

MISSOULA COUNTY, MONTANA

COMPREHENSIVE

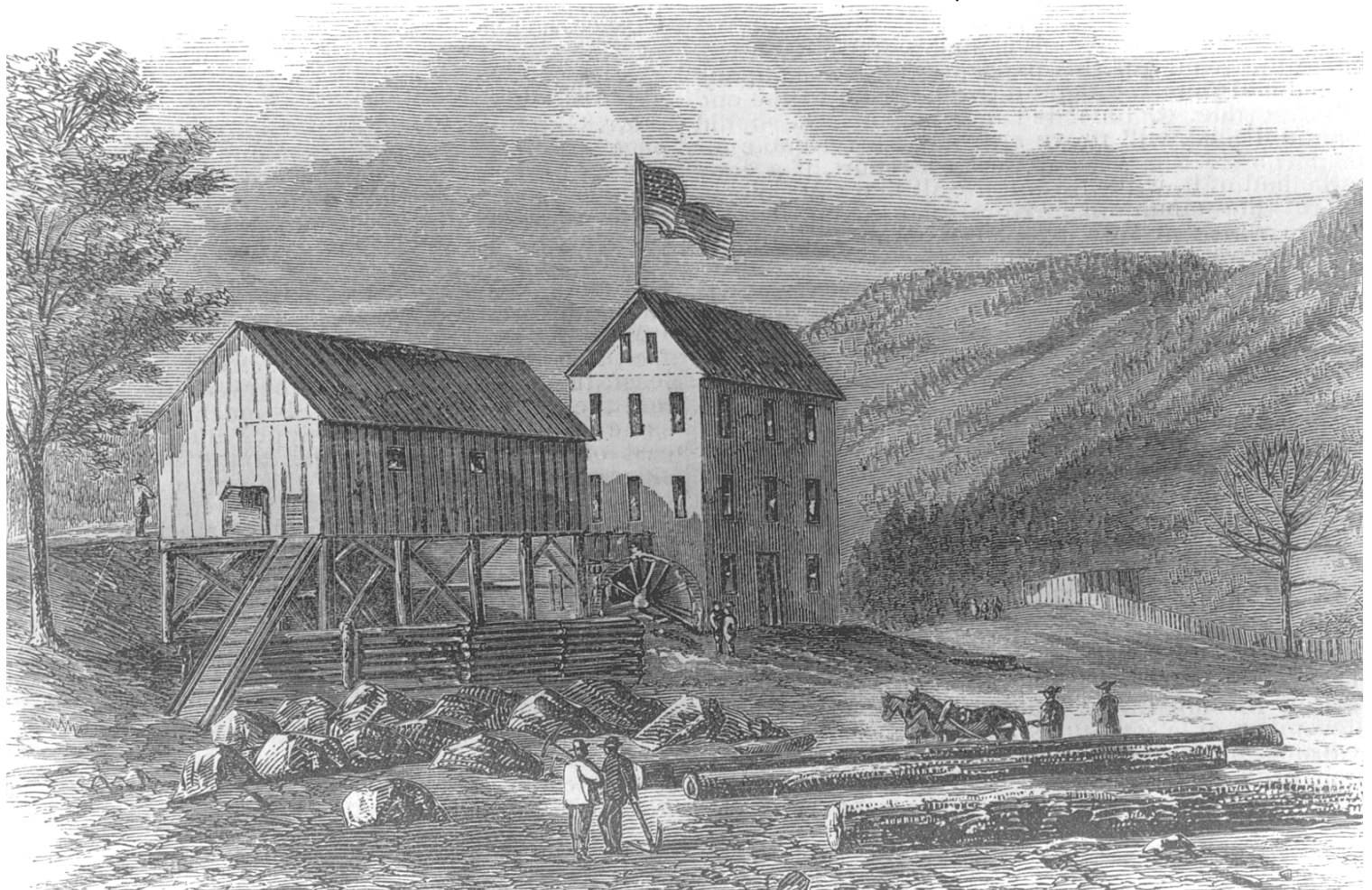
ANNUAL

FINANCIAL

REPORT

For the Fiscal Year Ended

June 30, 2012



This Page Intentionally Left Blank

MISSOULA COUNTY, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2012

Prepared by:

Financial Services Department

Andrew V. Czorny
Chief Financial Officer

Christi Page
Teresa Graham
Dawn Overbaugh
Sharon Bowman
Jacque Harris
Julie Harris
Rose Bjornstad
Ruthe Sackey
Bobbi Hainline
Alane Stickney

MISSOULA COUNTY, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2012

INTRODUCTORY SECTION

Table of Contents	
Transmittal Letter	<i>i</i>
Organizational Chart	<i>v</i>
Elected Officials	<i>vi</i>
Certificate of Achievement for Excellence in Financial Reporting - 2011	<i>vii</i>

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Assets	21
Statement of Activities	23

Fund Financial Statements:

Balance Sheet - Governmental Funds	24
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities	27
Balance Sheet - Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Net Assets	32
Statement of Changes in Fiduciary Net Assets	33
Notes to Financial Statements	34

Required Supplementary Information

Schedule of Funding Status for Retiree Health Insurance Benefit Plan	81
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.	83
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgeted Major Governmental Funds	92

Additional Information and Other Schedules

Major Governmental Funds Other Than Special Revenue

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - Major Governmental Funds	
Other Than Special Revenue	95

MISSOULA COUNTY, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2012

Nonmajor Governmental Funds	
Combining Balance Sheet - Nonmajor Governmental Funds	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	105
Nonmajor Governmental Funds - Budget and Actual	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual - Budgeted Nonmajor Governmental Funds	113
Internal Service Funds	
Combining Statement of Net Assets	137
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	138
Combining Statement of Cash Flows	139
Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual	141
Trust and Agency Funds	
Combining Statement of Fiduciary Net Assets	145
Combining Statement of Changes in Fiduciary Net Assets	146
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	147
Capital Assets	
Capital Assets Used in the Operation of Governmental Funds - Comparative Schedule by Source	151
Capital Assets Used in the Operation of Governmental Funds - Schedule by Function and Activity	152
Capital Assets Used in the Operation of Governmental Funds - Schedule of Changes by Function and Activity	153
 <u>STATISTICAL SECTION</u>	
Net Assets by Component - Last Ten Fiscal Years	155
Schedule of Change in Net Assets - Last Ten Fiscal Years	156
Fund Balance of Governmental Funds - Last Ten Fiscal Years	158
Changes in Fund Balance of Governmental Funds - Last Ten Fiscal Years	159
Bureau of Census (BOC) Supplemental Schedule - As of and for the Fiscal Year ended June 30, 2012	160
Property Tax Levies and Collections - Governmental and Internal Service Fund Types - Last Ten Fiscal Years	161
Property Tax Assessments and Taxable Value - Last Ten Fiscal Years	162
Property Tax Levies by Mills - All Taxing Entities - Last Ten Fiscal Years	163
Principal Taxpayers - Current Year and Nine Years Ago	164
Special Assessments Billings and Collections - Last Ten Fiscal Years	165
Revolving Fund Year-End Balance Required Continuing Disclosure - Last Ten Fiscal Years	166
Computation of Legal Debt Margin - Last Ten Fiscal Years	167
Tax Exempt Debt Issued - Last Ten Calendar Years	168
Ratio of Net General Obligation Bonded Debt to Assessed Value and	

MISSOULA COUNTY, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2012

Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years	169
Ratios of Outstanding Debt by Type - Last Five Fiscal Years	170
Ratio of Annual Debt Service Requirements for General Obligation	
Bonded Debt to Total General Expenditures - Last Ten Fiscal Years	171
Computation of Direct and Overlapping Debt	172
Major Employers - Current Fiscal Year and Nine Years Ago	173
Property Tax Levies in the MCA Industrial District - Last Ten Fiscal Years	174
Major Taxpayers in the MCA Industrial District	174
MCA Industrial District - Taxable Value, Incremental Taxable Value & Tax Increment Revenue	175
MCA Industrial District - Increment Bond Coverage	176
Port Authority Tax Levy - Last Ten Fiscal Years	176
Property Tax Levies in the Technology Tax Increment District - Last Five Fiscal Years	177
Major Taxpayers in the Technology Tax Increment District	177
Technology Tax Increment District - Taxable Value, Incremental Taxable Value & Tax Increment Revenue	178
Technology Tax Increment District - Increment Bond Coverage	179
Port Authority Tax Levy - Last Ten Fiscal Years	179
Demographic Statistics - Last Ten Fiscal Years	180
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years	181
Full-time Equivalent County Government Employees by Function and Program - Last Ten Fiscal Years	182
Operating Indicators by Function and Program - Last Ten Calendar Years	183
Capital Assets by Function and Program - Last Four Fiscal Years	184
Miscellaneous Statistical Data	185
 <u>SINGLE AUDIT SECTION</u>	
Schedule of Expenditures of Federal Awards - Cash Basis	187
Notes to Schedule of Expenditures of Federal Awards - Cash Basis	194
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	197
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control	
over Compliance in Accordance with <i>OMB Circular A-133</i>	199
Schedule of Findings and Questioned Costs	201



February 28, 2013

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, 2012. I believe this CAFR presents fairly the financial condition of the County at June 30, 2012 and the results of its operations and cash flows for proprietary type funds for the fiscal year then ended. With the exception of the independent auditors' reports, all the information included in this report is the responsibility of the management of Missoula County.

The County has prepared this report in conformity with generally accepted accounting principles. Consequently, the financial statements reflect the implementation of the Governmental Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

This report is the financial reflection of the services provided by Missoula County. It contains all County funds used to account for the normal range of local government services including criminal justice, public safety, public works, public health, cultural and recreational programs, community development and social services. Also presented are the activities of the Missoula County Development Authority, Larchmont Golf Course, Missoula Aging Services, the Missoula County Workers' Compensation Group Insurance Authority, the Missoula County Employee Benefits Plan, and the Partnership Health Center. Missoula County has sufficient authority over these agencies to justify including them as component units of the County. The details of this authority are discussed in Note 1 to the Basic Financial Statements. Rural fire districts, school districts and other local agencies do not meet the criteria for inclusion in the report, and are consequently excluded, except as agency funds. The CAFR also includes Management's Discussion and Analysis which provides a narrative overview of the County's financial position, results of operations, and significant initiatives.

Independent Audit – Montana statutes require that certain local governments obtain at least biennial audits of the financial statements. Missoula County has chosen to contract with Nicole M. Noonan, CPA, P.C. This audit also satisfies the federal Single Audit Act and Office of Management & Budget Circular A-133.

PROFILE

Missoula County, Montana covers approximately 2,600 square miles in the western part of the state. Five large valleys and two major rivers wind through this mountainous region. Missoula County has a population of over 100,000 people and the county seat is the City of Missoula. The Missoula County Courthouse was completed in 1910. Its south foyer is graced by a series of eight murals painted by famed western artist Edgar S. Paxson between 1912 and 1914. An addition to the Courthouse was completed in 1966. Missoula County is governed by three Commissioners, each elected to staggered six-year terms. The current Commissioners are Chair Michele Landquist, Bill Carey and Jean Curtiss.

The County provides a full range of services in general government, criminal justice, public safety, public works, public health, social and economic services, culture & recreation, and housing and community development. Details of the departments under these functions are provided in Management's Discussion and Analysis.

Budgetary control of these functions is maintained through an annual budget adopted by the Board of County Commissioners. The Budget process generally begins shortly after the mid-year budget review which is held in late January each year. The CFO in consultation with Department Heads and the CAO provides a forecast of the projected year end fund balances. In addition a prediction of the following year's revenues and fixed expenses is made. It is from these estimates that the general parameters of coming year's budget are made. A presentation is made to the Commissioners and the Senior Leadership team to establish the constraints from which the Departments have to work with. The County Departments are then provided with budget spreadsheets with salaries and benefit costs included and they must make the decisions on how to live within the constraints established in earlier meetings. The Commissioners then meet with each department in to discuss their budget requests and hear an analysis of the departmental budgets provided by the County CFO. Decisions are made on the individual departmental requests at the conclusion of the budget meetings when examined in the context of total proposed County budget. Public Budget Hearings are generally conducted in July of each year. The final budget is adopted by the second Monday in August or 45 days after receiving the certified taxable values from the State of Montana following at least one final public hearing. Budget authority is flexible in that the Commissioners may make mid-year transfers among budget object lines within a fund and make budget amendments within statutory restrictions as deemed necessary for proper administration of County government. The level of budgetary control is established at the personnel, operations, and capital level within each fund.

The County's Internal controls begin as a process that is effected by the organization's structure, work and authority flows, people and management information systems that are designed to help the County accomplish it's goals and objectives. Budgetary controls are maintained in the accounting office and reported to Department Heads and the County Commissioners. The County's Auditor office reviews all departmental expense claims for appropriate backup documentation and departmental approval prior to the presentation to the County Commissioners for final approval and the creation of warrants. Revenues are monitored by Departmental heads as well as the County C.F.O. Any deviations from the budget are reported to the Commissioners in a timely fashion and budget modifications which are authorized under current County policy are made throughout the year by majority vote of the County Commissioners.

FINANCIAL CONDITION

Missoula County's economic slowdown which began in 2007 and then continued through 2011 with negative growth in Non-Farm payroll in years 2008 through 2011 reversed its course in 2012 with a .06% increase. Projections going forward are 2.0% in 2013 then followed by 4 consecutive years of 2.4% growth. The unemployment rate in Missoula County (according to the U.S. Bureau of Labor Statistics) has decreased over the last year from approximately 7.2 % in 2011 to 5.8% in 2012. The jobs lost in the wood products, construction and retail trade sectors have started to rebound slightly. The closure of the Stimson plywood plant in 2007, and the Stimson sawmill in 2008 have provided an opportunity for new industry to occupy the former Bonner Mill site. A large wood chipping operation has taken the southernmost 20 acres of the 110 acre site. Northwest paints and siding company has relocated its operations to one of the large buildings in the center of the campus and most recently a manufacturer of custom travel trailers has expanded their east coast operations to include a manufacturing facility at the former Bonner mill site. The tax revenue calculated from new construction provided by the Department of Revenue for Missoula County in 2012 increased for the second year in a row just 1% over the prior year. The County staff believes that all the large mill closures have now been absorbed into the property tax base. The mood within the County is one of cautious optimism. This has been a long recession for the Missoula County economy. But the end may be in sight. Since substantially all growth in property tax revenue is from new construction (and not from increases in market value of existing properties), the County will continue to closely examine budget priorities when confronting the difficult issue of allocating scarce resources.

In order to mitigate the risk of nearly flat revenue and other financial risks, the County's long-term financial planning includes revenue forecasting for the County's general revenues along with the identification of one time revenues versus ongoing revenues. The forecast include property and related taxes, fees, in addition to non-tax revenues which make up 63% of County revenues. While property tax revenues account for approximately 37% of total County revenues they represent only 24.6% of the average Missoula County property tax bill. The County has maintained a policy of matching ongoing revenues with ongoing expenses to maintain the structural integrity of its departments. The County also requires all departments to maintain a 5% cash reserve at year end with the exception of the Public Safety Fund which has an 8% requirement and the General Fund which has a 12% requirement. The County also maintains multi-year budgets for the Capital Improvement Program and the Technology Program to ensure adequate resources for the future replacement of existing capital assets and to fund the acquisition of new assets.

Management's Discussion and Analysis, starting on page 3, provides additional information on the economic environment in the County, as well as the highlights of the 2012 fiscal year and the challenges facing the 2012 budget.

RELEVANT FINANCIAL POLICIES

To achieve the goal of providing outstanding, cost-effective regional public services, the Missoula County applies sound management practices and policies that enhance the quality of life of its citizens. Many of the financial management practices used by the County have been identified by the Government Finance Officers Association of the United States and Canada (GFOA) and recognized by Standard and Poor's rating agency as best practices that promote financial soundness, efficiency in government and solvency in public finance. The following summarizes the County's financial management practices.

Each County Department prepares an annual Budget Plan which they present during the budget process for evaluation by the County Commissioners and senior Staff. Budget Plans communicate the value the department brings to the community and measures performance. A budget plan sets forth long-term goals, operational and budget challenges, strategies for overcoming challenges and progress towards achieving those goals during the coming year.

The Annual Budget reflects the County's disciplined approach to fiscal management and is consistent with the County's Financial Planning process. Department budgets are consistent with the priorities and operations plans contained in the Financial and Operational goals of the County. Departments use these planning processes, along with projected outcomes, to evaluate programs and redirect existing resources as needed for greater efficiency to reduce costs and minimize the need for additional resources.

The County's five-year Capital Improvement Plan (CIP) is a long-term list of significant projects funded by the Capital Projects budget. It also includes the five-year capital program for non-Capital Fund expenditures. The CIP aids the County in its assessment of the best use of funds available in order to establish and prioritize its capital asset goals, while maintaining long-term financial stability.

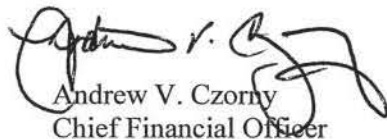
The County Funds currently contain formal reserves, appropriations for contingencies and appropriated reserve-type funds. The purpose of these reserves is to protect community programs and services from temporary revenue shortfalls.

The Treasury Oversight Committee (TOC) is responsible for reviewing and monitoring the annual Investment Policy Statement (IPS) prepared by the Treasurer. In addition, the TOC initiates a quarterly review of the Chief Financial Officer's compliance with the IPS. Annually, if changes are made to the IPS the TOC submits the IPS to the Board of County Commissioners for approval. The TOC membership consists of the following: the elected Auditor, the elected Clerk and Recorder, one elected County Commissioner, the elected Superintendent of Schools, Chief Financial Officer and one appointed County resident.

AWARDS & ACKNOWLEDGEMENTS

Awards – Missoula County earned its nineteenth consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2011 Comprehensive Annual Financial Report. The Fiscal Year 2012 Report will also be submitted for consideration for the Certificate.

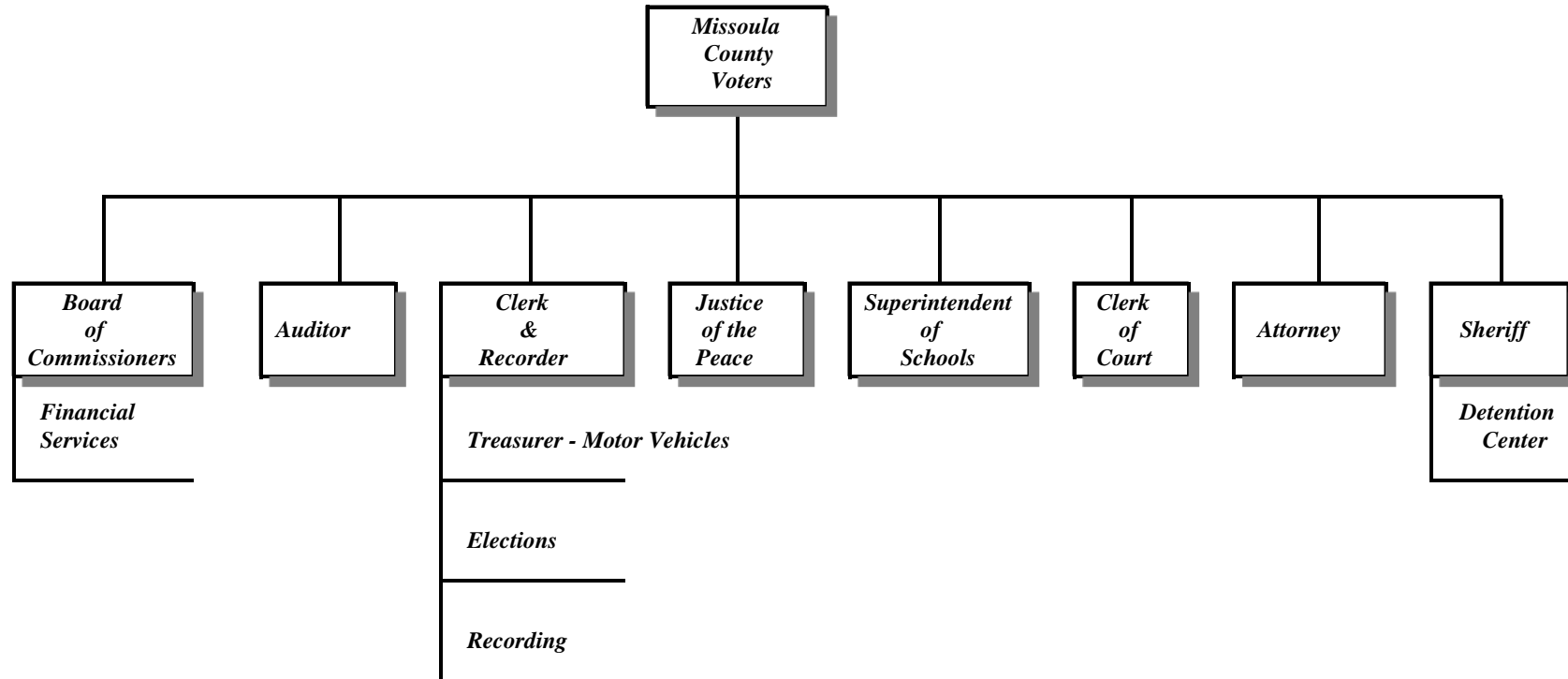
Acknowledgements – I would like to thank everyone in the Missoula County Financial Services Office: Sharon Bowman, Teresa Graham, Julie Harris, Jacque Harris, Dawn Overbaugh, Ruthe Sackey, Alane Stickney, and especially Christi Page for all their work and dedication. I would also like to thank Barbara Berens, the Missoula County Auditor for her support. A special thanks goes out to the County Chief Administrative Officer; Dale Bickel for his guidance and leadership. Without the efforts of all these people, this report would not have been possible. Finally, I would like to thank the Board of County Commissioners for their understanding of the value of this report, their commitment in serving the County making difficult decisions in difficult times and their continued support for strong financial accountability.



Andrew V. Czorny
Chief Financial Officer

MISSOULA COUNTY

Organizational Chart



MISSOULA COUNTY, MONTANA

Board of County Commissioners

William J. Carey
Jean L. Curtiss
Michelle Landquist

Auditor

Barbara A. Berens

Clerk and Recorder - Treasurer

Vickie M. Zeier

Justice of the Peace

Karen A. Orzech
John E. Odlin

Superintendent of Schools

Erin Lipkind

Clerk of Court

Shirley E. Faust

County Attorney

Fred Van Valkenberg

Sheriff

Carl Ibsen

This Page Intentionally Left Blank

FINANCIAL SECTION

This Page Intentionally Left Blank

Nicole M. Noonan, CPA, P.C.

435 Little Mill Creek Road

St. Regis, Montana 59866

Phone and FAX: (406) 649-2436

Cell phone: (406) 239-4260

E-mail: noonanaccounting@hotmail.com

Board of County Commissioners
Missoula County, Montana

Independent Auditors' Report

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana (the County), as of and for the fiscal year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of Missoula Aging Services, which represent 27%, 34%, and 25% respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to me and my opinion, insofar as it relates to the amounts included for Missoula Aging Services, is based solely on the report of the other auditors.

I conducted my 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 I 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of other auditors provide a reasonable basis for my opinions.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 28, 2013, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding status for the retiree health insurance benefit plan, and budgetary comparison information on pages 3 through 20 and 81 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Missoula County, Montana's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Nicole M. Noonan, CPA, P.C.

Nicole M. Noonan, CPA, P.C.
St. Regis, Montana
February 28, 2013

MISSOULA COUNTY, MONTANA
Management's Discussion and Analysis
June 30, 2012

The management of Missoula County offers this discussion and analysis of Missoula County's financial position and results of operations for the year ended June 30, 2012. We encourage readers to consider information presented here in conjunction with additional information provided in the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

- The assets of the County exceeded its liabilities at June 30, 2012, by \$101.2 million (net assets) compared with a balance of \$98.5 million at June 30, 2011. Of this amount, \$4.1 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, vendors and creditors, including \$1.2 million that is classified as unrestricted in the Larchmont Golf Course and Rural Special Improvement Maintenance Districts.
- The County's total net assets increased by \$2.7 million, representing a 2.8% increase from 2011. This was primarily due to an increase in capital assets of \$1.6 million netted with a decrease in related debt of \$2.4 million as well as an increase in claims liabilities of \$900,000.
- At the end of the current year, the County's Balance Sheet for Governmental Funds reported a combined ending fund balance of \$34.0 million, approximately \$21,000 more than the prior year. Of this amount, \$16.9 million is unrestricted and immediately available for spending on behalf of its citizens.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2.2 million, or 16.8% of total general fund expenditures and other financing uses.

Missoula County's total debt decreased by \$2,530,685, which contributed to a net 5.6% decrease in Long Term Liabilities, related to primary government activities.

Using the Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) consists of a series of basic financial statements, notes to those statements, supplementary detail financial statements, and a statistical section. This information is designed to provide the reader information needed to understand Missoula County as a financial whole and by individual functions. This Management's Discussion and Analysis Section (MD&A) provides an overview of the information presented in those other sections.

The Statement of Net Assets and Statement of Activities provide information about all County activities, presenting both an aggregate view of the County's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

Reporting Missoula County as a Whole

Statement of Net Assets and the Statement of Activities

The government-wide financial statements are designed to provide readers with a broad view of Missoula County's finances in a manner similar to a private sector business. While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during the year?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the County's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or worsened. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of County capital assets should also be evaluated.

The Statement of Net Assets and the Statement of Activities, divide the County into three activities:

- Governmental Activities - Most of the County's services are reported here including public safety, social services programs, administration, and all departments with the exception of Larchmont Golf Course and Rural Special Improvement Maintenance Districts (RSIDs).

- Business-Type Activities - These services have a charge based upon the amount of usage. Larchmont Golf Course revenues are generated solely by the course users. The County charges special assessments to recoup the cost of the entire operation of the RSIDs as well as all capital expenses associated with these facilities.
- Component Units -The County includes financial statements of Missoula Aging Services and the Partnership Health Center in its report. Separately issued financial statements are available for both components units.

The component units are separate entities and may conduct activities such as buy, sell, lease and mortgage property in their own name and can sue or be sued in their own name.

Reporting Missoula County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the County's major funds. Based on restrictions on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. Missoula County's major funds are the General, Public Safety, RSID Debt Service, RSID Capital Projects, and Larchmont Golf Course funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds (see above).

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary statements beginning on page 91.

Proprietary Funds: The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Larchmont Golf Course and the Rural Special Improvement Maintenance Districts. Internal Service funds are used to account for the financing of certain goods and services between departments and agencies of the County. The County uses internal service funds to account for its self-insurance programs: Risk Management, Health Insurance, Workers' Compensation, and Excess Loss. Additionally, Telephone Services, which operates the City/County telephone system, and Information Services Operations, which operates the County network and provides technical services to County departments, are accounted for in internal service funds. The proprietary fund financial statements can be found on pages 28-31.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund financial statements can be found on pages 32-33.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the governmental-wide and fund financial statements. The notes to the financial statements begin on page 34.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which begin on page 97. Statistical information that shows trends for periods up to ten years is also available beginning on page 155.

Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position over time. For the year ended June 30, 2012 the County's assets exceeded liabilities by \$101.2 million (\$94.7 million in governmental activities and \$6.0 million in business-type activities). 60.5% of the County's net assets reflect its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Other restrictions total \$35,802,909. Therefore, \$4.1 million in net assets (4.1%) may be used to meet the County's ongoing obligations to its citizens, vendors, and creditors.

The following table provides a summary of the County's net assets for 2012:

	Governmental Activities		Business-Type Activities		Total	
Assets	2012	2011	2012	2011	2012	2011
Current & Other Assets	\$ 73,334,341	\$ 77,533,501	\$ 1,463,090	\$ 1,680,325	\$ 74,797,431	\$ 79,213,826
Capital Assets, Net	90,190,974	88,554,173	4,680,442	4,716,007	94,871,416	93,270,180
Total Assets	<u>163,525,315</u>	<u>166,087,674</u>	<u>6,143,532</u>	<u>6,396,332</u>	<u>169,668,847</u>	<u>172,484,006</u>
Liabilities						
Current & Other Liabilities	25,912,910	28,971,846	207,312	146,355	26,120,222	29,118,201
Current Portion of Long-term Debt	6,440,914	6,489,462	-	-	6,440,914	6,489,462
Long-term Debt, Net of Current Portion	35,897,756	38,379,893	-	-	35,897,756	38,379,893
Total Liabilities	<u>68,251,580</u>	<u>73,841,201</u>	<u>207,312</u>	<u>146,355</u>	<u>68,458,892</u>	<u>73,987,556</u>
Net Assets						
Invested in Capital Assets, Net of Debt	56,576,425	52,441,539	4,680,442	3,656,007	61,256,867	56,097,546
Restricted	35,802,909	15,967,427	-	-	35,802,909	15,967,427
Unrestricted	2,894,401	23,837,507	1,255,778	2,593,970	4,150,179	26,431,477
Total Net Assets	<u>\$ 95,273,735</u>	<u>\$ 92,246,473</u>	<u>\$ 5,936,220</u>	<u>\$ 6,249,977</u>	<u>\$ 101,209,955</u>	<u>\$ 98,496,450</u>

The following table provides a summary of the changes in net assets for 2012:

	Governmental Activities		Business-Type Activities		Total	
Revenues	2012	2011	2012	2011	2012	2011
Program Revenues						
Charges for Services	\$ 17,708,532	\$ 16,112,068	\$ 1,951,069	\$ 1,977,230	\$ 19,659,601	\$ 18,089,298
Operating Grants and Contributions	7,671,180	10,503,550	-	-	7,671,180	10,503,550
Capital Grants and Contributions	1,536,905	1,148,146	-	-	1,536,905	1,148,146
General Revenues						
Property Taxes	37,911,765	36,962,016	-	-	37,911,765	36,962,016
Intergovernmental Revenue	4,609,691	2,967,366	-	-	4,609,691	2,967,366
Investment Earnings	90,720	239,823	9,094	9,080	99,814	248,903
Gain on Sale of Capital Assets	(19,016)	(1,542)	-	-	(19,016)	(1,542)
Miscellaneous	2,338,266	2,384,056	-	2,500	2,338,266	2,386,556
Total Revenues	<u>71,848,043</u>	<u>70,315,483</u>	<u>1,960,163</u>	<u>1,988,810</u>	<u>73,808,206</u>	<u>72,304,293</u>
Program Expenses						
General Government	15,325,331	13,978,668	-	-	15,325,331	13,978,668
Criminal Justice	4,276,443	4,128,781	-	-	4,276,443	4,128,781
Public Safety	20,051,543	20,042,141	-	-	20,051,543	20,042,141
Public Works	10,654,220	10,172,173	-	-	10,654,220	10,172,173
Public Health	6,970,001	6,542,193	-	-	6,970,001	6,542,193
Social and Economic Services	2,730,068	2,339,977	-	-	2,730,068	2,339,977
Culture and Recreation	5,266,106	5,156,053	-	-	5,266,106	5,156,053
Housing and Community Develop.	1,829,234	3,875,925	-	-	1,829,234	3,875,925
Interest and Fiscal Charges	1,357,720	1,654,795	-	-	1,357,720	1,654,795
Larchmont Golf Course	-	-	877,081	854,062	877,081	854,062
Rural Special Improvement Districts	-	-	1,309,864	822,299	1,309,864	822,299
Total Expenses	<u>68,460,666</u>	<u>67,890,706</u>	<u>2,186,945</u>	<u>1,676,361</u>	<u>70,647,611</u>	<u>69,567,067</u>
Change in Net Assets before Transfers	3,387,377	2,424,777	(226,782)	312,449	3,160,595	2,737,226
Transfers	94,975	107,531	(94,975)	(107,531)	-	-
Capital Contributions	-	-	-	-	-	-
Change in Net Assets	<u>\$ 3,482,352</u>	<u>\$ 2,532,308</u>	<u>\$ (321,757)</u>	<u>\$ 204,918</u>	<u>\$ 3,160,595</u>	<u>\$ 2,737,226</u>

Governmental Activities

General Government – The General Government function includes those elected offices that provide direct service to the public for decision making or record keeping matters. This includes the Board of County Commissioners and staff (including Facilities Management, Financial Services, Human Resources, and Information Services departments); the Clerk & Recorder/Treasurer functions of Elections, Recording, Records Management, and Treasury; the County Auditor; and the Superintendent of Schools who maintains a variety of school related records. Additionally, this function includes the Financial Administration department which contains expenses related to general government and the Board of County Commissioners' agenda. In 2012, general government expenses comprised 22.4% (20.6% in 2011) of governmental activities. Total general government expenses increased by \$1,346,663 (or 9.6%) from the prior year. This increase is primarily due to an increase in internal service fund expenditures allocated to the various activities.

Criminal Justice – the criminal justice function includes all offices related to the court system. These include the Justice Courts, the County Attorney's Office, Public Defender's Office, Court Support (bailiffs), and certain grants related to State District Court. Criminal Justice expenses comprised 6.2% of governmental activities in 2012 (versus 6.1% in 2011). Total expenses increased \$147,662 (or 3.6%) from the prior year. The increase was primarily due to personnel costs.

Public Safety – the public safety function is comprised of the Sheriff's Office including the Missoula County Detention Facility, and the Department of Emergency Services including the 9-1-1 Emergency Dispatch Center, the Office of Emergency Management, and the Public Safety Building capital projects fund. Public safety expenses comprised 29.3% of governmental activities in 2012 (versus 29.5% in 2011). Public safety expenses increased \$9,402 over 2011, (or less than 1.0%). The overall change is primarily due to lower capital outlay expenditures.

Public Works – public works includes the Road and Bridge funds and the Surveyor/GIS department, the Weed and Extension funds, the Lolo Mosquito District, the Rural Special Assessment Districts program, Seeley Lake Refuse District and the Missoula Development Authority. Public works expenses comprised 15.6% of governmental activities in 2012 and represented a 4.7% increase in expenses over 2011. The increase was primarily due to personnel costs.

Public Health – the public health function is comprised of the Health Department, the Water Quality District, the Junk Vehicle Program, and Animal Control. Public health expenses comprised 10.2% of governmental activities in 2012. Total public health expenses increased \$427,808 (or 6.5%) from 2011, primarily due to increased personnel and operating costs.

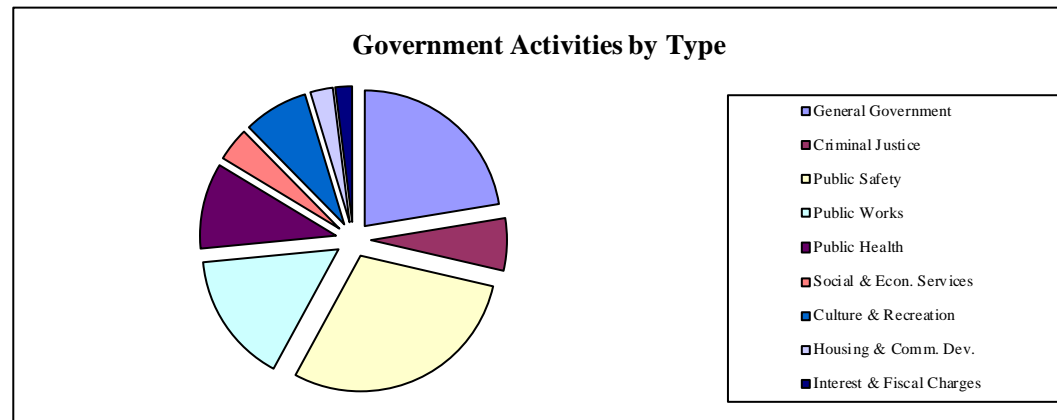
Social & Economic Services – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Poor, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered women, at risk families, recovering alcoholics needing housing, those who have little or no health care coverage, and those who need assistance qualifying for SSI. Many of these programs are administered by the Office of Planning and Grants, and consequently, are accounted for in the Planning fund. These expenses comprised 4.0% of governmental activities in 2012. Social and economic services expenses increased \$390,091 (or 16.7%) over 2011 largely due to increases in pass-through grant expenditures in 2011.

Culture & Recreation – the culture and recreation function includes the Western Montana Fair, the Historical Museum at Fort Missoula, the Library and the Park funds. Culture and recreation expenses comprised 7.7% of governmental activities in 2012, the same as 2011. Culture and recreation expense increased \$110,053 (or 2.1%) from 2011. This was due to increased personnel costs in the Western Montana Fair and the Missoula Public Library.

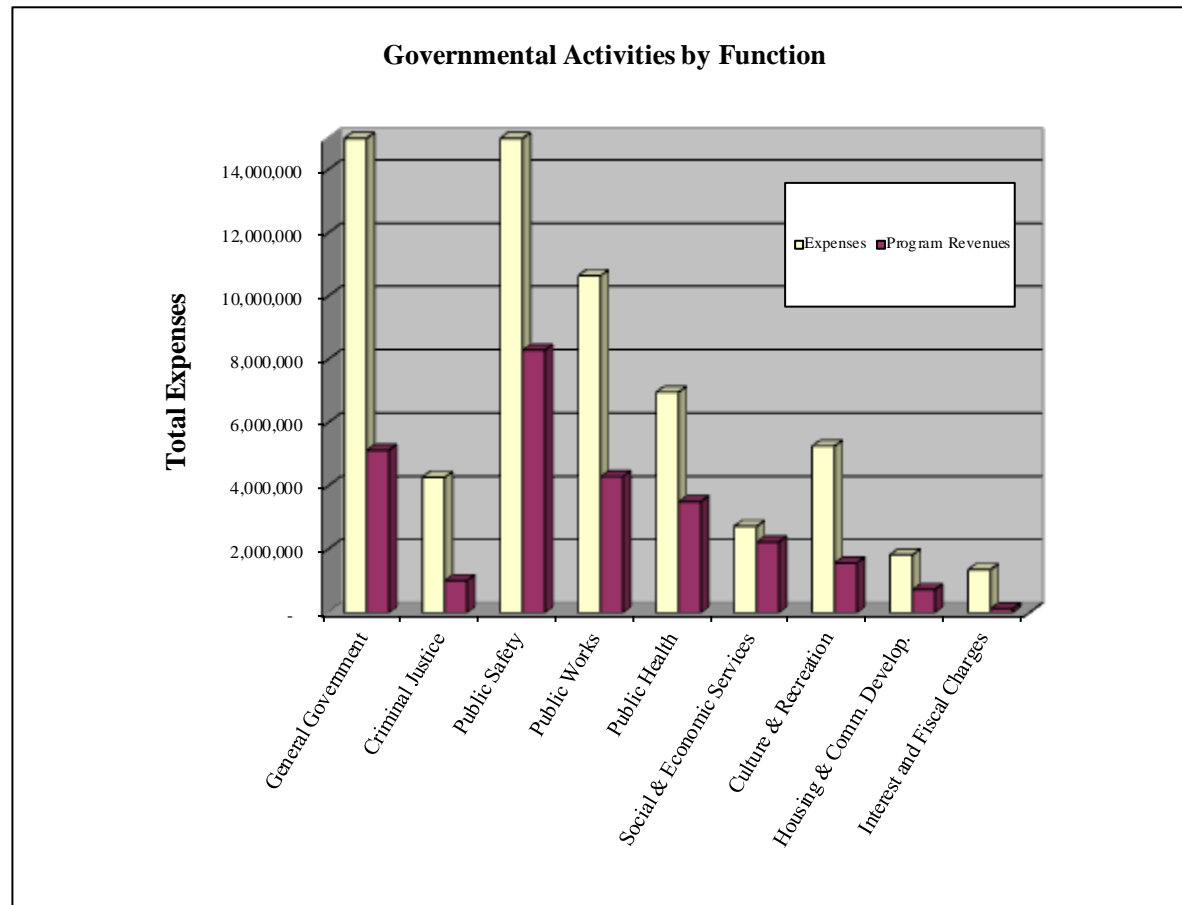
Housing & Community Development – this function includes the land use planning aspects of the Office of Planning and Grants, as well as specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. These expenses comprised 2.7% of governmental activities in 2012. Total expenses decreased \$2,046,691 (or 52.8%) versus 2011 due to decreased activity in land planning and grant projects in the planning fund.

Total governmental activities resulted in an increase in net assets totaling \$2.7 million. This increase over 2011 is primarily due to a \$2.5 million decrease in long-term liabilities.

The following chart shows all of the government activities by type as a percentage of total expenditures:



The following graph shows total expenses and program revenue by function. Total general revenues (primarily property taxes) required for each function can be inferred by the difference between total expenses and program revenue:



Business-Type Activities

Total net assets related to business-type activities decreased by \$313,757 compared to an increase of \$1,150,937 in 2011. This was primarily due to a \$300,000 maintenance project in one of the Rural Special Improvement Districts.

Fund Level Financial Analysis

Governmental Funds

For the fiscal year ended June 30, 2012, the County's governmental funds reported combined fund balance totaling \$34,079,198 compared with \$34,057,765 in 2011. Approximately \$17.0 million of this amount constitutes unrestricted (categorized as committed, assigned and unassigned) fund balance, which is available to spend for current needs. The remaining balance is nonspendable (inventory) or restricted. The governmental funds had a combined increase in fund balances totaling \$21,433 for 2012.

The General fund is the chief operating fund of the County. For fiscal year 2012, total fund balance decreased \$5,757 to \$2,378,795, of which \$2,244,801 was unassigned. As a measure of the General fund's total liquidity, it may be useful to compare total unassigned fund balances to total General fund expenditures. Total unassigned General Fund balances represent 16.8% of total expenditures compared to 17.1% in 2011. The 2012 budget was designed to spend down excess cash reserves by approximately \$84,476. Lower than anticipated personnel, operational, and capital outlay costs resulted in the smaller decrease than expected in the fund balance.

The Public Safety fund accounts for the operation of the Sheriff's Department, including law enforcement and the Missoula County Detention Facility. The Public Safety fund had a fund balance totaling \$4,053,301 at June 30, 2012 (\$2,149,403 at June 30, 2011). Fund balance represents 26.0% (13.5% in 2011) of total expenditures. The fund balance increased during the year by \$1,903,898, although the 2012 budget was designed to decrease the fund balance by \$435,367. Increases in intergovernmental revenue, charges for services, and miscellaneous revenue resulted in an unexpected significant increase in the fund balance.

The RSID Debt Service fund is used to collect special assessments and make bond payments for the County's rural special improvement districts. Total fund balance was \$914,674 at June 30, 2012 (\$1,031,926 at June 30, 2011), all of which is considered restricted for debt service. Fund balance represents 105.4% (155.7% in 2011) of total expenditures. Fund balances decreased in this fund primarily due to higher debt service expenditures.

The RSID Capital Projects fund is used to account for financial resources in those special improvement districts that are in the construction phase. Total fund balance was \$1,073,510 at June 30, 2012 (\$896,858 at June 30, 2011), all of which is considered restricted for district projects. Fund balance represents 142.2% (134.1% in 2011) of total expenditures. Fund balances increased in this fund primarily due to lower capital outlay costs as the projects are being completed.

Missoula County Budget Highlights

Missoula County's budget is prepared on the basis of cash receipts, disbursements, encumbrances, and certain receivables. During the year, the Board of County Commissioners amends the budget in accordance with state law. For fiscal year 2012, budget amendments resulted in increases in appropriations in the General fund budget by \$369,867. Significant budget variances in the General fund include:

- Justice Court Two fines and forfeitures were \$77,707 less than anticipated due to decreased fine rulings.
- Clerk & Recorder/Treasurer charges for services were \$120,265 less than anticipated due to fewer document requests and fewer elections.
- Office of Emergency Services intergovernmental revenues were \$887,390 less than anticipated due to grant funding that was carried over to 2012.
- 9-1-1 Communications intergovernmental revenues were \$999,037 less than anticipated due to fewer funds from the State.
- Central Stores charges for service were \$64,010 less than anticipated due to lower postage costs, motor pool usage, copier charges, and supplies sales.
- Non-Departmental General Fund charges for services were \$200,704 less than anticipated due to decreased subdivision activity.
- Personnel costs were \$32,386 over budget due to payment of an addition pay period in 2012 netted with lower than expected overtime requirements in 9-1-1 Communications.
- Operations costs were \$367,378 under budget due to lower than anticipated printing and contracted service costs in Clerk & Recorder/Treasurer office related to elections.
- Capital outlay costs were \$996,071 under budget due to lower than anticipated construction costs in Office of Emergency Services and 9-1-1 Communications.
- Issuance of Debt was under budget in Central Stores by \$142,000 due to the delay in purchasing additional pool cars.

Capital Assets and Debt Administration

Capital Assets

Missoula County's capital assets consist of land, buildings and systems, improvements, infrastructure, equipment, and machinery. Infrastructure assets placed in service in 2005 and after are reported in capital assets. Capital assets have been restated to include the retro-active implementation of infrastructure capital assets per GASB No. 34. Missoula County's investment in capital assets (net of accumulated depreciation and outstanding debt) was \$61,256,867 at June 30, 2012 (\$56,097,546 at June 30, 2011). Capital asset activity is presented in Note 4 of the financial statements (page 52) as well as on pages 151-153 of the supplementary information.

Significant activity in capital assets for 2012 includes:

- The completion of the Administration building leasehold improvements for \$731,329.
- The completion of the implementation of the new accounting and taxation software for \$540,206.
- Purchase of new vehicles and equipment for Public Works totaling \$633,941.
- Purchase and outfitting of a mobile internet bus for the Library for \$105,182.
- Purchase and installation of a new County-wide phone system for \$361,814.
- An increase of \$767,237 in Construction in Progress related to the construction of a new Records Center.
- An increase of \$640,765 in Construction in Progress related to the County Courthouse renovations.
- An increase of \$209,901 in Construction in Progress related to the development of an electronic content management system.
- An increase of \$960,130 in Construction in Progress in the Missoula County Development Park.
- A variety of road and pathway projects in the amount of \$838,481.
- An increase of \$364,892 in Construction in Progress in the General Fund Office of Emergency Management for the Miller Peak Tower and equipment.

Long-Term Debt

Long-Term Liabilities for Missoula County totaled \$42,338,670 at June 30, 2012 (\$44,869,355 at June 30, 2011). Total debt decreased \$113,163 which is comprised wholly of additions Special Assessment Loans. Liability for compensated absences increased \$580,907 to a total of \$4,498,989. Liability for post-employment benefits increased \$217,092 to a total of \$377,751. Principal payments on outstanding debt were made in the amount of \$3,124,839. Additional information regarding long-term debt can be found in Note 5 to the financial statements.

