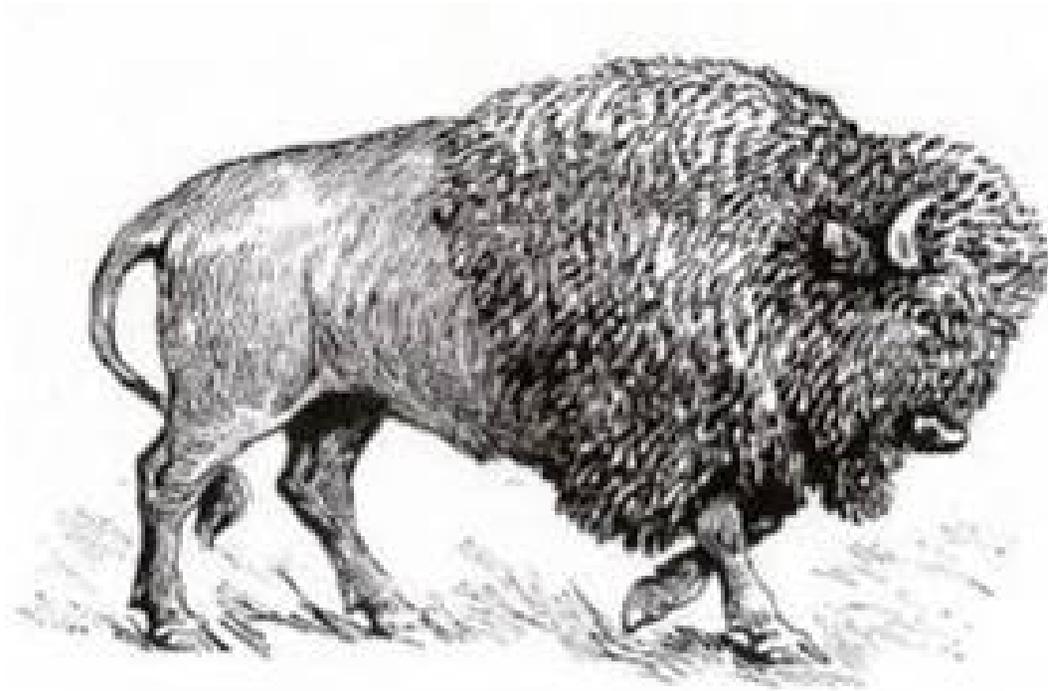


# **MISSOULA COUNTY, MONTANA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2002**



**MISSOULA COUNTY, MONTANA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2002

Prepared by:

Financial Services Department

Dale Bickell, CPA  
Chief Financial Officer

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

**MISSOULA COUNTY, MONTANA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS  
 FISCAL YEAR ENDED JUNE 30, 2002**

**INTRODUCTORY SECTION**

Table of Contents	
Transmittal Letter .....	<i>i</i>
Organizational Chart .....	<i>x</i>
Elected Officials .....	<i>xi</i>
Certificate of Achievement for Excellence in Financial Reporting - 2001 .....	<i>xii</i>

**FINANCIAL SECTION**

Independent Auditors' Report .....	<b>1</b>
------------------------------------	----------

**General Purpose Financial Statements**

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units .....	<b>2</b>
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds .....	<b>6</b>
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Governmental Fund Types .....	<b>7</b>
Combined Statement of Revenues, Expenses and Changes in Retained Earnings All Proprietary Fund Types and Discretely Presented Component Units .....	<b>9</b>
Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Units .....	<b>10</b>
Combined Statement of Changes in Net Assets - Investment Trust Funds .....	<b>12</b>
Notes to Financial Statements .....	<b>13</b>

**Additional Information and Other Schedules**

<b>General Fund</b>	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	<b>43</b>
<b>Special Revenue Funds</b>	
Combining Balance Sheet .....	<b>49</b>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	<b>52</b>
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Funds .....	<b>55</b>
<b>Debt Service Funds</b>	
Combining Balance Sheet .....	<b>65</b>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	<b>66</b>
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Funds .....	<b>67</b>

**MISSOULA COUNTY, MONTANA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**FISCAL YEAR ENDED JUNE 30, 2002**

Capital Project Funds	
Combining Balance Sheet . . . . .	<b>69</b>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances . . . . .	<b>70</b>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Funds . . . . .	<b>71</b>
Enterprise Funds	
Combining Balance Sheet . . . . .	<b>73</b>
Combining Statement of Revenues, Expenses and Changes in Retained Earnings . . . . .	<b>74</b>
Combining Statement of Cash Flows . . . . .	<b>75</b>
Internal Service Funds	
Combining Balance Sheet . . . . .	<b>77</b>
Combining Statement of Revenues, Expenses and Changes in Retained Earnings . . . . .	<b>78</b>
Combining Schedule of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual . . . . .	<b>79</b>
Combining Statement of Cash Flows . . . . .	<b>81</b>
Trust and Agency Funds	
Combining Balance Sheet . . . . .	<b>83</b>
Combining Balance Sheet - Expendable Trust Funds . . . . .	<b>84</b>
Combining Statement of Net Assets - Investment Trust Funds . . . . .	<b>86</b>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds . . . . .	<b>87</b>
Combining Statement of Changes in Net Assets - Investment Trust Funds . . . . .	<b>89</b>
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - Schools - Other Local Taxing Units . . . . .	<b>90</b>
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - State - City . . . . .	<b>91</b>
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - Protest Fund - Miscellaneous Agencies . . . . .	<b>92</b>
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - Payroll & Claims - Total Agency Funds . . . . .	<b>93</b>
General Fixed Asset Account Group	
Schedule of General Fixed Assets by Source . . . . .	<b>95</b>
Schedule of General Fixed Assets by Function and Activity . . . . .	<b>96</b>
Schedule of Changes in General Fixed Assets by Function and Activity . . . . .	<b>97</b>
Component Units	
Combining Balance Sheet . . . . .	<b>99</b>
Combining Statement of Revenues, Expenses and Changes in Net Assets . . . . .	<b>100</b>
Combining Statement of Cash Flows . . . . .	<b>101</b>

**MISSOULA COUNTY, MONTANA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS  
 FISCAL YEAR ENDED JUNE 30, 2002**

**STATISTICAL SECTION**

General Governmental Expenditures by Function - Last Ten Fiscal Years .....	103
General Governmental Revenues by Source - Last Ten Fiscal Years .....	104
Property Tax Levies and Collections - Governmental and Internal Service Fund Types - Last Ten Fiscal Years .....	105
Property Tax Assessments and Taxable Value - Last Ten Fiscal Years .....	106
Property Tax Levies by Mills - Direct and Overlapping - Last Ten Fiscal Years .....	107
Principal Taxpayers .....	108
Special Assessments Billings and Collections .....	109
Computation of Legal Debt Margin .....	110
Tax Exempt Debt Issued - Last Ten Calendar Years .....	111
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years .....	112
Ratio of Annual Debt Service Requirements for General Obligation Bonded Debt to Total General Expenditures - Last Ten Fiscal Years .....	113
Computation of Direct and Overlapping Debt .....	114
Major Employers .....	115
Property Tax Levies in the MCA Industrial District .....	116
Major Taxpayers in the MCA Industrial District .....	116
Taxable Value, Incremental Taxable Value & Tax Increment Revenue - MCA Industrial District .....	117
MCA Industrial District - Increment Bond Coverage .....	118
Port Authority Tax Levy .....	118
Demographic Statistics - Last Ten Fiscal Years .....	119
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years .....	120
Miscellaneous Statistical Data .....	121

**SINGLE AUDIT SECTION**

Independent Auditors' Report on Supplementary Schedule of Expenditures of Federal Awards - Cash Basis .....	123
Schedule of Expenditures of Federal Awards - Cash Basis .....	124
Notes to Schedule of Expenditures of Federal Awards - Cash Basis .....	132
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	134
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i> .....	136
Schedule of Findings and Questioned Costs .....	138



December 27, 2002

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, 2002. I believe this CAFR presents fairly the financial condition of the County at June 30, 2002 and the results of its operations and cash flows for proprietary and 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.

This report consists of four sections:

- ✚ The introductory section includes this letter, a copy of Missoula County's 2001 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 general-purpose financial statements, the combining 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 the County's funds and account groups 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 reflected here are the activities of the Missoula County Airport Industrial District, Larchmont Golf Course, Missoula Aging Services, 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 General Purpose 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.

## **ECONOMIC CONDITIONS**

Missoula County continues as the second largest trade and service center in the state. Hospital and highway construction projects have led growth in recent years. Additionally, retail trade and other sectors closely linked with regional activity have continued to grow while forest products and manufacturing remain steady. According to the Missoula Area Economic Development Corporation, the total trade area population has increased to 340,941, up 21.6% since 1990, and continues to grow. Unemployment in the Missoula Labor Force Area has held steady at 3.4% from October 2001 to December 2002, ahead of both the state average (4.6%) and the national average (6.0%).

Although growth has cooled from the strong rates in the late 1990's, nonfarm labor income is projected to grow at a rate of 3.0 to 3.5% over the next three to four years according to statistics provided by the University of Montana Bureau of Business and Economic Research. The major growth industries for the County are expected to be trade center activities along with transportation and construction. Compared with 1982, there have been significant changes in the County's economic base. Government has decreased from 20% to 14% of Gross County Product (GCP) and Mining & Manufacturing has decreased from 14% to 10%. Conversely, Trade Center Activities have increased from 14% to 20% of GCP and Transportation & Construction has increased from 17% to 22%. This trend is expected to continue for the next few years.

Missoula County remains above the state average in both employment and nonfarm labor income growth. Planned expansion in retail trade and health care facilities will continue to bolster the economy. However, a significant budget shortfall at the state government level along with the risks of increasing commercial utility costs and fuel prices may hamper growth in the future.

## **MAJOR INITIATIVES**

For the Year – The Board of County Commissioners prioritized the continued rebuilding of cash reserves and the reinstatement of positions lost in fiscal year 2001 to the extent possible. The County's financial condition continues to improve with General Fund equity increasing from \$2,096,057 at the end of fiscal year 2001 to \$2,693,750 at the end of fiscal year 2002. The General Fund is expected to hit targeted cash reserve amounts in fiscal year 2003.

The Public Safety fund was established in fiscal year 2002 in order to report the operations of the Sheriff's Office, including the Detention Division. After the opening of the Missoula County Regional Detention Facility in 2000, the Sheriff's Office annual budget grew from \$4,560,818 in fiscal year 1999 to \$10,729,222 in fiscal year 2002. In fiscal year 2001, the Sheriff's Office was 53% of the General Fund budget. The Public Safety fund was created to better account for the Sheriff operations and to maintain the General Fund as the fund predominantly involved in general government functions.

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 operational changes and cuts to correct the compliance findings and to make the Center profitable once again.

Interest in the County's Development Park has continued to increase and sales are expected to continue rapidly in fiscal year 2002. In fiscal year 2001, eight parcels totaling 68.56 acres were sold for net proceeds of approximately \$1.5 million. Sale proceeds have been designated for infrastructure projects within the Park, with a portion set aside to repay general fund investments.

For the Future – For Fiscal Year 2003 Budget, the Board of County Commissioners set major priorities as follows:

- ✚ Continue to increase General Fund cash reserves to 10% of total revenues.
- ✚ Establish an initial reserve of \$500,000 for the Old Courthouse remodel project. The total project is expected to last 5 years with an estimated cost of \$1.4 million. For fiscal year 2003, this project will primarily involve demolition of the 4<sup>th</sup> floor of the Courthouse Annex (the old jail site) and repairing the terra cotta and granite on the exterior of the Old Courthouse.
- ✚ Establish an initial reserve of \$250,000 for the replacement of the County's communications backbone used by the 9-1-1 Communications Center for emergency dispatch. Total project cost is estimated to be \$650,000 over the next five years.

Other changes include the passage of two bills in the 2001 Montana legislature that significantly change county funding and expenditures:

**HB124** – This bill's main objective was to simplify local government funding by eliminating the complex distribution of various revenues that were passed to the counties through the state. Essentially the bill eliminates various local revenues, such as motor vehicle, gambling, alcohol, and corporate license, and personal property reimbursements, and replaces them with a single entitlement share. This entitlement share was calculated at fiscal year 2001 levels with a provision for growth for fiscal year 2002. The bill was designed to be revenue neutral for the counties and the state. Future growth in the entitlement share is tied to statewide economic growth and population growth in each jurisdiction.

**SB176** – This bill provided for state assumption of most costs related to the District Court system. Effective for fiscal year 2003, certain areas related to District Court, including judges and staff, court reporting, and youth court, become operations of the state. The Clerk of Court, Public Defender's office, and costs associated with space needs are still responsibilities of the County. The state received revenue to fund these programs through a corresponding reduction in the County's entitlement share.

Department Focus – The City-County Health Department is operated under an Interlocal agreement between the City of Missoula and Missoula County. The seven-member Board of Health, which governs the Department, is appointed equally by the City council and the County Commissioners. Four divisions and the water quality district operate to protect, maintain, and improve the public health of citizens in the community.

In recent years, the governance structure of the department has been modified to better oversee the new and various responsibilities of the department. The Health Board oversees the policies of the Health Services, Health Education, and the Environmental Health Divisions and doubles as the Air Pollution Control Board. The Partnership Health Center Governing Board is a separate body of individuals that oversees the fourth division, the Partnership Health Center and holds an agreement with the Health Board and Missoula County for in-kind administrative support. The Water Quality District Board, which is also established through an Interlocal City-County agreement, is comprised of the existing Health Board plus one member of the Conservation District.

The Health Services Division programs are designed to prevent disease and promote the health and wellbeing of individuals and families in Missoula. Activities include maternal child health programs, administration of a three-county WIC nutrition program, and communicable disease prevention and control.

The chronic and preventable nature of today's problems point to an increasing need for health education and prevention programs. The Health Education Division initiates or coordinates with other agencies to implement health education and prevention projects in the community. This division provides a vital link between the department and the Missoula community in terms of public health issues and education projects.

The Environmental Health Division conducts programs to improve and maintain the quality of air, water, licensed establishments, and land use in the City and County of Missoula. The division has several regulatory enforcement programs mandated by State law, local ordinances, or County resolutions. In addition, the Division responds to public inquiries or complaints about a wide range of environmental problems. The long-range goals of all division programs are protection of public health from unreasonable risks of injury or disease caused by pollutants in the environment.

**FINANCIAL INFORMATION**

Missoula County's budgeting and accounting system includes many controls to ensure accuracy in its financial reporting and compliance with statutes and regulations governing spending. The County continues to enjoy strong coordination between budgeting and accounting for management purposes. It also continues to use a very effective budget monitoring process involving quarterly presentations to the Board of County Commissioners and formal mid-year budget reviews.

General Government Functions

**REVENUES  
GENERAL, SPECIAL REVENUE & DEBT SERVICE FUND TYPES**

Revenue	Amount	% of Total	Changes from Fiscal Year 2001	% Change
Property Taxes	\$ 22,908,495	50.13%	\$ 476,395	2.12%
Licenses & Permits	237,354	0.52%	(321,388)	-57.52%
Intergovernmental Revenue	13,330,319	29.17%	3,307,666	33.00%
Charges for Services	7,674,758	16.79%	441,612	6.11%
Fines & Forfeits	819,733	1.79%	44,357	5.72%
Interest Earnings	152,169	0.33%	(163,695)	-51.82%
Private & Local Grants	112,140	0.25%	(55,703)	-33.19%
Miscellaneous Revenues	466,178	1.02%	253,751	119.45%
<b>Total</b>	<b>\$ 45,701,146</b>	<b>100.00%</b>	<b>\$ 3,982,995</b>	<b>9.55%</b>

Property tax revenue changed significantly in Fiscal Year 2002. Increases in property tax revenue for Fiscal Year 2002 include mill levy increases totaling approximately \$2 million, including levy authority transferred from the state welfare mill levy totaling \$1,312,000 and a voter-approved library levy increase of \$510,000. Additionally, the local option motor vehicle tax had growth of approximately \$334,000. These increases were offset by decreases in motor vehicle (\$927,000), gambling (\$705,000) and state fleet tax revenue (\$226,000) through state assumption under HB 124 mentioned above.

The decrease in licenses & permits is primarily due to state assumption of motor vehicle license revenues that were replaced by the entitlement share under HB 124.

The large increase in intergovernmental revenue is due primarily to the effects of HB 124. Revenues that were formerly reported in property taxes, license and permits, and intergovernmental revenue are now received in a single entitlement share payment.

The increase in charges for services is due to the continued growth of state and federal prisoner board revenues at the Missoula County Regional Detention Facility.

The decrease in interest earnings is due to the poor market rates earned by the investment pool in Fiscal Year 2002. The loss in revenue from the low rates was somewhat offset by the higher cash and investment balances maintained by the County.

The increase in miscellaneous revenue is due to unanticipated revenues in Health, Detention, and General Fund Financial Administration.

The changes in fines and forfeits and private and local grants are not significant and are consistent with historical trends.

**EXPENDITURES  
GENERAL, SPECIAL REVENUE & DEBT SERVICE FUND TYPES**

Expenditure	Amount	% of Total	Changes from Fiscal Year 2001	% Change
General Government	\$ 5,258,354	11.17%	\$ 421,914	8.72%
Criminal Justice	4,952,646	10.52%	233,359	4.94%
Public Safety	12,073,536	25.65%	1,366,108	12.76%
Public Works	4,414,712	9.38%	609,853	16.03%
Public Health	3,801,529	8.08%	(489,040)	-11.40%
Social & Economic Services	3,581,418	7.61%	823,994	29.88%
Culture & Recreation	2,438,496	5.18%	326,116	15.44%
Housing & Community Development	901,215	1.91%	(304,965)	-25.28%
Capital Outlay	6,670,107	14.17%	2,333,847	53.82%
Debt Service				
Principal	1,765,227	3.78%	176,723	11.13%
Interest and Fiscal Charges	1,220,148	2.59%	80,167	7.03%
Total	<u>\$ 47,077,388</u>	<u>100.00%</u>	<u>\$ 5,578,076</u>	<u>13.44%</u>

General government expenditures are for those services provided by the office of the County Commissioners, Clerk & Recorder/Treasurer, County Auditor, and the County Superintendent of Schools. The criminal justice function includes the County Attorney, the Justice of the Peace and the entire District Court fund. Public safety expenditures reflect the various operations of the County Sheriff's Office as well as 9-1-1 Dispatch Center and Disaster & Emergency Services. Public works include roads, bridges, weed control efforts and infrastructure planning in the Industrial Development Park. Public health expenditures are those made by the City-County Health Department, the Water Quality District, Animal Control and the Junk Vehicle fund. Social and economic service expenditures reflect the programs of the Extension Office, the Poor fund and the Community Based Organizations. The Western Montana Fair, County Parks, Library and Museums are included in culture and recreation expenditures. The Office of Planning and Grants makes up the housing and community development expenditures along with Growth Management and the HUD/CDBG programs. Capital outlay includes all capital items except those accounted for in capital projects funds. Debt Service expenditures are for both general obligation and special assessment debt.

The increase in general government expenditures is primarily due to personnel increases in Fiscal Year 2002. Also, the County spent an additional \$100,000 on involuntary psychiatric commitments.

The increase in public safety is primarily attributable to the continued growth at the Missoula County Regional Detention Facility. Total detention expenditures increased approximately \$911,000 from Fiscal Year 2001 to Fiscal Year 2002. This increase was offset by the increase in detention revenues over the same period.

The increase in public works is primarily attributable to growth in the County Surveyor's Office for projects such as Lolo aerial mapping. Total surveyor expenditures increased approximately \$337,000, which was partially offset by a \$202,710 transfer in from the Road Fund.

The decrease in public health is primarily due to grant and state revenue reductions in the areas of WIC, tobacco education, and DUI prevention.

Social and economic services increased primarily due to new programs in the Office of Planning and Grants. These programs include the Family Learning Initiative (with expenditures totaling approximately \$235,000) and the CDBG loan to Pyramid Mountain Lumber totaling \$375,000.

The decrease in housing and community development expenditures was primarily due to a decrease in activity in the HUD/CDBG revolving loan programs.

The increase in capital outlay is due to several new projects and efforts including \$800,000 in Public Works equipment replacement funded through increases in Forest Reserve Receipts; the primarily grant funded East Missoula Sewer Project that had approximately \$515,000 in expenditures in Fiscal Year 2002; increases in Capital Improvement Program expenditures of \$334,000 primarily related to the Courthouse Renovation and Remodel Project; the \$175,000 state-wide Shared Catalog Project that is administered by the Missoula County Library; and new public works projects including Placid Lake Road (\$200,000) and increased Treasure State Endowment funding of approximately \$300,000. The changes in culture and recreation and debt service are not significant and are consistent with historical trends.

Fund Balance – General Fund reserves continue to grow with approximately \$447,000 added to total fund balance in Fiscal Year 2002. This increase is after an operating transfer totaling \$784,891 to establish the Public Safety Fund. The fiscal year 2003 budget was designed to further increase reserves and set a trend to increase reserves until targeted levels are reached.

Total Special Revenue Funds fund balance increased by approximately \$1.7 million. The largest amount of activity in the Special Revenue Funds came from the Public Safety Fund whose fund balance increased by \$1.5 million (\$784,891 of this was in the form of the General Fund transfer mentioned above). Other significant increases came from the Capital Improvement Fund due to receipts on contracts receivable, and the MCA Industrial District due to larger than expected land sales. District Court fund balance decreased \$434,000 due to an increase in expenditures in anticipation of state assumption and the delinquency of certain state reimbursements. Not all of these reimbursements were accrued due to uncertainty of collectibility. The Planning fund balance decreased by \$470,000, due to accrued costs related to the East Missoula Sewer Project that will be reimbursed in the future. No receivables had been recorded related to these liabilities because they did not meet the “measurable and available” criteria.

Fund balance in the Debt Service and Capital Projects funds are consistent with management expectations.

Proprietary Operations – Larchmont Golf Course had net income before operating transfers of \$203,936 for Fiscal Year 2002 and was able to contribute \$200,000 to the general operation of the County.

Risk Management had a net loss totaling \$204,928. However, the fund received a transfer in of \$987,000 from the General Fund in order to re-capitalize the trust. The trust had been depleted in the past two fiscal years due to the settlement of three large claims. The County issued \$987,000 in limited obligation bonds to fund the transfer. The Workers’ Compensation Trust had net income of \$85,111 and the Employee Benefits Plan had a net loss of \$655,229 (after a \$300,000 cash infusion from the General Fund) due to an abnormally high claims year. For fiscal year 2003, benefits were decreased, and premiums were increased approximately 25%.

Fiduciary Responsibilities – The County does not have its own single employer pension fund. However, it acts as either agent or trustee for 56 other agencies 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.

Debt Administration – New debt issued by the County in Fiscal Year 2002 included \$93,114 to fund improvements to the water system at the Western Montana Fair and \$796,304 in Montana State Board of Investments INTERCAP financing for on-going equipment pool purchases and Road Department equipment. The County also issued \$987,000 in limited obligation bonds to fund the risk management program (see “Proprietary Operations” above). Information on other outstanding debt can be found in Note 5.

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 2002, it was invested primarily in the Short Term Investment Pool. The average rate of return for fiscal year 2002 was 3.13%. Total interest earned by the pool was approximately \$1.7 million. The County's share for governmental funds was approximately \$198,000.

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 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.

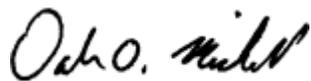
### **OTHER INFORMATION**

Independent Audit – Montana statutes require the Department of Commerce, Division of Local Government Services to conduct biennial audits of all local governments. As an alternative, local governments may contract for their audit with an independent CPA firm. 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 thirteenth consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2001 Comprehensive Annual Financial Report. The Fiscal Year 2002 Report will also be submitted for consideration for the Certificate.

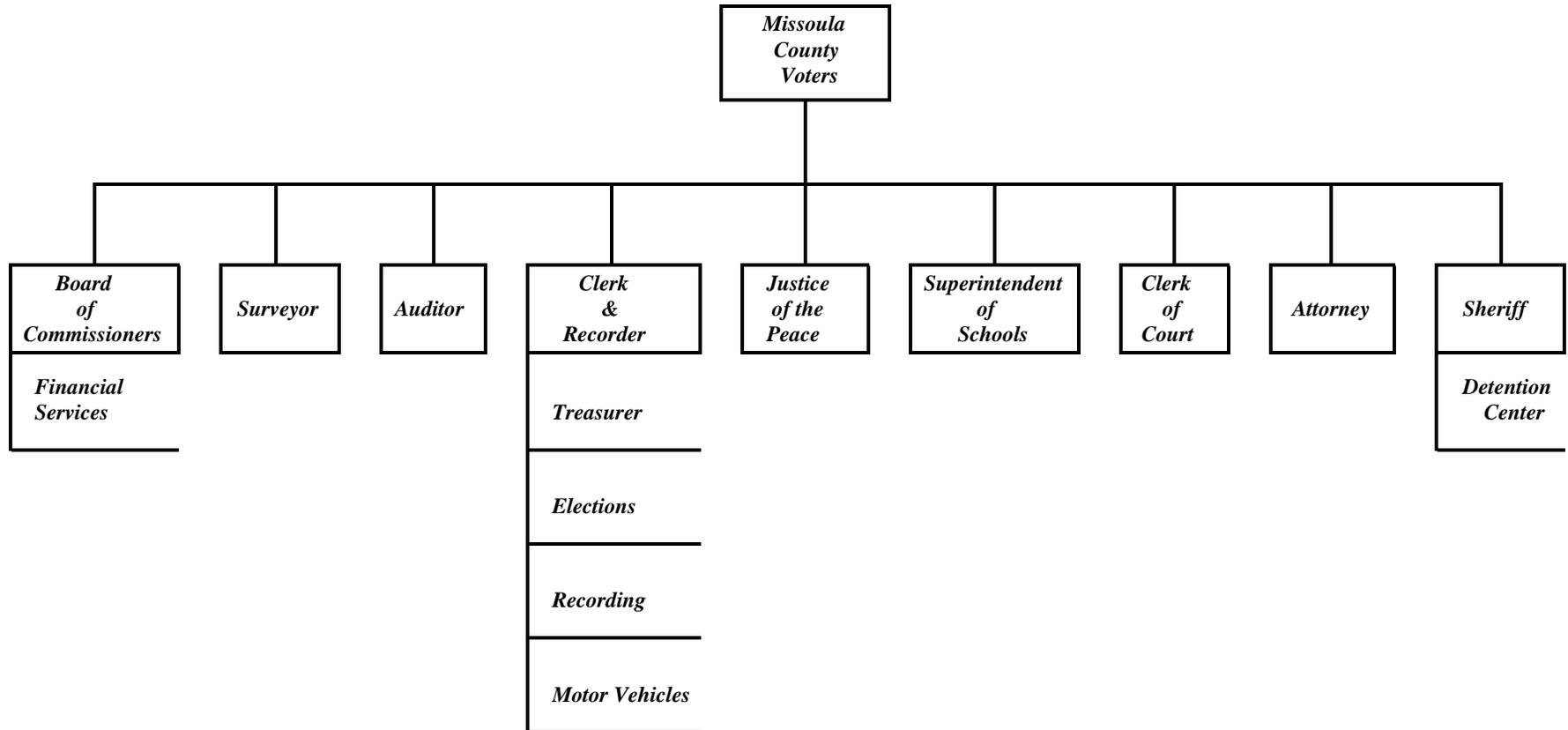
Acknowledgements – I would like to thank everyone in the Missoula County Financial Services Office: Edna Wingfield, Karen Mason, Teresa Graham, Marge Duncan, and especially Carol Routh for all their work and dedication. I would also like to thank Susan Reed, the Missoula County Auditor, and her staff Nora Morris and Debbie Gross, for their support. Without the efforts of all these people, this report would not have been completed. Finally, I would like to thank the Board of County Commissioners for their understanding of the value of this report and their continued support for strong financial accountability.

Sincerely,



Dale D. Bickell  
Chief Financial Officer

# MISSOULA COUNTY Organizational Chart



# MISSOULA COUNTY, MONTANA

## **Board of County Commissioners**

Barbara Evans  
William Carey  
Jean Curtiss

## **Surveyor**

Horace Brown

## **Auditor**

Susan Reed

## **Clerk and Recorder - Treasurer**

Vickie M. Zeier

## **Justice of the Peace**

Karen Orzech  
John E. Odlin

## **Superintendent of Schools**

Rachel Vielleux

## **Clerk of Court**

Kathleen Breuer

## **County Attorney**

Fred Van Valkenberg

## **Sheriff**

Douglas W. Chase

# 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, 2001**

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 reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*William Patrick Pate*  
President

*Jeffrey L. Esser*  
Executive Director

# **FINANCIAL SECTION**

---

---



Board of County Commissioners  
Missoula County, Montana

Independent Auditors' Report

We have audited the accompanying general-purpose financial statements of Missoula County, Montana, as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of Missoula County, Montana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the Missoula Aging Services, which statements reflect total assets and total revenues constituting .90%, and 3.42%, respectively, of the related combined totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Missoula Aging Services, is based solely 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 opinion

In our opinion, based on our audit and the report of the other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Missoula County, Montana at June 30, 2002 and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2002 on our consideration of Missoula 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 result of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Missoula County, Montana, taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole

The information included in the "Statistical Section" as listed in the accompanying table of contents has not been audited by us and, accordingly, we express no opinion thereon.

