

MISSOULA COUNTY, MONTANA

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



For the Fiscal Year Ended
June 30, 2003

MISSOULA COUNTY, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2003

Prepared by:

Financial Services Department

Dale Bickell, CPA
Chief Financial Officer

Carol N. Routh
Teresa Graham
Marge Duncan
Karen Mason
Edna Wingfield

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January 30, 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, 2003. I believe this CAFR presents fairly the financial condition of the County at June 30, 2003 and the results of its operations and cash flows for business-type activities 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 2002 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 21 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. The Missoula Urban Transportation District, 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 a new report entitled 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 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 has implemented plans for 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 \$450,000 in general fund reserves at June 30, 2003 and have budgeted an additional \$500,000 to be designated in fiscal year 2004.

The County has started the process to upgrade 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. For phase one, the Commissioners have designated \$150,000 in general fund reserves at June 30, 2003 with an additional \$350,000 to be designated in fiscal year 2004.

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. The loss was primarily due to errors and delays in billings, less than expected medical encounters, and higher than expected pharmacy costs. The billing problems led to a material weakness reported in the "Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." Additionally, the Center had two compliance issues reported: a material weakness was reported for quarterly federal financial reports filed on budget basis instead of actual expenditures; and a reportable condition for an error in the Center's fiscal year 2002 sliding fee scale. New management in fiscal year 2003 has already made significant changes to operations and internal controls that have turned the organization around. The Center reported a decrease in net assets during the year of \$178,181, but a large portion of this is attributable to depreciation expense. The deficit in unrestricted net assets increased \$37,694 to \$787,704. However, the losses were incurred in the early part of the year and fiscal year 2004 projections indicate an increase in net assets. Additionally, the reportable conditions reported in fiscal year 2002 were corrected in fiscal year 2003.

Interest in the County's Development Park has continued to increase and sales are expected to continue rapidly in fiscal year 2004. In fiscal year 2003, the County sold 34.55 acres for net proceeds of approximately \$2.1 million. Sale proceeds have been designated for infrastructure projects within the Park, with a portion set aside to repay general fund investments.

Management's Discussion and Analysis, starting on page 3, provides additional information on County initiatives and the fiscal year 2004 budget.

Legislative Changes

The 2003 Legislature's effect on local government finance was primarily related to amending the sweeping changes made in the 2001 Legislature:

SB 218 – District Court Assumption. This bill's primary purpose was to clarify the State's responsibilities for indigent defense. SB 176 in the 2001 Legislature provided that the State assume all of the costs of indigent defense. Prior to SB 176, the State was responsible for indigent defense only to the extent of available appropriations. SB 218 further clarifies what indigent costs are and how counties will be reimbursed. Savings to Missoula County as a result of this bill is estimated to be approximately \$416,000 annually starting in fiscal year 2004.

SB 478 – Permissive Medical Levy. SB 478 amends the law that allows local governments to increase mill levies for the increase in the cost of health insurance provided to employees. SB 478 stipulates that this levy must be separately identified on the tax bill, that it is not subject to the inflationary growth factors in subsequent years that are allowed for other mills, and that unused authority may not be carried forward to future years.

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. 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 2003, it was invested primarily in the Short Term Investment Pool. The average rate of return for fiscal year 2003 was 1.52%. Total interest earned by the pool was approximately \$1.4 million. The County's share for governmental funds was approximately \$110,000.

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.

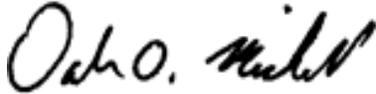
OTHER INFORMATION

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 fourteenth consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2002 Comprehensive Annual Financial Report. The Fiscal Year 2003 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.

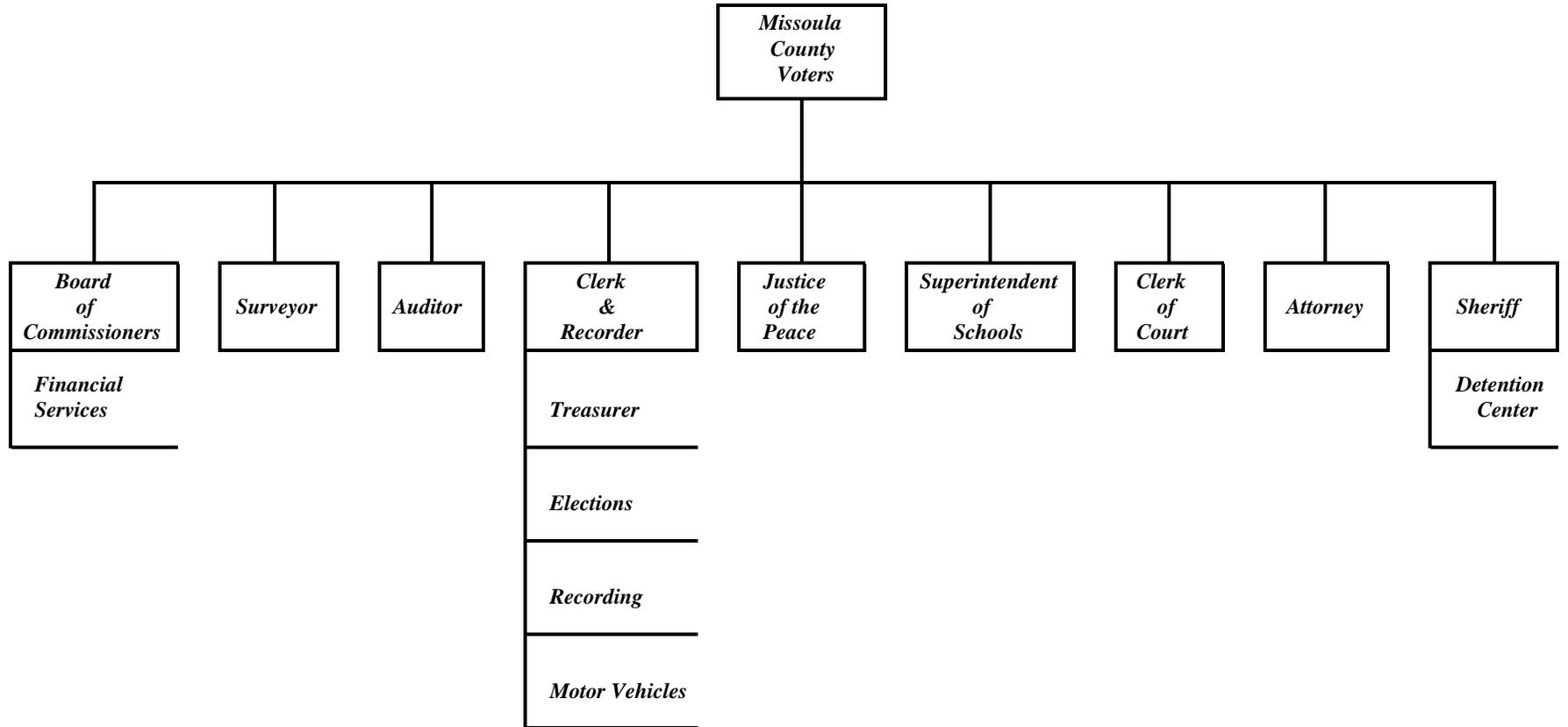
Sincerely,

A handwritten signature in black ink, appearing to read "Dale D. Bickell". The signature is written in a cursive, flowing style.

Dale D. Bickell
Chief Financial Officer

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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.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enow".

Executive Director

FINANCIAL SECTION



Board of County Commissioners
Missoula County, Montana

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana (the County), as of and for the fiscal year ended June 30, 2003, 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 45% 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, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and the Public Safety Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government*, for the year ended June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 3 through 18, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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
January 30, 2004

3819 Stephens • P.O. Box 2368 • Missoula, MT 59806 • (406)721-7800 • Fax(406)721-4155 • 1-800-622-7351
e-mail: mail@elmore-cpa.com • <http://www.elmore-cpa.com>

Member: American Institute of Certified Public Accountants, PCPS • PKF North American Network

MISSOULA COUNTY, MONTANA
Management's Discussion and Analysis
June 30, 2003

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, 2003. 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, 2003, by \$35.4 million (net assets). Of this amount, \$10.3 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, vendors and creditors, and \$1.3 million is classified as unrestricted in the Larchmont Golf Course and Rural Special Improvement Maintenance Districts.
- The County's total net assets increased by \$5.8 million, representing a 19.6% increase from 2002.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$13.0 million, an increase of \$1.6 million from the prior year. Of this amount, \$11.3 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 \$3.6 million, or 35% of total general fund expenditures and other financing uses.
- Missoula County's total debt decreased by \$720,512 which represents a 3.0% decrease in debt related to governmental activities.

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.

As this is the first year of implementation of this reporting model for Missoula County, prior year comparative information is not presented in the MD&A or the basic financial statements.

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 police, social services programs, administration, and all departments with the exception of Larchmont Golf Course and Rural Special Improvement Maintenance Districts (RSID's).
- 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 RSID's 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, RSID Debt Service, Jail Project, and Larchmont Golf Course Enterprise 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. The proprietary fund financial statements can be found on pages 27-30.

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 31-32.

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 33.

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 119.

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, 2003 the County's assets exceeded liabilities by \$35.4 million (\$31.8 million in governmental activities and \$3.6 million in business-type activities). The largest portion of the County's net assets (67%) 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, \$11.6 million in net assets (23%) 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 2003:

	Net Assets		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current & Other Assets	\$ 28,715,462	\$ 1,346,476	\$ 30,061,938
Capital Assets, Net	<u>38,078,009</u>	<u>2,311,891</u>	<u>40,389,900</u>
Total Assets	<u>66,793,471</u>	<u>3,658,367</u>	<u>70,451,838</u>
Liabilities			
Current & Other Liabilities	11,595,681	94,121	11,689,802
Current Portion of Long-term Debt	1,651,541	-	1,651,541
Long-term Debt, Net of Current Portion	<u>21,713,022</u>	<u>-</u>	<u>21,713,022</u>
Total Liabilities	<u>34,960,244</u>	<u>94,121</u>	<u>35,054,325</u>
Net Assets			
Invested in Capital Assets, Net of Debt	21,440,382	2,311,891	23,752,273
Unrestricted	<u>10,392,845</u>	<u>1,252,355</u>	<u>11,645,200</u>
Total Net Assets	<u>\$ 31,833,227</u>	<u>\$ 3,564,246</u>	<u>\$ 35,397,473</u>

The following table provides a summary of the changes in net assets for 2003:

	Changes in Net Assets		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues			
Program Revenues			
Charges for Services	\$ 12,103,175	\$ -	\$ 12,103,175
Operating Grants and Contributions	7,774,613	-	7,774,613
Capital Grants and Contributions	1,332,656	-	1,332,656
General Revenues			
Property Taxes	26,785,411	-	26,785,411
Intergovernmental Revenue	3,671,830	8,548	3,680,378
Investment Earnings	345,657	2,927	348,584
Gain on Sale of Capital Assets	1,297,461	763	1,298,224
Miscellaneous	462,055	-	462,055
Larchmont Golf Course	-	1,051,408	1,051,408
Rural Special Improvement Districts	-	809,059	809,059
Total Revenues	<u>53,772,858</u>	<u>1,872,705</u>	<u>55,645,563</u>
Program Expenses			
General Government	7,877,591	-	7,877,591
Criminal Justice	3,651,663	-	3,651,663
Public Safety	14,242,692	-	14,242,692
Public Works	9,232,818	-	9,232,818
Public Health	4,145,794	-	4,145,794
Social and Economic Services	2,440,503	-	2,440,503
Culture and Recreation	3,715,192	-	3,715,192
Housing and Community Development	1,980,185	-	1,980,185
Interest and Fiscal Charges	1,114,181	-	1,114,181
Larchmont Golf Course	-	781,626	781,626
Rural Special Improvement Districts	-	660,452	660,452
Total Expenses	<u>48,400,619</u>	<u>1,442,078</u>	<u>49,842,697</u>
Increase in Net Assets before Transfers	5,372,239	430,627	5,802,866
Transfers	166,242	(166,242)	-
Increase in Net Assets	<u>\$ 5,538,481</u>	<u>\$ 264,385</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. General government expenses comprised 16.3% of governmental activities in 2003.

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 7.5% of governmental activities in 2003.

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 29.4% of governmental activities in 2003.

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 19.1% of governmental activities in 2003.

Public Health – the public health function is comprised of the Health Department, the Water Quality District, the Partnership Health Center, the Junk Vehicle Program, Animal Control, and Clean-up Missoula. Public health expenses comprised 8.6% of governmental activities in 2003.

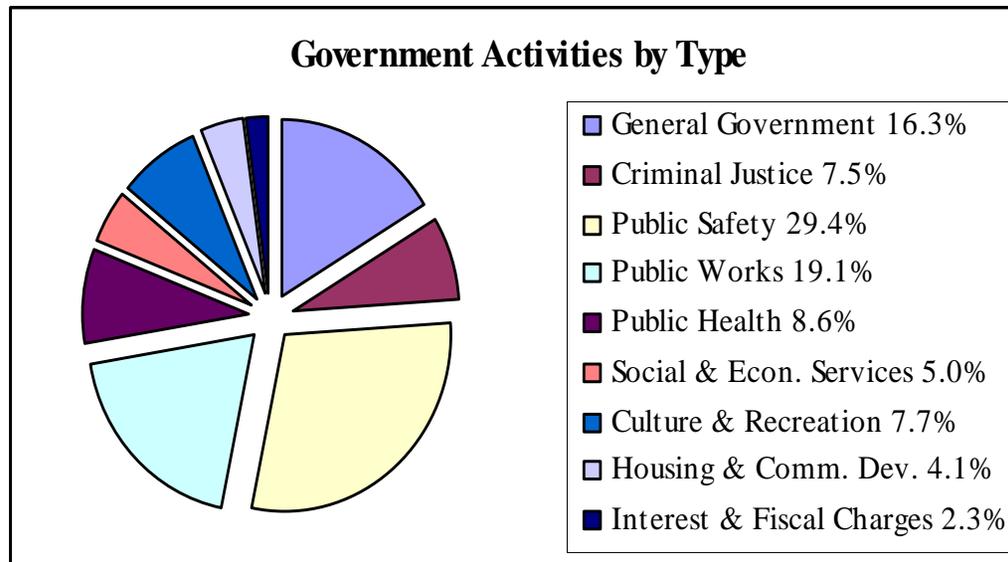
Social & Economic Services – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Poor, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered women, families at risk of developing serious family problems, 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. Social and economic services expenses comprised 5.0% of governmental activities in 2003.

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 7.7% of governmental activities in 2003.

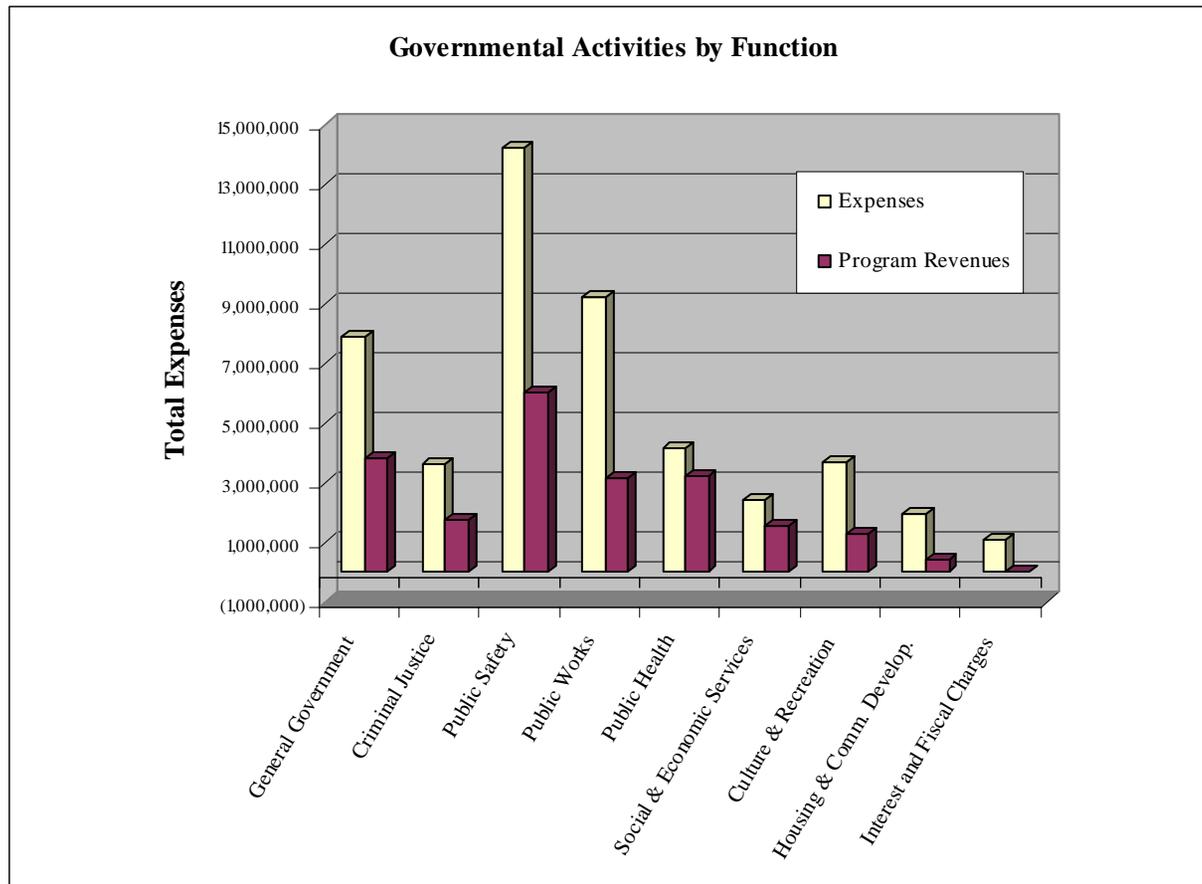
Housing & Community Development – this function includes the land use planning aspects of the Office of Planning and Grants, as well as some specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. Housing and community development expenses comprised 4.1% of governmental activities in 2003.

Total governmental activities resulted in an increase in net assets totaling \$5,538,481. This increase is primarily related to higher than expected recording revenues in charges for services and higher than expected revenues from P.I.L.T. in intergovernmental revenue. Additionally, the Board of County Commissioners designated reserves totaling \$750,000 for the future renovation of the Courthouse and upgrade of the communications backbone.

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 \$264,385. This is primarily due to the continued profitability of Larchmont Golf Course, which provided a transfer totaling \$158,672 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, 2003, the County's governmental funds reported combined fund balance totaling \$13,004,392. Approximately \$11.3 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 \$1,588,563 for 2003.

The General fund is the chief operating fund of the County. For fiscal year 2003, total fund balance was \$3,636,547 including \$3,039,340 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 27.2% of total expenditures while total fund balance represents 32.5%.

Fund balance in the General fund increased by \$942,797 during the fiscal year, with revenues exceeding expenditures by \$1,603,149. This increase is primarily due to higher than expected revenues in the Clerk & Records Office, higher than expected P.I.L.T. receipts, and savings from not having to complete a cash flow transfer to the Public Safety fund.

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 \$1,483,094 at June 30, 2003, all of which was unreserved. Unreserved fund balance represents 12% of total expenditures. Fund balance decreased during the year by \$213,374 (however, on the County's budget basis of accounting, fund balance increased by \$1,001). This decrease is largely due to large property tax delinquencies. Subsequent to year-end, the County's largest tax payer submitted its delinquent tax bill which will alleviate much of this decrease in fund balance.

The RSID Debt Service fund is used to collect special assessments and make bond payments for the County's rural special improvement districts. Total fund balance was \$218,090 at June 30, 2003, all of which was unreserved. Unreserved fund balance represents 39% of total expenditures. Fund balance decreased in this fund by \$67,211, primarily due to transfers out of administration fees and excess special assessment revenue to the RSID Revolving and RSID Administration funds.

The Jail Project fund is used to account for the construction of the Missoula County Detention Facility. Although the Facility was completed in fiscal year 2001, this fund remains active in order to collect principal and interest payments on a note receivable from the sale of land adjacent to the Facility. The Jail Project had a fund deficit totaling \$302,421 at June 30, 2003. However, the fund deficit decreased \$100,840 due to receipts of principal and interest on outstanding notes receivable. The deficit will be eliminated in fiscal year 2005 when the notes become due.

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 2003, budget amendments resulted in increases in appropriations as follows: the General fund budget increased \$240,772, the Public Safety fund budget increased \$811,453, and the other nonmajor governmental funds increased \$2,780,192. 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:

- The Clerk & Recorder/Treasurer charges for services exceeded budget by \$423,790 largely due to the large volume of recording transactions due to the County's hot real estate market and refinancings brought on by low interest rates.
- The intergovernmental revenues and current operations budgets increased from the originally adopted budgets by \$94,409 in the Office of Emergency Services due to the receipt of a U.S. Department of Justice domestic preparedness grant (\$66,500) and a Montana Department of Natural Resource & Conservation Department Grant totaling \$27,909.
- Property tax revenue exceeded budget in the General Fund by \$153,296, primarily due to aggressive collections on delinquencies and higher than expected local option motor vehicle tax receipts.
- Intergovernmental revenue exceeded budget in the non-departmental General fund by \$397,038 primarily due to higher than expected P.I.L.T. receipts.
- Operations expenditures in the non-departmental General fund were \$228,851 under budget due to the postponement of the Grant Creek PMP project (\$147,911) and \$40,000 in savings from not having to hold the building permit jurisdiction election as originally required by SB 242.
- Operating transfers out were \$294,512 under budget in the non-departmental General fund principally due to a contingency budgeted for the Detention Facility that did not need to be transferred.

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 \$23,752,273 at June 30, 2003. Capital asset activity is presented in Note 4 of the financial statements as well as on pages of the supplementary information.

Significant activity in capital assets for 2003 includes:

- The ongoing construction of the new animal control facility (\$561,104) that will be placed into service in fiscal year 2004.
- The public safety function used federal grant monies to acquire new radio frequencies (\$173,101), a hazardous spills containment vessel (\$208,800), and an ordinance disposal robot (\$163,313).
- The MCA Industrial District sold land with a cost of \$155,751 at a gain totaling nearly \$2 million.
- The Technology fund purchased a new mainframe for the criminal justice system (\$200,759).

Long-term Debt

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

Total Long-term Debt	
General Obligation Bonds and Loans	\$ 15,257,000
Limited Obligation Bonds and Loans	1,335,000
Tax Increment Bonds	2,150,000
Special Assessment Bonds and Loans	3,241,936
Notes and Contracts Payable	1,380,627
Compensated Absence Liability	3,106,858
	<u>\$ 26,471,421</u>

Additional information regarding long-term debt can be found in Note 5 to the financial statements.

Total debt decreased \$826,259, which is comprised of new special assessment debt totaling \$874,936, principal payments made (\$1,595,448), and a \$105,747 decrease in the liability for compensated absences.

Economic Factors and the Fiscal Year 2004 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, the recession that slowed the national economy had little effect on Missoula. Although growth (based on nonfarm labor income) slowed to 3.0% in 2001, the 6.3% growth rate in 2002 was the highest in the past several years. 2003 growth is expected to cool down to approximately 3%, but the outlook for the next few years is that the Missoula economy will continue to grow in the 3.1% to 4.4% range. Driving this growth are health care and professional services, the University of Montana, and the federal government (primarily the USDA Forest Service). 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 2004 include the continued maintenance of strong cash reserves and the funding of major capital projects, notably the Courthouse and annex renovations 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. General Fund equity (as reported in the Missoula County Budget Document) has increased from \$2,096,057 at the end of fiscal year 2001 to \$3,403,396 at the end of fiscal year 2003. For fiscal year 2004, 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%).

Northwestern Energy (N.W.E.), the largest taxpayer in Missoula County, filed for bankruptcy in September 2003. N.W.E. represents approximately 5% of the total taxable valuation and provides approximately \$705,000 in revenue to the County annually. In anticipation of the bankruptcy and the potential that N.W.E. may not be able to make all or part of its tax payments, the Commissioners set aside \$300,000 as a contingency in 2004.

The Board of County Commissioners priorities also included lowering property taxes to the extent possible to offset increases to the citizens from the effects of a statewide property reappraisal and an expected increase in property tax levies by the schools due to state budget cuts. The following table shows the changes in mill levies for the 2004 budget:

	County-wide	Mills	Rural-only	Mills
Total Property Taxes Assessed – Prior Year	\$18,742,940	123.97	1,887,707	27.32
Current Year Property Taxes Attributable to Floating Mill*	310,455	2.00	37,557	0.48
Current Year Property Taxes Attributable To Newly Taxable Property**	500,083	-	56,727	-
Change in Mills due to changes in taxable value from sources other than newly taxable property***	-	(.30)	-	(2.47)
Prior year tax authority carried-forward to future years	(999,030)	(6.42)	(59,746)	(.76)
New Levy Authority:				
Judgment Levy	125,713	0.81	-	-
Specialized Transportation	25,750	0.17	-	-
Public Safety	128,570	0.83	-	-
District Court – Youth Court	8,670	0.06	-	-
Permissive Medical Levy	262,886	1.69	59,746	0.76
Total Property Taxes Assessed – Current Year	\$19,106,037	122.84	\$1,981,991	25.33

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

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

*** MCA 15-10-420 limits local governments’ ability to increase mill levies beyond the prior year’s dollars levied (with certain exceptions). Therefore any change in taxable value that is not from newly taxable property, such as with reappraisal, has the effect of 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 CAFR's are available on-line www.co.missoula.mt.us.