The following table shows outstanding debt by type:

General Obligation Bonds and Loans	\$	14,102,000
Limited Obligation Bonds and Loans		4,415,000
Tax Increment Bonds		4,095,000
Special Assessment Bonds and Loans		13,932,402
Notes and Contracts Payable		917,528
Post Employment Benefits		377,751
Compensated Absence Liability		4,498,989
	\$	<u>42,338,670</u>

Economic Factors and the Fiscal Year 2012 and the 2012 Budget

According to the Bureau of Business and Economic Research of the University of Montana the recession in the Missoula County economy started later than other parts of the State and is anticipated to experience a longer recession than most other parts of the State. The latest data for employment show definite growth during 2012, while corresponding figures for inflation-adjusted wages also turned upward, but with significant volatility. The University of Montana and other State Agencies are now the largest basic industry and roughly three times larger than wood and paper products. The University of Montana stands as one of the few basic industries (along with trucking and rail) to experience growth. The growth at UM was primarily due to outside-funded research rather than that of state-appropriated funds, the impact of recent enrollment decline is still uncertain. The Bureau of Business and Economic Research is now reporting 2011 as the first year of positive growth in Missoula's nonfarm labor earnings (an overall measure of the economy). In 2011 actual non-farm earnings increased .6% and that has improved to 2% in 2012, the projections for the future are for 2.4% annually through 2016.

The Travel and Recreation industry is recovering nicely, the level of out of State visitors to Montana has exceeded the pre-recession high of 10.6 million visitors in 2007 to 10.8 million visitors in 2012. The combination of resident and non-resident travel in 2012 provided a direct economic contribution to the State of Montana of \$5.1 billion.

The agriculture industry specifically the wheat and cattle industries had a very good 2012. Prices for Cattle & Calf have maintained its high values throughout 2012 and are projected to continue into the future. Montana beef and veal in 2012 make up approximately 10% of the US exports. Japan is the largest single buyer at 18% of all exports. The price for Montana Hay has reached a 12 year high at \$160 per ton and the prices get much higher the further away from Montana you get. Montana Wheat prices continue to hold their highs of over \$8 per bushel with Montana providing approximately 152.4 million bushels in 2012 with exports taking up 80% of the total Montana production.

Earnings in the basic industries within Missoula County continue to change as the recovery begins and the County redefines itself without the wood products industry as its center piece. The pieces of the earnings pie are now the U of M & other State Agencies at 21%, the Federal Government at 15%, Trade Centers Medical at 14%, Trade Centers-other Services are 12%, Transportation now provides 11% of the total earnings, Non-resident travel is now at 7%, the Wood and Paper industries now make up only 7% of the pie, the Trade Center-Retail and Wholesale are now 7% and other basic make up the rest of the earnings pie at 6%.

In fiscal year 2012 the County raised taxes through mill levy increases for the first time in the past three years. It was the position of the County Commissioners that the County should make all the budget cuts necessary without sacrificing service prior to passing an additional tax burden onto a community already experiencing the effects of the economic downturn. There was a structural imbalance of \$140,616 in the Public Safety combined budgets; this meant ongoing revenues did not cover ongoing expenses. The Public Safety budgets consist of the Sheriff's Department and the Missoula County Detention Center. To address as many of the issues as possible by budget cuts, the Sheriff's Department eliminated one deputy position and the Detention Center eliminated one detention officer.

position. A new air conditioning unit was needed for the Detention Center and the \$200,000 cost was transferred from the Capital Improvement Reserves. Additionally, the annual transfer to the Capital Improvement reserve was cut to \$70,000 from \$140,000. After a review of the cuts and revenue projections a decision was made to raise the Public Safety revenues by increasing taxes by 1.06 mills. An additional .58 mills were added to the tax rolls to support debt service on the voter approved Open Space bonds. To save additional costs in 2012 the County cut 6.5 positions in departments directly affected by the economic slowdown. 5 of the positions eliminated were in the Office of Planning and Grants and 1.5 positions were in the Clerk and Records office. No new positions, spending or programs were allowed unless specifically approved by the County Commissioners in advance.

According to the audited financials the General Fund cash balances were \$2,613,865 June 30, 2011 and decreased to \$2,475,398 by the conclusion of the 2012 fiscal year. Despite all the pressures on the budget the General Fund reserve came in well ahead of its minimum reserve requirement of \$1,898,361.

2012 BUDGET

The Board of County Commissioners 2012 budget priorities began with a cautious expectation that we had turned the corner with the downturn in Property Tax revenue. The Commissioners were committed to the continued maintenance of strong cash reserves and the funding of major capital projects, notably the execution of the County's space needs capital improvement program. When the budget process began, staff assumed an increase of 1% in Property Tax revenue. Actual valuations from the State Department of Revenue revealed a .97% increase in County-wide property tax revenue. As a result the majority of General Fund Departments were asked to hold the line on their budgeted expenditures however a 3.2% projected General Fund operational increase was anticipated primarily due to increased costs resulting from four elections in the 2012 fiscal year.

The County has pressing needs for the expansion of facilities that currently house the public safety and criminal justice functions of the County. The expansion was made possible by the County's lease with the option to purchase the former Garlington, Robinson and Lohn Law offices across the street from the County Courthouse in February of 2012. In October of 2012 the administrative functions of the County moved into that building vacating a portion of the Courthouse and much of the Courthouse Annex. This will give the County the ability to expand and build a new 911 center, new Sheriff offices, new Courtrooms, new County Attorney office, a new County Clerk and Recorder space and a new meeting room (which doubles as a 911 Emergency Command Center in the event of a regional emergency) for the County Commissioner meetings

2012 BUDGET PARAMETERS

Missoula County department heads were given the following parameters in preparing their budget requests:

1. Assume that tax related revenues would grow by 1% in 2012, due to legislative changes the entitlement share the County received was frozen at 2012 levels

2. A department that receives non-tax revenue must absorb any reduction in that revenue.
3. Salary increases - in an effort to enhance salaries at the lowest levels of the pay scale and still maintain competitive salaries in the marketplace.
 - 2.5% increase in base building pay
4. Operation expenditures were set at the prior year's level. Any increase must come in the form of an enhancement request.
5. All capital requests must come in the form of an enhancement request. Capital requests in excess of \$25,000 are considered for the Capital Improvement Program. Smaller capital requests are included in each department's budget.
6. The County's goal is to maintain a 5% cash reserve in the Special Funds, except Public Safety which is set at 8% and the Community Based Organization funds set at 3%. The General Fund cash reserve has been set at 12%. Funds not meeting these requirements would be required to revise their budgets until the threshold is met.

2013 BUDGET PROCESS

The Fiscal Year 2013 budget process started in April 2013. Departments were asked to submit budgets within the parameters set by the Board of County Commissioners and to submit enhancement requests forms for any increases in the budget beyond the parameters. The Commissioners also established budget priorities in order to rank enhancement requests for approval.

Early in the process, it was determined that there would be some on-going and one-time revenues available to fund enhancement requests. The Commissioners set the priorities as:

1. Maintenance of cash special fund reserve targets, including the general fund reserve requirement of 12% of total revenues.
2. Funding of critical need items including statutorily or contractually required requests and items in the departments' strategic plan.
3. Funding of critical need capital expenditures focusing on life-safety compliance and major repairs.
4. Items that will greatly improve departmental efficiency and long-term cost savings.

The budget process also included a performance indicator initiative in order to identify departmental growth and program results with non-financial indicators. Goal-setting and benchmarking measures will be considered for implementation in future years. This information was used to make more informed decisions during the budget process, especially regarding enhancement requests.

One preliminary hearing was held on July 30, 2012 and the final budget hearing was held on August 27, 2012. The budget was adopted on September 6, 2012 after the Commissioners made final adjustments based on the testimony they received at the hearings.

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

	Countywide		Rural-only	
	2013	2012	2013	2012
Taxable Value	203,566,584	202,300,827	90,868,629	91,505,112
Value of Newly Taxable Property	3,698,350	3,581,403	2,393,694	1,680,025
Value of One Mill	196,534	194,561	88,367	88,880
Property Tax Revenues	29,140,906	28,298,698	3,214,499	3,215,985
Number of Mills Levied	148.34	145.52	36.38	36.18

The following table shows the changes in tax revenue and mills for 2012:

	County-wide	Mills	Rural-only	Mills
Total Property Taxes Assessed – Prior Year	\$ 28,298,698	145.52	\$ 3,215,985	36.18
Current Year Property Taxes Attributable to Floating Mill[#]	328,850	1.63	38,543	0.42
Current Year Property Taxes Attributable To Newly Taxable Property^{**}	527,087	-	89,852	-
Change in mills due to changes in taxable value from sources other than newly taxable property^{***}	-	(2.49)	-	(0.62)
New Levy Authority:				
General Fund	461,855	2.35	-	-
Public Safety	196,534	1.00		-
Risk Management	35,376	0.18		
Aging	29,480	0.15		
Road			12,371	0.14
Health			4,418	0.05
				-
Total Property Taxes Assessed – Current Year	\$30,758,146	148.34	\$3,214,499	36.17

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

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

*** MCA 15-10-420 limits local governments’ ability to increase mill levies beyond the prior year’s dollars levied (with certain exceptions). Therefore any change in taxable value that is not from newly taxable property, such as with reappraisal, has the effect of increasing or decreasing mills in order to raise the same amount of dollars.

Contacting Missoula County

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional information, contact Andrew V. Czorny, Chief Financial Officer, Missoula County, 200 W. Broadway, Missoula, Montana 59802; aczorny@co.missoula.mt.us (406) 721-5700. Additionally, Missoula County's budget reports and CAFRs are available online at www.co.missoula.mt.us.

MISSOULA COUNTY, MONTANA

Statement of Net Assets

June 30, 2012

(Page 1 of 2)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
Assets					
Cash & Cash Equivalents	\$ 264,806	\$ 14,665	\$ 279,471	\$ 699,903	\$ 12,236
Cash with Fiscal Agents	3,313,395	-	3,313,395	-	-
Investments	37,377,681	2,307,673	39,685,354	942,169	1,925,558
Property Taxes Receivable, net	3,668,267	-	3,668,267	-	-
RSID Receivable-Delinquent	301,873	58,621	360,494	-	-
RSID Receivable-Deferred	17,347,148	-	17,347,148	-	-
Accounts Receivable	2,619,686	13,440	2,633,126	487,962	341,035
Interest Receivable	38,467	1,758	40,225	-	-
Contributions Receivable	413,366	-	413,366	-	-
Grants Receivable	-	-	-	-	191,037
Loans & Notes Receivable, net	2,918,827	-	2,918,827	-	-
Due (to) from Other Funds	(56,306)	56,306	-	-	-
Advances to (from) Other Funds	1,010,000	(1,010,000)	-	-	-
Advances to Component Units	2,333,578	-	2,333,578	-	-
Due from Agency Funds	-	-	-	-	-
Prepaid Costs	100,191	-	100,191	5,237	46,544
Inventory	1,091,627	20,627	1,112,254	-	233,116
Debt Issuance Costs	591,735	-	591,735	-	-
Capital Assets - non-depreciable	34,952,209	1,648,153	36,600,362	132,000	-
Capital Assets - depreciable, net	<u>55,238,765</u>	<u>3,032,289</u>	<u>58,271,054</u>	<u>1,412,414</u>	<u>7,041,550</u>
 Total Assets	 \$ <u>163,525,315</u>	 \$ <u>6,143,532</u>	 \$ <u>169,668,847</u>	 \$ <u>3,679,685</u>	 \$ <u>9,791,076</u>

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

MISSOULA COUNTY, MONTANA
Statement of Net Assets (Continued)
June 30, 2012
(Page 2 of 2)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
Liabilities					
Accounts & Warrants Payable	\$ 2,018,927	\$ 138,986	\$ 2,157,913	\$ 217,515	\$ 361,364
Accrued Interest Payable	712,483	-	712,483	732	-
Accrued Payroll	783,466	68,326	851,792	135,635	107,094
Advance from Primary Governments, net of Current Portion	-	-	-	-	2,613,578
Deferred Revenue	17,379,705	-	17,379,705	10,913	4,002
Funds Held in Trust	80,250	-	80,250	-	-
Liability for Sick & Vacation - Current Portion	3,149,865	-	3,149,865	-	332,851
Liability for Sick & Vacation, net of Current Portion	1,349,124	-	1,349,124	-	-
Liability for Claims - Current Portion	1,308,991	-	1,308,991	-	-
Liability for Claims, net of Current Portion	3,629,088	-	3,629,088	-	-
Liability for Post Employment Benefits	377,751	-	377,751	-	45,308
Long-term Liabilities:					
Special Assessment with Government Commitment-					
Due within One Year	868,860	-	868,860	-	-
Due in more than One Year	13,063,542	-	13,063,542	-	-
Other-Due within One Year	2,422,189	-	2,422,189	26,580	-
Other-Due in more than One Year	21,107,339	-	21,107,339	86,043	-
Total Liabilities	<u>68,251,580</u>	<u>207,312</u>	<u>68,458,892</u>	<u>477,418</u>	<u>3,464,197</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	56,576,425	4,680,442	61,256,867	1,431,791	4,427,972
Restricted :					
Criminal Justice	503,997	-	503,997	-	-
Public Safety	4,864,565	-	4,864,565	-	-
Public Works	3,263,737	-	3,263,737	-	-
Public Health	2,101,404	-	2,101,404	-	54,532
Social and Economic Services	271,831	-	271,831	-	-
Culture & Recreation	502,102	-	502,102	-	-
Housing & Community Development	1,033,293	-	1,033,293	-	-
Debt Service	8,175,763	-	8,175,763	-	-
Capital Projects	15,013,794	-	15,013,794	-	-
Other Purposes	72,423	-	72,423	-	-
Aging Programs	-	-	-	458,239	-
Unrestricted	<u>2,894,401</u>	<u>1,255,778</u>	<u>4,150,179</u>	<u>1,312,237</u>	<u>1,844,375</u>
Total Net Assets	<u>\$ 95,273,735</u>	<u>\$ 5,936,220</u>	<u>\$ 101,209,955</u>	<u>\$ 3,202,267</u>	<u>\$ 6,326,879</u>

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

MISSOULA COUNTY, MONTANA
Statement of Activities
For Fiscal Year Ended June 30, 2012

Net (Expenses) Revenue and Changes in Net Assets									
Program Revenues					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
Primary Government:									
Governmental Activities:									
General Government	\$ 15,325,331	\$ 4,944,047	\$ 194,046	\$ -	\$ (10,187,238)	\$ -	\$ (10,187,238)	\$ -	\$ -
Criminal Justice	4,276,443	784,263	226,218	-	(3,265,962)	-	(3,265,962)	-	-
Public Safety	20,051,543	6,391,991	1,566,706	339,972	(11,752,874)	-	(11,752,874)	-	-
Public Works	10,654,220	2,446,931	972,227	883,929	(6,351,133)	-	(6,351,133)	-	-
Public Health	6,970,001	1,732,005	1,751,683	27,437	(3,458,876)	-	(3,458,876)	-	-
Social & Economic Services	2,730,068	184,993	1,845,830	201,890	(497,355)	-	(497,355)	-	-
Culture & Recreation	5,266,106	1,222,868	264,751	83,677	(3,694,810)	-	(3,694,810)	-	-
Housing & Community Development	1,829,234	1,434	725,816	-	(1,101,984)	-	(1,101,984)	-	-
Interest and Fiscal Charges	1,357,720	-	123,903	-	(1,233,817)	-	(1,233,817)	-	-
Total Governmental Activities	68,460,666	17,708,532	7,671,180	1,536,905	(41,544,049)	-	(41,544,049)	-	-
Business-type Activities:									
Larchmont Golf Course	877,081	961,831	-	8,000	-	92,750	92,750	-	-
Rural Special Improvement Districts	1,309,864	989,238	-	-	-	(320,626)	(320,626)	-	-
Total Business-type Activities	2,186,945	1,951,069	-	8,000	-	(227,876)	(227,876)	-	-
Total Primary Government	\$ 70,647,611	\$ 19,659,601	\$ 7,671,180	\$ 1,544,905	(41,544,049)	(227,876)	(41,771,925)	-	-
Component units:									
Missoula Aging Services	\$ 3,482,947	\$ 208,952	\$ 3,383,848	\$ -				109,853	-
Partnership Health Center	10,149,364	6,579,907	4,102,658	315,248				-	848,449
Total component units	\$ 13,632,311	\$ 6,788,859	\$ 7,486,506	\$ 315,248				109,853	848,449
General revenues:									
Property Taxes					37,911,765	-	37,911,765	-	-
Intergovernmental Revenue - Unrestricted					4,609,691	-	4,609,691	-	-
Investment Earnings					90,720	9,094	99,814	59,439	-
Sale of Capital Assets					(19,016)	-	(19,016)	-	-
Miscellaneous Revenues					2,338,266	-	2,338,266	-	31,092
Transfers					94,975	(94,975)	-	-	-
Total General Revenues & Transfers					45,026,401	(85,881)	44,940,520	59,439	31,092
Change in Net Assets					3,482,352	(313,757)	3,168,595	169,292	879,541
Net Assets - Beginning of Year					92,222,232	6,249,977	98,472,209	3,032,975	5,447,338
Restatements					(430,849)	-	(430,849)	-	-
Net Assets - Beginning of Year as Restated					91,791,383	6,249,977	98,041,360	3,032,975	5,447,338
Net Assets - End of Year	\$				95,273,735	\$ 5,936,220	\$ 101,209,955	\$ 3,202,267	\$ 6,326,879

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

MISSOULA COUNTY, MONTANA

Balance Sheet

Governmental Funds

June 30, 2012

(Page 1 of 2)

	General	Public Safety	RSID Debt Service	RSID Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash & Cash Equivalents	\$ 15,631	\$ 22,689	\$ 4,053	\$ 5,295	\$ 124,035	\$ 171,703
Cash with Fiscal Agents	-	-	388,235	399,378	2,525,782	3,313,395
Investments	2,459,767	3,570,435	637,708	833,215	19,518,703	27,019,828
Property Taxes Receivable (net)	818,625	846,889	-	-	1,935,721	3,601,235
RSID Receivable:						
Delinquent	-	-	28,677	273,196	-	301,873
Deferred	-	-	6,246,234	11,100,914	-	17,347,148
Accounts Receivable	100,144	708,835	-	-	1,797,358	2,606,337
Interest Receivable	15,787	622	-	-	7,877	24,286
Loans & Notes Receivable	37,049	72,404	-	-	2,809,374	2,918,827
Due from Other Funds	140,665	197,827	-	-	975,294	1,313,786
Advances to Other Funds	-	-	-	-	1,010,000	1,010,000
Advances to Component Units	-	-	-	-	2,333,578	2,333,578
Inventory	61,571	-	-	-	1,030,056	1,091,627
Total Assets	<u>\$ 3,649,239</u>	<u>\$ 5,419,701</u>	<u>\$ 7,304,907</u>	<u>\$ 12,611,998</u>	<u>\$ 34,067,778</u>	<u>\$ 63,053,623</u>
Liabilities						
Accounts & Warrants Payable	\$ 150,461	\$ 216,981	\$ 3,000	\$ -	\$ 1,630,648	\$ 2,001,090
Accrued Interest Payable	-	-	112,322	164,378	435,783	712,483
Accrued Payroll	184,059	230,126	-	-	312,706	726,891
Due to Other Funds	-	-	-	-	1,370,092	1,370,092
Advances from Other Funds	-	-	-	-	-	-
Funds Held in Trust	80,250	-	-	-	-	80,250
Deferred Tax Revenue	818,625	846,889	6,274,911	11,374,110	1,935,721	21,250,256
Unearned Revenue	37,049	72,404	-	-	2,723,910	2,833,363
Total Liabilities	<u>1,270,444</u>	<u>1,366,400</u>	<u>6,390,233</u>	<u>11,538,488</u>	<u>8,408,860</u>	<u>28,974,425</u>

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

MISSOULA COUNTY, MONTANA
Balance Sheet (Continued)
Governmental Funds
June 30, 2011
(Page 2 of 2)

	General	Public Safety	RSID Debt Service	RSID Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund Balance						
Nonspendable	61,571	-	-	-	1,030,056	1,091,627
Restricted	72,423	2,775,471	914,674	1,073,510	11,197,907	16,033,985
Committed	-	1,277,830	-	-	7,762,370	9,040,200
Assigned	-	-	-	-	6,147,357	6,147,357
Unassigned	2,244,801	-	-	-	(478,772)	1,766,029
Total Fund Balance	<u>2,378,795</u>	<u>4,053,301</u>	<u>914,674</u>	<u>1,073,510</u>	<u>25,658,918</u>	<u>34,079,198</u>
Total Liabilities and Fund Balance	<u>\$ 3,649,239</u>	<u>\$ 5,419,701</u>	<u>\$ 7,304,907</u>	<u>\$ 12,611,998</u>	<u>\$ 34,067,778</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities except for internal service assets are not financial resources and, therefore, are not reported in the funds.	89,636,024
Debt issuance costs used in governmental activities are not financial resources and, therefore, are not reported in the funds.	591,735
Notes receivable are not available to pay for current-period expenditures and, therefore, are, deferred in the funds.	2,833,363
Taxes receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	3,601,235
Delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	301,873
Internal Service Funds are used by management to charge the costs of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	6,568,977
The liability for compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(4,498,989)
The liability for post employment benefits are not due and payable in the current period and therefore are not reported in the funds.	(377,751)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(37,461,930)
Net assets of governmental activities	<u>\$ 95,273,735</u>

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

MISSOULA COUNTY, MONTANA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Fiscal Year Ended June 30, 2012

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>RSID Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property Taxes	\$ 9,383,069	\$ 9,649,232	\$ 776,440	\$ 808,093	\$ 18,811,612	\$ 39,428,446
Licenses & Permits	97,224	22,469	-	-	649,162	768,855
Intergovernmental Revenue	2,161,585	561,012	-	-	10,836,313	13,558,910
Charges for Services	2,210,600	6,313,826	-	-	3,083,734	11,608,160
Fines & Forfeitures	596,168	42,954	-	-	255,820	894,942
Investment Earnings	14,394	3,441	-	-	37,635	55,470
Private & Local Grants	-	-	-	-	205,397	205,397
Miscellaneous Revenue	46,511	677,214	-	-	1,510,146	2,233,871
Total Revenues	<u>14,509,551</u>	<u>17,270,148</u>	<u>776,440</u>	<u>808,093</u>	<u>35,389,819</u>	<u>68,754,051</u>
Expenditures:						
Current Operations:						
General Government	7,042,443	-	-	-	2,978,997	10,021,440
Criminal Justice	2,975,636	-	-	-	1,120,485	4,096,121
Public Safety	2,237,834	15,592,069	-	-	347,915	18,177,818
Public Works	569,513	-	-	-	7,656,009	8,225,522
Public Health	-	-	-	-	6,548,747	6,548,747
Social & Economic Services	-	-	-	-	2,585,961	2,585,961
Culture & Recreation	-	-	-	-	4,495,439	4,495,439
Housing & Community Development	-	-	-	-	1,760,469	1,760,469
Capital Outlay	514,168	26,649	-	41,544	6,524,861	7,107,222
Debt Service:						
Principal	39,828	-	655,860	383,979	2,362,180	3,441,847
Interest and Fiscal Charges	1,785	-	211,927	329,507	814,501	1,357,720
Total Expenditures	<u>13,381,207</u>	<u>15,618,718</u>	<u>867,787</u>	<u>755,030</u>	<u>37,195,564</u>	<u>67,818,306</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>1,128,344</u>	<u>1,651,430</u>	<u>(91,347)</u>	<u>53,063</u>	<u>(1,805,745)</u>	<u>935,745</u>
Other Financing Sources (uses):						
Transfer In	1,157,489	772,765	96	-	5,817,939	7,748,289
Transfer Out	(2,290,853)	(520,297)	-	(8,260)	(6,050,145)	(8,869,555)
Issuance of Debt	-	-	-	113,163	-	113,163
Sale of Capital Assets	1,603	-	-	-	-	1,603
Total other financing sources and uses	<u>(1,131,761)</u>	<u>252,468</u>	<u>96</u>	<u>104,903</u>	<u>(232,206)</u>	<u>(1,006,500)</u>
Net Change in Fund Balances	(3,417)	1,903,898	(91,251)	157,966	(2,037,951)	(70,755)
Fund Balances - Beginning of Year Previously Reported	2,384,552	2,149,403	1,031,926	896,858	27,570,785	34,033,524
Prior Period Adjustments	-	-	-	-	-	-
Fund Balances - Beginning of Year as restated	<u>2,384,552</u>	<u>2,149,403</u>	<u>1,031,926</u>	<u>896,858</u>	<u>27,570,785</u>	<u>34,033,524</u>
Change in Inventory Reserves	(2,340)	-	-	-	118,769	116,429
Fund Reclassifications	-	-	(26,001)	18,686	7,315	-
Fund Balances - End of Year	<u>\$ 2,378,795</u>	<u>\$ 4,053,301</u>	<u>\$ 914,674</u>	<u>\$ 1,073,510</u>	<u>\$ 25,658,918</u>	<u>\$ 34,079,198</u>

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

MISSOULA COUNTY, MONTANA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For Fiscal Year Ended June 30, 2012

Amounts reported for governmental activities in the statement of activities (page 23) are different because:

Net change in fund balances - total governmental funds (page 26)	\$ (70,755)
Governmental funds report capital outlays as expenditures and proceeds from sales as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and gain or loss is reported upon sale or disposal.	
Expenditures for capital assets	5,965,879
Current year depreciation	(3,764,544)
Gain or loss on disposal of capital assets	(20,619)
	<u>2,180,716</u>
Property taxes and special assessment revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(439,131)
The issuance of notes receivable consumes the current financial resources of governmental funds, while payments received on notes receivable provide current financial resources. Neither transaction, however, has any effect on net assets.	56,237
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	
Issuance of debt	(113,163)
Principal payments on long-term debt	3,441,847
Governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(66,191)
The increase in expenses due to the increase in the liability for compensated absences reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.	(580,907)
The decrease in expenses due to the decrease in the liability for post employment benefits reported in the statement of activities do not provide current financial resources and, therefore are not reported in the governmental funds.	(217,092)
The decrease in expenses due to the increase in inventory reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.	116,429
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(825,638)</u>
Change in net assets of governmental activities (page 23)	<u>\$ 3,482,352</u>

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

MISSOULA COUNTY, MONTANA

Balance Sheet

Proprietary Funds

June 30, 2012

	Business-Type Activities-Enterprise Funds			Governmental
	Major Fund	Nonmajor Fund		Activities-
	Larchmont	RSID		Internal
	Golf Course	Funds	Total	Service Funds
Assets				
<i>Current Assets:</i>				
Cash & Cash Equivalents	\$ 6,687	\$ 7,978	\$ 14,665	\$ 93,103
Investments	1,052,334	1,255,339	2,307,673	10,357,853
Taxes Receivable, net	-	58,621	58,621	67,032
Accounts Receivable (net)	13,440	-	13,440	4,639
Interest Receivable	953	805	1,758	14,181
Prescription Rebate Receivable	-	-	-	8,710
Contributions Receivable	-	-	-	413,366
Due from Other Funds	56,306	-	56,306	-
Prepaid Costs	-	-	-	100,191
Inventory	20,627	-	20,627	-
Total Current Assets	<u>1,150,347</u>	<u>1,322,743</u>	<u>2,473,090</u>	<u>11,059,075</u>
<i>Noncurrent Assets:</i>				
Capital Assets - non-depreciable	1,049,212	598,941	1,648,153	-
Capital Assets - depreciable, net	<u>2,170,793</u>	<u>861,496</u>	<u>3,032,289</u>	<u>554,950</u>
Total Noncurrent Assets	<u>3,220,005</u>	<u>1,460,437</u>	<u>4,680,442</u>	<u>554,950</u>
Total Assets	<u>\$ 4,370,352</u>	<u>\$ 2,783,180</u>	<u>\$ 7,153,532</u>	<u>\$ 11,614,025</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts & Warrants Payable	\$ 28,679	\$ 110,307	\$ 138,986	\$ 17,837
Accrued Payroll	63,362	4,964	68,326	56,575
Contributions Paid in Advance	-	-	-	32,557
Advances Payable, Current Portion	50,000	-	50,000	-
Liability for Claims, Current Portion	-	-	-	1,578,991
Total Current Liabilities	<u>142,041</u>	<u>115,271</u>	<u>257,312</u>	<u>1,685,960</u>
<i>Noncurrent Liabilities:</i>				
Advances Payable, net of Current Portion	960,000	-	960,000	-
Liability for Claims, net of Current Portion	-	-	-	3,359,088
Total Noncurrent Liabilities	<u>960,000</u>	<u>-</u>	<u>960,000</u>	<u>3,359,088</u>
Total Liabilities	<u>1,102,041</u>	<u>115,271</u>	<u>1,217,312</u>	<u>5,045,048</u>
Net Assets				
Invested in Capital Assets net of Related Debt	3,220,005	1,460,437	4,680,442	554,950
Unrestricted	<u>48,306</u>	<u>1,207,472</u>	<u>1,255,778</u>	<u>6,014,027</u>
Total Net Assets	<u>3,268,311</u>	<u>2,667,909</u>	<u>5,936,220</u>	<u>6,568,977</u>
Total Liabilities and Net Assets	<u>\$ 4,370,352</u>	<u>\$ 2,783,180</u>	<u>\$ 7,153,532</u>	<u>\$ 11,614,025</u>

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

MISSOULA COUNTY, MONTANA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Fiscal Year Ended June 30, 2012

	Business-Type Activities-Enterprise Funds			Governmental
	Major Fund	Nonmajor Fund		Activities-
	Larchmont	RSID		Internal
	Golf Course	Funds	Total	Service Funds
Operating Revenues:				
Special Assessments	\$ -	\$ 989,238	\$ 989,238	\$ -
Charges for Services	961,831	-	961,831	10,441,998
Rental Income	-	-	-	30,955
Rebates	-	-	-	48,158
Total Operating Revenues	961,831	989,238	1,951,069	10,521,111
Operating Expenses:				
Personnel	352,029	241,125	593,154	1,511,958
Operations	365,079	970,899	1,335,978	881,097
Claims	-	-	-	9,358,272
Reinsurance Premiums	-	-	-	703,069
Administrative	-	-	-	391,729
Depreciation and Amortization	119,968	97,840	217,808	27,131
Total Operating Expenses	837,076	1,309,864	2,146,940	12,873,256
Operating Income (Loss)	124,755	(320,626)	(195,871)	(2,352,145)
Non-operating Revenues (Expenses):				
Property Taxes	-	-	-	556,230
Investment Earnings	4,721	4,373	9,094	35,250
Interest Expense	(40,005)	-	(40,005)	-
Intergovernmental Revenues	-	-	-	53,469
Gain (Loss) on Sale of Assets	-	-	-	(3,652)
Total Non-operating Revenues (Expenses)	(35,284)	4,373	(30,911)	641,297
Net Income (Loss) before Transfers	89,471	(316,253)	(226,782)	(1,710,848)
Transfers In	-	-	-	1,379,591
Transfers Out	(85,347)	(9,628)	(94,975)	(163,350)
Contributed Capital	8,000	-	8,000	-
Change in Net Assets	12,124	(325,881)	(313,757)	(494,607)
Total Net Assets - Beginning of Year	3,256,187	2,993,790	6,249,977	6,950,518
Fund Reclassification	-	-	-	113,066
Total Net Assets - Beginning of Year, Restated	3,256,187	2,993,790	6,249,977	7,063,584
Total Net Assets - End of Year	\$ 3,268,311	\$ 2,667,909	\$ 5,936,220	\$ 6,568,977

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

MISSOULA COUNTY, MONTANA
Statement of Cash Flows
Proprietary Funds
For Fiscal Year Ended June 30, 2012
(Page 1 of 2)

	Business-Type Activities-Enterprise Funds			Governmental Activities-Internal Service Funds
	Major Fund	Nonmajor Fund		
	Larchmont Golf Course	RSID Funds	Total	
Cash flows from operating activities:				
Cash receipts for charges for services	\$ 955,180	\$ 994,232	\$ 1,949,412	\$ 10,433,524
Cash receipts for rebates	-	-	-	45,310
Cash receipts for rent charged	-	-	-	30,955
Cash payments to employees for services	(364,162)	(254,252)	(618,414)	(1,522,396)
Cash payments for reinsurance premiums	-	-	-	(710,417)
Cash payments for administrative expenses	-	(878,724)	(878,724)	(389,500)
Cash payments for claims expenses	-	-	-	(9,001,567)
Cash payments to other suppliers for goods and services	(370,965)	-	(370,965)	(397,083)
Net cash provided by (used in) operating activities	<u>220,053</u>	<u>(138,744)</u>	<u>81,309</u>	<u>(1,511,174)</u>
Cash flows from non-capital financing activities:				
Property taxes collected	-	-	-	549,038
Cash advances to other funds	10,500	-	10,500	68,727
Transfers in from primary government	-	-	-	1,379,591
Transfers in from agency fund	-	-	-	30,698
Transfers out to other funds	(85,347)	(9,628)	(94,975)	(163,350)
Other sources	-	-	-	53,469
Net cash provided (used) by non-capital financing activities	<u>(74,847)</u>	<u>(9,628)</u>	<u>(84,475)</u>	<u>1,918,173</u>
Cash flows from capital and related financing activities:				
Proceeds from advances	(50,000)	-	(50,000)	-
Interest paid on advances from other funds	(40,005)	-	(40,005)	-
Acquisition of Capital Assets and construction in progress	(60,412)	(113,831)	(174,243)	(361,814)
Net cash used for capital and related financing activities	<u>(150,417)</u>	<u>(113,831)</u>	<u>(264,248)</u>	<u>(361,814)</u>
Cash flows from investing activities:				
Purchases of investment securities	(5,593,793)	(6,416,093)	(12,009,886)	(13,228,543)
Proceeds from sale of investment securities	5,601,425	6,681,992	12,283,417	13,101,985
Interest on investments	3,768	3,568	7,336	76,618
Net cash provided (used) by investing activities	<u>11,400</u>	<u>269,467</u>	<u>280,867</u>	<u>(49,940)</u>
Net increase (decrease) in cash and cash equivalents	6,189	7,264	13,453	(4,755)
Cash and cash equivalents at beginning of year	498	714	1,212	97,858
Cash and cash equivalents at end of year	<u>\$ 6,687</u>	<u>\$ 7,978</u>	<u>\$ 14,665</u>	<u>\$ 93,103</u>

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

MISSOULA COUNTY, MONTANA
Statement of Cash Flows (Continued)
Proprietary Funds
For Fiscal Year Ended June 30, 2012
(Page 2 of 2)

Reconciliation of Income from Operations to Cash Provided by Operations

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Larchmont Golf Course	RSID Funds		
Income (loss) from operations	\$ 124,755	\$ (320,626)	\$ (195,871)	\$ (2,352,145)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	119,968	97,840	217,808	27,131
Change in assets and liabilities:				
(Increase) decrease in contributions receivable	(6,651)	4,994	(1,657)	(9,853)
(Increase) decrease in rebates receivable				(2,848)
(Increase) decrease in prepaid costs	-	-	-	(7,348)
(Increase) decrease in inventory	72	-	72	-
(Decrease) increase in payables	(5,958)	92,175	86,217	(18,546)
(Decrease) increase in accrued liabilities	(12,133)	(13,127)	(25,260)	852,435
Net cash provided by (used in) operating activities	\$ 220,053	\$ (138,744)	\$ 81,309	\$ (1,511,174)

Supplemental Disclosure of Cash Flow Information

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

Internal service funds had \$38,319 of net investment loss that was absorbed by the trust portfolios for the year.

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

MISSOULA COUNTY, MONTANA
Statement of Fiduciary Net Assets
June 30, 2012

	Agency Funds	Investment Trusts
Assets		
Cash & Cash Equivalents	\$ 12,767	\$ 300,911
Cash with Fiscal Agents	1,443,971	-
Property Taxes Receivable, net	10,410,120	-
Investments, at Fair Value:		
Securities	524,468	12,348,929
Money Markets	69,219	1,629,817
Repurchase Agreements	161,447	3,801,374
STIP	1,255,974	29,572,719
Total Investments	<u>2,011,108</u>	<u>47,352,839</u>
Total Assets	<u>13,882,728</u>	<u>47,653,750</u>
Liabilities		
Accounts Payable	1,819,625	-
Due to Other Agencies	11,854,091	-
Total Liabilities	<u>13,882,728</u>	<u>-</u>
Net Assets		
Funds Held in Trust for:		
Pool Partipants	<u>-</u>	<u>-</u>
Total Net Assets	<u>\$ -</u>	<u>\$ 47,653,750</u>

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

MISSOULA COUNTY, MONTANA
Statement of Changes in Fiduciary Net Assets
For Fiscal Year Ended June 30, 2012

	<u>Investment Trusts</u>
Additions	
Interest Income	\$ 217,052
Net Investment Income	<u>217,052</u>
 Participant Investments in Pool	 <u>398,765,397</u>
Total Additions	<u>398,982,449</u>
 Deductions	
Distribution to Participants	<u>(396,579,886)</u>
Total Deductions	<u>(396,579,886)</u>
 Change in Net Assets	 2,402,563
 Net Assets Held in Trust for Pool Participants	
Net Assets - Beginning of Year	<u>45,251,188</u>
Net Assets - End of Year	<u><u>\$ 47,653,751</u></u>

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

MISSOULA COUNTY, MONTANA

Notes to Financial Statements

June 30, 2012

Note 1 - Summary of Significant Accounting Policies

The financial statements of Missoula County have been prepared in accordance with generally accepted accounting principles in the United States of America as set forth by standards established by the Governmental Accounting Standards Board (GASB). Consequently, these financial statements reflect the provisions of GASB Statement No. 34 Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments.

Description of Reporting Entity - Missoula County was incorporated under the Montana Constitution, Article XI, Local Government, Section 2 - Counties. The County operates under a three-member commission form of government and provides the following services authorized by its charter: criminal justice, public safety, public works, public health, social and economic services, culture and recreation, housing and community development, conservation of natural resources and general government services. As required by generally accepted accounting principles, the accompanying financial statements present Missoula County (the primary government) and its component units. The component units discussed in the following paragraphs are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Component Units

Blended Component Units - The following organizations are included in the accompanying financial statements as blended component units. The financial accountability for these entities lies with Missoula County, and the Board of County Commissioners can impose its will on these entities.

Missoula County Employee Benefits Plan

The Board of County Commissioners serves as the governing board for the Missoula County Employee Benefits Plan. The Plan is managed by the County's Risk Manager. The operations of the Plan are reported in a separate Internal Service Fund.

Missoula County Workers' Compensation Group Insurance Authority

The Board of County Commissioners serves as the governing board for the Missoula County Workers' Compensation Group Insurance Authority. The Plan is managed by the County's Risk Manager. The operations of the Plan are reported in a separate Internal Service Fund.

Seeley Lake Refuse District

The Board of County Commissioners serves as the governing board for the Seeley Lake Refuse District. The district is managed by the County's Public Works Department.

Larchmont Golf Course

The Board of County Commissioners serves as the governing board of Larchmont Golf Course. The course is managed by a seven-member advisory board who are appointed by the Board of County Commissioners of Missoula County. The operations of the golf course are reported in a separate Enterprise Fund.

Note 1 - Summary of Significant Accounting Policies (Continued)

Missoula Development Authority

The Missoula Development Authority is governed by the Board of County Commissioners of Missoula County and was created to develop a business park. The Authority, which was formed in 1992, is financed by tax increment in two districts: The Missoula Airport Industrial District and the Missoula County Technology District, whereby property taxes attributable to increases in taxable valuation of the properties within the district are utilized for debt service and district operations. The Authority is accounted for as a Special Revenue Fund.

Discretely-Presented Component Units - The component unit columns in the government-wide financial statements include the financial data of the County's discretely-presented component units. These are reported in separate columns to emphasize that they are legally separate from the County.

Missoula Aging Services - The Missoula Aging Services is a nonprofit corporation whose purpose is the development and operation of programs for the benefit of senior citizens. The organization's board of directors is appointed by and serves at the will of the Board of County Commissioners of Missoula County. The organization prepares its separately issued financial statements on the basis of GASB Statement 34, using accounting principles applicable to enterprise funds. The complete financial statements for the Missoula Aging Services can be obtained from Missoula Aging Services, 337 Stephens, Missoula, MT 59801.

Partnership Health Center - The Partnership Health Center, Inc. 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.

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. The district is managed by the County's Extension Office.

Related Organizations

Two organizations fall into the category of "related organizations" as defined by the Governmental Accounting Standards Board criteria. These are the Missoula County Airport Authority and Lolo Mosquito 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 Airport Authority is governed by a five-member board and has complete responsibility for the operation of the Missoula International Airport.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Accounting Policies - The accounting policies of Missoula County conform to generally accepted accounting principles (GAAP) applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies.

Basis of Presentation - The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities report information about the County as a whole. These statements include the financial activities of the primary government and the discretely presented component units but excludes the fiduciary funds. Certain interfund transactions (primarily transfers) are eliminated to avoid overstating revenues and expenses. The activities of internal service funds are reflected in governmental activities in the government-wide financial statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted for the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

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

Fund Accounting - The accounts of Missoula County are organized on the basis of separate accounting entities referred to as funds. Each fund's operations are accounted for with a separate set of self-balancing accounts consisting of its assets, liabilities, fund equity, revenues and expenditures/expenses. There are three categories of funds: governmental, proprietary and fiduciary.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund

The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.

Public Safety Special Revenue Fund

The Public Safety Fund accounts for the Sheriff's Office, including law enforcement and the operations of the Missoula County Detention Facility. The primary sources of revenue for this fund are property taxes and prisoner board for inmates of other governmental entities.

RSID Debt Service Fund

The RSID Debt Service Fund accounts for the activities of rural special improvement districts for which construction has been completed and principal and interest payments are now required on construction bonds. The primary source of revenue for this fund are special assessments.

RSID Capital Projects Fund

The RSID Capital Projects Fund accounts for the activities of rural special improvement districts for which construction has not been completed. The primary sources of revenue for this fund are bond proceeds, grant revenues, and special assessments.

Proprietary Funds

Proprietary funds are used to account for the County's organizations and ongoing activities which are similar to those often found in the private sector.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County reports the following major enterprise fund:

Larchmont Golf Course

The Larchmont Golf Course Fund is used to account for the activities of the County's 18-hole public golf course.

Note 1 - Summary of Significant Accounting Policies (Continued)

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. These funds include the Risk Management, Health Insurance, Workers' Compensation, Telephone Services, Excess Loss, and Information Services Operations funds. Risk Management is financed principally through property taxes, while Health Insurance, Workers' Compensation, Telephone Services, Excess Loss, and Information Services Operations are financed primarily through charges to other funds and departments of the County or its employees.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations or other governments. Investment trust funds are used to account for the portion of the County's investment pool that is held on behalf of legally separate entities that are not part of the County's financial reporting entity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County uses agency funds to account for assets held for other agencies including the State of Montana, City of Missoula, local school districts, post-employment benefits, and other local agencies.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operations of the County are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized when incurred.

Fund Financial Statements

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal period, except for tax receipts which are recorded as revenue when received. Intergovernmental grant revenue usually meets the availability criterion. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary funds and all trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for Larchmont Golf Course, Telephone Services, Information Services Operations, self-insurance programs, and special assessments for RSID funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses which do not meet this criteria are considered non-operating and reported as such. Property taxes associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus.

Budgets - As provided by state law, Missoula County follows these procedures to develop the budget information reflected in the financial statements:

- (1) Prior to the first Monday in July, a proposed operating budget is submitted to the County Commissioners for the fiscal year commencing July 1st. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Within 45 calendar days of receipt of certified taxable values from the Montana Department of Revenue, 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. All appropriations lapse at the end of a fiscal year. The County includes in its budget the full amount of property taxes levied for the year. This approximates the cash basis because delinquencies of current year taxes are generally offset by collection of prior years' delinquencies.

Budgets cannot be increased except by:

- (a) a public emergency which could not have been reasonably foreseen at the time of adoption of the original budget;
- (b) debt service funds for obligations related to debt approved by the governing body;
- (c) trust funds for obligations authorized by trust covenants;
- (d) for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;
- (e) for special assessments approved by the governing body;
- (f) the proceeds from the sale of land;
- (g) for gifts or donations; or
- (h) money borrowed during the fiscal year.

Budget transfers may be made between and among the general classifications of salaries and wages, operations and maintenance, and capital outlay upon a resolution adopted by the governing body; however, no budget transfer can increase an individual salary. Expenditures may not legally exceed appropriations for an individual fund. The level of budgetary control, at which the governing body must approve over-expenditures or transfers of appropriations, is established within an individual fund and each department of the general fund by the three categories referenced above.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 grant contracts. No activity was budgeted for the following funds:

- Disaster Emergency Levy
- HUD/CDBG
- 9-1-1 Trust
- Abandoned Vehicle
- MCFPA Trust
- LEPC Trust
- Friends of the Library
- Friend of the Historic Museum
- Historical Museum Gift Shop
- Other Special Revenue
- Library Capital Reserve
- Health Building Reserve
- WQD Capital Reserve
- Admin Bldg Acquisition Reserve
- Jail Project
- Fair Ice Rink Project
- Park Construction Reserve
- Weed/Extension Building Reserve
- Road Escrow
- Search & Rescue Reserve

Individual fund budgetary amounts equal appropriation amounts. All annual appropriations lapse at the end of the year. The amounts reported as the original budget amounts represent the original adopted budget. The amounts reported as final budget amounts represent the final budget, including all amendments and modifications. Supplemental appropriations were generally made for unanticipated state and federal grants awarded during the year.

Property Taxes - Property tax levies are set on or before the second Monday in August, in connection with the budget process. Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal amounts on November 30 and the following May 31. After those dates, they become delinquent (and a lien upon the property). After three years the County exercises the lien and takes title to the property. Properties taken on tax deeds are recorded in taxes receivable at the outstanding delinquent amount.

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 no later than November 30.

An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The estimated uncollectible amount at June 30, 2012 is \$1,888,669.

