Net Assets - Beginning of Year as Restated					<u>31,993,690</u>	<u>3,564,246</u>	<u>35,557,936</u>	<u>615,369</u>	<u>436,783</u>	
Net Assets - End of Year					<u>\$ 30,150,276</u>	<u>\$ 3,661,681</u>	<u>\$ 33,811,957</u>	<u>\$ 750,597</u>	<u>\$ 639,137</u>	

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Governmental Funds
June 30, 2004
(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	\$ 323,688	\$ 123,525	\$ 1,763	\$ 232,571	\$ 660,048	\$ 1,341,595
Cash with Fiscal Agents	-	-	158,659	146,203	1,166,676	1,471,538
Investments	3,275,590	1,250,027	17,842	2,353,526	6,679,398	13,576,383
Property Taxes Receivable (net)	614,409	429,449	-	59,430	944,260	2,047,548
RSID Receivable:						
Delinquent	-	-	31,148	-	-	31,148
Deferred	-	-	3,318,894	-	-	3,318,894
Accounts Receivable	145,947	337,389	-	85,870	1,280,300	1,849,506
Loans & Notes Receivable	-	-	-	-	1,668,714	1,668,714
Advances to Other Funds	457,949	149,584	-	-	256,513	864,046
Advances to Component Units	-	-	-	-	898,504	898,504
Inventory	-	-	-	-	588,082	588,082
Total Assets	<u>\$ 4,817,583</u>	<u>\$ 2,289,974</u>	<u>\$ 3,528,306</u>	<u>\$ 2,877,600</u>	<u>\$ 14,142,495</u>	<u>\$ 27,655,958</u>
Liabilities						
Accounts & Warrants Payable	\$ 217,184	\$ 86,961	\$ -	\$ 31	\$ 749,959	\$ 1,054,135
Accrued Interest Payable	-	-	134,813	56,203	385,721	576,737
Accrued Payroll	228,896	266,037	-	2,111	357,627	854,671
Advances from Other Funds	-	-	-	-	1,508,707	1,508,707
Deferred Tax Revenue	614,409	429,449	-	59,430	944,260	2,047,548
Other Deferred Revenue	-	-	3,350,042	-	1,944,852	5,294,894
Total Liabilities	<u>1,060,489</u>	<u>782,447</u>	<u>3,484,855</u>	<u>117,775</u>	<u>5,891,126</u>	<u>11,336,692</u>

MISSOULA COUNTY, MONTANA
Balance Sheet (Continued)
Governmental Funds
June 30, 2004
(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	-	-	-	-	588,082	588,082
Reserved for Advances & Loans	457,949	149,584	-	-	1,583,026	2,190,559
Reserved for Capital	-	-	-	-	14,312	14,312
Unreserved, reported in:						
General Fund	3,299,145	-	-	-	-	3,299,145
Special Revenue Funds	-	1,357,943	-	2,759,825	4,854,186	8,971,954
Debt Service Funds	-	-	43,451	-	739,936	783,387
Capital Projects Funds	-	-	-	-	471,827	471,827
Total Fund Balance	<u>3,757,094</u>	<u>1,507,527</u>	<u>43,451</u>	<u>2,759,825</u>	<u>8,251,369</u>	<u>16,319,266</u>
Total Liabilities and Fund Balance	<u>\$ 4,817,583</u>	<u>\$ 2,289,974</u>	<u>\$ 3,528,306</u>	<u>\$ 2,877,600</u>	<u>\$ 14,142,495</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.	39,092,446
Debt issuance costs used in governmental activities are not financial resources and, therefore, are not reported in the funds.	169,516
Notes receivable are not available to pay for current-period expenditures and, therefore, are, deferred in the funds.	1,668,714
Taxes and delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	2,078,696
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.	1,399,614
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(30,577,976)</u>
Net assets of governmental activities	<u>\$ 30,150,276</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, 2004

	<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	\$ 7,398,211	\$ 7,233,227	\$ 465,988	\$ 711,529	\$ 11,057,447	\$ 26,866,402
Licenses & Permits	29,067	8,947	-	-	286,866	324,880
Intergovernmental Revenue	2,300,730	265,237	-	5,330	10,368,936	12,940,233
Charges for Services	1,979,055	3,906,185	-	-	2,634,679	8,519,919
Fines & Forfeits	673,601	33,133	-	-	139,787	846,521
Investment Earnings	25,491	415	-	6,485	78,511	110,902
Private & Local Grants	-	-	-	-	111,576	111,576
Miscellaneous Revenue	222,265	181,001	-	78,326	1,950,581	2,432,173
Total Revenues	<u>12,628,420</u>	<u>11,628,145</u>	<u>465,988</u>	<u>801,670</u>	<u>26,628,383</u>	<u>52,152,606</u>
Expenditures:						
Current Operations:						
General Government	6,014,252	-	-	-	191,575	6,205,827
Criminal Justice	1,992,174	-	-	-	1,723,062	3,715,236
Public Safety	1,601,307	11,202,000	-	-	1,757,409	14,560,716
Public Works	511,208	-	-	80,195	8,886,998	9,478,401
Public Health	-	-	-	-	4,477,474	4,477,474
Social & Economic Services	-	-	-	-	3,202,355	3,202,355
Culture & Recreation	-	-	-	-	3,368,214	3,368,214
Housing & Community Development	-	-	-	-	1,952,543	1,952,543
Capital Outlay	760,342	411,590	-	282,406	4,992,131	6,446,469
Debt Service:						
Principal	-	-	437,936	90,000	1,265,875	1,793,811
Interest and Fiscal Charges	-	-	224,522	112,580	819,890	1,156,992
Total Expenditures	<u>10,879,283</u>	<u>11,613,590</u>	<u>662,458</u>	<u>565,181</u>	<u>32,637,526</u>	<u>56,358,038</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>1,749,137</u>	<u>14,555</u>	<u>(196,470)</u>	<u>236,489</u>	<u>(6,009,143)</u>	<u>(4,205,432)</u>
Other Financing Sources (uses):						
Operating Transfer In	340,242	480,676	37,092	-	3,753,695	4,611,705
Operating Transfer Out	(1,993,833)	(470,798)	(15,261)	(349,197)	(1,633,875)	(4,462,964)
Loan Proceeds	-	-	-	-	1,312,068	1,312,068
Bond Proceeds	-	-	-	-	4,656,561	4,656,561
Sale of Fixed Assets	25,001	-	-	1,020,841	14,760	1,060,602
Total other financing sources and uses	<u>(1,628,590)</u>	<u>9,878</u>	<u>21,831</u>	<u>671,644</u>	<u>8,103,209</u>	<u>7,177,972</u>
Net Change in Fund Balances	120,547	24,433	(174,639)	908,133	2,094,066	2,972,540
Fund Balances - Beginning of Year	3,636,547	1,483,094	218,090	1,851,692	5,814,969	13,004,392
Prior Period Adjustments	-	-	-	-	160,463	160,463
Fund Balances - Beginning of Year as restated	<u>3,636,547</u>	<u>1,483,094</u>	<u>218,090</u>	<u>1,851,692</u>	<u>5,975,432</u>	<u>13,164,855</u>
Change in Inventory Reserves	-	-	-	-	181,871	181,871
Fund Balances - End of Year	<u>\$ 3,757,094</u>	<u>\$ 1,507,527</u>	<u>\$ 43,451</u>	<u>\$ 2,759,825</u>	<u>\$ 8,251,369</u>	<u>\$ 16,319,266</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, 2004

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)	\$ 2,972,540
Governmental funds report capital outlays as expenditures and proceeds from sales as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and gain or loss is reported upon sale or disposal.	
Expenditures for capital assets	3,930,678
Current year depreciation	(2,534,688)
Gain or loss on disposal of capital assets	(121,194)
	1,274,796
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.	(601,980)
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.	(229,764)
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.	(4,172,513)
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.	2,898
The increase in expenses due to the increase 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.	(57,008)
The decrease in expenses due to the increase in inventory reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.	181,871
The net revenue of certain activities of internal service funds is reported with governmental activities.	(1,214,254)
Change in net assets of governmental activities (page 21)	\$ <u>(1,843,414)</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, 2004
(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	\$ 6,912,806	\$ 6,912,806	\$ 7,297,378	\$ 384,572	\$ 6,949,711	\$ 6,949,711	\$ 7,147,231	\$ 197,520
Licenses & Permits	26,100	26,100	29,067	2,967	7,500	7,500	8,947	1,447
Intergovernmental Revenue	1,742,040	2,255,271	2,275,744	20,473	967,431	1,005,619	788,034	(217,585)
Charges for Services	2,006,704	2,006,704	1,979,055	(27,649)	3,564,617	3,599,617	3,751,600	151,983
Fines & Forfeits	720,500	720,500	673,601	(46,899)	30,000	30,000	33,133	3,133
Investment Earnings	60,363	60,363	38,018	(22,345)	-	-	477	477
Miscellaneous Revenue	12,000	16,300	222,265	205,965	80,000	154,643	181,001	26,358
Total Revenues	<u>11,480,513</u>	<u>11,998,044</u>	<u>12,515,128</u>	<u>517,084</u>	<u>11,599,259</u>	<u>11,747,090</u>	<u>11,910,423</u>	<u>163,333</u>
Expenditures:								
Current Operations:								
Personnel	7,459,962	7,465,959	7,462,213	3,746	8,585,701	8,630,052	8,519,534	110,518
Operations	3,036,817	3,602,439	2,563,069	1,039,370	2,908,910	3,041,043	2,870,691	170,352
Capital Outlay	<u>798,865</u>	<u>767,365</u>	<u>744,129</u>	<u>23,236</u>	<u>577,363</u>	<u>577,363</u>	<u>410,879</u>	<u>166,484</u>
Total Expenditures	<u>11,295,644</u>	<u>11,835,763</u>	<u>10,769,411</u>	<u>1,066,352</u>	<u>12,071,974</u>	<u>12,248,458</u>	<u>11,801,104</u>	<u>447,354</u>
Excess (deficiency) of Revenue over (under) Expenditures	184,869	162,281	1,745,717	1,583,436	(472,715)	(501,368)	109,319	610,687
Other Financing Sources (uses):								
Operating Transfer In	209,471	211,671	340,242	128,571	266,032	266,032	480,676	214,644
Operating Transfer Out	(1,901,075)	(1,930,129)	(1,993,833)	(63,704)	(226,480)	(226,480)	(470,798)	(244,318)
Sale of Fixed Assets	<u>25,125</u>	<u>25,125</u>	<u>25,001</u>	<u>(124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,481,610)</u>	<u>\$ (1,531,052)</u>	117,127	<u>\$ 1,648,179</u>	<u>\$ (433,163)</u>	<u>\$ (461,816)</u>	119,197	<u>\$ 581,013</u>
Fund Balance - Beginning of Year			<u>4,179,583</u>				<u>1,496,724</u>	
Fund Balance - End of Year			<u>\$ 4,296,710</u>				<u>\$ 1,615,921</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, 2004
(Page 2 of 2)

	MCA Industrial District			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property Taxes	\$ 550,000	\$ 550,000	\$ 711,529	\$ 161,529
Intergovernmental Revenue	518	518	5,330	4,812
Investment Earnings	15,000	15,000	8,910	(6,090)
Miscellaneous Revenue	-	-	78,326	78,326
Total Revenues	565,518	565,518	804,095	238,577
Expenditures:				
Current Operations:				
Personnel	67,482	67,482	68,743	(1,261)
Operations	108,157	108,157	10,966	97,191
Capital Outlay	701,583	701,583	299,705	401,878
Debt Service:				
Principal	81,570	81,570	90,000	(8,430)
Interest and Fiscal Charges	122,520	122,520	114,695	7,825
Total Expenditures	1,081,312	1,081,312	584,109	497,203
Excess (deficiency) of Revenue over (under) Expenditures	(515,794)	(515,794)	219,986	735,780
Other Financing Sources (uses):				
Operating Transfer Out	(268,741)	(268,741)	(349,197)	(80,456)
Sale of Fixed Assets	750,000	750,000	934,971	184,971
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (34,535)	\$ (34,535)	805,760	\$ 840,295
Fund Balance - Beginning of Year			1,914,839	
Fund Balance - End of Year			\$ 2,720,599	

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Proprietary Funds
June 30, 2004

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Larchmont Golf Course	RSID Funds		
Assets				
<i>Current Assets:</i>				
Cash & Cash Equivalents	\$ 69,997	\$ -	\$ 69,997	\$ 1,148,342
Investments	708,346	-	708,346	3,601,509
Taxes Receivable, net	-	-	-	40,878
RSID Receivable-Delinquent	-	48,477	48,477	-
Accounts Receivable (net)	2,623	-	2,623	-
Interest Receivable	-	-	-	11,420
Contributions Receivable	-	-	-	169,204
Advances to Other Funds	-	644,661	644,661	-
Prepaid Costs	-	-	-	63,537
Inventory	23,744	-	23,744	-
Total Current Assets	<u>804,710</u>	<u>693,138</u>	<u>1,497,848</u>	<u>5,034,890</u>
<i>Noncurrent Assets:</i>				
Capital Assets, net	1,867,754	455,023	2,322,777	267,851
Total Assets	<u>2,672,464</u>	<u>1,148,161</u>	<u>3,820,625</u>	<u>5,302,741</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts & Warrants Payable	\$ 20,553	\$ 37,395	\$ 57,948	\$ 186,729
Accrued Payroll	49,715	6,075	55,790	49,625
Estimated Claims Liability	-	-	-	3,609,024
Notes Payable - Current Portion	-	-	-	20,993
Total Current Liabilities	<u>70,268</u>	<u>43,470</u>	<u>113,738</u>	<u>3,866,371</u>
<i>Noncurrent Liabilities:</i>				
Notes Payable, net of Current Portion	-	-	-	81,962
Total Liabilities	<u>70,268</u>	<u>43,470</u>	<u>113,738</u>	<u>3,948,333</u>
Net Assets				
Invested in Capital Assets, net of Related Debt	1,867,754	-	1,867,754	164,896
Unrestricted	734,442	1,104,691	1,839,133	1,189,512
Total Net Assets	<u>2,602,196</u>	<u>1,104,691</u>	<u>3,706,887</u>	<u>1,354,408</u>
Total Liabilities and Net Assets	<u>\$ 2,672,464</u>	<u>\$ 1,148,161</u>	<u>3,820,625</u>	<u>\$ 5,302,741</u>
Adjustments to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			<u>(45,206)</u>	
Net Assets of Business-type activities.			<u>\$ 3,661,681</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, 2004

	<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:	\$ -	\$ 763,214	\$ 763,214	\$ -
Charges for Services	1,018,458	5,610	1,024,068	7,324,455
Total Operating Revenues	<u>1,018,458</u>	<u>768,824</u>	<u>1,787,282</u>	<u>7,324,455</u>
Operating Expenses				
Personnel	310,361	148,388	458,749	371,176
Operations	373,911	416,329	790,240	737,758
Claims	-	-	-	7,558,943
Reinsurance Premiums	-	-	-	346,671
Administrative	-	-	-	243,732
Depreciation and Amortization	128,423	46,706	175,129	13,427
Total Operating Expenses	<u>812,695</u>	<u>611,423</u>	<u>1,424,118</u>	<u>9,271,707</u>
Operating Income (Loss)	<u>205,763</u>	<u>157,401</u>	<u>363,164</u>	<u>(1,947,252)</u>
Non-operating Revenues (Expenses)				
Property Taxes	-	-	-	386,167
Investment Earnings:	3,001	475	3,476	31,724
Interest Expense	-	-	-	(3,362)
Gain (Loss) on Sale of Asset	28,191	-	28,191	-
Other Income	-	1,200	1,200	81,986
Rebates	-	-	-	29,804
Intergovernmental Revenue:	-	-	-	56,824
Total Non-operating Revenues (Expenses)	<u>31,192</u>	<u>1,675</u>	<u>32,867</u>	<u>583,143</u>
Net Income (Loss) before Transfers	236,955	159,076	396,031	(1,364,109)
Transfers In	-	434	434	196,779
Transfers Out	<u>(142,904)</u>	<u>(128,050)</u>	<u>(270,954)</u>	<u>(75,000)</u>
Change in Net Assets	94,051	31,460	125,511	(1,242,330)
Total Net Assets - Beginning of Year	<u>2,508,145</u>	<u>1,073,231</u>		<u>2,596,738</u>
Total Net Assets - End of Year	<u>\$ 2,602,196</u>	<u>\$ 1,104,691</u>		<u>\$ 1,354,408</u>
			<u>(28,076)</u>	
			<u>\$ 97,435</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, 2004
(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	\$ 1,034,665	\$ 768,220	\$ 1,802,885	\$ 7,447,236
Cash payments to employees for services	(311,772)	(146,632)	(458,404)	(443,739)
Cash payments for reinsurance premiums	-	-	-	(508,280)
Cash payments for administrative expenses	-	-	-	(303,165)
Cash payments for claims expenses	-	-	-	(6,890,967)
Cash payments to other suppliers for goods and services	(384,291)	(388,463)	(772,754)	(262,634)
Net cash provided (used) by operating activities	<u>338,602</u>	<u>233,125</u>	<u>571,727</u>	<u>(961,549)</u>
Cash flows from non-capital financing activities:				
Property taxes collected	-	-	-	391,820
Rebates	-	-	-	29,804
Rental Income	-	-	-	25,000
Advances (to) from primary government/other funds	-	(88,405)	(88,405)	-
Transfer in	-	434	434	196,779
Transfer out	(142,904)	(128,050)	(270,954)	(75,000)
Intergovernmental revenue and other sources	-	1,200	1,200	105,904
Net cash provided (used) by non-capital financing activities	<u>(142,904)</u>	<u>(214,821)</u>	<u>(357,725)</u>	<u>674,307</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of assets	1,775	-	1,775	-
Principal paid on revenue bond maturities and notes payable	-	-	-	(20,011)
Interest paid on revenue bond maturities and notes payable	-	-	-	(3,362)
Acquisition of fixed assets and construction in progress	(116,594)	(43,005)	(159,599)	(21,580)
Net cash used for capital and related financing activities	<u>(114,819)</u>	<u>(43,005)</u>	<u>(157,824)</u>	<u>(44,953)</u>
Cash flows from investing activities:				
Purchases of investment securities	(35,347)	-	(35,347)	(1,537,652)
Proceeds from sale of investment securities	-	23,477	23,477	2,037,411
Interest on investments	3,001	475	3,476	39,540
Net cash provided (used) by investing activities	<u>(32,346)</u>	<u>23,952</u>	<u>(8,394)</u>	<u>539,299</u>
Net increase (decrease) in cash and cash equivalents	48,533	(749)	47,784	207,104
Cash and cash equivalents at beginning of year	21,464	749	22,213	941,238
Cash and cash equivalents at end of year	<u>\$ 69,997</u>	<u>\$ -</u>	<u>\$ 69,997</u>	<u>\$ 1,148,342</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, 2004
(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	\$ 205,763	\$ 157,401	\$ 363,164	\$ (1,947,252)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	128,423	46,706	175,129	13,427
Change in assets and liabilities:				
(Increase) decrease in receivables	16,241	(604)	15,637	122,781
(Increase) decrease in prepaid costs	-	-	-	75,528
(Increase) decrease in inventory	(1,820)	-	(1,820)	-
(Decrease) increase in payables	(8,594)	27,866	19,272	174,400
(Decrease) increase in accrued liabilities	(1,411)	1,756	345	599,567
Net cash provided (used) by operating activities	\$ 338,602	\$ 233,125	\$ 571,727	\$ (961,549)

Supplemental Disclosure of Cash Flow Information

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

Internal service funds had \$37,140 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, 2004

	Agency Funds	External Pool Investment Trust
Assets		
Cash & Cash Equivalents	\$ 179,627	\$ 2,961,834
Cash with Fiscal Agents	2,301,254	-
Property Taxes Receivable, net	7,959,695	-
Investments, at Fair Value:		
Securities	-	10,151,295
Repurchase Agreements	-	3,395,394
STIP	798,806	26,577,142
Total Investments	798,806	40,123,831
Total Assets	11,239,382	43,085,665
Liabilities		
Accounts Payable	877,743	-
Funds Held in Trust	10,361,639	-
Total Liabilities	11,239,382	-
Net Assets		
Net Assets Held in Trust for Pool Participants	\$ -	\$ 43,085,665

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, 2004

	External Pool Investment Trust
Additions	
Interest Income	\$ 140,289
Net Investment Income	140,289
Participant Investments in Pool	220,307,528
Total Additions	220,447,817
 Deductions	
Distribution to Participants	(215,751,431)
Change in Net Assets	4,696,386
 Net Assets Held in Trust for Pool Participants	
Net Assets - Beginning of Year	38,389,279
Net Assets - End of Year	\$ 43,085,665

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

MISSOULA COUNTY, MONTANA

Notes to Financial Statements

June 30, 2004

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 a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

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

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 Statement

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.

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:

- RSID Projects
- Y.E.S.
- 9-1-1-Trust
- IACP School
- MCFPA Trust
- Disaster
- Jail Project
- HUD/CDBG
- Abandoned Vehicle
- 901 Sewer
- 901 Water
- LEPC Trust
- Art Museum
- Fort Memorial
- Miller Creek Trust
- Jail Commissary
- Court Education Trust
- RSID Debt Service
- Forest Reserve Title III
- Friends of Historical Museum
- Subdivision Improvement Bonds
- Historical Museum Gift Shop
- Friends of the Library
- Fort Missoula Community Center
- 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 1.83% of total taxes receivable at year-end. At June 30, 2004 the allowance amounted to \$223,430.

Taxable valuations, mill values and mill levies for November 2003 and May 2004 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	\$155,594,087	\$ 4,701,478	\$155,594	122.79 mills
Unincorporated levies	\$ 78,235,045	\$ 1,097,983	\$ 78,235	25.33 mills

The county-wide value includes \$3,603,495 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 \$1,097,983, 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	40 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.

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, have not been capitalized. Such assets normally are immovable and of value only to the County. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

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.

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.

Contributed Capital - Proceeds of grants used to finance certain construction projects in the proprietary funds are recorded as revenues in the period earned.

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 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 reported in the statement of net assets on June 30, 2004, are detailed as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 484,532	\$ -	\$ 484,532
Cash in pooled bank deposits	4,082,825	7,919	4,090,744
Cash in non-pooled bank deposits	1,134,038	462,604	1,596,642
Cash with fiscal agents	3,772,792	-	3,772,792
Pooled investments	56,371,040	80,098	56,451,138
Non-pooled investments	<u>2,437,835</u>	<u>-</u>	<u>2,437,835</u>
Total	<u>\$ 68,283,062</u>	<u>\$ 550,621</u>	<u>\$ 68,833,683</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 - The bank balance includes deposit items such as non-participating certificates of deposit, daily demand/time deposits, and fiscal agent deposits. Bank deposits are classified as to credit risk by the three categories described below:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 - Collateralized with securities held by the pledging financial institutions trust department or agent in the entity's name.
- Category 3 - Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the County's name.

	<u>Category</u>			<u>Bank Balances</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Cash in primary government bank deposits	\$ <u>253,300</u>	\$ <u>700,000</u>	\$ <u>99,219</u>	\$ <u>1,052,519</u>
Component units bank deposits	\$ <u>100,000</u>	\$ <u>-</u>	\$ <u>362,604</u>	\$ <u>462,604</u>

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, 2004, approximately 88% of the County's uninsured deposits were collateralized.

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

Pooled and non-pooled investments - Pooled investments and non-pooled investments represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1 - Insured or registered, or securities held by the County or its agent in the County's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the County's name.

	Category			Reported Amount	Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Government Securities	\$ -	\$ 16,816,099	\$ -	\$ 16,816,099	\$ 16,816,099
Repurchase agreements	-	4,809,226	-	4,809,226	4,809,226
	<u>\$ -</u>	<u>\$ 21,625,325</u>	<u>\$ -</u>	21,625,325	21,625,325
Investment in State short-term investment pool				37,643,784	37,643,784
Total pooled investments and investments held separate				<u>\$ 59,269,109</u>	<u>\$ 59,269,109</u>

The investments in the State short-term investment pool have not been categorized because securities are not used as evidence of the investments.

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 the STIP held no investments in derivatives, approximately 64% of STIP investments consisted of asset-backed securities and approximately 34% consisted of variable interest rate securities at June 30, 2004 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, 2004 financial statements. The County's investment in STIP amounts to 2.5% of total STIP assets.

The external investment pool managed by the County is 62% invested in STIP, with 27,072,904 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2004, STIP's average investment return was 1.1%.