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MISSOULA COUNTY, MONTANA
Statement of Net Assets
June 30, 2003
(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	\$ 1,322,063	\$ 5,083	\$ 1,327,146	\$ 368,569	\$ -
Cash with Fiscal Agents	1,292,131	-	1,292,131	-	-
Investments	15,514,547	696,476	16,211,023	-	-
Property Taxes Receivable, net	2,699,171	-	2,699,171	-	-
RSID Receivable-Delinquent	28,036	47,873	75,909	-	-
RSID Receivable-Deferred	2,542,606	-	2,542,606	-	-
Accounts Receivable, net	1,851,262	18,864	1,870,126	28,787	156,990
Interest Receivable, net	9,434	-	9,434	-	-
Contributions Receivable	283,418	-	283,418	-	-
Grants Receivable	-	-	-	203,102	139,720
Loans & Notes Receivable	1,898,478	-	1,898,478	-	-
Advances to (from) Other Funds	(556,256)	556,256	-	-	-
Advances to Component Units	1,118,678	-	1,118,678	-	-
Prepaid Costs	139,065	-	139,065	-	-
Inventory	406,211	21,924	428,135	-	-
Debt Issuance Costs	166,618	-	166,618	-	-
Capital Assets - non-depreciable	8,041,376	1,049,212	9,090,588	132,000	-
Capital Assets - depreciable, net	<u>30,036,633</u>	<u>1,262,679</u>	<u>31,299,312</u>	<u>894,565</u>	<u>1,695,475</u>
 Total Assets	 \$ <u>66,793,471</u>	 \$ <u>3,658,367</u>	 \$ <u>70,451,838</u>	 \$ <u>1,627,023</u>	 \$ <u>1,992,185</u>

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

MISSOULA COUNTY, MONTANA
Statement of Net Assets (Continued)
June 30, 2003
(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	\$ 1,650,204	\$ 38,676	\$ 1,688,880	\$ 93,773	\$ 22,893
Accrued Interest Payable	522,462	-	522,462	-	1,399
Accrued Payroll	734,530	55,445	789,975	-	40,431
Due to Other Governments - Current Portion	-	-	-	-	38,632
Due to Other Governments, net of Current Portion	-	-	-	-	51,145
Advance from Primary Governments - Current Portion	-	-	-	-	30,761
Advance from Primary Governments, net of Current Portion	-	-	-	-	1,087,917
Deferred Grant Revenue	-	-	-	154,621	-
Other Deferred Revenue	2,542,606	-	2,542,606	-	-
Liability for Sick & Vacation	3,106,858	-	3,106,858	51,368	163,822
Liability for Claims	3,039,021	-	3,039,021	-	-
Long-term Liabilities:					
Due within One Year	1,651,541	-	1,651,541	94,777	18,223
Due in more than One Year	21,713,022	-	21,713,022	617,115	100,179
Total Liabilities	<u>34,960,244</u>	<u>94,121</u>	<u>35,054,365</u>	<u>1,011,654</u>	<u>1,555,402</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	21,440,382	2,311,891	23,752,273	314,673	1,157,073
Restricted for Component Unit	-	-	-	228,140	67,414
Unrestricted	10,392,845	1,252,355	11,645,200	72,556	(787,704)
Total Net Assets	<u>\$ 31,833,227</u>	<u>\$ 3,564,246</u>	<u>\$ 35,397,473</u>	<u>\$ 615,369</u>	<u>\$ 436,783</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, 2003

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	\$ 7,877,591	\$ 3,541,864	\$ 281,235	\$ -	\$ (4,054,492)	\$ -	\$ (4,054,492)	\$ -	\$ -	
Criminal Justice	3,651,663	839,079	894,278	-	(1,918,306)	-	(1,918,306)	-	-	
Public Safety	14,242,692	4,563,602	588,966	889,656	(8,200,468)	-	(8,200,468)	-	-	
Public Works	9,232,818	654,784	2,520,277	-	(6,057,757)	-	(6,057,757)	-	-	
Public Health	4,145,794	1,167,320	1,592,881	443,000	(942,593)	-	(942,593)	-	-	
Social & Economic Services	2,440,503	-	1,564,021	-	(876,482)	-	(876,482)	-	-	
Culture & Recreation	3,715,192	1,130,866	141,967	-	(2,442,359)	-	(2,442,359)	-	-	
Housing & Community Development	1,980,185	205,660	190,988	-	(1,583,537)	-	(1,583,537)	-	-	
Interest and Fiscal Charge	1,114,181	-	-	-	(1,114,181)	-	(1,114,181)	-	-	
Total Governmental Activities	<u>48,400,619</u>	<u>12,103,175</u>	<u>7,774,613</u>	<u>1,332,656</u>	<u>(27,190,175)</u>	<u>-</u>	<u>(27,190,175)</u>	<u>-</u>	<u>-</u>	
Business-type Activities										
Larchmont Golf Course	781,626	1,051,408	-	-	-	269,782	269,782	-	-	
Rural Special Improvement District	660,452	809,059	-	-	-	148,607	148,607	-	-	
Total Business-type Activities	<u>1,442,078</u>	<u>1,860,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,389</u>	<u>418,389</u>	<u>-</u>	<u>-</u>	
Total Primary Government	<u>\$ 49,842,697</u>	<u>\$ 13,963,642</u>	<u>\$ 7,774,613</u>	<u>\$ 1,332,656</u>	<u>(27,190,175)</u>	<u>418,389</u>	<u>(26,771,786)</u>	<u>-</u>	<u>-</u>	
Component units:										
Missoula Aging Service	\$ 1,901,507	\$ 96,802	\$ 1,634,489	\$ -				(170,216)	-	
Partnership Health Center	3,007,266	1,173,107	1,646,333	-				-	(187,826)	
Total component units	<u>\$ 4,908,773</u>	<u>\$ 1,269,909</u>	<u>\$ 3,280,822</u>	<u>\$ -</u>				<u>(170,216)</u>	<u>(187,826)</u>	
General revenues:										
Property Taxes					26,785,411	-	26,785,411	-	-	
Intergovernmental Revenue					3,671,830	8,548	3,680,378	-	-	
Investment Earnings					345,657	2,927	348,584	-	-	
Contributions not Restricted to Specific Program					-	-	-	51,746	-	
Grants not Restricted to Specific Program					-	-	-	198,024	-	
Gain on Sale of Capital Asset					1,297,461	763	1,298,224	-	-	
Transfers					166,242	(166,242)	-	-	-	
Miscellaneous Revenue					462,055	-	462,055	2,789	9,645	
Total General Revenues & Transfers					<u>32,728,656</u>	<u>(154,004)</u>	<u>32,574,652</u>	<u>252,559</u>	<u>9,645</u>	
Change in Net Assets					<u>5,538,481</u>	<u>264,385</u>	<u>5,802,866</u>	<u>82,343</u>	<u>(178,181)</u>	
Net Assets - Beginning of Year					26,278,415	3,299,861	29,578,276	533,026	614,964	
Prior Period Adjustments					16,331	-	16,331	-	-	
Net Assets - Beginning of Year as Restated					<u>26,294,746</u>	<u>3,299,861</u>	<u>29,594,607</u>	<u>533,026</u>	<u>614,964</u>	
Net Assets - End of Year					<u>\$ 31,833,227</u>	<u>\$ 3,564,246</u>	<u>\$ 35,397,473</u>	<u>\$ 615,369</u>	<u>\$ 436,783</u>	

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Governmental Funds
June 30, 2003
(Page 1 of 2)

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Jail Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash & Cash Equivalents	\$ 87,033	\$ 31,267	\$ 8,626	\$ -	\$ 236,769	\$ 363,695
Cash with Fiscal Agents	-	-	-	-	1,292,131	1,292,131
Investments	2,728,803	980,344	270,655	-	7,423,675	11,403,477
Property Taxes Receivable (net)	897,512	546,150	-	-	1,208,978	2,652,640
RSID Receivable:						
Delinquent	-	-	28,036	-	-	28,036
Deferred	-	-	2,542,606	-	-	2,542,606
Accounts Receivable	24,568	705,513	-	-	1,121,181	1,851,262
Loans & Notes Receivable	-	-	-	756,500	1,141,978	1,898,478
Advances to Other Funds	597,207	302,421	-	-	1,341	900,969
Advances to Component Units	-	-	-	-	1,118,678	1,118,678
Due from Other Funds	532,595	-	-	-	-	532,595
Prepaid Costs	-	-	-	-	-	-
Inventory	-	-	-	-	406,211	406,211
Total Assets	<u>\$ 4,867,718</u>	<u>\$ 2,565,695</u>	<u>\$ 2,849,923</u>	<u>\$ 756,500</u>	<u>\$ 13,950,942</u>	<u>\$ 24,990,778</u>
Liabilities and Fund Balances						
Accounts & Warrants Payable	\$ 162,904	\$ 278,835	\$ -	\$ -	\$ 1,196,136	\$ 1,637,875
Accrued Interest Payable	-	-	61,191	-	461,271	522,462
Accrued Payroll	170,755	257,616	-	-	286,098	714,469
Advances from Other Funds	-	-	-	302,421	1,154,804	1,457,225
Due to Other Funds	-	-	-	-	532,595	532,595
Deferred Tax Revenue	897,512	546,150	-	-	1,208,978	2,652,640
Other Deferred Revenue	-	-	2,570,642	756,500	1,141,978	4,469,120
Total Liabilities	<u>1,231,171</u>	<u>1,082,601</u>	<u>2,631,833</u>	<u>1,058,921</u>	<u>5,981,860</u>	<u>11,986,386</u>

MISSOULA COUNTY, MONTANA
Balance Sheet (Continued)
Governmental Funds
June 30, 2003
(Page 2 of 2)

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Jail Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance:						
Reserved for Inventory	-	-	-	-	406,211	406,211
Reserved for Advances & Loans	597,207	-	-	-	653,535	1,250,742
Reserved for Capital	-	-	-	-	29,841	29,841
Unreserved, reported in:						
General Fund	3,039,340	-	-	-	-	3,039,340
Special Revenue Funds	-	1,483,094	-	-	6,958,355	8,441,449
Debt Service Funds	-	-	218,090	-	381,212	599,302
Capital Projects Funds	-	-	-	(302,421)	(460,072)	(762,493)
Total Fund Balance	<u>3,636,547</u>	<u>1,483,094</u>	<u>218,090</u>	<u>(302,421)</u>	<u>7,969,082</u>	<u>13,004,392</u>
Total Liabilities and Fund Balance	<u>\$ 4,867,718</u>	<u>\$ 2,565,695</u>	<u>\$ 2,849,923</u>	<u>\$ 756,500</u>	<u>\$ 13,950,942</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.	38,078,009
Debt issuance costs used in governmental activities are not financial resources and, therefore, are not reported in the funds.	166,618
Notes receivable are not available to pay for current-period expenditures and, therefore, are, deferred in the funds.	1,898,478
Taxes and delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	2,680,676
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.	2,476,475
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(26,471,421)</u>
Net assets of governmental activities	<u>\$ 31,833,227</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, 2003

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Jail Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property Taxes	\$ 7,013,695	\$ 6,316,618	\$ 476,721	\$ -	\$ 10,463,677	\$ 24,270,711
Licenses & Permits	75,539	9,104	-	-	260,098	344,741
Intergovernmental Revenue	1,264,700	1,665,624	-	-	9,826,419	12,756,743
Charges for Services	2,285,061	3,662,376	-	-	3,264,496	9,211,933
Fines & Forfeits	692,919	29,593	-	-	116,444	838,956
Investment Earnings	43,208	33	-	64,000	97,008	204,249
Private & Local Grants	-	-	-	-	117,015	117,015
Miscellaneous Revenue	36,195	188,411	-	-	270,883	495,489
Total Revenues	<u>11,411,317</u>	<u>11,871,759</u>	<u>476,721</u>	<u>64,000</u>	<u>24,416,040</u>	<u>48,239,837</u>
Expenditures:						
Current Operations:						
General Government	5,564,519	-	-	-	332,836	5,897,355
Criminal Justice	1,814,940	-	-	-	1,902,215	3,717,155
Public Safety	1,488,566	11,043,854	-	-	580,922	13,113,342
Public Woks	540,540	-	-	-	6,845,320	7,385,860
Public Health	-	-	-	-	4,051,339	4,051,339
Social & Economic Services	-	-	-	-	2,276,328	2,276,328
Culture & Recreation	-	-	-	-	3,136,719	3,136,719
Housing & Community Development	-	-	-	-	2,370,871	2,370,871
Capital Outlay	399,603	948,046	-	6,660	4,596,191	5,950,500
Debt Service:						
Principal	-	-	331,000	-	1,245,374	1,576,374
Interest and Fiscal Charges	-	-	133,603	-	976,254	1,109,857
Total Expenditures	<u>9,808,168</u>	<u>11,991,900</u>	<u>464,603</u>	<u>6,660</u>	<u>28,314,369</u>	<u>50,585,700</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>1,603,149</u>	<u>(120,141)</u>	<u>12,118</u>	<u>57,340</u>	<u>(3,898,329)</u>	<u>(2,345,863)</u>
Other Financing Sources (uses):						
Operating Transfer In	713,659	187,800	9,828	-	3,166,722	4,078,009
Operating Transfer Out	(1,374,011)	(281,033)	(89,157)	-	(2,237,566)	(3,981,767)
Note Receivable Payments	-	-	-	43,500	786,439	829,939
Bond Proceeds	-	-	-	-	874,936	874,936
Sale of Fixed Assets	-	-	-	-	2,133,309	2,133,309
Total other financing sources and uses	<u>(660,352)</u>	<u>(93,233)</u>	<u>(79,329)</u>	<u>43,500</u>	<u>4,723,840</u>	<u>3,934,426</u>
Net Change in Fund Balances	942,797	(213,374)	(67,211)	100,840	825,511	1,588,563
Fund Balances - Beginning of Year	2,693,750	1,546,761	285,301	(403,261)	7,194,953	11,317,504
Prior Period Adjustments	-	149,707	-	-	(133,376)	16,331
Fund Balances - Beginning of Year as restated	<u>2,693,750</u>	<u>1,696,468</u>	<u>285,301</u>	<u>(403,261)</u>	<u>7,061,577</u>	<u>11,333,835</u>
Change in Inventory Reserves	-	-	-	-	81,994	81,994
Fund Balances - End of Year	<u>\$ 3,636,547</u>	<u>\$ 1,483,094</u>	<u>\$ 218,090</u>	<u>\$ (302,421)</u>	<u>\$ 7,969,082</u>	<u>\$ 13,004,392</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, 2003

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)	\$	1,588,563
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,512,149
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		(835,848)
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.		2,680,676
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.		(441,439)
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. Also, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		681,559
The decrease in expenses due to the decrease in the liability for compensated absences reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.		105,747
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.		81,994
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>165,080</u>
Change in net assets of governmental activities (page 21)	\$	<u><u>5,538,481</u></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, 2003

	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	\$ 6,860,399	\$ 6,860,399	\$ 7,013,695	\$ 153,296	\$ 6,935,472	\$ 6,935,472	\$ 6,316,618	\$ (618,854)
Licenses & Permit:	26,100	26,100	75,539	49,439	6,000	6,000	9,104	3,104
Intergovernmental Revenue	960,518	999,711	1,376,374	376,663	923,684	1,560,058	1,405,557	(154,501)
Charges for Service:	1,774,136	1,888,203	2,285,060	396,857	3,183,714	3,183,804	3,812,083	628,279
Fines & Forfeits:	617,828	617,828	692,920	75,092	40,700	40,700	29,593	(11,107)
Investment Earnings:	50,000	50,000	47,556	(2,444)	-	-	33	33
Private & Local Grants:	-	-	-	-	-	-	-	-
Miscellaneous Revenue	13,000	13,000	36,195	23,195	32,500	202,500	188,411	(14,089)
Total Revenues	<u>10,301,981</u>	<u>10,455,241</u>	<u>11,527,339</u>	<u>1,072,098</u>	<u>11,122,070</u>	<u>11,928,534</u>	<u>11,761,399</u>	<u>(167,135)</u>
Expenditures:								
Current Operations:								
Personnel	7,088,420	7,133,481	7,037,536	95,945	8,074,173	8,275,639	8,090,230	185,409
Operations	2,690,206	2,845,324	2,431,650	413,674	2,716,529	2,819,541	2,622,469	197,072
Capital Outlay	637,674	678,267	409,416	268,851	503,591	1,010,566	954,466	56,100
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	<u>10,416,300</u>	<u>10,657,072</u>	<u>9,878,602</u>	<u>778,470</u>	<u>11,294,293</u>	<u>12,105,746</u>	<u>11,667,165</u>	<u>438,581</u>
Excess (deficiency) of Revenue over (under) Expenditure	(114,319)	(201,831)	1,648,737	1,850,568	(172,223)	(177,212)	94,234	271,446
Other Financing Sources (uses)								
Operating Transfer In	803,269	883,010	713,659	(169,351)	394,967	407,767	187,800	(219,967)
Operating Transfer Out	(1,676,341)	(1,674,062)	(1,374,011)	300,051	(172,659)	(185,459)	(281,033)	(95,574)
Loan Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-
Excess of Revenues and Othe Financing Sources over (under) Expenditures and Othe: Financing Uses	<u>\$ (987,391)</u>	<u>\$ (992,883)</u>	<u>988,385</u>	<u>\$ 1,981,268</u>	<u>\$ 50,085</u>	<u>\$ 45,096</u>	<u>1,001</u>	<u>\$ (44,095)</u>
Fund Balance - Beginning of Year			<u>3,191,198</u>				<u>1,495,723</u>	
Fund Balance - End of Year			<u>\$ 4,179,583</u>				<u>\$ 1,496,724</u>	

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Proprietary Funds
June 30, 2003

	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	\$ 21,464	\$ 749	\$ 22,213	\$ 941,238
Investments	672,999	23,477	696,476	4,111,070
Taxes Receivable, net	-	-	-	46,531
RSID Receivable-Delinquent	-	47,873	47,873	-
Accounts Receivable (net)	18,864	-	18,864	-
Interest Receivable	-	-	-	9,434
Contributions Receivable	-	-	-	283,418
Advances to Other Funds	-	556,256	556,256	-
Prepaid Costs	-	-	-	139,065
Inventory	21,924	-	21,924	-
Total Current Assets	<u>735,251</u>	<u>628,355</u>	<u>1,363,606</u>	<u>5,530,756</u>
<i>Noncurrent Assets:</i>				
Capital Assets, net	1,853,167	458,724	2,311,891	260,359
Total Assets	<u>2,588,418</u>	<u>1,087,079</u>	<u>3,675,497</u>	<u>5,791,115</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts & Warrants Payable	\$ 29,147	\$ 9,529	\$ 38,676	\$ 12,329
Accrued Payroll	51,126	4,319	55,445	20,061
Estimated Claims Liability	-	-	-	3,039,021
Notes Payable - Current Portion	-	-	-	20,011
Total Current Liabilities	<u>80,273</u>	<u>13,848</u>	<u>94,121</u>	<u>3,091,422</u>
<i>Noncurrent Liabilities:</i>				
Notes Payable, net of Current Portion	-	-	-	102,955
Total Liabilities	<u>80,273</u>	<u>13,848</u>	<u>94,121</u>	<u>3,194,377</u>
Net Assets				
Invested in Capital Assets, net of Related Debt	1,853,167	458,724	2,311,891	137,393
Unrestricted	654,978	614,507	1,269,485	2,459,345
Total Net Assets	<u>2,508,145</u>	<u>1,073,231</u>	<u>3,581,376</u>	<u>2,596,738</u>
Total Liabilities and Net Assets	<u>\$ 2,588,418</u>	<u>\$ 1,087,079</u>	<u>3,675,497</u>	<u>\$ 5,791,115</u>
Adjustments to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			(17,130)	
Net Assets of Business-type activities.			<u>\$ 3,564,246</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, 2003

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Larchmont Golf Course	RSID Funds		
Operating Revenues:				
Special Assessment:	\$ -	\$ 803,050	\$ 803,050	\$ -
Charges for Services	1,051,408	6,009	1,057,417	6,095,234
Total Operating Revenues	1,051,408	809,059	1,860,467	6,095,234
Operating Expenses				
Personnel	294,320	182,385	476,705	257,792
Operations	355,905	424,931	780,836	423,453
Claims	-	-	-	5,501,688
Reinsurance Premiums	-	-	-	264,885
Administrative	-	-	-	157,698
Depreciation and Amortization	122,271	45,136	167,407	15,395
Total Operating Expenses	772,496	652,452	1,424,948	6,620,911
Operating Income (Loss)	278,912	156,607	435,519	(525,677)
Non-operating Revenues (Expenses)				
Property Taxes	-	-	-	338,781
Miscellaneous Income	-	-	-	-
Investment Earnings	1,971	956	2,927	141,408
Interest Expense	-	-	-	(4,324)
Gain (Loss) on Sale of Asset	763	-	763	-
Other Income	-	-	-	28,775
Rebates	-	-	-	42,132
Reimbursement for Claims Incurred	-	-	-	-
Intergovernmental Revenue:	-	8,548	8,548	56,855
Total Non-operating Revenues (Expenses)	2,734	9,504	12,238	603,627
Net Income before Operating Transfers	281,646	166,111	447,757	77,950
Operating Transfers In	-	2,780	2,780	370,000
Operating Transfers Out	(158,672)	(10,350)	(169,022)	(300,000)
Change in Net Assets	122,974	158,541	281,515	147,950
Total Net Assets - Beginning of Year	2,385,171	914,690		2,448,788
Total Net Assets - End of Year	\$ 2,508,145	\$ 1,073,231		\$ 2,596,738
			(17,130)	
Adjustments to reflect the consolidation of Internal Service fund activities related to Enterprise funds.			\$ 264,385	
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, 2003
(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	\$ 1,044,175	\$ 818,733	\$ 1,862,908	\$ 6,033,583
Cash payments to employees for services	(292,795)	(178,066)	(470,861)	(313,809)
Cash payments for reinsurance premiums	-	-	-	(508,812)
Cash payments for administrative expenses	-	-	-	(249,338)
Cash payments for claims expenses	-	-	-	(5,193,979)
Cash payments to other suppliers for goods and services	(349,759)	(427,443)	(777,202)	(107,572)
Net cash provided by (used in) operating activities	<u>401,621</u>	<u>213,224</u>	<u>614,845</u>	<u>(339,927)</u>
Cash flows from non-capital financing activities:				
Property taxes collected	-	-	-	331,079
Rebates	-	-	-	42,132
Rental Income	-	-	-	28,775
Advances (to) from primary government/other funds	-	(293,144)	(293,144)	-
Transfer in	-	2,780	2,780	370,000
Transfer out	(158,672)	(10,350)	(169,022)	(300,000)
Intergovernmental revenue and other sources	-	8,548	8,548	56,855
Net cash provided (used) by non-capital financing activities	<u>(158,672)</u>	<u>(292,166)</u>	<u>(450,838)</u>	<u>528,841</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of assets	763	-	763	-
Principal paid on revenue bond maturities and notes payable	-	-	-	(19,074)
Interest paid on revenue bond maturities and notes payable	-	-	-	(4,324)
Acquisition of fixed assets and construction in progress	(53,912)	-	(53,912)	(29,137)
Net cash used for capital and related financing activities	<u>(53,149)</u>	<u>-</u>	<u>(53,149)</u>	<u>(52,535)</u>
Cash flows from investing activities:				
Purchases of investment securities	(181,388)	-	(181,388)	(2,346,402)
Proceeds from sale of investment securities	-	76,482	76,482	1,386,012
Interest on investments	1,971	956	2,927	126,345
Net cash provided (used) by investing activities	<u>(179,417)</u>	<u>77,438</u>	<u>(101,979)</u>	<u>(834,045)</u>
Net increase (decrease) in cash and cash equivalents	10,383	(1,504)	8,879	(697,666)
Cash and cash equivalents at beginning of year	11,081	2,253	13,334	1,638,904
Cash and cash equivalents at end of year	<u>\$ 21,464</u>	<u>\$ 749</u>	<u>\$ 22,213</u>	<u>\$ 941,238</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, 2003
(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	\$ 278,912	\$ 156,607	\$ 435,519	\$ (525,677)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	122,271	45,136	167,407	15,395
Change in assets and liabilities:				
(Increase) decrease in receivables	(7,142)	9,674	2,532	(61,651)
(Increase) decrease in prepaid costs	-	-	-	(88,392)
(Increase) decrease in inventory	(2,736)	-	(2,736)	-
Increase in payables	-	-	-	12,329
Increase in accrued liabilities	10,316	1,807	12,123	308,069
Net cash provided (used) by operating activities	\$ 401,621	\$ 213,224	\$ 614,845	\$ (339,927)

Supplemental Disclosure of Cash Flow Information

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

Internal service funds had \$29,058 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, 2003

	Agency Funds	External Pool Investment Trust
Assets		
Cash & Cash Equivalents	\$ 273,833	\$ 1,186,535
Cash with Fiscal Agents	2,428,074	-
Property Taxes Receivable, net	10,194,170	-
Investments, at fair value:		
Repurchase Agreements	-	2,435,296
STIP	1,332,325	34,767,448
Total Investments	1,332,325	37,202,744
Total Assets	14,228,402	38,389,279
Liabilities		
Accounts Payable	1,374,818	-
Funds Held in Trust	12,853,584	-
Total Liabilities	14,228,402	-
Net assets		
Net Assets Held in Trust for Pool Participants	\$ -	\$ 38,389,279

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, 2003

	External Pool Investment Trust
Additions	
Interest Income	\$ 1,303,384
Net Investment Income	1,303,384
Participant Investments in Pool	214,125,933
Total Additions	215,429,317
 Deductions	
Distribution to Participants	(226,215,096)
Change in Net Assets	(10,785,779)
 Net Assets Held in Trust for Pool Participants	
Net Assets - Beginning of Year	49,175,058
Net Assets - End of Year	\$ 38,389,279

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

MISSOULA COUNTY, MONTANA

Notes to Financial Statements

June 30, 2003

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). Significant changes under this statement include:

- The addition of the Management's Discussion and analysis section providing an analysis of the County's overall financial position and results of operations,
- Entity-wide financial statements prepared on the accrual basis of accounting, including infrastructure assets, and
- A change in the fund financial statements to focus on the major funds.

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.

Jail Project Capital Projects Fund

The Jail Project Capital Projects Fund is used to account for the construction of the Missoula County Detention Facility.

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, and Excess Loss funds. Risk Management is financed principally through property taxes, while Health Insurance, Workers' Compensation, 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 and self-insurance programs and also 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 legal 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
- Goodan-Keil
- Disaster
- 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
- Fort Missoula Community Center
- Friends of Historical Museum
- Subdivision Improvement Bonds
- Historical Museum Gift Shop
- Friends of the Library

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 2.15% of total taxes receivable at year-end. At June 30, 2003 the allowance amounted to \$285,086.

Taxable valuations, mill values and mill levies for November 2002 and May 2003 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	\$154,710,896	\$3,551,236	\$151,160	123.97 mills
County-only levies	\$ 69,982,407	\$ 898,851	\$ 69,084	27.32 mills

The county-wide value includes \$2,652,385 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 county-only values include \$898,851, 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	Cost or Amortized Cost
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 in prior years were credited directly to contributed capital. Under the provisions of GASB 34, these amounts have been included in beginning net assets for the year ended June 30, 2003.

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

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

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

Note 2 - Cash and Cash Equivalents and Investments

The total cash and cash equivalents, cash with fiscal agents, restricted cash and investments reported in the statement of net assets on June 30, 2003, are detailed as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 1,311,392	\$ -	\$ 1,311,392
Cash in pooled bank deposits	330,648	-	330,648
Cash in non-pooled bank deposits	1,145,474	368,569	1,514,043
Cash with fiscal agents	3,720,205	-	3,720,205
Pooled investments	51,484,731	-	51,484,731
Non-pooled investments	<u>3,261,364</u>	<u>-</u>	<u>3,261,364</u>
Total	<u>\$ 61,253,814</u>	<u>\$ 368,569</u>	<u>\$ 61,622,383</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>344,894</u>	\$ <u>130,221</u>	\$ <u>258,600</u>	\$ <u>733,715</u>
Component units bank deposits	\$ <u>100,000</u>	\$ <u>-</u>	\$ <u>268,569</u>	\$ <u>368,569</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, 2003, approximately 33% 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			Reorted Amount	Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Government Securities	\$ -	\$ 3,261,364	\$ -	\$ 3,261,364	\$ 3,261,364
Repurchase agreements	-	3,370,197	-	3,370,197	3,370,197
	<u>\$ -</u>	<u>\$ 6,631,561</u>	<u>\$ -</u>	6,631,561	6,631,561
Investment in State short-term investment pool				<u>48,114,534</u>	<u>48,114,534</u>
Total pooled investments and investments held separate				<u>\$ 54,746,095</u>	<u>\$ 54,746,095</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 52% of STIP investments consisted of asset-backed securities and approximately 44% consisted of variable interest rate securities at June 30, 2003 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, 2003 financial statements. The County's investment in STIP amounts to 3% of total STIP assets.