Taxable valuations, mill values and mill levies for November 2011 and May 2012 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	\$ 194,561,116	\$ 7,739,711	\$ 194,561	145.52 mills
Unincorporated levies	\$ 88,880,183	\$ 2,624,929	\$ 88,880	36.18 mills

Note 1 - Summary of Significant Accounting Policies (Continued)

The county-wide value includes \$5,439,803 which is the incremental value of property within the City of Missoula tax increment districts. Both the county-wide and unincorporated values include \$2,299,908, the incremental value of property in the Airport Industrial Tax Increment District, and \$325,021, the incremental value of property in the Technology District. Taxes on that value accrue to the tax increment district, not to the usual taxing authorities, hence the value of a mill which it is budgeted against is reduced by that incremental value.

State law limits the number of mills the County can levy to the amount of property tax dollars levied in the prior fiscal year plus the amounts related to the taxable value for annexation of real property, new construction and improvements, debt service, one-half of the average inflation for the past three years based on the consumer price index, and certain other exceptions.

Cash and Cash Equivalents, Investments and Investment Income - Except for certain specific bank deposits and investments held separately on behalf of 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 Chief Financial Officer. Investments of pooled cash, which are authorized by state law, consist primarily of demand deposits, non-negotiable certificates of deposit, bank repurchase agreements, government agency securities and notes, and investments in the state short-term investment pool (STIP).

Investments are reported at fair value, although certain investments and bank deposits are reported at cost or amortized cost. The following presents the basis of valuation for the County's deposits and investments:

<u>Description of Deposit or Investment</u>	<u>Basis of Valuation</u>
Pooled and non-pooled demand deposits	Cost
Non-negotiable certificates of deposit	Cost
Bank repurchase agreements	Cost
Government agency securities and notes	Fair Value
State Short-Term Investment Pool (STIP)	Share Price (Fair Value)

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 funds and participating external entities on the basis of beginning of month balances.

For purposes of the statements of cash flows, the Enterprise and Internal Service funds consider only cash to be cash equivalents. A portion of funds held in the County's cash management pools are considered cash equivalents. Interest and dividends reinvested into separate investment trust accounts are not considered cash equivalents.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 General and 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 nonspendable fund balance in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Costs - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid costs are valued at cost and include prepaid insurance. Prepaid costs are recorded as expenditures or expenses as policies expire. Reported prepaid costs are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources" even though they are a component of current assets.

Advances to/from Other Funds - Advances to/from other funds record long-term debt owed by one fund to another. Advances to/from other funds are eliminated in the government-wide financial statements except for those transactions between governmental activities and business-type activities.

Other Interfund Transactions - During the course of its operations, the County has transactions between funds to finance operations, provide services, and service debt. These transactions are generally recorded as charges for services revenue and operations expenditures or interfund transfers in and out. To the extent that certain transactions between funds had not been paid or received at year end, balance of short-term interfund amounts receivable or payable are reported as due to and due from other funds in the fund financial statements. These transactions are eliminated in the government-wide financial statements. In addition, interfund cash flow loans are reports as due to/from other funds.

Capital Assets and Depreciation - Capital assets in the government-wide financial statements and the proprietary funds are stated at cost less accumulated depreciation. Cost includes expenditures which materially increase values or capacities and extend useful lives of property and equipment beyond one year. Interest costs on assets constructed (net of interest earnings on invested debt proceeds) are capitalized and amortized over the useful lives of the related assets in the proprietary funds. Depreciation on capital assets, including those assets acquired with contributions, is computed using the straight-line method based upon the estimated useful lives of the related assets as follows:

Buildings and improvements	40 years
Improvements other than buildings	30 years
Equipment, furniture and fixtures	5-10 years

Personal property assets costing more than \$5,000 and all real property are capitalized in the government-wide financial statements and proprietary funds. Property and equipment are recorded at cost, including freight and delivery costs incidental to placing the assets into service. Donated capital assets are valued at their estimated fair market value as of the date of donation.

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 and for 25 percent of accumulated sick leave. In the governmental funds, compensated absences are reported when paid or matured (i.e. unused reimbursable leave outstanding after employee separation from service).

For the government-wide financial statements and the proprietary funds, compensated absences to be funded from future resources are reflected as liabilities to the extent they are vested.

Note 1 - Summary of Significant Accounting Policies (Continued)

Amortization - In the government-wide financial statements and in the proprietary funds deferred bond issuance costs are amortized on a straight-line basis over the life of the related bonds.

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

Fund Equity - The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which was effective for the County beginning in 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GASB Statement No. 54 requires, among other things, that all state and local governmental entities adopt a policy regarding spending priorities of fund balance in governmental funds. The fund balance resources of the County's governmental funds have been categorized as follows:

Resource Categories:

Nonspendable - resources not in spendable form, such as inventory, or those legally required to be maintained intact, such as the principal portion of permanent trust funds.

Restricted - constraint is externally imposed by a third party (grantor, contributor, etc.), State Constitution or enabling legislation by the State Legislature.

Committed - constraint is internally imposed by the County Commissioners by resolution.

Assigned - constraint is internally expressed intent by County Administration or County Commissioners through budget approval process or express assignment.

Unassigned - no constraints and negative fund balance in all governmental funds except the General Fund.

When both restricted and unrestricted resources are to be used for the same purpose, the County adopted a spending policy for expenditure order for resource categories (unless the County has provided otherwise in its commitment or assignment actions):

General Fund and Special Revenue Funds:

First: Restricted

Second: Committed

Third: Assigned

Fourth: Unassigned

Note 1 - Summary of Significant Accounting Policies (Continued)

Debt Service and Capital Projects Funds:

First: Assigned

Second: Committed

Third: Restricted

Fourth: Unassigned

The County does not maintain a stabilization fund or have a minimum fund balance policy.

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

Note 2 - Cash and Cash Equivalents and Investments

The total cash and cash equivalents, cash with fiscal agents, restricted cash and investments at June 30, 2012, are detailed as follows:

	Primary Government	Component Units	Total
Cash on hand	\$ 6,872	\$ -	\$ 6,872
Cash in pooled bank deposits	514,790	12,236	527,026
Cash in non-pooled bank deposits	71,487	699,903	771,390
Cash with fiscal agents	4,757,366	-	4,757,366
Pooled investments	82,091,092	1,925,558	84,016,650
Non-pooled investments	<u>6,958,209</u>	<u>942,169</u>	<u>7,900,378</u>
Total	<u>\$ 94,399,816</u>	<u>\$ 3,579,866</u>	<u>\$ 97,979,682</u>

Cash on hand - Represents petty cash and change maintained by the various departments.

Cash in bank deposits - Cash in bank balances includes deposit items such as daily demand/time deposits, Treasury Money Market deposits and fiscal agent deposits. The County minimizes custodial credit risk by restrictions set forth in County policy and state law. Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the County's deposits may not be returned or the County will not be able to recover the collateral securities in the possession of the outside party. Types of securities that may be pledged as collateral are detailed in Section 17-6-103, Montana Code Annotated (MCA).

At June 30, 2012, the County's carrying amount of demand deposits was \$654,275 and the bank balance was \$520,573. Of the demand deposit bank balance, \$520,573 was covered by federal depository insurance.

Fiscal agent deposits of \$4,757,366 consist of deposits with trustees related to the payment of bonds by the County. These funds are invested in accordance with bond covenants and are pledged for payment of principal and interest. The pledging financial institutions' trust department or agent holds the invested funds in the County's name.

Montana statutes state that the County may have pledged securities equal to 50% of its total bank deposits that are not insured or guaranteed. At June 30, 2012, 100% of the County's deposits were insured.

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

Pooled and non-pooled investments - At June 30, 2012, the County's pooled and non-pooled investment balances were as follows:

	Maturity in Years						Fair Value	Rating
	Less than 1	1-2	2-3	3-4	4-5	5-6		
Primary Government Investments:								
Northern Institutional Govt Money Market (Rated)	\$ 5,719,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,719,511	AA+
Federal Farm Credit Bank Notes-CMO	-	180,129	2,496,311	-	-	-	2,676,440	AA+
Federal Home Loan Bank Notes-CMO	5,500,568	1,882,631	1,612,859	488,824	488,541	487,456	10,460,879	AA+
Federal Home Loan Mortgage Corp-CMO	-	489,039	-	97,966	564,395	-	1,151,400	AA+
Federal National Mortgage Assoc-CMO	2,484,752	252,637	-	1,465,988	3,920,885	490,876	8,615,138	AA+
US Treasury Notes	2,568,458	-	-	-	-	-	2,568,458	AA+
Short Term Investment Pool (STIP)								
Commercial Paper	13,853,789	-	-	-	-	-	13,853,789	A1
Corporate Notes	9,483,244	-	-	-	-	-	9,483,244	B
Certificates of Deposit	9,551,909	-	-	-	-	-	9,551,909	A3
U.S. Government Agency	13,434,362	-	-	-	-	-	13,434,362	A1
Other Asset Backed Investments	460,307	-	-	-	-	-	460,307	BBB-
Money Market Accounts (Unrated)	3,166,102	-	-	-	-	-	3,166,102	NR
Money Market Accounts (Rated)	513,661	-	-	-	-	-	513,661	A1
Structured Investment Vehicles (SIV)	804,022	-	-	-	-	-	804,022	NR
	51,267,396	-	-	-	-	-	51,267,396	
Repurchase Agreements	6,590,079	-	-	-	-	-	6,590,079	A3
Total Primary Government	74,130,764	2,804,436	4,109,170	2,052,778	4,973,821	978,332	89,049,301	

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

Component Unit Investments:	Maturity in Years						Fair Value	Rating
	Less than 1	1-2	2-3	3-4	4-5	5-6		
Northern Institutional Govt Money Market (Rated)	66,275	-	-	-	-	-	66,275	AA+
Federal Farm Credit Bank Notes-CMO	-	-	58,555	-	-	-	58,555	AA+
Federal Home Loan Bank Notes-CMO	85,365	41,782	5,725	11,466	11,459	11,434	167,231	AA+
Federal Home Loan Mortgage Corporation-CMO	-	11,471	-	2,298	13,239	-	27,008	AA+
Federal National Mortgage Association Notes	58,283	-	-	34,387	91,970	11,514	196,154	AA+
US Treasury Notes	53,211	-	-	-	-	-	53,211	AA+
Short Term Investment Pool (STIP)								
Commercial Paper	324,959	-	-	-	-	-	324,959	A1
Corporate Notes	222,442	-	-	-	-	-	222,442	B
Certificates of Deposit	224,053	-	-	-	-	-	224,053	A3
U.S. Government Agency	315,121	-	-	-	-	-	315,121	A1
Other Asset Backed Investments	10,797	-	-	-	-	-	10,797	BBB-
Money Market Accounts (Unrated)	74,265	-	-	-	-	-	74,265	NR
Money Market Accounts (Rated)	12,049	-	-	-	-	-	12,049	A1
Structured Investment Vehicles (SIV)	18,859	-	-	-	-	-	18,859	NR
	1,202,545	-	-	-	-	-	1,202,545	
Money Market	66,358	-	-	-	-	-	66,358	NR
Equity Mutual Funds	391,881	-	-	-	-	-	391,881	NR
Certificates of Deposit	483,930	-	-	-	-	-	483,930	NR
Repurchase Agreements	154,579	-	-	-	-	-	154,579	A3
Total Component Unit	3,764,972	53,253	64,280	48,151	116,668	22,948	2,867,727	
Total	\$ 77,895,736	\$ 2,857,689	\$ 4,173,450	\$ 2,100,929	\$ 5,090,489	\$ 1,001,280	\$ 91,917,028	

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

As a means of limiting its exposure to interest rate risk (the risk that the fair value of investments could decrease in a rising interest rate environment), the County uses a laddering technique in which it purchases investments of varying maturities at varying times in order to keep the average maturity of the portfolio within the recommendations of the County's Investment Advisory Committee and the County's investment advisors. Additionally, the County's investment policy prohibits the County from having investments with maturities greater than five years.

As a means of limiting its exposure to credit risk (the risk that an issuer or other counter party to an investment will not fulfill its obligation), the County's investment policy restricts its investments to the following types:

- Direct obligations of the U. S. Government
- Securities issued and guaranteed by agencies of the United States
- Mutual funds that only invest in federal government obligations
- Securities issued by agencies of the United States
- Securities guaranteed by the United States or by an agency of the United States but not issued by agencies of the United States
- Repurchase Agreements
- State of Montana Short Term Investment Pool (STIP)

These investments have credit risk measured by major credit rating services (the ratings in the preceding table are from Standard & Poor's Corporation or Moody's Investment Services), except those obligations of the U.S. Government or obligations explicitly guaranteed by the U. S. Government which are considered to have no credit risk. All of the investments in the schedule are uninsured and unregistered with the pledging financial institution's trust department or agent holding the invested funds in the County's name, except for STIP because those securities are not used as evidence of the investments.

As a means of limiting its exposure to custodial credit risk (the risk that in the event of a financial institution failure, the County's investments would not be returned or the County will not be able to recover the value of its investments of collateral securities that are in possession of the outside party), County policy requires maintenance of a list of authorized institutions. These institutions have been selected through a formal procurement process that, in part, was made on the financial position of those institutions.

The State Short-Term Investment Pool (STIP) is an external investment pool administered by the State of Montana in a manner similar to money market funds under SEC Rule 2a7. Montana statutes (MCA Title 17, Chapter 6) and related administrative rules govern the operation of STIP, which is managed by the Montana Board of Investments. The reported share value of STIP (\$1) is equal to fair value of its underlying investments. Fair values are determined on a monthly basis for the pool. Additional information regarding STIP investments and related disclosures of credit, market and legal risks is available in STIP's June 30, 2012 financial statements at www.investmentmt.com. The County's investment in STIP amounts to 2.18% of total STIP assets.

The external investment pool managed by the County is 62.06% invested in STIP, with 29,572,719 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2012, STIP's average investment return was 0.3%.

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

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

Statement of Net Assets

Assets:	
Cash on hand	\$ 6,872
Cash in pooled bank deposits	527,026
Investments	
Repurchase agreements	6,744,658
Government securities	21,910,316
Money markets	2,891,733
STIP	52,469,943
Total assets	<u>84,550,548</u>
Net Assets:	
County funds	36,925,123
External participants	47,625,425
Total net assets	<u>\$ 84,550,548</u>

Statement of Changes in Net Assets

Additions:	
Interest Income	\$ 322,538
Participant Investments in Pool	490,952,005
Total Additions	<u>491,274,543</u>
Deductions:	
Distribution to Participants	<u>(489,261,328)</u>
Change in Net Assets	2,013,215
Net Assets	
Beginning of year	<u>82,537,333</u>
End of year	<u>\$ 84,550,548</u>

Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2012 consist of:

<u>HUD - Missoula Children's Theatre</u>	
0%, \$24,500 due annually June 2003 through June 2017	\$ 122,500
<u>Rocky Mountain Biologicals, Inc.</u>	
5%, \$4,813 due monthly from November 2005 through October 2014	107,548
<u>Opportunity Resources, Inc.</u>	
0%, \$167 due monthly from May 2006 through April 2015	7,667
<u>North Missoula Community Development Corporation</u>	
3%, varying amounts due annually through May 2014	18,980
<u>Western Montana Mental Health Center</u>	
5%, \$9,719 due annually through November 2015	36,739
<u>AquilaVision</u>	
7%, \$10,383 due monthly, all principal and interest due July 1, 2008 (net of allowance of \$78,700)	78,700
<u>Missoula Aging Services</u>	
Variable interest and varying amounts due annually through February 15, 2016	112,623
<u>Gleneagle</u>	
Contracts for sale of lots, 10% interest, varying amounts due annually with remainder due at varying dates through July 2005, collateralized by the underlying property	106,676
<u>Missoula Area Youth Hockey Association</u>	
Variable interest due annually, all principal and interest due January 1, 2016	61,000
<u>Mountain Water Company</u>	
Contracts for sale of water lines, 0% interest, varying amounts due annually with remainder due at varying dates through July 2049	847,482
<u>Pyramid Mountain Lumber</u>	
4%, due monthly in varying amounts from January 2013 through December 2020	370,000
<u>Pyramid Mountain Lumber</u>	
6%, \$1,564 due monthly from May 2008 thru February 2015	56,574

Note 3 - Loans and Notes Receivable (Continued)

<u>Seeley Lake Fire</u>	
4%, \$8,500 due semiannually from August 2009 through August 2024	85,464
<u>Pyramid Mountain Lumber</u>	
4%, \$914 due monthly from January 2013 through December 2020	75,000
<u>Pyramid Mountain Lumber</u>	
4%, \$2,121 due monthly from March 2002 through March 2017	222,775
<u>Cornerstone (Mission Mountain Helicopters)</u>	
6%, \$1,666 due monthly from April 2011 through March 2018	135,770
<u>Kelly Logging</u>	
4%, \$4,240 due monthly from July 2011 through June 2016	284,916
<u>Red Willow Learning Center</u>	
5%, \$580 due monthly from December 2011 through November 2016	26,717
<u>The Emergent Institute</u>	
5%, \$2,013 due monthly from July 2011 through June 2018 (net of allowance of \$62,675)	62,675
<u>Mountain Home Montana</u>	
5%, \$660 due monthly from March 2012 through July 2013 with balance due August 2013	99,021
	<hr/>
Loans & Notes Receivable	\$ 2,918,827
	<hr/>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows.

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,197,736	\$ -	\$ -	\$ 7,197,736
Construction in Progress	<u>24,367,914</u>	<u>4,834,244</u>	<u>(1,447,685)</u>	<u>27,754,473</u>
Total capital assets, not being depreciated	<u>31,565,650</u>	<u>4,834,244</u>	<u>(1,447,685)</u>	<u>34,952,209</u>
Capital assets, being depreciated:				
Buildings	39,471,372	857,234	-	40,328,606
Equipment	22,269,636	1,692,791	(1,072,812)	22,889,615
Infrastructure	<u>35,542,500</u>	<u>29,296</u>	<u>-</u>	<u>35,571,796</u>
Total capital assets, being depreciated	<u>97,283,508</u>	<u>2,579,321</u>	<u>(1,072,812)</u>	<u>98,790,017</u>
Less accumulated depreciation for:				
Buildings	13,673,010	1,036,558	-	14,709,568
Equipment	13,662,628	1,934,595	(1,052,191)	14,545,032
Infrastructure	<u>13,503,262</u>	<u>793,390</u>	<u>-</u>	<u>14,296,652</u>
Total accumulated depreciation	<u>40,838,900</u>	<u>3,764,543</u>	<u>(1,052,191)</u>	<u>43,551,252</u>
Total capital assets, being depreciated, net	<u>56,444,608</u>	<u>(1,185,222)</u>	<u>(20,621)</u>	<u>55,238,765</u>
Total capital assets	<u>\$ 88,010,258</u>	<u>\$ 3,649,022</u>	<u>\$ (1,468,306)</u>	<u>\$ 90,190,974</u>

The beginning balance of Primary Government construction in progress has been restated by a decrease of \$543,913 to eliminate capital outlay incorrectly classified as governmental construction in progress in a prior year.

Note 4 - Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,049,212	\$ -	\$ -	\$ 1,049,212
Construction in Progress	485,110	113,831	-	598,941
Total capital assets, not being depreciated	<u>1,534,322</u>	<u>113,831</u>	<u>-</u>	<u>1,648,153</u>
Capital assets, being depreciated:				
Buildings and improvements	1,630,988	-	-	1,630,988
Improvements other than buildings	4,519,690	-	-	4,519,690
Equipment, furniture and fixtures	1,130,038	68,412	(65,840)	1,132,610
Total capital assets, being depreciated	<u>7,280,716</u>	<u>68,412</u>	<u>(65,840)</u>	<u>7,283,288</u>
Less accumulated depreciation for:				
Buildings and improvements	767,283	44,455	-	811,738
Improvements other than buildings	2,458,066	77,519	-	2,535,585
Equipment, furniture and fixtures	873,682	95,834	(65,840)	903,676
Total capital assets, being depreciated	<u>4,099,031</u>	<u>217,808</u>	<u>(65,840)</u>	<u>4,250,999</u>
Total capital assets, being depreciated, net	<u>3,181,685</u>	<u>(149,396)</u>	<u>-</u>	<u>3,032,289</u>
Total capital assets	\$ <u>4,716,007</u>	\$ <u>(35,565)</u>	\$ <u>-</u>	\$ <u>4,680,442</u>

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

Governmental activities:	
General Government	\$ 454,552
Criminal Justice	9,166
Public Safety	1,484,887
Public Works	1,474,819
Public Health	122,061
Social and Economic Services	4,372
Culture and Recreation	214,687
Total depreciation expense - governmental activities	<u>\$ 3,764,544</u>
Business-type activities:	
Larchmont Golf Course	\$ 119,968
RSIDs	97,840
Total depreciation expense - business-type activities	<u>\$ 217,808</u>

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

Activity for the Missoula Aging Services for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 132,000	\$ -	\$ -	\$ 132,000
Capital assets, being depreciated:				
Buildings	1,895,522	-	-	1,895,522
Equipment	127,290	-	-	127,290
Total capital assets, being depreciated	2,022,812	-	-	2,022,812
Less accumulated depreciation	(530,653)	(79,745)	-	(610,398)
Total capital assets, being depreciated, net	1,492,159	(79,745)	-	1,412,414
Total capital assets	\$ 1,624,159	\$ (79,745)	\$ -	\$ 1,544,414

Activity for the Partnership Health Center for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings	\$ 6,768,138	\$ 1,124,970	\$ -	\$ 7,893,108
Machinery and equipment	1,358,892	147,613	(27,424)	1,479,081
Total capital assets, being depreciated	8,127,030	1,272,583	(27,424)	9,372,189
Less accumulated depreciation	(2,019,167)	(338,896)	27,424	(2,330,639)
Total capital assets, being depreciated, net	\$ 6,107,863	\$ 933,687	\$ -	\$ 7,041,550

Note 5 - Long-Term Liabilities

At June 30, 2012, unmatured principal on long-term debt consisted of the following:

General Obligation Bonds and Loans

\$3,325,000 General Obligation Bonds Series 2007 issued December 2007, 3.625% to 3.75%, due in varying amounts to July 2018	\$ 2,535,000
\$13,770,000 Refunding General Obligation Bonds Series 2005 issued August 2005, 2.85% to 4.0%, due in varying amounts to July 2018	8,150,000

Note 5 - Long-Term Liabilities (Continued)

\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	107,000
\$3,325,000 General Obligation Bonds Series 2010 issued September 2010, 2.0% to 3.125%, due in varying amounts to July 2028	3,310,000
Total general obligation bonds and loans	<u>14,102,000</u>

Limited Obligation Bonds and Notes

\$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	225,000
\$2,000,000 Partnership Health Center Limited Obligation Note, Series 2008 issued November 17, 2008, 4% to 5%, due in varying amounts to July 2028	1,780,000
\$995,000 Ice Rink Facility Bond, Series 2004 issued June 10, 2004, 3.75% to 5%, due in varying amounts to July 2024	740,000
\$800,000 Ice Rink Facility Bond, Series 2006 issued March 2006, 3.4% to 4.25%, due in varying amounts to July 2026	660,000
\$1,060,000 Larchmont Golf Course Limited Obligation Note, Series 2010 issued September 2, 2010, 2.0% to 4.0%, due in varying amounts to July 2030	1,010,000
Total limited obligation bonds and notes	<u>4,415,000</u>

Tax Increment Bonds

\$4,945,000 Series 2006 Industrial Tax Increment Bond, 3.6% to 4.0%, due in varying amounts through July 2018; repayment from the Missoula Development Authority - Industrial Tax Increment District	3,140,000
\$1,100,000 Series 2006 Industrial Tax Increment Bond, 5.6% to 6.4%, due in varying amounts through July 2018; repayment from the Missoula Development Authority - Technology Tax Increment District	955,000
Total limited obligation bonds and notes	<u>4,095,000</u>

Special Assessment Bonds and Loans

\$5,717,000 Rural Special Improvement Districts Bonds for various projects, 3.7% to 8%, due at varying dates through July 2027. County is contingently liable for payment of these bonds	4,580,000
--	-----------

Note 5 - Long-Term Liabilities (Continued)**Special Assessment Bonds and Loans (Continued)**

\$241,000 State Revolving Fund Loan for the Linda Vista Sewer project, issued June 1994, 4%, due in varying amounts to July 2014	21,000
\$1,943,000 State Revolving Fund Loan for the Linda Vista Sewer project, issued June 1994, 4%, due in varying amounts to July 2014	216,000
\$291,000 State Revolving Fund Loan for the Sunset West Water project, issued November 1998, 4%, due in varying amounts to July 2019	100,000
\$649,936 State Revolving Fund Loan for the Lolo Wastewater Improvements project, issued September 2002, 4%, due in varying amounts to July 2023	348,000
\$4,498,121 State Revolving Fund Loan for the Mullan Corridor Sewer project, issued July 2003, 3.75%, due in varying amounts to July 2024	2,039,000
\$169,000 State Revolving Fund Loan for the Elmar New Meadows portion of the Mullan Corridor Sewer project, issued April 2005, 2.75%, due in varying amounts to July 2015	51,000
\$281,199 State Revolving Fund Loan for the Country Crest portion of the Mullan Corridor Sewer project, issued April 2005, 3.75%, due in varying amounts to July 2020	93,000
\$359,300 State Revolving Fund Loan (ARRA-B) for the Wye Sewer project, issued December 2009, 1.75%, due in varying amounts to July 2029	335,000
\$3,735,000 State Revolving Fund Loan (ARRA-C) for the Wye Sewer project, issued December 2008, 3.75%, due in varying amounts to July 2029	2,590,692
\$3,410,125 State Revolving Fund Loan for the Wye Sewer project, issued August 2008, 3.75%, due in varying amounts to July 2029	3,218,000
\$142,000 State Revolving Fund Loan for the Lorraine South Water Improvements project, issued November 2008, 3.75%, due in varying amounts to July 2029	130,000
\$165,000 State Revolving Fund Loan for the Lewis & Clark Water project, issued September 2009, 0.75%, due in varying amounts to July 2029	145,000
Variable rate (1.95% at 6/30/11) loan payable for the Williams Addition Area Sewer project, due in varying amounts through August 2025; repayment from the RSID 8497	65,710
Total special assessment bonds and loans	<u>13,932,402</u>

Note 5 - Long-Term Liabilities (Continued)**Notes & Contracts Payable**

Variable rate (1.95% at 6/30/11) loan payable, due in varying amounts through August 2013; repayment from the Central Services fund	33,289
Variable rate (1.95% at 6/30/11) loan payable, due in varying amounts through August 2014; repayment from the Central Services fund	18,317
Variable rate (1.95% at 6/30/11) loan payable, due in varying amounts through August 2013; repayment from Road fund	336,351
Variable rate (1.95% at 6/30/11) loan payable, due in varying amounts through August 2014; repayment from Fair fund	43,744
Variable rate (1.95% at 6/30/11) loan payable, due in varying amounts through February 2016; repayment from Aging fund	112,623
Variable rate (1.95% at 6/30/11) loan payable, due in varying amounts through August 2013; repayment from the Historical Museum fund	373,204
Total notes and contracts payable	<u>917,528</u>
Subtotal	<u>37,461,930</u>

Liability for Accrued Leave and Post Employment Benefits (Primary Government)

Post employment benefits	377,751
Accrued vacation benefits	2,262,023
Accrued compensatory time benefits	358,957
Accrued holiday benefits	175,909
Accrued sick benefits	995,566
Fringe on accrued leave liability	<u>706,534</u>
Total accrued leave	<u>4,498,989</u>
Total Long-Term Liabilities	<u>\$ 42,338,670</u>

Note 5 - Long-Term Liabilities (Continued)

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2012, follows:

	<u>Beginning Balance</u>	<u>New Debt Issued/ Leave Accrued</u>	<u>Debt Retired/ Leave Used</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation	\$ 15,432,000	\$ -	\$ (1,330,000)	\$ 14,102,000	\$ 1,445,000
Limited Obligation Note	4,750,000	-	(335,000)	4,415,000	215,000
Tax Increment	4,515,000	-	(420,000)	4,095,000	435,000
Special Assessment Bonds Payable	4,914,000	-	(334,000)	4,580,000	255,000
Special Assessment Loans Payable	9,945,078	113,163	(705,839)	9,352,402	613,860
Contracts Payable	1,234,536	-	(317,008)	917,528	327,189
Post Employment Benefits	160,659	338,356	(121,264)	377,751	-
Liability for Sick and Vacation	<u>3,918,082</u>	<u>3,799,411</u>	<u>(3,218,504)</u>	<u>4,498,989</u>	<u>3,149,865</u>
Total Governmental Activities Long-Term Liabilities	\$ <u>44,869,355</u>	\$ <u>4,250,930</u>	\$ <u>(6,781,615)</u>	\$ <u>42,338,670</u>	\$ <u>6,440,914</u>

For governmental activities, the liability for sick and vacation and other post employment benefits are generally liquidated by the general fund and other governmental funds.

Note 5 - Long-Term Liabilities (Continued)

Annual debt service principal and interest payments required on bonds, notes, leases, contracts and loans payable at June 30, 2012, are as follows:

Governmental Activities								
Fiscal Year Ending June 30	Open Space 2007 Bond Principal	Open Space 2007 Bond Interest	Refunding Bond Principal	Refunding Bond Interest	Fair SRF Principal	Fair SRF Interest	Open Space 2010 Bond Principal	Open Space 2010 Bond Interest
2013	\$ 320,000	\$ 86,706	\$ 1,040,000	\$ 289,819	\$ 10,000	\$ 4,180	\$ 75,000	\$ 92,044
2014	330,000	74,519	1,075,000	252,134	12,000	3,760	175,000	89,544
2015	350,000	61,987	1,115,000	211,744	12,000	3,280	45,000	87,344
2016	360,000	49,119	1,155,000	169,181	12,000	2,900	50,000	86,394
2017	375,000	35,797	1,205,000	124,178	12,000	2,320	50,000	85,394
2018-2022	800,000	29,181	2,560,000	102,616	49,000	3,920	830,000	380,731
2023-2027	-	-	-	-	-	-	1,420,000	211,613
2028-2031	-	-	-	-	-	-	665,000	21,016
	<u>2,535,000</u>	<u>\$ 337,309</u>	<u>8,150,000</u>	<u>\$ 1,149,672</u>	<u>107,000</u>	<u>\$ 20,360</u>	<u>3,310,000</u>	<u>\$ 1,054,080</u>
Less current portion	<u>(320,000)</u>		<u>(1,040,000)</u>		<u>(10,000)</u>		<u>(75,000)</u>	
	<u>\$ 2,215,000</u>		<u>\$ 7,110,000</u>		<u>\$ 97,000</u>		<u>\$ 3,235,000</u>	

Governmental Activities (Continued)								
Fiscal Year Ending June 30	General Obligation Total Principal	General Obligation Total Interest	PHC Ltd Oblig Principal	PHC Ltd Oblig Interest	2008 PHC Ltd Oblig Principal	2008 PHC Ltd Oblig Interest	Ice Rink 2004 Principal	Ice Rink 2004 Interest
2013	\$ 1,445,000	\$ 472,749	\$ 25,000	\$ 11,435	\$ 70,000	\$ 83,143	\$ 45,000	\$ 33,785
2014	1,592,000	419,957	30,000	9,997	75,000	80,343	45,000	31,940
2015	1,522,000	364,355	30,000	8,415	80,000	77,343	45,000	30,028
2016	1,577,000	307,594	30,000	6,818	80,000	74,143	50,000	27,947
2017	1,642,000	247,689	35,000	5,070	85,000	70,903	50,000	25,698
2018-2022	4,239,000	516,448	75,000	4,263	490,000	292,823	295,000	89,285
2023-2027	1,420,000	211,613	-	-	610,000	166,400	210,000	16,250
2028-2031	665,000	21,016	-	-	290,000	22,000	-	-
	<u>14,102,000</u>	<u>\$ 2,561,421</u>	<u>225,000</u>	<u>\$ 45,998</u>	<u>1,780,000</u>	<u>\$ 867,098</u>	<u>740,000</u>	<u>\$ 254,933</u>
Less current portion	<u>(1,445,000)</u>		<u>(25,000)</u>		<u>(70,000)</u>		<u>(45,000)</u>	
	<u>\$ 12,657,000</u>		<u>\$ 200,000</u>		<u>\$ 1,710,000</u>		<u>\$ 695,000</u>	

Note 5 - Long-Term Liabilities (Continued)

Governmental Activities (Continued)

Fiscal Year Ending June 30	Ice Rink 2006 Principal	Ice Rink 2006 Interest	Larchmont Ltd Oblig Principal	Larchmont Ltd Oblig Interest	Industrial Increment Principal	Industrial Increment Interest	Technology Increment Principal	Technology Increment Interest
2013	\$ 35,000	\$ 26,415	\$ 40,000	\$ 32,213	\$ 395,000	\$ 117,700	\$ 40,000	\$ 57,419
2014	35,000	25,050	40,000	31,413	410,000	101,600	45,000	54,972
2015	35,000	23,685	45,000	30,563	435,000	84,700	45,000	52,328
2016	35,000	22,320	45,000	29,663	450,000	67,000	50,000	49,537
2017	40,000	20,858	45,000	28,763	465,000	48,700	50,000	46,600
2018-2022	215,000	78,965	240,000	127,094	985,000	39,700	305,000	182,022
2023-2027	265,000	28,794	285,000	82,550	-	-	420,000	70,031
2028-2031	-	-	270,000	22,000	-	-	-	-
	<u>660,000</u>	<u>\$ 226,087</u>	<u>1,010,000</u>	<u>\$ 384,259</u>	<u>3,140,000</u>	<u>\$ 459,400</u>	<u>955,000</u>	<u>\$ 512,909</u>
Less current portion	<u>(35,000)</u>		<u>(40,000)</u>		<u>(395,000)</u>		<u>(40,000)</u>	
	<u>\$ 625,000</u>		<u>\$ 970,000</u>		<u>\$ 2,745,000</u>		<u>\$ 915,000</u>	

Governmental Activities (Continued)

Fiscal Year Ending June 30	Special Assess Bonds Principal	Special Assess Bonds Interest	Special Assess Loans Principal	Special Assess Loans Interest	Notes & Contracts Principal	Notes & Contracts Interest	Total Governmental Principal	Total Governmental Interest
2013	\$ 255,000	\$ 208,716	\$ 613,860	\$ 334,253	\$ 327,189	\$ 12,875	\$ 3,291,049	\$ 1,390,703
2014	270,000	197,824	595,552	311,998	203,598	8,450	3,341,150	1,273,544
2015	270,000	186,258	565,860	289,917	65,561	5,554	3,138,421	1,153,146
2016	280,000	174,147	526,860	270,083	57,712	4,361	3,181,572	1,033,613
2017	250,000	162,804	538,860	250,896	28,790	3,293	3,229,650	911,274
2018-2022	1,330,000	652,056	2,920,300	945,532	152,640	10,925	11,246,940	2,939,113
2023-2027	1,310,000	344,496	2,421,110	428,986	82,038	1,856	7,023,148	1,350,976
2028-2031	615,000	49,556	1,170,000	61,053	-	-	3,010,000	175,625
	<u>4,580,000</u>	<u>\$ 1,975,857</u>	<u>9,352,402</u>	<u>\$ 2,892,718</u>	<u>917,528</u>	<u>\$ 47,314</u>	<u>37,461,930</u>	<u>\$ 10,227,994</u>
Less current portion	<u>(255,000)</u>		<u>(613,860)</u>		<u>(327,189)</u>		<u>(3,291,049)</u>	
	<u>\$ 4,325,000</u>		<u>\$ 8,738,542</u>		<u>\$ 590,339</u>		<u>\$ 34,170,881</u>	

Note 5 - Long-Term Liabilities (Continued)

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, 2012, the County was in compliance with all significant indenture provisions.

During 1992, the County created an industrial tax increment district under the provision of state statutes (MCA 7-15-4297-99). The district, known as the Missoula County Airport Industrial District, was created to develop an industrial park in the area of the proposed site of an interstate highway interchange near the Airport. The County is selling parcels in the industrial park to commercial enterprises wishing to establish facilities in the area. In addition, a portion of the property may be used in the future for the development of an inland port facility. In December 2005, the County recharacterized a portion of the industrial district into a technology increment district that was authorized by the 2005 Legislature.

General Obligation Bond Issues - 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 bond anticipation notes plus accrued interest of \$50,567. In August, 2005, the County issued the Series 2005 General Obligation Refunding Bonds in order to capture savings from low interest rates. Proceeds of the note were used to defease the Series 1998 Detention Center Bonds, resulting in a net present value benefit of \$455,615 and an aggregate debt service saving of \$3,072,229. In both December 2007 and September 2010 the County issued \$3,325,000 of general obligation bonds to support the acquisition of lands to be designated as "Open Space" in perpetuity.

Variable-Rate Debt - Several notes and contracts payable have variable interest rates. The majority of these notes are issued by the State Intercap Revolving Program. Interest rates are determined annually by the State Board of Investments, depending on program experience.

Tax Increment Bond Issue and Defeasance of Prior Issue - In September 1997, the County issued \$2,465,000 in Series 1997 tax increment bonds. The net proceeds of \$2,390,865 were used to defease the outstanding 1996 tax increment bonds (\$279,365), to pay the County's share of the I-90 airport interchange (\$1,292,000), to finance infrastructure projects in the airport industrial park (\$608,000), and to establish a debt service reserve of \$211,500. The economic gain on the refunding portion was immaterial. In August 2006, the County issued \$4,945,000 in Series 2006 tax increment bonds. The net proceeds of \$4,798,061 were used to defease the outstanding 1997 tax increment bonds (\$1,641,286) and \$3,156,775 to complete the infrastructure in the industrial increment portion of the Missoula County Development Park. The net present value benefit of the refunding portion was \$15,237. The aggregate debt service savings on the refunding totaled \$43,963.

In December 2006, the County issued \$1,100,000 in taxable Series 2006 tax increment bonds. The net proceeds of \$1,000,716 were used to acquire the site improvements of the anchor project in the technology district (\$900,000) and establish a debt service reserve (\$100,716).

Although tax increment revenues in the industrial district and the technology district are projected to be adequate to service the debt on the tax increment bonds, the County has covenanted to levy annually as much of the 2 mill Port Authority levy as necessary to meet debt service obligations.

Limited Obligation Bonds - In July 2001, the County issued \$1,000,000 in Series 2001 General Fund Bonds. The net proceeds of \$987,000 were transferred to the Risk Management fund to increase self insurance reserves. These bonds will be repaid from General Fund levy authority. In June 2004, the County issued \$995,000 in Series 2004 Limited Obligation General Fund Bonds. The net proceeds of \$981,113 were recorded in the Fair Ice Rink Capital Projects fund. These bonds will be repaid from revenues generated from leasing the Ice Rink facility.

In October 2008, the County issued \$2,000,000 in Series 2008 Limited Obligation Bonds. The net proceeds of \$1,975,273 were used to finance a portion of the purchase of a new building for the Partnership Health Center. Debt service payments will be made by the Partnership Health Center.

Note 5 - Long-Term Liabilities (Continued)

In September 2010, the County issued \$1,060,000 in Series 2010 Limited Obligation Bonds. The net proceeds of \$1,084,563 were used to finance the replacement of the irrigation system at Larchmont Golf Course. Debt service payments will be made by Larchmont Golf Course.

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.

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, 2011, there were seven 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 \$25,262,500.

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, 2012 was \$51,447.

In December 2006, the County entered into a transaction for the purchase of a facility from and a lease to DIRECTV Customer Services, Inc. The DIRECTV purchase was financed through a 4.8% \$10,640,000 infrastructure loan from the Montana Board of Investments (MBOI). Repayment terms of the loan are equal to the monthly lease payments of \$60,714, which are fully assigned to MBOI under the loan agreement, and in the event of default, MBOI may obtain title to the property. Accordingly, the loan is nonrecourse to the County. The lease has an initial term of ten years ending December 2016, with three five-year renewal options. At the end of the initial lease term, DIRECTV has the option to purchase the property for \$7,808,108. Title to the property transfers to DIRECTV at the end of the lease term concurrent with full repayment of the MBOI loan. Because the County acts solely as an intermediary to collect payments from DIRECTV and remit them to MBOI for payments on the loan, the transaction is tantamount to a conduit debt obligation, and no liability is recorded on the County's financial statements.

In May 2010, the County issued an additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. That issue was for the purchase of 50% interest in property on Radio Way as well as renovation and purchase of equipment by Radio Way LLC. The original amount was \$631,000. The amount payable at June 30, 2012 was \$582,549.

In August 2010, the County issued an additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. That issue was for the construction of office space for 2 businesses by Dodge Holdings LLC. The original amount was \$450,000. The amount payable at June 30, 2012 was \$422,426.

In December 2010, the County issued an additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. That issue was for the purchase of furniture, fixtures, and equipment for Garlington, Lohn & Robinson, PLLP. The original amount was \$1,100,000. The amount payable at June 30, 2012 was \$990,560.

In December 2010, the County issued five additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. Those issues were for the purchase and renovation of several condominiums and construction of a pediatric dentistry office in the Missoula area by K and T Associates, LLC. The original aggregate amount borrowed was \$3,800,530. The amount payable at June 30, 2012 was \$3,677,206.

Note 5 - Long-Term Liabilities (Continued)

In December 2010, the County approved refinancing of one of the original series of Industrial Revenue Bonds issued prior to July 1, 1995. The Rocky Mountain Elk Foundation refinanced the debt to take advantage of lower interest rates. The amount payable at June 30, 2012 was \$3,186,505.

Legal Debt Margin - The County's legal debt limitation is 2.5% of total assessed value of taxable property. As of June 30, 2012 the debt margin was \$187,368,365.

Note 6 - Commitments and Contingencies

Commitments - At June 30, 2012, the County was committed to spend approximately \$7,514,000 on various contracts for rural special improvement district facilities (principally streets, curbs and gutters), county roads, bridges, social services, and other construction 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, 2011, taxes remaining under protest totaled \$4,251,500.

Rural Special Improvement Districts (RSIDs) - As of June 30, 2012, delinquent assessments on RSIDs were \$340,920. 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 before the end of the RSID bond terms.

Leases - At June 30, 2012, future minimum annual rental expenditures and rental revenue on noncancellable operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Minimum Annual Rental Expenditures/Expenses</u>	<u>Minimum Annual Rental Revenues</u>
2013	\$ 474,555	\$ 150,106
2014	441,361	147,652
2015	440,413	136,114
2016	338,063	135,268
2017	336,656	136,554
Later	<u>1,946,186</u>	<u>1,198,294</u>
Total	\$ <u>3,977,234</u>	\$ <u>1,903,988</u>

Operating lease expenditures for 2012 were \$515,648.

During fiscal year 2004 an operating lease was entered into between Missoula County and the Missoula Area Youth Hockey Association for the use of facilities at the fairgrounds. Yearly minimum rental payments are equal to the bond debt service requirements for bonds issued for construction of ice rink facilities. In addition, the Hockey Association will pay the greater of \$17 per hour or 17% of the hourly ice fee charged by the Association for time exceeding 2,000 hours.

Note 6 - Commitments and Contingencies (Continued)

As part of the transaction with DIRECTV described in Note 5, the County has entered into a lease for the DIRECTV site. This land lease requires no payments during the initial ten-year lease term, and then provides for three five-year renewal options with monthly rents of approximately \$10,900. DIRECTV has the option to purchase the land at any time during the lease term for the fair value of the property at the initial date of the lease of \$1,317,128. Because the purchase option is not considered a bargain purchase, the land lease is treated as an operating lease.

The County has guaranteed a loan for the Montana Technology Enterprise Center in the amount of approximately \$878,000. The County's guarantee is collateralized by the building the Center is housed in.

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 and amounts reserved are sufficient to cover any losses. Accordingly, no provision has been made in the financial statements for these contingent liabilities.

Note 7 - Risk Management

The County is exposed to various risks of loss related to torts, damage or loss of assets, errors and omissions, injuries to employees, employee medical claims and natural disasters. The County has established four internal service funds to account for and finance its uninsured risks of loss. In the past three years, there have been no settlements that have exceeded self-insurance or re-insurance coverage. Brief descriptions of these funds' self-insurance activities follow:

Risk Management - The Risk Management fund relates to general liability coverage for the County. The County has self-insured several major types of risks, including general liability, various aspects of law enforcement and public officials' liability. There have been claims of \$1,103,259 asserted for risks which are self-insured as of year end.

Excess Loss - The Excess Loss fund is a self-insurance plan that acts as a layer of re-insurance for the County's other self-insurance. The Plan is designed to provide lower insurance costs to the County by giving the other plans the ability to raise deductibles from commercial carriers.

Health Insurance -

Description of the Plan - The County has a self-insured health plan which provides medical, dental, optical, disability and life insurance benefits for all permanent employees electing to be covered. The County also allows other local government and nonprofit entities and their employees to participate in the plan, but the County is the dominant employer. The plan is accounted for as an internal service fund with respect to current employee benefits, while retiree benefits are accounted for in an agency fund. The plan was established in 1980 by resolution of the Board of County Commissioners.

Plan Contributions - County and employee monthly contribution rates depend on whether the employee is full or part time and type of coverage. County contributions for medical benefits are based on expected claims using a five-year history of claims paid. County contributions for long-term disability coverage are calculated as 0.2% of covered payroll. County contributions range from \$534 to \$915 depending on the type of coverage. Employee contributions were up to \$498 for full time employees; contribution rates for part-time employees vary depending on the type of coverage. Continued medical, dental and vision coverage is available for County retirees and qualified terminated employees for monthly employee contributions from \$394 to \$1,409, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2012 were \$4,970,025 (representing 15.9% of covered payroll), current employee contributions were \$1,409,350 and retiree contributions were \$537,639. Contributions from the ten other agencies participating in the plan were \$1,774,014.

Note 7 - Risk Management (Continued)

Covered Participants - As of June 30, 2012, the Plan covered the following participants:

	Missoula County	Other Employers
Current employees and their beneficiaries	1,078	376
Retirees and their beneficiaries	129	18
	<u>1,207</u>	<u>394</u>

Postemployment Benefits - Terminated employees may remain on the County's health insurance plan for up to 18 months if they pay the monthly premiums. This benefit is required under the federal C.O.B.R.A. law. Retirees may also remain on the County's health insurance plan as long as they wish, provided they pay the monthly premiums. State law requires the County to provide this benefit. There are no other post-employment benefits provided by the County.