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	\$ 484,532
Cash in pooled bank deposits	4,090,744
Investments	
Repurchase agreements	4,809,226
Government securities	14,378,264
STIP	<u>37,263,648</u>
Total assets	<u>61,026,414</u>
Net Assets:	
County funds	17,940,749
External participants	<u>43,085,665</u>
Total net assets	<u>\$ 61,026,414</u>

Statement of Changes in Net Assets

Additions:	
Interest income	\$ <u>217,975</u>
Net investment Income	217,975
Participant Investments in Pool	<u>316,006,259</u>
Total Additions	<u>316,224,234</u>
Deductions:	
Distribution to Participants	<u>(308,324,591)</u>
Change in Net Assets	7,899,643
Net assets	
Beginning of year	<u>53,126,771</u>
End of year	<u>\$ 61,026,414</u>

Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2004 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	220,158
<u>Montana Community Development Corporation</u> 2% interest due annually principal payment due October 2010	90,000
<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>Montana Regional Orthopedics</u> Note for sale of detention center remainder land, 8% interest due annually, principal payment due September 2004	666,500
<u>Missoula Ravalli Transportation Management Association</u> Variable interest, annual payments of \$2,700 plus interest through January 2008	10,834
<u>CIP - Missoula Development Services</u> Variable interest - annual payments through July 2005	8,213
	<u>\$ 1,668,714</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2004 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	\$ 7,189,703	\$ 5,100	\$ 121,194	\$ 7,073,609
Intangibles	173,101	-	-	173,101
Construction in Progress	678,572	1,602,181	1,419,436	861,317
Total capital assets, not being depreciated	<u>\$ 8,041,376</u>	<u>\$ 1,607,281</u>	<u>\$ 1,540,630</u>	<u>\$ 8,108,027</u>
Capital assets, being depreciated:				
Buildings	\$ 31,553,787	\$ 1,534,693	\$ -	\$ 33,088,480
Equipment	16,442,316	2,106,315	1,278,118	17,270,513
Total capital assets, being depreciated	<u>47,996,103</u>	<u>3,641,008</u>	<u>1,278,118</u>	<u>50,358,993</u>
Less accumulated depreciation for:				
Buildings	6,913,331	746,369	-	7,659,700
Equipment	11,046,139	1,788,319	1,387,435	11,447,023
Total accumulated depreciation	<u>17,959,470</u>	<u>2,534,688</u>	<u>1,387,435</u>	<u>19,106,723</u>
Total capital assets, being depreciated, net	<u>\$ 30,036,633</u>	<u>\$ 1,106,320</u>	<u>\$ (109,317)</u>	<u>\$ 31,252,270</u>

Note 4 - Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 1,049,212	\$ -	\$ -	\$ 1,049,212
Land improvements other than airfield improvements and buildings	-	-	-	-
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:				
Buildings and improvements	\$ 807,444	\$ -	\$ -	\$ 807,444
Improvements other than buildings	1,565,975	9,383	-	1,575,358
Equipment, furniture and fixture:	1,821,125	184,441	82,096	1,923,470
Total capital assets, being depreciated	<u>4,194,544</u>	<u>193,824</u>	<u>82,096</u>	<u>4,306,272</u>
Less accumulated depreciation for				
Buildings and improvements:				
Buildings and improvements	333,645	27,158	-	360,803
Improvements other than buildings	1,460,184	15,980	-	1,476,164
Equipment, furniture and fixture:	1,138,036	130,772	73,068	1,195,740
Total capital assets, being depreciated	<u>2,931,865</u>	<u>173,910</u>	<u>73,068</u>	<u>3,032,707</u>
Total capital assets, being depreciated, net	<u>\$ 1,262,679</u>	<u>\$ 19,914</u>	<u>\$ 9,028</u>	<u>\$ 1,273,565</u>

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

Governmental activities	
General government	\$ 469,417
Criminal Justice	960
Public works	417,974
Public safety	1,012,887
Public health	67,828
Culture and recreation	557,708
Social and economic services	7,914
Total depreciation expense - governmental activities	<u>\$ 2,534,688</u>
Business-type activities	
Larchmont Golf Course	\$ 128,422
RSIDs	45,488
Total depreciation expense - business-type activities	<u>\$ 173,910</u>

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

Activity for the Missoula Aging Services for the year ended June 30, 2004, 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	\$ 928,357	\$ 35,709	\$ 964,066
Equipment	38,412	7,360	45,772
Total capital assets, being depreciated	<u>966,769</u>	<u>43,069</u>	<u>1,009,838</u>
Less accumulated depreciation	<u>(72,204)</u>	<u>(37,709)</u>	<u>(109,913)</u>
Total capital assets, being depreciated, net	<u>\$ 894,565</u>	<u>\$ 5,360</u>	<u>\$ 899,925</u>

Activity for the Partnership Health Clinic for the year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:			
Buildings	\$ 1,762,323	\$ 74,996	\$ 1,837,319
Machinery and equipment	713,025	34,124	747,149
Total capital assets, being depreciated	<u>2,475,348</u>	<u>109,120</u>	<u>2,584,468</u>
Less accumulated depreciation	<u>(779,873)</u>	<u>(151,813)</u>	<u>(931,686)</u>
Total capital assets, being depreciated, net	<u>\$ 1,695,475</u>	<u>\$ (42,693)</u>	<u>\$ 1,652,782</u>

Note 5 - Long-Term Debt

At June 30, 2004, unmatured principal on long-term debt consisted of the following:

General Obligation Bonds and Loans

General Long-Term Debt Account Group

\$17,100,000 Detention Center Bonds Series 1998 issued April 17, 1998, 4.5% to 5.15%, due in varying amounts to July 2018	\$ 14,430,000
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	179,000
Total general obligation bonds and notes	<u>14,609,000</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	400,000
\$1,000,000 Risk Management Bond, Series 2001 issued July 15, 2001, 3.10% to 4.5%, due in varying amounts to July 2011	830,000
\$995,000 Ice Rink Facility Bond, Series 2004 issued June 10, 2004, 3.75% 5%, due in varying amounts to July 2024	995,000
Total limited obligation bonds and notes	<u>2,225,000</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>2,060,000</u>
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Special Assessment Bonds and Loans

Rural Special Improvement Districts, 3.5% to 9.05%, due at varying dates through 2018. County is contingently liable for payment of these bonds	943,000
\$241,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	101,000
\$1,943,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	889,000
\$291,000 State Revolving Fund Loan, issued November 1998, 4%, due in varying amounts to July 2019	233,000
\$649,936 State Revolving Fund Loan, issued September 2002, 4%, due in varying amounts to July 2023	638,000

Note 5 - Long-Term Debt (Continued)

\$4,729,000 State Revolving Fund Loan, issued July 2003, 3.75%, due in varying amounts to July 2024	<u>3,661,561</u>
Total special assessment bonds and loans	<u>6,465,561</u>

Notes & Contracts Payable

Variable rate (0% at 6/30/04) line of credit payable, due in varying amounts through August 2013; repayment from MCA Increment District	589,695
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2006; repayment from Capital Improvement fund	148,359
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2007; repayment from Capital Improvement fund	78,597
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through February 2007; repayment from Capital Improvement fund	112,168
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through February 2007; repayment from Road & Bridge funds	313,935
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2009; repayment from Fair fund	30,031
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2004; repayment from the Capital Improvement fund	45,256
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2008; repayment from Fair fund	46,330
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2008; repayment from Health Insurance fund	102,954
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2004; repayment from Technology fund	31,222
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2010; repayment from Road & Bridge fund	348,677
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2012; repayment from Fair fund	158,623
Variable rate (2.85% at 6/30/04) contract payable, due in varying amounts through August 2005; repayment from Capital Improvement fund	<u>151,657</u>
Total notes and contracts payables	<u>2,157,504</u>
Subtotal	<u>27,517,065</u>

Note 5 - Long-Term Debt (Continued)

Liability for Sick and Vacation (Primary Government)

Accrued vacation benefits	1,896,286
Accrued compensatory time benefits	167,694
Accrued holiday benefits	90,680
Accrued sick benefits	<u>1,009,206</u>
Total accrued benefits	<u>3,163,866</u>
Total Long-Term Debt	<u>\$ 30,680,931</u>

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2004, 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	\$ 15,257,000	\$ -	\$ (648,000)	\$ 14,609,000	\$ 683,000
Limited Obligation Note	1,335,000	995,000	(105,000)	2,225,000	110,000
Tax Increment	2,150,000	-	(90,000)	2,060,000	90,000
Special Assessment Bonds Payable	1,248,000	-	(305,000)	943,000	138,000
Special Assessment Loans Payable	1,993,936	3,661,561	(132,936)	5,522,561	210,000
Contracts Payable	1,380,627	1,309,764	(532,887)	2,157,504	465,659
Liability for Sick and Vacation	<u>3,106,858</u>	<u>3,141,092</u>	<u>(3,084,084)</u>	<u>3,163,866</u>	<u>3,163,866</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 26,471,421</u>	<u>\$ 9,107,417</u>	<u>\$ (4,897,907)</u>	<u>\$ 30,680,931</u>	<u>\$ 4,860,525</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, 2004, are as follows:

Governmental Activities									
Fiscal Year Ending June 30	Jail Bond Principal	Jail Bond Interest	Fair SRF Principal	Fair SRF Interest	General Obligation Total Principal	General Obligation Total Interest	Risk Management Principal	Risk Management Interest	Ice Rink Facility Principal
2005	\$ 675,000	\$ 692,349	\$ 8,000	\$ 7,080	\$ 683,000	\$ 699,429	\$ 90,000	\$ 32,730	\$ -
2006	710,000	659,455	8,000	6,760	718,000	666,215	95,000	29,305	30,000
2007	745,000	624,899	8,000	6,440	753,000	631,339	95,000	25,600	35,000
2008	775,000	588,799	8,000	6,120	783,000	594,919	100,000	21,650	35,000
2009	815,000	551,036	10,000	5,781	825,000	556,817	105,000	17,395	35,000
2010-2014	4,690,000	2,126,866	52,000	22,880	4,742,000	2,149,746	345,000	23,455	210,000
2015-2019	6,020,000	800,782	64,000	11,480	6,084,000	812,262	-	-	255,000
2020-2024	-	-	21,000	840	21,000	840	-	-	320,000
2025-2029	-	-	-	-	-	-	-	-	75,000
	<u>14,430,000</u>	<u>\$ 6,044,186</u>	<u>179,000</u>	<u>\$ 67,381</u>	<u>14,609,000</u>	<u>\$ 6,111,567</u>	<u>830,000</u>	<u>\$ 150,135</u>	<u>995,000</u>
Less current portion	<u>(675,000)</u>		<u>(8,000)</u>		<u>(683,000)</u>		<u>(90,000)</u>		<u>-</u>
	<u>\$ 13,755,000</u>		<u>\$ 171,000</u>		<u>\$ 13,926,000</u>		<u>\$ 740,000</u>		<u>\$ 995,000</u>

Governmental Activities (Continued)									
Fiscal Year Ending June 30	Ice Rink Facility 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
2005	\$ 24,807	\$ 20,000	\$ 20,163	\$ 90,000	\$ 110,245	\$ 138,000	\$ 54,168	\$ 210,000	\$ 201,523
2006	43,830	20,000	19,233	95,000	105,758	137,000	46,548	316,000	200,584
2007	42,530	20,000	18,288	100,000	100,930	132,000	39,117	319,000	188,404
2008	41,174	20,000	17,333	110,000	95,625	121,000	31,886	314,000	176,104
2009	39,862	20,000	16,363	115,000	89,830	81,000	25,174	310,000	164,146
2010-2014	176,581	130,000	63,393	670,000	348,726	269,000	65,337	1,631,000	636,300
2015-2019	127,706	170,000	24,566	880,000	132,826	65,000	5,525	1,227,000	351,010
2020-2024	59,629	-	-	-	-	-	-	1,104,000	130,060
2025-2029	1,875	-	-	-	-	-	-	91,561	1,717
	<u>\$ 557,994</u>	<u>400,000</u>	<u>\$ 179,339</u>	<u>2,060,000</u>	<u>\$ 983,940</u>	<u>943,000</u>	<u>\$ 267,755</u>	<u>5,522,561</u>	<u>\$ 2,049,848</u>
Less current portion		<u>(20,000)</u>		<u>(90,000)</u>		<u>(138,000)</u>		<u>(210,000)</u>	
		<u>\$ 380,000</u>		<u>\$ 1,970,000</u>		<u>\$ 805,000</u>		<u>\$ 5,312,561</u>	

Note 5 - Long-Term Debt (Continued)

Governmental Activities (Continued)				
Fiscal Year Ending June 30	Notes & Contracts Principal	Notes & Contracts Interest	Total Governmental Principal	Total Governmental Interest
2005	\$ 465,659	\$ 60,970	\$ 1,696,659	\$ 1,204,035
2006	475,397	50,039	1,886,397	1,161,512
2007	382,226	39,394	1,836,226	1,085,602
2008	209,926	28,906	1,692,926	1,007,597
2009	182,070	22,128	1,673,070	931,715
2010-2014	433,244	45,497	8,430,244	3,509,035
2015-2019	8,982	121	8,689,982	1,454,016
2020-2024	-	-	1,445,000	190,529
2025-2029	-	-	166,561	3,592
	<u>2,157,504</u>	<u>\$ 247,055</u>	<u>27,517,065</u>	<u>\$ 10,547,633</u>
Less current portion	<u>(465,659)</u>		<u>(1,696,659)</u>	
	<u>\$ 1,691,845</u>		<u>\$ 25,820,406</u>	

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, minimum revenue bond coverages, minimum levels of insurance coverage and maintenance of operating assets in good condition. At June 30, 2004, 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.

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, Missoula County arranged to borrow up to \$2,263,000 from the State of Montana Revolving Fund to help 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. The remaining balance of the loan will not be drawn due to completion. In November 1998, Missoula County arranged to borrow up to \$291,000 from the State of Montana Revolving Fund to help fund the Sunset West drinking water project represented by RSID 8458. In September 2002, Missoula County arranged to borrow up to \$654,000 from the State of Montana Revolving Fund to help fund improvements for the Lolo sewer project. In July 2003, Missoula County arranged to borrow up to \$4,729,000 from the State of Montana Revolving Fund with proceeds totaling \$3,661,561 in 2004 for the Mullan Corridor Sewer Project represented by RSID 8474. 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.

Line of Credit - At June 30, 2004, Missoula County had available a closed-end line of credit of up to \$700,000 for the construction of the Airport Interchange. The line carries an interest rate of prime less 1% beginning June 2005, and expires in 2015. There were draws of \$589,695 made on the line of credit during 2004 and the balance outstanding at June 30, 2004 is \$589,695.

Prior Year Defeasance of Debt - Prior to 2003, the County defeased certain general obligation and other debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2004, \$165,000 of bonds outstanding are considered defeased.

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, 2004, 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, 2004 was \$305,809.

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, 2004 was \$7,600,000.

Note 5 - Long-Term Debt (Continued)

Legal Debt Margin - The County's legal debt limitation is 1.4% of total assessed value of taxable property. As of June 30, 2004 the debt margin was \$41,208,150 for total debt.

Note 6 - Commitments and Contingencies

Commitments - At June 30, 2004, the County was committed to spend approximately \$2,700,000 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, 2004, taxes remaining under protest totaled \$656,520.

Rural Special Improvement Districts (RSIDS) - As of June 30, 2004, delinquent assessments on RSIDs were \$79,625. 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, 2004, 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>
2005	\$ 135,480	\$ 25,207
2006	87,046	74,230
2007	34,950	77,930
2008	34,950	76,574
2009	31,550	75,261
Later	<u>886,500</u>	<u>1,227,387</u>
Total	<u>\$ 1,210,476</u>	<u>\$ 1,556,589</u>

Operating lease expense for 2004 was \$135,480.

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 \$410,279 at June 30, 2004.

Note 6 - Commitments and Contingencies (Continued)

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 \$1,365,772 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. The Excess Loss fund provided \$75,000 to the Health Insurance program in 2004.

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 \$354 to \$643 and \$0 to \$405, 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 \$308 to \$905, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2004, were \$3,269,987. Asserted health benefits claims at June 30, 2004 totaled \$326,664.

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 \$.53 to \$8.39 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2004 were \$631,180. Asserted workers' compensation claims at June 30, 2004 totaled \$245,119.

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 societal 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 2003 and 2004 are as follows:

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>
Claims liability June 30, 2002	\$ 1,189,053	\$ 406,794	\$ 1,135,465
Claims incurred in 2003	267,413	4,714,898	519,377
Claims paid in 2003	<u>(255,200)</u>	<u>(4,574,151)</u>	<u>(364,628)</u>
Claims liability June 30, 2003	1,201,266	547,541	1,290,214
Claims incurred in 2004	617,750	6,116,571	824,622
Claims paid in 2004	<u>(453,244)</u>	<u>(6,051,979)</u>	<u>(483,717)</u>
Claims liability June 30, 2004	<u>\$ 1,365,772</u>	<u>\$ 612,133</u>	<u>\$ 1,631,119</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, 2004, expressed as a percent of covered payroll, are as follows:

	<u>Employees</u>	<u>County</u>	<u>State</u>
MSRS	9.25%	9.54%	-
MTRS	7.15%	7.47%	0.11%
MPERS	6.90%	6.80%	0.10%

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>
2004	\$ 248,969	\$ 4,548	\$ 1,363,217
2003	218,257	4,354	1,302,726
2002	213,924	3,632	1,292,440

On behalf payments made by the State of Montana totaled \$67 and \$20,047 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, 2004 was \$3,942,317.

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, 2004, the following funds had a deficit fund balance or retained earnings resulting from expenditures/expenses in excess of revenues during 2004 and prior years:

Nonmajor Governmental Funds	
Special Revenue Funds	
Judgement Levy	\$ 27,053
Disaster	37,948
Historical Museum Gift Shop	1,156
LEPC Trust	1,163
Fort Memorial Trust	1,190
Capital Projects Fund	
Jail Project	148,421
RSID Projects	806,286

The Judgement Levy Fund deficit will be eliminated through a special tax levy over the next two years.

The Disaster Fund deficit will be eliminated through a special tax levy over the next two years.

The Jail Project deficit will be eliminated through receipts on contracts receivable.

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

The deficits in the Historical Museum Gift Shop, the LEPC Trust, and the Fort Memorial Trust 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, 2004:

Governmental Activities	
Major Funds	
General Fund	
Justice Court	
Capital Outlay	\$ 5
Attorney	
Personnel	11,490
Transfers Out	6,200
Financial Services	
Operations	210
Clerk & Recorder/Treasurer	
Personnel	11,935
Auditor	
Transfers Out	400
Office of Emergency Services	
Personnel	2,472

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

9-1-1 Communications Center	
Personnel	25,073
Capital Outlay	7,610
Human Resources	
Capital Outlay	175
Superintendent of Schools	
Personnel	457
Non-Departmental	
Transfers Out	91,107
Public Safety	
Transfers Out	244,318
MCA Industrial District	
Personnel	1,261
Principal	8,430
Transfers Out	80,456
Nonmajor Governmental Funds	
Special Revenue Funds	
Fair	
Operations	231,582
Capital Outlay	12,545
Animal Control	
Operations	7,482
Drug Forfeiture	
Personnel	14,439
Operations	6,248
Clean-Up Missoula	
Operations	8,583
Junk Vehicle	
Operations	16,759
RSID Administration	
Operations	14,686
Community Based Organizations	
Transfers Out	1,206
Debt Service Funds	
Risk Management Bonds	
Interest and Fiscal Charges	250

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

Capital Projects Funds		
Capital Improvement		
Interest and Fiscal Charges		20,194
Fair Ice Rink		
Operations		9,000
Communications Backbone		
Operations		30,477
Business-type Activities		
Internal Service Funds		
Risk Management		
Personnel		567
Operations		58,670
Health Insurance		
Operations		707,688
Debt Service - Principal		1
Other Expenses		661
Workers' Compensation		
Personnel		6,220
Operations		55,060
Excess Loss		
Transfers Out		75,000
Telephone Services		
Personnel		2,960

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 Clerk & Recorder/Treasurer were due to costs associated higher than expected turnover and absenteeism. Personnel over-expenditures in 9-1-1 Communications Center were due to overtime costs associated with higher than expected turnover. Transfers Out exceeded appropriations in the General fund non-departmental function due to the creation of the Communications Backbone Capital Projects fund which was previously accounted for in the General fund. Operations over-expenditures at the Fair were due to higher than expected horse racing, security, and entertainment costs. Capital outlay was over-expended at the Fair due to unanticipated equipment replacements. Over-expenditures in Drug Forfeiture were due to greater than anticipated revenues (the Sheriff has the authority to exceed appropriations in Drug Forfeiture without Commissioner approval). Transfers Out in the MCA Industrial District exceeded budget due to unbudgeted reimbursements to the General fund. Transfers Out in Public Safety exceeded budget due to higher than anticipated costs associated with insurance and technology charges. 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:

	<u>General</u>	<u>Public Safety</u>	<u>MCA Industrial District</u>	<u>RSID Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis	\$ 120,547	\$ 24,433	\$ 908,133	(174,639)	\$ 2,094,066	\$ (1,242,330)
Investments - 6/30/04	(746,594)	(85,934)	1,697	-	(115,792)	135,885
Investments - 6/30/03	4,760	-	728	-	394	9,570
Accounts Receivable - 6/30/04	-	(154,585)	(85,870)	-	58,969	(169,204)
Accounts Receivable - 6/30/03	-	522,797	-	-	350,376	283,418
Advances to Other Funds - 6/30/04	-	-	-	-	17,353	-
Advances to Other Funds - 6/30/03	-	-	-	-	(15,006)	-
Accounts Payable - 6/30/04	212,490	82,875	31	-	727,477	186,729
Accounts Payable - 6/30/03	(160,759)	(278,810)	(17,328)	-	(839,057)	(12,329)
Claims Payable - 6/30/04	-	-	-	-	-	3,548,403
Claims Payable - 6/30/03	-	-	-	-	-	(2,991,419)
Accrued Payroll - 6/30/04	228,896	266,037	2,111	-	367,939	49,625
Accrued Payroll - 6/30/03	(170,755)	(257,616)	(1,627)	-	(284,471)	(20,061)
Accrued Interest - 6/30/04	-	-	56,203	-	375,409	-
Accrued Interest - 6/30/03	-	-	(58,318)	-	(402,954)	-
Other Deferred Revenue - 6/30/04	-	-	-	-	224,993	-
Other Deferred Revenue - 6/30/03	628,542	-	-	-	-	-
Capital Outlay	-	-	-	-	-	(18,260)
Depreciation	-	-	-	-	-	1,508
Investment Earnings	-	-	-	-	-	-
Debt Service	-	-	-	-	-	(20,011)
Prior Period Adjustments	-	-	-	-	160,463	-
Non-budgeted Funds:						
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	-	-	174,639	(129,155)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ 117,127</u>	<u>\$ 119,197</u>	<u>805,760</u>	<u>-</u>	<u>\$ 2,591,004</u>	<u>\$ (258,476)</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: \$500,050 from the General Fund to the Communications Backbone Project Fund to help fund construction of the project, \$75,000 from the Excess Loss Fund to the Health Benefits fund to help offset the costs of higher than expected claims, \$41,083 from the Capital Improvement Fund to the Fair to repair the east bleachers and \$159,482 from the MCA Industrial District to the General Fund to reimburse costs incurred in prior years. An analysis of transfers in and out during 2004 follows:

General Fund to:	
Public Safety	\$ 308,867
Nonmajor Governmental Funds (Animal Control, Technology, Capital Improvement, Community Based Organizations, Parks, Extension, District Court, Planning, Museum, Communications Backbone Project)	1,649,209
Internal Service (Telephone Services)	35,757
Public Safety Fund to:	
Nonmajor Governmental Funds (Drug Forfeiture, Planning, Technology, Capital Improvement)	385,158
Internal Service (Risk Management)	85,640
RSID Debt Service Funds to:	
Nonmajor Governmental Funds (RSID Administration, RSID Revolving)	14,827
Enterprise (RSID)	434
MCA Industrial District to:	
General Fund	181,482
Nonmajor Governmental Funds (Road, Capital Improvement, Technology)	167,715
Nonmajor Governmental Funds to:	
General Fund	143,057
Public Safety Fund	171,809
RSID Debt Service	37,092
Nonmajor Governmental Funds (Library, Animal Control, Planning, Technology, Capital Improvement, Extension, Road, Weed, Health, Water Quality District, Museum, RSID Revolving, RSID Administration, RSID Capital, Health Center Bonds, Parks, Fair, Poor, District Court, Bridge)	1,281,535
Internal Service (Risk Management)	382

Note 11 - Interfund Transactions (Continued)

Internal Service Funds to:	
Internal Service (Health Benefits)	75,000
Larchmont Golf Course Fund to:	
General Fund	15,703
Nonmajor Governmental Funds (Capital Improvements)	127,201
Nonmajor Enterprise Fund to:	
Nonmajor Governmental Funds (901 Water, 901 Sewer)	128,050
	<hr/>
Total Transfers In/Out	\$ 4,808,918

Advances to other funds - Interfund advances at June 30, 2004 consist of the following:

General Fund - Cash flow advances to:	
Nonmajor Governmental Funds (Disaster, Jail Bond, Health Center Bonds, Risk Management Bonds, Judgement Levy)	\$ 457,949
Public Safety - Cash flow advances to:	
Nonmajor Governmental Funds (Jail Project, LEPC Trust)	149,584
Nonmajor Governmental Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Clean Up Missoula, RSID Capital Technology, Fort Memorial)	256,513
Nonmajor Enterprise Fund - Cash flow advances to:	
Nonmajor Governmental Funds (RSID Capital)	644,661
	<hr/>
Total Advances to Other Funds	\$ 1,508,707

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)	\$	493,197
Other advance from Nonmajor Governmental Funds (Health Center Bonds)		<u>405,307</u>
	\$	<u>898,504</u>
Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$	21,072
Health insurance premiums paid to Internal Service Funds		194,244
Community Based Organizations Grant from Nonmajor Governmental Fund (Poor Fund)		210,000
<u>Missoula Aging Services</u>		
Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)		205,850

Note 13 - Segment Information for the Nonmajor Enterprise Fund

Sewer operations is a service provided by the County, which is financed principally by user charges. Key financial data for this nonmajor enterprise fund is available in the proprietary and financial statements since there is only one nonmajor enterprise fund.