The external investment pool managed by the County is 91% invested in STIP, with 34,767,448 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2003, STIP's average investment return was 1.52%.

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	\$ 1,311,392
Cash in pooled bank deposits	330,648
Investments	
Repurchase agreements	3,370,197
STIP	48,114,534
Total assets	<u>\$ 53,126,771</u>
Net Assets:	
County funds	\$ 14,737,492
External participants	38,389,279
Total liabilities and net assets	<u>\$ 53,126,771</u>

Statement of Changes in Net Assets

Additions:	
Interest income	\$ <u>1,413,643</u>
Net investment Income	1,413,643
Participant Investments in Pool	<u>302,599,056</u>
Total Additions	304,012,699
Deductions:	
Distribution to Participants	<u>(312,321,261)</u>
Change in Net Assets	(8,308,562)
Net assets	
Beginning of year	<u>61,435,333</u>
End of year	<u>\$ 53,126,771</u>

Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2003 consist of:

<u>HUD - American Eagle</u> 5%, \$530 due monthly through January 2004	\$ 4,164
<u>HUD - Nutritional Laboratories, Inc.</u> 6%, \$5,027 due monthly through February 2004	39,322
<u>HUD - Missoula Children's Theatre</u> 0%, \$24,500 due annually from June 2003 through June 2017	367,500
<u>The Good Food Store, Inc.</u> 5%, \$4,718 due monthly from November 2003 through October 2008	250,000
<u>Gleneagle</u> Contracts for sale of lots, 10% interest, varying amounts due annually with remainder due at varying dates through July 2005	451,065
<u>Montana Regional Orthopedics</u> Note for sale of detention center remainder land, 8% interest due annually, principal payment due September 2004	756,500
<u>Missoula Ravalli Transportation Management Association</u> Variable interest (3.15% at 6/30/03) annual payments of \$2,700 plus interest through January 2008	13,500
<u>CIP - Missoula Development Services</u> Variable interest - annual payments through July 2005	<u>16,427</u>
	<u>\$ 1,898,478</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows.

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,948,038	\$ 549,609	\$ 307,944	\$ 7,189,703
Intangibles	-	173,101	-	173,101
Construction in Progress	-	678,572	-	678,572
Total capital assets, not being depreciated	<u>\$ 6,948,038</u>	<u>\$ 1,401,282</u>	<u>\$ 307,944</u>	<u>\$ 8,041,376</u>
Capital assets, being depreciated:				
Buildings	\$ 31,090,591	\$ 463,196	\$ -	\$ 31,553,787
Equipment	<u>15,650,597</u>	<u>1,756,847</u>	<u>965,128</u>	<u>16,442,316</u>
Total capital assets, being depreciated	<u>46,741,188</u>	<u>2,220,043</u>	<u>965,128</u>	<u>47,996,103</u>
Less accumulated depreciation for:				
Buildings	6,180,586	732,745	-	6,913,331
Equipment	<u>10,120,674</u>	<u>1,362,689</u>	<u>437,224</u>	<u>11,046,139</u>
Total accumulated depreciation	<u>16,301,260</u>	<u>2,095,434</u>	<u>437,224</u>	<u>17,959,470</u>
Total capital assets, being depreciated, net	<u>\$ 30,439,928</u>	<u>\$ 124,609</u>	<u>\$ 527,904</u>	<u>\$ 30,036,633</u>

Note 4 - Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,049,212	\$ -	\$ -	\$ 1,049,212
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	\$ 807,444	\$ -	\$ -	\$ 807,444
Improvements other than buildings	1,562,525	3,450	-	1,565,975
Equipment, furniture and fixtures	1,783,878	50,462	13,215	1,821,125
Total capital assets, being depreciated	<u>4,153,847</u>	<u>53,912</u>	<u>13,215</u>	<u>4,194,544</u>
Less accumulated depreciation for:				
Buildings and improvements	305,435	28,210	-	333,645
Improvements other than buildings	1,446,373	13,811	-	1,460,184
Equipment, furniture and fixtures	1,025,865	125,386	13,215	1,138,036
Total capital assets, being depreciated	<u>2,777,673</u>	<u>167,407</u>	<u>13,215</u>	<u>2,931,865</u>
Total capital assets, being depreciated, net	<u>\$ 1,376,174</u>	<u>\$ (113,495)</u>	<u>\$ -</u>	<u>\$ 1,262,679</u>

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

Governmental activities:	
General government	\$ 239,354
Criminal Justice	1,763
Public works	369,755
Public safety	891,458
Public health	64,623
Culture and recreation	509,333
Social and economic services	19,148
Total depreciation expense - governmental activities	<u>\$ 2,095,434</u>
Business-type activities	
Larchmont Golf Course	\$ 122,271
RSIDs	45,136
Total depreciation expense - business-type activities	<u>\$ 167,407</u>

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

Activity for the Missoula Aging Services for the year ended June 30, 2003, 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	\$ -	\$ 928,357
Equipment	38,412	-	38,412
Total capital assets, being depreciated	<u>966,769</u>	<u>-</u>	<u>966,769</u>
Less accumulated depreciation	<u>(36,890)</u>	<u>(35,314)</u>	<u>(72,204)</u>
Total capital assets, being depreciated, net	<u>\$ 929,879</u>	<u>\$ (35,314)</u>	<u>\$ 894,565</u>

Activity for the Partnership Health Clinic for the year ended June 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:			
Buildings	\$ 1,755,005	\$ 7,318	\$ 1,762,323
Machinery and equipment	683,840	29,185	713,025
Total capital assets, being depreciated	<u>2,438,845</u>	<u>36,503</u>	<u>2,475,348</u>
Less accumulated depreciation	<u>(599,290)</u>	<u>(180,583)</u>	<u>(779,873)</u>
Total capital assets, being depreciated, net	<u>\$ 1,839,555</u>	<u>\$ (144,080)</u>	<u>\$ 1,695,475</u>

Note 5 - Long-Term Debt

At June 30, 2003, 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	\$ 15,070,000
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	187,000
Total general obligation bonds and notes	<u>15,257,000</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	420,000
\$1,000,000 Risk Management Bond, Series 2001 issued July 15, 2001, 3.10% to 4.5%, due in varying amounts to July 2011	915,000
Total limited obligation bonds and notes	<u>1,335,000</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>2,150,000</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	1,248,000
\$241,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	115,000
\$1,943,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	983,000
\$291,000 State Revolving Fund Loan, issued November 1998, 4%, due in varying amounts to July 2019	246,000
\$649,936 State Revolving Fund Loan, issued September 2002, 4%, due in varying amounts to July 2023	<u>649,936</u>
Total special assessment bonds and loans	<u>3,241,936</u>

Note 5 - Long-Term Debt (Continued)

Notes & Contracts Payable

Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2006; repayment from Capital Improvement fund	202,871
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through February 2007; repayment from Road & Bridge funds	409,151
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2009; repayment from Fair fund	34,773
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2004; repayment from the Capital Improvement fund	132,356
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2008; repayment from Fair fund	55,334
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2008; repayment from Health Benefits fund	122,966
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2004; repayment from Technology fund	91,466
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2004; repayment from Capital Improvement fund	82,843
Variable rate (3.15% at 6/30/03) contract payable, due in varying amounts through August 2005; repayment from Capital Improvement fund	<u>248,867</u>
Total notes and contracts payables	<u>1,380,627</u>
Subtotal	<u>23,364,563</u>

Liability for Sick and Vacation (Primary Government)

Accrued vacation benefits	1,898,819
Accrued compensatory time benefits	152,622
Accrued holiday benefits	90,654
Accrued sick benefits	<u>964,763</u>
Total accrued benefits	<u>3,106,858</u>
Total Long-Term Debt	<u>\$ 26,471,421</u>

Note 5 - Long-Term Debt (Continued)

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2003, follows:

	<u>Beginning Balance</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>Net Decrease</u>	<u>Ending Balance</u>
Governmental Activities					
General Obligation	\$ 15,875,000	\$ -	\$ (618,000)	\$ -	\$ 15,257,000
Limited Obligation Note	1,435,000	-	(100,000)	-	1,335,000
Tax Increment	2,235,000	-	(85,000)	-	2,150,000
Special Assessment Bonds Payable	1,221,000	225,000	(198,000)	-	1,248,000
Special Assessment Loans Payable	1,477,000	649,936	(133,000)	-	1,993,936
Contracts Payable	1,842,075	-	(461,448)	-	1,380,627
Liability for Sick and Vacation	<u>3,212,605</u>	<u>-</u>	<u>-</u>	<u>(105,747)</u>	<u>3,106,858</u>
Total Governmental Activities Long-Term Liabilities:	<u>\$ 27,297,680</u>	<u>\$ 874,936</u>	<u>\$ (1,595,448)</u>	<u>\$ (105,747)</u>	<u>\$ 26,471,421</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, 2003, 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
2004	\$ 640,000	\$ 723,580	\$ 8,000	\$ 7,400	\$ 648,000	\$ 730,980	\$ 85,000	\$ 35,774
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
2007	745,000	624,899	8,000	6,440	753,000	631,339	95,000	25,600
2008	775,000	588,799	8,000	6,120	783,000	594,919	100,000	21,650
2009-2013	4,475,000	2,345,580	50,000	24,900	4,525,000	2,370,480	450,000	40,850
2014-2018	5,720,000	1,098,857	62,000	13,980	5,782,000	1,112,837	-	-
2019-2023	1,330,000	34,248	35,000	2,100	1,365,000	36,348	-	-
2024-2028	-	-	-	-	-	-	-	-
	<u>15,070,000</u>	<u>6,767,767</u>	<u>187,000</u>	<u>74,780</u>	<u>15,257,000</u>	<u>6,842,547</u>	<u>915,000</u>	<u>185,909</u>
Less current portion	<u>(640,000)</u>	<u>-</u>	<u>(8,000)</u>	<u>-</u>	<u>(648,000)</u>	<u>-</u>	<u>(85,000)</u>	<u>-</u>
	<u>\$ 14,430,000</u>	<u>\$ 6,767,767</u>	<u>\$ 179,000</u>	<u>\$ 74,780</u>	<u>\$ 14,609,000</u>	<u>\$ 6,842,547</u>	<u>\$ 830,000</u>	<u>\$ 185,909</u>

Governmental Activities (Continued)								
Fiscal Year Ending June 30	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
2004	\$ 20,000	\$ 21,073	\$ 90,000	\$ 114,520	\$ 193,000	\$ 68,338	\$ 132,936	\$ 79,450
2005	20,000	20,163	90,000	110,245	165,000	58,276	110,000	73,360
2006	20,000	19,233	95,000	105,758	139,000	49,174	116,000	68,900
2007	20,000	18,288	100,000	100,930	130,000	41,714	119,000	64,220
2008	20,000	17,333	110,000	95,625	121,000	34,584	124,000	59,420
2009-2013	120,000	69,760	635,000	383,793	310,000	116,444	703,000	217,240
2014-2018	160,000	33,464	830,000	181,839	190,000	19,500	427,000	88,360
2019-2023	40,000	1,100	200,000	5,750	-	-	239,000	29,520
2024-2028	-	-	-	-	-	-	23,000	460
	<u>420,000</u>	<u>200,414</u>	<u>2,150,000</u>	<u>1,098,460</u>	<u>1,248,000</u>	<u>388,030</u>	<u>1,993,936</u>	<u>680,930</u>
Less current portion	<u>(20,000)</u>	<u>-</u>	<u>(90,000)</u>	<u>-</u>	<u>(193,000)</u>	<u>-</u>	<u>(132,936)</u>	<u>-</u>
	<u>\$ 400,000</u>	<u>\$ 200,414</u>	<u>\$ 2,060,000</u>	<u>\$ 1,098,460</u>	<u>\$ 1,055,000</u>	<u>\$ 388,030</u>	<u>\$ 1,861,000</u>	<u>\$ 680,930</u>

Note 5 - Long-Term Debt (Continued)

Fiscal Year Ending June 30	Governmental Activities (Continued)			
	Notes & Contracts Principal	Notes & Contracts Interest	Total Governmental Principal	Total Governmental Interest
2004	\$ 482,605	\$ 35,914	\$ 1,651,541	\$ 1,086,049
2005	397,411	22,174	1,555,411	1,016,377
2006	253,043	12,731	1,436,043	951,316
2007	179,625	6,223	1,396,625	888,314
2008	40,768	2,003	1,298,768	825,534
2009-2013	27,175	794	6,770,175	3,199,361
2014-2018	-	-	7,389,000	1,436,000
2019-2023	-	-	1,844,000	72,718
2024-2028	-	-	23,000	460
	<u>1,380,627</u>	<u>79,839</u>	<u>23,364,563</u>	<u>9,476,129</u>
Less current portion	<u>(482,605)</u>	<u>-</u>	<u>(1,651,541)</u>	<u>-</u>
	<u>\$ 898,022</u>	<u>\$ 79,839</u>	<u>\$ 21,713,022</u>	<u>\$ 9,476,129</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, 2003, 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. Repayment of the related contract for deed is provided through a transfer from the General Fund.

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. These notes are issued by the State Inter-cap Revolving Program. Interest rates are determined annually by the State Board of Investments, depending on program experience.

Note 5 - Long-Term Debt (Continued)

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.

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.

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. 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, 2003, 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% (3% @ June 30, 2003), and expires in 2015. There were no draws made on the line of credit during 2003 and the balance outstanding at June 30, 2003 is zero.

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, 2003, \$190,000 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, 2003, 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, 2003 was \$318,864.

Note 5 - Long-Term Debt (Continued)

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, 2003 was \$7,900,000.

Legal Debt Margin - The County's legal debt limitation is 1.4% of total assessed value of taxable property. As of June 30, 2003 the debt margin was \$40,424,576 for total debt.

Note 6 - Commitments and Contingencies

Commitments - At June 30, 2003, the County was committed to spend approximately \$6,500,000 on various contracts for rural special improvement district facilities (principally streets, curbs and gutters), county roads, bridges, social services, and other projects. Appropriations for these contractual obligations are budgeted in the years that payments are required.

Protested Taxes - The County and other taxing districts within the County are contingently liable for refunds of property taxes under various tax appeals proceedings. In general, the amount available in the protested tax fund is sufficient to provide for such potential refunds; however, it is possible that refunds could be required relative to taxes not deposited in the protest fund. The County's potential liability, should such refunds be necessary, is not determinable. As of June 30, 2003, taxes remaining under protest totaled \$794,008.

Rural Special Improvement Districts (RSIDs) - As of June 30, 2003, delinquent assessments on RSIDs were \$75,909. 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, 2003, future minimum annual rental expenditures on noncancellable operating leases are as follow

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Minimum Annual</u> <u>Rental Expenditures/Expenses</u>
2004	\$ 135,480
2005	135,480
2006	135,480
2007	34,950
2008	34,950
Later	<u>895,500</u>
Total	\$ <u>1,371,840</u>

Operating lease expense for 2003 was \$91,965.

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 three internal service funds to account for and finance its uninsured risks of loss. 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 \$1,201,266 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. There have been no claims asserted against the Excess Loss fund

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 \$311 to \$565 and \$0 to \$366, 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 \$270 to \$794, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2003, were \$2,833,371. Asserted health benefits claims at June 30, 2003 totaled \$438,596.

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 \$.47 to \$7.40 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2003 were \$569,065. Asserted workers' compensation claims at June 30, 2003 totaled \$224,214.

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 2002 and 2003 are as follows:

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>
Claims liability June 30, 2001	\$ 852,258	\$ 379,033	\$ 993,077
Claims incurred in 2002	497,314	4,654,237	565,328
Claims paid in 2002	<u>(160,519)</u>	<u>(4,626,476)</u>	<u>(422,940)</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	<u>\$ 1,201,266</u>	<u>\$ 547,541</u>	<u>\$ 1,290,214</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, 2003, 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>
2003	\$ 218,257	\$ 4,354	\$ 1,302,726
2002	213,924	3,632	1,292,440
2001	193,173	3,378	1,165,416

On behalf payments made by the State of Montana totaled \$64 and \$19,158 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, 2003 was \$3,213,791.

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, 2003, the following funds had a deficit fund balance or retained earnings resulting from expenditures/expenses in excess of revenues during 2003 and prior years:

Major Funds		
Jail Project	\$	302,421
Nonmajor Governmental Funds		
Special Revenue Funds		
Judgement Levy		145,713
Historical Museum Gift Shop		154
LEPC Trust		151
Fort Memorial Trust		1,190
Capital Projects Fund		
Goodan-Keil		239,687
RSID Projects		899,968

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

The Goodan-Keil Fund deficit will be eliminated through the issuance of debt in Fiscal Year 2004.

The Jail Project deficit will be eliminated through receipts over the next two years on contracts receivable for land sold in Fiscal Year 2001.

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, 2003:

Governmental Activities		
Major Funds		
General Fund		
Attorney		
Operations	\$	16,441
Financial Services		
Personnel		915
Facilities Management		
Personnel		22,742
Office of Emergency Services		
Operations		10,781
9-1-1 Communications Center		
Personnel		57,963

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

Surveyor		
Personnel		23,366
Operations		8,911
Capital		5,202
Non-Departmental		
Capital		5,985
Public Safety		
Transfers Out		121,092
Jail Project		
Operations		6,660
Nonmajor Governmental Funds		
Special Revenue Funds		
Fair		
Operations		119,171
District Court		
Personnel		11,093
Transfers Out		18,110
Library		
Personnel		16,766
Extension		
Capital		232
Drug Forfeiture		
Personnel		10,138
Operations		64,707
MCA Industrial District		
Personnel		1,735
Principal		3,250
Transfers Out		715
Junk Vehicle		
Operations		9,181
Community Based Organizations		
Operations		1,000
Forest Reserve Title III		
Operations		19,432

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

Debt Service Funds	
Partnership Health Center Bonds	
Interest and Fiscal Charges	39
RSID Revolving	
Interest and Fiscal Charges	963
Transfers	86,966
Capital Projects Funds	
Capital Improvement	
Personnel	12,811
Transfers Out	3,611
Technology	
Transfers Out	24,963
Business-type Activities	
Internal Service Funds	
Risk Management	
Personnel	1,144
Operations	55,973
Health Insurance	
Personnel	981
Workers' Compensation	
Personnel	1,018

Operations over-expenditures in the County Attorney's Office were primarily due to higher than expected contracted services and printing. Personnel over-expenditures in Facilities Management were due to costs associated with the retirement and replacement of the Facilities Manager. Personnel over-expenditures in 9-1-1 Communications Center were due to overtime costs associated with higher than expected turnover. Personnel over-expenditures in the Surveyor's Office were due to the costs associated with the retirement and replacement of the County Surveyor. Operations over-expenditures at the Fair were due to higher than expected horse racing and entertainment costs. Transfers Out in District Court exceeded budget due to higher than anticipated costs associated with the state assumption of District Court. Personnel over-expenditures in the Library were due to higher than expected costs associated with collective bargaining. 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 Technology Fund exceeded budget due to higher than anticipated costs associated with debt service. Transfers Out in Public Safety exceeded budget due to higher than anticipated costs associated with insurance and technology charges. Operations over-expenditures in Forest Reserve Title III were due to higher than expected need for wild fire mitigation activity. Operations over-expenditures in Risk Management were due to higher than expected claims activity. 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>Nonmajor Governmental</u>	<u>Internal Service</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis	\$ 942,797	\$ (213,374)	\$ 825,511	\$ 147,950
Investments - 6/30/03	(4,228)	-	(1,442)	(9,570)
Investments - 6/30/02	9,109	-	3,715	29,539
Accounts Receivable - 6/30/03	-	(522,797)	(350,386)	(283,418)
Accounts Receivable - 6/30/02	-	262,729	942,274	221,767
Advances to Other Funds - 6/30/03	-	-	15,326	-
Accounts Payable - 6/30/03	160,759	278,810	616,698	12,329
Accounts Payable - 6/30/02	(255,413)	(60,791)	(1,108,247)	-
Claims Payable - 6/30/03	-	-	-	1,799,450
Claims Payable - 6/30/02	-	-	-	(1,491,586)
Accrued Payroll - 6/30/03	170,755	257,616	286,098	20,061
Accrued Payroll - 6/30/02	(147,067)	(150,899)	(188,468)	(19,701)
Accrued Interest - 6/30/03	-	-	461,272	-
Accrued Interest - 6/30/02	-	-	(475,158)	-
Other Deferred Revenue - 6/30/03	740,216	-	-	-
Other Deferred Revenue - 6/30/02	(628,543)	-	-	-
Capital Outlay	-	-	-	(19,603)
Depreciation	-	-	-	2,480
Investment Earnings	-	-	-	(64,336)
Debt Service	-	-	-	(19,074)
Prior Period Adjustments	-	149,707	-	-
Non-budgeted Funds:				
Excess of Revenues and Other Financing Source over (under) Expenditures and Other Financing Use:	<u>-</u>	<u>-</u>	<u>1,380,516</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ 988,385</u>	<u>\$ 1,001</u>	<u>\$ 2,407,709</u>	<u>\$ 326,288</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: \$100,000 from the General Fund to the Public Safety Fund to designate a detention medical reserve; \$300,000 from the Risk Management, Health Insurance and Workers' Compensation Internal Service Funds to establish the Excess Loss Internal Service Fund; and \$128,711 from the Capital Improvement Fund to the Animal Control Fund to aid in the construction of the new shelter. An analysis of operating transfers in and out during 2003 follows:

General Fund to:	
Public Safety	\$ 112,800
Nonmajor Governmental Funds (Animal Control, Poor, Technology, Capital Improvement, Extension, Planning, Community Based Organizations, District Court, Museum)	1,261,211
Public Safety Fund to:	
Nonmajor Governmental Funds (Drug Forfeiture, Planning, Technology, Capital Improvement)	211,033
Internal Service (Risk Management)	70,000
RSID Debt Service Funds to:	
Nonmajor Governmental Funds (RSID Administration, RSID Revolving)	89,157
Nonmajor Governmental Funds to:	
General Fund	689,102
Public Safety Fund	75,000
RSID Debt Service	9,828
Nonmajor Governmental Funds (Library, Animal Control, Planning, Technology, Capital Improvement, Extension, Road, Weed, Health, Water Quality District, Museum, RSID Revolving, RSID Administration, RSID Capital)	1,460,856
Nonmajor Enterprise Fund (RSID Funds)	2,780
Larchmont Golf Course Fund to:	
General Fund	24,557
Nonmajor Governmental Funds (Capital Improvement)	134,115
Nonmajor Enterprise Fund to:	
Nonmajor Governmental Funds (RSID Administration)	10,350
Internal Service Funds to:	
Internal Service (Excess Loss)	300,000
Total Operating Transfers In/Out	<u>\$ 4,450,789</u>

Note 11 - Interfund Transactions (Continued)

Advances to other funds - Interfund advances at June 30, 2003 consist of the following:

General Fund - Cash flow advances to:	
Nonmajor Governmental Funds (Planning, Jail Bond, Health Center Bonds, Risk Management Bonds, Judgement Levy)	\$ 597,207
Public Safety - Cash flow advances to:	
Jail Project	302,421
Nonmajor Governmental Funds (LEPC Trust, Fort Memorial)	1,341
Nonmajor Enterprise Fund - Cash flow advances to:	
Nonmajor Governmental Funds (RSID Capital)	556,256
Total Advances to Other Funds	<u>\$ 1,457,225</u>

Due to/from other funds- An analysis of amounts due to or from other funds at June 30, 2003 follows:

Nonmajor Governmental Funds to:	
General Fund	532,595
Total Due To/From Other Funds	<u>\$ 532,595</u>

Note 12 - Transactions with Component Units

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

Partnership Health Center

Advances from Primary Government

Cash-flow advance from Nonmajor Governmental Funds (Health Fund, Water Quality District)	\$ 687,917
Other advance from Nonmajor Governmental Funds (Health Center Bonds)	<u>430,761</u>
	<u>\$ 1,118,678</u>
Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$ 21,652
Health insurance premiums paid to Internal Service Funds	178,679
Community Based Organizations Grant from Nonmajor Governmental Fund (Poor Fund)	200,000
<u>Missoula Aging Services</u>	
Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)	195,113

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 - Charges for services decreased and beginning fund balance increased in the Public Safety Fund by \$149,707 to reflect Fiscal Year 2002 revenue in the proper period.

Beginning fund balance was decreased \$133,376 in the Planning Fund to remove activity related to the East Missoula Sewer Project that should have been reported as an agency transaction

Note 15 - Subsequent Events

In August 2003, the General Fund provided a cash flow advance totaling \$331,581 to the Frenchtown School District to compensate for a tax billing error that occurred in Fiscal Year 2003 that was corrected for Fiscal Year 2004. The advance will be repaid in June 2004.

Subsequent to year end, Missoula County has entered into a loan agreement with the State Revolving Loan Fund to borrow up to \$4,729,000 for the construction of the Mullan Corridor Sewer Project

In October 2003, the Board of County Commissioners approved a resolution to issue \$850,000 in General Fund Bonds to fund the renovation and construction of ice rink facilities at the Western Montana Fair. The bonds will be repaid from revenues generated by the facilities.

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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.

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

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

(Continued)

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

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

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

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

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

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

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
Judgement Levy

Fort Missoula Community Center
Friends of Historical Museum
Historical Museum Gift
Court Education 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.

