

MISSOULA COUNTY, MONTANA

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

For the Fiscal Year Ended
June 30, 2010



MISSOULA COUNTY, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2010

Prepared by:

Financial Services Department

Andrew V. Czorny
Chief Financial Officer

Carol N. Routh
Teresa Graham
Dawn Overbaugh
Sharon Bowman
Jacque Harris
Julie Harris
Mary Matthaie
Ruthe Sackey
Alane Stickney

MISSOULA COUNTY, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2010

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 - 2009	<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	19
Statement of Activities	21

Fund Financial Statements:

Balance Sheet - Governmental Funds	22
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Balance Sheet - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28
Statement of Fiduciary Net Assets	30
Statement of Changes in Fiduciary Net Assets	31
Notes to Financial Statements	32

Required Supplementary Information

Schedule of Funding Status for Retiree Health Insurance Benefit Plan	73
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	75
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgeted Major Governmental Funds	83

Additional Information and Other Schedules

Nonmajor Governmental Funds	
Combining Balance Sheet - Nonmajor Governmental Funds	85

MISSOULA COUNTY, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2010

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	93
Nonmajor Governmental Funds - Budget and Actual	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual - Budgeted Nonmajor Governmental Funds	101
Internal Service Funds	
Combining Statement of Net Assets	125
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	126
Combining Statement of Cash Flows	127
Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual	128
Trust and Agency Funds	
Combining Statement of Fiduciary Net Assets	131
Combining Statement of Changes in Fiduciary Net Assets	132
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - Schools - Other Local Taxing Units	133
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - State - City	134
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - Other Post-Employment Retirement Benefits	135
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - Payroll & Claims	136
Capital Assets	
Capital Assets Used in the Operation of Governmental Funds - Comparative Schedule by Source	137
Capital Assets Used in the Operation of Governmental Funds - Schedule by Function and Activity	138
Capital Assets Used in the Operation of Governmental Funds - Schedule of Changes by Function and Activity	139

STATISTICAL SECTION

Net Assets by Component - Last Five Fiscal Years	141
Schedule of Change in Net Assets - Last Five Fiscal Years	142
Fund Balance of Governmental Funds - Last Ten Fiscal Years	144
Changes in Fund Balance of Governmental Funds - Last Ten Fiscal Years	145
Bureau of Census (BOC) Supplemental Schedule - As of and for the Fiscal Year ended June 30, 2009	146
Property Tax Levies and Collections - Governmental and Internal Service Fund Types - Last Ten Fiscal Years	147
Property Tax Assessments and Taxable Value - Last Ten Fiscal Years	148
Property Tax Levies by Mills - All Taxing Entities - Last Ten Fiscal Years	149
Principal Taxpayers - Current Year and Nine Years Ago	150
Special Assessments Billings and Collections	151
Computation of Legal Debt Margin - Last Ten Fiscal Years	152
Tax Exempt Debt Issued - Last Ten Calendar Years	153

MISSOULA COUNTY, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2010

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years	154
Ratios of Outstanding Debt by Type - Last Five Fiscal Years	155
Ratio of Annual Debt Service Requirements for General Obligation Bonded Debt to Total General Expenditures - Last Ten Fiscal Years	156
Computation of Direct and Overlapping Debt	157
Major Employers - Current Fiscal Year and Nine Years Ago	158
Property Tax Levies in the MCA Industrial District - Last Ten Fiscal Years	159
Major Taxpayers in the MCA Industrial District	159
MCA Industrial District - Taxable Value, Incremental Taxable Value & Tax Increment Revenue	160
MCA Industrial District - Increment Bond Coverage	161
Port Authority Tax Levy - Last Ten Fiscal Years	161
Demographic Statistics - Last Ten Fiscal Years	162
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years	163
Full-time Equivalent County Government Employees by Function and Program - Last Ten Fiscal Years	164
Operating Indicators by Function and Program - Last Ten Calendar Years	165
Capital Assets by Function and Program - Last Four Fiscal Years	166
Miscellaneous Statistical Data	167

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards - Cash Basis	169
Notes to Schedule of Expenditures of Federal Awards - Cash Basis	180
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>	183
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>	185
Schedule of Findings and Questioned Costs	187
Report on Prior Audit Report Recommendations	190

February 28, 2011

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, 2010. I believe this CAFR presents fairly the financial condition of the County at June 30, 2010 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 Jean Curtiss, Bill Carey and Michele Landquist.

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 values included and they must make the decisions on how to live within the constraints established in earlier meetings. 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 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 continued through 2010 with negative growth in Non Farm payroll in years 2008 through 2010 is finally projected to become positive in 2011. The unemployment rate in Missoula County (according to the U.S. Bureau of Labor Statistics) increased to approximately 6.7 % in 2010. The majority of jobs lost came in the wood products, construction and retail trade sectors.

The closure of the Stimson plywood plant in 2007, the Stimson sawmill in 2008, then further combined with the closure of the Smurfit Stone Paper Mill in late 2009, together with cutbacks in transportation and a decline in retail trade and services provide for a 1.6% decline in Non-farm labor income in 2010. The slowdown in new construction will continue to affect both the residents and the local governments within Missoula County. The tax revenue calculated from new construction provided by the Department of Revenue for Missoula County this past year decreased 61% from the prior year, preliminary estimates for the 2012 tax year is for no growth at best. Additionally, 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 be faced with the difficult issue of allocation of scarce resources in the face of increasing costs.

In order to mitigate the risk of declining 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 taxes, local option motor vehicle tax, entitlement share, Clerk & Recorder fees and Justice Court fines and forfeitures. 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 new assets.

Management's Discussion and Analysis, starting on page 3, provides additional information on the economic environment in the County, as well as major initiatives and highlights of the fiscal year 2010 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 and provide for unpredicted, sudden and unavoidable onetime expenditures.

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 and the Chief Financial Officer, and the elected Superintendent of Schools.

AWARDS & ACKNOWLEDGEMENTS

Awards – Missoula County earned its eighteenth consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2009 Comprehensive Annual Financial Report. The Fiscal Year 2010 Report will also be submitted for consideration for the Certificate.

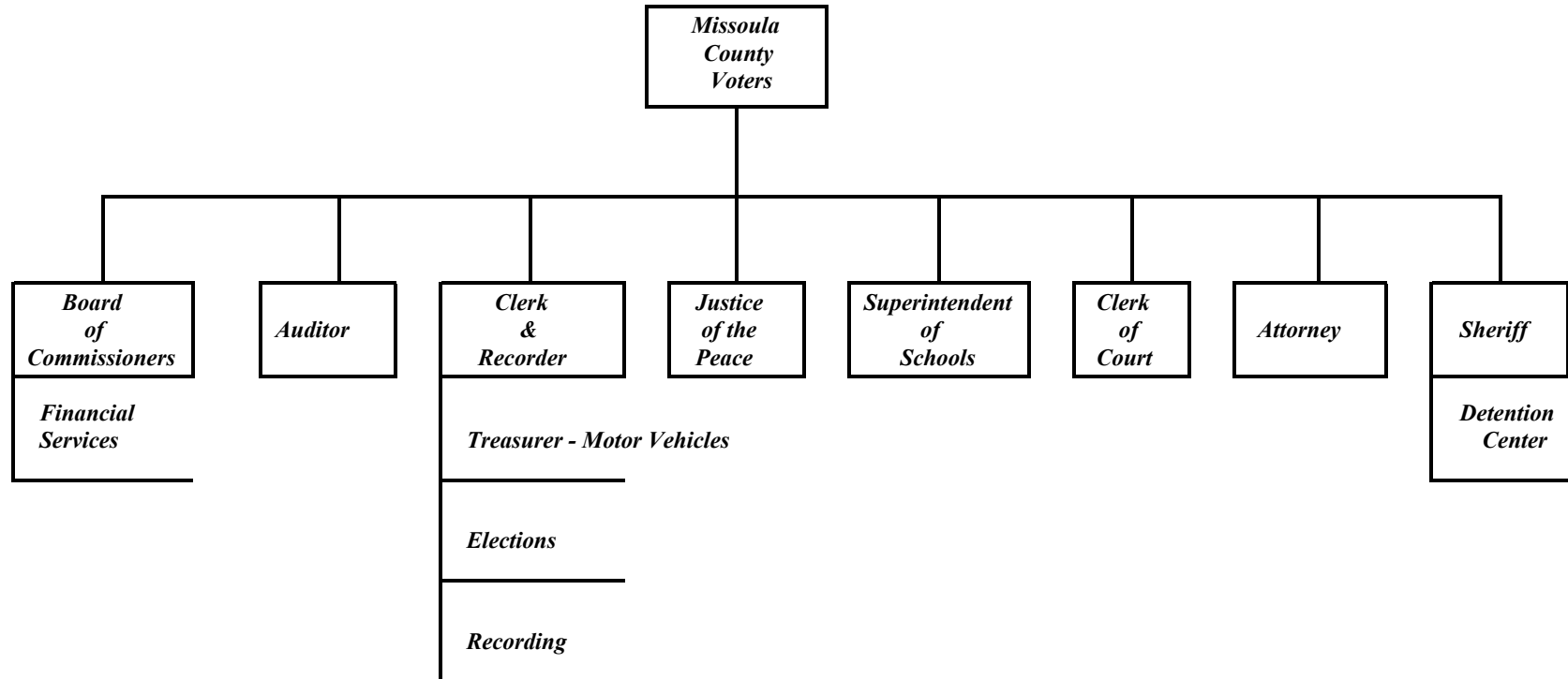
Acknowledgements – I would like to thank everyone in the Missoula County Financial Services Office: Sharon Bowman, Teresa Graham, Julie Harris, Jacque Harris, Mary Matthaie, Dawn Overbaugh, Ruthe Sackey, Alane Stickney, and especially Carol Routh and the newest member of the team Christi Page for all their work and dedication. I would also like to thank Barbara Berens, the Missoula County Auditor, and her staff Nora Morris and Debbie Gross, for their support. 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 completed. Finally, I would like to thank the Board of County Commissioners for their understanding of the value of this report, their commitment to fiscal conservatism in these difficult times and their continued support for strong financial accountability.

Best regards,

Andrew V. Czorny
Chief Financial Officer

MISSOULA COUNTY

Organizational Chart



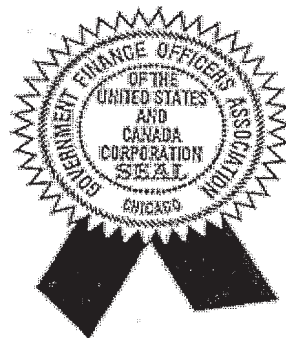
Certificate of Achievement for Excellence in Financial Reporting

Presented to

Missoula County
Montana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

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, 2010, 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 30%, 38%, and 30% 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, 2010, and the respective changes in financial position, and cash flows, where applicable, 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, 2011, 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 and budgetary comparison information on pages 3 through 18 and 75 through 83 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, 2011

MISSOULA COUNTY, MONTANA
Management's Discussion and Analysis
June 30, 2010

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, 2010. 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, 2010, by \$94.9 million (net assets) compared with a balance of \$90.1 million at June 30, 2009. Of this amount, \$37.8 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, vendors and creditors, including \$1.0 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 \$4.7 million, representing a 5.3% increase from 2009. This was primarily due to a net increase in capital assets of \$10.3 million netted with an increase in related debt of \$6.5 million.
- At the end of the current year, the County's Balance Sheet for Governmental Funds reported a combined ending fund balance of \$34.4 million, approximately \$306,000 more than the prior year. Of this amount, \$26.6 million is unreserved and immediately available for spending on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2.2 million, or 14.5% of total general fund expenditures and other financing uses.

Missoula County's total debt increased by \$6,586,328, which contributed to a net 11.2% increase in Long Term Liabilities, related to primary government activities. The new debt is primarily attributable to \$2,230,000 in Special Assessment Bonds and \$6,531,731 in Special Assessment Loans. In addition, \$47,000 in State Intercap Loans was issued on behalf of the Road Department for new equipment.

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, Missoula Development Authority, 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 85.

Proprietary Funds: The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Larchmont Golf Course and the Rural Special Improvement Maintenance Districts. Internal Service funds are used to account for the financing of certain goods and services between departments and agencies of the County. The County uses internal service funds to account for its self-insurance programs: Risk Management, Health Insurance, Workers' Compensation, and Excess Loss. Additionally, Telephone Services, which operates the City/County telephone system, is accounted for in an internal service fund. The proprietary fund financial statements can be found on pages 26-28.

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 30-31.

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 32.

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 85. Statistical information that shows trends for periods up to ten years is also available beginning on page 141.

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, 2010 the County's assets exceeded liabilities by \$94.9 million (\$89.8 million in governmental activities and \$5.1 million in business-type activities). 56.7% of the County's net assets reflect its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Other restrictions include \$2,393,072 for debt service. Missoula County has no other restricted net assets that require reservation. Therefore, \$36.4 million in net assets (40.6%) 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 2010:

Net Assets						
	Governmental Activities		Business-Type Activities		Total	
Assets	2010	2009	2010	2009	2010	2009
Current & Other Assets	\$ 63,782,317	\$ 62,916,849	\$ 1,176,250	\$ 1,696,201	\$ 64,958,567	\$ 64,613,050
Capital Assets, Net	84,585,696	75,706,695	4,052,553	2,601,443	88,638,249	78,308,138
Total Assets	<u>148,368,013</u>	<u>138,623,544</u>	<u>5,228,803</u>	<u>4,297,644</u>	<u>153,596,816</u>	<u>142,921,188</u>
Liabilities						
Current & Other Liabilities	15,459,968	16,039,700	129,763	114,265	15,589,731	16,153,965
Current Portion of Long-term Debt	5,944,005	5,416,242	-	-	5,944,005	5,416,242
Long-term Debt, Net of Current Portion	37,276,953	31,218,388	-	-	37,276,953	31,218,388
Total Liabilities	<u>58,680,926</u>	<u>52,674,330</u>	<u>129,763</u>	<u>114,265</u>	<u>58,810,689</u>	<u>52,788,595</u>
Net Assets						
Invested in Capital Assets, Net of Debt	50,908,218	47,859,926	4,052,553	2,601,442	54,960,771	50,461,368
Restricted for Debt Service	2,393,072	1,275,007	-	-	2,393,072	1,275,007
Unrestricted	36,385,797	36,814,281	1,046,487	1,581,937	37,432,284	38,396,218
Total Net Assets	<u>\$ 89,687,087</u>	<u>\$ 85,949,214</u>	<u>\$ 5,099,040</u>	<u>\$ 4,183,379</u>	<u>\$ 94,786,127</u>	<u>\$ 90,132,593</u>

The following table provides a summary of the changes in net assets for 2010:

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
Revenues	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for Services	\$ 14,530,892	\$ 14,992,396	\$ 1,870,872	\$ 1,835,597	\$ 16,401,764	\$ 16,827,993
Operating Grants and Contributions	5,364,471	6,626,708	-	-	5,364,471	6,626,708
Capital Grants and Contributions	2,576,393	3,546,936	-	-	2,576,393	3,546,936
General Revenues						
Property Taxes	38,095,655	34,622,390	-	-	38,095,655	34,622,390
Intergovernmental Revenue	5,845,783	5,857,686	-	100,000	5,845,783	5,957,686
Investment Earnings	297,001	816,387	24,426	35,691	321,427	852,078
Gain on Sale of Capital Assets	-	(28,243)	7,000	10,430	7,000	(17,813)
Miscellaneous	2,369,802	2,832,296	-	5,587	2,369,802	2,837,883
Total Revenues	<u>69,079,997</u>	<u>69,266,556</u>	<u>1,902,298</u>	<u>1,987,305</u>	<u>70,982,295</u>	<u>71,253,861</u>
Program Expenses						
General Government	11,885,058	12,236,110	-	-	11,885,058	12,236,110
Criminal Justice	3,847,607	3,758,712	-	-	3,847,607	3,758,712
Public Safety	18,831,204	18,135,508	-	-	18,831,204	18,135,508
Public Works	10,604,449	6,065,827	-	-	10,604,449	6,065,827
Public Health	6,041,743	5,860,795	-	-	6,041,743	5,860,795
Social and Economic Services	4,686,338	4,615,766	-	-	4,686,338	4,615,766
Culture and Recreation	4,473,973	4,333,841	-	-	4,473,973	4,333,841
Housing and Community Develop.	2,819,982	2,918,937	-	-	2,819,982	2,918,937
Interest and Fiscal Charges	1,543,010	1,145,352	-	-	1,543,010	1,145,352
Larchmont Golf Course	-	-	860,865	847,389	860,865	847,389
Rural Special Improvement Districts	-	-	382,198	735,247	382,198	735,247
Total Expenses	<u>64,733,364</u>	<u>59,070,848</u>	<u>1,243,063</u>	<u>1,582,636</u>	<u>65,976,427</u>	<u>60,653,484</u>
Change in Net Assets before Transfers	4,346,633	10,195,708	659,235	404,669	5,005,868	10,600,377
Transfers	(227,491)	164,386	227,491	(164,386)	-	-
Change in Net Assets	<u>\$ 4,119,142</u>	<u>\$ 10,360,094</u>	<u>\$ 886,726</u>	<u>\$ 240,283</u>	<u>\$ 5,005,868</u>	<u>\$ 10,600,377</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 2010, general government expenses comprised 18.4% (20.7% in 2009) of governmental activities. Total general government expenses decreased by \$351,052 (or 2.9%) from the prior year. This decrease is primarily due to decreased personnel costs in the General Fund.

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 5.9% of governmental activities in 2010 (versus 6.4% in 2009). Total expenses increased \$88,895 (or 2.4%) 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 29.1% of governmental activities in 2010 (versus 30.6% in 2009). Public safety expenses increased \$695,696 over 2009, (or 3.8%). The overall change was due to capital outlay activities that did not qualify for capitalization.

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 16.4% of governmental activities in 2010 and represented a 74.8% increase in expenses over 2009. This increase is primarily due to increased infrastructure maintenance.

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 9.3% of governmental activities in 2010. Total public health expenses increased \$180,948 (or 3.2%) from 2009, primarily due to increased personnel costs.

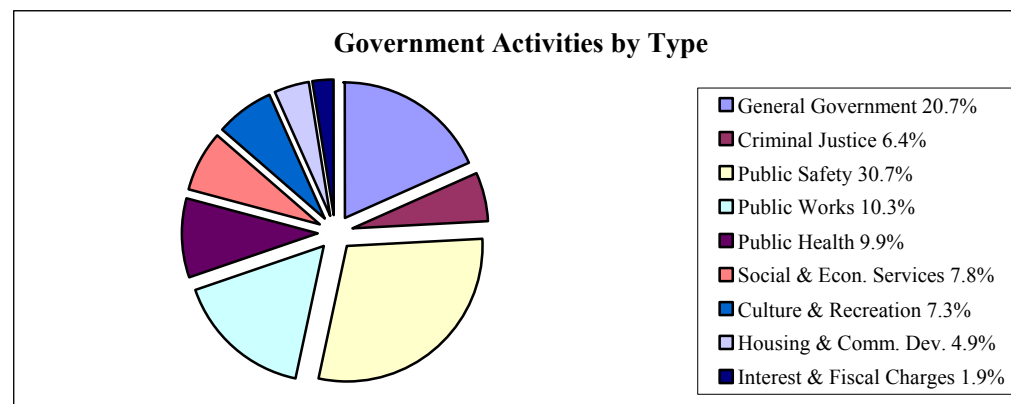
Social & Economic Services – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Poor, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered 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 7.2% of governmental activities in 2010. Social and economic services expense increased \$70,572 (or 1.5%) over 2009 largely due to increases in pass-through grant expenditures.

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 6.9% of governmental activities in 2010. Culture and recreation expense increased \$140,132 (or 3.2%) from 2009. This was due to increased personnel costs in the Western Montana Fair.

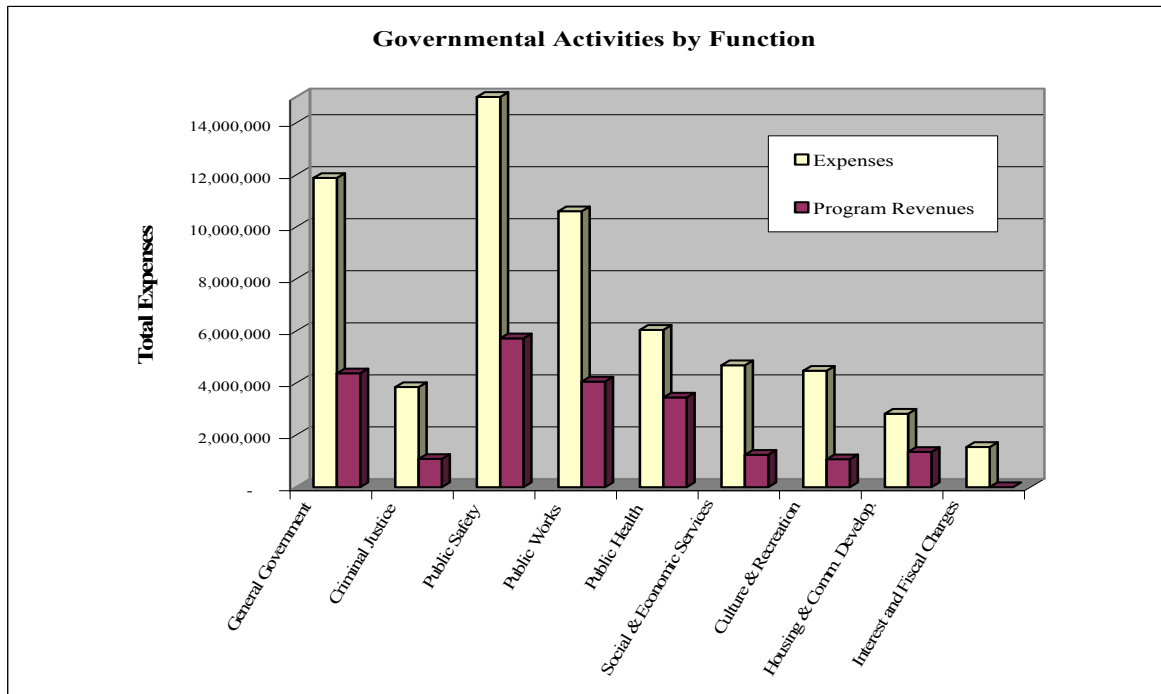
Housing & Community Development – this function includes the land use planning aspects of the Office of Planning and Grants, as well as specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. These expenses comprised 4.4% of governmental activities in 2010. Total expenses decreased \$98,955 (or -3.4%) versus 2009 due to decreased activity in land planning and decreased grant projects in the planning fund.

Total governmental activities resulted in an increase in net assets totaling \$4.1 million. This increase over 2009 is primarily due to an \$10.3 million increase in capital assets, \$5.6 million more in program expenses, \$2.6 million less in program revenues which include Charges for Services, Operational Grants, Capital Grants and Contributions, and \$2.4 million in additional general revenues which include property taxes, investment earnings, and miscellaneous revenues.

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



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



Business-Type Activities

Total net assets related to business-type activities increased \$886,726 by compared to an increase of \$279,647 in 2009. This was primarily due to an increase in capital assets of \$1.4 million in capital assets for both the Larchmont Golf Course and the Rural Special Improvement Districts netted with a decrease in revenues of \$85,000.

Fund Level Financial Analysis

Governmental Funds

For the fiscal year ended June 30, 2010, the County's governmental funds reported combined fund balance totaling \$34,407,144 compared with \$34,101,394 in 2009. Approximately \$26.4 million of this amount constitutes unreserved fund balance, which is

available to spend for current needs. The remaining balance is reserved for inventory, advances, capital and debt service commitments. The governmental funds had a combined increase in fund balances totaling \$305,750 for 2010.

The General fund is the chief operating fund of the County. For fiscal year 2010, total fund balance decreased \$388,557 to \$2,188,981, of which \$1,962,335 was unreserved. As a measure of the General fund's total liquidity, it may be useful to compare total unreserved fund balances to total General fund expenditures. Total unreserved General Fund balances represent 14.7% of total expenditures compared to 18.4% in 2009. The 2010 budget was designed to spend down excess cash reserves by approximately \$753,546. Despite lower than anticipated property taxes, intergovernmental revenues, and charges for services, decreases in personnel and operational costs resulted in the smaller than expected decrease 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 \$2,638,290 at June 30, 2010 (\$2,932,166 at June 30, 2009). Unreserved fund balance represents 17.9% (19.5% in 2009) of total expenditures. The fund balance decreased during the year by \$293,876, although the 2010 budget was designed to decrease the fund balance by \$881,150. Significant decreases in personnel and operational costs resulted in the smaller than expected decrease 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 \$788,976 at June 30, 2010 (\$824,586 at June 30, 2009), all of which is considered reserved for debt service or advances. Fund balance represents 92.0% (107.7% in 2009) of total expenditures. Fund balances decreased in this fund primarily due lower tax revenues combined with higher debt service expenditures.

The Missoula Development Authority fund accounts for the activities of Missoula County Development Park, including the MCA Industrial Tax Increment District (which was created to develop an industrial park) and the Missoula County Technology Increment District (which was created to develop a technology-based Business Park). The Authority had a fund balance totaling \$5,994,242 on June 30, 2010 (\$5,686,613 on June 30, 2009), \$5,565,664 of which was unreserved. Unreserved fund balance represents 183.8% (473.8% in 2009) of total expenditures. Fund balances increased during the year by \$307,629 due to decreased transfers out and capital outlay costs.

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 \$652,454 at June 30, 2010 (-\$584,419 at June 30, 2009), all of which is considered unreserved. Fund balance represents 8.4% (-106.0% in 2009) of total expenditures. Fund balances increased in this fund primarily due to grant and debt financing of current construction projects.

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 2010, budget amendments resulted in increases in appropriations in the General fund budget by \$319,903. Significant budget variances in the General fund include:

- The Clerk and Records office charges for service were \$58,593 less than anticipated due to decreased activity in property sales.
- Attorney charges for services were \$52,357 less than anticipated due to fewer NSF charges, exemption reviews, and reimbursed prosecution costs.
- Central Stores charges for service were \$67,588 less than anticipated due to lower postage costs, motor pool usage, copier charges, and supplies sales.
- Non-Departmental General Fund charges for services were \$87,050 less than anticipated due to decreased subdivision activity.
- Personnel costs were \$218,149 under budget due to a combination of staff turnover and lower than expected overtime requirements in Clerk & Records office, Treasurers office, 9-1-1 Communications, and Facilities Management.
- Operations costs were \$520,770 under budget due to lower than anticipated printing, postage, and contracted service costs in Clerk & Recorder/Treasurer office; lower than anticipated utilities charges in Facilities Management; and lower than anticipated contracted services costs in Office of Emergency Management.
- Issuance of Debt was under budget in Central Stores by \$65,000 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 \$54,960,771 at June 30, 2010 (\$50,461,368 at June 30, 2009) Capital asset activity is presented in Note 4 of the financial statements as well as on pages 137-139 of the supplementary information.

Significant activity in capital assets for 2010 includes:

- The completion of the Detention Center CCTV system for \$221,669.
- The completion of ADA improvements to the County Courthouse for \$176,955.

- An increase of \$1,141,633 in Construction in Progress related to a new irrigation system at Larchmont Golf Course.
- An increase of \$1,593,666 in Construction in Progress in the Missoula County Development Park.
- A variety of road and paving projects in the amount of \$1,199,847.
- A net increase of \$8,680,803 in Construction in Progress by the Public Works Department ranging from the Wye Sewer project with an additional \$6,850,383 to the Grant Creek Flood Mitigation project with an additional \$990,936 in expenses.

Long-Term Debt

Long-Term Liabilities for Missoula County totaled \$43,220,958 at June 30, 2010 (\$36,634,628 at June 30, 2009). Total debt increased \$8,808,731 which is comprised of new Special Assessment Bonds totaling \$2,230,000, new Special Assessment Loans totaling \$6,531,731, and Contracts Payable in the amount of \$47,000. Liability for compensated absences increased \$84,538 to a total of \$3,932,545 in compensated absences. Liability for post employment benefits of \$192,766 was recorded. Principal payments on outstanding debt were made in the amount of \$2,499,705. Additional information regarding long-term debt can be found in Note 5 to the financial statements.

The following table shows outstanding debt by type:

Total Long-term Debt		
General Obligation Bonds and Loans	\$	13,372,000
Limited Obligation Bonds and Loans		3,965,000
Tax Increment Bonds		4,915,000
Special Assessment Bonds and Loans		15,267,731
Notes and Contracts Payable		1,575,916
Post Employment Benefits		192,766
Compensated Absence Liability		3,932,545
	\$	<u><u>43,220,958</u></u>

Economic Factors and the Fiscal Year 2010 and 2011 Budgets

According to the Bureau of Business and Economic Research of the University of Montana the recession has been long and hard for Missoula County because cyclical job losses have been exacerbated by permanent closures and shutdowns. Missoula is the only major Montana City to experience three straight years of economic declines. The downward spiral began with the shutdown of the Bonner plywood plant in 2007 and was followed by the Bonner Sawmill closure in 2008. The final shoe to drop was the closing of the Smurfit Stone pulp mill in early 2010. Growth is projected to turn positive in 2011. Economic growth in Missoula County has consistently lagged behind the statewide average since the middle of the decade, and this is unlikely to change in the near future. Missoula continues as a dominant trade and service center in Western Montana, but competition from other communities means these sectors are contributing much less to local growth. It will be at least until 2012 before Missoula's nonfarm labor income (an overall measure of the economy) regains its 2007 peak. Missoula County continues as the major trade and service center in western Montana and second largest in the state after Billings. Trade center/service activities constitute 22% compared to 31% in 2009 of the labor income in basic industries, followed by the University of Montana and other state government 20% (a gain of 1% from the prior year), federal government 14%, wood and paper products 8% (down from 12% in 2009), transportation 11% (a gain of 2%), and nonresident travel and other basic 13% (a decline of 1%). The expectation is that the percentages will continue to change as Missoula County moves towards redefining its economy.

According to statistics and information provided by the University of Montana Bureau of Business and Economic Research, Missoula County experienced negative growth in Nonfarm Income in 2008 through 2010, -1.3, -1.0 and -1.0, respectively. Their projection is for positive growth in Missoula County in 2011, 2012, 2013 and 2014, 1.7, 2.1, 2.0 and 2.1, respectively.

The Board of County Commissioners 2011 budget priorities began with the expected downturn in Property Tax revenue. When the budget process began, staff assumed a decrease of 1.23% in Property Tax revenue. As a result the General Fund Departments were required to cut their total budget by 2% in addition to absorbing a 12% increase in medical benefit premiums. Due to union contracts that covered most Missoula County employees, the budget had to include a 2.5% salary increase. Departmental reserves were required to equal 5% of annual revenues with the exception of the General Fund and Public Safety Fund which must maintain reserves of 12% and 8% of revenues, respectively.

Fiscal 2010 was the second consecutive year the County did not raise taxes through mill levy increases. 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 suffering from the economic downturn. To cut costs in the 2011 budget 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.

Health care costs continue to be an issue locally as well as nationally. Last year the County's Health Trust Balance lost \$616,801. The Medical and Rx claims per month per employee went up from \$631.07 to 668.54 or 6%. The count for employees, dependents, cobra participants and retirees for medical benefits has gone up from 880 in June 2009 to 937 in June 2010 a gain of 57. To address the Health care increases as mentioned previously there was a 12% increase (for the second year in a row) as well as a change in benefits paid from an 80/20 split to a 70/30 split.

The last hurdle to cross was the Public Safety budget. There was a structural imbalance of \$140,616 in the Public Safety combined budgets; this meant ongoing revenues did not cover ongoing expenses. The 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.

The certified values from the Montana Department of Revenue came in higher than anticipated with approximately 1% increase over the prior year's mill value. This allowed the County to maintain services at current levels with no increases in service levels. There was a 1.06 mill increase to bring the Sheriff's budget into a structural balance.

The funding of major capital projects, notably the construction of a new public safety building and creating room for an over crowded Courthouse, Courthouse Annex Building and Sheriff's department was resolved with some creative thinking in light of the voters denial of a ballot measure for a new public safety building. The new Public Safety building was projected to cost \$22 million with an additional \$15 million for a new Administration Building. The former Garlington, Lohn and Robinson Law Office building became available for sale across the street from the Courthouse. The County entered into a lease/purchase agreement with GLR Attorneys and plans to remodel portions of the Courthouse and all of the Courthouse Annex at a cost of \$15 million dollars. This represents a \$22 million savings over the original plan and the County believes it can do this without having to go out for a voter approved bond issuance. The County staff determined that with the acquisition of that building along with the remodeling of the Courthouse Annex building the County could resolve its space needs for the next twenty years.

The County's strong financial policies as well as its reserve levels and depth of management earned the County its first standalone bond rating from Standard and Poor's of AA- on August 25, 2010. Given the current level of the local and National economy, the County felt this was quite an accomplishment. Missoula County has maintained its strong financial position for the fiscal year ended 2010. According to the audited financials the General Fund cash balances were \$2,750,592 June 30, 2009 and decreased to only \$2,480,605 by the conclusion of the 2010 fiscal year. Despite all the pressures on the budget the General Fund reserve came in well ahead of its minimum reserve requirement of \$1,713,602.

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

	Countywide		Rural-only	
	2011	2010	2011	2010
Taxable Value	\$192,774,307	\$190,855,285	\$88,965,203	\$88,203,230
Value of Newly Taxable Property	5,632,999	8,619,724	2,422,657	3,568,984
Value of One Mill	192,774	190,855	88,965	88,203
Property Tax Revenues	27,395,425	26,831,582	3,183,168	3,157,225
Number of Mills Levied	142.1	140.6	35.8	35.8

The following table shows the changes in tax revenue and mills for 2010:

	County-wide	Mills	Rural-only	Mills
Total Property Taxes Assessed – Prior Year	\$ 26,831,582	140.60	\$3,157,225	35.80
Current Year Taxes Attributable to Floating Mill*	268,235	1.39	34,364	.39
Current Year Property Taxes Attributable To Newly Taxable Property**	805,021	4.18	89,742	1.01
Current Year Property Tax Mills Available	27,904,838	146.17	3,281,331	37.19
Mill Levy Increases:				
Public Safety		1.06	-	-
Mill Levy Decreases				
Permissive Medical		(-.04)		(-.02)
Voter Approved Mill Levy Adjustments				
Substance Abuse Prevention Levy		(-.02)		
Open Space Levy		.66		
Total Property Taxes Assessed – Current Year	\$27,395,425	142.13	\$3,183,117	35.78

* 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, 2010
(Page 1 of 2)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
Assets					
Cash & Cash Equivalents	\$ 1,725,881	\$ 50,632	\$ 1,776,513	\$ 1,246,800	\$ 1,530,906
Cash with Fiscal Agents	2,785,077	-	2,785,077	-	141,582
Investments	37,398,986	1,024,000	38,422,986	297,087	-
Property Taxes Receivable, net	4,660,106	77,828	4,737,934	-	-
RSID Receivable-Delinquent	47,393	-	47,393	-	-
RSID Receivable-Deferred	7,696,113	-	7,696,113	-	-
Accounts Receivable, net	2,244,749	-	2,244,749	285,143	212,661
Interest Receivable	30,145	-	30,145	-	-
Contributions Receivable	369,823	-	369,823	-	-
Grants Receivable	-	-	-	-	312,646
Loans & Notes Receivable, net	2,305,988	-	2,305,988	-	-
Advances to Component Units	2,918,578	-	2,918,578	-	-
Prepaid Costs	89,166	-	89,166	219	5,800
Inventory	907,741	23,790	931,531	-	233,779
Debt Issuance Costs	602,571	-	602,571	-	-
Capital Assets - non-depreciable	28,537,907	2,666,723	31,204,630	132,000	-
Capital Assets - depreciable, net	56,047,789	1,385,830	57,433,619	1,551,407	5,923,383
 Total Assets	 \$ 148,368,013	 \$ 5,228,803	 \$ 153,596,816	 \$ 3,512,656	 \$ 8,360,757

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

MISSOULA COUNTY, MONTANA
Statement of Net Assets (Continued)
June 30, 2010
(Page 2 of 2)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
Liabilities					
Accounts & Warrants Payable	\$ 1,463,513	\$ 50,328	\$ 1,513,841	\$ 110,568	\$ 72,256
Accrued Interest Payable	736,533	-	736,533	2,620	51,582
Accrued Payroll	1,802,297	79,435	1,881,732	-	196,351
Advances from Other Funds	-	-	-	-	-
Advance from Primary Governments - Current Portion	-	-	-	-	240,000
Deferred Revenue	7,723,126	-	7,723,126	8,299	-
Funds Held in Trust	-	-	-	-	-
Liability for Sick & Vacation - Current Portion	2,898,490	-	2,898,490	129,838	257,388
Liability for Sick & Vacation, net of Current Portion	1,034,055	-	1,034,055	-	-
Liability for Claims - Current Portion	827,868	-	827,868	-	-
Liability for Claims, net of Current Portion	2,906,631	-	2,906,631	-	-
Advance from Primary Governments, net of Current Portion	-	-	-	-	2,678,578
Liability for Post Employment Benefits	192,766	-	192,766	-	21,004
Special Assessment with Government Commitment-					
Due within One Year	738,855	-	738,855	-	-
Due in more than One Year	14,528,876	-	14,528,876	-	-
Other-Due within One Year	2,306,660	-	2,306,660	49,280	1,450
Other-Due in more than One Year	21,521,256	-	21,521,256	415,250	300,620
Total Liabilities	<u>58,680,926</u>	<u>129,763</u>	<u>58,810,689</u>	<u>715,855</u>	<u>3,819,229</u>
Net Assets					
Invested in Capital Assets, net of Related Debt	50,908,218	4,052,553	54,960,771	1,218,877	2,693,719
Restricted for Debt Service	2,393,072	-	2,393,072	-	-
Restricted for Aging Programs	-	-	-	324,823	-
Restricted for Health Programs	-	-	-	-	149,186
Unrestricted	<u>36,385,797</u>	<u>1,046,487</u>	<u>37,432,284</u>	<u>1,253,101</u>	<u>1,698,623</u>
Total Net Assets	<u>\$ 89,687,087</u>	<u>\$ 5,099,040</u>	<u>\$ 94,786,127</u>	<u>\$ 2,796,801</u>	<u>\$ 4,541,528</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center	
Primary Government:										
Governmental Activities:										
General Government	\$ 11,885,058	\$ 4,370,193	\$ 7,330	\$ -	\$ (7,507,535)	\$ -	\$ (7,507,535)	\$ -	\$ -	
Criminal Justice	3,847,607	882,066	202,285	-	(2,763,256)	-	(2,763,256)	-	-	
Public Safety	18,831,204	5,097,532	547,437	77,319	(13,108,916)	-	(13,108,916)	-	-	
Public Works	10,604,449	1,522,702	160,049	2,373,725	(6,547,973)	-	(6,547,973)	-	-	
Public Health	6,041,743	1,477,509	1,941,019	28,197	(2,595,018)	-	(2,595,018)	-	-	
Social & Economic Services	4,686,338	-	1,141,521	97,152	(3,447,665)	-	(3,447,665)	-	-	
Culture & Recreation	4,473,973	1,022,162	50,448	-	(3,401,363)	-	(3,401,363)	-	-	
Housing & Community Development	2,819,982	158,728	1,198,740	-	(1,462,514)	-	(1,462,514)	-	-	
Interest and Fiscal Charges	1,543,010	-	115,642	-	(1,427,368)	-	(1,427,368)	-	-	
Total Governmental Activities	<u>64,733,364</u>	<u>14,530,892</u>	<u>5,364,471</u>	<u>2,576,393</u>	<u>(42,261,608)</u>	<u>-</u>	<u>(42,261,608)</u>	<u>-</u>	<u>-</u>	
Business-type Activities:										
Larchmont Golf Course	860,865	988,599	-	-	-	127,734	127,734	-	-	
Rural Special Improvement Districts	382,198	882,273	-	-	-	500,075	500,075	-	-	
Total Business-type Activities	<u>1,243,063</u>	<u>1,870,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>627,809</u>	<u>627,809</u>	<u>-</u>	<u>-</u>	
Total Primary Government+A16	<u>\$ 65,976,427</u>	<u>\$ 16,401,764</u>	<u>\$ 5,364,471</u>	<u>\$ 2,576,393</u>	<u>(42,261,608)</u>	<u>627,809</u>	<u>(41,633,799)</u>	<u>-</u>	<u>-</u>	
Component units:										
Missoula Aging Services	\$ 3,194,377	\$ 231,306	\$ 3,177,468	\$ -				214,397	-	
Partnership Health Center	<u>7,017,925</u>	<u>3,858,461</u>	<u>3,335,284</u>	<u>846,545</u>				<u>-</u>	<u>1,022,365</u>	
Total component units	<u>\$ 10,212,302</u>	<u>\$ 4,089,767</u>	<u>\$ 6,512,752</u>	<u>\$ 846,545</u>				<u>214,397</u>	<u>1,022,365</u>	
General revenues:										
Property Taxes					38,095,655	-	38,095,655	-	-	
Intergovernmental Revenue - Unrestricted					5,845,783	-	5,845,783	-	-	
Investment Earnings					297,001	24,426	321,427	71,307	-	
Sale of Capital Assets					-	7,000	7,000	-	-	
Miscellaneous Revenues					2,369,802	-	2,369,802	-	219,277	
Transfers					<u>(227,491)</u>	<u>227,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total General Revenues & Transfers					<u>46,380,750</u>	<u>258,917</u>	<u>46,639,667</u>	<u>71,307</u>	<u>219,277</u>	
Change in Net Assets					4,119,142	886,726	5,005,868	285,704	1,241,642	
Net Assets - Beginning of Year					85,949,214	\$ 4,183,379	\$ 90,132,593	\$ 2,511,097	\$ 3,299,886	
Prior Period Adjustments					<u>(381,269)</u>	<u>28,935</u>	<u>(352,334)</u>	<u>-</u>	<u>-</u>	
Net Assets - Beginning of Year as Restated					<u>85,567,945</u>	<u>4,212,314</u>	<u>89,780,259</u>	<u>2,511,097</u>	<u>3,299,886</u>	
Net Assets - End of Year					<u>\$ 89,687,087</u>	<u>\$ 5,099,040</u>	<u>\$ 94,786,127</u>	<u>\$ 2,796,801</u>	<u>\$ 4,541,528</u>	