Note 14 - Fund and Other Reclassifications

Prior Period Adjustments - Fund balance in the Fair Fund as of June 30, 2003 was increased \$160,463 to reflect certain revenues that had not been reported in prior years. The restatement had a corresponding effect on net assets in the government-wide statement of activities.

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.

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

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.

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.

Clean-Up Missoula County - To account for donations to be used in the enforcement of the County's Decay Ordinance or similar programs.

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.

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

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

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

(Continued)

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

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

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

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
Fort Memorial
Friends of the Library
Court Education Trust

Fort Missoula Community Center
Friends of Historical Museum
Historical Museum Gift
Transportation Mitigation Trust
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.

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.

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

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.

Goodan - Keil Project - To account for road construction near the Airport Interchange.

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

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

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.

MISSOULA COUNTY, MONTANA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004
(Page 1 of 7)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Open Space	Parks	Library
Assets:									
Cash & Cash Equivalents	\$ 42,326	\$ 11,551	\$ 11,120	\$ 36,224	\$ 29,923	\$ 10,210	\$ 4,182	\$ 32,087	\$ 31,727
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	428,316	116,884	112,529	366,567	302,805	103,323	42,320	324,699	321,065
Property Taxes Receivable (net)	114,083	63,720	62,246	28,521	5,381	120,855	338	14,359	127,386
Accounts Receivable	1,296	-	34,932	-	-	225,047	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	588,082	-	-	-	-	-	-	-	-
Total Assets	\$ 1,174,103	\$ 192,155	\$ 220,827	\$ 431,312	\$ 338,109	\$ 459,435	\$ 46,840	\$ 371,145	\$ 480,178
Liabilities:									
Accounts & Warrants Payable	\$ 143,232	\$ 11,646	\$ 54,932	\$ 7,074	\$ 39,912	\$ 12,747	\$ -	\$ 3,017	\$ 47,797
Accrued Interest Payable	-	-	-	-	3,650	-	-	-	-
Accrued Payroll	57,050	-	19,028	6,920	8,977	39,058	-	794	29,655
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	114,083	63,720	62,246	28,521	5,381	120,855	338	14,359	127,386
Other Deferred Revenue	-	-	-	-	-	224,993	-	-	-
Total Liabilities	\$ 314,365	\$ 75,366	\$ 136,206	\$ 42,515	\$ 57,920	\$ 397,653	\$ 338	\$ 18,170	\$ 204,838
Fund Balance:									
Reserved for Inventory	588,082	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	271,656	116,789	84,621	388,797	280,189	61,782	46,502	352,975	275,340
Total Fund Balance	\$ 859,738	\$ 116,789	\$ 84,621	\$ 388,797	\$ 280,189	\$ 61,782	\$ 46,502	\$ 352,975	\$ 275,340
Total Liabilities and Fund Balance	\$ 1,174,103	\$ 192,155	\$ 220,827	\$ 431,312	\$ 338,109	\$ 459,435	\$ 46,840	\$ 371,145	\$ 480,178

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2004
(Page 2 of 7)

Special Revenue

	Planning	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Y.E.S.	Museum
Assets:								
Cash & Cash Equivalents	\$ 20,027	\$ 13,877	\$ 23,173	\$ 1,709	\$ 9,345	\$ 3,697	\$ 1,219	\$ 6,052
Cash with Fiscal Agents	-	-	-	-	-	-	-	-
Investments	202,664	140,422	234,506	17,300	94,560	37,417	12,347	61,246
Property Taxes Receivable (net)	41,334	52,397	50,538	6,739	21,934	-	-	36,190
Accounts Receivable	363,820	360,883	51,400	2,928	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-
Advances to Other Funds	-	6,250	-	-	-	-	-	-
Advances to Component Units	-	493,197	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 627,845</u>	<u>\$ 1,067,026</u>	<u>\$ 359,617</u>	<u>\$ 28,676</u>	<u>\$ 125,839</u>	<u>\$ 41,114</u>	<u>\$ 13,566</u>	<u>\$ 103,488</u>
Liabilities:								
Accounts & Warrants Payable	\$ 109,756	\$ 50,603	\$ 1,941	\$ 2,537	\$ 1,804	\$ 355	\$ -	\$ 3,415
Accrued Interest Payable	-	-	-	-	-	-	-	-
Accrued Payroll	67,578	92,414	7,903	9,097	5,075	5,505	-	6,571
Advances from Other Funds	-	-	-	-	-	-	-	-
Deferred Tax Revenue	41,334	52,397	50,538	6,739	21,934	-	-	36,190
Other Deferred Revenue	-	51,145	-	-	-	-	-	-
Total Liabilities	<u>218,668</u>	<u>246,559</u>	<u>60,382</u>	<u>18,373</u>	<u>28,813</u>	<u>5,860</u>	<u>-</u>	<u>46,176</u>
Fund Balance:								
Reserved for Inventory	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	499,447	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-
Unreserved Fund Balance:								
Undesignated	409,177	321,020	299,235	10,303	97,026	35,254	13,566	57,312
Total Fund Balance	<u>409,177</u>	<u>820,467</u>	<u>299,235</u>	<u>10,303</u>	<u>97,026</u>	<u>35,254</u>	<u>13,566</u>	<u>57,312</u>
Total Liabilities and Fund Balance	<u>\$ 627,845</u>	<u>\$ 1,067,026</u>	<u>\$ 359,617</u>	<u>\$ 28,676</u>	<u>\$ 125,839</u>	<u>\$ 41,114</u>	<u>\$ 13,566</u>	<u>\$ 103,488</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2004
(Page 3 of 7)

	Special Revenue								
	Clean-up Missoula	Disaster	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	9-1-1 Trust	Abandoned Vehicle
Assets:									
Cash & Cash Equivalents	\$ -	\$ -	\$ 1,417	\$ 20,546	\$ 27,140	\$ 5,467	\$ 7,019	\$ 28,514	\$ 111
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	-	-	14,341	207,912	274,642	55,326	71,029	288,549	1,130
Property Taxes Receivable (net)	-	79	-	-	-	-	27,826	-	-
Accounts Receivable	6,250	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	428,009	555,158	-	-	-
Advances to Other Funds	-	-	-	-	161,524	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	\$ 6,250	\$ 79	\$ 15,758	\$ 228,458	\$ 891,315	\$ 615,951	\$ 105,874	\$ 317,063	\$ 1,241
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ 1,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	2,002	-	-	-	-	-	-
Advances from Other Funds	6,250	37,948	-	-	-	-	-	-	-
Deferred Tax Revenue	-	79	-	-	-	-	27,826	-	-
Other Deferred Revenue	-	-	-	-	428,009	555,158	-	-	-
Total Liabilities	6,250	38,027	3,994	-	428,009	555,158	27,826	-	-
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	589,533	-	-	-	-
Reserved for Capital	-	-	14,312	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	-	(37,948)	(2,548)	228,458	(126,227)	60,793	78,048	317,063	1,241
Total Fund Balance	-	(37,948)	11,764	228,458	463,306	60,793	78,048	317,063	1,241
Total Liabilities and Fund Balance	\$ 6,250	\$ 79	\$ 15,758	\$ 228,458	\$ 891,315	\$ 615,951	\$ 105,874	\$ 317,063	\$ 1,241

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2004
(Page 4 of 7)

Special Revenue

	901 Water	901 Sewer	Jail Commissary	IACP School	MCFPA Trust	LEPC Trust	Art Museum	Fort Memorial	Friends of the Library
Assets:									
Cash & Cash Equivalents	\$ 9,575	\$ 19,781	\$ 24,910	\$ 6	\$ 71	\$ -	\$ 19	\$ -	\$ 2,361
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	96,889	200,166	252,084	64	727	-	187	-	23,899
Property Taxes Receivable (net)	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 106,464</u>	<u>\$ 219,947</u>	<u>\$ 276,994</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ -</u>	<u>\$ 26,260</u>
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ 893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	1,163	-	1,190	-
Deferred Tax Revenue	-	-	-	-	-	-	-	-	-
Other Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>893</u>	<u>-</u>	<u>-</u>	<u>1,163</u>	<u>-</u>	<u>1,190</u>	<u>-</u>
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	<u>106,464</u>	<u>219,947</u>	<u>276,101</u>	<u>70</u>	<u>798</u>	<u>(1,163)</u>	<u>206</u>	<u>(1,190)</u>	<u>26,260</u>
Total Fund Balance	<u>106,464</u>	<u>219,947</u>	<u>276,101</u>	<u>70</u>	<u>798</u>	<u>(1,163)</u>	<u>206</u>	<u>(1,190)</u>	<u>26,260</u>
Total Liabilities and Fund Balance	<u>\$ 106,464</u>	<u>\$ 219,947</u>	<u>\$ 276,994</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ -</u>	<u>\$ 26,260</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2004
(Page 5 of 7)

	Special Revenue								
	Transportation Mitigation Trust	Miller Creek Trust	Ft Missoula Community Center	Friends of Historical Museum	Historical Museum Gift Shop	Court Education Trust	Subdivision Improvement Bonds	Judgement Levy	Permissive Medical Levy
Assets:									
Cash & Cash Equivalents	\$ 10,736	\$ 38,506	\$ 372	\$ 5,284	\$ 125	\$ -	\$ 471	\$ -	\$ 384
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	108,649	389,656	3,768	53,464	1,266	5	4,764	-	3,891
Property Taxes Receivable (net)	-	-	-	-	-	-	-	7,460	18,914
Accounts Receivable	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	1,190	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 119,385</u>	<u>\$ 428,162</u>	<u>\$ 4,140</u>	<u>\$ 59,938</u>	<u>\$ 1,391</u>	<u>\$ 5</u>	<u>\$ 5,235</u>	<u>\$ 7,460</u>	<u>\$ 23,189</u>
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ 5,472	\$ 2,547	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	27,053	-
Deferred Tax Revenue	-	-	-	-	-	-	-	7,460	18,914
Other Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,472</u>	<u>2,547</u>	<u>-</u>	<u>-</u>	<u>34,513</u>	<u>18,914</u>
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	1,190	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	<u>119,385</u>	<u>428,162</u>	<u>4,140</u>	<u>53,276</u>	<u>(1,156)</u>	<u>5</u>	<u>5,235</u>	<u>(27,053)</u>	<u>4,275</u>
Total Fund Balance	<u>119,385</u>	<u>428,162</u>	<u>4,140</u>	<u>54,466</u>	<u>(1,156)</u>	<u>5</u>	<u>5,235</u>	<u>(27,053)</u>	<u>4,275</u>
Total Liabilities and Fund Balance	<u>\$ 119,385</u>	<u>\$ 428,162</u>	<u>\$ 4,140</u>	<u>\$ 59,938</u>	<u>\$ 1,391</u>	<u>\$ 5</u>	<u>\$ 5,235</u>	<u>\$ 7,460</u>	<u>\$ 23,189</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2004
(Page 6 of 7)

	Debt Service			
	Risk Management	Jail Bond	Health Center	RSID Revolving
Assets:				
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 31,322
Cash with Fiscal Agents	107,175	1,029,190	30,311	-
Investments	-	-	-	316,957
Property Taxes Receivable (net)	8,596	107,567	-	-
Accounts Receivable	-	-	-	-
Loans & Notes Receivable	-	-	-	-
Advances to Other Funds	-	-	-	-
Advances to Component Units	-	-	405,307	-
Inventory	-	-	-	-
Total Assets	\$ 115,771	\$ 1,136,757	\$ 435,618	\$ 348,279
Liabilities:				
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	17,175	354,584	10,312	-
Accrued Payroll	-	-	-	-
Advances from Other Funds	67,161	295,476	30,311	-
Deferred Tax Revenue	8,596	107,567	-	-
Other Deferred Revenue	-	-	-	-
Total Liabilities	92,932	757,627	40,623	-
Fund Balance:				
Reserved for Inventory	-	-	-	-
Reserved for Advances & Loans	-	-	405,307	-
Reserved for Capital	-	-	-	-
Unreserved Fund Balance:				
Undesignated	22,839	379,130	(10,312)	348,279
Total Fund Balance	22,839	379,130	394,995	348,279
Total Liabilities and Fund Balance	\$ 115,771	\$ 1,136,757	\$ 435,618	\$ 348,279

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2004
(Page 7 of 7)

Capital Projects

	Communications						RSID Projects	Total
	Capital Improvement	Technology	Goodan Keil	Ice Rink Project	Backbone Project	Jail Project		
Assets:								
Cash & Cash Equivalents	\$ 44,533	\$ -	\$ -	\$ 51,336	\$ 41,593	\$ -	\$ -	\$ 660,048
Cash with Fiscal Agents	-	-	-	-	-	-	-	1,166,676
Investments	450,661	-	-	519,499	420,903	-	-	6,679,398
Property Taxes Receivable (net)	-	27,797	-	-	-	-	-	944,260
Accounts Receivable	-	216,480	-	-	17,264	-	-	1,280,300
Loans & Notes Receivable	19,047	-	-	-	-	666,500	-	1,668,714
Advances to Other Funds	87,549	-	-	-	-	-	-	256,513
Advances to Component Units	-	-	-	-	-	-	-	898,504
Inventory	-	-	-	-	-	-	-	588,082
Total Assets	<u>\$ 601,790</u>	<u>\$ 244,277</u>	<u>\$ -</u>	<u>\$ 570,835</u>	<u>\$ 479,760</u>	<u>\$ 666,500</u>	<u>\$ -</u>	<u>\$ 14,142,495</u>
Liabilities:								
Accounts & Warrants Payable	\$ 3,639	\$ 62,380	\$ -	\$ 28,213	\$ 153,954	\$ -	\$ 101	\$ 749,959
Accrued Interest Payable	-	-	-	-	-	-	-	385,721
Accrued Payroll	-	-	-	-	-	-	-	357,627
Advances from Other Funds	-	87,549	-	-	-	148,421	806,185	1,508,707
Deferred Tax Revenue	-	27,797	-	-	-	-	-	944,260
Other Deferred Revenue	19,047	-	-	-	-	666,500	-	1,944,852
Total Liabilities	<u>22,686</u>	<u>177,726</u>	<u>-</u>	<u>28,213</u>	<u>153,954</u>	<u>814,921</u>	<u>806,286</u>	<u>5,891,126</u>
Fund Balance:								
Reserved for Inventory	-	-	-	-	-	-	-	588,082
Reserved for Advances & Loans	87,549	-	-	-	-	-	-	1,583,026
Reserved for Capital	-	-	-	-	-	-	-	14,312
Unreserved Fund Balance:								
Undesignated	491,555	66,551	-	542,622	325,806	(148,421)	(806,286)	6,065,949
Total Fund Balance	<u>579,104</u>	<u>66,551</u>	<u>-</u>	<u>542,622</u>	<u>325,806</u>	<u>(148,421)</u>	<u>(806,286)</u>	<u>8,251,369</u>
Total Liabilities and Fund Balance	<u>\$ 601,790</u>	<u>\$ 244,277</u>	<u>\$ -</u>	<u>\$ 570,835</u>	<u>\$ 479,760</u>	<u>\$ 666,500</u>	<u>\$ -</u>	<u>\$ 14,142,495</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2003
(Page 1 of 7)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Open Space	Parks	Library
Revenues:									
Property Taxes	\$ 1,248,287	\$ 743,353	\$ 698,614	\$ 345,610	\$ 51,288	\$ 896,656	\$ 8	\$ 173,405	\$ 1,520,160
Licenses & Permit:	14,198	36	37	18	4	56	-	9	70
Intergovernmental Revenue	2,103,243	208,715	220,321	64,419	86,766	668,565	-	10,775	368,740
Charges for Service:	79,135	-	-	9,809	1,037,155	48,455	-	9,508	11,033
Fines & Forfeits:	-	-	-	-	-	433	-	-	37,667
Investment Earnings:	380	-	-	537	55	43	-	-	749
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	67,444	-	2,551	1,311	-	7,291	-	22	39,533
Total Revenues	3,512,687	952,104	921,523	421,704	1,175,268	1,621,499	8	193,719	1,977,952
Expenditures:									
Current Operations:									
General Government	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	1,715,770	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	3,063,958	-	686,937	387,582	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	680,643	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	1,125,408	-	-	134,648	1,419,546
Housing & Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay	884,318	-	238,303	10,044	147,055	6,020	-	14,692	474,043
Debt Service:									
Principal	-	-	-	-	8,000	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	7,240	-	-	-	-
Total Expenditures	3,948,276	680,643	925,240	397,626	1,287,703	1,721,790	-	149,340	1,893,589
Excess of Revenues over (under) Expenditures	(435,589)	271,461	(3,717)	24,078	(112,435)	(100,291)	8	44,379	84,363
Other Financing Sources (uses)									
Transfers In	74,978	1,206	7,127	14,677	42,658	13,766	-	25,136	12,749
Transfers Out	(107,973)	(208,959)	(13,226)	(26,900)	(17,836)	(56,267)	-	(900)	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Loan Proceeds	348,677	-	-	-	158,623	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	9,760	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	(110,147)	63,708	(9,816)	11,855	71,010	(142,792)	8	68,615	97,112
Fund Balance - Beginning of Year	788,014	53,081	94,437	376,942	48,716	204,574	46,494	284,360	178,228
Prior Period Adjustment:	-	-	-	-	160,463	-	-	-	-
Change in Inventory Reserves	181,871	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 859,738	\$ 116,789	\$ 84,621	\$ 388,797	\$ 280,189	\$ 61,782	\$ 46,502	\$ 352,975	\$ 275,340

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
(Page 2 of 7)

	Special Revenue							
	Planning	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Y.E.S.	Museum
Revenues:								
Property Taxes	\$ 807,839	\$ 1,387,157	\$ -	\$ 226,658	\$ 249,631	\$ -	\$ -	\$ 434,071
Licenses & Permit:	85,633	83,093	-	103,654	13	-	-	16
Intergovernmental Revenue	2,808,030	1,374,911	51,400	17,391	51,636	153,534	-	97,253
Charges for Service:	134,268	632,142	378,980	43,446	13,934	-	-	-
Fines & Forfeits:	68,527	-	-	-	-	33,160	-	-
Investment Earnings:	-	1,075	-	-	-	106	51	-
Private & Local Grants	-	10,059	-	-	-	-	-	-
Miscellaneous Revenue:	32,631	88,849	165	3,802	9,361	7,000	-	-
Total Revenues	3,936,928	3,577,286	430,545	394,951	324,575	193,800	51	531,340
Expenditures:								
Current Operations:								
General Government	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	228,590	-	-
Public Works	-	-	-	-	318,680	-	-	-
Public Health	-	3,572,025	408,865	388,910	-	-	-	-
Social & Economic Service	2,134,398	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	555,697
Housing & Community Developmen	1,845,413	-	-	-	-	-	-	-
Capital Outlay	209,626	-	-	82,048	4,614	-	-	28,799
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-
Total Expenditures	4,189,437	3,572,025	408,865	470,958	323,294	228,590	-	584,496
Excess of Revenues ove (under) Expenditures:	(252,509)	5,261	21,680	(76,007)	1,281	(34,790)	51	(53,156)
Other Financing Sources (uses)								
Transfers In	509,777	38,238	23,583	33,782	28,522	41,000	-	61,963
Transfers Out	-	-	-	-	(12,500)	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	257,268	43,499	45,263	(42,225)	17,303	6,210	51	8,807
Fund Balance - Beginning of Yea	151,909	776,968	253,972	52,528	79,723	29,044	13,515	48,505
Prior Period Adjustments	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 409,177	\$ 820,467	\$ 299,235	\$ 10,303	\$ 97,026	\$ 35,254	\$ 13,566	\$ 57,312

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
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	Special Revenue								
	Clean-up Missoula	Disaster	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	9-1-1 Trust	Abandoned Vehicle
Revenues:									
Property Taxes	\$ -	\$ 113	\$ -	\$ -	\$ -	\$ -	\$ 319,838	\$ -	\$ -
Licenses & Permit:	-	-	-	-	-	-	16	-	-
Intergovernmental Revenue	-	229,502	117,104	107,787	-	26,100	53,862	362,681	-
Charges for Service:	-	-	1,479	-	10,656	-	-	-	-
Fines & Forfeits:	-	-	-	-	-	-	-	-	-
Investment Earnings:	54	-	121	-	-	447	-	6,334	-
Private & Local Grants	25,000	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	893	-	46,586	85,300	-	-	-
Total Revenues	25,054	229,615	119,597	107,787	57,242	111,847	373,716	369,015	-
Expenditures:									
Current Operations:									
General Government	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-
Public Safety	-	267,563	-	52,216	-	-	-	856,041	-
Public Works	-	-	-	-	7,832	-	-	-	-
Public Health	-	-	107,674	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	387,314	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-
Housing & Community Developmen	-	-	-	-	-	107,130	-	-	-
Capital Outlay	-	-	30,000	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-
Total Expenditures	-	267,563	137,674	52,216	7,832	107,130	387,314	856,041	-
Excess of Revenues ove (under) Expenditures:	25,054	(37,948)	(18,077)	55,571	49,410	4,717	(13,598)	(487,026)	-
Other Financing Sources (uses)									
Transfers In	-	-	-	-	243,936	-	75,756	-	-
Transfers Out	(33,583)	-	-	-	(56,076)	-	(1,206)	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	(8,529)	(37,948)	(18,077)	55,571	237,270	4,717	60,952	(487,026)	-
Fund Balance - Beginning of Year	8,529	-	29,841	172,887	226,036	56,076	17,096	804,089	1,241
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ (37,948)	\$ 11,764	\$ 228,458	\$ 463,306	\$ 60,793	\$ 78,048	\$ 317,063	\$ 1,241

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
(Page 4 of 7)

	Special Revenue								
	901 Water	901 Sewer	Jail Commissary	IACP School	MCFPA Trust	LEPC Trust	Art Museum	Fort Memorial	Friends of the Library
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permit:	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Service:	-	-	-	-	-	-	-	-	22,313
Fines & Forfeits:	-	-	-	-	-	-	-	-	-
Investment Earnings:	387	490	219	-	-	-	-	-	85
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	492,241	-	-	-	-	-	-
Total Revenues	<u>387</u>	<u>490</u>	<u>492,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,398</u>
Expenditures:									
Current Operations:									
General Government	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-
Public Safety	-	-	321,510	-	-	1,012	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	12,985
Housing & Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	6,070
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>321,510</u>	<u>-</u>	<u>-</u>	<u>1,012</u>	<u>-</u>	<u>-</u>	<u>19,055</u>
Excess of Revenues over (under) Expenditures	387	490	170,950	-	-	(1,012)	-	-	3,343
Other Financing Sources (uses)									
Transfers In	5,000	123,050	-	-	-	-	-	-	-
Transfers Out	-	-	(75,000)	-	-	-	-	-	-
Note Proceeds:	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	5,387	123,540	95,950	-	-	(1,012)	-	-	3,343
Fund Balance - Beginning of Year	101,077	96,407	180,151	70	798	(151)	206	(1,190)	22,917
Prior Period Adjustment:	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 106,464</u>	<u>\$ 219,947</u>	<u>\$ 276,101</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ (1,163)</u>	<u>\$ 206</u>	<u>\$ (1,190)</u>	<u>\$ 26,260</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
(Page 5 of 7)

	Special Revenue								
	Transportation Mitigation Trust	Miller Creek Trust	Ft. Missoula Community Center	Friends of Historical Museum	Historical Gift Shop	Court Education Trust	Subdivision Improvement Bonds	Judgement Levy	Permissive Medical Levy
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,660	\$ 298,091
Licenses & Permit:	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	511	-	-	-	-	5,708
Charges for Service:	-	-	-	9,782	30,356	-	-	-	-
Fines & Forfeit:	-	-	-	-	-	-	-	-	-
Investment Earnings:	-	1,566	-	292	-	29	-	-	-
Private & Local Grants	-	-	-	76,517	-	-	-	-	-
Miscellaneous Revenue:	119,385	10,800	-	-	-	-	-	-	-
Total Revenues	119,385	12,366	-	87,102	30,356	29	-	118,660	303,799
Expenditures:									
Current Operations:									
General Government	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	7,292	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	65,686	31,358	-	-	-	-
Housing & Community Developmen	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	65,686	31,358	7,292	-	-	-
Excess of Revenues ove (under) Expenditures	119,385	12,366	-	21,416	(1,002)	(7,263)	-	118,660	303,799
Other Financing Sources (uses)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(26,003)	-	-	-	-	(299,524)
Note Proceeds	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	119,385	12,366	-	(4,587)	(1,002)	(7,263)	-	118,660	4,275
Fund Balance - Beginning of Year	-	415,796	4,140	59,053	(154)	7,268	5,235	(145,713)	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 119,385	\$ 428,162	\$ 4,140	\$ 54,466	\$ (1,156)	\$ 5	\$ 5,235	\$ (27,053)	\$ 4,275

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
(Page 6 of 7)

