



CITY OF MISSOULA, MONTANA

*Comprehensive Annual Financial Report
For
Fiscal Year Ended June 30, 2008*



PHOTOGRAPH COURTESY OF: MISSOULA PARKS & RECREATION DEPARTMENT

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Prepared by the Finance Department



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INTRODUCTORY SECTION



FINANCE DEPARTMENT

Budget and Analysis
Treasury
Finance and Debt Management
Accounting/Utility Billing
435 Ryman Street, Missoula, Montana 59802 (406) 552-6107 FAX (406) 327-2217

DATE: December 18, 2008

TO: Mayor John Engen
City Council
Citizens of Missoula

RE: Annual Financial Statements

We are pleased to submit the audited Financial Statements of the City of Missoula, the financial reporting entity, for the fiscal year ended June 30, 2008. This report presents comprehensive financial and operating information about the City's activities that is useful to taxpayers, citizens, and other interested parties. The report includes all funds and account groups of the City of Missoula, the primary government. The Finance Department staff prepares the City's financial statements and is responsible for their integrity and objectivity. These statements are considered to present the City's financial position and results of operations fairly and consistently. The report has been prepared in accordance with generally accepted accounting principles for governments. These statements necessarily include some amounts that are based on our best estimates and professional judgments. We encourage readers to refer to the Management's Discussion and Analysis section of the report for a more complete overview and analysis of the City's financial activities.

Because the City receives federal grants, it is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Information related to the single audit, including the Schedule of Federal Financial Assistance and the auditors' reports on the internal controls and compliance of the applicable laws and regulations are included in the single audit section of this report.

CITY OF MISSOULA PROFILE

The City was originally incorporated in 1883 and re-incorporated in 1889. It operates under the Mayor-Council form of government and provides a wide range of municipal services including police, fire, recreation, public works improvements and general administration services. Wastewater treatment services are accounted for in an enterprise fund. Private firms provide garbage, water, electric and gas services. The Missoula Parking Commission and Missoula Redevelopment Agency are included in this report as component units. Component units are legally separate entities for which the primary government is financially accountable. All retirement plans are handled by state agencies. Planning, Library and the Health Department are joint City/County agencies that are administered by Missoula County so they are included in the County's annual report, with only the City's contribution to these entities appearing in these statements. The Missoula Housing Authority does not meet the criteria for inclusion in this report.

The City of Missoula maintains budgetary controls, the object of which is to ensure compliance with the legal provisions embodied in the annual budget adopted by the City Council each summer. Budgets are legally required and prepared for all of the City's funds. The legal level of budgetary control is established at the fund level.

ECONOMIC CONDITION AND OUTLOOK

The Bureau of Business and Economic Research (BBER) is the research and public service branch of the University of Montana's School of Business Administration. The Bureau is regularly involved in a wide variety of activities, including economic analysis and forecasting. Excerpts from the Bureau's updated forecasts contained in the fall of 2008 relating to Missoula and Missoula County are restated below.

As the result of the recent severe financial problems at the national level, the Bureau of Business and Economic Research (BBER) has revised its economic forecasts from this past Spring. A University of Montana economist, Patrick Barkey, has scaled back his forecast of the state's economic performance for 2008 and 2009 – from 4 percent annual growth to 3.3 percent.

The state-level employment and personal income data are encouraging, he said. Montana's year-over-year payroll employment growth of 1.3 percent over the last 12 months was better than all but four of the 50 states, Barkey said. Non-farm labor income grew at an annual rate of 4.6 percent during the first quarter of 2008 and 4.5 percent during the second quarter. These figures were down from where they were at this same time last year – 5.7 percent to 6.5 percent, respectively, which is consistent with the modest slowing BBER is predicting. Other news on the state's important industries is more mixed. The era of robust growth in construction ended in Montana in mid-2007, and employment trends are now stable, which is better than the rest of the country where steep declines are the norm, Barkey said.

A more severe than expected U.S. recession is always a risk to BBER's forecast for the Montana economy, Barkey said. The impacts of the last two recessions (in 2001-02 and 1990-91) have been milder in Montana than the national average.

Missoula is the second largest trade and service center in the state and the dominant trade center in Western Montana. Like Billings, the Missoula retail industry is being challenged by the opening of "big box" and other specialized retailers in smaller communities. But Missoula's trade center-service industries (such as health care and business and professional services) continue to grow and expand. Newly released data from the Missoula Organization of Realtors show the 2008 Missoula median home price was \$206,450, just behind Gallatin County.

MAJOR INITIATIVES

Over this past year a number of major projects were either initiated or completed. These included:

- Over the Fall of 2007, the City started extending the sewer from North Grove Street (near River Road) south to the intersection with Third Street and then west on Third Street to the intersection of Tower with Third. This project will also assist the extension of Mountain Water west along Third Street, thus enabling many subdivision projects to get started in the western part of Missoula.
- The City's Parks and Recreation Department worked in cooperation with the competitive swim community to build a 50 meter pool at Playfair Park to replace the old 50 meter pool at McCormick Park, which was removed in the fall of 2006. This pool successfully opened in the spring of 2008.
- The City began construction on a new Fire Station (#5) in FY06 in Southwest Missoula to accommodate the growth of the City in this area. This station was approved for construction in a voter approved General Obligation bond issue in the Fall of 2005 along with the remodel of two older fire stations. The new fire station was completed and occupied in FY 2007. Construction was begun in the remodeling of fire stations #2 and #3. An additional maintenance bay was also added to fire station #4 in FY 2007.
- \$5,358,915 of street improvements was completed in FY 2008.
- Quoted below are excerpts from the Standard & Poor's April 2008 rating upgrade.

Standard & Poor's Ratings Services assigned its 'AA-' standard long-term rating, and stable outlook, to all of the City of Missoula's outstanding voted GO debt.

The ratings reflect the city's:

The 'AA-' rating on Missoula, Mont.'s outstanding voted GO bonds reflects the city's:

- *Diverse local economy, which is anchored by the University of Montana and serves as a regional services, health care, and retail hub for the surrounding rural communities;*
- *Expanding property tax and economic bases due to a low cost of living and an educated labor force compared with the rest of the region;*
- *Historically low and stable unemployment levels; and*
- *Low overall debt burden with manageable future capital needs and limited debt issuance.*

Outlook

The stable outlook reflects the expectation of the local economy's continued diversity and steady economic

growth. The city's low reserves levels preclude a higher rating at this time. The city's ability to benefit from new retail development and its current sizable base in the future due to changes in state legislation could lead to rating improvement if additional revenue flexibility allows the city to build reserves levels.

- The City's high ratings are an objective indication of sound financial management, recognition that its overall debt profile is characterized by good debt service coverage from pledged revenues and by sound legal provisions ensuring full and timely payment of its debt service obligations. Overall net debt is very low at \$906 per capita, or 1.9% of estimated true property value.
- The City also recently received an improved credit rating from Standard & Poors for its financial management assessment (FMA) which resulted in an FMA of "strong", the highest rating a City can receive from Standard & Poors, the city's credit rating agency. The city's credit rating is an integral component in financing infrastructure projects.
- Standard & Poors has this to say about the City's "strong" FMA assessment: "A Financial Management Assessment of 'strong' indicates that practices are strong, well embedded, and likely sustainable. The government maintains most 'best practices' deemed critical to supporting credit quality and these are well embedded in the government's daily operations and practices. Formal policies support many of these activities, adding to the likelihood that these practices will be continued into the future and transcend changes in the operating environment or personnel."
- Standard & Poor's has established an analytical methodology that evaluates established and ongoing management practices and policies in the seven areas most likely to affect credit quality. These areas are:
 - Revenue and expenditure assumptions
 - Budget amendments and updates
 - Long term financial planning
 - Long term capital planning
 - Investment management policies
 - Debt management policies
 - Reserve and liquidity policies
- The City of Missoula was evaluated as having superior policies and practices in all of the areas above.

For the Future

- The City Police Department is preparing to request voter referendum approval to support the construction of a new 30,000 square foot public safety facility. This expansion is needed to accommodate public safety needs as the city continues to grow.
- The first phase of redevelopment of the downtown mill site along the Clark Fork River was initiated with the issuance of \$3.6 million of tax increment bonds in Urban Renewal District II in FY 08. This project will move into the second phase of development in FY 09.
- The groundwork was put in place to accomplish the move of Safeway from its present location to the old city maintenance shop site, freeing up the current location for the expansion of the campus of St. Patrick Hospital. This will be accomplished in the fall of 2008 with Safeway slated to open its new store in Mid-December of 2008.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Missoula for its comprehensive annual financial

report (CAFR) for the fiscal year ended June 30, 2007. This was the eleventh consecutive year that the City of Missoula has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration.

CONCLUSION

The City of Missoula is in stable financial condition in spite of limitations placed on the growth of property tax revenues. The 1997 state legislature passed Senate Bill 195, which restricts increases in taxable valuation due to increasing property values. Only new construction or newly annexed areas can significantly increase taxable valuation. This area of property taxation was addressed again by the 1999 Legislature, which made numerous changes to the way in which property is valued and taxed in Montana. The Legislature did provide for some replacement revenue for property tax revenue sources that were reduced. In addition, local governments were given the ability to levy the additional mills necessary to generate the same revenue as in the previous year. Careful budgeting and control of expenditures by departments have continued to pay off for the City. The City has annexed contiguous areas in recent years that are of an urban nature. These annexations have expanded the tax base and to some degree expanded costs. Sewer service is being extended to cover more of the developed area with the intent of protecting our aquifer. The City has been prudent in the use of year-end cash balances, but the restriction on property tax levy increases has been challenging.

ACKNOWLEDGEMENTS

I want to express my sincere appreciation to Beckie Christiaens, Assistant Finance Director/Controller, and the Finance Office staff for their excellent work and support in preparing this report.

Respectfully submitted,



Brentt Ramharter
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Missoula

Montana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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.



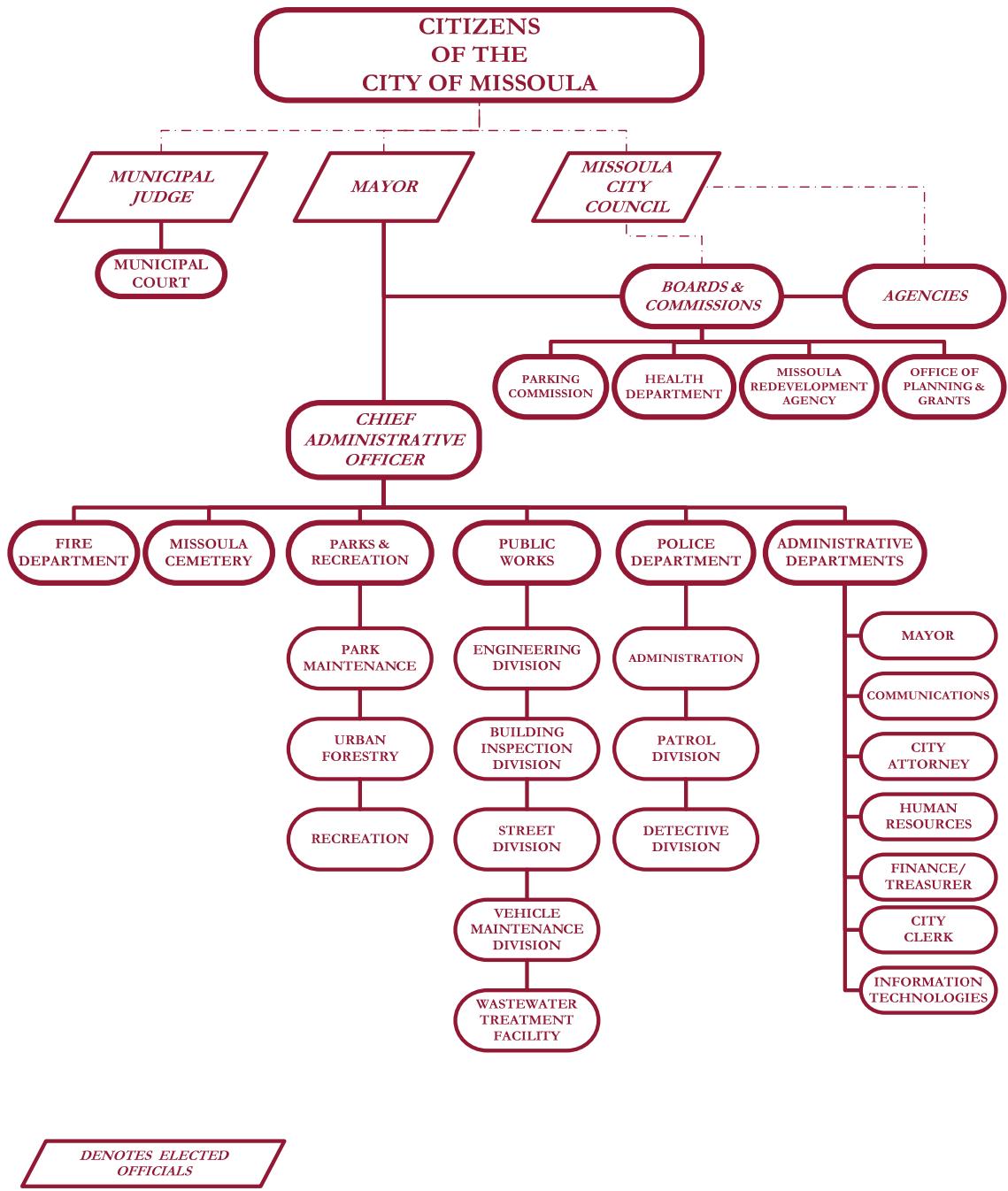
Clare S. Cox

President

Jeffrey R. Ecker

Executive Director

CITY OF MISSOULA



ELECTED OFFICIALS

MAYOR, John Engen
MUNICIPAL COURT JUDGE, Donald J. Louden

ALDERPERSONS FIRST WARD

TERM EXPIRES FIRST MONDAY IN:

Dave Strohmaier 2010
Jason Wiener 2012

ALDERPERSONS SECOND WARD

TERM EXPIRES FIRST MONDAY IN:

John Hendrickson 2010
Pam Walzer 2012

ALDERPERSONS THIRD WARD

TERM EXPIRES FIRST MONDAY IN:

Bob Jaffe 2010
Stacy Rye 2012

ALDERPERSONS FOURTH WARD

TERM EXPIRES FIRST MONDAY IN:

Lyn Hellegaard 2012
John Wilkins 2010

ALDERPERSONS FIFTH WARD

TERM EXPIRES FIRST MONDAY IN:

Dick Haines 2010
Rene Mitchell 2012

ALDERPERSONS SIXTH WARD

TERM EXPIRES FIRST MONDAY IN:

Ed Childers 2012
Marilyn Marler 2010

.....

ADMINISTRATIVE OFFICIALS

Bruce Bender, CHIEF ADMINISTRATIVE OFFICER

Tom Steenberg, FIRE CHIEF

James P. Nugent, CITY ATTORNEY

Mark Muir, POLICE CHIEF

Brentt Ramharter, FINANCE DIRECTOR/TREASURER

Ellen Buchanan, DIRECTOR, MISSOULA REDEVELOPMENT AGENCY,

Martha L. Rehbein, CITY CLERK

Gail Verlanic, DIRECTOR, HUMAN RESOURCES /EEO OFFICER

Carl Horton, DIRECTOR, INFORMATION TECHNOLOGIES

Steve King, DIRECTOR, PUBLIC WORKS

Kevin Slovarp, CITY ENGINEER

Brian Hensel, SUPERINTENDENT, STREET DIVISION

Don Verue, BUILDING OFFICIAL, BUILDING DIVISION

Starr Sullivan, SUPERINTENDENT, WASTE WATER TREATMENT DIVISION

Jack Stucky, SUPERINTENDENT, VEHILCE MAINTENANCE DIVISION

Donna Gaulker, DIRECTOR, PARKS & RECREATION

Doug Waters, DIRECTOR, MISSOULA CEMETERY

Roger Millar, DIRECTOR, OFFICE OF PLANNING & GRANTS

Anne Guest, DIRECTOR, MISSOULA PARKING COMMISSION

Ellen Leahy, DIRECTOR, CITY/ COUNTY HEALTH DEPARTMENT

Honor Bray, DIRECTOR, CITY/COUNTY LIBRARY



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Missoula
Missoula, Montana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Missoula, Montana, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Missoula's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 the City of Missoula, Montana, as of June 30, 2008, 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*, we have also issued our report dated December 18, 2008 on our consideration of the City of Missoula's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Missoula, Montana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is also not a required part of the basic financial statements of the City of Missoula, Montana. The schedule of expenditures of federal awards and the combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been audited by us and, accordingly, we express no opinion on them.

Anderson Zar Muchler & Co., P.C.

Missoula, Montana
December 18, 2008



MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The City of Missoula (the City) offers the readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements, which begin on pages IS-1 and FS-10 of this report, respectively. Certain comparative information between the current year and the prior year is also presented.

Financial Highlights

- The assets of the City of Missoula exceeded its liabilities at the close of the most recent fiscal year by \$ 194,478,871 (*net assets*). Of this amount, \$ 33,541,758 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's total governmental funds reported combined ending fund balances of \$ 6,114,858. The special revenue funds had an unreserved fund balance of \$3,208,509, which is *available for spending* at the government's discretion (*unreserved fund balance*), while \$3,175,573 of fund balance for debt service funds is restricted for debt payments.
- At the end of the current fiscal year, the total fund balance of the General Fund was \$1,202,073 which represented three percent of total General Fund expenditures. The unreserved portion of the fund balance was \$643,449. The General Fund year-end balance for FY 2008 decreased to \$1.2 million from \$2.1 million at the end of FY 2007. The City Council budgeted the fund balance to increase by \$83,500 for FY 2009, which would place the FY 2009 year end fund balance at approximately \$1.3 million. The decrease in fund balance in FY 08 was due to a decline in expected expenditure savings and slight increase in tax delinquencies. Please note that the city had a 15 year history of always having between 3% - 5% expenditure savings. The FY 08 expenditure savings were less than 1%. The City has addressed this issue by requiring a mandatory 3.7% holdback on expenditures for FY 09 and is preparing to eliminate any anticipation of expenditure savings in the FY 2010 budget. The City is prepared to rebuild its fund balance over the next two years to the level it had at the end of FY 2007 (\$2.1 Million).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Missoula's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information in addition to the basic financial statements is included at the end of the financial section.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Missoula's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City of Missoula's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Missoula is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Missoula that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, streets, public health, culture and recreation, social and economic services, housing and community development and public safety. The business-type activities of the City include a sewer utility.

The government-wide financial statements include not only the City of Missoula itself (known as the *primary government*), but also a legally separate redevelopment authority (Missoula Redevelopment Authority) and a legally separate parking commission (Missoula Parking Commission) for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government.

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 City of Missoula, 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 City of Missoula can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 *near-term inflows and outflows 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 City of Missoula maintains one hundred individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the one debt service fund, all of which are considered to be major funds. Data from the other ninety seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining schedules* elsewhere in this report.

The City of Missoula adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The General Fund is the only major fund required to present budget information in this report. The City of Missoula maintains budgetary control at the fund level. Budget to actual schedules are provided under the supplemental section.

Proprietary Funds. The City of Missoula 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 City uses enterprise funds to account for its sewer utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Missoula's various functions. The City of Missoula uses an internal service fund to account for the health benefit plan. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer utility and for the health benefit plan, the sewer utility is considered to be a major fund of the City of Missoula.

Fiduciary funds. Fiduciary 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 statement because the resources of those funds are *not* available to support the City of Missoula's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-58 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found beginning on page FS-54 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately after the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Missoula, assets exceeded liabilities by \$ 184,478,871 at the close of the most recent fiscal year.

By far the largest portion of the City of Missoula's net assets (88 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City of Missoula uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Missoula'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.

CITY OF MISSOULA'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2006
Current & Other Assets	\$ 27,624,475	\$ 26,044,400	\$ 2,906,626	\$ 5,728,562	\$ 30,531,101	\$ 31,772,962
Non-Current Capital Assets	134,430,495	143,215,043	91,190,473	74,245,025	225,620,968	217,460,068
Total Assets	162,054,970	169,259,443	94,097,099	79,973,587	256,152,069	249,233,030
Long-term Liabilities						
Current Liabilities	7,526,212	7,220,431	1,905,407	1,319,465	9,431,619	8,539,896
Non-Other Liabilities	37,350,293	38,115,140	14,891,287	15,921,698	52,241,580	54,036,838
Total Liabilities	44,876,505	45,335,571	16,796,694	17,241,163	61,673,199	62,576,734
Net Assets:						
Invested in capital assets, net of related debt	95,716,983	103,905,986	60,741,529	55,807,246	156,458,512	159,713,232
Restricted	3,175,573	3,007,558	1,303,028	1,320,306	4,478,601	4,327,864
Unrestricted	18,285,910	17,010,328	15,255,848	5,604,872	33,541,758	22,615,200
Total Net Assets	\$ 117,178,466	\$ 123,923,872	\$ 77,300,405	\$ 62,732,424	\$ 194,478,871	\$ 186,656,296

An additional portion of the City of Missoula's net assets (two percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$33,541,758) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Missoula is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. Readers are encouraged to refer to the information provided in the Notes to the Financial Statements for more detailed information on the assets and long-term debt activity for the year.

Governmental activities: Governmental activity net assets decreased by \$6,745,406 during the current fiscal year, mainly due to the transfer of the newly constructed aquatic's facilities to a new proprietary fund, a spend down of capital project funds and increased operating expenses for the city's General Fund departments. For the most part, the increase in operating expenses was due to increased fuel, utility and energy costs which were paid by the city directly and indirectly as the increased transportation expenses were added onto the costs of most goods purchased by the city.