The County has adopted the provisions of GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans other than the Pension Plans" to the extent applicable. Under GASB 43, the County's health insurance plan is not administered as a qualifying trust; accordingly, retiree premiums, benefits and net assets are segregated into an agency fund, and as required by GASB Statement No. 10, the internal service fund reflects only the activities related to current employees of the County and other participating employers.

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 120 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 \$1.00 to \$11.60 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2012 were \$1,012,313. Asserted workers' compensation claims at June 30, 2012 totaled \$798,829.

The Authority establishes claims liabilities based on estimates of the cost of claims that have been reported but not settled, and claims that have been incurred but not reported. The estimated ultimate cost of settling the reported and unreported claims, and claims reserve development including the effects of inflation and other social and economic factors. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Estimated claims liabilities are recomputed periodically based on current reviews of claims information, experience with similar claims and other factors. Adjustments to estimated claims liabilities are recorded as an increase or decrease in claims expense in the period the adjustments are made.

Note 7 - Risk Management (Continued)

Changes in the funds' claims liability for 2011 and 2012 are as follows:

	Risk Management	Health Insurance	Workers' Compensation
Estimated Claims Liability, June 30, 2010	\$ 665,783	\$ 502,868	\$ 2,565,848
Incurring for Claims and Claims Adjustment Expenses:			
Provisions for claims incurred in Fiscal Year 2011	467,095	6,670,333	804,944
Increase (decrease) in provisions for claims incurred in prior years	246,473	(16,519)	(233,680)
Total incurred claims and claims adjustment expenses	713,568	6,653,814	571,264
Payments:			
Claims and claims adjustments paid in Fiscal Year 2011	157,115	6,200,105	209,271
Claims and claims adjustments paid for prior years	216,003	487,286	333,590
Total payments, Fiscal Year 2011	373,118	6,687,391	542,861
Estimated Claims liability, June 30, 2011	1,006,233	469,291	2,594,251
Incurring for Claims and Claims Adjustment Expenses:			
Provisions for claims of the current year	272,947	7,769,442	986,077
Increase (decrease) in provisions for claims incurred in prior years	189,956	3,223	203,656
Total incurred claims and claims adjustment expenses	462,903	7,772,665	1,189,733
Payments:			
Claims and claims adjustments paid in Fiscal Year 2012	101,243	6,844,581	148,571
Claims and claims adjustments paid for prior years	264,634	438,384	759,584
Total payments	365,877	7,282,965	908,155
Estimated Claims liability, June 30, 2012	\$ 1,103,259	\$ 958,991	\$ 2,875,829

Note 8 - Retirement Plans

The County participates in three state-administered cost-sharing multiple-employer defined benefit pension plans. The plans provide retirement, death and disability benefits to plan members and beneficiaries. Sheriff employees are covered by the Montana Sheriffs' Retirement System (MSRS), the county superintendent of schools is covered by the Montana Teachers' Retirement System (MTRS), and substantially all other County employees are covered by the Montana Public Employees' Retirement System (MPERS). The state statutes which assign the authority to establish and amend plan benefits, and the administrative bodies given this authority are as follows:

Note 8 - Retirement Plans (Continued)

<u>Plan</u>	<u>Statute</u>	<u>Administering Body</u>
MSRS	Title 19 Chapter 7	Public Employees' Retirement Division
MTRS	Title 19 Chapter 20	Teachers' Retirement Board
MPERS	Title 19 Chapters 2-3	Public Employees' Retirement Division

The plans issue publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained by writing or calling the respective plans' offices as follows:

Sheriffs' Retirement System and
Public Employees' Retirement System

1712 Ninth Avenue
Helena, Montana 59620-0131
(406) 444-3154

Teachers' Retirement System

1500 Sixth Avenue
Helena, Montana 59620-0139
(406) 444-3134

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, 2012, expressed as a percent of covered payroll, are as follows:

	<u>Employees</u>	<u>County</u>	<u>State</u>
MSRS	9.245%	9.825%	-
MTRS	7.150%	7.470%	0.110%
MPERS	6.900%	7.070%	0.100%

County employees hired after July 1, 2011 who participate in MPERS are required to contribute at a rate of 7.9%.

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>
2012	\$ 650,180	\$ 4,899	\$ 1,910,436
2011	610,963	5,204	1,792,170
2010	781,248	5,507	1,719,007

On behalf payments made by the State of Montana totaled \$72 and \$27,022 for MTRS and MPERS respectively. These payments totaling \$27,094 are recognized as intergovernmental revenue and general government expenditures in the County's General Fund.

The above funding policies provide for periodic employer and employee contributions at rates specified by State law. Each system functions uniquely as described as follows:

Note 8 - Retirement Plans (Continued)

Public Employees' Retirement System (PERS)

This mandatory system established in 1945 provides retirement services to substantially all public employees. Benefit eligibility is age 60 with at least 5 years of service; age 65 and in active service; or 30 years of service regardless of age. Monthly benefits for retirement with at least 25 years of service are determined by taking 2% times the number of years of service credit times the highest average compensation. Actuarially reduced benefits may be taken at any age with 25 years of service or at age 50 with at least 5 years of service. Members' rights become vested after 5 years of service.

Teachers' Retirement System (TRS)

This mandatory system established in 1937 and governed by Title 19, Chapter 4 of the Montana Code Annotated, as a cost-sharing multi-employer defined benefit pension plan that provides retirement services to all persons employed as teachers or professional staff of any public elementary or secondary school, vocation-technical center or unit of the university system. Eligibility is met with a minimum of 25 years of service or age 60 with at least 5 years of creditable service. The formula for accrual benefits is 1/60 times creditable service times the average final compensation. Rights are vested after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits.

Sheriffs' Retirement System (SRS)

The Sheriffs' Retirement System is a public pension plan for all Montana sheriffs and deputies hired after July 1, 1974, Department of Justice investigators hired after July 1, 1993 and detention officers hired after July 1, 2005. In 1974, the Legislature created the SRS to grant a retirement, disability, or death benefit to plan members and their beneficiaries. Eligibility for service retirement benefits is met upon completing 20 years of membership service at any age. Monthly retirement benefits are calculated by taking 2.5% times years of service credit times highest average compensation. Early retirement, with reduced benefits, may be taken at age 50 with at least 5 years of membership service.

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, 2012 was \$6,014,442.

Effective July 1, 1998, the County amended its deferred compensation plan to conform with section 457(g) of the Internal Revenue Code. Trusts were established to hold deferred compensation plan assets for the exclusive benefit of participants and their beneficiaries. The trusts are administered by Valic and Equitable, and the County's duty with respect to the plan is limited to withholding deferred compensation amounts from employees and remitting them to Valic and Equitable. Because the County's involvement with the plan is limited to ministerial functions, the plan is not included in the County reporting entity because it does not meet the definition of a fiduciary fund under generally accepted accounting principles.

Note 9 - Other Post-employment Benefits

The County adopted the provisions of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension Plans," in fiscal year 2009. GASB 45 requires employers to calculate the actuarial liability for future retiree benefits and the annual required contribution (ARC) for retirees. The provisions of this statement were applied prospectively. Information for the County's health benefits plan for retirees is included below. Partnership Health Center also participates in the plan as part of Missoula County.

The County is self insured through their participation in the "Missoula County Employee Benefits Plan." Missoula County and nine additional entities participate in the plan. The plan is administered by Missoula County as an agent multiple-employer plan as required by GASB No. 43. The plan is reported as an agency fund of the County and uses the accrual basis of accounting. To qualify for retiree medical benefits the employee must have attained the age of 60 plus five years of service or attained age 65 or completed 30 years of service. An employee may qualify for early retirement by meeting one of the following criteria: attained the age of 50 plus 5 years of service or completed 25 years of service. These benefits are established and may be amended by Missoula County. The plan issues stand-alone financial statements which can be obtained from Missoula County Risk & Benefits, 200 West Broadway, Missoula, MT 59802. Each employer in the plan is required to disclose additional information with regard to funding policy, the employers annual OPEB cost and contributions made, the funded status and funding progress of the employers individual plan, and actuarial methods and assumptions used. This information for Missoula County is presented below.

Retirees are able to purchase health benefits for themselves and their family members at two different rates: the "Medical Standard Plan" and the "Medical High Deductible Plan." The retiree contributions are determined and can be amended by Missoula County and are based on their plan election and level of dependent coverage. The premiums effective July 1, 2011 are shown below.

Retiree Contributions as of July 1, 2011:

Level of Coverage	Single	Employee/ Spouse	Employee/ Child	Family
Medical Standard Plan	\$ 491.00	\$ 921.00	\$ 823.00	\$ 1,253.00
Medical High Deductible Plan	343.70	644.70	576.10	877.10
Dental	39.00	70.00	96.00	127.00
Vision	10.55	19.90	19.43	28.77

The retiree pays into the plan what the County and an active employee would pay on a monthly basis. The plan is financed on a pay-as-you-go basis with County and outside agency contributions made to cover claims and administrative costs as needed.

Based on an actuarial study prepared as of June 30, 2012, the County's annual other post-employment benefit cost was \$357,824 for the fiscal year ended June 30, 2012. This cost consisted of the annual required contribution of \$315,255, interest on the net OPEB obligation of \$9,435, an adjustment to the ARC of \$13,793, and an adjustment to the OPEB obligation of \$46,927. There were contributions of \$137,432 made in 2012, which was 38% of the annual cost.

Note 9 - Other Post-employment Benefits (Continued)

	Fiscal Year Ending		
	June 30, 2012	June 30, 2011	June 30, 2010
Beginning OPEB Obligation	\$ 202,667	\$ 213,770	\$ -
Annual OPEB Cost	357,824	159,849	350,448
Annual OPEB Contributions	<u>(137,432)</u>	<u>(170,952)</u>	<u>(136,678)</u>
Ending OPEB Obligation	<u>423,059</u>	<u>202,667</u>	<u>213,770</u>
Percentage of cost contributed	38%	107%	39%

As of June 30, 2012, the most recent actuarial valuation date, the plan had an unfunded accrued actuarial liability of \$3,249,985. This liability is not funded under GASB Statement No. 45 since there are no assets allocated to an irrevocable trust for the retiree benefit plan. Therefore, the funded status of the plan is 0%. The annual covered payroll was \$31,180,200 for 2012; the unfunded actuarial liability was 10.4% of covered payroll. The annual other post-employment benefit cost, annual OPEB contributions, net other post-employment benefit obligation, and the unfunded actuarial liability is allocated to the applicable component units as follows:

	Governmental	Component Unit	
	Activities	Partnership Health Center	Total
Annual Required Contribution (ARC)	\$ 278,166	\$ 37,089	\$ 315,255
Interest on OPEB Obligation	8,410	1,025	9,435
Adjustment to the ARC	(12,294)	(1,499)	(13,793)
Adjustment to OPEB Obligation	<u>64,074</u>	<u>(17,147)</u>	<u>46,927</u>
Annual OPEB Cost	338,356	19,468	357,824
Annual OPEB Contributions	<u>(121,264)</u>	<u>(16,168)</u>	<u>(137,432)</u>
Increase to Net OPEB Obligation	217,092	3,300	220,392
Net OPEB Obligation	377,751	45,308	423,059
Unfunded Actuarial Liability	2,867,634	382,351	3,249,985

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to the past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits for the plan are based on types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial calculations reflect a long-term prospective and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities. For the actuarial valuation performed at June 30, 2012 the projected unit credit actuarial cost method was used. The health care trend rate, which includes an inflation rate, was 12% for 2012 decreasing to 5% for 2016 and after. The assumed discount rate was 3.78%. The unfunded actuarial liability was amortized on a level-dollar basis over a open period of 30 years.

Note 10 - Governmental Fund Balances

At June 30, 2012, the County had a total fund balance in governmental funds of \$34,079,198. In accordance with GASB Statement No. 54, this fund balance has been classified as follows:

General Fund	<u>Balance</u>	<u>Description</u>
Nonspendable	\$ 61,571	Inventories
Restricted	72,423	Estate funds held by County Attorney office
Unassigned	2,244,801	Remainder
Public Safety		
Restricted	2,775,471	State and Federal law
Committed	1,277,830	Commissary
RSID Debt Service		
Restricted	914,674	Debt service
RSID Capital Projects		
Restricted	1,073,510	Special improvement district projects
Nonmajor Governmental Funds		
Nonspendable	1,030,056	Inventories
Restricted	11,197,907	Federal, State, and other grant and legal commitments
Committed	7,762,370	Commissioner resolution for specific programs and projects
Assigned	6,147,357	Intent established in budgeting process or by express assignment
Unassigned	(478,772)	Negative fund balance is Unassigned per GASB Statement No. 54 definitions

Note 11 - Deficit Fund Balances and Excess of Expenditures over Appropriations

Deficit fund balances - At June 30, 2012, the following funds had a deficit fund balance resulting from expenditures/expenses in excess of revenues during 2012 and prior years:

Nonmajor Governmental Funds	
Special Revenue Funds	
Library	\$ 117,363
Building Code Division	25,297
Search & Rescue	1,150
Disaster Emergency Levy	1,393
Community Based Organizations	39,008
Debt Service Funds	
Fair Ice Rink Series 2004	99,750
Fair Ice Rink Series 2006	42,401
Open Space Bonds	43,074
Capital Projects Funds	
Milltown Development Projects	63
Grant Creek Project	88,877
Fair Ice Rink Project	20,693

The Library, Search and Rescue, and Community Based Organizations deficits will be eliminated through delinquent tax collections over the next few years. The deficits in the Building Code Division, Fair Ice Rink Debt Service, Open Space Debt Service, Milltown Development Projects, and Grant Creek Project funds are expected to be eliminated through future income. The deficit in the Disaster Emergency Levy will be eliminated with a transfer from the General Fund. The deficit in the Fair Ice Rink Project will be eliminated through collections on a note receivable.

Expenditures in excess of appropriations - The following funds had an excess of actual expenditures/expenses over budget, at the level of budgetary control, for the year ended June 30, 2012:

Governmental Activities	
Major Funds	
General Fund	
Commissioners	
Personnel	\$ 31,309

Note 11 - Deficit Fund Balances and Excess of Expenditures over Appropriations (Continued)

Justice Court 1	
Personnel	19,106
Operations	1,709
County Attorney	
Transfers Out	255
Financial Services	
Personnel	3,295
Transfers Out	100
Clerk & Recorder/Treasurer	
Personnel	1,191
Transfers Out	893
Records Management	
Personnel	24,691
Facilities Management	
Personnel	12,689
9-1-1 Communications	
Transfers Out	952
Human Resources	
Personnel	17,405
Central Services	
Capital Outlay	98,063
Superintendent of School	
Personnel	887
Transfers Out	74
Non-Departmental	
Operations	57,640
Public Safety	
Personnel	11,149
Operations	668,092
Capital Outlay	10,089
Transfers Out	63,905

Note 11 - Deficit Fund Balances and Excess of Expenditures over Appropriations (Continued)

Nonmajor Governmental Funds	
Special Revenue Funds	
Road	
Transfers Out	18,480
Poor	
Transfers Out	55,163
Bridge	
Transfers Out	364,520
Fair	
Operations	188,142
District Court	
Operations	67
Weed Grant	
Transfers Out	102,255
Library	
Operations	72,676
Planning	
Transfers Out	103
Rural Initiatives	
Transfers Out	1,150
Health	
Capital Outlay	837
Transfers Out	25,901
Water Quality District	
Transfers Out	2,000
Animal Control	
Operations	2,768
Capital Outlay	699
Transfers Out	931

Note 11 - Deficit Fund Balances and Excess of Expenditures over Appropriations (Continued)

Missoula Development Authority	
Operations	15,591
Debt Service Principal	15,000
Drug Forfeiture	
Personnel	10,220
Operations	99
Transfers Out	949
Museum	
Capital Outlay	500
Search & Rescue	
Transfers Out	100,681
RSID Administration	
Operations	23,175
Community Based Organizations	
Operations	8,716
Seeley Lake Refuse	
Personnel	799
Capital Outlay	17,486
Transfers Out	1,220
Debt Service Funds	
Jail Bonds	
Debt Service Interest	300
Capital Projects Funds	
Technology	
Transfers Out	19,568
Public Safety Building	
Capital Outlay	454,116
Open Space	
Operations	13,858

Note 11 - Deficit Fund Balances and Excess of Expenditures over Appropriations (Continued)

Business-type Activities	
Internal Service Funds	
Risk Management	
Operations	134,584
Other Benefits Programs	
Operations	54,535
Information Services Operations	
Personnel	6,464
Telephone Services	
Capital Outlay	111,814

Personnel over-expenditures in Commissioners, Justice Court 1, Financial Services, Clerk & Recorder/Treasurer, Records Management, Facilities Management, Human Resources, Superintendent of Schools, Public Safety, Drug Forfeiture, and Seeley Lake Refuse were due to more hours worked than budgeted combined with retirement of long-time personnel.

Transfers out over-expenditures in County Attorney, Financial Services, Clerk & Recorder/Treasurer, 9-1-1 Communications, Superintendent of Schools, Public Safety, Road, Poor, Planning, Rural Initiatives, Health, Water Quality District, Animal Control, Drug Forfeiture, and Seeley Lake Refuse were due to equipment purchase reimbursements to the Technology fund that should have been budgeted as transfers. Over-expenditures in Weed Grant Transfers were due to the funds being budgeted in Operations. Over-expenditure in Poor Fund transfers were due to budgeting of transfers to the Health department as expenditures. Transfer over-expenditures in Bridge and Search & Rescue were for the establishment of reserve funds approved by the Commissioners. Over-expenditure of Technology transfers was due more expenditures in the Information Services Operations internal service fund than budgeted.

Over-expenditure in Public Safety Operations was due to no budgeting of commissary expenditures in 2012.

Operations over-expenditures in Risk Management and Other Benefits Programs were due to higher than anticipated claims.

Over-expenditures in the remaining funds represent expenditures approved by the Commissioners, but for which no transfer form or amendment was formally completed.

Note 12 - Budgetary-GAAP Reporting Reconciliation

The accompanying combining schedules of revenues and expenditures-budget and actual are presented on the budget basis. The following is a reconciliation of the change in Fund Balance-GAAP basis to the change in Fund Balance-budget basis for budgeted funds:

	General	Public Safety	RSID Debt Service	RSID Capital Projects	Nonmajor Governmental	Internal Service
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis	\$ (3,417)	\$ 1,903,898	\$ (91,251)	\$ 157,966	\$ (2,037,951)	\$ (494,607)
Cash & Investments - 6/30/2011	1,453,987	-	-	-	541,328	15,555
Cash & Investments - 6/30/2012	(1,465,503)	-	-	-	(298)	(14,181)
Accounts Receivable - 6/30/2011	53,653	130,763	-	-	2,435,777	414,894
Accounts Receivable - 6/30/2012	(46,327)	(445,008)	-	-	(1,578,135)	(422,076)
Advances to Other Funds - 6/30/2012	-	-	-	-	292,806	-
Accounts Payable - 6/30/2011	(179,570)	(274,527)	(8,228)	(6,349)	(2,357,193)	(17,018)
Accounts Payable - 6/30/2012	132,005	205,480	-	-	1,434,846	16,726
Claims Payable - 6/30/2011	-	-	-	-	-	(4,069,775)
Claims Payable - 6/30/2012	-	-	-	-	-	4,938,079
Accrued Payroll - 6/30/2011	(493,350)	(624,531)	-	-	(842,055)	(67,013)
Accrued Payroll - 6/30/2012	184,059	230,126	-	-	311,684	56,575
Prepaid Cost - 6/30/2011	-	-	-	-	-	92,843
Prepaid Cost - 6/30/2012	-	-	-	-	-	(100,191)
Accrued Interest - 6/30/2011	-	-	(125,311)	(169,357)	(554,453)	-
Accrued Interest - 6/30/2012	-	-	112,322	164,378	435,783	-
Deferred Tax Revenue	-	-	-	-	-	(7,192)
Other Deferred Revenue - 6/30/2011	-	-	-	-	-	(31,178)
Other Deferred Revenue - 6/30/2012	-	-	-	-	-	32,557
Depreciation	-	-	-	-	-	27,131
Capital Purchases	-	-	-	-	-	(358,162)
Non-budgeted Funds:						
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	-	-	-	(655,878)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ (364,463)</u>	<u>\$ 1,126,201</u>	<u>\$ (112,468)</u>	<u>\$ 146,638</u>	<u>\$ (2,573,739)</u>	<u>\$ 12,967</u>

Note 13 - Interfund Transactions

Interfund transfers - The County uses interfund transfers for regular recurring internal charges, such as debt service, supplies and materials, and services provided. An analysis of transfers in and out during 2012 follows:

General Fund to:	
Public Safety	\$ 390,211
Nonmajor Governmental Funds (Technology, Animal Control, Fair, Community Based Organizations, Planning, Rural Initiatives, Capital Improvement, Technology)	1,900,642
Public Safety Fund to:	
Nonmajor Governmental Funds (Drug Forfeiture, Planning, Public Safety Capital Reserve, Technology)	317,836
Internal Service (Risk Management)	202,461
RSID Construction Funds to:	
Nonmajor Governmental Funds (RSID Revolving)	8,260
Nonmajor Governmental Funds to:	
General Fund	1,149,358
Public Safety Fund	382,554
Nonmajor Governmental Funds (Road, Bridge, Weed, Fair, District Court, Parks, Planning, Library, Rural Initiatives, Urban Initiatives, Health, Water Quality District, Animal Control, Extension, Museum, Weed Grant, Fair Ice Rink 2004, Fair Ice Rink 2006, Technology Tax Increment Debt Service, Weed Building Reserve, GLR Building Reserve, Capital Improvement, Technology)	3,498,103
Internal Service (Risk Management, Health Insurance, IS Operations)	1,020,130
Internal Service Funds to:	
Nonmajor Governmental Funds (Technology)	6,350
Internal Service (Health Insurance)	85,000
Internal Service (Wellness Program)	72,000
Larchmont Golf Course Fund to:	
General Fund	8,131
Nonmajor Governmental Funds (Capital Improvement)	77,216

Note 13 - Interfund Transactions (Continued)

Nonmajor Enterprise Fund to:

Nonmajor Governmental Funds (RSID Administration, Parks)	9,628
--	-------

Total Transfers In/Out	\$ 9,127,880
------------------------	--------------

Interfund Receivables/Payables - Interfund receivables and payables for funds that incur negative cash balances due to expenditures exceeding revenues for a short time period. Balances due to/from other funds at June 30, 2012 consist of the following:

General Fund - Cash flow advances to:

Nonmajor Governmental Funds (Fair Ice Rink Series 2004, Fair Ice Rink Project)	\$ 140,665
---	------------

Public Safety - Cash flow advances to:

Nonmajor Governmental Funds (Jail Bonds)	197,827
--	---------

Nonmajor Governmental Funds - Cash flow advances to:

Nonmajor Governmental Funds (Library, Planning, Disaster, Building Code Division, Fair Ice Rink Series 2006, Technology Tax Increment Bonds, Open Space Bonds, Larchmont Limited Obligation Bonds, Grant Creek Project, Milltown Development Projects)	975,294
---	---------

Enterprise Funds - Cash flow advances to:

Nonmajor Governmental Funds (Larchmont LTGO)	56,306
--	--------

Total Due from Other Funds	\$ 1,370,092
----------------------------	--------------

Interfund Advances - advances receivable at June 30, 2012 include the following:

Nonmajor Governmental Funds - Advances to:

Enterprise Funds (Larchmont)	1,010,000
------------------------------	-----------

Total Advances to Other Funds	\$ 1,010,000
-------------------------------	--------------

Note 14 - Transactions with Component Units

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

Partnership Health CenterAdvances from Primary Government

Advance from Nonmajor Governmental Funds (Health Center Bonds)	\$ 1,910,000
--	--------------

Advance from Nonmajor Governmental Funds (Health Center Building)	428,578
---	---------

Note 14 - Transactions with Component Units (Continued)Transactions with Primary Government

Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$ 95,529
Health insurance premiums paid to Internal Service Funds	575,706
Community Based Organizations Grant from Nonmajor Governmental Fund (Poor Fund)	290,000

Missoula Aging Services

Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)	649,464
Community Based Organizations Loan from Nonmajor Governmental Fund (Aging Fund) (Variable interest, semi-annual payments of \$14,671 through August 2015)	112,623

Note 15 - Reclassifications

During 2012, the following reclassifications occurred:

\$18,686 from RSID Administration to RSID Construction.

\$26,001 from RSID Debt Service to RSID Revolving.

Note 16 - Restatements

Beginning governmental activities net assets in the government-wide financial statements were restated by \$455,090. Net assets were increased by \$113,066 for restatement of beginning Internal Service fund balance and decreased by \$543,915 for restatement of beginning capital assets and the reclassification of the Lolo Mosquito District from other governmental funds to related organizations.

Note 17 - Subsequent Events

The following bond issues were competitively sold and closed on December 27, 2012:

\$6,540,000 Missoula County General Obligation Refunding Bonds, Series 2012, which refunded the 2005 Refunding Bonds.

\$1,255,000 Missoula County Limited General Obligation Refunding Bonds, Series 2012A, which refunded the 1998 Partnership Health Center Limited Obligation Notes and the 2004 Ice Rink Project Limited General Obligation Bonds.

\$1,615,000 Missoula County Limited General Obligation Bonds, Series 2012B, which will fund a number of capital projects.

Missoula County and the City of Missoula have chosen to eliminate portions of the Interlocal Agreement that provides planning services to both entities. As of January 1, 2013, Missoula County has transferred 19 employees (formerly County employees who were under contract with the City through the old Planning Interlocal Agreement) to the City as part of the process.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Funding Status for Retiree Health Insurance Benefit Plan

This Page Intentionally Left Blank

Missoula County, Montana
Schedule of Funding Status for Retiree Health Insurance Benefit Plan
June 30, 2012

	Governmental	Component Units	
	Activities	Partnership Health Center	Total
<i>Actuarial Valuation Date: 6/30/2012</i>			
Accrued Actuarial Liability	\$ 2,867,634	\$ 382,351	\$ 3,249,985
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Liability	<u>2,867,634</u>	<u>382,351</u>	<u>3,249,985</u>
Funded Ratio	0%	0%	0%
Annual Covered Payroll	28,533,007	2,647,193	31,180,200
Unfunded Actuarial Liability to Covered Payroll	10%	14%	10%
<i>Actuarial Valuation Date: 6/30/2010</i>			
	Activities	Health Center	Total
Accrued Actuarial Liability	\$ 1,262,779	\$ 137,596	\$ 1,400,375
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Liability	<u>1,262,779</u>	<u>137,596</u>	<u>1,400,375</u>
Funded Ratio	0%	0%	0%
Annual Covered Payroll	28,533,007	2,647,193	31,180,200
Unfunded Actuarial Liability to Covered Payroll	4%	5%	4%
<i>Actuarial Valuation Date: 6/30/2008</i>			
Accrued Actuarial Liability	\$ 3,243,913	\$ 360,435	\$ 3,604,348
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Liability	<u>3,243,913</u>	<u>360,435</u>	<u>3,604,348</u>
Funded Ratio	0%	0%	0%
Annual Covered Payroll	28,533,007	2,647,193	31,180,200
Unfunded Actuarial Liability to Covered Payroll	11%	14%	12%

This Page Intentionally Left Blank

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL FUND – Budget and Actual

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

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

Justice Courts One & Two – To account for the budgets of the Justices of the Peace.

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

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

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

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

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

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

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

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

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

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

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

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

MAJOR FUNDS – Budget and Actual

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

This Page Intentionally Left Blank

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2012
(Page 1 of 9)

	Commissioners				Justice Court One			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	624	624
Fines & Forfeitures	-	-	-	-	302,500	302,500	281,180	(21,320)
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,500</u>	<u>302,500</u>	<u>281,804</u>	<u>(20,696)</u>
Expenditures:								
Current Operations:								
Personnel	592,409	614,167	645,476	(31,309)	345,614	357,437	376,543	(19,106)
Operations	26,282	26,282	20,068	6,214	30,889	30,889	32,598	(1,709)
Capital Outlay	-	-	-	-	2,000	2,000	-	2,000
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>618,691</u>	<u>640,449</u>	<u>665,544</u>	<u>(25,095)</u>	<u>378,503</u>	<u>390,326</u>	<u>409,141</u>	<u>(18,815)</u>
Excess of Revenues over (under) Expenditures	(618,691)	(640,449)	(665,544)	(25,095)	(76,003)	(87,826)	(127,337)	(39,511)
Other Financing Sources (Uses):								
Transfers In	12,000	12,000	12,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (606,691)</u>	<u>\$ (628,449)</u>	<u>\$ (653,544)</u>	<u>\$ (25,095)</u>	<u>\$ (76,003)</u>	<u>\$ (87,826)</u>	<u>\$ (127,337)</u>	<u>\$ (39,511)</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, 2012
(Page 2 of 9)

	Justice Court Two				Attorney			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	94,500	94,500	81,575	(12,925)
Charges for Services	-	-	737	737	138,100	138,100	134,230	(3,870)
Fines & Forfeitures	302,500	302,500	224,793	(77,707)	81,650	81,650	90,195	8,545
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	17,471	17,471
Total Revenues	<u>302,500</u>	<u>302,500</u>	<u>225,530</u>	<u>(76,970)</u>	<u>314,250</u>	<u>314,250</u>	<u>323,471</u>	<u>9,221</u>
Expenditures:								
Current Operations:								
Personnel	369,314	381,213	365,425	15,788	2,168,686	2,237,595	2,211,506	26,089
Operations	33,199	33,199	26,365	6,834	65,891	71,411	58,681	12,730
Capital Outlay	2,000	2,000	-	2,000	7,800	7,800	7,564	236
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>404,513</u>	<u>416,412</u>	<u>391,790</u>	<u>24,622</u>	<u>2,242,377</u>	<u>2,316,806</u>	<u>2,277,751</u>	<u>39,055</u>
Excess of Revenues over (under) Expenditures	(102,013)	(113,912)	(166,260)	(52,348)	(1,928,127)	(2,002,556)	(1,954,280)	48,276
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	68,500	68,500	68,500	-
Transfers Out	-	-	-	-	(8,925)	(8,925)	(9,180)	(255)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (102,013)</u>	<u>\$ (113,912)</u>	<u>\$ (166,260)</u>	<u>\$ (52,348)</u>	<u>\$ (1,868,552)</u>	<u>\$ (1,942,981)</u>	<u>\$ (1,894,960)</u>	<u>\$ 48,021</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, 2012
(Page 3 of 9)

	Financial Services				Clerk & Recorder/Treasurer			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	28,640	28,640	26,627	(2,013)
Intergovernmental Revenue	-	-	-	-	60,000	60,000	38,950	(21,050)
Charges for Services	89,000	89,000	96,272	7,272	1,083,600	1,083,600	963,335	(120,265)
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	186	186	1,020	1,020	3,964	2,944
Total Revenues	<u>89,000</u>	<u>89,000</u>	<u>96,458</u>	<u>7,458</u>	<u>1,173,260</u>	<u>1,173,260</u>	<u>1,032,876</u>	<u>(140,384)</u>
Expenditures:								
Current Operations:								
Personnel	626,246	647,135	650,430	(3,295)	1,479,706	1,521,448	1,522,639	(1,191)
Operations	178,975	178,975	172,320	6,655	620,360	620,360	371,104	249,256
Capital Outlay	-	-	-	-	15,800	15,800	-	15,800
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>805,221</u>	<u>826,110</u>	<u>822,750</u>	<u>3,360</u>	<u>2,115,866</u>	<u>2,157,608</u>	<u>1,893,743</u>	<u>263,865</u>
Excess of Revenues over (under) Expenditures	(716,221)	(737,110)	(726,292)	10,818	(942,606)	(984,348)	(860,867)	123,481
Other Financing Sources (Uses):								
Transfers In	13,000	13,000	13,000	-	-	-	-	-
Transfers Out	-	-	(100)	(100)	-	-	(893)	(893)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (703,221)</u>	<u>\$ (724,110)</u>	<u>\$ (713,392)</u>	<u>\$ 10,718</u>	<u>\$ (942,606)</u>	<u>\$ (984,348)</u>	<u>\$ (861,760)</u>	<u>\$ 122,588</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, 2012
(Page 4 of 9)

	Records Management				Auditor			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	7,000	7,000	4,112	(2,888)	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>4,112</u>	<u>(2,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	183,254	190,923	215,614	(24,691)	221,941	229,542	226,264	3,278
Operations	8,655	8,655	6,933	1,722	47,860	55,680	55,020	660
Capital Outlay	533	533	533	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>192,442</u>	<u>200,111</u>	<u>223,080</u>	<u>(22,969)</u>	<u>269,801</u>	<u>285,222</u>	<u>281,284</u>	<u>3,938</u>
Excess of Revenues over (under) Expenditures	(185,442)	(193,111)	(218,968)	(25,857)	(269,801)	(285,222)	(281,284)	3,938
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (185,442)</u>	<u>\$ (193,111)</u>	<u>\$ (218,968)</u>	<u>\$ (25,857)</u>	<u>\$ (269,801)</u>	<u>\$ (285,222)</u>	<u>\$ (281,284)</u>	<u>\$ 3,938</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, 2012
(Page 5 of 9)

	Facilities Management				Office of Emergency Services			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	1,393,448	1,393,448	394,411	(999,037)
Charges for Services	533,497	533,497	556,104	22,607	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>533,497</u>	<u>533,497</u>	<u>556,104</u>	<u>22,607</u>	<u>1,393,448</u>	<u>1,393,448</u>	<u>394,411</u>	<u>(999,037)</u>
Expenditures:								
Current Operations:								
Personnel	762,622	788,277	800,966	(12,689)	139,670	142,622	95,777	46,845
Operations	964,478	964,478	952,622	11,856	47,306	47,306	28,132	19,174
Capital Outlay	7,500	7,500	6,697	803	1,347,476	1,347,476	346,791	1,000,685
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,734,600</u>	<u>1,760,255</u>	<u>1,760,285</u>	<u>(30)</u>	<u>1,534,452</u>	<u>1,537,404</u>	<u>470,700</u>	<u>1,066,704</u>
Excess of Revenues over (under) Expenditures	(1,201,103)	(1,226,758)	(1,204,181)	22,577	(141,004)	(143,956)	(76,289)	67,667
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,201,103)</u>	<u>\$ (1,226,758)</u>	<u>\$ (1,204,181)</u>	<u>\$ 22,577</u>	<u>\$ (141,004)</u>	<u>\$ (143,956)</u>	<u>\$ (76,289)</u>	<u>\$ 67,667</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, 2012
(Page 6 of 9)

	9-1-1 Communications				Human Resources			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	767,792	788,792	724,669	(64,123)	-	-	-	-
Charges for Services	-	-	35	35	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>767,792</u>	<u>788,792</u>	<u>724,704</u>	<u>(64,088)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,785,249	1,842,823	1,825,560	17,263	361,754	374,154	391,559	(17,405)
Operations	392,950	413,950	397,864	16,086	143,359	143,359	109,171	34,188
Capital Outlay	90,000	90,000	20,511	69,489	1,500	1,500	-	1,500
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,268,199</u>	<u>2,346,773</u>	<u>2,243,935</u>	<u>102,838</u>	<u>506,613</u>	<u>519,013</u>	<u>500,730</u>	<u>18,283</u>
Excess of Revenues over (under) Expenditures	(1,500,407)	(1,557,981)	(1,519,231)	38,750	(506,613)	(519,013)	(500,730)	18,283
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(952)	(952)	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,500,407)</u>	<u>\$ (1,557,981)</u>	<u>\$ (1,520,183)</u>	<u>\$ 37,798</u>	<u>\$ (506,613)</u>	<u>\$ (519,013)</u>	<u>\$ (500,730)</u>	<u>\$ 18,283</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, 2012
(Page 7 of 9)

	Central Services				Superintendent of Schools			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	393,500	393,500	329,490	(64,010)	3,300	3,300	3,300	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>393,500</u>	<u>393,500</u>	<u>329,490</u>	<u>(64,010)</u>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	124,831	129,192	130,079	(887)
Operations	315,500	315,500	260,246	55,254	18,336	18,336	18,243	93
Capital Outlay	-	-	98,063	(98,063)	-	-	-	-
Debt Service								
Principal	70,131	70,131	39,828	30,303	-	-	-	-
Interest	3,568	3,568	1,785	1,783	-	-	-	-
Total Expenditures	<u>389,199</u>	<u>389,199</u>	<u>399,922</u>	<u>(10,723)</u>	<u>143,167</u>	<u>147,528</u>	<u>148,322</u>	<u>(794)</u>
Excess of Revenues over (under) Expenditures	4,301	4,301	(70,432)	(74,733)	(139,867)	(144,228)	(145,022)	(794)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(74)	(74)
Issuance of Debt	142,000	142,000	-	(142,000)	-	-	-	-
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>1,603</u>	<u>1,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 146,301</u>	<u>\$ 146,301</u>	<u>\$ (68,829)</u>	<u>\$ (215,130)</u>	<u>\$ (139,867)</u>	<u>\$ (144,228)</u>	<u>\$ (145,096)</u>	<u>\$ (868)</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, 2012
(Page 8 of 9)

	Surveyor				Non-Departmental			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 9,414,741	\$ 9,414,741	\$ 9,383,069	\$ (31,672)
License & Permits	-	-	-	-	44,070	44,070	70,597	26,527
Intergovernmental Revenue	-	-	27,025	27,025	1,593,849	1,794,844	1,594,140	(200,704)
Charges for Services	20,000	20,000	9,799	(10,201)	20,000	20,000	56,800	36,800
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	125,000	125,000	50,457	(74,543)
Miscellaneous Revenues	-	-	-	-	-	-	24,890	24,890
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>36,824</u>	<u>16,824</u>	<u>11,197,660</u>	<u>11,398,655</u>	<u>11,179,953</u>	<u>(218,702)</u>
Expenditures:								
Current Operations:								
Personnel	567,284	597,579	563,883	33,696	-	-	-	-
Operations	29,225	29,225	23,220	6,005	543,870	543,870	601,510	(57,640)
Capital Outlay	25,000	35,000	33,379	1,621	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>621,509</u>	<u>661,804</u>	<u>620,482</u>	<u>41,322</u>	<u>543,870</u>	<u>543,870</u>	<u>601,510</u>	<u>(57,640)</u>
Excess of Revenues over (under) Expenditures	(601,509)	(641,804)	(583,658)	58,146	10,653,790	10,854,785	10,578,443	(276,342)
Other Financing Sources (Uses):								
Transfers In	25,000	35,000	10,044	(24,956)	352,791	352,791	343,175	(9,616)
Transfers Out	-	-	-	-	(2,279,654)	(2,279,654)	(2,279,654)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (576,509)</u>	<u>\$ (606,804)</u>	<u>\$ (573,614)</u>	<u>\$ 33,190</u>	<u>\$ 8,726,927</u>	<u>\$ 8,927,922</u>	<u>\$ 8,641,964</u>	<u>\$ (285,958)</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, 2012
(Page 9 of 9)

	Totals			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:				
Property Taxes	\$ 9,414,741	\$ 9,414,741	\$ 9,383,069	\$ (31,672)
License & Permits	72,710	72,710	97,224	24,514
Intergovernmental Revenue	3,909,589	4,131,584	2,860,770	(1,270,814)
Charges for Services	2,287,997	2,287,997	2,154,838	(133,159)
Fines & Forfeitures	686,650	686,650	596,168	(90,482)
Investment Earnings	125,000	125,000	50,457	(74,543)
Miscellaneous Revenues	1,020	1,020	46,511	45,491
Total Revenues	<u>16,497,707</u>	<u>16,719,702</u>	<u>15,189,037</u>	<u>(1,530,665)</u>
Expenditures:				
Current Operations:				
Personnel	9,728,580	10,054,107	10,021,721	32,386
Operations	3,467,135	3,501,475	3,134,097	367,378
Capital Outlay	1,499,609	1,509,609	513,538	996,071
Debt Service				
Principal	70,131	70,131	39,828	30,303
Interest	3,568	3,568	1,785	1,783
Total Expenditures	<u>14,769,023</u>	<u>15,138,890</u>	<u>13,710,969</u>	<u>1,427,921</u>
Excess of Revenues over (under) Expenditures	1,728,684	1,580,812	1,478,068	(102,744)
Other Financing Sources (Uses):				
Transfers In	471,291	481,291	446,719	(34,572)
Transfers Out	(2,288,579)	(2,288,579)	(2,290,853)	(2,274)
Issuance of Debt	142,000	142,000	-	(142,000)
Sale of Capital Assets	-	-	1,603	1,603
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 53,396</u>	<u>\$ (84,476)</u>	<u>\$ (364,463)</u>	<u>\$ (279,987)</u>

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Major Governmental Funds
For Fiscal Year Ended June 30, 2012

	Public Safety			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:				
Property Taxes	\$ 9,663,822	\$ 9,663,822	\$ 9,649,232	\$ (14,590)
License & Permits	17,000	17,000	22,469	5,469
Intergovernmental Revenue	329,532	329,532	465,399	135,867
Charges for Services	4,542,500	4,542,500	6,142,203	1,599,703
Fines & Forfeitures	30,000	30,000	42,954	12,954
Investment Earnings	-	-	2,769	2,769
Miscellaneous Revenues	55,000	55,000	630,877	575,877
Total Revenues	<u>14,637,854</u>	<u>14,637,854</u>	<u>16,955,903</u>	<u>2,318,049</u>
Expenditures:				
Current Operations:				
Personnel	10,997,370	11,358,584	11,369,733	(11,149)
Operations	3,974,606	3,974,606	4,642,698	(668,092)
Capital Outlay	59,650	59,650	69,739	(10,089)
Debt Service:				
Principal	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>15,031,626</u>	<u>15,392,840</u>	<u>16,082,170</u>	<u>(689,330)</u>
Excess of Revenues over (under) Expenditures	(393,772)	(754,986)	873,733	1,628,719
Other Financing Sources (Uses):				
Transfers In	776,011	776,011	772,765	(3,246)
Transfers Out	(456,392)	(456,392)	(520,297)	(63,905)
Issuance of Debt	-	-	-	-
Sale of Capital Assets	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (74,153)</u>	<u>\$ (435,367)</u>	<u>\$ 1,126,201</u>	<u>\$ 1,561,568</u>

MISSOULA COUNTY, MONTANA

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

June 30, 2012

Note 1 - Basis of Presentation

The accompanying Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual are presented on the budget basis of accounting. The County prepares its budget on the cash basis. Generally accepted accounting principles (GAAP) require the use of the modified accrual basis of accounting for governmental fund financial statements.

This Page Intentionally Left Blank

MAJOR FUNDS OTHER THAN SPECIAL REVENUE – Budget and Actual

RSID Debt Service – To account for the budget of the County’s rural special improvement districts for which construction has been completed and principal and interest payments are now required on construction bonds.

RSID Capital Projects – To account for the budget of the County’s rural special improvement districts construction has not been completed.

This Page Intentionally Left Blank

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Major Governmental Funds Other Than Special Revenue
For Fiscal Year Ended June 30, 2012

	RSID Debt Service				RSID Capital Projects			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 679,601	\$ 679,601	\$ 768,215	\$ 88,614	\$ 830,581	\$ 830,581	\$ 816,085	\$ (14,496)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>679,601</u>	<u>679,601</u>	<u>768,215</u>	<u>88,614</u>	<u>830,581</u>	<u>830,581</u>	<u>816,085</u>	<u>(14,496)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	650,000	650,000	55,885	594,115
Debt Service:								
Principal	643,872	643,872	655,860	(11,988)	396,700	396,700	383,979	12,721
Interest & Fiscal Charges	239,858	239,858	224,919	14,939	333,624	333,624	334,486	(862)
Total Expenditures	<u>883,730</u>	<u>883,730</u>	<u>880,779</u>	<u>2,951</u>	<u>1,380,324</u>	<u>1,380,324</u>	<u>774,350</u>	<u>605,974</u>
Excess of Revenues over (under) Expenditures	(204,129)	(204,129)	(112,564)	91,565	(549,743)	(549,743)	41,735	591,478
Other Financing Sources (Uses):								
Transfers In	2,716	2,716	96	(2,620)	-	-	-	-
Transfers Out	-	-	-	-	-	-	(8,260)	(8,260)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	650,000	650,000	113,163	(536,837)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (201,413)</u>	<u>\$ (201,413)</u>	<u>\$ (112,468)</u>	<u>\$ 88,945</u>	<u>\$ 100,257</u>	<u>\$ 100,257</u>	<u>\$ 146,638</u>	<u>\$ 46,381</u>

This Page Intentionally Left Blank

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue funds are used to account for revenues which are legally restricted to certain specific uses.

Road – To account for taxes and other revenues to be used for construction and maintenance of County highways.

Poor – To account for taxes to be used for welfare programs which the State of Montana will not cover in its Welfare Assumption Program.

Bridge – To account for taxes and other revenues restricted to the construction and maintenance of bridges.

Weed – To account for taxes and other revenues restricted to use in weed control programs.

Fair – To account for various revenues restricted to use for funding the Western Montana Fair and maintenance of the fairgrounds.

District Court – To account for revenues to be used for expenditures by Clerk of Court, Public Defender, and the Sheriff in court-related matters.

Weed Grant – To account for revenues related to the State of Montana Weed Grant Program.

Parks – To account for revenues to support County parks and recreational programs.

Library – To account for revenues restricted to use in various public library programs in the County.

Planning – To account for revenues used by the Office of Planning and Grants.

Rural Initiatives – To account for revenues used by the Rural Initiatives Office.

Urban Initiatives – To account for revenues used by the Urban Initiatives Office.

Building Code Division – To account for revenues used by the Building Code Division.

Health – 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 – To account for revenues restricted to use by the County Extension Service.

Missoula Development Authority – To account for tax increment revenues from the Industrial Tax Increment District near the Airport.

Drug Forfeiture – 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.

Youth Education and Safety – To account for revenues used to support the Youth Education and Safety program.

Museum – To account for revenues restricted to use in art or historical museum programs.

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

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

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

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

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

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

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

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

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

9-1-1 Trust – To account for revenues received from the State to support the emergency telephone system.