	Debt Service			
	Risk Management	Jail Bond	Health Center	RSID Revolving
Revenues:				
Property Taxes	\$ 100,827	\$ 1,065,003	\$ -	\$ 6
Licenses & Permits	-	-	-	-
Intergovernmental Revenue	10,792	235,462	20,622	-
Charges for Services	-	-	-	-
Fines & Forfeits	-	-	-	-
Investment Earnings	(24)	8	-	-
Private & Local Grants	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>111,595</u>	<u>1,300,473</u>	<u>20,622</u>	<u>6</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	85,000	640,000	20,000	-
Interest and Fiscal Charges	34,800	708,606	20,685	-
Total Expenditures	<u>119,800</u>	<u>1,348,606</u>	<u>40,685</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(8,205)	(48,133)	(20,063)	6
Other Financing Sources (uses):				
Transfers In	-	-	-	222,805
Transfers Out	-	-	-	(35,914)
Note Proceeds	-	-	-	-
Loan Proceeds	-	-	-	-
Bond Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(8,205)	(48,133)	(20,063)	186,897
Fund Balance - Beginning of Year	31,044	427,263	415,058	161,382
Prior Period Adjustments	-	-	-	-
Change in Inventory Reserves	-	-	-	-
Fund Balance - End of Year	<u>\$ 22,839</u>	<u>\$ 379,130</u>	<u>\$ 394,995</u>	<u>\$ 348,279</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
(Page 7 of 7)

	Capital Projects						Total
	Capital Improvement	Technology	Goodan Keil	Ice Rink Project	Communications Backbone Project	Jail Project	
Revenues:							
Property Taxes	\$ -	\$ 372,172	\$ -	\$ -	\$ -	\$ -	\$ 11,057,447
Licenses & Permits	-	13	-	-	-	-	286,866
Intergovernmental Revenue	143,442	252,400	-	-	17,264	500,000	10,368,936
Charges for Services	-	162,228	-	-	-	-	2,634,679
Fines & Forfeits	-	-	-	-	-	-	139,787
Investment Earnings	1,084	-	-	-	423	64,000	78,511
Private & Local Grants	-	-	-	-	-	-	111,576
Miscellaneous Revenues	20,022	3,156	-	-	-	90,000	1,950,581
Total Revenues	164,548	789,969	-	-	17,687	154,000	26,628,383
Expenditures:							
Current Operations:							
General Government	-	191,575	-	-	-	-	191,575
Criminal Justice	-	-	-	-	-	-	1,723,062
Public Safety	-	-	-	-	30,477	-	1,757,409
Public Works	-	-	-	-	-	-	8,886,998
Public Health	-	-	-	-	-	-	4,477,474
Social & Economic Services	-	-	-	-	-	-	3,202,355
Culture & Recreation	-	-	-	22,886	-	-	3,368,214
Housing & Community Development	-	-	-	-	-	-	1,952,543
Capital Outlay	1,087,730	825,510	352,313	429,492	161,454	-	4,992,131
Debt Service:							
Principal	512,875	-	-	-	-	-	1,265,875
Interest and Fiscal Charges	33,543	-	-	-	-	15,016	819,890
Total Expenditures	1,634,148	1,017,085	352,313	452,378	191,931	-	32,637,526
Excess of Revenues over (under) Expenditures	(1,469,600)	(227,116)	(352,313)	(452,378)	(174,244)	154,000	(3,114,787)
Other Financing Sources (uses):							
Transfers In	1,410,270	243,510	-	-	500,050	-	156
Transfers Out	(56,083)	(152,677)	-	-	-	-	(453,248)
Loan Proceeds	212,768	-	592,000	-	-	-	-
Bond Proceeds	-	-	-	995,000	-	-	3,661,561
Sale of Fixed Assets	5,000	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	102,355	(136,283)	239,687	542,622	325,806	154,000	93,682
Fund Balance - Beginning of Year	476,749	202,834	(239,687)	-	-	(302,421)	(899,968)
Prior Period Adjustments	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 579,104	\$ 66,551	\$ -	\$ 542,622	\$ 325,806	\$ (148,421)	\$ (806,286)
							\$ 8,251,369

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, 2004
(Page 1 of 8)

	Commissioners				Justice Court			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	2,384	2,384
Fines & Forfeits	-	-	-	-	695,000	695,000	642,475	(52,525)
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	40	40
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>695,000</u>	<u>695,000</u>	<u>644,899</u>	<u>(50,101)</u>
Expenditures:								
Current Operations:								
Personnel	436,193	436,193	430,696	5,497	479,577	479,577	476,528	3,049
Operations	28,218	28,218	19,755	8,463	58,716	58,716	54,891	3,825
Capital Outlay	4,858	4,858	4,590	268	2,352	2,352	2,357	(5)
Total Expenditures	<u>469,269</u>	<u>469,269</u>	<u>455,041</u>	<u>14,228</u>	<u>540,645</u>	<u>540,645</u>	<u>533,776</u>	<u>6,869</u>
Excess of Revenues over (under) Expenditures	(469,269)	(469,269)	(455,041)	14,228	154,355	154,355	111,123	(43,232)
Other Financing Sources (Uses):								
Transfers In	12,000	12,000	12,000	-	-	-	-	-
Transfers Out	-	-	-	-	(4,400)	(4,400)	(4,400)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (457,269)</u>	<u>\$ (457,269)</u>	<u>\$ (443,041)</u>	<u>\$ 14,228</u>	<u>\$ 149,955</u>	<u>\$ 149,955</u>	<u>\$ 106,723</u>	<u>\$ (43,232)</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, 2004
(Page 2 of 8)

	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	97,961	97,961	64,488	(33,473)	-	-	-	-
Charges for Services	149,600	149,600	162,708	13,108	-	-	-	-
Fines & Forfeits	25,500	25,500	31,126	5,626	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	4,300	4,396	96	-	-	-	-
Total Revenues	<u>273,061</u>	<u>277,361</u>	<u>262,718</u>	<u>(14,643)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,365,904	1,366,704	1,378,194	(11,490)	302,710	302,710	300,224	2,486
Operations	100,359	101,759	68,685	33,074	96,736	96,736	96,946	(210)
Capital Outlay	4,900	4,900	623	4,277	1,000	1,000	895	105
Total Expenditures	<u>1,471,163</u>	<u>1,473,363</u>	<u>1,447,502</u>	<u>25,861</u>	<u>400,446</u>	<u>400,446</u>	<u>398,065</u>	<u>2,381</u>
Excess of Revenues over (under) Expenditures	(1,198,102)	(1,196,002)	(1,184,784)	11,218	(400,446)	(400,446)	(398,065)	2,381
Other Financing Sources (Uses):								
Transfers In	41,512	43,712	43,712	-	8,500	8,500	8,500	-
Transfers Out	(11,928)	(11,928)	(18,128)	(6,200)	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,168,518)</u>	<u>\$ (1,164,218)</u>	<u>\$ (1,159,200)</u>	<u>\$ 5,018</u>	<u>\$ (391,946)</u>	<u>\$ (391,946)</u>	<u>\$ (389,565)</u>	<u>\$ 2,381</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, 2004
(Page 3 of 8)

	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	28,540	2,440	-	-	-	-
Intergovernmental Revenue	58,000	58,000	54,643	(3,357)	-	2,747	2,747	-
Charges for Services	1,256,956	1,256,956	1,251,907	(5,049)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>1,341,056</u>	<u>1,341,056</u>	<u>1,335,090</u>	<u>(5,966)</u>	<u>-</u>	<u>2,747</u>	<u>2,747</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,525,297	1,525,297	1,537,232	(11,935)	160,217	165,414	164,466	948
Operations	354,338	354,338	311,662	42,676	44,161	52,331	51,295	1,036
Capital Outlay	29,550	29,550	25,599	3,951	-	-	-	-
Total Expenditures	<u>1,909,185</u>	<u>1,909,185</u>	<u>1,874,493</u>	<u>34,692</u>	<u>204,378</u>	<u>217,745</u>	<u>215,761</u>	<u>1,984</u>
Excess of Revenues over (under) Expenditures	(568,129)	(568,129)	(539,403)	28,726	(204,378)	(214,998)	(213,014)	1,984
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	(400)	-	400	(400)	(400)	(800)	(400)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (568,129)</u>	<u>\$ (568,529)</u>	<u>\$ (539,403)</u>	<u>\$ 29,126</u>	<u>\$ (204,778)</u>	<u>\$ (215,398)</u>	<u>\$ (213,814)</u>	<u>\$ 1,584</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, 2004
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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	-	-	71	71	50,000	150,484	179,582	29,098
Charges for Services	26,200	26,200	35,842	9,642	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	9,000	9,000	15,540	6,540
Total Revenues	<u>26,200</u>	<u>26,200</u>	<u>35,913</u>	<u>9,713</u>	<u>59,000</u>	<u>159,484</u>	<u>195,122</u>	<u>35,638</u>
Expenditures:								
Current Operations:								
Personnel	248,937	248,937	231,539	17,398	74,493	74,493	76,965	(2,472)
Operations	572,620	572,620	499,260	73,360	39,912	165,396	156,818	8,578
Capital Outlay	19,250	19,250	3,528	15,722	-	-	-	-
Total Expenditures	<u>840,807</u>	<u>840,807</u>	<u>734,327</u>	<u>106,480</u>	<u>114,405</u>	<u>239,889</u>	<u>233,783</u>	<u>6,106</u>
Excess of Revenues over (under) Expenditures	(814,607)	(814,607)	(698,414)	116,193	(55,405)	(80,405)	(38,661)	41,744
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (814,607)</u>	<u>\$ (814,607)</u>	<u>\$ (698,414)</u>	<u>\$ 116,193</u>	<u>\$ (55,405)</u>	<u>\$ (80,405)</u>	<u>\$ (38,661)</u>	<u>\$ 41,744</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, 2004
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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	865,312	865,312	856,041	(9,271)	-	-	-	-
Charges for Services	-	-	-	-	-	-	700	700
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>865,312</u>	<u>865,312</u>	<u>856,041</u>	<u>(9,271)</u>	<u>-</u>	<u>-</u>	<u>700</u>	<u>700</u>
Expenditures:								
Current Operations:								
Personnel	1,147,075	1,147,075	1,172,148	(25,073)	585,885	585,885	578,112	7,773
Operations	243,713	243,713	192,689	51,024	28,501	28,501	15,111	13,390
Capital Outlay	679,905	679,905	687,515	(7,610)	-	-	-	-
Total Expenditures	<u>2,070,693</u>	<u>2,070,693</u>	<u>2,052,352</u>	<u>18,341</u>	<u>614,386</u>	<u>614,386</u>	<u>593,223</u>	<u>21,163</u>
Excess of Revenues over (under) Expenditures	(1,205,381)	(1,205,381)	(1,196,311)	9,070	(614,386)	(614,386)	(592,523)	21,863
Other Financing Sources (Uses):								
Transfers In	25,000	25,000	-	(25,000)	-	-	-	-
Transfers Out	(1,600)	(1,600)	(800)	800	(6,800)	(6,800)	(2,400)	4,400
Sale of Fixed Assets	25,125	25,125	25,001	(124)	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,156,856)</u>	<u>\$ (1,156,856)</u>	<u>\$ (1,172,110)</u>	<u>\$ (15,254)</u>	<u>\$ (621,186)</u>	<u>\$ (621,186)</u>	<u>\$ (594,923)</u>	<u>\$ 26,263</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, 2004
(Page 6 of 8)

	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	-	-	-	-	514,148	514,148	430,977	(83,171)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,148</u>	<u>514,148</u>	<u>430,977</u>	<u>(83,171)</u>
Expenditures:								
Current Operations:								
Personnel	311,894	311,894	301,482	10,412	159,399	159,399	158,575	824
Operations	128,225	127,775	110,734	17,041	465,702	465,702	368,637	97,065
Capital Outlay	5,750	5,750	5,925	(175)	6,700	6,700	682	6,018
Total Expenditures	<u>445,869</u>	<u>445,419</u>	<u>418,141</u>	<u>27,278</u>	<u>631,801</u>	<u>631,801</u>	<u>527,894</u>	<u>103,907</u>
Excess of Revenues over (under) Expenditures	(445,869)	(445,419)	(418,141)	27,278	(117,653)	(117,653)	(96,917)	20,736
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(42,010)	(42,010)	(13,607)	28,403
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (445,869)</u>	<u>\$ (445,419)</u>	<u>\$ (418,141)</u>	<u>\$ 27,278</u>	<u>\$ (159,663)</u>	<u>\$ (159,663)</u>	<u>\$ (110,524)</u>	<u>\$ 49,139</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, 2004
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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	-	-	-	-	-	-	92	92
Charges for Services	8,300	8,300	8,849	549	51,500	51,500	85,684	34,184
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	1,000	1,000
Total Revenues	<u>8,300</u>	<u>8,300</u>	<u>8,849</u>	<u>549</u>	<u>51,500</u>	<u>51,500</u>	<u>86,776</u>	<u>35,276</u>
Expenditures:								
Current Operations:								
Personnel	173,882	173,882	174,339	(457)	488,499	488,499	481,713	6,786
Operations	18,968	18,986	16,463	2,523	30,950	30,950	26,575	4,375
Capital Outlay	-	-	-	-	44,600	13,100	12,415	685
Total Expenditures	<u>192,850</u>	<u>192,868</u>	<u>190,802</u>	<u>2,066</u>	<u>564,049</u>	<u>532,549</u>	<u>520,703</u>	<u>11,846</u>
Excess of Revenues over (under) Expenditures	(184,550)	(184,568)	(181,953)	2,615	(512,549)	(481,049)	(433,927)	47,122
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	15,400	15,400	15,185	(215)
Transfers Out	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (184,550)</u>	<u>\$ (184,568)</u>	<u>\$ (181,953)</u>	<u>\$ 2,615</u>	<u>\$ (497,149)</u>	<u>\$ (465,649)</u>	<u>\$ (418,742)</u>	<u>\$ 46,907</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, 2004
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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	\$ 6,912,806	\$ 6,912,806	\$ 7,297,378	\$ 384,572	\$ 6,912,806	\$ 6,912,806	\$ 7,297,378	\$ 384,572
License & Permits	-	-	527	527	26,100	26,100	29,067	2,967
Intergovernmental Revenue	670,767	1,080,767	1,118,080	37,313	1,742,040	2,255,271	2,275,744	20,473
Charges for Services	-	-	4	4	2,006,704	2,006,704	1,979,055	(27,649)
Fines & Forfeits	-	-	-	-	720,500	720,500	673,601	(46,899)
Investment Earnings	60,363	60,363	38,018	(22,345)	60,363	60,363	38,018	(22,345)
Miscellaneous Revenues	3,000	3,000	201,289	198,289	12,000	16,300	222,265	205,965
Total Revenues	<u>7,646,936</u>	<u>8,056,936</u>	<u>8,655,296</u>	<u>598,360</u>	<u>11,480,513</u>	<u>11,998,044</u>	<u>12,515,128</u>	<u>517,084</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	7,459,962	7,465,959	7,462,213	3,746
Operations	825,698	1,256,698	573,548	683,150	3,036,817	3,602,439	2,563,069	1,039,370
Capital Outlay	-	-	-	-	798,865	767,365	744,129	23,236
Total Expenditures	<u>825,698</u>	<u>1,256,698</u>	<u>573,548</u>	<u>683,150</u>	<u>11,295,644</u>	<u>11,835,763</u>	<u>10,769,411</u>	<u>1,066,352</u>
Excess of Revenues over (under) Expenditures	6,821,238	6,800,238	8,081,748	1,281,510	184,869	162,281	1,745,717	1,583,436
Other Financing Sources (Uses):								
Transfers In	107,059	107,059	260,845	153,786	209,471	211,671	340,242	128,571
Transfers Out	(1,833,937)	(1,862,591)	(1,953,698)	(91,107)	(1,901,075)	(1,930,129)	(1,993,833)	(63,704)
Sale of Fixed Assets	-	-	-	-	25,125	25,125	25,001	(124)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 5,094,360</u>	<u>\$ 5,044,706</u>	<u>\$ 6,388,895</u>	<u>\$ 1,344,189</u>	<u>\$ (1,481,610)</u>	<u>\$ (1,531,052)</u>	117,127	<u>\$ 1,648,179</u>
Fund Balance:								
Beginning of Year							<u>4,179,583</u>	
End of Year							<u>\$ 4,296,710</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, 2004

	Public Safety				MCA Industrial Distric			
	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	\$ 6,949,711	\$ 6,949,711	\$ 7,147,231	\$ 197,520	\$ 550,000	\$ 550,000	\$ 711,529	\$ 161,529
License & Permits	7,500	7,500	8,947	1,447	-	-	-	-
Intergovernmental Revenue	967,431	1,005,619	788,034	(217,585)	518	518	5,330	4,812
Charges for Services	3,564,617	3,599,617	3,751,600	151,983	-	-	-	-
Fines & Forfeits	30,000	30,000	33,133	3,133	-	-	-	-
Investment Earnings	-	-	477	477	15,000	15,000	8,910	(6,090)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	80,000	154,643	181,001	26,358	-	-	78,326	78,326
Total Revenues	<u>11,599,259</u>	<u>11,747,090</u>	<u>11,910,423</u>	<u>163,333</u>	<u>565,518</u>	<u>565,518</u>	<u>804,095</u>	<u>238,577</u>
Expenditures:								
Current Operations:								
Personnel	8,585,701	8,630,052	8,519,534	110,518	67,482	67,482	68,743	(1,261)
Operations	2,908,910	3,041,043	2,870,691	170,352	108,157	108,157	10,966	97,191
Capital Outlay	577,363	577,363	410,879	166,484	701,583	701,583	299,705	401,878
Debt Service:								
Principal	-	-	-	-	81,570	81,570	90,000	(8,430)
Interest & Fiscal Charges	-	-	-	-	122,520	122,520	114,695	7,825
Total Expenditures	<u>12,071,974</u>	<u>12,248,458</u>	<u>11,801,104</u>	<u>447,354</u>	<u>1,081,312</u>	<u>1,081,312</u>	<u>584,109</u>	<u>497,203</u>
Excess of Revenues over (under) Expenditures	(472,715)	(501,368)	109,319	610,687	(515,794)	(515,794)	219,986	735,780
Other Financing Sources (Uses)								
Transfers In	781,378	781,378	480,676	(300,702)	-	-	-	-
Transfers Out	(266,480)	(226,480)	(470,798)	(244,318)	(268,741)	(268,741)	(349,197)	(80,456)
Sale of Fixed Assets	-	-	-	-	750,000	750,000	934,971	184,971
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses:	<u>\$ 42,183</u>	<u>\$ 53,530</u>	119,197	<u>\$ 65,667</u>	<u>\$ (34,535)</u>	<u>\$ (34,535)</u>	805,760	<u>\$ 840,295</u>
Fund Balance:								
Beginning of Year			1,496,724				1,914,839	
End of Year			<u>\$ 1,615,921</u>				<u>\$ 2,720,599</u>	

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NON-MAJOR FUNDS – Budget and Actual