MISSOULA COUNTY, MONTANA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003
(Page 1 of 6)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Open Space	Parks	Library
Assets:									
Cash & Cash Equivalents	\$ 11,179	\$ 1,840	\$ 3,675	\$ 11,918	\$ 4,605	\$ 4,396	\$ 1,437	\$ 8,814	\$ 6,468
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	350,517	57,677	115,218	373,679	144,391	137,839	45,057	276,324	202,782
Property Taxes Receivable (net)	165,652	80,290	84,772	38,704	7,335	131,220	395	19,348	172,467
Accounts Receivable	191,563	-	-	-	-	112,039	-	-	48,382
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	406,211	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,125,122</u>	<u>\$ 139,807</u>	<u>\$ 203,665</u>	<u>\$ 424,301</u>	<u>\$ 156,331</u>	<u>\$ 385,494</u>	<u>\$ 46,889</u>	<u>\$ 304,486</u>	<u>\$ 430,099</u>
Liabilities:									
Accounts & Warrants Payable	\$ 122,380	\$ 6,436	\$ 8,098	\$ 2,288	\$ 88,213	\$ 18,956	\$ -	\$ 159	\$ 56,252
Accrued Interest Payable	-	-	-	-	3,810	-	-	-	-
Accrued Payroll	49,076	-	16,358	6,367	8,257	30,744	-	619	23,152
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	165,652	80,290	84,772	38,704	7,335	131,220	395	19,348	172,467
Other Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>337,108</u>	<u>86,726</u>	<u>109,228</u>	<u>47,359</u>	<u>107,615</u>	<u>180,920</u>	<u>395</u>	<u>20,126</u>	<u>251,871</u>
Fund Balance:									
Reserved for Inventory	406,211	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-
Undesignated Fund Balance:									
Undesignated	381,803	53,081	94,437	376,942	48,716	204,574	46,494	284,360	178,228
Total Fund Balance	<u>788,014</u>	<u>53,081</u>	<u>94,437</u>	<u>376,942</u>	<u>48,716</u>	<u>204,574</u>	<u>46,494</u>	<u>284,360</u>	<u>178,228</u>
Total Liabilities and Fund Balance	<u>\$ 1,125,122</u>	<u>\$ 139,807</u>	<u>\$ 203,665</u>	<u>\$ 424,301</u>	<u>\$ 156,331</u>	<u>\$ 385,494</u>	<u>\$ 46,889</u>	<u>\$ 304,486</u>	<u>\$ 430,099</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2003
(Page 2 of 6)

	Special Revenue								
	Planning	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Y.E.S.	Museum	MCA Industrial District
Assets:									
Cash & Cash Equivalents	\$ -	\$ -	\$ 3,212	\$ 4,498	\$ 2,606	\$ 1,057	\$ 417	\$ 2,268	\$ 55,037
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	148,318
Investments	-	-	100,734	141,043	81,722	33,154	13,098	71,106	1,725,610
Property Taxes Receivable (net)	54,431	77,936	28,856	10,052	29,742	-	-	47,560	49,481
Accounts Receivable	417,865	338,981	11,000	1,351	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	540,417	147,500	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 472,296</u>	<u>\$ 957,334</u>	<u>\$ 291,302</u>	<u>\$ 156,944</u>	<u>\$ 114,070</u>	<u>\$ 34,211</u>	<u>\$ 13,515</u>	<u>\$ 120,934</u>	<u>\$ 1,978,446</u>
Liabilities:									
Accounts & Warrants Payable	\$ 46,149	\$ 30,534	\$ 3,942	\$ 86,878	\$ 796	\$ 25	\$ -	\$ 19,809	\$ 17,328
Accrued Interest Payable	-	-	-	-	-	-	-	-	58,318
Accrued Payroll	50,379	71,896	4,532	7,486	3,809	5,142	-	5,060	1,627
Advances from Other Funds	169,428	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	54,431	77,936	28,856	10,052	29,742	-	-	47,560	49,481
Other Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>320,387</u>	<u>180,366</u>	<u>37,330</u>	<u>104,416</u>	<u>34,347</u>	<u>5,167</u>	<u>-</u>	<u>72,429</u>	<u>126,754</u>
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	151,909	776,968	253,972	52,528	79,723	29,044	13,515	48,505	1,851,692
Total Fund Balance	<u>151,909</u>	<u>776,968</u>	<u>253,972</u>	<u>52,528</u>	<u>79,723</u>	<u>29,044</u>	<u>13,515</u>	<u>48,505</u>	<u>1,851,692</u>
Total Liabilities and Fund Balance	<u>\$ 472,296</u>	<u>\$ 957,334</u>	<u>\$ 291,302</u>	<u>\$ 156,944</u>	<u>\$ 114,070</u>	<u>\$ 34,211</u>	<u>\$ 13,515</u>	<u>\$ 120,934</u>	<u>\$ 1,978,446</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2003
(Page 3 of 6)

	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	\$ 264	\$ -	\$ 986	\$ 5,344	\$ 7,198	\$ 1,733	\$ 528	\$ 41,315	\$ 38
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	8,265	-	30,923	167,543	225,692	54,343	16,568	1,295,369	1,203
Property Taxes Receivable (net)	-	209	-	-	-	-	37,547	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	451,065	660,986	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	\$ 8,529	\$ 209	\$ 31,909	\$ 172,887	\$ 683,955	\$ 717,062	\$ 54,643	\$ 1,336,684	\$ 1,241
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ 474	\$ -	\$ 6,854	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	1,594	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	532,595	-
Deferred Tax Revenue	-	209	-	-	-	-	37,547	-	-
Other Deferred Revenue	-	-	-	-	451,065	660,986	-	-	-
Total Liabilities	-	209	2,068	-	457,919	660,986	37,547	532,595	-
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	29,841	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	8,529	-	-	172,887	226,036	56,076	17,096	804,089	1,241
Total Fund Balance	8,529	-	29,841	172,887	226,036	56,076	17,096	804,089	1,241
Total Liabilities and Fund Balance	\$ 8,529	\$ 209	\$ 31,909	\$ 172,887	\$ 683,955	\$ 717,062	\$ 54,643	\$ 1,336,684	\$ 1,241

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2003
(Page 4 of 6)

	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	\$ 3,124	\$ 2,980	\$ 5,657	\$ 2	\$ 20	\$ -	\$ 7	\$ -	\$ 707
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	97,953	93,427	177,362	68	627	-	199	-	22,210
Property Taxes Receivable (net)	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	151	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 101,077</u>	<u>\$ 96,407</u>	<u>\$ 183,019</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ -</u>	<u>\$ 22,917</u>
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ 2,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	151	-	1,190	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	-	-	-	-	-	-
Other Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,868</u>	<u>-</u>	<u>-</u>	<u>151</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	101,077	96,407	180,151	70	798	(151)	206	(1,190)	22,917
Total Fund Balance	<u>101,077</u>	<u>96,407</u>	<u>180,151</u>	<u>70</u>	<u>798</u>	<u>(151)</u>	<u>206</u>	<u>(1,190)</u>	<u>22,917</u>
Total Liabilities and Fund Balance	<u>\$ 101,077</u>	<u>\$ 96,407</u>	<u>\$ 183,019</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ -</u>	<u>\$ 22,917</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2003
(Page 5 of 6)

	Special Revenue						
	Miller Creek Trust	Ft Missoula Community Center	Friends of Historical Museum	Historical Museum Gift Shop	Court Education Trust	Subdivision Improvement Bonds	Judgement Levy
Assets:							
Cash & Cash Equivalents	\$ 12,852	\$ 128	\$ 1,788	\$ 32	\$ 225	\$ 162	\$ -
Cash with Fiscal Agents	-	-	-	-	-	-	-
Investments	402,944	4,012	56,075	1,006	7,043	5,073	-
Property Taxes Receivable (net)	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-
Advances to Other Funds	-	-	1,190	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 415,796</u>	<u>\$ 4,140</u>	<u>\$ 59,053</u>	<u>\$ 1,038</u>	<u>\$ 7,268</u>	<u>\$ 5,235</u>	<u>\$ -</u>
Liabilities:							
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ 1,192	\$ -	\$ -	\$ 20,000
Accrued Interest Payable	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	125,713
Due to Other Funds	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	-	-	-	-
Other Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,192</u>	<u>-</u>	<u>-</u>	<u>145,713</u>
Fund Balance:							
Reserved for Inventory	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-
Unreserved Fund Balance:							
Undesignated	415,796	4,140	59,053	(154)	7,268	5,235	(145,713)
Total Fund Balance	<u>415,796</u>	<u>4,140</u>	<u>59,053</u>	<u>(154)</u>	<u>7,268</u>	<u>5,235</u>	<u>(145,713)</u>
Total Liabilities and Fund Balance	<u>\$ 415,796</u>	<u>\$ 4,140</u>	<u>\$ 59,053</u>	<u>\$ 1,038</u>	<u>\$ 7,268</u>	<u>\$ 5,235</u>	<u>\$ -</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2003
(Page 6 of 6)

	<u>Debt Service</u>				<u>Capital Projects</u>				<u>Total</u>
	<u>Risk Management</u>	<u>Jail Bond</u>	<u>Health Center</u>	<u>RSID Revolving</u>	<u>Capital Improvement</u>	<u>Technology</u>	<u>Goodan Keil</u>	<u>RSID Projects</u>	
Assets:									
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 4,988	\$ 15,949	\$ 7,315	\$ -	\$ -	\$ 236,769
Cash with Fiscal Agents	103,599	1,009,390	30,824	-	-	-	-	-	1,292,131
Investments	-	-	-	156,394	500,071	229,354	-	-	7,423,675
Property Taxes Receivable (net)	9,999	123,692	-	297	-	38,993	-	-	1,208,978
Accounts Receivable	-	-	-	-	-	-	-	-	1,121,181
Loans & Notes Receivable	-	-	-	-	29,927	-	-	-	1,141,978
Advances to Other Funds	-	-	-	-	-	-	-	-	1,341
Advances to Component Units	-	-	430,761	-	-	-	-	-	1,118,678
Inventory	-	-	-	-	-	-	-	-	406,211
Total Assets	<u>\$ 113,598</u>	<u>\$ 1,133,082</u>	<u>\$ 461,585</u>	<u>\$ 161,679</u>	<u>\$ 545,947</u>	<u>\$ 275,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,950,942</u>
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ 39,271	\$ 33,835	\$ 239,687	\$ 343,712	\$ 1,196,136
Accrued Interest Payable	18,599	369,782	10,762	-	-	-	-	-	461,271
Accrued Payroll	-	-	-	-	-	-	-	-	286,098
Advances from Other Funds	53,956	212,345	35,765	-	-	-	-	556,256	1,154,804
Due to Other Funds	-	-	-	-	-	-	-	-	532,595
Deferred Tax Revenue	9,999	123,692	-	297	-	38,993	-	-	1,208,978
Other Deferred Revenue	-	-	-	-	29,927	-	-	-	1,141,978
Total Liabilities	<u>82,554</u>	<u>705,819</u>	<u>46,527</u>	<u>297</u>	<u>69,198</u>	<u>72,828</u>	<u>239,687</u>	<u>899,968</u>	<u>5,981,860</u>
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	406,211
Reserved for Advances & Loans	-	61,392	430,761	161,382	-	-	-	-	653,535
Reserved for Capital	-	-	-	-	-	-	-	-	29,841
Unreserved Fund Balance:									
Undesignated	31,044	365,871	(15,703)	-	476,749	202,834	(239,687)	(899,968)	6,879,495
Total Fund Balance	<u>31,044</u>	<u>427,263</u>	<u>415,058</u>	<u>161,382</u>	<u>476,749</u>	<u>202,834</u>	<u>(239,687)</u>	<u>(899,968)</u>	<u>7,969,082</u>
Total Liabilities and Fund Balance	<u>\$ 113,598</u>	<u>\$ 1,133,082</u>	<u>\$ 461,585</u>	<u>\$ 161,679</u>	<u>\$ 545,947</u>	<u>\$ 275,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,950,942</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 6)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Open Space	Parks	Library
Revenues:									
Property Taxes	\$ 1,166,217	\$ 589,790	\$ 619,444	\$ 303,091	\$ 46,591	\$ 1,144,573	\$ 6	\$ 150,763	\$ 1,334,269
Licenses & Permit:	7,330	-	-	-	-	-	-	-	-
Intergovernmental Revenue	2,359,831	187,904	134,926	202,118	9,345	799,750	-	11,166	304,430
Charges for Service:	2,000	-	67,515	9,250	1,004,613	32,196	-	37,343	11,956
Fines & Forfeits:	-	-	-	-	-	243	-	-	31,469
Investment Earnings:	786	-	-	947	108	-	-	-	1,619
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	5,318	-	-	55	6,633	8,612	-	3,915	111,248
Total Revenues	3,541,482	777,694	821,885	515,461	1,067,290	1,985,374	6	203,187	1,794,991
Expenditures:									
Current Operations:									
Criminal Justice	-	-	-	-	-	1,901,846	-	-	-
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	2,880,305	-	677,302	399,729	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	636,886	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	1,064,230	-	(249)	112,274	1,400,023
Housing & Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay	769,914	-	91,554	48,842	49,999	1,500	-	7,767	574,791
Debt Service:									
Principal	-	-	-	-	8,000	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	11,530	-	-	-	-
Total Expenditures	3,650,219	636,886	768,856	448,571	1,133,759	1,903,346	(249)	120,041	1,974,814
Excess of Revenues over (under) Expenditures	(108,737)	140,808	53,029	66,890	(66,469)	82,028	255	83,146	(179,823)
Other Financing Sources (uses)									
Operating Transfers In:	130,576	62,990	-	26,600	-	66,830	-	-	23,000
Operating Transfers Out	(121,359)	(233,241)	-	(18,266)	(16,276)	(27,310)	-	(715)	-
Note Proceeds:	-	-	-	-	-	-	-	-	-
Bond Proceeds:	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	11,138	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	(88,382)	(29,443)	53,029	75,224	(82,745)	121,548	255	82,431	(156,823)
Fund Balance - Beginning of Year	794,402	82,524	41,408	301,718	131,461	83,026	46,239	201,929	335,051
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	81,994	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 788,014	\$ 53,081	\$ 94,437	\$ 376,942	\$ 48,716	\$ 204,574	\$ 46,494	\$ 284,360	\$ 178,228

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2003
(Page 2 of 6)

	Special Revenue								MCA Industrial District
	Planning	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Y.E.S.	Museum	
Revenues:									
Property Taxes	\$ 834,034	\$ 1,339,617	\$ -	\$ 209,817	\$ 219,315	\$ -	\$ -	\$ 372,380	\$ 516,469
Licenses & Permit:	98,570	75,580	-	78,618	-	-	-	-	-
Intergovernmental Revenue	1,828,086	1,466,263	67,223	460,535	48,473	161,997	-	77,615	621
Charges for Service:	64,898	630,363	341,030	41,536	14,283	-	-	-	-
Fines & Forfeits:	61,443	-	-	-	-	23,289	-	-	-
Investment Earnings:	-	2,360	-	-	-	394	125	-	18,502
Private & Local Grants	19,750	41,016	23,999	-	1,000	-	-	-	-
Miscellaneous Revenue:	3,180	33,756	5,417	1,318	875	-	-	-	48,755
Total Revenues	2,909,961	3,588,955	437,669	791,824	283,946	185,680	125	449,995	584,347
Expenditures:									
Current Operations:									
Criminal Justice	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	232,527	-	-	-
Public Works	-	-	-	-	292,473	-	-	-	86,347
Public Health	-	3,341,509	273,295	353,546	-	-	-	-	-
Social & Economic Service	1,225,329	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	488,387	-
Housing & Community Developmen	1,787,783	-	-	-	-	-	-	-	-
Capital Outlay	139,029	2,136	90,427	602,805	15,711	-	-	28,386	1,240,976
Debt Service:									
Principal	-	-	-	-	-	-	-	-	85,000
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	116,810
Total Expenditures	3,152,141	3,343,645	363,722	956,351	308,184	232,527	-	516,773	1,529,133
Excess of Revenues ove (under) Expenditures:	(242,180)	245,310	73,947	(164,527)	(24,238)	(46,847)	125	(66,778)	(944,786)
Other Financing Sources (uses)									
Operating Transfers In:	509,655	10,000	15,000	128,711	30,866	31,000	-	90,652	-
Operating Transfers Out	-	-	-	-	(26,600)	-	-	-	(343,456)
Note Proceeds:	-	-	-	-	-	-	-	-	-
Bond Proceeds:	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-	2,116,281
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	267,475	255,310	88,947	(35,816)	(19,972)	(15,847)	125	23,874	828,039
Fund Balance - Beginning of Year:	17,810	521,658	165,025	88,344	99,695	44,891	13,390	24,631	1,023,653
Prior Period Adjustments	(133,376)	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 151,909	\$ 776,968	\$ 253,972	\$ 52,528	\$ 79,723	\$ 29,044	\$ 13,515	\$ 48,505	\$ 1,851,692

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2003
(Page 3 of 6)

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,187	\$ -	\$ -
Licenses & Permit:	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	93,121	141,599	-	91,137	53,605	-	-
Charges for Service:	-	-	1,074	-	-	-	-	393,988	-
Fines & Forfeits:	-	-	-	-	-	-	-	-	-
Investment Earnings:	124	-	153	-	27,563	11,369	-	10,032	-
Private & Local Grants	31,250	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	221	-	-	-	-	-	-
Total Revenues	31,374	-	94,569	141,599	27,563	102,506	331,792	404,020	-
Expenditures:									
Current Operations:									
Criminal Justice	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	39,432	-	-	-	-	-
Public Works	-	-	-	-	6,854	-	-	-	-
Public Health	-	-	82,989	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	414,113	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-
Housing & Community Developmen	-	-	-	-	-	583,088	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	82,989	39,432	6,854	583,088	414,113	-	-
Excess of Revenues ove (under) Expenditures:	31,374	-	11,580	102,167	20,709	(480,582)	(82,321)	404,020	-
Other Financing Sources (uses)									
Operating Transfers In:	-	-	-	-	130,750	-	76,756	-	-
Operating Transfers Out	(25,000)	-	-	-	(56,076)	-	-	(532,595)	-
Note Proceeds:	-	-	-	-	8,634	222,091	-	-	-
Bond Proceeds:	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	6,374	-	11,580	102,167	104,017	(258,491)	(5,565)	(128,575)	-
Fund Balance - Beginning of Year	2,155	-	18,261	70,720	122,019	314,567	22,661	932,664	1,241
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 8,529	\$ -	\$ 29,841	\$ 172,887	\$ 226,036	\$ 56,076	\$ 17,096	\$ 804,089	\$ 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, 2003
(Page 4 of 6)

	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:	-	-	445,422	-	-	-	-	-	18,650
Fines & Forfeits:	-	-	-	-	-	-	-	-	-
Investment Earnings:	943	2,536	494	-	-	-	-	-	200
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	-	-	-	-	-	-	-
Total Revenues	<u>943</u>	<u>2,536</u>	<u>445,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,850</u>
Expenditures:									
Current Operations:									
Criminal Justice	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	298,682	-	-	10,281	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	19,175
Housing & Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>298,682</u>	<u>-</u>	<u>-</u>	<u>10,281</u>	<u>-</u>	<u>-</u>	<u>19,175</u>
Excess of Revenues over (under) Expenditures	943	2,536	147,234	-	-	(10,281)	-	-	(325)
Other Financing Sources (uses)									
Operating Transfers In:	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	(301,242)	(75,000)	-	-	-	-	-	-
Note Proceeds:	-	-	-	-	-	-	-	-	-
Bond Proceeds:	-	-	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	943	(298,706)	72,234	-	-	(10,281)	-	-	(325)
Fund Balance - Beginning of Year	100,134	395,113	107,917	70	798	10,130	206	(1,190)	23,242
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 101,077</u>	<u>\$ 96,407</u>	<u>\$ 180,151</u>	<u>\$ 70</u>	<u>\$ 798</u>	<u>\$ (151)</u>	<u>\$ 206</u>	<u>\$ (1,190)</u>	<u>\$ 22,917</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2003
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	Special Revenue						
	Miller Creek Trust	Ft. Missoula Community Center	Friends of Historical Museum	Historical Gift Shop	Court Education Trust	Subdivision Improvement Bonds	Judgement Levy
Revenues:							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permit:	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	7,500	-	-	-	-
Charges for Service:	-	-	8,458	26,850	-	1,000	-
Fines & Forfeit:	-	-	-	-	-	-	-
Investment Earnings:	3,884	-	618	-	71	-	-
Private & Local Grants	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	37,345	-	-	4,235	-
Total Revenues	<u>3,884</u>	<u>-</u>	<u>53,921</u>	<u>26,850</u>	<u>71</u>	<u>5,235</u>	<u>-</u>
Expenditures:							
Current Operations:							
Criminal Justice	-	-	-	-	369	-	-
General Government	-	-	-	-	-	-	145,713
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-
Culture & Recreation	-	-	23,497	29,382	-	-	-
Housing & Community Developmen	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>23,497</u>	<u>29,382</u>	<u>369</u>	<u>-</u>	<u>145,713</u>
Excess of Revenues ove (under) Expenditures	3,884	-	30,424	(2,532)	(298)	5,235	(145,713)
Other Financing Sources (uses)							
Operating Transfers In:	-	-	-	-	-	-	-
Operating Transfers Out	-	-	(27,125)	-	-	-	-
Note Proceeds:	-	-	-	-	-	-	-
Bond Proceeds:	-	-	-	-	-	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	3,884	-	3,299	(2,532)	(298)	5,235	(145,713)
Fund Balance - Beginning of Year	411,912	4,140	55,754	2,378	7,566	-	-
Prior Period Adjustment	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 415,796</u>	<u>\$ 4,140</u>	<u>\$ 59,053</u>	<u>\$ (154)</u>	<u>\$ 7,268</u>	<u>\$ 5,235</u>	<u>\$ (145,713)</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2003
(Page 6 of 6)

	Debt Service				Capital Projects				Total
	Risk Management	Jail Bond	Health Center	RSID Revolving	Capital Improvement	Technology	Goodan Keil	RSID Projects	
Revenues:									
Property Taxes	\$ 87,976	\$ 933,970	\$ -	\$ 6	\$ -	\$ 317,162	\$ -	\$ -	\$ 10,463,677
Licenses & Permits	-	-	-	-	-	-	-	-	260,098
Intergovernmental Revenue	10,901	233,226	21,652	-	154,180	36,460	-	862,755	9,826,419
Charges for Services	-	-	-	-	-	112,071	-	-	3,264,496
Fines & Forfeits	-	-	-	-	-	-	-	-	116,444
Investment Earnings	-	10,567	-	-	3,613	-	-	-	97,008
Private & Local Grants	-	-	-	-	-	-	-	-	117,015
Miscellaneous Revenues	-	-	-	-	-	-	-	-	270,883
Total Revenues	<u>98,877</u>	<u>1,177,763</u>	<u>21,652</u>	<u>6</u>	<u>157,793</u>	<u>465,693</u>	<u>-</u>	<u>862,755</u>	<u>24,416,040</u>
Expenditures:									
Current Operations:									
Criminal Justice	-	-	-	-	-	-	-	-	1,902,215
General Government	-	-	-	-	26,311	160,812	-	-	332,836
Public Safety	-	-	-	-	-	-	-	-	580,922
Public Works	-	-	-	-	-	-	2,502,310	-	6,845,320
Public Health	-	-	-	-	-	-	-	-	4,051,339
Social & Economic Services	-	-	-	-	-	-	-	-	2,276,328
Culture & Recreation	-	-	-	-	-	-	-	-	3,136,719
Housing & Community Development	-	-	-	-	-	-	-	-	2,370,871
Capital Outlay	-	-	-	-	317,945	374,722	239,687	-	4,596,191
Debt Service:									
Principal	85,000	610,000	15,000	-	442,374	-	-	-	1,245,374
Interest and Fiscal Charges	37,503	739,347	21,682	963	48,419	-	-	-	976,254
Total Expenditures	<u>122,503</u>	<u>1,349,347</u>	<u>36,682</u>	<u>963</u>	<u>835,049</u>	<u>535,534</u>	<u>239,687</u>	<u>2,502,310</u>	<u>28,314,369</u>
Excess of Revenues over (under) Expenditures	(23,626)	(171,584)	(15,030)	(957)	(677,256)	(69,841)	(239,687)	(1,639,555)	(3,898,329)
Other Financing Sources (uses):									
Operating Transfers In	-	-	-	107,109	1,159,000	265,985	-	301,242	3,166,722
Operating Transfers Out	-	-	-	(86,996)	(131,611)	(150,734)	-	(63,964)	(2,237,566)
Note Proceeds	-	-	-	-	555,714	-	-	-	786,439
Bond Proceeds	-	-	-	-	-	-	-	874,936	874,936
Sale of Fixed Assets	-	-	-	-	5,890	-	-	-	2,133,309
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(23,626)	(171,584)	(15,030)	19,156	911,737	45,410	(239,687)	(527,341)	825,511
Fund Balance - Beginning of Year	54,670	598,847	430,088	142,226	(434,988)	157,424	-	(372,627)	7,194,953
Change in Inventory Reserves	-	-	-	-	-	-	-	-	81,994
Prior Period Adjustments	-	-	-	-	-	-	-	-	(133,376)
Fund Balance - End of Year	<u>\$ 31,044</u>	<u>\$ 427,263</u>	<u>\$ 415,058</u>	<u>\$ 161,382</u>	<u>\$ 476,749</u>	<u>\$ 202,834</u>	<u>\$ (239,687)</u>	<u>\$ (899,968)</u>	<u>\$ 7,969,082</u>

GENERAL FUND – Budget and Actual

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
(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	-	-	-	-	-	-	1,124	1,124
Fines & Forfeits	-	-	-	-	587,328	587,328	654,354	67,026
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	246	246
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>587,328</u>	<u>587,328</u>	<u>655,724</u>	<u>68,396</u>
Expenditures:								
Current Operations:								
Personnel	415,377	415,377	411,123	4,254	428,861	428,861	422,756	6,105
Operations	27,550	28,108	19,437	8,671	49,063	56,951	38,150	18,801
Capital Outlay	4,418	4,418	3,834	584	-	-	-	-
Total Expenditures	<u>447,345</u>	<u>447,903</u>	<u>434,394</u>	<u>13,509</u>	<u>477,924</u>	<u>485,812</u>	<u>460,906</u>	<u>24,906</u>
Excess of Revenues over (under) Expenditures	(447,345)	(447,903)	(434,394)	13,509	109,404	101,516	194,818	93,302
Other Financing Sources (Uses):								
Operating Transfers In	12,000	12,000	12,000	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	(4,400)	(4,400)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (435,345)</u>	<u>\$ (435,903)</u>	<u>\$ (422,394)</u>	<u>\$ 13,509</u>	<u>\$ 109,404</u>	<u>\$ 97,116</u>	<u>\$ 190,418</u>	<u>\$ 93,302</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
(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	122,296	124,870	148,768	23,898	-	-	-	-
Charges for Services	108,600	108,600	113,325	4,725	-	-	-	-
Fines & Forfeits	30,500	30,500	38,566	8,066	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>261,396</u>	<u>263,970</u>	<u>300,659</u>	<u>36,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,265,140	1,292,847	1,249,587	43,260	286,775	286,775	287,690	(915)
Operations	91,371	97,747	114,188	(16,441)	80,264	86,322	84,312	2,010
Capital Outlay	4,600	4,600	3,278	1,322	1,500	1,500	485	1,015
Total Expenditures	<u>1,361,111</u>	<u>1,395,194</u>	<u>1,367,053</u>	<u>28,141</u>	<u>368,539</u>	<u>374,597</u>	<u>372,487</u>	<u>2,110</u>
Excess of Revenues over (under) Expenditures	(1,099,715)	(1,131,224)	(1,066,394)	64,830	(368,539)	(374,597)	(372,487)	2,110
Other Financing Sources (Uses):								
Operating Transfers In	42,000	42,000	42,000	-	8,500	8,500	8,500	-
Operating Transfers Out	(29,170)	(23,667)	(18,128)	5,539	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,086,885)</u>	<u>\$ (1,112,891)</u>	<u>\$ (1,042,522)</u>	<u>\$ 70,369</u>	<u>\$ (360,039)</u>	<u>\$ (366,097)</u>	<u>\$ (363,987)</u>	<u>\$ 2,110</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
(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	75,539	49,439	-	-	-	-
Intergovernmental Revenue	3,000	3,000	1,169	(1,831)	-	-	560	560
Charges for Services	840,000	880,000	1,303,790	423,790	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	1,000	1,000	102	(898)	-	-	-	-
Total Revenues	<u>870,100</u>	<u>910,100</u>	<u>1,380,600</u>	<u>470,500</u>	<u>-</u>	<u>-</u>	<u>560</u>	<u>560</u>
Expenditures:								
Current Operations:								
Personnel	1,465,220	1,454,220	1,387,373	66,847	160,363	160,393	155,430	4,963
Operations	202,986	259,148	211,260	47,888	42,950	43,929	43,420	509
Capital Outlay	4,000	7,500	3,916	3,584	-	-	-	-
Total Expenditures	<u>1,672,206</u>	<u>1,720,868</u>	<u>1,602,549</u>	<u>118,319</u>	<u>203,313</u>	<u>204,322</u>	<u>198,850</u>	<u>5,472</u>
Excess of Revenues over (under) Expenditures	(802,106)	(810,768)	(221,949)	588,819	(203,313)	(204,322)	(198,290)	6,032
Other Financing Sources (Uses):								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	(400)	(400)	-	-	(800)	(800)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (802,106)</u>	<u>\$ (811,168)</u>	<u>\$ (222,349)</u>	<u>\$ 588,819</u>	<u>\$ (203,313)</u>	<u>\$ (205,122)</u>	<u>\$ (199,090)</u>	<u>\$ 6,032</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
(Page 4 of 8)