(Continued)

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

Abandoned Vehicles
MCFPA Trust
LEPC Trust
Friends of the Library

Friends of Historical Museum
Historical Museum Gift Shop
Open Space
Other Special Revenue Funds

Debt Service Funds – To account for the accumulation of resources for and the payment of general long-term debt principal and interest:

Risk Management – To account for principal and interest payments for the 2002 General Fund bond issue for the risk management program.

Jail Bond Fund – To account for principal and interest payments for the 1998 general obligation bond issue for jail construction.

Health Center – To account for principal and interest payments for the 1998 and 2009 general fund note for the Partnership Health Clinic building.

RSID Revolving Fund – To account for revenues set aside to make principal and interest payments in the event that collections of special assessments are insufficient to make those payments.

Fair Ice Rink – To account for principal and interest payments for the 2004 and 2006 limited general obligation bond issue for the ice facilities at the Western Montana Fairgrounds.

Technology Tax Increment – To account for principal and interest payments for the 2006 Technology Tax Increment Bonds.

Open Space Bonds – To account for principal and interest payments for the 2007 Open Space general obligation bonds.

Larchmont LTGO Bonds – To account for principal and interest payments for the 2009 limited obligation bonds.

Capital Project Funds – To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary funds:

Capital Improvement Fund – To account for revenues legally set aside for capital purchases that are too low to justify the use of a capital project fund

Technology Fund – To account for technology-related capital purchases in the County's Capital Improvement Plan.

Public Safety Building Fund – To account for construction of the Public Safety Building.

Milltown Development Projects – To account for revenues used in Public Works projects related to the removal of the Milltown dam.

Milltown Historical Preservation – To account for revenues used in the historical preservation projects on the Milltown dam site.

Grant Creek Project – To account for revenues used in the pre-disaster mitigation of the Grant Creek Area.

Open Space – To account for bond proceeds and other revenues used in the acquisition and maintenance of Open Space properties.

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

Ice Rink Project – To account for bond proceeds and other revenues used for the construction of additional ice rink facilities at the Western Montana Fair.

MCA Industrial District Construction – To account for proceeds from the series 2006 Industrial Tax Increment Bonds.

Capital Reserve Funds – To account for funds placed in reserve for future projects. These funds include:

Library
Public Safety
Weed/Extension Building
Search and Rescue – Missoula

Health Building
Administration Building
Road
Search and Rescue – Seeley Lake

Water Quality District
Parks Construction
Bridge

MISSOULA COUNTY, MONTANA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012
(Page 1 of 8)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Assets:										
Cash & Cash Equivalents	\$ 6,490	\$ 452	\$ 3,026	\$ 553	\$ -	\$ 2,654	\$ 973	\$ 2,018	\$ -	\$ -
Cash with Fiscal Agents	-	-	-	-	7,140	-	-	-	-	-
Investments	1,021,221	71,195	476,214	86,983	-	417,651	153,134	317,542	-	-
Property Taxes Receivable (net)	237,886	104,366	97,192	47,735	16,565	64,332	-	23,807	237,491	104,456
Accounts Receivable	92,603	-	15,000	-	-	9,511	-	-	-	681,047
Interest Receivable	-	-	-	-	184	-	-	-	-	18
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	104,805	-	-	-	101,881	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	1,030,056	-	-	-	-	-	-	-	-	-
Total Assets	\$ 2,493,061	\$ 176,013	\$ 591,432	\$ 135,271	\$ 125,770	\$ 494,148	\$ 154,107	\$ 343,367	\$ 237,491	\$ 785,521
Liabilities:										
Accounts & Warrants Payable	\$ 718,025	\$ 4,762	\$ 9,895	\$ 2,242	\$ 21,720	\$ 1,296	\$ 13,324	\$ 48,148	\$ 50,877	\$ 114,080
Accrued Interest Payable	-	-	-	-	2,140	-	-	-	-	-
Accrued Payroll	41,939	-	13,986	7,102	7,232	17,256	-	1,907	36,444	56,384
Due to Other Funds	-	-	-	-	-	-	-	-	30,042	262,814
Deferred Tax Revenue	237,886	104,366	97,192	47,735	16,565	64,332	-	23,807	237,491	104,456
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	997,850	109,128	121,073	57,079	47,657	82,884	13,324	73,862	354,854	537,734
Fund Balance:										
Nonspendable	1,030,056	-	-	-	-	-	-	-	-	-
Restricted	465,155	66,885	470,359	78,192	78,113	411,264	140,783	269,505	-	247,787
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(117,363)	-
Total Fund Balance	1,495,211	66,885	470,359	78,192	78,113	411,264	140,783	269,505	(117,363)	247,787
Total Liabilities and Fund Balance	\$ 2,493,061	\$ 176,013	\$ 591,432	\$ 135,271	\$ 125,770	\$ 494,148	\$ 154,107	\$ 343,367	\$ 237,491	\$ 785,521

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2012
(Page 2 of 8)

	Special Revenue									
	Rural Initiatives	Urban Initiatives	Building Code Division	Health	Water Quality District	Animal Control	Extension	Missoula Development Authority	Drug Forfeiture	Youth Education & Safety
Assets:										
Cash & Cash Equivalents	\$ 1,323	\$ 19	\$ -	\$ 9,030	\$ 933	\$ 356	\$ 739	\$ 22,201	\$ 1,320	\$ 96
Cash with Fiscal Agents	-	-	-	-	-	-	-	457,800	-	-
Investments	208,217	3,008	-	1,421,071	146,782	55,952	116,211	3,493,701	207,776	15,137
Property Taxes Receivable (net)	-	-	-	93,947	31,496	16,212	34,738	322,718	-	-
Accounts Receivable	104,593	5,628	-	372,338	13,385	1,784	-	-	-	-
Interest Receivable	-	-	-	-	-	-	-	3,442	179	13
Loans & Notes Receivable	-	-	-	-	-	-	-	611,378	-	-
Due from Other Funds	-	262,814	-	-	-	-	-	36,222	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	428,578	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 314,133</u>	<u>\$ 271,469</u>	<u>\$ -</u>	<u>\$ 1,896,386</u>	<u>\$ 192,596</u>	<u>\$ 74,304</u>	<u>\$ 151,688</u>	<u>\$ 5,376,040</u>	<u>\$ 209,275</u>	<u>\$ 15,246</u>
Liabilities:										
Accounts & Warrants Payable	\$ 73,565	\$ -	\$ 2,671	\$ 34,602	\$ 2,547	\$ 2,156	\$ 2,242	\$ 7	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	62,800	-	-
Accrued Payroll	7,044	6,630	6,698	72,250	6,657	9,854	4,203	2,118	4,091	-
Due to Other Funds	-	-	15,928	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	93,947	31,496	16,212	34,738	322,718	-	-
Unearned Revenue	-	-	-	-	-	-	-	611,378	-	-
Total Liabilities	<u>80,609</u>	<u>6,630</u>	<u>25,297</u>	<u>200,799</u>	<u>40,700</u>	<u>28,222</u>	<u>41,183</u>	<u>999,021</u>	<u>4,091</u>	<u>-</u>
Fund Balance:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	233,524	264,839	-	1,695,587	-	-	110,505	1,258,474	205,184	15,246
Committed	-	-	-	-	151,896	46,082	-	3,118,545	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(25,297)	-	-	-	-	-	-	-
Total Fund Balance	<u>233,524</u>	<u>264,839</u>	<u>(25,297)</u>	<u>1,695,587</u>	<u>151,896</u>	<u>46,082</u>	<u>110,505</u>	<u>4,377,019</u>	<u>205,184</u>	<u>15,246</u>
Total Liabilities and Fund Balance	<u>\$ 314,133</u>	<u>\$ 271,469</u>	<u>\$ -</u>	<u>\$ 1,896,386</u>	<u>\$ 192,596</u>	<u>\$ 74,304</u>	<u>\$ 151,688</u>	<u>\$ 5,376,040</u>	<u>\$ 209,275</u>	<u>\$ 15,246</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2012
(Page 3 of 8)

	Special Revenue									
	Museum	Search & Rescue	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse
Assets:										
Cash & Cash Equivalents	\$ 996	\$ 167	\$ -	\$ 1,203	\$ 1,449	\$ 3,229	\$ 2,871	\$ 889	\$ -	\$ 296
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	156,727	26,233	-	189,357	227,956	508,206	451,795	139,951	-	46,568
Property Taxes Receivable (net)	45,595	8,272	14	-	-	-	-	82,075	115,377	44,037
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Interest Receivable	-	-	-	117	-	-	390	-	-	40
Loans & Notes Receivable (net)	-	-	-	-	-	106,676	1,705,582	112,623	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 203,318</u>	<u>\$ 34,672</u>	<u>\$ 14</u>	<u>\$ 190,677</u>	<u>\$ 229,405</u>	<u>\$ 618,111</u>	<u>\$ 2,160,638</u>	<u>\$ 335,538</u>	<u>\$ 115,377</u>	<u>\$ 90,941</u>
Liabilities:										
Accounts & Warrants Payable	\$ 9,038	\$ 27,550	\$ -	\$ 377	\$ 26,070	\$ -	\$ -	\$ 179,848	\$ -	\$ 7,274
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	6,212	-	-	1,096	-	1,467	-	-	-	2,136
Due to Other Funds	-	-	1,393	-	-	-	-	-	-	-
Deferred Tax Revenue	45,595	8,272	14	-	-	-	-	82,075	115,377	44,037
Unearned Revenue	-	-	-	-	-	106,676	1,705,582	112,623	-	-
Total Liabilities	<u>60,845</u>	<u>35,822</u>	<u>1,407</u>	<u>1,473</u>	<u>26,070</u>	<u>108,143</u>	<u>1,705,582</u>	<u>374,546</u>	<u>115,377</u>	<u>53,447</u>
Fund Balance:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	142,473	-	-	189,204	203,335	-	455,056	-	-	-
Committed	-	-	-	-	-	509,968	-	-	-	37,494
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(1,150)	(1,393)	-	-	-	-	(39,008)	-	-
Total Fund Balance	<u>142,473</u>	<u>(1,150)</u>	<u>(1,393)</u>	<u>189,204</u>	<u>203,335</u>	<u>509,968</u>	<u>455,056</u>	<u>(39,008)</u>	<u>-</u>	<u>37,494</u>
Total Liabilities and Fund Balance	<u>\$ 203,318</u>	<u>\$ 34,672</u>	<u>\$ 14</u>	<u>\$ 190,677</u>	<u>\$ 229,405</u>	<u>\$ 618,111</u>	<u>\$ 2,160,638</u>	<u>\$ 335,538</u>	<u>\$ 115,377</u>	<u>\$ 90,941</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2012
(Page 4 of 8)

	Special Revenue								
	9-1-1 Trust	Abandoned Vehicle	MCFPA Trust	LEPC Trust	Friends of the Library	Friends of Historical Museum	Historical Museum Gift Shop	Open Space	Other Special Revenue
Assets:									
Cash & Cash Equivalents	\$ 3,565	\$ 8	\$ 5	\$ 2	\$ 283	\$ 279	\$ 183	\$ 228	\$ 160
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	561,070	1,233	794	335	44,550	43,850	28,792	35,941	25,080
Property Taxes Receivable (net)	-	-	-	-	-	-	-	93	4
Accounts Receivable	250,790	-	-	-	-	-	-	-	-
Interest Receivable	486	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	1,393	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 817,304</u>	<u>\$ 1,241</u>	<u>\$ 799</u>	<u>\$ 337</u>	<u>\$ 44,833</u>	<u>\$ 44,129</u>	<u>\$ 28,975</u>	<u>\$ 36,262</u>	<u>\$ 25,244</u>
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	-	-	-	-	93	4
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>4</u>
Fund Balance:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	817,304	-	799	337	-	-	-	-	-
Committed	-	1,241	-	-	-	-	28,975	36,169	25,240
Assigned	-	-	-	-	44,833	44,129	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>817,304</u>	<u>1,241</u>	<u>799</u>	<u>337</u>	<u>44,833</u>	<u>44,129</u>	<u>28,975</u>	<u>36,169</u>	<u>25,240</u>
Total Liabilities and Fund Balance	<u>\$ 817,304</u>	<u>\$ 1,241</u>	<u>\$ 799</u>	<u>\$ 337</u>	<u>\$ 44,833</u>	<u>\$ 44,129</u>	<u>\$ 28,975</u>	<u>\$ 36,262</u>	<u>\$ 25,244</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2012
(Page 5 of 8)

Debt Service

	Risk Management	Jail Bond	Health Center 1998	RSID Revolving	Fair Ice Rink Series 2004	Fair Ice Rink Series 2006	Technology Tax Increment Bonds	Open Space Bonds	Health Center 2009	Larchmont Bonds
Assets:										
Cash & Cash Equivalents	\$ 105	\$ -	\$ 2	\$ 5,131	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -
Cash with Fiscal Agents	-	1,194,009	31,043	-	62,342	48,549	69,272	487,750	111,571	56,306
Investments	16,554	-	248	807,358	-	-	-	-	298	-
Property Taxes Receivable (net)	8,781	113,918	-	57	-	-	-	32,901	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Interest Receivable	14	855	27	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	126,651	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	1,010,000
Advances to Component Units	-	-	195,000	-	-	-	-	-	1,710,000	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 25,454</u>	<u>\$ 1,308,782</u>	<u>\$ 226,320</u>	<u>\$ 939,197</u>	<u>\$ 62,342</u>	<u>\$ 48,549</u>	<u>\$ 69,272</u>	<u>\$ 520,651</u>	<u>\$ 1,821,871</u>	<u>\$ 1,066,306</u>
Liabilities:										
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	154,009	6,043	-	17,343	13,549	29,272	92,750	41,571	16,306
Accrued Payroll	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	197,827	-	-	144,749	77,104	36,222	438,074	-	56,306
Deferred Tax Revenue	8,781	113,918	-	57	-	-	-	32,901	-	-
Unearned Revenue	-	-	-	126,651	-	-	-	-	-	-
Total Liabilities	<u>8,781</u>	<u>465,754</u>	<u>6,043</u>	<u>126,708</u>	<u>162,092</u>	<u>90,653</u>	<u>65,494</u>	<u>563,725</u>	<u>41,571</u>	<u>72,612</u>
Fund Balance:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	16,673	843,028	-	-	-	-	3,778	-	-	-
Committed	-	-	220,277	812,489	-	-	-	-	1,780,300	993,694
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(99,750)	(42,104)	-	(43,074)	-	-
Total Fund Balance	<u>16,673</u>	<u>843,028</u>	<u>220,277</u>	<u>812,489</u>	<u>(99,750)</u>	<u>(42,104)</u>	<u>3,778</u>	<u>(43,074)</u>	<u>1,780,300</u>	<u>993,694</u>
Total Liabilities and Fund Balance	<u>\$ 25,454</u>	<u>\$ 1,308,782</u>	<u>\$ 226,320</u>	<u>\$ 939,197</u>	<u>\$ 62,342</u>	<u>\$ 48,549</u>	<u>\$ 69,272</u>	<u>\$ 520,651</u>	<u>\$ 1,821,871</u>	<u>\$ 1,066,306</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2012
(Page 6 of 8)

	Capital Projects							
	<u>Capital Improvements</u>	<u>Technology</u>	<u>Public Safety Building</u>	<u>Milltown Development Projects</u>	<u>Milltown Historical Preservation</u>	<u>Grant Creek Project</u>	<u>Open Space</u>	<u>Library Capital Reserve</u>
Assets:								
Cash & Cash Equivalents	\$ 10,012	\$ 2,545	\$ -	\$ -	\$ 684	\$ -	\$ 10,394	\$ 1,359
Cash with Fiscal Agents	-	-	-	-	-	-	-	-
Investments	1,575,453	400,516	-	-	107,607	-	1,635,703	213,879
Property Taxes Receivable (net)	-	51,656	-	-	-	-	-	-
RSID Receivable								
Delinquent	-	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-	-
Accounts Receivable	194,046	57,447	-	-	(814)	-	-	-
Interest Receivable	-	-	-	-	93	-	-	211
Loans & Notes Receivable	85,464	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	63	-	438,074	30,042
Advances to Other Funds	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,864,975</u>	<u>\$ 512,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,633</u>	<u>\$ -</u>	<u>\$ 2,084,171</u>	<u>\$ 245,491</u>
Liabilities:								
Accounts & Warrants Payable	\$ 245,891	\$ 30,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	63	-	88,877	-	-
Deferred Tax Revenue	-	51,656	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	<u>245,891</u>	<u>81,817</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>88,877</u>	<u>-</u>	<u>-</u>
Fund Balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	430,347	-	-	-	-	2,084,171	-
Committed	-	-	-	-	-	-	-	-
Assigned	1,619,084	-	-	-	107,633	-	-	245,491
Unassigned	-	-	-	(63)	-	(88,877)	-	-
Total Fund Balance	<u>1,619,084</u>	<u>430,347</u>	<u>-</u>	<u>(63)</u>	<u>107,633</u>	<u>(88,877)</u>	<u>2,084,171</u>	<u>245,491</u>
Total Liabilities and Fund Balance	<u>\$ 1,864,975</u>	<u>\$ 512,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,633</u>	<u>\$ -</u>	<u>\$ 2,084,171</u>	<u>\$ 245,491</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2012
(Page 7 of 8)

	Capital Projects					
	Health Building Reserve	WQD Capital Reserve	Public Safety Capital Reserve	Admin Bldg Acquisition Reserve	Ice Rink Project	Park Construction Reserve
Assets:						
Cash & Cash Equivalents	\$ 2,896	\$ 718	\$ 2,158	\$ 9,707	\$ -	\$ 1,105
Cash with Fiscal Agents	-	-	-	-	-	-
Investments	455,732	113,057	339,633	1,527,543	-	173,906
Property Taxes Receivable (net)	-	-	-	-	-	-
RSID Receivable						
Delinquent	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Interest Receivable	394	97	293	-	-	150
Loans & Notes Receivable	-	-	-	-	61,000	-
Due from Other Funds	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	<u>\$ 459,022</u>	<u>\$ 113,872</u>	<u>\$ 342,084</u>	<u>\$ 1,537,250</u>	<u>\$ 61,000</u>	<u>\$ 175,161</u>
Liabilities:						
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	20,693	-
Deferred Tax Revenue	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	61,000	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,693</u>	<u>-</u>
Fund Balance:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	459,022	113,872	342,084	1,537,250	-	175,161
Unassigned	-	-	-	-	(20,693)	-
Total Fund Balance	<u>459,022</u>	<u>113,872</u>	<u>342,084</u>	<u>1,537,250</u>	<u>(20,693)</u>	<u>175,161</u>
Total Liabilities and Fund Balance	<u>\$ 459,022</u>	<u>\$ 113,872</u>	<u>\$ 342,084</u>	<u>\$ 1,537,250</u>	<u>\$ 61,000</u>	<u>\$ 175,161</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2012
(Page 8 of 8)

	Capital Projects						
	MCA Industrial District Construction	Weed/Ext Building Reserve	Bridge Reserve	Road Escrow	Missoula Search & Rescue Reserve	Seeley Search & Rescue Reserve	Total
Assets:							
Cash & Cash Equivalents	\$ 9	\$ 2,902	\$ 2,296	\$ 3,220	\$ 295	\$ 499	\$ 124,035
Cash with Fiscal Agents	-	-	-	-	-	-	2,525,782
Investments	1,375	456,742	361,249	506,647	46,515	78,455	19,518,703
Property Taxes Receivable (net)	-	-	-	-	-	-	1,935,721
Accounts Receivable	-	-	-	-	-	-	1,797,358
Interest Receivable	1	395	-	438	40	-	7,877
Loans & Notes Receivable	-	-	-	-	-	-	2,809,374
Due from Other Funds	-	-	-	-	-	-	975,294
Advances to Other Funds	-	-	-	-	-	-	1,010,000
Advances to Component Units	-	-	-	-	-	-	2,333,578
Prepaid Costs	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	1,030,056
Total Assets	<u>\$ 1,385</u>	<u>\$ 460,039</u>	<u>\$ 363,545</u>	<u>\$ 510,305</u>	<u>\$ 46,850</u>	<u>\$ 78,954</u>	<u>\$ 34,067,778</u>
Liabilities:							
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ 2,280	\$ -	\$ -	\$ 1,630,648
Accrued Interest Payable	-	-	-	-	-	-	435,783
Accrued Payroll	-	-	-	-	-	-	312,706
Due to Other Funds	-	-	-	-	-	-	1,370,092
Deferred Tax Revenue	-	-	-	-	-	-	1,935,721
Unearned Revenue	-	-	-	-	-	-	2,723,910
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,280</u>	<u>-</u>	<u>-</u>	<u>8,408,860</u>
Fund Balance:							
Nonspendable	-	-	-	-	-	-	1,030,056
Restricted	-	-	-	-	-	-	11,197,907
Committed	-	-	-	-	-	-	7,762,370
Assigned	1,385	460,039	363,545	508,025	46,850	78,954	6,147,357
Unassigned	-	-	-	-	-	-	(478,772)
Total Fund Balance	<u>1,385</u>	<u>460,039</u>	<u>363,545</u>	<u>508,025</u>	<u>46,850</u>	<u>78,954</u>	<u>25,658,918</u>
Total Liabilities and Fund Balance	<u>\$ 1,385</u>	<u>\$ 460,039</u>	<u>\$ 363,545</u>	<u>\$ 510,305</u>	<u>\$ 46,850</u>	<u>\$ 78,954</u>	<u>\$ 34,067,778</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 1 of 8)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Revenues:										
Property Taxes	\$ 2,005,671	\$ 1,008,570	\$ 938,351	\$ 462,341	\$ 184,251	\$ 866,087	\$ -	\$ 230,196	\$ 2,300,015	\$ 1,711,369
Licenses & Permits	8,334	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	3,240,243	168,964	130,972	34,257	9,073	144,941	215,308	7,868	256,191	2,402,562
Charges for Services	23,607	-	-	68	1,069,457	51,965	-	-	41,122	1,434
Fines & Forfeitures	-	-	-	-	-	539	-	-	66,950	184,993
Investment Earnings	-	-	-	-	966	-	-	-	-	96
Private & Local Grants	-	-	-	-	-	-	-	-	-	71,121
Miscellaneous Revenues	16,242	-	-	2,973	51,225	-	-	15,840	9,890	2,989
Total Revenues	5,294,097	1,177,534	1,069,323	499,639	1,314,972	1,063,532	215,308	253,904	2,674,168	4,374,564
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	2,401,405
Criminal Justice	-	-	-	-	-	940,933	-	-	-	179,552
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	3,985,210	-	834,347	426,669	-	-	199,327	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	775,501
Social & Economic Services	-	856,685	-	-	-	-	-	-	-	635,871
Culture & Recreation	-	-	-	-	1,038,446	-	-	261,293	2,363,065	131,008
Housing & Community Development	-	-	-	-	-	-	-	-	-	504,971
Capital Outlay	1,499,549	-	72,416	1,073	-	-	-	81,646	292,007	-
Debt Service:										
Principal	-	-	-	-	10,000	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	4,380	-	-	-	-	-
Total Expenditures	5,484,759	856,685	906,763	427,742	1,052,826	940,933	199,327	342,939	2,655,072	4,628,308
Excess of Revenues over (under) Expenditures	(190,662)	320,849	162,560	71,897	262,146	122,599	15,981	(89,035)	19,096	(253,744)
Other Financing Sources (uses):										
Transfers In	83,584	-	21,596	111,903	103,037	39,815	133,102	568	48,347	872,628
Transfers Out	(266,880)	(370,163)	(364,520)	(162,657)	(155,424)	(22,100)	(102,255)	(1,890)	-	(771,266)
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Net change in Fund Balance	(373,958)	(49,314)	(180,364)	21,143	209,759	140,314	46,828	(90,357)	67,443	(152,382)
Fund Balance - Beginning of Year	1,750,400	116,199	650,723	57,049	(131,646)	270,950	93,955	359,862	(184,806)	400,169
Fund Balance Transfer	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	118,769	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 1,495,211	\$ 66,885	\$ 470,359	\$ 78,192	\$ 78,113	\$ 411,264	\$ 140,783	\$ 269,505	\$ (117,363)	\$ 247,787

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 2 of 8)

	Special Revenue									
	Rural Initiatives	Urban Initiatives	Building Code Division	Health	Water Quality District	Animal Control	Extension	Missoula Development Authority	Drug Forfeiture	Youth Education & Safety
Revenues:										
Property Taxes	\$ -	\$ 11,713	\$ -	\$ 1,935,281	\$ -	\$ 378,422	\$ 335,528	\$ 1,753,904	\$ -	\$ -
Licenses & Permits	-	-	388,981	94,205	-	157,642	-	-	-	-
Intergovernmental Revenue	241,765	-	-	1,712,236	50,268	18,391	40,549	-	105,611	-
Charges for Services	-	-	34,456	980,582	436,355	59,883	11,450	-	12,707	-
Fines & Forfeitures	-	-	-	250	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	16,934	1,111	71
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	20,116	-	-	51,661	15,000	16,088	7,641	728,572	-	-
Total Revenues	261,881	11,713	423,437	4,774,215	501,623	630,426	395,168	2,499,410	119,429	71
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	221,483	-
Public Works	-	-	425,115	-	-	-	416,576	906,044	-	-
Public Health	-	-	-	4,549,333	481,893	656,317	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Housing & Community Development	774,445	337,053	-	-	-	-	-	-	-	-
Capital Outlay	656	-	-	5,837	-	25,699	2,440	912,998	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	380,000	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	125,900	-	-
Total Expenditures	775,101	337,053	425,115	4,555,170	481,893	682,016	419,016	2,324,942	221,483	-
Excess of Revenues over (under) Expenditures	(513,220)	(325,340)	(1,678)	219,045	19,730	(51,590)	(23,848)	174,468	(102,054)	71
Other Financing Sources (uses):										
Transfers In	482,920	431,714	-	163,693	61,750	20,901	34,393	-	115,000	-
Transfers Out	(32,800)	(7,234)	(3,000)	(88,801)	(6,250)	(6,031)	(25,000)	(289,662)	(25,106)	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Net change in Fund Balance	(63,100)	99,140	(4,678)	293,937	75,230	(36,720)	(14,455)	(115,194)	(12,160)	71
Fund Balance - Beginning of Year	296,624	165,699	(20,619)	1,401,650	76,666	82,802	124,960	4,492,213	217,344	15,175
Fund Reclassifications	-	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 233,524	\$ 264,839	\$ (25,297)	\$ 1,695,587	\$ 151,896	\$ 46,082	\$ 110,505	\$ 4,377,019	\$ 205,184	\$ 15,246

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 3 of 8)

	Special Revenue									
	Museum	Search & Rescue	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse
Revenues:										
Property Taxes	\$ 438,980	\$ 80,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 797,726	\$ 1,124,788	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	85,942	351	-	149,922	61,054	-	57,580	51,707	-	-
Charges for Services	31,748	-	-	-	-	-	-	-	-	309,431
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	475	-	-	1,916	-	-	121
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	177,303	28,074	-	-
Total Revenues	556,670	80,478	-	150,397	61,054	-	236,799	877,507	1,124,788	309,552
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	14,254	-	-	112,178	-	-	-	-	-
Public Works	-	-	6,517	-	-	174,530	-	-	-	242,665
Public Health	-	-	-	83,816	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	1,093,405	-	-
Culture & Recreation	460,966	-	-	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	144,000	-	-	-
Capital Outlay	500	25,855	-	-	-	-	-	-	-	28,533
Debt Service:										
Principal	-	-	-	-	-	-	-	25,504	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	2,569	-	-
Total Expenditures	461,466	40,109	6,517	83,816	112,178	174,530	144,000	1,121,478	-	271,198
Excess of Revenues over (under) Expenditures	95,204	40,369	(6,517)	66,581	(51,124)	(174,530)	92,799	(243,971)	1,124,788	38,354
Other Financing Sources (uses):										
Transfers In	6,551	-	-	-	-	9,628	-	75,756	-	-
Transfers Out	(33,788)	(121,681)	-	(850)	-	(74,000)	-	-	(1,124,788)	(1,220)
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Net change in Fund Balance	67,967	(81,312)	(6,517)	65,731	(51,124)	(238,902)	92,799	(168,215)	-	37,134
Fund Balance - Beginning of Year	74,506	80,162	5,124	123,473	254,459	767,556	362,257	129,207	-	360
Fund Reclassifications	-	-	-	-	-	(18,686)	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 142,473	\$ (1,150)	\$ (1,393)	\$ 189,204	\$ 203,335	\$ 509,968	\$ 455,056	\$ (39,008)	\$ -	\$ 37,494

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 4 of 8)

	Special Revenue								
	9-1-1 Trust	Abandoned Vehicle	MCFPA Trust	LEPC Trust	Friends of the Library	Friends of Historical Museum	Historical Museum Gift Shop	Open Space	Other Special Revenue
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	969,707	-	-	-	-	77,024	-	-	-
Charges for Services	-	-	-	-	-	-	13,591	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	3,088
Investment Earnings	2,626	-	-	-	186	129	-	-	76
Private & Local Grants	-	-	-	-	21,798	105,791	-	-	6,687
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	972,333	-	-	-	21,984	182,944	13,591	-	9,866
Expenditures:									
Current Operations:									
General Government	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	1,887
Social & Economic Services	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	16,090	201,333	9,380	-	-
Housing & Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,336	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	21,426	201,333	9,380	-	1,887
Excess of Revenues over (under) Expenditures	972,333	-	-	-	558	(18,389)	4,211	-	7,979
Other Financing Sources (uses):									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(710,770)	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Net change in Fund Balance	261,563	-	-	-	558	(18,389)	4,211	-	7,979
Fund Balance - Beginning of Year	555,741	1,241	799	337	44,275	62,518	24,764	36,169	17,261
Fund Reclassifications	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 817,304	\$ 1,241	\$ 799	\$ 337	\$ 44,833	\$ 44,129	\$ 28,975	\$ 36,169	\$ 25,240

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 5 of 8)

	Debt Service									
	Risk Management	Jail Bond	Health Center 1998	RSID Revolving	Fair Ice Rink Series 2004	Fair Ice Rink Series 2006	Technology Tax Increment Bonds	Open Space Bonds	Health Center 2009	Larchmont Bonds
Revenues:										
Property Taxes	\$ 75,872	\$ 1,096,481	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 574,562	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	9,514	233,558	7,098	-	-	-	-	-	83,442	33,362
Charges for Services	-	-	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	1,708	(35)	-	(567)	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	14	-	-	-	-	-	-	-	-	-
Total Revenues	85,400	1,331,747	7,063	2	(567)	-	-	574,562	83,442	33,362
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	120,000	1,000,000	25,000	-	40,000	30,000	40,000	320,000	70,000	50,000
Interest and Fiscal Charges	430	308,319	12,086	-	34,985	27,348	58,844	105,163	83,443	32,862
Total Expenditures	120,430	1,308,319	37,086	-	74,985	57,348	98,844	425,163	153,443	82,862
Excess of Revenues over (under) Expenditures	(35,030)	23,428	(30,023)	2	(75,552)	(57,348)	(98,844)	149,399	(70,001)	(49,500)
Other Financing Sources (uses):										
Transfers In	-	-	-	8,260	75,745	57,645	99,669	-	-	-
Transfers Out	-	-	-	(96)	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Net change in Fund Balance	(35,030)	23,428	(30,023)	8,166	193	297	825	149,399	(70,001)	(49,500)
Fund Balance - Beginning of Year	51,703	819,600	250,300	778,322	(99,943)	(42,401)	2,953	(192,473)	1,850,301	1,043,194
Fund Reclassifications	-	-	-	26,001	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 16,673	\$ 843,028	\$ 220,277	\$ 812,489	\$ (99,750)	\$ (42,104)	\$ 3,778	\$ (43,074)	\$ 1,780,300	\$ 993,694

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 6 of 8)

	Capital Projects							
	Capital Improvements	Technology	Public Safety Building	Milltown Development Projects	Milltown Historical Preservation	Grant Creek Project	Open Space	Library Capital Reserve
Revenues:								
Property Taxes	\$ -	\$ 501,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	194,046	30,826	-	11,981	-	-	-	-
Charges for Services	-	5,878	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	952	-	501	-	(36)	1,134
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	1,754	-	-	-	-	350,000	-	-
Total Revenues	195,800	538,064	952	11,981	501	350,000	(36)	1,134
Expenditures:								
Current Operations:								
General Government	-	577,592	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	13,858	-
Housing & Community Development	-	-	-	-	-	-	-	-
Capital Outlay	2,164,743	575,010	93,199	-	-	92,148	645,216	-
Debt Service:								
Principal	251,676	-	-	-	-	-	-	-
Interest and Fiscal Charges	18,172	-	-	-	-	-	-	-
Total Expenditures	2,434,591	1,152,602	93,199	-	-	92,148	659,074	-
Excess of Revenues over (under) Expenditures	(2,238,791)	(614,538)	(92,247)	11,981	501	257,852	(659,110)	1,134
Other Financing Sources (uses):								
Transfers In	882,871	1,235,662	-	-	-	60,000	-	-
Transfers Out	-	(1,024,335)	(184,246)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Net change in Fund Balance	(1,355,920)	(403,211)	(276,493)	11,981	501	317,852	(659,110)	1,134
Fund Balance - Beginning of Year	2,402,007	833,558	276,493	(12,044)	107,132	(406,729)	2,743,281	244,357
Fund Reclassifications	572,997	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 1,619,084	\$ 430,347	\$ -	\$ (63)	\$ 107,633	\$ (88,877)	\$ 2,084,171	\$ 245,491

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 7 of 8)

	Capital Projects						
	Health Building Reserve	WQD Capital Reserve	Public Safety Capital Reserve	Admin Bldg Acquisition Reserve	Jail Project	Ice Rink Project	Park Construction Reserve
Revenues:							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-
Investment Earnings	1,694	753	1,491	-	-	(2)	809
Private & Local Grants	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-
Total Revenues	1,694	753	1,491	-	-	(2)	809
Expenditures:							
Current Operations:							
General Government	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Excess of Revenues over (under) Expenditures	1,694	753	1,491	-	-	(2)	809
Other Financing Sources (uses):							
Transfers In	-	-	70,000	-	-	-	-
Transfers Out	-	(61,750)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Net change in Fund Balance	1,694	(60,997)	71,491	-	-	(2)	809
Fund Balance - Beginning of Year	457,328	174,869	270,593	1,537,250	572,997	(20,691)	174,352
Fund Reclassifications	-	-	-	-	(572,997)	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 459,022	\$ 113,872	\$ 342,084	\$ 1,537,250	\$ -	\$ (20,693)	\$ 175,161

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 8 of 8)

	Capital Projects						
	MCA Industrial District Construction	Weed/Ext Building Reserve	Bridge Reserve	Road Escrow	Missoula Search & Rescue Reserve	Seeley Search & Rescue Reserve	Total
Revenues:							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,811,612
Licenses & Permits	-	-	-	-	-	-	649,162
Intergovernmental Revenue	-	-	-	-	-	-	10,836,313
Charges for Services	-	-	-	-	-	-	3,083,734
Fines & Forfeitures	-	-	-	-	-	-	255,820
Investment Earnings	7	2,032	25	2,398	58	6	37,635
Private & Local Grants	-	-	-	-	-	-	205,397
Miscellaneous Revenues	-	-	-	14,764	-	-	1,510,146
Total Revenues	7	2,032	25	17,162	58	6	35,389,819
Expenditures:							
Current Operations:							
General Government	-	-	-	-	-	-	2,978,997
Criminal Justice	-	-	-	-	-	-	1,120,485
Public Safety	-	-	-	-	-	-	347,915
Public Works	-	-	-	39,009	-	-	7,656,009
Public Health	-	-	-	-	-	-	6,548,747
Social & Economic Services	-	-	-	-	-	-	2,585,961
Culture & Recreation	-	-	-	-	-	-	4,495,439
Housing & Community Development	-	-	-	-	-	-	1,760,469
Capital Outlay	-	-	-	-	-	-	6,524,861
Debt Service:							
Principal	-	-	-	-	-	-	2,362,180
Interest and Fiscal Charges	-	-	-	-	-	-	814,501
Total Expenditures	-	-	-	39,009	-	-	37,195,564
Excess of Revenues over (under) Expenditures	7	2,032	25	(21,847)	58	6	(1,805,745)
Other Financing Sources (uses):							
Transfers In	-	26,000	363,520	-	42,733	78,948	5,817,939
Transfers Out	-	-	-	(11,582)	-	-	(6,050,145)
Issuance of Debt	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Net change in Fund Balance	7	28,032	363,545	(33,429)	42,791	78,954	(2,037,951)
Fund Balance - Beginning of Year	1,378	432,007	-	541,454	4,059	-	27,570,785
Fund Reclassifications	-	-	-	-	-	-	7,315
Change in Inventory Reserves	-	-	-	-	-	-	118,769
Fund Balance - End of Year	\$ 1,385	\$ 460,039	\$ 363,545	\$ 508,025	\$ 46,850	\$ 78,954	\$ 25,658,918

NON-MAJOR FUNDS – Budget and Actual

This Page Intentionally Left Blank

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 1 of 24)

Special Revenue Funds								
	Road				Poor			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 2,065,767	\$ 2,065,767	\$ 2,005,671	\$ (60,096)	\$ 1,005,880	\$ 1,005,880	\$ 1,008,570	\$ 2,690
License & Permits	10,250	10,250	8,334	(1,916)	-	-	-	-
Intergovernmental Revenue	4,793,211	4,793,211	2,995,757	(1,797,454)	160,822	160,822	168,964	8,142
Charges for Services	21,000	21,000	23,607	2,607	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	6,500	6,500	16,242	9,742	-	-	-	-
Total Revenues	<u>6,896,728</u>	<u>6,896,728</u>	<u>5,049,611</u>	<u>(1,847,117)</u>	<u>1,166,702</u>	<u>1,166,702</u>	<u>1,177,534</u>	<u>10,832</u>
Expenditures:								
Current Operations:								
Personnel	2,164,550	2,251,101	2,195,809	55,292	-	-	-	-
Operations	1,813,229	1,913,229	1,675,491	237,738	917,962	917,962	872,308	45,654
Capital Outlay	3,102,942	1,917,700	1,140,486	777,214	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>7,080,721</u>	<u>6,082,030</u>	<u>5,011,786</u>	<u>1,070,244</u>	<u>917,962</u>	<u>917,962</u>	<u>872,308</u>	<u>45,654</u>
Excess of Revenues over (under) Expenditures	(183,993)	814,698	37,825	(776,873)	248,740	248,740	305,226	56,486
Other Financing Sources (Uses):								
Transfers In	74,763	74,763	83,584	8,821	-	-	-	-
Transfers Out	(248,400)	(248,400)	(266,880)	(18,480)	(315,000)	(315,000)	(370,163)	(55,163)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	1,000	1,000	-	(1,000)	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (356,630)</u>	<u>\$ 642,061</u>	<u>\$ (145,471)</u>	<u>\$ (787,532)</u>	<u>\$ (66,260)</u>	<u>\$ (66,260)</u>	<u>\$ (64,937)</u>	<u>\$ 1,323</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 2 of 24)

Special Revenue Funds								
	Bridge				Weed			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 935,838	\$ 935,838	\$ 938,351	\$ 2,513	\$ 461,110	\$ 461,110	\$ 462,371	\$ 1,261
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	115,972	130,972	115,972	(15,000)	34,257	34,257	34,257	-
Charges for Services	-	-	-	-	500	500	68	(432)
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,200	1,200	2,973	1,773
Total Revenues	<u>1,051,810</u>	<u>1,066,810</u>	<u>1,054,323</u>	<u>(12,487)</u>	<u>497,067</u>	<u>497,067</u>	<u>499,669</u>	<u>2,602</u>
Expenditures:								
Current Operations:								
Personnel	723,587	748,397	732,218	16,179	370,592	381,876	348,447	33,429
Operations	179,986	179,986	130,749	49,237	104,400	104,400	87,964	16,436
Capital Outlay	154,000	184,000	72,416	111,584	14,000	14,000	1,073	12,927
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,057,573</u>	<u>1,112,383</u>	<u>935,383</u>	<u>177,000</u>	<u>488,992</u>	<u>500,276</u>	<u>437,484</u>	<u>62,792</u>
Excess of Revenues over (under) Expenditures	(5,763)	(45,573)	118,940	164,513	8,075	(3,209)	62,185	65,394
Other Financing Sources (Uses):								
Transfers In	21,787	21,787	21,596	(191)	112,267	112,267	111,903	(364)
Transfers Out	-	-	(364,520)	(364,520)	(170,602)	(170,602)	(162,657)	7,945
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 16,024</u>	<u>\$ (23,786)</u>	<u>\$ (223,984)</u>	<u>\$ (200,198)</u>	<u>\$ (50,260)</u>	<u>\$ (61,544)</u>	<u>\$ 11,431</u>	<u>\$ 72,975</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 3 of 24)

Special Revenue Funds								
	Fair				District Court			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 194,561	\$ 194,561	\$ 184,251	\$ (10,310)	\$ 861,758	\$ 861,758	\$ 866,087	\$ 4,329
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	9,073	9,073	9,073	-	65,000	65,000	92,932	27,932
Charges for Services	950,200	950,200	1,069,457	119,257	60,000	60,000	51,965	(8,035)
Fines & Forfeitures	-	-	-	-	350	350	539	189
Investment Earnings	-	-	764	764	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	51,225	51,225	-	-	-	-
Total Revenues	<u>1,153,834</u>	<u>1,153,834</u>	<u>1,314,770</u>	<u>160,936</u>	<u>987,108</u>	<u>987,108</u>	<u>1,011,523</u>	<u>24,415</u>
Expenditures:								
Current Operations:								
Personnel	397,979	407,249	360,921	46,328	865,181	895,713	828,639	67,074
Operations	539,380	539,380	727,522	(188,142)	139,650	139,650	139,717	(67)
Capital Outlay	95,000	95,000	-	95,000	-	-	-	-
Debt Service:								
Principal	10,000	10,000	10,000	-	-	-	-	-
Interest	4,580	4,580	4,580	-	-	-	-	-
Total Expenditures	<u>1,046,939</u>	<u>1,056,209</u>	<u>1,103,023</u>	<u>(46,814)</u>	<u>1,004,831</u>	<u>1,035,363</u>	<u>968,356</u>	<u>67,007</u>
Excess of Revenues over (under) Expenditures	106,895	97,625	211,747	114,122	(17,723)	(48,255)	43,167	91,422
Other Financing Sources (Uses):								
Transfers In	103,108	103,108	103,037	(71)	39,926	39,926	39,815	(111)
Transfers Out	(155,572)	(155,572)	(155,424)	148	(22,100)	(22,100)	(22,100)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 54,431</u>	<u>\$ 45,161</u>	<u>\$ 159,360</u>	<u>\$ 114,199</u>	<u>\$ 103</u>	<u>\$ (30,429)</u>	<u>\$ 60,882</u>	<u>\$ 91,311</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 4 of 24)

Special Revenue Funds								
	Weed Grant				Parks			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 229,582	\$ 229,582	\$ 230,196	\$ 614
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	234,530	234,530	215,308	(19,222)	7,868	7,868	7,868	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	15,657	15,840	15,840	-
Total Revenues	<u>234,530</u>	<u>234,530</u>	<u>215,308</u>	<u>(19,222)</u>	<u>253,107</u>	<u>253,290</u>	<u>253,904</u>	<u>614</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	73,962	108,054	89,837	18,217
Operations	493,882	493,882	214,880	279,002	283,285	283,285	135,782	147,503
Capital Outlay	-	-	-	-	101,500	101,500	74,361	27,139
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>493,882</u>	<u>493,882</u>	<u>214,880</u>	<u>279,002</u>	<u>458,747</u>	<u>492,839</u>	<u>299,980</u>	<u>192,859</u>
Excess of Revenues over (under) Expenditures	(259,352)	(259,352)	428	259,780	(205,640)	(239,549)	(46,076)	193,473
Other Financing Sources (Uses):								
Transfers In	144,102	144,102	133,102	(11,000)	6,573	6,573	568	(6,005)
Transfers Out	-	-	(102,255)	(102,255)	(2,900)	(2,900)	(1,890)	1,010
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (115,250)</u>	<u>\$ (115,250)</u>	<u>\$ 31,275</u>	<u>\$ 146,525</u>	<u>\$ (201,967)</u>	<u>\$ (235,876)</u>	<u>\$ (47,398)</u>	<u>\$ 188,478</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 5 of 24)

Special Revenue Funds								
	Library				Planning			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 2,293,874	\$ 2,293,874	\$ 2,300,015	\$ 6,141	\$ 1,724,185	\$ 1,724,185	\$ 1,743,963	\$ 19,778
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	233,913	261,273	256,191	(5,082)	3,249,139	3,618,223	3,109,476	(508,747)
Charges for Services	50,800	50,800	41,122	(9,678)	-	-	1,434	1,434
Fines & Forfeitures	66,000	66,000	66,950	950	138,000	138,000	158,673	20,673
Investment Earnings	-	-	-	-	-	-	78	78
Private & Local Grants	-	-	-	-	30,567	35,039	71,121	36,082
Miscellaneous Revenues	41,456	41,456	9,890	(31,566)	1,100	26,100	4,326	(21,774)
Total Revenues	<u>2,686,043</u>	<u>2,713,403</u>	<u>2,674,168</u>	<u>(39,235)</u>	<u>5,142,991</u>	<u>5,541,547</u>	<u>5,089,071</u>	<u>(452,476)</u>
Expenditures:								
Current Operations:								
Personnel	1,926,651	1,993,854	1,977,000	16,854	2,999,183	3,132,657	3,023,965	108,692
Operations	403,616	430,976	503,652	(72,676)	2,074,338	2,460,970	1,988,607	472,363
Capital Outlay	325,236	325,236	303,523	21,713	9,900	9,900	-	9,900
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,655,503</u>	<u>2,750,066</u>	<u>2,784,175</u>	<u>(34,109)</u>	<u>5,083,421</u>	<u>5,603,527</u>	<u>5,012,572</u>	<u>590,955</u>
Excess of Revenues over (under) Expenditures	30,540	(36,663)	(110,007)	(73,344)	59,570	(61,980)	76,499	138,479
Other Financing Sources (Uses):								
Transfers In	48,775	48,775	48,347	(428)	855,128	875,128	872,628	(2,500)
Transfers Out	-	-	-	-	(771,163)	(771,163)	(771,266)	(103)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 79,315</u>	<u>\$ 12,112</u>	<u>\$ (61,660)</u>	<u>\$ (73,772)</u>	<u>\$ 143,535</u>	<u>\$ 41,985</u>	<u>\$ 177,861</u>	<u>\$ 135,876</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 6 of 24)