*Elmore & Associates, P.C.*

Certified Public Accountants  
December 27, 2002

3819 Stephens · P.O. Box 2368 · Missoula, MT 59806 · (406)721-7800 · Fax(406)721-4155

**MISSOULA COUNTY, MONTANA**  
**Combined Balance Sheet**  
**All Fund Types, Account Groups, and Discretely Presented Component Units**  
**June 30, 2002**  
**(With Comparative Totals for June 30, 2001)**  
**(Page 1 of 4)**

	Governmental Fund Types				Proprietary Fund Types		Fiduciary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency
Assets and Other Debit:							
Assets:							
Cash & Cash Equivalents	\$ 50,191	\$ 106,647	\$ 5,933	\$ -	\$ 13,334	\$ 1,610,126	\$ 1,403,733
Cash with Fiscal Agent	-	145,273	1,280,538	-	-	-	2,378,167
Investments	2,226,765	4,731,442	263,204	-	591,570	3,157,096	51,590,325
Property Taxes Receivable (net)	803,373	1,191,366	108,939	-	-	38,829	8,162,767
RSID Receivable:							
Delinquent	-	-	40,369	-	57,547	-	-
Deferred	-	-	2,971,828	-	-	-	-
Accounts Receivable	10,717	1,989,201	-	-	11,722	-	-
Interest Receivable	-	-	-	-	-	16,733	-
Contributions Receivable	-	-	-	-	-	221,767	-
Loans & Notes Receivable	-	1,539,917	-	800,000	-	-	-
Advances to Other Funds	813,933	895,150	518,632	-	263,112	-	1,190
Due from Other Funds	-	-	-	-	-	-	-
Prepaid Costs	-	5,388	-	-	-	50,673	-
Debt Issuance Costs	-	-	-	-	-	-	-
Inventory	-	324,217	-	-	19,188	-	-
Fixed Assets	-	-	-	-	2,425,386	246,617	-
Other Debits:							
Amount Available in Debt Service Funds	-	-	-	-	-	-	-
Amount to be Provided for Retirement of Long-term Deb	-	-	-	-	-	-	-
<b>Total Assets and Other Debits</b>	<b>\$ 3,904,979</b>	<b>\$ 10,928,601</b>	<b>\$ 5,189,443</b>	<b>\$ 800,000</b>	<b>\$ 3,381,859</b>	<b>\$ 5,341,841</b>	<b>\$ 63,536,182</b>

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Balance Sheet**  
**All Fund Types, Account Groups, and Discretely Presented Component Units**  
**June 30, 2002**  
**(With Comparative Totals for June 30, 2001)**  
**(Page 2 of 4)**

	Account Groups		Totals (Memorandum Only)	Component Units	Totals (Memorandum Only)	
	General	General	Primary Government		Reporting Entity	
	Fixed Assets	Long-Term Debt			2002	2001
Assets and Other Debit:						
Assets:						
Cash & Cash Equivalents	\$ -	\$ -	\$ 3,189,964	\$ 224,704	\$ 3,414,668	\$ 1,629,540
Cash with Fiscal Agent:	-	-	3,803,978	-	3,803,978	3,904,327
Investments	-	-	62,560,402	-	62,560,402	70,773,655
Property Taxes Receivable (net)	-	-	10,305,274	-	10,305,274	7,965,977
RSID Receivable:						
Delinquent	-	-	97,916	-	97,916	99,009
Deferred	-	-	2,971,828	-	2,971,828	3,603,429
Accounts Receivable	-	-	2,011,640	627,577	2,639,217	1,477,778
Interest Receivable	-	-	16,733	-	16,733	32,036
Contributions Receivable	-	-	221,767	-	221,767	184,988
Loans & Notes Receivable	-	-	2,339,917	-	2,339,917	3,481,062
Advances to Other Funds	-	-	2,492,017	-	2,492,017	1,925,578
Due from Other Funds	-	-	-	-	-	94,312
Prepaid Costs	-	-	56,061	12,463	68,524	44,240
Debt Issuance Costs	-	-	-	-	-	10,478
Inventory	-	-	343,405	-	343,405	279,369
Fixed Assets:	53,398,629	-	56,070,632	2,901,434	58,972,066	56,968,175
Other Debits:						
Amount Available in Debt Service Funds	-	1,511,132	1,511,132	-	1,511,132	1,693,008
Amount to be Provided for Retirement of Long-term Deb	-	25,644,508	25,644,508	-	25,644,508	25,333,437
<b>Total Assets and Other Debits</b>	<b>\$ 53,398,629</b>	<b>\$ 27,155,640</b>	<b>\$ 173,637,174</b>	<b>\$ 3,766,178</b>	<b>\$ 177,403,352</b>	<b>\$ 179,500,398</b>

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Balance Sheet**  
**All Fund Types, Account Groups, and Discretely Presented Component Units (Continued)**  
**June 30, 2002**  
**(With Comparative Totals for June 30, 2001)**  
**(Page 3 of 4)**

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency
Liabilities, Equity and Other Credits:							
Liabilities:							
Accounts & Warrants Payable	\$ 260,789	\$ 1,217,221	\$ 6,300	\$ 109,515	\$ 32,397	\$ -	\$ 1,613,625
Accrued Interest Payable	-	60,273	478,330	-	-	-	-
Accrued Payroll	147,067	339,367	-	-	49,601	19,701	-
Advances from Other Fund:	-	744,022	72,545	666,373	-	-	1,190
Due to Other Government:	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Tax Revenue	803,373	1,191,366	3,121,136	-	-	-	-
Deferred Grant Revenue	-	-	-	-	-	-	-
Other Deferred Revenue	-	1,539,917	-	800,000	-	-	-
Funds Held in Trust	-	-	-	-	-	-	10,694,234
Notes & Contracts Payable	-	-	-	-	-	142,040	-
Liability for Sick & Vacation	-	-	-	-	-	-	-
Liability for Claims	-	-	-	-	-	2,731,312	-
General Obligation							
Bonds & Notes Payable	-	-	-	-	-	-	-
Limited Obligation Note Payable	-	-	-	-	-	-	-
Tax Increment Bonds Payable	-	-	-	-	-	-	-
Special Assessment Bonds & Loans Payable	-	-	-	-	-	-	-
Total Liabilities	<u>1,211,229</u>	<u>5,092,166</u>	<u>3,678,311</u>	<u>1,575,888</u>	<u>81,998</u>	<u>2,893,053</u>	<u>12,309,049</u>
Equity and Other Credits:							
Contributed Capital	-	-	-	-	3,051,440	-	-
Investment in General Fixed Asset	-	-	-	-	-	-	-
Net Assets of Discretely Presented Component Uni	-	-	-	-	-	-	-
Retained Earnings							
Reserved for Self Insurance	-	-	-	-	-	2,448,788	-
Unreserved	-	-	-	-	248,421	-	-
Fund balances:							
Reserved for External							
Investment Pool Participants	-	-	-	-	-	-	49,175,058
Reserved for Inventory	-	324,217	-	-	-	-	-
Reserved for Advances & Loan	813,933	895,150	518,632	-	-	-	1,190
Reserved for Capita	-	306,717	-	-	-	-	-
Unreserved							
Undesignated	1,879,817	4,310,351	992,500	(775,888)	-	-	2,050,885
Total Equity and Other Credit:	<u>2,693,750</u>	<u>5,836,435</u>	<u>1,511,132</u>	<u>(775,888)</u>	<u>3,299,861</u>	<u>2,448,788</u>	<u>51,227,133</u>
Total Liabilities, Equity, and Other Credit:	<u>\$ 3,904,979</u>	<u>\$ 10,928,601</u>	<u>\$ 5,189,443</u>	<u>\$ 800,000</u>	<u>\$ 3,381,859</u>	<u>\$ 5,341,841</u>	<u>\$ 63,536,182</u>

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Balance Sheet**  
**All Fund Types, Account Groups, and Discretely Presented Component Units (Continued)**  
**June 30, 2002**  
**(With Comparative Totals for June 30, 2001)**  
**(Page 4 of 4)**

	Account Groups		Totals (Memorandum Only)	Component Units	Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	Primary Government		Reporting Entity	
					2002	2001
Liabilities, Equity and Other Credit:						
Liabilities:						
Accounts & Warrants Payable	\$ -	\$ -	\$ 3,239,847	\$ 178,008	\$ 3,417,855	\$ 3,035,156
Accrued Interest Payable	-	-	538,603	3,007	541,610	484,047
Accrued Payroll	-	-	555,736	33,641	589,377	572,236
Advances from Other Fund:	-	-	1,484,130	1,007,887	2,492,017	1,925,578
Due to Other Government:	-	-	-	51,145	51,145	-
Due to Other Funds:	-	-	-	-	-	94,312
Deferred Tax Revenue	-	-	5,115,875	-	5,115,875	5,215,615
Deferred Grant Revenue	-	-	-	202,353	202,353	250,785
Other Deferred Revenue	-	-	2,339,917	-	2,339,917	3,481,062
Funds Held in Trust	-	-	10,694,234	-	10,694,234	9,337,171
Notes & Contracts Payable	-	1,700,035	1,842,075	903,283	2,745,358	2,362,469
Liability for Sick & Vacator	-	3,212,605	3,212,605	238,864	3,451,469	3,704,335
Liability for Claims:	-	-	2,731,312	-	2,731,312	2,224,368
General Obligation						
Bonds & Notes Payable	-	15,875,000	15,875,000	-	15,875,000	16,869,080
Limited Obligation Note Payable	-	1,435,000	1,435,000	-	1,435,000	450,000
Tax Increment Bonds Payable	-	2,235,000	2,235,000	-	2,235,000	2,315,000
Special Assessment Bonds & Loans Payable	-	2,698,000	2,698,000	-	2,698,000	2,755,000
Total Liabilities	<u>-</u>	<u>27,155,640</u>	<u>53,997,334</u>	<u>2,618,188</u>	<u>56,615,522</u>	<u>55,076,214</u>
Equity and Other Credits:						
Contributed Capital	-	-	3,051,440	-	3,051,440	3,096,576
Investment in General Fixed Asset	53,398,629	-	53,398,629	-	53,398,629	51,805,074
Net Assets of Discretely Presented Component Uni	-	-	-	1,147,990	1,147,990	1,422,484
Retained Earnings						
Reserved for Self Insurance:	-	-	2,448,788	-	2,448,788	1,876,834
Unreserved	-	-	248,421	-	248,421	116,050
Fund balances:						
Reserved for External						
Investment Pool Participants	-	-	49,175,058	-	49,175,058	56,871,640
Reserved for Inventory:	-	-	324,217	-	324,217	254,881
Reserved for Advances & Loan	-	-	2,228,905	-	2,228,905	1,925,578
Reserved for Capital	-	-	306,717	-	306,717	289,891
Unreserved						
Undesignated	-	-	8,457,665	-	8,457,665	6,765,176
Total Equity and Other Credit:	<u>53,398,629</u>	<u>-</u>	<u>119,639,840</u>	<u>1,147,990</u>	<u>120,787,830</u>	<u>124,424,184</u>
Total Liabilities, Equity, and Other Credit:	<u>\$ 53,398,629</u>	<u>\$ 27,155,640</u>	<u>\$ 173,637,174</u>	<u>\$ 3,766,178</u>	<u>\$ 177,403,352</u>	<u>\$ 179,500,398</u>

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(With Comparative Totals for Fiscal Year Ended June 30, 2001)**

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only) Reporting Entity	
	General	Special Revenue	Debt Service	Capital Projects		2002	2001
<b>Revenues:</b>							
Property Taxes	\$ 6,478,650	\$ 14,804,377	\$ 1,625,468	\$ -	\$ -	\$ 22,908,495	\$ 22,432,100
Licenses & Permit:	34,841	202,513	-	-	-	237,354	558,742
Intergovernmental Revenue	2,910,688	10,171,015	248,616	-	362,242	13,692,561	10,713,539
Charges for Service:	1,918,850	5,755,908	-	-	594,938	8,269,696	7,919,327
Fines & Forfeits:	630,623	189,110	-	-	4,320	824,053	775,376
Investment Earnings:	78,034	63,983	10,152	64,000	46,303	262,472	416,479
Private & Local Grants	-	112,140	-	-	84,413	196,553	242,035
Miscellaneous Revenue:	112,815	353,363	-	10,600	5,711	482,489	236,143
Total Revenues	<u>12,164,501</u>	<u>31,652,409</u>	<u>1,884,236</u>	<u>74,600</u>	<u>1,097,927</u>	<u>46,873,673</u>	<u>43,293,741</u>
<b>Expenditures:</b>							
<b>Current Operations:</b>							
General Government	5,258,354	-	-	-	-	5,258,354	4,836,440
Criminal Justice	2,572,665	2,379,981	-	-	10,385	4,963,031	4,726,227
Public Safety	1,111,567	10,961,969	-	2,261	436,675	12,512,472	11,175,902
Public Works	728,612	3,686,100	-	755,911	-	5,170,623	3,908,521
Public Health	-	3,801,529	-	-	-	3,801,529	4,689,569
Social & Economic Service	-	3,581,418	-	-	-	3,581,418	2,358,424
Culture & Recreation	-	2,438,496	-	-	86,069	2,524,565	2,202,326
Housing & Community Developmen	-	901,215	-	-	-	901,215	1,206,180
Capital Outlay	375,377	6,294,730	-	68,932	4,939	6,743,978	4,628,677
<b>Debt Service:</b>							
Principal	-	791,227	974,000	-	-	1,765,227	1,588,504
Interest and Fiscal Charge:	-	250,166	969,982	-	-	1,220,148	1,139,981
Total Expenditures	<u>10,046,575</u>	<u>35,086,831</u>	<u>1,943,982</u>	<u>827,104</u>	<u>538,068</u>	<u>48,442,560</u>	<u>42,460,751</u>
Excess of Revenues over (under) Expenditure	2,117,926	(3,434,422)	(59,746)	(752,504)	559,859	(1,568,887)	832,990
<b>Other Financing Sources (uses)</b>							
Operating Transfers In	696,018	3,393,001	90,392	87,459	36,920	4,303,790	2,845,061
Operating Transfers Out	(3,203,451)	(1,510,138)	(176,457)	-	(490,181)	(5,380,227)	(2,648,604)
Note Proceeds:	-	93,299	-	-	-	93,299	-
Bond Proceeds:	987,000	1,317,763	-	430,125	-	2,734,888	1,008,792
Sale of Fixed Asset:	-	1,829,779	-	-	-	1,829,779	2,263,841
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use	597,493	1,689,282	(145,811)	(234,920)	106,598	2,012,642	4,302,080
<b>Fund Balance:</b>							
Beginning of Year							
Previously Reported	2,096,257	4,077,817	1,693,008	(577,033)	1,945,477	9,235,526	4,952,303
Residual Equity Transfer	-	-	(36,065)	36,065	-	-	-
Change in Inventory Reserve	-	69,336	-	-	-	69,336	(18,857)
End of Year	<u>\$ 2,693,750</u>	<u>\$ 5,836,435</u>	<u>\$ 1,511,132</u>	<u>\$ (775,888)</u>	<u>\$ 2,052,075</u>	<u>\$ 11,317,504</u>	<u>\$ 9,235,526</u>

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - All Budgeted Governmental Fund Types**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 1 of 2)**

	General			Special Revenue			Debt Service		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ 6,055,043	\$ 6,478,650	\$ 423,607	\$ 15,075,919	\$ 14,804,377	\$ (271,542)	\$ 1,008,864	\$ 1,004,355	\$ (4,509)
Licenses & Permits	26,100	34,841	8,741	196,150	202,513	6,363	-	-	-
Intergovernmental Revenue	1,768,063	2,170,472	402,409	15,944,528	9,025,710	(6,918,818)	192,768	248,616	55,848
Charges for Services:	1,487,067	1,950,850	463,783	5,245,032	5,755,908	510,876	-	-	-
Fines & Forfeits	549,150	630,623	81,473	138,700	189,110	50,410	-	-	-
Investment Earning:	50,000	112,020	62,020	10,000	64,626	54,626	33,404	15,836	(17,568)
Private & Local Grants	-	-	-	74,670	112,140	37,470	-	-	-
Miscellaneous Revenue	29,050	112,815	83,765	650,617	353,363	(297,254)	-	-	-
Total Revenues	<u>9,964,473</u>	<u>11,490,271</u>	<u>1,525,798</u>	<u>37,335,616</u>	<u>30,507,747</u>	<u>(6,827,869)</u>	<u>1,235,036</u>	<u>1,268,807</u>	<u>33,771</u>
Expenditures:									
Current Operations:									
Personnel	7,215,409	7,155,497	59,912	19,222,028	18,913,285	308,743	-	-	-
Operations	2,683,651	2,593,373	90,278	11,361,210	8,946,801	2,414,409	-	-	-
Capital Outlay	534,348	365,432	168,916	10,945,918	5,493,900	5,452,018	-	-	-
Debt Service:									
Principal	-	-	-	791,227	787,227	4,000	590,000	590,000	-
Interest and Fiscal Charges	-	-	-	206,662	189,893	16,769	838,772	823,664	15,108
Total Expenditures	<u>10,433,408</u>	<u>10,114,302</u>	<u>319,106</u>	<u>42,527,045</u>	<u>34,331,106</u>	<u>8,195,939</u>	<u>1,428,772</u>	<u>1,413,664</u>	<u>15,108</u>
Excess of Revenue over (under) Expenditures	(468,935)	1,375,969	1,844,904	(5,191,429)	(3,823,359)	1,368,070	(193,736)	(144,857)	48,879
Other Financing Sources (uses)									
Operating Transfer In	1,007,983	664,018	(343,965)	3,056,719	3,393,001	336,282	53,143	105,840	52,697
Operating Transfer Out	(2,219,123)	(2,216,451)	2,672	(1,599,273)	(1,473,035)	126,238	(140,402)	(68,210)	72,192
Loan Proceeds	-	-	-	949,881	899,613	(50,268)	-	-	-
Sale of Fixed Assets:	-	-	-	1,778,460	2,247,929	469,469	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,680,075)</u>	<u>(176,464)</u>	<u>\$ 1,503,611</u>	<u>\$ (1,005,642)</u>	<u>1,244,149</u>	<u>\$ 2,249,791</u>	<u>\$ (280,995)</u>	<u>(107,227)</u>	<u>\$ 173,768</u>
Fund Balance:									
Beginning of Year		<u>3,367,662</u>			<u>4,777,037</u>			<u>1,297,062</u>	
End of Year		<u>\$ 3,191,198</u>			<u>\$ 6,021,186</u>			<u>\$ 1,189,835</u>	

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual - All Budgeted Governmental Fund Types**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 2 of 2)**

	Capital Projects			Total (Memorandum only)		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
	Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ 22,139,826	\$ 22,287,382	\$ 147,556
Licenses & Permit:	-	-	-	222,250	237,354	15,104
Intergovernmental Revenue	-	-	-	17,905,359	11,444,798	(6,460,561)
Charges for Service:	-	-	-	6,732,099	7,706,758	974,659
Fines & Forfeits:	-	-	-	687,850	819,733	131,883
Investment Earning:	64,000	64,000	-	157,404	256,482	99,078
Private & Local Grants	-	-	-	74,670	112,140	37,470
Miscellaneous Revenue	-	-	-	679,667	466,178	(213,489)
Total Revenues	64,000	64,000	-	48,599,125	43,330,825	(5,268,300)
Expenditures:						
Current Operations:						
Personnel	-	-	-	26,437,437	26,068,782	368,655
Operations	-	2,261	(2,261)	14,044,861	11,542,435	2,502,426
Capital Outlay	200,000	178,204	21,796	11,680,266	6,037,536	5,642,730
Debt Service:						
Principal	-	-	-	1,381,227	1,377,227	4,000
Interest and Fiscal Charges	-	-	-	1,045,434	1,013,557	31,877
Total Expenditures	200,000	180,465	19,535	54,589,225	46,039,537	8,549,688
Excess of Revenue over (under) Expenditure:	(136,000)	(116,465)	19,535	(5,990,100)	(2,708,712)	3,281,388
Other Financing Sources (uses)						
Operating Transfer In	-	-	-	4,117,845	4,162,859	45,014
Operating Transfer Out	-	-	-	(3,958,798)	(3,757,696)	201,102
Loan Proceeds	-	-	-	949,881	899,613	(50,268)
Sale of Fixed Asset:	-	-	-	1,778,460	2,247,929	469,469
Excess of Revenues and Othe Financing Sources over (under) Expenditures and Othe: Financing Uses	\$ (136,000)	\$ (116,465)	\$ 19,535	\$ (3,102,712)	\$ 843,993	\$ 3,946,705
Fund Balance:						
Beginning of Year		543,574			9,985,335	
End of Year		\$ 427,109			\$ 10,829,328	

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings**  
**All Proprietary Fund Types and Discretely Presented Component Units**  
**For Fiscal Year Ended June 30, 2002**  
**(With Comparative Totals for Fiscal Year Ended June 30, 2001)**

	Enterprise	Internal Service	Totals (Memorandum Only)		Totals (Memorandum Only)	
			Primary Government	Component Units	2002	2001
Operating Revenues:						
Special Assessment	\$ 738,598	\$ -	\$ 738,598	\$ -	\$ 738,598	\$ 651,338
Charges for Services	953,224	5,268,916	6,222,140	972,927	7,195,067	6,365,175
Total Operating Revenues	<u>1,691,822</u>	<u>5,268,916</u>	<u>6,960,738</u>	<u>972,927</u>	<u>7,933,665</u>	<u>7,016,513</u>
Operating Expenses						
Personnel	449,588	245,486	695,074	2,316,128	3,011,202	2,560,311
Operations	739,002	389,442	1,128,444	2,451,938	3,580,382	3,462,418
Claims	-	5,716,879	5,716,879	-	5,716,879	4,732,504
Reinsurance Premiums	-	123,355	123,355	-	123,355	173,231
Administrative	-	136,050	136,050	-	136,050	125,918
Depreciation and Amortization	195,299	11,074	206,373	194,574	400,947	379,209
Total Operating Expenses	<u>1,383,889</u>	<u>6,622,286</u>	<u>8,006,175</u>	<u>4,962,640</u>	<u>12,968,815</u>	<u>11,433,591</u>
Income (Loss) from Operation	307,933	(1,353,370)	(1,045,437)	(3,989,713)	(5,035,150)	(4,417,078)
Non-operating Revenues (Expenses)						
Property Taxes	-	338,289	338,289	-	338,289	447,970
Miscellaneous Income	-	-	-	27,031	27,031	15,023
Investment Earnings	11,198	153,171	164,369	-	164,369	323,192
Private & Local Grants	-	-	-	498,082	498,082	650,867
Contributions	-	-	-	768,512	768,512	648,333
Interest Expense	-	(18,584)	(18,584)	(16,818)	(35,402)	(79,612)
Other Expenses	-	(19,034)	(19,034)	-	(19,034)	-
Gain (Loss) on Sale of Asset	16,485	-	16,485	-	16,485	23,373
Reimbursement for Claims Incurred	-	68,927	68,927	-	68,927	-
Intergovernmental Revenue:	-	55,555	55,555	2,460,594	2,516,149	2,364,112
Net Income before Operating Transfer	335,616	(775,046)	(439,430)	(252,312)	(691,742)	(23,820)
Operating Transfers In	12,147	1,347,000	1,359,147	-	1,359,147	58,543
Operating Transfers Out	(260,528)	-	(260,528)	(22,182)	(282,710)	(255,000)
Net Income	<u>87,235</u>	<u>571,954</u>	<u>659,189</u>	<u>(274,494)</u>	<u>384,695</u>	<u>(220,277)</u>
Amortization of Federal						
Contributed Capital	45,136	-	45,136	-	45,136	45,136
Increase in Retained Earnings	<u>132,371</u>	<u>571,954</u>	<u>704,325</u>	<u>(274,494)</u>	<u>429,831</u>	<u>(175,141)</u>
Retained Earnings						
Beginning of Year	116,050	1,876,834	1,992,884	1,422,484	3,415,368	3,672,447
Correction of Accounting Error	-	-	-	-	-	(81,938)
Beginning of Year-Restated	116,050	1,876,834	1,992,884	1,422,484	3,415,368	3,590,509
End of Year	<u>\$ 248,421</u>	<u>\$ 2,448,788</u>	<u>\$ 2,697,209</u>	<u>\$ 1,147,990</u>	<u>\$ 3,845,199</u>	<u>\$ 3,415,368</u>

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Discretely Presented Component Units**  
**For Fiscal Year Ended June 30, 2002**  
**(With Comparative Totals for Fiscal Year Ended June 30, 2001)**  
**(Page 1 of 2)**

	Enterprise	Internal Service	Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only)	
					2002	2001
Cash flows from operating activities:						
Cash receipts for charges for services	\$ 1,631,656	\$ 5,254,136	\$ 6,885,792	\$ 755,075	\$ 7,640,867	\$ 7,013,454
Cash payments to employees for services	(446,131)	(220,464)	(666,595)	(2,240,787)	(2,907,382)	(2,822,719)
Cash payments for reinsurance premiums	-	(416,022)	(416,022)	-	(416,022)	(376,572)
Cash payments for administrative expenses	-	(352,032)	(352,032)	-	(352,032)	(296,924)
Cash payments for claims expenses	-	(5,059,526)	(5,059,526)	-	(5,059,526)	(4,063,360)
Cash payments to other suppliers for goods and services	(769,167)	(12,118)	(781,285)	(2,383,427)	(3,164,712)	(2,900,270)
Net cash provided by (used in) operating activities	<u>416,358</u>	<u>(806,026)</u>	<u>(389,668)</u>	<u>(3,869,139)</u>	<u>(4,258,807)</u>	<u>(3,446,391)</u>
Cash flows from non-capital financing activities:						
Property taxes collected	-	334,798	334,798	-	334,798	412,632
Reimbursement for claims incurred	-	68,927	68,927	-	68,927	-
Cash paid for interest	-	(30,712)	(30,712)	-	(30,712)	(34,865)
Advances (to) from primary government/other funds	(263,112)	-	(263,112)	561,800	298,688	65,681
Bond issuance costs	-	(9,769)	(9,769)	-	(9,769)	-
Principal payments on general obligation bonds	-	(523,182)	(523,182)	-	(523,182)	(62,331)
Transfer in	12,146	1,347,000	1,359,146	-	1,359,146	58,543
Transfer out	(260,528)	-	(260,528)	-	(260,528)	(255,000)
Intergovernmental revenue and other sources	-	55,555	55,555	3,607,617	3,663,172	3,720,468
Net cash provided (used) by non-capital financing activities	<u>(511,494)</u>	<u>1,242,617</u>	<u>731,123</u>	<u>4,169,417</u>	<u>4,900,540</u>	<u>3,905,128</u>
Cash flows from capital and related financing activities:						
Net payments on advances	-	-	-	(15,447)	(15,447)	(54,080)
Proceeds from sale of assets	16,821	-	16,821	-	16,821	24,360
Proceeds from notes payable	-	-	-	388,733	388,733	345,979
Principal paid on revenue bond maturities and notes payable	-	-	-	(79,934)	(79,934)	(178,829)
Interest paid on revenue bond maturities and notes payable	-	-	-	(13,811)	(13,811)	(50,406)
Transfer to primary government	-	-	-	(22,182)	(22,182)	-
Acquisition of fixed assets and construction in progress	(108,656)	(14,600)	(123,256)	(687,150)	(810,406)	(804,814)
Net cash used for capital and related financing activities	<u>(91,835)</u>	<u>(14,600)</u>	<u>(106,435)</u>	<u>(429,791)</u>	<u>(536,226)</u>	<u>(717,790)</u>
Cash flows from investing activities:						
Purchases of investment securities	(116,165)	(2,289,250)	(2,405,415)	-	(2,405,415)	(5,276,364)
Proceeds from sale of investment securities	212,697	3,059,311	3,272,008	18,056	3,290,064	4,971,100
Interest on investments	11,198	146,146	157,344	-	157,344	199,330
Net cash provided (used) by investing activities	<u>107,730</u>	<u>916,207</u>	<u>1,023,937</u>	<u>18,056</u>	<u>1,041,993</u>	<u>(105,934)</u>
Net increase (decrease) in cash and cash equivalents	(79,241)	1,338,198	1,258,957	(111,457)	1,147,500	(364,987)
Cash and cash equivalents at beginning of year	92,575	271,928	364,503	336,161	700,664	1,065,651
Cash and cash equivalents at end of year	<u>\$ 13,334</u>	<u>\$ 1,610,126</u>	<u>\$ 1,623,460</u>	<u>\$ 224,704</u>	<u>\$ 1,848,164</u>	<u>\$ 700,664</u>

**MISSOULA COUNTY, MONTANA**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Discretely Presented Component Units (Continued)**  
**For Fiscal Year Ended June 30, 2002**  
**(With Comparative Totals for Fiscal Year Ended June 30, 2001)**  
**(Page 2 of 2)**

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

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only) Primary Government</u>	<u>Component Units</u>	<u>Totals (Memorandum Only)</u>	
					<u>2002</u>	<u>2001</u>
Income (loss) from operations	\$ 307,933	\$ (1,353,370)	\$ (1,045,437)	\$ (3,989,713)	\$ (5,035,150)	\$ (4,330,331)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	195,299	11,074	206,373	194,574	400,947	380,243
Change in assets and liabilities:						
(Increase) decrease in receivables	(3,609)	113,630	110,021	(217,852)	(107,831)	(38,068)
(Increase) decrease in prepaid costs	-	(10,571)	(10,571)	(8,325)	(18,896)	(8,756)
(Increase) decrease in due from protest	5,300	-	5,300	-	5,300	(1,611)
(Increase) decrease in inventory	(35,383)	-	(35,383)	-	(35,383)	33,250
Increase in due to other governments	-	-	-	51,145	51,145	-
Increase (decrease) in payables and accrued liabilities	(53,182)	433,211	380,029	101,032	481,061	518,882
Net cash provided (used) by operating activities	<u>\$ 416,358</u>	<u>\$ (806,026)</u>	<u>\$ (389,668)</u>	<u>\$ (3,869,139)</u>	<u>\$ (4,258,807)</u>	<u>\$ (3,446,391)</u>

**Supplemental Disclosure of Cash Flow Information**

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

The Health Insurance Plan and the Workers' Compensation Plan had \$15,172 and \$37,500, respectively, of net investment income that was reinvested in their trust portfolios for the year. The Workers' Compensation Plan had a \$9,265 non-cash loss from the write-off of debt issuance costs.

The accompanying notes are an integral part of these financial statements.

**MISSOULA COUNTY, MONTANA**  
**Combined Statement of Changes in Net Assets**  
**Investment Trust Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(With Comparative Totals for Fiscal Year Ended June 30, 2001)**

	Totals	
	(Memorandum Only)	
	2002	2001
Interest income	\$ 1,544,273	\$ 2,085,132
Net investment income	1,544,273	2,085,132
Participant investments in pool	183,786,550	187,697,535
Distribution to participants	(193,027,405)	(170,762,990)
Increase in net assets	(7,696,582)	19,019,677
Net assets		
Beginning of year	56,871,640	37,851,963
End of year	\$ 49,175,058	\$ 56,871,640

The accompanying notes are an integral part of these financial statements.

## MISSOULA COUNTY, MONTANA

### Notes to Financial Statements

June 30, 2002

#### **Note 1 - Summary of Significant Accounting Policies**

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.

#### 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.

#### 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 combined 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, 227 West Front, Missoula, MT 59802.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

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.

Accounting Policies - The accounting policies of Missoula County conform to generally accepted accounting principles (GAAP) applicable to governments. The following is a summary of the more significant policies.

Fund Accounting - The accounts of Missoula County are organized on the basis of separate accounting entities referred to as funds or account groups. 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.

## Note 1 - Summary of Significant Accounting Policies (Continued)

### Governmental Fund Types

Governmental funds are those through which most governmental functions of the County are financed.

#### 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.

#### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

#### Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

#### Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

### Proprietary Fund Types

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.

#### 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, and Workers' Compensation funds. Risk Management is financed principally through property taxes, while Health Insurance and Workers' Compensation 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 Fund Type

#### Trust and Agency Funds

Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. 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. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### Account Groups

Account groups are used to establish accounting control of the County's general fixed assets and general long-term debt.

#### General Fixed Assets Account Group

This group of accounts is established to account for all fixed assets of the County, other than those accounted for in the proprietary funds.

#### General Long-Term Debt Account Group

This group of accounts is established to account for all long-term debt of the County except that accounted for in the proprietary funds.

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.

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues which are accrued include property taxes, investment earnings, some charges for services and special assessments. 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. The measurement focus for these funds is the flow of current financial resources.

Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The measurement focus for these funds is the flow of economic resources. The County has elected to apply the provisions of applicable pronouncements issued by the Financial Accounting Standards Board and the AICPA prior to November 30, 1989 except those that conflict with or contradict GASB pronouncements. 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.