Business-type activities: The business-type activity net assets increased by \$14,567,983 due to the substantial construction completed on the new aquatic's facilities (\$13,227,557 in new net assets for the new swimming and wading pools) financed primarily by a voted GO bond. New construction also occurred at the City's sewer plant as it is being enlarged and upgraded. Developer contributions continued as a major revenue source for the Sewer Fund during the current fiscal year, producing \$703,955 in revenue. This increase is the direct result of increasing the City's sewer development charge from \$350 to \$1,450 per equivalent dwelling unit five years ago. These development fees, which are set significantly in excess of actual connection costs, must be used only for capital purposes.

CITY OF MISSOULA'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2006
Revenues:						
Program revenues:						
Charges for services	\$ 9,915,006	\$ 9,165,743	\$ 7,635,175	\$ 6,510,110	\$ 17,550,181	\$ 15,675,853
Operating grants & contributions	1,264,937	1,789,208	-	-	1,264,937	1,789,208
Capital grants & contributions	7,572,822	7,785,160	1,414,448	848	8,987,270	7,786,008
General revenues:						
Property taxes for general purposes	23,662,238	21,008,491	-	-	23,662,238	21,008,491
Annexations & developer contributions	-	-	-	1,207,664	-	1,207,664
Intergovernmental revenue	11,370,796	10,078,402	-	-	11,370,796	10,078,402
Investment earnings	652,572	695,655	168,312	330,545	820,885	1,026,200
Miscellaneous	1,383,397	959,284	3,378	2,337	1,386,775	961,621
Gain or loss on sale of capital assets	1,980,388	(54,070)	5,778	9,860	1,986,166	(44,210)
Special Items	(13,409,208)	-	13,409,207	-	-	-
Interfund Transactions	(64,798)	233,065	64,798	(233,065)	-	-
Total revenues	44,328,150	51,655,938	22,701,096	7,828,299	67,029,248	59,484,237
Primary Government:						
Expenses:						
General Government	7,164,932	7,947,585	-	-	7,164,932	7,947,585
Public Safety	22,864,926	20,685,934	-	-	22,864,926	20,685,934
Public Works	11,992,483	3,102,523	6,716,237	6,239,307	18,708,720	9,341,830
Public Health	1,382,490	1,275,114	-	-	1,382,490	1,275,114
Social and Economic Services	115,000	165,849	-	-	115,000	165,849
Culture and Recreation	3,580,622	4,687,707	1,412,133	-	4,992,755	4,687,707
Housing & Development	2,189,207	1,416,594	-	-	2,189,207	1,416,594
Conservation of Natural Resources	-	296,617	-	-	-	296,617
Miscellaneous	-	-	-	-	-	-
Interest Expense	1,665,936	1,675,186	-	-	1,665,936	1,675,186
Total Expenses	50,955,596	41,253,109	8,128,370	6,239,307	59,083,966	47,492,416
Change in net assets	(6,627,446)	10,402,829	14,572,726	1,588,992	7,945,281	11,991,821
Restatements	(117,960)	457,617	(4745)	308,702	(122,705)	761,319
Ending Net Assets	\$ 117,178,466	\$ 123,923,872	\$ 77,300,406	\$ 62,732,424	\$ 194,478,872	\$ 186,656,296

Financial Analysis of the Government's Funds

As noted earlier, the City of Missoula uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Missoula's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Missoula's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,114,858, a decrease of \$1,001,656 in comparison with the prior year. The majority of this decrease was in the General Fund, (discussed on the next page).

The capital construction funds had a year-end fund balance of (\$1,471,297), which reflects the fact that certain construction projects will not be fully reimbursed until all final financing is accomplished for the various projects and put in place.

The special revenue funds had an unreserved fund balance of \$3,208,509, which is *available for spending* at the government's discretion (*unreserved fund balance*) while \$3,175,573 of debt service fund balance is reserved for debt payments.

The General Fund is the chief operating fund of the City of Missoula. At the end of the current fiscal year, the total fund balance of the General fund was \$1,202,073 which represented three percent of total General Fund expenditures. The unreserved portion of the fund balance was \$643,449. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. At the end of fiscal year 2007 the unreserved fund balance represented 1.65% percent of total General Fund expenditures. The fund balance of the City's General Fund decreased by \$922,586 during the current fiscal year, mainly due to a decline in expected expenditure savings, a temporary reduction in inventories and a slight increase in tax delinquencies. Please note that the city had a 15 year history of always having between 3% - 5% expenditure savings. The FY 08 expenditure savings were less than 1%. The City has addressed this issue by requiring a mandatory 3.7% holdback on expenditures for FY 09 and is preparing to eliminate any anticipation of expenditure savings in the FY 2010 budget. The City is prepared to rebuild its fund balance over the next two years to the level it had at the end of FY 2007 (\$2.1 Million). A decline in General Fund inventories of \$200,982 also contributed to the reduction in General Fund year-end fund balance. These inventories are being rebuilt as we speak back to historical levels, so this factor will self-correct by the end of FY 2009.

Proprietary funds. The City of Missoula's *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer Fund at the end of the year amounted to \$2,028,291 a reduction of \$3,576,580 due to capital expenditures associated with a significant expansion of sewer trunk lines west of Reserve Street. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Missoula's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in budgeted appropriations of \$481,823, mainly due to the need to amend the budget for unexpected expenses incurred in fighting forest fires in the Missoula area that were reimbursed at a later date by the federal government; additional police overtime paid for reimbursable services rendered to other agencies; and an unanticipated payment received for services provided by police to the public school system for school resource officers.

Significant revenue differences between the final amended budget and actual results were due to a decrease in current tax collections (\$443,027), a decrease in expected engineering excavation permits (\$164,327), a decline in fees for services (\$295,649), and significant reduction in expected fines and forfeits (\$306,596) due to staffing shortages in the Police department. On the expenditure side the positive differences between the final budget and actual results were significant in the area of general government, public works, and culture and recreation. Much of this was due to vacancy savings and unspent department budgets. The Police budget was overspent due to significant payoffs made to many long-time veteran employees that retired late in the fiscal year along with a significant rise in fuel costs that was addressed in the FY 2009 budget.

Capital Asset and Debt Administration

Capital assets. The City of Missoula's investment in capital assets for its governmental and business type activities as of June 30, 2008, amounts to \$223,995,513 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, streets, sidewalks, utilities and storm drain systems. More detailed disclosure on the City's capital assets is available in section III-E of the Notes to the Financial Statements. Major capital asset events during the current fiscal year included the following:

- A total of \$8,036,045 of new construction was completed on additional infrastructure, buildings and equipment that included the completion of the new aquatic facilities, which were then transferred (\$13,288,952) to a new proprietary fund established to account for the aquatics activities. \$5,358,915 of the \$8,036,045 of new construction noted above of street and bicycle/pedestrian improvements were completed in FY 2008, mainly for streets in new subdivisions throughout the city.
- \$5,258,813 of new sewer mains was placed into work in progress pending the completion of the new West Reserve sewer line extension project.

CITY OF MISSOULA'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 19,342,529	\$ 19,342,529	\$ 1,333,614	\$ 1,333,614	\$ 20,676,143	\$ 20,676,143
Art	181,500	240,729	65,229	-	246,729	-
Buildings and Improvements	27,880,251	39,886,553	108,514,872	94,301,620	136,395,123	134,188,173
Machinery and Equipment	19,549,916	18,510,792	5,890,560	5,413,478	25,440,476	23,924,270
Infrastructure	192,996,714	187,637,799	-	-	192,996,714	187,637,799
Construction in Progress	4,874,918	3,303,888	5,270,130	463,213	10,145,048	3,767,101
Total Capital Assets	264,825,828	268,922,290	121,074,405	101,511,925	385,900,233	370,434,215
Less Accumulated Depreciation	(130,395,332)	(125,707,249)	(31,509,264)	(28,912,206)	(161,904,596)	(154,619,455)
Net Capital Assets	\$ 134,430,495	\$ 143,215,041	\$ 89,565,141	\$ 72,599,719	\$ 223,995,636	\$ 215,814,760

Long-term debt. At the end of the current fiscal year, the City of Missoula had a total of \$58,109,304 of long term debt outstanding of which \$54,531,744 was bonded debt. Of this amount, \$17,500,000 comprises debt backed by the full faith and credit of the government and \$15,510,165 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment, although this debt is collateralized with liens on the properties against which the debt is assessed. The majority of the remainder of the City of Missoula's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). More detailed disclosure on the City's long-term debt is available in section III-F of the Notes to the Financial Statements.

CITY OF MISSOULA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 17,500,000	\$ 18,720,000	-	-	\$ 17,500,000	\$ 18,720,000
Tax Anticipation Note	-	-	-	-	-	-
Limited Obligation Bonds	5,360,000	4,760,000	-	-	5,360,000	4,760,000
Revenue Bonds	-	-	15,818,231	16,797,231	15,818,231	16,797,231
Spec. Assessment Bonds	15,510,165	15,455,681	-	-	15,510,165	15,455,681
Sidewalk & Curb Warrants	120,923	120,923	-	-	120,923	120,923
State Board of Investment Loans	222,425	252,453	-	-	222,425	252,453
Compensated Absences	3,442,644	3,271,481	134,916	123,967	3,577,560	3,395,448
Total Outstanding Debt	\$ 42,156,157	\$ 42,580,538	\$ 15,953,147	\$ 16,921,198	\$ 58,109,304	\$ 59,501,737

The City of Missoula's total debt decreased by \$1,392,433 (2.3 percent) during the 2008 fiscal year. The key factor in this decrease was the fact that the city paid off more debt than it incurred from new bond issues. The city issued \$840,000 of new limited obligation General Fund debt to assist in the construction of a new 50 meter pool at one of the city's new aquatic facilities. The city also issued \$1,538,354 of new special assessment debt for the construction of new curbs and sidewalks.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5 percent of its total assessed valuation. The current debt limitation for the City of Missoula is \$85,307,839 which is significantly in excess of the City of Missoula's outstanding general obligation debt. Section III-F of the Notes to the City's financial statements provides additional disclosure of the City of Missoula's bonded indebtedness.

Economic Factors and New Year's Budgets and Rates

- A University of Montana economist, Patrick Barkey, has scaled back his forecast of the state's economic performance for 2008 and 2009 – from 4 percent annual growth to 3.3 percent.
- The state-level employment and personal income data are encouraging, he said. Montana's year-over-year payroll employment growth of 1.3 percent over the last 12 months was better than all but four of the 50 states, Barkey said. Non-farm labor income grew at an annual rate of 4.6 percent during the first quarter of 2008 and 4.5 percent during the second quarter. These figures were down from where they were at this same time last year – 5.7 percent to 6.5 percent, respectively, which is consistent with the modest slowing BBER is predicting. Other news on the state's important industries is more mixed. The era of robust growth in construction ended in Montana in mid-2007, and employment trends are now stable, which is better than the rest of the country where steep declines are the norm, Barkey said.
- A more severe than expected U.S. recession is always a risk to BBER's forecast for the Montana economy, Barkey said. The impacts of the last two recessions (in 2001-02 and 1990-91) have been milder in Montana than the national average

All of these factors were considered in preparing the City of Missoula's budget for the 2009 fiscal year. "Fee for service" revenues were increased in fiscal year 2008 and for 2009 due to the completion of a cost of service analysis contracted from four years ago. The 2009 fiscal year budget was developed with the intention of adjusting future fees for services by the increased costs of delivering those services to the public.



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Missoula, Montana
Statement of Net Assets
June 30, 2008

	Primary Government			Component Units					
	Governmental Activities	Business Type Activities	Total	Business Improvement District	Missoula Parking Commission	Missoula Redevelopment Agency			
ASSETS									
Current Assets									
Cash and investments	\$ 9,950,761	\$ 210,068	\$ 10,160,829	\$ 345,261	\$ 3,640,493	\$ 3,656,769			
Taxes/Assessments receivable, net	2,327,091	-	2,327,091	16,724	-	131,344			
Internal balances	(2,084,753)	2,084,752	-	-	-	-			
Deferred assessments receivable	14,200,215	-	14,200,215	-	-	-			
Accounts receivable	1,428,055	375,571	1,803,626	6,250	-	-			
Long term loans receivable	-	-	-	-	-	-			
Other receivable	77,295	15,525	92,820	-	56,042	261			
Interest receivable	105,080	16,459	121,539	-	-	-			
Prepaid expenditures / expenses	257,112	15,410	272,522	-	-	4,020			
Due from other governments	804,995	720	805,715	2,024	-	135,157			
Inventory of supplies	558,624	188,120	746,744	-	-	-			
Total Current Assets	<u>27,624,475</u>	<u>2,906,626</u>	<u>30,531,101</u>	<u>370,259</u>	<u>3,696,535</u>	<u>3,927,551</u>			
Noncurrent Assets									
Cash and investments	-	1,617,326	1,617,326	-	150,000	250,500			
Bond issuance costs, net	-	8,007	8,007	-	10,979	-			
Other assets	-	-	-	-	6,770	-			
Capital assets - depreciable, net	110,031,549	82,896,168	192,927,717	-	2,470,207	-			
Capital assets - land and construction in progress	24,398,946	6,668,973	31,067,919	-	2,397,866	-			
Total Noncurrent Assets	<u>134,430,495</u>	<u>91,190,474</u>	<u>225,620,969</u>	<u>-</u>	<u>5,035,822</u>	<u>250,500</u>			
Total Assets	<u>162,054,970</u>	<u>94,097,099</u>	<u>256,152,070</u>	<u>370,259</u>	<u>8,732,357</u>	<u>4,178,051</u>			
LIABILITIES									
Current Liabilities									
Accounts payable	1,846,083	772,562	2,618,645	148,318	39,529	348,448			
Accrued expenditures / expenses	554,742	55,461	610,203	2,638	19,511	16,186			
Deferred revenue	319,523	15,525	335,048	15,030	-	-			
Compensated absences payable	1,779,205	44,859	1,824,064	-	25,549	40,320			
Special assessment debt with government obligation	1,479,871	-	1,479,871	-	-	-			
Long-term liabilities - due within one year	1,546,788	1,017,000	2,563,788	-	110,000	85,000			
Total Current Liabilities	<u>7,526,212</u>	<u>1,905,407</u>	<u>9,431,619</u>	<u>165,986</u>	<u>194,589</u>	<u>489,954</u>			
Noncurrent Liabilities									
Long-term portion of compensated absences	1,663,439	90,057	1,753,496	-	13,140	12,725			
Special assessment debt with government obligation - long-term	14,030,294	-	14,030,294	-	-	-			
Long-term liabilities - due in more than one year	21,656,560	14,801,231	36,457,791	-	950,000	5,955,000			
Total Noncurrent Liabilities	<u>37,350,293</u>	<u>14,891,287</u>	<u>52,241,580</u>	<u>-</u>	<u>963,140</u>	<u>5,967,725</u>			
Total Liabilities	<u>44,876,505</u>	<u>16,796,694</u>	<u>61,673,199</u>	<u>165,986</u>	<u>1,157,729</u>	<u>6,457,679</u>			
NET ASSETS									
Invested in capital assets, net of related debt	95,716,983	60,741,529	156,458,512	-	3,808,073	-			
Restricted for debt service	3,175,573	1,303,028	4,478,601	-	150,000	250,500			
Unrestricted	18,285,910	15,255,848	33,541,758	204,273	3,616,555	(2,530,128)			
Total Net Assets	<u>\$ 117,178,466</u>	<u>\$ 77,300,406</u>	<u>\$ 194,478,871</u>	<u>\$ 204,273</u>	<u>\$ 7,574,628</u>	<u>\$ (2,279,628)</u>			

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2008

Functions/Programs	Primary Government	Net (Expenses) Revenues and Changes in Net Assets					
		Program Revenues			Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Business-type Activities	Business Improvement District
Governmental activities:							
General government	\$ 7,164,932	\$ 3,960,870	\$ 468,161	\$ 2,447,887	\$ (756,175)	\$ (20,243,191)	\$ -
Public safety	22,864,926	1,864,023	18,350	289,251	(20,243,191)		
Public works	11,992,483	2,180,372		4,785,684	(5,008,077)		
Public health	1,382,490				(1,382,490)		
Social and economic services	115,000	21,140			(93,860)		
Culture and recreation	3,580,622	1,519,854	15,840	50,000	(1,994,928)		
Housing and community development	2,189,207	367,359	762,586	-	(1,059,262)		
Conservation of natural resources		1,388			1,388		
Debt service interest expense	1,665,936				(1,665,936)		
Total Governmental Activities	<u>\$ 50,955,596</u>	<u>9,915,006</u>	<u>1,264,937</u>	<u>7,572,822</u>	<u>(32,202,831)</u>	<u>(32,202,831)</u>	<u>\$ -</u>
Business-type activities:							
Sewer	6,716,237	6,707,510	-	1,414,047	1,405,321		
Aquatics	1,412,133	927,665	-	401	(484,067)		
Total Business-Type Activities	<u>\$ 8,128,370</u>	<u>7,635,175</u>	<u>-</u>	<u>1,414,448</u>	<u>921,254</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 59,083,966</u>	<u>\$ 17,550,181</u>	<u>\$ 1,264,937</u>	<u>\$ 8,987,270</u>	<u>(32,202,831)</u>	<u>921,254</u>	<u>\$ (31,281,577)</u>
Component Units:							
Business Improvement District	\$ 694,510	\$ -	\$ -	\$ -	\$ (694,510)	\$ -	\$ -
Missoula Parking Commission	1,272,342	1,429,972	-				
Missoula Redevelopment Agency	3,068,041	-					
Total Component Units	<u>\$ 5,034,893</u>	<u>\$ 1,429,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(694,510)</u>	<u>157,630</u>	<u>(3,068,041)</u>
General Revenues							
Property taxes for general purposes			23,662,238	-	23,662,238	251,682	-
Intergovernmental revenue, unrestricted			11,370,796	-	11,370,796	338,950	-
Miscellaneous			1,383,397	3,378	1,386,775	2,027	
Interest income			652,572	168,312	820,885	10,898	166,009
Sewer fund support of governmental activities			(64,798)	64,798	-	-	
Gain on sale of capital assets			1,980,387	5,778	1,986,165	-	
Special items			(13,409,207)	13,409,207	-	-	
Total general revenues, special items and transfers			25,575,385	13,651,473	39,226,858	603,557	
Change in Net Assets			(6,627,446)	14,572,726	7,945,280	(90,953)	323,639
Net Assets - July 1, 2007	123,923,872	62,732,424	186,656,296	292,892	7,250,989	(1,076,910)	
Restatements	(117,960)	(4,745)	(122,705)	2,334	-	51,124	
Net Assets - July 1, 2007 - Restated	<u>123,805,912</u>	<u>62,727,679</u>	<u>186,533,591</u>	<u>295,226</u>	<u>7,250,989</u>	<u>(1,025,786)</u>	
Net Assets - June 30, 2008	<u>\$ 117,178,466</u>	<u>\$ 77,300,406</u>	<u>\$ 194,478,871</u>	<u>\$ 204,273</u>	<u>\$ 7,574,628</u>	<u>\$ (2,279,628)</u>	

See accompanying Notes to the Financial Statements



FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

GENERAL FUND

The General Fund accounts for revenues and expenditures for most of the major City functions which are not specifically earmarked for other purposes. These functions include City Council, Finance and Administration, Police, Fire, Public Works (excluding Sewer), Parks and Recreation, and the Cemetery.

CAPITAL IMPROVEMENT PROGRAM

This fund is a five year planning program designed to guide decisions concerning capital expenditures. The first year of the plan is the current year's capital budget. This fund accounts for the City's major capital projects except those that are funded within special funds such as Sewer R&D, the Missoula Redevelopment Agency, or Community Development Block Grants.

SID 524 DEBT SERVICE FUND

This fund provides for debt service for liabilities incurred to pay the construction costs for special improvement district 524 (South Hills Storm Drain and other infrastructure improvements).

MAJOR PROPRIETARY FUNDS

FUND DESCRIPTIONS

SEWER FUND

This fund accounts for financial resources from service charges, allocated by law, contractual agreement, or administrative regulations for, and the payment of, sewer maintenance, sewer construction, and other sewer related costs.

AQUATICS FUND

This fund accounts for financial resources from service charged to provide quality aquatics programs, opportunities and facilities for citizens of all ages, interests, and abilities thus giving every resident as well as guests an opportunity for lifetime leisure skills, water safety skills and active, healthy life styles.



GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Capital Improvement Program	SID 524	Other Governmental Funds	Total Governmental Funds
ASSETS					
Current Assets					
Cash and investments	\$ 584,858	\$ 1,679,756	-	\$ 9,257	\$ 7,506,654
Taxes/Assessments receivable, net					2,327,091
Deferred assessments receivable	-	-	3,025,838	11,174,377	14,200,215
Due from other governments	287,102	-	987	516,906	804,995
Accounts receivable	302,447	231,143	-	894,465	1,428,055
Interest receivable	79,050	(7,559)	2,172	21,094	94,757
Prepaid expenditures	250,412	-	-	6,700	257,112
Interfund receivable	-	-	516,273	2,215,816	2,732,089
Inventory of supplies	558,624	-	-	-	558,624
Total Assets	\$ 3,742,249	\$ 223,584	\$ 3,554,527	\$ 22,389,232	\$ 29,909,592
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 698,435	\$ 302,332	\$ 141	\$ 614,845	\$ 1,615,753
Accrued expenditures	538,856	-	-	15,886	554,742
Deferred revenue	1,302,885	121,363	3,033,370	12,349,779	16,807,397
Interfund payable	-	2,747,465	-	2,069,377	4,816,842
Total Liabilities	2,540,176	3,171,160	3,033,511	15,049,887	23,794,734
FUND BALANCES					
Reserved for inventories	558,624	-	-	-	558,624
Reserved for debt service	-	-	521,016	2,654,557	3,175,573
Unreserved reported in general fund	643,449	-	-	-	643,449
Unreserved reported in special revenue funds	-	-	-	3,208,509	3,208,509
Unreserved reported in capital projects funds	-	(2,947,576)	-	1,476,279	(1,471,297)
Total Fund Balance	1,202,073	(2,947,576)	521,016	7,339,345	6,114,858
Total Liabilities and Fund Balance	\$ 3,742,249	\$ 223,584	\$ 3,554,527	\$ 22,389,232	\$ 29,909,592

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Assets
June 30, 2008

Total fund balances - governmental funds	\$ 6,114,858
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	134,430,495
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	16,807,397
An internal service fund is used by management to charge the costs of employees medical insurance. The governmental portion of the internal service fund are included with governmental activities.	1,981,873
Long-term liabilities (current and non-current portions) are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(42,156,157)
Total net assets - governmental activities	\$ 117,178,466

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Capital Improvement Program	SID 524	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	\$ 17,312,969	\$ -	\$ 395,128	\$ 7,363,112	\$ 25,071,209
Licenses and permits	1,202,941	-	-	2,851,533	4,054,474
Intergovernmental	9,444,310	540,612	-	2,762,218	12,747,140
Charges for services	3,663,064	-	-	248,749	3,911,813
Fines and forfeitures	1,172,962	-	-	42,993	1,215,955
Miscellaneous	595,858	286,905	-	816,752	1,699,515
Investment earnings	420,695	(38,479)	14,667	187,815	584,698
Total revenues	<u>33,812,799</u>	<u>789,038</u>	<u>409,795</u>	<u>14,273,172</u>	<u>49,284,804</u>
EXPENDITURES					
Current:					
General government	6,118,475	28,840	-	368,423	6,515,738
Public safety	20,268,016	-	-	1,369,007	21,637,023
Public works	6,274,691	-	-	395,686	6,670,377
Public health	1,364,663	-	-	-	1,364,663
Social and economic services	115,000	-	-	-	115,000
Culture and recreation	3,054,484	11,692	-	52,262	3,118,438
Housing and community development	1,024,464	-	-	1,017,034	2,041,498
Debt service expenditures	-	512,247	307,240	3,820,347	4,639,834
Capital outlay	682,858	2,968,554	-	3,924,235	7,575,647
Total expenditures	<u>38,902,651</u>	<u>3,521,333</u>	<u>307,240</u>	<u>10,946,994</u>	<u>53,678,218</u>
Excess (deficiency) of revenues over expenditures	<u>(5,089,852)</u>	<u>(2,732,295)</u>	<u>102,555</u>	<u>3,326,178</u>	<u>(4,393,414)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,418,956	130,500	-	2,000	4,551,456
Transfers (out)	(491,609)	-	-	(4,174,225)	(4,665,834)
Issuance of long term debt	-	840,000	-	1,538,354	2,378,354
Proceeds from sale of capital assets	-	839,056	-	1,564	840,620
Total other financing sources (uses)	<u>3,927,347</u>	<u>1,809,556</u>	<u>-</u>	<u>(2,632,307)</u>	<u>3,104,596</u>
Net Change in Fund Balance	(1,162,505)	(922,739)	102,555	693,871	(1,288,818)
Fund Balance - July 1, 2007	2,124,659	(2,024,837)	417,391	6,599,301	7,116,514
Cumulative effect of a change in accounting principle	239,919	-	1,070	89,935	330,924
Restatements	-	-	-	(43,762)	(43,762)
Fund Balance - July 1, 2007 Restated	<u>2,364,578</u>	<u>(2,024,837)</u>	<u>418,461</u>	<u>6,645,474</u>	<u>7,403,676</u>
Fund Balance - June 30, 2008	<u>\$ 1,202,073</u>	<u>\$ (2,947,576)</u>	<u>\$ 521,016</u>	<u>\$ 7,339,345</u>	<u>\$ 6,114,858</u>

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

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

Net change in fund balances - total governmental funds	\$ (1,288,818)
Governmental funds report capital outlays as expenditures	11,032,094
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(6,086,515)
In the statement of activities, only the loss on the sale of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by cost of the assets sold.	(13,693,462)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,491,771
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(2,378,354)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,973,898
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(171,163)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.	493,103
Change in net assets - statement of activities	<u>\$ (6,627,446)</u>

See accompanying Notes to the Financial Statements



PROPRIETARY FUND FINANCIAL STATEMENTS

City of Missoula, Montana

Balance Sheet

Proprietary Funds

June 30, 2008

	Business-Type Activities			Governmental Activities	
	Sewer (Major)	Aquatics (Non-Major)	Total	Internal Service Self Insurance	
ASSETS					
Current Assets					
Cash and investments	\$ -	\$ 210,068	\$ 210,068	\$ 2,444,107	-
Accounts receivable	375,571	-	375,571	-	-
Interest receivable	15,571	888	16,459	10,323	-
Other receivable	15,525	-	15,525	77,295	-
Due from other governments	720	-	720	-	-
Prepaid expenses	14,070	1,340	15,410	-	-
Interfund receivable	2,084,752	-	2,084,752	-	-
Inventory of supplies	70,650	117,470	188,120	-	-
Total Current Assets	<u>2,576,860</u>	<u>329,766</u>	<u>2,906,626</u>	<u>2,531,726</u>	
Noncurrent Assets					
Cash and investments	1,617,326	-	1,617,326	-	-
Art	-	65,229	65,229	-	-
Land	1,333,614	-	1,333,614	-	-
Construction - work in progress	4,007,271	1,262,859	5,270,130	-	-
Buildings	8,193,650	12,114,771	20,308,421	-	-
Improvements other than buildings	88,206,452	-	88,206,452	-	-
Machinery and equipment	5,890,560	-	5,890,560	-	-
Allowance for depreciation	(31,071,786)	(437,478)	(31,509,264)	-	-
Bond Issuance costs, net	8,007	-	8,007	-	-
Total Noncurrent Assets	<u>78,185,093</u>	<u>13,005,381</u>	<u>91,190,474</u>	<u>-</u>	
Total Assets	<u>\$ 80,761,952</u>	<u>\$ 13,335,147</u>	<u>\$ 94,097,099</u>	<u>\$ 2,531,726</u>	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 694,402	\$ 78,160	\$ 772,562	\$ 230,330	-
Accrued expenses	26,031	29,430	55,461	-	-
Contributions paid in advance	-	-	-	319,523	-
Deferred revenue	15,525	-	15,525	-	-
Compensated absences payable	44,859	-	44,859	-	-
Long-term liabilities - due within one year	1,017,000	-	1,017,000	-	-
Total Current Liabilities	<u>1,797,817</u>	<u>107,590</u>	<u>1,905,407</u>	<u>549,853</u>	
Noncurrent Liabilities					
Long-Term portion of compensated absences	90,057	-	90,057	-	-
Long-term liabilities - due in more than one year	14,801,231	-	14,801,231	-	-
Total Noncurrent Liabilities	<u>14,891,287</u>	<u>-</u>	<u>14,891,287</u>	<u>-</u>	
Total Liabilities	<u>16,689,104</u>	<u>107,590</u>	<u>16,796,694</u>	<u>549,853</u>	
NET ASSETS					
Invested in capital assets, net of related debt	60,741,529	-	60,741,529	-	-
Restricted for debt service	1,303,028	-	1,303,028	-	-
Unrestricted	2,028,291	13,227,557	15,255,848	1,981,873	-
Total Net Assets	<u>64,072,848</u>	<u>13,227,557</u>	<u>77,300,406</u>	<u>1,981,873</u>	
Total Liabilities and Net Assets	<u>\$ 80,761,952</u>	<u>\$ 13,335,147</u>	<u>\$ 94,097,099</u>	<u>\$ 2,531,726</u>	

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-Type Activities - Major Enterprise Funds			Governmental Activities
	Sewer (Major)	Aquatics (Non-Major)	Total	Internal Service Self-Insurance Funds
Operating Revenues:				
Intergovernmental	\$ 924	\$ 401	\$ 1,325	\$ -
Charges for services	6,707,510	927,665	7,635,175	-
Miscellaneous	3,378	-	3,378	-
Internal services	-	-	-	4,089,331
Total Operating Revenues	<u>6,711,812</u>	<u>928,066</u>	<u>7,639,878</u>	<u>4,089,331</u>
Operating Expenses				
Personal services	1,298,917	519,375	1,818,292	-
Fixed charges	870,603	-	870,603	-
Depreciation	2,168,095	403,827	2,571,922	-
Insurance claims and expenses	-	-	-	3,724,353
Maintenance and operations	1,735,343	488,931	2,224,274	-
Total Operating Expenses	<u>6,072,958</u>	<u>1,412,133</u>	<u>7,485,091</u>	<u>3,724,353</u>
Operating Income	<u>638,855</u>	<u>(484,067)</u>	<u>154,788</u>	<u>364,978</u>
Non-operating revenues (expenses)				
Gain on sale of capital assets	5,778	-	5,778	-
Contributions from property owners	1,413,123	-	1,413,123	-
Interest revenue	171,933	(3,621)	168,312	73,056
Debt service interest expense	(643,279)	-	(643,279)	-
Total non-operating revenues (expenses)	<u>947,555</u>	<u>(3,621)</u>	<u>943,934</u>	<u>73,056</u>
Income (loss) before transfers and special items	<u>1,586,410</u>	<u>(487,688)</u>	<u>1,098,722</u>	<u>438,034</u>
Transfers				
Transfers in	-	306,038	306,038	55,071
Transfers (out)	(241,240)	-	(241,240)	-
Net Transfers	<u>(241,240)</u>	<u>306,038</u>	<u>64,798</u>	<u>55,071</u>
Special Items				
Contributions from governmental activities	-	13,409,207	13,409,207	-
Change in Net Assets	<u>1,345,170</u>	<u>13,227,557</u>	<u>14,572,727</u>	<u>493,105</u>
Net Assets - July 1, 2007	62,732,424	-	62,732,424	1,526,303
Restatements	(4,745)	-	(4,745)	(37,535)
Net Assets - July 1, 2007 - Restated	<u>62,727,679</u>	<u>-</u>	<u>62,727,679</u>	<u>1,488,768</u>
Net Assets - June 30, 2008	<u>\$ 64,072,849</u>	<u>\$ 13,227,557</u>	<u>\$ 77,300,406</u>	<u>\$ 1,981,873</u>

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Cash Flows
Proprietary Fund Types
For the Fiscal Year Ended June 30, 2008

	Business-Type Activities - Major Enterprise Funds			Governmental Activities - Internal Service Funds	
	Sewer	Aquatics	Total	Self-Insurance	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 6,707,100	\$ 927,665	\$ 7,634,765		-
Payments to suppliers	(2,178,870)	(381,341)	(2,560,211)		-
Payments to employees	(1,300,874)	(520,715)	(1,821,589)		-
Receipts from operating grants	-	-	-		-
Other receipts	5,287	401	5,688		-
Receipts from internal services	-	-	-		4,088,749
Benefit payments	-	-	-		(3,677,825)
Net Cash Provided by Operating Activities	<u>3,232,643</u>	<u>26,010</u>	<u>3,258,653</u>		<u>410,924</u>
Cash Flows from Non-Capital Financing Activities:					
Transfers to other funds	(241,240)	-	(241,240)		-
Transfers from other funds	-	188,568	188,568		55,071
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(241,240)</u>	<u>188,568</u>	<u>(52,672)</u>		<u>55,071</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from debt	-	-	-		-
Principal paid on debt	(979,000)	-	(979,000)		-
Interest paid on debt	(641,678)	-	(641,678)		-
Acquisition and construction of capital assets	(4,723,322)	-	(4,723,322)		-
Net Cash Used by Capital and Related Financing Activities	<u>(6,344,000)</u>	<u>-</u>	<u>(6,344,000)</u>		<u>-</u>
Cash Flows from Investing Activities					
Interest on investments	229,238	(4,510)	224,728		83,063
Proceeds from sale of capital assets	14,100	-	14,100		-
Receipts from short-term loans to other funds	4,872,598	-	4,872,598		-
Disbursements for short-term loans to other funds	(2,084,752)	-	(2,084,752)		-
Net Cash Provided by Investing Activities	<u>3,031,184</u>	<u>(4,510)</u>	<u>3,026,674</u>		<u>83,063</u>
Net increase (decrease) in cash and cash equivalents	(321,413)	210,068	(111,345)		549,058
Cash and cash equivalents at July 1, 2007	\$ 1,938,739	-	\$ 1,938,739		\$ 1,895,050
Cash and cash equivalents at June 30, 2008	<u>\$ 1,617,326</u>	<u>\$ 210,068</u>	<u>\$ 1,827,394</u>		<u>\$ 2,444,108</u>
Cash and cash equivalents consists of:					
Cash and investments	\$ -	\$ 210,068	\$ 210,068		\$ 2,444,108
Restricted cash and investments	\$ 1,617,326	-	\$ 1,617,326		-
Total cash and cash equivalents	<u>\$ 1,617,326</u>	<u>\$ 210,068</u>	<u>\$ 1,827,394</u>		<u>\$ 2,444,108</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 638,855	\$ (484,067)	\$ 154,788		\$ 364,978
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,168,095	403,827	2,571,922		-
Changes in assets and liabilities:					
Due from other governments	985		985		
Other receivables and notes receivable	1,915		1,915		(44,362)
Prepaid expense	(668)	(1,340)	(2,008)		33,402
Deferred revenue	(2,325)		(2,325)		-
Contributions paid in advance	-		-		(582)
Compensated absences payable	10,949		10,949		-
Inventories	(3,480)	-	(3,480)		-
Accounts and other payables	430,556	78,160	508,716		57,488
Accrued expenses	(12,238)	29,430	17,192		-
Net Cash Provided by Operating Activities	<u>\$ 3,232,643</u>	<u>\$ 26,010</u>	<u>\$ 3,258,653</u>		<u>\$ 410,924</u>

Disclosure of Non-Cash Items:

The Sewer fund had non-cash transactions that increased capital assets and retained earnings in the amount of \$1,411,522, developer contributions of capital assets of \$1,413,123, and annual bond issuance cost amortization of \$1,601. The Aquatics fund non-cash transactions that increased capital assets and retained earnings in the amount of \$13,227,557. This was attributed to a contribution of



FIDUCIARY FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2008

	<u>Agency</u> <u>Funds</u>
ASSETS	
Cash and short-term investments	\$ 330,925
Due from other governments	<u>7,022</u>
Total assets	<u><u>\$ 337,947</u></u>
LIABILITIES	
Accounts payable	\$ 24,458
Due to private parties	<u>291,686</u>
Due to other governments	<u>21,804</u>
Total liabilities	<u><u>\$ 337,947</u></u>

See accompanying Notes to the Financial Statements



NOTES TO FINANCIAL STATEMENTS

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City follows generally accepted accounting principles (GAAP.) GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. For enterprise funds, GASB statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements.

A. Reporting Entity

The City was originally incorporated in 1883 and re-incorporated in 1889. It operates under the Mayor-Council form of government and provides a wide range of municipal services including police, fire, recreation, public works improvements, and general administration services. Sanitary sewer services are accounted for in an enterprise fund. Water, gas, electricity and garbage services are provided by the private sector. All retirement plans are handled by state agencies. (See note G). Planning, library, animal control and health services are provided jointly by the City and Missoula County. Since these joint services are administered by the County, only the City's contributions appear in these statements.

For financial reporting purposes, the City includes those separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's governing board must be appointed by the City, and either a) the City must be able to impose its will, or b) the City may potentially benefit financially or be financially responsible for the component unit.

Based on these criteria, the City has included the following as discretely presented component units:

1. The Missoula Redevelopment Agency (MRA) was established in 1978 by the City of Missoula (the City) as a separate legal entity in accordance with state urban renewal laws (Section 7-15-4201 MCA). MRA has the authority to renovate property within blighted areas legally designated as redevelopment districts, but the authority to exercise the power of eminent domain, acquire and resell property and to issue tax increment bonds remains with the City. Any bonds issued are payable solely from tax increment receipts. The City has established three urban renewal districts: District I in 1978, District II in 1991 and District III in 2000. The five member governing board is appointed by the Mayor. MRA has no authority to levy taxes. However, under the City's Urban Renewal Plans, incremental property taxes which result from increases in the taxable value of property within a redevelopment district are designated for urban renewal purposes and provide the primary funding source for MRA. State law provides that the tax increment provisions applicable to a renewal district established prior to 1980 be terminated seventeen years after enactment or when all tax increment bonds have been retired. Because the tax increment provisions for District I were enacted on December 18, 1978, MRA was scheduled to terminate on December 18, 1995. However, the City issued tax increment bonds on December 15, 1989 as permitted by state law. The issuance of these bonds extended the tax increment provisions for the term of the bonds, whose final maturity was July 1, 2005, at which point District I was

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

terminated. These bonds were payable solely from the tax increment receipts and were not a debt of the City. On August 18, 2006 the City issued \$3,600,000 of new tax increment bonds in the District II. These bonds will mature in varying amounts until 2031. MRA issued \$1,500,000 of Tax Increment Urban Renewal Revenue Bonds in October 2007. The bonds were issued to finance all or a portion of the costs of designing, constructing, and carrying out the infrastructure improvements associated with the Safeway, Inc. Project. The URD II bonds were issued at par, bear interest of 6.95%, and are secured by a first lien upon and pledge of tax increment revenues derived from the Project Site. Should tax increment revenues in any given year not be sufficient to pay the principal and interest payments, Safeway, Inc. (the "Guarantor") is obligated to pay the deficiency. Tax increment in excess of debt service requirements will be (1) used to make Guarantor reimbursements for prior debt service deficiencies, (2) retained in an excess tax increment fund until the amount equals the maximum annual debt service for the bonds, and (3) used to prepay the Series 2007 bonds. Due to the control exercised by the City, MRA is considered a component unit of the City. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from Missoula Redevelopment Agency, 140 W. Pine, Missoula, MT 59802.

2. The Missoula Parking Commission is a public corporation formed by the City of Missoula, Montana, and, as such, is a proprietary component unit of the City. On January 25, 1971, the City Council of Missoula passed Resolution No. 2992 declaring the need for a parking commission. The creation of a commission was subsequently approved by the voters of the City in April 1971 pursuant to Part 46 of the Montana Code. Voters also authorized the Parking Commission to adopt the revenue bond method of financing parking projects provided in Title 7, Chapter 14, Part 46, Montana Code Annotated. As a component unit of the City, the Missoula Parking Commission is exempt from income tax. The Commission currently operates approximately 1,075 parking meters on various streets and in various lots throughout the downtown business area. The Commission operates approximately 837 leased parking spaces in various lots throughout downtown Missoula. The Commission also oversees a residential parking district in the University area of approximately 820 spaces. It also issues tickets for parking violations in the downtown area and the University residential parking district. The Commission operates two parking structures (Central Park and Bank Street Structure) that offer both short-term and long-term parking. It is considered a component unit because the City appoints the Board members, sets the meter rates, determines the parking district and is secondarily liable for the Parking Commission bonds. The City does not provide any operating subsidies nor does it receive any surpluses, but the Parking Commission does pay the City for services such as legal advice, payroll and bill paying. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from Missoula Parking Commission, 128 W. Main St., Missoula, MT 59802.

3. The Downtown Business Improvement District (BID) was created through the efforts of the Missoula Downtown Association to address the challenges created by the termination of the Downtown Urban Renewal District (URD I) on June 30, 2005. Implementation began in 2001 with committee development, community education, local media campaigns, meetings with property and business owners, creation of a comprehensive database of property owners, and the required petition process. The process of verifying the petition was finalized at the end of 2004 and the BID was approved by the City Council in April 2005. The BID will serve as an advocate for property owners in the district and address areas such as safety, cleanliness, appearance, marketing, business retention and recruitment, public and private investment in buildings and infrastructure. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from the Business Improvement District, 218 E. Main Street, Suite C., Missoula, MT 59802.

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Related Organizations:

The City is also responsible for appointing members of the Missoula Housing Authority Board, but the City's accountability does not extend beyond making the appointments. Members may be removed only for cause and the City can suggest actions, but not impose them. The City does not have authority to set rents or policies and does not receive any surpluses nor contribute any funds to operations, except to pay city special assessments on Housing Authority property.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

Government-wide Statements

Basis of Presentation

The Government-wide Financial Statements (the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole and its component units. They include all funds of the reporting entity except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made to minimize the double-counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function. The City does not charge indirect expenses to programs or functions. The types of transactions reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Measurement Focus and Basis of Accounting

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City generally applies restricted resources to expenses incurred before using unrestricted resources when both restricted and unrestricted net assets are available.

Fund Financial Statements

Basis of Presentation

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid

CITY OF MISSOULA, MONTANA
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management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the fund financial statements. All of the remaining funds are aggregated and reported in a single column as non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds:

Measurement Focus and Basis of Accounting

These statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Real and personal property taxes (excluding motor vehicle taxes), special assessments, charges for current services, and interest earnings are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time. The City recorded real and personal property taxes and assessments levied for the current year as revenue. Taxes and assessments receivable remaining unpaid at year-end and not expected to be collected soon enough thereafter to be available to pay obligations of the current year were recorded as deferred revenue, with a corresponding reduction in revenues, as required by generally accepted accounting principles. In addition, prior period delinquent taxes and assessments collected in the current period were recorded as revenue in the current period as required by generally accepted accounting principles. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Under the terms of the City's grant agreements, certain programs are funded by specific cost-reimbursement grants and general revenues. Generally, the City applies cost-reimbursement funds first to finance such programs with remaining costs paid for with general revenues.

The City reports the following major governmental funds:

General Fund - This is the City of Missoula's primary operating fund and it accounts for all financial
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resources of the City except those required to be accounted for in other funds.