	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	-	-	-	-	38,568	129,977	100,588	(29,389)
Charges for Services	1,200	1,200	1,547	347	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	18	18	9,000	9,000	24,092	15,092
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>1,565</u>	<u>365</u>	<u>47,568</u>	<u>138,977</u>	<u>124,680</u>	<u>(14,297)</u>
Expenditures:								
Current Operations:								
Personnel	218,897	218,897	241,639	(22,742)	75,782	95,782	57,091	38,691
Operations	486,966	486,980	453,852	33,128	29,391	101,166	111,947	(10,781)
Capital Outlay	49,280	61,248	54,518	6,730	-	-	-	-
Total Expenditures	<u>755,143</u>	<u>767,125</u>	<u>750,009</u>	<u>17,116</u>	<u>105,173</u>	<u>196,948</u>	<u>169,038</u>	<u>27,910</u>
Excess of Revenues over (under) Expenditures	(753,943)	(765,925)	(748,444)	17,481	(57,605)	(57,971)	(44,358)	13,613
Other Financing Sources (Uses):								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (753,943)</u>	<u>\$ (765,925)</u>	<u>\$ (748,444)</u>	<u>\$ 17,481</u>	<u>\$ (57,605)</u>	<u>\$ (57,971)</u>	<u>\$ (44,358)</u>	<u>\$ 13,613</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
(Page 5 of 8)

	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	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	334,824	334,824	381,128	46,304
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,824</u>	<u>334,824</u>	<u>381,128</u>	<u>46,304</u>
Expenditures:								
Current Operations:								
Personnel	1,028,570	1,028,570	1,086,533	(57,963)	661,954	670,278	656,177	14,101
Operations	218,910	219,350	217,000	2,350	272,252	272,255	242,371	29,884
Capital Outlay	525,000	550,125	291,750	258,375	2,901	2,901	1,253	1,648
Total Expenditures	<u>1,772,480</u>	<u>1,798,045</u>	<u>1,595,283</u>	<u>202,762</u>	<u>937,107</u>	<u>945,434</u>	<u>899,801</u>	<u>45,633</u>
Excess of Revenues over (under) Expenditures	(1,772,480)	(1,798,045)	(1,595,283)	202,762	(602,283)	(610,610)	(518,673)	91,937
Other Financing Sources (Uses):								
Operating Transfers In	695,769	695,769	532,595	(163,174)	-	-	-	-
Operating Transfers Out	-	(1,200)	(1,200)	-	-	(6,800)	(6,800)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,076,711)</u>	<u>\$ (1,103,476)</u>	<u>\$ (1,063,888)</u>	<u>\$ 39,588</u>	<u>\$ (602,283)</u>	<u>\$ (617,410)</u>	<u>\$ (525,473)</u>	<u>\$ 91,937</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
(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	-	-	-	-	339,000	413,067	427,066	13,999
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,000</u>	<u>413,067</u>	<u>427,066</u>	<u>13,999</u>
Expenditures:								
Current Operations:								
Personnel	266,500	266,500	262,589	3,911	152,845	152,845	147,888	4,957
Operations	115,714	117,399	98,501	18,898	439,474	439,628	383,052	56,576
Capital Outlay	-	-	-	-	7,775	7,775	995	6,780
Total Expenditures	<u>382,214</u>	<u>383,899</u>	<u>361,090</u>	<u>22,809</u>	<u>600,094</u>	<u>600,248</u>	<u>531,935</u>	<u>68,313</u>
Excess of Revenues over (under) Expenditures	(382,214)	(383,899)	(361,090)	22,809	(261,094)	(187,181)	(104,869)	82,312
Other Financing Sources (Uses):								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (382,214)</u>	<u>\$ (383,899)</u>	<u>\$ (361,090)</u>	<u>\$ 22,809</u>	<u>\$ (261,094)</u>	<u>\$ (187,181)</u>	<u>\$ (104,869)</u>	<u>\$ 82,312</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
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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	-	-	-	-	44,289	44,289	30,676	(13,613)
Charges for Services	83,000	83,000	6,258	(76,742)	61,000	61,000	50,822	(10,178)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	6,500	6,500
Total Revenues	<u>83,000</u>	<u>83,000</u>	<u>6,258</u>	<u>(76,742)</u>	<u>105,289</u>	<u>105,289</u>	<u>87,998</u>	<u>(17,291)</u>
Expenditures:								
Current Operations:								
Personnel	168,865	168,865	164,516	4,349	480,651	480,651	504,017	(23,366)
Operations	17,846	18,728	16,487	2,241	116,078	111,694	120,605	(8,911)
Capital Outlay	-	-	-	-	38,200	38,200	43,402	(5,202)
Total Expenditures	<u>186,711</u>	<u>187,593</u>	<u>181,003</u>	<u>6,590</u>	<u>634,929</u>	<u>630,545</u>	<u>668,024</u>	<u>(37,479)</u>
Excess of Revenues over (under) Expenditures	(103,711)	(104,593)	(174,745)	(70,152)	(529,640)	(525,256)	(580,026)	(54,770)
Other Financing Sources (Uses):								
Operating Transfers In	-	-	-	-	25,000	25,000	14,266	(10,734)
Operating Transfers Out	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (103,711)</u>	<u>\$ (104,593)</u>	<u>\$ (174,745)</u>	<u>\$ (70,152)</u>	<u>\$ (504,640)</u>	<u>\$ (500,256)</u>	<u>\$ (565,760)</u>	<u>\$ (65,504)</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2003
(Page 8 of 8)

	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	\$ 6,860,399	\$ 6,860,399	\$ 7,013,695	\$ 153,296	\$ 6,860,399	\$ 6,860,399	\$ 7,013,695	\$ 153,296
License & Permits	-	-	-	-	26,100	26,100	75,539	49,439
Intergovernmental Revenue	752,365	697,575	1,094,613	397,038	960,518	999,711	1,376,374	376,663
Charges for Services	6,512	6,512	-	(6,512)	1,774,136	1,888,203	2,285,060	396,857
Fines & Forfeits	-	-	-	-	617,828	617,828	692,920	75,092
Investment Earnings	50,000	50,000	47,556	(2,444)	50,000	50,000	47,556	(2,444)
Miscellaneous Revenues	3,000	3,000	5,237	2,237	13,000	13,000	36,195	23,195
Total Revenues	<u>7,672,276</u>	<u>7,617,486</u>	<u>8,161,101</u>	<u>543,615</u>	<u>10,301,981</u>	<u>10,455,241</u>	<u>11,527,339</u>	<u>1,072,098</u>
Expenditures:								
Current Operations:								
Personnel	12,620	12,620	3,127	9,493	7,088,420	7,133,481	7,037,536	95,945
Operations	499,391	505,919	277,068	228,851	2,690,206	2,845,324	2,431,650	413,674
Capital Outlay	-	-	5,985	(5,985)	637,674	678,267	409,416	268,851
Total Expenditures	<u>512,011</u>	<u>518,539</u>	<u>286,180</u>	<u>232,359</u>	<u>10,416,300</u>	<u>10,657,072</u>	<u>9,878,602</u>	<u>778,470</u>
Excess of Revenues over (under) Expenditures	7,160,265	7,098,947	7,874,921	775,974	(114,319)	(201,831)	1,648,737	1,850,568
Other Financing Sources (Uses):								
Operating Transfers In	20,000	99,741	104,298	4,557	803,269	883,010	713,659	(169,351)
Operating Transfers Out	<u>(1,647,171)</u>	<u>(1,636,795)</u>	<u>(1,342,283)</u>	<u>294,512</u>	<u>(1,676,341)</u>	<u>(1,674,062)</u>	<u>(1,374,011)</u>	<u>300,051</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 5,533,094</u>	<u>\$ 5,561,893</u>	<u>\$ 6,636,936</u>	<u>\$ 1,075,043</u>	<u>\$ (987,391)</u>	<u>\$ (992,883)</u>	988,385	<u>\$ 1,981,268</u>
Fund Balance:								
Beginning of Year							<u>3,191,198</u>	
End of Year							<u>\$ 4,179,583</u>	

MAJOR FUNDS – Budget and Actual

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

Jail Project Fund - To account for bond proceeds and other revenues to be used for the construction of a new adult and juvenile detention center.

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, 2003

	Public Safety				Jail 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	\$ 6,935,472	\$ 6,935,472	\$ 6,316,618	\$ (618,854)	\$ -	\$ -	\$ -	\$ -
License & Permits	6,000	6,000	9,104	3,104	-	-	-	-
Intergovernmental Revenue	923,684	1,560,058	1,405,557	(154,501)	-	-	-	-
Charges for Services	3,183,714	3,183,804	3,812,083	628,279	-	-	-	-
Fines & Forfeits	40,700	40,700	29,593	(11,107)	-	-	-	-
Investment Earnings	-	-	33	33	64,000	64,000	64,000	-
Miscellaneous Revenues	32,500	202,500	188,411	(14,089)	-	-	-	-
Total Revenues	<u>11,122,070</u>	<u>11,928,534</u>	<u>11,761,399</u>	<u>(167,135)</u>	<u>64,000</u>	<u>64,000</u>	<u>64,000</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	8,074,173	8,275,639	8,090,230	185,409	-	-	-	-
Operations	2,716,529	2,819,541	2,596,951	222,590	-	-	6,660	(6,660)
Capital Outlay	503,591	1,010,566	954,466	56,100	-	-	-	-
Total Expenditures	<u>11,294,293</u>	<u>12,105,746</u>	<u>11,641,647</u>	<u>464,099</u>	<u>-</u>	<u>-</u>	<u>6,660</u>	<u>(6,660)</u>
Excess of Revenues ove (under) Expenditures	(172,223)	(177,212)	119,752	296,964	64,000	64,000	57,340	(6,660)
Other Financing Sources (Uses)								
Operating Transfers In	394,967	407,767	187,800	(219,967)	-	-	-	-
Operating Transfers Out	(172,659)	(185,459)	(306,551)	(121,092)	-	-	-	-
Note Proceeds	-	-	-	-	-	-	43,500	43,500
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 50,085</u>	<u>\$ 45,096</u>	1,001	<u>\$ (44,095)</u>	<u>\$ 64,000</u>	<u>\$ 64,000</u>	100,840	<u>\$ 36,840</u>
Fund Balance:								
Beginning of Year			<u>1,495,723</u>				<u>427,109</u>	
End of Year			<u>\$ 1,496,724</u>				<u>\$ 527,949</u>	

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NON-MAJOR FUNDS – Budget and Actual

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2003
(Page 1 of 15)

	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	\$ 1,232,547	\$ 1,232,547	\$ 1,187,998	\$ (44,549)	\$ 613,405	\$ 613,405	\$ 602,123	\$ (11,282)
License & Permits	7,500	7,500	7,330	(170)	-	-	-	-
Intergovernmental Revenue	2,440,515	2,620,515	2,168,268	(452,247)	176,723	176,723	187,904	11,181
Charges for Services	50,000	50,000	2,000	(48,000)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	851	851	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	11,000	11,000	5,318	(5,682)	-	-	-	-
Total Revenues	<u>3,741,562</u>	<u>3,921,562</u>	<u>3,371,765</u>	<u>(549,797)</u>	<u>790,128</u>	<u>790,128</u>	<u>790,027</u>	<u>(101)</u>
Expenditures:								
Current Operations:								
Personnel	1,920,407	1,920,407	1,863,363	57,044	-	-	-	-
Operations	1,005,480	1,007,480	919,593	87,887	678,681	678,681	630,450	48,231
Capital Outlay	1,439,162	1,592,162	817,727	774,435	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,365,049</u>	<u>4,520,049</u>	<u>3,600,683</u>	<u>919,366</u>	<u>678,681</u>	<u>678,681</u>	<u>630,450</u>	<u>48,231</u>
Excess of Revenues over (under) Expenditures	(623,487)	(598,487)	(228,918)	369,569	111,447	111,447	159,577	48,130
Other Financing Sources (Uses)								
Operating Transfers In	84,000	139,416	130,576	(8,840)	62,990	62,990	62,990	-
Operating Transfers Out	(107,093)	(132,093)	(121,359)	10,734	(233,241)	(233,241)	(233,241)	-
Loan Proceeds	485,000	485,000	-	(485,000)	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	11,138	11,138	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (161,580)</u>	<u>\$ (106,164)</u>	<u>(208,563)</u>	<u>\$ (102,399)</u>	<u>\$ (58,804)</u>	<u>\$ (58,804)</u>	<u>(10,674)</u>	<u>\$ 48,130</u>
Fund Balance:								
Beginning of Year			874,628				79,926	
End of Year			<u>\$ 666,065</u>				<u>\$ 69,252</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, 2003
(Page 2 of 15)

	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	\$ 641,609	\$ 641,609	\$ 632,355	\$ (9,254)	\$ 303,091	\$ 316,624	\$ 303,091	\$ (13,533)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	125,961	125,961	134,926	8,965	202,118	372,454	202,118	(170,336)
Charges for Services	-	-	67,515	67,515	9,250	7,300	9,250	1,950
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	947	-	992	992
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	3,000	3,000	-	(3,000)	55	-	55	55
Total Revenues	<u>770,570</u>	<u>770,570</u>	<u>834,796</u>	<u>64,226</u>	<u>515,461</u>	<u>696,378</u>	<u>515,506</u>	<u>(180,872)</u>
Expenditures:								
Current Operations:								
Personnel	640,136	640,136	633,326	6,810	192,127	219,192	197,371	21,821
Operations	48,065	48,065	37,749	10,316	225,105	534,170	197,417	336,753
Capital Outlay	176,000	176,000	84,595	91,405	8,000	64,000	48,842	15,158
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>864,201</u>	<u>864,201</u>	<u>755,670</u>	<u>108,531</u>	<u>425,232</u>	<u>817,362</u>	<u>443,630</u>	<u>373,732</u>
Excess of Revenues ove (under) Expenditures	(93,631)	(93,631)	79,126	172,757	90,229	(120,984)	71,876	192,860
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	26,600	26,600
Operating Transfers Out	-	-	-	-	(13,500)	(19,786)	(18,266)	1,520
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	500	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (93,631)</u>	<u>\$ (93,631)</u>	79,126	<u>\$ 172,757</u>	<u>\$ 77,229</u>	<u>\$ (140,770)</u>	80,210	<u>\$ 220,980</u>
Fund Balance:								
Beginning of Year			118,687				308,893	
End of Year			<u>\$ 197,813</u>				<u>\$ 389,103</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, 2003
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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	\$ 47,688	\$ 47,688	\$ 46,591	\$ (1,097)	\$ 1,179,100	\$ 1,179,100	\$ 1,144,573	\$ (34,527)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	9,774	9,774	9,345	(429)	480,780	455,871	687,741	231,870
Charges for Services	871,450	871,450	1,004,613	133,163	34,052	34,052	32,196	(1,856)
Fines & Forfeits	-	-	-	-	-	-	243	243
Investment Earnings	-	-	115	115	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	1,666	1,666	6,633	4,967	4,130	4,130	8,612	4,482
Total Revenues	<u>930,578</u>	<u>930,578</u>	<u>1,067,297</u>	<u>136,719</u>	<u>1,698,062</u>	<u>1,673,153</u>	<u>1,873,365</u>	<u>200,212</u>
Expenditures:								
Current Operations:								
Personnel	448,986	448,986	398,013	50,973	1,330,046	1,302,339	1,313,432	(11,093)
Operations	509,083	509,083	628,254	(119,171)	545,711	545,711	544,116	1,595
Capital Outlay	-	-	-	-	2,350	2,350	1,500	850
Debt Service:								
Principal	8,000	8,000	8,000	-	-	-	-	-
Interest	7,720	7,720	7,720	-	-	-	-	-
Total Expenditures	<u>973,789</u>	<u>973,789</u>	<u>1,041,987</u>	<u>(68,198)</u>	<u>1,878,107</u>	<u>1,850,400</u>	<u>1,859,048</u>	<u>(8,648)</u>
Excess of Revenues ove (under) Expenditures	(43,211)	(43,211)	25,310	68,521	(180,045)	(177,247)	14,317	191,564
Other Financing Sources (Uses)								
Operating Transfers In	14,810	14,810	-	(14,810)	126,465	111,762	66,830	(44,932)
Operating Transfers Out	(17,877)	(17,877)	(16,276)	1,601	-	(9,200)	(27,310)	(18,110)
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (46,278)</u>	<u>\$ (46,278)</u>	9,034	<u>\$ 55,312</u>	<u>\$ (53,580)</u>	<u>\$ (74,685)</u>	53,837	<u>\$ 128,522</u>
Fund Balance:								
Beginning of Year			148,134				132,885	
End of Year			<u>\$ 157,168</u>				<u>\$ 186,722</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, 2003
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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	\$ -	\$ -	\$ 6	\$ 6	\$ 157,534	\$ 157,534	\$ 150,763	\$ (6,771)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	8,847	8,847	11,166	2,319
Charges for Services	-	-	-	-	8,700	8,700	37,343	28,643
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,250	1,250	3,915	2,665
Total Revenues	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>176,331</u>	<u>176,331</u>	<u>203,187</u>	<u>26,856</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	26,110	26,110	25,422	688
Operations	46,488	46,488	-	46,488	150,281	150,281	87,058	63,223
Capital Outlay	-	-	-	-	45,000	45,000	7,767	37,233
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>46,488</u>	<u>46,488</u>	<u>-</u>	<u>46,488</u>	<u>221,391</u>	<u>221,391</u>	<u>120,247</u>	<u>101,144</u>
Excess of Revenues ove (under) Expenditures	(46,488)	(46,488)	6	46,494	(45,060)	(45,060)	82,940	128,000
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	(715)	(715)	(715)	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (46,488)</u>	<u>\$ (46,488)</u>	<u>6</u>	<u>\$ 46,494</u>	<u>\$ (45,775)</u>	<u>\$ (45,775)</u>	<u>82,225</u>	<u>\$ 128,000</u>
Fund Balance:								
Beginning of Year			<u>46,481</u>				<u>184,002</u>	
End of Year			<u>\$ 46,487</u>				<u>\$ 266,227</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, 2003
(Page 5 of 15)