Investment trust funds use the accrual basis of accounting and the economic resources measurement focus.

Agency funds employ the modified accrual basis of accounting. There is no applicable measurement focus for agency funds.

## Note 1 - Summary of Significant Accounting Policies (Continued)

Total Columns - The columns captioned "Totals (Memorandum Only)" are presented in the accompanying combined financial statements to facilitate financial comparison and analysis. The amounts in these columns are not intended to present consolidated financial information because interfund transactions and balances have not been eliminated.

Comparative Total Data - Comparative total data and certain comparative data by fund type for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the County's financial position and operations. However, certain comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. The total data are the aggregate of the fund types and account groups. No consolidating entries or other eliminations were made in arriving the totals; thus, they do not present consolidated information.

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.

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, or (b) for funds received from federal or state governments. 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 for HUD/CDBG. No activity was budgeted for the Y.E.S. and Forest Reserve Title III funds.

- RSIDs
- Forest Reserve Title III
- Y.E.S.
- HUD/CDBG

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Individual fund budgetary amounts equal appropriation amounts. Unencumbered appropriations lapse at the end of the year. Reported budget amounts represent the original adopted budget, as amended. The effect of budget amendments was nominal. Supplemental appropriations were 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.

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 3.17% of the total delinquent taxes receivable at year-end. At June 30, 2002 the allowance amounted to \$331,028.

Taxable valuations, mill values and mill levies for November 2001 and May 2002 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	\$148,598,954	\$2,809,863	\$145,789	117.80 mills
County-only levies	\$ 74,486,536	\$ 491,980	\$ 72,873	24.54 mills

The county-wide value includes \$2,317,883 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 \$491,980 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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).

The County has adopted the provisions of GASB Statement 31, which provides that certain investments be reported at fair value, while certain investments and bank deposits may be reported at cost or amortized cost. The following presents the basis of valuation for the County's deposits and investments under GASB Statement 31:

<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

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. 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 which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Prepaid Costs - Prepaid costs are valued at cost and include prepaid insurance. Prepaid costs are recorded as expenditures or expenses as policies expire.

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.

Short-Term Interfund Receivables and Payables - During the course of its operations the County has transactions between funds to finance operations, provide services, and service debt. To the extent that certain transactions between funds had not been paid or received at year end, balances of short-term interfund amounts receivable or payable are reported as Due To and Due From Other Funds.

Fixed Assets and Depreciation - Fixed assets in proprietary funds are stated at cost and include expenditures which materially increase values or capacities and extend useful lives of property and equipment beyond one year. Interest costs on assets constructed in proprietary funds (net of interest earnings on invested debt proceeds) are capitalized and amortized over the useful lives of the related assets. Depreciation on proprietary fixed 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:

Larchmont Golf Course	
Buildings & improvements	13-20 years
Equipment	3-20 years
Furniture and fixtures	3-10 years
Rural Special Improvement Districts	
Equipment	25 years
Health Insurance	
Equipment	5 years
Building	40 years

General fixed assets have been acquired for general governmental purposes. Personal property assets costing more than \$5,000 are recorded as expenditures in the governmental funds and capitalized in the General Fixed Assets Account Group. Real property is recorded regardless of its value. Property and equipment are recorded at cost, including freight and delivery costs incidental to placing the assets into service. Donated fixed assets are valued at their estimated fair market value as of the date of donation.

Fixed 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. No depreciation is provided on general fixed 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. 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Compensated absences to be funded from future resources are reflected as liabilities in the General Long-Term Debt Account Group to the extent they are vested. Compensated absences for the Enterprise Funds are included in each individual fund's accrued payroll liability.

Amortization - 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. Contributed capital, exclusive of amounts related to the acquisition of land, is amortized on a straight-line basis over the estimated useful lives of the related assets.

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.

**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 combined balance sheet on June 30, 2002, are detailed as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 1,244,692	\$ -	\$ 1,244,692
Cash in pooled bank deposits	234,116	-	234,116
Cash in non-pooled bank deposits	1,711,156	224,704	1,935,860
Cash with fiscal agents	3,803,978	-	3,803,978
Pooled investments	59,956,525	-	59,956,525
Non-pooled investments	<u>2,603,877</u>	<u>-</u>	<u>2,603,877</u>
Total per balance sheet	<u>\$ 69,554,344</u>	<u>\$ 224,704</u>	<u>\$ 69,779,048</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:

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

- 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.

	Category			Bank Balances
	<u>1</u>	<u>2</u>	<u>3</u>	
Cash in primary government bank deposits	\$ 307,686	\$ 308,557	\$ 95,349	\$ 711,592
Component units bank deposits	\$ 100,000	\$ -	\$ 124,704	\$ 224,704

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, 2002, approximately 76.39% of the County's uninsured deposits were collateralized.

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

- Category 1 - Insured or registered, or securities held by the County or its agent in the County's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the County's name.

	Category			Reported Amount	Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Government Securities	\$ -	\$ 2,603,877	\$ -	\$ 2,603,877	\$ 2,603,877
Repurchase agreements	-	3,287,157	-	3,287,157	3,287,157
	\$ -	\$ 5,891,034	\$ -	5,891,034	5,891,034
Investment in State short-term investment pool				56,669,368	56,669,368
Total pooled investments and investments held separate				\$ 62,560,402	\$ 62,560,402

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

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

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 61% of STIP investments consisted of asset-backed securities and approximately 33% consisted of variable interest rate securities at June 30, 2002 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 the STIP's June 30, 2002 financial statements. The County's investment in STIP amounts to 4% of total STIP assets.

The external investment pool managed by the County is 92% invested in STIP, with 45,742,844 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2002, STIP's average investment return was 2.95%.

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

### Statement of Net Assets

Assets:	
Cash on hand	\$ 1,244,692
Cash in pooled bank deposits	234,116
Investments	
Repurchase agreements	3,287,157
STIP	56,669,368
Total assets	<u>\$ 61,435,333</u>
Net Assets:	
County funds	\$ 12,260,275
External participants	49,175,058
Total liabilities and net assets	<u>\$ 61,435,333</u>

### Statement of Changes in Net Assets

Revenues:	
Interest Income	\$ 1,742,745
Net investment income	1,742,745
Participant investments in pool	262,371,863
Distribution to participants	(252,635,586)
Increase in net assets	<u>11,479,022</u>
Net assets	
Beginning of year	<u>49,956,311</u>
End of year	<u>\$ 61,435,333</u>

### Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2002 consist of:

<u>HUD - Western Montana Mental Health Center</u>		
Variable principal payment due upon sale of housing unit	\$	32,044
<u>HUD - American Eagle</u>		
5%, \$530 due monthly through January 2004		10,156
<u>HUD - Double Arrow</u>		
5%, \$1,266 due monthly through December 2002		7,486
<u>HUD - Nutritional Laboratories, Inc</u>		
6%, \$5,027 due monthly through February 2004		90,891
<u>HUD - Missoula Children's Theatre</u>		
0%, \$24,500 due annually from June 2003 through June 2017		367,500
<u>Gleneagle</u>		
Contracts for sale of lots, 10% interest, varying amounts due annual with remainder due at varying dates through July 200:		459,699
<u>Montana Regional Orthopedics</u>		
Note for sale of detention center remainder land, 8% interest due annually, principal payment due September 200:		800,000
<u>North Reserve Business Center, LLC</u>		
Note for sale of old shops property, 0% interest, \$700,000 due February 2002, the remainder is due August 2003		547,500
<u>CIP - Missoula Development Services</u>		
Variable interest - annual payments through July 200:		24,641
	\$	<u>2,339,917</u>

### Note 4 - Fixed Assets

A summary of enterprise funds' property, plant and equipment at June 30, 2002, follows:

	Larchmont Golf Course	RSIDs	Total
Land	\$ 1,049,212	\$ -	\$ 1,049,212
Buildings and improvements	807,444	-	807,444
Land improvements other than airfield improvements and buildings	1,562,525	-	1,562,525
Equipment, furniture and fixtures	655,488	1,128,390	1,783,878
	<u>4,074,669</u>	<u>1,128,390</u>	<u>5,203,059</u>
Less accumulated depreciation	(2,153,143)	(624,530)	(2,777,673)
Total	\$ <u>1,921,526</u>	\$ <u>503,860</u>	\$ <u>2,425,386</u>

Enterprise funds' fixed assets include capitalized interest of \$175,550.

**Note 4 - Fixed Assets (Continued)**

At June 30, 2002 the Internal Service funds included equipment costing \$290,597, net of accumulated depreciation of \$43,980.

General fixed assets of the primary government consist of the following:

Land	\$ 6,948,038
Buildings	30,839,836
Machinery and equipment	<u>15,610,755</u>
Total	<u>\$ 53,398,629</u>

The following is a summary of changes in primary government general fixed assets during the year ended June 30, 2002:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Balance July 1, 2001	\$ 7,457,569	\$ 29,977,089	\$ 14,370,416	\$ 51,805,074
Additions	-	862,747	1,717,376	2,580,123
Retirements	<u>(509,531)</u>	<u>-</u>	<u>(477,037)</u>	<u>(986,568)</u>
Balance June 30, 2002	<u>\$ 6,948,038</u>	<u>\$ 30,839,836</u>	<u>\$ 15,610,755</u>	<u>\$ 53,398,629</u>

**Note 5 - Long-Term Debt**

At June 30, 2002, 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	\$ 15,680,000
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	195,000
Total general obligation bonds and notes	<u>15,875,000</u>

**Note 5 - Long-Term Debt (Continued)**

Limited Obligation Bonds and Notes

General Long-Term Debt Account Group

\$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	\$ 435,000
\$1,000,000 Risk Management Bond, Series 2001 issued July 15, 2001, 3.10% to 4.5%, due in varying amounts to July 2011	1,000,000
Total limited obligation bonds and notes	<u>1,435,000</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>2,235,000</u>
--	------------------

Special Assessment Bonds and Loans

Rural Special Improvement Districts, 3.5% to 9.05%, due at varying dates through 2017. County is contingently liable for payment of these bonds	1,221,000
\$241,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	127,000
\$1,943,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	1,089,000
\$291,000 State Revolving Fund Loan, issued November 1998, 4%, due in varying amounts to July 2019	<u>261,000</u>
Total special assessment bonds and loans	<u>2,698,000</u>

Notes & Contracts Payable

Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2006; repayment from Capital Improvement fund	254,832
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2002; repayment from Capital Improvement fund	46,572
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through February 2007; repayment from Road & Bridge funds	500,000

**Note 5 - Long-Term Debt (Continued)**

Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2009; repayment from Fair fund	39,318
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2004; repayment from the Capital Improvement fund	215,239
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2008; repayment from Fair fund	63,918
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2008; repayment from Health Benefits fund	142,040
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2004; repayment from Technology fund	148,947
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2004; repayment from Capital Improvement fund	134,904
Variable rate (3.15% at 6/30/02) contract payable, due in varying amounts through August 2005; repayment from Capital Improvement fund	<u>296,305</u>
Total notes and contracts payables	<u>1,842,075</u>
Subtotal	<u>24,085,075</u>

**Liability for Sick and Vacation (Primary Government)**

Accrued vacation benefits	1,874,197
Accrued compensatory time benefits	244,322
Accrued holiday benefits	77,514
Accrued sick benefits	<u>1,016,572</u>
Total accrued benefits	<u>3,212,605</u>
Total Long-Term Debt	<u>\$ 27,297,680</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, 2002, follows:

	<u>Beginning Balance</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>Net Decrease</u>	<u>Ending Balance</u>
<b>Reported in the General Long-Term Debt Account Group</b>					
General Obligation	\$ 16,364,080	\$ 93,114	\$ (582,194)	\$ -	\$ 15,875,000
Limited Obligation Note	450,000	1,000,000	(15,000)	-	1,435,000
Tax Increment	2,315,000	-	(80,000)	-	2,235,000
Special Assessment Bonds Payable	1,110,000	327,000	(216,000)	-	1,221,000
Special Assessment Loans Payable	1,645,000	-	(168,000)	-	1,477,000
Contracts Payable	1,607,763	796,304	(704,032)	-	1,700,035
Liability for Sick and Vacation	<u>3,534,602</u>	<u>-</u>	<u>-</u>	<u>(321,997)</u>	<u>3,212,605</u>
Total	<u>\$ 27,026,445</u>	<u>\$ 2,216,418</u>	<u>\$ (1,765,226)</u>	<u>\$ (321,997)</u>	<u>\$ 27,155,640</u>
<b>Reported in Proprietary Funds</b>					
General Obligation-Internal Service	\$ 505,000	\$ -	\$ (505,000)	\$ -	\$ -
Contracts Payable	<u>160,222</u>	<u>-</u>	<u>(18,182)</u>	<u>-</u>	<u>142,040</u>
	<u>\$ 665,222</u>	<u>\$ -</u>	<u>\$ (523,182)</u>	<u>\$ -</u>	<u>\$ 142,040</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, 2002, are as follows:

Fiscal Year Ending June 30	Reported in General Long-term Debt Account Group						Reported in Proprietary Funds	Total
	General Obligation	Limited Obligation	Tax Increment Bonds	Special Assessment Bonds	Special Assessment Loans	Notes & Contracts Payable	Notes & Contracts Payable	
2003	\$ 1,378,988	\$ 160,368	\$ 145,273	\$ 266,713	\$ 149,180	\$ 490,796	\$ 23,398	\$ 2,614,716
2004	1,378,979	161,847	148,318	240,131	152,460	494,831	23,727	2,600,293
2005	1,382,428	162,893	146,203	201,401	151,520	396,328	24,071	2,464,844
2006	1,384,214	163,538	149,043	166,648	150,440	241,654	24,431	2,279,968
2007	1,384,338	158,888	151,715	150,539	149,260	160,437	24,811	2,179,988
2008	1,377,918	158,983	159,215	134,783	149,940	16,943	25,208	2,022,990
2009	1,381,816	158,758	161,410	83,491	150,420	11,769	12,793	1,960,457
2010	1,377,509	163,073	163,420	68,967	150,680	3,048	-	1,926,697
2011	1,376,645	161,921	165,270	56,215	148,760	-	-	1,908,811
2012	1,378,124	160,423	171,958	52,945	146,720	-	-	1,910,170
2013	1,381,385	36,435	173,313	32,063	144,640	-	-	1,767,836
2014	1,378,083	39,998	179,463	30,625	146,240	-	-	1,774,409
2015	1,379,456	38,415	180,300	24,063	24,880	-	-	1,647,114
2016	1,377,795	36,818	185,844	22,438	21,100	-	-	1,643,995
2017	1,377,930	40,070	191,100	25,813	21,380	-	-	1,656,293
2018	1,381,573	38,163	196,069	-	21,600	-	-	1,637,405
2019	1,379,508	41,100	205,750	-	19,800	-	-	1,646,158
2020	14,700	-	-	-	6,120	-	-	20,820
2021	7,140	-	-	-	-	-	-	7,140
	<u>23,478,529</u>	<u>1,881,691</u>	<u>2,873,664</u>	<u>1,556,835</u>	<u>1,905,140</u>	<u>1,815,806</u>	<u>158,439</u>	<u>33,670,104</u>
Less interest payments	<u>(7,603,529)</u>	<u>(446,691)</u>	<u>(638,664)</u>	<u>(335,835)</u>	<u>(428,140)</u>	<u>(115,771)</u>	<u>(16,399)</u>	<u>(9,585,029)</u>
	<u>\$ 15,875,000</u>	<u>\$ 1,435,000</u>	<u>\$ 2,235,000</u>	<u>\$ 1,221,000</u>	<u>\$ 1,477,000</u>	<u>\$ 1,700,035</u>	<u>\$ 142,040</u>	<u>\$ 24,085,075</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, 2002, the County was in compliance with all significant indenture provisions.

## Note 5 - Long-Term Debt (Continued)

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.

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. 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

Prior Year Defeasance of Debt - Prior to 2002, 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, 2002, \$215,000 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, 2002, 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

**Note 5 - Long-Term Debt (Continued)**

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, 2002 was \$331,040.

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, 2002 was \$8,200,000.

Legal Debt Margin - The County's legal debt limitation is 1.4% of total assessed value of taxable property. As of June 30, 2002 the debt margin was \$35,196,333 for total debt.

**Note 6 - Commitments and Contingencies**

Commitments - At June 30, 2002, the County was committed to spend approximately \$910,500 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, 2002, taxes remaining under protest totaled \$1,024,701.

Rural Special Improvement Districts (RSIDs) - As of June 30, 2002, delinquent assessments on RSIDs were \$97,916. 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, 2002, 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>
2003	\$ 34,450
2004	34,450
2005	33,450
2006	33,450
2007	31,900
Later	<u>927,400</u>
Total	\$ <u>1,095,100</u>

Operating lease expense for 2002 was \$71,543.

## **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 \$1,189,053 asserted for risks which are self-insured as of year end.

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 \$255 to \$499 and \$0 to \$256, 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 \$216 to \$634, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2002, were \$2,541,239. At June 30, 2002, \$1,818,550 of plan assets were available for medical benefits, which include benefit obligations of \$406,794.

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 \$.45 to \$7.05 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2002 were \$528,652. Asserted workers' compensation claims at June 30, 2002 totaled \$281,465.

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 2001 and 2002 are as follows:

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>
Claims liability June 30, 2000	\$ 719,101	\$ 239,145	\$ 813,490
Claims incurred in 2001	212,900	3,973,095	532,263
Claims paid in 2001	<u>(79,743)</u>	<u>(3,833,207)</u>	<u>(352,676)</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	<u>\$ 1,189,053</u>	<u>\$ 406,794</u>	<u>\$ 1,135,465</u>

**Note 8 - Contributed Capital**

Changes in contributed capital during the year ended June 30, 2002, as follows:

	<u>Larchmont Golf Course</u>	<u>RSIDS (Sewer &amp; Other)</u>	<u>Total</u>
Beginning Balance	\$ 2,547,580	\$ 548,996	\$ 3,096,576
Amortization	<u>-</u>	<u>(45,136)</u>	<u>(45,136)</u>
Ending Balance	<u>\$ 2,547,580</u>	<u>\$ 503,860</u>	<u>\$ 3,051,440</u>

**Note 9 - 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

**Note 9 - Retirement Plans (Continued)**

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

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, 2002, 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>
2002	\$ 213,924	\$ 3,632	\$ 1,292,440
2001	193,173	3,378	1,165,416
2000	191,667	3,237	1,062,496

On behalf payments made by the State of Montana totaled \$53 and \$19,006 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, 2002 was \$3,014,486.

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 10 - Deficit Fund Balances/Retained Earnings and Excess of Expenditures over Appropriations**

Deficit fund balances - At June 30, 2002, the following funds had a deficit fund balance or retained earnings resulting from expenditures/expenses in excess of revenues during 2002 and prior years:

Special Revenue Fund	
Capital Improvement Fund	\$ <u>434,988</u>
Capital Projects Fund	
Jail Project	\$ 403,261
RSID Projects	<u>372,627</u>
	\$ <u>775,888</u>
Enterprise Fund	
Larchmont Golf Course	\$ <u>162,409</u>
Expendable Trust Fund	
Fort Memorial Trust	\$ <u>1,190</u>

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

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 County plans to eliminate the deficit retained earnings in the Larchmont Golf Course in the future through income earned from the Golf Course.

The deficits in 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, 2002:

General Fund	
Attorney	
Transfers Out	\$ 6,928
Public Defender	
Operations	94,187
Financial Services	
Personnel	1,987
Operations	4,615
Auditor	
Personnel	1,111
Operations	1,324

**Note 10 - Deficit Fund Balances/Retained Earnings and Excess of Expenditures over Appropriations (Continued)**

Facilities Management	
Operations	10,496
Capital	58,490
Office of Emergency Services	
Operations	12,514
9-1-1 Communications Center	
Personnel	68,508
Central Services	
Operations	1,989
Superintendent of Schools	
Personnel	3,045
Surveyor	
Personnel	7,990
Special Revenue Funds:	
Fair	
Operations	69,474
Capital	4,920
Drug Forfeiture	
Personnel	79,895
Operations	17,978
Museum	
Operations	185
Capital	2,609
Technology	
Capital	63,583
MCA Industrial District	
Transfers Out	999
Disaster	
Transfers Out	4,158
Junk Vehicle	
Operations	4,465
Public Safety	
Personnel	82,889
Transfers Out	2,400

**Note 10 - Deficit Fund Balances/Retained Earnings and Excess of Expenditures over Appropriations (Continued)**

Debt Service Funds	
RSID Revolving	
Transfers Out	68,210
Capital Projects Funds	
Jail Project	
Operations	2,261
Internal Service Funds	
Risk Management	
Personnel	729
Other Expenses	9,769
Health Insurance	
Operations	549,464
Workers' Compensation	
Operations	149,185
Other Expenses	9,265
	<u>\$ 1,395,622</u>

Operations over-expenditures in the Public Defender's Office were primarily due to higher than expected psychiatric examination costs. Personnel over-expenditures in Financial Services and the Auditor's Office were due to overtime costs related to a system conversion. Operations over-expenditures in the Auditor's Office were due to greater than expected veteran burials. Operations and capital over-expenditures in Facilities Management were due to capital improvement plan charges budgeted in a different fund. Personnel over-expenditures in 9-1-1 Communications Center were due to overtime costs associated with higher than expected turnover. Operations over-expenditures at the Fair were due to higher than expected entertainment costs. 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). Public Safety over-expenditures in personnel were due to higher than anticipated overtime costs. Over-expenditures in Worker's Compensation and Health Insurance were due to larger 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 complete.

**Note 11 - Budgetary-GAAP Reporting Reconciliation**

The accompanying combined statements of revenues and expenditures-budget and actual are presented on the basis of the budget as adopted and amended. The following is a reconciliation of the change in Fund Balance-GAAP basis to the change in Fund Balance-budget basis for budgeted fund types:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Internal Service</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis:	\$ 597,493	\$ 1,689,282	\$ (145,811)	\$ (234,920)	\$ 571,954
Investments - 6/30/02	(9,108)	(2,546)	(1,169)	-	(12,806)
Investments - 6/30/01	43,094	10,861	6,848	-	25,411
Cash with Fiscal Agents - 6/30/01	-	4,000	-	-	-
Accounts Receivable - 6/30/02	-	(950,717)	-	-	(221,767)
Accounts Receivable - 6/30/01	-	(123,868)	-	-	420,751
Advances to Other Funds - 6/30/02	-	-	15,448	-	-
Accounts Payable - 6/30/02	255,413	1,169,038	-	-	2,873,352
Accounts Payable - 6/30/01	(203,519)	(651,891)	-	(109,272)	(2,288,192)
Interest Receivable - 6/30/02	-	-	-	-	(16,733)
Interest Receivable - 6/30/01	-	-	-	-	32,036
Accrued Payroll - 6/30/02	147,067	339,367	-	-	19,701
Accrued Payroll - 6/30/01	(266,688)	(204,131)	-	-	-
Prepaid Cost - 6/30/02	-	-	-	-	40,102
Prepaid Cost - 6/30/01	-	-	-	-	(50,673)
Debt Payable - 6/30/01	-	-	-	-	(665,222)
Accrued Interest - 6/30/02	-	60,273	414,885	-	-
Accrued Interest - 6/30/01	-	-	(409,462)	-	(12,128)
Taxes Receivable - 6/30/02	-	-	-	-	(38,829)
Taxes Receivable - 6/30/01	-	-	-	-	35,338
Other Deferred Revenue - 6/30/02	(740,216)	-	-	-	-
Bond Proceeds	(987,000)	-	-	-	987,000
Transfers Out	987,000	-	-	-	(987,000)
Non-budgeted Funds:					
Excess of Revenues and Other Financing Source over (under) Expenditures and Other Financing Uses:	-	(95,519)	12,034	227,727	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ (176,464)</u>	<u>\$ 1,244,149</u>	<u>\$ (107,227)</u>	<u>\$ (116,465)</u>	<u>\$ 712,295</u>



**Note 12 - Interfund Transactions (Continued)**

Special Revenue Fund - Cash flow advances to:		
Capital Projects		
Jail Projects		403,261
Component Units		
Community Health Center		491,889
Debt Service - Cash flow advances to:		
Debt Service Fund		
Jail Bonds		11,153
Risk Management Bonds		30,330
Health Center Bonds		31,062
Enterprise - Cash flow advances to:		
Capital Projects		
RSID Projects		263,112
Expendable Trusts - Cash flow advances to:		
Expendable Trusts		
Fort Memorial		1,190
Debt Service - Other advances to:		
Component Units		
Community Health Center		446,087
	Total Advances to Other Funds	<u>\$ 2,492,017</u>

**Note 13 - Segment Information for Enterprise Activities**

Golf course operations and sewer operations are the main services provided by the County which are financed principally by user charges. Also included are miscellaneous special assessments. Key financial data for these enterprise activities follow:

	Larchmont <u>Golf Course</u>	RSIDS <u>(Sewer &amp; Other)</u>	<u>Total</u>
Operating Revenue	\$ 948,881	\$ 742,941	\$ 1,691,822
Operating Expense	772,628	611,261	1,383,889
Depreciation Expense	150,163	45,136	195,299
Operating Income	176,253	131,680	307,933
Operating Transfers	(200,000)	(48,381)	(248,381)
Net Income	3,936	83,299	87,235
Assets	2,455,128	926,731	3,381,859
Working Capital	463,645	410,830	874,475
Retained Earnings (Deficit)	(162,409)	410,830	248,421
Total Equity	2,385,171	914,690	3,299,861
Acquisition of Property and Equipment	108,656	-	108,656
Net Decrease in Cash and Cash Equivalents	(77,337)	(1,904)	(79,241)

**Note 14 - Discretely Presented Component Units**

The following condensed financial statement disclosures are made for the County's two discretely presented component units. Complete financial statements for the Missoula Aging Services can be obtained from the corporation at 227 West Front, Missoula, Montana 59802. Complete financial statements of the Partnership Health Center, Inc. can be obtained from the organization at 323 West Alder, Missoula, Montana 59802.

**Condensed Balance Sheet**

	<u>Missoula Aging Services</u>	<u>Community Health Center</u>	<u>Total</u>
<b>Assets</b>			
Current assets	\$ 529,031	\$ 335,713	\$ 864,744
Fixed assets	<u>1,061,879</u>	<u>1,839,555</u>	<u>2,901,434</u>
Total assets	<u>\$ 1,590,910</u>	<u>\$ 2,175,268</u>	<u>\$ 3,766,178</u>
<b>Liabilities</b>			
Current liabilities	\$ 345,103	\$ 1,021,902	\$ 1,367,005
Other liabilities	<u>712,781</u>	<u>538,402</u>	<u>1,251,183</u>
	<u>1,057,884</u>	<u>1,560,304</u>	<u>2,618,188</u>
<b>Net Assets</b>			
	<u>533,026</u>	<u>614,964</u>	<u>1,147,990</u>
Total liabilities and net assets	<u>\$ 1,590,910</u>	<u>\$ 2,175,268</u>	<u>\$ 3,766,178</u>

**Condensed Statements of Revenues, Expenses and Changes in Fund Balance**

	<u>Missoula Aging Services</u>	<u>Community Health Center</u>	<u>Total</u>
Operating Revenues	\$ 105,549	\$ 867,378	\$ 972,927
Operating Expenses	<u>(1,773,890)</u>	<u>(3,188,750)</u>	<u>(4,962,640)</u>
Operating loss	(1,668,341)	(2,321,372)	(3,989,713)
Non-operating Revenues & Expenses	<u>1,919,303</u>	<u>1,795,916</u>	<u>3,715,219</u>
Net income	250,962	(525,456)	(274,494)
<b>Net Assets</b>			
Beginning of year	<u>282,064</u>	<u>1,140,420</u>	<u>1,422,484</u>
End of year	<u>\$ 533,026</u>	<u>\$ 614,964</u>	<u>\$ 1,147,990</u>

### **Note 15 - Fund and Other Reclassifications**

Restatements - Beginning budgeted fund balance in the Special Revenue funds increased \$25,634 because the Disaster fund was budgeted in Fiscal Year 2002.

Beginning budgeted fund balance in the Debt Service funds decreased \$4,127 because the Health Center Bonds fund was budgeted in Fiscal Year 2002.

Corrections of Errors - Charges for services and contributions receivable have both been restated as of June 30, 2001, with a decrease of \$85,354. This restatement corrects an error in charges for services in Workers' Compensation, an Internal Service fund.

Accounts receivable, amount to be provided for retirement of long-term debt, deferred grant revenue, net assets of discretely presented component units, personnel, operations and contributions have been restated as of June 30, 2001. These restatements reflect the correction of accounting errors related to Community Health Center's allowance for uncollectible accounts receivable, the calculation of deferred revenue, and the reporting of compensated absences liability. The effect of these corrections was to decrease net assets at June 30, 2001 by \$174,317 of which \$81,938 pertains to the fiscal year ended June 30, 2000.

Other Reclassifications - A residual equity transfer totaling \$36,065 was made from the RSID Debt Service fund to the RSID Projects fund.

Certain reclassifications have been made to the 2001 totals columns to conform to the classifications used in 2002.

## **GENERAL FUND**

---

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, Real Estate and Motor Vehicles).

**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.

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

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

**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.

**Special Projects** - To account for projects designated by the Board of County Commissioners, primarily the County's development park.