Special Revenue Funds								
	Rural Initiatives				Urban Initiatives			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 15,617	\$ 15,617	\$ 11,713	\$ (3,904)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	457,486	709,346	137,172	(572,174)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	20,116	20,116	-	-	-	-
Total Revenues	<u>457,486</u>	<u>709,346</u>	<u>157,288</u>	<u>(552,058)</u>	<u>15,617</u>	<u>15,617</u>	<u>11,713</u>	<u>(3,904)</u>
Expenditures:								
Current Operations:								
Personnel	430,673	445,104	411,864	33,240	368,114	379,255	342,301	36,954
Operations	482,342	762,767	306,314	456,453	124,200	124,200	6,925	117,275
Capital Outlay	2,000	2,000	656	1,344	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>915,015</u>	<u>1,209,871</u>	<u>718,834</u>	<u>491,037</u>	<u>492,314</u>	<u>503,455</u>	<u>349,226</u>	<u>154,229</u>
Excess of Revenues over (under) Expenditures	(457,529)	(500,525)	(561,546)	(61,021)	(476,697)	(487,838)	(337,513)	150,325
Other Financing Sources (Uses):								
Transfers In	508,408	500,248	482,920	(17,328)	423,921	432,081	431,714	(367)
Transfers Out	(31,650)	(31,650)	(32,800)	(1,150)	(7,234)	(7,234)	(7,234)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 19,229</u>	<u>\$ (31,927)</u>	<u>\$ (111,426)</u>	<u>\$ (79,499)</u>	<u>\$ (60,010)</u>	<u>\$ (62,991)</u>	<u>\$ 86,967</u>	<u>\$ 149,958</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 7 of 24)

Special Revenue Funds								
	Building Code Division				Health			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,958,714	\$ 1,958,714	\$ 2,483,141	\$ 524,427
License & Permits	418,404	418,404	388,981	(29,423)	80,350	80,350	94,655	14,305
Intergovernmental Revenue	-	-	-	-	1,599,827	1,702,602	1,655,910	(46,692)
Charges for Services	40,797	40,797	34,456	(6,341)	836,167	839,767	908,726	68,959
Fines & Forfeitures	-	-	-	-	15,000	15,000	250	(14,750)
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	71,305	71,305	49,688	(21,617)
Total Revenues	<u>459,201</u>	<u>459,201</u>	<u>423,437</u>	<u>(35,764)</u>	<u>4,561,363</u>	<u>4,667,738</u>	<u>5,192,370</u>	<u>524,632</u>
Expenditures:								
Current Operations:								
Personnel	399,934	412,762	384,513	28,249	3,938,774	4,109,968	3,897,009	212,959
Operations	55,450	55,450	52,562	2,888	794,672	861,909	819,365	42,544
Capital Outlay	-	-	-	-	5,000	5,000	5,837	(837)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>455,384</u>	<u>468,212</u>	<u>437,075</u>	<u>31,137</u>	<u>4,738,446</u>	<u>4,976,877</u>	<u>4,722,211</u>	<u>254,666</u>
Excess of Revenues over (under) Expenditures	3,817	(9,011)	(13,638)	(4,627)	(177,083)	(309,139)	470,159	779,298
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	186,408	186,408	163,693	(22,715)
Transfers Out	(3,000)	(3,000)	(3,000)	-	(62,900)	(62,900)	(88,801)	(25,901)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 817</u>	<u>\$ (12,011)</u>	<u>\$ (16,638)</u>	<u>\$ (4,627)</u>	<u>\$ (53,575)</u>	<u>\$ (185,631)</u>	<u>\$ 545,051</u>	<u>\$ 730,682</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 8 of 24)

Special Revenue Funds								
	Water Quality District				Animal Control			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 382,729	\$ 382,729	\$ 378,422	\$ (4,307)
License & Permits	-	-	-	-	142,500	142,500	157,642	15,142
Intergovernmental Revenue	49,499	49,499	50,268	769	18,391	18,391	18,391	-
Charges for Services	396,184	396,184	436,355	40,171	70,000	70,000	59,883	(10,117)
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	15,100	15,100	15,000	(100)	13,500	13,500	16,088	2,588
Total Revenues	<u>460,783</u>	<u>460,783</u>	<u>501,623</u>	<u>40,840</u>	<u>627,120</u>	<u>627,120</u>	<u>630,426</u>	<u>3,306</u>
Expenditures:								
Current Operations:								
Personnel	357,977	369,868	354,643	15,225	502,601	519,887	514,563	5,324
Operations	179,767	179,767	151,843	27,924	160,428	160,428	163,196	(2,768)
Capital Outlay	5,000	5,000	-	5,000	25,000	25,000	25,699	(699)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>542,744</u>	<u>554,635</u>	<u>506,486</u>	<u>48,149</u>	<u>688,029</u>	<u>705,315</u>	<u>703,458</u>	<u>1,857</u>
Excess of Revenues over (under) Expenditures	(81,961)	(93,852)	(4,863)	88,989	(60,909)	(78,195)	(73,032)	5,163
Other Financing Sources (Uses):								
Transfers In	50,000	50,000	61,750	11,750	16,609	16,609	20,901	4,292
Transfers Out	(4,250)	(4,250)	(6,250)	(2,000)	(5,100)	(5,100)	(6,031)	(931)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	1,000	1,000	-	(1,000)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (36,211)</u>	<u>\$ (48,102)</u>	<u>\$ 50,637</u>	<u>\$ 98,739</u>	<u>\$ (48,400)</u>	<u>\$ (65,686)</u>	<u>\$ (58,162)</u>	<u>\$ 7,524</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 9 of 24)

Special Revenue Funds								
	Extension				Missoula Development Authority			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 334,645	\$ 334,645	\$ 335,528	\$ 883	\$ 1,545,690	\$ 1,545,690	\$ 1,753,904	\$ 208,214
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	40,509	40,509	40,549	40	-	-	-	-
Charges for Services	8,500	8,500	11,450	2,950	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	1,200	1,200	13,215	12,015
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	7,210	7,210	7,641	431	738,573	738,573	728,572	(10,001)
Total Revenues	<u>390,864</u>	<u>390,864</u>	<u>395,168</u>	<u>4,304</u>	<u>2,285,463</u>	<u>2,285,463</u>	<u>2,495,691</u>	<u>210,228</u>
Expenditures:								
Current Operations:								
Personnel	272,834	281,166	240,191	40,975	110,891	114,668	113,311	1,357
Operations	227,900	227,900	183,765	44,135	783,830	783,830	799,421	(15,591)
Capital Outlay	9,000	9,000	2,440	6,560	1,933,500	2,203,500	922,637	1,280,863
Debt Service:								
Principal	-	-	-	-	365,000	365,000	380,000	(15,000)
Interest	-	-	-	-	148,300	148,300	133,500	14,800
Total Expenditures	<u>509,734</u>	<u>518,066</u>	<u>426,396</u>	<u>91,670</u>	<u>3,341,521</u>	<u>3,615,298</u>	<u>2,348,869</u>	<u>1,266,429</u>
Excess of Revenues over (under) Expenditures	(118,870)	(127,202)	(31,228)	95,974	(1,056,058)	(1,329,835)	146,822	1,476,657
Other Financing Sources (Uses):								
Transfers In	31,403	31,403	34,393	2,990	10,000	10,000	-	(10,000)
Transfers Out	(32,000)	(32,000)	(25,000)	7,000	(308,591)	(308,591)	(289,662)	18,929
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (119,467)</u>	<u>\$ (127,799)</u>	<u>\$ (21,835)</u>	<u>\$ 105,964</u>	<u>\$ (1,354,649)</u>	<u>\$ (1,628,426)</u>	<u>\$ (142,840)</u>	<u>\$ 1,485,586</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 10 of 24)

Special Revenue Funds								
	Drug Forfeiture				Youth Education & Safety			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	124,918	124,918	166,928	42,010	-	-	-	-
Charges for Services	3,000	3,000	12,707	9,707	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	150	150	918	768	-	-	56	56
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>128,068</u>	<u>128,068</u>	<u>180,553</u>	<u>52,485</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>
Expenditures:								
Current Operations:								
Personnel	207,333	215,042	225,262	(10,220)	-	-	-	-
Operations	4,900	4,900	4,999	(99)	450	450	-	450
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>212,233</u>	<u>219,942</u>	<u>230,261</u>	<u>(10,319)</u>	<u>450</u>	<u>450</u>	<u>-</u>	<u>450</u>
Excess of Revenues over (under) Expenditures	(84,165)	(91,874)	(49,708)	42,166	(450)	(450)	56	506
Other Financing Sources (Uses):								
Transfers In	115,000	115,000	115,000	-	-	-	-	-
Transfers Out	(24,157)	(24,157)	(25,106)	(949)	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 6,678</u>	<u>\$ (1,031)</u>	<u>\$ 40,186</u>	<u>\$ 41,217</u>	<u>\$ (450)</u>	<u>\$ (450)</u>	<u>\$ 56</u>	<u>\$ 506</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 11 of 24)

Special Revenue Funds								
	Museum				Search & Rescue			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 437,762	\$ 437,762	\$ 438,980	\$ 1,218	\$ 80,000	\$ 80,000	\$ 80,127	\$ 127
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	85,942	85,942	85,942	-	5,000	5,000	351	(4,649)
Charges for Services	-	-	31,748	31,748	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	18,000	18,000	-	(18,000)	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>541,704</u>	<u>541,704</u>	<u>556,670</u>	<u>14,966</u>	<u>85,000</u>	<u>85,000</u>	<u>80,478</u>	<u>(4,522)</u>
Expenditures:								
Current Operations:								
Personnel	314,797	325,563	314,166	11,397	-	-	-	-
Operations	216,940	216,940	167,084	49,856	29,250	29,250	12,192	17,058
Capital Outlay	-	-	500	(500)	29,750	29,750	1,825	27,925
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>531,737</u>	<u>542,503</u>	<u>481,750</u>	<u>60,753</u>	<u>59,000</u>	<u>59,000</u>	<u>14,017</u>	<u>44,983</u>
Excess of Revenues over (under) Expenditures	9,967	(799)	74,920	75,719	26,000	26,000	66,461	40,461
Other Financing Sources (Uses):								
Transfers In	23,503	23,503	6,551	(16,952)	-	-	-	-
Transfers Out	(33,788)	(33,788)	(33,788)	-	(21,000)	(21,000)	(121,681)	(100,681)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (318)</u>	<u>\$ (11,084)</u>	<u>\$ 47,683</u>	<u>\$ 58,767</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ (55,220)</u>	<u>\$ (60,220)</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 12 of 24)

Special Revenue Funds								
	Junk Vehicle				Forest Reserve - Title III			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	149,922	149,922	149,922	-	-	-	61,054	61,054
Charges for Services	100	100	-	(100)	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	346	346	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	2,000	2,000	-	(2,000)	-	-	-	-
Total Revenues	<u>152,022</u>	<u>152,022</u>	<u>150,268</u>	<u>(1,754)</u>	<u>-</u>	<u>-</u>	<u>61,054</u>	<u>61,054</u>
Expenditures:								
Current Operations:								
Personnel	77,539	79,467	55,869	23,598	-	-	-	-
Operations	65,514	65,514	35,088	30,426	254,459	254,459	86,108	168,351
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>143,053</u>	<u>144,981</u>	<u>90,957</u>	<u>54,024</u>	<u>254,459</u>	<u>254,459</u>	<u>86,108</u>	<u>168,351</u>
Excess of Revenues over (under) Expenditures	8,969	7,041	59,311	52,270	(254,459)	(254,459)	(25,054)	229,405
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(850)	(850)	(850)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 8,119</u>	<u>\$ 6,191</u>	<u>\$ 58,461</u>	<u>\$ 52,270</u>	<u>\$ (254,459)</u>	<u>\$ (254,459)</u>	<u>\$ (25,054)</u>	<u>\$ 229,405</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 13 of 24)

Special Revenue Funds								
	RSID Administration				Community Based Organizations			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 795,755	\$ 795,755	\$ 797,726	\$ 1,971
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	51,367	51,367	51,707	340
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	28,075	28,075	28,074	(1)
Total Revenues	-	-	-	-	875,197	875,197	877,507	2,310
Expenditures:								
Current Operations:								
Personnel	77,467	80,088	78,481	1,607	-	-	-	-
Operations	75,225	75,225	98,400	(23,175)	904,841	904,841	913,557	(8,716)
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	25,505	25,505	25,504	1
Interest	-	-	-	-	2,570	2,570	2,569	1
Total Expenditures	152,692	155,313	176,881	(21,568)	932,916	932,916	941,630	(8,714)
Excess of Revenues over (under) Expenditures	(152,692)	(155,313)	(176,881)	(21,568)	(57,719)	(57,719)	(64,123)	(6,404)
Other Financing Sources (Uses):								
Transfers In	52,329	52,329	9,628	(42,701)	75,756	75,756	75,756	-
Transfers Out	(14,000)	(74,000)	(74,000)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (114,363)	\$ (176,984)	\$ (241,253)	\$ (64,269)	\$ 18,037	\$ 18,037	\$ 11,633	\$ (6,404)

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 14 of 24)

Special Revenue Funds								
	Permissive Medical Levy				Seeley Lake Refuse			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 1,141,388	\$ 1,141,388	\$ 1,124,788	\$ (16,600)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	288,030	288,030	309,431	21,401
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	100	100	78	(22)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>1,141,388</u>	<u>1,141,388</u>	<u>1,124,788</u>	<u>(16,600)</u>	<u>288,130</u>	<u>288,130</u>	<u>309,509</u>	<u>21,379</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	112,070	115,727	116,526	(799)
Operations	-	-	-	-	152,950	152,950	151,448	1,502
Capital Outlay	-	-	-	-	10,000	10,000	27,486	(17,486)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,020</u>	<u>278,677</u>	<u>295,460</u>	<u>(16,783)</u>
Excess of Revenues over (under) Expenditures	1,141,388	1,141,388	1,124,788	(16,600)	13,110	9,453	14,049	4,596
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(1,141,388)	(1,141,388)	(1,124,788)	16,600	-	-	(1,220)	(1,220)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,110</u>	<u>\$ 9,453</u>	<u>\$ 12,829</u>	<u>\$ 3,376</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 15 of 24)

Debt Service Funds								
	Risk Management Bond				Jail Bond			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 72,943	\$ 72,943	\$ 75,872	\$ 2,929	\$ 1,091,336	\$ 1,091,336	\$ 1,096,481	\$ 5,145
License & Permits	-	-	-	-	233,558	233,558	233,558	-
Intergovernmental Revenue	9,513	9,513	9,513	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	785	785
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>82,456</u>	<u>82,456</u>	<u>85,385</u>	<u>2,929</u>	<u>1,324,894</u>	<u>1,324,894</u>	<u>1,330,824</u>	<u>5,930</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	120,000	120,000	120,000	-	1,000,000	1,000,000	1,000,000	-
Interest	2,700	2,700	2,700	-	324,894	324,894	325,194	(300)
Total Expenditures	<u>122,700</u>	<u>122,700</u>	<u>122,700</u>	<u>-</u>	<u>1,324,894</u>	<u>1,324,894</u>	<u>1,325,194</u>	<u>(300)</u>
Excess of Revenues over (under) Expenditures	(40,244)	(40,244)	(37,315)	2,929	-	-	5,630	5,630
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (40,244)</u>	<u>\$ (40,244)</u>	<u>\$ (37,315)</u>	<u>\$ 2,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,630</u>	<u>\$ 5,630</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 16 of 24)

Debt Service Funds								
	Health Center Bond 1998				RSID Revolving			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(65)	(65)	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>(65)</u>	<u>(65)</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	25,000	25,000	25,000	-	-	-	-	-
Interest	<u>12,723</u>	<u>12,723</u>	<u>12,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>37,723</u>	<u>37,723</u>	<u>37,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(37,723)	(37,723)	(37,788)	(65)	-	-	2	2
Other Financing Sources (Uses):								
Transfers In	38,023	38,023	68,391	30,368	-	-	8,260	8,260
Transfers Out	-	-	-	-	(25,000)	(25,000)	-	25,000
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 30,603</u>	<u>\$ 30,303</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ 8,262</u>	<u>\$ 33,262</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 17 of 24)

Debt Service Funds								
	Fair Ice Rink Series 2004				Fair Ice Rink Series 2006			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(561)	(561)	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	-	-	(561)	(561)	-	-	-	-
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	40,000	40,000	40,000	-	30,000	30,000	30,000	-
Interest	35,745	35,745	35,745	-	27,945	27,945	27,895	50
Total Expenditures	75,745	75,745	75,745	-	57,945	57,945	57,895	50
Excess of Revenues over (under) Expenditures	(75,745)	(75,745)	(76,306)	(561)	(57,945)	(57,945)	(57,895)	50
Other Financing Sources (Uses):								
Transfers In	75,745	75,745	75,745	-	57,945	57,945	57,645	(300)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ (561)	\$ (561)	\$ -	\$ -	\$ (250)	\$ (250)

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 18 of 24)

Debt Service Funds									
	Technology Tax Increment				Open Space General Obligation				
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 580,163	\$ 580,163	\$ 574,562	\$ (5,601)	
License & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	580,163	580,163	574,562	(5,601)	
Expenditures:									
Current Operations:									
Personnel	-	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	40,000	40,000	40,000	-	320,000	320,000	320,000	-	
Interest	59,969	59,969	59,969	-	260,162	260,162	191,919	68,243	
Total Expenditures	99,969	99,969	99,969	-	580,162	580,162	511,919	68,243	
Excess of Revenues over (under) Expenditures	(99,969)	(99,969)	(99,969)	-	1	1	62,643	62,642	
Other Financing Sources (Uses):									
Transfers In	99,969	99,969	99,669	(300)	-	-	-	-	
Transfers Out	-	-	-	-	-	-	-	-	
Issuance of Debt	-	-	-	-	-	-	-	-	
Sale of Capital Assets	-	-	-	-	-	-	-	-	
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ (300)	\$ (300)	\$ 1	\$ 1	\$ 62,643	\$ 62,642	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 19 of 24)

Debt Service Funds								
	Health Center Bond 2009				Larchmont L.O. Irrigation Bonds			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	70,000	70,000	70,000	-	50,000	50,000	50,000	-
Interest	84,843	84,843	84,843	-	33,613	33,613	33,362	251
Total Expenditures	154,843	154,843	154,843	-	83,613	83,613	83,362	251
Excess of Revenues over (under) Expenditures	(154,843)	(154,843)	(154,843)	-	(83,613)	(83,613)	(83,362)	251
Other Financing Sources (Uses):								
Transfers In	154,843	154,843	264,985	110,142	83,613	83,613	83,362	(251)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ 110,142	\$ 110,142	\$ -	\$ -	\$ -	\$ -

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 20 of 24)

Capital Projects								
	Capital Improvements				Technology			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 500,022	\$ 500,022	\$ 501,360	\$ 1,338
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	89,000	89,000	-	(89,000)	30,826	30,826	30,826	-
Charges for Services	-	-	-	-	36,403	36,403	5,878	(30,525)
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	3,392	3,392	1,754	(1,638)	-	-	-	-
Total Revenues	<u>92,392</u>	<u>92,392</u>	<u>1,754</u>	<u>(90,638)</u>	<u>567,251</u>	<u>567,251</u>	<u>538,064</u>	<u>(29,187)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	636,613	661,613	565,777	95,836
Capital Outlay	4,626,801	4,919,528	2,086,350	2,833,178	637,793	653,598	576,788	76,810
Debt Service:								
Principal	318,133	318,133	251,676	66,457	-	-	-	-
Interest	21,736	21,736	18,172	3,564	-	-	-	-
Total Expenditures	<u>4,966,670</u>	<u>5,259,397</u>	<u>2,356,198</u>	<u>2,903,199</u>	<u>1,274,406</u>	<u>1,315,211</u>	<u>1,142,565</u>	<u>172,646</u>
Excess of Revenues over (under) Expenditures	(4,874,278)	(5,167,005)	(2,354,444)	2,812,561	(707,155)	(747,960)	(604,501)	143,459
Other Financing Sources (Uses):								
Transfers In	1,901,976	1,901,976	882,871	(1,019,105)	1,225,689	1,225,689	1,235,662	9,973
Transfers Out	-	-	-	-	(1,004,767)	(1,004,767)	(1,024,335)	(19,568)
Issuance of Debt	1,767,696	1,767,696	-	(1,767,696)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,204,606)</u>	<u>\$ (1,497,333)</u>	<u>\$ (1,471,573)</u>	<u>\$ 25,760</u>	<u>\$ (486,233)</u>	<u>\$ (527,038)</u>	<u>\$ (393,174)</u>	<u>\$ 133,864</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 21 of 24)

Capital Projects									
	Public Safety Building Fund				Milltown Development Projects				
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
License & Permits	-	-	-	-	-	-	-	-	
Intergovernmental Revenue	-	-	-	-	-	-	11,981	11,981	
Charges for Services	-	-	-	-	-	-	-	-	
Fines & Forfeitures	-	-	-	-	-	-	-	-	
Investment Earnings	-	-	952	952	-	-	-	-	
Private & Local Grants	-	-	-	-	-	-	-	-	
Miscellaneous Revenues	-	-	-	-	-	-	-	-	
Total Revenues	-	-	952	952	-	-	11,981	11,981	
Expenditures:									
Current Operations:									
Personnel	-	-	-	-	-	-	-	-	
Operations	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	454,116	(454,116)	-	-	-	-	
Debt Service:									
Principal	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	
Total Expenditures	-	-	454,116	(454,116)	-	-	-	-	
Excess of Revenues over (under) Expenditures	-	-	(453,164)	(453,164)	-	-	11,981	11,981	
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	-	-	
Transfers Out	(1,205,406)	(1,205,406)	(184,246)	1,021,160	-	-	-	-	
Issuance of Debt	-	-	-	-	-	-	-	-	
Sale of Capital Assets	-	-	-	-	-	-	-	-	
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (1,205,406)	\$ (1,205,406)	\$ (637,410)	\$ 567,996	\$ -	\$ -	\$ 11,981	\$ 11,981	

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 22 of 24)

	Capital Projects							
	Milltown Historic Preservation				Grant Creek Project			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	400	400	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	350,000	350,000
Total Revenues	-	-	400	400	-	-	350,000	350,000
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	5,000	5,000	-	5,000	-	-	-	-
Capital Outlay	-	-	-	-	60,000	120,000	92,148	27,852
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	5,000	5,000	-	5,000	60,000	120,000	92,148	27,852
Excess of Revenues over (under) Expenditures	(5,000)	(5,000)	400	5,400	(60,000)	(120,000)	257,852	377,852
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	60,000	60,000
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ 400</u>	<u>\$ 5,400</u>	<u>\$ (60,000)</u>	<u>\$ (120,000)</u>	<u>\$ 317,852</u>	<u>\$ 437,852</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 23 of 24)

	Capital Projects							
	Open Space				MCA Industrial District Construction			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(36)	(36)	-	-	7	7
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	-	-	(36)	(36)	-	-	7	7
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	13,858	(13,858)	-	-	-	-
Capital Outlay	1,900,736	1,900,736	645,216	1,255,520	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	1,900,736	1,900,736	659,074	1,241,662	-	-	-	-
Excess of Revenues over (under) Expenditures	(1,900,736)	(1,900,736)	(659,110)	1,241,626	-	-	7	7
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (1,900,736)	\$ (1,900,736)	\$ (659,110)	\$ 1,241,626	\$ -	\$ -	\$ 7	\$ 7

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012
(Page 24 of 24)

	Totals			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:				
Property Taxes	\$ 18,709,319	\$ 18,709,319	\$ 19,392,081	\$ 682,762
License & Permits	885,062	885,062	883,170	(1,892)
Intergovernmental Revenue	11,615,985	12,382,064	9,476,312	(2,905,752)
Charges for Services	2,761,681	2,765,281	2,998,287	233,006
Fines & Forfeitures	219,350	219,350	226,412	7,062
Investment Earnings	1,450	1,450	16,937	15,487
Private & Local Grants	48,567	53,039	71,121	18,082
Miscellaneous Revenues	945,068	970,251	1,317,429	347,178
Total Revenues	<u>35,186,482</u>	<u>35,985,816</u>	<u>34,381,749</u>	<u>(1,604,067)</u>
Expenditures:				
Current Operations:				
Personnel	16,692,689	17,367,466	16,605,535	761,931
Operations	12,104,459	12,991,113	11,008,574	1,982,539
Capital Outlay	13,047,158	12,530,448	6,433,557	6,096,891
Debt Service:				
Principal	2,413,638	2,413,638	2,362,180	51,458
Interest	1,019,780	1,019,780	933,171	86,609
Total Expenditures	<u>45,277,724</u>	<u>46,322,445</u>	<u>37,343,017</u>	<u>8,979,428</u>
Excess of Revenues over (under) Expenditures	(10,091,242)	(10,336,629)	(2,961,268)	7,375,361
Other Financing Sources (Uses):				
Transfers In	6,537,569	6,557,569	5,653,476	(904,093)
Transfers Out	(5,610,818)	(5,670,818)	(5,265,947)	404,871
Issuance of Debt	1,767,696	1,767,696	-	(1,767,696)
Sale of Capital Assets	2,000	2,000	-	(2,000)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (7,394,795)</u>	<u>\$ (7,680,182)</u>	<u>\$ (2,573,739)</u>	<u>\$ 5,106,443</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

Other Benefits Programs – To account for the County's programs for wellness, dependant care and medical flexible benefits plans.

Information Systems Operations – To account for the budget for the County's Information Services department.

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

This Page Intentionally Left Blank

MISSOULA COUNTY, MONTANA
Combining Balance Sheet
Internal Service Funds
June 30, 2012

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
Assets								
<i>Current Assets:</i>								
Cash & Cash Equivalents	\$ 1,870	\$ 18,797	\$ 66,971	\$ 2,671	\$ 339	\$ -	\$ 2,455	\$ 93,103
Investments	869,771	2,988,324	5,639,822	420,249	53,325	-	386,362	10,357,853
Taxes Receivable, net	67,032	-	-	-	-	-	-	67,032
Accounts Receivable	-	-	-	-	-	-	4,639	4,639
Interest Receivable	-	7,309	6,872	-	-	-	-	14,181
Prescription Rebate Receivable	-	8,710	-	-	-	-	-	8,710
Contributions Receivable	-	365,149	48,217	-	-	-	-	413,366
Due from Other Funds	-	-	-	-	-	-	-	-
Prepaid Costs	-	39,389	60,802	-	-	-	-	100,191
Total Current Assets	<u>938,673</u>	<u>3,427,678</u>	<u>5,822,684</u>	<u>422,920</u>	<u>53,664</u>	<u>-</u>	<u>393,456</u>	<u>11,059,075</u>
<i>Noncurrent Assets:</i>								
Capital Assets, net	-	160,059	-	-	-	-	394,891	554,950
Total Assets	<u>\$ 938,673</u>	<u>\$ 3,587,737</u>	<u>\$ 5,822,684</u>	<u>\$ 422,920</u>	<u>\$ 53,664</u>	<u>\$ -</u>	<u>\$ 788,347</u>	<u>\$ 11,614,025</u>
Liabilities								
<i>Current Liabilities:</i>								
Accounts Payable	\$ -	\$ 12,335	\$ 252	\$ -	\$ 1,900	\$ -	\$ 3,350	\$ 17,837
Accrued Payroll	1,051	36,267	-	-	-	17,169	2,088	56,575
Contributions Paid in Advance	-	31,109	1,448	-	-	-	-	32,557
Liability for Claims, Current Portion	270,000	958,991	350,000	-	-	-	-	1,578,991
Total Current Liabilities	<u>271,051</u>	<u>1,038,702</u>	<u>351,700</u>	<u>-</u>	<u>1,900</u>	<u>17,169</u>	<u>5,438</u>	<u>1,685,960</u>
<i>Noncurrent Liabilities:</i>								
Liability for Claims, net of Current Portion	833,259	-	2,525,829	-	-	-	-	3,359,088
Total Liabilities	<u>1,104,310</u>	<u>1,038,702</u>	<u>2,877,529</u>	<u>-</u>	<u>1,900</u>	<u>17,169</u>	<u>5,438</u>	<u>5,045,048</u>
Net Assets								
Invested in Capital Assets, net of Related Debt	-	160,059	-	-	-	-	394,891	554,950
Unrestricted	(165,637)	2,388,976	2,945,155	422,920	51,764	(17,169)	388,018	6,014,027
Total Net Assets	<u>(165,637)</u>	<u>2,549,035</u>	<u>2,945,155</u>	<u>422,920</u>	<u>51,764</u>	<u>(17,169)</u>	<u>782,909</u>	<u>6,568,977</u>
Total Liabilities and Net Assets	<u>\$ 938,673</u>	<u>\$ 3,587,737</u>	<u>\$ 5,822,684</u>	<u>\$ 422,920</u>	<u>\$ 53,664</u>	<u>\$ -</u>	<u>\$ 788,347</u>	<u>\$ 11,614,025</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For Fiscal Year Ended June 30, 2012

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
Operating Revenues:								
Charges for Services	\$ -	\$ 8,153,389	\$ 1,492,144	\$ -	\$ 461,116	\$ -	\$ 335,349	\$ 10,441,998
Rental Income	-	30,955	-	-	-	-	-	30,955
Rebates	-	48,158	-	-	-	-	-	48,158
Total Operating Revenues	-	8,232,502	1,492,144	-	461,116	-	335,349	10,521,111
Operating Expenses:								
Personnel	61,251	265,146	109,428	-	-	967,574	108,559	1,511,958
Operations	341,184	-	-	-	485,490	12,929	41,494	881,097
Claims	395,871	7,772,668	1,189,733	-	-	-	-	9,358,272
Reinsurance Premiums	198,163	433,659	71,247	-	-	-	-	703,069
Administrative	-	230,718	161,011	-	-	-	-	391,729
Depreciation and Amortization	1,459	6,269	2,914	-	-	-	16,489	27,131
Total Operating Expense	997,928	8,708,460	1,534,333	-	485,490	980,503	166,542	12,873,256
Income (Loss) from Operations	(997,928)	(475,958)	(42,189)	-	(24,374)	(980,503)	168,807	(2,352,145)
Non-operating Revenues (Expenses):								
Property Taxes	556,230	-	-	-	-	-	-	556,230
Investment Earnings	2,561	14,646	16,260	1,783	-	-	-	35,250
Intergovernmental Revenues	53,469	-	-	-	-	-	-	53,469
Gain (Loss) on Disposal of Fixed Assets	-	-	-	-	-	-	(3,652)	(3,652)
Net Income (Loss) before Transfers	(385,668)	(461,312)	(25,929)	1,783	(24,374)	(980,503)	165,155	(1,710,848)
Transfers In	204,615	94,184	-	-	72,000	1,008,792	-	1,379,591
Transfers Out	(5,950)	(72,000)	(400)	(85,000)	-	-	-	(163,350)
Change in Net Assets	(187,003)	(439,128)	(26,329)	(83,217)	47,626	28,289	165,155	(494,607)
Net Assets - Beginning of Year	21,366	2,875,097	2,971,484	506,137	4,138	(45,458)	617,754	6,950,518
Restatement	-	113,066	-	-	-	-	-	113,066
Net Assets - Beginning of Year, Restated	21,366	2,988,163	2,971,484	506,137	4,138	(45,458)	617,754	7,063,584
Net Assets - End of Year	\$ (165,637)	\$ 2,549,035	\$ 2,945,155	\$ 422,920	\$ 51,764	\$ (17,169)	\$ 782,909	\$ 6,568,977

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2012
(Page 1 of 2)

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
Cash flows from operating activities:								
Cash receipts for charges for services	\$ -	\$ 8,115,234	\$ 1,523,658	\$ -	\$ 461,116	\$ -	\$ 333,516	\$ 10,433,524
Cash receipts for rebates	-	45,310	-	-	-	-	-	45,310
Cash receipts for rent charged	-	30,955	-	-	-	-	-	30,955
Cash payments to employees for services	(63,312)	(242,283)	(109,428)	-	-	(995,790)	(111,583)	(1,522,396)
Cash payments for reinsurance premiums	(198,163)	(436,605)	(75,649)	-	-	-	-	(710,417)
Cash payments for administrative expenses	-	(227,728)	(161,772)	-	-	-	-	(389,500)
Cash payments for claims expenses	(298,845)	(7,289,752)	(908,155)	-	(504,815)	-	-	(9,001,567)
Cash payments to other suppliers for goods and services	(341,184)	-	-	-	-	(13,002)	(42,897)	(397,083)
Net cash provided (used) by operating activities	<u>(901,504)</u>	<u>(4,869)</u>	<u>268,654</u>	<u>-</u>	<u>(43,699)</u>	<u>(1,008,792)</u>	<u>179,036</u>	<u>(1,511,174)</u>
Cash flows from non-capital financing activities:								
Property taxes	549,038	-	-	-	-	-	-	549,038
Advances (to) from other funds	68,727	-	-	-	-	-	-	68,727
Transfers in from primary government	204,615	94,184	-	-	72,000	1,008,792	-	1,379,591
Transfers in from agency fund	-	30,698	-	-	-	-	-	30,698
Transfers out to other internal service fund	(5,950)	(72,000)	(400)	(85,000)	-	-	-	(163,350)
Intergovernmental sources	53,469	-	-	-	-	-	-	53,469
Net cash provided by non-capital financing activities	<u>869,899</u>	<u>52,882</u>	<u>(400)</u>	<u>(85,000)</u>	<u>72,000</u>	<u>1,008,792</u>	<u>-</u>	<u>1,918,173</u>
Cash flows from capital financing activities:								
Purchase of capital assets	-	-	-	-	-	-	(361,814)	(361,814)
Net cash provided by capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,814)</u>	<u>(361,814)</u>
Cash flows from investing activities:								
Purchases of investment securities	(4,598,906)	(1,398,410)	(2,896,551)	(2,151,276)	(311,815)	-	(1,871,585)	(13,228,543)
Proceeds of sale and maturities of investment securities	4,629,668	1,300,000	2,595,000	2,236,926	283,841	-	2,056,550	13,101,985
Interest on investments	2,561	38,551	33,723	1,783	-	-	-	76,618
Net cash provided (used) by investing activities	<u>33,323</u>	<u>(59,859)</u>	<u>(267,828)</u>	<u>87,433</u>	<u>(27,974)</u>	<u>-</u>	<u>184,965</u>	<u>(49,940)</u>
Net increase (decrease) in cash and cash equivalents	1,718	(11,846)	426	2,433	327	-	2,187	(4,755)
Cash and cash equivalents at beginning of year	152	30,643	66,545	238	12	-	268	97,858
Cash and cash equivalents at end of year	<u>\$ 1,870</u>	<u>\$ 18,797</u>	<u>\$ 66,971</u>	<u>\$ 2,671</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$ 2,455</u>	<u>\$ 93,103</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2012
(Page 2 of 2)

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

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Other Benefits Programs	Information Services Operations	Telephone Services	Total
Income (loss) from operations	\$ (997,928)	\$ (475,958)	\$ (42,189)	\$ -	\$ (24,374)	\$ (980,503)	\$ 168,807	\$ (2,352,145)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:								
Depreciation and amortization	1,459	6,269	2,914	-	-	-	16,489	27,131
Change in assets and liabilities:								
Decrease (increase) in contributions receivables	-	(39,508)	31,488	-	-	-	(1,833)	(9,853)
Decrease (increase) in rebate receivables	-	(2,848)	-	-	-	-	-	(2,848)
Decrease (increase) in prepaid costs	-	(2,946)	(4,402)	-	-	-	-	(7,348)
Increase (decrease) in payables and contributions paid in advance	-	2,990	(735)	-	(19,325)	(73)	(1,403)	(18,546)
Increase (decrease) in accrued liabilities	94,965	507,132	281,578	-	-	(28,216)	(3,024)	852,435
Net cash provided (used) by operating activities	<u>\$ (901,504)</u>	<u>\$ (4,869)</u>	<u>\$ 268,654</u>	<u>\$ -</u>	<u>\$ (43,699)</u>	<u>\$ (1,008,792)</u>	<u>\$ 179,036</u>	<u>\$ (1,511,174)</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 \$21,666 and \$16,653, respectively, of net investment loss that was absorbed by their trust portfolios for the year.

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenses and Changes in Fund Net Assets
Budget and Actual - Internal Service Funds
For Fiscal Year Ending June 30, 2012
(Page 1 of 4)

	Risk Management				Health Insurance			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 9,092,595	\$ 9,092,595	\$ 8,115,234	\$ (977,361)
Total Operating Revenue	-	-	-	-	9,092,595	9,092,595	8,115,234	(977,361)
Operating Expense:								
Personnel	65,656	67,775	63,312	4,463	313,139	323,245	242,283	80,962
Operations	708,600	708,600	843,184	(134,584)	9,108,521	9,108,521	7,947,301	1,161,220
Total Operating Expense	774,256	776,375	906,496	(130,121)	9,421,660	9,431,766	8,189,584	1,242,182
Income (Loss) from Operation	(774,256)	(776,375)	(906,496)	(130,121)	(329,065)	(339,171)	(74,350)	264,821
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	558,390	558,390	556,230	(2,160)	-	-	-	-
Investment Earnings	100	100	-	(100)	12,000	12,000	16,885	4,885
Intergovernmental Revenue	53,469	53,469	53,469	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	30,000	30,000	30,955	955
Rebates	-	-	-	-	36,000	36,000	45,310	9,310
Capital Outlay	-	-	-	-	(2,500)	(2,500)	-	2,500
Net Income (Loss) before Transfers	(162,297)	(164,416)	(296,797)	(132,381)	(253,565)	(263,671)	18,800	282,471
Transfers In	227,503	227,503	204,615	(22,888)	109,265	109,265	94,184	(15,081)
Transfers Out	(21,800)	(21,800)	(5,950)	15,850	(60,000)	(60,000)	(72,000)	(12,000)
Change in Net Assets	\$ 43,406	\$ 41,287	\$ (98,132)	\$ (139,419)	\$ (204,300)	\$ (214,406)	\$ 40,984	\$ 255,390

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Budget and Actual - Internal Service Funds
For Fiscal Year Ending June 30, 2012
(Page 2 of 4)

	Workers' Compensation				Excess Loss			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 1,330,000	\$ 1,330,000	\$ 1,523,658	\$ 193,658	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>1,330,000</u>	<u>1,330,000</u>	<u>1,523,658</u>	<u>193,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	101,505	105,170	109,428	(4,258)	-	-	-	-
Operations	<u>1,060,500</u>	<u>1,060,500</u>	<u>1,145,576</u>	<u>(85,076)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expense	<u>1,162,005</u>	<u>1,165,670</u>	<u>1,255,004</u>	<u>(89,334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) from Operation	167,995	164,330	268,654	104,324	-	-	-	-
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	20,000	20,000	19,472	(528)	500	500	1,753	1,253
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	187,995	184,330	288,126	103,796	500	500	1,753	1,253
Transfers In	-	-	-	-	45,000	45,000	-	(45,000)
Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(400)</u>	<u>14,600</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(85,000)</u>	<u>15,000</u>
Change in Net Assets	<u>\$ 172,995</u>	<u>\$ 169,330</u>	<u>\$ 287,726</u>	<u>\$ 118,396</u>	<u>\$ (54,500)</u>	<u>\$ (54,500)</u>	<u>\$ (83,247)</u>	<u>\$ (28,747)</u>

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Budget and Actual - Internal Service Funds
For Fiscal Year Ending June 30, 2012
(Page 3 of 4)

	Other Benefits Programs				Information Services Operations			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 462,000	\$ 462,000	\$ 473,116	\$ 11,116	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>462,000</u>	<u>462,000</u>	<u>473,116</u>	<u>11,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	-	-	-	-	954,917	989,399	995,863	(6,464)
Operations	<u>432,000</u>	<u>432,000</u>	<u>486,535</u>	<u>(54,535)</u>	<u>24,850</u>	<u>24,850</u>	<u>12,929</u>	<u>11,921</u>
Total Operating Expense	<u>432,000</u>	<u>432,000</u>	<u>486,535</u>	<u>(54,535)</u>	<u>979,767</u>	<u>1,014,249</u>	<u>1,008,792</u>	<u>5,457</u>
Income (Loss) from Operation	30,000	30,000	(13,419)	(43,419)	(979,767)	(1,014,249)	(1,008,792)	5,457
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	30,000	30,000	(13,419)	(43,419)	(979,767)	(1,014,249)	(1,008,792)	5,457
Transfers In	60,000	60,000	60,000	-	979,767	979,767	1,008,792	29,025
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 46,581</u>	<u>\$ (43,419)</u>	<u>\$ -</u>	<u>\$ (34,482)</u>	<u>\$ -</u>	<u>\$ 34,482</u>

MISSOULA COUNTY, MONTANA
Schedule of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Budget and Actual - Internal Service Funds
For Fiscal Year Ending June 30, 2012
(Page 4 of 4)

	Telephone Services				Totals			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 294,200	\$ 294,200	\$ 335,349	\$ 41,149	\$ 11,178,795	\$ 11,178,795	\$ 10,447,357	\$ (731,438)
Total Operating Revenue	<u>294,200</u>	<u>294,200</u>	<u>335,349</u>	<u>41,149</u>	<u>11,178,795</u>	<u>11,178,795</u>	<u>10,447,357</u>	<u>(731,438)</u>
Operating Expense:								
Personnel	108,580	112,332	111,583	749	1,543,797	1,597,921	1,522,469	75,452
Operations	<u>174,011</u>	<u>174,011</u>	<u>42,897</u>	<u>131,114</u>	<u>11,508,482</u>	<u>11,508,482</u>	<u>10,478,422</u>	<u>1,030,060</u>
Depreciation	-	-	-	-	-	-	-	-
Total Operating Expense	<u>282,591</u>	<u>286,343</u>	<u>154,480</u>	<u>131,863</u>	<u>13,052,279</u>	<u>13,106,403</u>	<u>12,000,891</u>	<u>1,105,512</u>
Income (Loss) from Operation	11,609	7,857	180,869	173,012	(1,873,484)	(1,927,608)	(1,553,534)	374,074
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	558,390	558,390	556,230	(2,160)
Investment Earnings	-	-	-	-	32,600	32,600	38,110	5,510
Intergovernmental Revenue	-	-	-	-	53,469	53,469	53,469	-
Interest Expense	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	30,000	30,000	30,955	955
Rebates	-	-	-	-	36,000	36,000	45,310	9,310
Debt Service Principal Payment	-	-	-	-	-	-	-	-
Capital Outlay	(250,000)	(250,000)	(361,814)	(111,814)	(252,500)	(252,500)	(361,814)	(109,314)
Reimbursement for Claims Incurred	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-
Net Income (Loss) before Transfers	(238,391)	(242,143)	(180,945)	61,198	(1,415,525)	(1,469,649)	(1,191,274)	278,375
Transfers In	-	-	-	-	1,421,535	1,421,535	1,367,591	(53,944)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(196,800)</u>	<u>(196,800)</u>	<u>(163,350)</u>	<u>33,450</u>
Change in Net Assets	<u>\$ (238,391)</u>	<u>\$ (242,143)</u>	<u>\$ (180,945)</u>	<u>\$ 61,198</u>	<u>\$ (190,790)</u>	<u>\$ (244,914)</u>	<u>\$ 12,967</u>	<u>\$ 257,881</u>

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 an individual.

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

Schools Fund – To account for revenues collected and cash held 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.

Other Post-Employment Benefits – To account for revenues collected and cash held for post employment benefits.