Capital Improvement Program – This fund is a five year planning program designed to guide decisions concerning capital expenditures. The first year of the plan is the current year's capital budget. This fund accounts for the City's major capital projects except those that are funded within special funds such as Sewer R&D, the Missoula Redevelopment Agency, or Community Development Block Grants.

SID 524 Debt Service Fund – This fund accounts for assessment collections and the payment of SID debt for the South Hills Storm Drain and other infrastructure improvements.

Proprietary Funds:

Measurement Focus and Basis of Accounting

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds. The receivables and revenue from assessments are reported as accounts receivable and user charges, respectively.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following proprietary funds:

Sewer Fund (Major Fund) – This fund accounts for financial resources from service charges, allocated by law, contractual agreement, or administrative regulations for, and the payment of, sewer maintenance, sewer construction, and other sewer related costs.

Aquatics Fund (Non Major Fund) – This fund accounts for financial resources from service charged to provide quality aquatics programs, opportunities and facilities for citizens of all ages, interests, and abilities thus giving every resident as well as guests an opportunity for lifetime leisure skills, water safety skills and active, healthy life styles.

Fiduciary Funds:

Measurement Focus and Basis of Accounting

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments. Agency funds are custodial in nature (assets equals liabilities) and do not involve measurement of results of operations.

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The City reports the following fiduciary funds and the related purposes:

Court Surcharge – Accommodates the court surcharge fees charged and owed to the State of Montana

County Clearing – Accounts for the dog license fees that are collected on behalf of the County.

Sewer Rebate – Accounts for the sewer rebates authorized by City Council for sewer connections.

Youth Programs – Records the transactions held for County Youth Programs.

County Park Board – Records the transactions held for the County Park Board.

Elk Hills Subdivision – Records the transactions held for the Elk Hills Subdivision.

Residential Inspection – Accounts for transactions related to the Voluntary Residential Inspection program.

Municipal Court Restitution – Accumulates restitution payments to victims from court proceedings.

C. Budgets and Budgetary Accounting

1. Budget Process

Operating budgets are adopted each year for the General Fund, all Special Revenue Funds, Debt Service Funds, Enterprise Funds, Internal Service Fund and Capital Project Funds. All budgets are presented on the budgetary basis appropriate for the fund type consistent with generally accepted accounting principles (i.e. all governmental funds are budgeted on a modified accrual basis and all proprietary funds are budgeted on the accrual basis).

A preliminary budget is presented in June, budget hearings are held, and the final budget is adopted by the second Monday in August. Budget appropriations may be transferred between line items or increased by budget amendment only upon adoption of a resolution by the governing body. The operating fund budgets cannot be increased except by a public hearing for the following reasons:

- (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 fund for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;
- (e) any fund for special assessments approved by the governing body;
- (f) the proceeds from the sale of land;
- (g) any fund for gifts or donations; and
- (h) money borrowed during the fiscal year.

The annual appropriations and transfers out for various departments are controlled and monitored for budgetary compliance at the fund level.

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FY08 Expenditure Budget			
	<u>Original</u>	<u>Amended</u>	<u>Difference</u>
General Fund	\$ 40,152,978	\$ 40,634,801	\$ 481,823
Special Revenue Funds	15,307,373	14,510,905	(796,468)
Debt Service Funds	4,395,671	4,680,541	284,870
Capital Funds	4,876,204	10,264,117	5,387,913
Sewer Funds	31,444,094	31,419,794	(24,300)
Aquatics	1,123,820	1,123,820	-
Totals	\$ 96,176,320	\$ 101,510,158	\$ 5,333,838

FY08 Revenue Budget			
	<u>Original</u>	<u>Amended</u>	<u>Difference</u>
General Fund	\$ 39,171,799	\$ 39,637,986	\$ 466,187
Special Revenue Funds	14,103,544	12,922,017	(1,181,527)
Debt Service Funds	4,109,579	4,224,479	114,900
Capital Funds	1,467,093	6,091,593	4,624,500
Sewer Funds	24,516,429	24,516,429	-
Aquatics Fund	1,123,820	1,123,820	-
Totals	\$ 83,368,444	\$ 87,392,504	\$ 4,024,060

D. Assets, Liabilities, and Equity

1. Cash, Cash Equivalents, and Investments

Cash and investments are under the management of the City's Treasurer and consist primarily of investments in U.S. Government agency obligations. Interest income earned as a result of pooling of City deposits is distributed to the appropriate funds utilizing a formula based on the average balance of cash and investments of each fund.

Montana State statutes authorize the City to invest in interest-bearing savings accounts, certificates of deposits, and time deposits insured up to \$100,000 by the Federal Deposit Insurance Corporation or fully collateralized, U.S. government and U.S. agency obligations, STIP and repurchase agreements where there is a master repurchase agreement and collateral held by a third party. In October 2008, the FDIC raised the insurance limit to \$250,000 effective through December 31, 2009.

The investment program of the City is divided into two tiers, an operational portfolio and a core portfolio. The operational portfolio is invested in short-term securities and is designed to handle the day to day cash needs of the City. The core portfolio is composed of securities with longer maturities with the objective of obtaining an optimal return for the City over a longer investment horizon.

For purposes of the statement of cash flows, the enterprise and internal services funds consider all funds (including restricted assets) held in the City's cash management pool to be cash equivalents. For the proprietary component unit, the commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Negative cash balances are required to be reported as interfund payables.

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2. Receivables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year end, are short term loans and are reported as "due to/from other funds."

Tax and special assessment receivables are recorded in the appropriate funds. Property tax levies are set in August at the time the City budget is approved and are billed November 1 by the County. Taxes are due 50% by November 30 and 50% by May 31 of each year. After those dates, they become delinquent (and a lien is placed upon the property). After three years the County can exercise the lien and take title to the property. Properties taken on tax deeds are recorded at the lower of the taxes receivable or market value and included in the governmental activities column of the statement of net assets at the County until sold.

Special assessments are billed November 1 of each year as a component of the County property tax billing. The first part (50%) is due November 30th and the second part (50%) is due May 31st. After those dates, the bills are delinquent (and a lien is placed on the property). Lighting, park maintenance and street maintenance assessments are determined by the estimated cost of operating these districts for the next year. The other special improvement districts (SID's) are billed for a portion of the principal owed plus interest on the unpaid balance. Each SID also has deferred assessments to account for the unbilled portion of the principal.

Sewer fees are billed in July and January. They are due the last day of the month in which they are billed. A small number of commercial accounts are billed quarterly. Accounts that are delinquent as of June 30th are turned over to the County Treasurer to be included on the property tax bills sent out November 1.

No allowance for uncollectibles is made because unpaid bills on these receivables become liens against the properties and it is assumed that the proceeds from the sale of any tax deed property will meet or exceed the lien amount.

3. Inventories

Inventories of materials and supplies are accounted for using the consumption approach for governmental and enterprise funds. That is, inventory purchases are considered an asset until the period in which they are actually consumed. Inventories are carried at the lower of cost (first-in, first-out) or market.

4. Warrants Payable

The City pays its claims by issuing a check. The only warrants appearing in the City's accounts this fiscal year are Sidewalk and Curb interest bearing warrants.

5. Capital Assets

Capital assets purchased are recorded as expenditures in the governmental funds. All purchased capital assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated capital assets (including infrastructure acquired through developer's contributions and annexations) are recorded at their estimated fair value at the date of donation. The City capitalizes all capital assets with a value of \$5,000 or greater. Property, plant, and equipment in the proprietary funds of the government are recorded at cost. Property, plant, and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Public domain ("infrastructure") capital assets (e.g. roads, bridges, curbs and gutters, and other assets that are immovable and of value only to the government) are capitalized and depreciated on the straight-line method. Useful lives of infrastructure assets are from 20 to 75 years. Pavement has an estimated useful life of 20 years; curbs and sidewalks 50 years; storm sewers 75 years; sumps 30 years; signs 60 years; bridges and pedestrian crossings 50 years; and street lights 50 years.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in

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the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets purchased or acquired by proprietary fund types are recorded in the individual fund making the purchase. Any capital assets donated specifically for an enterprise fund are also recorded in that individual fund. Depreciation on proprietary fund capital assets is provided over their estimated useful lives on the straight-line method. Buildings, major land improvements and pipelines have an estimated useful life of 50 years; pumping stations and equipment 25 years; leasehold improvements and other equipment 5 to 30 years. Useful lives of the proprietary component unit assets are from 5 to 40 years.

6. Deferred Revenues

Deferred revenue results when asset recognition criteria have been met and when revenue recognition criteria have not been met. These pertain to the net uncollected property tax and other receivables and are classified as Deferred Revenues on the Balance Sheet of governmental funds.

7. Compensated Absences

It is the City's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from City service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation. There is no restriction on the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave. The liability associated with governmental fund-type employees is reported in the governmental activities column of the statement of net assets, while the liability associated with proprietary fund-type employees is recorded in the respective fund and the business-type activities column of the statement of net assets.

8. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the governmental activities column of the statement of net assets. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the governmental activities column in the statement of net assets. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds and the business-type activities column of the statement of net assets.

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

9. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

10. Interfund Transactions

Interfund transactions consisting of identified services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as revenue in the fund performing the services.

Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as

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reductions of expenditures in the fund that is reimbursed.

11. Estimates Used in Financial Statement Preparation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

Eight special revenue funds with deficit fund balances were identified as of June 30, 2008. The Employee Health Insurance Levy fund (\$405,686), the Street Maintenance fund (\$8,421), the Russell Park Maintenance fund (\$2,897), the Willowwood Park Maintenance fund (\$1,977), the Crime Victim Surcharge fund (\$5,200), the Community Development fund (\$8,857), the Law Enforcement Grant fund (\$977), and the Federal Transportation fund (\$19,811) all carried deficit fund balances which will be covered by future assessments and grant revenue in fiscal year 2009.

Five general obligation bond fund balances were identified as having negative fund balances as of June 30, 2008. All of these deficits will be covered by tax revenues collections in the next fiscal year. These funds are 1998 Safety Bond Fund (\$6,499), 2004 Aquatics Bonds Fund (\$97,368), the 2004 Refunding Bond Fund (\$67,523), the 2006 Fire Station GO Fund (\$175,915), and the 2007 Refunding Bond Fund (\$149,473).

Two Sidewalk and Curb bond funds had negative fund balances at the end of the fiscal year. These fund deficits will be covered by assessments collected in future fiscal years. These funds are the 99 Sidewalk and Curb fund (\$78) and the 03 Sidewalk and Curb fund (\$27,439)

One SID sinking fund, SID 515 (\$14,698), had a deficit fund balance at June 30, 2008. This deficit will decrease as assessments are collected. Any deficit remaining after assessments are collected will be covered by the Revolving Fund.

The following SID Construction funds have deficit fund balances.

SID 530	\$ (128)	SID 538	\$ (4,890)
SID 533	(16,477)	SID 539	(19,954)
SID 534	(1,705)	SID 541	(111,696)
SID 535	(65,861)	SID 542	(128,777)
SID 536	(5,345)	SID 543	(70,710)
SID 531	(43,159)		

These deficits will be covered by SID bond proceeds as bonds are issued for these projects.

The capital projects 08 Sidewalk and Curb Fund (\$2,923) and 09 Sidewalk and Curb Fund (\$296,820) had deficit balances which will be mitigated in FY 2009. The Capital Improvement fund reported a negative fund balance (\$2,947,576) due to upcoming internal financing activities.

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B. Expenditures in Excess of Appropriations

The following funds had an excess of actual expenditures/expenses over budget, at the level of budgetary control (fund level), for the year ended June 30, 2008:

Special Revenue	
Cable TV Franchise Fund	\$5,683
Street Maintenance	29,247
Debt Service	
98 Safety Bonds	300
99 Sidewalk & Curb	300
00 Sidewalk & Curb	175
01 Sidewalk & Curb	300
02 Sidewalk & Curb	300
03 Sidewalk & Curb	500
04 Sidewalk & Curb	250
05 Sidewalk & Curb	250
07 Sidewalk & Curb	583
08 Sidewalk & Curb	650
SID 512	300
SID 519	876
SID 532	249
SID 540	299
Construction Funds	
07 Sidewalk & Curb	28,645
09 Sidewalk & Curb	29,327
SID 538	4,847
SID 542	25,572
Miller Creek Mitigation	146,316
Miller Construction Funds	4,100

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III. DETAILED NOTES ON ALL THE PRIMARY GOVERNMENT'S FUNDS

A. Cash and Cash Equivalents

At June 30, 2008, cash and investments consisted of the following:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Petty Cash and Cash on Hand	\$ 5,721	\$ 1,239	\$ 6,960
Repurchase Agreements	966,776	612,821	1,579,597
Demand Deposits	1,029,550	459,903	1,489,453
Certificates of Deposit	306,020	193,980	500,000
Marketable Government Securities	10,145,229	6,430,864	16,576,093
Total	\$ 12,453,296	\$ 7,698,807	\$ 20,152,103

At June 30, 2008, the carrying amount of the City's deposits in local banks was \$2,420,110 and the bank balances were \$2,004,955. Of the bank balance, \$729,243 was covered by federal depository insurance and the balance of \$1,275,712 was covered by collateral held by the pledging bank's agent in the City's name.

The City's cash and investments are reported as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental Activities	\$ 9,950,761	\$ -	\$ 9,950,761
Business-Type Activities	210,068	1,617,326	1,827,394
Fiduciary Funds	330,925	-	330,925
Component Units	<u>7,642,523</u>	<u>400,500</u>	<u>8,043,023</u>
Total	<u>\$18,134,277</u>	<u>\$2,017,826</u>	<u>\$20,152,103</u>

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City's deposits may not be returned or the City will not be able to recover the collateral securities in the possession of the outside party. The City minimizes custodial credit risk by restrictions set forth in City policy and state law. The City's policy requires deposits to be 102 percent secured by collateral valued at market value. The City Treasurer maintains a listing of financial institutions, which are approved for investment purposes. Types of securities that may be pledged as collateral are detailed in Section 17-6-103 of the Montana Code Annotated (MCA). City policy requires that specific safeguards against risk of loss be evidenced when the City does not physically hold the securities.

The City of Missoula's investment policy states that the City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Further investments are structured varying maturity dates on Certificates of Deposits and limiting long-term investments.

The following table provides information about the interest rate risks associated with the City's deposits and investments.

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Investment	Maturities	Credit Risk Rating	Fair Value
U.S. Government Agency Obligations	7/2005-4/2011	AAA	\$ 16,576,093
Certificates of Deposits	11/2005-11/2010	NA	500,000
Demand deposits	NA	NA	1,489,453
Repurchase Agreements	NA	NA	1,579,597
Petty Cash and Cash on Hand	NA	NA	6,960
Total			\$ 20,152,103

Credit risk is defined as the risk that an issuer or other counterpart to an investments will not fulfill its obligation. The above credit risk rating indicates the probability that the issuer may default in making timely principal and interest payments. The credit ratings presented are provided by Standard and Poor's Corporation (S&P).

B. Receivables

Other Receivables

A summary of the City's accounts receivable and other receivables as of June 30, 2008, follows:

Proprietary Funds:

Sewer (major fund) – Sewer Fees	\$ 375,571
Sewer (major fund) – Lease receivable	15,525
Internal Service – Prescription Rebates	<u>77,295</u>
Total Proprietary Funds	\$ 468,391

Governmental Funds:

General (major fund) – Various Licenses, Services and Fees	\$ 47,734
General (major fund) – Mountain Water Notes	224,178
General (major fund) – Sidewalk & Curb	30,535
Cremain Wall – Cemetery Fees	1,564
Impact Fee – Impact Fees	2,524
Cable TV Franchise – Franchise Fees	132,076
Building Inspection – Permit Fees	3,986
Program Income – Sewer Rebate	1,500
Program Income – Mountain Water Notes	5,162
SID Revolving Fund – Mountain Water Notes	181,233
SID 540 Debt Service – Assessment payment	2,162
Capital Improvement – Swim Missoula Contribution	230,465
Capital Improvement – Miller Creek Transportation Mitigation Study	551,358
Capital Improvement – Miscellaneous reimbursement	<u>678</u>
Total Government Funds	\$ 1,415,155

Long Term Loans Receivable

A summary of the City's long-term loans receivable as of June 30, 2008, follows:

Primary Government:

Title One - Extended Family Services	\$ 12,900
\$18,000 at 0% interest to be repaid in installments of \$600 per year, with final payment due by 2021; \$9,000 at \$346.15 per year, with final payment due by 2021. \$9,000 was forgiven April 1996.	

CITY OF MISSOULA, MONTANA
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C. Due From/To Other Funds, Due to Other Governments, and Due to Private Parties

Due From/To Other Funds:

Primary Government:

Negative cash balances are required to be reported as interfund loans. Material checks that are on the bank reconciliation but are held until after the balance sheet date should be reclassified as accounts payable. Loans are recorded as Due From in the lending fund and as a Due To in the loanee fund.

The principal purpose of the interfund transfers is to provide funds for cash deficits.

^indicates a major fund

	(Interfund Receivable)	(Interfund Payable)
	Due From	Due To
^ SID 524	\$ 516,273	\$ -
Nonmajor governmental funds	2,215,816	-
^ Capital Improvement Program	-	2,747,465
Nonmajor governmental funds	-	2,069,377
^ Sewer	<u>2,084,752</u>	-
	<u><u>\$ 4,816,842</u></u>	<u><u>\$ 4,816,842</u></u>

Due From Other Governments:

Primary Government

General Fund

Due from Missoula County – Taxes Receivable	\$ 113,898
Due from Missoula County – Public Works Projects	1,195
Due from Missoula County – Parks and Recreation maintenance	7,705
Due from Montana Department of Transportation – Public Works Projects	16,756
Due from Montana Department of Transportation – Pedestrian Safety Grant	6,346
Due from Montana Department of Transportation – Safe Routes to Schools	20,487
Due from City Municipal Court	<u>120,715</u>
Total General Fund	<u>287,102</u>

Special Revenue Funds:

Due from Missoula County – Taxes Receivable	1,057
Due from City Municipal Court – Drug Forfeiture	792
Due from City Municipal Court – Crime Victim Surcharge	7,402
Due from Montana Department of Transportation – CMAQ/CTEP grants	129,138
Due from State of Montana – Underage Drinking Grant	9,791
Due from State of Montana – Seatbelt Overtime Grant	5,893
Due from State of Montana – DRE Training Grant	1,940
Due from State of Montana – Motorcycle Grant	43,909
Due from Federal Government – HOME Grant	198,715
Due from Federal Government – JAG Police Grant	46,715
Due from Federal Government – Bulletproof Vest Program	5,106
Due from Federal Government – HIDTA Task Force grant	15,726

CITY OF MISSOULA, MONTANA
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Due from Federal Government – EPA Brownfields grant	4,298
Due from Federal Government – CDBG Grant	<u>32,308</u>
Total Special Revenue Funds	<u>502,790</u>
Debt Service Funds	
Major fund – Due from Missoula County – Taxes Receivable	987
Non-major funds – Due from Missoula County – Taxes Receivable	<u>14,116</u>
Total Debt Service Funds	<u>15,103</u>
Total, Due From Other Governments, Governmental Funds	<u>\$ 804,995</u>
Proprietary Funds	
Due from Missoula County – Delinquent Sewer Collections	<u>\$ 720</u>
Agency Funds	
Due from City Municipal Court – Court Surcharge	<u>7,022</u>
Total Agency Funds	<u>\$ 7,022</u>
Due to Other Governments:	
Agency Funds	
Supreme Court	\$ 15,993
County Park Board	5,500
County Clearing	<u>311</u>
Total Due to Other Governments	<u>\$ 21,804</u>
Due to Private Parties:	
Agency Funds	
Sewer Rebates	\$ 53,456
Youth Programs	473
Municipal Court Restitution	232,332
Residential Inspection	1,557
Elk Hills Subdivision	<u>3,868</u>
Total Due to Private Parties	<u>\$ 291,686</u>

D. Bond Issuance Costs

The following bond costs are being amortized over the life of the bonds:

Primary Government, Sewer Revenue Bond Costs (Major Fund)	\$ 8,007
Component Unit, Parking Commission Revenue Bond Costs	<u>10,979</u>
Total Deferred Expense, Reporting Entity	<u>\$ 18,986</u>

E. Capital Assets

The City has identified three types of street infrastructure:

1. Arterial/collector streets
2. Commercial streets
3. Residential streets

Estimating construction costs

CITY OF MISSOULA, MONTANA
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Arterial/Collector & Commercial & Residential Streets- The City estimated costs for these streets using a bid from the 39th street project for 2002/2003 (used for all projects prior to FY2007) and from the England Boulevard bid on 9/18/2006 for FY2007 and future projects.

Estimating overhead

1. Arterial/collector - 40% of estimated construction costs
2. Commercial - 25% of estimated construction costs
3. Residential - 25% of estimated construction costs

Total estimates per square yard

The total estimated construction and overhead costs per square yard of street are shown below for fiscal year 2008:

	<u>Construction</u>	<u>Overhead</u>	<u>Total</u>
Arterial/Collector	\$41/Sq Yard	\$16.40/Sq Yard	\$57.40/Sq Yard
Commercial	\$38/Sq Yard	\$9.50/Sq Yard	\$47.50/Sq Yard
Residential	\$26/Sq Yard	\$6.50/Sq Yard	\$32.50/Sq Yard

Depreciation

Depreciation is calculated on a straight-line basis with a full month convention for all governmental assets except infrastructure.