**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, 2002**  
**(Page 1 of 6)**

	Commissioners			Justice Court			Attorney		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	145,205	134,604	(10,601)
Charges for Services	-	-	-	-	1,496	1,496	132,725	149,437	16,712
Fines & Forfeits	-	-	-	537,000	590,448	53,448	12,150	40,175	28,025
Investment Earnings	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,737	1,737	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,000</u>	<u>593,681</u>	<u>56,681</u>	<u>290,080</u>	<u>324,216</u>	<u>34,136</u>
Expenditures:									
Current Operations:									
Personnel	371,924	369,062	2,862	394,434	382,745	11,689	1,128,168	1,116,874	11,294
Operations	27,550	21,313	6,237	48,715	32,507	16,208	93,431	86,741	6,690
Capital Outlay	4,250	3,223	1,027	450	-	450	14,750	9,960	4,790
Total Expenditures	<u>403,724</u>	<u>393,598</u>	<u>10,126</u>	<u>443,599</u>	<u>415,252</u>	<u>28,347</u>	<u>1,236,349</u>	<u>1,213,575</u>	<u>22,774</u>
Excess of Revenues over (under) Expenditures	(403,724)	(393,598)	10,126	93,401	178,429	85,028	(946,269)	(889,359)	56,910
Other Financing Sources (Uses):									
Operating Transfers In	12,000	12,000	-	-	-	-	10,000	10,000	-
Operating Transfers Out	-	-	-	-	-	-	(2,000)	(8,928)	(6,928)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (391,724)</u>	<u>\$ (381,598)</u>	<u>\$ 10,126</u>	<u>\$ 93,401</u>	<u>\$ 178,429</u>	<u>\$ 85,028</u>	<u>\$ (938,269)</u>	<u>\$ (888,287)</u>	<u>\$ 49,982</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 2 of 6)**

	Public Defender			Financial Services			Clerk & Recorder/Treasurer		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	26,100	28,425	2,325
Intergovernmental Revenue	-	-	-	-	-	-	-	1,518	1,518
Charges for Services	10,000	25,763	15,763	-	-	-	610,397	1,032,462	422,065
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	50	1,023	973
<b>Total Revenues</b>	<b>10,000</b>	<b>25,763</b>	<b>15,763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>636,547</b>	<b>1,063,428</b>	<b>426,881</b>
Expenditures:									
Current Operations:									
Personnel	690,749	663,477	27,272	268,230	270,217	(1,987)	1,283,775	1,253,765	30,010
Operations	188,031	282,218	(94,187)	73,750	78,365	(4,615)	216,200	192,727	23,473
Capital Outlay	1,250	1,250	-	1,500	1,500	-	3,200	1,720	1,480
<b>Total Expenditures</b>	<b>880,030</b>	<b>946,945</b>	<b>(66,915)</b>	<b>343,480</b>	<b>350,082</b>	<b>(6,602)</b>	<b>1,503,175</b>	<b>1,448,212</b>	<b>54,963</b>
Excess of Revenues over (under) Expenditures	(870,030)	(921,182)	(51,152)	(343,480)	(350,082)	(6,602)	(866,628)	(384,784)	481,844
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	8,500	8,500	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (870,030)</u>	<u>\$ (921,182)</u>	<u>\$ (51,152)</u>	<u>\$ (334,980)</u>	<u>\$ (341,582)</u>	<u>\$ (6,602)</u>	<u>\$ (866,628)</u>	<u>\$ (384,784)</u>	<u>\$ 481,844</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 3 of 6)**

	Auditor			Facilities Management			Office of Emergency Service		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	38,568	16,677	(21,891)
Charges for Services	-	-	-	85	3,000	2,915	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	14,000	9,361	(4,639)
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>3,000</u>	<u>2,915</u>	<u>52,568</u>	<u>26,038</u>	<u>(26,530)</u>
Expenditures:									
Current Operations:									
Personnel	144,420	145,531	(1,111)	203,066	195,662	7,404	42,734	38,308	4,426
Operations	42,950	44,274	(1,324)	459,773	470,269	(10,496)	47,648	60,162	(12,514)
Capital Outlay	-	-	-	95,798	154,288	(58,490)	-	-	-
Total Expenditures	<u>187,370</u>	<u>189,805</u>	<u>(2,435)</u>	<u>758,637</u>	<u>820,219</u>	<u>(61,582)</u>	<u>90,382</u>	<u>98,470</u>	<u>(8,088)</u>
Excess of Revenues over (under) Expenditures	(187,370)	(189,805)	(2,435)	(758,552)	(817,219)	(58,667)	(37,814)	(72,432)	(34,618)
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>\$ (187,370)</u>	<u>\$ (189,805)</u>	<u>\$ (2,435)</u>	<u>\$ (758,552)</u>	<u>\$ (817,219)</u>	<u>\$ (58,667)</u>	<u>\$ (37,814)</u>	<u>\$ (72,432)</u>	<u>\$ (34,618)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 4 of 6)**

	9-1-1 Communications Center			Information Services			Human Resources		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues:</b>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	320,560	358,910	38,350	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	10,000	10,000	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>320,560</b>	<b>358,910</b>	<b>38,350</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>									
<b>Current Operations:</b>									
Personnel	994,792	1,063,300	(68,508)	603,876	579,994	23,882	252,308	242,992	9,316
Operations	302,430	233,774	68,656	272,620	205,319	67,301	159,236	147,981	11,255
Capital Outlay	300,000	95,437	204,563	50,000	46,724	3,276	-	-	-
<b>Total Expenditures</b>	<b>1,597,222</b>	<b>1,392,511</b>	<b>204,711</b>	<b>926,496</b>	<b>832,037</b>	<b>94,459</b>	<b>411,544</b>	<b>390,973</b>	<b>20,571</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>(1,597,222)</b>	<b>(1,382,511)</b>	<b>214,711</b>	<b>(605,936)</b>	<b>(473,127)</b>	<b>132,809</b>	<b>(411,544)</b>	<b>(390,973)</b>	<b>20,571</b>
<b>Other Financing Sources (Uses):</b>									
Operating Transfers In	662,817	312,861	(349,956)	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$ (934,405)</b>	<b>\$ (1,069,650)</b>	<b>\$ (135,245)</b>	<b>\$ (605,936)</b>	<b>\$ (473,127)</b>	<b>\$ 132,809</b>	<b>\$ (411,544)</b>	<b>\$ (390,973)</b>	<b>\$ 20,571</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 5 of 6)**

	Central Services			Superintendent of School			Surveyor		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	352,500	340,919	(11,581)	4,800	7,482	2,682	56,000	31,381	(24,619)
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	12,000	-	(12,000)
Total Revenues	<u>352,500</u>	<u>340,919</u>	<u>(11,581)</u>	<u>4,800</u>	<u>7,482</u>	<u>2,682</u>	<u>68,000</u>	<u>31,381</u>	<u>(36,619)</u>
Expenditures:									
Current Operations:									
Personnel	153,935	139,760	14,175	144,845	147,890	(3,045)	473,357	481,347	(7,990)
Operations	416,400	418,389	(1,989)	17,725	15,003	2,722	94,400	88,565	5,835
Capital Outlay	6,000	5,120	880	-	-	-	57,150	46,210	10,940
Total Expenditures	<u>576,335</u>	<u>563,269</u>	<u>13,066</u>	<u>162,570</u>	<u>162,893</u>	<u>(323)</u>	<u>624,907</u>	<u>616,122</u>	<u>8,785</u>
Excess of Revenues over (under) Expenditures	(223,835)	(222,350)	1,485	(157,770)	(155,411)	2,359	(556,907)	(584,741)	(27,834)
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	-	-	202,710	202,710	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (223,835)</u>	<u>\$ (222,350)</u>	<u>\$ 1,485</u>	<u>\$ (157,770)</u>	<u>\$ (155,411)</u>	<u>\$ 2,359</u>	<u>\$ (354,197)</u>	<u>\$ (382,031)</u>	<u>\$ (27,834)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 6 of 6)**

	Special Projects			Non-Departmental			Totals		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ 6,055,043	\$ 6,478,650	\$ 423,607	\$ 6,055,043	\$ 6,478,650	\$ 423,607
License & Permits	-	-	-	-	6,416	6,416	26,100	34,841	8,741
Intergovernmental Revenue	-	-	-	1,584,290	2,017,673	433,383	1,768,063	2,170,472	402,409
Charges for Services	-	-	-	-	-	-	1,487,067	1,950,850	463,783
Fines & Forfeits	-	-	-	-	-	-	549,150	630,623	81,473
Investment Earnings	-	-	-	50,000	112,020	62,020	50,000	112,020	62,020
Miscellaneous Revenues	-	-	-	3,000	90,694	87,694	29,050	112,815	83,765
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,692,333</u>	<u>8,705,453</u>	<u>1,013,120</u>	<u>9,964,473</u>	<u>11,490,271</u>	<u>1,525,798</u>
Expenditures:									
Current Operations:									
Personnel	64,796	64,573	223				7,215,409	7,155,497	59,912
Operations	5,350	3,616	1,734	217,442	212,150	5,292	2,683,651	2,593,373	90,278
Capital Outlay	-	-	-	-	-	-	534,348	365,432	168,916
Total Expenditures	<u>70,146</u>	<u>68,189</u>	<u>1,957</u>	<u>217,442</u>	<u>212,150</u>	<u>5,292</u>	<u>10,433,408</u>	<u>10,114,302</u>	<u>319,106</u>
Excess of Revenues over (under) Expenditures	(70,146)	(68,189)	1,957	7,474,891	8,493,303	1,018,412	(468,935)	1,375,969	1,844,904
Other Financing Sources (Uses):									
Operating Transfers In	67,156	68,155	999	44,800	49,792	4,992	1,007,983	664,018	(343,965)
Operating Transfers Out	-	-	-	(2,217,123)	(2,207,523)	9,600	(2,219,123)	(2,216,451)	2,672
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (2,990)</u>	<u>\$ (34)</u>	<u>\$ 2,956</u>	<u>\$ 5,302,568</u>	<u>\$ 6,335,572</u>	<u>\$ 1,033,004</u>	<u>\$ (1,680,075)</u>	<u>(176,464)</u>	<u>\$ 1,503,611</u>
Fund Balance:									
Beginning of Year								<u>3,367,662</u>	
End of Year								<u>\$ 3,191,198</u>	

## **SPECIAL REVENUE 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 judges, Clerk of Court, Public Defender, court reporters, juvenile probation officers 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.

(Continued)

**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.

**Capital Improvement Fund** - To account for revenues legally set aside for capital purchases that are not large enough 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.

**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.

**Disaster** – To account for certain costs related to the 2000 fire season and Hell's Angels security.

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

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

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

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

**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.

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

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Special Revenue Funds**  
**June 30, 2002**  
**(Page 1 of 3)**

	Road	Poor	Bridge	Weed	Fair	District Court	Open Space	Parks	Library	Planning
<b>Assets:</b>										
Cash & Cash Equivalents	\$ 12,999	\$ 1,819	\$ 1,214	\$ 6,733	\$ 3,080	\$ -	\$ 1,025	\$ 4,473	\$ 11,841	\$ -
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	576,706	80,705	53,863	298,699	136,642	-	45,463	198,440	525,346	-
Property Taxes Receivable (net)	140,841	65,066	69,855	29,462	6,347	109,254	431	14,791	128,881	42,711
Accounts Receivable	-	-	-	-	-	164,805	-	-	-	942,273
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	2,350	-	-	-	-	3,038	-	-	-	-
Inventory	324,217	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,057,113</b>	<b>\$ 147,590</b>	<b>\$ 124,932</b>	<b>\$ 334,894</b>	<b>\$ 146,069</b>	<b>\$ 277,097</b>	<b>\$ 46,919</b>	<b>\$ 217,704</b>	<b>\$ 666,068</b>	<b>\$ 984,984</b>
<b>Liabilities:</b>										
Accounts Payable	\$ 88,820	\$ -	\$ 2,399	\$ 670	\$ 1,650	\$ 1,468	\$ 249	\$ 525	\$ 185,199	\$ 585,838
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	33,050	-	11,270	3,044	6,611	12,774	-	459	16,937	35,833
Advances from Other Funds	-	-	-	-	-	70,575	-	-	-	302,792
Deferred Tax Revenue	140,841	65,066	69,855	29,462	6,347	109,254	431	14,791	128,881	42,711
Other Deferred Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>262,711</b>	<b>65,066</b>	<b>83,524</b>	<b>33,176</b>	<b>14,608</b>	<b>194,071</b>	<b>680</b>	<b>15,775</b>	<b>331,017</b>	<b>967,174</b>
<b>Fund Balance:</b>										
Reserved for Inventory	324,217	-	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	-	-	-	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	-	-	-
<b>Unreserved Fund Balance:</b>										
Undesignated	470,185	82,524	41,408	301,718	131,461	83,026	46,239	201,929	335,051	17,810
<b>Total Fund Balance</b>	<b>794,402</b>	<b>82,524</b>	<b>41,408</b>	<b>301,718</b>	<b>131,461</b>	<b>83,026</b>	<b>46,239</b>	<b>201,929</b>	<b>335,051</b>	<b>17,810</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,057,113</b>	<b>\$ 147,590</b>	<b>\$ 124,932</b>	<b>\$ 334,894</b>	<b>\$ 146,069</b>	<b>\$ 277,097</b>	<b>\$ 46,919</b>	<b>\$ 217,704</b>	<b>\$ 666,068</b>	<b>\$ 984,984</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Special Revenue Funds**  
**June 30, 2002**  
**(Page 2 of 3)**

	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Y.E.S.	Museum	Capital Improvement	Technology	MCA Industrial District
<b>Assets:</b>										
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,281	\$ 1,060	\$ 296	\$ 647	\$ -	\$ 5,387	\$ 22,251
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	145,273
Investments	-	-	-	101,198	47,005	13,138	28,721	-	238,992	987,185
Property Taxes Receivable (net)	66,309	51,099	8,551	23,980	-	-	26,857	-	15,288	35,043
Accounts Receivable	359,170	14,440	2,586	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	572,141	-	-
Advances to Other Funds	241,205	155,856	92,673	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 666,684</b>	<b>\$ 221,395</b>	<b>\$ 103,810</b>	<b>\$ 127,459</b>	<b>\$ 48,065</b>	<b>\$ 13,434</b>	<b>\$ 56,225</b>	<b>\$ 572,141</b>	<b>\$ 259,667</b>	<b>\$ 1,189,752</b>
<b>Liabilities:</b>										
Accounts Payable	\$ 29,973	\$ 1,611	\$ 1,705	\$ 111	\$ 103	\$ 44	\$ 1,661	\$ 64,333	\$ 86,955	\$ 70,783
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	60,273
Accrued Payroll	48,744	3,660	5,210	3,673	3,071	-	3,076	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	370,655	-	-
Deferred Tax Revenue	66,309	51,099	8,551	23,980	-	-	26,857	-	15,288	35,043
Other Deferred Revenue	-	-	-	-	-	-	-	572,141	-	-
<b>Total Liabilities</b>	<b>145,026</b>	<b>56,370</b>	<b>15,466</b>	<b>27,764</b>	<b>3,174</b>	<b>44</b>	<b>31,594</b>	<b>1,007,129</b>	<b>102,243</b>	<b>166,099</b>
<b>Fund Balance:</b>										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances & Loans	241,205	155,856	92,673	-	-	-	-	-	-	-
Reserved for Capital	-	-	-	-	-	-	-	288,456	-	-
<b>Unreserved Fund Balance:</b>										
Undesignated	280,453	9,169	(4,329)	99,695	44,891	13,390	24,631	(723,444)	157,424	1,023,653
<b>Total Fund Balance</b>	<b>521,658</b>	<b>165,025</b>	<b>88,344</b>	<b>99,695</b>	<b>44,891</b>	<b>13,390</b>	<b>24,631</b>	<b>(434,988)</b>	<b>157,424</b>	<b>1,023,653</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 666,684</b>	<b>\$ 221,395</b>	<b>\$ 103,810</b>	<b>\$ 127,459</b>	<b>\$ 48,065</b>	<b>\$ 13,434</b>	<b>\$ 56,225</b>	<b>\$ 572,141</b>	<b>\$ 259,667</b>	<b>\$ 1,189,752</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Special Revenue Funds**  
**June 30, 2002**  
**(Page 3 of 3)**

	Clean-up Missoula	Disaster	Junk Vehicle	Public Safety	RSID Administration	Forest Reserve Title III	Community Based Organizations	HUD/ CDBG	Total
<b>Assets:</b>									
Cash & Cash Equivalents	\$ -	\$ -	\$ 489	\$ 18,869	\$ 2,690	\$ 1,559	\$ 500	\$ 7,434	\$ 106,647
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	145,273
Investments	-	-	21,714	837,147	119,329	69,161	22,161	329,827	4,731,442
Property Taxes Receivable (net)	-	214	-	325,818	-	-	30,568	-	1,191,366
Accounts Receivable	-	-	-	505,927	-	-	-	-	1,989,201
Loans & Notes Receivable	-	-	-	-	459,699	-	-	508,077	1,539,917
Advances to Other Funds	2,155	-	-	403,261	-	-	-	-	895,150
Prepaid Costs	-	-	-	-	-	-	-	-	5,388
Inventory	-	-	-	-	-	-	-	-	324,217
<b>Total Assets</b>	<b>\$ 2,155</b>	<b>\$ 214</b>	<b>\$ 22,203</b>	<b>\$ 2,091,022</b>	<b>\$ 581,718</b>	<b>\$ 70,720</b>	<b>\$ 53,229</b>	<b>\$ 845,338</b>	<b>\$ 10,928,601</b>
<b>Liabilities:</b>									
Accounts Payable	\$ -	\$ -	\$ 2,886	\$ 67,544	\$ -	\$ -	\$ -	\$ 22,694	\$ 1,217,221
Accrued Interest Payable	-	-	-	-	-	-	-	-	60,273
Accrued Payroll	-	-	1,056	150,899	-	-	-	-	339,367
Advances from Other Funds	-	-	-	-	-	-	-	-	744,022
Deferred Tax Revenue	-	214	-	325,818	-	-	30,568	-	1,191,366
Other Deferred Revenue	-	-	-	-	459,699	-	-	508,077	1,539,917
<b>Total Liabilities</b>	<b>-</b>	<b>214</b>	<b>3,942</b>	<b>544,261</b>	<b>459,699</b>	<b>-</b>	<b>30,568</b>	<b>530,771</b>	<b>5,092,166</b>
<b>Fund Balance:</b>									
Reserved for Inventory	-	-	-	-	-	-	-	-	324,217
Reserved for Advances & Loans	2,155	-	-	403,261	-	-	-	-	895,150
Reserved for Capital	-	-	18,261	-	-	-	-	-	306,717
<b>Unreserved Fund Balance:</b>									
Undesignated	-	-	-	1,143,500	122,019	70,720	22,661	314,567	4,310,351
<b>Total Fund Balance</b>	<b>2,155</b>	<b>-</b>	<b>18,261</b>	<b>1,546,761</b>	<b>122,019</b>	<b>70,720</b>	<b>22,661</b>	<b>314,567</b>	<b>5,836,435</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,155</b>	<b>\$ 214</b>	<b>\$ 22,203</b>	<b>\$ 2,091,022</b>	<b>\$ 581,718</b>	<b>\$ 70,720</b>	<b>\$ 53,229</b>	<b>\$ 845,338</b>	<b>\$ 10,928,601</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Special Revenue Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 1 of 3)**

	Road	Poor	Bridge	Weed	Fair	District Court	Open Space	Parks	Library	Planning
<b>Revenues:</b>										
Property Taxes	\$ 1,079,627	\$ 580,479	\$ 610,573	\$ 299,025	\$ 45,340	\$ 930,495	\$ 10	\$ 148,746	\$ 1,292,528	\$ 522,159
Licenses & Permit:	3,925	-	-	-	-	-	-	-	-	71,560
Intergovernmental Revenue	2,270,332	185,975	123,045	114,993	9,536	1,004,924	-	12,014	561,126	2,966,632
Charges for Service:	5,846	-	-	-	760,825	180,141	-	26,214	8,352	42,927
Fines & Forfeits:	-	-	-	-	-	45,061	-	-	35,604	43,091
Investment Earnings:	3,640	-	-	317	565	-	-	-	2,376	-
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	6,215	-	182	4,100	29,410	13,262	-	-	45,822	14,484
<b>Total Revenues</b>	<b>3,369,585</b>	<b>766,454</b>	<b>733,800</b>	<b>418,435</b>	<b>845,676</b>	<b>2,173,883</b>	<b>10</b>	<b>186,974</b>	<b>1,945,808</b>	<b>3,660,853</b>
<b>Expenditures:</b>										
<b>Current Operations:</b>										
Criminal Justice	-	-	-	-	-	2,379,981	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	2,478,555	-	621,837	305,362	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Service	-	561,648	-	-	-	-	-	-	-	2,602,289
Culture & Recreation	-	-	-	-	868,469	-	2,412	96,108	1,142,926	-
Housing & Community Developmen	-	-	-	-	-	-	-	-	-	865,167
Capital Outlay	1,179,851	-	174,748	16,011	4,698	43,172	-	11,959	605,598	1,138,111
<b>Debt Service:</b>										
Principal	-	-	-	-	7,194	-	-	-	-	-
Interest and Fiscal Charge:	-	-	-	-	6,531	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,658,406</b>	<b>561,648</b>	<b>796,585</b>	<b>321,373</b>	<b>886,892</b>	<b>2,423,153</b>	<b>2,412</b>	<b>108,067</b>	<b>1,748,524</b>	<b>4,605,567</b>
Excess of Revenues ove (under) Expenditures	(288,821)	204,806	(62,785)	97,062	(41,216)	(249,270)	(2,402)	78,907	197,284	(944,714)
<b>Other Financing Sources (uses)</b>										
Operating Transfers In	15,000	-	-	50,000	-	-	-	-	-	475,359
Operating Transfers Out	(227,212)	(223,610)	(13,501)	(15,000)	(17,888)	(185,166)	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	500,000	-	-	-	103,309	-	-	-	-	-
Sale of Fixed Asset:	8,695	-	-	2,900	1,123	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	7,662	(18,804)	(76,286)	134,962	45,328	(434,436)	(2,402)	78,907	197,284	(469,355)
<b>Fund Balance:</b>										
Beginning of Year	717,404	101,328	117,694	166,756	86,133	517,462	48,641	123,022	137,767	487,165
Change in Inventory Reserves	69,336	-	-	-	-	-	-	-	-	-
<b>End of Year</b>	<b>\$ 794,402</b>	<b>\$ 82,524</b>	<b>\$ 41,408</b>	<b>\$ 301,718</b>	<b>\$ 131,461</b>	<b>\$ 83,026</b>	<b>\$ 46,239</b>	<b>\$ 201,929</b>	<b>\$ 335,051</b>	<b>\$ 17,810</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 2 of 3)**

	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Y.E.S.	Museum	Capital Improvement	Technology	MCA Industrial District
<b>Revenues:</b>										
Property Taxes	\$ 1,221,761	\$ 340,025	\$ 193,347	\$ 215,681	\$ -	\$ -	\$ 220,820	\$ -	\$ 171,801	\$ 246,470
Licenses & Permits	63,098	-	54,355	-	-	-	-	-	-	-
Intergovernmental Revenue	1,257,733	43,999	54,130	53,263	157,609	-	61,536	-	32,181	3,131
Charges for Services	528,476	9,641	42,492	7,147	-	-	-	-	31,396	-
Fines & Forfeits	2,358	-	-	-	29,793	-	-	-	-	-
Investment Earnings	6,352	-	-	-	2,213	333	-	4,505	-	36,467
Private & Local Grants	69,043	6,000	-	-	-	-	12,097	-	-	-
Miscellaneous Revenue:	74,100	24,098	1,110	8,342	52	-	31	-	-	21,680
<b>Total Revenues</b>	<b>3,222,921</b>	<b>423,763</b>	<b>345,434</b>	<b>284,433</b>	<b>189,667</b>	<b>333</b>	<b>294,484</b>	<b>4,505</b>	<b>235,378</b>	<b>307,748</b>
<b>Expenditures:</b>										
<b>Current Operations:</b>										
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	249,586	3,021	-	-	127,267	-
Public Works	-	-	-	266,397	-	-	-	-	-	13,949
Public Health	3,176,978	231,311	315,183	-	-	-	-	-	-	-
Social & Economic Service	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	328,581	-	-	-
Housing & Community Developmen	-	-	-	-	-	-	-	-	-	-
Capital Outlay	181,968	115,652	44,338	2,100	-	-	2,479	813,731	459,022	1,135,974
<b>Debt Service:</b>										
Principal	-	-	-	-	-	-	-	704,033	-	80,000
Interest and Fiscal Charge:	-	-	-	-	-	-	-	60,842	-	182,793
<b>Total Expenditures</b>	<b>3,358,946</b>	<b>346,963</b>	<b>359,521</b>	<b>268,497</b>	<b>249,586</b>	<b>3,021</b>	<b>331,060</b>	<b>1,578,606</b>	<b>586,289</b>	<b>1,412,716</b>
Excess of Revenues ove (under) Expenditures	(136,025)	76,800	(14,087)	15,936	(59,919)	(2,688)	(36,576)	(1,574,101)	(350,911)	(1,104,968)
<b>Other Financing Sources (uses)</b>										
Operating Transfers In	10,000	15,000	20,100	15,000	-	-	31,535	1,298,554	304,800	114,510
Operating Transfers Out	(91,007)	-	-	(50,000)	-	-	-	(114,510)	(125,410)	(257,155)
Note Proceeds	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	714,454	-	-
Sale of Fixed Asset:	-	-	-	-	-	-	-	296,304	-	1,489,866
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	(217,032)	91,800	6,013	(19,064)	(59,919)	(2,688)	(5,041)	620,701	(171,521)	242,253
<b>Fund Balance:</b>										
Beginning of Year	738,690	73,225	82,331	118,759	104,810	16,078	29,672	(1,055,689)	328,945	781,400
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
<b>End of Year</b>	<b>\$ 521,658</b>	<b>\$ 165,025</b>	<b>\$ 88,344</b>	<b>\$ 99,695</b>	<b>\$ 44,891</b>	<b>\$ 13,390</b>	<b>\$ 24,631</b>	<b>\$ (434,988)</b>	<b>\$ 157,424</b>	<b>\$ 1,023,653</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 3 of 3)**

	Clean-up Missoula	Disaster	Junk Vehicle	Public Safety	RSID Administration	Forest Reserve Title III	Community Based Organizations	HUD/ CDBG	Total
<b>Revenues:</b>									
Property Taxes	\$ -	\$ 483	\$ -	\$ 6,409,634	\$ -	\$ -	\$ 275,373	\$ -	\$ 14,804,377
Licenses & Permit:	-	-	-	9,575	-	-	-	-	202,513
Intergovernmental Revenue	-	3,675	90,970	1,039,134	-	70,720	54,357	-	10,171,015
Charges for Service:	-	-	532	4,111,919	-	-	-	-	5,755,908
Fines & Forfeits:	-	-	-	33,203	-	-	-	-	189,110
Investment Earnings	313	-	(437)	-	-	-	-	7,339	63,983
Private & Local Grants	25,000	-	-	-	-	-	-	-	112,140
Miscellaneous Revenue:	-	-	4,497	105,978	-	-	-	-	353,363
<b>Total Revenues</b>	<b>25,313</b>	<b>4,158</b>	<b>95,562</b>	<b>11,709,443</b>	<b>-</b>	<b>70,720</b>	<b>329,730</b>	<b>7,339</b>	<b>31,652,409</b>
<b>Expenditures:</b>									
<b>Current Operations:</b>									
Criminal Justice	-	-	-	-	-	-	-	-	2,379,981
Public Safety	-	-	-	10,582,095	-	-	-	-	10,961,969
Public Works	-	-	-	-	-	-	-	-	3,686,100
Public Health	-	-	78,057	-	-	-	-	-	3,801,529
Social & Economic Service	-	-	-	-	-	-	417,481	-	3,581,418
Culture & Recreation	-	-	-	-	-	-	-	-	2,438,496
Housing & Community Developmen	-	-	-	-	-	-	-	36,048	901,215
Capital Outlay	-	-	6,500	358,818	-	-	-	-	6,294,730
<b>Debt Service:</b>									
Principal	-	-	-	-	-	-	-	-	791,227
Interest and Fiscal Charge:	-	-	-	-	-	-	-	-	250,166
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>84,557</b>	<b>10,940,913</b>	<b>-</b>	<b>-</b>	<b>417,481</b>	<b>36,048</b>	<b>35,086,831</b>
Excess of Revenues ove (under) Expenditures	25,313	4,158	11,005	768,530	-	70,720	(87,751)	(28,709)	(3,434,422)
<b>Other Financing Sources (uses)</b>									
Operating Transfers In:	-	-	-	861,515	105,628	-	76,000	-	3,393,001
Operating Transfers Out	(25,000)	(29,792)	-	(83,284)	(14,500)	-	-	(37,103)	(1,510,138)
Note Proceeds:	-	-	-	-	-	-	-	93,299	93,299
Loan Proceeds	-	-	-	-	-	-	-	-	1,317,763
Sale of Fixed Asset:	-	-	-	-	30,891	-	-	-	1,829,779
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	313	(25,634)	11,005	1,546,761	122,019	70,720	(11,751)	27,487	1,689,282
<b>Fund Balance:</b>									
Beginning of Year	1,842	25,634	7,256	-	-	-	34,412	287,080	4,077,817
Change in Inventory Reserves	-	-	-	-	-	-	-	-	69,336
<b>End of Year</b>	<b>\$ 2,155</b>	<b>\$ -</b>	<b>\$ 18,261</b>	<b>\$ 1,546,761</b>	<b>\$ 122,019</b>	<b>\$ 70,720</b>	<b>\$ 22,661</b>	<b>\$ 314,567</b>	<b>\$ 5,836,435</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 1 of 9)**

	Road			Poor			Bridge		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ 1,167,407	\$ 1,079,627	\$ (87,780)	\$ 583,403	\$ 580,479	\$ (2,924)	\$ 610,223	\$ 610,573	\$ 350
License & Permits	14,500	3,925	(10,575)	-	-	-	-	-	-
Intergovernmental Revenue	3,102,180	2,270,332	(831,848)	147,036	185,975	38,939	191,001	123,045	(67,956)
Charges for Services	2,000	5,846	3,846	-	-	-	2,000	-	(2,000)
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	-	4,575	4,575	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	17,000	6,215	(10,785)	-	-	-	3,000	182	(2,818)
Total Revenues	<u>4,303,087</u>	<u>3,370,520</u>	<u>(932,567)</u>	<u>730,439</u>	<u>766,454</u>	<u>36,015</u>	<u>806,224</u>	<u>733,800</u>	<u>(72,424)</u>
Expenditures:									
Current Operations:									
Personnel	1,871,465	1,785,880	85,585	-	-	-	634,714	593,258	41,456
Operations	952,950	768,903	184,047	586,108	561,648	24,460	42,800	27,356	15,444
Capital Outlay	1,529,102	1,132,038	397,064	-	-	-	262,101	178,310	83,791
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,353,517</u>	<u>3,686,821</u>	<u>666,696</u>	<u>586,108</u>	<u>561,648</u>	<u>24,460</u>	<u>939,615</u>	<u>798,924</u>	<u>140,691</u>
Excess of Revenues over (under) Expenditures	(50,430)	(316,301)	(265,871)	144,331	204,806	60,475	(133,391)	(65,124)	68,267
Other Financing Sources (Uses)									
Operating Transfers In	15,000	15,000	-	-	-	-	-	-	-
Operating Transfers Out	(227,212)	(227,212)	-	(223,610)	(223,610)	-	(13,501)	(13,501)	-
Loan Proceeds	500,000	500,000	-	-	-	-	58,285	-	(58,285)
Sale of Fixed Assets	-	8,695	8,695	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 237,358</u>	(19,818)	<u>\$ (257,176)</u>	<u>\$ (79,279)</u>	(18,804)	<u>\$ 60,475</u>	<u>\$ (88,607)</u>	(78,625)	<u>\$ 9,982</u>
Fund Balance:									
Beginning of Year		894,446			98,730			197,312	
End of Year		<u>\$ 874,628</u>			<u>\$ 79,926</u>			<u>\$ 118,687</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 2 of 9)**