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

MISSOULA COUNTY, MONTANA

Balance Sheet

Governmental Funds

June 30, 2010

(Page 1 of 2)

	General	Public Safety	RSID Debt Service	Missoula Development Authority	RSID Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash & Cash Equivalents	\$ 116,876	\$ 133,239	\$ 24,867	\$ 242,158	\$ 16,360	\$ 855,389	\$ 1,388,889
Cash with Fiscal Agents	-	-	545,654	509,081	-	1,730,342	2,785,077
Investments	2,363,729	2,694,671	502,917	4,897,480	330,881	17,299,666	28,089,344
Property Taxes Receivable (net)	1,061,013	1,092,078	-	400,804	-	2,035,449	4,589,344
RSID Receivable:							
Delinquent	-	-	47,393	-	-	-	47,393
Deferred	-	-	7,696,113	-	-	-	7,696,113
Accounts Receivable	108,044	344,828	6,031	-	328,227	1,443,937	2,231,067
Loans & Notes Receivable (net)	38,901	75,084	-	630,496	-	1,561,507	2,305,988
Advances to Other Funds	226,646	176,530	-	-	-	1,353,975	1,757,151
Advances to Component Units	-	-	-	428,578	-	2,490,000	2,918,578
Inventory	-	-	-	-	-	907,741	907,741
Total Assets	<u>\$ 3,915,209</u>	<u>\$ 4,516,430</u>	<u>\$ 8,822,975</u>	<u>\$ 7,108,597</u>	<u>\$ 675,468</u>	<u>\$ 29,678,006</u>	<u>\$ 54,716,685</u>
Liabilities							
Accounts & Warrants Payable	\$ 135,222	\$ 186,858	\$ -	\$ 38	\$ 23,014	\$ 1,080,132	\$ 1,425,264
Accrued Interest Payable	-	-	290,493	77,700	-	368,340	736,533
Accrued Payroll	491,092	524,120	-	5,317	-	763,620	1,784,149
Advances from Other Funds	-	-	-	-	-	1,824,757	1,824,757
Deferred Tax Revenue	1,061,013	1,092,078	7,743,506	400,804	-	2,035,449	12,332,850
Unearned Revenue	38,901	75,084	-	630,496	-	1,461,507	2,205,988
Total Liabilities	<u>1,726,228</u>	<u>1,878,140</u>	<u>8,033,999</u>	<u>1,114,355</u>	<u>23,014</u>	<u>7,533,805</u>	<u>20,309,541</u>

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

MISSOULA COUNTY, MONTANA
Balance Sheet (Continued)
Governmental Funds
June 30, 2010
(Page 2 of 2)

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Missoula Development Authority</u>	<u>RSID Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance							
Reserved for Inventory	-	-	-	-	-	907,741	907,741
Reserved for Advances	226,646	176,530	-	428,578	-	3,843,975	4,675,729
Reserved for Debt Service	-	-	788,976	-	-	1,604,096	2,393,072
Unreserved, reported in:							
General Fund	1,962,335	-	-	-	-	-	1,962,335
Special Revenue Funds	-	2,461,760	-	5,565,664	-	14,787,078	22,814,502
Debt Service Funds	-	-	-	-	-	(278,996)	(278,996)
Capital Projects Funds	-	-	-	-	652,454	1,280,307	1,932,761
Total Fund Balance	<u>2,188,981</u>	<u>2,638,290</u>	<u>788,976</u>	<u>5,994,242</u>	<u>652,454</u>	<u>22,144,201</u>	<u>34,407,144</u>
Total Liabilities and Fund Balance	<u>\$ 3,915,209</u>	<u>\$ 4,516,430</u>	<u>\$ 8,822,975</u>	<u>\$ 7,108,597</u>	<u>\$ 675,468</u>	<u>\$ 29,678,006</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	84,397,097
Debt issuance costs used in governmental activities are not financial resources and, therefore, are not reported in the funds.	602,571
Notes receivable are not available to pay for current-period expenditures and, therefore, are, deferred in the funds.	2,205,988
Taxes receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	4,589,344
Delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are, deferred in the funds.	47,393
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.	6,658,508
The liability for compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(3,932,545)
The liability for post employment benefits are not due and payable in the current period and therefore are not reported in the funds.	(192,766)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(39,095,647)
Net assets of governmental activities	<u>\$ 89,687,087</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, 2010

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Missoula Development Authority</u>	<u>RSID Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Property Taxes	\$ 9,001,845	\$ 9,172,177	\$ 845,350	\$ 1,371,254	\$ -	\$ 16,381,343	\$ 36,771,969
Licenses & Permits	74,890	21,065	-	-	-	631,677	727,632
Intergovernmental Revenue	2,207,096	499,131	-	-	1,068,088	10,635,290	14,409,605
Charges for Services	2,184,953	4,262,736	-	-	-	3,399,354	9,847,043
Fines & Forfeits	691,223	28,203	-	-	-	216,681	936,107
Investment Earnings	89,964	6,355	-	32,525	-	61,641	190,485
Private & Local Grants	-	-	-	-	-	1,100	1,100
Miscellaneous Revenue	30,047	147,281	-	776,753	-	1,457,854	2,411,935
Total Revenues	<u>14,280,018</u>	<u>14,136,948</u>	<u>845,350</u>	<u>2,180,532</u>	<u>1,068,088</u>	<u>32,784,940</u>	<u>65,295,876</u>
Expenditures:							
Current Operations:							
General Government	7,275,223	-	-	-	-	460,589	7,735,812
Criminal Justice	2,861,980	-	-	-	-	960,340	3,822,320
Public Safety	2,264,330	14,455,796	-	-	-	1,460,321	18,180,447
Public Works	554,520	-	7,312	854,462	172,950	5,945,043	7,534,287
Public Health	-	-	-	-	-	5,900,159	5,900,159
Social & Economic Services	-	-	-	-	-	4,437,612	4,437,612
Culture & Recreation	-	-	-	-	-	3,968,586	3,968,586
Housing & Community Development	-	-	-	-	-	2,777,337	2,777,337
Capital Outlay	310,424	311,170	-	1,668,286	7,352,104	5,692,982	15,334,966
Debt Service:							
Principal	42,342	-	420,020	350,000	4,000	1,683,343	2,499,705
Interest and Fiscal Charges	4,601	-	430,045	155,700	216,795	781,371	1,588,512
Total Expenditures	<u>13,313,420</u>	<u>14,766,966</u>	<u>857,377</u>	<u>3,028,448</u>	<u>7,745,849</u>	<u>34,067,683</u>	<u>73,779,743</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>966,598</u>	<u>(630,018)</u>	<u>(12,027)</u>	<u>(847,916)</u>	<u>(6,677,761)</u>	<u>(1,282,743)</u>	<u>(8,483,867)</u>
Other Financing Sources (uses):							
Transfer In	412,957	796,228	-	1,376,941	41,000	5,085,128	7,712,254
Transfer Out	(1,826,068)	(460,086)	(23,583)	(221,396)	(888,097)	(4,718,053)	(8,137,283)
Issuance of Debt	47,000	-	-	-	8,761,731	-	8,808,731
Sale of Capital Assets	10,956	-	-	-	-	156,000	166,956
Total other financing sources and uses	<u>(1,355,155)</u>	<u>336,142</u>	<u>(23,583)</u>	<u>1,155,545</u>	<u>7,914,634</u>	<u>523,075</u>	<u>8,550,658</u>
Net Change in Fund Balances	<u>(388,557)</u>	<u>(293,876)</u>	<u>(35,610)</u>	<u>307,629</u>	<u>1,236,873</u>	<u>(759,668)</u>	<u>66,791</u>
Fund Balances - Beginning of Year Previously Reported	2,577,538	2,932,166	824,586	5,686,613	(584,419)	22,664,910	34,101,394
Prior Period Adjustments	-	-	-	-	-	-	-
Fund Balances - Beginning of Year as restated	<u>2,577,538</u>	<u>2,932,166</u>	<u>824,586</u>	<u>5,686,613</u>	<u>(584,419)</u>	<u>22,664,910</u>	<u>34,101,394</u>
Change in Inventory Reserves	-	-	-	-	-	238,959	238,959
Fund Reclassifications	-	-	-	-	-	-	-
Fund Balances - End of Year	<u>\$ 2,188,981</u>	<u>\$ 2,638,290</u>	<u>\$ 788,976</u>	<u>\$ 5,994,242</u>	<u>\$ 652,454</u>	<u>\$ 22,144,201</u>	<u>\$ 34,407,144</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, 2010

Amounts reported for governmental activities in the statement of activities (page 21) are different because:

Net change in fund balances - total governmental funds (page 24)	\$ 66,791
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	12,672,224
Current year depreciation	(3,398,259)
Gain or loss on disposal of capital assets	(366,027)
	<u>8,907,938</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.	1,534,296
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.	(109,623)
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	(8,808,731)
Principal payments on long-term debt	2,499,707
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.	(13,894)
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.	(84,538)
The increase in expenses due to the increase 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.	(192,766)
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.	238,959
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>81,003</u>
Change in net assets of governmental activities (page 21)	<u>\$ 4,119,142</u>

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

MISSOULA COUNTY, MONTANA
Balance Sheet
Proprietary Funds
June 30, 2010

	Business-Type Activities-Enterprise Funds			Governmental
	Major Fund	Nonmajor Fund		Activities-
	Larchmont	RSID		Internal
	Golf Course	Funds	Total	Service Funds
Assets				
Current Assets:				
Cash & Cash Equivalents	\$ 23,320	\$ 27,312	\$ 50,632	\$ 336,992
Investments	471,623	552,377	1,024,000	9,309,642
Taxes Receivable, net	-	77,828	77,828	70,762
Accounts Receivable (net)	-	-	-	3,960
Interest Receivable	-	-	-	30,145
Prescription Rebate Receivable	-	-	-	9,722
Contributions Receivable	-	-	-	369,823
Advances to Other Funds	-	-	-	67,606
Due from Agency Fund	-	-	-	-
Prepaid Costs	-	-	-	89,166
Inventory	23,790	-	23,790	-
Total Current Assets	<u>518,733</u>	<u>657,517</u>	<u>1,176,250</u>	<u>10,287,818</u>
Noncurrent Assets:				
Capital Assets - non-depreciable	2,232,665	434,058	2,666,723	-
Capital Assets - depreciable, net	<u>546,115</u>	<u>839,715</u>	<u>1,385,830</u>	<u>188,599</u>
Total Noncurrent Assets	<u>2,778,780</u>	<u>1,273,773</u>	<u>4,052,553</u>	<u>188,599</u>
Total Assets	<u>\$ 3,297,513</u>	<u>\$ 1,931,290</u>	<u>\$ 5,228,803</u>	<u>\$ 10,476,417</u>
Liabilities				
Current Liabilities:				
Accounts & Warrants Payable	\$ 40,622	\$ 9,706	\$ 50,328	\$ 38,249
Accrued Payroll	68,730	10,705	79,435	18,148
Contributions Paid in Advance	-	-	-	27,013
Deferred Revenue	-	-	-	-
Liability for Claims, Current Portion	-	-	-	827,868
Total Current Liabilities	<u>109,352</u>	<u>20,411</u>	<u>129,763</u>	<u>911,278</u>
Noncurrent Liabilities:				
Liability for Claims, net of Current Portion	-	-	-	2,906,631
Total Liabilities	<u>109,352</u>	<u>20,411</u>	<u>129,763</u>	<u>3,817,909</u>
Net Assets				
Invested in Capital Assets	2,778,780	1,273,773	4,052,553	188,599
Unrestricted	<u>409,381</u>	<u>637,106</u>	<u>1,046,487</u>	<u>6,469,909</u>
Total Net Assets	<u>3,188,161</u>	<u>1,910,879</u>	<u>5,099,040</u>	<u>6,658,508</u>
Total Liabilities and Net Assets	<u>\$ 3,297,513</u>	<u>\$ 1,931,290</u>	<u>\$ 5,228,803</u>	<u>\$ 10,476,417</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, 2010

	Business-Type Activities-Enterprise Funds			Governmental
	Major Fund	Nonmajor Fund		Activities-
	Larchmont	RSID		Internal
	Golf Course	Funds	Total	Service Funds
Operating Revenues:				
Special Assessments	\$ -	\$ 870,472	\$ 870,472	\$ -
Charges for Services	988,599	11,801	1,000,400	8,965,025
Rental Income	-	-	-	29,000
Rebates	-	-	-	38,490
Total Operating Revenues	<u>988,599</u>	<u>882,273</u>	<u>1,870,872</u>	<u>9,032,515</u>
Operating Expenses:				
Personnel	468,707	194,817	663,524	152,023
Operations	260,791	102,432	363,223	559,501
Claims	-	-	-	7,809,990
Reinsurance Premiums	-	-	-	634,874
Administrative	-	-	-	723,151
Depreciation and Amortization	131,367	84,949	216,316	12,468
Total Operating Expenses	<u>860,865</u>	<u>382,198</u>	<u>1,243,063</u>	<u>9,892,007</u>
Operating Income	<u>127,734</u>	<u>500,075</u>	<u>627,809</u>	<u>(859,492)</u>
Non-operating Revenues (Expenses):				
Property Taxes	-	-	-	572,653
Investment Earnings	23,429	997	24,426	106,515
Gain (Loss) on Sale of Assets	7,000	-	7,000	-
Intergovernmental Revenues	-	-	-	51,321
Total Non-operating Revenues (Expenses)	<u>30,429</u>	<u>997</u>	<u>31,426</u>	<u>730,489</u>
Net Income before Transfers	158,163	501,072	659,235	(129,003)
Transfers In	350,000	29,700	379,700	267,538
Transfers Out	<u>(132,665)</u>	<u>(19,544)</u>	<u>(152,209)</u>	<u>(70,000)</u>
Change in Net Assets	375,498	511,228	886,726	68,535
Total Net Assets - Beginning of Year	2,812,663	1,370,716	4,183,379	6,942,305
Prior Period Adjustment	<u>-</u>	<u>28,935</u>	<u>28,935</u>	<u>(352,332)</u>
Total Net Assets - Beginning of Year, Restated	<u>2,812,663</u>	<u>1,399,651</u>	<u>4,212,314</u>	<u>6,589,973</u>
Total Net Assets - End of Year	<u>\$ 3,188,161</u>	<u>\$ 1,910,879</u>	<u>\$ 5,099,040</u>	<u>\$ 6,658,508</u>

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, 2010
(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	\$ 988,599	\$ 865,110	\$ 1,853,709	\$ 8,900,069
Cash receipts for rebates	-	-	-	40,527
Cash receipts for rent charged	-	-	-	29,000
Cash payments to employees for services	(464,206)	(193,448)	(657,654)	(448,478)
Cash payments for reinsurance premiums	-	-	-	(692,134)
Cash payments for administrative expenses	-	-	-	(417,887)
Cash payments for claims expenses	-	-	-	(7,878,889)
Cash payments to other suppliers for goods and services	(252,051)	(103,818)	(355,869)	(555,527)
Net cash provided by (used in) operating activities	<u>272,342</u>	<u>567,844</u>	<u>840,186</u>	<u>(1,023,319)</u>
Cash flows from non-capital financing activities:				
Property taxes collected	-	-	-	550,245
Advances to other funds	-	84,419	84,419	(1,383)
Transfer in	-	29,700	29,700	342,538
Transfer out	(132,665)	(19,544)	(152,209)	(145,000)
Intergovernmental sources	-	100,000	100,000	51,321
Net cash provided (used) by non-capital financing activities	<u>(132,665)</u>	<u>194,575</u>	<u>61,910</u>	<u>797,721</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	7,000	-	7,000	-
Proceeds from notes payable	-	-	-	-
Proceeds from advances	-	-	-	-
Principal paid on revenue bond maturities and notes payable	-	-	-	-
Interest paid on revenue bond maturities and notes payable	-	-	-	-
Transfer in	350,000	-	350,000	-
Deferred revenue	-	-	-	-
Acquisition of Capital Assets and construction in progress	(1,233,369)	(405,122)	(1,638,491)	-
Net cash used for capital and related financing activities	<u>(876,369)</u>	<u>(405,122)</u>	<u>(1,281,491)</u>	<u>-</u>
Cash flows from investing activities:				
Purchases of investment securities	(1,297,155)	(2,633,908)	(3,931,063)	(12,131,253)
Proceeds from sale of investment securities	1,957,230	2,292,355	4,249,585	11,750,426
Interest on investments	23,429	997	24,426	156,071
Net cash provided (used) by investing activities	<u>683,504</u>	<u>(340,556)</u>	<u>342,948</u>	<u>(224,756)</u>
Net increase (decrease) in cash and cash equivalents	<u>(53,188)</u>	<u>16,741</u>	<u>(36,447)</u>	<u>(450,354)</u>
Cash and cash equivalents at beginning of year	<u>76,508</u>	<u>10,571</u>	<u>87,079</u>	<u>787,346</u>
Cash and cash equivalents at end of year	<u>\$ 23,320</u>	<u>\$ 27,312</u>	<u>\$ 50,632</u>	<u>\$ 336,992</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, 2010
(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	RSID		
	Golf Course	Funds		
Income (loss) from operations	\$ 127,734	\$ 500,075	\$ 627,809	\$ (859,492)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	131,367	84,949	216,316	12,468
Change in assets and liabilities:				
(Increase) decrease in receivables	-	(17,163)	(17,163)	(64,219)
(Increase) decrease in rebates receivable				2,037
(Increase) decrease in prepaid costs	-	-	-	(13,975)
(Increase) decrees in inventory	(2,274)	-	(2,274)	-
(Decrease) increase in payables	11,014	(1,386)	9,628	(35,407)
(Decrease) increase in accrued liabilities	4,501	1,369	5,870	(64,731)
Net cash provided by (used in) operating activities	\$ 272,342	\$ 567,844	\$ 840,186	\$ (1,023,319)

Supplemental Disclosure of Cash Flow Information

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

Internal service funds had \$34,891 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, 2010

	Agency Funds	Investment Trusts
Assets		
Cash & Cash Equivalents	\$ 98,397	\$ 2,137,553
Cash with Fiscal Agents	1,763,165	-
Due from Other Agencies	-	-
Property Taxes Receivable, net	14,399,502	-
Other Assets	7,303	-
Investments, at Fair Value:		
Securities	172,850	16,925,896
Bonds	15,714	-
Repurchase Agreements	-	4,350,762
STIP	335,224	26,592,708
Total Investments	<u>523,788</u>	<u>47,869,366</u>
Total Assets	<u>16,792,155</u>	<u>50,006,919</u>
Liabilities		
Accounts Payable	557,345	-
Other Liabilities	77,735	-
Due to Other Agencies	<u>16,157,075</u>	<u>-</u>
Total Liabilities	<u>16,792,155</u>	<u>-</u>
Net Assets		
Funds Held in Trust for:		
Pool Participants	<u>-</u>	<u>50,006,919</u>
Total Net Assets	<u><u>\$ -</u></u>	<u><u>\$ 50,006,919</u></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, 2010

	Investment Trusts
Additions	
Interest Income	\$ 303,627
Net Investment Income	303,627
 Participant Investments in Pool	 295,357,826
Total Additions	295,661,453
 Deductions	
Distribution to Participants	(302,627,931)
Total Deductions	(302,627,931)
 Change in Net Assets	 (6,966,478)
 Net Assets Held in Trust for Pool Participants	
Net Assets - Beginning of Year	56,973,397
Net Assets - End of Year	\$ 50,006,919

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

MISSOULA COUNTY, MONTANA

Notes to Financial Statements

June 30, 2010

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. The operations of the District are reported in a Special Revenue fund.

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 operations of the District are reported in a Special Revenue fund.

Larchmont Golf Course

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Missoula Development Authority

The Missoula Development Authority is governed by a three-member board consisting of 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 units columns in the government-wide financial statements include the financial data of the County's other component units. These are reported in a separate column to emphasize that they are legally separate from the County.

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

Community Health Center - The Partnership Health Center, Inc. (Community Health Center), is a nonprofit corporation organized for the purpose of providing health services to the medically underserved in the County. The organization's board is comprised of representatives of local health care providers and consumers and is not controlled by the County. However, under terms of an agreement between the Center and the County, the County has management control over all fiscal and personnel matters of the Center and is responsible for all liabilities arising from the Center's operations. The organization prepares its separately issued financial statements on the basis of GASB Statement 34, using accounting principles applicable to enterprise funds. Complete financial statements of the Partnership Health Center, Inc. can be obtained from the organization at 323 West Alder, Missoula, Montana 59802.

Related Organizations

One organization falls into the category of "related organizations" as defined by the Governmental Accounting Standards Board criteria. This is the Missoula County Airport Authority. For this entity 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 this organization.

Missoula County Airport Authority

The Missoula County Airport Authority is governed by a seven-member board that has complete responsibility for the operation of the Missoula International Airport.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Government-wide Financial Statements

The statement of net assets and the statement of activities report information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds, and the discretely presented component units. 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 on the face of the proprietary fund statements. Fiduciary funds are reported by type.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds

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

General Fund

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

Public Safety Special Revenue Fund

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

RSID Debt Service Fund

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

Missoula Development Authority

The Missoula Development Authority Fund accounts for the tax increment revenues from the MCA Industrial Tax Increment District and the Missoula County Technology District, which were created to develop a business park in the area of the interstate highway interchange near the airport.

RSID Capital Projects Fund

The RSID Capital Projects Fund accounts for the activities of rural special improvement districts for which construction is ongoing.

Proprietary Funds

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

Enterprise Funds

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

Larchmont Golf Course

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

Internal Service Funds

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations or other governments. Investment trust funds are used to account for the portion of the County's investment pool that is held on behalf of legally separate entities that are not part of the County's financial reporting entity. 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.

Basis of Accounting and Measurement Focus

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

Government-wide Financial Statements

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

Fund Financial Statement:

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

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

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

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

- (1) Prior to the first Monday in July, a proposed operating budget is submitted to the County Commissioners for the fiscal year commencing July 1st. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) On or before the second Monday in August, the budget is legally enacted through an official resolution of adoption.

Note 1 - Summary of Significant Accounting Policies (Continued)

The County prepares its budget primarily on the cash basis. Revenues (except for property taxes) are budgeted in the year they are anticipated to be collected. Expenditures are budgeted in the year they are expected to be paid by warrant. The County includes in its budget encumbrances, which represent commitments to expend funds under current budget appropriations. All appropriations lapse at the end of a fiscal year except for amounts encumbered. The County includes in its budget the full amount of property taxes levied for the year. This approximates the cash basis because delinquencies of current year taxes are generally offset by collection of prior years' delinquencies.

Budgets cannot be increased except by:

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

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

Annual appropriated budgets are adopted for the general fund and most special revenue, debt service, capital projects and internal service funds. Formal budgetary policies are not employed for the Special Revenue and Debt Service funds listed below. Effective budgetary controls are alternatively achieved through Rural Special Improvement District (RSID) bond provisions, and grant contracts. No activity was budgeted for the following funds:

- | | | | |
|---------------------|-------------------------|-----------------------------------|-----------------------------------|
| ● Jail Project | ● Disaster | ● Other Special Revenue | ● Library Capital Reserve |
| ● 9-1-1-Trust | ● LEPC Trust | ● Fair Ice Rink | ● Health Building Reserve |
| ● IACP School | ● Art Museum | ● Friends of Historical Museum | ● WQD Capital Reserve |
| ● MCFPA Trust | ● RSID Debt Service | ● Subdivision Improvement Bonds | ● Park Construction Reserve |
| ● Judgment Levy | ● RSID Capital Projects | ● Historical Museum Gift Shop | ● Weed/Extension Building Reserve |
| ● HUD/CDBG | ● Jail Commissary | ● Friends of the Library | ● Road Escrow |
| ● Abandoned Vehicle | ● Miller Creek Trust | ● Transportation Mitigation Trust | ● Search & Rescue Reserve |
| ● 901 Sewer/Water | | | |

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special assessments are either billed in one installment due November 30 or two equal installments due November 30 and May 31.

Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are billed in two halves, the first due thirty days after billing; the second due November 30.

An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The estimated uncollectible amount at June 30, 2010 is \$1,486,651.

Taxable valuations, mill values and mill levies for November 2009 and May 2010 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	\$ 197,713,478	\$ 6,858,193	\$ 190,855	140.60 mills
Unincorporated levies	\$ 90,554,264	\$ 2,351,034	\$ 88,203	35.80 mills

The county-wide value includes \$6,858,193 which is the incremental value of property within the City of Missoula tax increment districts. Both the county-wide and unincorporated values include \$2,351,034, the incremental value of property in the Airport Industrial Tax Increment District and the Missoula County 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 the golf course, health benefits, workers compensation, and risk management funds, cash resources, to the extent available, of the individual funds are combined to form an investment pool, which is managed by the County Fiscal Officer. Investments of pooled cash, which are authorized by state law, consist primarily of demand deposits, non-negotiable certificates of deposit, bank repurchase agreements, government agency securities and notes, and investments in the state short-term investment pool (STIP).

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Legally separate entities that are not part of the County reporting entity are permitted to participate in the investment pool, and those entities' portion of the investment pool is reported in an investment trust fund. The investment pool is managed in accordance with the County's stated investment policy. There is no external regulatory oversight for the investment pool. Fair values, to the extent applicable, are determined on a monthly basis. Investments and withdrawals from the pool are based on the underlying value of the deposits and investments (cost or share price, as applicable). The County has not obtained any legally binding guarantees to support the value of the pool, and there are no involuntary participants.

Investment income, which includes realized gains and losses and the change in the fair value of investments, is recognized on the modified accrual basis for internal governmental funds and on the accrual basis for investment trust funds. Investment income is allocated directly to funds holding specific investments. Investment income on pooled investments is allocated to participating funds and external entities on the basis of beginning of month balances. All other pool investment income is allocated to the general fund.

The County issues warrants in payment of its obligations. When warrants are presented to the County Treasurer, the County issues a check to pay the warrants.

For purposes of the statements of cash flows, the Enterprise and Internal Service funds consider all highly liquid investments, (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents. A portion of funds held in the County's cash management pools are considered cash equivalents. Interest and dividends reinvested into separate investment trust accounts are not considered cash equivalents.

Materials and Supplies Inventories - Inventories of materials and supplies are valued at cost (first-in, first-out), which is lower than market. Inventory in the Special Revenue Funds consists of expendable materials and supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

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

Advances to/from Other Funds - Advances to/from other funds record noncurrent portions of long-term debt owed by one fund to another. Fund balances are reserved for advances that do not represent expendable available financial resources in the fund financial statements. Advances to/from other funds are eliminated in the government-wide financial statements.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Compensated Absences - Under terms of state law and various union contracts, County employees are granted vacation, sick and other leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to the equivalent of two years' vacation and for 25 percent of accumulated sick leave. In the governmental funds, compensated absences are reported when paid or matured (i.e. unused reimbursable leave outstanding after employee separation from service). The majority of compensated absense liquidation occurs in the General and Public Safety funds.

For the government-wide financial statements and the proprietary funds, compensated absences to be funded from future resources are reflected as liabilities to the extent they are vested. The County considers this liability to be due within one year.

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

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

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

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

Note 2 - Cash and Cash Equivalents and Investments

The total cash and cash equivalents, cash with fiscal agents, restricted cash and investments at June 30, 2010, are detailed as follows:

	Primary Government	Component Units	Total
Cash on hand	\$ 61,333	\$ -	\$ 61,333
Cash in pooled bank deposits	3,509,425	181,403	3,690,828
Cash in non-pooled bank deposits	441,705	1,126,177	1,567,882
Cash with fiscal agents	4,548,242	141,582	4,689,824
Pooled investments	74,581,431	1,458,776	76,040,207
Non-pooled investments	12,234,709	308,437	12,543,146
Total	<u>\$ 95,376,845</u>	<u>\$ 3,216,375</u>	<u>\$ 98,593,220</u>

Cash on hand - Represents: petty cash, change, and checking accounts not controlled by the County Treasurer. This excludes Larchmont Golf Course, Missoula Aging Services, health benefits, workers' compensation and risk management checking accounts and certificates of deposit which are included in pooled and non-pooled bank deposits.

Cash in bank deposits - Cash in bank balances include deposit items such as daily demand/time deposits, 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, 2010, the County's carrying amount of demand deposits was \$221,404 and the bank balance was \$1,116,511. Of the demand deposit bank balance, \$251,107 was covered by federal depository insurance, \$706,125 was covered by securities held by the pledging financial institution's trust department or agent in the County's name and \$159,279 was uncollateralized.

Fiscal agent deposits of \$4,689,824 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, 2010, 82% of the County's uninsured deposits were collateralized.

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

Pooled and non-pooled investments - At June 30, 2010, the County's pooled and non-pooled investment balances were as follows:

	Maturity in Years					No Maturity	Fair Value	Rating
	Less than 1	1-2	2-3	3-4	4-5			
Primary Government Investments								
US Bank Collateralized Savings Account	\$ 3,432,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,432,504	AAA
Bond Funds (Target Range School Endowment)	15,640	-	-	-	-	-	15,640	AAA
Certificates of Deposit	1,700,690	-	-	-	-	-	1,700,690	AAA
Federal Farm Credit Bank Notes-CMO	102,813	1,535,223	160,550	177,023	-	-	1,975,609	AAA
Federal Home Loan Bank Notes-CMO	6,010,893	4,631,837	3,943,962	2,457,248	200,938	-	17,244,878	AAA
Federal Home Loan Mortgage Corp-CMO	-	105,969	-	490,524	493,575	-	1,090,068	AAA
Federal National Mortgage Assoc-CMO	102,125	695,234	493,472	496,385	2,725,056	-	4,512,272	AAA
US Treasury Notes	3,446,290	-	-	-	-	-	3,446,290	AAA
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	11,525,199	11,525,199	A1
Corporate Notes	-	-	-	-	-	4,209,584	4,209,584	A3
Certificates of Deposit	-	-	-	-	-	6,936,931	6,936,931	A1+
U.S. Government Agency	-	-	-	-	-	17,554,376	17,554,376	A1+
Money Market Accounts (Unrated)	-	-	-	-	-	3,714,327	3,714,327	NR
Money Market Accounts (Rated)	-	-	-	-	-	204,024	204,024	A1+
Structured Investment Vehicles (SIV)	-	-	-	-	-	1,746,800	1,746,800	D
	-	-	-	-	-	45,891,241	45,891,241	
Repurchase Agreements	7,506,948	-	-	-	-	-	7,506,948	A3
Total Primary Government	22,317,903	6,968,263	4,597,984	3,621,180	3,419,569	45,891,241	86,816,140	
Component Unit Investments:								
Federal Farm Credit Bank Notes-CMO	-	24,931	-	-	-	-	24,931	AAA
Federal Home Loan Bank Notes-CMO	47,256	82,656	62,171	48,067	-	-	240,150	AAA
Federal Home Loan Mortgage Corporation-CMO	-	-	-	9,596	9,655	-	19,251	AAA
Federal National Mortgage Association Notes	-	9,608	9,653	9,710	53,306	-	82,277	AAA
US Treasury Notes	47,766	-	-	-	-	-	47,766	AAA
Short Term Investment Pool (STIP)								
Commercial Paper	-	-	-	-	-	225,449	225,449	A1+
Corporate Variable-rate	-	-	-	-	-	82,345	82,345	A1+
Certificates of Deposit	-	-	-	-	-	135,696	135,696	A1+
U.S. Government Agency	-	-	-	-	-	343,389	343,389	A1+
Money Market Accounts (Unrated)	-	-	-	-	-	72,514	72,514	NR
Money Market Accounts (Rated)	-	-	-	-	-	3,991	3,991	A1+
Structured Investment Vehicles (SIV)	-	-	-	-	-	34,170	34,170	D
Equity Mutual Funds	-	-	-	-	-	308,437	308,437	NR
Repurchase Agreements	-	-	-	-	-	146,847	146,847	A3
Total Component Unit	95,022	117,195	71,824	67,373	62,961	1,352,838	1,767,213	
Total	\$ 22,412,925	\$ 7,085,458	\$ 4,669,808	\$ 3,688,553	\$ 3,482,530	\$ 47,244,079	\$ 88,583,353	

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 County's investments contain an element of concentration of credit risk since several investments represent over 5% of the County's total investments. The County does not further diversify investments since investments are conservative and further diversification does not significantly reduce credit risk.

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. Although STIP is not rated, its investment portfolio is rated. Additional information regarding STIP investments and related disclosures of credit, market and legal risks is available in STIP's June 30, 2010 financial statements at www.investmentmt.com. The County's investment in STIP amounts to 2.04% of total STIP assets.

The external investment pool managed by the County is 58.63% invested in STIP, with 46,788,795 shares whose value of \$1 is equal to the fair value of the underlying investments. For the year ended June 30, 2010, STIP's average investment return was 0.25%.

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	\$ 61,333
Cash in pooled bank deposits	3,690,828
Investments	
Repurchase agreements	7,653,793
Government securities	21,597,617
STIP	46,788,797
Total assets	<u>79,792,368</u>
Net Assets:	
County funds	34,434,779
External participants	45,357,589
Total net assets	<u>\$ 79,792,368</u>

Statement of Changes in Net Assets

Additions:	
Interest income	\$ <u>529,007</u>
Net investment Income	529,007
Participant Investments in Pool	<u>369,723,886</u>
Total Additions	370,252,893
Deductions:	
Distribution to Participants	<u>(367,619,477)</u>
Change in Net Assets	2,633,416
Net assets	
Beginning of year	<u>77,158,951</u>
End of year	<u>\$ 79,792,367</u>

Note 3 - Loans and Notes Receivable

Loans and notes receivable at June 30, 2010 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	163,434
<u>Opportunity Resources, Inc.</u>	
0%, \$167 due monthly from May 2006 through April 2015	11,667
<u>Partnership Health Center</u>	
1%, \$2,640 due annually from July 2006 through July 2016	15,297
<u>North Missoula Community Development Corporation</u>	
3%, varying amounts due annually through May 2014	34,628
<u>Western Montana Mental Health Center</u>	
5%, \$9,719 due annually through November 2015	51,511
<u>AquilaVision</u>	
7%, \$10,383 due monthly, all principal and interest due July 1, 2008	125,800
<u>Missoula Aging Services</u>	
Variable interest and varying amounts due annually through February 15, 2016.	162,600
<u>Gleneagle</u>	
Contracts for sale of lots, 10% interest, varying amounts due annually with remainder due at varying dates through July 2005	125,559
<u>Missoula Area Youth Hockey Association</u>	
Variable interest due annually, all principal and interest due January 1, 2016.	60,353
<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	877,163
<u>Pyramid Mountain Lumber</u>	
4%, 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	85,476
<u>Seeley Lake Fire</u>	
4%, \$8,500 due semisemiannually from August 2009 through August 2024	100,000
Loans & Notes Receivable	\$ 2,305,988

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2010 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	\$ 7,203,587	\$ -	\$ -	\$ 7,203,587
Intangibles	-	-	-	-
Construction in Progress	<u>11,042,014</u>	<u>11,282,219</u>	<u>(989,913)</u>	<u>21,334,320</u>
Total capital assets, not being depreciated	<u>\$ 18,245,601</u>	<u>\$ 11,282,219</u>	<u>\$ (989,913)</u>	<u>\$ 28,537,907</u>
Capital assets, being depreciated:				
Buildings	\$ 38,502,385	\$ 253,824	\$ -	\$ 38,756,209
Equipment	20,028,053	1,609,041	(915,315)	20,721,779
Infrastructure	<u>33,010,871</u>	<u>517,053</u>	<u>-</u>	<u>33,527,924</u>
Total capital assets, being depreciated	<u>91,541,309</u>	<u>2,379,918</u>	<u>(915,315)</u>	<u>93,005,912</u>
Less accumulated depreciation for:				
Buildings	11,841,619	912,366	-	12,753,985
Equipment	10,189,332	1,789,747	(549,288)	11,429,791
Infrastructure	<u>12,078,201</u>	<u>696,146</u>	<u>-</u>	<u>12,774,347</u>
Total accumulated depreciation	<u>34,109,152</u>	<u>3,398,259</u>	<u>(549,288)</u>	<u>36,958,123</u>
Total capital assets, being depreciated, net	<u>\$ 57,432,157</u>	<u>\$ (1,018,341)</u>	<u>\$ (366,027)</u>	<u>\$ 56,047,789</u>

The beginning balance of Primary Government construction in progress has been restated by a decrease of \$28,936 to reflect reclassification of assets from governmental to business-type.