Capital Asset activity for the fiscal year ended June 30, 2008, is summarized as follows:

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets not being Depreciated:					
Art	\$ 240,729	\$ -	\$ 6,000	\$ (65,229)	\$ 181,500
Land	19,342,529	-	-	-	19,342,529
Work-In-Progress	3,303,889	5,000	2,990,048	(1,424,020)	4,874,917
Total Capital Assets not being Depreciated	<u>22,887,147</u>	<u>5,000</u>	<u>2,996,048</u>	<u>(1,489,249)</u>	<u>24,398,946</u>
Capital Assets being Depreciated:					
Buildings	39,886,553	-	1,282,650	(13,288,952)	27,880,251
Infrastructure	187,637,799	-	5,358,915	-	192,996,714
Machinery & Equipment	18,510,792	-	1,394,480	(355,356)	19,549,916
Total Capital Assets being Depreciated	<u>246,035,144</u>	<u>-</u>	<u>8,036,045</u>	<u>(13,644,308)</u>	<u>240,426,881</u>
Less Accumulated Depreciation for:					
Buildings	(10,396,882)	100	(779,729)	1,098,073	(10,078,438)
Infrastructure	(104,642,458)	-	(4,099,099)	-	(108,741,557)
Machinery & Equipment	(10,667,909)	(41,763)	(1,207,687)	342,022	(11,575,337)
Total Accumulated Depreciation	<u>(125,707,249)</u>	<u>(41,663)</u>	<u>(6,086,515)</u>	<u>1,440,095</u>	<u>(130,395,332)</u>
Total Capital Assets being Depreciated, Net	<u>120,327,895</u>	<u>(41,663)</u>	<u>1,949,530</u>	<u>(12,204,213)</u>	<u>110,031,549</u>
Capital Assets, Net	<u>\$ 143,215,042</u>	<u>\$ (36,663)</u>	<u>\$ 4,945,578</u>	<u>\$ (13,693,462)</u>	<u>\$ 134,430,496</u>

CITY OF MISSOULA, MONTANA
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Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 300,206
Public Safety	735,632
Public Works	4,398,666
Public Health	17,826
Culture and Recreation	486,474
Housing & Community Development	<u>147,709</u>
Total Governmental Activities Depreciation Expense	<u>\$ 6,086,514</u>

The following is a summary of business-type capital assets for the year ended June 30, 2008:

Depreciation is calculated on a straight line basis.

	Beginning Balance	Prior Period Adjustment	Additions	Deletions	Ending Balance
Business-type Activities:					
Capital Assets not being Depreciated:					
Art	\$ -	\$ -	\$ 65,229	\$ -	\$ 65,229
Land	1,333,614	-	-	-	1,333,614
Work In Process	463,213	-	5,258,813	(451,896)	5,270,130
Total Capital Assets not being Depreciated	<u>1,796,827</u>	<u>-</u>	<u>5,324,042</u>	<u>(451,896)</u>	<u>6,668,973</u>
Capital Assets being Depreciated:					
Buildings	7,873,330	-	12,435,091	-	20,308,421
Improvements	86,428,290	-	1,778,162	-	88,206,452
Machinery & Equipment	5,413,478	-	493,904	(16,822)	5,890,560
Total Capital Assets being Depreciated	<u>99,715,098</u>	<u>-</u>	<u>14,707,157</u>	<u>(16,822)</u>	<u>114,405,433</u>
Less Accumulated Depreciation for:					
Buildings	(3,369,030)	-	(630,741)	-	(3,999,771)
Improvements	(21,308,555)	-	(1,786,673)	-	(23,095,228)
Machinery & Equipment	(4,229,861)	(4,745)	(188,159)	8,500	(4,414,265)
Total Accumulated Depreciation	<u>(28,907,446)</u>	<u>(4,745)</u>	<u>(2,605,573)</u>	<u>8,500</u>	<u>(31,509,264)</u>
Total Capital Assets being Depreciated, Net	<u>70,807,652</u>	<u>(4,745)</u>	<u>12,101,584</u>	<u>(8,322)</u>	<u>82,896,168</u>
Capital Assets, Net	<u>\$ 72,604,479</u>	<u>\$ (4,745)</u>	<u>\$ 17,425,626</u>	<u>\$ (460,218)</u>	<u>\$ 89,565,141</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

Sewer	\$ 2,201,873
Aquatics	<u>403,826</u>
Total Business-type activities Depreciation Expense	<u>\$ 2,605,699</u>

CITY OF MISSOULA, MONTANA
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	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit: Missoula Parking Commission				
Capital Assets not being Depreciated				
Parking lots	\$ 2,397,866	\$ -	\$ -	\$ 2,397,866
Capital Assets being Depreciated				
Parking structures	2,256,461	9,173	-	2,265,634
Furniture, fixtures, and computers	54,890	1,147	(9,670)	46,367
Machinery, equipment and vehicles	406,800	79,036	(8,349)	477,487
Parking lot improvements	1,173,437	-	(7,461)	1,165,976
Capitalized interest	409,007	-	-	409,007
	4,300,595	-	-	4,364,471
Less accumulated depreciation	(1,618,105)	(292,995)	16,836	(1,894,264)
Total capital assets being depreciated, net	<u>2,682,490</u>	<u>(292,995)</u>	<u>16,836</u>	<u>2,470,207</u>
Capital assets, net	<u>\$ 5,080,356</u>	<u>\$ (292,995)</u>	<u>\$ 16,836</u>	<u>\$ 4,868,073</u>

F. Long-Term Obligations

During the year ended June 30, 2008 the following changes occurred in long-term liabilities reported in the governmental activities, the City's proprietary funds and component units:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year	(a)
Governmental Activities:						
General Obligation Bonds	\$18,720,000	\$ -	\$ 1,220,000	\$17,500,000	\$ 1,265,000	
Limited Obligation Bonds	4,760,000	840,000	240,000	5,360,000	230,000	
Special Assessment Bonds	15,455,681	1,538,354	1,483,870	15,510,165	1,479,871	
Sidewalk and Curb Warrants	120,923	-	-	120,923	20,672	
Intercap Loans	252,453	-	30,028	222,425	31,116	
Compensated Absences	3,271,481	2,101,762	1,930,599	3,442,644	1,779,205	
Total Governmental Activities	<u>\$42,580,538</u>	<u>\$ 4,480,116</u>	<u>\$ 4,904,497</u>	<u>\$42,156,157</u>	<u>\$ 4,805,864</u>	
Proprietary Funds /						
Business-type Activities:						
Revenue Bonds	\$16,797,231	\$ -	\$ 979,000	\$15,818,231	\$ 1,017,000	
Compensated Absences	<u>123,967</u>	<u>82,367</u>	<u>71,418</u>	<u>134,916</u>	<u>44,859</u>	
Total Proprietary Funds	<u>\$16,921,198</u>	<u>\$ 82,367</u>	<u>\$ 1,050,418</u>	<u>\$15,953,147</u>	<u>\$ 1,061,859</u>	
Component Units:						
Revenue Bonds	\$ 5,665,000	\$ 1,625,000	\$ 190,000	\$ 7,100,000	\$ 195,000	
Compensated Absences	<u>98,095</u>	<u>56,004</u>	<u>62,364</u>	<u>91,735</u>	<u>65,869</u>	
Total Component Units	<u>\$ 5,763,095</u>	<u>\$ 1,681,004</u>	<u>\$ 252,364</u>	<u>\$ 7,191,735</u>	<u>\$ 260,869</u>	
(a) Included in Balance June 30, 2008						

CITY OF MISSOULA, MONTANA
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Primary Government

Compensated Absences

For governmental activities, compensated absences are generally liquidated by the general fund.

General Obligation Bonds Payable

Paid from property tax revenues deposited in Debt Service Funds:

<u>Bonds</u>	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Amount</u>	<u>Balance</u>
					<u>June 30, 2008</u>
2004 Aquatics	2004	2024	3.0-4.5%	\$ 8,100,000	\$ 6,875,000
2004 Refunding	2004	2013	3.0-3.8%	2,705,000	1,320,000
2005 Fire Station	2006	2026	3.95-4.5%	5,740,000	5,350,000
2007 Refunding	2007	2018	3.6-4.0%	4,355,000	3,955,000
Total GO Bonds				<u>\$ 20,900,000</u>	<u>\$ 17,500,000</u>

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2008, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,265,000	\$ 701,223	\$ 1,966,223
2010	1,170,000	656,883	1,826,883
2011	1,225,000	614,833	1,839,833
2012	1,270,000	569,748	1,839,748
2013	1,320,000	521,133	1,841,133
2014-2018	5,300,000	1,912,482	7,212,482
2019-2023	4,180,000	960,468	5,140,468
2024-2026	<u>1,770,000</u>	<u>133,969</u>	<u>1,903,969</u>
Total	<u>\$ 17,500,000</u>	<u>\$ 6,070,739</u>	<u>\$ 23,570,739</u>

Limited Obligation Bonds

Paid from General Fund revenues:

<u>Bonds</u>	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Amount</u>	<u>Balance</u>
					<u>June 30, 2008</u>
2001A Maintenance	2000	2020	4.25-5.20%	\$ 1,600,000	\$ 1,180,000
2006 Council/MRA Remodel	2006	2026	4.25-4.55%	1,100,000	1,025,000
2006 Aquatics Support	2006	2026	3.625-4.0%	1,860,000	1,700,000
2007B Fire Subsidy	2007	2026	3.70-4.20%	680,000	655,000
2007C 50 Meter Pool	2008	2027	3.50-4.40%	840,000	800,000
Total Limited Obligation Bonds				<u>\$ 6,080,000</u>	<u>\$ 5,360,000</u>

CITY OF MISSOULA, MONTANA
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Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2008, were as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30			
2009	\$ 230,000	\$ 226,998	\$ 456,998
2010	240,000	217,746	457,746
2011	255,000	208,046	463,046
2012	265,000	197,621	462,621
2013	280,000	186,678	466,678
2014-2018	1,570,000	747,502	2,317,502
2019-2023	1,540,000	391,794	1,931,794
2024-2027	<u>980,000</u>	<u>89,920</u>	<u>1,069,920</u>
Total	<u>\$ 5,360,000</u>	<u>\$ 2,266,305</u>	<u>\$ 7,626,305</u>

Revenue Bonds

Paid from sewer utility revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2008</u>
1992 Sewer, A	1/23/92	7/1/2013	4.00%	\$ 1,177,000	\$ 386,000
1992 Sewer, B	7/15/92	1/1/2013	4.00%	2,221,000	660,000
1999 Sewer Bonds	6/24/99	7/1/2019	4.00%	1,820,000	1,175,000
2000(B) Sewer Bonds	10/03/00	7/1/2020	4.00%	718,000	497,000
2001 Sewer Bonds-Bellevue & Reserve	4/27/01	1/1/2021	4.00%	459,162	325,000
2002 Sewer Bonds-39 th St.	5/16/02	1/1/2022	4.00%	1,395,000	970,000
2002 Missoula Treatment Plant A	11/21/02	7/1/2022	4.00%	5,000,000	3,890,000
2003 Missoula Treatment Plant B	10/15/03	7/1/2023	3.75%	3,800,000	3,096,000
2003 Missoula Treatment Plant C	3/23/04	7/1/2024	3.75%	3,688,000	3,089,000
2005 Sewer Bonds-Brdwy/Lincolnwood	11/28/05	7/1/2025	3.75%	1,997,000	1,517,833
2006 Sewer Bonds-Lincolnwood Ph. II	9/21/06	7/1/2026	3.75%	241,398	212,398
Total				<u>\$22,516,560</u>	<u>\$15,818,231</u>

Annual debt service requirements to maturity for revenue bonds as of June 30, 2008, were as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30			
2009	\$ 1,017,000	\$ 603,129	\$ 1,620,129
2010	1,056,000	563,057	1,619,057
2011	1,099,000	521,042	1,620,042
2012	1,141,000	478,232	1,619,232
2013	1,102,000	433,237	1,535,237
2014-2018	5,289,000	1,563,479	6,852,479
2019-2023	4,975,398	505,753	5,481,151
2024	<u>138,833</u>	<u>2,603</u>	<u>141,436</u>
	<u>\$ 15,818,231</u>	<u>\$4,670,532</u>	<u>\$20,488,763</u>

Revenue Bond Covenants

The Sewer Revenue Bonds require:

1. Segregated cash accounts with restrictions on their use.

CITY OF MISSOULA, MONTANA
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2. Accounting for the sewer fund in accordance with generally accepted accounting principles and issuing audited statements annually.
3. Billing quarterly, no free services and legal action to collect delinquencies.
4. Reserves in operating account and Revenue Bond accounts (maximum due in any future calendar year).
5. Net revenues at least equal to 125% of the maximum annual debt service.
6. The bonds may be redeemed early if approval is sought from the Department of Natural Resources and all payments are current.

The City of Missoula is in substantial compliance with all of the above requirements except for quarterly billing. For residential and some commercial accounts, the City bills every six months to conserve on postage costs and personnel time.

Special Assessment Debt with Government Commitment

Property owners are assessed for principal and interest to repay special assessment bonds. If sufficient funds are not received, loans are made from the SID Revolving fund. This fund is financed by fees paid by each new SID, by cash transferred from the general fund if needed and by any surplus remaining in completed SID's. The cash balance in the Revolving Fund must equal at least 5% of the principal amount of debt outstanding. If the cash balance is less than 5%, a levy is required to bring the cash balance to the required minimum. The required minimum for the City at June 30, 2008 is \$775,508. The Revolving Fund cash at June 30, 2008 is \$776,343.

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2008:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2008</u>
498	1992	2012	4.00%	\$ 2,465,000	\$ 371,000
501	1992	2012	4.00%	943,000	105,000
503	1993	2013	4.00%	324,000	54,000
505	1994	2009	4.00 – 6.50%	174,000	10,000
511	1994	2014	4.00%	304,000	77,000
512	1998	2018	4-50.250%	1,724,000	835,705
513	1996	2007	5.90%	41,000	11,500
514	1996	2012	5.90%	213,000	59,748
515	1996	2007	5.90%	9,800	2,752
517	1997	2012	4.20-5.50%	91,000	23,701
518	1997	2012	4.20-5.50%	39,000	10,135
519	1997	2012	4.20-5.50%	109,000	28,363
520	1998	2019	4.00%	2,634,000	1,409,000
521	1998	2018	4.50-5.25%	7,900	3,803
522	1998	2018	4.50-5.25%	11,200	5,492
524	2002	2023	4.00%	4,577,000	3,432,000
525	2001	2020	4.00%	658,000	418,000
526	2000	2021	4.00%	2,671,000	1,825,000
527	2004	2011	2.70-3.80%	22,400	9,600
530	2006	2016	3.80-4.75%	6,706	5,366
532	2005	2024	3.50-5.00%	556,000	460,000
533	2006	2025	3.75%	244,000	219,000
534	2006	2026	3.75%	254,000	237,000
536	2006	2026	3.75%	438,000	407,000

CITY OF MISSOULA, MONTANA
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540	2006	2027	3.75-4.65%	1,570,000	1,520,000
FY99 S&C	1999	2011	3.20-4.60%	644,000	80,000
FY00 S&C	2000	2012	4.625-5.5%	840,000	140,000
FY01 S&C	2001	2013	3.00-4.50%	340,000	95,000
FY02 S&C	2002	2014	2.00-4.40%	430,000	130,000
FY03 S&C	2003	2015	2.00-3.80%	805,000	355,000
FY04 S&C	2004	2016	2.00-4.75%	710,000	365,000
FY05 S&C	2005	2017	3.50-4.65%	765,000	525,000
FY06 S&C	2006	2018	3.75-4.25%	1,145,000	880,000
FY07 S&C	2007	2027	4.00-4.75%	920,000	840,000
FY08 S&C	2008	2028	2.50-5.00%	<u>560,000</u>	<u>560,000</u>
				<u><u>\$27,246,006</u></u>	<u><u>\$15,510,165</u></u>

Annual debt service requirements to maturity for special assessment bonds as of June 30, 2008, were as follows:

Fiscal Year Ending	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,479,871	\$ 636,391	\$ 2,116,262	
2010	1,488,870	574,567	2,063,437	
2011	1,488,870	514,337	2,003,207	
2012	1,402,870	453,271	1,856,141	
2013	1,162,670	395,970	1,558,640	
2014-2018	4,617,016	1,330,829	5,947,845	
2019-2023	3,132,000	494,218	3,626,218	
2024-2028	<u>738,000</u>	<u>77,839</u>	<u>815,839</u>	
Total	<u><u>\$ 15,510,167</u></u>	<u><u>\$ 4,477,422</u></u>	<u><u>\$ 19,987,589</u></u>	

Sidewalk and Curb Interest Bearing Warrants

Issued for sidewalk, curb and gutter improvements. Paid for through property assessments.

Issue	Interest	Outstanding	
Date	Rate	Term	June 30, 2008
1998	6.50%	12 yrs	\$ 20,672
1999	6.50%	12 yrs	<u>100,251</u>
Total Sidewalk and Curb Warrants			<u><u>\$ 120,923</u></u>

Annual debt service requirements to maturity for Sidewalk and Curb warrants as of June 30, 2008, were as follows:

Fiscal Year Ending	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 20,672	\$ 7,862	\$ 28,534	
2010	<u>100,251</u>	<u>6,519</u>	<u>106,770</u>	
	<u><u>\$120,923</u></u>	<u><u>\$ 14,381</u></u>	<u><u>\$ 135,304</u></u>	

Intercap Loans

Intercap loans are loans for capital equipment from the Montana Board of Investments. Payments are due in August and February. The interest rate varies annually based on calculations provided by the State Board of Investments and was 4.85% for fiscal year 2008.

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JUNE 30, 2008

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Balance June 30, 2008</u>
2004	2014	<u>\$ 300,000</u>	<u>\$ 222,425</u>

Annual debt service requirements to maturity for Intercap loan as of June 30, 2008, were as follows:

Fiscal Year Ending

	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 31,116		\$ 10,199	\$ 41,315
2010	32,246		8,708	40,954
2011	33,417		7,162	40,579
2012	34,631		5,560	40,191
2013	35,888		3,901	39,789
2014-2015	<u>55,127</u>		<u>2,606</u>	<u>57,733</u>
Total	<u>\$ 222,425</u>		<u>\$ 38,136</u>	<u>\$ 260,561</u>

Component Units

Revenue Bonds

Missoula Parking Commission: Revenue bonds paid from parking revenues.

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2008</u>
Parking Commission	5/1/2001	11/1/2016	4.6-5.5%	<u>\$1,700,000</u>	<u>\$1,060,000</u>

Minimum annual payments on principal and interest for bonds payable are shown below.

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
June 30			
2009	\$ 110,000	\$ 52,245	\$ 162,245
2010	115,000	46,788	161,788
2011	120,000	40,970	160,970
2012	130,000	34,655	164,655
2013	135,000	27,830	162,830
2014-2016	<u>450,000</u>	<u>37,860</u>	<u>487,860</u>
Totals	<u>\$ 1,060,000</u>	<u>\$ 240,348</u>	<u>\$ 1,300,348</u>

Missoula Redevelopment Agency: Revenue bonds paid from tax increment revenues.

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2008</u>
MAEDC Note Payable	8/10/2006	2031	1.50%	\$1,125,000	\$1,125,000
2006 Tax Increment	8/15/2006	2031	4.89%	3,600,000	3,415,000
2007 Tax Increment	10/15/2007	2031	6.95%	<u>1,500,000</u>	<u>1,500,000</u>
Total				<u>\$4,600,000</u>	<u>\$6,040,000</u>

The City of Missoula applied for and received a \$1 million grant from the U.S. Environmental Protection agency (EPA) to create a revolving loan fund to be used for brownfields remediation of the Old Sawmill

CITY OF MISSOULA, MONTANA
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District located within URD II. The City entered into a subrecipient agreement with the Missoula Area Economic Development Corporation (MAEDC) to manage the revolving loan fund. MAEDC provided \$200,000 in matching funds required under the EPA grant, creating a total loan fund of \$1.2 million. In August 2006, MAEDC made a loan of \$1,000,000 bearing interest at 1.5% to MRP LLC, the developer of the Old Sawmill District, with MRA and the City identified as co-borrowers. The loan will be repaid solely from tax increment revenue resulting from the increased taxable value of the property within the Old Sawmill District, and is not a general obligation of the City. For these reasons, the loan is reflected as a liability of MRA. In August 2007, the loan was increased from \$1 million to \$1.125 million.

Minimum annual payments on principal and interest for the bonds payable are shown below:

Year Ended	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
<u>June 30</u>			
2009	\$ 85,000	\$ 161,675	\$ 246,675
2010	90,000	405,733	495,733
2011	125,000	257,529	382,529
2012	135,000	251,169	386,169
2013	145,000	244,063	389,063
2014-2018	1,675,000	1,101,308	2,776,308
2019-2023	750,000	649,753	1,399,753
2024-2028	860,000	468,975	1,328,975
2029-2031	<u>1,050,000</u>	<u>112,336</u>	<u>1,162,336</u>
Totals	<u>\$ 4,915,000</u>	<u>\$ 3,652,541</u>	<u>\$ 8,567,541</u>

Debt service requirements to maturity for the MAEDC loan follow:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2009	\$ 41,295	\$ 16,721	\$ 58,016
2010	41,917	16,099	58,016
2011	42,548	15,468	58,016
2012	43,189	14,827	58,016
2013	43,839	14,177	58,016
2014-2018	229,297	60,784	290,081
2019-2023	247,087	42,995	290,082
2024-2028	266,257	23,823	290,080
2029-2031	<u>169,571</u>	<u>4,479</u>	<u>174,050</u>
Total	<u>\$ 1,125,000</u>	<u>\$ 209,373</u>	<u>\$ 1,334,373</u>

Conduit Debt Obligations

The City has participated in several issues of industrial revenue bonds issued for the purpose of constructing privately operated facilities within the City. These bonds are not direct or contingent liabilities of the City. Revenues from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2008, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$6,481,517.