	Weed			Fair			District Court		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues:</b>									
Property Taxes	\$ 301,134	299,025	\$ (2,109)	\$ 45,357	\$ 45,340	\$ (17)	\$ 925,177	\$ 930,495	\$ 5,318
License & Permit:	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	144,667	114,993	(29,674)	10,910	9,536	(1,374)	1,094,567	1,091,856	(2,711)
Charges for Service:	2,500	-	(2,500)	644,000	760,825	116,825	174,039	180,141	6,102
Fines & Forfeits:	-	-	-	-	-	-	30,000	45,061	15,061
Investment Earnings:	-	219	219	-	553	553	-	-	-
Private & Local Grants:	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	1,500	4,100	2,600	-	29,410	29,410	17,399	13,262	(4,137)
<b>Total Revenues</b>	<b>449,801</b>	<b>418,337</b>	<b>(31,464)</b>	<b>700,267</b>	<b>845,664</b>	<b>145,397</b>	<b>2,241,182</b>	<b>2,260,815</b>	<b>19,633</b>
<b>Expenditures:</b>									
<b>Current Operations:</b>									
Personnel	186,943	158,492	28,451	399,768	387,420	12,348	2,022,650	1,960,947	61,703
Operations	335,743	146,817	188,926	424,525	493,999	(69,474)	508,818	445,952	62,866
Capital Outlay	57,485	16,011	41,474	-	4,920	(4,920)	44,558	43,172	1,386
<b>Debt Service:</b>									
Principal	-	-	-	7,194	3,194	4,000	-	-	-
Interest	-	-	-	9,886	6,531	3,355	-	-	-
<b>Total Expenditures</b>	<b>580,171</b>	<b>321,320</b>	<b>258,851</b>	<b>841,373</b>	<b>896,064</b>	<b>(54,691)</b>	<b>2,576,026</b>	<b>2,450,071</b>	<b>125,955</b>
<b>Excess of Revenues over (under) Expenditures:</b>	<b>(130,370)</b>	<b>97,017</b>	<b>227,387</b>	<b>(141,106)</b>	<b>(50,400)</b>	<b>90,706</b>	<b>(334,844)</b>	<b>(189,256)</b>	<b>145,588</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	2,000	50,000	48,000	-	-	-	-	-	-
Operating Transfers Out	(15,000)	(15,000)	-	(18,953)	(17,888)	1,065	(204,925)	(185,166)	19,759
Loan Proceeds	-	-	-	64,000	103,309	39,309	-	-	-
Sale of Fixed Assets	-	2,900	2,900	-	1,123	1,123	-	-	-
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:</b>	<b>\$ (143,370)</b>	<b>134,917</b>	<b>\$ 278,287</b>	<b>\$ (96,059)</b>	<b>36,144</b>	<b>\$ 132,203</b>	<b>\$ (539,769)</b>	<b>(374,422)</b>	<b>\$ 165,347</b>
<b>Fund Balance:</b>									
Beginning of Year		173,976			111,990			507,307	
End of Year		\$ 308,893			\$ 148,134			\$ 132,885	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 3 of 9)**

	Open Space			Parks			Library		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues:</b>									
Property Taxes	\$ -	\$ 10	\$ 10	\$ 149,828	\$ 148,746	\$ (1,082)	\$ 1,328,748	\$ 1,292,528	\$ (36,220)
License & Permit:	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	9,835	12,014	2,179	553,455	561,126	7,671
Charges for Services:	-	-	-	7,400	26,214	18,814	10,650	8,352	(2,298)
Fines & Forfeits:	-	-	-	-	-	-	32,000	35,604	3,604
Investment Earnings:	-	-	-	-	-	-	-	2,267	2,267
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	-	-	1,250	-	(1,250)	1,500	45,822	44,322
<b>Total Revenues</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>168,313</b>	<b>186,974</b>	<b>18,661</b>	<b>1,926,353</b>	<b>1,945,699</b>	<b>19,346</b>
<b>Expenditures:</b>									
<b>Current Operations:</b>									
Personnel	-	-	-	23,644	22,603	1,041	870,273	869,525	748
Operations	50,000	2,163	47,837	126,920	76,718	50,202	276,950	267,963	8,987
Capital Outlay	-	-	-	101,873	11,959	89,914	730,740	426,098	304,642
<b>Debt Service:</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>50,000</b>	<b>2,163</b>	<b>47,837</b>	<b>252,437</b>	<b>111,280</b>	<b>141,157</b>	<b>1,877,963</b>	<b>1,563,586</b>	<b>314,377</b>
<b>Excess of Revenues over (under) Expenditures:</b>	<b>(50,000)</b>	<b>(2,153)</b>	<b>47,847</b>	<b>(84,124)</b>	<b>75,694</b>	<b>159,818</b>	<b>48,390</b>	<b>382,113</b>	<b>333,723</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:</b>	<b>\$ (50,000)</b>	<b>(2,153)</b>	<b>\$ 47,847</b>	<b>\$ (84,124)</b>	<b>75,694</b>	<b>\$ 159,818</b>	<b>\$ 48,390</b>	<b>382,113</b>	<b>\$ 333,723</b>
<b>Fund Balance:</b>									
Beginning of Year		48,634			108,308			180,277	
End of Year		\$ 46,481			\$ 184,002			\$ 562,390	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 4 of 9)**

	Planning			Health			Water Quality District		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ 662,407	\$ 522,159	\$ (140,248)	\$ 1,262,951	\$ 1,221,761	\$ (41,190)	\$ 346,300	\$ 340,025	\$ (6,275)
License & Permit:	56,500	71,560	15,060	67,650	63,098	(4,552)	-	-	-
Intergovernmental Revenue	7,132,020	2,024,359	(5,107,661)	1,496,842	1,301,218	(195,624)	36,223	43,999	7,776
Charges for Service:	34,550	42,927	8,377	410,018	528,476	118,458	58,077	9,641	(48,436)
Fines & Forfeits	35,400	43,091	7,691	100	2,358	2,258	-	-	-
Investment Earnings	-	-	-	-	7,656	7,656	-	-	-
Private & Local Grants	-	-	-	25,670	69,043	43,373	13,000	6,000	(7,000)
Miscellaneous Revenue:	516,218	14,484	(501,734)	55,700	74,100	18,400	24,100	24,098	(2)
Total Revenues	<u>8,437,095</u>	<u>2,718,580</u>	<u>(5,718,515)</u>	<u>3,318,931</u>	<u>3,267,710</u>	<u>(51,221)</u>	<u>477,700</u>	<u>423,763</u>	<u>(53,937)</u>
Expenditures:									
Current Operations:									
Personnel	1,910,787	1,742,555	168,232	2,693,977	2,688,609	5,368	222,284	192,378	29,906
Operations	3,202,205	1,878,061	1,324,144	560,521	512,085	48,436	159,594	122,083	37,511
Capital Outlay	4,191,179	558,128	3,633,051	257,500	183,696	73,804	237,000	115,652	121,348
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>9,304,171</u>	<u>4,178,744</u>	<u>5,125,427</u>	<u>3,511,998</u>	<u>3,384,390</u>	<u>127,608</u>	<u>618,878</u>	<u>430,113</u>	<u>188,765</u>
Excess of Revenues ove (under) Expenditures:	(867,076)	(1,460,164)	(593,088)	(193,067)	(116,680)	76,387	(141,178)	(6,350)	134,828
Other Financing Sources (Uses)									
Operating Transfers In	489,094	475,359	(13,735)	10,000	10,000	-	15,000	15,000	-
Operating Transfers Out	-	-	-	(91,007)	(91,007)	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (377,982)</u>	<u>(984,805)</u>	<u>\$ (606,823)</u>	<u>\$ (274,074)</u>	<u>(197,687)</u>	<u>\$ 76,387</u>	<u>\$ (126,178)</u>	<u>8,650</u>	<u>\$ 134,828</u>
Fund Balance:									
Beginning of Year		<u>474,546</u>			<u>929,522</u>			<u>163,542</u>	
End of Year		<u>\$ (510,259)</u>			<u>\$ 731,835</u>			<u>\$ 172,192</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 5 of 9)**

	Animal Control			Extension			Drug Forfeiture		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ 199,769	\$ 193,347	\$ (6,422)	\$ 217,783	\$ 215,681	\$ (2,102)	\$ -	\$ -	\$ -
License & Permit:	53,500	54,355	855	-	-	-	-	-	-
Intergovernmental Revenue	333,611	54,130	(279,481)	47,025	53,263	6,238	108,716	157,609	48,893
Charges for Service:	50,640	42,492	(8,148)	15,000	7,147	(7,853)	-	-	-
Fines & Forfeits:	-	-	-	-	-	-	-	29,793	29,793
Investment Earnings:	-	-	-	-	-	-	-	2,797	2,797
Private & Local Grants:	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	1,110	1,110	6,950	8,342	1,392	-	52	52
Total Revenues	<u>637,520</u>	<u>345,434</u>	<u>(292,086)</u>	<u>286,758</u>	<u>284,433</u>	<u>(2,325)</u>	<u>108,716</u>	<u>190,251</u>	<u>81,535</u>
Expenditures:									
Current Operations:									
Personnel	273,879	269,865	4,014	174,670	158,662	16,008	152,323	232,218	(79,895)
Operations	50,700	44,834	5,866	179,655	107,267	72,388	-	17,978	(17,978)
Capital Outlay	305,056	44,338	260,718	52,100	2,100	50,000	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>629,635</u>	<u>359,037</u>	<u>270,598</u>	<u>406,425</u>	<u>268,029</u>	<u>138,396</u>	<u>152,323</u>	<u>250,196</u>	<u>(97,873)</u>
Excess of Revenues over (under) Expenditures:	7,885	(13,603)	(21,488)	(119,667)	16,404	136,071	(43,607)	(59,945)	(16,338)
Other Financing Sources (Uses)									
Operating Transfers In	20,100	20,100	-	15,000	15,000	-	-	-	-
Operating Transfers Out	(10,000)	-	10,000	(52,000)	(50,000)	2,000	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 17,985</u>	6,497	<u>\$ (11,488)</u>	<u>\$ (156,667)</u>	(18,596)	<u>\$ 138,071</u>	<u>\$ (43,607)</u>	(59,945)	<u>\$ (16,338)</u>
Fund Balance:									
Beginning of Year		94,281			143,570			112,415	
End of Year		<u>\$ 100,778</u>			<u>\$ 124,974</u>			<u>\$ 52,470</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 6 of 9)**

	Museum			Capital Improvement			Technology		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ 220,774	\$ 220,820	\$ 46	\$ -	\$ -	\$ -	\$ 172,123	\$ 171,801	\$ (322)
License & Permit:	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	70,444	61,536	(8,908)	134,333	-	(134,333)	23,711	32,181	8,470
Charges for Service:	-	-	-	-	-	-	30,000	31,396	1,396
Fines & Forfeits:	-	-	-	-	-	-	-	-	-
Investment Earnings:	-	-	-	-	5,832	5,832	-	-	-
Private & Local Grants	11,000	12,097	1,097	-	-	-	-	-	-
Miscellaneous Revenue:	-	31	31	-	-	-	-	-	-
Total Revenues	<u>302,218</u>	<u>294,484</u>	<u>(7,734)</u>	<u>134,333</u>	<u>5,832</u>	<u>(128,501)</u>	<u>225,834</u>	<u>235,378</u>	<u>9,544</u>
Expenditures:									
Current Operations:									
Personnel	159,091	144,795	14,296	-	-	-	-	-	-
Operations	184,157	184,342	(185)	-	-	-	234,024	111,489	122,535
Capital Outlay	870	3,479	(2,609)	816,086	749,398	66,688	358,188	421,771	(63,583)
Debt Service:									
Principal	-	-	-	704,033	704,033	-	-	-	-
Interest	-	-	-	74,256	60,842	13,414	-	-	-
Total Expenditures	<u>344,118</u>	<u>332,616</u>	<u>11,502</u>	<u>1,594,375</u>	<u>1,514,273</u>	<u>80,102</u>	<u>592,212</u>	<u>533,260</u>	<u>58,952</u>
Excess of Revenues over (under) Expenditures:	(41,900)	(38,132)	3,768	(1,460,042)	(1,508,441)	(48,399)	(366,378)	(297,882)	68,496
Other Financing Sources (Uses)									
Operating Transfers In	31,535	31,535	-	989,337	1,298,554	309,217	312,000	304,800	(7,200)
Operating Transfers Out	-	-	-	(114,510)	(114,510)	-	(220,462)	(125,410)	95,052
Loan Proceeds	-	-	-	327,596	296,304	(31,292)	-	-	-
Sale of Fixed Assets	-	-	-	360,000	714,454	354,454	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (10,365)</u>	<u>(6,597)</u>	<u>\$ 3,768</u>	<u>\$ 102,381</u>	<u>686,361</u>	<u>\$ 583,980</u>	<u>\$ (274,840)</u>	<u>(118,492)</u>	<u>\$ 156,348</u>
Fund Balance:									
Beginning of Year		<u>43,676</u>			<u>(1,011,625)</u>			<u>332,091</u>	
End of Year		<u>\$ 37,079</u>			<u>\$ (325,264)</u>			<u>\$ 213,599</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 7 of 9)**

	MCA Industrial District			Clean-Up Missoula			Disaster		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ 200,000	\$ 246,470	\$ 46,470	\$ -	\$ -	\$ -	\$ -	\$ 483	\$ 483
License & Permit:	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	3,131	3,131	-	-	-	-	3,675	3,675
Charges for Service:	-	-	-	-	-	-	-	-	-
Fines & Forfeits:	-	-	-	-	-	-	-	-	-
Investment Earnings:	10,000	40,818	30,818	-	322	322	-	-	-
Private & Local Grants	-	-	-	25,000	25,000	-	-	-	-
Miscellaneous Revenue:	-	21,680	21,680	-	-	-	-	-	-
Total Revenues	<u>210,000</u>	<u>312,099</u>	<u>102,099</u>	<u>25,000</u>	<u>25,322</u>	<u>322</u>	<u>-</u>	<u>4,158</u>	<u>4,158</u>
Expenditures:									
Current Operations:									
Personnel	-	-	-	-	-	-	-	-	-
Operations	122,500	13,949	108,551	-	-	-	-	-	-
Capital Outlay	1,390,960	1,243,932	147,028	-	-	-	-	-	-
Debt Service:									
Principal	80,000	80,000	-	-	-	-	-	-	-
Interest	122,520	122,520	-	-	-	-	-	-	-
Total Expenditures	<u>1,715,980</u>	<u>1,460,401</u>	<u>255,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures:	(1,505,980)	(1,148,302)	357,678	25,000	25,322	322	-	4,158	4,158
Other Financing Sources (Uses)									
Operating Transfers In	114,510	114,510	-	-	-	-	-	-	-
Operating Transfers Out	(256,156)	(257,155)	(999)	(25,000)	(25,000)	-	(25,634)	(29,792)	(4,158)
Loan Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	1,418,460	1,489,866	71,406	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ (229,166)</u>	198,919	<u>\$ 428,085</u>	<u>\$ -</u>	322	<u>\$ 322</u>	<u>\$ (25,634)</u>	(25,634)	<u>\$ -</u>
Fund Balance:									
Beginning of Year		941,126			1,831			25,634	
End of Year		<u>\$ 1,140,045</u>			<u>\$ 2,153</u>			<u>\$ -</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 8 of 9)**

	Junk Vehicle			Public Safety			RSID Administration		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ 6,406,634	\$ 6,409,634	\$ 3,000	\$ -	\$ -	\$ -
License & Permit:	-	-	-	4,000	9,575	5,575	-	-	-
Intergovernmental Revenue	90,970	90,970	-	1,167,052	776,405	(390,647)	-	-	-
Charges for Service:	-	532	532	3,804,158	4,111,919	307,761	-	-	-
Fines & Forfeits:	-	-	-	41,200	33,203	(7,997)	-	-	-
Investment Earnings:	-	(413)	(413)	-	-	-	-	-	-
Private & Local Grants:	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue:	-	4,497	4,497	6,000	105,978	99,978	-	-	-
Total Revenues	<u>90,970</u>	<u>95,586</u>	<u>4,616</u>	<u>11,429,044</u>	<u>11,446,714</u>	<u>17,670</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:									
Current Operations:									
Personnel	56,441	54,070	2,371	7,569,119	7,652,008	(82,889)	-	-	-
Operations	16,432	20,897	(4,465)	2,929,127	2,724,816	204,311	-	-	-
Capital Outlay	7,629	6,500	1,129	603,491	352,398	251,093	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>80,502</u>	<u>81,467</u>	<u>(965)</u>	<u>11,101,737</u>	<u>10,729,222</u>	<u>372,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures:	10,468	14,119	3,651	327,307	717,492	390,185	-	-	-
Other Financing Sources (Uses)									
Operating Transfers In	-	-	-	861,515	861,515	-	105,628	105,628	-
Operating Transfers Out	(5,919)	-	5,919	(80,884)	(83,284)	(2,400)	(14,500)	(14,500)	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	30,891	30,891
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use:	<u>\$ 4,549</u>	14,119	<u>\$ 9,570</u>	<u>\$ 1,107,938</u>	1,495,723	<u>\$ 387,785</u>	<u>\$ 91,128</u>	122,019	<u>\$ 30,891</u>
Fund Balance:									
Beginning of Year		<u>9,591</u>			<u>-</u>			<u>-</u>	
End of Year		<u>\$ 23,710</u>			<u>\$ 1,495,723</u>			<u>\$ 122,019</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Special Revenue Funds**  
**Budget and Actual - All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 9 of 9)**

	Community Based Organizations			Totals		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$ 275,901	\$ 275,373	\$ (528)	\$ 15,075,919	\$ 14,804,377	\$ (271,542)
License & Permits	-	-	-	196,150	202,513	6,363
Intergovernmental Revenue	49,930	54,357	4,427	15,944,528	9,025,710	(6,918,818)
Charges for Services	-	-	-	5,245,032	5,755,908	510,876
Fines & Forfeits	-	-	-	138,700	189,110	50,410
Investment Earnings	-	-	-	10,000	64,626	54,626
Private & Local Grants	-	-	-	74,670	112,140	37,470
Miscellaneous Revenues	-	-	-	650,617	353,363	(297,254)
Total Revenues	<u>325,831</u>	<u>329,730</u>	<u>3,899</u>	<u>37,335,616</u>	<u>30,507,747</u>	<u>(6,827,869)</u>
Expenditures:						
Current Operations:						
Personnel	-	-	-	19,222,028	18,913,285	308,743
Operations	417,481	417,481	-	11,361,210	8,946,801	2,414,409
Capital Outlay	-	-	-	10,945,918	5,493,900	5,452,018
Debt Service:						
Principal	-	-	-	791,227	787,227	4,000
Interest	-	-	-	206,662	189,893	16,769
Total Expenditures	<u>417,481</u>	<u>417,481</u>	<u>-</u>	<u>42,527,045</u>	<u>34,331,106</u>	<u>8,195,939</u>
Excess of Revenues over (under) Expenditures	(91,650)	(87,751)	3,899	(5,191,429)	(3,823,359)	1,368,070
Other Financing Sources (Uses):						
Operating Transfers In	76,000	76,000	-	3,056,719	3,393,001	336,282
Operating Transfers Out	-	-	-	(1,599,273)	(1,473,035)	126,238
Loan Proceeds	-	-	-	949,881	899,613	(50,268)
Sale of Fixed Assets	-	-	-	1,778,460	2,247,929	469,469
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (15,650)</u>	<u>(11,751)</u>	<u>\$ 3,899</u>	<u>\$ (1,005,642)</u>	<u>1,244,149</u>	<u>\$ 2,249,791</u>
Fund Balance:						
Beginning of Year		<u>195,857</u>			<u>4,777,037</u>	
End of Year		<u>\$ 184,106</u>			<u>\$ 6,021,186</u>	

This Page Intentionally Left Blank

## **DEBT SERVICE FUNDS**

---

Debt service funds are those funds used 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.

**RSID Funds** - To account for those special improvement districts (RSIDs) for which construction has been completed and which are now paying the principal and interest on RSID construction bonds.

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

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Debt Service Funds**  
**June 30, 2002**

	<u>Risk Management</u>	<u>Jail Bond</u>	<u>RSID Revolving</u>	<u>RSIDs</u>	<u>Health Center</u>	<u>Total</u>
Assets:						
Cash & Cash Equivalents	\$ -	\$ -	\$ 1,536	\$ 4,397	\$ -	\$ 5,933
Cash with Fiscal Agents	104,916	993,878	-	155,590	26,154	1,280,538
Investments	-	-	68,145	195,059	-	263,204
Property Taxes Receivable (net)	6,155	102,784	-	-	-	108,939
RSID Receivable:						
Delinquent	-	-	313	40,056	-	40,369
Deferred	-	-	-	2,971,828	-	2,971,828
Advances to Other Funds	-	-	72,545	-	446,087	518,632
Total Assets	<u>\$ 111,071</u>	<u>\$ 1,096,662</u>	<u>\$ 142,539</u>	<u>\$ 3,366,930</u>	<u>\$ 472,241</u>	<u>\$ 5,189,443</u>
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,300	\$ -	\$ 6,300
Accrued Interest	19,916	383,878	-	63,445	11,091	478,330
Advances from Other Funds	30,330	11,153	-	-	31,062	72,545
Deferred Tax Revenue	6,155	102,784	313	3,011,884	-	3,121,136
Total Liabilities	<u>56,401</u>	<u>497,815</u>	<u>313</u>	<u>3,081,629</u>	<u>42,153</u>	<u>3,678,311</u>
Fund Balance:						
Reserved For Advances	-	-	72,545	-	446,087	518,632
Unreserved Fund Balance	54,670	598,847	69,681	285,301	(15,999)	992,500
Total Fund Balance	<u>54,670</u>	<u>598,847</u>	<u>142,226</u>	<u>285,301</u>	<u>430,088</u>	<u>1,511,132</u>
Total Liabilities and						
Fund Balance	<u>\$ 111,071</u>	<u>\$ 1,096,662</u>	<u>\$ 142,539</u>	<u>\$ 3,366,930</u>	<u>\$ 472,241</u>	<u>\$ 5,189,443</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Debt Service Funds**  
**For Fiscal Year Ended June 30, 2002**

	Risk Management	Jail Bond	RSID Revolving	RSIDs	Health Center	Total
<b>Revenues:</b>						
Property Taxes	\$ 81,487	\$ 921,894	\$ 974	\$ 621,113	\$ -	\$ 1,625,468
Intergovernmental Revenue	10,391	237,375	850	-	-	248,616
Investment Earnings	1,425	8,727	-	-	-	10,152
Total Revenues	<u>93,303</u>	<u>1,167,996</u>	<u>1,824</u>	<u>621,113</u>	<u>-</u>	<u>1,884,236</u>
<b>Expenditures:</b>						
<b>Debt Service:</b>						
Principal	-	575,000	-	384,000	15,000	974,000
Interest & Fiscal Charges	38,633	767,486	-	140,900	22,963	969,982
Total Expenditures	<u>38,633</u>	<u>1,342,486</u>	<u>-</u>	<u>524,900</u>	<u>37,963</u>	<u>1,943,982</u>
Excess of Revenues over (under) Expenditures	54,670	(174,490)	1,824	96,213	(37,963)	(59,746)
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	-	-	68,210	-	22,182	90,392
Operating Transfers Out	-	-	(68,210)	(108,247)	-	(176,457)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>54,670</u>	<u>(174,490)</u>	<u>1,824</u>	<u>(12,034)</u>	<u>(15,781)</u>	<u>(145,811)</u>
<b>Fund Balance:</b>						
Beginning of Year	-	773,337	140,402	333,400	445,869	1,693,008
Residual Equity Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,065)</u>	<u>-</u>	<u>(36,065)</u>
End of Year	<u>\$ 54,670</u>	<u>\$ 598,847</u>	<u>\$ 142,226</u>	<u>\$ 285,301</u>	<u>\$ 430,088</u>	<u>\$ 1,511,132</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Debt Service Funds**  
**All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 1 of 2)**

	Risk Management Bonds			Jail Bond			Health Center		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:									
Property Taxes	\$ 87,918	\$ 81,487	\$ (6,431)	\$ 920,946	\$ 921,894	\$ 948	\$ -	\$ -	\$ -
Intergovernmental Revenue	8,228	10,391	2,163	184,540	237,375	52,835	-	-	-
Investment Earnings	1,404	1,343	(61)	32,000	14,493	(17,507)	-	-	-
Total Revenues	<u>97,550</u>	<u>93,221</u>	<u>(4,329)</u>	<u>1,137,486</u>	<u>1,173,762</u>	<u>36,276</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:									
Debt Service:									
Principal	-	-	-	575,000	575,000	-	15,000	15,000	-
Interest and Fiscal Charge:	18,717	18,717	-	781,912	781,536	376	38,143	23,411	14,732
Total Expenditures	<u>18,717</u>	<u>18,717</u>	<u>-</u>	<u>1,356,912</u>	<u>1,356,536</u>	<u>376</u>	<u>53,143</u>	<u>38,411</u>	<u>14,732</u>
Excess of Revenues ove (under) Expenditures:	78,833	74,504	(4,329)	(219,426)	(182,774)	35,900	(53,143)	(38,411)	(14,732)
Other Financing Sources (uses)									
Operating Transfer In	-	-	-	-	-	-	53,143	37,630	(15,513)
Operating Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financial	<u>\$ 78,833</u>	74,504	<u>\$ (4,329)</u>	<u>\$ (219,426)</u>	(182,774)	<u>\$ 36,652</u>	<u>\$ -</u>	(781)	<u>\$ (781)</u>
Fund Balance:									
Beginning of Year		-			1,160,787			(4,127)	
End of Year		<u>\$ 74,504</u>			<u>\$ 978,013</u>			<u>\$ (4,908)</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual - Debt Service Funds**  
**All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 2 of 2)**

	RSID Revolving			Totals		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$ -	\$ 974	\$ 974	\$ 1,008,864	\$ 1,004,355	\$ (4,509)
Intergovernmental Revenue	-	850	850	192,768	248,616	55,848
Investment Earnings	-	-	-	33,404	15,836	(17,568)
Total Revenues	-	1,824	1,824	1,235,036	1,268,807	33,771
Expenditures:						
Debt Service:						
Principal	-	-	-	590,000	590,000	-
Interest and Fiscal Charge:	-	-	-	838,772	823,664	15,108
Total Expenditures	-	-	-	1,428,772	1,413,664	15,108
Excess of Revenues ove (under) Expenditures:	-	1,824	1,824	(193,736)	(144,857)	48,879
Other Financing Sources (uses)						
Operating Transfer In	-	68,210	68,210	53,143	105,840	52,697
Operating Transfer Out	(140,402)	(68,210)	72,192	(140,402)	(68,210)	72,192
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financial	\$ (140,402)	1,824	\$ 142,226	\$ (280,995)	(107,227)	\$ 173,768
Fund Balance:						
Beginning of Year		140,402			1,297,062	
End of Year		\$ 142,226			\$ 1,189,835	

## **CAPITAL PROJECTS FUNDS**

---

Capital projects funds are used 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.

**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.

**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**  
**Capital Projects Funds**  
**June 30, 2002**

	<u>Jail Project</u>	<u>RSID Projects</u>	<u>Total</u>
<b>Assets:</b>			
Notes Receivable	\$ 800,000	\$ -	\$ 800,000
Total Assets	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 800,000</u>
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ 109,515	\$ 109,515
Advances from Other Funds	403,261	263,112	666,373
Deferred Revenue	<u>800,000</u>	<u>-</u>	<u>800,000</u>
Total Liabilities	<u>1,203,261</u>	<u>372,627</u>	<u>1,575,888</u>
<b>Equity:</b>			
Unreserved Fund Balance	<u>(403,261)</u>	<u>(372,627)</u>	<u>(775,888)</u>
Total Fund Equity	<u>(403,261)</u>	<u>(372,627)</u>	<u>(775,888)</u>
 Total Liabilities and Fund Equity	 <u>\$ 800,000</u>	 <u>\$ -</u>	 <u>\$ 800,000</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Capital Projects Funds**  
**For Fiscal Year Ended June 30, 2002**

	<u>Jail Project</u>	<u>RSID Projects</u>	<u>Total</u>
Revenues:			
Investment Earnings	\$ 64,000	\$ -	\$ 64,000
Miscellaneous Revenue	<u>-</u>	<u>10,600</u>	<u>10,600</u>
Total Revenues	<u>64,000</u>	<u>10,600</u>	<u>74,600</u>
Expenditures:			
Current Operations:			
Public Safety	2,261	-	2,261
Public Works	-	755,911	755,911
Capital Outlay	<u>68,932</u>	<u>-</u>	<u>68,932</u>
Total Expenditures	<u>71,193</u>	<u>755,911</u>	<u>827,104</u>
Excess of Revenues under Expenditures	(7,193)	(745,311)	(752,504)
Other Financing Sources:			
Transfers In	-	87,459	87,459
Bond Proceeds	<u>-</u>	<u>430,125</u>	<u>430,125</u>
Decrease in Fund Balance	(7,193)	(227,727)	(234,920)
Fund Balance:			
Beginning of Year	(396,068)	(180,965)	(577,033)
Residual Equity Transfer	<u>-</u>	<u>36,065</u>	<u>36,065</u>
End of Year	<u>\$ (403,261)</u>	<u>\$ (372,627)</u>	<u>\$ (775,888)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Project Funds**  
**All Budgeted Funds**  
**For Fiscal Year Ended June 30, 2002**

	Jail Project		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$ 64,000	\$ 64,000	\$ -
Total Revenues	64,000	64,000	-
Expenditures:			
Operations	-	2,261	(2,261)
Capital	200,000	178,204	21,796
Total Expenditures	200,000	180,465	19,535
Excess of Revenues over (under) Expenditures	\$ (136,000)	(116,465)	\$ 19,535
Fund Balance:			
Beginning of Year		543,574	
End of Year		\$ 427,109	

**This Page Intentionally Left Blank**

## **ENTERPRISE FUNDS**

---

Enterprise funds are a type of proprietary fund used to account for activities intended to be largely paid for by user charges.

**Larchmont Golf Course Fund** - To account for the revenues and expenses of the Larchmont Golf Course.

**RSID Funds** - To account for maintenance special improvement districts (RSIDs) for which the annual assessment is really an annual user fee.