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
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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	\$ 1,272,467	\$ 1,272,467	\$ 1,211,874	\$ (60,593)	\$ 712,188	\$ 712,188	\$ 719,387	\$ 7,199
License & Permits	11,230	11,230	14,198	2,968	-	-	36	36
Intergovernmental Revenue	2,664,871	2,664,871	2,294,806	(370,065)	173,342	173,342	208,715	35,373
Charges for Services	76,910	76,910	79,135	2,225	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	527	527	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	11,500	11,500	67,444	55,944	-	-	-	-
Total Revenues	<u>4,036,978</u>	<u>4,036,978</u>	<u>3,667,984</u>	<u>(368,994)</u>	<u>885,530</u>	<u>885,530</u>	<u>928,138</u>	<u>42,608</u>
Expenditures:								
Current Operations:								
Personnel	2,027,911	2,030,641	1,990,980	39,661	-	-	-	-
Operations	1,058,850	1,088,050	1,048,172	39,878	727,068	727,068	675,433	51,635
Capital Outlay	1,408,247	1,419,747	882,753	536,994	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,495,008</u>	<u>4,538,438</u>	<u>3,921,905</u>	<u>616,533</u>	<u>727,068</u>	<u>727,068</u>	<u>675,433</u>	<u>51,635</u>
Excess of Revenues ove (under) Expenditures	(458,030)	(501,460)	(253,921)	247,539	158,462	158,462	252,705	94,243
Other Financing Sources (Uses)								
Transfers In	105,047	105,047	74,978	(30,069)	-	-	1,206	1,206
Transfers Out	(92,973)	(107,973)	(107,973)	-	(208,959)	(208,959)	(208,959)	-
Loan Proceeds	455,661	455,661	348,677	(106,984)	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	9,760	9,760	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 9,705</u>	<u>\$ (48,725)</u>	71,521	<u>\$ 120,246</u>	<u>\$ (50,497)</u>	<u>\$ (50,497)</u>	44,952	<u>\$ 95,449</u>
Fund Balance:								
Beginning of Year			666,065				69,252	
End of Year			<u>\$ 737,586</u>				<u>\$ 114,204</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, 2004
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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	\$ 661,887	\$ 661,887	\$ 674,718	\$ 12,831	\$ 328,042	\$ 328,042	\$ 340,407	\$ 12,365
License & Permits	-	-	37	37	-	-	18	18
Intergovernmental Revenue	578,534	578,534	220,321	(358,213)	276,548	276,548	64,419	(212,129)
Charges for Services	-	-	-	-	8,783	8,783	9,809	1,026
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	704	704
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	500	500	2,551	2,051	-	-	1,311	1,311
Total Revenues	<u>1,240,921</u>	<u>1,240,921</u>	<u>897,627</u>	<u>(343,294)</u>	<u>613,373</u>	<u>613,373</u>	<u>416,668</u>	<u>(196,705)</u>
Expenditures:								
Current Operations:								
Personnel	677,654	678,564	664,253	14,311	275,397	267,497	230,449	37,048
Operations	36,450	35,450	19,347	16,103	495,645	495,645	151,794	343,851
Capital Outlay	593,164	599,864	192,136	407,728	10,500	10,500	10,044	456
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,307,268</u>	<u>1,313,878</u>	<u>875,736</u>	<u>438,142</u>	<u>781,542</u>	<u>773,642</u>	<u>392,287</u>	<u>381,355</u>
Excess of Revenues over (under) Expenditures	(66,347)	(72,957)	21,891	94,848	(168,169)	(160,269)	24,381	184,650
Other Financing Sources (Uses)								
Transfers In	7,512	7,512	7,127	(385)	2,294	2,294	14,677	12,383
Transfers Out	(13,226)	(13,226)	(13,226)	-	(56,900)	(56,900)	(26,900)	30,000
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (72,061)</u>	<u>\$ (78,671)</u>	15,792	<u>\$ 94,463</u>	<u>\$ (222,775)</u>	<u>\$ (214,875)</u>	12,158	<u>\$ 227,033</u>
Fund Balance:								
Beginning of Year			197,813				389,103	
End of Year			<u>\$ 213,605</u>				<u>\$ 401,261</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, 2004
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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	\$ 48,097	\$ 48,097	\$ 50,442	\$ 2,345	\$ 805,360	\$ 805,360	\$ 885,661	\$ 80,301
License & Permits	-	-	4	4	-	-	56	56
Intergovernmental Revenue	9,328	9,328	247,229	237,901	961,769	955,687	780,574	(175,113)
Charges for Services	891,200	891,200	1,037,155	145,955	53,452	53,452	48,455	(4,997)
Fines & Forfeits	-	-	-	-	200	200	433	233
Investment Earnings	-	-	60	60	-	-	43	43
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	7,291	7,291
Total Revenues	<u>948,625</u>	<u>948,625</u>	<u>1,334,890</u>	<u>386,265</u>	<u>1,820,781</u>	<u>1,814,699</u>	<u>1,722,513</u>	<u>(92,186)</u>
Expenditures:								
Current Operations:								
Personnel	377,940	377,940	360,820	17,120	1,435,165	1,438,265	1,308,417	129,848
Operations	530,700	530,700	762,282	(231,582)	399,526	443,402	424,171	19,231
Capital Outlay	184,509	184,509	197,054	(12,545)	13,415	13,415	6,020	7,395
Debt Service:								
Principal	8,320	8,320	8,000	320	-	-	-	-
Interest	7,400	7,400	7,400	-	-	-	-	-
Total Expenditures	<u>1,108,869</u>	<u>1,108,869</u>	<u>1,335,556</u>	<u>(226,687)</u>	<u>1,848,106</u>	<u>1,895,082</u>	<u>1,738,608</u>	<u>156,474</u>
Excess of Revenues ove (under) Expenditures	(160,244)	(160,244)	(666)	159,578	(27,325)	(80,383)	(16,095)	64,288
Other Financing Sources (Uses)								
Transfers In	42,743	42,743	42,658	(85)	104,510	90,802	13,766	(77,036)
Transfers Out	(23,926)	(23,926)	(17,836)	6,090	(57,337)	(57,337)	(56,267)	1,070
Loan Proceeds	142,679	158,623	158,623	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 1,252</u>	<u>\$ 17,196</u>	182,779	<u>\$ 165,583</u>	<u>\$ 19,848</u>	<u>\$ (46,918)</u>	(58,596)	<u>\$ (11,678)</u>
Fund Balance:								
Beginning of Year			157,168				186,722	
End of Year			<u>\$ 339,947</u>				<u>\$ 128,126</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, 2004
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	Special Revenue Funds							
	Open Space				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	\$ -	\$ -	\$ 7	\$ 7	\$ 164,215	\$ 164,215	\$ 170,799	\$ 6,584
License & Permits	-	-	-	-	-	-	9	9
Intergovernmental Revenue	-	-	-	-	10,639	10,639	10,775	136
Charges for Services	-	-	-	-	-	-	9,508	9,508
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,250	1,250	22	(1,228)
Total Revenues	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>176,104</u>	<u>176,104</u>	<u>191,113</u>	<u>15,009</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	27,338	27,338	26,253	1,085
Operations	46,494	46,494	-	46,494	167,800	167,800	108,364	59,436
Capital Outlay	-	-	-	-	170,000	170,000	11,690	158,310
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>46,494</u>	<u>46,494</u>	<u>-</u>	<u>46,494</u>	<u>365,138</u>	<u>365,138</u>	<u>146,307</u>	<u>218,831</u>
Excess of Revenues ove (under) Expenditures	(46,494)	(46,494)	7	46,501	(189,034)	(189,034)	44,806	233,840
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	25,142	25,142	25,136	(6)
Transfers Out	-	-	-	-	(1,115)	(1,115)	(900)	215
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$(46,494)</u>	<u>\$(46,494)</u>	<u>7</u>	<u>\$ 46,501</u>	<u>\$(165,007)</u>	<u>\$(165,007)</u>	<u>69,042</u>	<u>\$ 234,049</u>
Fund Balance:								
Beginning of Year			<u>46,487</u>				<u>266,227</u>	
End of Year			<u>\$ 46,494</u>				<u>\$ 335,269</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, 2004
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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	\$ 1,444,159	\$ 1,444,159	\$ 1,496,949	\$ 52,790	\$ 791,188	\$ 791,188	\$ 791,902	\$ 714
License & Permits	-	-	70	70	56,500	56,500	85,633	29,133
Intergovernmental Revenue	249,530	333,530	368,740	35,210	3,329,459	3,418,128	2,753,000	(665,128)
Charges for Services	11,107	7,977	11,033	3,056	144,450	144,450	134,268	(10,182)
Fines & Forfeits	33,000	33,000	37,667	4,667	66,000	66,000	68,527	2,527
Investment Earnings	400	400	928	528	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	86,402	86,402	87,915	1,513	46,910	46,910	32,631	(14,279)
Total Revenues	<u>1,824,598</u>	<u>1,905,468</u>	<u>2,003,302</u>	<u>97,834</u>	<u>4,434,507</u>	<u>4,523,176</u>	<u>3,865,961</u>	<u>(657,215)</u>
Expenditures:								
Current Operations:								
Personnel	968,350	968,350	966,710	1,640	2,410,247	2,410,247	2,161,790	248,457
Operations	484,207	484,207	451,106	33,101	2,542,530	2,551,879	1,737,671	814,208
Capital Outlay	595,494	595,494	477,725	117,769	470,303	470,303	209,170	261,133
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,048,051</u>	<u>2,048,051</u>	<u>1,895,541</u>	<u>152,510</u>	<u>5,423,080</u>	<u>5,432,429</u>	<u>4,108,631</u>	<u>1,323,798</u>
Excess of Revenues ove (under) Expenditures	(223,453)	(142,583)	107,761	250,344	(988,573)	(909,253)	(242,670)	666,583
Other Financing Sources (Uses)								
Transfers In	13,438	13,438	12,749	(689)	530,404	530,404	509,777	(20,627)
Transfers Out	(33,000)	(33,000)	-	33,000	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (243,015)</u>	<u>\$ (162,145)</u>	120,510	<u>\$ 282,655</u>	<u>\$ (458,169)</u>	<u>\$ (378,849)</u>	267,107	<u>\$ 645,956</u>
Fund Balance:								
Beginning of Year			234,765				182,847	
End of Year			<u>\$ 355,275</u>				<u>\$ 449,954</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, 2004
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	Special Revenue Funds							
	Health				Water Quality 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	\$ 1,396,403	\$ 1,396,403	\$ 1,380,471	\$ (15,932)	\$ -	\$ -	\$ -	\$ -
License & Permits	74,395	74,395	83,093	8,698	-	-	-	-
Intergovernmental Revenue	1,335,916	1,489,325	1,429,721	(59,604)	75,200	75,200	51,400	(23,800)
Charges for Services	580,909	596,218	632,142	35,924	372,864	372,864	378,946	6,082
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	1,361	1,361	-	-	-	-
Private & Local Grants	18,511	33,711	10,059	(23,652)	-	-	-	-
Miscellaneous Revenues	72,919	73,919	88,849	14,930	5,100	5,100	165	(4,935)
Total Revenues	<u>3,479,053</u>	<u>3,663,971</u>	<u>3,625,696</u>	<u>(38,275)</u>	<u>453,164</u>	<u>453,164</u>	<u>430,511</u>	<u>(22,653)</u>
Expenditures:								
Current Operations:								
Personnel	3,099,956	3,099,956	2,974,631	125,325	206,549	244,153	215,690	28,463
Operations	627,068	627,068	556,807	70,261	144,511	394,011	191,805	202,206
Capital Outlay	18,000	18,000	-	18,000	376,000	6,000	-	6,000
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,745,024</u>	<u>3,745,024</u>	<u>3,531,438</u>	<u>213,586</u>	<u>727,060</u>	<u>644,164</u>	<u>407,495</u>	<u>236,669</u>
Excess of Revenues ove (under) Expenditures	(265,971)	(81,053)	94,258	175,311	(273,896)	(191,000)	23,016	214,016
Other Financing Sources (Uses)								
Transfers In	43,665	43,665	38,238	(5,427)	265,000	265,000	23,583	(241,417)
Transfers Out	-	-	-	-	-	(100,000)	-	100,000
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (222,306)</u>	<u>\$ (37,388)</u>	132,496	<u>\$ 169,884</u>	<u>\$ (8,896)</u>	<u>\$ (26,000)</u>	46,599	<u>\$ 72,599</u>
Fund Balance:								
Beginning of Year			956,138				264,342	
End of Year			<u>\$ 1,088,634</u>				<u>\$ 310,941</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, 2004
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	Special Revenue Funds							
	Animal Control				Extension			
	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	\$ 244,667	\$ 227,667	\$ 225,770	\$ (1,897)	\$ 237,093	\$ 237,093	\$ 245,725	\$ 8,632
License & Permits	90,900	90,900	103,654	12,754	-	-	13	13
Intergovernmental Revenue	17,644	17,644	17,391	(253)	49,279	49,279	51,636	2,357
Charges for Services	49,290	49,290	43,446	(5,844)	13,500	13,500	13,934	434
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	928	928	3,802	2,874	6,450	6,450	9,361	2,911
Total Revenues	<u>403,429</u>	<u>386,429</u>	<u>394,063</u>	<u>7,634</u>	<u>306,322</u>	<u>306,322</u>	<u>320,669</u>	<u>14,347</u>
Expenditures:								
Current Operations:								
Personnel	332,267	332,267	318,634	13,633	189,027	189,027	172,023	17,004
Operations	42,485	59,485	66,967	(7,482)	186,155	186,155	144,383	41,772
Capital Outlay	179,000	179,000	168,087	10,913	6,500	6,500	4,614	1,886
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	400	400	-	400
Total Expenditures	<u>553,752</u>	<u>570,752</u>	<u>553,688</u>	<u>17,064</u>	<u>382,082</u>	<u>382,082</u>	<u>321,020</u>	<u>61,062</u>
Excess of Revenues ove (under) Expenditures	(150,323)	(184,323)	(159,625)	24,698	(75,760)	(75,760)	(351)	75,409
Other Financing Sources (Uses)								
Transfers In	34,449	34,449	33,782	(667)	20,709	20,709	28,522	7,813
Transfers Out	-	-	-	-	(12,500)	(12,500)	(12,500)	-
Loan Proceeds	28,500	28,500	-	(28,500)	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (87,374)</u>	<u>\$ (121,374)</u>	<u>(125,843)</u>	<u>\$ (4,469)</u>	<u>\$ (67,551)</u>	<u>\$ (67,551)</u>	<u>15,671</u>	<u>\$ 83,222</u>
Fund Balance:								
Beginning of Year			152,411				105,823	
End of Year			<u>\$ 26,568</u>				<u>\$ 121,494</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, 2004
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	Special Revenue Funds							
	Drug Forfeiture				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	\$ -	\$ -	\$ -	\$ -	\$ 414,179	\$ 414,179	\$ 427,417	\$ 13,238
License & Permits	-	-	-	-	-	-	16	16
Intergovernmental Revenue	149,734	149,734	153,534	3,800	76,896	96,896	97,253	357
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	17,200	17,200	33,160	15,960	-	-	-	-
Investment Earnings	-	-	127	127	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	7,000	7,000	-	-	-	-
Total Revenues	<u>166,934</u>	<u>166,934</u>	<u>193,821</u>	<u>26,887</u>	<u>491,075</u>	<u>511,075</u>	<u>524,686</u>	<u>13,611</u>
Expenditures:								
Current Operations:								
Personnel	157,350	157,350	171,789	(14,439)	214,331	214,331	213,407	924
Operations	49,860	49,860	56,108	(6,248)	346,534	366,534	357,173	9,361
Capital Outlay	-	-	-	-	36,670	36,670	28,799	7,871
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>207,210</u>	<u>207,210</u>	<u>227,897</u>	<u>(20,687)</u>	<u>597,535</u>	<u>617,535</u>	<u>599,379</u>	<u>18,156</u>
Excess of Revenues ove (under) Expenditures	(40,276)	(40,276)	(34,076)	6,200	(106,460)	(106,460)	(74,693)	31,767
Other Financing Sources (Uses)								
Transfers In	41,000	41,000	41,000	-	63,045	63,045	61,963	(1,082)
Transfers Out	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 724</u>	<u>\$ 724</u>	6,924	<u>\$ 6,200</u>	<u>\$ (43,415)</u>	<u>\$ (43,415)</u>	(12,730)	<u>\$ 30,685</u>
Fund Balance:								
Beginning of Year			<u>38,656</u>				<u>81,085</u>	
End of Year			<u>\$ 45,580</u>				<u>\$ 68,355</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, 2004
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	Special Revenue Funds							
	Clean-Up Missoula				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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	117,104	117,104	117,104	-
Charges for Services	-	-	-	-	50	50	1,479	1,429
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	57	57	-	-	143	143
Private & Local Grants	25,000	25,000	25,000	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	50	50	893	843
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>25,057</u>	<u>57</u>	<u>117,204</u>	<u>117,204</u>	<u>119,619</u>	<u>2,415</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	83,563	83,563	72,457	11,106
Operations	-	-	-	-	16,532	16,532	33,291	(16,759)
Capital Outlay	-	-	-	-	11,248	33,248	30,000	3,248
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,343</u>	<u>133,343</u>	<u>135,748</u>	<u>(2,405)</u>
Excess of Revenues ove (under) Expenditures	25,000	25,000	25,057	57	5,861	(16,139)	(16,129)	10
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(25,000)	(25,000)	(33,583)	(8,583)	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ -</u>	<u>\$ -</u>	<u>(8,526)</u>	<u>\$ (8,526)</u>	<u>\$ 5,861</u>	<u>\$ (16,139)</u>	<u>(16,129)</u>	<u>\$ 10</u>
Fund Balance:								
Beginning of Year			<u>8,526</u>				<u>33,427</u>	
End of Year			<u>\$ -</u>				<u>\$ 17,298</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, 2004
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	Special Revenue Funds							
	RSID Administration				Community Based Organizations			
	<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	\$ -	\$ -	\$ -	\$ -	\$ 304,173	\$ 304,173	\$ 313,998	\$ 9,825
License & Permits	-	-	-	-	-	-	16	16
Intergovernmental Revenue	-	-	-	-	53,450	53,450	53,862	412
Charges for Services	-	-	10,656	10,656	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>10,656</u>	<u>10,656</u>	<u>357,623</u>	<u>357,623</u>	<u>367,876</u>	<u>10,253</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	14,686	(14,686)	438,776	438,776	387,314	51,462
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>14,686</u>	<u>(14,686)</u>	<u>438,776</u>	<u>438,776</u>	<u>387,314</u>	<u>51,462</u>
Excess of Revenues ove (under) Expenditures	-	-	(4,030)	(4,030)	(81,153)	(81,153)	(19,438)	61,715
Other Financing Sources (Uses)								
Transfers In	-	-	243,936	243,936	76,000	76,000	75,756	(244)
Transfers Out	(9,500)	(56,076)	(56,076)	-	-	-	(1,206)	(1,206)
Loan Proceeds	-	-	46,586	46,586	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>(9,500)</u>	<u>(56,076)</u>	<u>230,416</u>	<u>286,492</u>	<u>(5,153)</u>	<u>(5,153)</u>	<u>55,112</u>	<u>60,265</u>
Fund Balance:								
Beginning of Year			<u>232,890</u>				<u>179,403</u>	
End of Year			<u>\$ 463,306</u>				<u>\$ 234,515</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2004
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	Special Revenue Funds							
	Permissive Medical Levy				Judgement Levy			
	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	\$ 322,632	\$ 322,632	\$ 293,816	\$ (28,816)	\$ 125,713	\$ 125,713	\$ 116,822	\$ (8,891)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	5,708	5,708	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>322,632</u>	<u>322,632</u>	<u>299,524</u>	<u>(23,108)</u>	<u>125,713</u>	<u>125,713</u>	<u>116,822</u>	<u>(8,891)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	20,000	20,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess of Revenues ove (under) Expenditures	322,632	322,632	299,524	(23,108)	125,713	105,713	96,823	(8,891)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(322,632)	(322,632)	(299,524)	23,108	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 125,713</u>	<u>\$ 105,713</u>	<u>96,823</u>	<u>\$ (8,890)</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>(125,713)</u>	
End of Year			<u>\$ -</u>				<u>\$ (28,890)</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, 2004
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	Debt Service							
	Risk Management				Jail Bond			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ 96,293	\$ 99,364	\$ 3,071	\$ -	\$ 1,010,260	\$ 1,048,165	\$ 37,905
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	10,699	10,792	93	-	234,011	235,462	1,451
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	1,188	19	(1,169)	-	16,789	754	(16,035)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>108,180</u>	<u>110,175</u>	<u>1,995</u>	<u>-</u>	<u>1,261,060</u>	<u>1,284,381</u>	<u>23,321</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	85,000	85,000	-	-	640,000	640,000	-
Interest	-	35,974	36,224	(250)	-	724,080	723,805	275
Total Expenditures	<u>-</u>	<u>120,974</u>	<u>121,224</u>	<u>(250)</u>	<u>-</u>	<u>1,364,080</u>	<u>1,363,805</u>	<u>275</u>
Excess of Revenues ove (under) Expenditures	-	(12,794)	(11,049)	1,745	-	(103,020)	(79,424)	23,596
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>-</u>	<u>(12,794)</u>	<u>(11,049)</u>	<u>1,745</u>	<u>-</u>	<u>(103,020)</u>	<u>(79,424)</u>	<u>23,596</u>
Fund Balance:								
Beginning of Year			<u>49,624</u>				<u>793,115</u>	
End of Year			<u>\$ 38,575</u>				<u>\$ 713,691</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, 2004
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	Debt Service							
	Health Center				RSID Revolving			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6	\$ 6
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	41,197	46,076	4,879	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>41,197</u>	<u>46,076</u>	<u>4,879</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	20,000	20,000	-	-	-	-	-
Interest	-	21,197	21,135	62	-	-	-	-
Total Expenditures	<u>-</u>	<u>41,197</u>	<u>41,135</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	-	-	4,941	4,941	-	-	6	6
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	222,805	222,805
Transfers Out	-	-	-	-	(161,382)	(161,382)	(35,914)	125,468
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>-</u>	<u>-</u>	<u>4,941</u>	<u>\$ 4,941</u>	<u>\$ (161,382)</u>	<u>\$ (161,382)</u>	<u>186,897</u>	<u>\$ 348,279</u>
Fund Balance:								
Beginning of Year			<u>(4,946)</u>				<u>161,382</u>	
End of Year			<u>\$ (5)</u>				<u>\$ 348,279</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, 2004
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	Capital Projects							
	Capital Improvements				Technology			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 356,377	\$ 356,377	\$ 366,577	\$ 10,200
License & Permits	-	-	-	-	-	-	13	13
Intergovernmental Revenue	201,304	201,304	143,442	(57,862)	435,615	435,615	252,400	(183,215)
Charges for Services	-	-	-	-	148,646	148,646	162,228	13,582
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	1,373	1,373	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	3,156	3,156
Total Revenues	<u>201,304</u>	<u>201,304</u>	<u>144,815</u>	<u>(56,489)</u>	<u>940,638</u>	<u>940,638</u>	<u>784,374</u>	<u>(156,264)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	273,605	273,605	190,825	82,780
Capital Outlay	2,016,487	2,016,487	1,123,362	893,125	1,461,887	1,461,887	797,715	664,172
Debt Service:								
Principal	512,875	512,875	512,875	-	-	-	-	-
Interest	13,349	13,349	33,543	(20,194)	-	-	-	-
Total Expenditures	<u>2,542,711</u>	<u>2,542,711</u>	<u>1,669,780</u>	<u>872,931</u>	<u>1,735,492</u>	<u>1,735,492</u>	<u>988,540</u>	<u>746,952</u>
Excess of Revenues over (under) Expenditures	(2,341,407)	(2,341,407)	(1,524,965)	816,442	(794,854)	(794,854)	(204,166)	590,688
Other Financing Sources (Uses)								
Transfers In	1,920,012	1,963,376	1,410,270	(553,106)	251,010	251,010	243,510	(7,500)
Transfers Out	(66,083)	(66,083)	(56,083)	10,000	(225,531)	(225,531)	(152,677)	72,854
Loan Proceeds	11,629	11,629	20,022	8,393	660,710	660,710	356,256	(304,454)
Note Proceeds	94,000	110,400	212,768	102,368	-	-	-	-
Sale of Fixed Assets	-	-	5,000	5,000	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (381,849)</u>	<u>\$ (322,085)</u>	67,012	<u>\$ 389,097</u>	<u>\$ (108,665)</u>	<u>\$ (108,665)</u>	242,923	<u>\$ 351,588</u>
Fund Balance:								
Beginning of Year			<u>561,616</u>				<u>221,776</u>	
End of Year			<u>\$ 628,628</u>				<u>\$ 464,699</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, 2004
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	Capital Projects							
	Goodan Keil				Fair Ice Rink Project			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	22,886	(22,886)	-
Capital Outlay	592,000	592,000	592,000	-	-	850,000	401,279	448,721
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>592,000</u>	<u>592,000</u>	<u>592,000</u>	<u>-</u>	<u>-</u>	<u>850,000</u>	<u>424,165</u>	<u>425,835</u>
Excess of Revenues ove (under) Expenditures	(592,000)	(592,000)	(592,000)	-	-	(850,000)	(424,165)	425,835
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Loan Proceeds	592,000	592,000	592,000	-	-	-	-	-
Note Proceeds	-	-	-	-	-	850,000	995,000	145,000
Sale of Fixed 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>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>570,835</u>	<u>\$ 570,835</u>
Fund Balance:								
Beginning of Year			(239,687)					
End of Year			<u>\$ (239,687)</u>					
						<u>\$ 570,835</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, 2004
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	Capital Projects				Totals			
	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	\$ -	\$ -	\$ -	\$ -	\$ 9,628,840	\$ 10,718,393	\$ 10,860,277	\$ 141,884
License & Permits	-	-	-	-	233,025	233,025	286,866	53,841
Intergovernmental Revenue	-	-	-	-	10,766,162	11,392,065	9,614,360	(1,777,705)
Charges for Services	-	-	-	-	2,351,161	2,363,340	2,572,194	208,854
Fines & Forfeits	-	-	-	-	116,400	116,400	139,787	23,387
Investment Earnings	-	-	712	712	400	18,377	6,808	(11,569)
Private & Local Grants	-	-	-	-	43,511	58,711	35,059	(23,652)
Miscellaneous Revenues	-	-	-	-	232,009	233,009	312,391	79,382
Total Revenues	<u>-</u>	<u>-</u>	<u>712</u>	<u>712</u>	<u>23,371,508</u>	<u>25,133,320</u>	<u>23,827,742</u>	<u>(1,305,578)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	12,483,045	12,519,489	11,848,303	671,186
Operations	-	-	30,477	(30,477)	8,614,796	9,002,721	7,451,062	1,551,659
Capital Outlay	350,000	350,000	7,500	342,500	8,493,424	9,013,624	5,139,948	3,873,676
Debt Service:								
Principal	-	-	-	-	521,195	1,266,195	1,265,875	320
Interest	-	-	-	-	21,149	802,400	822,107	(19,707)
Total Expenditures	<u>350,000</u>	<u>350,000</u>	<u>37,977</u>	<u>312,023</u>	<u>30,133,609</u>	<u>32,604,429</u>	<u>26,527,295</u>	<u>6,077,134</u>
Excess of Revenues ove (under) Expenditures	(350,000)	(350,000)	(37,265)	312,735	(6,762,101)	(7,471,109)	(2,699,553)	4,771,556
Other Financing Sources (Uses)								
Transfers In	350,000	350,000	500,050	150,050	3,895,980	3,925,636	3,625,489	(300,147)
Transfers Out	-	-	-	-	(1,310,064)	(1,471,640)	(1,079,624)	392,016
Loan Proceeds	-	-	-	-	1,891,179	1,907,123	1,522,164	(384,959)
Note Proceeds	-	-	-	-	94,000	960,400	1,207,768	247,368
Sale of Fixed Assets	-	-	-	-	-	-	14,760	14,760
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ -</u>	<u>\$ -</u>	<u>462,785</u>	<u>\$ 462,785</u>	<u>\$ (2,191,006)</u>	<u>\$ (2,149,590)</u>	<u>2,591,004</u>	<u>\$ 4,740,594</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>5,866,317</u>	
End of Year			<u>\$ 462,785</u>				<u>\$ 7,886,487</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, 2004

	<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	\$ 479,568	\$ 429,848	\$ 205,349	\$ 27,085	\$ 6,492	\$ 1,148,342
Investments	1,065,844	698,433	1,497,449	274,089	65,694	3,601,509
Taxes Receivable, net	40,878	-	-	-	-	40,878
Interest Receivable	-	6,266	5,154	-	-	11,420
Contributions Receivable	-	128,883	40,321	-	-	169,204
Prepaid Costs	-	24,586	38,951	-	-	63,537
Total Current Assets	<u>1,586,290</u>	<u>1,288,016</u>	<u>1,787,224</u>	<u>301,174</u>	<u>72,186</u>	<u>5,034,890</u>
<i>NonCurrent Assets:</i>						
Fixed Assets, net	<u>11,663</u>	<u>214,652</u>	<u>23,326</u>	<u>-</u>	<u>18,210</u>	<u>267,851</u>
Total Assets	<u>\$ 1,597,953</u>	<u>\$ 1,502,668</u>	<u>\$ 1,810,550</u>	<u>\$ 301,174</u>	<u>\$ 90,396</u>	<u>\$ 5,302,741</u>
Liabilities						
<i>Current Liabilities:</i>						
Accounts Payable	\$ 110,302	\$ -	\$ -	\$ -	\$ 76,427	\$ 186,729
Accrued Payroll	-	46,177	-	-	3,448	49,625
Liability for Claims	1,365,772	612,133	1,631,119	-	-	3,609,024
Notes Payable-Current Portion	-	20,993	-	-	-	20,993
Total Current Liabilities	<u>1,476,074</u>	<u>679,303</u>	<u>1,631,119</u>	<u>-</u>	<u>79,875</u>	<u>3,866,371</u>
<i>Noncurrent Liabilities:</i>						
Notes Payable, net of Current Portion	<u>-</u>	<u>81,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,962</u>
Total Liabilities	<u>1,476,074</u>	<u>761,265</u>	<u>1,631,119</u>	<u>-</u>	<u>79,875</u>	<u>3,948,333</u>
Net Assets						
Invested in Capital Assets, net of Related Debt	11,663	111,697	23,326	-	18,210	164,896
Unrestricted	<u>110,216</u>	<u>629,706</u>	<u>156,105</u>	<u>301,174</u>	<u>(7,689)</u>	<u>1,189,512</u>
Total Net Assets	<u>121,879</u>	<u>741,403</u>	<u>179,431</u>	<u>301,174</u>	<u>10,521</u>	<u>1,354,408</u>
Total Liabilities and Net Assets	<u>\$ 1,597,953</u>	<u>\$ 1,502,668</u>	<u>\$ 1,810,550</u>	<u>\$ 301,174</u>	<u>\$ 90,396</u>	<u>\$ 5,302,741</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For Fiscal Year Ended June 30, 2004

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Telephone Services	Total
Operating Revenues:						
Charges for Services	\$ -	\$ 6,008,707	\$ 909,297	\$ 18,000	\$ 388,451	\$ 7,324,455
Total Operating Revenues	<u>-</u>	<u>6,008,707</u>	<u>909,297</u>	<u>18,000</u>	<u>388,451</u>	<u>7,324,455</u>
Operating Expenses:						
Personnel	53,553	196,192	-	-	121,431	371,176
Operations	28,595	398,697	-	-	310,466	737,758
Claims	617,750	6,116,571	824,622	-	-	7,558,943
Reinsurance Premiums	288,159	-	58,512	-	-	346,671
Administrative	-	-	243,732	-	-	243,732
Depreciation and Amortization	1,458	9,003	2,916	-	50	13,427
Total Operating Expense	<u>989,515</u>	<u>6,720,463</u>	<u>1,129,782</u>	<u>-</u>	<u>431,947</u>	<u>9,271,707</u>
Income (Loss) from Operations	(989,515)	(711,756)	(220,485)	18,000	(43,496)	(1,947,252)
Non-operating Revenues (Expenses):						
Property Taxes	386,167	-	-	-	-	386,167
Investment Earnings	7,262	6,407	16,671	1,384	-	31,724
Interest Expense	-	(3,362)	-	-	-	(3,362)
Other Income	-	24,339	39,387	-	18,260	81,986
Rebates	-	29,804	-	-	-	29,804
Intergovernmental Revenues	<u>56,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,824</u>
Net Income (Loss) before Transfers	(539,262)	(654,568)	(164,427)	19,384	(25,236)	(1,364,109)
Transfers In	86,022	75,000	-	-	35,757	196,779
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>(75,000)</u>
Change in Net Assets	(453,240)	(579,568)	(164,427)	(55,616)	10,521	(1,242,330)
Net Assets - Beginning of Year	<u>575,119</u>	<u>1,320,971</u>	<u>343,858</u>	<u>356,790</u>	<u>-</u>	<u>2,596,738</u>
Net Assets - End of Year	<u>\$ 121,879</u>	<u>\$ 741,403</u>	<u>\$ 179,431</u>	<u>\$ 301,174</u>	<u>\$ 10,521</u>	<u>\$ 1,354,408</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2004