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	50,849	1,566,662	-	1,617,511
Total capital assets, not being depreciated	<u>\$ 1,100,061</u>	<u>\$ 1,566,662</u>	<u>\$ -</u>	<u>\$ 2,666,723</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,618,888	\$ 12,100	\$ -	\$ 1,630,988
Improvements other than buildings	2,626,077	-	-	2,626,077
Equipment, furniture and fixtures	1,074,121	59,729	(35,165)	1,098,685
Total capital assets, being depreciated	<u>5,319,086</u>	<u>71,829</u>	<u>(35,165)</u>	<u>5,355,750</u>
Less accumulated depreciation for:				
Buildings and improvements	671,625	47,834	-	719,459
Improvements other than buildings	2,335,951	65,251	-	2,401,202
Equipment, furniture and fixtures	781,193	103,231	(35,165)	849,259
Total accumulated depreciation	<u>3,788,769</u>	<u>216,316</u>	<u>(35,165)</u>	<u>3,969,920</u>
Total capital assets, being depreciated, net	<u>\$ 1,530,317</u>	<u>\$ (144,487)</u>	<u>\$ -</u>	<u>\$ 1,385,830</u>

The beginning balance of Business-type construction in progress has been restated by an increase of \$28,936 to reflect reclassification of assets from governmental to business-type.

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

Governmental activities:	
General Government	\$ 340,153
Criminal Justice	6,891
Public Works	1,350,004
Public Safety	1,437,981
Public Health	94,501
Culture and Recreation	161,356
Social and Economic Services	7,373
Total depreciation expense - governmental activities	<u>\$ 3,398,259</u>
Business-type activities	
Larchmont Golf Course	\$ 131,367
RSIDs	84,949
Total depreciation expense - business-type activities	<u>\$ 216,316</u>

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

Activity for the Missoula Aging Services for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Ending Balance
Capital assets, not being depreciated:			
Land	\$ 132,000	\$ -	\$ 132,000
Capital assets, being depreciated:			
Buildings	\$ 1,866,260	\$ 29,262	\$ 1,895,522
Equipment	86,482	32,572	119,054
Total capital assets, being depreciated	1,952,742	61,834	2,014,576
Less accumulated depreciation	(387,610)	(75,559)	(463,169)
Total capital assets, being depreciated, net	\$ 1,565,132	\$ (13,725)	\$ 1,551,407

Activity for the Partnership Health Center for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Ending Balance
Capital assets, being depreciated:			
Buildings	\$ 5,618,905	\$ 728,018	\$ 6,346,923
Machinery and equipment	1,226,700	144,557	1,371,257
Total capital assets, being depreciated	6,845,605	872,575	7,718,180
Less accumulated depreciation	(1,510,525)	(284,272)	(1,794,797)
Total capital assets, being depreciated, net	\$ 5,335,080	\$ 588,303	\$ 5,923,383

Note 5 - Long-Term Debt

At June 30, 2010, 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	\$ 3,130,000
\$13,770,000 Refunding General Obligation Bonds Series 2005 issued August 2005, 2.85% to 4.0%, due in varying amounts to July 2018	10,115,000
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	127,000
Total general obligation bonds and loans	<u>13,372,000</u>

Limited Obligation Bonds and Notes

Governmental Activities

\$480,000 Partnership Health Center Limited Obligation Note, Series 1998 issued June 16, 1998, 4.1% to 5.5%, due in varying amounts to July 2018	275,000
\$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	1,915,000
\$1,000,000 Risk Management Bond, Series 2001 issued July 15, 2001, 3.10% to 4.5%, due in varying amounts to July 2011	235,000
\$995,000 Ice Rink Facility Bond, Series 2004 issued June 10, 2004, 3.75% 5%, due in varying amounts to July 2024	820,000
\$800,000 Ice Rink Facility Bond, Series 2006 issued March, 2006, 3.4% to 4.25%, due in varying amounts to July 2026	720,000
Total limited obligation bonds and notes	<u>3,965,000</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	3,885,000
\$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	1,030,000
Total limited obligation bonds and notes	<u>4,915,000</u>

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

Rural Special Improvement Districts, 3.7% to 8%, due at varying dates through July 2027. County is contingently liable for payment of these bonds	5,054,000
\$241,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	37,000
\$1,943,000 State Revolving Fund Loan, issued June 1994, 4%, due in varying amounts to July 2014	374,000
\$291,000 State Revolving Fund Loan, issued November 1998, 4%, due in varying amounts to July 2019	121,000
\$649,936 State Revolving Fund Loan, issued September 2002, 4%, due in varying amounts to July 2023	395,000
\$4,498,121 State Revolving Fund Loan, issued July 2003, 3.75%, due in varying amounts to July 2024	2,424,000
\$169,000 State Revolving Fund Loan, issued April 2005, 2.75%, due in varying amounts to July 2015	79,000
\$281,199 State Revolving Fund Loan, issued April 2005, 3.75%, due in varying amounts to July 2020	115,000
\$359,300 State Revolving Fund Loan (ARRA-B), issued July 2009, 1.75%, due in varying amounts to July 2029	359,300
\$3,735,000 State Revolving Fund Loan (ARRA-C), issued July 2009, 3.75%, due in varying amounts to July 2029	2,654,844
\$3,410,125 State Revolving Fund Loan, issued July 2009, 3.75%, due in varying amounts to July 2029	3,410,125
\$142,000 State Revolving Fund Loan, issued November 2008, 3.75%, due in varying amounts to July 2029	141,000
\$165,000 State Revolving Fund Loan, issued September 2009, .75%, due in varying amounts to July 2029	30,462

Note 5 - Long-Term Debt (Continued)

Special Assessment Bonds and Loans (Continued)

Variable rate (1.95% at 6/30/10) loan payable, due in varying amounts through August 2025; repayment from the RSID 8497	73,000
Total special assessment bonds and loans	<u>15,267,731</u>

Notes & Contracts Payable

Variable rate (4.25% at 6/30/10) line of credit payable, due in varying amounts through August 2008; repayment from the Central Services fund	47,506
Variable rate (4.25% at 6/30/10) line of credit payable, due in varying amounts through August 2013; repayment from the Central Services fund	75,852
Variable rate (4.25% at 6/30/10) line of credit payable, due in varying amounts through August 2014; repayment from the Central Services fund	41,432
Variable rate (4.25% at 6/30/10) line of credit payable, due in varying amounts through August 2013; repayment from Road fund	760,160
Variable rate (4.25% at 6/30/10) line of credit payable, due in varying amounts through August 2014; repayment from Fair fund	76,676
Variable rate (4.25% at 6/30/10) line of credit payable, due in varying amounts through February 2016; repayment from Aging fund	162,600
Variable rate (4.25% at 6/30/10) line of credit payable, due in varying amounts through August 2013; repayment from the Historical Museum fund	411,690
Total notes and contracts payable	<u>1,575,916</u>
Subtotal	<u>39,095,647</u>

Note 5 - Long-Term Debt (Continued)

Liability for Sick, Vacation, and Post Employment Benefits (Primary Government)

Post employment benefits	192,766
Accrued vacation benefits	2,029,018
Accrued compensatory time benefits	216,047
Accrued holiday benefits	82,980
Accrued sick benefits	986,922
Fringe on Accrued Leave Liability	<u>617,578</u>
Total accrued leave benefits	<u>3,932,545</u>
Total Long-Term Debt	<u>\$ 43,220,958</u>

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2010, 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	\$ 14,512,000	\$ -	\$ (1,140,000)	\$ 13,372,000	\$ 1,265,000
Limited Obligation Note	4,255,000	-	(290,000)	3,965,000	275,000
Tax Increment	5,300,000	-	(385,000)	4,915,000	400,000
Special Assessment Bonds Payable	2,973,000	2,230,000	(149,000)	5,054,000	305,000
Special Assessment Loans Payable	3,957,020	6,531,731	(275,020)	10,213,731	433,855
Contracts Payable	1,789,601	47,000	(260,685)	1,575,916	366,660
Post Employment Benefits	-	192,766	-	192,766	-
Liability for Sick and Vacation	<u>3,848,007</u>	<u>3,139,301</u>	<u>(3,054,763)</u>	<u>3,932,545</u>	<u>2,898,490</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 36,634,628</u>	<u>\$ 12,140,798</u>	<u>\$ (5,554,468)</u>	<u>\$ 43,220,958</u>	<u>\$ 5,944,005</u>

Note 5 - Long-Term Debt (Continued)

Annual debt service principal and interest payments required on bonds, notes, leases, contracts and loans payable at June 30, 2010, are as follows:

Fiscal Year Ending June 30	Governmental Activities									
	Open Space Bond Principal	Open Space Bond Interest	Refunding Bond Principal	Refunding Bond Interest	Fair SRF Principal	Fair SRF Interest	General Obligation Total Principal	General Obligation Total Interest	2008 PHC Ltd Oblig Principal	2008 PHC Ltd Oblig Interest
2011	\$ 290,000	\$ 109,581	\$ 965,000	\$ 357,450	\$ 10,000	\$ 4,980	\$ 1,265,000	\$ 472,011	\$ 65,000	\$ 88,543
2012	305,000	98,425	1,000,000	324,894	10,000	4,580	1,315,000	427,899	70,000	85,943
2013	320,000	86,706	1,040,000	289,819	10,000	4,180	1,370,000	380,705	70,000	83,143
2014	330,000	74,519	1,075,000	252,134	12,000	3,760	1,417,000	330,413	75,000	80,343
2015	350,000	61,988	1,115,000	211,744	12,000	3,280	1,477,000	277,012	80,000	77,343
2016-2020	1,535,000	114,097	4,920,000	395,975	66,000	9,000	6,521,000	519,072	450,000	334,268
2021-2025	-	-	-	-	7,000	140	7,000	140	550,000	221,000
2026-2030	-	-	-	-	-	-	-	-	555,000	71,000
	<u>3,130,000</u>	<u>\$ 545,316</u>	<u>10,115,000</u>	<u>\$ 1,832,016</u>	<u>127,000</u>	<u>\$ 29,920</u>	<u>13,372,000</u>	<u>\$ 2,407,252</u>	<u>1,915,000</u>	<u>\$ 1,041,583</u>
Less current portion	<u>(290,000)</u>		<u>(965,000)</u>		<u>(10,000)</u>		<u>(1,265,000)</u>		<u>(65,000)</u>	
	<u>\$ 2,840,000</u>		<u>\$ 9,150,000</u>		<u>\$ 117,000</u>		<u>\$ 12,107,000</u>		<u>\$ 1,850,000</u>	

Fiscal Year Ending June 30	Governmental Activities (Continued)									
	PHC Ltd Oblig Principal	PHC Ltd Oblig Interest	Industrial Increment Principal	Industrial Increment Interest	Technology Increment Principal	Technology Increment Interest	Special Assess Bonds Principal	Special Assess Bonds Interest	Special Assess Loans Principal	Special Assess Loans Interest
2011	\$ 25,000	\$ 13,991	\$ 365,000	\$ 148,100	\$ 35,000	\$ 61,778	\$ 305,000	\$ 225,893	\$ 433,855	\$ 358,925
2012	25,000	12,722	380,000	133,200	40,000	59,669	324,000	215,645	700,860	355,134
2013	25,000	11,435	395,000	117,700	40,000	57,419	265,000	203,948	647,860	330,335
2014	30,000	9,998	410,000	101,600	45,000	54,972	260,000	192,686	660,322	306,280
2015	30,000	8,415	435,000	84,700	45,000	52,328	260,000	181,870	607,860	280,836
2016-2020	140,000	16,150	1,900,000	155,400	270,000	216,562	1,265,000	760,277	2,814,300	1,091,815
2021-2025	-	-	-	-	370,000	119,675	1,370,000	471,073	2,560,300	569,485
2026-2030	-	-	-	-	185,000	11,953	1,005,000	149,272	1,788,374	166,916
	<u>275,000</u>	<u>\$ 72,711</u>	<u>3,885,000</u>	<u>\$ 740,700</u>	<u>1,030,000</u>	<u>\$ 634,356</u>	<u>5,054,000</u>	<u>\$ 2,400,664</u>	<u>10,213,731</u>	<u>\$ 3,459,726</u>
Less current portion	<u>(25,000)</u>		<u>(365,000)</u>		<u>(35,000)</u>		<u>(305,000)</u>		<u>(433,855)</u>	
	<u>\$ 250,000</u>		<u>\$ 3,520,000</u>		<u>\$ 995,000</u>		<u>\$ 4,749,000</u>		<u>\$ 9,779,876</u>	

Note 5 - Long-Term Debt (Continued)

Fiscal Year Ending June 30	Governmental Activities (Continued)									
	Risk Management Principal	Risk Management Interest	Ice Rink 2004 Principal	Ice Rink 2004 Interest	Ice Rink 2006 Principal	Ice Rink 2006 Interest	Notes & Contracts Principal	Notes & Contracts Interest	Total Governmental Principal	Total Governmental Interest
2011	\$ 115,000	\$ 7,930	\$ 40,000	\$ 36,955	\$ 30,000	\$ 28,740	\$ 366,660	\$ 29,665	\$ 3,045,515	\$ 1,472,531
2012	120,000	2,700	40,000	35,445	30,000	27,645	329,751	25,350	3,374,611	1,381,352
2013	-	-	45,000	33,785	35,000	26,415	340,694	24,506	3,233,554	1,269,391
2014	-	-	45,000	31,940	35,000	25,050	217,892	15,137	3,195,214	1,148,419
2015	-	-	45,000	30,028	35,000	23,685	80,680	11,371	3,095,540	1,027,588
2016-2020	-	-	270,000	115,697	200,000	95,927	240,239	16,692	14,070,539	3,321,860
2021-2025	-	-	335,000	43,483	245,000	50,334	-	-	5,437,300	1,475,190
2026-2030	-	-	-	-	110,000	4,675	-	-	3,643,374	403,816
	<u>235,000</u>	<u>\$ 10,630</u>	<u>820,000</u>	<u>\$ 327,333</u>	<u>720,000</u>	<u>\$ 282,471</u>	<u>1,575,916</u>	<u>\$ 122,721</u>	<u>39,095,647</u>	<u>\$ 11,500,147</u>
Less current portion	<u>(115,000)</u>		<u>(40,000)</u>		<u>(30,000)</u>		<u>(366,660)</u>		<u>(3,045,515)</u>	
	<u>\$ 120,000</u>		<u>\$ 780,000</u>		<u>\$ 690,000</u>		<u>\$ 1,209,256</u>		<u>\$ 36,050,132</u>	

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, minimum revenue bond coverages, minimum levels of insurance coverage and maintenance of operating assets in good condition. At June 30, 2010, 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 Issue - In July 1997, the County issued \$4 million in bond anticipation notes related to a general obligation bond issue approved in 1996 for the construction of a new detention center. The proceeds of the notes were used for the acquisition of land to be used for the detention center. In April 1998, the County issued \$17,100,000 of general obligation bonds, whose net proceeds of \$16,762,636 were used to establish a fund for the construction of the detention facility (\$16,758,000), and to pay accrued interest on the bonds of \$4,636. Concurrently with the closing of the bond issue, the County repaid the \$4 million of general obligation notes plus accrued interest of \$50,567. In August, 2005, the County issued the Series 2005 General Obligation Refunding Bonds in order to capture savings from low interest rates. Proceeds of the note were used to defease the Series 1998 Detention Center Bonds, resulting in a net present value benefit of \$455,615 and an aggregate debt service saving of \$3,072,229. In December 2007 the County issued \$3,325,000 of general obligation notes 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. 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.

Note 5 - Long-Term Debt (Continued)

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. In March 2006, the County issued \$800,000 in Series 2006 Limited Obligation General Fund Bonds. The net proceeds of \$785,215 were recorded in the Fair Ice Rink Capital Projects fund. These bonds will be repaid from revenues generated from leasing the Ice Rink facility.

Limited Obligation Note Payable - In June 1998, the County issued \$480,000 in Series 1998 Limited Obligation Notes. The net proceeds of \$471,600 were used to finance a portion of a new health care facility. The health care facility is owned by Partnership Health Center for the purpose of providing health care services to the residents of Missoula County. In October 2008 the County issued \$2,000,000 in Series 2008 Limited Obligation Notes. 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.

RSID Loans Payable - In June 1995, the County borrowed \$2,184,000 from the State of Montana Revolving Fund for two Linda Vista sewer projects. In November 1998, the County borrowed \$291,000 from the State of Montana Revolving Fund for the Sunset West drinking water project. In September 2002, the County borrowed \$649,936 from the State of Montana Revolving Fund to fund improvements for the Lolo sewer project. In July 2003, the County borrowed \$4,498,121 from the State of Montana Revolving Fund for the Mullan Corridor Sewer Project. In April 2005, the County borrowed funds from the State of Montana Revolving Fund to fund two Mullan Corridor Sewer Subdistricts. The County borrowed \$169,000 for the El Mar subdistrict and \$281,199 for the Country Crest subdistrict. In November 2008, the County borrowed \$142,000 for the Lorraine Water Distribution system. In July 2009, the County borrowed \$6,424,269 for the Wye Area Sanitary Sewer Project. In September 2009, the County borrowed \$34,462 for the Lewis and Clark Water Project.

The State of Montana Revolving Loan fund was created under a program of the Federal Environmental Protection Agency to help fund waste water treatment and drinking water projects. In December 2009, the County borrowed \$73,000 from the State of Montana Board of Investments for the Williams Addition project.

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.

In December 1997, the County issued a 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, 2010 was \$113,324.

Note 5 - Long-Term Debt (Continued)

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.

As of June 30, 2010, there were eight series of Industrial Revenue Bonds outstanding, all of which were issued prior to July 1, 1995. The aggregate principal amount payable for these series could not be determined; however, their original issue amounts totaled \$29,360,000.

Legal Debt Margin - The County's legal debt limitation is 2.5% of total assessed value of taxable property. As of June 30, 2010 the debt margin was \$172,639,341.

Note 6 - Commitments and Contingencies

Commitments - At June 30, 2010, the County was committed to spend approximately \$4,858,000 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, 2010, taxes remaining under protest totaled \$5,872,144.

Rural Special Improvement Districts (RSIDs) - As of June 30, 2010, delinquent assessments on RSIDs were \$125,221. The delinquencies are due from various residential property owners. The County anticipates payment of the delinquencies from the land owners and will proceed with tax deeds on the property if the assessments are not paid current before the end of the RSID bond terms.

Leases - At June 30, 2010, 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>
2011	\$ 205,687	\$ 146,093
2012	187,776	142,453
2013	66,313	149,384
2014	57,194	146,402
2015	50,569	134,864
Later	997,002	1,470,116
Total	\$ <u>1,564,541</u>	\$ <u>2,189,312</u>

Note 6 - Commitments and Contingencies (Continued)

Operating lease expense for 2010 was \$205,687.

During fiscal year 2004 an operating lease was entered into between Missoula County and the Missoula Area Youth Hockey Association for the use of facilities at the fairgrounds. Yearly minimum rental payments are equal to the bond debt service requirements for bonds issued for construction of ice rink facilities. In addition, the Hockey Association will pay the greater of \$17 per hour or 17% of the hourly ice fee charged by the Association for time exceeding 2000 hours.

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 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 \$665,783 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 0.15% of covered payroll. County contributions range from \$461 to \$785 depending on the type of coverage. Employee contributions were up to \$440 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 \$342 to \$1,099, depending on the type of coverage. County contributions to the plan for the year ended June 30, 2010 were \$4,368,233, which included \$136,678 for the retiree plan (representing 14.5% of covered payroll), current employee contributions were \$1,319,500 and retiree contributions were \$517,360. Contributions from the ten other agencies participating in the plan were \$1,613,368, which included \$295,991 for the retiree plan.

Note 7 - Risk Management (Continued)

Covered Participants - As of June 30, 2010, the Plan covered the following participants:

	Missoula County	Other Employers
Current employees and their beneficiaries	1,160	309
Retirees and their beneficiaries	147	30
	<u>1,307</u>	<u>339</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 sixty 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, 2010 were \$961,917. Asserted workers' compensation claims at June 30, 2010 totaled \$655,848.

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 2009 and 2010 are as follows:

	Risk Management	Health Insurance	Workers' Compensation
Estimated Claims Liability, June 30, 2008	\$ 1,062,720	\$ 671,554	\$ 2,425,036
Incurring for Claims and Claims Adjustment Expenses:			
Provisions for claims incurred in Fiscal Year 2009	218,933	6,293,661	473,180
Increase (decrease) in provisions for claims incurred in prior years	279,601	89,953	(209,946)
Total incurred claims and claims adjustment expenses	498,534	6,383,614	263,234
Payments:			
Claims and claims adjustment expense attributable to Fiscal Year 2009	84,260	5,701,025	28,194
Claims and claims adjustment expense attributable to prior years	704,722	694,828	288,265
Total payments, Fiscal Year 2009	788,982	6,395,853	316,459
Estimated Claims liability, June 30, 2009	772,272	659,315	2,371,811
Incurring for Claims and Claims Adjustment Expenses:			
Provisions for claims of the current year	366,386	6,621,168	779,555
Increase (decrease) in provision for claims of prior years	8,240	(10,025)	34,641
Total incurred claims and claims adjustment expenses	374,626	6,611,143	814,196
Payments:			
Claims and claims adjustment expense attributable to the current year	160,263	6,157,873	216,228
Claims and claims adjustment expense attributable to prior years	320,852	609,717	403,931
Total payments	481,115	6,767,590	620,159
Estimated Claims Liability, June 30, 2010	\$ 665,783	\$ 502,868	\$ 2,565,848

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:

<u>Sheriffs' Retirement System and Public Employees' Retirement System</u>	<u>Teachers' Retirement System</u>
1712 Ninth Avenue Helena, Montana 59620-0131 (406) 444-3154	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, 2010, expressed as a percent of covered payroll, are as follows:

	<u>Employees</u>	<u>County</u>	<u>State</u>
MSRS	9.245%	10.115%	-
MTRS	7.150%	7.470%	0.110%
MPERS	6.900%	7.070%	0.100%

The County's actual contributions to the plans (which equal the required amounts) for each of the three fiscal years ended June 30, were as follows:

	<u>MSRS</u>	<u>MTRS</u>	<u>MPERS</u>
2010	\$ 781,248	\$ 5,507	\$ 1,719,007
2009	542,468	5,490	1,641,913
2008	532,691	5,328	1,605,045

On behalf payments made by the State of Montana totaled \$81 and \$24,787 for MTRS and MPERS respectively. On behalf payments totaling \$24,868 are recognized as intergovernmental revenue and general government expenditures in the County's General Fund.

Note 8 - Retirement Plans (Continued)

The above funding policies provide for periodic employer and employee contributions at rates specified by State law. Contribution requirements are not actuarially determined. An actuary determines the actuarial implications of the funding requirements in a biennial actuarial valuation. The actuarial method used to determine the implications of the statutory funding level is the entry age normal funding method, with both normal costs and amortization of the unfunded accrued liability determined as a level percentage of payrolls. To maintain the fund on an actuarially sound basis, the rate of contributions should fund the normal cost in addition to amortizing the unfunded liability over a period of 40 years. Each system functions uniquely as described as follows:

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 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, 2010 was \$4,751,163.

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 has adopted the provisions of GASB Statement 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.

The County is self insured through their participation in the "Missoula County Employee Benefits Plan" a "Cost Sharing Multiple Employer Plan." Missoula County and ten additional entities participate in the plan. The plan is administered by Missoula County. 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, 2010 are shown below.

Retiree Contributions as of July 1, 2010:

Level of Coverage	Single	Employee/ Spouse	Employee/ Child	Family
Medical Standard Plan	\$ 468.00	\$ 877.00	\$ 784.00	\$ 1,193.00
Medical High Deductible Plan	327.60	613.90	548.80	835.10
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. There are no additional employer contributions required by the plan. The Employee Benefits Plan had an actuarial study completed on June 30, 2010. The study assumed that the cost of coverage for a male age 50 and the associated administrative cost per month for a 12 month period as shown below.

Cost of Coverage:

Level of Coverage	Claim Cost	Administrative
Medical Standard Plan	\$ 402.22	\$ 47.59
Medical High Deductible Plan	281.55	47.59
Dental	29.78	3.98
Vision	6.41	3.08

Note 9 - Other Post-employment Benefits (Continued)

Based on the actuarial study the Accrued Actuarial Liability (AAL) for the year ending June 30, 2010 was \$1,400,375, the Annual Post Employment Benefit Cost was \$153,164. For 2010, the County contributed \$136,678 toward this cost. The County's Post Employment Benefit Obligation at June 30, 2010 was \$213,770.

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. Projections of benefits for the plan are based on types of benefits provided under the substantive plan members to that point. Actuarial calculations reflect a long-term prospective and, consistent with that prospective, 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, 2010 the projected unit credit actuarial cost method was used. The health care trend rate was 12% for 2010 decreasing to 5% for 2016 and after. The assumed discount rate was 4.91%. The unfunded actuarial liability was amortized on a level-dollar basis over a closed period of 30 years.

Note 10 - Deficit Fund Balances and Excess of Expenditures over Appropriations

Deficit fund balances - At June 30, 2010, the following funds had a deficit fund balance resulting from expenditures/expenses in excess of revenues during 2010 and prior years:

Nonmajor Governmental Funds	
Special Revenue Funds	
Fair	\$ 70,095
Library	82,420
Building Code Division	21,581
Disaster Emergency Levy	1,393
Community Based Organizations	77,709
Judgment Levy	269
Debt Service Funds	
Fair Ice Rink Series 2004	100,052
Fair Ice Rink Series 2006	42,734
Open Space Bonds	84,593
Capital Projects Fund	
Milltown Development Projects	110,896
Grant Creek Project	355,679
Fair Ice Rink Project	20,586

The Library, Judgment Levy and Disaster Emergency Levy deficits will be eliminated through delinquent tax collections over the next few years. The deficits in the Fair, Community Based Organizations, Health Center Debt Service, Fair Ice Rink Debt Service, Open Space Debt Service, Building Code Division, Grant Creek Project and Milltown Development Projects funds are expected to be eliminated through future income. 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, 2010:

Governmental Funds	
Major Funds	
General Fund	
Justice Court	
Operations	\$ 1,351
Financial Services	
Personnel	5,462

Note 10 - Deficit Fund Balances and Excess of Expenditures over Appropriations (Continued)

Clerk & Recorder/Treasurer	
Capital Outlay	2,495
Facilities Management	
Capital Outlay	5,256
Office of Emergency Services	
Personnel	1,035
Central Services	
Debt Principal	5,445
Debt Interest	730
Surveyor	
Personnel	6,506
Non-Departmental	
Personnel	40,634
Nonmajor Governmental Funds	
Special Revenue Funds	
Weed	
Personnel	12,286
District Court	
Transfers Out	570
Weed Grant	
Transfers Out	49,538
Parks	
Personnel	148
Library	
Capital Outlay	49,846
Planning	
Transfers Out	1,940
Rural Initiatives	
Transfers Out	1,013
Building Code Division	
Debt Principal	36
Debt Interest	2
Drug Forfeiture	
Personnel	13,488
RSID Administration	
Operations	384
Seeley Lake Refuse	
Personnel	21,883

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

Operations	35,674
Capital Outlay	1,550
Debt Service Funds	
RSID Revolving	
Transfers Out	23,586
Capital Projects Funds	
Capital Improvements	
Debt Principal	93,724
Debt Interest	24,584
Transfers Out	350,000
Milltown Development Projects	
Capital Outlay	825
Grant Creek Project	
Capital Outlay	304,801
MDA Construction	
Transfers Out	472,570
Proprietary Funds	
Internal Service Funds	
Workers' Compensation	
Personnel	230
Excess Loss	
Transfers Out	5,000

Operations over-expenditure in Justice Court was due to high jury fee expenses. Personnel over-expenditure in Financial Services was due to high over-time wages. Capital over-expenditures in Clerk & Recorder/Treasurer and Facilities Management were due to unexpected capital purchases. Personnel over-expenditures in Surveyors and Non-Departmental were due to over-time wages and related fringe benefits. Debt service over-expenditure in Central Services was due to higher debt expenditures than anticipated. Over-expenditures in District Court, Planning, and Rural Initiatives Transfers and Library Capital was due to the funds being budgeted in Operations. Personnel over-expenditures in Weed, Parks, and Drug Forfeiture were due to more hours worked. Debt Service over-expenditures in Building Code Division due to larger debt payments than anticipated. Over-expenditures in Capital Improvements Principal, Interest, and Transfers Out were covered by funds budgeted in capital lines. Milltown Development and Grant Creek Projects was over-expended due to unexpected costs. Operations over-expenditure in RSID Administration were covered by funds budgeted in capital lines. Over-expenditures in Transfers for RSID Revolving and MDA Construction were due unexpected transfers. Operations over-expenditure in the Seeley Lake Refuse District was due to restructuring of the office in 2009 as well as higher than anticipated expenditures in 2010. Personnel over-expenditure in Workers' Compensation due to personnel restructuring. Higher than expected claims in Health Insurance resulted in over-expenditures in Excess Loss Transfers.

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

Note 11 - 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	Missoula Development Authority	Nonmajor Governmental	Internal Service
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis	\$ (388,557)	\$ (293,876)	\$ 307,629	\$ (759,668)	\$ 68,535
Cash & Investments - 6/30/09	1,178,289	262	1,694	168	45,090
Cash & Investments - 6/30/10	(1,075,483)	285	1,726	2,113	(29,989)
Accounts Receivable - 6/30/09	333,484	673,034	1,269,116	492,697	391,573
Accounts Receivable - 6/30/10	(289,036)	(581,848)	-	(1,030,737)	(379,545)
Accounts Payable - 6/30/09	(82,630)	(137,106)	(29,746)	(29,973)	(23,567)
Accounts Payable - 6/30/10	115,705	174,530	31	887,169	22,479
Claims Payable - 6/30/09	-	-	-	-	(3,761,143)
Claims Payable - 6/30/10	-	-	-	-	3,734,499
Accrued Payroll - 6/30/09	(466,014)	(479,405)	(4,667)	(809,162)	(16,023)
Accrued Payroll - 6/30/10	491,092	524,120	5,317	726,834	18,148
Prepaid Cost - 6/30/09	-	-	-	-	75,191
Prepaid Cost - 6/30/10	-	-	-	-	(89,166)
Accrued Interest - 6/30/09	-	-	(84,700)	(720,677)	-
Accrued Interest - 6/30/10	-	-	77,700	368,305	-
Deferred Tax Revenue	-	-	-	-	(70,762)
Other Deferred Revenue - 6/30/09	-	-	-	(2,740)	(26,960)
Other Deferred Revenue - 6/30/10	-	-	-	-	27,013
Depreciation	-	-	-	-	12,706
Non-budgeted Funds:					
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	-	-	(913,312)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ (183,150)</u>	<u>\$ (120,004)</u>	<u>\$ 1,544,100</u>	<u>\$ (1,788,983)</u>	<u>\$ (1,921)</u>

Note 12 - 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 2010 follows:

General Fund to:	
Public Safety	\$ 390,211
Nonmajor Governmental Funds (Technology, Animal Control	
Community Based Organizations, Planning, Rural Initiatives,	906,049
Nonmajor Capital Funds (Capital Improvements)	529,808
Public Safety Fund to:	
Nonmajor Governmental Funds (Drug Forfeiture,	
Planning, Technology)	271,706
Internal Service (Risk Management)	188,380
RSID Debt Service Funds to:	
Nonmajor Governmental Funds (RSID Revolving)	23,583
Missoula Development Authority to:	
General Fund	22,000
Nonmajor Governmental Funds (Road, Technology,	
Capital Improvements, MDA Debt Service)	199,396
RSID Capital Projects Funds to:	
Nonmajor Governmental Funds (RSID Administration, RSID Revolving)	888,097
Nonmajor Governmental Funds to:	
General Fund	375,112
Public Safety Fund	406,017
Missoula Development Authority	1,376,941
RSID Capital Projects Funds	41,000
Nonmajor Governmental Funds (Library, Animal Control, Fair, Health,	
Planning, Technology, Extension, Road, Weed, Museum,	
RSID Administration, RSID Enterprise, Parks, District Court,	
Bridge, Fair Ice Rink Series 2004, Fair Ice Rink Series 2006,	
Rural Initiatives, City Initiatives, Capital Improvements, Weed	
Grant, Park Construction Reserve, Weed Building Reserve)	2,159,825
Larchmont Golf Course	350,000
Internal Service (Risk Management, Health Insurance)	9,158
Internal Service Funds to:	
Internal Service (Excess Loss)	30,000
Internal Service (Wellness Program)	40,000

Note 12 - Interfund Transactions (Continued)

Larchmont Golf Course Fund to:	
General Fund	15,845
Capital Improvements	116,820
Nonmajor Enterprise Fund to:	
Nonmajor Governmental Funds (RSID Administration, Parks)	19,544
Total Transfers In/Out	<u>\$ 8,359,492</u>

Advances to other funds - Interfund advances to allocate cash resources between funds at June 30, 2010 consist of the following:

General Fund - Cash flow advances to:	
Nonmajor Governmental Funds (Fair, Judgment, Open Space Bonds)	\$ 226,646
Public Safety - Cash flow advances to:	
Nonmajor Governmental Funds (Jail Bonds)	176,530
Nonmajor Governmental Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Planning, Disaster, Building Code Division, Milltown Development Projects, Fair Ice Rink Series 2004, Fair Ice Rink Series 2006, Fair Ice Rink Project, Open Space Series 2006, Grant Creek Project)	1,353,975
Internal Service Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Risk Management Bonds)	67,606
Total Advances to Other Funds	<u>\$ 1,824,757</u>

Note 13 - Transactions with Component Units

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

Partnership Health Center

Advances from Primary Government

Advance from Nonmajor Governmental Funds (Health Center Bonds)	\$ 2,190,000
Advance from Nonmajor Governmental Funds (Health Center Building)	300,000
Advance from Missoula Development Authority Fund	428,578

Note 13 - Transactions with Component Units (Continued)Transfers with General Government

Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$ 51,583
Health insurance premiums paid to Internal Service Funds	349,528
Community Based Organizations Grant from Nonmajor Governmental Fund (Poor Fund)	284,000
Repayment of Advance from Nonmajor Governmental Funds (Health Center Building)	150,000
Repayment of Advance from Missoula Development Authority	300,000

Missoula Aging Services

Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)	636,484
Community Based Organizations Loan from Nonmajor Governmental Fund (Aging Fund) (Variable interest, semi-annual payments of \$14,671 through August 2015)	162,600

Note 14 - Reclassifications

During 2010, the following reclassifications occurred:

- \$148,775 from Road to Road Escrow.
- \$369,651 from Weed to Weed/Extension Reserve.
- \$20,084 from Parks to Park Construction Reserve.
- \$241,483 from Library to Library Capital Reserve.
- \$455,647 from Health to Health Building Reserve.
- \$224,538 from Water Quality District to WQD Capital Reserve.
- \$4,008 from Search & Rescue to Search & Rescue Reserve.

Note 15 - Subsequent Events

On September 22, 2010, the County issued \$3,325,000 of Open Space General Obligation Bonds. Proceeds of the bonds will be used to preserve open space and manage growth in Missoula County. The 2.0% - 4.0% bonds are due in varying amounts through July 1, 2028.

On September 28, 2010, the County issued \$1,060,000 of Series 2009 Limited Obligation Bonds. Proceeds of the bonds were used for irrigation system improvements at Larchmont Golf Course. The 2.0% - 4.0% bonds are due in varying amounts through July 1, 2030.