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Enterprise Funds**  
**June 30, 2002**

	<u>Larchmont Golf Course</u>	<u>RSIDs</u>	<u>Total</u>
<b>Assets:</b>			
Cash & Cash Equivalents	\$ 11,081	\$ 2,253	\$ 13,334
Investments	491,611	99,959	591,570
Accounts Receivable	11,722	-	11,722
RSID Receivable - Delinquent	-	57,547	57,547
Advances to Other Funds	-	263,112	263,112
Inventory	19,188	-	19,188
Fixed Assets	<u>1,921,526</u>	<u>503,860</u>	<u>2,425,386</u>
<b>Total assets</b>	<b><u>\$ 2,455,128</u></b>	<b><u>\$ 926,731</u></b>	<b><u>\$ 3,381,859</u></b>
<b>Liabilities:</b>			
Accounts & Warrants Payable	\$ 20,356	\$ 12,041	\$ 32,397
Accrued Payroll	<u>49,601</u>	<u>-</u>	<u>49,601</u>
<b>Total Liabilities</b>	<b><u>69,957</u></b>	<b><u>12,041</u></b>	<b><u>81,998</u></b>
<b>Fund Equity:</b>			
Contributed Capital	2,547,580	503,860	3,051,440
<b>Retained Earnings (Deficit):</b>			
Unreserved	<u>(162,409)</u>	<u>410,830</u>	<u>248,421</u>
<b>Total Fund Equity</b>	<b><u>2,385,171</u></b>	<b><u>914,690</u></b>	<b><u>3,299,861</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 2,455,128</u></b>	<b><u>\$ 926,731</u></b>	<b><u>\$ 3,381,859</u></b>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenses and Changes in Retained Earnings**  
**Enterprise Funds**  
**For Fiscal Year Ended June 30, 2002**

	<u>Larchmont Golf Course</u>	<u>RSIDs</u>	<u>Total</u>
Operating Revenues:			
Special Assessments	\$ -	\$ 738,598	\$ 738,598
Charges for Services	<u>948,881</u>	<u>4,343</u>	<u>953,224</u>
Total Operating Revenues	<u>948,881</u>	<u>742,941</u>	<u>1,691,822</u>
Operating Expense:			
Personnel	296,343	153,245	449,588
Operations	326,122	412,880	739,002
Depreciation	<u>150,163</u>	<u>45,136</u>	<u>195,299</u>
Total Operating Expense	<u>772,628</u>	<u>611,261</u>	<u>1,383,889</u>
Income from Operations	176,253	131,680	307,933
Non-operating Revenues (Expenses):			
Investment Earnings	11,198	-	11,198
Gain on Sale of Assets	<u>16,485</u>	<u>-</u>	<u>16,485</u>
Net Income before Operating Transfers	203,936	131,680	335,616
Operating Transfers In	-	12,147	12,147
Operating Transfers Out	<u>(200,000)</u>	<u>(60,528)</u>	<u>(260,528)</u>
Net Income (Loss)	3,936	83,299	87,235
Amortization of Federal Contributed Capital	<u>-</u>	<u>45,136</u>	<u>45,136</u>
Increase in Retained Earnings	3,936	128,435	132,371
Retained Earnings (Deficit):			
Beginning of Year	<u>(166,345)</u>	<u>282,395</u>	<u>116,050</u>
End of Year	<u>\$ (162,409)</u>	<u>\$ 410,830</u>	<u>\$ 248,421</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For Fiscal Year Ended June 30, 2002**

	<u>Larchmont Golf Course</u>	<u>RSIDs</u>	<u>Total</u>
Cash flows from operating activities:			
Cash receipts for charges for services	\$ 946,261	\$ 685,395	\$ 1,631,656
Cash payments to employees for services	(292,886)	(153,245)	(446,131)
Cash payments to suppliers for goods and services	<u>(333,910)</u>	<u>(435,257)</u>	<u>(769,167)</u>
Net cash provided by operating activities	<u>319,465</u>	<u>96,893</u>	<u>416,358</u>
Cash flows from non-capital financing activities:			
Transfer in	-	12,146	12,146
Transfer out	(200,000)	(60,528)	(260,528)
Advances to other funds	<u>-</u>	<u>(263,112)</u>	<u>(263,112)</u>
Net cash used in non-capital financing activities	<u>(200,000)</u>	<u>(311,494)</u>	<u>(511,494)</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of assets	16,821	-	16,821
Acquisition of property and equipment	<u>(108,656)</u>	<u>-</u>	<u>(108,656)</u>
Net cash used in capital and related financing activities	<u>(91,835)</u>	<u>-</u>	<u>(91,835)</u>
Cash flows from investing activities:			
Purchases of investment securities	(116,165)	-	(116,165)
Proceeds from sale of investment securities	-	212,697	212,697
Interest on investments	<u>11,198</u>	<u>-</u>	<u>11,198</u>
Net cash provided (used) by investing activities	<u>(104,967)</u>	<u>212,697</u>	<u>107,730</u>
Net decrease in cash and cash equivalents	(77,337)	(1,904)	(79,241)
Cash and cash equivalents at beginning of year	<u>88,418</u>	<u>4,157</u>	<u>92,575</u>
Cash and cash equivalents at end of year	<u>\$ 11,081</u>	<u>\$ 2,253</u>	<u>\$ 13,334</u>

**Reconciliation of Income From Operations to Cash Provided by Operations**

Income from operations	\$ 176,253	\$ 131,680	\$ 307,933
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	150,163	45,136	195,299
Change in assets and liabilities:			
Increase in receivables	(2,702)	(907)	(3,609)
Decrease in inventory	5,300	-	5,300
Decrease in payables	(13,006)	(22,377)	(35,383)
Increase (decrease) in accrued liabilities	<u>3,457</u>	<u>(56,639)</u>	<u>(53,182)</u>
Net cash provided by operating activities	<u>\$ 319,465</u>	<u>\$ 96,893</u>	<u>\$ 416,358</u>

**This Page Intentionally Left Blank**

## **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.

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Internal Service Funds**  
**June 30, 2002**

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:				
Cash & Cash Equivalents	\$ 713,052	\$ 404,435	\$ 492,639	\$ 1,610,126
Investments	1,114,859	1,107,272	934,965	3,157,096
Taxes Receivable	38,829	-	-	38,829
Interest Receivable	-	16,733	-	16,733
Contributions Receivable	-	198,784	22,983	221,767
Prepaid Costs	-	21,050	29,623	50,673
Fixed Assets	-	232,017	14,600	246,617
Total Assets	<u>\$ 1,866,740</u>	<u>\$ 1,980,291</u>	<u>\$ 1,494,810</u>	<u>\$ 5,341,841</u>
Liabilities:				
Accrued Payroll	\$ -	\$ 19,701	\$ -	\$ 19,701
Contracts Payable	-	142,040	-	142,040
Liability for Claims	<u>1,189,053</u>	<u>406,794</u>	<u>1,135,465</u>	<u>2,731,312</u>
Total Liabilities	1,189,053	568,535	1,135,465	2,893,053
Fund Equity:				
Retained Earnings				
Reserved for Self Insurance	<u>677,687</u>	<u>1,411,756</u>	<u>359,345</u>	<u>2,448,788</u>
Total Liabilities and Fund Equity	<u>\$ 1,866,740</u>	<u>\$ 1,980,291</u>	<u>\$ 1,494,810</u>	<u>\$ 5,341,841</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenses and Changes in Retained Earnings**  
**Internal Service Funds**  
**For Fiscal Year Ended June 30, 2002**

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:				
Charges for Services	\$ -	\$ 4,541,189	\$ 727,727	\$ 5,268,916
Total Operating Revenues	<u>-</u>	<u>4,541,189</u>	<u>727,727</u>	<u>5,268,916</u>
Operating Expenses:				
Personnel	44,453	201,033	-	245,486
Operations	12,118	377,324	-	389,442
Claims	497,314	4,654,237	565,328	5,716,879
Reinsurance Premiums	89,007	-	34,348	123,355
Administrative	-	-	136,050	136,050
Depreciation and Amortization	-	9,861	1,213	11,074
Total Operating Expense	<u>642,892</u>	<u>5,242,455</u>	<u>736,939</u>	<u>6,622,286</u>
Loss from Operations	(642,892)	(701,266)	(9,212)	(1,353,370)
Non-operating Revenues (Expenses):				
Property Taxes	338,289	-	-	338,289
Investment Earnings	53,889	53,432	45,850	153,171
Interest Expense	-	(7,395)	(11,189)	(18,584)
Other Expenses	(9,769)	-	(9,265)	(19,034)
Reimbursement for Claims Incurred	-	-	68,927	68,927
Intergovernmental Revenues	<u>55,555</u>	<u>-</u>	<u>-</u>	<u>55,555</u>
Net Income (Loss) before Operating Transfers	(204,928)	(655,229)	85,111	(775,046)
Operating Transfers In	<u>1,047,000</u>	<u>300,000</u>	<u>-</u>	<u>1,347,000</u>
Net Income (Loss)	842,072	(355,229)	85,111	571,954
Retained Earnings (Deficit):				
Beginning of Year	<u>(164,385)</u>	<u>1,766,985</u>	<u>274,234</u>	<u>1,876,834</u>
End of Year	<u>\$ 677,687</u>	<u>\$ 1,411,756</u>	<u>\$ 359,345</u>	<u>\$ 2,448,788</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenses and Changes in Retained Earnings**  
**Budget and Actual - Internal Service Funds**  
**For Fiscal Year Ending June 30, 2002**  
**(Page 1 of 2)**

	Risk Management			Health Insurance		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Operating Revenue:						
Charges for Services	\$ -	\$ -	\$ -	\$ 4,912,500	\$ 4,666,739	\$ (245,761)
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,912,500</u>	<u>4,666,739</u>	<u>(245,761)</u>
Operating Expense:						
Personnel	43,724	44,453	(729)	184,166	181,332	2,834
Operations	<u>400,817</u>	<u>325,468</u>	<u>75,349</u>	<u>4,468,334</u>	<u>5,017,798</u>	<u>(549,464)</u>
Total Operating Expense	<u>444,541</u>	<u>369,921</u>	<u>74,620</u>	<u>4,652,500</u>	<u>5,199,130</u>	<u>(546,630)</u>
Income (Loss) from Operation	(444,541)	(369,921)	74,620	260,000	(532,391)	(792,391)
Non-operating Revenues (Expenses):						
Operating Property Tax Revenue	335,891	334,798	(1,093)	-	-	-
Investment Earnings	-	53,889	53,889	120,000	68,735	(51,265)
Intergovernmental Revenue	49,221	55,555	6,334	-	-	-
Interest Expense	-	-	-	(31,818)	(7,395)	24,423
Other Expense	-	(9,769)	(9,769)	-	-	-
Debt Service Principal Payment	-	-	-	(18,182)	(18,182)	-
Capital Outlay	-	-	-	(30,000)	-	30,000
Reimbursement for Claims Incurred	-	-	-	-	-	-
Bond Proceeds	<u>988,000</u>	<u>987,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Operating Transfers	928,571	1,051,552	122,981	300,000	(489,233)	(789,233)
Operating Transfers In	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net Income (Loss)	<u>\$ 988,571</u>	1,111,552	<u>\$ 122,981</u>	<u>\$ 300,000</u>	(189,233)	<u>\$ (489,233)</u>
Retained Earnings						
Beginning of Year		<u>351,260</u>			<u>1,946,710</u>	
End of Year		<u>\$ 1,462,812</u>			<u>\$ 1,757,477</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenses and Changes in Retained Earnings (Continued)**  
**Budget and Actual - Internal Service Funds**  
**For Fiscal Year Ending June 30, 2002**  
**(Page 2 of 2)**

	Workers' Compensation			Total		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Operating Revenue:						
Charges for Services	\$ 590,000	\$ 801,161	\$ 211,161	\$ 5,502,500	\$ 5,467,900	\$ (34,600)
Total Operating Revenue	<u>590,000</u>	<u>801,161</u>	<u>211,161</u>	<u>5,502,500</u>	<u>5,467,900</u>	<u>(34,600)</u>
Operating Expense:						
Personnel	47,352	-	47,352	275,242	225,785	49,457
Operations	<u>451,800</u>	<u>600,985</u>	<u>(149,185)</u>	<u>5,320,951</u>	<u>5,944,251</u>	<u>(623,300)</u>
Total Operating Expense	<u>499,152</u>	<u>600,985</u>	<u>(101,833)</u>	<u>5,596,193</u>	<u>6,170,036</u>	<u>(573,843)</u>
Income (Loss) from Operation	90,848	200,176	109,328	(93,693)	(702,136)	(608,443)
Non-operating Revenues (Expenses):						
Operating Property Tax Revenue	-	-	-	335,891	334,798	(1,093)
Investment Earnings	90,000	58,455	(31,545)	210,000	181,079	(28,921)
Intergovernmental Revenue	-	-	-	49,221	55,555	6,334
Interest Expense	(29,000)	(23,317)	5,683	(60,818)	(30,712)	30,106
Other Expense	-	(9,265)	(9,265)	-	(19,034)	(19,034)
Debt Service Principal Payment	(505,000)	(505,000)	-	(523,182)	(523,182)	-
Capital Outlay	-	-	-	(30,000)	-	(30,000)
Reimbursement for Claims Incurred	-	68,927	68,927	-	68,927	(68,927)
Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>988,000</u>	<u>987,000</u>	<u>1,000</u>
Net Income (Loss) before Operating Transfers	(353,152)	(210,024)	143,128	875,419	352,295	(523,124)
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>360,000</u>	<u>300,000</u>
Net Income (Loss)	<u>\$ (353,152)</u>	(210,024)	<u>\$ 143,128</u>	<u>\$ 935,419</u>	712,295	<u>\$ (223,124)</u>
Retained Earnings						
Beginning of Year		<u>1,513,430</u>			<u>3,811,400</u>	
End of Year		<u>\$ 1,303,406</u>			<u>\$ 4,523,695</u>	

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For Fiscal Year Ended June 30, 2002**

	Risk Management	Health Insurance	Workers' Compensation	Total
Cash flows from operating activities				
Cash receipts for charges for service	\$ -	\$ 4,538,330	\$ 715,806	\$ 5,254,136
Cash payments to employees for service	(44,453)	(176,011)	-	(220,464)
Cash payments for reinsurance premium	(154,224)	(227,450)	(34,348)	(416,022)
Cash payments for administrative expense	-	(209,174)	(142,858)	(352,032)
Cash payments for claims expenses	(160,519)	(4,476,067)	(422,940)	(5,059,526)
Cash payments to other suppliers for goods and services	(12,118)	-	-	(12,118)
Net cash provided (used) by operating activities	<u>(371,314)</u>	<u>(550,372)</u>	<u>115,660</u>	<u>(806,026)</u>
Cash flows from non-capital financing activities:				
Property taxes	334,798	-	-	334,798
Reimbursement for claims incurred	-	-	68,927	68,927
Cash paid for interest	-	(7,395)	(23,317)	(30,712)
Bond issuance cost	(9,769)	-	-	(9,769)
Principal payments on long-term debt	-	(18,182)	(505,000)	(523,182)
Transfers in	1,047,000	300,000	-	1,347,000
Intergovernmental revenue	55,555	-	-	55,555
Net cash provided (used) by non-capital financing activities	<u>1,427,584</u>	<u>274,423</u>	<u>(459,390)</u>	<u>1,242,617</u>
Cash flows from capital financing activities:				
Purchase of fixed asset:	-	-	(14,600)	(14,600)
Net cash used by non-capital financing activities	<u>-</u>	<u>-</u>	<u>(14,600)</u>	<u>(14,600)</u>
Cash flows from investing activities:				
Purchases of investment securities	(1,375,000)	(614,250)	(300,000)	(2,289,250)
Proceeds of sale and maturities of investment securities	968,475	1,060,928	1,029,908	3,059,311
Interest on investment	53,889	83,907	8,350	146,146
Net cash provided (used) by investing activities	<u>(352,636)</u>	<u>530,585</u>	<u>738,258</u>	<u>916,207</u>
Net increase in cash and cash equivalents	703,634	254,636	379,928	1,338,198
Cash and cash equivalents at beginning of year	9,418	149,799	112,711	271,928
Cash and cash equivalents at end of year	<u>\$ 713,052</u>	<u>\$ 404,435</u>	<u>\$ 492,639</u>	<u>\$ 1,610,126</u>

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

Loss from Operation:	\$ (642,892)	\$ (701,266)	\$ (9,212)	\$ (1,353,370)
Adjustments to reconcile (income) loss from operations to net cash provided (used) by operating activities:				
Depreciation and amortization	-	9,861	1,213	11,074
Change in assets and liabilities				
Decrease (increase) in receivable	-	125,550	(11,920)	113,630
Increase in prepaid cost	-	(4,137)	(6,434)	(10,571)
Decrease in payable:	(65,217)	-	(375)	(65,592)
Increase in accrued liabilities:	336,795	19,620	142,388	498,803
Net cash provided (used) by operating activities	<u>\$ (371,314)</u>	<u>\$ (550,372)</u>	<u>\$ 115,660</u>	<u>\$ (806,026)</u>

**Supplemental Disclosure of Cash Flow Information**

Noncash capital financing, non-capital financing and investing activities  
The Health Insurance Plan and the Workers' Compensation Plan had \$15,172 and \$37,500, respectively, of net investment income that was reinvested in their trust portfolios for the year. The Workers' Compensation Plan had a \$9,265 non-cash loss from the write-off of debt issuance costs.

**This Page Intentionally Left Blank**

## **TRUST AND AGENCY FUNDS**

---

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

Expendable trust funds are those trust funds for which both the principal of the trust and any interest earnings may be expended.

**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.

**Protest Fund** – To account for taxes paid under protest and held in trust until the protest is resolved. Also, to account for interest earned on those funds while they are held in trust.

**Deferred Compensation Fund** - To account for compensation deferred under IRS Section 457.

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

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

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

**Expendable Trusts** - To account for various trusts which are expendable both as to principal and interest for specific purposes, including support for the 9-1-1 dispatch center, capital improvements for Miller Creek, Lolo Sewer & Water, Museums, Sheriff's Office, the Library, Courts and Fire District activities.

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Trust and Agency Funds**  
**June 30, 2002**

	Agency Funds						Investment Trust Funds	Expendable Trusts	Total
	Schools	Other Local Taxing Units	State	City	Miscellaneous Agencies	Payroll & Claims			
<b>Assets:</b>									
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 153,300	\$ 21,384	\$ 1,183,691	\$ 45,358	\$ 1,403,733
Cash with Fiscal Agents	2,378,167	-	-	-	-	-	-	-	2,378,167
Investments	-	-	-	-	-	1,586,593	47,991,367	2,012,365	51,590,325
Property Taxes Receivable (net)	4,058,943	626,690	1,719,998	1,757,136	-	-	-	-	8,162,767
Advances to Other Funds	-	-	-	-	-	-	-	1,190	1,190
<b>Total Assets</b>	<b>\$ 6,437,110</b>	<b>\$ 626,690</b>	<b>\$ 1,719,998</b>	<b>\$ 1,757,136</b>	<b>\$ 153,300</b>	<b>\$ 1,607,977</b>	<b>\$ 49,175,058</b>	<b>\$ 2,058,913</b>	<b>\$ 63,536,182</b>
<b>Liabilities:</b>									
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,607,977	\$ -	\$ 5,648	\$ 1,613,625
Advances from Other Funds	-	-	-	-	-	-	-	1,190	1,190
Funds Held in Trust	6,437,110	626,690	1,719,998	1,757,136	153,300	-	-	-	10,694,234
<b>Total Liabilities</b>	<b>6,437,110</b>	<b>626,690</b>	<b>1,719,998</b>	<b>1,757,136</b>	<b>153,300</b>	<b>1,607,977</b>	<b>-</b>	<b>6,838</b>	<b>12,309,049</b>
<b>Fund Balance:</b>									
Reserved for External									
Investment Pool Participants	-	-	-	-	-	-	49,175,058	-	49,175,058
Reserved For Advances	-	-	-	-	-	-	-	1,190	1,190
Unreserved Fund balance	-	-	-	-	-	-	-	2,050,885	2,050,885
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,175,058</b>	<b>2,052,075</b>	<b>51,227,133</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 6,437,110</b>	<b>\$ 626,690</b>	<b>\$ 1,719,998</b>	<b>\$ 1,757,136</b>	<b>\$ 153,300</b>	<b>\$ 1,607,977</b>	<b>\$ 49,175,058</b>	<b>\$ 2,058,913</b>	<b>\$ 63,536,182</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Expendable Trust Funds**  
**June 30, 2002**  
**(Page 1 of 2)**

	<u>9-1-1 Trust</u>	<u>Abandoned Vehicle</u>	<u>901 Water</u>	<u>901 Sewer</u>	<u>Friends of Historical Museum</u>	<u>Historical Museum Gift Shop</u>	<u>Jail Commissary</u>	<u>IACP School</u>	<u>MCFPA Trust</u>
<b>Assets:</b>									
Cash & Cash Equivalents	\$ 20,559	\$ 27	\$ 2,207	\$ 8,710	\$ 1,260	\$ 80	\$ 2,401	\$ 1	\$ 17
Investments	912,105	1,214	97,927	386,403	55,895	3,557	106,501	69	781
Advances to Other Funds	-	-	-	-	1,190	-	-	-	-
Total Assets	<u>\$ 932,664</u>	<u>\$ 1,241</u>	<u>\$ 100,134</u>	<u>\$ 395,113</u>	<u>\$ 58,345</u>	<u>\$ 3,637</u>	<u>\$ 108,902</u>	<u>\$ 70</u>	<u>\$ 798</u>
<b>Liabilities:</b>									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,591	\$ 1,259	\$ 985	\$ -	\$ -
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,591</u>	<u>1,259</u>	<u>985</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>									
Reserved for Advances	-	-	-	-	1,190	-	-	-	-
Unreserved Fund Balance	<u>932,664</u>	<u>1,241</u>	<u>100,134</u>	<u>395,113</u>	<u>54,564</u>	<u>2,378</u>	<u>107,917</u>	<u>70</u>	<u>798</u>
Total Fund Balance	<u>932,664</u>	<u>1,241</u>	<u>100,134</u>	<u>395,113</u>	<u>55,754</u>	<u>2,378</u>	<u>107,917</u>	<u>70</u>	<u>798</u>
Total Liabilities and Fund Balance	<u>\$ 932,664</u>	<u>\$ 1,241</u>	<u>\$ 100,134</u>	<u>\$ 395,113</u>	<u>\$ 58,345</u>	<u>\$ 3,637</u>	<u>\$ 108,902</u>	<u>\$ 70</u>	<u>\$ 798</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Expendable Trust Funds**  
**June 30, 2002**  
**(Page 2 of 2)**

	<u>LEPC Trust</u>	<u>Art Museum</u>	<u>Fort Memorial</u>	<u>Friends of the Library</u>	<u>Miller Creek Trust</u>	<u>Ft Missoula Community Center</u>	<u>Court Education Trust</u>	<u>Total</u>
Assets:								
Cash & Cash Equivalents	\$ 223	\$ 5	\$ -	\$ 512	\$ 9,080	\$ 91	\$ 185	\$ 45,358
Investments	9,907	201	-	22,730	402,832	4,049	8,194	2,012,365
Advances to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,190</u>
Total Assets	<u>\$ 10,130</u>	<u>\$ 206</u>	<u>\$ -</u>	<u>\$ 23,242</u>	<u>\$ 411,912</u>	<u>\$ 4,140</u>	<u>\$ 8,379</u>	<u>\$ 2,058,913</u>
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 813	\$ 5,648
Advances from Other Funds	<u>-</u>	<u>-</u>	<u>1,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,190</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>813</u>	<u>6,838</u>
Fund Balance:								
Reserved For Advances	-	-	-	-	-	-	-	1,190
Unreserved Fund Balance	<u>10,130</u>	<u>206</u>	<u>(1,190)</u>	<u>23,242</u>	<u>411,912</u>	<u>4,140</u>	<u>7,566</u>	<u>2,050,885</u>
Total Fund Balance	<u>10,130</u>	<u>206</u>	<u>(1,190)</u>	<u>23,242</u>	<u>411,912</u>	<u>4,140</u>	<u>7,566</u>	<u>2,052,075</u>
Total Liabilities and								
Fund Balance	<u>\$ 10,130</u>	<u>\$ 206</u>	<u>\$ -</u>	<u>\$ 23,242</u>	<u>\$ 411,912</u>	<u>\$ 4,140</u>	<u>\$ 8,379</u>	<u>\$ 2,058,913</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Net Assets**  
**Investment Trust Fund**  
**June 30, 2002**

	External Pool Investment Trust
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,183,691
Investments, at cost or amortized cost	
Repurchase Agreements	2,631,159
STIP	45,360,208
	\$ 49,175,058
<b>Liabilities &amp; Net assets</b>	
Net assets held in trust for pool participants	49,175,058
	\$ 49,175,058

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Expendable Trust Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 1 of 2)**

	9-1-1 Trust	Abandoned Vehicle	901 Water	901 Sewer	Friends of Historical Museum	Historical Museum Gift Shop	Jail Commissary	IACP School	MCFPA Trust
<b>Revenues:</b>									
Intergovernmental Revenue	\$ 362,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	8,918	29,253	499,167	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-
Investment Earnings	22,262	-	2,136	10,157	1,428	-	1,635	-	-
Private & Local Grants	-	-	-	-	45,084	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	1,872	-	-
<b>Total Revenues</b>	<b>384,504</b>	<b>-</b>	<b>2,136</b>	<b>10,157</b>	<b>55,430</b>	<b>29,253</b>	<b>502,674</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>									
<b>Current Operations:</b>									
Criminal Justice	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	426,775	-	-
Culture & Recreation	-	-	-	-	46,887	27,603	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,887</b>	<b>27,603</b>	<b>426,775</b>	<b>-</b>	<b>-</b>
<b>Excess Revenues over (under) Expenditures</b>	<b>384,504</b>	<b>-</b>	<b>2,136</b>	<b>10,157</b>	<b>8,543</b>	<b>1,650</b>	<b>75,899</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (uses):</b>									
Operating Transfers In	-	-	5,000	30,000	-	-	-	-	-
Operating Transfers Out	(312,861)	-	-	(87,459)	(13,237)	-	(76,624)	-	-
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>71,643</b>	<b>-</b>	<b>7,136</b>	<b>(47,302)</b>	<b>(4,694)</b>	<b>1,650</b>	<b>(725)</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>									
Beginning of Year	861,021	1,241	92,998	442,415	60,448	728	108,642	70	798
<b>End of Year</b>	<b>\$ 932,664</b>	<b>\$ 1,241</b>	<b>\$ 100,134</b>	<b>\$ 395,113</b>	<b>\$ 55,754</b>	<b>\$ 2,378</b>	<b>\$ 107,917</b>	<b>\$ 70</b>	<b>\$ 798</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Expendable Trust Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 2 of 2)**

	LEPC Trust	Art Museum	Fort Memorial	Friends of the Library	Miller Creek Trust	Ft Missoula Community Center	Court Education Trust	Total
<b>Revenues:</b>								
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,242
Charges for Services	-	-	-	-	57,600	-	-	594,938
Fines & Forfeitures	-	-	-	-	-	-	4,320	4,320
Investment Earnings	-	-	-	472	7,991	-	222	46,303
Private & Local Grants	19,000	-	-	20,329	-	-	-	84,413
Miscellaneous Revenue	-	-	-	-	1,800	-	2,039	5,711
<b>Total Revenues</b>	<b>19,000</b>	<b>-</b>	<b>-</b>	<b>20,801</b>	<b>67,391</b>	<b>-</b>	<b>6,581</b>	<b>1,097,927</b>
<b>Expenditures:</b>								
<b>Current Operations:</b>								
Criminal Justice	-	-	-	-	-	-	10,385	10,385
Public Safety	9,900	-	-	-	-	-	-	436,675
Culture & Recreation	-	-	-	11,579	-	-	-	86,069
Capital Outlay	-	-	-	4,939	-	-	-	4,939
<b>Total Expenditures</b>	<b>9,900</b>	<b>-</b>	<b>-</b>	<b>16,518</b>	<b>-</b>	<b>-</b>	<b>10,385</b>	<b>538,068</b>
<b>Excess Revenues over (under) Expenditures</b>	<b>9,100</b>	<b>-</b>	<b>-</b>	<b>4,283</b>	<b>67,391</b>	<b>-</b>	<b>(3,804)</b>	<b>559,859</b>
<b>Other Financing Sources (uses):</b>								
Operating Transfers In	-	-	-	-	-	-	1,920	36,920
Operating Transfers Out	-	-	-	-	-	-	-	(490,181)
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>9,100</b>	<b>-</b>	<b>-</b>	<b>4,283</b>	<b>67,391</b>	<b>-</b>	<b>(1,884)</b>	<b>106,598</b>
<b>Fund Balance :</b>								
Beginning of Year	1,030	206	(1,190)	18,959	344,521	4,140	9,450	1,945,477
End of Year	\$ 10,130	\$ 206	\$ (1,190)	\$ 23,242	\$ 411,912	\$ 4,140	\$ 7,566	\$ 2,052,075

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Net Assets**  
**Investment Trust Funds**  
**For Fiscal Year Ended June 30, 2002**

	External Pool Investment Trust	Individual Investment Trust	Total
Revenues			
Interest income	\$ 1,544,273	\$ -	\$ 1,544,273
Net investment income	1,544,273	-	1,544,273
Participant investments in pool	183,786,550	-	183,786,550
Distribution to participants	(174,554,250)	(18,473,155)	(193,027,405)
Increase in net assets	10,776,573	(18,473,155)	(7,696,582)
Net assets held in trust for pool participants			
Beginning of year	38,398,485	18,473,155	56,871,640
End of year	\$ 49,175,058	\$ -	\$ 49,175,058

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds**  
**For Fiscal Year Ended June 30, 2002**  
**(Page 1 of 4)**

**SCHOOLS**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Cash with Fiscal Agents	\$ 2,700,076	\$ 2,378,167	\$ 2,700,076	\$ 2,378,167
Property Taxes Receivable (net)	<u>3,844,822</u>	<u>4,058,943</u>	<u>3,844,822</u>	<u>4,058,943</u>
Total Assets	<u>\$ 6,544,898</u>	<u>\$ 6,437,110</u>	<u>\$ 6,544,898</u>	<u>\$ 6,437,110</u>
Liabilities:				
Funds Held in Trust	\$ <u>6,544,898</u>	\$ <u>6,437,110</u>	\$ <u>6,544,898</u>	\$ <u>6,437,110</u>
Total Liabilities	<u>\$ 6,544,898</u>	<u>\$ 6,437,110</u>	<u>\$ 6,544,898</u>	<u>\$ 6,437,110</u>

**OTHER LOCAL TAXING UNITS**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Property Taxes Receivable (net)	\$ <u>484,426</u>	\$ <u>626,690</u>	\$ <u>484,426</u>	\$ <u>626,690</u>
Total Assets	<u>\$ 484,426</u>	<u>\$ 626,690</u>	<u>\$ 484,426</u>	<u>\$ 626,690</u>
Liabilities:				
Accounts & Warrants Payable	\$ 306	\$ -	\$ 306	\$ -
Funds Held in Trust	<u>484,120</u>	<u>626,690</u>	<u>484,120</u>	<u>626,690</u>
Total Liabilities	<u>\$ 484,426</u>	<u>\$ 626,690</u>	<u>\$ 484,426</u>	<u>\$ 626,690</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds**  
**For Fiscal Year Ended June 30, 2002 (Continued)**  
**(Page 2 of 4)**

**STATE**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Property Taxes Receivable (net)	\$ 700,963	\$ 1,719,998	\$ 700,963	\$ 1,719,998
Total Assets	<u>\$ 700,963</u>	<u>\$ 1,719,998</u>	<u>\$ 700,963</u>	<u>\$ 1,719,998</u>
Liabilities:				
Funds Held in Trust	\$ 700,963	\$ 1,719,998	\$ 700,963	\$ 1,719,998
Total Liabilities	<u>\$ 700,963</u>	<u>\$ 1,719,998</u>	<u>\$ 700,963</u>	<u>\$ 1,719,998</u>

**CITY**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Property Taxes Receivable (net)	\$ 1,387,251	\$ 1,757,136	\$ 1,387,251	\$ 1,757,136
Total Assets	<u>\$ 1,387,251</u>	<u>\$ 1,757,136</u>	<u>\$ 1,387,251</u>	<u>\$ 1,757,136</u>
Liabilities:				
Funds Held in Trust	\$ 1,387,251	\$ 1,757,136	\$ 1,387,251	\$ 1,757,136
Total Liabilities	<u>\$ 1,387,251</u>	<u>\$ 1,757,136</u>	<u>\$ 1,387,251</u>	<u>\$ 1,757,136</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds**  
**For Fiscal Year Ended June 30, 2002 (Continued)**  
**(Page 3 of 4)**

**PROTEST FUND**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Due from Other Funds	\$ 31,915	\$ -	\$ 31,915	\$ -
Total Assets	<u>\$ 31,915</u>	<u>\$ -</u>	<u>\$ 31,915</u>	<u>\$ -</u>
Liabilities:				
Accounts & Warrants Payable	\$ 31,915	-	\$ 31,915	\$ -
Total Liabilities	<u>\$ 31,915</u>	<u>\$ -</u>	<u>\$ 31,915</u>	<u>\$ -</u>

**MISCELLANEOUS AGENCIES**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Cash & Cash Equivalents	\$ 219,939	\$ 153,300	\$ 219,939	\$ 153,300
Due from Other Funds	62,397	-	62,397	-
Total Assets	<u>\$ 282,336</u>	<u>\$ 153,300</u>	<u>\$ 282,336</u>	<u>\$ 153,300</u>
Liabilities:				
Accounts & Warrants Payable	\$ 62,397	-	\$ 62,397	-
Funds Held in Trust	219,939	153,300	219,939	153,300
Total Liabilities	<u>\$ 282,336</u>	<u>\$ 153,300</u>	<u>\$ 282,336</u>	<u>\$ 153,300</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds**  
**For Fiscal Year Ended June 30, 2002 (Continued)**  
**(Page 4 of 4)**

**PAYROLL & CLAIMS**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Cash & Cash Equivalents	\$ 6,015	\$ 21,384	\$ 6,015	\$ 21,384
Investments	452,393	1,586,593	452,393	1,586,593
Total Assets	<u>\$ 458,408</u>	<u>\$ 1,607,977</u>	<u>\$ 458,408</u>	<u>\$ 1,607,977</u>
Liabilities:				
Accounts & Warrants Payable	\$ 458,408	\$ 1,607,977	\$ 458,408	\$ 1,607,977
Total Liabilities	<u>\$ 458,408</u>	<u>\$ 1,607,977</u>	<u>\$ 458,408</u>	<u>\$ 1,607,977</u>

**TOTAL AGENCY FUNDS**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Assets:				
Cash & Cash Equivalents	\$ 225,954	\$ 174,684	\$ 225,954	\$ 174,684
Cash with Fiscal Agents	2,700,076	2,378,167	2,700,076	2,378,167
Investments	452,393	1,586,593	452,393	1,586,593
Property Taxes Receivable (net)	6,417,462	8,162,767	6,417,462	8,162,767
Due from Other Funds	94,312	-	94,312	-
Total Assets	<u>\$ 9,890,197</u>	<u>\$ 12,302,211</u>	<u>\$ 9,890,197</u>	<u>\$ 12,302,211</u>
Liabilities:				
Accounts & Warrants Payable	\$ 553,026	\$ 1,607,977	\$ 553,026	\$ 1,607,977
Funds Held in Trust	9,337,171	10,694,234	9,337,171	10,694,234
Total Liabilities	<u>\$ 9,890,197</u>	<u>\$ 12,302,211</u>	<u>\$ 9,890,197</u>	<u>\$ 12,302,211</u>

**This Page Intentionally Left Blank**

## **GENERAL FIXED ASSET ACCOUNT GROUP**

---

The General Fixed Asset Account Group is used to account for fixed assets not used in a proprietary fund.