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Telephone Services	Total
Cash flows from operating activities						
Cash receipts for charges for service	\$ -	\$ 6,133,466	\$ 907,319	\$ 18,000	\$ 388,451	\$ 7,447,236
Cash payments to employees for service	(53,553)	(170,076)	(102,127)	-	(117,983)	(443,739)
Cash payments for reinsurance premium	(199,612)	(240,996)	(67,672)	-	-	(508,280)
Cash payments for administrative expense	-	(161,560)	(141,605)	-	-	(303,165)
Cash payments for claims expenses	(355,271)	(6,051,979)	(483,717)	-	-	(6,890,967)
Cash payments to other suppliers for goods and service	(28,595)	-	-	-	(234,039)	(262,634)
Net cash provided (used) by operating activities	<u>(637,031)</u>	<u>(491,145)</u>	<u>112,198</u>	<u>18,000</u>	<u>36,429</u>	<u>(961,549)</u>
Cash flows from non-capital financing activities:						
Property taxes	391,820	-	-	-	-	391,820
Rebates	-	29,804	-	-	-	29,804
Rental income	-	25,000	-	-	-	25,000
Transfers in	86,022	75,000	-	-	35,757	196,779
Transfers out	-	-	-	(75,000)	-	(75,000)
Intergovernmental revenue	56,824	-	30,820	-	-	87,644
Other Income	-	-	-	-	18,260	18,260
Net cash provided (used) by non-capital financing activities	<u>534,666</u>	<u>129,804</u>	<u>30,820</u>	<u>(75,000)</u>	<u>54,017</u>	<u>674,307</u>
Cash flows from capital financing activities:						
Purchase of fixed assets	-	(3,320)	-	-	(18,260)	(21,580)
Cash paid for interest	-	(3,362)	-	-	-	(3,362)
Principal payments on long-term debt	-	(20,011)	-	-	-	(20,011)
Net cash used by non-capital financing activities	<u>-</u>	<u>(26,693)</u>	<u>-</u>	<u>-</u>	<u>(18,260)</u>	<u>(44,953)</u>
Cash flows from investing activities:						
Purchases of investment securities	(379,890)	(501,753)	(590,315)	-	(65,694)	(1,537,652)
Proceeds of sale and maturities of investment securities	748,939	700,691	516,108	71,673	-	2,037,411
Interest on investment	7,262	29,218	1,676	1,384	-	39,540
Net cash provided (used) by investing activities	<u>376,311</u>	<u>228,156</u>	<u>(72,531)</u>	<u>73,057</u>	<u>(65,694)</u>	<u>539,299</u>
Net increase (decrease) in cash and cash equivalents	273,946	(159,878)	70,487	16,057	6,492	207,104
Cash and cash equivalents at beginning of year	205,622	589,726	134,862	11,028	-	941,238
Cash and cash equivalents at end of year	<u>\$ 479,568</u>	<u>\$ 429,848</u>	<u>\$ 205,349</u>	<u>\$ 27,085</u>	<u>\$ 6,492</u>	<u>\$ 1,148,342</u>

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

Income (loss) from operation	\$ (989,515)	\$ (711,756)	\$ (220,485)	\$ 18,000	\$ (43,496)	\$ (1,947,252)
Adjustments to reconcile (income) loss from operations to net cash provided (used) by operating activities:						
Depreciation and amortization	1,458	9,003	2,916	-	50	13,427
Change in assets and liabilities						
Decrease (increase) in receivable	-	124,759	(1,978)	-	-	122,781
Decrease (increase) in prepaid cost	88,547	(3,859)	(9,160)	-	-	75,528
Increase in payable:	97,973	-	-	-	76,427	174,400
Increase in accrued liabilities:	164,506	90,708	340,905	-	3,448	599,567
Net cash provided (used) by operating activities	<u>\$ (637,031)</u>	<u>\$ (491,145)</u>	<u>\$ 112,198</u>	<u>\$ 18,000</u>	<u>\$ 36,429</u>	<u>\$ (961,549)</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 \$22,145 and \$14,995, 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, 2004
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	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	\$ -	\$ -	\$ -	\$ -	\$ 5,918,150	\$ 5,918,150	\$ 6,133,466	\$ 215,316
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,918,150</u>	<u>5,918,150</u>	<u>6,133,466</u>	<u>215,316</u>
Operating Expense:								
Personnel	52,986	52,986	53,553	(567)	212,197	212,197	170,076	42,121
Operations	<u>602,935</u>	<u>602,935</u>	<u>661,605</u>	<u>(58,670)</u>	<u>5,755,850</u>	<u>5,755,850</u>	<u>6,463,538</u>	<u>(707,688)</u>
Total Operating Expense	<u>655,921</u>	<u>655,921</u>	<u>715,158</u>	<u>(59,237)</u>	<u>5,968,047</u>	<u>5,968,047</u>	<u>6,633,614</u>	<u>(665,567)</u>
Income (Loss) from Operation	(655,921)	(655,921)	(715,158)	(59,237)	(49,897)	(49,897)	(500,148)	(450,251)
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	366,227	366,227	380,127	13,900	-	-	-	-
Investment Earnings	-	-	-	-	52,000	52,000	7,073	(44,927)
Intergovernmental Revenue	56,457	56,457	56,824	367	-	-	-	-
Interest Expense	-	-	-	-	(31,990)	(31,990)	(3,362)	28,628
Other Expense	-	-	-	-	-	-	(661)	(661)
Other Income	-	-	-	-	55,500	55,500	54,804	(696)
Debt Service Principal Payment	-	-	-	-	(20,010)	(20,010)	(20,011)	(1)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,519)</u>	<u>(1,519)</u>	<u>-</u>	<u>1,519</u>
Net Income (Loss) before Transfers	(233,237)	(233,237)	(278,207)	(44,970)	4,084	4,084	(462,305)	(466,389)
Transfers In	236,042	236,042	236,022	(20)	-	-	75,000	75,000
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 2,805</u>	<u>\$ 2,805</u>	(42,185)	<u>\$ (44,990)</u>	<u>\$ 4,084</u>	<u>\$ 4,084</u>	(387,305)	<u>\$ (391,389)</u>
Net Assets - Beginning of Year			<u>1,303,327</u>				<u>1,743,991</u>	
Net Assets - End of Year			<u>\$ 1,261,142</u>				<u>\$ 1,356,686</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, 2004
(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	\$ 825,000	\$ 825,000	\$ 907,319	\$ 82,319	\$ 38,000	\$ 38,000	\$ 18,000	\$ (20,000)
Total Operating Revenue	<u>825,000</u>	<u>825,000</u>	<u>907,319</u>	<u>82,319</u>	<u>38,000</u>	<u>38,000</u>	<u>18,000</u>	<u>(20,000)</u>
Operating Expense:								
Personnel	95,907	95,907	102,127	(6,220)	-	-	-	-
Operations	<u>640,850</u>	<u>640,850</u>	<u>695,910</u>	<u>(55,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expense	<u>736,757</u>	<u>736,757</u>	<u>798,037</u>	<u>(61,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) from Operation	88,243	88,243	109,282	21,039	38,000	38,000	18,000	(20,000)
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	40,000	40,000	14,019	(25,981)	7,133	7,133	1,707	(5,426)
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-
Other Income	30,748	30,748	30,820	72	-	-	-	-
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	158,991	158,991	154,121	(4,870)	45,133	45,133	19,707	(25,426)
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
Change in Net Assets	<u>\$ 158,991</u>	<u>\$ 158,991</u>	154,121	<u>\$ (4,870)</u>	<u>\$ 45,133</u>	<u>\$ 45,133</u>	(55,293)	<u>\$ (100,426)</u>
Net Assets - Beginning of Year			<u>1,446,011</u>				<u>356,654</u>	
Net Assets - End of Year			<u>\$ 1,600,132</u>				<u>\$ 301,361</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, 2004
(Page 3 of 3)

	Telephone Services			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:				
Charges for Services	\$ 356,022	\$ 356,022	\$ 388,451	\$ 32,429
Total Operating Revenue	356,022	356,022	388,451	32,429
Operating Expense:				
Personnel	115,023	115,023	117,983	(2,960)
Operations	247,461	247,461	234,039	13,422
Total Operating Expense	362,484	362,484	352,022	10,462
Income (Loss) from Operation	(6,462)	(6,462)	36,429	42,891
Non-operating Revenues (Expenses):				
Operating Property Tax Revenue	-	-	-	-
Investment Earnings	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Interest Expense	-	-	-	-
Other Expense	-	-	-	-
Other Income	-	-	-	-
Debt Service Principal Payment	-	-	-	-
Capital Outlay	-	-	-	-
Net Income (Loss) before Transfers	(6,462)	(6,462)	36,429	42,891
Transfers In	35,757	35,757	35,757	-
Transfers Out	-	-	-	-
Change in Net Assets	\$ 29,295	\$ 29,295	72,186	\$ 42,891
Net Assets - Beginning of Year			-	
Net Assets - End of Year			\$ 72,186	

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, 2004
(Page 1 of 4)

SCHOOLS

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Assets:				
Cash with Fiscal Agents	\$ 2,428,074	\$ 2,301,254	\$ 2,428,074	\$ 2,301,254
Property Taxes Receivable (net)	<u>5,180,834</u>	<u>3,887,788</u>	<u>5,180,834</u>	<u>3,887,788</u>
Total Assets	<u>\$ 7,608,908</u>	<u>\$ 6,189,042</u>	<u>\$ 7,608,908</u>	<u>\$ 6,189,042</u>
Liabilities:				
Funds Held in Trust	<u>\$ 7,608,908</u>	<u>\$ 6,189,042</u>	<u>\$ 7,608,908</u>	<u>\$ 6,189,042</u>
Total Liabilities	<u>\$ 7,608,908</u>	<u>\$ 6,189,042</u>	<u>\$ 7,608,908</u>	<u>\$ 6,189,042</u>

OTHER LOCAL TAXING UNITS

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Assets:				
Property Taxes Receivable (net)	\$ <u>532,528</u>	\$ <u>496,462</u>	\$ <u>532,528</u>	\$ <u>496,462</u>
Total Assets	<u>\$ 532,528</u>	<u>\$ 496,462</u>	<u>\$ 532,528</u>	<u>\$ 496,462</u>
Liabilities:				
Funds Held in Trust	<u>\$ 532,528</u>	<u>\$ 496,462</u>	<u>\$ 532,528</u>	<u>\$ 496,462</u>
Total Liabilities	<u>\$ 532,528</u>	<u>\$ 496,462</u>	<u>\$ 532,528</u>	<u>\$ 496,462</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2004
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STATE

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Assets:				
Property Taxes Receivable (net)	\$ 2,143,501	\$ 1,576,872	\$ 2,143,501	\$ 1,576,872
Total Assets	<u>\$ 2,143,501</u>	<u>\$ 1,576,872</u>	<u>\$ 2,143,501</u>	<u>\$ 1,576,872</u>
Liabilities:				
Funds Held in Trust	\$ 2,143,501	\$ 1,576,872	\$ 2,143,501	\$ 1,576,872
Total Liabilities	<u>\$ 2,143,501</u>	<u>\$ 1,576,872</u>	<u>\$ 2,143,501</u>	<u>\$ 1,576,872</u>

CITY

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Assets:				
Property Taxes Receivable (net)	\$ 2,337,307	\$ 1,998,573	\$ 2,337,307	\$ 1,998,573
Total Assets	<u>\$ 2,337,307</u>	<u>\$ 1,998,573</u>	<u>\$ 2,337,307</u>	<u>\$ 1,998,573</u>
Liabilities:				
Funds Held in Trust	\$ 2,337,307	\$ 1,998,573	\$ 2,337,307	\$ 1,998,573
Total Liabilities	<u>\$ 2,337,307</u>	<u>\$ 1,998,573</u>	<u>\$ 2,337,307</u>	<u>\$ 1,998,573</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2004
(Page 3 of 4)

MISCELLANEOUS AGENCIES

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Assets:				
Cash & Cash Equivalents	\$ 231,340	\$ 100,690	\$ 231,340	\$ 100,690
Total Assets	<u>\$ 231,340</u>	<u>\$ 100,690</u>	<u>\$ 231,340</u>	<u>\$ 100,690</u>
Liabilities:				
Funds Held in Trust	\$ 231,340	\$ 100,690	\$ 231,340	\$ 100,690
Total Liabilities	<u>\$ 231,340</u>	<u>\$ 100,690</u>	<u>\$ 231,340</u>	<u>\$ 100,690</u>

PAYROLL & CLAIMS

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Assets:				
Cash & Cash Equivalents	\$ 42,493	\$ 78,937	\$ 42,493	\$ 78,937
Investments	1,332,325	798,806	1,332,325	798,806
Total Assets	<u>\$ 1,374,818</u>	<u>\$ 877,743</u>	<u>\$ 1,374,818</u>	<u>\$ 877,743</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,374,818	\$ 877,743	\$ 1,374,818	\$ 877,743
Total Liabilities	<u>\$ 1,374,818</u>	<u>\$ 877,743</u>	<u>\$ 1,374,818</u>	<u>\$ 877,743</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2004
(Page 4 of 4)

TOTAL AGENCY FUNDS				
	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
Assets:				
Cash & Cash Equivalents	\$ 273,833	\$ 179,627	\$ 273,833	\$ 179,627
Cash with Fiscal Agents	2,428,074	2,301,254	2,428,074	2,301,254
Investments	1,332,325	798,806	1,332,325	798,806
Property Taxes Receivable (net)	<u>10,194,170</u>	<u>7,959,695</u>	<u>10,194,170</u>	<u>7,959,695</u>
Total Assets	<u>\$ 14,228,402</u>	<u>\$ 11,239,382</u>	<u>\$ 14,228,402</u>	<u>\$ 11,239,382</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,374,818	\$ 877,743	\$ 1,374,818	\$ 877,743
Funds Held in Trust	<u>12,853,584</u>	<u>10,361,639</u>	<u>12,853,584</u>	<u>10,361,639</u>
Total Liabilities	<u>\$ 14,228,402</u>	<u>\$ 11,239,382</u>	<u>\$ 14,228,402</u>	<u>\$ 11,239,382</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, 2004 and 2003

	2004	2003
Governmental Funds Capital Assets:		
Land	\$ 7,073,609	\$ 7,189,703
Buildings	32,837,725	31,303,032
Machinery and Equipment	16,895,995	16,373,337
Intangibles	173,101	173,101
Construction in Progress	861,317	678,572
Total Governmental Funds Capital Assets	\$ 57,841,747	\$ 55,717,745
 Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 1,542,491	\$ 658,561
Special Revenue Fund	43,064,642	41,824,570
Federal Grants	1,812,401	1,812,401
Initial Start of System	11,422,213	11,422,213
Total Governmental Funds Capital Assets	\$ 57,841,747	\$ 55,717,745

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, 2004

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:						
Administration and Finance	\$ -	\$ -	\$ 10,212	\$ -	\$ -	\$ 10,212
Records and Election	-	-	987,335	-	-	987,335
Data Processing	-	-	826,076	-	25,000	851,076
General Services	-	-	710,475	-	426,038	1,136,513
Criminal Justice	-	-	49,278	-	-	49,278
Other	-	-	4,294	-	-	4,294
Total General Government	<u>-</u>	<u>-</u>	<u>2,587,670</u>	<u>-</u>	<u>451,038</u>	<u>3,038,708</u>
Public Works:						
Road & Bridge	5,100	2,670,737	6,131,090	-	-	8,806,927
Weed	-	-	87,523	-	-	87,523
Extension	-	-	47,109	-	-	47,109
Total Public Works	<u>5,100</u>	<u>2,670,737</u>	<u>6,265,722</u>	<u>-</u>	<u>-</u>	<u>8,941,559</u>
Public Safety:						
Sheriff	-	-	2,098,826	173,101	-	2,271,927
Communications	-	-	893,140	-	-	893,140
Disaster and Emergency	-	-	99,045	-	-	99,045
Detention Center	2,657,528	22,388,493	1,358,695	-	-	26,404,716
Total Public Safety	<u>2,657,528</u>	<u>22,388,493</u>	<u>4,449,706</u>	<u>173,101</u>	<u>-</u>	<u>29,668,828</u>
Public Health:						
City/County Health	58,162	1,994,491	419,220	-	-	2,471,873
Environmental Health	-	-	149,199	-	-	149,199
Total Public Health	<u>58,162</u>	<u>1,994,491</u>	<u>568,419</u>	<u>-</u>	<u>-</u>	<u>2,621,072</u>
Social and Economic Services	-	-	76,618	-	-	76,618
Culture and Recreation	1,708,813	2,514,177	2,947,860	-	410,279	7,581,129
Nondepartmental	1,946,096	3,269,827	-	-	-	5,215,923
Land Held for Resale	697,910	-	-	-	-	697,910
Total Governmental Funds Capital Assets	<u>\$ 7,073,609</u>	<u>\$ 32,837,725</u>	<u>\$ 16,895,995</u>	<u>\$ 173,101</u>	<u>\$ 861,317</u>	<u>\$ 57,841,747</u>

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

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity ¹
For Fiscal Year Ended June 30, 2004

<u>Function and Activity</u>	Governmental Funds Capital Assets July 1, 2003	Additions	Deductions	Governmental Funds Capital Assets June 30, 2004
General Government:				
Administration and Finance	\$ 15,421	\$ -	\$ (5,209)	\$ 10,212
Records and Election	761,278	573,057	(347,000)	987,335
Data Processing	860,012	51,165	(60,101)	851,076
General Services	1,132,694	1,077,733	(1,073,914)	1,136,513
Criminal Justice	59,062	-	(9,784)	49,278
Other	4,294	-	-	4,294
Total General Government	<u>2,832,761</u>	<u>1,701,955</u>	<u>(1,496,008)</u>	<u>3,038,708</u>
Public Works:				
Road & Bridge	8,170,904	636,023	-	8,806,927
Weed	90,562	-	(3,039)	87,523
Extension	57,209	-	(10,100)	47,109
Total Public Works	<u>8,318,675</u>	<u>636,023</u>	<u>(13,139)</u>	<u>8,941,559</u>
Public Safety:				
Sheriff	2,596,715	184,727	(509,515)	2,271,927
Communications	615,543	308,686	(31,089)	893,140
Disaster and Emergency	99,045	-	-	99,045
Detention Center	26,489,666	-	(84,950)	26,404,716
Total Public Safety	<u>29,800,969</u>	<u>493,413</u>	<u>(625,554)</u>	<u>29,668,828</u>
Public Health:				
City/County Health	2,275,034	955,648	(758,809)	2,471,873
Environmental Health	143,243	16,067	(10,111)	149,199
Total Public Health	<u>2,418,277</u>	<u>971,715</u>	<u>(768,920)</u>	<u>2,621,072</u>
Social and Economic Services	166,251	-	(89,633)	76,618
Culture and Recreation	6,908,718	748,940	(76,529)	7,581,129
Nondepartmental	4,537,940	677,983	-	5,215,923
Land Held for Resale	734,154	-	(36,244)	697,910
Total General Fixed Assets	<u>\$ 55,717,745</u>	<u>\$ 5,230,029</u>	<u>\$ (3,106,027)</u>	<u>\$ 57,841,747</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.

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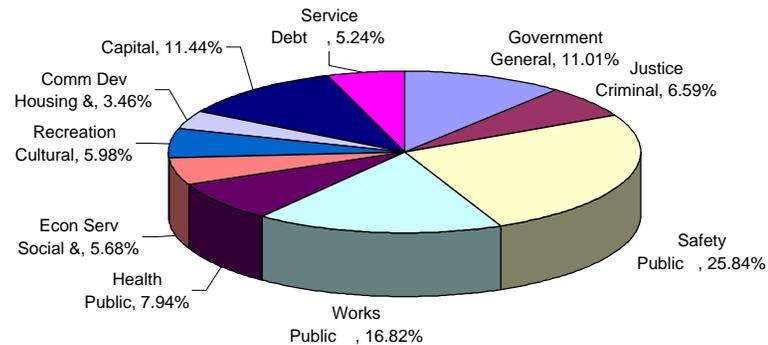
STATISTICAL SECTION

MISSOULA COUNTY, MONTANA
General Governmental Expenditures by Function ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year	General Government	Criminal Justice	Public Safety	Public Works	Public Health	Social & Econ Serv	Cultural Recreation	Housing & Comm Dev	Capital	Debt Service	Total
1995	\$ 7,070,660	\$ -	\$ 4,773,611	\$ 4,003,945	\$ 2,813,989	\$ 1,244,340	\$ 1,904,384	\$ 1,043,714	\$ 4,565,587	\$ 1,649,055	\$ 29,069,285
% of Total	24.33%	-	16.42%	13.77%	9.68%	4.28%	6.55%	3.59%	15.71%	5.67%	
1996	3,627,738	3,444,142	5,414,201	4,175,636	3,115,737	1,915,359	1,921,217	1,184,837	2,942,703	1,784,433	29,526,003
% of Total	12.29%	11.66%	18.34%	14.14%	10.55%	6.49%	6.51%	4.01%	9.97%	6.04%	
1997	3,878,313	3,941,078	6,123,995	3,765,651	3,138,529	2,259,640	1,956,100	1,165,987	2,535,916	2,389,245	31,154,454
% of Total	12.45%	12.65%	19.66%	12.09%	10.07%	7.25%	6.28%	3.74%	8.14%	7.67%	
1998	4,198,808	4,419,335	5,910,987	4,888,420	3,318,964	2,060,193	1,892,391	1,408,971	10,331,351	6,351,934	44,781,354
% of Total	9.37%	9.87%	13.20%	10.92%	7.41%	4.60%	4.23%	3.15%	23.07%	14.18%	
1999	4,282,698	5,137,996	6,582,513	3,749,572	3,430,242	2,231,141	2,127,231	1,187,299	17,463,208	4,513,206	50,705,106
% of Total	8.45%	10.13%	12.98%	7.39%	6.77%	4.40%	4.20%	2.34%	34.44%	8.90%	
2000	4,863,843	4,508,894	8,588,235	3,720,564	3,819,661	2,756,889	1,941,603	1,134,698	7,462,447	6,244,515	45,041,349
% of Total	10.80%	10.01%	19.07%	8.26%	8.48%	6.12%	4.31%	2.52%	16.57%	13.86%	
2001	4,836,440	4,719,287	10,748,455	3,908,521	4,290,569	2,757,424	2,112,380	1,206,180	4,615,290	2,728,485	41,923,031
% of Total	11.54%	11.26%	25.62%	9.32%	10.23%	6.58%	5.04%	2.88%	11.01%	6.51%	
2002	5,258,354	4,952,646	12,075,797	5,170,623	3,801,529	3,581,418	2,438,496	901,125	6,739,039	2,985,375	47,904,402
% of Total	10.98%	10.34%	25.20%	10.79%	7.94%	7.48%	5.09%	1.88%	14.07%	6.23%	
2003	5,897,355	3,717,155	13,113,342	7,385,860	4,051,339	2,276,328	3,136,719	2,370,871	5,950,500	2,686,231	50,585,700
% of Total	11.66%	7.35%	25.92%	14.60%	8.01%	4.50%	6.20%	4.69%	11.76%	5.31%	
2004	6,205,827	3,715,236	14,560,716	9,478,401	4,477,474	3,202,355	3,368,214	1,952,543	6,446,469	2,950,803	56,358,038
% of Total	11.01%	6.59%	25.84%	16.82%	7.94%	5.68%	5.98%	3.46%	11.44%	5.24%	