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

This Page Intentionally Left Blank

MISSOULA COUNTY, MONTANA
Combining Statement of Fiduciary Net Assets
June 30, 2012

	External Pool Investment Trust
Assets	
Cash & Cash Equivalents	\$ 300,911
Investments, at Fair Value:	
Securities	13,978,747
Repurchase Agreements	3,801,374
STIP	29,572,719
Total Investments	<u>47,352,840</u>
Total Assets	<u>47,653,751</u>
Net Assets	
Funds Held in Trust for:	
Investment Trusts	<u>-</u>
Total Net Assets	<u><u>\$ 47,653,751</u></u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Fiduciary Net Assets
For Fiscal Year Ended June 30, 2012

	External Pool Investment Trust
Additions	
Interest Income	\$ 217,052
Net Investment Income	<u>217,052</u>
Participant Investments in Pool	398,765,397
Total Additions	<u>398,982,449</u>
 Deductions	
Distribution to Participants	<u>(396,579,886)</u>
Total Deductions	<u>(396,579,886)</u>
 Change in Net Assets	 2,402,563
 Net Assets Held in Trust for Pool Participants	
Net Assets - Beginning of Year	<u>45,251,188</u>
Net Assets - End of Year	<u><u>\$ 47,653,751</u></u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For Fiscal Year Ended June 30, 2012
(Page 1 of 4)

SCHOOLS

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets:				
Cash with Fiscal Agents	\$ 2,408,274	\$ 1,421,464	\$ 2,408,274	\$ 1,421,464
Property Taxes Receivable (net)	<u>6,103,014</u>	<u>45,060,339</u>	<u>46,902,871</u>	<u>4,260,482</u>
Total Assets	<u>\$ 8,511,288</u>	<u>\$ 46,481,803</u>	<u>\$ 49,311,145</u>	<u>\$ 5,681,946</u>
Liabilities:				
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Agencies	<u>8,511,288</u>	<u>46,481,803</u>	<u>49,311,145</u>	<u>5,681,946</u>
Total Liabilities	<u>\$ 8,511,288</u>	<u>\$ 46,481,803</u>	<u>\$ 49,311,145</u>	<u>\$ 5,681,946</u>

OTHER LOCAL TAXING UNITS

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets:				
Cash with Fiscal Agents	\$ -	\$ 22,507	\$ -	\$ 22,507
Property Taxes Receivable (net)	<u>983,418</u>	<u>8,128,411</u>	<u>8,207,662</u>	<u>904,167</u>
Total Assets	<u>\$ 983,418</u>	<u>\$ 8,150,918</u>	<u>\$ 8,207,662</u>	<u>\$ 926,674</u>
Liabilities:				
Due to Other Agencies	<u>\$ 983,418</u>	<u>\$ 8,150,918</u>	<u>\$ 8,207,662</u>	<u>\$ 926,674</u>
Total Liabilities	<u>\$ 983,418</u>	<u>\$ 8,150,918</u>	<u>\$ 8,207,662</u>	<u>\$ 926,674</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2012
(Page 2 of 4)

STATE

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets:				
Property Taxes Receivable (net)	\$ 2,376,649	\$ 20,317,791	\$ 20,580,080	\$ 2,114,360
Total Assets	<u>\$ 2,376,649</u>	<u>\$ 20,317,791</u>	<u>\$ 20,580,080</u>	<u>\$ 2,114,360</u>
Liabilities:				
Due to Other Agencies	\$ 2,376,649	\$ 20,317,791	\$ 20,580,080	\$ 2,114,360
Total Liabilities	<u>\$ 2,376,649</u>	<u>\$ 20,317,791</u>	<u>\$ 20,580,080</u>	<u>\$ 2,114,360</u>

CITY

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets:				
Property Taxes Receivable (net)	\$ 3,607,531	\$ 25,100,286	\$ 25,576,706	\$ 3,131,111
Total Assets	<u>\$ 3,607,531</u>	<u>\$ 25,100,286</u>	<u>\$ 25,576,706</u>	<u>\$ 3,131,111</u>
Liabilities:				
Due to Other Agencies	\$ 3,607,531	\$ 25,100,286	\$ 25,576,706	\$ 3,131,111
Total Liabilities	<u>\$ 3,607,531</u>	<u>\$ 25,100,286</u>	<u>\$ 25,576,706</u>	<u>\$ 3,131,111</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2012
(Page 3 of 4)

OTHER POST-RETIREMENT BENEFITS (OPEB)

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets:				
Cash & Cash Equivalents	\$ 926	\$ 698,344	\$ 697,985	\$ 1,285
Investments	88,226	204,263	88,226	204,263
Other Assets	6,154	4,762	6,154	4,762
Total Assets	<u>\$ 95,306</u>	<u>\$ 907,369</u>	<u>\$ 792,365</u>	<u>\$ 210,310</u>
Liabilities:				
Accounts & Warrants Payable	\$ 980	\$ 1,298	\$ 980	\$ 1,298
Other Liabilities	94,326	209,012	94,326	209,012
Total Liabilities	<u>\$ 95,306</u>	<u>\$ 210,310</u>	<u>\$ 95,306</u>	<u>\$ 210,310</u>

PAYROLL & CLAIMS

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets:				
Cash & Cash Equivalents	\$ 362	\$ 11,482	\$ 362	\$ 11,482
Investments	771,446	1,806,845	771,446	1,806,845
Total Assets	<u>\$ 771,808</u>	<u>\$ 1,818,327</u>	<u>\$ 771,808</u>	<u>\$ 1,818,327</u>
Liabilities:				
Accounts & Warrants Payable	\$ 771,808	\$ 1,818,327	\$ 771,808	\$ 1,818,327
Total Liabilities	<u>\$ 771,808</u>	<u>\$ 1,818,327</u>	<u>\$ 771,808</u>	<u>\$ 1,818,327</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2012
(Page 4 of 4)

TOTAL AGENCY FUNDS

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets:				
Cash & Cash Equivalents	\$ 1,288	\$ 709,826	\$ 698,347	\$ 12,767
Cash with Fiscal Agents	2,408,274	1,443,971	2,408,274	1,443,971
Investments	859,672	2,011,108	859,672	2,011,108
Property Taxes Receivable (net)	13,070,612	98,606,827	101,267,319	10,410,120
Other Assets	<u>6,154</u>	<u>4,762</u>	<u>6,154</u>	<u>4,762</u>
Total Assets	<u>\$ 16,346,000</u>	<u>\$ 102,776,494</u>	<u>\$ 105,239,766</u>	<u>\$ 13,882,728</u>
Liabilities:				
Accounts & Warrants Payable	\$ 772,788	\$ 1,819,625	\$ 772,788	\$ 1,819,625
Other Liabilities	94,326	209,012	94,326	209,012
Due to Other Agencies	<u>15,478,886</u>	<u>100,050,798</u>	<u>103,675,593</u>	<u>11,854,091</u>
Total Liabilities	<u>\$ 16,346,000</u>	<u>\$ 102,079,435</u>	<u>\$ 104,542,707</u>	<u>\$ 13,882,728</u>

CAPITAL ASSETS

Capital assets used in the operation of Governmental Funds.

This Page Intentionally Left Blank

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source ¹
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Governmental Funds Capital Assets:		
Land	\$ 7,197,736	\$ 7,197,736
Buildings	40,077,851	39,220,617
Machinery and Equipment	22,421,563	21,862,479
Infrastructure	35,571,796	35,542,500
Construction in Progress	<u>27,754,473</u>	<u>24,911,829</u>
Total Governmental Funds Capital Assets	<u>\$ 133,023,419</u>	<u>\$ 128,735,161</u>
Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 12,158,308	\$ 9,947,156
Special Revenue Fund	110,194,515	108,962,361
Federal Grants	8,724,500	7,879,548
Initial Start of System	<u>1,946,096</u>	<u>1,946,096</u>
Total Governmental Funds Capital Assets	<u>\$ 133,023,419</u>	<u>\$ 128,735,161</u>

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

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity ¹
June 30, 2012

Function and Activity	Land	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:						
Administration and Finance	\$ -	\$ -	\$ 559,479	\$ -	\$ -	\$ 559,479
Records and Election	-	-	817,751	-	-	817,751
Data Processing	-	16,461	480,105	-	292,696	789,262
General Services	14,203	6,970,026	1,022,545	-	1,875,739	9,882,513
Criminal Justice	-	-	109,303	-	-	109,303
Total General Government	14,203	6,986,487	2,989,183	-	2,168,435	12,158,308
Public Works:						
Road & Bridge	135,100	2,675,563	8,046,562	33,946,166	10,728,991	55,532,382
Missoula Development Authority	-	-	-	1,390,062	4,431,272	5,821,334
Weed & Extension	-	-	136,540	-	-	136,540
RSIDs - CIP	-	-	-	-	7,579,797	7,579,797
Seeley Lake Refuse	65,400	110,793	20,160	-	-	196,353
Total Public Works	200,500	2,786,356	8,203,262	35,336,228	22,740,060	69,266,406
Public Safety:						
Sheriff	19,199	-	2,819,496	60,000	2,140,283	5,038,978
Communications	-	51,096	5,605,538	-	705,695	6,362,329
Detention Center	1,791,035	22,802,088	1,385,062	-	-	25,978,185
Total Public Safety	1,810,234	22,853,184	9,810,096	60,000	2,845,978	37,379,492
Public Health:						
City/County Health	58,162	1,973,124	310,278	-	-	2,341,564
Environmental Health	-	5,000	460,826	-	-	465,826
Total Public Health	58,162	1,978,124	771,104	-	-	2,807,390
Social and Economic Services	-	-	47,548	-	-	47,548
Culture and Recreation	1,896,394	5,473,700	600,370	175,568	-	8,146,032
Nondepartmental	1,946,096	-	-	-	-	1,946,096
Land Held for Resale	1,272,147	-	-	-	-	1,272,147
Total Governmental Funds Capital Assets	\$ 7,197,736	\$ 40,077,851	\$ 22,421,563	\$ 35,571,796	\$ 27,754,473	\$ 133,023,419

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

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity ¹
For Fiscal Year Ended June 30, 2012

<u>Function and Activity</u>	Governmental Funds Capital Assets July 1, 2011	Adjustments & Reclasses	As Restated July 1, 2011	Additions	Deductions	Governmental Funds Capital Assets June 30, 2012
General Government:						
Administration and Finance	\$ 19,273	\$ -	\$ 19,273	\$ 540,206	\$ -	\$ 559,479
Records and Election	801,136	-	801,136	17,479	(864)	817,751
Data Processing	573,089	-	573,089	237,946	(21,773)	789,262
General Services	8,444,355	-	8,444,355	2,727,675	(1,289,517)	9,882,513
Criminal Justice	109,303	-	109,303	-	-	109,303
Total General Government	<u>9,947,156</u>	<u>-</u>	<u>9,947,156</u>	<u>3,523,306</u>	<u>(1,312,154)</u>	<u>12,158,308</u>
Public Works:						
Road & Bridge	55,063,814	(543,913)	54,519,901	1,717,261	(704,780)	55,532,382
Missoula Development Authority	4,861,204	-	4,861,204	960,130	-	5,821,334
Weed & Extension	129,240	-	129,240	7,300	-	136,540
RSIDs - CIP	7,572,228	-	7,572,228	42,468	(34,899)	7,579,797
Seeley Lake Refuse	167,821	-	167,821	28,532	-	196,353
Total Public Works	<u>67,794,307</u>	<u>(543,913)</u>	<u>67,250,394</u>	<u>2,755,691</u>	<u>(739,679)</u>	<u>69,266,406</u>
Public Safety:						
Sheriff	4,886,730	-	4,886,730	179,605	(27,357)	5,038,978
Communications	5,997,437	-	5,997,437	364,892	-	6,362,329
Detention Center	25,978,185	-	25,978,185	-	-	25,978,185
Total Public Safety	<u>36,862,352</u>	<u>-</u>	<u>36,862,352</u>	<u>544,497</u>	<u>(27,357)</u>	<u>37,379,492</u>
Public Health:						
City/County Health	2,315,865	-	2,315,865	25,699	-	2,341,564
Environmental Health	465,826	-	465,826	-	-	465,826
Total Public Health	<u>2,781,691</u>	<u>-</u>	<u>2,781,691</u>	<u>25,699</u>	<u>-</u>	<u>2,807,390</u>
Social and Economic Services	46,684	-	46,684	864	-	47,548
Culture and Recreation	8,084,728	-	8,084,728	202,555	(141,251)	8,146,032
Nondepartmental	1,946,096	-	1,946,096	-	-	1,946,096
Land Held for Resale	1,272,147	-	1,272,147	-	-	1,272,147
Total General Capital Assets	<u>\$ 128,735,161</u>	<u>\$ (543,913)</u>	<u>128,191,248</u>	<u>7,052,612</u>	<u>\$ (2,220,441)</u>	<u>\$ 133,023,419</u>

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

This Page Intentionally Left Blank

STATISTICAL SECTION

STATISTICAL SECTION

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

This segment contains trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

This segment includes information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

This segment presents information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic & Demographic Information

This segment depicts demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating information

This segment displays service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year. The County implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in FY 2003; schedules presenting government-wide activities include information beginning from that year.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in Capital Assets, net of Related Debt	\$ 21,440,382	\$ 21,269,578	\$ 16,970,735	\$ 28,223,190	\$ 34,873,468	\$ 41,799,334	\$ 47,859,926	\$ 50,908,218	\$ 52,441,539	\$ 56,576,425
Restricted	599,302	783,387	1,463,452	1,466,019	1,755,298	1,550,263	1,275,007	2,393,072	15,967,427	35,802,909
Unrestricted	9,793,543	8,097,311	18,919,713	18,975,049	31,255,020	28,155,028	36,814,281	36,385,797	23,837,507	2,894,401
Total Governmental Activities Net Assets	<u>\$ 31,833,227</u>	<u>\$ 30,150,276</u>	<u>\$ 37,353,900</u>	<u>\$ 48,664,258</u>	<u>\$ 67,883,786</u>	<u>\$ 71,504,625</u>	<u>\$ 85,949,214</u>	<u>\$ 89,687,087</u>	<u>\$ 92,246,473</u>	<u>\$ 95,273,735</u>
Business-type Activities										
Invested in Capital Assets, net of Related Debt	\$ 2,311,891	\$ 2,322,777	\$ 2,278,903	\$ 2,199,939	\$ 2,125,419	\$ 2,125,336	\$ 2,601,442	\$ 4,052,553	\$ 3,656,007	\$ 4,680,442
Unrestricted	1,252,355	1,338,904	1,298,087	1,377,281	1,622,661	1,778,396	1,581,937	1,046,487	2,593,970	1,255,778
Total Business-type Activities Net Assets	<u>\$ 3,564,246</u>	<u>\$ 3,661,681</u>	<u>\$ 3,576,990</u>	<u>\$ 3,577,220</u>	<u>\$ 3,748,080</u>	<u>\$ 3,903,732</u>	<u>\$ 4,183,379</u>	<u>\$ 5,099,040</u>	<u>\$ 6,249,977</u>	<u>\$ 5,936,220</u>
Primary Government										
Invested in Capital Assets, net of Related Debt	\$ 23,752,273	\$ 23,592,355	\$ 19,249,638	\$ 30,423,129	\$ 36,998,887	\$ 43,924,670	\$ 50,461,368	\$ 54,960,771	\$ 56,097,546	\$ 61,256,867
Restricted	599,302	783,387	1,463,452	1,466,019	1,755,298	1,550,263	1,275,007	2,393,072	15,967,427	35,802,909
Unrestricted	11,045,898	9,436,215	20,217,800	20,352,330	32,877,681	29,933,424	38,396,218	37,432,284	26,431,477	4,150,179
Total Primary Government Net Assets	<u>\$ 35,397,473</u>	<u>\$ 33,811,957</u>	<u>\$ 40,930,890</u>	<u>\$ 52,241,478</u>	<u>\$ 71,631,866</u>	<u>\$ 75,408,357</u>	<u>\$ 90,132,593</u>	<u>\$ 94,786,127</u>	<u>\$ 98,496,450</u>	<u>\$101,209,955</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General Government	\$ 7,877,591	\$ 10,329,199	\$ 9,656,328	\$ 10,793,516	\$ 10,616,135	\$ 11,532,881	\$ 12,236,110	\$ 11,885,058	\$ 13,978,668	\$ 15,325,331
Criminal Justice	3,651,663	3,749,739	4,813,728	5,119,123	3,300,060	3,729,153	3,758,712	3,847,607	4,128,781	4,276,443
Public Safety	14,242,692	15,777,067	14,852,072	17,060,430	17,487,042	17,933,310	18,135,508	18,831,204	20,042,141	20,051,543
Public Works	9,232,818	11,218,785	6,641,539	8,022,496	17,948,738	13,520,691	6,065,827	10,604,449	10,172,173	10,654,220
Public Health	4,145,794	4,543,610	4,517,190	5,093,221	5,542,050	5,903,619	5,860,795	6,041,743	6,542,193	6,970,001
Social & Economic Services	2,440,503	3,255,769	3,455,239	3,702,861	4,289,787	4,078,319	4,615,766	4,686,338	2,339,977	2,730,068
Culture & Recreation	3,715,192	4,383,917	4,252,141	4,090,539	3,889,031	4,493,107	4,333,841	4,473,973	5,156,053	5,266,106
Housing & Community Development	1,980,185	2,107,607	2,007,925	1,845,512	2,601,639	3,435,749	2,918,937	2,819,982	3,875,925	1,829,234
Interest on Long-term Debt	1,114,181	1,160,354	1,196,809	935,898	1,133,118	1,261,685	1,145,352	1,543,010	1,654,795	1,357,720
Total Governmental Activities Expenses	48,400,619	56,526,047	51,392,971	56,663,596	66,807,600	65,888,514	59,070,848	64,733,364	67,890,706	68,460,666
Business-type Activities:										
Larchmont Golf Course	781,626	829,362	795,539	859,193	880,832	852,695	847,389	860,865	854,062	877,081
Rural Special Improvement Districts	660,452	622,832	767,857	703,456	720,567	707,010	735,247	382,198	822,299	1,309,864
Total Business-type Activities Expenses	1,442,078	1,452,194	1,563,396	1,562,649	1,601,399	1,559,705	1,582,636	1,243,063	1,676,361	2,186,945
Total Primary Government Expenses	<u>\$ 49,842,697</u>	<u>\$ 57,978,241</u>	<u>\$ 52,956,367</u>	<u>\$ 58,226,245</u>	<u>\$ 68,408,999</u>	<u>\$ 67,448,219</u>	<u>\$ 60,653,484</u>	<u>\$ 65,976,427</u>	<u>\$ 69,567,067</u>	<u>\$ 70,647,611</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,541,864	\$ 4,616,907	\$ 4,917,291	\$ 5,066,931	\$ 4,909,952	\$ 4,596,879	\$ 4,405,714	\$ 4,370,193	\$ 4,757,274	\$ 4,944,047
Criminal Justice	839,079	837,962	969,501	895,178	831,522	876,544	910,461	882,066	855,132	784,263
Public Safety	4,563,602	3,980,917	3,385,998	3,686,470	4,007,155	5,845,885	5,218,345	5,097,532	5,144,087	6,391,991
Public Works	654,784	606,293	1,013,088	1,335,476	2,319,001	2,067,227	1,747,766	1,522,702	2,618,765	2,446,931
Public Health	1,167,320	1,252,154	1,373,916	1,420,148	1,633,125	1,730,795	1,532,922	1,477,509	1,495,133	1,732,005
Social & Economic Services	-	52	-	-	-	2,730,068	-	-	-	184,993
Culture & Recreation	1,130,866	1,148,071	1,199,618	1,158,955	1,335,514	1,136,630	981,832	1,022,162	1,097,072	1,222,868
Housing & Community Development	205,660	218,713	248,987	201,930	233,379	206,284	195,356	158,728	144,605	1,434
Operating Grants and Contributions	7,774,613	7,333,961	9,198,521	8,882,805	6,479,430	6,862,787	6,626,708	5,364,471	10,503,550	7,671,180
Capital Grants and Contributions	1,332,656	1,292,253	1,919,467	3,865,026	2,267,401	260,121	3,546,936	2,576,393	1,148,146	1,536,905
Total Governmental Activities Program Revenues	21,210,444	21,287,283	24,226,387	26,512,919	24,016,479	26,313,220	25,166,040	22,471,756	27,763,764	26,916,617
Business-type Activities:										
Charges for Services:										
Larchmont Golf Course	1,051,408	1,018,458	911,171	958,595	951,976	984,778	1,012,132	988,599	981,338	969,831
Rural Special Improvement Districts	809,059	768,824	676,128	802,189	850,294	780,030	823,465	882,273	995,892	989,238
Total Business-type Activities Program Revenues	1,860,467	1,787,282	1,587,299	1,760,784	1,802,270	1,764,808	1,835,597	1,870,872	1,977,230	1,959,069
Total Primary Government Program Revenues	<u>\$ 23,070,911</u>	<u>\$ 23,074,565</u>	<u>\$ 25,813,686</u>	<u>\$ 28,273,703</u>	<u>\$ 25,818,749</u>	<u>\$ 28,078,028</u>	<u>\$ 27,001,637</u>	<u>\$ 24,342,628</u>	<u>\$ 29,740,994</u>	<u>\$ 28,875,686</u>
Net (Expense) Revenue										
Governmental Activities:	\$(27,190,175)	\$(35,238,764)	\$(27,166,584)	\$(30,150,677)	\$(42,791,121)	\$(39,575,294)	\$(33,904,808)	\$(42,261,608)	\$(40,126,942)	\$(41,544,049)
Business-type Activities:	418,389	335,088	23,903	198,135	200,871	205,103	252,961	627,809	300,869	(227,876)
Total Primary Government Net (Expenses) Revenues	<u>\$(26,771,786)</u>	<u>\$(34,903,676)</u>	<u>\$(27,142,681)</u>	<u>\$(29,952,542)</u>	<u>\$(42,590,250)</u>	<u>\$(39,370,191)</u>	<u>\$(33,651,847)</u>	<u>\$(41,633,799)</u>	<u>\$(39,826,073)</u>	<u>\$(41,771,925)</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenue and Other										
Changes in Net Assets										
Governmental Activities:										
Property Taxes	\$ 26,785,411	\$ 26,181,489	\$ 28,263,956	\$ 30,428,569	\$ 32,154,829	\$ 34,367,166	\$ 34,622,390	\$ 38,095,655	\$ 36,962,016	\$ 37,911,765
Intergovernmental Revenue	3,671,830	3,572,783	3,772,657	3,282,638	4,334,436	6,766,492	5,857,686	5,845,783	2,967,366	4,609,691
Investment Earnings	345,657	142,626	466,131	875,329	1,748,295	1,489,227	816,387	297,001	239,823	90,720
Gain on Sale of Capital Assets	1,297,461	934,408	312,722	2,518,878	(2,230,026)	643,320	(28,243)	-	(1,542)	(19,016)
Miscellaneous Revenues	462,055	2,293,524	1,453,329	2,035,355	12,142,118	2,329,610	2,832,296	2,369,802	2,384,056	2,338,266
Transfers	166,242	270,520	101,413	234,342	141,981	151,225	164,386	(227,491)	107,531	94,975
Total Governmental Activities	<u>32,728,656</u>	<u>33,395,350</u>	<u>34,370,208</u>	<u>39,375,111</u>	<u>48,291,633</u>	<u>45,747,040</u>	<u>44,264,902</u>	<u>46,380,750</u>	<u>42,659,250</u>	<u>45,026,401</u>
Business-type Activities:										
Intergovernmental Revenue	8,548	-	-	-	-	4,609,691	100,000	-	-	-
Investment Earnings	2,927	3,476	10,907	31,726	55,242	38,345	35,691	24,426	9,080	9,094
Gain on Sale of Capital Assets	763	28,191	425	-	-	(19,016)	10,430	7,000	-	-
Miscellaneous Revenues	-	1,200	2,591	4,711	56,728	22,500	5,587	-	2,500	-
Transfers	(166,242)	(270,520)	(122,517)	(234,342)	(141,981)	(151,225)	(164,386)	227,491	(107,531)	(94,975)
Total Business-type Activities	<u>(154,004)</u>	<u>(237,653)</u>	<u>(108,594)</u>	<u>(197,905)</u>	<u>(30,011)</u>	<u>4,500,295</u>	<u>(12,678)</u>	<u>258,917</u>	<u>(95,951)</u>	<u>(85,881)</u>
Total Primary Government	<u>\$ 32,574,652</u>	<u>\$ 33,157,697</u>	<u>\$ 34,261,614</u>	<u>\$ 39,177,206</u>	<u>\$ 48,261,622</u>	<u>\$ 50,247,335</u>	<u>\$ 44,252,224</u>	<u>\$ 46,639,667</u>	<u>\$ 42,563,299</u>	<u>\$ 44,940,520</u>
Changes in Net Assets										
Governmental Activities	\$ 5,538,481	\$ (1,843,414)	\$ 7,203,624	\$ 9,224,434	\$ 5,500,512	\$ 6,171,746	\$ 10,360,094	\$ 4,119,142	\$ 2,532,308	\$ 3,482,352
Business-type Activities	264,385	97,435	(84,691)	230	170,860	4,705,398	240,283	886,726	204,918	(313,757)
Total Primary Government Changes in Net Assets	<u>\$ 5,802,866</u>	<u>\$ (1,745,979)</u>	<u>\$ 7,118,933</u>	<u>\$ 9,224,664</u>	<u>\$ 5,671,372</u>	<u>\$ 10,877,144</u>	<u>\$ 10,600,377</u>	<u>\$ 5,005,868</u>	<u>\$ 2,737,226</u>	<u>\$ 3,168,595</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 597,207	\$ 457,949	\$ 1,236,826	\$ 753,343	\$ -	\$ -	\$ -	\$ 226,646	\$ -	\$ -
Unreserved	3,039,340	3,299,145	1,900,850	2,230,818	3,200,957	2,218,236	2,577,538	1,962,335	-	-
Nonspendable *	-	-	-	-	-	-	-	-	63,911	61,571
Restricted *	-	-	-	-	-	-	-	-	55,952	72,423
Unassigned *	-	-	-	-	-	-	-	-	2,264,689	2,244,801
Total General Fund	<u>\$ 3,636,547</u>	<u>\$ 3,757,094</u>	<u>\$ 3,137,676</u>	<u>\$ 2,984,161</u>	<u>\$ 3,200,957</u>	<u>\$ 2,218,236</u>	<u>\$ 2,577,538</u>	<u>\$ 2,188,981</u>	<u>\$ 2,384,552</u>	<u>\$ 2,378,795</u>
All Other Governmental Funds										
Reserved	\$ 1,089,587	\$ 2,348,607	\$ 2,609,491	\$ 1,110,884	\$ 2,346,351	\$ 2,875,328	\$ 6,131,515	\$ 7,749,896	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	8,441,449	8,958,351	13,568,633	16,610,426	14,592,615	15,826,535	22,776,020	22,814,502	-	-
Debt Service Funds	599,302	783,387	1,463,452	1,466,019	1,755,298	1,550,263	1,555,901	(278,996)	-	-
Capital Project Funds	(762,493)	471,827	(263,475)	1,815,356	8,420,005	7,513,750	1,341,314	1,932,761	-	-
Nonspendable *	-	-	-	-	-	-	-	-	911,287	1,030,056
Restricted *	-	-	-	-	-	-	-	-	15,911,475	15,961,562
Committed *	-	-	-	-	-	-	-	-	8,658,734	9,040,200
Assigned *	-	-	-	-	-	-	-	-	7,303,069	6,147,357
Unassigned *	-	-	-	-	-	-	-	-	(1,111,352)	(478,772)
Total All Other Governmental Funds	<u>\$ 9,367,845</u>	<u>\$ 12,562,172</u>	<u>\$ 17,378,101</u>	<u>\$ 21,002,685</u>	<u>\$ 27,114,269</u>	<u>\$ 27,765,876</u>	<u>\$ 31,804,750</u>	<u>\$ 32,218,163</u>	<u>\$ 31,673,213</u>	<u>\$ 31,700,403</u>

* Restated to conform to GASB Statement No. 54.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes/assessments	\$ 24,270,711	\$ 26,866,402	\$ 28,737,286	\$ 30,663,693	\$ 32,457,258	\$ 33,225,843	\$ 36,062,438	\$ 36,771,969	\$ 38,521,237	\$ 39,428,446
Licenses and Permits	344,741	324,880	356,015	345,258	943,942	1,064,392	817,724	727,632	738,704	768,855
Intergovernmental Revenues	12,756,743	12,940,233	15,055,952	16,036,477	12,776,147	12,148,625	18,070,793	14,409,605	15,115,115	13,558,910
Charges for Services	9,211,933	8,519,919	8,329,904	8,829,603	9,382,541	11,346,129	10,114,876	9,847,043	9,889,566	11,608,160
Fines and Forfeitures	838,956	846,521	1,037,664	936,793	1,039,329	920,364	976,834	936,107	882,552	894,942
Investment Earnings	204,249	110,902	375,877	701,832	1,376,170	1,140,275	555,296	190,485	188,422	55,470
Private & Local Grants	117,015	111,576	122,446	257,428	664,723	2,208,405	114,916	1,100	157,550	205,397
Miscellaneous Revenue	495,489	2,432,173	2,206,685	1,682,084	1,893,210	2,420,861	2,391,991	2,411,935	1,779,966	2,233,871
Total Revenues	48,239,837	52,152,606	56,221,829	59,453,168	60,533,320	64,474,894	69,104,868	65,295,876	67,273,112	68,754,051
Expenditures:										
General Government	5,897,355	6,205,827	6,070,921	7,132,364	7,600,766	7,970,031	8,105,151	7,735,812	9,625,844	10,021,440
Criminal Justice	3,717,155	3,715,236	4,909,894	5,145,063	3,405,596	3,689,674	3,819,405	3,822,320	4,063,389	4,096,121
Public Safety	13,113,342	14,560,716	14,626,708	15,546,588	15,701,956	17,366,160	18,427,629	18,180,447	19,205,517	18,177,818
Public Works	7,385,860	9,478,401	6,860,922	6,949,991	7,284,533	12,212,920	7,997,379	7,534,287	7,940,624	8,225,522
Public Health	4,051,339	4,477,474	4,812,944	5,101,907	5,594,396	5,741,099	5,769,984	5,900,159	6,363,895	6,548,747
Social & Economic Services	2,276,328	3,202,355	3,291,473	3,720,110	3,936,569	3,871,633	4,544,542	4,437,612	2,275,749	2,585,961
Culture & Recreation	3,136,719	3,368,214	3,608,099	4,389,019	3,523,019	4,010,707	3,701,593	3,968,586	4,524,909	4,495,439
Housing & Community Development	2,370,871	1,952,543	2,090,784	1,864,848	2,684,171	3,397,241	2,928,408	2,777,337	3,796,036	1,760,469
Capital Outlay	5,950,500	6,446,469	7,017,579	5,496,600	18,979,764	8,079,485	9,872,743	15,334,966	8,199,726	7,107,222
Debt Service										
Principal	1,576,374	1,793,811	1,622,089	2,752,771	2,723,412	2,741,130	2,607,106	2,499,705	2,855,235	3,441,847
Interest	1,109,857	1,156,992	1,196,809	1,223,275	1,411,014	1,358,953	1,199,852	1,588,512	1,654,795	1,357,720
Total Expenditures	50,585,700	56,358,038	56,108,222	59,322,536	72,845,196	70,439,033	68,973,792	73,779,743	70,505,719	67,818,306
Excess of Revenues over (under) Expenditures	(2,345,863)	(4,205,432)	113,607	130,632	(12,311,876)	(5,964,139)	131,076	(8,483,867)	(3,232,607)	935,745
Other Financing Sources (uses):										
Transfers In	4,078,009	4,611,705	5,179,028	5,073,109	10,412,196	6,793,915	5,521,943	7,712,254	9,425,668	7,748,289
Transfers Out	(3,981,767)	(4,462,964)	(5,315,570)	(4,920,478)	(10,352,832)	(6,737,452)	(5,434,588)	(8,137,283)	(10,389,474)	(8,869,555)
Issuance of Debt	1,704,875	5,968,629	1,370,582	1,730,136	18,005,249	4,965,000	3,520,281	8,808,731	4,550,202	113,163
Defeasance of Debt	-	-	-	-	(1,641,286)	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	6,908	-	-	-	-
Sale of Capital Assets	2,133,309	1,060,602	2,234,487	2,170,897	1,513,213	1,552,982	181,836	166,956	12,400	1,603
Total Other Financing Sources (uses)	3,934,426	7,177,972	3,468,527	4,053,664	17,936,540	6,581,353	3,789,472	8,550,658	3,598,796	(1,006,500)
Net Change in Fund Balance	\$ 1,588,563	\$ 2,972,540	\$ 3,582,134	\$ 4,184,296	\$ 5,624,664	\$ 617,214	\$ 3,920,548	\$ 66,791	\$ 366,189	\$ (70,755)
Ratio of Debt Service Expenditures to Noncapital Expenditures	5.72%	5.63%	5.65%	7.20%	6.17%	6.57%	6.70%	6.69%	7.09%	7.69%

MISSOULA COUNTY, MONTANA
Bureau of Census (BOC) Supplemental Schedule
As of and for the Fiscal Year ended June 30, 2012

1. Intergovernmental expenditures:

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

2. Salaries and wages:

\$ 30,016,918

3. Debt outstanding:

A. Long-term debt outstanding, issued and retired

Purpose	Bonds outstanding July 1, 2011	Amount		Outstanding as of June 30, 2012	
		Bonds during the Fiscal Year		General Obligation	Revenue bonds
		Issued	Retired		
Water utility	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	-	-	-	-	-
Electric utility	-	-	-	-	-
Gas utility	-	-	-	-	-
Industrial revenue	-	-	-	-	-
All other	13,372,000	451,519	(3,563,111)	14,102,000	-

B. Short-term Debt

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

4. Cash balances of fund type groups:

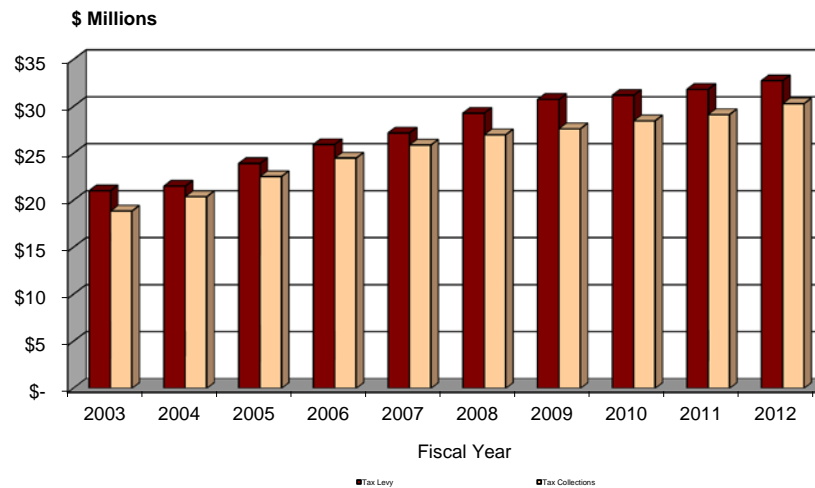
Type of funds	Amount
General fund	\$ 2,475,398
Special revenue funds	14,826,293
Debt service funds	3,920,536
Capital projects funds	9,282,699
Enterprise funds	2,322,338
Internal service funds	10,450,956
Trust and agency funds	51,121,596
Total	\$ 94,399,816

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

Fiscal Year	Total Tax Levy July 1 (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections in Subsequent Years (b)	Total Tax Collections	Ratio of Total Collections to Current Tax Levy
2003	\$ 21,026,169	\$ 18,860,408	89.70	\$ 1,867,173	\$ 20,727,581	98.58
2004	21,519,715	20,388,651	94.74	1,095,075	21,483,726	99.83
2005	23,932,524	22,536,622	94.17	1,303,899	23,840,521	99.62
2006	25,960,336	24,504,110	94.39	1,095,433	25,599,543	98.61
2007	27,188,730	25,898,006	95.25	1,192,931	27,090,937	99.64
2008	29,291,463	26,987,919	92.14	2,272,908	29,260,827	99.90
2009	30,749,059	27,634,375	89.87	1,547,943	29,182,318	94.90
2010	31,196,235	28,479,702	91.29	2,133,589	30,613,291	98.13
2011	31,830,035	29,145,942	91.57	2,289,615	31,435,557	98.76
2012	32,744,989	30,294,134	92.52	-	30,294,134	92.52

- (a) Represents actual amount billed as budgeted amount to be levied is generally more conservative and would result in more than 100% collections.
- (b) Excludes penalties and interest

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



MISSOULA COUNTY, MONTANA
Property Tax Assessments and Total County Direct Tax Rate
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Centrally Assessed</u>	<u>Personal Property</u>	<u>Mobile Homes</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2003	144,031,505	-	4,983,339	2,144,816	151,159,660	123.97
2004	148,225,395	-	5,242,179	2,126,513	155,594,087	122.79
2005	136,772,918	17,391,486	5,464,862	2,113,821	161,743,087	127.12
2006	145,471,661	19,262,094	5,685,896	2,105,666	172,525,317	129.11
2007	154,192,220	19,870,551	5,761,725	2,126,512	181,951,008	133.64
2008	158,914,639	21,835,221	5,582,848	2,075,112	188,407,820	136.19
2009	160,174,626	20,996,538	5,997,214	1,984,161	189,152,539	140.35
2010	162,702,385	20,051,998	6,319,728	1,781,174	190,855,285	140.60
2011	162,381,138	22,672,074	6,054,145	1,666,950	192,774,307	142.13
2012	162,368,539	24,902,349	5,715,293	1,574,935	194,561,116	142.47

Source: County Treasurers Office

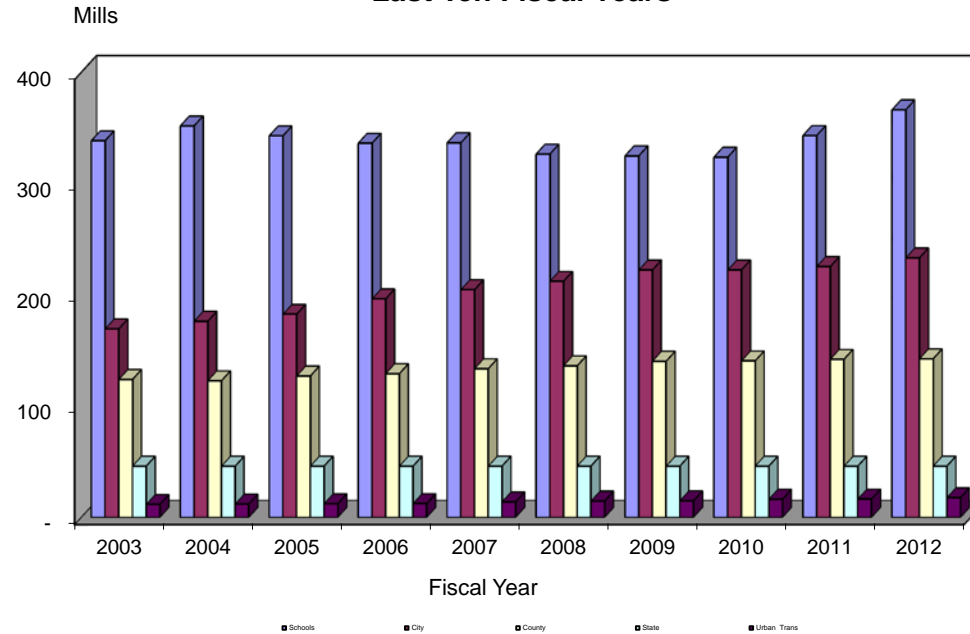
Note: Property in the County is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

MISSOULA COUNTY, MONTANA
Property Tax Levies by Mills - All Taxing Entities
Last Ten Fiscal Years

Fiscal Year	County	Schools	City	State	Urban Trans	Total
2003	123.97	338.64	169.48	46.00	11.66	689.75
2004	122.79	351.88	176.32	46.00	11.93	708.92
2005	127.12	343.04	182.57	46.00	12.23	710.96
2006	129.11	336.32	196.39	46.00	12.38	720.20
2007	133.64	336.73	204.73	46.00	13.91	735.01
2008	136.19	326.54	212.23	46.00	14.62	735.58
2009	140.35	324.98	222.45	46.00	14.86	748.64
2010	140.60	323.83	222.45	46.00	16.30	749.18
2011	142.13	343.25	225.56	46.00	16.45	773.39
2012	142.47	366.40	233.24	46.00	17.69	805.80

The property tax levy is limited to the amount of property taxes assessed in the prior year plus the value of newly taxable property plus one half of the average rate of inflation for the prior three years.

TOTAL PROPERTY TAX LEVIES BY MILLS
Last Ten Fiscal Years

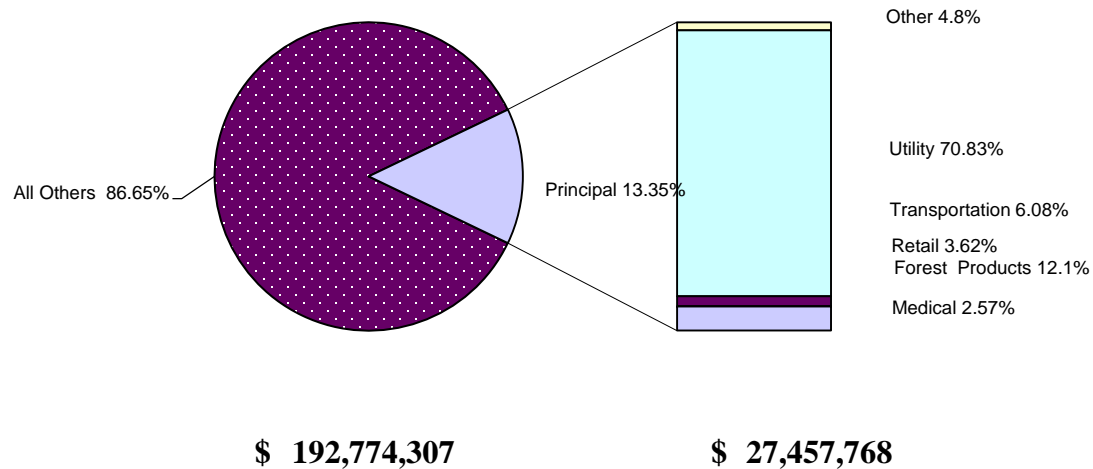


MISSOULA COUNTY, MONTANA
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Industry	2012				2003		
		Tax Dollars All Taxing Agencies	Taxable Value	% of Total Taxable Value		Taxable Value	% of Total Taxable Value	
Northwestern Energy/Montana Power	Utility	\$ 8,722,372	\$ 13,943,962	7.23	%	\$ 7,655,546	5.06	%
Qwest Communications/U.S. West	Utility	2,068,170	2,762,834	1.43		3,180,509	2.10	
Bresnan Communications	Utility	1,651,034	2,272,868	1.18		-	0.00	
Montana Rail Link	Transportation	1,440,088	2,142,499	1.11		151,083	0.10	
Mountain Water Company	Utility	1,091,606	1,435,057	0.74		1,071,997	0.71	
Celloco Partnership (Verizon Wireless)	Utility	997,408	1,387,298	0.72		-	0.00	
Missoula Electric Cooperative	Utility	731,276	1,229,909	0.64		656,525	0.43	
Southgate Mall	Retail	703,949	903,217	0.47		836,147	0.55	
Gateway Limited Partnership	Other	570,011	713,867	0.37		778,822	0.52	
Puget Sound Energy	Utility	365,842	666,257	0.35		802,782	0.53	
		<u>\$ 18,341,756</u>	<u>\$ 27,457,768</u>	<u>14.24</u>	<u>%</u>	<u>\$ 15,133,411</u>	<u>10.01</u>	<u>%</u>
Total County Taxable Value:			<u>\$ 192,774,307</u>			<u>\$ 151,159,660</u>		

Source: Tax roll for fiscal year 2012

PRINCIPAL TAXPAYERS BY TYPE
June 30, 2012

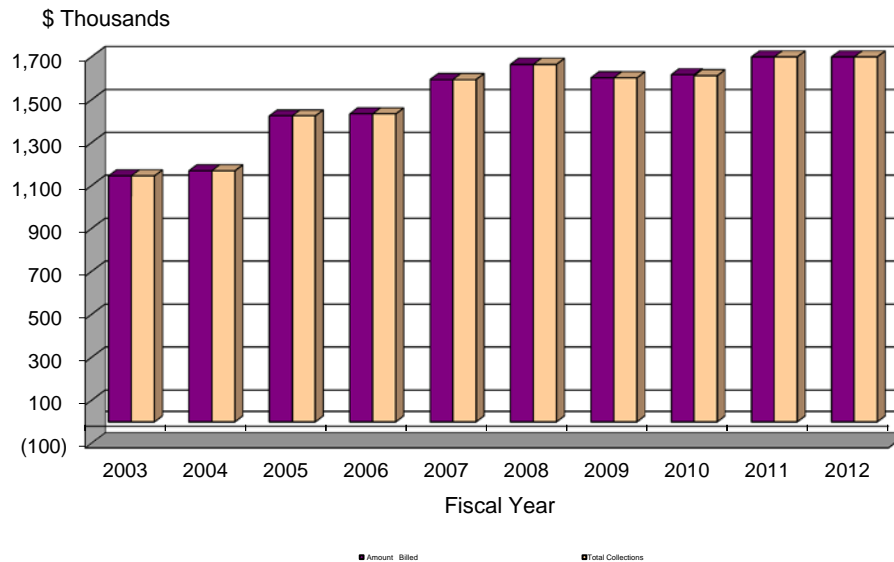


MISSOULA COUNTY, MONTANA
Special Assessments Billings and Collections
June 30, 2012

Fiscal Year	Amount Billed	Current Collections	Delinquent Collections	Total Collections	Percent Collected through 6/30/2012
2003	\$ 1,145,534	\$ 1,048,037	\$ 97,489	\$ 1,145,526	100.00%
2004	1,169,115	1,118,837	50,278	1,169,115	100.00%
2005	1,425,008	1,353,583	71,425	1,425,008	100.00%
2006	1,434,458	1,360,349	73,872	1,434,221	99.98%
2007	1,594,421	1,349,159	245,262	1,594,421	100.00%
2008	1,665,327	1,556,778	108,549	1,665,327	100.00%
2009	1,602,683	1,478,302	124,197	1,602,499	99.99%
2010	1,617,545	1,507,920	104,523	1,612,443	99.68%
2011	2,512,336	2,250,255	177,399	2,427,654	96.63%
2012	2,502,061	2,251,362	-	2,251,362	89.98%

Source: Missoula County RSID Technician

RSID BILLINGS AND COLLECTIONS
June 30, 2012



MISSOULA COUNTY, MONTANA
Rural Special Improvement District Bonds
Revolving Fund Cash Balance and Principal Amount of Bonds Secured
June 30, 2012

<u>Fiscal Year</u>	<u>Revolving Fund Cash Balance</u>	<u>Principal Amount of Bonds Outstanding</u>	<u>Cash as a % of Outstanding Bonds</u>
2003	\$ 161,382	\$ 3,241,936	4.98%
2004	348,279	6,965,561	5.00%
2005	358,111	7,160,227	5.00%
2006	313,827	6,276,599	5.00%
2007	325,552	6,511,043	5.00%
2008	362,200	7,244,000	5.00%
2009	346,501	6,930,020	5.00%
2010	766,263	15,267,731	5.02%
2011	778,322	14,859,078	5.24%
2012	794,843	13,820,239	5.75%

Source: Missoula County RSID Technician

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Limit on Total Indebtedness:										
Assessed Value	\$ 4,556,367	\$ 4,908,944	\$ 5,235,427	\$ 5,569,029	\$ 5,908,577	\$ 6,221,103	\$ 6,310,354	\$ 6,905,574	\$ 7,214,308	\$ 1,667
Taxable Value										
Debt Limit % of Value (1)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Debt Limit	113,909	122,724	130,886	139,226	147,714	155,528	157,759	172,639	180,358	42
Net Debt Applicable to Limit	23,365	27,517	27,245	26,564	29,612	31,873	32,787	39,096	40,791	37,462
Legal Debt Margin	<u>\$ 90,544</u>	<u>\$ 95,207</u>	<u>\$ 103,641</u>	<u>\$ 112,662</u>	<u>\$ 118,102</u>	<u>\$ 123,655</u>	<u>\$ 124,972</u>	<u>\$ 133,543</u>	<u>\$ 139,567</u>	<u>\$ (37,420)</u>
Ratio of Net Debt Limit	<u>20.51%</u>	<u>22.42%</u>	<u>20.82%</u>	<u>19.08%</u>	<u>20.05%</u>	<u>20.49%</u>	<u>20.78%</u>	<u>22.65%</u>	<u>22.62%</u>	<u>89195.07%</u>

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>
2003	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ 225,000
2004	-	-	3,661,561	-	995,000	4,656,561
2005	-	-	954,787	-	415,795	1,370,582
2006	-	-	374,972	13,770,000	800,000	14,944,972
2007	-	-	1,103,000	-	-	1,103,000
2008	-	-	1,640,000	3,325,000	-	4,965,000
2009	-	-	142,000	-	2,000,000	2,142,000
2010	-	-	8,761,731	-	-	8,761,731
2011	-	-	165,202	3,325,000	1,060,000	4,550,202
2012	-	-	113,163	-	-	113,163

(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

<u>Fiscal Year</u>	<u>Population (b)</u>	<u>Taxable Value (a)</u>	<u>G.O. Bonded Debt</u>	<u>Less Amount Available In Debt Service</u>	<u>Net G.O. Bonded Debt</u>	<u>Ratio Net Debt to Taxable Value</u>	<u>Net Bonded Debt Per Capita</u>
2003	96,303	\$ 151,159,660	\$ 15,257,000	\$ 427,263	\$ 14,829,737	9.81	\$ 154
2004	98,616	155,594,087	14,609,000	379,130	14,229,870	9.15	144
2005	99,018	161,743,087	13,926,000	339,012	13,586,988	8.40	137
2006	100,086	172,525,317	13,933,000	610,559	13,322,441	7.72	133
2007	101,417	178,546,389	12,995,000	1,229,583	11,765,417	6.59	116
2008	105,650	184,460,260	15,432,000	1,292,714	14,139,286	7.67	134
2009	107,320	189,152,539	14,512,000	1,252,443	13,259,557	7.01	124
2010	108,623	190,855,285	13,372,000	1,309,645	12,062,355	6.32	111
2011	108,623	194,561,116	15,432,000	1,300,585	14,131,415	7.26	130
2012	108,623	192,774,307	14,102,000	1,308,782	12,793,218	6.64	118

Source:

- (a) Montana Department of Revenue
- (b) Montana Department of Commerce
US Census Bureau

MISSOULA COUNTY, MONTANA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Personal Income (a)	Percentage of Personal Income	Debt Per Capita
	General Obligation Debt	Limited Obligation Debt	Tax Increment Debt	Special Assessment Debt	Contracts				
2003	\$ 15,257,000	\$ 1,335,000	\$ 2,150,000	\$ 3,241,936	\$ 1,380,627	\$ 23,364,563	\$ 25,818	0.11%	\$ 237
2004	14,609,000	2,225,000	2,060,000	6,465,561	2,157,504	27,517,065	26,823	0.10%	278
2005	13,926,000	2,115,000	1,970,000	7,160,227	2,073,338	27,244,565	29,625	0.11%	272
2006	13,933,000	2,770,000	1,875,000	6,276,599	1,709,759	26,564,358	30,991	0.12%	262
2007	12,995,000	2,620,000	6,045,000	6,532,000	1,419,789	29,611,789	31,611	0.11%	280
2008	15,432,000	2,445,000	5,675,000	7,244,000	1,077,448	31,873,448	32,243	0.10%	297
2009	14,512,000	4,255,000	5,300,000	6,930,020	1,789,602	32,786,622	33,055	0.10%	302
2010	13,372,000	3,965,000	4,915,000	15,267,731	1,789,602	40,885,249	35,108	0.09%	376
2011	15,432,000	4,750,000	4,515,000	14,859,078	1,234,536	40,790,614	35,733	0.09%	376
2012	14,102,000	4,415,000	4,095,000	13,932,402	917,528	37,461,930	44,084	0.12%	345

Source:

(b) Preliminary data from U.S. Bureau of Economic Analysis (BEA)

MISSOULA COUNTY, MONTANA
Ratio of Annual Debt Service Requirements for
General Obligation Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

Fiscal Year	Debt Service Expenditures			General Expenditures	Ratio of Debt Service To General Expenditures
	Principal	Interest	Total Debt Service		
2003	\$ 1,576,374	\$ 1,109,857	\$ 2,686,231	\$ 50,585,700	5.31
2004	1,793,811	1,156,992	2,950,803	56,358,038	5.24
2005	1,622,089	1,196,809	2,818,898	56,108,222	5.02
2006	2,752,771	1,223,275	3,976,046	59,322,536	6.70
2007	2,723,412	1,411,014	4,134,426	72,845,196	5.68
2008	2,741,130	1,358,953	4,100,083	70,439,033	5.82
2009	2,607,106	1,199,852	3,806,958	68,973,792	5.52
2010	2,499,705	1,588,512	4,088,217	73,779,743	5.54
2011	2,855,235	1,654,795	4,510,030	70,505,719	6.40
2012	3,441,847	1,357,720	4,799,567	67,818,306	7.08

MISSOULA COUNTY, MONTANA
Computation of Direct and Overlapping Debt
June 30, 2012

	Gross Debt Outstanding	% Applicable to Missoula County	Amount Applicable to Missoula County
Direct Debt			
General Obligation Debt	\$ 14,102,000	100.00%	\$ 14,102,000
Limited Obligation Debt	4,415,000	100.00%	4,415,000
Tax Increment Debt	4,095,000	1.44%	58,926
Special Assessment Bond Debt	4,580,000	3.37%	154,315
Special Assessment Loan Debt	9,352,402	3.99%	372,766
Contract Payable Debt	<u>917,528</u>	100.00%	<u>917,528</u>
	<u>37,461,930</u>		<u>20,020,535</u>
Overlapping Debt			
City of Missoula	35,443,549	55.11% *	19,531,306
School District 1	12,535,000	52.99% *	6,642,440
Other Schools	<u>30,005,000</u>	47.01% *	<u>14,105,008</u>
	<u>56,380,000</u>		<u>28,374,033</u>
Total of Direct and Overlapping Debt	<u>\$ 93,841,930</u>	51.57%	<u>\$ 48,394,568</u>

* The percentage of over lapping debt applicable to Missoula County was estimated by taking the Taxable Value of each of the categories and/or entities issuing debt within Missoula County and then dividing it by the Total Taxable Value of the County.