	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	\$ 1,397,079	\$ 1,397,079	\$ 1,334,269	\$ (62,810)	\$ 738,350	\$ 738,350	\$ 842,535	\$ 104,185
License & Permits	-	-	-	-	56,500	56,500	98,570	42,070
Intergovernmental Revenue	168,929	276,941	304,430	27,489	5,947,236	6,508,028	2,770,359	(3,737,669)
Charges for Services	8,780	13,121	11,956	(1,165)	34,550	64,550	64,898	348
Fines & Forfeits	27,000	27,000	31,469	4,469	54,000	54,000	61,443	7,443
Investment Earnings	400	400	1,931	1,531	-	-	-	-
Private & Local Grants	-	-	-	-	11,000	12,000	19,750	7,750
Miscellaneous Revenues	41,465	58,022	62,866	4,844	218	218	3,180	2,962
Total Revenues	<u>1,643,653</u>	<u>1,772,563</u>	<u>1,746,921</u>	<u>(25,642)</u>	<u>6,841,854</u>	<u>7,433,646</u>	<u>3,860,735</u>	<u>(3,572,911)</u>
Expenditures:								
Current Operations:								
Personnel	959,280	921,519	938,285	(16,766)	2,228,617	2,241,236	2,078,996	162,240
Operations	305,769	489,926	411,297	78,629	2,160,047	2,739,219	1,459,259	1,279,960
Capital Outlay	442,447	750,341	747,964	2,377	3,421,887	3,421,887	139,029	3,282,858
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,707,496</u>	<u>2,161,786</u>	<u>2,097,546</u>	<u>64,240</u>	<u>7,810,551</u>	<u>8,402,342</u>	<u>3,677,284</u>	<u>4,725,058</u>
Excess of Revenues over (under) Expenditures	<u>(63,843)</u>	<u>(389,223)</u>	<u>(350,625)</u>	<u>38,598</u>	<u>(968,697)</u>	<u>(968,696)</u>	<u>183,451</u>	<u>1,152,147</u>
Other Financing Sources (Uses)								
Operating Transfers In	-	23,000	23,000	-	531,961	531,961	509,655	(22,306)
Operating 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>\$ (63,843)</u>	<u>\$ (366,223)</u>	<u>(327,625)</u>	<u>\$ 38,598</u>	<u>\$ (436,736)</u>	<u>\$ (436,735)</u>	<u>693,106</u>	<u>\$ 1,129,841</u>
Fund Balance:								
Beginning of Year			562,390				(510,259)	
End of Year			<u>\$ 234,765</u>				<u>\$ 182,847</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	Health				Water Quality District			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 1,367,754	\$ 1,367,754	\$ 1,339,617	\$ (28,137)	\$ -	\$ -	\$ -	\$ -
License & Permits	60,500	60,500	75,580	15,080	-	-	-	-
Intergovernmental Revenue	1,214,014	1,419,931	1,411,453	(8,478)	86,200	86,200	67,223	(18,977)
Charges for Services	504,077	558,448	630,363	71,915	366,300	366,300	341,030	(25,270)
Fines & Forfeits	50	50	-	(50)	-	-	-	-
Investment Earnings	-	-	2,565	2,565	-	-	-	-
Private & Local Grants	-	41,016	41,016	-	24,000	24,000	23,999	(1)
Miscellaneous Revenues	62,106	47,106	33,756	(13,350)	14,100	14,100	5,417	(8,683)
Total Revenues	<u>3,208,501</u>	<u>3,494,805</u>	<u>3,534,350</u>	<u>39,545</u>	<u>490,600</u>	<u>490,600</u>	<u>437,669</u>	<u>(52,931)</u>
Expenditures:								
Current Operations:								
Personnel	2,696,660	2,900,902	2,746,685	154,217	230,813	231,683	178,258	53,425
Operations	572,261	654,323	571,226	83,097	165,184	165,209	91,834	73,375
Capital Outlay	8,600	8,600	2,136	6,464	163,000	163,000	90,427	72,573
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,277,521</u>	<u>3,563,825</u>	<u>3,320,047</u>	<u>243,778</u>	<u>558,997</u>	<u>559,892</u>	<u>360,519</u>	<u>199,373</u>
Excess of Revenues ove (under) Expenditures	<u>(69,020)</u>	<u>(69,020)</u>	<u>214,303</u>	<u>283,323</u>	<u>(68,397)</u>	<u>(69,292)</u>	<u>77,150</u>	<u>146,442</u>
Other Financing Sources (Uses)								
Operating Transfers In	10,000	10,000	10,000	-	15,000	15,000	15,000	-
Operating 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>\$ (59,020)</u>	<u>\$ (59,020)</u>	<u>224,303</u>	<u>\$ 283,323</u>	<u>\$ (53,397)</u>	<u>\$ (54,292)</u>	<u>92,150</u>	<u>\$ 146,442</u>
Fund Balance:								
Beginning of Year			731,835				172,192	
End of Year			<u>\$ 956,138</u>				<u>\$ 264,342</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	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	\$ 215,458	\$ 215,458	\$ 209,817	\$ (5,641)	\$ 228,980	\$ 228,980	\$ 219,315	\$ (9,665)
License & Permits	50,250	70,250	78,618	8,368	-	-	-	-
Intergovernmental Revenue	461,012	461,012	460,535	(477)	46,183	46,683	48,473	1,790
Charges for Services	51,290	51,290	41,536	(9,754)	13,500	13,500	14,283	783
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	1,000	1,000
Miscellaneous Revenues	750	750	1,318	568	7,450	7,450	875	(6,575)
Total Revenues	<u>778,760</u>	<u>798,760</u>	<u>791,824</u>	<u>(6,936)</u>	<u>296,113</u>	<u>296,613</u>	<u>283,946</u>	<u>(12,667)</u>
Expenditures:								
Current Operations:								
Personnel	304,886	314,550	307,677	6,873	170,856	175,856	155,939	19,917
Operations	53,500	67,809	44,459	23,350	194,899	189,729	135,713	54,016
Capital Outlay	548,625	620,856	516,766	104,090	7,100	15,479	15,711	(232)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>907,011</u>	<u>1,003,215</u>	<u>868,902</u>	<u>134,313</u>	<u>372,855</u>	<u>381,064</u>	<u>307,363</u>	<u>73,701</u>
Excess of Revenues ove (under) Expenditures	(128,251)	(204,455)	(77,078)	127,377	(76,742)	(84,451)	(23,417)	61,034
Other Financing Sources (Uses)								
Operating Transfers In	129,431	133,041	128,711	(4,330)	28,600	28,600	30,866	2,266
Operating Transfers Out	-	-	-	-	(20,000)	(26,600)	(26,600)	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 1,180</u>	<u>\$ (71,414)</u>	51,633	<u>\$ 123,047</u>	<u>\$ (68,142)</u>	<u>\$ (82,451)</u>	(19,151)	<u>\$ 63,300</u>
Fund Balance:								
Beginning of Year			100,778				124,974	
End of Year			<u>\$ 152,411</u>				<u>\$ 105,823</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, 2003
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	Special Revenue Funds							
	Drug Forfeiture				Museum			
	<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	\$ -	\$ -	\$ -	\$ -	\$ 398,577	\$ 398,577	\$ 372,380	\$ (26,197)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	101,164	101,164	161,997	60,833	49,177	73,263	77,615	4,352
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	23,289	23,289	-	-	-	-
Investment Earnings	-	-	434	434	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>101,164</u>	<u>101,164</u>	<u>185,720</u>	<u>84,556</u>	<u>447,754</u>	<u>471,840</u>	<u>449,995</u>	<u>(21,845)</u>
Expenditures:								
Current Operations:								
Personnel	155,689	155,689	165,827	(10,138)	205,533	207,915	184,616	23,299
Operations	-	-	64,707	(64,707)	309,643	331,347	283,639	47,708
Capital Outlay	-	-	-	-	17,000	29,000	28,386	614
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>155,689</u>	<u>155,689</u>	<u>230,534</u>	<u>(74,845)</u>	<u>532,176</u>	<u>568,262</u>	<u>496,641</u>	<u>71,621</u>
Excess of Revenues ove (under) Expenditures	(54,525)	(54,525)	(44,814)	9,711	(84,422)	(96,422)	(46,646)	49,776
Other Financing Sources (Uses)								
Operating Transfers In	55,000	55,000	31,000	(24,000)	92,298	105,825	90,652	(15,173)
Operating 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>\$ 475</u>	<u>\$ 475</u>	(13,814)	<u>\$ (14,289)</u>	<u>\$ 7,876</u>	<u>\$ 9,403</u>	44,006	<u>\$ 34,603</u>
Fund Balance:								
Beginning of Year			<u>52,470</u>				<u>37,079</u>	
End of Year			<u>\$ 38,656</u>				<u>\$ 81,085</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	MCA Industrial District				Clean-Up Missoula			
	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	\$ 250,000	\$ 250,000	\$ 516,469	\$ 266,469	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	634	634	621	(13)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	15,000	15,000	19,037	4,037	-	-	123	123
Private & Local Grants	-	-	-	-	25,000	25,000	31,250	6,250
Miscellaneous Revenues	-	-	48,755	48,755	-	-	-	-
Total Revenues	<u>265,634</u>	<u>265,634</u>	<u>584,882</u>	<u>319,248</u>	<u>25,000</u>	<u>25,000</u>	<u>31,373</u>	<u>6,373</u>
Expenditures:								
Current Operations:								
Personnel	64,295	64,295	66,030	(1,735)	-	-	-	-
Operations	107,977	107,977	18,679	89,298	-	-	-	-
Capital Outlay	958,500	1,561,820	1,294,442	267,378	-	-	-	-
Debt Service:								
Principal	81,750	81,750	85,000	(3,250)	-	-	-	-
Interest	122,520	122,520	118,765	3,755	-	-	-	-
Total Expenditures	<u>1,335,042</u>	<u>1,938,362</u>	<u>1,582,916</u>	<u>355,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(1,069,408)	(1,672,728)	(998,034)	674,694	25,000	25,000	31,373	6,373
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	(253,000)	(342,741)	(343,456)	(715)	(25,000)	(25,000)	(25,000)	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	1,000,000	1,000,000	2,116,281	1,116,281	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (322,408)</u>	<u>\$ (1,015,469)</u>	774,791	<u>\$ 1,790,260</u>	<u>\$ -</u>	<u>\$ -</u>	6,373	<u>\$ 6,373</u>
Fund Balance:								
Beginning of Year			1,140,045				2,153	
End of Year			<u>\$ 1,914,836</u>				<u>\$ 8,526</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
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	Special Revenue Funds							
	Junk Vehicle				RSID Administration			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	93,121	93,121	93,121	-	-	-	-	-
Charges for Services	50	50	1,074	1,024	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	164	164	-	-	27,563	27,563
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	50	50	221	171	-	-	-	-
Total Revenues	<u>93,221</u>	<u>93,221</u>	<u>94,580</u>	<u>1,359</u>	<u>-</u>	<u>-</u>	<u>27,563</u>	<u>27,563</u>
Expenditures:								
Current Operations:								
Personnel	59,273	59,273	59,150	123	-	-	-	-
Operations	16,532	16,532	25,713	(9,181)	-	-	-	-
Capital Outlay	7,225	7,225	-	7,225	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>83,030</u>	<u>83,030</u>	<u>84,863</u>	<u>(1,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues ove (under) Expenditures	10,191	10,191	9,717	(474)	-	-	27,563	27,563
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	68,050	130,750	62,700
Operating Transfers Out	(5,919)	(5,919)	-	5,919	-	(56,076)	(56,076)	-
Loan Proceeds	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	8,634	8,634
Sale of Fixed Assets	-	-	-	-	-	91,532	-	(91,532)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 4,272</u>	<u>\$ 4,272</u>	9,717	<u>\$ 5,445</u>	<u>\$ -</u>	<u>\$ 103,506</u>	110,871	<u>\$ 7,365</u>
Fund Balance:								
Beginning of Year			<u>23,710</u>				<u>122,019</u>	
End of Year			<u>\$ 33,427</u>				<u>\$ 232,890</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	Special Revenue Funds							
	Community Based Organizations				Forest Reserve Title III			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 290,089	\$ 290,089	\$ 279,049	\$ (11,040)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	55,896	55,896	53,605	(2,291)	-	-	141,599	141,599
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>345,985</u>	<u>345,985</u>	<u>332,654</u>	<u>(13,331)</u>	<u>-</u>	<u>-</u>	<u>141,599</u>	<u>141,599</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	408,656	413,113	414,113	(1,000)	-	20,000	39,432	(19,432)
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>408,656</u>	<u>413,113</u>	<u>414,113</u>	<u>(1,000)</u>	<u>-</u>	<u>20,000</u>	<u>39,432</u>	<u>(19,432)</u>
Excess of Revenues ove (under) Expenditures	(62,671)	(67,128)	(81,459)	(14,331)	-	(20,000)	102,167	122,167
Other Financing Sources (Uses)								
Operating Transfers In	76,756	77,000	76,756	(244)	-	-	-	-
Operating 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>\$ 14,085</u>	<u>\$ 9,872</u>	(4,703)	<u>\$ (14,575)</u>	<u>\$ -</u>	<u>\$ (20,000)</u>	102,167	<u>\$ 122,167</u>
Fund Balance:								
Beginning of Year			<u>184,106</u>				<u>70,720</u>	
End of Year			<u>\$ 179,403</u>				<u>\$ 172,887</u>	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
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	<u>Special Revenue</u>				<u>Debt Service</u>			
	<u>Judgement Levy</u>				<u>Risk Management</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 92,295	\$ 92,295	\$ 87,976	\$ (4,319)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	10,181	10,181	10,901	720
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	2,235	2,235	-	(2,235)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,711</u>	<u>104,711</u>	<u>98,877</u>	<u>(5,834)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	125,713	125,713	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	85,000	85,000	85,000	-
Interest	-	-	-	-	38,865	38,865	38,757	108
Total Expenditures	<u>-</u>	<u>125,713</u>	<u>125,713</u>	<u>-</u>	<u>123,865</u>	<u>123,865</u>	<u>123,757</u>	<u>108</u>
Excess of Revenues ove (under) Expenditures	-	(125,713)	(125,713)	-	(19,154)	(19,154)	(24,880)	(5,726)
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating 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>(125,713)</u>	<u>(125,713)</u>	<u>-</u>	<u>(19,154)</u>	<u>(19,154)</u>	<u>(24,880)</u>	<u>(5,726)</u>
Fund Balance:								
Beginning of Year			-				74,504	
End of Year			<u>\$(125,713)</u>				<u>\$ 49,624</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, 2003
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	Debt Service							
	Jail Bond				Health Center			
	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	\$ 968,311	\$ 968,311	\$ 933,970	\$ (34,341)	\$ -	\$ -	\$ -	\$ -
License & Permits		-	-	-	-	-	-	-
Intergovernmental Revenue	222,825	222,825	233,226	10,401	36,978	36,978	36,978	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	29,449	29,449	11,348	(18,101)	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>1,220,585</u>	<u>1,220,585</u>	<u>1,178,544</u>	<u>(42,041)</u>	<u>36,978</u>	<u>36,978</u>	<u>36,978</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	610,000	610,000	610,000	-	15,000	15,000	15,000	-
Interest	753,768	753,768	753,442	326	21,978	21,978	22,016	(38)
Total Expenditures	<u>1,363,768</u>	<u>1,363,768</u>	<u>1,363,442</u>	<u>326</u>	<u>36,978</u>	<u>36,978</u>	<u>37,016</u>	<u>(38)</u>
Excess of Revenues over (under) Expenditures	(143,183)	(143,183)	(184,898)	(41,715)	-	-	(38)	(38)
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating 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>\$ (143,183)</u>	<u>\$ (143,183)</u>	<u>(184,898)</u>	<u>\$ (41,715)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(38)</u>	<u>\$ (38)</u>
Fund Balance:								
Beginning of Year			<u>978,013</u>				<u>(4,908)</u>	
End of Year			<u>\$ 793,115</u>				<u>\$ (4,946)</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, 2003
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	Debt Service				Capital Projects			
	RSID Revolving				Capital Improvements			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ 6	\$ 6	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	429,534	429,534	154,180	(275,354)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	1,486	1,486	3,818	2,332
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>431,020</u>	<u>431,020</u>	<u>157,998</u>	<u>(273,022)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	12,811	(12,811)
Operations	-	-	-	-	-	13,500	13,500	-
Capital Outlay	-	-	-	-	1,152,000	1,172,000	343,007	828,993
Debt Service:								
Principal	-	-	-	-	442,374	442,374	442,374	-
Interest	-	-	963	(963)	71,466	71,466	48,419	23,047
Total Expenditures	<u>-</u>	<u>-</u>	<u>963</u>	<u>(963)</u>	<u>1,665,840</u>	<u>1,699,340</u>	<u>860,111</u>	<u>839,229</u>
Excess of Revenues ove (under) Expenditures	-	-	(957)	(957)	(1,234,820)	(1,268,320)	(702,113)	566,207
Other Financing Sources (Uses)								
Operating Transfers In	-	-	107,109	107,109	1,648,357	1,308,357	1,159,000	(149,357)
Operating Transfers Out	-	-	(86,996)	(86,996)	(128,000)	(128,000)	(131,611)	(3,611)
Loan Proceeds	-	-	-	-	360,000	360,000	-	(360,000)
Note Proceeds	-	-	-	-	8,214	8,214	555,714	547,500
Sale of Fixed Assets	-	-	-	-	-	-	5,890	5,890
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ -</u>	<u>\$ -</u>	<u>19,156</u>	<u>\$ 19,156</u>	<u>\$ 653,751</u>	<u>\$ 280,251</u>	<u>886,880</u>	<u>\$ 606,629</u>
Fund Balance:								
Beginning of Year			<u>142,226</u>				<u>(325,264)</u>	
End of Year			<u>\$ 161,382</u>				<u>\$ 561,616</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, 2003
(Page 15 of 15)

	Capital Projects				Totals			
	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	\$ 341,580	\$ 341,580	\$ 317,162	\$ (24,418)	\$ 10,463,447	\$ 10,476,980	\$ 10,520,065	\$ 43,085
License & Permits	-	-	-	-	174,750	194,750	260,098	65,348
Intergovernmental Revenue	33,306	33,306	36,460	3,154	12,401,108	13,625,842	9,464,244	(4,161,598)
Charges for Services	75,395	75,395	112,071	36,676	2,027,394	2,114,156	2,370,128	255,972
Fines & Forfeits	-	-	-	-	81,050	81,050	116,444	35,394
Investment Earnings	-	-	-	-	49,517	48,570	68,941	20,371
Private & Local Grants	-	-	-	-	60,000	102,016	117,015	14,999
Miscellaneous Revenues	-	-	-	-	147,240	148,742	180,921	32,179
Total Revenues	<u>450,281</u>	<u>450,281</u>	<u>465,693</u>	<u>15,412</u>	<u>25,404,506</u>	<u>26,792,106</u>	<u>23,097,856</u>	<u>(3,694,250)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	11,633,714	11,830,088	11,325,201	504,887
Operations	222,573	222,573	176,590	45,983	7,725,935	9,076,929	6,920,511	2,156,418
Capital Outlay	539,423	539,423	396,177	143,246	8,936,319	10,169,143	4,534,476	5,634,667
Debt Service:								
Principal	-	-	-	-	1,242,124	1,242,124	1,245,374	(3,250)
Interest	-	-	-	-	1,016,317	1,016,317	990,082	26,235
Total Expenditures	<u>761,996</u>	<u>761,996</u>	<u>572,767</u>	<u>189,229</u>	<u>30,554,409</u>	<u>33,334,601</u>	<u>25,015,644</u>	<u>8,318,957</u>
Excess of Revenues ove (under) Expenditures	(311,715)	(311,715)	(107,074)	204,641	(5,149,903)	(6,542,495)	(1,917,788)	4,624,707
Other Financing Sources (Uses)								
Operating Transfers In	260,320	260,320	265,985	5,665	3,135,988	2,945,132	2,865,480	(79,652)
Operating Transfers Out	(125,771)	(125,771)	(150,734)	(24,963)	(930,116)	(1,123,019)	(1,237,640)	(114,621)
Loan Proceeds	-	-	-	-	845,000	845,000	-	(845,000)
Note Proceeds	-	-	-	-	8,214	8,214	564,348	556,134
Sale of Fixed Assets	-	-	-	-	1,000,500	1,091,532	2,133,309	1,041,777
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (177,166)</u>	<u>\$ (177,166)</u>	8,177	<u>\$ 185,343</u>	<u>\$ (1,090,317)</u>	<u>\$ (2,775,636)</u>	2,407,709	<u>\$ 5,183,345</u>
Fund Balance:								
Beginning of Year			<u>213,599</u>				<u>5,786,018</u>	
End of Year			<u>\$ 221,776</u>				<u>\$ 8,193,727</u>	

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INTERNAL SERVICE FUNDS

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

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

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

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

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

MISSOULA COUNTY, MONTANA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2003

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Total</u>
Assets					
<i>Current Assets:</i>					
Cash & Cash Equivalents	\$ 205,622	\$ 589,726	\$ 134,862	\$ 11,028	\$ 941,238
Investments	1,434,893	919,516	1,410,899	345,762	4,111,070
Taxes Receivable, net	46,531	-	-	-	46,531
Interest Receivable	-	6,932	2,502	-	9,434
Contributions Receivable	-	253,642	29,776	-	283,418
Prepaid Costs	88,547	20,727	29,791	-	139,065
Total Current Assets	<u>1,775,593</u>	<u>1,790,543</u>	<u>1,607,830</u>	<u>356,790</u>	<u>5,530,756</u>
<i>NonCurrent Assets:</i>					
Fixed Assets, net	<u>13,121</u>	<u>220,996</u>	<u>26,242</u>	<u>-</u>	<u>260,359</u>
Total Assets	<u>\$ 1,788,714</u>	<u>\$ 2,011,539</u>	<u>\$ 1,634,072</u>	<u>\$ 356,790</u>	<u>\$ 5,791,115</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	\$ 12,329	\$ -	\$ -	\$ -	\$ 12,329
Accrued Payroll	-	20,061	-	-	20,061
Liability for Claims	1,201,266	547,541	1,290,214	-	3,039,021
Notes Payable-Current Portion	-	20,011	-	-	20,011
Total Current Liabilities	<u>1,213,595</u>	<u>587,613</u>	<u>1,290,214</u>	<u>-</u>	<u>3,091,422</u>
<i>Noncurrent Liabilities:</i>					
Notes Payable, net of Current Portion	<u>-</u>	<u>102,955</u>	<u>-</u>	<u>-</u>	<u>102,955</u>
Total Liabilities	<u>1,213,595</u>	<u>690,568</u>	<u>1,290,214</u>	<u>-</u>	<u>3,194,377</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	13,121	98,030	26,242	-	137,393
Unrestricted	<u>561,998</u>	<u>1,222,941</u>	<u>317,616</u>	<u>356,790</u>	<u>2,459,345</u>
Total Net Assets	<u>575,119</u>	<u>1,320,971</u>	<u>343,858</u>	<u>356,790</u>	<u>2,596,738</u>
Total Liabilities and Net Assets	<u>\$ 1,788,714</u>	<u>\$ 2,011,539</u>	<u>\$ 1,634,072</u>	<u>\$ 356,790</u>	<u>\$ 5,791,115</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For Fiscal Year Ended June 30, 2003

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Total
Operating Revenues:					
Charges for Services	\$ -	\$ 5,236,946	\$ 803,316	\$ 54,972	\$ 6,095,234
Total Operating Revenues	<u>-</u>	<u>5,236,946</u>	<u>803,316</u>	<u>54,972</u>	<u>6,095,234</u>
Operating Expenses:					
Personnel	47,435	210,357	-	-	257,792
Operations	19,025	404,428	-	-	423,453
Claims	267,413	4,714,898	519,377	-	5,501,688
Reinsurance Premiums	197,209	-	67,676	-	264,885
Administrative	-	-	157,698	-	157,698
Depreciation and Amortization	1,458	11,021	2,916	-	15,395
Total Operating Expense	<u>532,540</u>	<u>5,340,704</u>	<u>747,667</u>	<u>-</u>	<u>6,620,911</u>
Income (Loss) from Operations	(532,540)	(103,758)	55,649	54,972	(525,677)
Non-operating Revenues (Expenses):					
Property Taxes	338,781	-	-	-	338,781
Investment Earnings	64,336	46,390	28,864	1,818	141,408
Interest Expense	-	(4,324)	-	-	(4,324)
Other Income	-	28,775	-	-	28,775
Rebates	-	42,132	-	-	42,132
Intergovernmental Revenues	<u>56,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,855</u>
Net Income (Loss) before Operating Transfers	(72,568)	9,215	84,513	56,790	77,950
Operating Transfers In	70,000	-	-	300,000	370,000
Operating Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(300,000)</u>
Change in Net Assets	(102,568)	(90,785)	(15,487)	356,790	147,950
Net Assets - Beginning of Year	<u>677,687</u>	<u>1,411,756</u>	<u>359,345</u>	<u>-</u>	<u>2,448,788</u>
Net Assets - End of Year	<u>\$ 575,119</u>	<u>\$ 1,320,971</u>	<u>\$ 343,858</u>	<u>\$ 356,790</u>	<u>\$ 2,596,738</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flow:
Internal Service Funds
For Fiscal Year Ended June 30, 2003

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Total
Cash flows from operating activities					
Cash receipts for charges for services	\$ -	\$ 5,182,088	\$ 796,523	\$ 54,972	\$ 6,033,583
Cash payments to employees for services	(47,435)	(209,997)	(56,377)	-	(313,809)
Cash payments for reinsurance premiums	(184,880)	(256,088)	(67,844)	-	(508,812)
Cash payments for administrative expenses	-	(148,017)	(101,321)	-	(249,338)
Cash payments for claims expenses	(255,200)	(4,574,151)	(364,628)	-	(5,193,979)
Cash payments to other suppliers for goods and services	(107,572)	-	-	-	(107,572)
Net cash provided (used) by operating activities	<u>(595,087)</u>	<u>(6,165)</u>	<u>206,353</u>	<u>54,972</u>	<u>(339,927)</u>
Cash flows from non-capital financing activities					
Property taxes	331,079	-	-	-	331,079
Rebates	-	42,132	-	-	42,132
Rental income	-	28,775	-	-	28,775
Transfers in	70,000	-	-	300,000	370,000
Transfers out	(100,000)	(100,000)	(100,000)	-	(300,000)
Intergovernmental revenue	56,855	-	-	-	56,855
Net cash provided (used) by non-capital financing activities	<u>357,934</u>	<u>(29,093)</u>	<u>(100,000)</u>	<u>300,000</u>	<u>528,841</u>
Cash flows from capital financing activities					
Purchase of fixed assets	(14,579)	-	(14,558)	-	(29,137)
Cash paid for interest	-	(4,324)	-	-	(4,324)
Principal payments on long-term debt	-	(19,074)	-	-	(19,074)
Net cash used by non-capital financing activities	<u>(14,579)</u>	<u>(23,398)</u>	<u>(14,558)</u>	<u>-</u>	<u>(52,535)</u>
Cash flows from investing activities					
Purchases of investment securities	(741,655)	(805,339)	(453,646)	(345,762)	(2,346,402)
Proceeds of sale and maturities of investment securities	421,621	949,414	14,977	-	1,386,012
Interest on investments	64,336	58,288	1,903	1,818	126,345
Net cash provided (used) by investing activities	<u>(255,698)</u>	<u>202,363</u>	<u>(436,766)</u>	<u>(343,944)</u>	<u>(834,045)</u>
Net increase (decrease) in cash and cash equivalents	(507,430)	143,707	(344,971)	11,028	(697,666)
Cash and cash equivalents at beginning of year	713,052	446,019	479,833	-	1,638,904
Cash and cash equivalents at end of year	<u>\$ 205,622</u>	<u>\$ 589,726</u>	<u>\$ 134,862</u>	<u>\$ 11,028</u>	<u>\$ 941,238</u>

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

Income (loss) from operations	\$ (532,540)	\$ (103,758)	\$ 55,649	\$ 54,972	\$ (525,677)
Adjustments to reconcile (income) loss from operations to net cash provided (used) by operating activities					
Depreciation and amortization	1,458	11,021	2,916	-	15,395
Change in assets and liabilities					
Decrease (increase) in receivables	-	(54,858)	(6,793)	-	(61,651)
Decrease (increase) in prepaid costs	(88,547)	323	(168)	-	(88,392)
Increase in payables	12,329	-	-	-	12,329
Increase in accrued liabilities	12,213	141,107	154,749	-	308,069
Net cash provided (used) by operating activities	<u>\$ (595,087)</u>	<u>\$ (6,165)</u>	<u>\$ 206,353</u>	<u>\$ 54,972</u>	<u>\$ (339,927)</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 \$2,097 and \$26,961, 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, 2003
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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	\$ -	\$ -	\$ -	\$ -	\$ 5,740,900	\$ 5,740,900	\$ 5,182,088	\$ (558,812)
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,740,900</u>	<u>5,740,900</u>	<u>5,182,088</u>	<u>(558,812)</u>
Operating Expense:								
Personnel	46,291	46,291	47,435	(1,144)	209,016	209,016	209,997	(981)
Operations	420,150	422,735	478,708	(55,973)	5,568,452	5,584,002	4,989,277	594,725
Total Operating Expense	<u>466,441</u>	<u>469,026</u>	<u>526,143</u>	<u>(57,117)</u>	<u>5,777,468</u>	<u>5,793,018</u>	<u>5,199,274</u>	<u>593,744</u>
Income (Loss) from Operation	(466,441)	(469,026)	(526,143)	(57,117)	(36,568)	(52,118)	(17,186)	34,932
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	352,721	352,721	339,803	(12,918)	-	-	-	-
Investment Earnings	-	-	-	-	60,000	60,000	56,191	(3,809)
Intergovernmental Revenue	58,789	58,789	56,855	(1,934)	-	-	-	-
Interest Expense	-	-	-	-	(4,324)	(4,324)	(4,324)	-
Other Income	-	-	-	-	-	-	70,907	70,907
Debt Service Principal Payment	-	-	-	-	(19,074)	(19,074)	(19,074)	-
Net Income (Loss) before Operating Transfers	(54,931)	(57,516)	(129,485)	(71,969)	34	(15,516)	86,514	102,030
Operating Transfers In	70,000	70,000	70,000	-	-	-	-	-
Operating Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in Net Assets	<u>\$ (84,931)</u>	<u>\$ (87,516)</u>	(159,485)	<u>\$ (71,969)</u>	<u>\$ 34</u>	<u>\$ (115,516)</u>	(13,486)	<u>\$ 102,030</u>
Net Assets - Beginning of Year			<u>1,462,812</u>				<u>1,757,477</u>	
Net Assets - End of Year			<u>\$ 1,303,327</u>				<u>\$ 1,743,991</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, 2003
(Page 2 of 2)

	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	\$ 660,000	\$ 660,000	\$ 796,523	\$ 136,523	\$ 54,972	\$ 54,972	\$ 54,972	\$ -
Total Operating Revenue	<u>660,000</u>	<u>660,000</u>	<u>796,523</u>	<u>136,523</u>	<u>54,972</u>	<u>54,972</u>	<u>54,972</u>	<u>-</u>
Operating Expense:								
Personnel	55,359	55,359	56,377	(1,018)	-	-	-	-
Operations	<u>657,200</u>	<u>694,037</u>	<u>536,709</u>	<u>157,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expense	<u>712,559</u>	<u>749,396</u>	<u>593,086</u>	<u>156,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) from Operation	(52,559)	(89,396)	203,437	292,833	54,972	54,972	54,972	-
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	52,500	52,500	39,168	(13,332)	-	-	1,682	1,682
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-
Debt Service Principal Payment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Operating Transfers	(59)	(36,896)	242,605	279,501	54,972	54,972	56,654	1,682
Operating Transfers In	-	(100,000)	(100,000)	-	-	-	300,000	300,000
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ (59)</u>	<u>\$ (136,896)</u>	142,605	<u>\$ 279,501</u>	<u>\$ 54,972</u>	<u>\$ 54,972</u>	356,654	<u>\$ 301,682</u>
Net Assets - Beginning of Year			<u>1,303,406</u>				<u>-</u>	
Net Assets - End of Year			<u>\$ 1,446,011</u>				<u>\$ 356,654</u>	

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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, 2003
(Page 1 of 4)

SCHOOLS

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Assets:				
Cash with Fiscal Agents	\$ 2,378,167	\$ 2,428,074	\$ 2,378,167	\$ 2,428,074
Property Taxes Receivable (net)	<u>4,058,943</u>	<u>5,180,834</u>	<u>4,058,943</u>	<u>5,180,834</u>
Total Assets	<u>\$ 6,437,110</u>	<u>\$ 7,608,908</u>	<u>\$ 6,437,110</u>	<u>\$ 7,608,908</u>
Liabilities:				
Funds Held in Trust	\$ <u>6,437,110</u>	\$ <u>7,608,908</u>	\$ <u>6,437,110</u>	\$ <u>7,608,908</u>
Total Liabilities	<u>\$ 6,437,110</u>	<u>\$ 7,608,908</u>	<u>\$ 6,437,110</u>	<u>\$ 7,608,908</u>

OTHER LOCAL TAXING UNITS

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Assets:				
Property Taxes Receivable (net)	\$ <u>626,690</u>	\$ <u>532,528</u>	\$ <u>626,690</u>	\$ <u>532,528</u>
Total Assets	<u>\$ 626,690</u>	<u>\$ 532,528</u>	<u>\$ 626,690</u>	<u>\$ 532,528</u>
Liabilities:				
Funds Held in Trust	\$ <u>626,690</u>	\$ <u>532,528</u>	\$ <u>626,690</u>	\$ <u>532,528</u>
Total Liabilities	<u>\$ 626,690</u>	<u>\$ 532,528</u>	<u>\$ 626,690</u>	<u>\$ 532,528</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For Fiscal Year Ended June 30, 2003 (Continued)
(Page 2 of 4)

STATE

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Assets:				
Property Taxes Receivable (net)	\$ 1,719,998	\$ 2,143,501	\$ 1,719,998	\$ 2,143,501
Total Assets	<u>\$ 1,719,998</u>	<u>\$ 2,143,501</u>	<u>\$ 1,719,998</u>	<u>\$ 2,143,501</u>
Liabilities:				
Funds Held in Trust	\$ 1,719,998	\$ 2,143,501	\$ 1,719,998	\$ 2,143,501
Total Liabilities	<u>\$ 1,719,998</u>	<u>\$ 2,143,501</u>	<u>\$ 1,719,998</u>	<u>\$ 2,143,501</u>

CITY

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Assets:				
Property Taxes Receivable (net)	\$ 1,757,136	\$ 2,337,307	\$ 1,757,136	\$ 2,337,307
Total Assets	<u>\$ 1,757,136</u>	<u>\$ 2,337,307</u>	<u>\$ 1,757,136</u>	<u>\$ 2,337,307</u>
Liabilities:				
Funds Held in Trust	\$ 1,757,136	\$ 2,337,307	\$ 1,757,136	\$ 2,337,307
Total Liabilities	<u>\$ 1,757,136</u>	<u>\$ 2,337,307</u>	<u>\$ 1,757,136</u>	<u>\$ 2,337,307</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For Fiscal Year Ended June 30, 2003 (Continued)
(Page 3 of 4)