CITY OF MISSOULA, MONTANA
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G. Employee Benefits

1. Statewide Retirement Plans

Substantially all full-time City employees are eligible for one of three state-wide cost-sharing multiple-employer retirement plans. The City had a total payroll of \$21,892,367 for FY08, of which \$19,504,482 is covered by PERS, MPORS, or FURS. The financial information for all three retirement plans are reported in the Public Employees' Retirement Board's published "Comprehensive Annual Financial Report" for the fiscal year end. It is available from MPERA at 100 North Park Ave, P.O. Box 200131, Helena, MT 59620-0131, (406) 444-3154. Retirement expenditures are reported in the fund incurring the expense.

Public Employees' Retirement System (PERS)

PERS is a statewide retirement plan established in 1945 and is governed by Title 19, Chapters 2 and 3 of the Montana Code Annotated providing retirement services for substantially all public employees. The PERS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

The PERS offers retirement, disability and death benefits to plan members and their beneficiaries. Benefit eligibility is age 60 with at least five years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarial reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. Monthly retirement benefits are determined by taking 1/56 times the number of years of service times the final average salary. A guaranteed annual benefit adjustment (GABA) of 1.5% is provided each January for benefit recipients if they have been receiving a benefit for at least 36 months. Members' rights become vested after five years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 6.90% of monthly compensation. State and University employers are required to contribute 6.80% of members' compensation. Local government entities are required to contribute 6.935% of members' compensation. The State of Montana contributes 0.1% of members' compensation on behalf of local government entities.

Firefighters' Unified Retirement System (FURS)

The City contributes to the Firefighters' Unified Retirement System (FURS). The FURS was established in 1981 and is governed by Title 19, Chapter 13 of the Montana Code Annotated providing retirement services for fully-paid firefighters. The FURS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

The FURS offers retirement, disability and death benefits to plan members and their beneficiaries. A member may retire with a normal retirement benefit after completing 20 years of service, regardless of age. The monthly service retirement benefit, for members hired before July 1, 1981, who did not elect to be covered under GABA is equal to $\frac{1}{2}$ of the last monthly compensation received. An additional amount equal to 2% of the last monthly compensation earned for each year in excess of 20 years can be received. For those hired on or after July 1, 1981, who did not elect to be covered under GABA, the retirement allowance is equal to 2% of the final average compensation for each year of service. Post retirement benefits are 50% of a current firefighter's salary. For members hired after June 30, 1997, and members hired prior to July 1, 1997 who have elected to be covered by GABA, a guaranteed annual benefit adjustment (GABA) of 1.5% is provided each January for benefit recipients if they have been receiving a benefit for at least 36 months.

CITY OF MISSOULA, MONTANA
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Rights become vested after 10 years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 9.5% of monthly compensation if hired prior to July 1, 1997 and not electing GABA coverage. The contribution for plan members hired after June 30, 1997 and members hired prior to July 1, 1997 and electing GABA coverage is 10.7% of monthly compensation. Employers are required to contribute 14.36% of members' compensation. The State is required to contribute 32.61% of members' compensation. One hundred percent of required contributions were received.

Municipal Police Officers' Retirement System (MPORS)

The City contributes to the Municipal Police Officers' Retirement System (MPORS). The MPORS was established in 1975 and is governed by Title 19, Chapter 2 and 9 of the Montana Code Annotated providing retirement services for all municipal police officers of cities covered by the plan. The MPORS is a mandatory multiple-employer, cost sharing plan administered by the Montana Public Employees' Retirement Administration (MPERA).

The MPORS offers retirement, disability and death benefits to plan members and their beneficiaries. Minimum years of service are 20 for benefit eligibility. The retirement benefit is calculated as follows: 2.5% – Final Average Salary – Years of Service. Any officers meeting the service year requirements shall receive $\frac{1}{2}$ of the final average salary. For members hired after June 30, 1997, and members hired prior to July 1, 1997 who have elected GABA coverage a guaranteed annual benefit adjustment (GABA) of 1.5% is provided each January if the benefit recipient has been receiving a benefit for 36 months prior to January 1. Rights become vested after 20 years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 5.8% (for members hired prior to July 1, 1975 and not electing GABA), 7.0% (for members hired between July 1, 1975 and June 30, 1979 and not electing GABA), 8.5% (for members hired on and after July 1, 1979 and not electing GABA), and 9.0% (for new hires after June 30, 1997 and members electing GABA) of monthly compensation. Employers are required to contribute 14.41% of members' compensation. The State is required to contribute 29.37% of members' compensation. One hundred percent of required contributions were received. All of the on-behalf payments for fringe benefits for the City's employees were recognized as revenues and expenditures/expenses during the period.

Contribution rates for the plans are required and determined by State law. The contribution rates, expressed as a percentage of covered payroll for the fiscal year ended June 30, 2008, were:

	PERS	MPORS	FURS
Employee	6.90%	5.8 – 9.0% (1)	9.5-10.7% (2)
Employer	6.935%	14.41%	14.36 %
State	.10%	29.37%	32.61%

(1) 5.0% for members hired prior to July 1, 1975
7.0% for members hired between July 1, 1975 and June 30, 1979 (not covered by GABA)
8.5% for members hired on or after July 1, 1979
9.0% for members hired after June 30, 1997
From July 1, 1997 to January 1, 1998 existing members could join the new plan (GABA)
(2) 10.7% for members hired after June 30, 1997

CITY OF MISSOULA, MONTANA
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From July 1, 1997 to January 1, 1998 existing members could join the new plan (GABA)

The City of Missoula and the State of Montana contributions (including component units) for the years ended June 30, 2006, 2007 and 2008 as listed below, were equal to the required contributions for each year.

	Primary Government								Component Units	
	PERS		MPORS		FURS		PERS			
	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>	<u>City</u>	<u>State</u>
2006	\$ 574,872	\$ 8,454	\$ 631,137	\$ 1,342,803	\$ 552,782	\$ 1,274,868	\$ 41,361	\$ 620		
2007	606,774	8,923	678,509	1,382,916	676,155	1,535,474	42,925	631		
2008	656,741	9,564	731,885	1,670,873	677,821	1,538,654	45,987	676		

2. Insurance

The City has a self-insured medical, dental and life insurance plan which provides benefits for all permanent employees electing to be covered. City and employee monthly contribution rates depend on whether the employee is full or part time. City contributions were \$335 for a half time employee to \$670 for a full time employee. Employee contributions were \$10 for full time employees up to \$345 for half time employees. Retirees may also participate in the plan. The City subsidizes the retiree's premium cost at 15%. They paid \$539 per month, for medical coverage only. They are not covered by the dental and life insurance plans. City contributions to the plan for the year ended June 30, 2008 were \$3,346,268, employee contributions were \$427,616 and retiree contributions were \$291,502. Premium expenses are charged to the appropriate departments, than deposited into the Employee Benefit Fund, an internal service fund. This fund is used to pay claims, stop loss insurance and an administrator to process claims. An operating transfer in the amount of \$55,071 from the General Fund was made to the Employee Benefit Fund during fiscal year 2008. Following is a summary of the changes in the balances of claim liabilities (based on calucations provided by the plan administrator) during fiscal 2006, 2007 and 2008.

	Claims			Claims	
	Payable		Payable		End
	Beginning of	Claims	Incurred	Claims Paid	of Fiscal
	Fiscal Year				Year
2006	\$ 261,754	\$ 2,589,334		\$ 2,698,749	\$ 152,339
2007	152,339	3,041,420		3,022,700	171,059
2008	171,059	3,146,703		3,095,689	222,073

3. Postemployment Benefits

Terminated employees may remain on the City'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 remain on the City's health plan as long as they wish, provided they pay the monthly premiums. State law requires the City to provide this benefit. There are no other post-employment benefits provided by the City. Out of 415 individuals covered by the plan at June 2008, there were 47 retirees and 1 C.O.B.R.A. participant.

The City has considered whether the provisions of GASB Statement 43, "Financial Reporting for Postemployment Benefit Plans other than Pension Plans" are applicable to its self-insured plan. Under GASB 43, the City's plan is not administered as a trust and is a single-employer plan. Accordingly, the City has determined that Statement 43 does not apply.

The City is required to adopt the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment 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

CITY OF MISSOULA, MONTANA
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JUNE 30, 2008

(ARC) for retirees. The City has not yet determined whether the adoption of GASB 45 will have a material effect on its financial statements.

3. Deferred Compensation Plan

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The pay out of deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. As the result of a change in federal law effective January 1, 1997, all of the City's deferred compensation plans have converted to hold the assets in trust for the exclusive benefit of participants and their beneficiaries. As such, the City no longer recognizes the assets of the deferred compensation plans.

H. Interfund Transfers - The City has the following transfers:

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Street Maintenance	32,628	Reimburse General Fund for costs incurred within the flushing district
General Fund	Gas Tax	564,000	For street maintenance work by City street staff
General Fund	Employee Health Insurance	3,137,742	Reimburse General Fund from special health levy funds for health insurance premiums paid
General Fund	Cable TV Franchise	132,612	For right of way maintenance
General Fund	Russell Park Maintenance	2,740	Reimburse General Fund for costs incurred within the Russell Park Maintenance District
General Fund	Title I	8,400	Special budget request to support Partnership Health Center
General Fund	Willowwood Park Maintenance	4,854	Reimburse General Fund for costs incurred within the Willowwood Park Maintenance District
		\$ 3,882,976	Total Non-major Special Revenue transfers to General Fund
General Fund	SID Revolving	289,250	To reimburse General Fund for SID costs
		\$ 289,250	Total Non-major Debt Service transfers to General Fund
General Fund	Sewer	241,240	Reimburse General Fund for proportionate share of various technology improvements
		\$ 241,240	Total Major Proprietary fund transfers to General Fund
CDBG Fund	Program Income	2,000	To appropriate fund activity to correct fund
		\$ 2,000	Total Non-major Special Revenue transfers to Non-major Special Revenue
Capital Improvement	General Fund	130,500	Support for capital projects
		\$ 130,500	Total General Fund transfers to Non-major Capital Projects
Aquatics	General Fund	306,038	Support for aquatics activities
		\$ 306,038	Total General Fund transfers to Major Enterprise Funds
Employee Benefit Plan	General Fund	55,071	Retiree subsidizing approved by the City council
		\$ 55,071	Total General Fund transfers to Internal Service

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

I. Transactions with Component Units

The City of Missoula's significant transactions with its discretely presented component units include:

Transfer To:	Transfer From:	Amount	Explanation
General Fund	MRA	\$ 5,490	To support new enhancements to operating budget

J. Restricted Cash/Investments/Assets

The following restricted cash/investments were held by the City as of June 30, 2008:

<u>Description</u>	<u>Amount</u>
Primary Government	
Sewer Fund - Restricted for debt service	\$1,617,326
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,500
Missoula Parking Commission - Restricted for debt service	<u>150,000</u>
Total Restricted Cash	<u>\$ 2,017,826</u>

The following net assets were restricted by the City for the reasons stated below as of June 30, 2008:

<u>Description</u>	<u>Amount</u>
Primary Government	
Governmental Funds - Restricted for debt service	\$3,175,573
Sewer - Restricted for debt service	1,303,028
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,500
Missoula Parking Commission - Restricted for debt service	<u>150,000</u>
Total Restricted Net Assets	<u>\$4,879,101</u>

K. Joint Operations with the County

Through interlocal agreements between the City of Missoula and Missoula County services are provided jointly for Health, Office of Planning and Grants, Library, Animal Control and Missoula Art Museum. Members of the governing boards for these operations are appointed by both the City and County with the exception of the Art Museum. In all cases, the County is responsible for handling the administration and accounting for these service areas and includes them in their financial statements. The City provides office space within City Hall for the Office of Planning and Grants. The Art Museum building is included in the City's general capital assets. Health, Animal Control and Library are located in County facilities and are recorded on the County's capital asset records. In all cases, should the interlocal agreements be dissolved, the furniture and equipment will be returned to each unit of government on an equal basis. Buildings will remain in the custody of the government currently reporting them. The City and County meet each year to determine budgetary support. All of the above services have had sufficient funding to carry out their intended purposes.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

L. Risk Management

The City faces a considerable number of risks of loss, including: a) damage to and loss of property and contents, b) citizen and employee tort claims, c) professional liability, i.e., errors and omissions, d) environmental damage, e) workers' compensation, i.e. employee injuries, and f) medical insurance costs of employees. A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts are purchased for property and content damage and professional liabilities. The City participates in three statewide public risk pools operated by the Montana Municipal Insurance Authority (MMIA), for property insurance, workers' compensation and for tort liability coverage. Employee medical insurance is provided through a privately administered, self-insured plan. The City of Missoula has an addendum through MMIA in its property coverage termed pollution coverage for environmental damages.

Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are paid from the General Fund. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the last four years.

In 1986 the City joined together with other Montana cities to form the Montana Municipal Insurance Authority which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort action for claims brought pursuant to state law are \$750,000 per claim and \$1.5 million per occurrence with a \$15,000 deductible per occurrence. State tort law limits the City's liability to \$1.5 million. There are no liability limits for claims filed pursuant to federal law. The city pays an annual premium for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member premiums. Complete financial statements can be obtained by contacting MMIA at PO Box 6669, Helena, MT 59604-6669.

The City provides medical insurance coverage for its employees via a self-insured plan administered by Allegiance Benefit Plan Management, Inc. It provides medical, dental and vision benefits and is operated as an Internal Service Fund, funded by premiums charged to each department, based on the employees in that department, premiums from employees for their spouses, dependents, premiums from retirees electing to remain under the City's plan, and pro rated premiums from part-time and seasonal eligible employees. A commercial "stop-loss" policy has been purchased to cover any claims that exceed \$100,000 per individual or in aggregate for the plan in excess of 95% of the first monthly aggregate attachment point times 12.

M. Pending Litigation

The City of Missoula 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 City Attorney reports various contingent liabilities based on the amount of damages alleged in various cases. It is the opinion of the City Attorney that the City's liability in the cases not covered by insurance will not be material to the financial statements, except one case in which it is reasonably possible that the amount of uninsured loss could be material. However, because the amount of the loss, if any, is not reasonably determinable no provision has been made in the financial statements for these contingent liabilities.

N. Change in Accounting Principle

The government-wide financial statements and fund financials include a change in accounting principle due to the city's decision to change the application of the tax revenue recognition accounting principle. The current year's financial statements reflect a 60-day availability period for tax revenue recognition instead of the prior year's policy of 30-day availability. This change in accounting principle will smooth out any fluctuations for inconsistent timing of tax billings by Missoula County. The change had the affect of increasing net assets/fund balances in the governmental financial statements as of July 1, 2007, by \$244,881.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

O. Special Items

The City of Missoula constructed several aquatics facilities which opened for business in fiscal year 2007, at which time all of the business transactions were handled by the general fund. At the beginning of fiscal year 2008 the City established a proprietary fund specifically designed to account for the enterprise transactions of the aquatics facilities. As a result the general fund contributed \$13,409,207 in capital assets and inventory to this newly established fund.

P. Construction Commitments

The City has entered into the following contracts for the design, construction or renovation of the following capital projects:

	<u>Expended</u> <u>to Date</u>	<u>Remaining</u> <u>Commitment</u>
<u>Sewer Funds</u>		
Cara Park Lift Station	\$ 310,000	\$ 269,800
Headworks Upgrade	650,000	640,713
Digester Gas Scrubber	75,000	65,144
Ryman Street Sewer Mains	215,028	237,889
West Reserve Sewer Mains	714,757	3,029,892
<u>Governmental Funds</u>		
Fort Missoula Regional Park	\$ 179,697	\$ 102,914
McCormick Park Site Plan	30,730	90,000
Silvers Lagoon & Silver Park	268,335	7,500
Pineview Park	75,492	750,000
Lafray Park	107,798	160,000
50 Meter Pool	1,104,424	162,636
Playfair		



BUDGET TO ACTUAL COMPARISON GENERAL FUND



**REQUIRED
SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT
DISCUSSION AND ANALYSIS**

City of Missoula, Montana
Budgetary Comparison Statement
June 30, 2008

General Fund				
	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	Variance with Final Budget	
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and assessments	\$ 17,755,997	\$ 17,755,997	\$ 17,312,969	\$ (443,028)
Licenses and permits	1,432,253	1,432,753	1,202,941	(229,812)
Intergovernmental	9,241,744	9,403,744	9,444,310	40,566
Charges for services	3,858,026	3,958,713	3,663,064	(295,649)
Fines and forfeitures	1,479,558	1,479,558	1,172,962	(306,596)
Miscellaneous	702,893	905,893	595,858	(310,035)
Investment earnings	300,000	300,000	420,695	120,695
Total revenues	<u>34,770,471</u>	<u>35,236,658</u>	<u>33,812,799</u>	<u>(1,423,859)</u>
Expenditures				
General government	6,377,505	6,239,813	6,118,475	121,338
Public safety	19,507,921	19,867,216	20,268,016	(400,800)
Public works	6,337,962	6,471,523	6,274,691	196,832
Public health	1,367,663	1,367,663	1,364,663	3,000
Social and economic services	115,000	115,000	115,000	-
Culture and recreation	3,240,070	3,322,729	3,054,484	268,245
Miscellaneous	1,220,217	1,220,217	1,024,464	195,753
Capital outlay	660,677	704,677	682,858	21,819
Total Expenditures	<u>38,827,015</u>	<u>39,308,838</u>	<u>38,902,651</u>	<u>406,187</u>
Excess of revenues over expenditures	<u>(4,056,544)</u>	<u>(4,072,180)</u>	<u>(5,089,852)</u>	<u>(1,830,046)</u>
Other Financing Sources (Uses)				
Transfers in	4,401,328	4,401,328	4,418,956	17,628
Transfers out	(1,325,963)	(1,325,963)	(491,609)	(834,354)
Total Other Financing Sources (Uses)	<u>3,075,365</u>	<u>3,075,365</u>	<u>3,927,347</u>	<u>(816,726)</u>
Net change in fund balance	(981,179)	(996,815)	(1,162,505)	(2,646,773)
Fund balances - beginning	2,124,659	2,124,659	2,124,659	2,124,659
Cumulative effect of a change in accounting principle			239,919	
Fund balances - ending	<u>\$ 1,143,480</u>	<u>\$ 1,127,844</u>	<u>\$ 1,202,073</u>	<u>\$ (522,114)</u>

Note: The City prepares its budget on the basis of generally accepted accounting principles.



SUPPLEMENTAL INFORMATION



COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special revenue funds account for resources and expenditures which are designated by law or contractual agreement for specified functions or activities and are legally required to be accounted for in separate funds. Such resources are derived from specific taxes, federal grants and entitlements.

Park Acquisition & Development Fund – Accounts for the revenues and expenditures of money received from developers as “Payment In Lieu of” park land dedications. This money is earmarked for park acquisition and initial development. It is often used as local match money for development grants from the Heritage Conservation and Recreation Service (HCRS).

Park Enterprise Fund – Accounts for fees from adult recreation programs for purchases and improvements to benefit those programs directly. Revenue sources are “Field Use Fees” from organized recreation leagues and fees received from the School Districts for their use of park facilities.

Parks & Trails Development Fund – This fund provides a means to budget and account for donation and bequests for Caras Park Improvements. This fund also receives annual lease payments from the Carousel which must be used for parks and trails improvements and enhancements.

Cemetery Cremain Wall and Memorials Fund – This fund accounts for the sale of niche plates and miscellaneous donations that become available. Expenditures from this fund are primarily for the improvements related to niche walls.

Cemetery Care Fund – Accounts for proceeds from the sale of cemetery lots. The fund receives 25% of all moneys realized from the sale of cemetery lots, and this money as well as investment interest is used for the care and maintenance of the City Cemetery.

Title I Projects Fund – The City began receiving revenues in FY86 from projects done in the Central Business District which used the U.S. Department of Housing and Urban Development’s Urban Development Action Grants. The revenues will be loan repayments from the Central Square office building and from the Sheraton Hotel Project. All expenditures have to be for eligible projects of the Housing and Community Development Act of 1974 as amended.

Impact Fee Fund – The City enacted general impact fees effective October 1, 2004. The revenues received in this fund will be used to fund public costs and facilities that have additional demands placed on them by new development.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

SPECIAL REVENUE FUNDS (Cont.)

Public Art Fund – This fund is used to further public accessibility to the arts through educational programs, dissemination of information, development of public art projects, development of public art funding sources, and to serve an advisory /advocacy role with public art sponsors and media.

Employee Health Insurance Agency – This fund receives tax revenues from the All Purpose Levy for the costs of the City's self-insurance plan and transfers funds to the general fund to offset the cost of health insurance for City employees.

Cable Television Franchise Fund – Accounts for revenue from cable television franchise agreements, pursuant to the Cable TV Franchise Enabling Ordinance (#2617) and a Non-exclusive Cable TV Franchise Ordinance (#2618). The City receives 5% of gross revenues after 50% advertising revenue is deducted for the exclusive ordinance (#2617) and 5% of gross revenues for the non-exclusive ordinance (#2618) for franchise fees.

Drug Forfeiture Fund – This fund accounts for property, money from sales of seized property, and cash payments resulting from Justice of the Peace verdicts, and seized cash from drug related crimes. Money received in this fund has to be spent on drug related expenditures.

Building Inspection Fund – Accounts for revenues and expenditures relating to the administration and enforcement of building regulations in the City of Missoula and the jurisdictional area, which is approximately four and one-half miles beyond the City limits.

City Grants and Program Income Fund – This fund is used to aid qualified landlords for rehabilitation work, in an effort to improve the rental housing stock in Missoula, and also to assist low to moderate income individuals.

Revolving Loan Fund – This fund derives its funding from sewer assistance grants that have been repaid to the City, in addition to a water quality district appropriation. The money is used to provide sewer connection assistance to limited income persons within Missoula County.