Source: Missoula County
Source: Department of Revenue
Source: Superintendent of Schools

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

	2012		2003	
<u>Employees</u>	<u>Employer</u>	<u>Business Activities</u>	<u>Employer</u>	<u>Business Activities</u>
Over 1000	University of Montana	Education	Community Medical Center	Medical Services
	St. Patrick Hospital	Medical Services	Missoula County Public Schools	Education
	Missoula County Public Schools	Education	Plum Creek Timber	Forest Products
	Community Medical Center	Medical Services	St. Patrick Hospital	Medical Services
			University of Montana	Education
500-999	County of Missoula	Government	Montana Rail Link	Railroad
	DIRECTV	Communications	Nightingale Nursing	Medical Services
	U.S. Forest Service	Government	Southgate Mall	Retail
	Wal-Mart	Retail	County of Missoula	Government
	Express Employment Specialists	Employment Agency	Stimson Lumber Company	Forest Products
	City of Missoula	Government	U.S. Forest Service	Government
			Washington Corporations	Construction
250-499	Montana Rail Link	Railroad	Bitterroot International	Forest Products
	Western Montana Clinic	Medical Services	City of Missoula	Government
	Albertson's	Retail	Jim Palmer Trucking	Trucking
	Village Health Care Center	Medical Services	Missoula County Airport	Air Travel
	W. Montana Mental Health Center	Medical Services	Opportunity Resources	Production/Packaging
	Opportunity Resources, Inc.	Production/Packaging	Western Montana Clinic	Medical Services

Source: Missoula Economic Development Corporation

Due to confidentiality laws, no specific employment data can be provided for individual businesses.

MISSOULA COUNTY, MONTANA
Property Tax Levies in the MCA Industrial District
Last Ten Fiscal Years
For Airport Industrial Tax Increment 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>
2003	499.70	12.57	24.84	13.90	24.13	16.54	12.19	603.87
2004	517.57	11.54	20.52	11.68	19.78	15.01	10.72	606.82
2005	535.35	10.79	19.27	9.95	17.24	12.16	9.37	614.13
2006	536.08	10.46	17.95	9.33	15.27	11.42	8.89	609.40
2007	545.61	9.98	16.73	8.18	12.97	10.37	8.05	611.89
2008	528.19	9.62	15.56	6.98	8.75	9.42	8.25	586.77
2009	515.42	9.92	17.31	7.76	7.99	10.35	8.68	577.43
2010	549.05	9.14	13.86	6.01	8.19	8.22	7.39	601.86
2011	546.30	8.89	12.85	5.39	6.86	7.48	7.08	594.85
2012	571.00	8.85	12.74	5.45	8.62	7.20	6.99	620.85

Major Taxpayers in the MCA Industrial District

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Value</u>
Feist Limited Partnership	Distribution	\$ 148,456
Big Sky Brewing Company	Brewery	141,337
Missoula Ventures LLC	Lodging	138,869
EWR LLC (Sun Mountain Sports)	Sports Equipment	109,162
Lithia Real Estate	Real Estate	104,085
Sheridan Montana Ventures	Office/Warehouses	75,014
Glacier Bank	Banking	74,291
Mountain Water Company	Utility	55,519
Northstar Air Express	Shipping	47,474
Triple J-M LLC	Services	42,022
Budding Star LLC	Law Office	41,988
Total		<u>\$ 978,217</u>

The taxable value of the property of these ten taxpayers represents approximately 41.45% of taxable value of taxable property in the District for tax year 2012.

MISSOULA COUNTY, MONTANA
Missoula Development Authority
Taxable Value, Incremental Taxable Value & Tax Increment Revenue
For Airport Industrial Tax Increment District

Fiscal Year	Taxable Value	Incremental Taxable Value	Anticipated Tax Increment to be Collected ⁽¹⁾	Current Tax Collections ⁽²⁾	Total Tax Collections ⁽³⁾
2004	\$1,274,588	\$1,097,983	\$ 754,927	\$ 678,049	\$ 711,529
2005	1,748,514	1,571,909	959,261	837,607	894,601
2006	1,998,711	1,822,106	1,104,079	1,002,613	1,143,408
2007	2,240,910	1,598,460	968,491	655,498	793,301
2008	1,950,516	1,773,911	1,030,252	634,032	761,303
2009	1,801,900	1,625,295	928,742	716,762	918,408
2010	2,248,148	2,071,543	1,234,350	1,003,488	1,205,902
2011	2,443,922	2,267,317	1,335,110	1,027,148	1,091,731
2012	2,476,513	2,299,908	1,414,098	1,147,262	1,444,359
2013	2,359,923	2,183,318	1,342,413	N/A	N/A

- (1) The amount of Tax Increment to be collected if the current fiscal year's tax collections were to be paid in full, and no delinquent property taxes from prior fiscal years were paid in such fiscal year.
- (2) The amount of Tax Increment actually collected from the levy of the current fiscal year's property taxes. Collection information for FY 2013 is not yet available.
- (3) The actual Tax Increment collections in the fiscal year, including current and delinquent property tax collections. Collection information for FY 2013 is not yet available.

MISSOULA COUNTY, MONTANA
Missoula Development Authority
Increment Bond Coverage
For Airport Industrial Tax Increment District

Maximum Principal & Interest in any 12 Month Period - \$528,400

Sources of Coverage				
Fiscal Year	Tax Increment (1)	Port Authority Levy (2)	Total	Coverage (3)
2004	\$ 754,927	\$ 280,069	\$ 1,034,996	1.96
2005	959,261	291,138	1,250,399	2.37
2006	1,104,079	310,546	1,414,625	2.68
2007	968,491	321,384	1,289,875	2.44
2008	1,030,252	332,028	1,362,280	2.58
2009	928,742	340,475	1,269,217	2.40
2010	1,234,350	343,540	1,577,890	2.99
2011	1,335,110	346,994	1,682,104	3.18
2012	1,414,098	350,210	1,764,308	3.34
2013	1,342,413	353,762	1,696,175	3.21

- (1) Assumes increment taxes are collected in full
(2) Assumes 90% current collection rate on 2-mill levy
(3) Assuming only the Series 1997 Bonds are outstanding

MISSOULA COUNTY, MONTANA
Port Authority Tax Levy
Last Ten Fiscal Years

Tax Year	Taxable Value of County Property	Potential Revenue from the Port Authority Levy (2 Mills)
2004	\$ 155,594,087	\$ 311,188
2005	161,743,087	323,486
2006	172,525,317	345,051
2007	178,546,389	357,093
2008	184,460,260	368,921
2009	189,152,539	378,305
2010	190,855,285	381,711
2011	192,774,307	385,549
2012	194,561,116	389,122
2013	196,534,275	393,069

MISSOULA COUNTY, MONTANA
Property Tax Levies
Last Five Fiscal Years
For Technology Tax Increment 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>
2008	580.78	6.00	-	-	-	-	-	586.78
2009	571.43	6.00	-	-	-	-	-	577.43
2010	595.86	6.00	-	-	-	-	-	601.86
2011	588.85	6.00	-	-	-	-	-	594.85
2012	600.67	6.00	-	-	-	-	-	606.67

Note: Technology District was established in FY 2008.

Major Taxpayers in the Technology Tax Increment District

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
DirecTV Holdings LLC	Satellite Television	\$ 287,677
DirecTV Customer Services Inc.	Satellite Television	29,215
Canon Financial Services Inc.	Finance	696
El Nino Corporation	Food Service	268
Missoula Bottling Co Inc.	Beverage Distribution	167
Coca Cola Company	Beverage Distribution	32
Missoula County	Local Government	-
Missoula County Airport Industrial District	Local Government	-
Total		<u>\$ 318,055</u>

The taxable value of the property of these eight taxpayers represents 100.0% of taxable value of taxable property in the District for tax year 2011.

MISSOULA COUNTY, MONTANA
Taxable Value, Incremental Taxable Value & Tax Increment Revenue
For Technology Tax Increment District

<u>Fiscal Year</u>	<u>Taxable Value</u>	<u>Incremental Taxable Value</u>	<u>Anticipated Tax Increment to be Collected ⁽¹⁾</u>	<u>Current Tax Collections ⁽²⁾</u>	<u>Total Tax Collections ⁽³⁾</u>
2008	\$ 262,179	\$ 262,179	\$ 152,268	\$ 152,268	\$ 152,268
2009	264,094	264,094	150,911	150,911	150,911
2010	279,491	279,491	166,538	166,074	166,074
2011	282,535	282,535	166,371	169,710	169,710
2012	325,021	325,021	199,839	175,344	175,344
2013	318,055	318,055	195,556	N/A	N/A

- (1) The amount of Tax Increment to be collected if the current fiscal year's tax collections were to be paid in full, and no delinquent property taxes from prior fiscal years were paid in such fiscal year.
- (2) The amount of Tax Increment actually collected from the levy of the current fiscal year's property taxes. Collection information for FY 2013 is not yet available.
- (3) The actual Tax Increment collections in the fiscal year, including current and delinquent property tax collections. Collection information for FY 2013 is not yet available.

Note: Technology District was established in FY 2008.

MISSOULA COUNTY, MONTANA
Increment Bond Coverage
For Technology Tax Increment District
Maximum Principal & Interest in any 12 Month Period - \$100,716

Sources of Coverage				
<u>Fiscal Year</u>	<u>Tax Increment (1)</u>	<u>Port Authority Levy (2)</u>	<u>Total</u>	<u>Coverage (4)</u>
2008	\$ 152,268	\$ 340,475	\$ 492,743	4.89
2009	150,911	343,540	494,451	4.91
2010	166,538	346,994	513,532	5.10
2011	166,371	350,210	516,581	5.13
2012	199,839	353,762	553,601	5.50
2013	195,556	353,762	549,318	5.45

- (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

Note: Technology District was established in FY 2008.

MISSOULA COUNTY, MONTANA
Port Authority Tax Levy
Last Ten Fiscal Years

<u>Tax Year</u>	<u>Taxable Value of County Property</u>	<u>Potential Revenue from the Port Authority Levy (2 Mills)</u>
2004	\$ 155,594,087	\$ 311,188
2005	161,743,087	323,486
2006	172,525,317	345,051
2007	178,546,389	357,093
2008	184,460,260	368,921
2009	189,152,539	378,305
2010	190,855,285	381,711
2011	192,774,307	385,549
2012	194,561,116	389,122
2013	196,534,275	393,069

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
2003	97,580	1,983	931	\$ 25,818	13,570	1,207	54,553	3.9
2004	98,616	1,451	948	26,823	13,459	1,171	54,643	4.1
2005	99,018	1,901	826	27,997	13,259	1,173	55,803	4.0
2006	100,086	1,591	940	29,625	13,290	1,233	58,692	3.7
2007	101,417	1,770	842	30,131	13,244	1,245	59,655	2.2
2008	105,650	2,021	987	31,535	13,202	1,145	55,868	3.8
2009	107,320	1,647	936	33,587	13,082	1,088	54,500	6.1
2010	108,623	1,569	883	35,108	13,098	994	54,918	5.7
2011	109,299	1,669	1,045	35,733	13,090	992	54,288	6.9
2012	110,138	1,206	680	44,084	13,211	939	55,271	5.6

Source:

- (a) Montana Department of Commerce
- (b) Missoula County Clerk & Recorder
- (c) Missoula County Superintendent of Schools
- (d) Montana Department of Labor & Industry

MISSOULA COUNTY, MONTANA
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	Commercial and Savings Banks Deposits (b)	Property Value Net Taxable (a)	Commercial Construction (c)		Residential Construction (c)		Total	
			Number of Units	Value	Number of Units	Value	Number of Units	Value
2003	\$ 1,927,869,534	\$ 151,159,660	53	\$ 20,973,429	1,530	\$ 86,386,297	1,583	\$ 107,359,726
2004	2,022,706,234	155,594,087	42	24,430,995	726	46,692,769	768	71,123,764
2005	1,646,928,870	161,743,087	36	21,277,315	651	47,128,635	687	68,405,950
2006	2,484,000,000	172,525,317	26	14,781,253	453	38,143,398	479	52,924,651
2007	1,461,647,000 (d)	178,546,389	19	9,317,273	456	39,061,829	475	48,379,102
2008	N/A	184,460,260	15	17,130,289	383	31,265,863	398	48,396,152
2009	N/A	189,152,539	5	727,936	215	14,647,451	220	15,375,387
2010	N/A	190,855,285	8	10,145,391	202	15,195,777	210	25,341,168
2011	N/A	194,561,116	16	16,546,682	357	25,902,661	373	42,449,343
2012	N/A	192,774,307	6	896,202	474	33,549,246	480	34,445,448

Source:

- (a) Past annual Financial Reports and Annual Budget Reports.
- (b) Statistical Abstract of the United States - Missoula Economic Development Corp.
- (c) City of Missoula Building Inspection & Permit Department.
- (d) Commercial Banks only

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Legislative	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	20.98	20.48	21.23	19.61	23.71	23.51	28.64	26.08	12.05	11.25
Judicial Services	11.00	11.00	11.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00
Legal Services	25.55	26.55	27.30	29.29	29.41	31.39	31.39	32.39	32.29	34.00
Financial Services	9.75	10.09	10.09	10.75	11.00	10.50	10.83	10.50	10.00	10.60
Human Resource	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.50
Information Services	10.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00	13.00	14.30
Treasurer/MV	24.65	24.45	24.45	21.65	21.65	21.65	21.65	20.65	18.22	20.00
911 Communications	26.25	27.25	27.29	27.34	32.24	32.29	32.29	32.29	31.25	31.05
Election Services	5.79	4.23	4.23	4.23	4.23	4.53	4.53	4.53	4.41	5.50
Records Administration	10.90	10.15	11.15	9.40	9.40	9.40	9.40	8.40	7.00	7.30
Internal Services	9.55	9.83	10.08	10.05	9.05	9.05	9.05	8.25	12.37	9.35
Facilities Administration	4.00	5.00	9.98	10.00	10.00	10.82	10.00	10.00	11.00	11.53
District Court										
Clerk of Court	13.00	13.50	14.50	15.00	15.00	17.00	17.00	17.00	16.00	17.00
Youth Court	-	-	-	-	-	-	-	-	-	-
Public Defenders	16.00	17.00	19.00	20.00	-	-	-	-	-	-
Public Safety										
Law Enforcement Services	59.00	60.85	61.00	60.25	61.25	62.30	61.30	61.30	59.80	59.88
Detention Center	117.00	115.57	112.50	107.26	107.26	107.25	108.35	108.10	106.85	106.85
Court Support	2.00	1.00	1.00	1.00	1.00	1.17	1.25	2.13	2.13	2.13
Emergency Services	0.95	0.95	0.95	1.00	1.00	0.95	0.95	0.95	0.75	2.25
Public Works										
Road - Bridge	47.30	46.93	47.60	47.93	48.57	45.07	43.30	42.31	51.77	53.32
Building Code Division	-	-	-	4.67	10.00	9.00	8.00	5.00	5.35	4.60
Seeley Lake Refuse	-	-	-	-	2.00	1.75	1.75	2.25	2.23	2.48
Weed	4.80	5.25	5.25	5.32	6.35	5.25	5.05	5.25	6.02	6.15
Public Health										
Public Health Services	58.12	61.27	63.26	63.88	69.56	69.59	70.15	67.95	66.27	68.48
Partnership Health Clinic	39.65	34.67	37.29	43.92	45.15	44.45	49.75	50.50	82.88	94.95
Animal Control	7.05	7.00	7.79	8.00	8.00	9.00	9.00	9.30	9.15	9.87
Culture & Recreation										
Parks & Recreations Services	0.73	0.73	0.73	0.73	1.03	1.03	1.35	1.23	1.23	1.73
Library	26.97	27.00	26.58	29.68	30.85	33.12	36.25	36.65	40.13	40.88
Museum	4.18	4.34	4.34	4.54	4.60	5.07	5.72	5.72	5.35	5.47
Fair	4.50	4.81	5.40	4.40	3.75	3.25	3.25	4.00	8.24	5.75
Social & Economics										
County Extension	5.05	5.07	5.00	5.57	6.10	5.70	5.70	5.55	5.25	4.80
Planning & Grants	48.25	53.15	52.72	56.22	61.74	64.16	61.11	61.24	62.81	61.96
	<u>620.95</u>	<u>627.12</u>	<u>640.71</u>	<u>653.69</u>	<u>665.90</u>	<u>671.24</u>	<u>680.01</u>	<u>673.52</u>	<u>705.80</u>	<u>725.93</u>

Source: Missoula County Finance Office

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Registered Voters (June)	61,557	49,116	57,294	60,521	67,240	57,215	80,346	78,366	76,757	83,355
Property Transactions:										
Deeds Recorded	9,371	5,796	6,074	5,881	4,146	4,233	3,765	3,629	3,862	4,087
Subdivision Plates Filed	210	147	129	117	90	87	78	51	43	28
Certificates of Survey	210	142	130	110	94	132	94	49	56	58
Motor Vehicle Title Transfers	36,932	39,172	38,000	37,674	37,952	34,481	31,009	30,961	31,419	31,910
Motor Vehicle Registrations	118,790	120,233	98,792	96,885	86,390	89,218	92,046	84,547	95,321	82,170
Payroll Payments Processed	19,246	19,769	20,358	20,448	20,697	20,722	20,860	20,828	20,828	20,995
Claims Payments Processed	19,115	19,621	18,371	22,080	21,863	20,462	18,966	27,365	27,365	23,579
911 Emergency Communications										
Law Enforcement	74,303	83,895	90,103	89,426	89,207	93,430	82,574	83,054	84,751	86,322
Fire & Medical dispatched to Fire Dept	8,110	7,793	8,450	9,578	10,207	10,387	9,725	9,297	11,759	10,336
Medical-Ambulance	7,351	7,010	7,677	8,366	8,707	8,959	8,221	8,280	8,340	8,931
Other	10,055	9,745	9,832	5,720	12,795	13,600	13,425	13,269	9,034	4,769
Criminal Justice Activities										
Justice Court Civil Caseload	4,459	5,083	5,520	5,210	4,670	5,256	5,841	5,558	5,171	6,247
Justice Court Criminal Caseload	19,569	17,918	17,364	17,011	19,163	18,768	18,372	8,905	6,557	4,994
Clerk of District Court:										
Marriage Licenses Issued	734	841	811	863	847	883	444	782	838	810
Adoptions	57	49	44	61	64	87	72	60	86	78
Civil Case	1,069	1,221	1,228	1,189	1,330	1,551	1,724	1,629	1,629	1,531
Criminal Cases	543	589	642	531	529	614	664	631	610	635
All Other Open Cases	1,950	1,874	1,829	2,190	2,324	1,807	2,138	2,285	2,216	2,310
Public Safety										
Detention Center:										
Daily Occupancy (392 available beds)	344	365	365	363	318	305	312	298	283	322

Sources:

Missoula County Elections Office
Missoula County Clerk & Recorder
Missoula County Treasurer

Missoula County Justice Court
Missoula County District Court

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

	2006	2007	2008	2009	2010	2011	2012
General Government							
Election tabulator	1	1	1	1	1	1	1
M100 Precinct counters	88	88	88	88	88	88	88
Touch screen handicap voting devices	39	39	39	39	39	39	39
Criminal Justice							
Court Rooms - District Court	4	4	4	4	4	4	4
Court Rooms - Justice Court	2	2	2	2	2	2	2
Public Safety							
Station	1	1	1	1	1	1	1
Detention Center	1	1	1	1	1	1	1
Patrol Units	39	42	42	48	37	37	38
Detectives Vehicles	14	15	15	16	16	16	17
Detention Vehicles	14	20	20	21	27	27	20
Search & Rescue Vehicles	n/a	6	6	6	7	7	2
Search & Rescue Snowmobiles	n/a	9	9	12	11	11	11
Search & Rescue Boats	n/a	2	2	2	2	2	3
Search & Rescue Flatbed Trailers		2	2	2	19	19	5
Public Works							
Shops	2	2	2	2	3	3	3
Single Axel Trucks	n/a	21	21	21	15	15	15
Tandem Axel Trucks	n/a	17	17	17	18	18	19
Snow Plows (attachments)	27	30	30	30	35	31	30
Sanders (attachments)	28	24	24	24	26	24	25
Sweepers	n/a	8	8	8	8	8	6
Graders	14	14	14	14	6	6	6
Public Health							
Animal Control Vehicles	5	5	5	5	5	5	11
Culture and Recreation							
Fairgrounds	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1
Parks	100	100	100	100	100	100	100

Data for years prior to 2006 is not available

Sources:

Missoula County Elections Office
Missoula County Public Safety Department
Missoula County Road Department

Missoula County Animal Control Office
Missoula County Parks Department

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data
June 30, 2012

County Seat	Missoula, MT		<u>Population</u>	<u>Median age</u>
		Year 1940	29,038	N/A
Established as a County	1860	Year 1950	35,493	N/A
		Year 1960	44,663	26.2
Form of Government	Commission	Year 1970	58,263	24.4
		Year 1980	76,016	27.6
Commission Government Established	1865	Year 1990	78,687	31.6
		Year 2000	95,802	33.2
Area in square miles	2,624	Year 2010	108,623	34.4
Registered voters	83,355			

Total County Government Employees:	<u>Part-time</u>	<u>Full-time</u>
Officials & Managers	2	63
Professionals	36	70
Technical	9	52
Protective services	14	176
Paraprofessionals	13	37
Administrative Support	45	131
Service & Maintenance	59	112
	178	641

Police protection	<u>City Police</u>	<u>County Sheriff</u>
Stations	1	1
Officers	117	47
Detention Facility		1
Detention Officers		96

Fire protection	<u>City Fire</u>	<u>Missoula Rural Fire</u>
Stations	5	5
Full-time employees	95	40
Volunteers	-	35
Fire hydrants	1,042	220
Fire vehicles	27	21

Miles of Rural Roads

There are approximately 1,500 miles of rural roads open to the Public within Missoula County

Note: There are 9 other Fire Districts with approximately 180 regular volunteer firefighters in outlying areas of Missoula County.

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data (Continued)
June 30, 2012

Educational Facilities

Public Schools 2011-2012		
Type	Number	Enrolled
Elementary (District 1)	12	4,901
Elementary (Other Districts)	12	4,252
High Schools (MCHS)	4	3,665
High Schools (Other Dist)	1	393
Trade & Technical	1	2,467
University	1	12,479
Private Schools 2009-2010		
Type	Number	Enrolled
Elementary	11	701
High School	3	291
Home School	199	240

Special Education: Programs within school districts
and community services.

Health Care Facilities

Hospitals	2
Beds	364
Clinics	36
Nursing Homes	4
Beds	441
Assisted Living Facilities	14
Physicians	275
Chiropractors	47
Dentists	55
Medical Therapists	130
Registered and Practical Nurses	1,053

Sources:

Missoula County Election Office
Missoula County Sheriff's Department
Missoula County Road Department
Missoula City-County Library

Missoula County Personnel Department
Missoula County Superintendent of Schools
Missoula Economic Development Corporation
Missoula Chamber of Commerce

Missoula Rural Fire Department
Missoula City Fire Department
Missoula City Police Department
Montana Board of Regents

Community Facilities

Public libraries:	
Branch facilities	6
Volumes	238,522
Audios	36,724
Videos	36,326
Annual Circulation	2,151,460
Churches:	
Protestant	90
Catholic	13
Other	10
Restaurants	432
Hotels/motels	70
Rooms	3,255
Shopping Centers	12
Indoor Shopping Mall (105 stores)	1
Day Care Centers	52

Recreation and Cultural

Swimming Pools	Private - 5	Public - 4
Golf Courses	Private - 2	7
Health Clubs		16
Tennis Courts		30
Bowling Centers		2
Parks		100
Movie Theaters	6 Theaters	24 Screens
Ski Areas		2
Theatrical Playhouses		8
Museums		12
Art Galleries		24
Symphonies/orchestras		4

SINGLE AUDIT SECTION

This Page Intentionally Left Blank

Schedule of Expenditures of Federal Awards - Cash Basis
For the Year Ended June 30, 2012

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis
For the Year Ended June 30, 2012
(Page 1 of 6)

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>
OFFICE OF NATIONAL DRUG CONTROL POLICY:				
Passed Through City of Missoula:				
High Intensity Drug Trafficking Area	95.001	G11RM0037A	N/A	31,323
High Intensity Drug Trafficking Area	95.001	G12RM0037A	N/A	22,817
Total Office of National Drug Control Policy				<u>54,140</u>
DEPARTMENT OF AGRICULTURE:				
Passed Through State Department of Public Health:				
Women/Infants/Children 11-12	10.557	11-07-5-21-014-0	458,598	127,492
Women/Infants/Children 12-13	10.557	12-07-5-21-014-0	333,000	332,992
WIC Breastfeeding Support Services 11-12	10.557	11-07-5-21-060-0	36,345	7,451
WIC Breastfeeding Support Services 12-13	10.557	12-07-5-21-060-0	25,500	23,283
WIC Farmers Market Program 12	10.557	12-07-5-21-085-0	1,800	1,800
Subtotal Women/Infants/Children Grants				<u>493,018</u>
Passed Through Glacierland RC&D:				
Woodstove Changeout Program	10.674	N/A	285,000	731
Passed Through the State Auditor:				
Forest Reserve Receipts	10.665	N/A	802,423	827,477
Total Department of Agriculture				<u>1,321,226</u>
DEPARTMENT OF COMMERCE:				
Passed Through the Montana State Library:				
Broadband Technology Opportunities Program	11.557	1185BTOPMISS	130,500	83,445
Total Department of Commerce				<u>83,445</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2012
(Page 2 of 6)

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>
DEPARTMENT OF TRANSPORTATION:				
Direct Programs:				
Miller Creek Road	20.205	DTFH70-09-E-00018	1,182,607	117,608
Petty Creek Road	20.205	DTFH70-10-E-00036	768,400	255,597
Petty Creek Road Maintenance/Dust Abatement	20.205	DTFH70-11-E-00054	65,000	50,284
Petty Creek Road Concrete Crossing	20.205	FH-70-11-E-003 MT PFH 71-1	11,375	11,608
Passed Through State Department of Transportation:				
CMAQ-TDM	20.205	CM8199(107)	143,816	123,406
CMAQ-TDM	20.205	CM8199(111)	50,000	21,040
CMAQ-Air Quality Equipment	20.205	CM STWD(110)	340,034	340,034
P.L. Transport 11	20.205	N/A	450,934	115,490
P.L. Transport 12	20.205	N/A	522,672	326,278
Highway 12/Lolo - Bike Pedestrian Path	20.205	STPE SFCN 32(62)	224,320	224,320
Subtotal Highway Planning and Transportation Grants				<u>1,585,665</u>
FTA 12	20.505	106090	110,885	10,259
DUI Task Force Association Facilitator 12-13	20.600	CTS-105958	44,000	22,662
Alcohol Impaired Driving Countermeasures	20.601	105984	18,000	15,668
Total Department of Transportation				<u>1,634,254</u>
DEPARTMENT OF JUSTICE:				
Direct Programs:				
OVW Rural Domestic Violence	16.589	2008-WR-AX-0008	714,725	190,697
OVW Encourage to Arrest	16.590	2008-WE-AX-18	364,423	172,145
OVW Planet Kids Supervised Exchange and Visitation Project	16.527	2010-CW-AX-K016	349,174	127,382
Safety Vest	16.607	N/A	16,121	7,147
Justice and Mental Health Collaboration	16.745	2011-MO-BX-0040	200,000	6,875

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2012
(Page 3 of 6)

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>
COPS - Radio Console Replacement	16.710	2008CKWX0394	289,943	279,662
COPS - Miller Peak	16.710	2008CKWX0372	88,854	58,817
Subtotal Edward Byrne Memorial Justice Assistance Grants				<u>338,479</u>
Passed Through State Department of Justice:				
JDAI Grant	16.540	10-J02-90828	11,560	10,711
Enforcement of Underage Drinking Laws	16.727	11-U01-91106	23,356	5,227
Victim/Witness Project	16.575	11-V01-90954	110,118	110,118
West Central Drug Task Force	16.738	10-G01-90872	175,641	77,399
Passed Through City of Missoula:				
JAG Grant VI	16.804	2009-DJ-BX-0870	18,194	245
JAG Grant VII	16.804	2010-DJ-BX-1011	34,137	19,806
JAG Grant VIII	16.804	2011-DJ-BX-2858	21,646	21,646
Subtotal Recovery Act - Edward Byrne Memorial Justice Assistance Grants				<u>41,697</u>
Total Department of Justice				<u>1,087,877</u>
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:				
Direct Programs:				
Share House	14.235	MT0015B8T001003	147,498	104,748
Ada's Place	14.235	MT0003B8T000802	102,371	6,290
Ada's Place	14.235	MT0003B8T001003	97,815	82,241
Subtotal Supportive Housing Program				<u>193,279</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2012
(Page 4 of 6)

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>
Passed Through State Department of Commerce:				
CDBG - Community Resources	14.228	N/A	N/A	127,500
CDBG - Mountain Home	14.228	MTCDBG-09-HR-02	450,000	16,381
Subtotal Community Development Block Grants - State Program				143,881
Total Department of Housing & Urban Development				337,160
ENVIRONMENTAL PROTECTION AGENCY:				
Direct Programs:				
National Clean Diesel Emissions Reduction Program	66.039	DE-97897201	1,130,000	337,290
Riparian Wetlands Project	66.461	CD-97868701-0	43,178	22,831
Milltown Superfund Co-op Agreement	66.802	V-97891501-0	50,002	27,437
Passed Through State Department of Natural Resources:				
Wye Sanitary Sewer Project	66.458	SRF-10229	3,111,255	94,265
Passed Through State Department Environmental Quality:				
Air Pollution 12	66.001	512005	48,055	48,055
Air Contract Title V 12	66.001	512006	2,000	2,000
Subtotal Air Pollution Control Program Support				50,055
Radon 12	66.605	212040	5,000	4,990
Public Water Supply Safe Drinking Water 10	66.605	510040	10,000	13,955
Subtotal Performance Partnership Grants				18,945
Total Environmental Protection Agency				550,823
DEPARTMENT OF THE INTERIOR				
Passed Through the National Park Service:				
Japanese American Internment Sites	15.933	Y1264090031	50,000	3,317

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2012
(Page 5 of 6)

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>
Passed Through the Bureau of Land Management:				
Upper Clark Fork River Project	15.230	L10AC200000	98,304	22,000
Total Department of the Interior				<u>25,317</u>
DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Military Affairs :				
Emergency Management Program 12	97.042	N/A	82,153	42,094
Emergency Operations Plan Update	97.067	2009-SS-T9-0005	41,513	3,456
FY09 Homeland Security Grant	97.067	2009-SS-T9-0005	16,434	3,405
FY10 Homeland Security Grant	97.067	2010-SS-T0-0089	48,000	37,924
EOD Team Training & Sustainment Grant	97.067	EMW-2011-SS-00052-S01	99,000	70,025
Subtotal Homeland Security Grant Program				<u>114,810</u>
Total Department of Homeland Security				<u>156,904</u>
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Direct Programs:				
Sober Truth on Underage Drinking	93.243	1H79SP015322-03	150,000	52,999
Passed Through State Department of Public Health & Human Services:				
Community Youth Suicide Prevention	93.243	07-07-5-31-026-0	122,245	18,076
Subtotal Substance Abuse and Mental Health Services				<u>71,075</u>
Passed Through State Department of Public Health & Human Services:				
AIDS HIV Prevention 11-12	93.940	11-07-4-51-024-0	5,000	3,140

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2012
(Page 6 of 6)

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>
Public Health Emergency Preparedness 11-12	93.069	11-07-6-11-035-0	129,470	29,000
Public Health Emergency Preparedness 12-13	93.069	12-07-6-11-035-0	97,100	91,445
Subtotal Public Health Emergency Preparedness				<u>120,445</u>
Infant Immunization Program 11-12	93.268	11-07-4-31-031-0	37,120	18,560
Infant Immunization Program 12-13	93.268	12-07-4-31-031-0	18,560	18,560
Subtotal Immunization Grants				<u>37,120</u>
ACA Maternal Infant Early Childhood Home Visiting	93.505	12-07-5-31-035-0	100,000	12,666
MCH Block Grant	93.994	12-07-5-01-032-0	131,412	131,412
MCH Children/Youth Special Health Needs 12	93.994	12-07-5-51-018-0	9,700	6,081
Subtotal Maternal and Child Health Services Block Grant to the State				<u>137,493</u>
Cardiovascular Disease and Diabetes Prevention	93.991	11-07-3-01-083-0	40,500	14,797
Tuberculosis Control & Prevention 11-12	93.991	11-07-4-11-045-0	4,000	1,243
Subtotal Project Grants & Cooperative Agreements for Tuberculosis Control Programs				<u>16,040</u>
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	39,440	37,879
Title IV-E Child Abuse & Neglect (Paralegal Services)	93.658	20053LEGL001	40,899	40,899
Subtotal Foster Care - Title IV-E				<u>78,778</u>
Passed Through State Department of Public Health & Human Services:				
Montana Cancer Control Program	93.283	11-07-3-01-050-0	45,000	40,498
Passed through Montana State University:				
HHD - NAPA Breastfeeding	93.283	12-07-3-01-098-0	15,000	15,000
Total Department of Health & Human Services				<u>532,255</u>
Total Federal Financial Assistance				<u>\$ 5,783,401</u>

MISSOULA COUNTY, MONTANA

Notes to Schedule of Expenditures of Federal Awards - Cash Basis For the Year Ended June 30, 2012

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 in the revolving loan fund at June 30, 2012:

<u>Missoula Children's Theatre</u>	
0%, \$24,500 due annually from June 2003 through June 2017	\$ 122,500
<u>Rocky Mountain Biologicals, Inc.</u>	
5%, \$4,813 due monthly from November 2005 through October 2014	107,548
<u>Opportunity Resources, Inc.</u>	
0%, \$167 due monthly from May 2006 through April 2015	7,667
<u>North Missoula Community Development Corporation</u>	
3%, varying amounts due annually through May 2014	18,980
<u>Western Montana Mental Health Center</u>	
5%, \$9,719 due annually through November 2015	36,739
<u>Aquila Vision</u>	
7%, \$10,383 due monthly, all principal and interest due July 1, 2008 (net of allowance of \$78,700)	78,700
<u>Pyramid Mountain Lumber</u>	
4%, varying amounts from January 2013 thru December 2020	370,000
<u>Pyramid Mountain Lumber</u>	
6%, \$1,564 due monthly from May 2008 through February 2015	56,574

Note 2 - Loans Receivable (Continued)

<u>Pyramid Mountain Lumber</u>	
4%, \$914 due monthly from January 2013 through December 2020	75,000
<u>Pyramid Mountain Lumber</u>	
4%, \$2,121 due monthly from March 2002 through March 2017	222,775
<u>Cornerstone (Mission Mountain Helicopters)</u>	
6%, \$1,666 due monthly from April 2011 through March 2018	135,770
<u>Kelly Logging</u>	
4%, \$4,240 due monthly from July 2011 through June 2016	284,916
<u>Red Willow Learning Center</u>	
5%, \$580 due monthly from December 2011 through November 2016	26,717
<u>The Emergent Institute</u>	
5%, \$2,013 due monthly from July 2011 through June 2018 (net of allowance of \$62,675)	62,675
<u>Mountain Home Montana</u>	
5%, \$660 due monthly from March 2012 through July 2013 with balance due August 2013	99,021

Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2012:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 21,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	216,000
\$649,936, issued September 2002, 4% due in varying amounts through July 2023	348,000
\$4,498,121, issued July 2003, 3.75% due in varying amounts through July 2024	2,039,000
\$169,000, issued April 2005, 2.75% due in varying amounts through July 2015	51,000
\$281,199, issued April 2005, 3.75% due in varying amounts through July 2020	93,000
\$359,300, issued July 2009, 1.75% due in varying amounts through July 2029	335,000
\$3,735,000, issued July 2009, 3.75% due in varying amounts through July 2029	2,590,692
\$3,410,125, issued July 2009, 3.75% due in varying amounts through July 2029	3,218,000

Note 3 - Notes Payable (Continued)

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.468) at June 30, 2012:

\$291,000, issued November 1998, 4% due in varying amounts through July 2019	100,000
\$142,000, issued November 2008, 3.75% due in varying amounts through July 2029	130,000
\$165,000, issued September 2009, 0.75% due in varying amounts through July 2029	145,000

Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2012 as follows:

- Ada's Place (CFDA# 14.235) passed-through \$86,145 to the YWCA.
- Share House Transitional Housing (CFDA# 14.235) passed-through \$104,748 to the Western Montana Mental Health Center.
- OVW Safe Havens (CFDA# 16.527) passed through \$127,382 to the YWCA.
- Rural Domestic Violence Program (CFDA# 16.589) passed-through \$53,506 to the YWCA and the National Coalition Building Institute.
- Encourage to Arrest (CFDA# 16.590) passed-through \$31,948 to the YWCA, the National Coalition Building Institute, and Missoula Correctional Services.
- Sober Truth on Underage Drinking (CFDA # 93.243) passed through \$1,343 to the University of Montana Curry Health Center.

Note 5 - Program Clusters

Under OMB Circular A-133, a cluster of programs is defined as Federal programs with different CFDA numbers that closely related and share common compliance requirements. In 2012, the County received 4 grants belonging to 2 different clusters. The West Central Drug Task Force (CFDA # 16.738) and JAG Grants (CFDA # 16.804) belong to the JAG program cluster. The DUI Task Force Association Facilitator grant (CFDA # 20.601) and the Alcohol Impaired Driving Countermeasures grant (CFDA # 20.601) belong to the Highway Safety Cluster. A cluster of programs is treated as one program for major program determination and testing.

Nicole M. Noonan, CPA, P.C.

435 Little Mill Creek Road

St. Regis, Montana 59866

Phone and FAX: (406) 649-2436

Cell phone: (406) 239-4260

E-mail: noonanaccounting@hotmail.com

Board of County Commissioners
Missoula County, Montana

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

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued my report thereon dated February 28, 2013. My report includes a reference to other auditors. I conducted my 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. Other auditors audited the financial statements of Missoula Aging Services, as described in my report on Missoula County, Montana's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of Missoula County, Montana, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of the County in a separate letter dated February 28, 2013.

This report is intended solely for the information and use of management, the Missoula County Commissioners, others within the entity, the State of Montana, 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.



Nicole M. Noonan, CPA, P.C.
St. Regis, Montana
February 28, 2013

Nicole M. Noonan, CPA, P.C.

435 Little Mill Creek Road

St. Regis, Montana 59866

Phone and FAX: (406) 649-2436

Cell phone: (406) 239-4260

E-mail: noonanaccounting@hotmail.com

Board of County Commissioners
Missoula County, Montana

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

I have audited Missoula County, Montana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Missoula County, Montana's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

Missoula County, Montana's basic financial statements include the operations of Missoula Aging Services and Partnership Health Center (both discretely presented component units), which expended \$1,768,881 and \$2,480,324, respectively, in federal awards which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2012. My audit, described below, did not include the operations of Missoula Aging Services and Partnership Health Center, because these component units obtained separate audits conducted in accordance with OMB Circular A-133.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Missoula County, Montana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Missoula County, Montana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Missoula County Commissioners, others within the entity, the State of Montana, 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.



Nicole M. Noonan, CPA, P.C.
St. Regis, Montana
February 28, 2013

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued on financial statements:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses:	No
Noncompliance material to financial statement noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses:	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	No

Identification of major programs:

<u>CFDA#</u>	<u>Federal Program</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.665	Secure Payments for States and Counties Containing Forest Lands - Forest Reserve Receipts
16.710	Public Safety Partnership and Community Policing Grants

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2012

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no matters to report.

Section III - Federal Awards Findings and Questioned Costs

The audit reported no findings which constitute:

- Significant deficiencies in internal control over major programs.
- Material noncompliance with laws, regulations, contracts or grant agreements related to a major program.
- Known questioned costs in excess of \$10,000 for any major program.
- Known questioned costs in excess of \$10,000 for any program which was not audited as a major program.
- Circumstances which would cause the auditors' report on major program compliance to be other than
- Known fraud affecting any federal award.
- Circumstances which disclose that the auditee's summary schedule of prior audit finding materially misrepresents the status of any prior audit finding.

Summary Schedule of Prior Audit Findings

The audit for the year ended June 30, 2011, contained no audit findings relative to federal awards.