MISCELLANEOUS AGENCIES

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Assets:				
Cash & Cash Equivalents	\$ 153,300	\$ 231,340	\$ 153,300	\$ 231,340
Total Assets	<u>\$ 153,300</u>	<u>\$ 231,340</u>	<u>\$ 153,300</u>	<u>\$ 231,340</u>
Liabilities:				
Funds Held in Trust	\$ 153,300	\$ 231,340	\$ 153,300	\$ 231,340
Total Liabilities	<u>\$ 153,300</u>	<u>\$ 231,340</u>	<u>\$ 153,300</u>	<u>\$ 231,340</u>

PAYROLL & CLAIMS

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Assets:				
Cash & Cash Equivalents	\$ 21,384	\$ 42,493	\$ 21,384	\$ 42,493
Investments	<u>1,586,593</u>	<u>1,332,325</u>	<u>1,586,593</u>	<u>1,332,325</u>
Total Assets	<u>\$ 1,607,977</u>	<u>\$ 1,374,818</u>	<u>\$ 1,607,977</u>	<u>\$ 1,374,818</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,607,977	\$ 1,374,818	\$ 1,607,977	\$ 1,374,818
Total Liabilities	<u>\$ 1,607,977</u>	<u>\$ 1,374,818</u>	<u>\$ 1,607,977</u>	<u>\$ 1,374,818</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For Fiscal Year Ended June 30, 2003 (Continued)
(Page 4 of 4)

TOTAL AGENCY FUNDS				
	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Assets:				
Cash & Cash Equivalents	\$ 174,684	\$ 273,833	\$ 174,684	\$ 273,833
Cash with Fiscal Agents	2,378,167	2,428,074	2,378,167	2,428,074
Investments	1,586,593	1,332,325	1,586,593	1,332,325
Property Taxes Receivable (net)	<u>8,162,767</u>	<u>10,194,170</u>	<u>8,162,767</u>	<u>10,194,170</u>
Total Assets	<u>\$ 12,302,211</u>	<u>\$ 14,228,402</u>	<u>\$ 12,302,211</u>	<u>\$ 14,228,402</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,607,977	\$ 1,374,818	\$ 1,607,977	\$ 1,374,818
Funds Held in Trust	<u>10,694,234</u>	<u>12,853,584</u>	<u>10,694,234</u>	<u>12,853,584</u>
Total Liabilities	<u>\$ 12,302,211</u>	<u>\$ 14,228,402</u>	<u>\$ 12,302,211</u>	<u>\$ 14,228,402</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, 2003 and 2002

	2003	2002
Governmental Funds Capital Assets:		
Land	\$ 7,189,703	\$ 6,948,038
Buildings	31,303,032	30,839,836
Machinery and Equipment	16,373,337	15,610,755
Intangibles	173,101	-
Construction in Progress	678,572	-
Total Governmental Funds Capital Assets	\$ 55,717,745	\$ 53,398,629
 Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 658,561	\$ 1,018,214
Special Revenue Fund	41,824,570	39,145,801
Federal Grants	1,812,401	1,812,401
Initial Start of System	11,422,213	11,422,213
Total Governmental Funds Capital Assets	\$ 55,717,745	\$ 53,398,629

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, 2003

<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	\$ -	\$ -	\$ 15,421	\$ -	\$ -	\$ 15,421
Records and Election	-	-	761,278	-	-	761,278
Data Processing	-	-	860,012	-	-	860,012
General Services	-	-	1,016,380	-	116,314	1,132,694
Criminal Justice	-	-	59,062	-	-	59,062
Other	-	-	4,294	-	-	4,294
Total General Government	<u>-</u>	<u>-</u>	<u>2,716,447</u>	<u>-</u>	<u>116,314</u>	<u>2,832,761</u>
Public Works:						
Road & Bridge	-	2,610,479	5,560,425	-	-	8,170,904
Weed	-	-	90,562	-	-	90,562
Extension	-	-	57,209	-	-	57,209
Total Public Works	<u>-</u>	<u>2,610,479</u>	<u>5,708,196</u>	<u>-</u>	<u>-</u>	<u>8,318,675</u>
Public Safety:						
Sheriff	-	-	2,423,614	173,101	-	2,596,715
Communications	-	-	615,543	-	-	615,543
Disaster and Emergency	-	-	99,045	-	-	99,045
Detention Center	2,742,478	22,388,493	1,358,695	-	-	26,489,666
Total Public Safety	<u>2,742,478</u>	<u>22,388,493</u>	<u>4,496,897</u>	<u>173,101</u>	<u>-</u>	<u>29,800,969</u>
Public Health:						
City/County Health	58,162	1,248,038	406,576	-	562,258	2,275,034
Environmental Health	-	-	143,243	-	-	143,243
Total Public Health	<u>58,162</u>	<u>1,248,038</u>	<u>549,819</u>	<u>-</u>	<u>562,258</u>	<u>2,418,277</u>
Social and Economic Services	-	-	166,251	-	-	166,251
Culture and Recreation	1,708,813	2,464,178	2,735,727	-	-	6,908,718
Nondepartmental	1,946,096	2,591,844	-	-	-	4,537,940
Land Held for Resale	734,154	-	-	-	-	734,154
Total Governmental Funds Capital Assets	<u>\$ 7,189,703</u>	<u>\$ 31,303,032</u>	<u>\$ 16,373,337</u>	<u>\$ 173,101</u>	<u>\$ 678,572</u>	<u>\$ 55,717,745</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, 2003

<u>Function and Activity</u>	Governmental Funds Capital Assets July 1, 2002	Additions	Deductions	Adjustments	Governmental Funds Capital Assets June 30, 2003
General Government:					
Administration and Finance	\$ 9,998	\$ -	\$ (1,107)	\$ 6,530	\$ 15,421
Records and Election	771,478	780	(4,450)	(6,530)	761,278
Legal and Judicial	213,142	98	(147,065)	(66,175)	-
Data Processing	710,155	350,474	(200,617)	-	860,012
General Services	1,466,904	316,550	(45,956)	(604,804)	1,132,694
Criminal Justice	-	-	(7,113)	66,175	59,062
Other	114,048	-	(109,754)	-	4,294
Total General Government	<u>3,285,725</u>	<u>667,902</u>	<u>(516,062)</u>	<u>(604,804)</u>	<u>2,832,761</u>
Public Works:					
Road & Bridge	8,021,661	260,377	(111,134)	-	8,170,904
Weed	61,662	31,174	(2,274)	-	90,562
Extension	-	-	(5,781)	62,990	57,209
Total Public Works	<u>8,083,323</u>	<u>291,551</u>	<u>(119,189)</u>	<u>62,990</u>	<u>8,318,675</u>
Public Safety:					
Sheriff	1,895,089	760,646	(59,020)	-	2,596,715
Communications	-	-	-	615,543	615,543
Disaster and Emergency	162,255	-	(1,720)	(61,490)	99,045
Detention Center	26,511,890	67,906	(90,130)	-	26,489,666
Total Public Safety	<u>28,569,234</u>	<u>828,552</u>	<u>(150,870)</u>	<u>554,053</u>	<u>29,800,969</u>
Public Health:					
City/County Health	1,946,028	582,073	(271,074)	18,007	2,275,034
Environmental Health	161,850	-	(600)	(18,007)	143,243
Total Public Health	<u>2,107,878</u>	<u>582,073</u>	<u>(271,674)</u>	<u>-</u>	<u>2,418,277</u>
Social and Economic Services	229,241	-	-	(62,990)	166,251
Culture and Recreation	4,301,201	587,913	(11,647)	2,031,251	6,908,718
Nondepartmental	6,475,880	90,439	(47,879)	(1,980,500)	4,537,940
Land Held for Resale	346,147	543,758	(155,751)	-	734,154
Total General Fixed Assets	<u>\$ 53,398,629</u>	<u>\$ 3,592,188</u>	<u>\$ (1,273,072)</u>	<u>\$ -</u>	<u>\$ 55,717,745</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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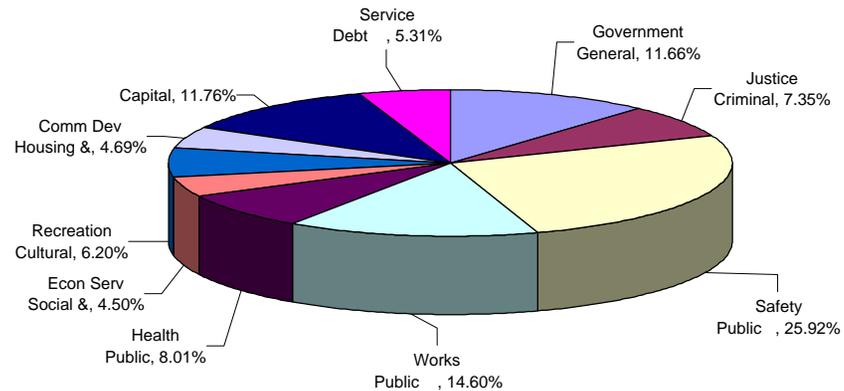
STATISTICAL SECTION

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
1994	\$ 6,720,052	\$ -	\$ 4,550,093	\$ 3,018,239	\$ 3,051,819	\$ 1,001,225	\$ 1,836,815	\$ 1,159,344	\$ 3,605,515	\$ 1,484,861	\$ 26,427,963
% of Total	25.42%	-	17.22%	11.42%	11.55%	3.79%	6.95%	4.39%	13.64%	5.62%	
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%	

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

GENERAL GOVERNMENT EXPENDITURES
By Function 2002-2003



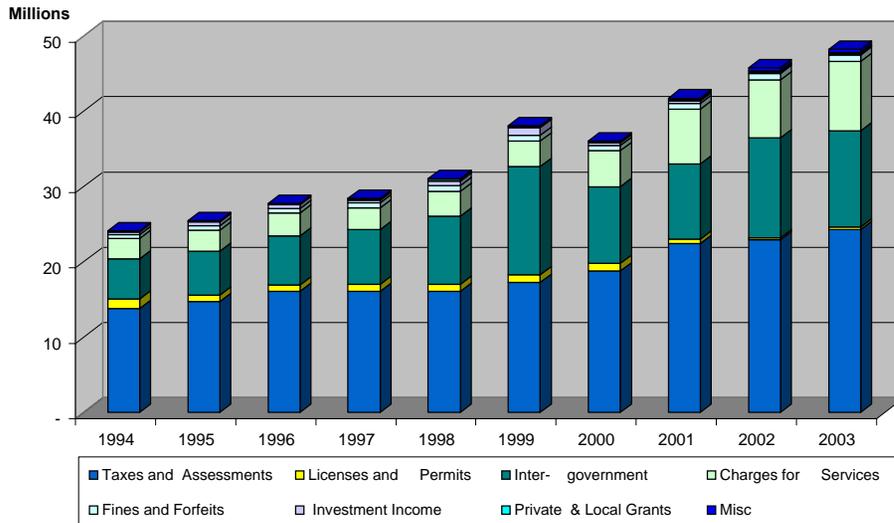
\$50,585,700

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

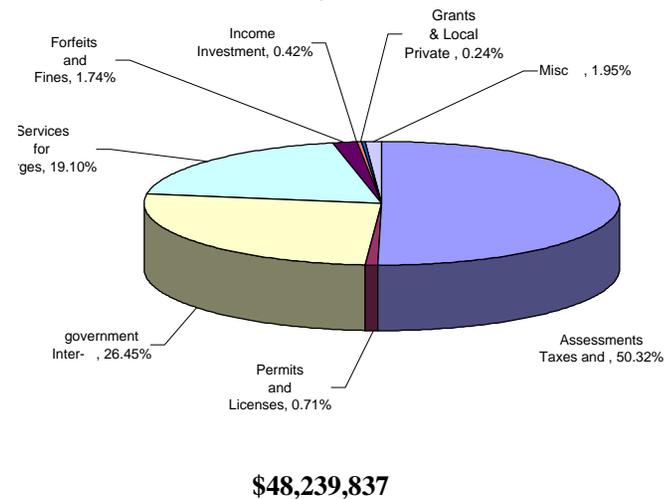
Fiscal Year	Taxes and Assessment	Licenses and Permits	Inter-government	Charges for Services	Fines and Forfeits	Investment Income	Private & Local Grants	Misc	Total
1994	\$ 13,758,479	\$ 1,320,901	\$ 5,298,454	\$ 2,689,327	\$ 527,628	\$ 368,237	\$ 83,670	\$ 66,375	\$ 24,113,071
% of Total	57.06%	5.48%	21.97%	11.15%	2.19%	1.53%	0.35%	0.28%	
1995	14,703,996	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	16,043,270	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	16,053,139	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	16,082,267	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	17,270,667	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	18,745,489	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	22,432,100	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	22,908,495	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	24,270,711	344,741	12,756,743	9,211,933	838,956	204,249	117,015	495,489	48,239,837
% of Total	50.32%	0.71%	26.45%	19.10%	1.74%	0.42%	0.24%	1.03%	

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

GENERAL GOVERNMENTAL REVENUES
Last Ten Fiscal Years



GENERAL GOVERNMENTAL REVENUES
By Source 2002-2003

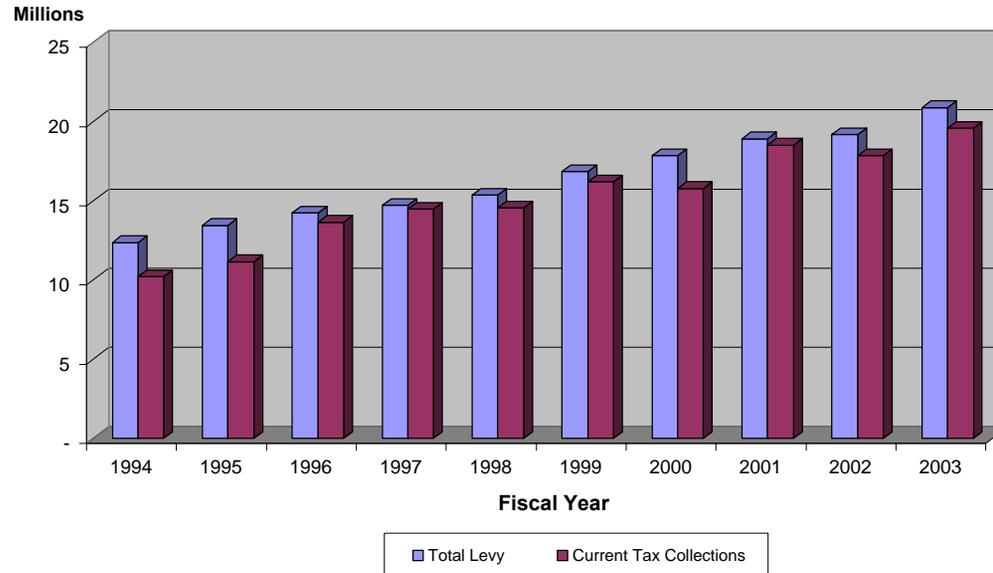


MISSOULA COUNTY, MONTANA
Property Tax Levies and Collections
Governmental and Internal Service Fund Types
Last Ten Fiscal Years

Fiscal Year	Total Levy July 1 (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (b)	Ratio of Outstanding Delinquent Taxes to Current Tax Levy
1994	\$ 12,357,716	\$ 10,208,821	82.61 %	\$ 941,164	\$ 11,149,985	90.23 %	\$ 726,233	5.88 %
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

- (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)
1994	\$ 2,923,360,280	\$ 133,221,737
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

(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%.

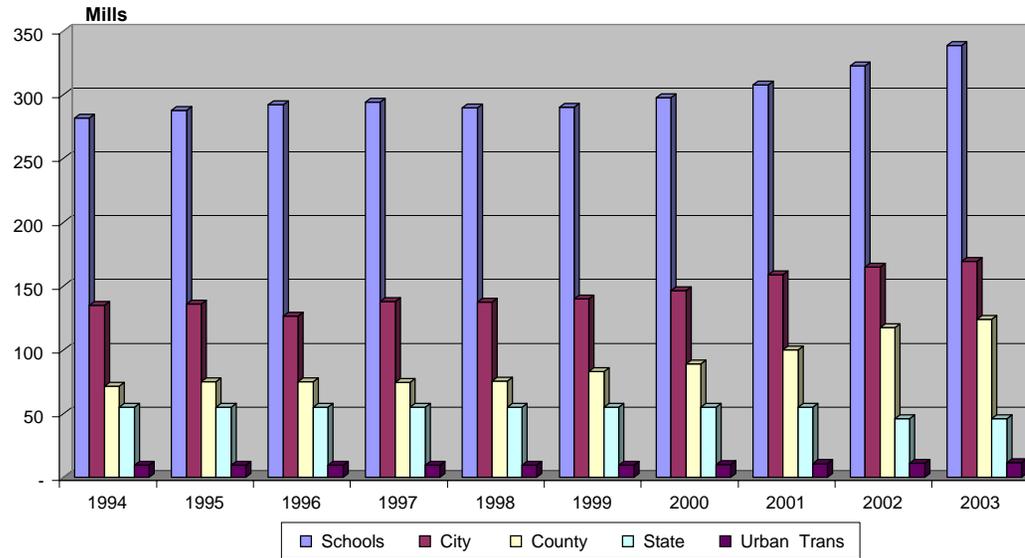
(2) Source: Montana Department of Revenue

(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
1994	135.06	71.69	55.00	282.05	9.82	553.62
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

TOTAL PROPERTY TAX LEVIES BY MILLS
Last Ten Fiscal Years



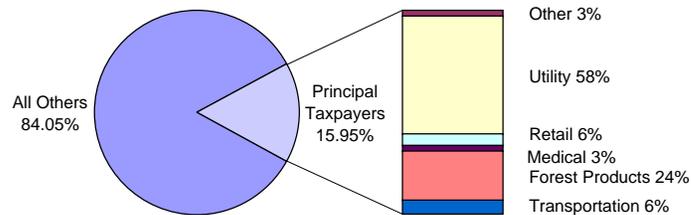
**MISSOULA COUNTY, MONTANA
Principal Taxpayers
June 30, 2003**

<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	\$ 4,541,946	\$ 7,655,546	5.06 %
Stone Container Corp	Forest Products	2,223,339	3,967,090	2.62
Qwest Communications	Utility	2,155,821	3,180,509	2.10
Montana Rail Link	Transportation	877,586	1,515,083	1.00
Mountain Water Company	Utility	740,070	1,071,997	0.71
Southgate Mall	Retail	594,944	836,147	0.55
Gateway Limited Partnership	Other	549,445	778,822	0.52
St. Patrick Hospital Corp	Medical	508,858	712,139	0.47
Plum Creek Timber	Forest Products	446,238	747,666	0.49
Puget Sound Energy	Utility	422,501	802,782	0.53
Stimson Lumber Co	Forest Products	379,378	588,186	0.39
Missoula Electric Cooperative	Utility	353,907	656,525	0.43
Wal-Mart	Retail	343,191	494,019	0.33
Blackfoot Telephone Cooperative	Utility	332,707	572,791	0.38
Louisiana Pacific	Forest Products	314,656	530,197	0.35
		<u>\$ 14,784,587</u>	<u>\$ 24,109,499</u>	<u>15.95 %</u>
Total County Taxable Value:			<u>\$ 151,159,660</u>	

Source: Tax roll for fiscal year 2003

127,050,161

**PRINCIPAL TAXPAYERS BY TYPE
June 30, 2003**



\$151,159,660

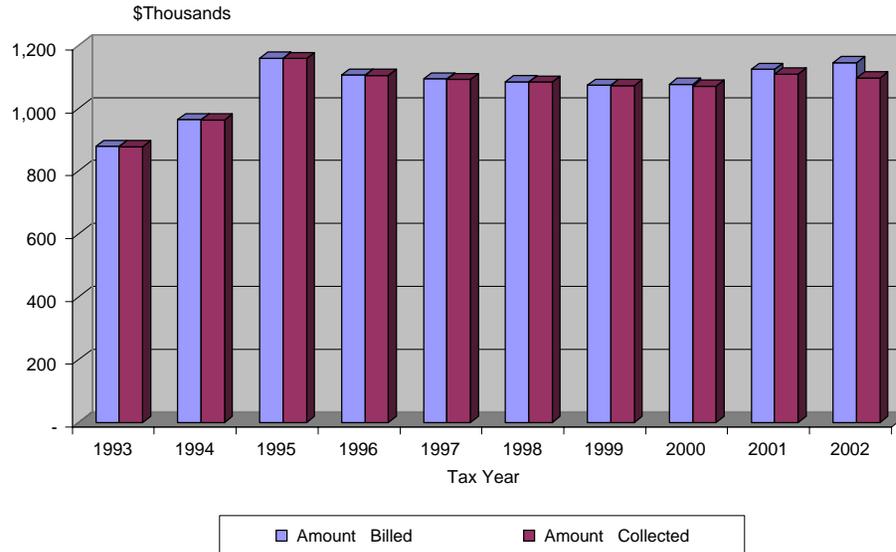
\$24,109,499

MISSOULA COUNTY, MONTANA
Special Assessments Billings and Collections
June 30, 2003

<u>Tax Year (a)</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>% Collected through 6/30/02</u>
1993	\$ 878,381	\$ 878,027	99.96 %
1994	963,653	962,685	99.90
1995	1,159,488	1,158,516	99.92
1996	1,105,760	1,104,728	99.91
1997	1,093,608	1,091,616	99.82
1998	1,084,541	1,083,471	99.90
1999	1,073,570	1,071,977	99.85
2000	1,076,125	1,069,824	99.41
2001	1,124,234	1,108,357	98.59
2002	1,145,534	1,096,645	95.73

Source: Missoula County RSID Technician
(a) Tax year is calendar year rather than fiscal year.

RSID BILLINGS AND COLLECTIONS
June 30, 2003



MISSOULA COUNTY, MONTANA
Computation of Legal Debt Margin
June 30, 2003

Limit on Total Indebtedness:

Assessed Value	\$ 4,556,367,054
Debt Limit 1.4% of Assessed Value	<u>1.4%</u>
Maximum Total Debt (1)	63,789,139
Outstanding Total Debt, June 30, 2003	<u>23,364,563</u>
Total Debt Margin	<u>\$ 40,424,576</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>
1994	\$ -	\$ -	\$ 85,000	\$ 762,000	\$ -	\$ 847,000
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

- (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
1994	82,500	\$ 133,221,737	\$ 2,127,000	\$ 304,011	\$ 1,822,989	1.37 %	\$ 22
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

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

MISSOULA COUNTY, MONTANA
Computation of Direct and Overlapping Debt
June 30, 2003

	<u>Gross G.O. Debt Outstanding</u>	<u>% Applicable to Missoula County</u>	<u>Amount Applicable to Missoula County</u>
Direct Debt			
Missoula County	\$ <u>15,257,000</u>	100.00%	\$ <u>15,257,000</u>
Overlapping Debt			
City of Missoula	8,302,060	100.00%	8,302,060
School District 1	28,210,000	100.00%	28,210,000
Other Schools	9,811,000	100.00%	9,811,000
Seeley Lake Fire	<u>175,000</u>	100.00%	<u>175,000</u>
	<u>46,498,060</u>		<u>46,498,060</u>
Total of Direct and Overlapping Debt	\$ <u><u>61,755,060</u></u>	100.00%	\$ <u><u>61,755,060</u></u>

MISSOULA COUNTY, MONTANA
Major Employers

The following table shows the largest employers in Missoula County as of June, 2003

<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	Montana Rail Link	Railroad
	Nightingale Nursing	Medical Services
	Southgate Mall	Retail
500-750	County of Missoula	Government
	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

<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

Major Taxpayers in the MCA Industrial District

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
Feist Limited Partnership	Distribution	\$ 134,332
Lithia Real Estate, Inc	Auto Dealership	96,171
Minuteman Aviation	Aviation	63,042
Mountain Water Company	Utility	58,400
Sun Mountain Sports	Manufacturing	57,012
Northstar Air Express	Aviation	53,342
Big Sky Brewing Company	Brewery	45,160
Budding Star	Manufacturing	40,231
Roscoe Steel & Culvert	Manufacturing	33,820
Neptune Aviation Services	Aviation	32,106
	Total	<u>\$ 613,616</u>

The taxable value of the property of these ten taxpayers represents approximately 48.08% of taxable value of taxable property in the District for tax year 2003.

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 ⁽²⁾	Current Tax Collections ⁽³⁾	Total Tax Collections ⁽⁴⁾
1995 ⁽¹⁾	\$ 193,803	\$ 17,198	\$ 8,272	\$ 9,636	\$ 9,827
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	-	-

- (1) The reduction in taxable value was caused by 446 acres of property within the District being purchased by the County for the Development Park. At the time the District was created, this property was under a lease/purchase option and was in private ownership.
- (2) 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.
- (3) The amount of Tax Increment actually collected from the levy of the current fiscal year's property taxes. Collection information for FY 2004 is not yet available.
- (4) The actual Tax Increment collections in the fiscal year, including current and delinquent property tax collections. Collection information for FY 2004 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	2.45
2003	537,409	272,088	10,288	819,785	3.88
2004	659,745	280,069	10,288	950,102	4.49

- (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

Tax Year	Taxable Value of County Property	Potential Revenue from the Port Authority Levy (Two Mills)
1994	\$ 138,137,734	\$ 276,276
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

- (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
1994	82,500	1,544	829	16,910	14,509	1,121	46,726	3.6 %
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

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
1994	\$ 723,324,055	\$ 133,221,737	55	\$ 18,841,164	768	\$ 54,521,954	823	\$ 73,363,118
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

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, 2003

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	59,952			

Total County Government Employees:	<u>Part-time</u>	<u>Full-time</u>
Officials & Managers	-	36
Professionals	24	122
Technical	6	49
Protective services	11	156
Paraprofessionals	16	57
Clerical	19	197
Service & Maintenance	6	16
	<u>82</u>	<u>633</u>

Police protection	<u>City Police</u>	<u>County Sheriff</u>
Stations	1	1
Officers	82	55

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 168 volunteer firefighters in outlying areas of Missoula County.

Miles of Rural Roads

There are 1,573.583 miles of rural roads open to the Public within Missoula County

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data (Continued)
June 30, 2003

Educational Facilities

Public Schools 2002-2003		
Type	Number	Enrolled
Elementary (District 1)	14	5,096
Elementary (Other Districts)	12	4,028
High Schools (MCHS)	4	3,964
High Schools (Other Dist)	1	371
Trade & Technical	1	800
University	1	13,000
Private Schools 2001-2002		
Type	Number	Enrolled
Elementary	8	795
High School	4	376

Special Education: Programs within school districts and community services.

Health Care Facilities

Hospitals	2
Beds	346
Clinics	11
Nursing Homes	6
Beds	410
Physicians	276
Chiropractors	24
Dentists	60
Physical Therapists	80
Registered and Practical Nurses	1,428

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:	1
Branch facilities	2
Volumes	210,534
Annual Circulation	725,615
Churches:	
Protestant	58
Catholic	9
Other	15
Restaurants	148
Hotels/motels	45
Rooms	2,600
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	5
Health Clubs		10
Tennis Courts		30
Bowling Centers		3
Parks		51
Movie Theaters		25
Ski Areas		2
Theatrical Playhouses		6
Museums		8
Art Galleries		23
Symphonies/orchestras		4

SINGLE AUDIT SECTION



Board of County Commissioners
Missoula County, Montana

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

We have audited the financial statements of Missoula County, Montana, as of and for the year ended June 30, 2003. 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 \$1,174,071 and \$1,335,455, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2003. 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole.