Street Lighting Districts – The purpose of this fund is to pay 100% of the utility bills for the City's street lighting districts.

Street Maintenance – This fund pays for the costs of services associated with the maintenance and care of Street Maintenance District #1.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

SPECIAL REVENUE FUNDS (Cont.)

Russell Park West Maintenance – This fund pays for the services associated with the maintenance and care of Russell Park West.

Willowwood Park Maintenance – This fund pays for the services associated with the maintenance of Willowwood Park.

Gas Tax Fund – This fund receives and distributes gasoline tax revenues from the State of Montana. Expenditures are restricted to labor and materials for street improvements and cannot be used for equipment purchases.

Crime Victim Surcharge Fund - Accounts for revenues and expenditures related to the office of Crime Victim Advocates. Revenue comes from fees collected (\$24 per criminal citation, except traffic citations) and is disbursed to the Office of Planning and Grants to be used for the staffing of Crime Victim Advocates.

Law Enforcement Block Grant Fund – Accounts for funds received and expended from a Local Law Enforcement Block Grant authorized by the Omnibus FY 96 Appropriations Act.

HIDTA (High Intensity Drug Trafficking Area) Grant Fund – Accounts for funds received and expended by the HIDTA Task Force. Reimbursement for this multi-jurisdictional task force is provided by Office of National Drug Control Policy.

Community Development Block Grant – Accounts for transactions related to Community Development Block Grants that are awarded to the City.

HOME Grant – Accounts for transactions related to HOME Grants that are awarded to the City.

ADDI (American Dream Downpayment Initiative) - Accounts for funds received and expended to provide first-time homebuyer assistance for Missoulians with annual incomes between 50% and 80% of the area median income.

Federal Transportation – Accounts for Federal CTEP grant funds and matching money from other City Funds that is to be expended for projects identified by the City's Capital Improvement Program (C.I.P.) and approved by the State.

Grants and Donations – This fund accounts for the receipt and expenditure of a variety of grant and donation funds.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

DEBT SERVICE FUNDS

The debt service funds account for the accumulation of resources for the payment of principal and interest in debt such as general obligation, tax increment, and special assessment.

SID Revolving Funds – These funds account for moneys designated as revolving funds for debt service for loans incurred for special improvement districts.

1998 Public Safety Bond – Provides debt service related to the issuance of the bonds to purchase Police, Fire, and Communications Equipment.

1996 Open Space Bond - This fund was created to provide debt service related to the issuance of general obligation bonds to purchase open space and conservation easements. The interest rate on this bond issue varies from 3.8% to 7.25%.

1997 Open Space Bond - This fund was created to provide debt service related to the issuance of general obligation bonds to purchase open space and conservation easements. The interest rate on this bond issue varies from 3.9% to 5.2%.

1994 City Hall & Fire Bonds – Provides debt service for bonds sold to finance improvements to City Hall and to purchase fire equipment.

1993 Fire Station Bonds – Issued to purchase land and build a new fire station on the west side of Missoula as well as replace the downtown headquarters fire station. The interest rate on the amortization bonds is 5.48%.

2004 Aquatics Bonds – Issued to construct a new aquatics facility that will be located at McCormick Park and repair the public swimming pools. The interest rate on the amortization bonds varies from 3.00% to 4.50%.

2004 GO Refunding Bonds – Issued in 2004 to provide funds for refunding on July 1, 2004 the City's outstanding General Obligation Bonds, Series 1993 and Series 1994. The interest rate varies from 3.0% to 3.8%.

2006 Fire Station GO Bonds – Issued in 2005 to provide funds for expanding, upgrading and making improvements to the City's firefighting facilities and capacity, including: designing, constructing, and acquiring equipment, including a fire pumper and a wildland fire engine for a new fire station (Fire Station Five) in the Linda Vista Miller Creek area to serve the southwest part of the city; demolishing existing Fire Station Two and designing, constructing, and equipping on the site a new Fire Station Two; remodeling, expanding and equipping Fire Station Three (the "Project") and paying costs associated with the sale and issuance of the bonds.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

DEBT SERVICE FUNDS (Cont.)

2007 GO Refunding Bonds - Issued in 2007 to provide for refunding the City's outstanding General Obligation Bonds, Series 1996, Series 1997 and Series 1998. The interest rate varies from 3.6% to 4.0%.

Sidewalk & Curb Funds - These funds are used to account for and provide debt service for various bond issues to make sidewalk and curb improvements.

SID Funds – These funds provide debt service for debt incurred to create, construct and maintain special improvement districts within the City.

CAPITAL PROJECTS FUNDS

The capital projects funds account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

1997 Open Space Purchase Fund – Missoula voters approved a \$5,000,000 general obligation bond referendum in November 1997 allowing the City to purchase open space land and conservation easements.

2006 Fire Station GO Bond - Missoula voters approved a \$5,740,000 general obligation bond referendum in November 2005 for the purpose of expanding, upgrading, and making improvements to the City of Missoula's firefighting facilities and capacity. This includes designing, constructing, and acquiring equipment, including a fire pumper and a wildland fire engine for a new fire station (Fire Station Five) in the Linda Vista Miller Creek area to serve the southwest part of the city; demolishing existing Fire Station Two and designing, constructing, and equipping on the site a new Fire Station Two; remodeling, expanding, and equipping Fire Station Three; related improvements; and paying costs associated with the sale and issuance of the bonds.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

CAPITAL PROJECTS FUNDS (Cont.)

Sidewalk and Curb – Accounts for various sidewalk and curb improvements funded through various bond issues.

SID Funds – These funds account for the creation, construction and maintenance of special improvement districts within the City.

Miller Creek Mitigation Funds – These funds account for fees collected by the County from new developments to pay for road improvements in the Miller Creek area.



NONMAJOR GOVERNMENTAL FUNDS



**TOTALS FOR
COMBINING BALANCE SHEET
AND
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE**

**FOR NONMAJOR
GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 2,937,312	\$ 1,561,252	\$ 2,423,232	\$ 6,921,796
Taxes Receivable	319,230	177,131	-	496,361
Special Assessments Receivable	10,744	130,973	-	141,717
Interest Receivable	2,434	18,273	387	21,094
Prepaid Expense	6,700	-	-	6,700
Other Receivables	146,812	183,395	551,358	881,565
Long Term Loans	12,900	-	-	12,900
Interfund Receivable	625,835	1,586,381	3,600	2,215,816
Due From Other Governments	502,790	14,116	-	516,906
Deferred Assessments Receivable	-	11,174,377	-	11,174,377
TOTAL ASSETS	\$ 4,564,757	\$ 14,845,898	\$ 2,978,577	\$ 22,389,232
LIABILITIES				
Accounts Payable	\$ 323,246	\$ 830	\$ 290,769	\$ 614,845
Accrued Payroll	15,886	-	-	15,886
Interfund Payable	795,230	613,976	660,171	2,069,377
Deferred Revenues	221,886	11,576,535	551,358	12,349,779
TOTAL LIABILITIES	1,356,248	12,191,341	1,502,298	15,049,887
FUND EQUITY				
Fund Balance				
Reserved For Debt Service	-	2,654,557	-	2,654,557
Undesignated	3,208,509	-	1,476,279	4,684,788
TOTAL EQUITY AND OTHER CREDITS	3,208,509	2,654,557	1,476,279	7,339,345
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 4,564,757	\$ 14,845,898	\$ 2,978,577	\$ 22,389,232

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL
REVENUES				
Taxes	\$ 3,180,327	\$ 1,773,364	\$ -	\$ 4,953,691
Special Assessments	341,133	2,068,288	-	2,409,421
Licenses & Permits	2,851,533	-	-	2,851,533
Intergovernmental	2,762,218	-	-	2,762,218
Charges for Services	248,749	-	-	248,749
Fines and Forfeitures	42,993	-	-	42,993
Miscellaneous	104,597	-	712,155	816,752
Investment Earnings	43,242	194,083	(49,510)	187,815
TOTAL REVENUES	9,574,792	4,035,735	662,645	14,273,172
EXPENDITURES				
General Government	355,849	-	12,574	368,423
Public Safety	1,369,007	-	-	1,369,007
Public Works	326,030	-	69,656	395,686
Culture and Recreation	49,512	-	2,750	52,262
Community Development	1,017,034	-	-	1,017,034
Debt Service	-	3,820,347	-	3,820,347
Capital Outlay	860,026	-	3,064,209	3,924,235
TOTAL EXPENDITURES	3,977,458	3,820,347	3,149,189	10,946,994
Excess (Deficiency) of Revenues Over Expenditures	5,597,334	215,388	(2,486,544)	3,326,178
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,000	-	-	2,000
Operating Transfers Out	(3,884,975)	(289,250)	-	(4,174,225)
Issuance of Long Term Debt	-	99,114	1,439,240	1,538,354
Sale of Capital Assets	1,564	-	-	1,564
TOTAL OTHER FINANCING SOURCES (USES)	(3,881,411)	(190,136)	1,439,240	(2,632,307)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,715,923	25,252	(1,047,304)	693,871
Fund Balance, July 1, 2007	1,462,685	2,590,167	2,546,449	6,599,301
Cumulative effect of a change in accounting principle	50,797	39,138	-	89,935
Restatements	(20,896)	-	(22,866)	(43,762)
Fund Balance, July 1, 2007, As Restated	1,492,586	2,629,305	2,523,583	6,645,474
Fund Balance, June 30, 2008	\$ 3,208,509	\$ 2,654,557	\$ 1,476,279	\$ 7,339,345



COMBINING BALANCE SHEET

FOR NONMAJOR
GOVERNMENTAL
SPECIAL REVENUE
FUNDS

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall	Cemetery Care	Title One Projects
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 216,143	\$ 179,369	\$ 238,625	\$ 30,033	\$ 239,476	\$ 25,146
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	-	-	-	-	-	2,551
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	-	-	-	1,564	-
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	581,541
Long Term Loans						
Extended Family Services	-	-	-	-	-	12,900
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ 216,143	\$ 179,369	\$ 238,625	\$ 30,033	\$ 241,040	\$ 622,138
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ 13,190	\$ 102	\$ -	\$ -
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	-	12,900
TOTAL LIABILITIES	-	-	13,190	102	-	12,900
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	216,143	179,369	225,435	29,931	241,040	609,238
TOTAL EQUITY AND OTHER CREDITS	216,143	179,369	225,435	29,931	241,040	609,238
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 216,143	\$ 179,369	\$ 238,625	\$ 30,033	\$ 241,040	\$ 622,138

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Impact Fee	Public Art	Employee Health Ins	Cable TV Franchise	Drug Forfeiture	Building Division
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 340,094	\$ 64,124	\$ -	\$ 30,843	\$ 65,134	\$ 167,645
Taxes Receivable	-	-	319,230	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	1,430	-	(2,225)	-	-	1,045
Prepaid Expenses	-	-	-	-	-	6,700
Other Receivables						
Vendors	2,524	-	-	132,076	-	3,986
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Long Term Loans						
Extended Family Services	-	-	-	-	-	-
Due From Other Governments	-	-	404	-	1,212	-
TOTAL ASSETS	\$ 344,048	\$ 64,124	\$ 317,409	\$ 162,919	\$ 66,346	\$ 179,376
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,328	\$ 12,687
Accrued Payroll	-	-	-	-	-	15,071
Due to Other Funds	-	-	529,119	-	-	-
Deferred Revenues	-	-	193,976	-	-	-
TOTAL LIABILITIES	-	-	723,095	-	2,328	27,758
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	344,048	64,124	(405,686)	162,919	64,018	151,618
TOTAL EQUITY AND OTHER CREDITS	344,048	64,124	(405,686)	162,919	64,018	151,618
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 344,048	\$ 64,124	\$ 317,409	\$ 162,919	\$ 66,346	\$ 179,376

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Program Income	Revolving Loan Program	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Maintenance
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 2,656	\$ -	\$ 270,249	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	7,192	3,552	-	-
Interest Receivable	(523)	185	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	1,500	-	-	-	-
Mountain Water Notes	5,162	-	-	-	-	-
Interfund Receivable	-	44,031	-	-	-	-
Long Term Loans						
Extended Family Services	-	-	-	-	-	-
Due From Other Governments	-	-	234	-	-	-
TOTAL ASSETS	\$ 7,295	\$ 45,716	\$ 277,675	\$ 3,552	\$ -	\$ -
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 375	\$ 25,229	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	8,420	2,897	1,977
Deferred Revenues	5,162	-	6,295	3,553	-	-
TOTAL LIABILITIES	5,162	375	31,524	11,973	2,897	1,977
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	2,133	45,341	246,151	(8,421)	(2,897)	(1,977)
TOTAL EQUITY AND OTHER CREDITS	2,133	45,341	246,151	(8,421)	(2,897)	(1,977)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 7,295	\$ 45,716	\$ 277,675	\$ 3,552	\$ -	\$ -

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2008

	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant	Comm. Devel. Program Income
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 93,241	\$ 14,178	\$ -	\$ 600,265	\$ 12,581
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Interest Receivable	-	60	(143)	-	54
Prepaid Expenses	-	-	-	-	-
Other Receivables					-
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Interfund Receivable	-	-	-	-	263
Long Term Loans					-
Extended Family Services	-	-	-	-	-
Due From Other Governments	-	7,402	46,715	-	-
TOTAL ASSETS	\$ 93,241	\$ 21,640	\$ 46,572	\$ 600,265	\$ 12,898
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 67,952	\$ 26,840	\$ 13,500	\$ 6,090	\$ -
Accrued Payroll	-	-	-	-	-
Due to Other Funds	-	-	34,049	-	-
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	67,952	26,840	47,549	6,090	-
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Undesignated	25,289	(5,200)	(977)	594,175	12,898
TOTAL EQUITY AND OTHER CREDITS	25,289	(5,200)	(977)	594,175	12,898
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 93,241	\$ 21,640	\$ 46,572	\$ 600,265	\$ 12,898

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Community Development	HOME Grant	ADDI Grants	Federal Transportation	Grants & Donations
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 347,510
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Interest Receivable	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Other Receivables	-				
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
Long Term Loans					
Extended Family Services	-	-	-	-	-
Due From Other Governments	32,308	198,715	-	124,783	91,017
TOTAL ASSETS	\$ 32,308	\$ 198,715	\$ -	\$ 124,783	\$ 438,527
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 6,849	\$ 51,076	\$ -	\$ 80,596	\$ 16,432
Accrued Payroll	-	-	-	-	815
Due to Other Funds	34,316	120,454	-	63,998	-
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	41,165	171,530	-	144,594	17,247
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Undesignated	(8,857)	27,185		(19,811)	421,280
TOTAL EQUITY AND OTHER CREDITS	(8,857)	27,185	-	(19,811)	421,280
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 32,308	\$ 198,715	\$ -	\$ 124,783	\$ 438,527

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2008

TOTALS

ASSETS AND OTHER DEBITS

Cash and Investments	\$ 2,937,312
Taxes Receivable	319,230
Special Assessments Receivable	10,744
Interest Receivable	2,434
Prepaid Expenses	6,700
Other Receivables	
Vendors	141,650
Mountain Water Notes	5,162
Interfund Receivable	625,835
Long Term Loans	
Extended Family Services	12,900
Due From Other Governments	502,790
TOTAL ASSETS	<u>\$ 4,564,757</u>

LIABILITIES, EQUITY AND OTHER CREDITS

Accounts Payable	\$ 323,246
Accrued Payroll	15,886
Due to Other Funds	795,230
Deferred Revenues	221,886
TOTAL LIABILITIES	<u>1,356,248</u>

FUND EQUITY AND OTHER CREDITS

Fund Balance	
Undesignated	3,208,509
TOTAL EQUITY AND OTHER CREDITS	<u>3,208,509</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ 4,564,757</u>



**COMBINING BALANCE SHEET
FOR NONMAJOR
GOVERNMENTAL
DEBT SERVICE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	SID Revolving	1998 Safety Bond	1996 Open Space Bonds	1997 Open Space Bond	1994 City Hall & Fire Bonds	1993 Fire Bonds
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 776,343	\$ -	\$ 1,460	\$ 42,435	\$ 213	\$ 397
Taxes Receivable	-	7,673	5,572	1,809	2,417	3,994
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	3,623	(38)	6	1,817	1	2
Other Receivables						
Mountain Water Notes	181,233	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Due From Other Governments	-	8	2	1	-	-
Deferred Assessments	-	-	-	-	-	-
TOTAL ASSETS	\$ 961,199	\$ 7,643	\$ 7,040	\$ 46,062	\$ 2,631	\$ 4,393
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	8,937	-	-	-	-
Deferred Revenues	181,233	5,205	5,266	1,680	2,403	3,968
TOTAL LIABILITIES	181,233	14,142	5,266	1,680	2,403	3,968
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	779,966	(6,499)	1,774	44,382	228	425
TOTAL EQUITY AND OTHER CREDITS	779,966	(6,499)	1,774	44,382	228	425
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 961,199	\$ 7,643	\$ 7,040	\$ 46,062	\$ 2,631	\$ 4,393

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	2004 Aquatics Bonds	2004 Refunding	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	63,883	37,827	29,039	24,917	-	-
Special Assessments Receivable	-	-	-	-	8,130	21,050
Interest Receivable	129	(1,000)	4,805	(673)	777	(1)
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	184,622	-
Due From Other Governments	87	50	41	35	-	-
Deferred Assessments	-	-	-	-	20,854	81,839
TOTAL ASSETS	\$ 64,099	\$ 36,877	\$ 33,885	\$ 24,279	\$ 214,383	\$ 102,888
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	124,726	82,363	193,482	160,071	-	244
Deferred Revenues	36,741	22,037	16,318	13,681	28,413	102,722
TOTAL LIABILITIES	161,467	104,400	209,800	173,752	28,413	102,966
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	(97,368)	(67,523)	(175,915)	(149,473)	185,970	(78)
TOTAL EQUITY AND OTHER CREDITS	(97,368)	(67,523)	(175,915)	(149,473)	185,970	(78)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 64,099	\$ 36,877	\$ 33,885	\$ 24,279	\$ 214,383	\$ 102,888

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 3,301	\$ 38,589	\$ 24,084	\$ -	\$ 40,789	\$ 91,221
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	9,234	1,931	4,180	3,448	4,654	6,939
Interest Receivable	14	162	101	(124)	172	383
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Due From Other Governments	2,308	365	162	576	46	-
Deferred Assessments	137,411	93,962	115,818	355,714	366,471	472,782
TOTAL ASSETS	\$ 152,268	\$ 135,009	\$ 144,345	\$ 359,614	\$ 412,132	\$ 571,325
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ 300	\$ 250	\$ -	\$ -
Interfund Payable	-	-	-	29,516	-	-
Deferred Revenues	146,523	95,894	119,310	357,287	371,125	479,326
TOTAL LIABILITIES	146,523	95,894	119,610	387,053	371,125	479,326
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	5,745	39,115	24,735	(27,439)	41,007	91,999
TOTAL EQUITY AND OTHER CREDITS	5,745	39,115	24,735	(27,439)	41,007	91,999
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 152,268	\$ 135,009	\$ 144,345	\$ 359,614	\$ 412,132	\$ 571,325

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	FY06 Sidewalk & Curb	FY07 Sidewalk & Curb	FY08 Sidewalk & Curb	SID 495	SID 497	SID 498
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 11,238	\$ 10,687	\$ 218	\$ 3,425	\$ 51,987
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	7,510	7,516	-	-	311	3,847
Interest Receivable	336	181	45	1	15	678
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	79,937	31,765	-	-	-	109,314
Due From Other Governments	613	4,354	-	-	-	144
Deferred Assessments	795,686	801,735	558,900	-	-	410,007
TOTAL ASSETS	\$ 884,082	\$ 856,789	\$ 569,632	\$ 219	\$ 3,751	\$ 575,977
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	801,355	808,379	558,900	-	(10)	412,764
TOTAL LIABILITIES	801,355	808,379	558,900	-	(10)	413,044
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	82,727	48,410	10,732	219	3,761	162,933
TOTAL EQUITY AND OTHER CREDITS	82,727	48,410	10,732	219	3,761	162,933
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 884,082	\$ 856,789	\$ 569,632	\$ 219	\$ 3,751	\$ 575,977

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	SID 501	SID 503	SID 505	SID 506	SID 507	SID 508
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 73,681	\$ 25,709	\$ 10,819	\$ 1,344	\$ 2,726	\$ 571
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	2,985	-	-	-	261	-
Interest Receivable	310	108	45	5	14	-
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Due From Other Governments	160	-	-	-	-	-
Deferred Assessments	139,917	43,892	11,600	-	3,966	1,083
TOTAL ASSETS	\$ 217,053	\$ 69,709	\$ 22,464	\$ 1,349	\$ 6,967	\$ 1,654
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	142,108	43,892	11,600	-	4,227	1,083
TOTAL LIABILITIES	142,108	43,892	11,600	-	4,227	1,083
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	74,945	25,817	10,864	1,349	2,740	571
TOTAL EQUITY AND OTHER CREDITS	74,945	25,817	10,864	1,349	2,740	571
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 217,053	\$ 69,709	\$ 22,464	\$ 1,349	\$ 6,967	\$ 1,654