Note 16 - Restatements

Beginning governmental activities net assets in the government-wide financial statements were restated by \$381,269. Net assets were decreased by \$352,332 due to a reallocation of contributions between current employees and retirees in the Health Insurance fund. An additional \$28,937 decrease was due to the reclassification of capital assets from governmental activities to business-type activities. This capital asset reclassification also resulted in a restatement of business-type activities net assets, increasing them by \$28,937.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Funding Status for Retiree Health Insurance Benefit Plan

Missoula County, Montana
Schedule of Funding Status for Retiree Health Insurance Benefit Plan
June 30, 2010

	Governmental	Component Units	
	Activities	Partnership Health Center	Total
Annual OPEB cost	\$ 316,014	\$ 34,434	\$ 350,448
Annual OPEB Contributions	123,248	13,430	136,678
Net OPEB Obligation	192,766	21,004	213,770
Unfunded Actuarial Liability	1,262,779	137,596	1,400,375

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MAJOR FUNDS – Budget and Actual

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

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

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2010
(Page 1 of 8)

	Commissioners				Justice Court			
	<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	-	-	-	-	-	-	1,125	1,125
Fines & Forfeits	-	-	-	-	615,000	615,000	590,240	(24,760)
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	866	866
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>615,000</u>	<u>615,000</u>	<u>592,231</u>	<u>(22,769)</u>
Expenditures:								
Current Operations:								
Personnel	533,296	533,296	528,543	4,753	720,347	720,347	685,163	35,184
Operations	34,327	34,327	23,571	10,756	58,039	58,039	59,390	(1,351)
Capital Outlay	-	-	-	-	4,000	4,000	619	3,381
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>567,623</u>	<u>567,623</u>	<u>552,114</u>	<u>15,509</u>	<u>782,386</u>	<u>782,386</u>	<u>745,172</u>	<u>37,214</u>
Excess of Revenues over (under) Expenditures	(567,623)	(567,623)	(552,114)	15,509	(167,386)	(167,386)	(152,941)	14,445
Other Financing Sources (Uses):								
Transfers In	12,000	12,000	12,000	-	-	-	-	-
Transfers Out	-	-	-	-	(1,000)	(1,000)	(1,000)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (555,623)</u>	<u>\$ (555,623)</u>	<u>\$ (540,114)</u>	<u>\$ 15,509</u>	<u>\$ (168,386)</u>	<u>\$ (168,386)</u>	<u>\$ (153,941)</u>	<u>\$ 14,445</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, 2010
(Page 2 of 8)

	Attorney				Financial 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	93,000	93,000	97,102	4,102	-	-	-	-
Charges for Services	193,100	193,100	140,743	(52,357)	89,000	89,000	97,931	8,931
Fines & Forfeits	112,000	112,000	100,983	(11,017)	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	9,708	9,708	-	-	-	-
Total Revenues	<u>398,100</u>	<u>398,100</u>	<u>348,536</u>	<u>(49,564)</u>	<u>89,000</u>	<u>89,000</u>	<u>97,931</u>	<u>8,931</u>
Expenditures:								
Current Operations:								
Personnel	2,047,258	2,081,858	2,052,914	28,944	603,938	603,938	609,400	(5,462)
Operations	73,504	73,504	54,925	18,579	197,807	197,807	185,198	12,609
Capital Outlay	1,500	1,500	680	820	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,122,262</u>	<u>2,156,862</u>	<u>2,108,519</u>	<u>48,343</u>	<u>801,745</u>	<u>801,745</u>	<u>794,598</u>	<u>7,147</u>
Excess of Revenues over (under) Expenditures	(1,724,162)	(1,758,762)	(1,759,983)	(1,221)	(712,745)	(712,745)	(696,667)	16,078
Other Financing Sources (Uses):								
Transfers In	88,514	88,514	89,784	1,270	8,500	8,500	8,500	-
Transfers Out	(11,925)	(11,925)	(1,000)	10,925	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	506	506
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,647,573)</u>	<u>\$ (1,682,173)</u>	<u>\$ (1,671,199)</u>	<u>\$ 10,974</u>	<u>\$ (704,245)</u>	<u>\$ (704,245)</u>	<u>\$ (687,661)</u>	<u>\$ 16,584</u>

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
Budget and Actual
For Fiscal Year Ended June 30, 2010
(Page 3 of 8)

	Clerk & Recorder/Treasurer				Auditor			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	29,100	29,100	26,005	(3,095)	-	-	-	-
Intergovernmental Revenue	60,000	60,000	43,250	(16,750)	-	-	-	-
Charges for Services	1,058,000	1,058,000	999,407	(58,593)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	304	304	-	-	-	-
Total Revenues	<u>1,147,100</u>	<u>1,147,100</u>	<u>1,068,966</u>	<u>(78,134)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,681,967	1,681,967	1,589,021	92,946	209,652	209,652	208,905	747
Operations	560,485	560,485	385,306	175,179	48,885	60,175	59,112	1,063
Capital Outlay	-	-	2,495	(2,495)	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,242,452</u>	<u>2,242,452</u>	<u>1,976,822</u>	<u>265,630</u>	<u>258,537</u>	<u>269,827</u>	<u>268,017</u>	<u>1,810</u>
Excess of Revenues over (under) Expenditures	(1,095,352)	(1,095,352)	(907,856)	187,496	(258,537)	(269,827)	(268,017)	1,810
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>\$ (1,095,352)</u>	<u>\$ (1,095,352)</u>	<u>\$ (907,856)</u>	<u>\$ 187,496</u>	<u>\$ (258,537)</u>	<u>\$ (269,827)</u>	<u>\$ (268,017)</u>	<u>\$ 1,810</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, 2010
(Page 4 of 8)

	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	-	-	-	-	116,674	158,187	86,581	(71,606)
Charges for Services	513,747	513,747	554,006	40,259	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	6,742	6,742
Total Revenues	<u>513,747</u>	<u>513,747</u>	<u>554,006</u>	<u>40,259</u>	<u>116,674</u>	<u>158,187</u>	<u>93,323</u>	<u>(64,864)</u>
Expenditures:								
Current Operations:								
Personnel	658,069	658,069	619,592	38,477	98,636	98,636	99,671	(1,035)
Operations	915,434	915,434	868,008	47,426	81,262	122,775	44,318	78,457
Capital Outlay	25,000	7,500	12,756	(5,256)	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,598,503</u>	<u>1,581,003</u>	<u>1,500,356</u>	<u>80,647</u>	<u>179,898</u>	<u>221,411</u>	<u>143,989</u>	<u>77,422</u>
Excess of Revenues over (under) Expenditures	(1,084,756)	(1,067,256)	(946,350)	120,906	(63,224)	(63,224)	(50,666)	12,558
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>\$ (1,084,756)</u>	<u>\$ (1,067,256)</u>	<u>\$ (946,350)</u>	<u>\$ 120,906</u>	<u>\$ (63,224)</u>	<u>\$ (63,224)</u>	<u>\$ (50,666)</u>	<u>\$ 12,558</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, 2010
(Page 5 of 8)

	9-1-1 Communications				Information 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	680,485	680,485	675,379	(5,106)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	363	363	-	-	-	-
Total Revenues	<u>680,485</u>	<u>680,485</u>	<u>675,742</u>	<u>(4,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	1,643,454	1,887,454	1,820,047	67,407	751,901	751,901	750,647	1,254
Operations	317,113	317,113	305,090	12,023	20,600	20,600	11,070	9,530
Capital Outlay	152,000	152,000	143,886	8,114	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,112,567</u>	<u>2,356,567</u>	<u>2,269,023</u>	<u>87,544</u>	<u>772,501</u>	<u>772,501</u>	<u>761,717</u>	<u>10,784</u>
Excess of Revenues over (under) Expenditures	(1,432,082)	(1,676,082)	(1,593,281)	82,801	(772,501)	(772,501)	(761,717)	10,784
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>\$ (1,432,082)</u>	<u>\$ (1,676,082)</u>	<u>\$ (1,593,281)</u>	<u>\$ 82,801</u>	<u>\$ (772,501)</u>	<u>\$ (772,501)</u>	<u>\$ (761,717)</u>	<u>\$ 10,784</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, 2010
(Page 6 of 8)

	Human Resources				Central 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	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	434,371	434,371	366,783	(67,588)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>434,371</u>	<u>434,371</u>	<u>366,783</u>	<u>(67,588)</u>
Expenditures:								
Current Operations:								
Personnel	373,740	373,740	372,160	1,580	-	-	-	-
Operations	148,160	148,160	135,660	12,500	397,814	357,046	263,967	93,079
Capital Outlay	-	-	-	-	112,000	112,000	72,948	39,052
Debt Service								
Principal	-	-	-	-	-	36,896	42,341	(5,445)
Interest	-	-	-	-	-	3,872	4,602	(730)
Total Expenditures	<u>521,900</u>	<u>521,900</u>	<u>507,820</u>	<u>14,080</u>	<u>509,814</u>	<u>509,814</u>	<u>383,858</u>	<u>125,956</u>
Excess of Revenues over (under) Expenditures	(521,900)	(521,900)	(507,820)	14,080	(75,443)	(75,443)	(17,075)	58,368
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	112,000	112,000	47,000	(65,000)
Sale of Capital Assets	-	-	-	-	-	-	10,450	10,450
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (521,900)</u>	<u>\$ (521,900)</u>	<u>\$ (507,820)</u>	<u>\$ 14,080</u>	<u>\$ 36,557</u>	<u>\$ 36,557</u>	<u>\$ 40,375</u>	<u>\$ 3,818</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, 2010
(Page 7 of 8)

	Superintendent of Schools				Surveyor			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	27,000	27,000	31,701	4,701
Charges for Services	3,300	3,300	3,300	-	26,000	26,000	28,408	2,408
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	(3)	(3)
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>	<u>53,000</u>	<u>53,000</u>	<u>60,106</u>	<u>7,106</u>
Expenditures:								
Current Operations:								
Personnel	136,206	139,206	138,712	494	521,174	521,174	527,680	(6,506)
Operations	18,336	18,336	17,391	945	33,800	33,800	24,704	9,096
Capital Outlay	-	-	-	-	8,040	8,040	2,035	6,005
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>154,542</u>	<u>157,542</u>	<u>156,103</u>	<u>1,439</u>	<u>563,014</u>	<u>563,014</u>	<u>554,419</u>	<u>8,595</u>
Excess of Revenues over (under) Expenditures	(151,242)	(154,242)	(152,803)	1,439	(510,014)	(510,014)	(494,313)	15,701
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>\$ (151,242)</u>	<u>\$ (154,242)</u>	<u>\$ (152,803)</u>	<u>\$ 1,439</u>	<u>\$ (510,014)</u>	<u>\$ (510,014)</u>	<u>\$ (494,313)</u>	<u>\$ 15,701</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, 2010
(Page 8 of 8)

	Non-Departmental				Totals			
	<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	\$ 9,073,126	\$ 9,073,126	\$ 9,001,845	\$ (71,281)	\$ 9,073,126	\$ 9,073,126	\$ 9,001,845	\$ (71,281)
License & Permits	52,000	52,000	48,885	(3,115)	81,100	81,100	74,890	(6,210)
Intergovernmental Revenue	1,363,684	1,363,684	1,363,991	307	2,340,843	2,382,356	2,298,004	(84,352)
Charges for Services	126,600	126,600	39,550	(87,050)	2,444,118	2,444,118	2,231,253	(212,865)
Fines & Forfeits	-	-	-	-	727,000	727,000	691,223	(35,777)
Investment Earnings	320,000	32,000	101,865	69,865	320,000	32,000	101,862	69,862
Miscellaneous Revenues	-	-	10,212	10,212	-	-	28,195	28,195
Total Revenues	<u>10,935,410</u>	<u>10,647,410</u>	<u>10,566,348</u>	<u>(81,062)</u>	<u>14,986,187</u>	<u>14,739,700</u>	<u>14,427,272</u>	<u>(312,428)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	40,634	(40,634)	9,979,638	10,261,238	10,043,089	218,149
Operations	529,985	532,985	492,106	40,879	3,435,551	3,450,586	2,929,816	520,770
Capital Outlay	-	-	-	-	302,540	285,040	235,419	49,621
Debt Service								
Principal	-	-	-	-	-	36,896	42,341	(5,445)
Interest	-	-	-	-	-	3,872	4,602	(730)
Total Expenditures	<u>529,985</u>	<u>532,985</u>	<u>532,740</u>	<u>245</u>	<u>13,717,729</u>	<u>14,037,632</u>	<u>13,255,267</u>	<u>782,365</u>
Excess of Revenues over (under) Expenditures	10,405,425	10,114,425	10,033,608	(80,817)	1,268,458	702,068	1,172,005	469,937
Other Financing Sources (Uses):								
Transfers In	303,864	303,864	302,673	(1,191)	412,878	412,878	412,957	79
Transfers Out	(1,905,443)	(1,967,567)	(1,824,068)	143,499	(1,918,368)	(1,980,492)	(1,826,068)	154,424
Issuance of Debt	-	-	-	-	112,000	112,000	47,000	(65,000)
Sale of Capital Assets	-	-	-	-	-	-	10,956	10,956
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 8,803,846</u>	<u>\$ 8,450,722</u>	<u>\$ 8,512,213</u>	<u>\$ 61,491</u>	<u>\$ (125,032)</u>	<u>\$ (753,546)</u>	<u>(183,150)</u>	<u>\$ 570,396</u>
Fund Balance:								
Beginning of Year							<u>2,469,236</u>	
End of Year							<u>\$ 2,286,086</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, 2010

	Public Safety				Missoula Development Authority			
	<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	\$ 9,305,355	\$ 9,305,355	\$ 9,172,177	\$ (133,178)	\$ 1,106,961	\$ 1,106,961	\$ 1,371,254	\$ 264,293
License & Permits	15,000	15,000	21,065	6,065	-	-	-	-
Intergovernmental Revenue	443,186	443,186	499,131	55,945	-	-	1,250,000	1,250,000
Charges for Services	4,437,500	4,437,500	4,321,170	(116,330)	-	-	-	-
Fines & Forfeits	30,000	30,000	28,203	(1,797)	-	-	-	-
Investment Earnings	-	-	6,902	6,902	5,000	5,000	35,945	30,945
Miscellaneous Revenues	80,000	80,000	149,963	69,963	738,573	738,573	795,869	57,296
Total Revenues	<u>14,311,041</u>	<u>14,311,041</u>	<u>14,198,611</u>	<u>(112,430)</u>	<u>1,850,534</u>	<u>1,850,534</u>	<u>3,453,068</u>	<u>1,602,534</u>
Expenditures:	-	-	-	-	-	-	-	-
Current Operations:								
Personnel	10,713,196	10,721,966	10,531,179	190,787	106,373	106,373	106,186	187
Operations	4,146,765	4,148,088	3,796,314	351,774	851,895	851,895	747,737	104,158
Capital Outlay	63,150	362,690	327,264	35,426	2,611,690	2,611,690	1,697,890	913,800
Debt Service:								
Principal	-	-	-	-	385,000	385,000	350,000	35,000
Interest & Fiscal Charges	-	-	-	-	226,147	226,147	162,700	63,447
Total Expenditures	<u>14,923,111</u>	<u>15,232,744</u>	<u>14,654,757</u>	<u>577,987</u>	<u>4,181,105</u>	<u>4,181,105</u>	<u>3,064,513</u>	<u>1,116,592</u>
Excess of Revenues over (under) Expenditures	(612,070)	(921,703)	(456,146)	465,557	(2,330,571)	(2,330,571)	388,555	2,719,126
Other Financing Sources (Uses):								
Transfers In	764,961	764,961	796,228	31,267	691,477	691,477	1,376,941	685,464
Transfers Out	(765,888)	(724,408)	(460,086)	264,322	(300,431)	(300,431)	(221,396)	79,035
Sale of Capital Assets	-	-	-	-	1,378,960	1,378,960	-	(1,378,960)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (612,997)</u>	<u>\$ (881,150)</u>	<u>(120,004)</u>	<u>\$ 761,146</u>	<u>\$ (560,565)</u>	<u>\$ (560,565)</u>	<u>1,544,100</u>	<u>\$ 2,104,665</u>
Fund Balance:								
Beginning of Year			2,875,381				4,521,519	
Beginning Balance Adjustment			(227,795)				-	
End of Year			<u>\$ 2,527,582</u>				<u>\$ 6,065,619</u>	

Note - beginning balance adjustment due to prior year accruals that were incorrectly included in budgetary fund balance.

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

Rural Initiatives Fund - To account for revenues used by the Rural Initiatives Office.

Urban Initiatives Fund - To account for revenues used by the Urban Initiatives Office.

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

Health Fund - To account for revenues restricted to use in programs related to public health.

Water Quality District - To account for revenues to be used by the Water Quality District.

Animal Control - To account for revenues to support Animal Control programs.

Extension Fund - To account for revenues restricted to use by the County Extension Service.

Drug Forfeiture Fund - To account for revenues from seizures made by the Sheriff's Department in drug-related arrests, and revenues from Board of Crime Control grants to be used in drug-related law enforcement.

Youth Education & Safety Fund - To account for revenues used to support the Youth Education and Safety program.

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

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

Lolo Mosquito District - To account for the revenues of the mosquito abatement program in Lolo, Montana.

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

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

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

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

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

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

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.

Judgment Levy - To account for revenues used to support judgments against the County.

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

(Continued)

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

9-1-1 Trust	MCFPA Trust	Transportation Mitigation Trust
Abandoned Vehicle	LEPC Trust	Friends of Historical Museum
901 Sewer/Water	Art Museum	Historical Museum Gift Shop
Jail Commissary	Friends of the Library	Subdivision Improvement Bonds
IACP School	Other Special Revenue Funds	Miller Creek Trust - for future capital improvements

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

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

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

Health Center - To account for principal and interest payments for the 1998 and 2009 general fund notes 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 issues 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.

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.

Library Capital Reserve - To account for capital improvements at the Library.

Health Building Reserve - To account for Health Building capital improvements.

WQD Capital Reserve - To account for capital purchases for the Water Quality District.

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.

Park Construction Reserve - To account for capital purchases for the Water Quality District.

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

Weed/Extension Building Reserve - To account for capital improvements for the Weed/Extension Department.

Road Escrow - To account for capital purchases for the Road Department.

Search & Rescue Reserve - To account for capital purchases for Search & Rescue.

MISSOULA COUNTY, MONTANA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010
(Page 1 of 8)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Assets:										
Cash & Cash Equivalents	\$ 61,527	\$ 6,267	\$ 23,429	\$ 894	\$ -	\$ 11,373	\$ 4,608	\$ 19,873	\$ 2,514	\$ -
Cash with Fiscal Agents	-	-	-	-	7,540	-	-	-	-	-
Investments	1,244,335	126,746	473,838	18,072	-	230,011	93,200	401,922	50,847	-
Property Taxes Receivable (net)	286,597	137,964	128,514	63,160	9,482	82,988	-	31,501	314,673	132,930
Accounts Receivable	159,811	-	-	-	-	7,346	-	-	-	850,041
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	536,421	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	907,741	-	-	-	-	-	-	-	-	-
Total Assets	\$ 3,196,432	\$ 270,977	\$ 625,781	\$ 82,126	\$ 17,022	\$ 331,718	\$ 97,808	\$ 453,296	\$ 368,034	\$ 982,971
Liabilities:										
Accounts & Warrants Payable	\$ 524,345	\$ 18,897	\$ 9,476	\$ 1,196	\$ 19,316	\$ 4,315	\$ 3,741	\$ 18,699	\$ 51,220	\$ 119,746
Accrued Interest Payable	-	-	-	-	2,540	-	-	-	-	-
Accrued Payroll	98,626	-	32,888	15,045	19,664	40,343	-	3,650	84,561	146,673
Advances from Other Funds	-	-	-	-	36,115	-	-	-	-	398,458
Deferred Tax Revenue	286,597	137,964	128,514	63,160	9,482	82,988	-	31,501	314,673	132,930
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	909,568	156,861	170,878	79,401	87,117	127,646	3,741	53,850	450,454	797,807
Fund Balance:										
Reserved for Inventory	907,741	-	-	-	-	-	-	-	-	-
Reserved for Advances	536,421	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	842,702	114,116	454,903	2,725	(70,095)	204,072	94,067	399,446	(82,420)	185,164
Total Fund Balance	2,286,864	114,116	454,903	2,725	(70,095)	204,072	94,067	399,446	(82,420)	185,164
Total Liabilities and Fund Balance	\$ 3,196,432	\$ 270,977	\$ 625,781	\$ 82,126	\$ 17,022	\$ 331,718	\$ 97,808	\$ 453,296	\$ 368,034	\$ 982,971

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2010
(Page 2 of 8)

	Special Revenue									
	Rural Initiatives	Urban Initiatives	Building Code Division	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Youth Education & Safety	Museum
Assets:										
Cash & Cash Equivalents	\$ 1,029	\$ -	\$ -	\$ 59,989	\$ 2,338	\$ 3,691	\$ 7,553	\$ 6,547	\$ 711	\$ 7,379
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	20,800	-	-	1,213,239	47,276	74,644	152,763	132,405	14,387	149,234
Property Taxes Receivable (net)	-	-	-	113,187	43,800	19,161	44,924	-	-	60,416
Accounts Receivable	-	3,688	-	329,061	15,614	2,521	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	269,457	130,394	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 291,286</u>	<u>\$ 134,082</u>	<u>\$ -</u>	<u>\$ 1,715,476</u>	<u>\$ 109,028</u>	<u>\$ 100,017</u>	<u>\$ 205,240</u>	<u>\$ 138,952</u>	<u>\$ 15,098</u>	<u>\$ 217,029</u>
Liabilities:										
Accounts & Warrants Payable	\$ 4,956	\$ 10,277	\$ 1,539	\$ 13,503	\$ 1,033	\$ 3,345	\$ 4,258	\$ 113	\$ -	\$ 24,450
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	19,745	18,402	17,077	181,607	15,463	22,982	9,930	9,612	-	14,844
Advances from Other Funds	-	-	2,965	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	113,187	43,800	19,161	44,924	-	-	60,416
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>24,701</u>	<u>28,679</u>	<u>21,581</u>	<u>308,297</u>	<u>60,296</u>	<u>45,488</u>	<u>59,112</u>	<u>9,725</u>	<u>-</u>	<u>99,710</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	269,457	130,394	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	(2,872)	(24,991)	(21,581)	1,407,179	48,732	54,529	146,128	129,227	15,098	117,319
Total Fund Balance	<u>266,585</u>	<u>105,403</u>	<u>(21,581)</u>	<u>1,407,179</u>	<u>48,732</u>	<u>54,529</u>	<u>146,128</u>	<u>129,227</u>	<u>15,098</u>	<u>117,319</u>
Total Liabilities and Fund Balance	<u>\$ 291,286</u>	<u>\$ 134,082</u>	<u>\$ -</u>	<u>\$ 1,715,476</u>	<u>\$ 109,028</u>	<u>\$ 100,017</u>	<u>\$ 205,240</u>	<u>\$ 138,952</u>	<u>\$ 15,098</u>	<u>\$ 217,029</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2010
(Page 3 of 8)

	Special Revenue									
	Search & Rescue	Lolo Mosquito	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse
Assets:										
Cash & Cash Equivalents	\$ 3,861	\$ 939	\$ -	\$ 4,911	\$ 17,894	\$ 44,318	\$ 37,318	\$ 3,836	\$ -	\$ 940
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	78,087	18,997	-	99,329	361,894	896,301	754,725	77,576	-	19,017
Property Taxes Receivable (net)	12,137	796	13	-	-	-	-	108,191	136,136	47,805
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable (net)	-	-	-	-	-	125,559	980,313	162,600	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 94,085	\$ 20,732	\$ 13	\$ 104,240	\$ 379,788	\$ 1,066,178	\$ 1,772,356	\$ 352,203	\$ 136,136	\$ 67,762
Liabilities:										
Accounts & Warrants Payable	\$ 1,209	\$ 45	\$ -	\$ 805	\$ -	\$ -	\$ 65	\$ 159,121	\$ -	\$ 4,253
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	4,186	-	3,057	-	-	-	5,265
Advances from Other Funds	-	-	1,393	-	-	-	-	-	-	-
Deferred Tax Revenue	12,137	796	13	-	-	-	-	108,191	136,136	47,805
Unearned Revenue	-	-	-	-	-	125,559	980,313	162,600	-	-
Total Liabilities	13,346	841	1,406	4,991	-	128,616	980,378	429,912	136,136	57,323
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	80,739	19,891	(1,393)	99,249	379,788	937,562	791,978	(77,709)	-	10,439
Total Fund Balance	80,739	19,891	(1,393)	99,249	379,788	937,562	791,978	(77,709)	-	10,439
Total Liabilities and Fund Balance	\$ 94,085	\$ 20,732	\$ 13	\$ 104,240	\$ 379,788	\$ 1,066,178	\$ 1,772,356	\$ 352,203	\$ 136,136	\$ 67,762

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2010
(Page 4 of 8)

	Special Revenue								
	9-1-1 Trust	Abandoned Vehicle	901 Sewer - Water	Jail Commissary	IACP School	MCFPA Trust	LEPC Trust	Art Museum	Friends of the Library
Assets:									
Cash & Cash Equivalents	\$ 22,866	\$ 58	\$ 36,893	\$ 20,246	\$ 3	\$ 38	\$ 16	\$ 10	\$ 1,842
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-
Investments	462,445	1,183	746,132	409,470	67	761	321	196	37,253
Property Taxes Receivable (net)	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 485,311</u>	<u>\$ 1,241</u>	<u>\$ 783,025</u>	<u>\$ 429,716</u>	<u>\$ 70</u>	<u>\$ 799</u>	<u>\$ 337</u>	<u>\$ 206</u>	<u>\$ 39,095</u>
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ 8,069	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:									
Undesignated	485,311	1,241	783,025	421,647	70	799	337	206	39,095
Total Fund Balance	<u>485,311</u>	<u>1,241</u>	<u>783,025</u>	<u>421,647</u>	<u>70</u>	<u>799</u>	<u>337</u>	<u>206</u>	<u>39,095</u>
Total Liabilities and Fund Balance	<u>\$ 485,311</u>	<u>\$ 1,241</u>	<u>\$ 783,025</u>	<u>\$ 429,716</u>	<u>\$ 70</u>	<u>\$ 799</u>	<u>\$ 337</u>	<u>\$ 206</u>	<u>\$ 39,095</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2010
(Page 5 of 8)

	Special Revenue							
	Transportation Mitigation Trust	Miller Creek Trust	Friends of Historical Museum	Historical Museum Gift Shop	Other Special Revenue	Subdivision Improvement Bonds	Judgment Levy	Open Space
Assets:								
Cash & Cash Equivalents	\$ 15,879	\$ 155	\$ 971	\$ 1,126	\$ 708	\$ 1,098	\$ -	\$ 1,704
Cash with Fiscal Agents	-	-	-	-	-	-	-	-
Investments	321,138	3,144	19,649	22,770	14,313	22,202	-	34,465
Property Taxes Receivable (net)	-	-	-	-	-	-	4	93
Accounts Receivable	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 337,017</u>	<u>\$ 3,299</u>	<u>\$ 20,620</u>	<u>\$ 23,896</u>	<u>\$ 15,021</u>	<u>\$ 23,300</u>	<u>\$ 4</u>	<u>\$ 36,262</u>
Liabilities:								
Accounts & Warrants Payable	\$ -	\$ -	\$ 2,187	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	269	-
Deferred Tax Revenue	-	-	-	-	-	-	4	93
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273</u>	<u>93</u>
Fund Balance:								
Reserved for Inventory	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-
Unreserved Fund Balance:								
Undesignated	<u>337,017</u>	<u>3,299</u>	<u>18,433</u>	<u>23,896</u>	<u>15,021</u>	<u>23,300</u>	<u>(269)</u>	<u>36,169</u>
Total Fund Balance	<u>337,017</u>	<u>3,299</u>	<u>18,433</u>	<u>23,896</u>	<u>15,021</u>	<u>23,300</u>	<u>(269)</u>	<u>36,169</u>
Total Liabilities and Fund Balance	<u>\$ 337,017</u>	<u>\$ 3,299</u>	<u>\$ 20,620</u>	<u>\$ 23,896</u>	<u>\$ 15,021</u>	<u>\$ 23,300</u>	<u>\$ 4</u>	<u>\$ 36,262</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2010
(Page 6 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
Assets:									
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 36,103	\$ -	\$ -	\$ 1,571	\$ -	\$ -
Cash with Fiscal Agents	120,230	1,151,566	-	-	58,853	44,644	-	347,509	-
Investments	-	-	-	730,160	-	-	31,779	-	-
Property Taxes Receivable (net)	16,736	158,079	-	58	-	-	-	17,560	-
Accounts Receivable	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	132,682	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Advances to Component Units	-	-	275,000	-	-	-	-	-	1,915,000
Prepaid Costs	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	\$ 136,966	\$ 1,309,645	\$ 275,000	\$ 899,003	\$ 58,853	\$ 44,644	\$ 33,350	\$ 365,069	\$ 1,915,000
Liabilities:									
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	5,230	186,566	7,346	-	18,853	14,644	31,381	57,509	44,271
Accrued Payroll	-	-	-	-	-	-	-	-	-
Advances from Other Funds	67,606	176,530	-	-	140,052	72,734	-	374,593	-
Deferred Tax Revenue	16,736	158,079	-	58	-	-	-	17,560	-
Unearned Revenue	-	-	-	132,682	-	-	-	-	-
Total Liabilities	89,572	521,175	7,346	132,740	158,905	87,378	31,381	449,662	44,271
Fund Balance:									
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Reserved for Advances	-	-	275,000	-	-	-	-	-	1,915,000
Reserved for Debt Service	47,394	788,470	-	766,263	-	-	1,969	-	-
Unreserved Fund Balance:									
Undesignated	-	-	(7,346)	-	(100,052)	(42,734)	-	(84,593)	(44,271)
Total Fund Balance	47,394	788,470	267,654	766,263	(100,052)	(42,734)	1,969	(84,593)	1,870,729
Total Liabilities and Fund Balance	\$ 136,966	\$ 1,309,645	\$ 275,000	\$ 899,003	\$ 58,853	\$ 44,644	\$ 33,350	\$ 365,069	\$ 1,915,000

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2010
(Page 7 of 8)

	Capital Projects									
	Capital Improvements	Technology	Public Safety Building	Milltown Development Projects	Milltown Historical Preservation	Grant Creek Project	Open Space	Library Capital Reserve	Health Building Reserve	WQD Capital Reserve
Assets:										
Cash & Cash Equivalents	\$ 40,121	\$ 59,999	\$ 184,429	\$ -	\$ 5,060	\$ -	\$ -	\$ 11,460	\$ 7,341	\$ 10,660
Cash with Fiscal Agents	-	-	-	-	-	-	-	-	-	-
Investments	811,411	1,213,433	3,729,959	-	102,339	-	-	231,767	148,467	215,597
Property Taxes Receivable (net)	-	68,544	-	-	-	-	-	-	-	-
RSID Receivable										
Delinquent	-	-	-	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	4,287	-	72,382	(814)	-	-	-	-	-
Loans & Notes Receivable	100,000	-	-	-	-	-	-	-	-	-
Advances to Other Funds	233,372	-	-	-	-	-	184,331	-	-	-
Advances to Component Units	-	-	-	-	-	-	-	-	300,000	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,184,904</u>	<u>\$ 1,346,263</u>	<u>\$ 3,914,388</u>	<u>\$ 72,382</u>	<u>\$ 106,585</u>	<u>\$ -</u>	<u>\$ 184,331</u>	<u>\$ 243,227</u>	<u>\$ 455,808</u>	<u>\$ 226,257</u>
Liabilities:										
Accounts & Warrants Payable	\$ -	\$ 45,309	\$ 13,370	\$ -	\$ -	\$ 5,501	\$ 5,773	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	183,278	-	350,178	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Deferred Tax Revenue	-	68,544	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>113,853</u>	<u>13,370</u>	<u>183,278</u>	<u>-</u>	<u>355,679</u>	<u>5,773</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:										
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Reserved for Advances	233,372	-	-	-	-	-	184,331	-	300,000	-
Reserved for Debt Service	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance:										
Undesignated	951,532	1,232,410	3,901,018	(110,896)	106,585	(355,679)	(5,773)	243,227	155,808	226,257
Total Fund Balance	<u>1,184,904</u>	<u>1,232,410</u>	<u>3,901,018</u>	<u>(110,896)</u>	<u>106,585</u>	<u>(355,679)</u>	<u>178,558</u>	<u>243,227</u>	<u>455,808</u>	<u>226,257</u>
Total Liabilities and Fund Balance	<u>\$ 1,184,904</u>	<u>\$ 1,346,263</u>	<u>\$ 3,914,388</u>	<u>\$ 72,382</u>	<u>\$ 106,585</u>	<u>\$ -</u>	<u>\$ 184,331</u>	<u>\$ 243,227</u>	<u>\$ 455,808</u>	<u>\$ 226,257</u>

MISSOULA COUNTY, MONTANA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2010
(Page 8 of 8)

	Capital Projects							
	Jail Project	Ice Rink Project	Park Construction Reserve	MDA Construction	Weed/Ext Building Reserve	Road Escrow	Search & Rescue Reserve	Total
Assets:								
Cash & Cash Equivalents	\$ 26,997	\$ -	\$ 8,176	\$ 65	\$ 18,802	\$ 7,063	\$ 190	\$ 855,389
Cash with Fiscal Agents	-	-	-	-	-	-	-	1,730,342
Investments	546,000	-	165,347	1,307	380,245	142,852	3,849	17,299,666
Property Taxes Receivable (net)	-	-	-	-	-	-	-	2,035,449
Accounts Receivable	-	-	-	-	-	-	-	1,443,937
Loans & Notes Receivable	-	60,353	-	-	-	-	-	1,561,507
Advances to Other Funds	-	-	-	-	-	-	-	1,353,975
Advances to Component Units	-	-	-	-	-	-	-	2,490,000
Prepaid Costs	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	907,741
Total Assets	<u>\$ 572,997</u>	<u>\$ 60,353</u>	<u>\$ 173,523</u>	<u>\$ 1,372</u>	<u>\$ 399,047</u>	<u>\$ 149,915</u>	<u>\$ 4,039</u>	<u>\$ 29,678,006</u>
Liabilities:								
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,080,132
Accrued Interest Payable	-	-	-	-	-	-	-	368,340
Accrued Payroll	-	-	-	-	-	-	-	763,620
Advances from Other Funds	-	20,586	-	-	-	-	-	1,824,757
Deferred Tax Revenue	-	-	-	-	-	-	-	2,035,449
Unearned Revenue	-	60,353	-	-	-	-	-	1,461,507
Total Liabilities	<u>-</u>	<u>80,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,533,805</u>
Fund Balance:								
Reserved for Inventory	-	-	-	-	-	-	-	907,741
Reserved for Advances	-	-	-	-	-	-	-	3,843,975
Reserved for Debt Service	-	-	-	-	-	-	-	1,604,096
Unreserved Fund Balance:								
Undesignated	<u>572,997</u>	<u>(20,586)</u>	<u>173,523</u>	<u>1,372</u>	<u>399,047</u>	<u>149,915</u>	<u>4,039</u>	<u>15,788,389</u>
Total Fund Balance	<u>572,997</u>	<u>(20,586)</u>	<u>173,523</u>	<u>1,372</u>	<u>399,047</u>	<u>149,915</u>	<u>4,039</u>	<u>22,144,201</u>
Total Liabilities and Fund Balance	<u>\$ 572,997</u>	<u>\$ 60,353</u>	<u>\$ 173,523</u>	<u>\$ 1,372</u>	<u>\$ 399,047</u>	<u>\$ 149,915</u>	<u>\$ 4,039</u>	<u>\$ 29,678,006</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 1 of 8)

Special Revenue

	Road	Poor	Bridge	Weed	Fair	District Court	Weed Grant	Parks	Library	Planning
Revenues:										
Property Taxes	\$ 2,005,036	\$ 978,848	\$ 911,008	\$ 448,789	\$ 66,348	\$ 833,440	\$ -	\$ 223,481	\$ 2,231,978	\$ 1,834,292
Licenses & Permits	11,775	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	3,033,527	182,757	371,666	32,881	8,709	105,183	128,348	7,552	165,512	2,489,269
Charges for Services	2,780	-	-	6,791	851,750	59,435	-	10,514	52,364	3,956
Fines & Forfeits	-	-	-	-	-	1,540	-	-	57,650	154,772
Investment Earnings	(66)	-	-	(164)	1,388	-	-	-	(69)	158
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	119,325	-	-	258	66,361	-	-	15,373	6,676	12,647
Total Revenues	5,172,377	1,161,605	1,282,674	488,555	994,556	999,598	128,348	256,920	2,514,111	4,495,094
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	960,340	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	3,467,548	-	761,425	442,310	-	-	150,037	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	810,272	-	-	-	-	-	-	-	2,735,928
Culture & Recreation	-	-	-	-	1,068,453	-	-	209,483	2,129,141	-
Housing & Community Development	-	-	-	-	-	-	-	-	-	1,934,688
Capital Outlay	1,632,437	-	458,357	3,548	-	-	-	17,307	496,611	863
Debt Service:										
Principal	-	-	-	-	10,000	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	5,180	-	-	-	-	-
Total Expenditures	5,099,985	810,272	1,219,782	445,858	1,083,633	960,340	150,037	226,790	2,625,752	4,671,479
Excess of Revenues over (under) Expenditures	72,392	351,333	62,892	42,697	(89,077)	39,258	(21,689)	30,130	(111,641)	(176,385)
Other Financing Sources (uses):										
Transfers In	64,200	-	18,421	57,138	6,748	33,972	101,993	11,230	38,145	865,280
Transfers Out	(135,805)	(309,000)	-	(128,493)	(130,265)	(37,029)	(49,538)	(154,675)	-	(744,559)
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	156,000	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	156,787	42,333	81,313	(28,658)	(212,594)	36,201	30,766	(113,315)	(73,496)	(55,664)
Fund Balance - Beginning of Year	2,039,893	71,783	373,590	401,034	142,499	167,871	63,301	532,845	232,559	240,828
Fund Reclassification	(148,775)	-	-	(369,651)	-	-	-	(20,084)	(241,483)	-
Change in Inventory Reserves	238,959	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 2,286,864	\$ 114,116	\$ 454,903	\$ 2,725	\$ (70,095)	\$ 204,072	\$ 94,067	\$ 399,446	\$ (82,420)	\$ 185,164

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 2 of 8)

Special Revenue

	Rural Initiatives	Urban Initiatives	Building Code Division	Health	Water Quality District	Animal Control	Extension	Drug Forfeiture	Youth Education & Safety	Museum
Revenues:										
Property Taxes	\$ -	\$ 14,755	\$ -	\$ 1,876,081	\$ -	\$ 367,092	\$ 325,703	\$ -	\$ -	\$ 426,361
Licenses & Permits	-	-	378,269	89,061	-	152,572	-	-	-	-
Intergovernmental Revenue	609	-	-	1,940,053	28,197	17,652	36,098	142,000	-	84,498
Charges for Services	-	-	45,741	744,998	427,455	63,423	7,800	-	-	16,023
Fines & Forfeits	-	-	-	-	-	-	-	2,719	-	-
Investment Earnings	-	-	-	(3)	(99)	-	-	1,143	108	-
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	136,290	-	17,259	11,135	-	-	-
Total Revenues	609	14,755	424,010	4,786,480	455,553	617,998	380,736	145,862	108	526,882
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	229,002	-	-
Public Works	-	-	394,405	-	-	-	378,416	-	-	-
Public Health	-	-	-	4,712,835	481,295	615,516	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	470,630
Housing & Community Development	451,142	365,395	-	-	-	-	-	-	-	-
Capital Outlay	2,823	-	-	6,304	-	-	1,900	-	-	12,996
Debt Service:										
Principal	-	-	22,244	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	1,300	-	-	-	-	-	-	-
Total Expenditures	453,965	365,395	417,949	4,719,139	481,295	615,516	380,316	229,002	-	483,626
Excess of Revenues over (under) Expenditures	(453,356)	(350,640)	6,061	67,341	(25,742)	2,482	420	(83,140)	108	43,256
Other Financing Sources (uses):										
Transfers In	462,255	408,194	-	91,499	-	18,520	26,286	149,000	-	4,881
Transfers Out	(30,935)	(5,654)	-	-	(41,000)	-	(21,500)	(36,060)	-	(28,878)
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(22,036)	51,900	6,061	158,840	(66,742)	21,002	5,206	29,800	108	19,259
Fund Balance - Beginning of Year	288,621	53,503	(27,642)	1,703,986	340,012	33,527	140,922	99,427	14,990	98,060
Fund Reclassifications	-	-	-	(455,647)	(224,538)	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 266,585	\$ 105,403	\$ (21,581)	\$ 1,407,179	\$ 48,732	\$ 54,529	\$ 146,128	\$ 129,227	\$ 15,098	\$ 117,319

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 3 of 8)

Special Revenue

	Search & Rescue	Lolo Mosquito	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse
Revenues:										
Property Taxes	\$ 86,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773,353	\$ 952,423	\$ 30,061
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	8,045	-	-	134,236	63,722	-	22,117	49,631	-	-
Charges for Services	-	16,019	-	-	-	-	-	-	-	248,656
Fines & Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Earnings	(2)	-	-	321	-	-	2,574	-	-	(90)
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	366	-	-	514,277	29,340	-	-
Total Revenues	94,923	16,019	-	134,923	63,722	-	538,968	852,324	952,423	278,627
Expenditures:										
Current Operations:										
General Government	-	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	64,209	-	-	-	44,461	-	-	-	-	-
Public Works	-	6,292	-	-	-	80,256	-	-	-	264,354
Public Health	-	-	-	89,984	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	891,412	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	25,112	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	23,483	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	5,857	-	-
Total Expenditures	64,209	6,292	-	89,984	44,461	80,256	25,112	920,752	-	264,354
Excess of Revenues over (under) Expenditures	30,714	9,727	-	44,939	19,261	(80,256)	513,856	(68,428)	952,423	14,273
Other Financing Sources (uses):										
Transfers In	-	-	-	-	-	501,464	-	75,756	-	-
Transfers Out	-	-	-	-	-	(39,200)	-	-	(952,423)	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	30,714	9,727	-	44,939	19,261	382,008	513,856	7,328	-	14,273
Fund Balance - Beginning of Year	54,033	10,164	(1,393)	54,310	360,527	555,554	278,122	(85,037)	-	(3,834)
Fund Reclassifications	(4,008)	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 80,739	\$ 19,891	\$ (1,393)	\$ 99,249	\$ 379,788	\$ 937,562	\$ 791,978	\$ (77,709)	\$ -	\$ 10,439

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 4 of 8)

	Special Revenue								
	9-1-1 Trust	Abandoned Vehicle	901 Sewer - Water	Jail Commissary	IACP School	MCFPA Trust	LEPC Trust	Art Museum	Friends of the Library
Revenues:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	782,809	-	3,200	-	-	-	-	-	18,457
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	3,248	-	5,607	601	-	-	-	-	284
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	431,860	-	-	-	-	-
Total Revenues	786,057	-	8,807	432,461	-	-	-	-	18,741
Expenditures:									
Current Operations:									
General Government	-	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-
Public Safety	675,380	-	-	272,622	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	9,830
Housing & Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	10,880
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	675,380	-	-	272,622	-	-	-	-	20,710
Excess of Revenues over (under) Expenditures	110,677	-	8,807	159,839	-	-	-	-	(1,969)
Other Financing Sources (uses):									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(75,000)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	110,677	-	8,807	84,839	-	-	-	-	(1,969)
Fund Balance - Beginning of Year	374,634	1,241	774,218	336,808	70	799	337	206	41,064
Fund Reclassifications	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 485,311	\$ 1,241	\$ 783,025	\$ 421,647	\$ 70	\$ 799	\$ 337	\$ 206	\$ 39,095