**MISSOULA COUNTY, MONTANA**  
**Schedule of General Fixed Assets**  
**By Source**  
**June 30, 2002**

	Balance <u>June 30, 2002</u>
General Fixed Assets:	
Land	\$ 6,948,038
Buildings	30,839,836
Machinery and Equipment	<u>15,610,755</u>
Total General Fixed Assets	<u>\$ 53,398,629</u>
Investment in General Fixed Assets by Source:	
General Fund	\$ 29,587,448
Special Revenue	10,576,567
Federal Grants	1,812,401
Initial Start of System	<u>11,422,213</u>
Total Investment in General Fixed Assets	<u>\$ 53,398,629</u>

**MISSOULA COUNTY, MONTANA**  
**Schedule of General Fixed Assets**  
**By Function and Activity**  
**June 30, 2002**

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<b>General Government:</b>				
Administration and Finance	\$ -	\$ -	\$ 9,998	\$ 9,998
Records and Election	-	-	771,478	771,478
Legal and Judicial	-	-	213,142	213,142
Data Processing	-	-	710,155	710,155
General Services	-	-	1,466,904	1,466,904
Other	-	-	114,048	114,048
Total General Government	<u>-</u>	<u>-</u>	<u>3,285,725</u>	<u>3,285,725</u>
<b>Public Works:</b>				
Road & Bridge	111,134	2,610,479	5,300,048	8,021,661
Weed	-	-	61,662	61,662
Total Public Works	<u>111,134</u>	<u>2,610,479</u>	<u>5,361,710</u>	<u>8,083,323</u>
<b>Public Safety:</b>				
Sheriff	-	-	1,895,089	1,895,089
Disaster and Emergency	-	-	162,255	162,255
Detention Center	<u>2,783,537</u>	<u>22,381,834</u>	<u>1,346,519</u>	<u>26,511,890</u>
Total Public Safety	<u>2,783,537</u>	<u>22,381,834</u>	<u>3,403,863</u>	<u>28,569,234</u>
<b>Public Health:</b>				
City/County Health	58,162	1,248,038	639,828	1,946,028
Environmental Health	-	-	161,850	161,850
Total Public Health	<u>58,162</u>	<u>1,248,038</u>	<u>801,678</u>	<u>2,107,878</u>
Social and Economic Services	-	-	229,241	229,241
Culture and Recreation	1,702,962	2,098,080	500,159	4,301,201
Nondepartmental	1,946,096	2,501,405	2,028,379	6,475,880
Land Held for Resale	<u>346,147</u>	<u>-</u>	<u>-</u>	<u>346,147</u>
Total General Fixed Assets	<u>\$ 6,948,038</u>	<u>\$ 30,839,836</u>	<u>\$ 15,610,755</u>	<u>\$ 53,398,629</u>

**MISSOULA COUNTY, MONTANA**  
**Schedule of Changes in General Fixed Assets**  
**By Function and Activity**  
**For Fiscal Year Ended June 30, 2002**

	General Fixed Assets			General Fixed Assets
	July 1, 2001	Additions	Retirements	June 30, 2002
<b>General Government:</b>				
Administration and Finance	\$ 18,778	\$ -	\$ 8,780	\$ 9,998
Records and Election	771,478	-	-	771,478
Legal and Judicial	194,716	22,259	3,833	213,142
Data Processing	574,390	203,637	67,872	710,155
General Services	1,427,173	84,668	44,937	1,466,904
Other	114,048	-	-	114,048
Total General Government	<u>3,100,583</u>	<u>310,564</u>	<u>125,422</u>	<u>3,285,725</u>
<b>Public Works:</b>				
Road & Bridge	7,365,356	830,673	174,368	8,021,661
Weed	72,527	-	10,865	61,662
Total Public Works	<u>7,437,883</u>	<u>830,673</u>	<u>185,233</u>	<u>8,083,323</u>
<b>Public Safety:</b>				
Sheriff	1,784,739	116,551	6,201	1,895,089
Disaster and Emergency	101,980	62,865	2,590	162,255
Detention Center	26,274,434	286,131	48,675	26,511,890
Total Public Safety	<u>28,161,153</u>	<u>465,547</u>	<u>57,466</u>	<u>28,569,234</u>
<b>Public Health:</b>				
City/County Health	1,851,368	217,006	122,346	1,946,028
Environmental Health	167,119	26,931	32,200	161,850
Total Public Health	<u>2,018,487</u>	<u>243,937</u>	<u>154,546</u>	<u>2,107,878</u>
Social and Economic Services	217,820	18,696	7,275	229,241
Culture and Recreation	4,190,804	110,897	500	4,301,201
Nondepartmental	6,023,129	599,809	147,058	6,475,880
Land Held for Resale	655,215	-	309,068	346,147
Total General Fixed Assets	<u>\$ 51,805,074</u>	<u>\$ 2,580,123</u>	<u>\$ 986,568</u>	<u>\$ 53,398,629</u>

**This Page Intentionally Left Blank**

## **COMPONENT UNITS**

---

Component units are entities which are legally separate from the County, but which the County can significantly influence in financial matters.

**Missoula Aging Services** – Accounts for revenues used to provide aging programs in Missoula County.

**Community Health Center** - Accounts for revenues used in the operation of the Partnership Health Clinic, a community health center, which provides health care to the medically underserved.

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Component Units**  
**June 30, 2002**

	<u>Missoula Aging Services</u>	<u>Community Health Center</u>	<u>Total</u>
Assets:			
Cash & Cash Equivalents	\$ 224,704	\$ -	\$ 224,704
Investments	-	-	-
Accounts Receivable	304,327	323,250	627,577
Prepaid Costs	-	12,463	12,463
Fixed Assets	<u>1,061,879</u>	<u>1,839,555</u>	<u>2,901,434</u>
Total Assets	<u>\$ 1,590,910</u>	<u>\$ 2,175,268</u>	<u>\$ 3,766,178</u>
Liabilities:			
Accounts & Warrants Payable	\$ 74,618	\$ 103,390	\$ 178,008
Accrued Payroll	-	33,641	33,641
Accrued Interest Payable	-	3,007	3,007
Deferred Grant Revenue	202,353	-	202,353
Due to Other Governments	-	51,145	51,145
Liability for Sick & Vacation	46,201	192,663	238,864
Advance from Primary Government	-	1,007,887	1,007,887
Note Payable	<u>734,712</u>	<u>168,571</u>	<u>903,283</u>
Total Liabilities	<u>1,057,884</u>	<u>1,560,304</u>	<u>2,618,188</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	327,167	1,235,984	1,563,151
Restricted	171,869	128,990	300,859
Unrestricted	<u>33,990</u>	<u>(750,010)</u>	<u>(716,020)</u>
Total Fund Equity	<u>533,026</u>	<u>614,964</u>	<u>1,147,990</u>
Total Liabilities and			
Fund Balance	<u>\$ 1,590,910</u>	<u>\$ 2,175,268</u>	<u>\$ 3,766,178</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Net Assets**  
**Component Units**  
**For Fiscal Year Ended June 30, 2002**

	<u>Missoula Aging Services</u>	<u>Community Health Center</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 105,549	\$ 867,378	\$ 972,927
Total Operating Revenues	<u>105,549</u>	<u>867,378</u>	<u>972,927</u>
Operating Expenses:			
Personnel	650,736	1,665,392	2,316,128
Operations	1,099,919	1,352,019	2,451,938
Depreciation	<u>23,235</u>	<u>171,339</u>	<u>194,574</u>
Total Operating Expenses	<u>1,773,890</u>	<u>3,188,750</u>	<u>4,962,640</u>
Operating Loss	(1,668,341)	(2,321,372)	(3,989,713)
Non-Operating Revenues (Expenses)			
Miscellaneous Revenue	5,937	21,094	27,031
Private & Local Grants	293,082	205,000	498,082
Contributions	594,265	174,247	768,512
Interest Expense	-	(16,818)	(16,818)
Intergovernmental Revenue	<u>1,026,019</u>	<u>1,434,575</u>	<u>2,460,594</u>
Total Non-operating Revenues (Expenses)	<u>1,919,303</u>	<u>1,818,098</u>	<u>3,737,401</u>
Net Income (Loss) before Operating Transfers	250,962	(503,274)	(252,312)
Operating Transfers Out	<u>-</u>	<u>(22,182)</u>	<u>(22,182)</u>
Net Income (Loss)	250,962	(525,456)	(274,494)
Net Assets:			
Beginning of Year	<u>282,064</u>	<u>1,140,420</u>	<u>1,422,484</u>
End of Year	<u>\$ 533,026</u>	<u>\$ 614,964</u>	<u>\$ 1,147,990</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Cash Flows**  
**Component Units**  
**For Fiscal Year Ended June 30, 2002**

	<u>Missoula Aging Services</u>	<u>Community Health Center</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts for charges for services	\$ 105,549	\$ 649,526	\$ 755,075
Payments to employees and volunteers for services	(641,304)	(1,599,483)	(2,240,787)
Payments to suppliers for goods and services	<u>(1,093,281)</u>	<u>(1,290,146)</u>	<u>(2,383,427)</u>
Net cash used in operating activities	<u>(1,629,036)</u>	<u>(2,240,103)</u>	<u>(3,869,139)</u>
Cash flows from non-capital financing activities:			
Advances from primary government	-	561,800	561,800
Intergovernmental and other sources	<u>1,772,701</u>	<u>1,834,916</u>	<u>3,607,617</u>
Net cash provided by non-capital financing activities	<u>1,772,701</u>	<u>2,396,716</u>	<u>4,169,417</u>
Cash flows from capital and related financing activities:			
Net payments on advances	-	(15,447)	(15,447)
Proceeds from notes payable	388,733	-	388,733
Principal paid on notes payable	-	(79,934)	(79,934)
Interest paid on notes payable	-	(13,811)	(13,811)
Transfer to primary government	-	(22,182)	(22,182)
Acquisition of fixed assets and construction	<u>(643,615)</u>	<u>(43,535)</u>	<u>(687,150)</u>
Net cash used in capital and related financing activities	<u>(254,882)</u>	<u>(174,909)</u>	<u>(429,791)</u>
Cash flows from investing activities:			
Proceeds from sale of investment securities	-	<u>18,056</u>	<u>18,056</u>
Net decrease in cash and cash equivalents	(111,217)	(240)	(111,457)
Cash and cash equivalents at beginning of year	<u>335,921</u>	<u>240</u>	<u>336,161</u>
Cash and cash equivalents at end of year	<u>\$ 224,704</u>	<u>\$ -</u>	<u>\$ 224,704</u>

**Reconciliation of Income From Operations to Cash Provided by Operations**

Loss from operations	\$ (1,668,341)	\$ (2,321,372)	\$ (3,989,713)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation and amortization	23,235	171,339	194,574
Change in assets and liabilities:			
Increase in receivables	-	(217,852)	(217,852)
Increase in prepaid costs	-	(8,325)	(8,325)
Increase due to other governments	-	51,145	51,145
Increase in payables	6,638	19,053	25,691
Increase in accrued liabilities	<u>9,432</u>	<u>65,909</u>	<u>75,341</u>
Net cash used in operating activities	<u>\$ (1,629,036)</u>	<u>\$ (2,240,103)</u>	<u>\$ (3,869,139)</u>

**This Page Intentionally Left Blank**

# **STATISTICAL SECTION**

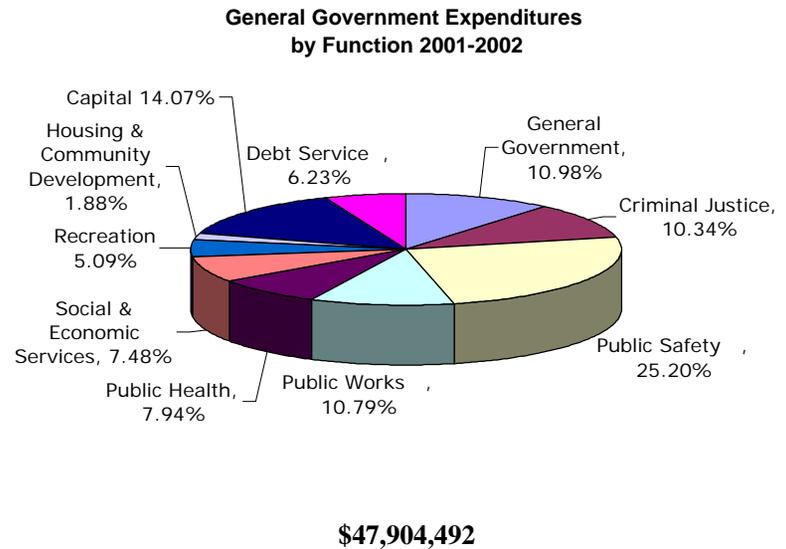
---

---

**MISSOULA COUNTY, MONTANA**  
**General Governmental Expenditures by Function <sup>(1)</sup>**  
**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
1993	\$ 6,253,135	\$ -	\$ 3,990,148	\$ 2,972,412	\$ 2,530,547	\$ 1,556,425	\$ 1,720,424	\$ 654,475	\$ 2,081,352	\$ 1,025,854	\$ 22,784,772
% of Total	27.45%	-	17.51%	13.05%	11.11%	6.83%	7.55%	2.87%	9.13%	4.50%	
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	901,215	6,739,039	2,985,375	47,904,492
% of Total	10.98%	10.34%	25.20%	10.79%	7.94%	7.48%	5.09%	1.88%	14.07%	6.23%	

<sup>(1)</sup> Includes General, Special Revenue, Debt Service, and Capital Projects funds.

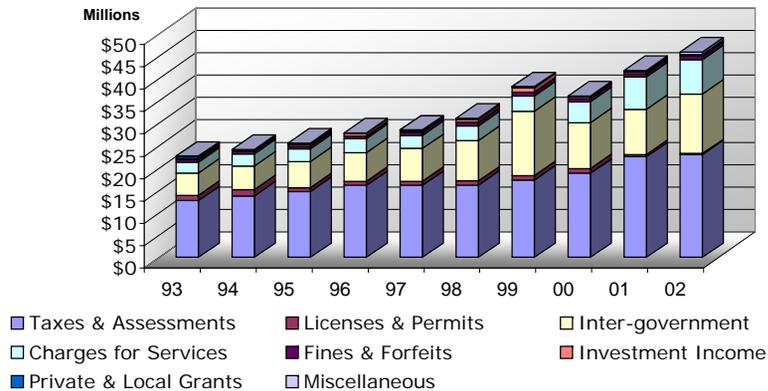


**MISSOULA COUNTY, MONTANA**  
**General Governmental Revenues by Source <sup>(1)</sup>**  
**Last Ten Fiscal Years**

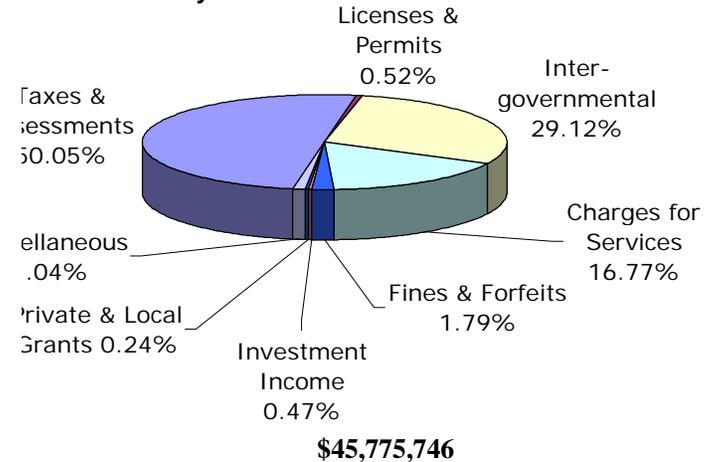
Fiscal Year	Taxes and Assessments	Licenses and Permits	Inter-government	Charges for Services	Fines and Forfeits	Investment Income	Private & Local Grants	Misc	Total
1993	\$ 12,629,540	\$ 1,170,599	\$ 4,995,014	\$ 2,399,984	\$ 537,339	\$ 401,552	\$ 310,005	\$ 137,517	\$ 22,581,550
% of Total	55.93%	5.18%	22.12%	10.63%	2.38%	1.78%	1.37%	0.61%	
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%	

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

**General Governmental Revenues**  
**Last Ten Years**



**General Governmental Revenues**  
**by Source 2001-2002**

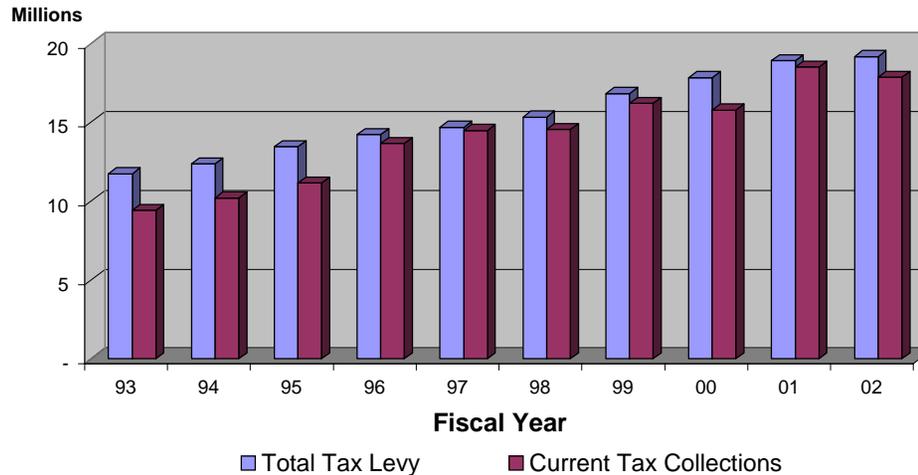


**MISSOULA COUNTY, MONTANA**  
**Property Tax Levies and Collections**  
**Governmental and Internal Service Fund Types**  
**Last Ten Fiscal Years**

Fiscal Year	Total Levy July 1 (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (b)	Total Tax Collections	Ratio of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (c)	Ratio of Outstanding Delinquent Taxes to Current Tax Levy
1993	\$ 11,730,157	\$ 9,409,503	80.22 %	\$ 900,535	\$ 10,310,038	87.89 %	\$ 765,132	6.52 %
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

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

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



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

Fiscal Year	Market Value (2)	Taxable Value (1)
1993	\$ 2,670,443,295	\$ 124,278,520
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 <sup>(3)</sup>
2001	3,956,036,976	142,233,548
2002	4,234,386,253	145,789,091

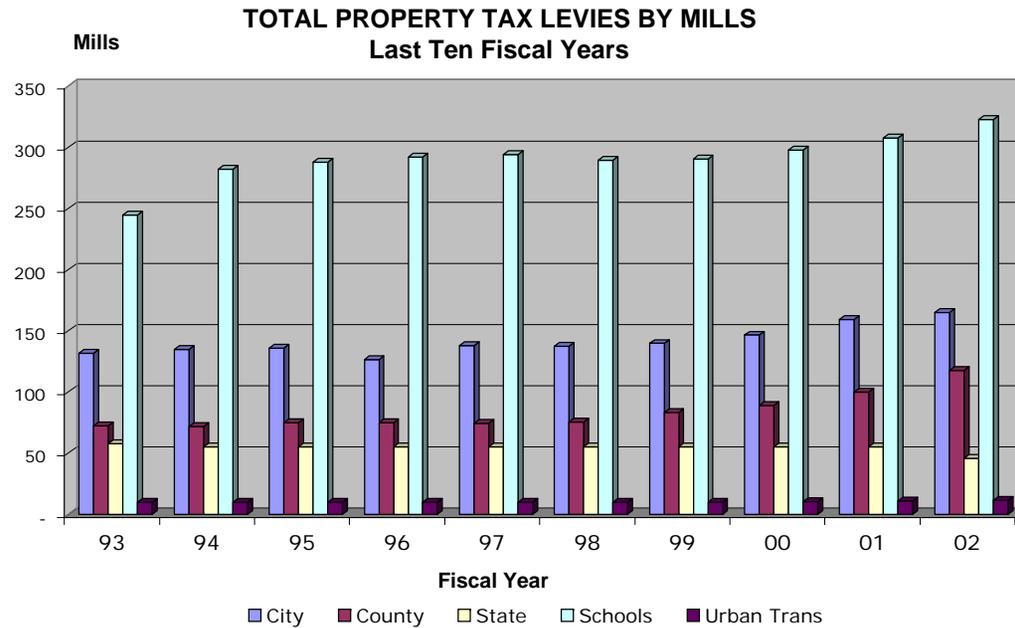
(1) Market value is converted to taxable value by multiplying by a taxable percentage which varies depending on the class of property. The Montana legislature has created 21 classes of property with taxable percentages ranging from .79 to 26.712%.

(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
1993	131.91	72.44	58.00	244.67	9.82	516.84
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

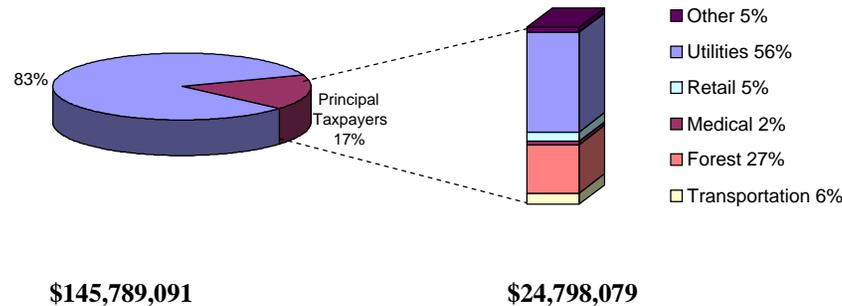


**MISSOULA COUNTY, MONTANA**  
**Principal Taxpayers**  
**June 30, 2002**

Taxpayer	Type of Industry	Tax Dollars All Taxing Agencies	Taxable Value	% of Total County Taxable Value
Northwestern Energy	Utility	\$ 4,459,369	\$ 7,627,939	5.23 %
Stone Container Corp	Forest Products	2,316,672	4,794,136	3.29
Qwest Communications	Utility	2,099,506	3,194,284	2.19
Montana Rail Link	Transportation	867,878	1,568,221	1.08
Mountain Water Company	Utility	709,174	1,053,432	0.72
Southgate Mall	Retail	568,126	819,410	0.56
Gateway Limited Partnership	Other	480,614	714,619	0.49
Plum Creek Timber	Forest Products	457,959	787,838	0.54
Puget Sound Energy	Utility	436,717	837,684	0.57
Stimson Lumber Co	Forest Products	403,252	637,379	0.44
Missoula Electric Cooperative	Utility	343,425	654,964	0.45
St. Patrick Hospital Corp	Medical	339,075	483,284	0.33
Blackfoot Telephone Cooperative	Utility	336,805	579,808	0.40
Wal-Mart	Retail	324,527	490,911	0.34
Louisiana Pacific	Forest Products	322,701	554,170	0.38
		<u>\$ 14,465,800</u>	<u>\$ 24,798,079</u>	<u>17.01 %</u>
Total County Taxable Value:			<u>\$ 145,789,091</u>	

Source: Tax roll for fiscal year 2002

**PRINCIPAL TAXPAYERS BY TYPE**  
**June 30, 2002**



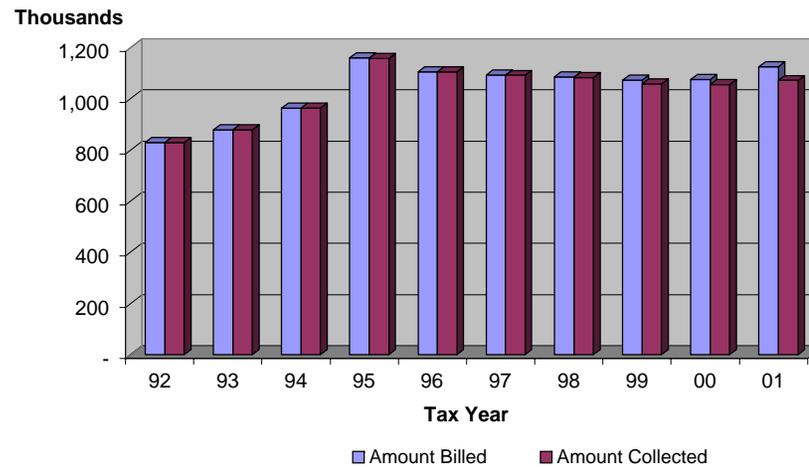
**MISSOULA COUNTY, MONTANA**  
**Special Assessments Billings and Collections**  
**June 30, 2002**

Tax Year (a)	Amount Billed	Amount Collected	% Collected through 6/30/01
1992	\$ 830,081	\$ 829,615	99.94 %
1993	878,381	877,946	99.95
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	1,091,456	99.80
1998	1,084,541	1,082,473	99.81
1999	1,073,570	1,057,748	98.53
2000	1,076,125	1,056,149	98.14
2001	1,124,234	1,071,512	95.31

Source: Missoula County RSID Technician

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

**RSID BILLINGS AND COLLECTIONS**  
**June 30, 2002**



**MISSOULA COUNTY, MONTANA**  
**Computation of Legal Debt Margin**  
**June 30, 2002**

**Limit on Total Indebtedness:**

Assessed Value	\$ 4,234,386,253
Debt Limit 1.4% of Assessed Value	<u>1.4%</u>
Maximum Total Debt (1)	59,281,408
Outstanding Total Debt, June 30, 2002	<u>24,085,075</u>
Total Debt Margin	<u>\$ 35,196,333</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>
1993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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

(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
1993	80,000	\$ 124,278,520	\$ 1,760,000	\$ 602,598	\$ 1,157,402	0.93 %	\$ 14
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

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		
1993	\$ 223,000	\$ 130,030	\$ 353,030	\$ 22,784,772	1.55 %
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

**MISSOULA COUNTY, MONTANA**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2002**

	<u>Gross G.O. Debt Outstanding</u>	<u>% Applicable to Missoula County</u>	<u>Amount Applicable to Missoula County</u>
<b>Direct Debt</b>			
Missoula County	\$ <u>15,875,000</u>	100.00%	\$ <u>15,875,000</u>
<b>Overlapping Debt</b>			
City of Missoula	10,372,432	100.00%	10,372,432
School District 1	29,455,000	100.00%	29,455,000
Other Schools	10,556,000	100.00%	10,556,000
Seeley Lake Fire	<u>200,000</u>	100.00%	<u>200,000</u>
	<u>50,583,432</u>		<u>50,583,432</u>
<b>Total of Direct and     Overlapping Debt</b>	<u>\$ <u>66,458,432</u></u>	100.00%	<u>\$ <u>66,458,432</u></u>

**MISSOULA COUNTY, MONTANA**  
**Major Employers**

The following table shows the largest employers in Missoula County as of June, 2002

<u>Employees</u>	<u>Employer</u>	<u>Business Activities</u>
Over 1000	Community Medical Center	Medical Services
	Plum Creek Timber	Forest Products
	St. Patrick Hospital	Medical Services
	Southgate Mall	Retail
	University of Montana	Education
750-1000	Missoula County Public Schools	Education
	Montana Rail Link	Railroad
500-750	County of Missoula	Government
	Smurfit-Stone Container Corporation	Pulp & Paper Mill
	U.S. Forest Service	Government
	Washington Corporations	Construction
250-500	Bitterroot International	Stud Mill
	City of Missoula	Government
	Missoula International Airport	Air Travel
	Sun Mountain Sports	Athletic Equipment Manufacture
	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>
1994	75.72	46.12	77.51	56.71	99.49	77.55	36.47	469.57
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

**Major Taxpayers in the MCA Industrial District**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
Minuteman Aviation	Aviation	\$ 35,459
Mountain Water Company	Utility	55,789
Sun Mountain Sports	Manufacturing	54,394
Roscoe Steel & Culvert	Manufacturing	33,542
Northstar Air Express	Aviation	49,277
Neptune Aviation Services	Aviation	24,911
NESG -Exchange	Manufacturing	39,114
USF Reddaway	Transportation	26,537
American Eagle Properties	Manufacturing	24,866
Spectrum Pool Products	Manufacturing	24,109
	Total	\$ 367,998

The taxable value of the property of these ten taxpayers represents approximately 55.68% of taxable value of taxable property in the District for tax year 2001.