Elmore & Associates, P.C.

Certified Public Accountants
Missoula, Montana
January 30, 2004

3819 Stephens • P.O. Box 2368 • Missoula, MT 59806 • (406)721-7800 • Fax(406)721-4155 • 1-800-622-7351
e-mail: mail@elmore-cpa.com • http://www.elmore-cpa.com

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MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis
For the Year Ended June 30, 2003
(Page 1 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/02	Receipts				Total Receipts
					Federal Contribution	Local Contribution	Program Income	Investment Income	
DEPARTMENT OF AGRICULTURE:									
Passed Through State Department of Public Health									
Women/Infants/Children 02-02	10.557	02-07-5-21-028-0	\$ 384,410	\$ (84,114)	\$ 171,904	\$ -	\$ -	\$ -	\$ 171,904
Women/Infants/Children 03-02	10.557	03-07-5-21-021-0	349,889	-	182,424	-	-	-	182,424
Passed Through the State Auditor									
Forest Reserve Receipts	10.665	N/A	710,589	105,928	710,589	-	-	-	710,589
Total Department of Agriculture				21,814	1,064,917	-	-	-	1,064,917
DEPARTMENT OF THE INTERIOR:									
Direct Program:									
Blackfoot Resurfacing	-	N/A	359,000	(67,515)	66,839	676	-	-	67,515
McNamara Road	-	N/A	170,372	-	170,372	3,653	-	-	174,025
Passed Through State Bureau of Land Management									
Federal Noxious Weed Act-Weed Management Grant	15.225	ESA 99008	21,384	(14,884)	33,000	-	-	-	33,000
Total Department of the Interior				(82,399)	270,211	4,329	-	-	274,540
DEPARTMENT OF TRANSPORTATION:									
Direct Programs:									
Seat Belt Demonstration Program	20.600	DTNH22-01-G-85299	50,000	(29,396)	42,965	-	-	-	42,965
Passed Through State Department of Transportation									
CMAQ-TDM	20.205	CM8199(57)	129,870	(64,446)	64,446	-	-	-	64,446
CMAQ-TDM	20.205	CM8199(60)	173,160	-	114,478	-	-	-	114,478
FTA 02	20.205	MT-02-50-0078	9,565	(1,609)	1,609	2,618	-	-	4,227
FTA 03	20.205	MT-03-50-0079	63,746	-	2,631	-	-	-	2,631
P.L. Transport 02	20.205	N/A	390,373	(121,471)	121,471	-	-	-	121,471
P.L. Transport 03	20.205	N/A	469,564	-	270,665	-	-	-	270,665
Mobile Data Expansion Project	20.600	01-01-04-01(164AL)	512,000	(118,925)	413,351	-	-	-	413,351
In Car Video	20.600	02-01-02-28(154AL)	7,000	-	6,975	-	-	-	6,975
STEP-Occupant Project	20.600	02-03-07-01(405)	12,000	(8,931)	12,000	-	-	-	12,000
STEP-Occupant Protection Project	20.600	03-03(402/405)	10,000	-	4,245	-	-	-	4,245
CTEP									
Trolley Restorator	-	STPE 8199(13)	81,424	(10,400)	8,000	2,400	-	-	10,400
Clements Road/North Avenue Path	-	STPE 8199(29)	211,132	-	-	32,726	-	-	32,726
Lolo Walkway	-	STPE 32(26)	63,743	-	-	5,789	-	-	5,789
Frenchtown Walkway	-	STPE 32(37)	191,856	-	174,019	48,727	-	-	222,746
Passed Through State Department of Justice									
Traffic Safety 02-03	20.600	02-01-07-02/02-03-02-02	23,000	(5,415)	5,415	-	-	-	5,415
Traffic Safety 03-04	20.600	3-17 (402)	30,000	-	6,030	-	-	-	6,030
Total Department of Transportation				(360,593)	1,248,300	92,260	-	-	1,340,560

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2003
(Page 2 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/03
				Federal	Local	Total Disbursements	
DEPARTMENT OF AGRICULTURE:							
Passed Through State Department of Public Health							
Women/Infants/Children 02-03	10.557	02-07-5-21-028-0	384,410	\$ 87,790	\$ -	\$ 87,790	\$ -
Women/Infants/Children 03-04	10.557	03-07-5-21-021-0	349,889	258,803	-	258,803	(76,379)
Passed Through the State Auditor							
Forest Reserve Receipts	10.665	N/A	710,589	643,630	-	643,630	172,887
Total Department of Agriculture				990,223	-	990,223	96,508
DEPARTMENT OF THE INTERIOR:							
Direct Program:							
Blackfoot Resurfacing	-	N/A	359,000	-	-	-	-
McNamara Road	-	N/A	170,372	170,372	3,653	174,025	-
Passed Through State Bureau of Land Management							
Federal Noxious Weed Act-Weed Management Grant	15.225	ESA 99008	21,384	18,116	-	18,116	-
Total Department of the Interior				188,488	3,653	192,141	-
DEPARTMENT OF TRANSPORTATION:							
Direct Programs:							
Seat Belt Demonstration Program	20.600	DTNH22-01-G-85299	50,000	13,569	-	13,569	-
Passed Through State Department of Transportation							
CMAQ-TDM	20.205	CM8199(57)	129,870	-	-	-	-
CMAQ-TDM	20.205	CM8199(60)	173,160	148,707	-	148,707	(34,229)
FTA 02	20.205	MT-02-50-0078	9,565	2,618	-	2,618	-
FTA 03	20.205	MT-03-50-0079	63,746	4,000	-	4,000	(1,369)
P.L. Transport 02	20.205	N/A	390,373	-	-	-	-
P.L. Transport 03	20.205	N/A	469,564	340,923	-	340,923	(70,258)
Mobile Data Expansion Project	20.600	01-01-04-01(164AL)	512,000	310,140	-	310,140	(15,714)
In Car Video	20.600	02-01-02-28(154AL)	7,000	6,975	-	6,975	-
STEP-Occupant Project	20.600	02-03-07-01(405)	12,000	3,069	-	3,069	-
STEP-Occupant Protection Project	20.600	03-03(402/405)	10,000	7,303	-	7,303	(3,058)
CTEP							
Trolley Restorator	-	STPE 8199(13)	81,424	-	-	-	-
Clements Road/North Avenue Path	-	STPE 8199(29)	211,132	211,132	32,726	243,858	(211,132)
Lolo Walkway	-	STPE 32(26)	63,743	37,350	5,789	43,139	(37,350)
Frenchtown Walkway	-	STPE 32(37)	191,856	191,856	48,727	240,583	(17,837)
Passed Through State Department of Justice							
Traffic Safety 02-03	20.600	02-01-07-02/02-03-02-02	23,000	-	-	-	-
Traffic Safety 03-04	20.600	3-17 (402)	30,000	20,844	-	20,844	(14,814)
Total Department of Transportation				1,298,486	87,242	1,385,728	(405,761)

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2003
(Page 3 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/02	Receipts				
					Grant Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF JUSTICE:									
Direct Programs:									
Juvenile Justice	16.575	N/A	399,459	(7,087)	76,043	-	-	-	76,043
Rural Domestic Violence	16.589	N/A	876,325	(49,680)	186,255	-	-	-	186,255
Block Grant 02-04	16.592	N/A	55,938	34,966	-	3,278	-	-	3,278
Block Grant 03-05	16.592	N/A	56,551	-	56,550	2,143	-	-	58,693
Vest 02	16.607	N/A	5,453	(5,453)	5,453	-	-	-	5,453
Vest 03	16.607	N/A	13,563	-	-	9,240	-	-	9,240
Passed Through State Department of Justice:									
Accountability Incentive 01	16.523	01-A03-80889	164,200	(3,603)	33,904	5,564	-	-	39,468
Accountability Incentive 02	16.523	02-A03-81228	100,036	-	100,036	11,115	-	-	111,151
VAWO Safe Havens Grant	16.527	2002-CW-BX-2002	45,523	-	16,919	-	-	-	16,919
BARJ I - Year 5	16.540	01-J09-80700	7,981	(6,000)	6,000	-	-	-	6,000
BARJ II - Year 4	16.540	01-J09-80699	39,891	(6,000)	6,000	-	-	-	6,000
Community Support Systems 02	16.540	01-J13-80693	17,847	(4,709)	4,709	-	-	-	4,709
Community Support Systems 03	16.540	00-J13-81055	27,135	-	21,835	-	-	-	21,835
Early Intervention	16.540	02-J13-81059	30,150	-	25,150	-	-	-	25,150
VOCA-County	16.575	02-V01-81103	63,135	-	63,135	-	-	-	63,135
Pretrial Supervision 02	16.579	01-K20-80671	19,351	4,775	-	-	-	-	-
Pretrial Supervision 03	16.579	02-K20-81018	12,176	-	10,676	-	-	-	10,676
It's an Adult Responsibility	16.579	01-K28-81332	15,091	-	8,777	-	-	-	8,777
West Central Drug Task Force	16.579	02-K02-81030	143,975	-	143,975	-	-	-	143,975
Youth Drug Court 02	16.579	01-K20-80659	9,336	(4,000)	4,000	-	-	-	4,000
Passed Through State Department of Military Affairs:									
Domestic Preparedness Equip-Contamination	16.007	2002-TE-CX-0071	66,500	-	63,729	-	-	-	63,729
Domestic Preparedness Equip-EOD	16.007	N/A	500,000	-	405,601	-	-	-	405,601
Passed Through Clearwater Economic Development:									
Lewis & Clark Bicentennial	16.580	02-207	168,056	-	-	-	-	-	-
Total Department of Justice				(46,791)	1,238,747	31,340	-	-	1,270,087
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:									
Direct Programs:									
Institute of Museum and Library Services Grant	45.301	N/A	24,086	-	24,086	-	-	-	24,086
Passed Through Montana State Library Commission:									
Shared Catalog Project	45.301	#2001 SCP-WM	47,008	247,420	47,008	64,558	-	825	112,391
Total National Foundation on the Arts & Humanities				247,420	71,094	64,558	-	825	136,477

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2003
(Page 4 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/03
				Federal	Local	Total Disbursements	
DEPARTMENT OF JUSTICE:							
Direct Programs:							
Juvenile Justice	16.575	N/A	399,459	75,449	-	75,449	(6,493)
Rural Domestic Violence	16.589	N/A	876,325	173,766	-	173,766	(37,191)
Block Grant 02-04	16.592	N/A	55,938	29,505	3,278	32,783	5,461
Block Grant 03-05	16.592	N/A	56,551	19,288	2,143	21,431	37,262
Vest 02	16.607	N/A	5,453	-	-	-	-
Vest 03	16.607	N/A	13,563	6,617	9,240	15,857	(6,617)
Passed Through State Department of Justice:							
Accountability Incentive 01	16.523	01-A03-80889	164,200	30,301	5,564	35,865	-
Accountability Incentive 02	16.523	02-A03-81228	100,036	100,036	11,115	111,151	-
VAWO Safe Havens Grant	16.527	2002-CW-BX-2002	45,523	15,852	-	15,852	1,067
BARJ I - Year 5	16.540	01-J09-80700	7,981	-	-	-	-
BARJ II - Year 4	16.540	01-J09-80699	39,891	-	-	-	-
Community Support Systems 02	16.540	01-J13-80693	17,847	-	-	-	-
Community Support Systems 03	16.540	00-J13-81055	27,135	26,213	-	26,213	(4,378)
Early Intervention	16.540	02-J13-81059	30,150	30,150	-	30,150	(5,000)
VOCA-County	16.575	02-V01-81103	63,135	63,135	-	63,135	-
Pretrial Supervision 02	16.579	01-K20-80671	19,351	4,775	-	4,775	-
Pretrial Supervision 03	16.579	02-K20-81018	12,176	10,511	-	10,511	165
It's an Adult Responsibility	16.579	01-K28-81332	15,091	8,777	-	8,777	-
West Central Drug Task Force	16.579	02-K02-81030	143,975	143,975	-	143,975	-
Youth Drug Court 02	16.579	01-K20-80659	9,336	-	-	-	-
Passed Through State Department of Military Affairs:							
Domestic Preparedness Equip-Contamination	16.007	2002-TE-CX-0071	66,500	66,500	-	66,500	(2,771)
Domestic Preparedness Equip-EOD	16.007	N/A	500,000	405,601	-	405,601	-
Passed Through Clearwater Economic Development:							
Lewis & Clark Bicentennial	16.580	02-207	168,056	75,879	-	75,879	(75,879)
Total Department of Justice				<u>1,286,330</u>	<u>31,340</u>	<u>1,317,670</u>	<u>(94,374)</u>
NATIONAL FOUNDATION ON THE ARTS & HUMANITIES:							
Direct Programs:							
Institute of Museum and Library Services Grant	45.301	N/A	24,086	24,086	-	24,086	-
Passed Through Montana State Library Commission:							
Shared Catalog Project	45.301	#2001 SCP-WM	47,008	47,008	255,275	302,283	57,528
Total National Foundation on the Arts & Humanities				<u>71,094</u>	<u>255,275</u>	<u>326,369</u>	<u>57,528</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2003
(Page 5 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/02	Receipts				
					Grant Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
FEDERAL EMERGENCY MANAGEMENT AGENCY									
Passed Through State Department of Military Affairs:									
Disaster and Emergency Services	83.503	N/A	23,003	-	23,003	-	-	-	23,003
Total Federal Emergency Management				-	23,003	-	-	-	23,003
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:									
Direct Programs:									
Supportive Housing-Share House (operations)	14.235	MT01 B10002	393,330	-	277,048	-	-	-	277,048
Supportive Housing-YWCA 03 March Against Homelessness	14.235	MT01B10003	105,729	-	31,234	-	-	-	31,234
Supportive Housing-YWCA 03 Ada Feldmar	14.235	MT01B10005	131,522	-	49,561	-	-	-	49,561
Passed Through State Department of Health:									
Domestic Violence-YWCA Shelter Grant 03	14.235	20023DMVL0015	60,000	(15,150)	15,150	-	-	-	15,150
Passed Through State Department of Commerce									
CDBG-Community Resource:	14.228	N/A	N/A	74,925	-	-	157,672	42	157,714
CDBG-Revolving Fund Loan	14.228	N/A	N/A	283,541	-	-	138,335	1,079	139,414
Total Department of Housing & Urban Development				343,316	372,993	-	296,007	1,121	670,121
ENVIRONMENTAL PROTECTION AGENCY:									
Direct Programs:									
Integrated Pest Management Education Grant	66.500	N/A	7,000	-	7,000	-	-	-	7,000
Lolo Water Infrastructure Project	66.606	N/A	475,100	-	373,392	301,242	-	-	674,634
Passed Through State Department Environmental Quality:									
Air Pollution 02	66.001	202003	89,780	(10,526)	10,526	-	-	-	10,526
Air Pollution 03	66.001	203008	95,935	-	83,303	76,902	-	-	160,205
Radon 02	66.032	202032	7,000	(322)	3,927	-	-	-	3,927
Radon 03	66.032	203032	7,000	-	4,515	-	-	-	4,515
Safe Drinking Water 02	66.432	502041	14,000	(4,905)	4,905	-	-	-	4,905
Safe Drinking Water 03	66.432	502041	14,000	-	11,495	-	-	-	11,495
Septic Drainfields	66.460	290083	30,770	(4,990)	4,990	-	-	-	4,990
Source Water Protection	66.468	202023	150,000	-	49,000	50,498	-	-	99,498
Lower Bitterroot Drainage Assessment Monitoring	66.606	201033	20,000	(9,197)	16,292	128	-	-	16,420
Passed Through State Department of Natural Resources & Conservation:									
Water Pollution Control State Revolving Fund Program	66.458	C-303152-01	714,000	-	541,592	-	-	-	541,592
Total Environmental Protection Agency				(29,940)	1,110,937	428,770	-	-	1,539,707

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2003
(Page 6 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/03
				Federal	Local	Total Disbursements	
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Passed Through State Department of Military Affairs:							
Disaster and Emergency Services	83.503	N/A	23,003	23,003	-	23,003	-
Total Federal Emergency Management				23,003	-	23,003	-
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:							
Direct Programs:							
Supportive Housing-Share House (operations)	14.235	MT01 B10002	393,330	277,048	-	277,048	-
Supportive Housing-YWCA 03 March Against Homelessness	14.235	MT01B10003	105,729	31,234	-	31,234	-
Supportive Housing-YWCA 03 Ada Feldman	14.235	MT01B10005	131,522	49,561	-	49,561	-
Passed Through State Department of Health:							
Domestic Violence-Shelter Grant 03	14.235	20023DMVL0015	60,000	-	-	-	-
Passed Through State Department of Commerce							
CDBG-Community Resources:	14.228	N/A	N/A	307,526	-	307,526	(74,887)
CDBG-Revolving Fund Loan	14.228	N/A	N/A	341,078	-	341,078	81,877
Total Department of Housing & Urban Development				1,006,447	-	1,006,447	6,990
ENVIRONMENTAL PROTECTION AGENCY:							
Direct Programs:							
Integrated Pest Management Education Grant	66.500	N/A	7,000	7,000	-	7,000	-
Lolo Water Infrastructure Project	66.606	N/A	475,100	373,392	301,242	674,634	-
Passed Through State Department Environmental Quality:							
Air Pollution 02	66.001	202003	89,780	-	-	-	-
Air Pollution 03	66.001	203008	95,935	95,935	76,902	172,837	(12,632)
Radon 02	66.032	202032	7,000	3,605	-	3,605	-
Radon 03	66.032	203032	7,000	7,000	-	7,000	(2,485)
Safe Drinking Water 02	66.432	502041	14,000	-	-	-	-
Safe Drinking Water 03	66.432	502041	14,000	13,338	-	13,338	(1,843)
Septic Drainfields	66.460	290083	30,770	-	-	-	-
Source Water Protection	66.468	202023	150,000	60,000	50,498	110,498	(11,000)
Lower Bitterroot Drainage Assessment Monitoring	66.606	201033	20,000	7,223	-	7,223	-
Passed Through State Department of Natural Resources & Conservation:							
Water Pollution Control State Revolving Fund Program	66.458	C-303152-01	714,000	541,592	-	541,592	-
Total Environmental Protection Agency				1,109,085	428,642	1,537,727	(27,960)

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2003
(Page 7 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/02	Receipts				
					Grant Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF HEALTH & HUMAN SERVICES:									
Direct Programs:									
TB 02-03	93.994	02-07-4-11-045-0	14,000	(3,564)	10,325	-	-	-	10,325
TB 03-04	93.994	03-07-4-11-045-0	8,000	-	-	-	-	-	-
Passed Through State Department of Public Health & Human Services:									
AIDS Community Planning 02-03	93.118	02-07-4-51-024-0	6,860	(1,226)	1,226	-	-	-	1,226
AIDS HIV Prevention 02-03	93.118	02-07-4-51-024-0	58,865	(9,570)	9,570	-	-	-	9,570
AIDS HIV Prevention 03-04	93.118	03-07-4-51-012-0	14,720	-	781	-	-	-	781
Community Incentive Program 02	93.230	00-341-74402-0	319,753	(76,380)	76,380	-	-	-	76,380
Community Incentive Program 03	93.230	00-341-74402-0	198,550	-	75,861	-	-	-	75,861
Tobacco 03	93.283	03-043-620011-0	70,000	-	50,585	-	-	-	50,585
Health Alert Network	93.283	02-07-4-11-049	8,000	(8,000)	8,000	-	-	-	8,000
Health Alert Network 03	93.283	02-07-4-11-140-0	13,500	-	9,273	-	-	-	9,273
Obesity	93.283	03-07-3-01-004-0	75,000	-	63,000	-	-	-	63,000
Public Health Emergency Preparedness	93.283	03-07-4-61-032-0	151,342	-	99,129	-	-	-	99,129
Antimicrobial Resistance Prevention	93.283	03-07-04-11-002	54,277	-	31,589	-	-	-	31,589
Low Birthweight	93.556	03-07-5-01-032-0	59,026	-	59,026	47,758	-	-	106,784
Domestic Violence Program	93.671	20033DMVL0003	56,100	-	56,100	-	-	-	56,100
CISS-Healthy Child Care 02	93.994	01-07-5-31-002-0	71,921	(27,060)	27,060	-	-	-	27,060
CISS-Healthy Child Care 03	93.994	01-07-5-31-002-0	57,824	-	57,824	-	-	-	57,824
FICMR/SMMR 01	93.994	00-07-5-31-261-0	70,884	(18,492)	18,492	-	-	-	18,492
Follow Me	93.994	03-07-5-01-032-0	6,000	-	6,000	72,347	-	-	78,347
Infant Immunization 02-03	93.994	02-07-4-31-031-0	27,431	(12,343)	27,431	-	-	-	27,431
Infant Immunization 03-04	93.994	03-07-4-31-031-0	20,886	-	-	-	-	-	-
Maternal Child Health Block Grant	93.994	03-07-5-01-032-0	107,168	-	107,168	441,083	-	-	548,251
Total Department of Health & Human Services				(156,635)	794,820	561,188	-	-	1,356,008
Total Federal Financial Assistance				\$ (63,808)	\$ 6,195,022	\$ 1,182,445	\$ 296,007	\$ 1,946	\$ 7,675,420

See accompanying notes.

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2003
(Page 8 of 8)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/03
				Federal	Local	Total Disbursements	
DEPARTMENT OF HEALTH & HUMAN SERVICES:							
Direct Programs:							
TB 02-03	93.994	02-07-4-11-045-0	14,000	6,761	-	6,761	-
TB 03-04	93.994	03-07-4-11-045-0	8,000	8,000	-	8,000	(8,000)
Passed Through State Department of Public Health & Human Services:							
AIDS Community Planning 02-03	93.118	02-07-4-51-024-0	6,860	-	-	-	-
AIDS HIV Prevention 02-03	93.118	02-07-4-51-024-0	58,865	-	-	-	-
AIDS HIV Prevention 03-04	93.118	03-07-4-51-012-0	14,720	1,322	-	1,322	(541)
Community Incentive Program 02	93.230	00-341-74402-0	319,753	-	-	-	-
Community Incentive Program 03	93.230	00-341-74402-0	198,550	78,947	-	78,947	(3,086)
Tobacco 03	93.283	03-043-620011-0	70,000	65,974	-	65,974	(15,389)
Health Alert Network	93.283	02-07-4-11-049	8,000	-	-	-	-
Health Alert Network 03	93.283	02-07-4-11-140-0	13,500	10,944	-	10,944	(1,671)
Obesity	93.283	03-07-3-01-004-0	75,000	75,000	-	75,000	(12,000)
Public Health Emergency Preparedness	93.283	03-07-4-61-032-0	151,342	90,842	-	90,842	8,287
Antimicrobial Resistance Prevention	93.283	03-07-04-11-002	54,277	54,277	-	54,277	(22,688)
Low Birthweight	93.556	03-07-5-01-032-0	59,026	59,026	47,758	106,784	-
Domestic Violence Program	93.671	20033DMVL0003	56,100	56,100	-	56,100	-
CISS-Healthy Child Care 02	93.994	01-07-5-31-002-0	71,921	-	-	-	-
CISS-Healthy Child Care 03	93.994	01-07-5-31-002-0	57,824	57,824	-	57,824	-
FICMR/SMMR 01	93.994	00-07-5-31-261-0	70,884	-	-	-	-
Follow Me	93.994	03-07-5-01-032-0	6,000	6,000	72,347	78,347	-
Infant Immunization 02-03	93.994	02-07-4-31-031-0	27,431	15,088	-	15,088	-
Infant Immunization 03-04	93.994	03-07-4-31-031-0	20,886	6,057	-	6,057	(6,057)
Maternal Child Health Block Grant	93.994	03-07-5-01-032-0	107,168	107,168	441,083	548,251	-
Total Department of Health & Human Services				<u>699,330</u>	<u>561,188</u>	<u>1,260,518</u>	<u>(61,145)</u>
Total Federal Financial Assistance				<u>\$ 6,672,486</u>	<u>\$ 1,367,340</u>	<u>\$ 8,039,826</u>	<u>\$ (428,214)</u>

See accompanying notes.

MISSOULA COUNTY, MONTANA

Notes to Schedule of Expenditures of Federal Awards - Cash Basis

For the Year Ended June 30, 2003

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, 2003:

Revolving Loan Fund

American Eagle - 5%, \$530 due monthly through January 2004	\$ 4,164
Nutritional Laboratories, Inc. - 6%, \$5,027 due monthly through February 2004	39,322
Missoula Children's Theatre - 0%, \$24,500 due annually from June 2003 through June 2017	367,500
The Good Food Store - 5%, \$4,718 due monthly from November 2003 through October 2008	250,000

Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2003:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 115,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	983,000
\$291,000, issued November 1998, 4% due in varying amounts through July 2019	246,000
\$649,936, issued September 2002, 4% due in varying amounts through July 2023	649,936

Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2003 as follows:

- Juvenile Justice Program (CFDA# 16.575) passed-through \$52,737 to Missoula County Schools and Turning Point.
- Rural Domestic Violence Program (CFDA# 16.589) passed-through \$81,194 to the YWCA and the National Coalition Building Institute.
- AIDS HIV Prevention (CFDA# 93.118) passed-through \$9,795 to the Missoula Aids Council.
- Domestic Violence Program (CFDA# 14.235) passed-through \$56,250 to the YWCA.
- Community Incentive Program (CFDA# 93.230) passed-through \$141,462 to W.O.R.D., Missoula County Schools, Turning Point, University of Montana, Missoula Youth Homes, Child and Family Resource Council, and Missoula City-County Health Department.
- Supportive Housing (CFDA# 14.235) passed-through \$348,105 to the YWCA and the Western Montana Mental Health Center.
- VAWO Safe Havens (CFDA# 16.527) passed through \$15,852 to the YWCA.

Note 5 - Restatement of Beginning Cash Balances

Cash balances at June 30, 2002 have been restated for Block Grant 02-04 (CFDA# 16.592) to reflect the correction of prior period receipts. The restatement had the effect of increasing cash balances at June 30, 2002 by \$34,966.

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

We have audited the financial statements of Missoula County, Montana, as of and for the year ended June 30, 2003 and have issued our report thereon dated January 30, 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*.

Compliance

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 grants, 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 January 30, 2004.

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 assurance 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 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 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 January 30, 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.

Elmore & Associates, P.C.

Certified Public Accountants
Missoula, Montana
January 30, 2004

3819 Stephens P.O. Box 2368 • Missoula, MT 59806 • (406)721-7800 • Fax(406)721-4155 • 1-800-622-7351
e-mail: mail@elmore-cpa.com • <http://www.elmore-cpa.com>

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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, 2003. 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 \$1,174,071 and \$1,335,455, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2003. 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, 2003.

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 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 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
January 30, 2004

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

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, 2003 were as follows:

<u>CFDA#</u>	<u>Federal Program</u>
14.235	Supportive Housing
16.007	Domestic Preparedness Equipment Grant
20.xxx	Community Transportation Enhancement Program
20.600	State and Community Highway Safety
66.606	Lolo Water Infrastructure Project
66.458	Water Pollution Control State Revolving Fund Program

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, 2002 contained no findings that were required to be reported under OMB Circular A-133.

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