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 5 of 8)

	Special Revenue							
	Transportation Mitigation Trust	Miller Creek Trust	Friends of Historical Museum	Historical Museum Gift Shop	Other Special Revenue	Subdivision Improvement Bonds	Judgment Levy	Open Space
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ 1
Licenses & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	448	-	-	-	-	-
Charges for Services	-	-	-	15,404	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	2,407	23	284	-	86	167	-	-
Private & Local Grants	-	-	-	-	1,100	-	-	-
Miscellaneous Revenues	2,090	-	57,509	-	3,592	-	-	-
Total Revenues	4,497	23	58,241	15,404	4,778	167	106	1
Expenditures:								
Current Operations:								
General Government	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	529	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	70,778	10,271	-	-	-	-
Housing & Community Development	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	-	70,778	10,271	529	-	-	-
Excess of Revenues over (under) Expenditures	4,497	23	(12,537)	5,133	4,249	167	106	1
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	4,497	23	(12,537)	5,133	4,249	167	106	1
Fund Balance - Beginning of Year	332,520	3,276	30,970	18,763	10,772	23,133	(375)	36,168
Fund Reclassifications	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 337,017	\$ 3,299	\$ 18,433	\$ 23,896	\$ 15,021	\$ 23,300	\$ (269)	\$ 36,169

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 6 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
Revenues:									
Property Taxes	\$ 115,424	\$ 1,098,429	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 294,984	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	9,131	224,176	10,658	-	-	-	-	-	104,984
Charges for Services	-	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings	(178)	1,610	(178)	-	(595)	(210)	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	18,852	14,644	-	-	-
Total Revenues	124,377	1,324,215	10,480	1	18,257	14,434	-	294,984	104,984
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	110,000	935,000	25,000	-	40,000	30,000	35,000	195,000	85,000
Interest and Fiscal Charges	10,760	373,432	14,923	-	38,005	29,538	63,062	115,319	88,843
Total Expenditures	120,760	1,308,432	39,923	-	78,005	59,538	98,062	310,319	173,843
Excess of Revenues over (under) Expenditures	3,617	15,783	(29,443)	1	(59,748)	(45,104)	(98,062)	(15,335)	(68,859)
Other Financing Sources (uses):									
Transfers In	-	-	-	468,197	59,903	45,426	31,681	-	-
Transfers Out	-	-	-	(48,436)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	3,617	15,783	(29,443)	419,762	155	322	(66,381)	(15,335)	(68,859)
Fund Balance - Beginning of Year	43,777	772,687	297,097	346,501	(100,207)	(43,056)	68,350	(69,258)	1,939,588
Fund Reclassifications	-	-	-	-	-	-	-	-	-
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 47,394	\$ 788,470	\$ 267,654	\$ 766,263	\$ (100,052)	\$ (42,734)	\$ 1,969	\$ (84,593)	\$ 1,870,729

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 7 of 8)

	Capital Projects									
	Capital Improvements	Technology	Public Safety Building	Milltown Development Projects	Milltown Historical Preservation	Grant Creek Project	Open Space	Library Capital Reserve	Health Building Reserve	WQD Capital Reserve
Revenues:										
Property Taxes	\$ -	\$ 486,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	29,588	-	501,647	-	702,396	-	-	-	-
Charges for Services	-	21,779	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	29,601	-	774	-	-	1,744	161	1,719
Private & Local Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	537,836	29,601	501,647	774	702,396	-	1,744	161	1,719
Expenditures:										
Current Operations:										
General Government	-	460,589	-	-	-	-	-	-	-	-
Criminal Justice	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	174,647	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	1,000	-	-	-	-	-
Capital Outlay	210,509	369,553	166,668	99,700	-	996,436	1,206,090	-	-	-
Debt Service:										
Principal	172,616	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	35,152	-	-	-	-	-	-	-	-	-
Total Expenditures	418,277	830,142	341,315	99,700	1,000	996,436	1,206,090	-	-	-
Excess of Revenues over (under) Expenditures	(418,277)	(292,306)	(311,714)	401,947	(226)	(294,040)	(1,206,090)	1,744	161	1,719
Other Financing Sources (uses):										
Transfers In	1,011,397	353,082	-	-	-	-	-	-	-	-
Transfers Out	(350,000)	(21,912)	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	243,120	38,864	(311,714)	401,947	(226)	(294,040)	(1,206,090)	1,744	161	1,719
Fund Balance - Beginning of Year	941,784	1,193,546	4,212,732	(512,843)	106,811	(61,639)	1,384,648	-	-	-
Fund Reclassifications	-	-	-	-	-	-	-	241,483	455,647	224,538
Change in Inventory Reserves	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 1,184,904	\$ 1,232,410	\$ 3,901,018	\$ (110,896)	\$ 106,585	\$ (355,679)	\$ 178,558	\$ 243,227	\$ 455,808	\$ 226,257

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 8 of 8)

	Capital Projects							
	<u>Jail Project</u>	<u>Ice Rink Project</u>	<u>Park Construction Reserve</u>	<u>MDA Construction</u>	<u>Weed/Ext Building Reserve</u>	<u>Road Escrow</u>	<u>Search & Rescue Reserve</u>	<u>Total</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,381,343
Licenses & Permits	-	-	-	-	-	-	-	631,677
Intergovernmental Revenue	-	-	-	-	-	-	-	10,635,290
Charges for Services	-	-	-	-	-	-	-	3,399,354
Fines & Forfeits	-	-	-	-	-	-	-	216,681
Investment Earnings	-	(147)	229	5,138	2,896	1,140	31	61,641
Private & Local Grants	-	-	-	-	-	-	-	1,100
Miscellaneous Revenues	-	-	-	-	-	-	-	1,457,854
Total Revenues	-	(147)	229	5,138	2,896	1,140	31	32,784,940
Expenditures:								
Current Operations:								
General Government	-	-	-	-	-	-	-	460,589
Criminal Justice	-	-	-	-	-	-	-	960,340
Public Safety	-	-	-	-	-	-	-	1,460,321
Public Works	-	-	-	-	-	-	-	5,945,043
Public Health	-	-	-	-	-	-	-	5,900,159
Social & Economic Services	-	-	-	-	-	-	-	4,437,612
Culture & Recreation	-	-	-	-	-	-	-	3,968,586
Housing & Community Development	-	-	-	-	-	-	-	2,777,337
Capital Outlay	-	-	-	-	-	-	-	5,692,982
Debt Service:								
Principal	-	-	-	-	-	-	-	1,683,343
Interest and Fiscal Charges	-	-	-	-	-	-	-	781,371
Total Expenditures	-	-	-	-	-	-	-	34,067,683
Excess of Revenues over (under) Expenditures	-	(147)	229	5,138	2,896	1,140	31	(1,282,743)
Other Financing Sources (uses):								
Transfers In	-	-	153,960	-	26,500	-	-	5,085,128
Transfers Out	-	-	(750)	(1,376,941)	-	-	-	(4,718,053)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	156,000
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	(147)	153,439	(1,371,803)	29,396	1,140	31	(759,668)
Fund Balance - Beginning of Year	572,997	(20,439)	-	1,373,175	-	-	-	22,664,910
Fund Reclassifications	-	-	20,084	-	369,651	148,775	4,008	-
Change in Inventory Reserves	-	-	-	-	-	-	-	238,959
Fund Balance - End of Year	<u>\$ 572,997</u>	<u>\$ (20,586)</u>	<u>\$ 173,523</u>	<u>\$ 1,372</u>	<u>\$ 399,047</u>	<u>\$ 149,915</u>	<u>\$ 4,039</u>	<u>\$ 22,144,201</u>

NON-MAJOR FUNDS – Budget and Actual

MISSOULA COUNTY, MONTANA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(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	\$ 2,048,213	\$ 2,048,213	\$ 2,005,036	\$ (43,177)	\$ 986,720	\$ 986,720	\$ 978,848	\$ (7,872)
License & Permits	13,150	13,150	11,775	(1,375)	-	-	-	-
Intergovernmental Revenue	3,500,270	3,500,270	2,874,681	(625,589)	156,772	156,772	182,757	25,985
Charges for Services	6,000	6,000	2,780	(3,220)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	85,000	85,000	275,325	190,325	-	-	-	-
Total Revenues	<u>5,652,633</u>	<u>5,652,633</u>	<u>5,169,597</u>	<u>(483,036)</u>	<u>1,143,492</u>	<u>1,143,492</u>	<u>1,161,605</u>	<u>18,113</u>
Expenditures:								
Current Operations:								
Personnel	2,072,540	2,072,540	2,004,666	67,874	-	-	-	-
Operations	1,619,100	1,728,421	1,290,330	438,091	896,427	896,427	794,534	101,893
Capital Outlay	2,716,220	2,716,220	1,630,638	1,085,582	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>6,407,860</u>	<u>6,517,181</u>	<u>4,925,634</u>	<u>1,591,547</u>	<u>896,427</u>	<u>896,427</u>	<u>794,534</u>	<u>101,893</u>
Excess of Revenues over (under) Expenditures	(755,227)	(864,548)	243,963	1,108,511	247,065	247,065	367,071	120,006
Other Financing Sources (Uses):								
Transfers In	65,101	65,101	64,200	(901)	-	-	-	-
Transfers Out	(221,616)	(221,616)	(135,805)	85,811	(315,000)	(315,000)	(309,000)	6,000
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (911,742)</u>	<u>\$ (1,021,063)</u>	172,358	<u>\$ 1,193,421</u>	<u>\$ (67,935)</u>	<u>\$ (67,935)</u>	58,071	<u>\$ 126,006</u>
Fund Balance:								
Beginning of Year			<u>2,078,802</u>				<u>70,356</u>	
End of Year			<u>\$ 2,251,160</u>				<u>\$ 128,427</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, 2010
(Page 2 of 24)

	Special Revenue Funds							
	Bridge				Weed			
	<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	\$ 918,013	\$ 918,013	\$ 911,008	\$ (7,005)	\$ 452,326	\$ 452,326	\$ 448,789	\$ (3,537)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	386,487	386,487	371,666	(14,821)	32,881	32,881	32,881	-
Charges for Services	-	-	-	-	8,730	8,730	6,791	(1,939)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,000	1,000	258	(742)
Total Revenues	<u>1,304,500</u>	<u>1,304,500</u>	<u>1,282,674</u>	<u>(21,826)</u>	<u>494,937</u>	<u>494,937</u>	<u>488,719</u>	<u>(6,218)</u>
Expenditures:								
Current Operations:								
Personnel	682,806	682,806	663,013	19,793	335,513	335,513	347,799	(12,286)
Operations	125,575	140,898	95,036	45,862	129,990	129,990	94,880	35,110
Capital Outlay	462,700	462,700	458,417	4,283	4,000	4,000	3,548	452
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,271,081</u>	<u>1,286,404</u>	<u>1,216,466</u>	<u>69,938</u>	<u>469,503</u>	<u>469,503</u>	<u>446,227</u>	<u>23,276</u>
Excess of Revenues over (under) Expenditures	33,419	18,096	66,208	48,112	25,434	25,434	42,492	17,058
Other Financing Sources (Uses):								
Transfers In	18,566	18,566	18,421	(145)	72,944	72,944	57,138	(15,806)
Transfers Out	-	-	-	-	(128,493)	(128,493)	(128,493)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 51,985</u>	<u>\$ 36,662</u>	84,629	<u>\$ 47,967</u>	<u>\$ (30,115)</u>	<u>\$ (30,115)</u>	(28,863)	<u>\$ 1,252</u>
Fund Balance:								
Beginning of Year			<u>476,600</u>				<u>420,041</u>	
End of Year			<u>\$ 561,229</u>				<u>\$ 391,178</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, 2010
(Page 3 of 24)

	Special Revenue Funds							
	Fair				District Court			
	<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	\$ 66,799	\$ 66,799	\$ 66,348	\$ (451)	\$ 836,216	\$ 836,216	\$ 833,440	\$ (2,776)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	8,709	8,709	8,709	-	119,507	99,781	105,183	5,402
Charges for Services	1,025,756	1,025,756	851,750	(174,006)	53,000	53,000	59,435	6,435
Fines & Forfeits	-	-	-	-	500	500	1,540	1,040
Investment Earnings	-	-	1,552	1,552	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	66,361	66,361	-	-	-	-
Total Revenues	<u>1,101,264</u>	<u>1,101,264</u>	<u>994,720</u>	<u>(106,544)</u>	<u>1,009,223</u>	<u>989,497</u>	<u>999,598</u>	<u>10,101</u>
Expenditures:								
Current Operations:								
Personnel	311,884	416,884	413,303	3,581	822,527	822,527	808,228	14,299
Operations	621,400	663,400	663,110	290	237,973	228,222	147,429	80,793
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	10,000	10,000	10,000	-	-	-	-	-
Interest	5,780	5,780	5,380	400	-	-	-	-
Total Expenditures	<u>949,064</u>	<u>1,096,064</u>	<u>1,091,793</u>	<u>4,271</u>	<u>1,060,500</u>	<u>1,050,749</u>	<u>955,657</u>	<u>95,092</u>
Excess of Revenues over (under) Expenditures	152,200	5,200	(97,073)	(102,273)	(51,277)	(61,252)	43,941	105,193
Other Financing Sources (Uses):								
Transfers In	6,801	6,801	6,748	(53)	74,239	78,084	33,972	(44,112)
Transfers Out	(158,601)	(158,601)	(130,265)	28,336	(42,570)	(36,459)	(37,029)	(570)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 400</u>	<u>\$ (146,600)</u>	<u>(220,590)</u>	<u>\$ (73,990)</u>	<u>\$ (19,608)</u>	<u>\$ (19,627)</u>	<u>40,884</u>	<u>\$ 60,511</u>
Fund Balance:								
Beginning of Year			<u>197,538</u>				<u>196,615</u>	
End of Year			<u>\$ (23,052)</u>				<u>\$ 237,499</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, 2010
(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	\$ -	\$ -	\$ -	\$ -	\$ 225,209	\$ 225,209	\$ 223,481	\$ (1,728)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	177,810	177,810	128,348	(49,462)	7,552	7,552	7,552	-
Charges for Services	-	-	-	-	-	-	10,514	10,514
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	14,867	14,867	15,373	506
Total Revenues	177,810	177,810	128,348	(49,462)	247,628	247,628	256,920	9,292
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	67,949	67,949	68,097	(148)
Operations	294,403	294,403	150,034	144,369	236,802	293,642	128,124	165,518
Capital Outlay	-	-	-	-	181,000	143,660	11,307	132,353
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	294,403	294,403	150,034	144,369	485,751	505,251	207,528	297,723
Excess of Revenues over (under) Expenditures	(116,593)	(116,593)	(21,686)	94,907	(238,123)	(257,623)	49,392	307,015
Other Financing Sources (Uses):								
Transfers In	101,993	101,993	101,993	-	10,484	10,484	11,230	746
Transfers Out	-	-	(49,538)	(49,538)	(48,575)	(155,875)	(154,675)	1,200
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (14,600)</u>	<u>\$ (14,600)</u>	30,769	<u>\$ 45,369</u>	<u>\$ (276,214)</u>	<u>\$ (403,014)</u>	(94,053)	<u>\$ 308,961</u>
Fund Balance:								
Beginning of Year			67,039				517,023	
End of Year			\$ 97,808				\$ 422,970	

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, 2010
(Page 5 of 24)

	Special Revenue Funds							
	Library				Planning			
	<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	\$ 2,250,180	\$ 2,250,180	\$ 2,231,978	\$ (18,202)	\$ 1,847,916	\$ 1,847,916	\$ 1,607,874	\$ (240,042)
License & Permits	-	-	-	-	-	-	5,615	5,615
Intergovernmental Revenue	167,954	167,954	165,512	(2,442)	3,945,646	3,989,009	2,355,551	(1,633,458)
Charges for Services	40,800	40,800	52,364	11,564	-	-	3,956	3,956
Fines & Forfeits	44,000	44,000	57,650	13,650	140,200	140,200	138,332	(1,868)
Investment Earnings	-	-	2	2	-	-	165	165
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	42,673	42,673	6,676	(35,997)	11,890	18,170	10,510	(7,660)
Total Revenues	<u>2,545,607</u>	<u>2,545,607</u>	<u>2,514,182</u>	<u>(31,425)</u>	<u>5,945,652</u>	<u>5,995,295</u>	<u>4,122,003</u>	<u>(1,873,292)</u>
Expenditures:								
Current Operations:								
Personnel	1,621,453	1,692,453	1,632,727	59,726	3,246,881	3,179,326	2,956,430	222,896
Operations	504,408	526,912	480,032	46,880	3,053,674	3,128,817	1,724,225	1,404,592
Capital Outlay	421,700	421,700	471,546	(49,846)	1,675	1,675	863	812
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,547,561</u>	<u>2,641,065</u>	<u>2,584,305</u>	<u>56,760</u>	<u>6,302,230</u>	<u>6,309,818</u>	<u>4,681,518</u>	<u>1,628,300</u>
Excess of Revenues over (under) Expenditures	(1,954)	(95,458)	(70,123)	25,335	(356,578)	(314,523)	(559,515)	(244,992)
Other Financing Sources (Uses):								
Transfers In	38,444	38,444	38,145	(299)	974,770	997,270	865,280	(131,990)
Transfers Out	(32,250)	(32,250)	-	32,250	(741,517)	(742,617)	(744,557)	(1,940)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 4,240</u>	<u>\$ (89,264)</u>	<u>(31,978)</u>	<u>\$ 57,286</u>	<u>\$ (123,325)</u>	<u>\$ (59,870)</u>	<u>(438,792)</u>	<u>\$ (378,922)</u>
Fund Balance:								
Beginning of Year			352,337				(139,713)	
End of Year			<u>\$ 320,359</u>				<u>\$ (578,505)</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, 2010
(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	\$ -	\$ -	\$ -	\$ -	\$ 14,755	\$ 14,755	\$ 14,755	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	587,004	609	(586,395)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>587,004</u>	<u>609</u>	<u>(586,395)</u>	<u>14,755</u>	<u>14,755</u>	<u>14,755</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	388,905	388,905	363,798	25,107	303,830	315,356	297,605	17,751
Operations	189,150	776,154	86,770	689,384	125,750	80,750	61,738	19,012
Capital Outlay	10,000	10,000	2,823	7,177	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>588,055</u>	<u>1,175,059</u>	<u>453,391</u>	<u>721,668</u>	<u>429,580</u>	<u>396,106</u>	<u>359,343</u>	<u>36,763</u>
Excess of Revenues over (under) Expenditures	(588,055)	(588,055)	(452,782)	135,273	(414,825)	(381,351)	(344,588)	36,763
Other Financing Sources (Uses):								
Transfers In	462,511	462,511	462,255	(256)	408,450	408,450	408,194	(256)
Transfers Out	(29,922)	(29,922)	(30,935)	(1,013)	(3,709)	(26,209)	(5,654)	20,555
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (155,466)</u>	<u>\$ (155,466)</u>	<u>(21,462)</u>	<u>\$ 134,004</u>	<u>\$ (10,084)</u>	<u>\$ 890</u>	<u>57,952</u>	<u>\$ 57,062</u>
Fund Balance:								
Beginning of Year			<u>312,748</u>				<u>66,193</u>	
End of Year			<u>\$ 291,286</u>				<u>\$ 124,145</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, 2010
(Page 7 of 24)

	Special Revenue Funds							
	Building Code Division				Health			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,924,079	\$ 1,892,773	\$ 1,876,081	\$ (16,692)
License & Permits	491,374	491,374	378,269	(113,105)	93,050	93,050	89,061	(3,989)
Intergovernmental Revenue	-	-	-	-	1,534,042	1,861,729	1,918,666	56,937
Charges for Services	-	-	45,741	45,741	833,467	843,467	756,183	(87,284)
Fines & Forfeits	-	-	-	-	10	10	-	(10)
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	134,620	134,620	136,329	1,709
Total Revenues	<u>491,374</u>	<u>491,374</u>	<u>424,010</u>	<u>(67,364)</u>	<u>4,519,268</u>	<u>4,825,649</u>	<u>4,776,320</u>	<u>(49,329)</u>
Expenditures:								
Current Operations:								
Personnel	360,926	360,926	334,014	26,912	3,883,490	4,211,190	3,944,233	266,957
Operations	94,443	94,443	58,815	35,628	808,498	881,229	791,459	89,770
Capital Outlay	12,000	12,000	-	12,000	16,000	16,000	6,304	9,696
Debt Service:								
Principal	22,208	22,208	22,244	(36)	-	-	-	-
Interest	1,298	1,298	1,300	(2)	-	-	-	-
Total Expenditures	<u>490,875</u>	<u>490,875</u>	<u>416,373</u>	<u>74,502</u>	<u>4,707,988</u>	<u>5,108,419</u>	<u>4,741,996</u>	<u>366,423</u>
Excess of Revenues over (under) Expenditures	499	499	7,637	7,138	(188,720)	(282,770)	34,324	317,094
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	93,020	93,020	91,499	(1,521)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 499</u>	<u>\$ 499</u>	<u>7,637</u>	<u>\$ 7,138</u>	<u>\$ (95,700)</u>	<u>\$ (189,750)</u>	<u>125,823</u>	<u>\$ 315,573</u>
Fund Balance:								
Beginning of Year			(10,623)				1,730,154	
Beginning Balance Restatement			-				(318,907)	
End of Year			<u>\$ (2,986)</u>				<u>\$ 1,537,070</u>	

Note - beginning balance adjustment due to prior year accruals that were incorrectly included in budgetary fund balance.

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, 2010
(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	\$ -	\$ -	\$ -	\$ -	\$ 377,056	\$ 370,451	\$ 367,092	\$ (3,359)
License & Permits	-	-	-	-	118,000	118,000	152,572	34,572
Intergovernmental Revenue	50,000	50,000	28,197	(21,803)	17,652	17,652	17,652	-
Charges for Services	402,834	402,834	427,455	24,621	76,300	76,300	63,423	(12,877)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	15,000	15,000	17,259	2,259
Total Revenues	<u>452,834</u>	<u>452,834</u>	<u>455,652</u>	<u>2,818</u>	<u>604,008</u>	<u>597,403</u>	<u>617,998</u>	<u>20,595</u>
Expenditures:								
Current Operations:								
Personnel	335,406	335,406	321,839	13,567	464,261	464,261	456,667	7,594
Operations	321,365	321,365	158,643	162,722	177,175	176,570	157,723	18,847
Capital Outlay	5,000	5,000	-	5,000	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>661,771</u>	<u>661,771</u>	<u>480,482</u>	<u>181,289</u>	<u>641,436</u>	<u>640,831</u>	<u>614,390</u>	<u>26,441</u>
Excess of Revenues over (under) Expenditures	(208,937)	(208,937)	(24,830)	184,107	(37,428)	(43,428)	3,608	47,036
Other Financing Sources (Uses):								
Transfers In	100,000	100,000	-	(100,000)	13,745	13,745	18,520	4,775
Transfers Out	(50,000)	(50,000)	(41,000)	9,000	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	1,500	1,500	-	(1,500)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (158,937)</u>	<u>\$ (158,937)</u>	(65,830)	<u>\$ 93,107</u>	<u>\$ (22,183)</u>	<u>\$ (28,183)</u>	22,128	<u>\$ 50,311</u>
Fund Balance:								
Beginning of Year			<u>344,671</u>				<u>59,307</u>	
End of Year			<u>\$ 278,841</u>				<u>\$ 81,435</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, 2010
(Page 9 of 24)

Special Revenue Funds								
	Extension				Drug Forfeiture			
	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	\$ 328,271	\$ 328,271	\$ 325,703	\$ (2,568)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	39,098	39,098	36,098	(3,000)	64,982	209,753	142,000	(67,753)
Charges for Services	8,500	8,500	7,800	(700)	-	-	-	-
Fines & Forfeits	-	-	-	-	3,200	3,200	2,719	(481)
Investment Earnings	-	-	-	-	2,000	2,000	1,241	(759)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	7,000	7,000	11,135	4,135	-	-	-	-
Total Revenues	<u>382,869</u>	<u>382,869</u>	<u>380,736</u>	<u>(2,133)</u>	<u>70,182</u>	<u>214,953</u>	<u>145,960</u>	<u>(68,993)</u>
Expenditures:								
Current Operations:								
Personnel	312,906	312,906	216,862	96,044	191,011	191,011	204,499	(13,488)
Operations	206,350	206,350	159,192	47,158	14,900	159,671	26,269	133,402
Capital Outlay	4,000	4,000	1,900	2,100	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	400	400	-	400	-	-	-	-
Total Expenditures	<u>523,656</u>	<u>523,656</u>	<u>377,954</u>	<u>145,702</u>	<u>205,911</u>	<u>350,682</u>	<u>230,768</u>	<u>119,914</u>
Excess of Revenues over (under) Expenditures	(140,787)	(140,787)	2,782	143,569	(135,729)	(135,729)	(84,808)	50,921
Other Financing Sources (Uses):								
Transfers In	26,335	26,335	26,286	(49)	149,000	149,000	149,000	-
Transfers Out	(21,500)	(21,500)	(21,500)	-	(5,220)	(46,700)	(36,060)	10,640
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (135,952)</u>	<u>\$ (135,952)</u>	7,568	<u>\$ 143,520</u>	<u>\$ 8,051</u>	<u>\$ (33,429)</u>	28,132	<u>\$ 61,561</u>
Fund Balance:								
Beginning of Year			<u>174,243</u>				<u>115,326</u>	
End of Year			<u>\$ 181,811</u>				<u>\$ 143,458</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, 2010
(Page 10 of 24)

Special Revenue Funds								
	Youth Education & Safety				Museum			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 429,424	\$ 429,424	\$ 426,361	\$ (3,063)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	34,498	34,498	84,498	50,000
Charges for Services	-	-	-	-	-	-	16,023	16,023
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	119	119	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>119</u>	<u>119</u>	<u>463,922</u>	<u>463,922</u>	<u>526,882</u>	<u>62,960</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	298,461	298,461	296,984	1,477
Operations	450	450	-	450	169,823	169,823	154,942	14,881
Capital Outlay	-	-	-	-	20,000	20,000	14,350	5,650
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>450</u>	<u>450</u>	<u>-</u>	<u>450</u>	<u>488,284</u>	<u>488,284</u>	<u>466,276</u>	<u>22,008</u>
Excess of Revenues over (under) Expenditures	(450)	(450)	119	569	(24,362)	(24,362)	60,606	84,968
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	51,797	51,797	4,881	(46,916)
Transfers Out	-	-	-	-	(28,878)	(28,878)	(28,878)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (450)</u>	<u>\$ (450)</u>	<u>119</u>	<u>\$ 569</u>	<u>\$ (1,443)</u>	<u>\$ (1,443)</u>	<u>36,609</u>	<u>\$ 38,052</u>
Fund Balance:								
Beginning of Year			<u>14,986</u>				<u>126,018</u>	
End of Year			<u>\$ 15,105</u>				<u>\$ 162,627</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, 2010
(Page 11 of 24)

	Special Revenue Funds							
	Search & Rescue				Lolo Mosquito District			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 87,500	\$ 87,500	\$ 86,880	\$ (620)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	5,000	13,000	8,045	(4,955)	-	-	-	-
Charges for Services	-	-	-	-	15,438	15,438	16,019	581
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	100	100	-	(100)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>92,500</u>	<u>100,500</u>	<u>94,925</u>	<u>(5,575)</u>	<u>15,538</u>	<u>15,538</u>	<u>16,019</u>	<u>481</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	9,163	9,163	5,458	3,705
Operations	26,850	26,850	12,783	14,067	9,600	9,600	3,581	6,019
Capital Outlay	51,650	59,650	51,645	8,005	8,020	8,020	-	8,020
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>78,500</u>	<u>86,500</u>	<u>64,428</u>	<u>22,072</u>	<u>26,783</u>	<u>26,783</u>	<u>9,039</u>	<u>17,744</u>
Excess of Revenues over (under) Expenditures	14,000	14,000	30,497	16,497	(11,245)	(11,245)	6,980	18,225
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(14,000)	(14,000)	-	14,000	-	-	-	-
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>30,497</u>	<u>\$ 30,497</u>	<u>\$ (11,245)</u>	<u>\$ (11,245)</u>	<u>6,980</u>	<u>\$ 18,225</u>
Fund Balance:								
Beginning of Year			<u>55,152</u>				<u>12,956</u>	
End of Year			<u>\$ 85,649</u>				<u>\$ 19,936</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, 2010
(Page 12 of 24)

	Special Revenue Funds							
	Junk Vehicle				Forest Reserve - Title III			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	137,974	137,974	134,236	(3,738)	-	-	63,722	63,722
Charges for Services	100	100	-	(100)	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	382	382	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	2,000	2,000	366	(1,634)	-	-	-	-
Total Revenues	<u>140,074</u>	<u>140,074</u>	<u>134,984</u>	<u>(5,090)</u>	<u>-</u>	<u>-</u>	<u>63,722</u>	<u>63,722</u>
Expenditures:								
Current Operations:								
Personnel	91,215	91,215	70,907	20,308	-	-	-	-
Operations	42,304	42,304	17,837	24,467	387,237	387,237	71,171	316,066
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>133,519</u>	<u>133,519</u>	<u>88,744</u>	<u>44,775</u>	<u>387,237</u>	<u>387,237</u>	<u>71,171</u>	<u>316,066</u>
Excess of Revenues over (under) Expenditures	6,555	6,555	46,240	39,685	(387,237)	(387,237)	(7,449)	379,788
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>\$ 6,555</u>	<u>\$ 6,555</u>	<u>46,240</u>	<u>\$ 39,685</u>	<u>\$ (387,237)</u>	<u>\$ (387,237)</u>	<u>(7,449)</u>	<u>\$ 379,788</u>
Fund Balance:								
Beginning of Year			<u>59,566</u>				<u>108,626</u>	
End of Year			<u>\$ 105,806</u>				<u>\$ 101,177</u>	

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
Budgeted Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2010
(Page 13 of 24)

	Special Revenue Funds							
	RSID Administration				Community Based Organizations			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 780,596	\$ 780,596	\$ 773,353	\$ (7,243)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	49,631	49,631	49,631	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	29,340	29,340	29,340	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>859,567</u>	<u>859,567</u>	<u>852,324</u>	<u>(7,243)</u>
Expenditures:								
Current Operations:								
Personnel	61,694	61,694	61,606	88	-	-	-	-
Operations	-	18,022	18,406	(384)	893,247	893,247	732,291	160,956
Capital Outlay	-	12,622	-	12,622	-	-	-	-
Debt Service:								
Principal	-	-	-	-	23,483	23,483	23,483	-
Interest	-	-	-	-	5,857	5,857	5,857	-
Total Expenditures	<u>61,694</u>	<u>92,338</u>	<u>80,012</u>	<u>12,326</u>	<u>922,587</u>	<u>922,587</u>	<u>761,631</u>	<u>160,956</u>
Excess of Revenues over (under) Expenditures	(61,694)	(92,338)	(80,012)	12,326	(63,020)	(63,020)	90,693	153,713
Other Financing Sources (Uses):								
Transfers In	52,329	52,329	501,464	449,135	75,756	75,756	75,756	-
Transfers Out	(9,500)	(39,200)	(39,200)	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (18,865)</u>	<u>\$ (79,209)</u>	<u>382,252</u>	<u>\$ 461,461</u>	<u>\$ 12,736</u>	<u>\$ 12,736</u>	<u>166,449</u>	<u>\$ 153,713</u>
Fund Balance:								
Beginning of Year			<u>558,367</u>				<u>233,071</u>	
End of Year			<u>\$ 940,619</u>				<u>\$ 399,520</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, 2010
(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	\$ 961,297	\$ 961,297	\$ 952,423	\$ (8,874)	\$ -	\$ -	\$ 30,061	\$ 30,061
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	237,800	237,800	248,656	10,856
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	100	100	(77)	(177)
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>961,297</u>	<u>961,297</u>	<u>952,423</u>	<u>(8,874)</u>	<u>237,900</u>	<u>237,900</u>	<u>278,640</u>	<u>40,740</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	72,583	72,583	94,466	(21,883)
Operations	-	-	-	-	152,050	152,050	187,724	(35,674)
Capital Outlay	-	-	-	-	5,000	5,000	6,550	(1,550)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,633</u>	<u>229,633</u>	<u>288,740</u>	<u>(59,107)</u>
Excess of Revenues over (under) Expenditures	961,297	961,297	952,423	(8,874)	8,267	8,267	(10,100)	(18,367)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(961,297)	(961,297)	(952,423)	8,874	-	-	-	-
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>\$ 8,267</u>	<u>\$ 8,267</u>	<u>(10,100)</u>	<u>\$ (18,367)</u>
Fund Balance:								
Beginning of Year			<u>-</u>				<u>30,367</u>	
End of Year			<u>\$ -</u>				<u>\$ 20,267</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, 2010
(Page 15 of 24)

	Special Revenue Funds				Debt Service Funds			
	Open Space Programs				Technology Tax Increment			
	<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	\$ 1	-	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	39,518	39,518	-	39,518	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	35,000	35,000	35,000	-
Interest	-	-	-	-	64,047	64,047	64,047	-
Total Expenditures	<u>39,518</u>	<u>39,518</u>	<u>-</u>	<u>39,518</u>	<u>99,047</u>	<u>99,047</u>	<u>99,047</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(39,518)	(39,518)	1	39,519	(99,047)	(99,047)	(99,047)	-
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	99,047	99,047	31,681	(67,366)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (39,518)</u>	<u>\$ (39,518)</u>	<u>1</u>	<u>\$ 39,519</u>	<u>-</u>	<u>\$ -</u>	<u>(67,366)</u>	<u>\$ (67,366)</u>
Fund Balance:								
Beginning of Year			(10,350)				-	
End of Year			<u>\$ (10,349)</u>				<u>\$ (67,366)</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, 2010
(Page 16 of 24)

Debt Service Funds								
	Risk Management Bond				Jail Bond			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 114,144	\$ 114,144	\$ 115,424	\$ 1,280	\$ 1,096,065	\$ 1,096,065	\$ 1,098,429	\$ 2,364
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	9,131	9,131	9,131	-	224,176	224,176	224,176	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(147)	(147)	3,000	3,000	2,255	(745)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>123,275</u>	<u>123,275</u>	<u>124,408</u>	<u>1,133</u>	<u>1,323,241</u>	<u>1,323,241</u>	<u>1,324,860</u>	<u>1,619</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	110,000	110,000	110,000	-	935,000	935,000	935,000	-
Interest	13,275	13,275	13,125	150	388,241	388,241	388,041	200
Total Expenditures	<u>123,275</u>	<u>123,275</u>	<u>123,125</u>	<u>150</u>	<u>1,323,241</u>	<u>1,323,241</u>	<u>1,323,041</u>	<u>200</u>
Excess of Revenues over (under) Expenditures	-	-	1,283	1,283	-	-	1,819	1,819
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>\$ -</u>	<u>\$ -</u>	1,283	<u>\$ 1,283</u>	<u>\$ -</u>	<u>\$ -</u>	1,819	<u>\$ 1,819</u>
Fund Balance:								
Beginning of Year			<u>51,350</u>				<u>969,801</u>	
End of Year			<u>\$ 52,633</u>				<u>\$ 971,620</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, 2010
(Page 17 of 24)

Debt Service Funds								
	Health Center Bond 1998				RSID Revolving			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(178)	(178)	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>(178)</u>	<u>(178)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	25,000	25,000	25,000	-	321,651	321,651	-	321,651
Interest	15,548	15,548	15,548	-	-	-	-	-
Total Expenditures	<u>40,548</u>	<u>40,548</u>	<u>40,548</u>	<u>-</u>	<u>321,651</u>	<u>321,651</u>	<u>-</u>	<u>321,651</u>
Excess of Revenues over (under) Expenditures	(40,548)	(40,548)	(40,726)	(178)	(321,651)	(321,651)	1	321,652
Other Financing Sources (Uses):								
Transfers In	40,548	40,548	40,716	168	-	-	468,197	468,197
Transfers Out	-	-	-	-	(24,850)	(24,850)	(48,436)	(23,586)
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>(10)</u>	<u>\$ (10)</u>	<u>\$ (346,501)</u>	<u>\$ (346,501)</u>	<u>419,762</u>	<u>\$ 766,263</u>
Fund Balance:								
Beginning of Year			(30)				346,501	
End of Year			<u>\$ (40)</u>				<u>\$ 766,263</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, 2010
(Page 18 of 24)

	Debt Service Funds							
	Fair Ice Rink Series 2004				Fair Ice Rink Series 2006			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(656)	(656)	-	-	(231)	(231)
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	18,852	18,852	-	-	14,644	14,644
Total Revenues	-	-	18,196	18,196	-	-	14,413	14,413
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	40,000	40,000	40,000	-	30,000	30,000	30,000	-
Interest	38,755	38,755	38,755	-	30,120	30,120	30,070	50
Total Expenditures	78,755	78,755	78,755	-	60,120	60,120	60,070	50
Excess of Revenues over (under) Expenditures	(78,755)	(78,755)	(60,559)	18,196	(60,120)	(60,120)	(45,657)	14,463
Other Financing Sources (Uses):								
Transfers In	78,755	78,755	59,903	(18,852)	60,120	60,120	45,426	(14,694)
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	(656)	\$ (656)	\$ -	\$ -	(231)	\$ (231)
Fund Balance:								
Beginning of Year			(80,567)				(27,867)	
End of Year			\$ (81,223)				\$ (28,098)	

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, 2010
(Page 19 of 24)

	Debt Service Funds							
	Open Space General Obligation				Health Center Bond 2009			
	<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	\$ 313,975	\$ 313,975	\$ 294,984	\$ (18,991)	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>313,975</u>	<u>313,975</u>	<u>294,984</u>	<u>(18,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	195,000	195,000	195,000	-	85,000	85,000	85,000	-
Interest	118,975	118,975	118,975	-	96,543	96,543	90,543	6,000
Total Expenditures	<u>313,975</u>	<u>313,975</u>	<u>313,975</u>	<u>-</u>	<u>181,543</u>	<u>181,543</u>	<u>175,543</u>	<u>6,000</u>
Excess of Revenues over (under) Expenditures	-	-	(18,991)	(18,991)	(181,543)	(181,543)	(175,543)	6,000
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	175,543	175,543	59,013	(116,530)
Transfers Out	-	-	-	-	-	-	-	-
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>(18,991)</u>	<u>\$ (18,991)</u>	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>(116,530)</u>	<u>\$ (110,530)</u>
Fund Balance:								
Beginning of Year			<u>(8,092)</u>				<u>1,985,559</u>	
End of Year			<u>\$ (27,083)</u>				<u>\$ 1,869,029</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, 2010
(Page 20 of 24)