⁽¹⁾ Includes General, Special Revenue, Debt Service, and Capital

**GENERAL GOVERNMENT EXPENDITURES
By Function FY 2004**

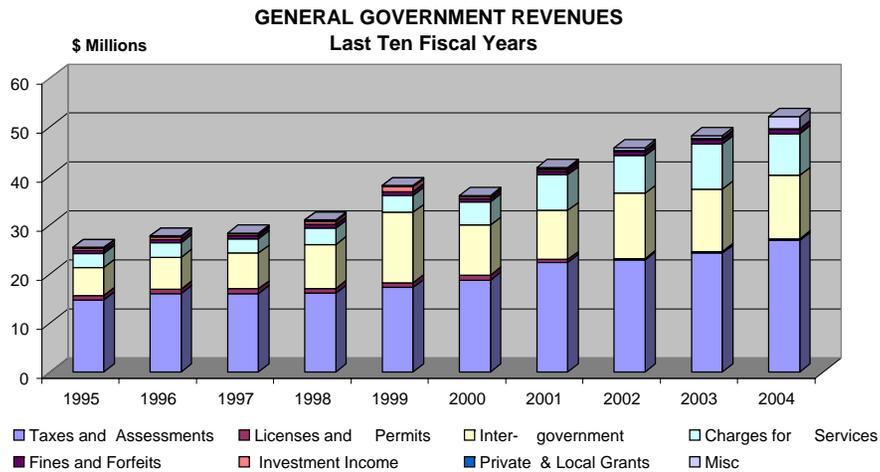


\$56,358,038

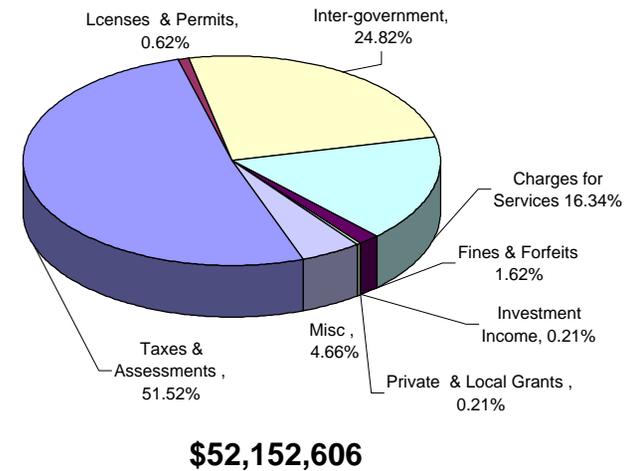
MISSOULA COUNTY, MONTANA
General Governmental Revenues by Source ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year	Taxes and Assessment	Licenses and Permits	Inter-government	Charges for Services	Fines and Forfeits	Investment Income	Private & Local Grants	Misc	Total
1995	\$ 14703996	\$ 903,309	\$ 5,781,351	\$ 2,823,250	\$ 610,381	\$ 439,029	\$ 132,857	\$ 60,734	\$ 25,454,907
% of Total	57.76%	3.55%	22.71%	11.09%	2.40%	1.72%	0.52%	0.24%	
1996	16043270	913,430	6,444,169	3,057,765	628,675	505,610	145,896	49,611	27,788,426
% of Total	57.73%	3.29%	23.19%	11.00%	2.26%	1.82%	0.53%	0.18%	
1997	16053139	942,810	7,292,855	2,898,796	668,978	319,168	169,201	54,784	28,399,731
% of Total	56.53%	3.32%	25.68%	10.21%	2.36%	1.12%	0.60%	0.19%	
1998	16082267	958,746	8,984,134	3,328,496	786,960	562,021	289,712	57,282	31,049,618
% of Total	51.80%	3.09%	28.93%	10.72%	2.53%	1.81%	0.93%	0.18%	
1999	17270667	995,505	14,358,146	3,436,377	760,552	994,255	169,705	94,382	38,079,589
% of Total	45.35%	2.61%	37.71%	9.02%	2.00%	2.61%	0.45%	0.25%	
2000	18745489	1,079,009	10,162,922	4,737,601	692,313	371,562	144,248	110,213	36,043,357
% of Total	52.01%	2.99%	28.20%	13.14%	1.92%	1.03%	0.40%	0.31%	
2001	22432100	558,742	10,022,653	7,233,146	775,376	315,864	167,843	232,427	41,738,151
% of Total	53.74%	1.34%	24.01%	17.33%	1.86%	0.76%	0.40%	0.56%	
2002	22908495	237,354	13,330,319	7,674,758	819,733	216,169	112,140	476,778	45,775,746
% of Total	50.05%	0.52%	29.12%	16.77%	1.79%	0.47%	0.24%	1.04%	
2003	24270711	344,741	12,756,743	9,211,933	838,956	204,249	117,015	495,489	48,239,837
% of Total	50.31%	0.71%	26.44%	19.10%	1.74%	0.42%	0.24%	1.03%	
2004	26866402	324,880	12,940,233	8,519,919	846,521	110,902	111,576	2,432,173	52,152,606
% of Total	51.52%	0.62%	24.82%	16.34%	1.62%	0.21%	0.21%	4.66%	

(1) Includes General, Special Revenue, Debt Service and Capital Projects



GENERAL GOVERNMENTAL REVENUES
By Source FY 2004



MISSOULA COUNTY, MONTANA
Board of County Commissioners (BOC) Supplemental Schedule
As of and for the Fiscal Year ended June 30, 2004

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

2. Salaries and wages:	\$ 21,538,360
-------------------------------	---------------

3. Debt outstanding:		Amount			
A. Long-term debt outstanding, issued and retired		Bonds during the Fiscal Year		Outstanding as of June 30, 2004	
Purpose	Bonds outstanding July 1, 2003	Issued	Retired	General Obligation	Revenue bonds
Water utility	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	-	-	-	-	-
Electric utility	-	-	-	-	-
Gas utility	-	-	-	-	-
Industrial revenue	-	-	-	-	-
All other	\$ 24,088,075	\$ 874,936	\$ 1,595,448	\$ 15,257,000	\$ -
B. Short-term Debt		Beginning of fiscal year		End of fiscal year	
Type					
Registered warrants payable	\$ -	-	-	\$ -	-
Contracts payable		-	-		-
Notes payable		-	-		-
Totals		\$ -	-	\$ -	-

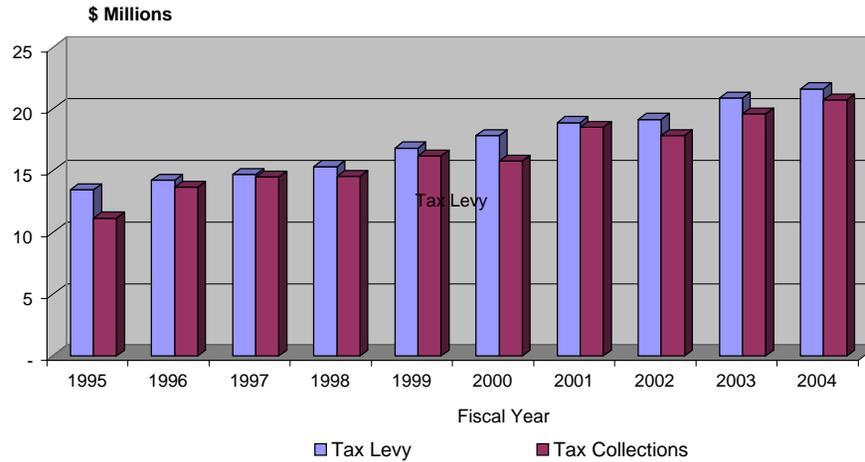
4. Cash balances of fund type groups:	
Type of funds	Amount
General fund	\$ 2,815,836
Special revenue funds	7,906,702
Debt service funds	1,584,476
Capital projects funds	752,689
Enterprise funds	718,689
Informal service funds	5,052,308
Trust and agency funds	41,091,186
Total	\$ 59,921,886

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

Fiscal Year	Tax Levy Total Levy July 1 (a)	Tax Collections 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
1995	\$ 13,448,103	\$ 11,149,874	82.91 %	\$ 918,308	\$ 12,068,182	89.74 %	\$ 713,459	5.31 %
1996	14,220,789	13,650,517	95.99	1,001,766	14,652,283	103.03	836,269	5.88
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

- (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)
1995	\$ 3,138,243,267	\$ 138,137,734
1996	3,257,717,240	143,416,513
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

⁽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%.

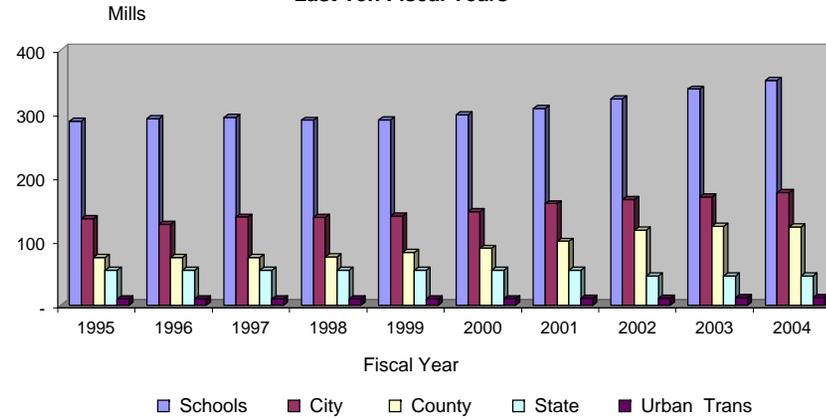
⁽²⁾ Source: Montana Department of Revenue

⁽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	City	County	State	Schools	Urban Trans	Total
1995	135.96	75.08	55.00	288.09	9.82	563.95
1996	126.46	74.90	55.00	292.20	9.82	558.38
1997	138.20	74.42	55.00	294.44	9.82	571.88
1998	137.62	75.59	55.00	289.78	9.82	567.81
1999	139.84	83.15	55.00	290.35	9.82	578.16
2000	146.63	89.24	55.00	297.89	10.37	599.13
2001	159.15	100.15	55.00	307.86	10.94	633.10
2002	165.19	117.80	46.00	322.90	11.31	663.20
2003	169.48	123.97	46.00	338.64	11.66	689.75
2004	176.32	122.79	46.00	351.88	11.93	708.92

TOTAL PROPERTY TAX LEVIES BY MILLS
Last Ten Fiscal Years

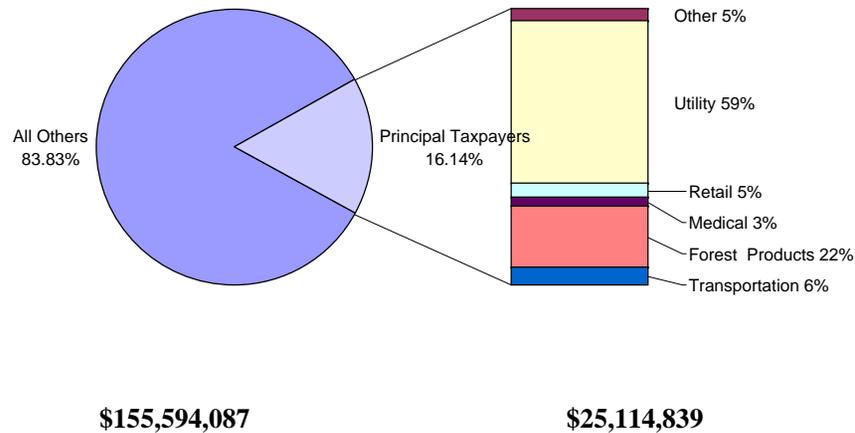


**MISSOULA COUNTY, MONTANA
Principal Taxpayers
June 30, 2004**

<u>Taxpayer</u>	<u>Type of Industry</u>	<u>Tax Dollars All Taxing Agencies</u>	<u>Taxable Value</u>	<u>% of Total County Taxable Value</u>
Northwestern Energy	Utility	\$ 5,375,729	\$ 8,950,650	5.75 %
Stone Container Corp	Forest Products	2,288,198	4,172,958	2.68
Qwest Communications	Utility	1,920,615	2,817,534	1.81
Montana Rail Link	Transportation	879,059	1,514,731	0.97
Mountain Water Company	Utility	758,568	1,096,670	0.70
Southgate Mall	Retail	598,721	838,903	0.54
Gateway Limited Partnership	Other	532,037	765,602	0.49
St. Patrick Hospital Corp	Medical	518,988	723,308	0.46
Plum Creek Timber	Forest Products	435,601	717,037	0.46
Puget Sound Energy	Utility	406,756	767,876	0.49
Stimson Lumber Co	Forest Products	385,602	710,689	0.46
Missoula Electric Cooperative	Utility	376,894	589,187	0.38
Wal-Mart	Retail	341,203	486,992	0.31
Blackfoot Telephone Cooperative	Utility	323,125	532,390	0.34
Mountain States Leasing Missoula LLC	Other	294,320	430,312	0.28
		<u>\$ 15,435,416</u>	<u>\$ 25,114,839</u>	<u>16.14 %</u>
Total County Taxable Value:			<u>\$ 155,594,087</u>	

Source: Tax roll for fiscal year 2004

**PRINCIPAL TAXPAYERS BY TYPE
June 30, 2004**

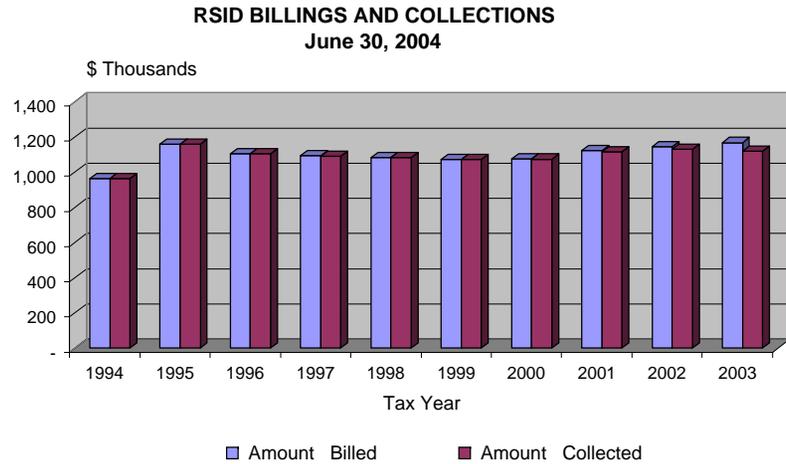


MISSOULA COUNTY, MONTANA
Special Assessments Billings and Collections
June 30, 2004

Tax Year (a)	Amount Billed	Amount Collected	% Collected through 6/30/04
1994	\$ 963,653	\$ 963,035	99.94 %
1995	1,159,488	1,158,885	99.95
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	1,074,668	99.86
2001	1,124,234	1,116,651	99.33
2002	1,145,534	1,129,741	98.62
2003	1,169,115	1,118,837	95.70

Source: Missoula County RSID Technician

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



MISSOULA COUNTY, MONTANA
Computation of Legal Debt Margin
June 30, 2004

Limit on Total Indebtedness:

Assessed Value	\$ 4,908,943,897
Debt Limit 1.4% of Assessed Value	<u>1.4%</u>
Maximum Total Debt (1)	68,725,215
Outstanding Total Debt, June 30, 2004	<u>27,517,065</u>
Total Debt Margin	<u>\$ 41,208,150</u>

- (1) The statutes of the State of Montana 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>
1995	\$ -	\$ -	\$ 52,000	\$ -	\$ 1,498,149	\$ 1,550,149
1996	-	-	205,000	-	300,000	505,000
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

(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
1995	85,669	\$ 138,137,734	\$ 1,797,000	\$ 707,433	\$ 1,089,567	0.79 %	\$ 13
1996	87,130	143,416,513	1,400,000	128,998	1,271,002	0.89	15
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

Source:

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

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		
1994	\$ 330,000	\$ 118,340	\$ 448,340	\$ 26,427,963	1.70 %
1995	330,000	103,915	433,915	29,069,285	1.49
1996	360,000	35,870	395,870	29,526,003	1.34
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

MISSOULA COUNTY, MONTANA
Computation of Direct and Overlapping Debt
June 30, 2004

	<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>14,609,000</u>	100.00%	\$ <u>14,609,000</u>
Overlapping Debt			
City of Missoula	17,335,000	100.00%	17,335,000
School District 1	26,100,000	100.00%	26,100,000
Other Schools	8,876,000	100.00%	8,876,000
Seeley Lake Fire	<u>150,000</u>	100.00%	<u>150,000</u>
	<u>52,461,000</u>		<u>52,461,000</u>
Total of Direct and Overlapping Debt	\$ <u><u>67,070,000</u></u>	100.00%	\$ <u><u>67,070,000</u></u>

MISSOULA COUNTY, MONTANA
Major Employers

The following table shows the largest employers in Missoula County as of June, 2004

<u>Employees</u>	<u>Employer</u>	<u>Business Activities</u>
Over 1000	Community Medical Center	Medical Services
	Missoula County Public Schools	Education
	Plum Creek Timber	Forest Products
	St. Patrick Hospital	Medical Services
	University of Montana	Education
750-1000	Southgate Mall	Retail
500-750	County of Missoula	Government
	Smurfit-Stone Container Corp.	Paper Mill
	Stimson Lumber Company	Forest Products
	U.S. Forest Service	Government
	Washington Corporations	Construction
250-500	Bitterroot International	Stud Mill
	City of Missoula	Government
	Jim Palmer Trucking	Trucking
	Missoula International Airport	Air Travel
	Opportunity Resources	Production/Packaging
	Western Montana Clinic	Medical Services

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>
1995	42.73	50.10	87.66	61.82	113.02	86.47	39.66	481.46
1996	85.49	45.26	79.06	55.53	102.98	75.83	39.41	483.56
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

Major Taxpayers in the MCA Industrial District

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
Missoula Ventures LLC	Hotel	\$ 164,203
Feist Limited Partnership	Distribution	153,736
Lithia Real Estate, Inc	Auto Dealership	116,335
Big Sky Brewing Company	Brewery	107,744
Minuteman Aviation	Aviation	63,052
Mountain Water Company	Utility	59,587
Sun Mountain Sports	Manufacturing	58,008
Northstar Air Express	Aviation	54,714
Budding Star	Manufacturing	40,247
Roscoe Steel & Culvert	Manufacturing	37,330
Neptune Aviation Services	Aviation	36,512
	Total	<u>\$ 891,468</u>

The taxable value of the property of these ten taxpayers represents approximately 60.47% of taxable value of taxable property in the District for tax year 2004.

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⁾
1996	\$ 214,534	\$ 37,929	\$ 18,341	\$ 16,269	\$ 17,146
1997	253,708	77,103	37,674	39,048	40,739
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	-
2005	1,748,514	1,571,909	959,261	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 2005 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 2005 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)
1997	\$ 37,674	\$ 260,500	\$ 10,575	\$ 308,749	1.46
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

- (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)
1995	\$ 143,416,513	\$ 286,832
1996	144,753,737	289,708
1997	148,728,820	297,456
1998	151,539,549	303,078
1999 ⁽¹⁾	149,709,112	299,418
2000	142,233,548	284,467
2001	145,789,091	291,578
2002	151,159,660	302,319
2003	155,594,087	311,188
2004	161,743,087	323,486

- (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
1995	85,669	1,453	787	17,711	14,511	1,142	46,651	4.4 %
1996	87,130	1,677	769	18,446	14,441	1,180	47,678	3.5
1997	88,253	1,423	766	19,818	14,276	1,226	51,525	4.0
1998	88,818	1,478	870	20,787	14,032	1,183	51,078	4.5
1999	88,989	1,674	839	22,437	13,909	1,251	50,362	4.0
2000	89,344	1,496	981	23,246	12,572	1,207	52,952	3.4
2001	95,802	1,631	843	24,476	13,780	1,259	53,845	3.4
2002	95,802	1,249	896	24,111	13,570	1,207	56,746	2.6
2003	97,580	1,983	931	25,818	13,459	1,171	57,244	3.3
2004	98,616	1,451	948	26,823	13,259	1,418	57,707	3.8

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	
1995	\$ 883,777,245	\$ 138,137,734	60	\$ 21,520,485	823	\$ 45,910,639	883	\$ 67,431,124	
1996	933,310,015	143,416,513	31	14,715,153	842	47,383,053	873	62,098,206	
1997	984,364,749	144,753,737	50	11,275,806	453	36,844,558	503	48,120,364	
1998	955,578,983	148,728,828	39	15,617,183	596	39,564,794	635	55,181,977	
1999	1,183,537,793	151,539,149	37	15,091,543	696	46,243,332	733	61,334,875	
2000	1,238,330,274	149,709,112	43	28,801,023	469	38,249,157	512	67,050,180	
2001	1,250,326,682	142,233,548	50	32,654,140	567	40,649,542	617	73,303,682	
2002	1,706,044,951	145,789,091	39	13,525,293	700	48,015,530	739	61,540,823	
2002	1,927,869,534	151,159,660	53	20,973,429	1,530	86,386,297	1,583	107,359,726	
2003	2,022,706,234	151,159,660	42	24,430,995	726	46,692,769	768	71,123,764	

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
Miscellaneous Statistical Data
June 30, 2004

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	59,077			

Total County Government Employees:	<u>Part-time</u>	<u>Full-time</u>
Officials & Managers	-	32
Professionals	20	83
Technical	10	32
Protective services	45	161
Paraprofessionals	18	81
Clerical	52	190
Service & Maintenance	6	14
	<u>151</u>	<u>593</u>

Police protection	<u>City Police</u>	<u>County Sheriff</u>
Stations	1	1
Officers	81	52

Fire protection	<u>City Fire</u>	<u>Missoula Rural Fire</u>
Stations	4	5
Full-time employees	73	45
Volunteers	-	63
Fire hydrants	790	195
Fire vehicles	12	21

Note: There are 180 volunteer firefighters in outlying areas of Missoula County.

Miles of Rural Roads

There are 1,462.425 miles of rural roads open to the Public within Missoula County

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data (Continued)
June 30, 2004

Educational Facilities

Public Schools 2003-2004		
Type	Number	Enrolled
Elementary (District 1)	12	4,866
Elementary (Other Districts)	12	4,027
High Schools (MCHS)	4	3,977
High Schools (Other Dist)	1	389
Trade & Technical	1	800
University	1	12,552
Private Schools 2001-2002		
Type	Number	Enrolled
Elementary	7	854
High School	4	362

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	120
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	226,497
Annual Circulation	802,260
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

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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 Missoula County, Montana, as of and for the year ended June 30, 2004. 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 \$1,318,486 and \$1,522,979, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2004. 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.

Elmore & Associates, P.C.

Certified Public Accountants
Missoula, Montana
December 22, 2004

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MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis
For the Year Ended June 30, 2004
(Page 1 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/03	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF AGRICULTURE:									
Passed Through State Department of Public Health									
Women/Infants/Children 03-04	10.557	03-07-5-21-021-1	\$ 349,889	\$ (76,379)	\$ 166,658	\$ 15,546	\$ -	\$ -	\$ 182,204
Women/Infants/Children 04-05	10.557	04-07-5-21-020-0	383,329	-	203,127	11	-	-	203,138
Passed Through State Department of Natural Resources									
Wildland Urban Interface - Greenough Potomac Fir	-	N/A	22,069	(4,401)	9,168	-	-	-	9,168
Passed Through State Department of Agriculture									
Nine Mile Fire Grant	10.644	02-626	167,728	32,031	-	-	-	-	-
Passed Through the State Auditor									
Forest Reserve Receipts	10.665	N/A	710,589	172,887	718,579	-	-	-	718,579
Total Department of Agriculture				124,138	1,097,532	15,557	-	-	1,113,089
DEPARTMENT OF TRANSPORTATION:									
Passed Through State Department of Transportation									
CMAQ-TDM	20.205	CM8199(60)	173,160	(34,229)	53,012	2,911	-	-	55,923
CMAQ-TDM	20.205	CM8199(64)	203,463	-	111,432	24,933	-	-	136,365
FTA 03	20.205	MT-03-50-0079	63,746	(1,369)	2,750	692	-	-	3,442
FTA 04	20.205	MT-04-50-0079	72,478	-	4,712	1,180	-	-	5,892
P.L. Transport 03	20.205	N/A	469,564	(70,258)	70,258	-	-	-	70,258
P.L. Transport 04	20.205	N/A	358,763	-	123,520	-	-	-	123,520
Mobile Data Expansion Project	20.600	01-01-04-01(164AL)	512,000	52,286	-	81,442	-	-	81,442
STEP-Occupant Protection Project	20.600	03-03(402/405)	10,000	(3,058)	9,351	-	-	-	9,351
STEP-Law Enforcement Equip	20.600	2004-13-04-11	20,200	-	7,200	-	-	-	7,200
STEP-Traffic Enforcemen	20.600	2004-10-08-03, 2004-13-01-03	21,000	-	6,769	-	-	-	6,769
Law Enforcement Equipmen	20.600	03-02-09-09	18,500	-	10,913	-	-	-	10,913
CTEP									
Clements Road/North Avenue Pat	-	STPE 8199(29)	211,132	(211,132)	212,172	162	-	-	212,334
Lolo Walkway	-	STPE 32(26)	63,743	(37,350)	83,358	65	-	-	83,423
Frenchtown Walkway Phase	-	STPE 32(37)	191,856	(17,837)	17,837	96	-	-	17,933
Frenchtown Walkway Phase I	-	STPE 32(43)	205,195	-	-	12,688	-	-	12,688
Van Buren St Bridge	-	STPE 8199(65)	420,905	-	-	68,235	-	-	68,235
Cote Lane Walkway	-	STPE 32(35)	93,126	-	66,769	6,590	-	-	73,359
Passed Through State Department of Justice									
Traffic Safety 03-04	20.600	3-17(402)	30,000	(14,814)	23,970	247	-	-	24,217
Traffic Safety 04-05	20.600	2004-02-03-01, 2004-03-03-01	34,481	-	16,236	581	-	-	16,817
Total Department of Transportation				(337,761)	820,259	199,822	-	-	1,020,081