**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 <sup>(2)</sup>	Current Tax Collections <sup>(3)</sup>	Total Tax Collections <sup>(4)</sup>
1994	\$ 210,558	\$ 33,953	\$ 15,943	\$ 12,298	\$ 12,386
1995 <sup>(1)</sup>	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	-	-

(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 2003 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 2003 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

- (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 <sup>(1)</sup>	149,709,112	299,418
2000	142,233,548	284,467
2001	145,789,091	291,578

- (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
1993	80,000	1,502	741	16,661	14,524	1,152	41,997	4.6 %
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

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	
1993	\$ 711,484,382	\$ 124,278,520	35	\$ 8,168,887	596	\$ 39,123,912	631	\$ 47,292,799	
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	

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, 2002**

<b>County Seat</b>	Missoula, MT		<u>Population</u>	<u>Median age</u>
		Year 1940	29,038	N/A
<b>Established as a County</b>	1860	Year 1950	35,493	N/A
		Year 1960	44,663	26.2
<b>Form of Government</b>	Commission	Year 1970	58,263	24.4
		Year 1980	76,016	27.6
<b>Commission Government Established</b>	1865	Year 1990	78,687	31.6
		Year 2000	95,802	33.2
<b>Area in square miles</b>	2,624			
<b>Registered voters</b>	57,073			

<b>Total County Government Employees:</b>	<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>

<b>Police protection</b>	<u>City Police</u>	<u>County Sheriff</u>
Stations	1	1
Officers	82	48

<b>Fire protection</b>	<u>City Fire</u>	<u>Missoula Rural Fire</u>
Stations	4	5
Full-time employees	70	32
Volunteers	-	63
Fire hydrants	790	195
Fire vehicles	12	21

**Note:** There are 150 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, 2002**

**Educational Facilities**

Public Schools 2001-2002		
Type	Number	Enrolled
Elementary (District 1)	14	5,070
Elementary (Other Districts)	12	4,113
High Schools (MCHS)	4	4,015
High Schools (Other Dist)	1	372
Trade & Technical	1	800
University	1	12,800
Private Schools 2001-2002		
Type	Number	Enrolled
Elementary	9	810
High School	4	397

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	197,256
Annual Circulation	698,628
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 general-purpose financial statements of Missoula County, Montana, as of and for the year ended June 30, 2002. These general-purpose financial statements are the responsibility of Missoula County, Montana's management. Our responsibility is to express an opinion on these general-purpose 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 \$1,161,289 and \$1,345,557, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2002. 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 general-purpose 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 general-purpose 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 general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Elmore & Associates, P.C.*

Certified Public Accountants  
December 27, 2002

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis**  
**For the Year Ended June 30, 2002**  
**(Page 1 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/01	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
<b>DEPARTMENT OF AGRICULTURE:</b>									
Passed Through State Department of Public Health									
Women/Infants/Children 02	10.557	02-07-5-21-028-0	\$ 384,410	\$ -	\$ 211,921	\$ 390	\$ -	\$ -	\$ 212,311
Women/Infants/Children 01	10.557	01-07-5-21-021-0	365,435	(82,774)	156,966	-	-	-	156,966
Passed Through the State Auditor									
Forest Reserve Receipts	10.665	N/A	705,381	-	705,381	-	-	-	705,381
Total Department of Agriculture				(82,774)	1,074,268	390	-	-	1,074,658
<b>DEPARTMENT OF THE INTERIOR:</b>									
Direct Program:									
Blackfoot Resurfacing	-	N/A	359,000	-	-	4,614	-	-	4,614
Passed Through State Bureau of Land Management									
Federal Noxious Weed Act-Blue Mountain Road	15.225	N/A	270,000	-	270,000	271,695	-	-	541,695
Federal Noxious Weed Act-Weed Management Grant	15.225	ESA 99008	21,384	-	6,500	10,858	-	-	17,358
Total Department of the Interior				-	276,500	287,167	-	-	563,667
<b>DEPARTMENT OF TRANSPORTATION:</b>									
Direct Programs:									
Seat Belt Demonstration Program	20.600		50,000	-	-	-	-	-	-
Passed Through State Department of Transportation									
CMAQ-TDM 02	20.205	CM8199(57)	129,870	-	66,601	29,168	-	-	95,769
CMAQ-TDM 01	20.205	CM8199(54)	108,728	(58,704)	58,704	-	-	-	58,704
CMAQ-South Avenue Walkway	20.205	CM8120(2)	149,989	(133,697)	149,989	2,525	-	-	152,514
FTA 02	20.205	MT-02-50-0078	9,565	-	3,786	-	-	-	3,786
FTA 01	20.205	01-50-0078	5,797	(427)	427	-	-	-	427
P.L. Transport 02	20.205	N/A	390,373	-	125,580	-	-	-	125,580
P.L. Transport 01	20.205	N/A	218,918	(50,646)	50,646	-	-	-	50,646
Mobile Data Expansion Project	20.600	01-01-0-01(164AL)	502,000	-	17,208	-	-	-	17,208
ABC 01	20.600	01-03-07-04	15,000	(7,355)	7,355	-	-	-	7,355
STEP-Occupant Project	20.600	02-03-07-01(405)	12,000	-	-	-	-	-	-
Radar 01	20.600	01-02-02-17	6,419	(6,419)	6,419	-	-	-	6,419
CTEP									
Trolley Restorator	-	STPE 8199(13)	81,424	(11,824)	-	1,424	-	-	1,424
Passed Through State Department of Justice									
Traffic Safety 02-03	20.600	02-01-07-02&02-03-02-02	23,000	-	15,888	452	-	-	16,340
Traffic Safety 01-02	20.600	01-01-07-01&01-03-03-1	62,340	(20,524)	35,235	3,450	-	-	38,685
Total Department of Transportation				(289,596)	537,838	37,019	-	-	574,857

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2002**  
**(Page 2 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/02
				Federal	Local	Total Disbursements	
<b>DEPARTMENT OF AGRICULTURE:</b>							
Passed Through State Department of Public Health							
Women/Infants/Children 02	10.557	02-07-5-21-028-0	384,410	\$ 296,035	\$ 390	\$ 296,425	\$ (84,114)
Women/Infants/Children 01	10.557	01-07-5-21-021-0	365,435	74,192	-	74,192	-
Passed Through the State Auditor							
Forest Reserve Receipts	10.665	N/A	705,381	599,453	-	599,453	105,928
Total Department of Agriculture				<u>969,680</u>	<u>390</u>	<u>970,070</u>	<u>21,814</u>
<b>DEPARTMENT OF THE INTERIOR:</b>							
Direct Program:							
Blackfoot Resurfacing	-	N/A	359,000	67,515	4,614	72,129	(67,515)
Passed Through State Bureau of Land Management							
Federal Noxious Weed Act-Blue Mountain Road	15.225	N/A	270,000	270,000	271,695	541,695	-
Federal Noxious Weed Act-Weed Management Grant	15.225	ESA 99008	21,384	21,384	10,858	32,242	(14,884)
Total Department of the Interior				<u>358,899</u>	<u>287,167</u>	<u>646,066</u>	<u>(82,399)</u>
<b>DEPARTMENT OF TRANSPORTATION:</b>							
Direct Programs:							
Seat Belt Demonstration Program	20.600		50,000	29,396	-	29,396	(29,396)
Passed Through State Department of Transportation							
CMAQ-TDM 02	20.205	CM8199(57)	129,870	131,047	29,168	160,215	(64,446)
CMAQ-TDM 01	20.205	CM8199(54)	108,728	-	-	-	-
CMAQ-South Avenue Walkway	20.205	CM8120(2)	149,989	16,292	2,525	18,817	-
FTA 02	20.205	MT-02-50-0078	9,565	5,395	-	5,395	(1,609)
FTA 01	20.205	01-50-0078	5,797	-	-	-	-
P.L. Transport 02	20.205	N/A	390,373	247,051	-	247,051	(121,471)
P.L. Transport 01	20.205	N/A	218,918	-	-	-	-
Mobile Data Expansion Project	20.600	01-01-0-01(164AL)	502,000	136,133	-	136,133	(118,925)
ABC 01	20.600	01-03-07-04	15,000	-	-	-	-
STEP-Occupant Project	20.600	02-03-07-01(405)	12,000	8,931	-	8,931	(8,931)
Radar 01	20.600	01-02-02-17	6,419	-	-	-	-
CTEP							
Trolley Restoration	-	STPE 8199(13)	81,424	-	-	-	(10,400)
Passed Through State Department of Justice							
Traffic Safety 02-03	20.600	02-01-07-02&02-03-02-02	23,000	21,303	452	21,755	(5,415)
Traffic Safety 01-02	20.600	01-01-07-01&01-03-03-1	62,340	14,711	3,450	18,161	-
Total Department of Transportation				<u>610,259</u>	<u>35,595</u>	<u>645,854</u>	<u>(360,593)</u>

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2002**  
**(Page 3 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/01	Receipts				
					Grant Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
<b>DEPARTMENT OF JUSTICE:</b>									
Direct Programs:									
Juvenile Justice	16.575	N/A	328,966	(2,356)	56,703	-	-	-	56,703
Rural Domestic Violence	16.575	N/A	876,325	(38,362)	160,792	-	-	-	160,792
Youth Drug Court	16.585	N/A	335,175	22,937	3,574	12,562	-	-	16,136
Block Grant	16.592	N/A	49,799	-	30,697	2,857	-	-	33,554
Vest 02	16.607	N/A	5,453	-	-	5,454	-	-	5,454
Vest 01	16.607	N/A	2,875	(2,875)	2,875	-	-	-	2,875
COPS Grant (Technology)	16.710	N/A	718,003	589	71,548	1,832	-	-	73,380
Passed Through State Department of Justice:									
Accountability Incentive	16.523	00-A03-80563	147,246	(3,361)	10,000	738	-	-	10,738
Accountability Incentive	16.523	01-A03-30889	164,200	-	129,296	14,767	-	-	144,063
BARJ I - Year 5	16.540	01-J09-80700	7,981	-	1,981	5,322	-	-	7,303
BARJ II - Year 4	16.540	01-J09-80699	39,891	-	33,891	-	-	-	33,891
BARJ I - Year 3	16.540	00-J09-80554	36,408	(6,998)	6,998	-	-	-	6,998
Community Support Systems 02	16.540	01-J13-80693	17,847	-	12,847	-	-	-	12,847
Community Support Systems 01	16.540	00-J13-80544	17,847	4,210	-	-	-	-	-
Early Intervention	16.540	01-J13-80694	30,150	(6,593)	6,593	-	-	-	6,593
VOCA-County	16.575	01-V01-80744	63,135	-	63,135	60,196	-	-	123,331
Narcotics 02	16.579	01-K02-80677	143,975	-	143,975	73,497	-	-	217,472
Pretrial Supervision 02	16.579	01-K20-80671	19,351	-	19,351	-	-	-	19,351
Pretrial Supervision 01	16.579	00-K20-80363	36,567	(1,761)	1,761	-	-	-	1,761
Youth Drug Court 02	16.579	01-K20-80659	9,336	-	5,336	37,343	-	-	42,679
Youth Drug Court 01	16.579	00-K20-80349	19,016	(1,285)	1,285	-	-	-	1,285
Total Department of Justice				(35,855)	762,638	214,568	-	-	977,206
<b>NATIONAL FOUNDATION ON THE ARTS &amp; HUMANITIES:</b>									
Direct Programs:									
Historical Museum 01	45.301	N/A	5,000	-	5,000	105	-	-	5,105
Institute of Museum and Library Services Grant	45.301	N/A	6,478	-	6,478	-	-	-	6,478
Passed Through Montana Committee for the Humanities:									
Missoula Rag	45.129	23-1-9	2,800	(271)	271	-	-	-	271
Passed Through Montana State Library Commission:									
Shared Catalog Project	45.301	#2001 SCP-WM	163,000	-	163,000	272,717	-	189	435,906
Total National Foundation on the Arts & Humanities				(271)	174,749	272,822	-	189	447,760

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2002**  
**(Page 4 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/02
				Federal	Local	Total Disbursements	
<b>DEPARTMENT OF JUSTICE:</b>							
Direct Programs:							
Juvenile Justice	16.575	N/A	328,966	61,434	-	61,434	(7,087)
Rural Domestic Violence	16.575	N/A	876,325	172,110	-	172,110	(49,680)
Youth Drug Court	16.585	N/A	335,175	26,511	12,562	39,073	-
Block Grant	16.592	N/A	49,799	30,697	2,857	33,554	-
Vest 02	16.607	N/A	5,453	10,907	-	10,907	(5,453)
Vest 01	16.607	N/A	2,875	-	-	-	-
COPS Grant (Technology)	16.710	N/A	718,003	72,137	1,832	73,969	-
Passed Through State Department of Justice:							
Accountability Incentive	16.523	00-A03-80563	147,246	6,639	738	7,377	-
Accountability Incentive	16.523	01-A03-30889	164,200	132,899	14,767	147,666	(3,603)
BARJ I - Year 5	16.540	01-J09-80700	7,981	7,981	5,322	13,303	(6,000)
BARJ II - Year 4	16.540	01-J09-80699	39,891	39,891	-	39,891	(6,000)
BARJ I - Year 3	16.540	00-J09-80554	36,408	-	-	-	-
Community Support Systems 02	16.540	01-J13-80693	17,847	17,556	-	17,556	(4,709)
Community Support Systems 01	16.540	00-J13-80544	17,847	-	4,210	4,210	-
Early Intervention	16.540	01-J13-80694	30,150	-	-	-	-
VOCA-County	16.575	01-V01-80744	63,135	63,135	60,196	123,331	-
Narcotics 02	16.579	01-K02-80677	143,975	143,975	73,497	217,472	-
Pretrial Supervision 02	16.579	01-K20-80671	19,351	14,576	-	14,576	4,775
Pretrial Supervision 01	16.579	00-K20-80363	36,567	-	-	-	-
Youth Drug Court 02	16.579	01-K20-80659	9,336	9,336	37,343	46,679	(4,000)
Youth Drug Court 01	16.579	00-K20-80349	19,016	-	-	-	-
Total Department of Justice				809,784	213,324	1,023,108	(81,757)
<b>NATIONAL FOUNDATION ON THE ARTS &amp; HUMANITIES:</b>							
Direct Programs:							
Historical Museum 01	45.301	N/A	5,000	5,000	105	5,105	-
Institute of Museum and Library Services Grant	45.301	N/A	6,478	6,478	-	6,478	-
Passed Through Montana Committee for the Humanities:							
Missoula Rag	45.129	23-1-9	2,800	-	-	-	-
Passed Through Montana State Library Commission:							
Shared Catalog Project	45.301	#2001 SCP-WM	163,000	163,000	25,486	188,486	247,420
Total National Foundation on the Arts & Humanities				174,478	25,591	200,069	247,420

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2002**  
**(Page 5 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/01	Receipts				
					Grant Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>									
Passed Through State Department of Military Affairs:									
Disaster and Emergency Services	83.503	N/A	38,241	-	38,241	-	-	-	38,241
Total Federal Emergency Management				-	38,241	-	-	-	38,241
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</b>									
Direct Programs:									
Supportive Housing-Share House (operations)	14.235	MT00 B800001	579,328	512	99,216	-	-	-	99,216
Supportive Housing-YWCA 02	14.235	N/A	103,212	-	15,817	-	-	-	15,817
Supportive Housing-YWCA	14.235	N/A	105,940	-	18,998	-	-	-	18,998
Passed Through State Department of Health:									
Domestic Violence-Shelter Grant 03	14.235	20023DMVL0015	60,000	-	30,000	12,000	-	-	42,000
Domestic Violence-Shelter Grant	14.235	200123DMVL0011	38,000	(11,815)	19,680	-	-	-	19,680
Passed Through State Department of Commerce									
CDBG-Community Resource:	14.228	N/A	N/A	43,946	-	-	57,092	1,696	58,788
CDBG-Revolving Fund Loan	14.228	N/A	N/A	252,396	-	-	36,208	6,551	42,759
CDBG	14.228	MT-CDBG-ED00-08	400,000	-	375,000	-	-	-	375,000
H.O.M.E. - Carole A. Graham Home	14.239	M2001-SG300105	318,000	-	318,000	-	-	-	318,000
H.O.M.E.	14.239	MT-HOME-92-06-05	660,000	10,738	-	-	-	-	-
H.O.M.E. - Opportunity Resource:	14.239	M99-SG300105	231,414	5,500	24,936	-	-	-	24,936
Total Department of Housing & Urban Development				301,277	901,647	12,000	93,300	8,247	1,015,194
<b>ENVIRONMENTAL PROTECTION AGENCY:</b>									
Direct Programs:									
Pesticide Special Project	66.500	N/A	20,000	(2,100)	2,100	-	-	-	2,100
Integrated Pest Management Education Grant	66.500	N/A	6,800	-	6,800	-	-	-	6,800
Water Infrastructure Project: (Lolo Phase 1)	66.606	N/A	101,708	-	101,708	87,459	-	-	189,167
Passed Through State Department Environmental Quality									
Air Pollution 02	66.001	202003	89,780	-	79,254	74,964	-	-	154,218
Air Pollution 01	66.001	201001	89,324	(15,592)	15,592	-	-	-	15,592
Radon 02	66.032	202032	7,000	-	1,800	-	-	-	1,800
Radon 01	66.032	201018	7,000	(5,221)	5,821	-	-	-	5,821
Safe Drinking Water 02	66.432	502041	14,000	-	4,029	-	-	-	4,029
Safe Drinking Water 01	66.432	500013	28,900	(1,061)	1,061	-	-	-	1,061
Safe Drinking Water 00	66.432	500013	28,000	(2,016)	2,016	-	-	-	2,016
Septic Drainfields	66.460	290083	30,770	(1,112)	1,112	3,018	-	-	4,130
Wetlands Inventory	66.460	290053	25,000	(6,863)	6,863	-	-	-	6,863
Source Water Protection	66.468	201036	25,000	(10,942)	24,965	-	-	-	24,965
Lower Bitterroot Drainage Assessment Monitoring	66.606	201033	20,000	-	-	-	-	-	-
Total Environmental Protection Agency				(44,907)	253,121	165,441	-	-	418,562

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2002**  
**(Page 6 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/02
				Federal	Local	Total Disbursements	
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>							
Passed Through State Department of Military Affairs:							
Disaster and Emergency Services	83.503	N/A	38,241	38,241	-	38,241	-
Total Federal Emergency Management				38,241	-	38,241	-
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</b>							
Direct Programs:							
Supportive Housing-Share House (operations)	14.235	MT00 B800001	579,328	99,728	-	99,728	-
Supportive Housing-YWCA 03	14.235	N/A	103,212	15,817	-	15,817	-
Supportive Housing-YWCA	14.235	N/A	105,940	18,998	-	18,998	-
Passed Through State Department of Health:							
Domestic Violence-Shelter Grant 03	14.235	20023DMVL0015	60,000	45,150	12,000	57,150	(15,150)
Domestic Violence-Shelter Grant	14.235	200123DMVL0011	38,000	7,865	-	7,865	-
Passed Through State Department of Commerce							
CDBG-Community Resources	14.228	N/A	N/A	27,809	-	27,809	74,925
CDBG-Revolving Fund Loan	14.228	N/A	N/A	11,614	-	11,614	283,541
CDBG	14.228	MT-CDBG-ED00-08	400,000	375,000	-	375,000	-
H.O.M.E. - Carole A. Graham Home	14.239	M2001-SG300105	318,000	318,000	-	318,000	-
H.O.M.E.	14.239	MT-HOME-92-06-05	660,000	10,738	-	10,738	-
H.O.M.E. - Opportunity Resource:	14.239	M99-SG300105	231,414	30,436	-	30,436	-
Total Department of Housing & Urban Development				961,155	12,000	973,155	343,316
<b>ENVIRONMENTAL PROTECTION AGENCY:</b>							
Direct Programs:							
Pesticide Special Project	66.500	N/A	20,000	-	-	-	-
Integrated Pest Management Education Grant	66.500	N/A	6,800	6,800	-	6,800	-
Water Infrastructure Project: (Lolo Phase 1)	66.606	N/A	101,708	101,708	87,459	189,167	-
Passed Through State Department Environmental Quality							
Air Pollution 02	66.001	202003	89,780	89,780	74,964	164,744	(10,526)
Air Pollution 01	66.001	201001	89,324	-	-	-	-
Radon 02	66.032	202032	7,000	2,122	-	2,122	(322)
Radon 01	66.032	201018	7,000	600	-	600	-
Safe Drinking Water 02	66.432	502041	14,000	8,934	-	8,934	(4,905)
Safe Drinking Water 01	66.432	500013	28,900	-	-	-	-
Safe Drinking Water 00	66.432	500013	28,000	-	-	-	-
Septic Drainfields	66.460	290083	30,770	4,990	3,018	8,008	(4,990)
Wetlands Inventory	66.460	290053	25,000	-	-	-	-
Source Water Protection	66.468	201036	25,000	14,023	-	14,023	-
Lower Bitterroot Drainage Assessment Monitoring	66.606	201033	20,000	9,197	-	9,197	(9,197)
Total Environmental Protection Agency				238,154	165,441	403,595	(29,940)

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2002**  
**(Page 7 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/01	Receipts				
					Grant Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>									
Direct Programs:									
Injury Prevention	93.127	00-07-3-11-269	5,000	(4,465)	4,465	-	-	-	4,465
TB 02-03	93.994	02-07-4-11-045-0	8,000	-	3,675	-	-	-	3,675
TB 01-02	93.994	01-07-4-11-045-0	8,000	(4,320)	6,020	-	-	-	6,020
Passed Through State Department of Public Health & Human Services:									
AIDS Community Planning 02-03	93.118	02-07-4-51-024-0	6,860	-	5,604	-	-	-	5,604
AIDS Community Planning 01	93.118	01-07-4-51-012-0	6,830	(4,160)	4,241	-	-	-	4,241
AIDS HIV Prevention 02-03	93.118	02-07-4-51-024-0	58,865	-	12,518	-	-	-	12,518
AIDS HIV Prevention 01-02	93.118	01-07-4-51-012-0	55,065	(14,183)	41,680	-	-	-	41,680
LEAD	93.197	01-07-5-21-055-0	21,273	(8,385)	8,385	-	-	-	8,385
Community Incentive Program 02	93.230	00-341-74402-0	319,753	-	163,249	-	-	-	163,249
Community Incentive Program 01	93.230	00-341-74404-0	304,168	-	51,479	-	-	-	51,479
Tobacco 02	93.283	02-07-3-31-009-1	61,051	-	61,051	3,412	-	-	64,463
Tobacco 01	93.283	01-07-3-31-009-0	112,541	1,391	-	-	-	-	-
Health Alert Network	93.283	02-07-4-11-049	8,000	-	-	1,105	-	-	1,105
Low Birthweight 00	93.556	200023PART0011	53,025	-	53,025	47,309	-	-	100,334
Strengthening Families 01	93.556	200123PART001	134,000	(7,880)	7,880	-	-	-	7,880
CISS-Healthy Child Care 02	93.994	01-07-5-31-002-0	71,921	-	44,861	-	-	-	44,861
CISS-Healthy Child Care 01	93.994	01-07-5-31-002-0	79,520	(36,943)	36,943	-	-	-	36,943
F.A.I.M. 01	93.994	01-07-5-01-056-0	40,000	(9,262)	9,262	-	-	-	9,262
FICMR/SMMR 01	93.994	00-07-5-31-261-0	70,884	(23,191)	38,490	-	-	-	38,490
Follow Me	93.994	02-07-5-01-032-0	6,001	-	6,001	97,426	-	-	103,427
Infant Immunization 02-03	93.994	02-07-4-31-031-0	27,431	-	-	-	-	-	-
Infant Immunization 01	93.994	01-07-4-31-028-0	21,832	(10,800)	21,832	-	-	-	21,832
Maternal Child Health Block Grant	93.994	02-07-5-01-032-0	107,735	-	107,735	348,142	-	-	455,877
Total Department of Health & Human Services				(122,198)	688,396	497,394	-	-	1,185,790
Total Federal Financial Assistance				\$ (274,324)	\$ 4,707,398	\$ 1,486,801	\$ 93,300	\$ 8,436	\$ 6,295,935

See accompanying notes.

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2002**  
**(Page 8 of 8)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements			Cash (Deficit) 6/30/02
				Federal	Local	Total Disbursements	
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>							
Direct Programs:							
Injury Prevention	93.127	00-07-3-11-269	5,000	-	-	-	-
TB 02-03	93.994	02-07-4-11-045-0	8,000	7,239	-	7,239	(3,564)
TB 01-02	93.994	01-07-4-11-045-0	8,000	1,700	-	1,700	-
Passed Through State Department of Public Health & Human Services:							
AIDS Community Planning 02-03	93.118	02-07-4-51-024-0	6,860	6,830	-	6,830	(1,226)
AIDS Community Planning 01	93.118	01-07-4-51-012-0	6,830	81	-	81	-
AIDS HIV Prevention 02-03	93.118	02-07-4-51-024-0	58,865	22,088	-	22,088	(9,570)
AIDS HIV Prevention 01-02	93.118	01-07-4-51-012-0	55,065	27,497	-	27,497	-
LEAD	93.197	01-07-5-21-055-0	21,273	-	-	-	-
Community Incentive Program 02	93.230	00-341-74402-0	319,753	239,629	-	239,629	(76,380)
Community Incentive Program 01	93.230	00-341-74404-0	304,168	51,479	-	51,479	-
Tobacco 02	93.283	02-07-3-31-009-1	61,051	61,051	3,412	64,463	-
Tobacco 01	93.283	01-07-3-31-009-0	112,541	1,391	-	1,391	-
Health Alert Network	93.283	02-07-4-11-049	8,000	8,000	1,105	9,105	(8,000)
Low Birthweight 00	93.556	200023PART0011	53,025	53,025	47,309	100,334	-
Strengthening Families 01	93.556	200123PART001	134,000	-	-	-	-
CISS-Healthy Child Care 02	93.994	01-07-5-31-002-0	71,921	71,921	-	71,921	(27,060)
CISS-Healthy Child Care 01	93.994	01-07-5-31-002-0	79,520	-	-	-	-
F.A.I.M. 01	93.994	01-07-5-01-056-0	40,000	-	-	-	-
FICMR/SMMR 01	93.994	00-07-5-31-261-0	70,884	33,791	-	33,791	(18,492)
Follow Me	93.994	02-07-5-01-032-0	6,001	6,001	97,426	103,427	-
Infant Immunization 02-03	93.994	02-07-4-31-031-0	27,431	12,343	-	12,343	(12,343)
Infant Immunization 01	93.994	01-07-4-31-028-0	21,832	11,032	-	11,032	-
Maternal Child Health Block Grant	93.994	02-07-5-01-032-0	107,735	107,735	348,142	455,877	-
Total Department of Health & Human Services				<u>722,833</u>	<u>497,394</u>	<u>1,220,227</u>	<u>(156,635)</u>
Total Federal Financial Assistance				<u>\$ 4,883,483</u>	<u>\$ 1,236,902</u>	<u>\$ 6,120,385</u>	<u>\$ (98,774)</u>

See accompanying notes.

## MISSOULA COUNTY, MONTANA

### Notes to Schedule of Expenditures of Federal Awards - Cash Basis

For the Year Ended June 30, 2002

#### 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, 2002:

##### Revolving Loan Fund

Western Montana Mental Health Center - variable payments due upon sale of housing units	\$ 32,044
American Eagle - 5%, \$530 due monthly through January 2004	10,156
Double Arrow - 5%, \$1,266 due monthly through December 2002	7,486
Nutritional laboratories, Inc. - 6%, \$5,027 due monthly through February 2004	90,891
Missoula Children's Theatre - 0%, \$24,500 due annually from June 2003 through June 2017	367,500

#### Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2002:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 127,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	1,089,000
\$291,000, issued November 1998, 4% due in varying amounts through July 2019	261,000

#### Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2002 as follows:

- Juvenile Justice Program (CFDA# 16.575) passed-through \$41,131 to Missoula City-County Health Department and Turning Point.
- Rural Domestic Violence Program (CFDA# 16.575) passed-through \$40,750 to the YWCA.
- AIDS HIV Prevention (CFDA# 93.118) passed-through \$15,515 to Missoula Aids Council, University of Montana, and Ravalli Aids Council.
- Domestic Violence Program (CFDA# 14.235) passed-through \$53,015 to the YWCA.
- Community Incentive Program (CFDA# 93.230) passed-through \$239,328 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.
- Community Development Block Grant (CFDA# 14.228) passed-through \$375,000 to the Missoula Area Economic Development Council.
- Community Support Systems (CFDA# 16.540) passed-through \$10,175 to Missoula City-County Health Department.
- Supportive Housing (CFDA# 14.235) passed-through \$34,815 to the YWCA.

#### Note 5 - Restatement of Beginning Cash Balances

Cash balances at June 30, 2001 have been restated to reflect the omission of certain programs received by the Partnership Health Center (a discretely presented component unit), because that entity obtained a separate audit under OMB Circular A-133 for the year ended June 30, 2002. Accordingly those programs have been reported in the component units separate A-133 reports. The restatement had the effect of increasing cash balances at June 30, 2001 by \$25,782.

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, 2002 and have issued our report thereon dated December 27, 2002. 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 December 27, 2002.

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 December 27, 2002.

This report is intended solely for the information and use of the audit committee, management, the State of Montana Department of Commerce, 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  
December 27, 2002

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, 2002. 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 \$1,161,289 and \$1,345,557, respectively, in federal awards which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2002. 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; 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, 2002.

### 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 Commerce, 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  
December 27, 2002

MISSOULA COUNTY, MONTANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2002

Summary of Auditors' Results

The auditors' report on general-purpose 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 general-purpose financial statements of Missoula County, Montana.

The audit disclosed no instances of noncompliance that are material to the general-purpose 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, 2002 were as follows:

<u>CFDA#</u>	<u>Federal Program</u>
10.665	Schools and Roads-Grants to States (Forest Reserve)
14.228	Community Development Block Grant
14.239	Home Investment Partnerships Program
16.523	Juvenile Accountability Incentive Block Grants
20.205	Highway Planning and Construction

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, 2001 contained no findings that were required to be reported under OMB Circular A-133.

**This Page Intentionally Left Blank**