	Capital Projects							
	Capital Improvements				Technology			
	<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	\$ -	\$ -	\$ -	\$ -	\$ 490,497	\$ 490,497	\$ 486,469	\$ (4,028)
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	29,588	29,588	29,588	-
Charges for Services	-	-	-	-	40,400	40,400	21,779	(18,621)
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,485</u>	<u>560,485</u>	<u>537,836</u>	<u>(22,649)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	450,040	450,040	436,681	13,359
Capital Outlay	805,255	822,755	269,758	552,997	1,036,848	1,036,848	348,331	688,517
Debt Service:								
Principal	78,892	78,892	172,616	(93,724)	-	-	-	-
Interest	10,568	10,568	35,152	(24,584)	-	-	-	-
Total Expenditures	<u>894,715</u>	<u>912,215</u>	<u>477,526</u>	<u>434,689</u>	<u>1,486,888</u>	<u>1,486,888</u>	<u>785,012</u>	<u>701,876</u>
Excess of Revenues over (under) Expenditures	(894,715)	(912,215)	(477,526)	434,689	(926,403)	(926,403)	(247,176)	679,227
Other Financing Sources (Uses):								
Transfers In	910,392	910,392	1,011,397	101,005	360,775	360,775	353,082	(7,693)
Transfers Out	-	-	(350,000)	(350,000)	(37,861)	(37,861)	(21,912)	15,949
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 15,677</u>	<u>\$ (1,823)</u>	183,871	<u>\$ 185,694</u>	<u>\$ (603,489)</u>	<u>\$ (603,489)</u>	83,994	<u>\$ 687,483</u>
Fund Balance:								
Beginning of Year			<u>1,046,736</u>				<u>1,178,831</u>	
End of Year			<u>\$ 1,230,607</u>				<u>\$ 1,262,825</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, 2010
(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	-	-	-	-	711,776	711,776	501,647	(210,129)
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	32,684	32,684	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>32,684</u>	<u>32,684</u>	<u>711,776</u>	<u>711,776</u>	<u>501,647</u>	<u>(210,129)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	100,000	206,245	166,725	39,520	-	-	-	-
Capital Outlay	2,120,000	2,120,000	161,220	1,958,780	101,500	101,500	102,325	(825)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,220,000</u>	<u>2,326,245</u>	<u>327,945</u>	<u>1,998,300</u>	<u>101,500</u>	<u>101,500</u>	<u>102,325</u>	<u>(825)</u>
Excess of Revenues over (under) Expenditures	(2,220,000)	(2,326,245)	(295,261)	2,030,984	610,276	610,276	399,322	(210,954)
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>\$ (2,220,000)</u>	<u>\$ (2,326,245)</u>	<u>(295,261)</u>	<u>\$ 2,030,984</u>	<u>\$ 610,276</u>	<u>\$ 610,276</u>	<u>399,322</u>	<u>\$ (210,954)</u>
Fund Balance:								
Beginning of Year			4,210,867				(564,593)	
End of Year			<u>\$ 3,915,606</u>				<u>\$ (165,271)</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, 2010
(Page 22 of 24)

Capital Projects								
	Milltown Historic Preservation				Grant Creek Project			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	762,773	762,773	802,396	39,623
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	854	854	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	85,000	85,000	-	(85,000)
Total Revenues	<u>-</u>	<u>-</u>	<u>854</u>	<u>854</u>	<u>847,773</u>	<u>847,773</u>	<u>802,396</u>	<u>(45,377)</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	10,000	10,000	1,000	9,000	-	-	-	-
Capital Outlay	-	-	-	-	686,134	686,134	990,935	(304,801)
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>1,000</u>	<u>9,000</u>	<u>686,134</u>	<u>686,134</u>	<u>990,935</u>	<u>(304,801)</u>
Excess of Revenues over (under) Expenditures	(10,000)	(10,000)	(146)	9,854	161,639	161,639	(188,539)	(350,178)
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>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>(146)</u>	<u>\$ 9,854</u>	<u>\$ 161,639</u>	<u>\$ 161,639</u>	<u>(188,539)</u>	<u>\$ (350,178)</u>
Fund Balance:								
Beginning of Year			<u>106,764</u>				<u>(161,639)</u>	
End of Year			<u>\$ 106,618</u>				<u>\$ (350,178)</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, 2010
(Page 23 of 24)

	Capital Projects							
	Open Space				MDA Construction			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	5,746	5,746
Private & Local Grants	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,746</u>	<u>5,746</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	809,792	2,109,792	1,206,090	903,702	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>809,792</u>	<u>2,109,792</u>	<u>1,206,090</u>	<u>903,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(809,792)	(2,109,792)	(1,206,090)	903,702	-	-	5,746	5,746
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(904,371)	(904,371)	(1,376,941)	(472,570)
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (809,792)</u>	<u>\$ (2,109,792)</u>	<u>(1,206,090)</u>	<u>\$ 903,702</u>	<u>\$ (904,371)</u>	<u>\$ (904,371)</u>	<u>(1,371,195)</u>	<u>\$ (466,824)</u>
Fund Balance:								
Beginning of Year			<u>1,390,421</u>				<u>1,372,567</u>	
End of Year			<u>\$ 184,331</u>				<u>\$ 1,372</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, 2010
(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	\$ 16,549,251	\$ 16,511,340	\$ 16,154,819	\$ (356,521)
License & Permits	715,574	715,574	637,292	(78,282)
Intergovernmental Revenue	12,173,909	13,265,008	10,283,132	(2,981,876)
Charges for Services	2,749,125	2,759,125	2,590,669	(168,456)
Fines & Forfeits	187,910	187,910	200,241	12,331
Investment Earnings	5,100	5,100	43,788	38,688
Private & Local Grants	100	100	(77)	(177)
Miscellaneous Revenues	428,390	434,670	602,428	167,758
Total Revenues	<u>32,809,359</u>	<u>33,878,827</u>	<u>30,512,292</u>	<u>(3,366,535)</u>
Expenditures:				
Current Operations:				
Personnel	15,935,404	16,383,075	15,563,201	819,874
Operations	11,938,502	13,133,050	8,871,484	4,261,566
Capital Outlay	9,478,494	10,779,276	5,738,550	5,040,726
Debt Service:				
Principal	1,911,234	1,911,234	1,683,343	227,891
Interest	789,407	789,407	806,793	(17,386)
Total Expenditures	<u>40,053,041</u>	<u>42,996,042</u>	<u>32,663,371</u>	<u>10,332,671</u>
Excess of Revenues over (under) Expenditures	(7,243,682)	(9,117,215)	(2,151,079)	6,966,136
Other Financing Sources (Uses):				
Transfers In	4,521,465	4,547,810	5,004,397	456,587
Transfers Out	(3,779,730)	(3,975,699)	(4,642,301)	(666,602)
Issuance of Debt	-	-	-	-
Sale of Capital Assets	1,500	1,500	-	(1,500)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (6,500,447)</u>	<u>\$ (8,543,604)</u>	<u>(1,788,983)</u>	<u>\$ 6,754,621</u>
Fund Balance:				
Beginning of Year			<u>20,034,025</u>	
End of Year			<u>\$ 17,926,135</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.

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

MISSOULA COUNTY, MONTANA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Telephone Services</u>	<u>Total</u>
Assets							
Current Assets:							
Cash & Cash Equivalents	\$ 64,739	\$ 91,831	\$ 130,868	\$ 24,131	\$ 1,351	\$ 24,072	\$ 336,992
Investments	672,604	2,994,367	4,640,466	488,041	27,329	486,835	9,309,642
Taxes Receivable, net	70,762	-	-	-	-	-	70,762
Accounts Receivable	-	-	-	-	-	3,960	3,960
Interest Receivable	-	12,471	17,674	-	-	-	30,145
Prescription Rebate Receivable	-	9,722	-	-	-	-	9,722
Contributions Receivable	-	288,681	81,142	-	-	-	369,823
Advances to Other Funds	67,606	-	-	-	-	-	67,606
Prepaid Costs	-	34,572	54,594	-	-	-	89,166
Total Current Assets	<u>875,711</u>	<u>3,431,644</u>	<u>4,924,744</u>	<u>512,172</u>	<u>28,680</u>	<u>514,867</u>	<u>10,287,818</u>
Noncurrent Assets:							
Capital Assets, net	<u>2,918</u>	<u>172,597</u>	<u>5,830</u>	<u>-</u>	<u>-</u>	<u>7,254</u>	<u>188,599</u>
Total Assets	<u>\$ 878,629</u>	<u>\$ 3,604,241</u>	<u>\$ 4,930,574</u>	<u>\$ 512,172</u>	<u>\$ 28,680</u>	<u>\$ 522,121</u>	<u>\$ 10,476,417</u>
Liabilities							
Current Liabilities:							
Accounts Payable	\$ -	\$ 16,058	\$ 432	\$ -	\$ 15,870	\$ 5,889	\$ 38,249
Accrued Payroll	2,857	10,471	-	-	-	4,820	18,148
Contributions Paid in Advance	-	27,013	-	-	-	-	27,013
Liability for Claims, Current Portion	<u>75,000</u>	<u>502,868</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>827,868</u>
Total Current Liabilities	<u>77,857</u>	<u>556,410</u>	<u>250,432</u>	<u>-</u>	<u>15,870</u>	<u>10,709</u>	<u>911,278</u>
Noncurrent Liabilities:							
Liability for Claims, net of Current Portion	<u>590,783</u>	<u>-</u>	<u>2,315,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,906,631</u>
Total Liabilities	<u>668,640</u>	<u>556,410</u>	<u>2,566,280</u>	<u>-</u>	<u>15,870</u>	<u>10,709</u>	<u>3,817,909</u>
Net Assets							
Invested in Capital Assets, net of Related Debt	2,918	172,597	5,830	-	-	7,254	188,599
Reserved for Advances	67,606	-	-	-	-	-	67,606
Unrestricted	<u>139,465</u>	<u>2,875,234</u>	<u>2,358,464</u>	<u>512,172</u>	<u>12,810</u>	<u>504,158</u>	<u>6,402,303</u>
Total Net Assets	<u>209,989</u>	<u>3,047,831</u>	<u>2,364,294</u>	<u>512,172</u>	<u>12,810</u>	<u>511,412</u>	<u>6,658,508</u>
Total Liabilities and Net Assets	<u>\$ 878,629</u>	<u>\$ 3,604,241</u>	<u>\$ 4,930,574</u>	<u>\$ 512,172</u>	<u>\$ 28,680</u>	<u>\$ 522,121</u>	<u>\$ 10,476,417</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For Fiscal Year Ended June 30, 2010

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Telephone Services</u>	<u>Total</u>
Operating Revenues:							
Charges for Services	\$ -	\$ 6,868,432	\$ 1,431,465	\$ -	\$ 376,181	\$ 288,947	\$ 8,965,025
Rental Income	-	29,000	-	-	-	-	29,000
Rebates	-	38,490	-	-	-	-	38,490
Total Operating Revenues	-	6,935,922	1,431,465	-	376,181	288,947	9,032,515
Operating Expenses:							
Personnel	57,053	-	-	-	-	94,970	152,023
Operations	24,003	-	-	-	384,489	151,009	559,501
Claims	374,626	6,621,168	814,196	-	-	-	7,809,990
Reinsurance Premiums	196,653	369,556	68,665	-	-	-	634,874
Administrative	-	425,000	298,151	-	-	-	723,151
Depreciation and Amortization	1,457	6,269	2,916	-	-	1,826	12,468
Total Operating Expense	653,792	7,421,993	1,183,928	-	384,489	247,805	9,892,007
Income from Operations	(653,792)	(486,071)	247,537	-	(8,308)	41,142	(859,492)
Non-operating Revenues (Expenses):							
Property Taxes	572,653	-	-	-	-	-	572,653
Investment Earnings	55	53,473	49,502	3,485	-	-	106,515
Intergovernmental Revenues	51,321	-	-	-	-	-	51,321
Net Income before Transfers	(29,763)	(432,598)	297,039	3,485	(8,308)	41,142	(129,003)
Transfers In	190,138	7,400	-	30,000	40,000	-	267,538
Transfers Out	(15,000)	(40,000)	(15,000)	-	-	-	(70,000)
Change in Net Assets	145,375	(465,198)	282,039	33,485	31,692	41,142	68,535
Net Assets - Beginning of Year	64,614	3,865,361	2,082,255	478,687	(18,882)	470,270	6,942,305
Restatement	-	(352,332)	-	-	-	-	(352,332)
Net Assets - Beginning of Year, Restated	64,614	3,513,029	2,082,255	478,687	(18,882)	470,270	6,589,973
Net Assets - End of Year	\$ 209,989	\$ 3,047,831	\$ 2,364,294	\$ 512,172	\$ 12,810	\$ 511,412	\$ 6,658,508

MISSOULA COUNTY, MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2010

	Risk Management	Health Insurance	Workers' Compensation	Excess Loss	Other Benefits Programs	Telephone Services	Total
Cash flows from operating activities:							
Cash receipts for charges for services	\$ -	\$ 6,810,541	\$ 1,424,400	\$ -	\$ 376,181	\$ 288,947	\$ 8,900,069
Cash receipts for rebates	-	40,527					40,527
Cash receipts for rent charged	-	29,000					29,000
Cash payments to employees for services	(56,274)	(199,141)	(99,271)	-	-	(93,792)	(448,478)
Cash payments for reinsurance premiums	(207,709)	(376,701)	(75,495)	-	(32,229)	-	(692,134)
Cash payments for administrative expenses	-	(217,435)	(200,452)	-	-	-	(417,887)
Cash payments for claims expenses	(481,115)	(6,777,615)	(620,159)	-	-	-	(7,878,889)
Cash payments to other suppliers for goods and services	(24,003)	-	-	-	(384,489)	(147,035)	(555,527)
Net cash provided (used) by operating activities	<u>(769,101)</u>	<u>(690,824)</u>	<u>429,023</u>	<u>-</u>	<u>(40,537)</u>	<u>48,120</u>	<u>(1,023,319)</u>
Cash flows from non-capital financing activities:							
Property taxes	550,245	-	-	-	-	-	550,245
Advances (to) from other funds	(1,383)	-	-	-	-	-	(1,383)
Transfers in	190,138	82,400	-	30,000	40,000	-	342,538
Transfers out	(15,000)	(40,000)	(15,000)	(75,000)	-	-	(145,000)
Intergovernmental sources	51,321	-	-	-	-	-	51,321
Net cash provided by non-capital financing activities	<u>775,321</u>	<u>42,400</u>	<u>(15,000)</u>	<u>(45,000)</u>	<u>40,000</u>	<u>-</u>	<u>797,721</u>
Cash flows from investing activities:							
Purchases of investment securities	(2,762,862)	(1,828,319)	(3,374,499)	(1,986,149)	(112,921)	(2,066,503)	(12,131,253)
Proceeds of sale and maturities of investment securities	2,791,294	2,400,000	2,400,000	2,025,359	113,414	2,020,359	11,750,426
Interest on investments	55	87,113	65,418	3,485	-	-	156,071
Net cash provided (used) by investing activities	<u>28,487</u>	<u>658,794</u>	<u>(909,081)</u>	<u>42,695</u>	<u>493</u>	<u>(46,144)</u>	<u>(224,756)</u>
Net increase (decrease) in cash and cash equivalents	34,707	10,370	(495,058)	(2,305)	(44)	1,976	(450,354)
Cash and cash equivalents at beginning of year	30,032	81,461	625,926	26,436	1,395	22,096	787,346
Cash and cash equivalents at end of year	<u>\$ 64,739</u>	<u>\$ 91,831</u>	<u>\$ 130,868</u>	<u>\$ 24,131</u>	<u>\$ 1,351</u>	<u>\$ 24,072</u>	<u>\$ 336,992</u>

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

Income (loss) from operations	\$ (653,792)	\$ (486,071)	\$ 247,537	\$ -	\$ (8,308)	\$ 41,142	\$ (859,492)
Adjustments to reconcile (income) loss from operations to net cash provided (used) by operating activities:							
Depreciation and amortization	1,457	6,269	2,916	-	-	1,826	12,468
Change in assets and liabilities:							
Decrease (increase) in receivables	-	(59,934)	(5,075)	-	-	790	(64,219)
Decrease (increase) in rebate receivables	-	2,037					2,037
Decrease (increase) in prepaid costs	-	(7,145)	(6,830)	-	-	-	(13,975)
Increase (decrease) in payables and contributions paid in advance	(11,056)	7,466	(3,562)	-	(32,229)	3,974	(35,407)
Increase (decrease) in accrued liabilities	(105,710)	(153,446)	194,037	-	-	388	(64,731)
Net cash provided (used) by operating activities	<u>\$ (769,101)</u>	<u>\$ (690,824)</u>	<u>\$ 429,023</u>	<u>\$ -</u>	<u>\$ (40,537)</u>	<u>\$ 48,120</u>	<u>\$ (1,023,319)</u>

Supplemental Disclosure of Cash Flow Information

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

The Health Insurance Plan and the Workers' Compensation Plan had \$22,163 and \$12,728, 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, 2010
(Page 1 of 3)

	Risk Management				Health Insurance			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 7,428,000	\$ 7,428,000	\$ 6,810,541	\$ (617,459)
Total Operating Revenue	-	-	-	-	7,428,000	7,428,000	6,810,541	(617,459)
Operating Expense:								
Personnel	57,138	57,138	56,274	864	238,884	238,884	199,141	39,743
Operations	675,636	675,636	670,572	5,064	7,593,468	7,593,468	7,371,513	221,955
Total Operating Expense	732,774	732,774	726,846	5,928	7,832,352	7,832,352	7,570,654	261,698
Income (Loss) from Operation	(732,774)	(732,774)	(726,846)	5,928	(404,352)	(404,352)	(760,113)	(355,761)
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	505,766	505,766	501,891	(3,875)	-	-	-	-
Investment Earnings	-	-	88	88	85,500	85,500	64,950	(20,550)
Intergovernmental Revenue	51,321	51,321	51,321	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	29,000	29,000	29,000	-
Rebates	-	-	-	-	-	-	40,527	40,527
Capital Outlay	-	-	-	-	(2,500)	(2,500)	-	(2,500)
Net Income (Loss) before Transfers	(175,687)	(175,687)	(173,546)	2,141	(292,352)	(292,352)	(625,636)	(338,284)
Transfers In	190,152	190,152	190,138	(14)	332,458	332,458	82,400	(250,058)
Transfers Out	(15,000)	(15,000)	(15,000)	-	(40,000)	(40,000)	(40,000)	-
Change in Net Assets	\$ (535)	\$ (535)	1,592	\$ 2,127	\$ 106	\$ 106	(583,236)	\$ (588,342)
Net Assets - Beginning of Year			355,076				4,527,689	
Beginning Balance Restatement			-				(352,332)	
Net Assets - End of Year			\$ 356,668				\$ 3,592,121	

Note - beginning balance adjustment due reallocation of contributions between current employees and retirees.

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, 2010
(Page 2 of 3)

	Workers' Compensation				Excess Loss			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 1,396,523	\$ 1,396,523	\$ 1,424,400	\$ 27,877	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>1,396,523</u>	<u>1,396,523</u>	<u>1,424,400</u>	<u>27,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	99,041	99,041	99,271	(230)	-	-	-	-
Operations	<u>983,437</u>	<u>970,437</u>	<u>896,106</u>	<u>74,331</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total Operating Expense	<u>1,082,478</u>	<u>1,069,478</u>	<u>995,377</u>	<u>74,101</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Income (Loss) from Operation	314,045	327,045	429,023	101,978	(75,000)	(75,000)	-	75,000
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	-	-	-	-
Investment Earnings	70,000	70,000	52,690	(17,310)	10,000	10,000	3,888	(6,112)
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	384,045	397,045	481,713	84,668	(65,000)	(65,000)	3,888	68,888
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>(384,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>30,000</u>	<u>(5,000)</u>
Change in Net Assets	\$ <u>45</u>	\$ <u>382,045</u>	466,713	\$ <u>84,668</u>	\$ <u>(30,000)</u>	\$ <u>(30,000)</u>	33,888	\$ <u>63,888</u>
Net Assets - Beginning of Year			<u>3,607,760</u>				<u>478,442</u>	
Net Assets - End of Year			\$ <u>4,074,473</u>				\$ <u>512,330</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, 2010
(Page 3 of 3)

	Other Benefits Programs				Telephone Services			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 352,000	\$ 352,000	\$ 376,181	\$ 24,181	\$ 286,380	\$ 286,380	\$ 288,947	\$ 2,567
Total Operating Revenue	<u>352,000</u>	<u>352,000</u>	<u>376,181</u>	<u>24,181</u>	<u>286,380</u>	<u>286,380</u>	<u>288,947</u>	<u>2,567</u>
Operating Expense:								
Personnel	-	-	-	-	99,168	99,168	94,582	4,586
Operations	<u>392,000</u>	<u>392,000</u>	<u>384,389</u>	<u>7,611</u>	<u>165,670</u>	<u>165,670</u>	<u>147,035</u>	<u>18,635</u>
Total Operating Expense	<u>392,000</u>	<u>392,000</u>	<u>384,389</u>	<u>7,611</u>	<u>264,838</u>	<u>264,838</u>	<u>241,617</u>	<u>23,221</u>
Income (Loss) from Operation	(40,000)	(40,000)	(8,208)	31,792	21,542	21,542	47,330	25,788
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	(40,000)	(40,000)	(8,208)	31,792	21,542	21,542	47,330	25,788
Transfers In	40,000	40,000	40,000	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	\$ <u>-</u>	\$ <u>-</u>	31,792	\$ <u>31,792</u>	\$ <u>21,542</u>	\$ <u>21,542</u>	47,330	\$ <u>25,788</u>
Net Assets - Beginning of Year			<u>(18,882)</u>				<u>467,537</u>	
Net Assets - End of Year			\$ <u>12,910</u>				\$ <u>514,867</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.

MISSOULA COUNTY, MONTANA
Combining Statement of Fiduciary Net Assets
June 30, 2010

	Individual Investment Trust	External Pool Investment Trust	Total Investment Trust
Assets			
Cash & Cash Equivalents	\$ 496	\$ 2,137,057	\$ 2,137,553
Investments, at Fair Value:			
Securities	4,648,834	12,277,062	16,925,896
Repurchase Agreements	-	4,350,762	4,350,762
STIP	-	26,592,708	26,592,708
Total Investments	<u>4,648,834</u>	<u>43,220,532</u>	<u>47,869,366</u>
Total Assets	<u>4,649,330</u>	<u>45,357,589</u>	<u>50,006,919</u>
Net Assets			
Funds Held in Trust for:			
Investment Trusts	<u>4,649,330</u>	<u>45,357,589</u>	<u>50,006,919</u>
Total Net Assets	<u><u>\$ 4,649,330</u></u>	<u><u>\$ 45,357,589</u></u>	<u><u>\$ 50,006,919</u></u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Fiduciary Net Assets
For Fiscal Year Ended June 30, 2010

	Individual Investment Trust	External Pool Investment Trust	Total Investment Trust
Additions			
Interest Income	\$ 9,480	\$ 294,147	\$ 303,627
Net Investment Income	9,480	294,147	303,627
Participant Investments in Pool	4,639,850	290,717,976	295,357,826
Total Additions	4,649,330	291,012,123	295,661,453
Deductions			
Distribution to Participants	(12,360,407)	(290,267,524)	(302,627,931)
Total Deductions	(12,360,407)	(290,267,524)	(302,627,931)
Change in Net Assets	(7,711,077)	744,599	(6,966,478)
Net Assets Held in Trust for Pool Participants			
Net Assets - Beginning of Year	12,360,407	44,612,990	56,973,397
Net Assets - End of Year	<u>\$ 4,649,330</u>	<u>\$ 45,357,589</u>	<u>\$ 50,006,919</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For Fiscal Year Ended June 30, 2010
(Page 1 of 4)

SCHOOLS

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets:				
Cash with Fiscal Agents	\$ 1,500,621	\$ 1,749,334	\$ 1,500,621	\$ 1,749,334
Property Taxes Receivable (net)	<u>5,047,240</u>	<u>5,159,686</u>	<u>2,809,762</u>	<u>7,397,164</u>
Total Assets	<u>\$ 6,547,861</u>	<u>\$ 6,909,020</u>	<u>\$ 4,310,383</u>	<u>\$ 9,146,498</u>
Liabilities:				
Accounts & Warrants Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Agencies	<u>6,547,861</u>	<u>6,909,020</u>	<u>4,310,383</u>	<u>9,146,498</u>
Total Liabilities	<u>\$ 6,547,861</u>	<u>\$ 6,909,020</u>	<u>\$ 4,310,383</u>	<u>\$ 9,146,498</u>

OTHER LOCAL TAXING UNITS

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets:				
Cash with Fiscal Agents	\$ 5,198	\$ 13,831	\$ 5,198	\$ 13,831
Property Taxes Receivable (net)	<u>696,385</u>	<u>785,967</u>	<u>426,316</u>	<u>1,056,036</u>
Total Assets	<u>\$ 701,583</u>	<u>\$ 799,798</u>	<u>\$ 431,514</u>	<u>\$ 1,069,867</u>
Liabilities:				
Accounts & Warrants Payable	\$ -	\$ 5,592	\$ -	\$ 5,592
Due to Other Agencies	<u>701,583</u>	<u>794,206</u>	<u>431,514</u>	<u>1,064,275</u>
Total Liabilities	<u>\$ 701,583</u>	<u>\$ 799,798</u>	<u>\$ 431,514</u>	<u>\$ 1,069,867</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2010
(Page 2 of 4)

STATE

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets:				
Property Taxes Receivable (net)	\$ 1,934,185	\$ 1,946,604	\$ 1,084,531	\$ 2,796,258
Total Assets	<u>\$ 1,934,185</u>	<u>\$ 1,946,604</u>	<u>\$ 1,084,531</u>	<u>\$ 2,796,258</u>
Liabilities:				
Due to Other Agencies	\$ 1,934,185	\$ 1,946,604	\$ 1,084,531	\$ 2,796,258
Total Liabilities	<u>\$ 1,934,185</u>	<u>\$ 1,946,604</u>	<u>\$ 1,084,531</u>	<u>\$ 2,796,258</u>

CITY

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets:				
Property Taxes Receivable (net)	\$ 2,235,476	\$ 2,569,491	\$ 1,654,923	\$ 3,150,044
Total Assets	<u>\$ 2,235,476</u>	<u>\$ 2,569,491</u>	<u>\$ 1,654,923</u>	<u>\$ 3,150,044</u>
Liabilities:				
Due to Other Agencies	\$ 2,235,476	\$ 2,569,491	\$ 1,654,923	\$ 3,150,044
Total Liabilities	<u>\$ 2,235,476</u>	<u>\$ 2,569,491</u>	<u>\$ 1,654,923</u>	<u>\$ 3,150,044</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2010
(Page 3 of 4)

OTHER POST-RETIREMENT BENEFITS (OPEB)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets:				
Cash & Cash Equivalents	\$ 174,160	\$ 935,836	\$ 1,037,498	\$ 72,498
Other Assets	7,914	7,303	7,914	7,303
Total Assets	<u>\$ 182,074</u>	<u>\$ 943,139</u>	<u>\$ 1,045,412</u>	<u>\$ 79,801</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,077	\$ 2,066	\$ 1,077	\$ 2,066
Other Liabilities	180,997	77,735	180,997	77,735
Total Liabilities	<u>\$ 182,074</u>	<u>\$ 79,801</u>	<u>\$ 182,074</u>	<u>\$ 79,801</u>

PAYROLL & CLAIMS

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets:				
Cash & Cash Equivalents	\$ 31,887	\$ 25,899	\$ 31,887	\$ 25,899
Investments	635,970	523,788	635,970	523,788
Total Assets	<u>\$ 667,857</u>	<u>\$ 549,687</u>	<u>\$ 667,857</u>	<u>\$ 549,687</u>
Liabilities:				
Accounts & Warrants Payable	\$ 667,857	\$ 549,687	\$ 667,857	\$ 549,687
Total Liabilities	<u>\$ 667,857</u>	<u>\$ 549,687</u>	<u>\$ 667,857</u>	<u>\$ 549,687</u>

MISSOULA COUNTY, MONTANA
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)
For Fiscal Year Ended June 30, 2010
(Page 4 of 4)

	TOTAL AGENCY FUNDS			
	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets:				
Cash & Cash Equivalents	\$ 206,047	\$ 961,735	\$ 1,069,385	\$ 98,397
Cash with Fiscal Agents	1,505,819	1,763,165	1,505,819	1,763,165
Investments	635,970	523,788	635,970	523,788
Due from Other Agencies	-	-	-	-
Property Taxes Receivable (net)	9,913,286	10,461,748	5,975,532	14,399,502
Other Assets	7,914	7,303	7,914	7,303
Total Assets	<u>\$ 12,269,036</u>	<u>\$ 13,717,739</u>	<u>\$ 9,194,620</u>	<u>\$ 16,792,155</u>
Liabilities:				
Accounts & Warrants Payable	\$ 668,934	\$ 557,345	\$ 668,934	\$ 557,345
Other Liabilities	180,997	77,735	180,997	77,735
Due to Other Agencies	11,419,105	12,219,321	7,481,351	16,157,075
Total Liabilities	<u>\$ 12,269,036</u>	<u>\$ 12,854,401</u>	<u>\$ 8,331,282</u>	<u>\$ 16,792,155</u>

CAPITAL ASSETS

Capital assets used in the operation of Governmental Funds.

MISSOULA COUNTY, MONTANA
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source ¹
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Governmental Funds Capital Assets:		
Land	\$ 7,203,587	\$ 7,203,587
Buildings	38,756,209	38,502,385
Machinery and Equipment	20,721,779	20,028,053
Infrastructure	33,527,924	33,010,871
Intangibles	-	-
Construction in Progress	<u>21,334,320</u>	<u>11,070,951</u>
Total Governmental Funds Capital Assets	<u>\$ 121,543,819</u>	<u>\$ 109,815,847</u>
Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 9,090,893	\$ 9,015,089
Special Revenue Fund	104,629,642	92,977,474
Federal Grants	5,877,188	5,877,188
Initial Start of System	<u>1,946,096</u>	<u>1,946,096</u>
Total Governmental Funds Capital Assets	<u>\$ 121,543,819</u>	<u>\$ 109,815,847</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, 2010

Function and Activity	Land	Buildings	Machinery and Equipment	Infrastructure	Intangibles	Construction in Progress	Total
General Government:							
Administration and Finance	\$ -	\$ -	\$ 118,773	\$ -	\$ -	\$ -	\$ 118,773
Records and Election	-	-	801,137	-	-	-	801,137
Data Processing	-	16,461	451,974	-	-	82,795	551,230
General Services	14,203	6,238,697	871,311	-	-	-	7,124,211
Criminal Justice	-	-	103,653	-	-	391,889	495,542
Total General Government	14,203	6,255,158	2,346,848	-	-	474,684	9,090,893
Public Works:							
Road & Bridge	135,100	2,675,563	7,896,622	31,946,734	-	9,863,843	52,517,862
Missoula Development Authority	-	-	-	1,390,062	-	3,122,910	4,512,972
Weed & Extension	-	-	107,935	-	-	-	107,935
RSIDs - CIP	-	-	-	-	-	7,509,673	7,509,673
Seeley Lake Refuse	65,400	82,260	20,160	-	-	-	167,820
Total Public Works	200,500	2,757,823	8,024,717	33,336,796	-	20,496,426	64,816,262
Public Safety:							
Sheriff	19,199	-	2,315,684	60,000	-	161,220	2,556,103
Communications	-	51,096	5,503,768	-	-	59,216	5,614,080
Detention Center	1,791,035	22,388,493	1,248,426	-	-	-	25,427,954
Total Public Safety	1,810,234	22,439,589	9,067,878	60,000	-	220,436	33,598,137
Public Health:							
City/County Health	58,162	1,973,124	272,242	-	-	-	2,303,528
Environmental Health	-	5,000	460,826	-	-	-	465,826
Total Public Health	58,162	1,978,124	733,068	-	-	-	2,769,354
Social and Economic Services	-	-	57,647	-	-	-	57,647
Culture and Recreation	1,902,245	5,325,515	491,621	131,128	-	142,774	7,993,283
Nondepartmental	1,946,096	-	-	-	-	-	1,946,096
Land Held for Resale	1,272,147	-	-	-	-	-	1,272,147
Total Governmental Funds Capital Assets	\$ 7,203,587	\$ 38,756,209	\$ 20,721,779	\$ 33,527,924	\$ -	\$ 21,334,320	\$ 121,543,819

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, 2010

Function and Activity	Governmental Funds Capital Assets July 1, 2009	Adjustments & Reclasses	As Restated July 1, 2009	Additions	Deductions	Governmental Funds Capital Assets June 30, 2010
General Government:						
Administration and Finance	\$ 322,050	\$ -	\$ 322,050	\$ -	\$ (203,277)	\$ 118,773
Records and Election	801,137	-	801,137	-	-	801,137
Data Processing	443,596	-	443,596	210,739	(103,105)	551,230
General Services	6,951,827	-	6,951,827	475,058	(302,674)	7,124,211
Criminal Justice	496,479	-	496,479	-	(937)	495,542
Total General Government	<u>9,015,089</u>	<u>-</u>	<u>9,015,089</u>	<u>685,797</u>	<u>(609,993)</u>	<u>9,090,893</u>
Public Works:						
Road & Bridge	49,337,990	-	49,337,990	3,649,859	(469,987)	52,517,862
Missoula Development Authority	2,919,306	-	2,919,306	1,593,666	-	4,512,972
Weed & Extension	109,435	-	109,435	-	(1,500)	107,935
RSIDs - CIP	611,958	(28,936)	583,022	6,926,651	-	7,509,673
Seeley Lake Refuse	167,820	-	167,820	-	-	167,820
Total Public Works	<u>53,146,509</u>	<u>(28,936)</u>	<u>53,117,573</u>	<u>12,170,176</u>	<u>(471,487)</u>	<u>64,816,262</u>
Public Safety:						
Sheriff	2,474,884	-	2,474,884	382,111	(300,892)	2,556,103
Communications	5,579,765	-	5,579,765	34,315	-	5,614,080
Detention Center	25,632,219	-	25,632,219	267,918	(472,183)	25,427,954
Total Public Safety	<u>33,686,868</u>	<u>-</u>	<u>33,686,868</u>	<u>684,344</u>	<u>(773,075)</u>	<u>33,598,137</u>
Public Health:						
City/County Health	2,325,977	-	2,325,977	6,304	(28,753)	2,303,528
Environmental Health	472,822	-	472,822	-	(6,996)	465,826
Total Public Health	<u>2,798,799</u>	<u>-</u>	<u>2,798,799</u>	<u>6,304</u>	<u>(35,749)</u>	<u>2,769,354</u>
Social and Economic Services	<u>58,347</u>	<u>-</u>	<u>58,347</u>	<u>-</u>	<u>(700)</u>	<u>57,647</u>
Culture and Recreation	<u>7,891,992</u>	<u>-</u>	<u>7,891,992</u>	<u>115,515</u>	<u>(14,224)</u>	<u>7,993,283</u>
Nondepartmental	<u>1,946,096</u>	<u>-</u>	<u>1,946,096</u>	<u>-</u>	<u>-</u>	<u>1,946,096</u>
Land Held for Resale	<u>1,272,147</u>	<u>-</u>	<u>1,272,147</u>	<u>-</u>	<u>-</u>	<u>1,272,147</u>
Total General Capital Assets	<u>\$ 109,815,847</u>	<u>\$ (28,936)</u>	<u>\$ 109,786,911</u>	<u>\$ 13,662,136</u>	<u>\$ (1,905,228)</u>	<u>\$ 121,543,819</u>

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

STATISTICAL SECTION

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 2000-01; schedules presenting government-wide activities include information beginning from that year.

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

	2003	2004	2005	2006	2007	2008	2009	2010
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
Restricted	599,302	783,387	1,463,452	1,466,019	1,755,298	1,550,263	1,275,007	2,393,072
Unrestricted	<u>9,793,543</u>	<u>8,097,311</u>	<u>18,919,713</u>	<u>18,975,049</u>	<u>31,255,020</u>	<u>28,155,028</u>	<u>36,814,281</u>	<u>36,385,797</u>
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>
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
Unrestricted	<u>1,252,355</u>	<u>1,338,904</u>	<u>1,298,087</u>	<u>1,377,281</u>	<u>1,622,661</u>	<u>1,778,396</u>	<u>1,581,937</u>	<u>1,046,487</u>
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>
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
Restricted	599,302	783,387	1,463,452	1,466,019	1,755,298	1,550,263	1,275,007	2,393,072
Unrestricted	<u>11,045,898</u>	<u>9,436,215</u>	<u>20,217,800</u>	<u>20,352,330</u>	<u>32,877,681</u>	<u>29,933,424</u>	<u>38,396,218</u>	<u>37,432,284</u>
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>

Typically this statistical table presents information on a ten year basis; however, the County converted to the GASB 34 reporting format in fiscal year 2003. Thus there is only information presented from that time forward.