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2004
(Page 2 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/04
				Federal	Local	Total Disbursements	
DEPARTMENT OF AGRICULTURE:							
Passed Through State Department of Public Health							
Women/Infants/Children 02-03	10.557	03-07-5-21-021-1	\$ 349,889	\$ 90,279	\$ 15,546	\$ 105,825	\$ -
Women/Infants/Children 03-04	10.557	04-07-5-21-020-0	383,329	274,904	11	274,915	(71,777)
Passed Through State Department of Natural Resources							
Wildland Urban Interface - Greenough Potomac Fir	-	N/A	22,069	4,767	-	4,767	-
Passed Through State Department of Agriculture							
Nine Mile Fire Grant	10.644	02-626	167,728	11,531	-	11,531	20,500
Forest Reserve Receipts	10.665	N/A	710,589	663,009	-	663,009	228,457
Total Department of Agriculture				<u>1,044,490</u>	<u>15,557</u>	<u>1,060,047</u>	<u>177,180</u>
DEPARTMENT OF TRANSPORTATION:							
Passed Through State Department of Transportation							
CMAQ-TDM	20.205	CM8199(60)	173,160	18,783	2,911	21,694	-
CMAQ-TDM	20.205	CM8199(64)	203,463	178,854	24,933	203,787	(67,422)
FTA 03	20.205	MT-03-50-0079	63,746	1,381	692	2,073	-
FTA 04	20.205	MT-04-50-0079	72,478	6,410	1,605	8,015	(2,123)
P.L. Transport 03	20.205	N/A	469,564	-	-	-	-
P.L. Transport 04	20.205	N/A	358,763	212,465	-	212,465	(88,945)
Mobile Data Expansion Project	20.600	01-01-04-01(164AL)	512,000	133,728	-	133,728	-
STEP-Occupant Protection Project	20.600	03-03(402/405)	10,000	6,293	-	6,293	-
STEP-Law Enforcement Equip	20.600	2004-13-04-11	20,200	7,511	-	7,511	(311)
STEP-Traffic Enforcemen	20.600	2004-10-08-03, 2004-13-01-03	21,000	14,937	600	15,537	(8,768)
Law Enforcement Equipmen	20.600	03-02-09-09	18,500	10,913	-	10,913	-
CTEP							
Clements Road/North Avenue Pat	-	STPE 8199(29)	211,132	-	162	162	1,040
Lolo Walkway	-	STPE 32(26)	63,743	32,375	65	32,440	13,633
Frenchtown Walkway Phase I	-	STPE 32(37)	191,856	-	96	96	-
Frenchtown Walkway Phase I	-	STPE 32(43)	205,195	-	12,688	12,688	-
Van Buren St Bridge	-	STPE 8199(65)	420,905	94,865	3,235	98,100	(29,865)
Cote Lane Walkway	-	STPE 32(35)	93,126	70,300	6,590	76,890	(3,531)
Passed Through State Department of Justice							
Traffic Safety 02-03	20.600	3-17(402)	30,000	9,156	247	9,403	-
Traffic Safety 03-04	20.600	2004-02-03-01, 2004-03-03-01	34,481	26,206	581	26,787	(9,970)
Total Department of Transportation				<u>824,177</u>	<u>54,405</u>	<u>878,582</u>	<u>(196,262)</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2004
(Page 3 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/03	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF JUSTICE:									
Direct Programs:									
Juvenile Justice	16.729	2003-ND-FX-0102	399,459	(6,493)	42,265	-	-	-	42,265
Rural Domestic Violence	16.589	N/A	876,325	(37,191)	101,284	-	-	-	101,284
Block Grant 02-04	16.592	2002-LB-BX-3218	55,938	5,461	-	-	607	-	607
Block Grant 03-05	16.592	2002-LB-BX-2384	56,551	37,262	-	-	2,577	-	2,577
Vest 03	16.607	N/A	13,563	(6,617)	13,563	-	-	-	13,563
OVW Safe Havens Grant	16.527	2002-CW-BX-2002	120,000	1,067	62,748	-	-	-	62,748
Passed Through State Department of Justice:									
Accountability Incentive 03	16.523	03-A03-81561	61,516	-	45,516	6,571	-	-	52,087
Community Support Systems 03	16.540	00-J13-81055	27,135	(4,378)	4,396	-	-	-	4,396
Early Intervention	16.540	02-J13-81059	30,150	(5,000)	5,000	-	-	-	5,000
VOCA-County	16.575	03-V01-81375	62,240	-	62,240	99,767	-	-	162,007
Pretrial Supervision 03	16.579	02-K20-81018	12,176	165	-	-	-	-	-
It's an Adult Responsibility	16.579	01-K28-81332	15,091	-	6,314	-	-	-	6,314
West Central Drug Task Force	16.576	02-K02-81030	206,749	(500)	500	-	-	-	500
West Central Drug Task Force	16.579	03-K02-81473	212,757	-	149,734	63,023	-	-	212,757
Passed Through Clearwater Economic Development:									
Lewis & Clark Bicentennial	16.580	02-207	168,056	(75,879)	156,757	-	-	-	156,757
Total Department of Justice				(92,103)	650,317	169,361	3,184	-	822,862
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:									
Direct Programs:									
Institute of Museum and Library Service	45.301	IG-00-02-0273-02	24,087	-	-	24,087	-	-	24,087
Passed Through Montana State Library Commission:									
Shared Catalogue Project	45.301	#2001 SCP-WM	47,008	57,528	-	177,202	-	511	177,713
Total National Foundation on the Arts & Humanities				57,528	-	201,289	-	511	201,800
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:									
Direct Programs:									
Share House	14.235	MT01 B10002	393,330	-	116,282	-	-	-	116,282
March Against Homelessness	14.235	MT01B10003	105,729	-	36,133	-	-	-	36,133
Ada Feldman (1)	14.235	MT01B10005	131,522	-	81,961	-	-	-	81,961
Gateway Center	14.235	MT01B20004	184,737	-	63,128	-	-	-	63,128
Passed Through State Department of Commerce									
CDBG-Community Resources	14.228	N/A	N/A	(74,887)	-	-	102,312	-	102,312
CDBG-Revolving Fund Loan	14.228	N/A	N/A	81,877	-	-	26,238	434	26,672
HRC Homebuyer Assistance	14.239	N/A	500,000	-	439,224	-	-	-	439,224
Total Department of Housing & Urban Development				6,990	736,728	-	128,550	434	865,712

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2004
(Page 4 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/04
				Federal	Local	Total Disbursements	
DEPARTMENT OF JUSTICE:							
Direct Programs:							
Juvenile Justice	16.729	2003-ND-FX-0102	399,459	35,772	-	35,772	-
Rural Domestic Violence Block Grant 02-04	16.589	N/A	876,325	141,617	-	141,617	(77,524)
Block Grant 03-05	16.592	2002-LB-BX-3218	55,938	5,461	607	6,068	-
Vest 03	16.592	2002-LB-BX-2384	56,551	23,194	2,577	25,771	14,068
OVW Safe Havens Grant	16.607	N/A	13,563	-	6,946	6,946	-
	16.527	2002-CW-BX-2002	120,000	62,748	-	62,748	1,067
Passed Through State Department of Justice:							
Accountability Incentive 03	16.523	03-A03-81561	61,516	59,135	6,571	65,706	(13,619)
Community Support Systems 03	16.540	00-J13-81055	27,135	-	-	-	18
Early Intervention	16.540	02-J13-81059	30,150	-	-	-	-
VOCA-County	16.575	03-V01-81375	62,240	62,240	92,308	154,548	7,459
Pretrial Supervision 03	16.579	02-K20-81018	12,176	-	-	-	165
It's an Adult Responsibility	16.579	01-K28-81332	15,091	6,314	-	6,314	-
West Central Drug Task Force	16.576	02-K02-81030	206,749	-	-	-	-
West Central Drug Task Force	16.579	03-K02-81473	212,757	149,734	63,023	212,757	-
Passed Through Clearwater Economic Development:							
Lewis & Clark Bicentennial	16.580	02-207	168,056	92,177	-	92,177	(11,299)
Total Department of Justice				<u>638,392</u>	<u>172,032</u>	<u>810,424</u>	<u>(79,665)</u>
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:							
Direct Programs:							
Institute of Museum and Library Service	45.301	IG-00-02-0273-02	24,087	24,087	-	24,087	-
Passed Through Montana State Library Commission:							
Shared Catalogue Project	45.301	#2001 SCP-WM	47,008	-	136,573	136,573	98,668
Total National Foundation on the Arts & Humanities				<u>24,087</u>	<u>136,573</u>	<u>160,660</u>	<u>98,668</u>
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:							
Direct Programs:							
Share House	14.235	MT01 B10002	393,330	116,282	-	116,282	-
March Against Homelessness	14.235	MT01B10003	105,729	36,133	-	36,133	-
Ada Feldman (1)	14.235	MT01B10005	131,522	81,961	-	81,961	-
Gateway Center	14.235	MT01B20004	184,737	63,128	-	63,128	-
Passed Through State Department of Commerce							
CDBG-Community Resource:	14.228	N/A	N/A	12,462	-	12,462	14,963
CDBG-Revolving Fund Loan	14.228	N/A	N/A	62,701	-	62,701	45,848
HRC Homebuyer Assistance	14.239	N/A	500,000	439,224	-	439,224	-
Total Department of Housing & Urban Development				<u>811,891</u>	<u>-</u>	<u>811,891</u>	<u>60,811</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2004
(Page 5 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/03	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
ENVIRONMENTAL PROTECTION AGENCY:									
Direct Programs:									
Integrated Pest Management Education Grant	66.500	N/A	8,935	-	8,935	-	-	-	8,935
Mullan Corridor Sewer Project	66.606	N/A	1,301,000	(199,461)	500,000	930,126	-	-	1,430,126
Passed Through State Department Environmental Quality:									
Air Pollution 03	66.001	203008	95,935	(12,632)	12,632	-	-	-	12,632
Air Pollution 04	66.001	204007	95,904	-	84,184	55,863	-	-	140,047
Radon 03	66.032	203032	7,000	(2,485)	2,485	-	-	-	2,485
Radon 04	66.032	204028	3,500	-	916	994	-	-	1,910
Safe Drinking Water 03	66.432	502041	14,000	(1,843)	1,843	-	-	-	1,843
Source Water Protection	66.468	202023	150,000	(11,000)	11,000	-	-	-	11,000
Small Public Water Supply Protection	66.605	504011	15,000	-	-	3,425	-	-	3,425
Total Environmental Protection Agency				(227,421)	621,995	990,408	-	-	1,612,403
DEPARTMENT OF DEFENSE									
Department of the Army :									
Grant Creek Environmental Restoration	12.106	N/A	445,264	-	121,860	9,147	-	-	131,007
Total Department of Defense				-	121,860	9,147	-	-	131,007
DEPARTMENT OF THE INTERIOR									
National Park Service :									
Lewis & Clark National Heritage Trail	-	FY03-244	20,000	-	20,000	34,245	-	-	54,245
Total Department of the Interior				-	20,000	34,245	-	-	54,245
GENERAL SERVICES ADMINISTRATION									
Passed through the Montana Secretary of the State :									
HAVA	39.011	N/A	5,000	-	5,000	-	-	-	5,000
Total General Services Administration				-	5,000	-	-	-	5,000
DEPARTMENT OF HOMELAND SECURITY									
Passed Through State Department of Military Affairs :									
Domestic Preparedness Equip - De-Contam	16.007	2002-TE-CX-0071	66,500	(2,771)	2,771	-	-	-	2,771
Domestic Preparedness Equipment	16.007	2002-TE-CX-0103	114,379	-	13,895	-	-	-	13,895
Domestic Preparedness Exercise	16.007	2002-TE-CX-0103	1,000	-	1,000	-	-	-	1,000
Domestic Prepared Equipment	16.007	N/A	500,000	-	4,360	-	-	-	4,360
Pre-Disaster Mitigation	97.047	N/A	40,000	-	-	10,000	-	-	10,000
Emergency Management Program	97.042	N/A	50,000	(2,196)	36,278	-	-	-	36,278
FY02 Supplemental Planning	97.051	N/A	19,954	-	-	-	-	-	-
Passed Through the Montana Department of Natural Resources :									
FEMA Fire Suppression	-	N/A	118,370	-	118,370	35,794	-	-	154,164
Total Department of Homeland Security				(4,967)	176,674	45,794	-	-	222,468

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2004
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/04
				Federal	Local	Total Disbursements	
ENVIRONMENTAL PROTECTION AGENCY:							
Direct Programs:							
Integrated Pest Management Education Grant	66.500	N/A	8,935	8,935	-	8,935	-
Mullan Corridor Sewer Project	66.606	N/A	1,301,000	300,539	-	300,539	930,126
Passed Through State Department Environmental Quality:							
Air Pollution 03	66.001	203008	95,935	-	-	-	-
Air Pollution 04	66.001	204007	95,904	95,904	55,863	151,767	(11,720)
Radon 03	66.032	203032	7,000	-	-	-	-
Radon 04	66.032	204028	3,500	3,500	994	4,494	(2,584)
Safe Drinking Water 03	66.432	502041	14,000	-	-	-	-
Source Water Protection	66.468	202023	150,000	15,348	-	15,348	(15,348)
Small Public Water Supply Protection	66.605	504011	15,000	7,240	-	7,240	(3,815)
Total Environmental Protection Agency				<u>431,466</u>	<u>56,857</u>	<u>488,323</u>	<u>896,659</u>
DEPARTMENT OF DEFENSE							
Department of the Army :							
Grant Creek Environmental Restoration	12.106	N/A	445,264	189,856	9,147	199,003	(67,996)
Total Department of Defense				<u>189,856</u>	<u>9,147</u>	<u>199,003</u>	<u>(67,996)</u>
DEPARTMENT OF THE INTERIOR							
National Park Service :							
Lewis & Clark National Heritage Trail	-	FY03-244	20,000	20,000	34,245	54,245	-
Total Department of the Interior				<u>20,000</u>	<u>34,245</u>	<u>54,245</u>	<u>-</u>
GENERAL SERVICES ADMINISTRATION							
Passed through the Montana Secretary of the State :							
HAVA	39.011	N/A	5,000	5,000	-	5,000	-
Total General Services Administration				<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
DEPARTMENT OF HOMELAND SECURITY							
Passed Through State Department of Military Affairs :							
Domestic Preparedness Equip - De-Contam	16.007	2002-TE-CX-0071	66,500	-	-	-	-
Domestic Preparedness Equipment	16.007	2002-TE-CX-0103	114,379	114,379	-	114,379	(100,484)
Domestic Preparedness Exercise	16.007	2002-TE-CX-0103	1,000	-	-	-	1,000
Domestic Prepared Equipment	16.007	N/A	500,000	4,269	-	4,269	91
Pre-Disaster Mitigation	97.047	N/A	40,000	25,185	10,000	35,185	(25,185)
Emergency Management Program	97.042	N/A	50,000	36,373	-	36,373	(2,291)
FY02 Supplemental Planning	97.051	N/A	19954	19,954	-	19,954	(19,954)
Passed Through the Montana Department of Natural Resources :							
FEMA Fire Suppression	-	N/A	118,370	118,370	35,794	154,164	-
Total Department of Homeland Security				<u>318,530</u>	<u>45,794</u>	<u>364,324</u>	<u>(146,823)</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2004
(Page 7 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/03	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF HEALTH & HUMAN SERVICES:									
Direct Programs:									
TB 03-04	93.994	03-07-4-11-045-0	8,000	(8,000)	8,000	-	-	-	8,000
TB 04-05	93.994	04-07-4-11-045-0	8,000	-	-	8,501	-	-	8,501
Mentoring Children of Prisoners	93.616	90CV0046/02	60,000	-	23,496	-	-	-	23,496
Drug Free Community Support Program	93.276	2003-ND-FX-0102	100,000	-	51,284	-	-	-	51,284
Passed Through State Department of Public Health & Human Services:									
AIDS HIV Prevention 03-04	93.118	03-07-4-51-017-0	17,153	(541)	13,627	233	-	-	13,860
AIDS HIV Prevention 04-05	93.118	04-07-4-51-017-0	26,523	-	2,591	606	-	-	3,197
Community Incentive Program 03	93.230	00-341-74402-0	198,550	(3,086)	3,043	-	-	-	3,043
Community Incentive Program 04	93.243	04-332-74409-0	54,546	-	23,496	-	-	-	23,496
Tobacco 03	93.283	03-043-620011-0	70,000	(15,389)	15,389	-	-	-	15,389
Tobacco 04	93.283	04-07-3-31-011-0	31,500	-	23,000	59,495	-	-	82,495
Health Alert Network 03	93.283	02-07-4-11-140-0	13,500	(1,671)	1,671	-	-	-	1,671
Obesity 03	93.283	03-07-3-01-004-0	75,000	(12,000)	12,000	-	-	-	12,000
Obesity 04	93.283	04-07-3-01-022-0	85,000	-	67,000	-	-	-	67,000
Public Health Emergency Preparedness 03	93.283	03-07-4-61-032-0	151,342	8,287	59,357	-	-	-	59,357
Public Health Emergency Preparedness 04	93.283	04-07-4-61-033-0	195,114	-	132,293	-	-	-	132,293
Antimicrobial Resistance Prevention 03	93.283	03-07-04-11-002	54,277	(22,688)	22,688	-	-	-	22,688
Antimicrobial Resistance Prevention 04	93.283	04-07-11-002-0	40,009	-	25,231	-	-	-	25,231
Domestic Violence Program	93.671	20033DMVL0003	55,000	-	13,750	-	-	-	13,750
Domestic Violence Program	93.671	20043DMVL0014	55,000	-	18,030	-	-	-	18,030
Infant Immunization 03-04	93.994	03-07-4-31-031-0	20,886	(6,057)	20,886	-	-	-	20,886
Infant Immunization 04-05	93.994	04-07-4-31-031-0	25,722	-	-	-	-	-	-
Transitioning Healthy Child Care Montana	93.994	04-07-5-31-006-0	40,000	-	26,111	-	-	-	26,111
Fire Safety	93.136	04-07-3-11-002-0	5,000	-	-	-	-	-	-
MCH Block Grant	93.994	04-07-5-01-032-0	119,730	-	119,730	412,113	-	-	531,843
MCH Block Grant Low Birthweight	93.994	04-07-5-01-032-0	48,568	-	48,568	51,407	-	-	99,975
MCH Block Grant Follow Me	93.994	04-07-5-01-032-0	6,000	-	6,000	110,669	-	-	116,669
Healthy Tomorrow Partnership for Children	93.110	H17MC02513-01-00	48,955	-	5,000	-	-	-	5,000
Early Childhood Comprehensive System	93.994	04-07-5-31-009-0	17,753	-	-	1,854	-	-	1,854
Total Department of Health & Human Services				(61,145)	742,241	644,878	-	-	1,387,119
Total Federal Financial Assistance				\$ (534,741)	\$ 4,992,606	\$ 2,310,501	\$ 131,734	\$ 945	\$ 7,435,786

See accompanying notes.

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2004
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Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/04
				Federal	Local	Total Disbursements	
DEPARTMENT OF HEALTH & HUMAN SERVICES:							
Direct Programs:							
TB 03-04	93.994	03-07-4-11-045-0	8,000	-	-	-	-
TB 04-05	93.994	04-07-4-11-045-0	8,000	6,073	8,501	14,574	(6,073)
Mentoring Children of Prisoners	93.616	90CV0046/02	60,000	23,496	-	23,496	-
Drug Free Community Support Program	93.276	2003-ND-FX-0102	100,000	58,515	-	58,515	(7,231)
Passed Through State Department of Public Health & Human Services:							
AIDS HIV Prevention 03-04	93.118	03-07-4-51-017-0	17,153	13,086	233	13,319	-
AIDS HIV Prevention 04-05	93.118	04-07-4-51-017-0	26,523	5,861	606	6,467	(3,270)
Community Incentive Program 03	93.230	00-341-74402-0	198,550	-	-	-	(43)
Community Incentive Program 04	93.243	04-332-74409-0	54,546	23,496	-	23,496	-
Tobacco 03	93.283	03-043-620011-0	70,000	-	-	-	-
Tobacco 04	93.283	04-07-3-31-011-0	31,500	31,000	59,495	90,495	(8,000)
Health Alert Network 03	93.283	02-07-4-11-140-0	13,500	-	-	-	-
Obesity 03	93.283	03-07-3-01-004-0	75,000	-	-	-	-
Obesity 04	93.283	04-07-3-01-022-0	85,000	75,230	-	75,230	(8,230)
Public Health Emergency Preparedness 03	93.283	03-07-4-61-032-0	151,342	42,003	-	42,003	25,641
Public Health Emergency Preparedness 04	93.283	04-07-4-61-033-0	195,114	139,325	-	139,325	(7,032)
Antimicrobial Resistance Prevention 03	93.283	03-07-04-11-002	54,277	-	-	-	-
Antimicrobial Resistance Prevention 04	93.283	04-07-11-002-0	40,009	40,009	-	40,009	(14,778)
Domestic Violence Program	93.671	20033DMVL0003	55,000	13,750	-	13,750	-
Domestic Violence Program	93.671	20043DMVL0014	55,000	41,250	-	41,250	(23,220)
Infant Immunization 03-04	93.994	03-07-4-31-031-0	20,886	14,829	-	14,829	-
Infant Immunization 04-05	93.994	04-07-4-31-031-0	25,722	11,508	-	11,508	(11,508)
Transitioning Healthy Child Care Montana	93.994	04-07-5-31-006-0	40,000	29,048	-	29,048	(2,937)
Fire Safety	93.136	04-07-3-11-002-0	5,000	5,000	-	5,000	(5,000)
MCH Block Grant	93.994	04-07-5-01-032-0	119,730	119,730	412,113	531,843	-
MCH Block Grant Low Birthweight	93.994	04-07-5-01-032-0	48,568	48,568	51,407	99,975	-
MCH Block Grant Follow Me	93.994	04-07-5-01-032-0	6,000	6,000	110,669	116,669	-
Healthy Tomorrow Partnership for Children	93.110	H17MC02513-01-00	48,955	10,819	-	10,819	(5,819)
Early Childhood Comprehensive System	93.994	04-07-5-31-009-0	17,753	17,753	1,854	19,607	(17,753)
Total Department of Health & Human Services				<u>776,349</u>	<u>644,878</u>	<u>1,421,227</u>	<u>(95,253)</u>
Total Federal Financial Assistance				<u>\$ 5,084,238</u>	<u>\$ 1,169,488</u>	<u>\$ 6,253,726</u>	<u>\$ 647,319</u>

See accompanying notes.

MISSOULA COUNTY, MONTANA

Notes to Schedule of Expenditures of Federal Awards - Cash Basis
For the Year Ended June 30, 2004

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, 2004:

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	220,158
Montana Community Development Corporation - 2% interest due annually, principal payment due October 2010	90,000

Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2004:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 101,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	889,000
\$291,000, issued November 1998, 4% due in varying amounts through July 2019	233,000
\$649,936, issued September 2002, 4% due in varying amounts through July 2023	638,000

Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2004 as follows:

- Juvenile Justice Program (CFDA# 16.575) passed-through \$22,982 to Turning Point.
- Rural Domestic Violence Program (CFDA# 16.589) passed-through \$73,055 to the YWCA and the National Coalition Building Institute.
- Domestic Violence Program (CFDA# 14.235) passed-through \$55,000 to the YWCA.
- Community Incentive Program (CFDA# 93.230) passed-through \$19,852 to W.O.R.D., Turning Point, Parenting Place, and Missoula City-County Health Department.
- Supportive Housing (CFDA# 14.235) passed-through \$292,085 to the YWCA, the Western Montana Mental Health Center, and the Salvation Army.
- DVW Safe Havens (CFDA# 16.527) passed through \$59,548 to the YWCA.
- Drug Free Community Support Program (CFDA# 93.276) passed-through \$32,354 to Missoula Public Schools, Turning Point, and W.O.R.D.
- Mentoring Children of Prisoners (CFDA# 93.616) passed-through \$23,198 to Big Brothers & Big Sisters.
- Homebuyer Assistance Program (CFDA# 14.239) passed-through \$439,224 to the Human Resource Council.

Note 5 - Restatement of Beginning Cash Balances

Cash balances at June 30, 2003 have been restated for Wildland Urban Interface to reflect the correction of prior period expenditures. The restatement had the effect of decreasing cash balances at June 30, 2003 by \$4,401.

Cash balances at June 30, 2003 have been restated for Mobile Data Expansion project (CFDA#20.600) to reflect the correction of prior period receipts. The restatement had the effect of increasing cash balances at June 30, 2003 by \$68,000.

Cash balances at June 30, 2003 have been restated for West Central Drug Task Force (CFDA#16.576) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing cash balances at June 30, 2003 by \$500.

Cash balances at June 30, 2003 have been restated for Nine Mile Fire Grant (CFDA#10.644) to reflect the correction of prior period receipts and expenditures. The restatement had the effect of increasing cash balances at June 30, 2003 by \$32,031.

Cash balances at June 30, 2003 have been restated for EPA Mullan Sewer (CFDA# 66.606) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing cash balances at June 30, 2003 by \$199,461.

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, 2004 and have issued our report thereon dated December 22, 2004. 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, 2004.

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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Missoula County, Montana in a separate letter dated December 22, 2004.

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.



Certified Public Accountants
Missoula, Montana
December 22, 2004

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, 2004. 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 \$1,318,486 and \$1,522,979, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2004. 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, 2004.

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

Elmore & Associates, P.C.

Certified Public Accountants
Missoula, Montana
December 22, 2004

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

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, 2004 were as follows:

<u>CFDA#</u>	<u>Federal Program</u>
10.557	Women, Infants, and Children
14.239	Home Investments Partnership Program
66.606	Mullan Corridor Sewer Project
93.283	Centers for Disease Control and 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, 2003 contained no findings that were required to be reported under OMB Circular A-133.

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