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

	2003	2004	2005	2006	2007	2008	2009	2010
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
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
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
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
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
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
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
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
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
Total Governmental Activities Expenses	<u>48,400,619</u>	<u>56,526,047</u>	<u>51,392,971</u>	<u>56,663,596</u>	<u>66,807,600</u>	<u>65,888,514</u>	<u>59,070,848</u>	<u>64,733,364</u>
Business-type Activities:								
Larchmont Golf Course	781,626	829,362	795,539	859,193	880,832	852,695	847,389	860,865
Rural Special Improvement Districts	660,452	622,832	767,857	703,456	720,567	707,010	735,247	382,198
Total Business-type Activities Expenses	<u>1,442,078</u>	<u>1,452,194</u>	<u>1,563,396</u>	<u>1,562,649</u>	<u>1,601,399</u>	<u>1,559,705</u>	<u>1,582,636</u>	<u>1,243,063</u>
Total Primary Government Expenses	<u>\$ 49,842,697</u>	<u>\$ 57,978,241</u>	<u>\$ 52,956,367</u>	<u>\$ 58,226,245</u>	<u>\$ 68,408,999</u>	<u>\$ 67,448,219</u>	<u>\$ 60,653,484</u>	<u>\$ 65,976,427</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
Criminal Justice	839,079	837,962	969,501	895,178	831,522	876,544	910,461	882,066
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
Public Works	654,784	606,293	1,013,088	1,335,476	2,319,001	2,067,227	1,747,766	1,522,702
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
Social & Economic Services	-	52	-	-	-	4,686,338	-	-
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
Housing & Community Development	205,660	218,713	248,987	201,930	233,379	206,284	195,356	158,728
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
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
Total Governmental Activities Program Revenues	<u>21,210,444</u>	<u>21,287,283</u>	<u>24,226,387</u>	<u>26,512,919</u>	<u>24,016,479</u>	<u>28,269,490</u>	<u>25,166,040</u>	<u>22,471,756</u>
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
Rural Special Improvement Districts	809,059	768,824	676,128	802,189	850,294	780,030	823,465	882,273
Total Business-type Activities Program Revenues	<u>1,860,467</u>	<u>1,787,282</u>	<u>1,587,299</u>	<u>1,760,784</u>	<u>1,802,270</u>	<u>1,764,808</u>	<u>1,835,597</u>	<u>1,870,872</u>
Total Primary Government Program Revenues	<u>\$ 23,070,911</u>	<u>\$ 23,074,565</u>	<u>\$ 25,813,686</u>	<u>\$ 28,273,703</u>	<u>\$ 25,818,749</u>	<u>\$ 30,034,298</u>	<u>\$ 27,001,637</u>	<u>\$ 24,342,628</u>
Net (Expense) Revenue								
Governmental Activities:	\$ (27,190,175)	\$ (35,238,764)	\$ (27,166,584)	\$ (30,150,677)	\$ (42,791,121)	\$ (37,619,024)	\$ (33,904,808)	\$ (42,261,608)
Business-type Activities:	418,389	335,088	23,903	198,135	200,871	205,103	252,961	627,809
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>\$ (37,413,921)</u>	<u>\$ (33,651,847)</u>	<u>\$ (41,633,799)</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010
General Revenue and Other								
Changes in Net Assets								
Governmental Activities:								
Property Taxes	\$ 26,785,411	\$ -	\$ -	\$ 30,428,569	\$ 32,154,829	\$ 34,367,166	\$ 34,622,390	\$ 38,095,655
Intergovernmental Revenue	3,671,830	-	-	3,282,638	4,334,436	6,766,492	5,857,686	5,845,783
Investment Earnings	-	-	-	875,329	1,748,295	1,489,227	816,387	297,001
Gain on Sale of Capital Assets	-	-	-	2,518,878	(2,230,026)	643,320	(28,243)	-
Miscellaneous Revenues	-	-	-	2,035,355	12,142,118	2,329,610	2,832,296	2,369,802
Transfers	-	-	-	234,342	141,981	151,225	164,386	(227,491)
Total Governmental Activities	<u>30,457,241</u>	<u>-</u>	<u>-</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>
Business-type Activities:								
Intergovernmental Revenue	-	-	-	-	-	5,845,783	100,000	-
Investment Earnings	-	-	-	31,726	55,242	38,345	35,691	24,426
Gain on Sale of Capital Assets	-	-	-	-	-	-	10,430	7,000
Miscellaneous Revenues	-	-	-	4,711	56,728	22,500	5,587	-
Transfers	-	-	-	(234,342)	(141,981)	(151,225)	(164,386)	227,491
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(197,905)</u>	<u>(30,011)</u>	<u>5,755,403</u>	<u>(12,678)</u>	<u>258,917</u>
Total Primary Government	<u>\$ 30,457,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,177,206</u>	<u>\$ 48,261,622</u>	<u>\$ 51,502,443</u>	<u>\$ 44,252,224</u>	<u>\$ 46,639,667</u>
Changes in Net Assets								
Governmental Activities	\$ 3,267,066	\$ (35,238,764)	\$ (27,166,584)	\$ 9,224,434	\$ 5,500,512	\$ 8,128,016	\$ 10,360,094	\$ 4,119,142
Business-type Activities	418,389	335,088	23,903	230	170,860	5,960,506	240,283	886,726
Total Primary Government Changes in Net Assets	<u>\$ 3,685,455</u>	<u>\$ (34,903,676)</u>	<u>\$ (27,142,681)</u>	<u>\$ 9,224,664</u>	<u>\$ 5,671,372</u>	<u>\$ 14,088,522</u>	<u>\$ 10,600,377</u>	<u>\$ 5,005,868</u>

Typically this statistical table presents information on a ten year basis; however, the County converted to the GASB 34 reporting format in fiscal year 2003. Thus there is only information presented from the time forward.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 1,273,561	\$ 813,933	\$ 597,207	\$ 457,949	\$ 1,236,826	\$ 753,343	\$ -	\$ -	\$ -	\$ 226,646
Unreserved	822,696	1,879,817	3,039,340	3,299,145	1,900,850	2,230,818	3,200,957	2,218,236	2,577,538	1,962,335
Total General Fund	<u>\$ 2,096,257</u>	<u>\$ 2,693,750</u>	<u>\$ 3,636,547</u>	<u>\$ 3,757,094</u>	<u>\$ 3,137,676</u>	<u>\$ 2,984,161</u>	<u>\$ 3,200,957</u>	<u>\$ 2,218,236</u>	<u>\$ 2,577,538</u>	<u>\$ 2,188,981</u>
All Other Governmental Funds										
Reserved	\$ 1,195,599	\$ 2,044,716	\$ 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	3,502,438	4,310,351	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	1,072,788	992,500	599,302	783,387	1,463,452	1,466,019	1,755,298	1,550,263	1,555,901	(278,996)
Capital Project Funds	(577,033)	(775,888)	(762,493)	471,827	(263,475)	1,815,356	8,420,005	7,513,750	1,341,314	1,932,761
Total All Other Governmental Funds	<u>\$ 5,193,792</u>	<u>\$ 6,571,679</u>	<u>\$ 9,367,845</u>	<u>\$ 12,562,172</u>	<u>\$ 17,378,101</u>	<u>\$ 21,002,685</u>	<u>\$ 27,114,269</u>	<u>\$ 27,765,876</u>	<u>\$ 31,804,750</u>	<u>\$ 32,218,163</u>

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes/assessments	\$ 22,432,100	\$ 22,908,495	\$ 24,270,711	\$ 26,866,402	\$ 28,737,286	\$ 30,663,693	\$ 32,457,258	\$ 33,225,843	\$ 36,062,438	\$ 36,771,969
Licenses and Permits	558,742	237,354	344,741	324,880	356,015	345,258	943,942	1,064,392	817,724	727,632
Intergovernmental Revenues	14,406,678	13,692,561	12,756,743	12,940,233	15,055,952	16,036,477	12,776,147	12,148,625	18,070,793	14,409,605
Charges for Services	4,226,188	8,269,696	9,211,933	8,519,919	8,329,904	8,829,603	9,382,541	11,346,129	10,114,876	9,847,043
Fines and Forfeitures	775,376	824,053	838,956	846,521	1,037,664	936,793	1,039,329	920,364	976,834	936,107
Investment Earnings	416,479	262,472	204,249	110,902	375,877	701,832	1,376,170	1,140,275	555,296	190,485
Private & Local Grants	242,035	196,553	117,015	111,576	122,446	257,428	664,723	2,208,405	114,916	1,100
Miscellaneous Revenue	236,143	482,489	495,489	2,432,173	2,206,685	1,682,084	1,893,210	2,420,861	2,391,991	2,411,935
Total Revenues	43,293,741	46,873,673	48,239,837	52,152,606	56,221,829	59,453,168	60,533,320	64,474,894	69,104,868	65,295,876
Expenditures:										
General Government	4,836,440	5,258,354	5,897,355	6,205,827	6,070,921	7,132,364	7,600,766	7,970,031	8,105,151	7,735,812
Criminal Justice	4,726,227	4,963,031	3,717,155	3,715,236	4,909,894	5,145,063	3,405,596	3,689,674	3,819,405	3,822,320
Public Safety	11,175,902	12,512,472	13,113,342	14,560,716	14,626,708	15,546,588	15,701,956	17,366,160	18,427,629	18,180,447
Public Works	3,908,521	5,170,623	7,385,860	9,478,401	6,860,922	6,949,991	7,284,533	12,212,920	7,997,379	7,534,287
Public Health	4,689,569	3,801,529	4,051,339	4,477,474	4,812,944	5,101,907	5,594,396	5,741,099	5,769,984	5,900,159
Social & Economic Services	2,358,424	3,581,418	2,276,328	3,202,355	3,291,473	3,720,110	3,936,569	3,871,633	4,544,542	4,437,612
Culture & Recreation	2,202,326	2,524,565	3,136,719	3,368,214	3,608,099	4,389,019	3,523,019	4,010,707	3,701,593	3,968,586
Housing & Community Development	1,206,180	901,215	2,370,871	1,952,543	2,090,784	1,864,848	2,684,171	3,397,241	2,928,408	2,777,337
Capital Outlay	4,628,677	6,743,978	5,950,500	6,446,469	7,017,579	5,496,600	18,979,764	8,079,485	9,872,743	15,334,966
Debt Service										
Principal	1,588,504	1,765,227	1,576,374	1,793,811	1,622,089	2,752,771	2,723,412	2,741,130	2,607,106	2,499,705
Interest	1,139,981	1,220,148	1,109,857	1,156,992	1,196,809	1,223,275	1,411,014	1,358,953	1,199,852	1,588,512
Total Expenditures	42,460,751	48,442,560	50,585,700	56,358,038	56,108,222	59,322,536	72,845,196	70,439,033	68,973,792	73,779,743
Excess of Revenues over (under) Expenditures	832,990	(1,568,887)	(2,345,863)	(4,205,432)	113,607	130,632	(12,311,876)	(5,964,139)	131,076	(8,483,867)
Other Financing Sources (uses):										
Transfers In	2,845,061	4,303,790	4,078,009	4,611,705	5,179,028	5,073,109	10,412,196	6,793,915	5,521,943	7,712,254
Transfers Out	(2,648,604)	(5,380,227)	(3,981,767)	(4,462,964)	(5,315,570)	(4,920,478)	(10,352,832)	(6,737,452)	(5,434,588)	(8,137,283)
Issuance of Debt	1,008,792	2,828,187	1,704,875	5,968,629	1,370,582	1,730,136	18,005,249	4,965,000	3,520,281	8,808,731
Defeasance of Debt	-	-	-	-	-	-	(1,641,286)	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	6,908	-	-
Sale of Capital Assets	2,263,841	1,829,779	2,133,309	1,060,602	2,234,487	2,170,897	1,513,213	1,552,982	181,836	166,956
Total Other Financing Sources (uses)	3,469,090	3,581,529	3,934,426	7,177,972	3,468,527	4,053,664	17,936,540	6,581,353	3,789,472	8,550,658
Net Change in Fund Balance	\$ 4,302,080	\$ 2,012,642	\$ 1,588,563	\$ 2,972,540	\$ 3,582,134	\$ 4,184,296	\$ 5,624,664	\$ 617,214	\$ 3,920,548	\$ 66,791
Ratio of Debt Service Expenditures to Noncapital Expenditures	6.88%	6.51%	5.72%	5.63%	5.65%	7.20%	6.17%	6.57%	6.70%	6.69%

MISSOULA COUNTY, MONTANA
Bureau of Census (BOC) Supplemental Schedule
As of and for the Fiscal Year ended June 30, 2010

1. Intergovernmental expenditures:

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

2. Salaries and wages:

\$ 28,006,616

3. Debt outstanding:

A. Long-term debt outstanding, issued and retired

Purpose	Amount					
	Debt outstanding July 1, 2009	Debt during the Fiscal Year		Outstanding as of June 30, 2010		
		Issued	Retired	General Obligation	Revenue bonds	
Water utility	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sewer	-	-	-	-	-	-
Electric utility	-	-	-	-	-	-
Gas utility	-	-	-	-	-	-
Industrial revenue	-	-	-	-	-	-
All other	\$ 32,786,621	\$ 8,808,731	\$ (2,499,705)	\$ 13,372,000	\$ -	-

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:

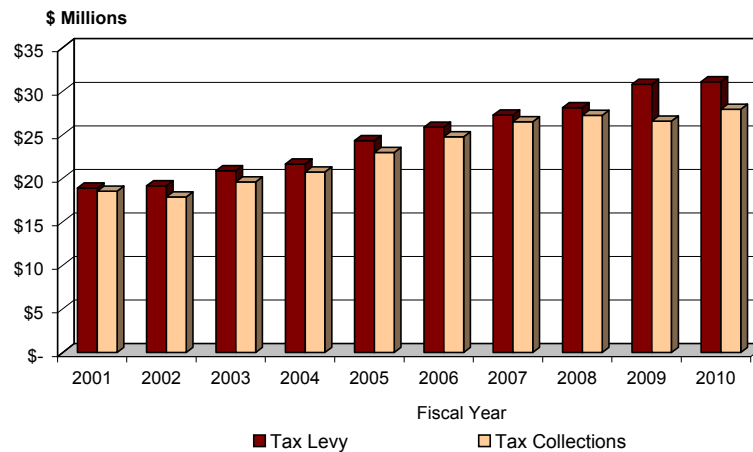
Type of funds	Amount
General fund	\$ 2,480,605
Special revenue funds	17,766,675
Debt service funds	3,595,853
Capital projects funds	8,420,177
Enterprise funds	1,074,632
Internal service funds	9,646,634
Trust and agency funds	52,392,269
Total	\$ 95,376,845

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 (b)	Total Tax Collections	Ratio of Total Collections to Current Tax Levy (c)	Outstanding Delinquent Taxes (d)	Ratio of Outstanding Delinquent Taxes to Current Tax Levy
2001	\$ 18,904,780	\$ 18,513,021	97.93	\$ 783,729	\$ 19,296,750	102.07	\$ 1,468,789	7.77
2002	19,162,880	17,854,304	93.17	1,023,575	18,877,879	98.51	1,888,048	9.85
2003	20,880,647	19,581,637	93.78	680,696	20,262,333	97.04	2,547,903	12.20
2004	21,638,028	20,720,218	95.76	1,649,096	22,369,314	103.38	2,375,435	10.98
2005	24,343,154	22,956,636	94.30	1,165,936	24,122,572	99.09	2,035,313	8.36
2006	25,889,080	24,789,174	95.75	834,858	25,624,032	98.98	1,944,649	7.51
2007	27,273,357	26,482,952	97.10	1,044,444	27,527,396	100.93	1,817,178	6.66
2008	28,098,827	27,225,756	96.89	1,259,987	28,485,743	101.38	1,740,170	6.19
2009	30,800,857	26,569,795	86.26	2,629,658	29,199,453	94.80	2,600,484	8.44
2010	31,095,767	27,941,825	89.86	1,604,577	29,546,402	95.02	2,491,869	8.01

- (a) From budget documents - includes "amount to be levied."
(b) Excludes penalties and interest.
(c) Ratio exceeds 100 percent due to collection of significant delinquent taxes.
(d) Presented at gross, excluding allowance for uncollectibles.

**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>Assessed Market Value (1)</u>	<u>Taxable Value (2)</u>	<u>Total Direct Tax Rate (3)</u>	<u>Ratio of Total Taxable Value to Total Assessed Market Value</u>
2001	\$ 3,956,036,976	\$ 142,233,548	4.78	3.60%
2002	4,234,386,253	145,789,091	4.53	3.44%
2003	4,556,367,054	151,159,660	4.58	3.32%
2004	4,908,943,897	155,594,087	4.41	3.17%
2005	5,235,427,044	161,743,087	4.65	3.09%
2006	5,569,029,080	172,525,317	4.65	3.10%
2007	5,908,576,909	178,546,389	4.62	3.02%
2008	6,221,102,645	184,460,260	4.52	2.97%
2009	6,310,353,787	189,152,539	4.88	3.00%
2010	6,905,573,634	190,855,285	4.50	2.76%

(1) Source: Montana Department of Revenue

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

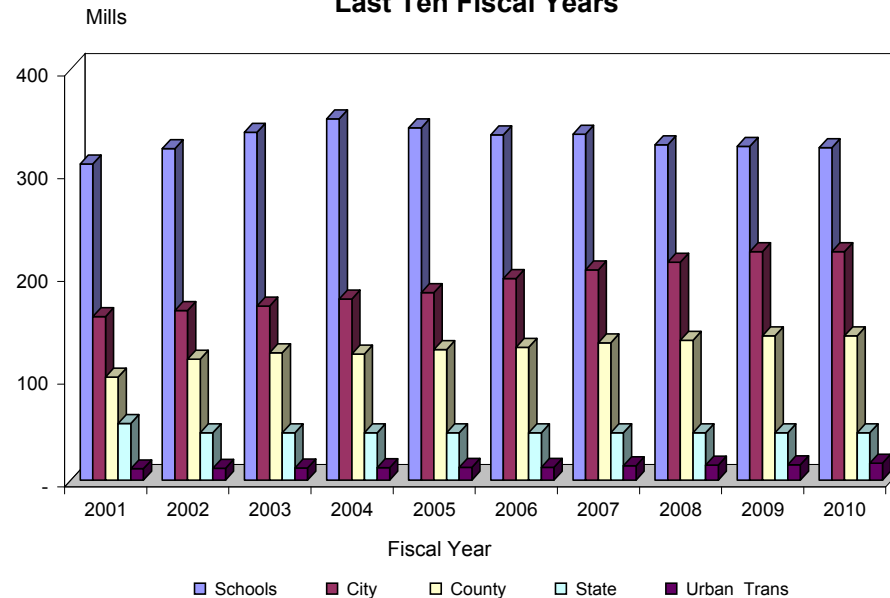
(3) Tax Rates are per \$1,000 of assessable market value

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

Fiscal Year	County	Schools	City	State	Urban Trans	Total
2001	100.15	307.86	159.15	55.00	10.94	633.10
2002	117.80	322.90	165.19	46.00	11.31	663.20
2003	123.97	338.64	169.48	46.00	11.66	689.75
2004	122.79	351.88	176.32	46.00	11.93	708.92
2005	127.12	343.04	182.57	46.00	12.23	710.96
2006	129.11	336.32	196.39	46.00	12.38	720.20
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

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

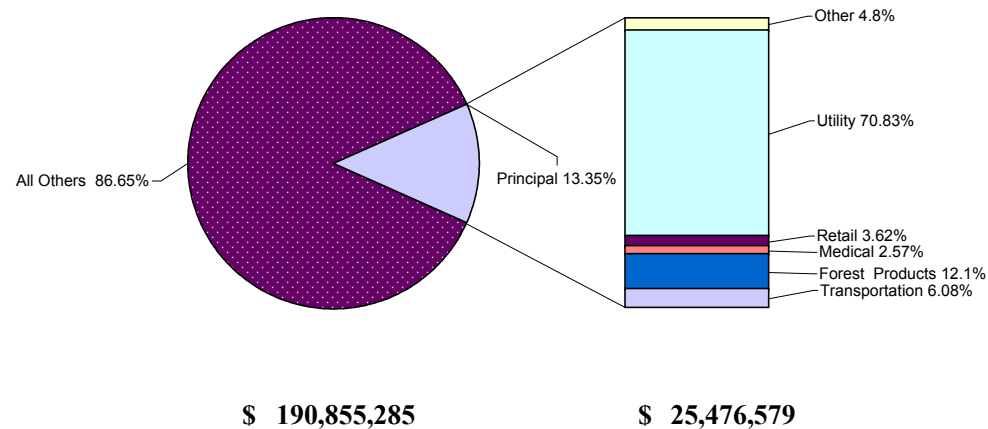


MISSOULA COUNTY, MONTANA
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Industry	2010				2001		
		Tax Dollars All Taxing Agencies	Taxable Value	% of Total Taxable Value		Taxable Value	% of Total Taxable Value	
Northwestern Energy/Montana Power	Utility	\$ 6,760,251	\$ 10,928,010	5.73	%	\$ 8,351,995	5.51	%
Stone Container Corp	Forest Products	1,795,820	2,635,221	1.38		5,016,157	3.31	
Qwest Communications/U.S. West	Utility	1,716,450	2,382,102	1.25		3,344,414	2.21	
Montana Rail Link	Transportation	1,026,761	1,549,261	0.81		1,752,057	1.16	
Mountain Water Company	Utility	928,029	1,265,874	0.66		992,860	0.66	
Southgate Mall	Retail	693,032	921,443	0.48		804,212	0.53	
Gateway Limited Partnership	Other	597,289	763,174	0.40		671,695	0.44	
Missoula Electric Cooperative	Utility	591,450	1,004,378	0.53		651,912	-	
St. Patrick Hospital Corp	Medical	510,549	655,593	0.34		-	0.00	
Celloco Partnership (Verizon Wireless)	Utility	508,077	732,170	0.38		-	0.00	
WWC Holding Co (Alltel)	Utility	485,039	672,819	0.35		-	0.00	
Mountain States Leasing	Other	353,856	459,149	0.24		-	0.00	
Blackfoot Telehone Co-op	Utility	325,667	498,323	0.26		490,688	0.00	
Roseburg Forest Products	Forest Products	313,106	447,621	0.23		-	0.00	
Puget Sound Energy	Utility	310,807	561,441	0.29		872,588	0.58	
		<u>\$ 16,916,183</u>	<u>\$ 25,476,579</u>	<u>13.35</u>	<u>%</u>	<u>\$ 22,948,578</u>	<u>15.14</u>	<u>%</u>
Total County Taxable Value:			<u>\$ 190,855,285</u>			<u>\$ 151,539,149</u>		

Source: Tax roll for fiscal year 2009

PRINCIPAL TAXPAYERS BY TYPE
June 30, 2010



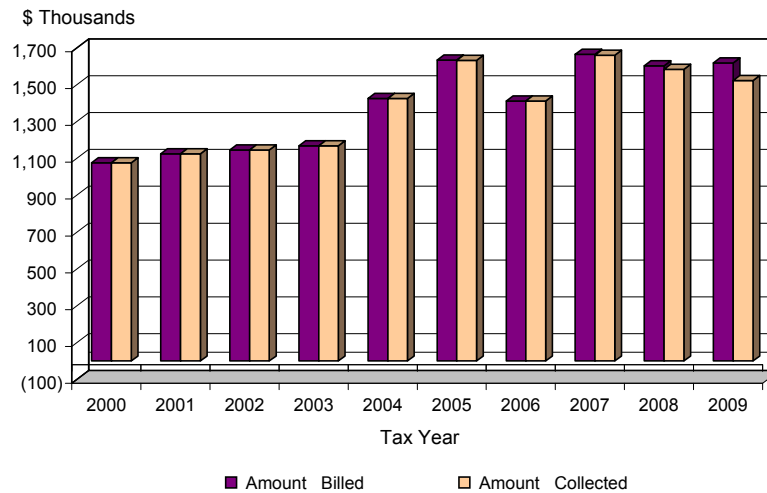
MISSOULA COUNTY, MONTANA
Special Assessments Billings and Collections
June 30, 2010

<u>Tax Year (a)</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>% Collected through 6/30/10</u>
2000	\$ 1,076,125	\$ 1,076,125	100.00
2001	1,124,234	1,124,226	100.00
2002	1,145,534	1,145,526	100.00
2003	1,169,115	1,169,115	100.00
2004	1,425,008	1,425,008	100.00
2005	1,633,073	1,632,836	99.99
2006	1,412,330	1,412,330	100.00
2007	1,665,327	1,660,482	99.71
2008	1,602,683	1,583,606	98.81
2009	1,617,545	1,522,370	94.12

Source: Missoula County RSID Technician

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

RSID BILLINGS AND COLLECTIONS
June 30, 2010



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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Limit on Total Indebtedness:										
Assessed Value		\$ 4,234,386	\$ 4,556,367	\$ 4,908,944	\$ 5,235,427	\$ 5,569,029	\$ 5,908,577	\$ 6,221,103	\$ 6,310,354	\$ 6,905,574
Taxable Value	\$ 142,234									
Debt Limit % of Value (1)	23%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Debt Limit	32,714	105,860	113,909	122,724	130,886	139,226	147,714	155,528	157,759	172,639
Net Debt Applicable to Limit	24,157	24,085	23,365	27,517	27,245	26,564	29,612	31,873	32,787	39,096
Legal Debt Margin	<u>\$ 8,557</u>	<u>\$ 81,775</u>	<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>
Ratio of Net Debt Applicable to Debt Limit	<u>73.84%</u>	<u>22.75%</u>	<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>

- (1) Prior to 2002, Montana statute set the legal debt limit at 23% of taxable valuation. The 2001 Legislature changed the statutes to prescribe a legal debt limit of 2.5% of the assessed valuation.

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

<u>Calendar Year</u>	<u>TANs or RANs (1)</u>	<u>BANs (2)</u>	<u>RSIDs</u>	<u>General Obligation</u>	<u>Other</u>	<u>Total</u>
2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2002	-	-	327,000	-	1,000,000	1,327,000
2003	-	-	225,000	-	-	225,000
2004	-	-	3,661,561	-	995,000	4,656,561
2005	-	-	954,787	-	415,795	1,370,582
2006	-	-	374,972	13,770,000	800,000	14,944,972
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

(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>
2001	95,802	\$ 142,233,548	\$ 16,869,080	\$ 773,337	\$ 15,176,072	10.67	\$ 158
2002	95,802	145,789,091	15,875,000	598,847	15,276,153	10.48	159
2003	96,303	151,159,660	15,070,000	427,263	14,642,737	9.69	152
2004	98,616	155,594,087	14,430,000	379,130	14,050,870	9.03	142
2005	99,018	161,743,087	13,755,000	339,012	13,415,988	8.29	135
2006	100,086	172,525,317	13,770,000	610,559	13,159,441	7.63	131
2007	101,417	178,546,389	12,840,000	1,229,583	11,610,417	6.50	114
2008	105,650	184,460,260	11,960,000	1,292,714	10,667,286	5.78	101
2009	107,320	189,152,539	11,050,000	1,252,443	9,797,557	5.18	91
2010	108,623	190,855,285	10,115,000	1,309,645	8,805,355	4.61	81

Source:

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

MISSOULA COUNTY, MONTANA
Ratios of Outstanding Debt by Type
Last Five 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				
2001	\$ 16,869,080	\$ 450,000	\$ 2,315,000	\$ 2,755,000	\$ 1,767,985	\$ 24,157,065	\$ 24,476	0.10%	\$ 252
2002	15,875,000	1,435,000	2,235,000	2,698,000	1,842,075	24,085,075	24,111	0.10%	251
2003	15,257,000	1,335,000	2,150,000	3,241,936	1,380,627	23,364,563	25,818	0.11%	243
2004	14,609,000	2,225,000	2,060,000	6,465,561	2,157,504	27,517,065	26,823	0.10%	279
2005	13,926,000	2,115,000	1,970,000	7,160,227	2,073,338	27,244,565	29,625	0.11%	275
2006	13,933,000	2,770,000	1,875,000	6,276,599	1,709,759	26,564,358	30,991	0.12%	265
2007	12,995,000	2,620,000	6,045,000	6,532,000	1,419,789	29,611,789	31,611	0.11%	292
2008	15,432,000	2,445,000	5,675,000	7,244,000	1,077,448	31,873,448	32,243	0.10%	302
2009	14,512,000	4,255,000	5,300,000	6,930,020	1,789,602	32,786,622	33,055	0.10%	306
2010	13,372,000	3,965,000	4,915,000	15,267,731	1,575,916	39,095,647	35,108	0.09%	360

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		
2001	\$ 544,000	\$ 797,802	\$ 1,341,802	\$ 41,923,031	3.20
2002	1,765,227	1,220,148	2,985,375	47,904,492	6.23
2003	1,576,374	1,109,857	2,686,231	50,585,700	5.31
2004	1,793,811	1,156,992	2,950,803	56,358,038	5.24
2005	1,622,089	1,196,809	2,818,898	56,108,222	5.02
2006	2,752,771	1,223,275	3,976,046	59,322,536	6.70
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

MISSOULA COUNTY, MONTANA
Computation of Direct and Overlapping Debt
June 30, 2010

	<u>Gross G.O. Debt Outstanding</u>	<u>% Applicable to Missoula County</u>	<u>Amount Applicable to Missoula County</u>
Direct Debt			
Missoula County	\$ <u>13,372,000</u>	100.00%	\$ <u>13,372,000</u>
Overlapping Debt			
City of Missoula	15,065,000	100.00%	15,065,000
School District 1	13,674,095	100.00%	13,674,095
Other Schools	<u>32,260,823</u>	100.00%	<u>32,260,823</u>
	<u>60,999,918</u>		<u>60,999,918</u>
 Total of Direct and Overlapping Debt	 \$ <u><u>74,371,918</u></u>	 100.00%	 \$ <u><u>74,371,918</u></u>

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

	2010		2001	
<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	Plum Creek Timber	Forest Products
	Missoula County Public Schools	Education	St. Patrick Hospital	Medical Services
	Community Medical Center	Medical Services	Southgate Mall	Retail
	DIRECTV	Communications	University of Montana	Education
500-999	U.S. Forest Service	Government	Missoula County Public Schools	Education
	County of Missoula	Government	Montana Rail Link	Railroad
	Wal-Mart	Retail	County of Missoula	Government
	City of Missoula	Government	Smurfit-Stone Container Corp.	Paper Mill
	Opportunity Resources	Production/Packaging	U.S. Forest Service	Government
			Washington Corporation	Construction
250-499	Montana Rail Link	Railroad	Bitterroot International	Forest Products
	Western Montana Clinic	Medical Services	City of Missoula	Government
	Albertson's	Retail	Missoula County Airport	Air Travel
	Village Health Care Center	Medical Services	Sun Mountain Sports	Athletic Equipment Manufacturing
	W. Montana Mental Health Center	Medical Services	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 Missoula Development Authority
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>MCA Industrial District</u>	<u>State of Montana</u>	<u>Missoula County</u>	<u>Missoula High School District No. 1</u>	<u>DeSmet School District No. 20</u>	<u>Countywide Schools</u>	<u>Missoula Rural Fire</u>	<u>Total</u>
2001	353.41	22.91	43.38	24.60	42.29	34.45	24.60	545.64
2002	366.80	19.80	49.12	26.68	44.84	33.32	25.53	566.09
2003	499.70	12.57	24.84	13.90	24.13	16.54	12.19	603.87
2004	517.57	11.54	20.52	11.68	19.78	15.01	10.72	606.82
2005	535.35	10.79	19.27	9.95	17.24	12.16	9.37	614.13
2006	536.08	10.46	17.95	9.33	15.27	11.42	8.89	609.40
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	13.85	6.01	8.19	8.22	7.39	601.85

Major Taxpayers in the Missoula Development Authority

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
Feist Limited Partnership	Distribution	\$ 191,449
Missoula Ventures		147,806
Big Sky Brewing Company	Brewery	162,443
Lithia Real Estate	Real Estate	115,324
EWB LLC (Sun Mountain Sports)	Sports Equipment	108,396
Rocky Mountain Biologicals	Medical	79,988
Woodahl Land & Livestock Company	Real Estate	77,669
Sheridan Montana Ventures	Office/Warehouses	71,895
Mountain Water Company	Utility	60,593
Roscoe Steel & Culvert	Construction	48,472
	Total	<u>\$ 1,064,035</u>

The taxable value of the property of these ten taxpayers represents approximately 43.24% of taxable value of taxable property in the District for tax year 2009.

MISSOULA COUNTY, MONTANA
Missoula Development Authority
Taxable Value, Incremental Taxable Value & Tax Increment Revenue

Fiscal Year	Taxable Value	Incremental Taxable Value	Anticipated Tax Increment to be Collected ⁽¹⁾	Current Tax Collections ⁽²⁾	Total Tax Collections ⁽³⁾
2002	\$ 668,585	\$ 491,980	\$ 245,237	\$ 229,958	\$ 246,470
2003	1,075,456	898,851	537,409	507,524	516,469
2004	1,274,588	1,097,983	659,745	619,331	711,529
2005	1,748,514	1,571,909	959,261	827,341	894,601
2006	1,998,711	1,822,106	1,104,079	902,456	1,143,408
2007	1,775,065	1,598,460	968,491	793,745	795,915
2008	1,950,516	1,773,911	1,030,252	634,032	761,463
2009	2,065,994	1,889,389	1,079,653	914,154	916,408
2010	2,527,639	2,351,034	1,400,887	1,206,236	1,289,055
2011	2,726,457	2,549,852	1,501,480	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 2011 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 2011 is not yet available.

MISSOULA COUNTY, MONTANA
Missoula Development Authority
Increment Bond Coverage

Maximum Principal & Interest in any 12 Month Period - \$205,750

Sources of Coverage					
Fiscal Year	Tax Increment (1)	Port Authority Levy (2)	Interest (3)	Total	Coverage (4)
2002	\$ 245,237	\$ 262,420	\$ 10,288	\$ 517,945	2.52
2003	537,409	272,088	10,288	819,785	3.98
2004	659,745	280,069	10,288	950,102	4.62
2005	959,261	291,138	10,288	1,260,686	6.13
2006	1,104,079	310,546	10,288	1,424,912	6.93
2007	968,491	321,384	10,288	1,300,162	6.32
2008	1,030,252	321,384	10,288	1,361,923	6.62
2009	928,742	340,475	10,288	1,279,505	6.22
2010	1,400,887	340,475	10,288	1,751,649	8.51
2011	1,501,480	346,994	10,288	1,858,761	9.03

- (1) Assumes increment taxes are collected in full
(2) Assumes 90% current collection rate on 2-mill levy
(3) Assumes 5% return on Reserve Account of \$205,750
(4) Assuming only the Series 1997 Bonds are outstanding

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

Tax Year	Taxable Value of County Property	Potential Revenue from the Port Authority Levy (Two Mills)
2002	\$ 145,789,091	\$ 291,578
2003	151,159,660	302,319
2004	155,594,087	311,188
2005	161,743,087	323,486
2006	172,525,317	345,051
2007	178,546,389	357,093
2008	184,460,260	368,921
2009	189,152,539	378,305
2010	190,855,285	381,711
2011	192,774,307	385,549

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
2001	95,802	1,631	843	\$ 24,476	13,780	1,259	52,399	3.9
2002	95,802	1,249	896	24,111	13,570	1,207	53,510	4.0
2003	97,580	1,983	931	25,818	13,459	1,171	54,553	3.9
2004	98,616	1,451	948	26,823	13,259	1,418	54,643	4.1
2005	99,018	1,901	826	27,997	13,290	1,313	55,803	4.0
2006	100,086	1,591	940	29,625	13,244	1,464	58,692	3.7
2007	101,417	1,770	842	30,131	13,202	1,380	59,655	2.2
2008	105,650	2,021	987	31,535	13,082	1,334	55,868	3.8
2009	107,320	1,647	936	33,587	13,098	1,186	54,500	6.1
2010	108,623	1,569	883	35,108	13,090	1,045	54,918	5.7

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
2001	\$ 1,250,326,682	\$ 142,233,548	50	\$ 28,801,023	469	\$ 38,249,157	519	\$ 67,050,180
2002	1,706,044,951	145,789,091	39	32,654,140	567	40,649,542	606	73,303,682
2003	1,927,869,534	151,159,660	53	13,525,293	700	48,015,530	753	61,540,823
2004	2,022,706,234	155,594,087	42	20,973,429	1,530	86,386,297	1,572	107,359,726
2005	1,646,928,870	161,743,087	36	24,430,995	726	46,692,769	762	71,123,764
2006	2,484,000,000	172,525,317	26	21,277,315	651	47,128,635	677	68,405,950
2007	1,461,647,000	178,546,389	19	14,781,253	453	38,143,398	472	52,924,651
2008	N/A (d)	184,460,260	15	9,317,273	456	39,061,829	471	48,379,102
2009	N/A	189,152,539	5	17,130,289	383	31,265,863	388	48,396,152
2010	N/A	190,855,285	5	727,936	215	14,647,451	220	15,375,387

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	15.47	21.53	20.98	20.48	21.23	19.61	23.71	23.51	28.64	26.08
Judicial Services	11.00	11.00	11.00	11.00	11.00	13.00	13.00	13.00	13.00	14.00
Legal Services	21.65	24.11	25.55	26.55	27.30	29.29	29.41	31.39	31.39	32.39
Financial Services	10.16	10.25	9.75	10.09	10.09	10.75	11.00	10.50	10.83	10.50
Human Resource	4.75	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Information Services	9.00	9.00	10.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00
Treasurer/MV	22.49	23.15	24.65	24.45	24.45	21.65	21.65	21.65	21.65	20.65
911 Communications	25.42	25.25	26.25	27.25	27.29	27.34	32.24	32.29	32.29	32.29
Election Services	4.28	4.28	5.79	4.23	4.23	4.23	4.23	4.53	4.53	4.53
Records Administration	10.00	10.15	10.90	10.15	11.15	9.40	9.40	9.40	9.40	8.40
Internal Services	9.70	9.05	9.55	9.83	10.08	10.05	9.05	9.05	9.05	8.25
Facilities Administration	4.00	4.00	4.00	5.00	9.98	10.00	10.00	10.82	10.00	10.00
District Court										
Clerk of Court	13.50	13.50	13.00	13.50	14.50	15.00	15.00	17.00	17.00	17.00
Youth Court	18.90	17.92	-	-	-	-	-	-	-	-
Public Defenders	13.50	14.50	16.00	17.00	19.00	20.00	-	-	-	-
Public Safety										
Law Enforcement Services	55.50	60.00	59.00	60.85	61.00	60.25	61.25	62.30	61.30	61.30
Detention Center	113.00	115.40	117.00	115.57	112.50	107.26	107.26	107.25	108.35	108.10
Court Support	15.01	14.95	2.00	1.00	1.00	1.00	1.00	1.17	1.25	2.13
Emergency Services	1.00	0.95	0.95	0.95	0.95	1.00	1.00	0.95	0.95	0.95
Public Works										
Road - Bridge	52.27	48.26	47.30	46.93	47.60	47.93	48.57	45.07	43.30	42.31
Building Code Division	-	-	-	-	-	4.67	10.00	9.00	8.00	5.00
Seeley Lake Refuse	-	-	-	-	-	-	2.00	1.75	1.75	2.25
Weed	4.80	4.80	4.80	5.25	5.25	5.32	6.35	5.25	5.05	5.25
Public Health										
Public Health Services	65.26	59.87	58.12	61.27	63.26	63.88	69.56	69.59	70.15	67.95
Partnership Health Clinic	29.60	37.45	39.65	34.67	37.29	43.92	45.15	44.45	49.75	50.50
Animal Control	7.05	7.05	7.05	7.00	7.79	8.00	8.00	9.00	9.00	9.30
Culture & Recreation										
Parks & Recreations Services	-	0.50	0.73	0.73	0.73	0.73	1.03	1.03	1.35	1.23
Library	21.10	24.60	26.97	27.00	26.58	29.68	30.85	33.12	36.25	36.65
Museum	3.00	3.05	4.18	4.34	4.34	4.54	4.60	5.07	5.72	5.72
Fair	3.75	3.96	4.50	4.81	5.40	4.40	3.75	3.25	3.25	4.00
Social & Economics										
County Extension	4.80	5.05	5.05	5.07	5.00	5.57	6.10	5.70	5.70	5.55
Planning & Grants	38.98	46.15	48.25	53.15	52.72	56.22	61.74	64.16	61.11	61.24
	<u>611.94</u>	<u>637.73</u>	<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>

Source: Missoula County Finance Office

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

Function/Program		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government											
Registered Voters (June)	(1)	57,928	52,338	61,557	49,116	57,294	60,521	67,240	57,215	80,346	78,366
Property Transactions:											
Deeds Recorded	(1)	4,850	5,734	9,371	5,796	6,074	5,881	4,146	4,233	3,765	3,629
Subdivision Plates Filed	(1)	78	110	210	147	129	117	90	87	78	51
Certificates of Survey	(1)	97	125	210	142	130	110	94	132	94	49
Motor Vehicle Title Transfers		N/A	34,695	36,932	39,172	38,000	37,674	37,952	34,481	31,009	30,961
Motor Vehicle Registrations		N/A	117,433	118,790	120,233	98,792	96,885	86,390	89,218	92,046	84,547
Payroll Payments Processed	(1)	N/A	N/A	19,246	19,769	20,358	20,448	20,697	20,722	20,860	20,828
Claims Payments Processed	(1)	N/A	N/A	19,115	19,621	18,371	22,080	21,863	20,462	18,966	27,365
911 Emergency Communications											
Law Enforcement		73,840	79,564	74,303	83,895	90,103	89,426	89,207	93,430	82,574	83,054
Fire & Medical dispatched to Fire Dept		7,142	7,424	8,110	7,793	8,450	9,578	10,207	10,387	9,725	9,297
Medical-Ambulance		6,328	6,950	7,351	7,010	7,677	8,366	8,707	8,959	8,221	8,280
Other		11,366	9,868	10,055	9,745	9,832	5,720	12,795	13,600	13,425	13,269
Criminal Justice Activities											
Justice Court Civil Caseload		3,966	4,101	4,459	5,083	5,520	5,210	4,670	5,256	5,841	5,558
Justice Court Criminal Caseload		17,452	19,896	19,569	17,918	17,364	17,011	19,163	18,768	18,372	8,905
Clerk of District Court:											
Marriage Licenses Issued	(1)	815	818	734	841	811	863	847	883	444	782
Adoptions	(1)	61	57	57	49	44	61	64	87	72	60
Civil Case	(1)	1,032	1,119	1,069	1,221	1,228	1,189	1,330	1,551	1,724	1,629
Criminal Cases	(1)	518	487	543	589	642	531	529	614	664	631
All Other Open Cases	(1)	1,688	1,582	1,950	1,874	1,829	2,190	2,324	1,807	2,138	2,285
Public Safety											
Detention Center:											
Daily Occupancy (392 available beds)	(1)	N/A	354	344	365	365	363	318	305	312	298

(1) Fiscal Year

N/A - Data Not Available

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 Five Fiscal Years

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

County Seat	Missoula, MT		Population	Median age
		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	76,861			

Total County Government Employees:	Part-time	Full-time
Officials & Managers	1	42
Professionals	23	116
Technical	44	46
Protective services	2	181
Paraprofessionals	9	72
Administrative Support	86	87
Service & Maintenance	9	50
	174	594

Police protection	City Police	County Sheriff
Stations	1	1
Officers	115	50
Detention Facility		1
Detention Officers		95

Fire protection	City Fire	Missoula Rural Fire
Stations	5	5
Full-time employees	95	40
Volunteers	-	35
Fire hydrants	1042	220
Fire vehicles	25	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 and volunteer firefighters in outlying areas of Missoula County.

MISSOULA COUNTY, MONTANA
Miscellaneous Statistical Data (Continued)
June 30, 2010

Educational Facilities

Public Schools 2009-2010		
Type	Number	Enrolled
Elementary (District 1)	12	4,794
Elementary (Other Districts)	12	4,263
High Schools (MCHS)	4	3,643
High Schools (Other Dist)	1	390
Trade & Technical	1	2,444
University	1	13,198
Private Schools 2009-2010		
Type	Number	Enrolled
Elementary	10	701
High School	3	291
Home School		277
Christian On-line School		0

Special Education: Programs within school districts
and community services.

Health Care Facilities

Hospitals	2
Beds	383
Clinics	25
Nursing Homes	16
Beds	413
Assisted Living Facilities	16
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

Community Facilities

Public libraries:	
Branch facilities	2
Volumes	236,317
Audios	15,036
Videos	13,195
Annual Circulation	845,377
Churches:	
Protestant	90
Catholic	13
Other	10
Restaurants	193
Hotels/motels	48
Rooms	3,036
Shopping Centers	12
Indoor Shopping Mall (105 stores)	1
Day Care Centers	261

Recreation and Cultural

Swimming Pools	Private - 5	Public - 4
Golf Courses	Private - 2	7
Health Clubs		22
Tennis Courts		30
Bowling Centers		2
Parks		100
Movie Theaters		25
Ski Areas		2
Theatrical Playhouses		8
Museums		10
Art Galleries		24
Symphonies/orchestras		4

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards - Cash Basis
For the Year Ended June 30, 2010

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis
For the Year Ended June 30, 2010
(Page 1 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/09	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
OFFICE OF NATIONAL DRUG CONTROL POLICY:									
Passed Through City of Missoula:									
High Intensity Drug Trafficking Area	95.001	G09RM0037A	\$ 66,705	\$ -	\$ 39,749	\$ -	\$ -	\$ -	\$ 39,749
Total Office of National Drug Control Policy				-	39,749	-	-	-	39,749
DEPARTMENT OF AGRICULTURE:									
United States Forest Service:									
ARRA Capital Improvement and Maintenance	10.687	10-RO-110182B1-037	35,000	-	35,000	19,079	-	-	54,079
Passed Through State Department of Public Health:									
Women/Infants/Children 09-10	10.557	09-07-5-21-014-0	483,436	(79,195)	213,486	11,053	-	-	224,539
Women/Infants/Children 10-11	10.557	10-07-5-21-014-0	451,101	-	248,367	207	-	-	248,574
WIC Breastfeeding Support Services 09-10	10.557	09-07-5-21-060-0	25,784	(3,065)	9,777	327	-	-	10,104
WIC Breastfeeding Support Services 10-11	10.557	10-07-5-21-060-0	27,316	-	16,820	-	-	-	16,820
WIC Farmers Market Program	10.557	09-07-5-21-085-0	6,900	-	4,425	-	-	-	4,425
Subtotal Women/Infants/Children Grants				(82,260)	492,875	11,587	-	-	504,462
Intensive Case Management Home Visiting	10.551	10-07-5-31-019-0	29,500	-	29,500	10,802	-	-	40,302
Passed Through the State Auditor:									
Forest Reserve Receipts	10.665	N/A	958,454	387,237	837,486	-	-	-	837,486
Total Department of Agriculture				304,977	1,394,861	41,468	-	-	1,436,329
DEPARTMENT OF COMMERCE:									
Economic Development Administration:									
DirecTV Infrastructure Improvements	11.300	05-01-04327	1,250,000	(1,293,529)	1,250,000	43,529	-	-	1,293,529
Total Department of Commerce				(1,293,529)	1,250,000	43,529	-	-	1,293,529
DEPARTMENT OF TRANSPORTATION:									
Passed Through State Department of Transportation:									
Milltown Dam Enhancements	20.205	6167	2,075,909	(496,915)	501,648	-	-	-	501,648
CMAQ-TDM	20.205	CM8199 (80)	267,493	2,709	-	-	-	-	-
CMAQ-TDM	20.205	CM8199 (84)	289,449	(51,226)	144,839	50	-	-	144,889
CMAQ-TDM	20.205	CM8199 (90)	87,567	-	48,912	37,878	-	-	86,790
P.L. Transport 09	20.205	N/A	387,632	(59,829)	142,677	-	-	-	142,677
P.L. Transport 10	20.205	N/A	450,934	-	201,478	-	-	-	201,478
Roman Creek	20.205	STPE 32 (59)	153,642	-	131,573	24,958	-	-	156,531
ARRA Mullan Road Bicycle Pedestrian Path	20.205	ARRA 8123 (1)	600,000	-	330,395	-	-	-	330,395
Subtotal Highway Planning and Transportation Grants				(605,261)	1,501,522	62,886	-	-	1,564,408
FTA 09	20.505	104203	104,711	(28,198)	40,446	1,652	-	-	42,098
FTA 10	20.505	104762	114,404	-	52,789	1,778	-	-	54,567
Subtotal Metropolitan Transportation Planning				(28,198)	93,235	3,430	-	-	96,665
DUI Task Force Association Facilitator 09-10	20.600	2009-02-17-01	43,745	(9,612)	23,124	1,363	-	-	24,487
DUI Task Force Association Facilitator 10-11	20.600	2010-02-18-01; 2010-16-18-01	46,000	-	6,964	-	-	-	6,964
Subtotal State and Community Highway Safety Grants				(9,612)	30,088	1,363	-	-	31,451

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 2 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements		Total Disbursements	Cash (Deficit) 6/30/10
				Federal	Local		
OFFICE OF NATIONAL DRUG CONTROL POLICY:							
Passed Through City of Missoula:							
High Intensity Drug Trafficking Area	95.001	G09RM0037A	\$ 66,705	\$ 39,749	\$ -	\$ 39,749	\$ -
Total Office of National Drug Control Policy				39,749	-	39,749	-
DEPARTMENT OF AGRICULTURE:							
ARRA Capital Improvement and Maintenance	10.687	10-RO-110182B1-037	35,000	35,000	19,079	54,079	-
Passed Through State Department of Public Health:							
Women/Infants/Children 09-10	10.557	09-07-5-21-014-0	483,436	134,291	11,053	145,344	-
Women/Infants/Children 10-11	10.557	10-07-5-21-014-0	451,101	318,973	207	319,180	(70,606)
WIC Breastfeeding Support Services 09-10	10.557	09-07-5-21-060-0	25,784	6,712	327	7,039	-
WIC Breastfeeding Support Services 10-11	10.557	10-07-5-21-060-0	27,316	21,480	-	21,480	(4,660)
WIC Farmers Market Program	10.557	09-07-5-21-085-0	6,900	6,900	-	6,900	(2,475)
Subtotal Women/Infants/Children Grants			-	488,356	11,587	499,943	(77,741)
Intensive Case Management Home Visiting	10.551	10-07-5-31-019-0	29,500	29,500	10,802	40,302	-
Passed Through the State Auditor:							
Forest Reserve Receipts	10.665	N/A	958,454	844,935	-	844,935	379,788
Total Department of Agriculture				1,397,791	41,468	1,439,259	302,047
DEPARTMENT OF COMMERCE:							
Economic Development Administration:							
DirecTV Infrastructure Improvements	11.300	05-01-04327	1,250,000	-	-	-	-
Total Department of Commerce				-	-	-	-
DEPARTMENT OF TRANSPORTATION:							
Passed Through State Department of Transportation:							
Milltown Dam Enhancements	20.205	6167	2,075,909	87,029	-	87,029	(82,296)
CMAQ-TDM	20.205	CM8199 (80)	267,493	2,709	-	2,709	-
CMAQ-TDM	20.205	CM8199 (84)	289,449	86,756	16,169	102,925	(9,262)
CMAQ-TDM	20.205	CM8199 (90)	87,567	77,992	12,090	90,082	(3,292)
P.L. Transport 09	20.205	N/A	387,632	82,848	-	82,848	-
P.L. Transport 10	20.205	N/A	450,934	309,933	-	309,933	(108,455)
Roman Creek	20.205	STPE 32 (59)	153,642	133,894	25,504	159,398	(2,867)
ARRA Mullan Road Bicycle Pedestrian Path	20.205	ARRA 8123 (1)	600,000	331,923	-	331,923	(1,528)
Subtotal Highway Planning and Transportation Grants				1,113,084	53,763	1,166,847	(207,700)
FTA 09	20.505	104203	104,711	13,175	888	14,063	(163)
FTA 10	20.505	104762	114,404	82,041	2,743	84,784	(30,217)
Subtotal Metropolitan Transportation Planning				95,216	3,631	98,847	(30,380)
DUI Task Force Association Facilitator 09-10	20.600	2009-02-17-01	43,745	13,512	1,363	14,875	-
DUI Task Force Association Facilitator 10-11	20.600	2010-02-18-01; 2010-16-18-01	46,000	22,946	-	22,946	(15,982)
Subtotal State and Community Highway Safety Grants				36,458	1,363	37,821	(15,982)

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 3 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/09	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DUI Equipment	20.601	2009-16-04-04	22,400	-	18,579	-	-	-	18,579
STEP 09	20.601	2009-11-04-20; 2009-17-04-20	30,000	(6,473)	14,917	-	-	-	14,917
STEP 10	20.601	2010-05-04-20; 2010-16-04-20	22,000	-	11,267	-	-	-	11,267
Subtotal Alcohol Impaired Driving Countermeasures Incentive Grants				(6,473)	44,763	-	-	-	44,763
Total Department of Transportation				(649,544)	1,669,608	67,679	-	-	1,737,287
DEPARTMENT OF JUSTICE:									
Direct Programs:									
OVW Rural Domestic Violence	16.589	2008-WR-AX-0008	364,732	(23,659)	161,619	-	-	-	161,619
Safety Vest	16.607	N/A	16,121	-	13,541	14,342	-	-	27,883
OVW Encourage to Arrest	16.590	2008-WE-AX-18	311,916	(36,032)	133,057	-	-	-	133,057
OVW Safe Havens Grant-Planet Kds	16.527	200704306	299,991	-	136,805	-	-	-	136,805
Passed Through State Department of Justice:									
Juvenile Accountability Alternative Initiative	16.523	08-J02-90315	21,500	1,480	-	-	-	-	-
Juvenile Accountability Block Grant	16.523	08-A15-90387	37,570	-	-	1,860	-	-	1,860
Juvenile Accountability Block Grant	16.523	09-A15-90608	34,781	-	34,781	3,864	-	-	38,645
JDAI Conference Grant	16.523	08-II01-90306	19,900	(82)	-	82	-	-	82
Subtotal Juvenile Accountability Block Grants				1,398	34,781	5,806	-	-	40,587
ARRA Victim/Witness Project	16.801	09-VR01-90512	117,084	-	88,437	29,271	-	-	117,708
ARRA First STEP Program	16.588	09-WR-90589	70,651	-	20,580	157,255	-	-	177,835
ARRA West Central Drug Task Force	16.803	09-GR01-90624	178,303	-	142,000	259,866	-	-	401,866
Passed Through City of Missoula:									
FY09 Edward Byrne Memorial JAG Program	16.738	2009-DJ-BX870	18,000	-	18,000	-	-	-	18,000
ARRA FY09 Edward Byrne Memorial JAG Program	16.738	2009-G1430-MT-SB	98,129	-	90,543	-	-	-	90,543
Subtotal Edward Byrne Memorial Justice Assistance Grant Program				-	108,543	-	-	-	108,543
Total Department of Justice				(58,293)	839,363	466,540	-	-	1,305,903
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:									
Direct Programs:									
Share House	14.235	MT0015B8T000801	196,665	-	148,669	-	-	-	148,669
Share House	14.235	MT0015B8T000802	147,498	-	65,949	-	-	-	65,949
Ada's Place	14.235	MT0003B8T000801	101,001	-	22,895	-	-	-	22,895
Ada's Place	14.235	MT0003B8T000802	102,371	-	94,822	-	-	-	94,822
Salvation Army Gateway Center	14.235	MT0006B8T000801	61,579	-	47,337	-	-	-	47,337
Subtotal Supportive Housing Program				-	379,672	-	-	-	379,672
Passed Through State Department of Commerce:									
CDBG - Community Resources	14.228	N/A	N/A	160,683	-	-	514,277	1,939	516,216
CDBG - Revolving Fund Loan	14.228	N/A	N/A	103,852	-	-	-	823	823
CDBG - Pyramid Lumber	14.228	MTCDBG-ED08-03	400,000	-	-	-	-	-	-
CDBG - Mountain Home	14.228	MTCDBG-09-HR-02	450,000	-	-	-	-	-	-
CDBG - Rocky Mountain Biologicals	14.228	MTCDBG-ED05-03A	64,800	-	-	-	-	-	-
Subtotal Community Development Block Grants - State Program				264,535	-	-	514,277	2,762	517,039

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 4 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements		Total Disbursements	Cash (Deficit) 6/30/10
				Federal	Local		
DUI Equipment	20.601	2009-16-04-04	22,400	18,579	-	18,579	-
STEP 09	20.601	2009-11-04-20; 2009-17-04-20	30,000	8,444	-	8,444	-
STEP 10	20.601	2010-05-04-20; 2010-16-04-20	22,000	15,491	-	15,491	(4,224)
Subtotal Alcohol Impaired Driving Countermeasures Incentive Grants				42,514	-	42,514	(4,224)
Total Department of Transportation				1,287,272	58,757	1,346,029	(258,286)
DEPARTMENT OF JUSTICE:							
Direct Programs:							
OVW Rural Domestic Violence	16.589	2008-WR-AX-0008	364,732	195,488	-	195,488	(57,528)
Safety Vest	16.607	N/A	16,121	14,342	14,342	28,684	(801)
OVW Encourage to Arrest	16.590	2008-WE-AX-18	311,916	141,148	-	141,148	(44,123)
OVW Safe Havens Grant-Planet Kds	16.527	200704306	299,991	151,649	-	151,649	(14,844)
Passed Through State Department of Justice:							
Juvenile Accountability Alternative Initiative	16.523	08-J02-90315	21,500	1,480	-	1,480	-
Juvenile Accountability Block Grant	16.523	08-A15-90387	37,570	-	1,860	1,860	-
Juvenile Accountability Block Grant	16.523	09-A15-90608	34,781	34,781	3,864	38,645	-
JDAI Conference Grant	16.523	08-II01-90306	19,900	-	-	-	-
Subtotal Juvenile Accountability Block Grants				36,261	5,724	41,985	-
ARRA Victim/Witness Project	16.801	09-VR01-90512	117,084	117,084	29,271	146,355	(28,647)
ARRA First STEP Program	16.588	09-WR-90589	70,651	25,920	157,255	183,175	(5,340)
ARRA West Central Drug Task Force	16.803	09-GR01-90624	178,303	98,477	259,866	358,343	43,523
Passed Through City of Missoula:							
FY09 Edward Byrne Memorial JAG Program	16.738	2009-DJ-BX870	18,000	18,000	-	18,000	-
ARRA FY09 Edward Byrne Memorial JAG Program	16.738	2009-G1430-MT-SB	98,129	90,543	-	90,543	-
Subtotal Edward Byrne Memorial Justice Assistance Grant Program				108,543	-	108,543	-
Total Department of Justice				888,912	466,458	1,355,370	(107,760)
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:							
Direct Programs:							
Share House	14.235	MT0015B8T000801	196,665	148,669	-	148,669	-
Share House	14.235	MT0015B8T000802	147,498	65,949	-	65,949	-
Ada's Place	14.235	MT0003B8T000801	101,001	22,895	-	22,895	-
Ada's Place	14.235	MT0003B8T000802	102,371	94,822	-	94,822	-
Salvation Army Gateway Center	14.235	MT0006B8T000801	61,579	47,337	-	47,337	-
Subtotal Supportive Housing Program				379,672	-	379,672	-
Passed Through State Department of Commerce:							
CDBG - Community Resources	14.228	N/A	N/A	129	-	129	676,770
CDBG - Revolving Fund Loan	14.228	N/A	N/A	10,745	-	10,745	93,930
CDBG - Pyramid Lumber	14.228	MTCDBG-ED08-03	400,000	10,027	-	10,027	(10,027)
CDBG - Mountain Home	14.228	MTCDBG-09-HR-02	450,000	275	-	275	(275)
CDBG - Rocky Mountain Biologicals	14.228	MTCDBG-ED05-03A	64,800	5,293	-	5,293	(5,293)
Subtotal Community Development Block Grants - State Program				26,469	-	26,469	755,105

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 5 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/09	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
HOME - Native American Housing	14.239	M06-SG3001-05	215,205	4,978	-	-	-	-	-
Total Department of Housing & Urban Development				269,513	379,672	-	514,277	2,762	896,711
ENVIRONMENTAL PROTECTION AGENCY:									
Direct Programs:									
Milltown Superfund Site Remediation	66.802	V-9785501-0	1,690,496	(12,821)	27,724	135	-	-	27,859
Passed Through State Department of Natural Resources:									
ARRA Wye Sanitary Sewer Project	66.458	SRF-10183	390,700	-	390,700	-	-	-	390,700
ARRA Wye Sanitary Sewer Project	66.458	SRF-10228	359,300	-	359,300	-	-	-	359,300
Wye Sanitary Sewer Project	66.458	SRF-10229	3,111,255	-	2,212,282	442,562	-	-	2,654,844
Subtotal Capitalization Grants for Clean Water State Revolving Funds				-	2,962,282	442,562	-	-	3,404,844
ARRA Lewis and Clark Subdivision	66.468	WRF-10156	317,700	(34,680)	317,700	-	-	-	317,700
ARRA Lewis and Clark Subdivision	66.468	WRF-10157	165,000	(9,382)	34,462	-	-	-	34,462
Subtotal Capitalization Grants for Drinking Water State Revolving Funds				(44,062)	352,162	-	-	-	352,162
Passed Through State Department Environmental Quality:									
Air Pollution 09	66.001	509006	97,332	(9,016)	9,016	-	-	-	9,016
Air Pollution 10	66.001	510006	97,332	-	88,668	-	-	-	88,668
Air Contract Title V 09	66.001	509007	2,000	(2,000)	-	-	-	-	-
Air Contract Title V 10	66.001	510007	2,000	-	-	-	-	-	-
Subtotal Air Pollution Control Program Support				(11,016)	97,684	-	-	-	97,684
Radon 09	66.605	209014	2,300	(1,993)	1,993	-	-	-	1,993
Radon 10	66.605	210060	2,300	-	-	-	-	-	-
Public Water Supply Safe Drinking Water 09	66.605	505025	21,500	(4,485)	9,015	-	-	-	9,015
Public Water Supply Safe Drinking Water 10	66.605	505025	10,000	-	1,890	-	-	-	1,890
Subtotal Performance Partnership Grants				(6,478)	12,898	-	-	-	12,898
Total Environmental Protection Agency				(74,377)	3,452,750	442,697	-	-	3,895,447
DEPARTMENT OF THE INTERIOR									
Passed Through the National Park Service:									
Japanese American Internment Sites	15.933	Y1264090031	50,000	-	-	878	-	-	878
Passed through the State Historic Preservation Office:									
Preserve America Grant II	15.929	PA II-08-004	14,998	-	6,032	11,560	-	-	17,592
Preserve America Grant III	15.929	PA III-09-004	23,432	-	-	43,011	-	-	43,011
Subtotal Save America's Treasures Project Grants				-	6,032	54,571	-	-	60,603
Bureau of Land Management:									
Upper Clark Fork River Project	15.230	L10AC200000	35,304	-	-	23,896	-	-	23,896
Total Department of the Interior				-	6,032	79,345	-	-	85,377

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 6 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements		Total Disbursements	Cash (Deficit) 6/30/10
				Federal	Local		
HOME - Native American Housing	14.239	M06-SG3001-05	215,205	4,978	-	4,978	-
Total Department of Housing & Urban Development				411,119	-	411,119	755,105
ENVIRONMENTAL PROTECTION AGENCY:							
Direct Programs:							
Milltown Superfund Site Remediation	66.802	V-9785501-0	1,690,496	28,197	135	28,332	(13,294)
Passed Through State Department of Commerce:							
ARRA Wye Sanitary Sewer Project	66.458	SRF-10183	390,700	390,700	-	390,700	-
ARRA Wye Sanitary Sewer Project	66.458	SRF-10228	359,300	359,300	-	359,300	-
Wye Sanitary Sewer Project	66.458	SRF-10229	3,111,255	2,225,804	445,268	2,671,072	(16,228)
Subtotal Capitalization Grants for Clean Water State Revolving Funds				2,975,804	445,268	3,421,072	(16,228)
ARRA Lewis and Clark Subdivision	66.468	WRF-10156	317,700	283,020	-	283,020	-
ARRA Lewis and Clark Subdivision	66.468	WRF-10157	165,000	132,967	-	132,967	(107,887)
Subtotal Capitalization Grants for Drinking Water State Revolving Funds				415,987	-	415,987	(107,887)
Passed Through State Department Environmental Quality:							
Air Pollution 09	66.001	509006	97,332	-	-	-	-
Air Pollution 10	66.001	510006	97,332	97,332	-	97,332	(8,664)
Air Contract Title V 09	66.001	509007	2,000	-	-	-	(2,000)
Air Contract Title V 10	66.001	510007	2,000	2,000	-	2,000	(2,000)
Subtotal Air Pollution Control Program Support				99,332	-	99,332	(12,664)
Radon 09	66.605	209014	2,300	-	-	-	-
Radon 10	66.605	210060	2,300	2,264	-	2,264	(2,264)
Public Water Supply Safe Drinking Water 09	66.605	505025	21,500	4,530	-	4,530	-
Public Water Supply Safe Drinking Water 10	66.605	505025	10,000	4,925	-	4,925	(3,035)
Subtotal Performance Partnership Grants				11,719	-	11,719	(5,299)
Total Environmental Protection Agency				3,531,039	445,403	3,976,442	(155,372)
DEPARTMENT OF THE INTERIOR							
Japanese American Internment Sites	15.933	Y1264090031	50,000	-	878	878	-
Preserve America Grant II	15.929	PA II-08-004	14,998	6,032	11,560	17,592	-
Preserve America Grant III	15.929	PA III-09-004	23,432	23,432	43,011	66,443	(23,432)
Subtotal Save America's Treasures Project Grants				29,464	54,571	84,035	(23,432)
Bureau of Land Management:							
Upper Clark Fork River Project	15.230	L10AC200000	35,304	28,489	-	28,489	(4,593)
Total Department of the Interior				57,953	55,449	113,402	(28,025)

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 7 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/09	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
DEPARTMENT OF HOMELAND SECURITY									
Passed Through State Department of Military Affairs :									
FEMA Predisaster Mitigation Program	97.047	PDMC-08-MT-2005	3,000,000	(39,623)	702,396	220,925	-	-	923,321
Emergency Management Program 09	97.042	N/A	50,000	(6,467)	6,467	-	-	-	6,467
Emergency Management Program 10	97.042	N/A	62,920	-	48,575	57,234	-	-	105,809
Subtotal Emergency Management Performance Grants				(6,467)	55,042	57,234	-	-	112,276
Emergency Operations Plan Update	97.067	2009-SS-T9-0005	41,513	-	-	-	-	-	-
FY08 Homeland Security Grant	97.067	2008-GE-T8-0023	517,667	(1,408)	36,647	-	-	-	36,647
FY09 Homeland Security Grant	97.067	2009-SS-T9-0005	16,434	-	673	-	-	-	673
Subtotal Homeland Security Grant Program				(1,408)	37,320	-	-	-	37,320
Total Department of Homeland Security				(47,498)	794,758	278,159	-	-	1,072,917
DEPARTMENT OF HEALTH & HUMAN SERVICES:									
Direct Programs:									
Mentoring Children of Prisoners 08	93.616	CV900268/02	89,405	-	32,712	-	-	-	32,712
Sober Truth on Underage Drinking	93.243	1H79SP015322-01	50,000	(15,214)	30,760	-	-	-	30,760
Sober Truth on Underage Drinking	93.243	1H79SP015322-02	50,000	-	24,606	-	-	-	24,606
Passed Through State Department of Public Health & Human Services:									
Community Youth Suicide Prevention	93.243	07-07-5-31-026-0	122,245	51,223	-	-	-	-	-
Subtotal Substance Abuse and Mental Health Services				36,009	55,366	-	-	-	55,366
Passed Through State Department of Public Health & Human Services:									
AIDS HIV Prevention 09-10	93.940	09-07-4-51-019-0	6,052	(2,048)	4,208	619	-	-	4,827
Public Health Emergency Preparedness 08-09	93.069	08-07-6-11-035-0	141,974	920	-	-	-	-	-
Public Health Emergency Preparedness 09-10	93.069	09-07-6-11-035-0	128,751	(43,808)	72,777	1,084	-	-	73,861
Public Health Emergency Preparedness 10-11	93.069	10-07-6-11-035-0	504,395	-	497,631	-	-	-	497,631
Subtotal Public Health Emergency Preparedness				(42,888)	570,408	1,084	-	-	571,492
Infant Immunization Program 09-10	93.268	09-07-4-31-031-0	37,435	(18,717)	37,435	-	-	-	37,435
Infant Immunization Program 10-11	93.268	10-07-4-31-031-0	37,120	-	9,280	-	-	-	9,280
Subtotal Immunization Grants				(18,717)	46,715	-	-	-	46,715
MCH Block Grant	93.994	10-07-5-01-032-0	129,360	-	129,360	730,179	-	-	859,539
MCH Children/Youth Special Health Needs	93.994	10-07-5-51-018-0	9,700	-	6,525	2,103	-	-	8,628
Subtotal Maternal and Child Health Services Block Grant to the State				-	135,885	732,282	-	-	868,167
Tuberculosis Control & Prevention 09-10	93.991	09-07-4-11-045-0	5,000	(2,500)	5,000	1,194	-	-	6,194
Tuberculosis Control & Prevention 10-11	93.991	10-07-4-11-045-0	5,000	-	500	1,605	-	-	2,105
Subtotal Project Grants & Cooperative Agreements for Tuberculosis Control Programs				(2,500)	5,500	2,799	-	-	8,299
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	39,440	(22,544)	51,929	-	-	-	51,929
Title IV-E Child Abuse & Neglect (Paralegal Services)	93.658	20053LEGL001	40,899	(6,578)	44,173	-	-	-	44,173
Subtotal Foster Care - Title IV-E				(29,122)	96,102	-	-	-	96,102

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 8 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Disbursements		Total Disbursements	Cash (Deficit) 6/30/10
				Federal	Local		
DEPARTMENT OF HOMELAND SECURITY							
Passed Through State Department of Military Affairs :							
FEMA Predisaster Mitigation Program	97.047	PDMC-08-MT-2005	3,000,000	662,773	220,925	883,698	-
Emergency Management Program 09	97.042	N/A	50,000	-	-	-	-
Emergency Management Program 10	97.042	N/A	62,920	57,234	57,234	114,468	(8,659)
Subtotal Emergency Management Performance Grants				57,234	57,234	114,468	(8,659)
Emergency Operations Plan Update	97.067	2009-SS-T9-0005	41,513	24,096	-	24,096	(24,096)
FY08 Homeland Security Grant	97.067	2008-GE-T8-0023	517,667	36,252	-	36,252	(1,013)
FY09 Homeland Security Grant	97.067	2009-SS-T9-0005	16,434	1,161	-	1,161	(488)
Subtotal Homeland Security Grant Program				61,509	-	61,509	(25,597)
Total Department of Homeland Security				781,516	278,159	1,059,675	(34,256)
DEPARTMENT OF HEALTH & HUMAN SERVICES:							
Direct Programs:							
Mentoring Children of Prisoners 08	93.616	CV900268/02	89,405	32,712	-	32,712	-
Sober Truth on Underage Drinking	93.243	1H79SP015322-01	50,000	15,546	-	15,546	-
Sober Truth on Underage Drinking	93.243	1H79SP015322-02	50,000	38,732	-	38,732	(14,126)
Community Youth Suicide Prevention	93.243	07-07-5-31-026-0	122,245	20,245	-	20,245	30,978
Subtotal Substance Abuse and Mental Health Services				74,523	-	74,523	16,852
Passed Through State Department of Public Health & Human Services:							
AIDS HIV Prevention 09-10	93.940	09-07-4-51-019-0	6,052	2,160	619	2,779	-
Public Health Emergency Preparedness 08-09	93.069	08-07-6-11-035-0	141,974	920	-	920	-
Public Health Emergency Preparedness 09-10	93.069	09-07-6-11-035-0	128,751	30,053	-	30,053	-
Public Health Emergency Preparedness 10-11	93.069	10-07-6-11-035-0	504,395	436,161	-	436,161	61,470
Subtotal Public Health Emergency Preparedness				467,134	-	467,134	61,470
Infant Immunization Program 09-10	93.268	09-07-4-31-031-0	37,435	18,718	-	18,718	-
Infant Immunization Program 10-11	93.268	10-07-4-31-031-0	37,120	18,560	-	18,560	(9,280)
Subtotal Immunization Grants				37,278	-	37,278	(9,280)
MCH Block Grant	93.994	10-07-5-01-032-0	129,360	129,360	730,179	859,539	-
MCH Children/Youth Special Health Needs	93.994	10-07-5-51-018-0	9,700	8,300	2,103	10,403	(1,775)
Subtotal Maternal and Child Health Services Block Grant to the State				137,660	732,282	869,942	(1,775)
Tuberculosis Control & Prevention 09-10	93.991	09-07-4-11-045-0	5,000	2,500	1,194	3,694	-
Tuberculosis Control & Prevention 10-11	93.991	10-07-4-11-045-0	5,000	1,891	1,605	3,496	(1,391)
Subtotal Project Grants & Cooperative Agreements for Tuberculosis Control Programs				4,391	2,799	7,190	(1,391)
Title IV-E Child Abuse & Neglect	93.658	20053LEGL0012	39,440	38,307	-	38,307	(8,922)
Title IV-E Child Abuse & Neglect (Paralegal Services)	93.658	20053LEGL001	40,899	40,899	-	40,899	(3,304)
Subtotal Foster Care - Title IV-E				79,206	-	79,206	(12,226)

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 9 of 10)

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Cash (Deficit) 7/1/09	Receipts				
					Federal Contribution	Local Contribution	Program Income	Investment Income	Total Receipts
Passed Through State Department of Public Health & Human Services:									
Montana Cancer Control Program	93.283	10-07-3-01-050-0	10,000	-	10,000	-	-	-	10,000
Passed through Montana State University:									
HHD - NAPA Breastfeeding	93.283	09-07-3-01-021-0	24,000	(75)	14,500	-	-	-	14,500
Subtotal Centers for Disease Control and Prevention Technical Assistance Grants				(75)	24,500	-	-	-	24,500
Total Department of Health & Human Services				(59,341)	971,396	736,784	-	-	1,708,180
Total Federal Financial Assistance				<u>\$ (1,608,092)</u>	<u>\$ 10,798,189</u>	<u>\$ 2,156,201</u>	<u>\$ 514,277</u>	<u>\$ 2,762</u>	<u>\$ 13,471,429</u>

MISSOULA COUNTY, MONTANA
Schedule of Expenditures of Federal Awards-Cash Basis (Continued)
For the Year Ended June 30, 2010
(Page 10 of 10)

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Disbursements</u>		<u>Total Disbursements</u>	<u>Cash (Deficit) 6/30/10</u>
				<u>Federal</u>	<u>Local</u>		
Passed Through State Department of Public Health & Human Services:							
Montana Cancer Control Program	93.283	10-07-3-01-050-0	10,000	10,000	-	10,000	-
Passed through Montana State University:							
HHD - NAPA Breastfeeding	93.283	09-07-3-01-021-0	24,000	13,945	-	13,945	480
Subtotal Centers for Disease Control and Prevention Technical Assistance Grants				23,945	-	23,945	480
Total Department of Health & Human Services				859,009	735,700	1,594,709	54,130
Total Federal Financial Assistance				\$ 9,254,360	\$ 2,081,394	\$ 11,335,754	\$ 527,583

MISSOULA COUNTY, MONTANA

Notes to Schedule of Expenditures of Federal Awards - Cash Basis

For the Year Ended June 30, 2010

Note 1 - Basis of Presentation

The accompanying schedule is presented on the basis of cash receipts and disbursements. Accordingly, federal contributions, local contributions, program income and investment income are recognized when received rather than when measurable and available, and expenditures are recognized when a warrant is issued rather than when the obligation is incurred.

While OMB Circular A-133 requires only federal expenditures to be included in the schedule, the State of Montana requires the inclusion of cash balances, federal contributions, local contributions, other income and ending cash balances.

Note 2 - Loans Receivable

The Department of Housing and Urban Development-Community Development Block Grant programs had the following loans receivable at June 30, 2010:

Revolving Loan Fund

<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	163,434
<u>Opportunity Resources, Inc.</u>	
0%, \$167 due monthly from May 2006 through April 2015	11,667
<u>Partnership Health Center</u>	
1%, \$2,640 due annually from July 2006 through July 2016	15,297
<u>North Missoula Community Development Corporation</u>	
3%, varying amounts due annually through May 2014	34,628
<u>Western Montana Mental Health Center</u>	
5%, \$9,719 due annually through November 2015	51,511
<u>Aquila Vision</u>	
7%, \$10,383 due monthly, all principal and interest due July 1, 2008	125,800
<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	85,476

Note 3 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2010:

\$241,000, issued June 1994, 4% due in varying amounts through July 2014	\$ 37,000
\$1,943,000, issued June 1994, 4% due in varying amounts through July 2014	374,000
\$291,000, issued November 1998, 4% due in varying amounts through July 2019	121,000
\$649,936, issued September 2002, 4% due in varying amounts through July 2023	395,000
\$4,498,121, issued July 2003, 3.75% due in varying amounts through July 2024	2,424,000
\$169,000, issued April 2005, 2.75% due in varying amounts through July 2015	79,000
\$281,199, issued April 2005, 3.75% due in varying amounts through July 2020	115,000
\$142,000, issued November 2008, 3.75% due in varying amounts through July 2029	141,000
\$359,300, issued July 2009, 1.75% due in varying amounts through July 2029	359,300
\$3,735,000, issued July 2009, 3.75% due in varying amounts through July 2029	2,654,844
\$3,410,125, issued July 2009, 3.75% due in varying amounts through July 2029	3,410,125

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.468) at June 30, 2010:

\$165,000, issued September 2009, 0.75% due in varying amounts through July 2029	30,462
--	--------

Note 4 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2010 as follows:

- Ada's Place (CFDA# 14.235) passed-through \$115,313 to the YWCA.
- Gateway Center (CFDA# 14.235) passed-through \$45,872 to the YWCA.
- Share House Transitional Housing (CFDA# 14.235) passed-through \$207,595 to the Western Montana Mental Health Center.
- Juvenile Accountability Block Grant (CFDA# 16.523) passed-through \$19,346 to Habitat for Humanity.
- OVW Safe Havens (CFDA# 16.527) passed through \$151,649 to the YWCA.
- Rural Domestic Violence Program (CFDA# 16.589) passed-through \$46,031 to the YWCA and the National Coalition Building Institute.
- Encourage to Arrest (CFDA# 16.590) passed-through \$17,333 to the YWCA, the National Coalition Building Institute, and Missoula Correctional Services.
- CMAQ (CFDA# 20.205) passed-through \$167,457 to Habitat for Humanity.
- Mentoring Children of Prisoners (CFDA# 93.616) passed-through \$22,785 to Big Brothers & Big Sisters.

Note 5 - Restatement of Beginning Cash

The cash balance at June 30, 2009 has been restated for Capitalization Grants for Drinking Water State Revolving Funds Contract WRF-10156 (CFDA# 66.468) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing cash balances at June 30, 2009 by \$34,680.

The cash balance at June 30, 2009 has been restated for Capitalization Grants for Drinking Water State Revolving Funds Contract WRF-10157 (CFDA# 66.468) to reflect the correction of prior period expenditures. The restatement had the effect of decreasing cash balances at June 30, 2009 by \$9,382.

Note 6 - 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 2010, the County received 3 grants, the DUI Task Force Facilitator grant (CFDA# 20.600), DUI Equipment (CFDA# 20.601), and STEP (CFDA# 20.601), that belonged 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, 2010, which collectively comprise the County's basic financial statements and have issued my report thereon dated February 28, 2011. 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.

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. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as 2010-1 that I consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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, 2011.

Missoula County, Montana's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the County's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, the Missoula County Commissioners, others within the entity, the Montana Department of Administration, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Nicole M. Noonan, CPA, P.C.
St. Regis, Montana
February 28, 2011

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, 2010. 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 \$1,734,791 and \$3,387,788, respectively, in federal awards which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2010. My audit, described below, did not include the operations of Missoula Aging Services and Partnership Health Center, because these component units obtained their own 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, 2010.

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 Montana Department of Administration, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Nicole M. Noonan, CPA, P.C.
St. Regis, Montana
February 28, 2011

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

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:	Yes
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
20.205	ARRA Highway Planning and Construction Grants
16.801	ARRA Victim/Witness Project
14.235	Supportive Housing Program
66.458	ARRA Capitalization Grants for Clean Water State Revolving Funds
66.468	ARRA Capitalization Grants for Drinking Water State Revolving Funds
93.069	Public Health Emergency Preparedness

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	No

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

Section II - Financial Statement Findings

2010-1 Capital Assets

Expenditures for capital assets should be added to capital assets in the governmental activities column of the government-wide financial statements. During the audit \$654,657 was noted that was not capitalized, but should have been. This was corrected for the financial statements. These errors were due to a lack of reconciliation between capital outlay in the fund statements and capital asset additions in the government-wide financial statements. We recommend a reconciliation between these items be performed to determine that all capital assets purchased are recorded in the capital asset records.

Management Response

Missoula County agrees with the comment and will implement the recommendation. Missoula County is in the process of moving onto a new Financial Management software system. The new system provides for capitalization from the purchasing and payables module once certain parameters are set up. This should eliminate some of the issues that have arisen from the submission of handwritten documents from the departments to request capitalization.

Contact Person: Andrew Czorny

Completion Date: June 2011

MISSOULA COUNTY, MONTANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

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 unqualified.
- 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, 2009, contained no audit findings relative to federal awards.

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 PRIOR AUDIT REPORT RECOMMENDATIONS

The prior audit report contained four recommendations. The action taken on each recommendation is as follows:

<u>Number</u>	<u>Recommendation</u>	<u>Action Taken</u>
2009-1	Accounts Receivable	Implemented
2009-2	Notes Receivable	Implemented
2009-3	Capital Assets	Repeated
2009-4	Compensated Absences Fringe	Implemented

Nicole M. Noonan, CPA, P.C.

Nicole M. Noonan, CPA, P.C.
St. Regis, Montana
February 28, 2011