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	SID 510	SID 511	SID 512	SID 513	SID 514	SID 515
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 24,645	\$ 41,891	\$ 32,572	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	910	727	9,273	-	660	-
Interest Receivable	386	104	1,058	137	348	(61)
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	91,856	-	209,765	-	82,681	-
Due From Other Governments	-	216	224	-	84	-
Deferred Assessments	76,618	75,734	723,184	-	37,482	-
TOTAL ASSETS	\$ 169,770	\$ 101,426	\$ 985,395	\$ 32,709	\$ 121,255	\$ (61)
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	14,637
Deferred Revenues	77,246	76,461	731,826	-	37,659	-
TOTAL LIABILITIES	77,246	76,461	731,826	-	37,659	14,637
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	92,524	24,965	253,569	32,709	83,596	(14,698)
TOTAL EQUITY AND OTHER CREDITS	92,524	24,965	253,569	32,709	83,596	(14,698)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 169,770	\$ 101,426	\$ 985,395	\$ 32,709	\$ 121,255	\$ (61)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	SID 517	SID 518	SID 519	SID 520	SID 521	SID 522
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 9,004	\$ 6,710	\$ 13,431	\$ 2,612	\$ 5,370	\$ 5,802
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	2,845	330	159	11,913	32	-
Interest Receivable	38	28	56	551	22	25
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	-	-	-	128,237	-	-
Due From Other Governments	234	-	-	1,264	-	-
Deferred Assessments	14,300	6,188	21,818	1,308,223	-	-
TOTAL ASSETS	\$ 26,421	\$ 13,256	\$ 35,464	\$ 1,452,800	\$ 5,424	\$ 5,827
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	16,987	6,518	21,977	1,316,308	19	-
TOTAL LIABILITIES	16,987	6,518	21,977	1,316,308	19	-
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	9,434	6,738	13,487	136,492	5,405	5,827
TOTAL EQUITY AND OTHER CREDITS	9,434	6,738	13,487	136,492	5,405	5,827
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 26,421	\$ 13,256	\$ 35,464	\$ 1,452,800	\$ 5,424	\$ 5,827

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	SID 525	SID 526	SID 527	SID 530	SID 531	SID 532
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ 7,205	\$ 4,898	\$ 10,892	\$ 38,299
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	627	14,224	126	51	139	2,504
Interest Receivable	857	1,658	30	21	46	161
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interfund Receivable	203,657	394,134	-	-	-	-
Due From Other Governments	-	2,302	16	-	34	355
Deferred Assessments	316,400	1,398,824	8,861	555	24,400	430,375
TOTAL ASSETS	\$ 521,541	\$ 1,811,142	\$ 16,238	\$ 5,525	\$ 35,511	\$ 471,694
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	316,420	1,411,247	8,898	607	24,539	432,651
TOTAL LIABILITIES	\$ 316,420	\$ 1,411,247	\$ 8,898	\$ 607	\$ 24,539	\$ 432,651
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	205,121	399,895	7,340	4,918	10,972	39,043
TOTAL EQUITY AND OTHER CREDITS	205,121	399,895	7,340	4,918	10,972	39,043
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ 521,541	\$ 1,811,142	\$ 16,238	\$ 5,525	\$ 35,511	\$ 471,694

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	SID 533	SID 534	SID 535	SID 536	SID 539	SID 540
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 40,467	\$ 22,044	\$ 13,201	\$ 49,756	\$ 6,117	\$ 15,099
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	216	849	156	726	154	2,356
Interest Receivable	170	93	56	209	26	360
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	2,162
Interfund Receivable	-	-	-	-	-	70,413
Due From Other Governments	-	270	44	-	-	121
Deferred Assessments	167,498	213,829	34,005	367,690	12,250	1,438,805
TOTAL ASSETS	\$ 208,351	\$ 237,085	\$ 47,462	\$ 418,381	\$ 18,547	\$ 1,529,316
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	167,714	214,678	34,090	368,416	12,403	1,440,740
TOTAL LIABILITIES	167,714	214,678	34,090	368,416	12,403	1,440,740
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	40,637	22,407	13,372	49,965	6,144	88,576
TOTAL EQUITY AND OTHER CREDITS	40,637	22,407	13,372	49,965	6,144	88,576
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
AND OTHER CREDITS	\$ 208,351	\$ 237,085	\$ 47,462	\$ 418,381	\$ 18,547	\$ 1,529,316

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2008

	SID 541	TOTALS
ASSETS AND OTHER DEBITS		
Cash and Investments	\$ -	\$ 1,561,252
Taxes Receivable	-	177,131
Special Assessments Receivable	-	130,973
Interest Receivable	-	18,273
Other Receivables		
Mountain Water Notes	-	181,233
Miscellaneous	-	2,162
Interfund Receivable	-	1,586,381
Due From Other Governments	-	14,116
Deferred Assessments	85,701	11,174,377
TOTAL ASSETS	<u>85,701</u>	<u>\$ 14,845,898</u>
LIABILITIES, EQUITY AND OTHER CREDITS		
Accounts Payable	\$ -	\$ 830
Interfund Payable	-	613,976
Deferred Revenues	85,701	11,576,535
TOTAL LIABILITIES	<u>85,701</u>	<u>12,191,341</u>
FUND EQUITY AND OTHER CREDITS		
Fund Balance		
Reserved		
For Debt Service	-	2,654,557
TOTAL EQUITY AND OTHER CREDITS	<u>-</u>	<u>2,654,557</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS		
	<u>\$ 85,701</u>	<u>\$ 14,845,898</u>



COMBINING BALANCE SHEET

FOR NONMAJOR
GOVERNMENTAL
CAPITAL PROJECT
FUNDS

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	1997 Open Space	06 Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 389,627	\$ 1,335,962	\$ 25,356	\$ 8,857	\$ -
Interest Receivable	-	-	107	38	105
Other Receivables	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
TOTAL ASSETS	\$ 389,627	\$ 1,335,962	\$ 25,463	\$ 8,895	\$ 105
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ 126,691	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	3,028
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	126,691	-	-	3,028
FUND EQUITY AND OTHER CREDITS					
Fund Balance	389,627	1,209,271	25,463	8,895	(2,923)
TOTAL EQUITY AND OTHER CREDITS	389,627	1,209,271	25,463	8,895	(2,923)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 389,627	\$ 1,335,962	\$ 25,463	\$ 8,895	\$ 105

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	09 Sidewalk & Curb	SID 530 Construction	SID 531 Construction	SID 532 Construction	SID 533 Construction
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ 3,600	\$ -	\$ 38,196	\$ -
Interest Receivable	(794)	(16)	(181)	257	(69)
Other Receivables	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
TOTAL ASSETS	\$ (794)	\$ 3,584	\$ (181)	\$ 38,453	\$ (69)
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 107,307	\$ -	\$ -	\$ -	\$ -
Interfund Payable	188,719	3,712	42,978	-	16,408
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	296,026	3,712	42,978	-	16,408
FUND EQUITY AND OTHER CREDITS					
Fund Balance	(296,820)	(128)	(43,159)	38,453	(16,477)
TOTAL EQUITY AND OTHER CREDITS	(296,820)	(128)	(43,159)	38,453	(16,477)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS					
	\$ (794)	\$ 3,584	\$ (181)	\$ 38,453	\$ (69)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	SID 534 Construction	SID 535 Construction	SID 536 Construction	SID 538 Construction	SID 539 Construction
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Receivable	(7)	(276)	(22)	(5)	(84)
Other Receivables	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
TOTAL ASSETS	\$ (7)	\$ (276)	\$ (22)	\$ (5)	\$ (84)
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	1,698	65,585	5,323	4,885	19,870
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	1,698	65,585	5,323	4,885	19,870
FUND EQUITY AND OTHER CREDITS					
Fund Balance	(1,705)	(65,861)	(5,345)	(4,890)	(19,954)
TOTAL EQUITY AND OTHER CREDITS	(1,705)	(65,861)	(5,345)	(4,890)	(19,954)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS					
	\$ (7)	\$ (276)	\$ (22)	\$ (5)	\$ (84)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	SID 540 Construction	SID 541 Construction	SID 542 Construction	SID 543 Construction	Miller Creek Mitigation
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 107,621	\$ -	\$ -	\$ -	\$ 54,283
Interest Receivable	468	(460)	(540)	(296)	229
Other Receivables	-	-	-	-	-
Interfund Receivable	3,600	-	-	-	-
TOTAL ASSETS	\$ 111,689	\$ (460)	\$ (540)	\$ (296)	\$ 54,512
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ 1,922	\$ -	\$ -	\$ 50,749
Interfund Payable	-	109,314	128,237	70,414	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ 111,236	\$ 128,237	\$ 70,414	\$ 50,749
FUND EQUITY AND OTHER CREDITS					
Fund Balance	111,689	(111,696)	(128,777)	(70,710)	3,763
TOTAL EQUITY AND OTHER CREDITS	111,689	(111,696)	(128,777)	(70,710)	3,763
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 111,689	\$ (460)	\$ (540)	\$ (296)	\$ 54,512

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	Miller Creek Mitigation (T)	Miller Creek Mitigation (M)	Miller Creek Mitigation (Mc)	Totals
ASSETS AND OTHER DEBITS				
Cash and Investments	\$ 108,735	\$ -	\$ 350,995	\$ 2,423,232
Interest Receivable	457	-	1,476	387
Other Receivables	-	551,358	-	551,358
Interfund Receivable	-	-	-	3,600
TOTAL ASSETS	\$ 109,192	\$ 551,358	\$ 352,471	\$ 2,978,577
LIABILITIES, EQUITY AND OTHER CREDITS				
Accounts Payable	\$ 4,100	\$ -	\$ -	\$ 290,769
Interfund Payable	-	-	-	660,171
Deferred Revenue	-	551,358	-	551,358
TOTAL LIABILITIES	4,100	551,358	-	1,502,298
FUND EQUITY AND OTHER CREDITS				
Fund Balance	105,092	-	352,471	1,476,279
TOTAL EQUITY AND OTHER CREDITS	105,092	-	352,471	1,476,279
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS				
	\$ 109,192	\$ 551,358	\$ 352,471	\$ 2,978,577



COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

**FOR NONMAJOR
GOVERNMENTAL
SPECIAL REVENUE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall & Memorial	Cemetery Care
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	24,484	26,790	15,000	11,600	77,965
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	7,000	-	26,695	651	-
Investment Earnings	(1,800)	(1,824)	(2,366)	1,138	9,085
Total Revenues	29,684	24,966	39,329	13,389	87,050
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	5,350	18,367	25,164	-	-
Community Development	-	-	-	-	-
Capital Outlay	629	-	11,756	1,188	-
Total Expenditures	5,979	18,367	36,920	1,188	-
Excess (Deficiency) of Revenue Over Expenditures	23,705	6,599	2,409	12,201	87,050
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	1,564
Total Other Financing Sources (Uses)	-	-	-	-	1,564
Excess (Deficiency) of Revenue Over Expenditures	23,705	6,599	2,409	12,201	88,614
Fund Balance, June 30, 2007	169,572	172,770	223,026	17,730	152,426
Cumulative effect of a change in accounting principle	-	-	-	-	-
Restatement	22,866	-	-	-	-
Fund Balance as of June 30, 2007, Restated	192,438	172,770	223,026	17,730	152,426
Fund Balance, June 30, 2008	\$ 216,143	\$ 179,369	\$ 225,435	\$ 29,931	\$ 241,040

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Title One Projects	Impact Fee	Public Art	Employee Health Insurance	Cable TV Franchise
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 3,180,327	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	885,336	-	-	513,614
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	47,452	-	-
Investment Earnings	78,176	(8,763)	(297)	(47,488)	(71)
Total Revenues	78,176	876,573	47,155	3,132,839	513,543
EXPENDITURES					
Current					
General Government	32,915	-	-	-	320,934
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	19	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	-	11,000	-	21,749
Total Expenditures	32,915	-	11,019	-	342,683
Excess (Deficiency) of Revenue Over Expenditures	45,261	876,573	36,136	3,132,839	170,860
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(8,400)	-	-	(3,137,741)	(132,612)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(8,400)	-	-	(3,137,741)	(132,612)
Excess (Deficiency) of Revenue Over Expenditures	36,861	876,573	36,136	(4,902)	38,248
Fund Balance, June 30, 2007	572,377	(532,525)	27,988	(450,234)	124,671
Cumulative effect of a change in accounting principle Restatement	-	-	-	49,450	-
Fund Balance as of June 30, 2007, Restated	572,377	(532,525)	27,988	(400,784)	124,671
Fund Balance, June 30, 2008	\$ 609,238	\$ 344,048	\$ 64,124	\$ (405,686)	\$ 162,919

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program	Street Lighting
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	288,337
Licenses & Permits	-	1,452,583	-	-	-
Intergovernmental	-	541	-	-	-
Charges for Services	-	136	-	-	-
Fines and Forfeitures	42,993	-	-	-	-
Miscellaneous	-	-	224	6,750	-
Investment Earnings	(619)	482	(3,596)	1,271	(2,819)
Total Revenues	42,374	1,453,742	(3,372)	8,021	285,518
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	20,777	1,099,500	-	-	-
Public Works	-	-	-	-	281,764
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	9,501	-
Capital Outlay	8,596	20,841	-	-	-
Total Expenditures	29,373	1,120,341	-	9,501	281,764
Excess (Deficiency) of Revenue Over Expenditures	13,001	333,401	(3,372)	(1,480)	3,754
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	13,001	333,401	(3,372)	(1,480)	3,754
Fund Balance, June 30, 2007	51,017	(181,783)	5,505	46,821	241,137
Cumulative effect of a change in accounting principle Restatement	-	-	-	-	1,260
Fund Balance as of June 30, 2007, Restated	51,017	(181,783)	5,505	46,821	242,397
Fund Balance, June 30, 2008	\$ 64,018	\$ 151,618	\$ 2,133	\$ 45,341	\$ 246,151

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc	State Gas Tax	Crime Victim Surcharge
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	47,165	2,612	3,019	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	1,078,393	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(67)	30	2	(25)	(82)
Total Revenues	47,098	2,642	3,021	1,078,368	(82)
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	29,247	-	-	15,019	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	-	-	401,540	-
Total Expenditures	29,247	-	-	416,559	-
Excess (Deficiency) of Revenue Over Expenditures	17,851	2,642	3,021	661,809	(82)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(32,628)	(2,740)	(4,854)	(564,000)	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(32,628)	(2,740)	(4,854)	(564,000)	-
Excess (Deficiency) of Revenue Over Expenditures	(14,777)	(98)	(1,833)	97,809	(82)
Fund Balance, June 30, 2007	6,269	(2,799)	(144)	(72,520)	(5,118)
Cumulative effect of a change in accounting principle	87	-	-	-	-
Restatement	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	6,356	(2,799)	(144)	(72,520)	(5,118)
Fund Balance, June 30, 2008	\$ (8,421)	\$ (2,897)	\$ (1,977)	\$ 25,289	\$ (5,200)

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Law Enforcement Grant	HIDTA Grant	Comm. Devel. Program Income	Community Development	HOME Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	75,888	-	10,579	470,747	276,334
Charges for Services	-	91,106	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(433)	20,540	319	174	4,420
Total Revenues	75,455	111,646	10,898	470,921	280,754
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	61,664	526	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	472,554	245,728
Capital Outlay	11,000	-	-	-	-
Total Expenditures	72,664	526	-	472,554	245,728
Excess (Deficiency) of Revenue Over Expenditures	2,791	111,120	10,898	(1,633)	35,026
Other Financing Sources (Uses)					
Operating Transfers In	-	-	2,000	-	-
Operating Transfers Out	-	-	-	(2,000)	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	2,000	(2,000)	-
Excess (Deficiency) of Revenue Over Expenditures	2,791	111,120	12,898	(3,633)	35,026
Fund Balance, June 30, 2007	(3,768)	483,055	-	(5,224)	(7,841)
Cumulative effect of a change in accounting principle	-	-	-	-	-
Restatement	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	(3,768)	483,055	-	(5,224)	(7,841)
Fund Balance, June 30, 2008	\$ (977)	\$ 594,175	\$ 12,898	\$ (8,857)	\$ 27,185

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	ADDI Grants	Federal Transportation	Grants & Donations	TOTALS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 3,180,327
Special Assessments	-	-	-	341,133
Licenses & Permits	-	-	-	2,851,533
Intergovernmental		301,586	548,150	2,762,218
Charges for Services	-	-	1,668	248,749
Fines and Forfeitures	-	-	-	42,993
Miscellaneous	-	-	15,825	104,597
Investment Earnings	107	1,308	(3,560)	43,242
Total Revenues	107	302,894	562,083	9,574,792
EXPENDITURES				
Current				
General Government	-	-	2,000	355,849
Public Safety	-	-	186,540	1,369,007
Public Works	-	-	-	326,030
Culture and Recreation	-	-	612	49,512
Community Development	-	-	289,251	1,017,034
Capital Outlay	-	327,819	43,908	860,026
Total Expenditures	-	327,819	522,311	3,977,458
Excess (Deficiency) of Revenue Over Expenditures	107	(24,925)	39,772	5,597,334
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	2,000
Operating Transfers Out	-	-	-	(3,884,975)
Sale of Capital Assets	-	-	-	1,564
Total Other Financing Sources (Uses)	-	-	-	(3,881,411)
Excess (Deficiency) of Revenue Over Expenditures	107	(24,925)	39,772	1,715,923
Fund Balance, June 30, 2007	(107)	5,114	425,270	1,462,685
Cumulative effect of a change in accounting principle	-	-	-	50,797
Restatement	-	-	(43,762)	(20,896)
Fund Balance as of June 30, 2007, Restated	(107)	5,114	381,508	1,492,586
Fund Balance, June 30, 2008	\$ -	\$ (19,811)	\$ 421,280	\$ 3,208,509



COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

**FOR NONMAJOR
GOVERNMENTAL
DEBT SERVICE
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID Revolving	1998 Safety Bonds	1996 Open Space	1997 Open Space	1994 City Hall & Fire Bonds
REVENUES					
Taxes	\$ -	\$ 61,836	\$ 5,507	\$ 2,029	\$ 106
Special Assessments	15,531	-	-	-	-
Investment Earnings	22,618	837	230	16,749	7
Total Revenues	38,149	62,673	5,737	18,778	113
EXPENDITURES					
Debt Service	-	83,860	-	-	-
Total Expenditures	-	83,860	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	38,149	(21,187)	5,737	18,778	113
Other Financing Sources (Uses)					
Operating Transfers Out	(289,250)	-	-	-	-
Issuance of Long Term Debt	76,919	-	-	-	-
Total Other Financing Sources (Uses)	(212,331)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(174,182)	(21,187)	5,737	18,778	113
Fund Balance, June 30, 2007	954,148	12,606	(8,356)	24,107	94
Cumulative effect of a change in accounting principle	-	2,082	4,393	1,497	21
Fund Balance, July 1, 2007, As Restated	954,148	14,688	(3,963)	25,604	115
Fund Balance, June 30, 2008	\$ 779,966	\$ (6,499)	\$ 1,774	\$ 44,382	\$ 228

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	1993 Fire Bonds	2004 Aquatics Bond	2004 Refunding	2006 Fire Station GO	2007 Refunding Bonds
REVENUES					
Taxes	\$ 193	\$ 690,739	\$ 400,641	\$ 325,133	\$ 287,180
Special Assessments	-	-	-	-	-
Investment Earnings	14	3,841	(2,801)	77,547	(732)
Total Revenues	207	694,580	397,840	402,680	286,448
EXPENDITURES					
Debt Service	-	611,195	422,650	435,263	411,915
Total Expenditures	-	611,195	422,650	435,263	411,915
Excess (Deficiency) of Revenue Over Expenditures	207	83,385	(24,810)	(32,583)	(125,467)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	207	83,385	(24,810)	(32,583)	(125,467)
Fund Balance, June 30, 2007	178	(189,675)	(48,940)	(148,003)	(24,006)
Cumulative effect of a change in accounting principle	40	8,922	6,227	4,671	-
Fund Balance, July 1, 2007, As Restated	218	(180,753)	(42,713)	(143,332)	(24,006)
Fund Balance, June 30, 2008	\$ 425	\$ (97,368)	\$ (67,523)	\$ (175,915)	\$ (149,473)

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	29,498	33,366	93,259	36,353	49,039
Investment Earnings	5,206	337	955	1,622	1,261
Total Revenues	34,704	33,703	94,214	37,975	50,300
EXPENDITURES					
Debt Service	7,863	35,185	97,335	40,678	57,265
Total Expenditures	7,863	35,185	97,335	40,678	57,265
Excess (Deficiency) of Revenue Over Expenditures	26,841	(1,482)	(3,121)	(2,703)	(6,965)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	26,841	(1,482)	(3,121)	(2,703)	(6,965)
Fund Balance, June 30, 2007	159,129	-	8,028	39,813	31,700
Cumulative effect of a change in accounting principle	-	1,404	838	2,005	-
Fund Balance, July 1, 2007, As Restated	159,129	1,404	8,866	41,818	31,700
Fund Balance, June 30, 2008	\$ 185,970	\$ (78)	\$ 5,745	\$ 39,115	\$ 24,735

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb	FY06 Sidewalk & Curb	FY07 Sidewalk & Curb
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	76,107	93,895	157,510	205,320	150,981
Investment Earnings	101	2,015	3,245	4,388	1,917
Total Revenues	76,208	95,910	160,755	209,708	152,898
EXPENDITURES					
Debt Service	103,893	103,005	105,480	170,269	115,483
Total Expenditures	103,893	103,005	105,480	170,269	115,483
Excess (Deficiency) of Revenue Over Expenditures	(27,685)	(7,095)	55,275	39,439	37,415
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	10,995
Total Other Financing Sources (Uses)	-	-	-	-	10,995
Excess (Deficiency) of Revenue Over Expenditures	(27,685)	(7,095)	55,275	39,439	48,410
Fund Balance, June 30, 2007	115	48,102	36,724	42,774	-
Cumulative effect of a change in accounting principle	131	-	-	514	-
Fund Balance, July 1, 2007, As Restated	246	48,102	36,724	43,288	-
Fund Balance, June 30, 2008	\$ (27,439)	\$ 41,007	\$ 91,999	\$ 82,727	\$ 48,410

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	FY08 Sidewalk & Curb	SID 495	SID 497	SID 498	SID 501
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	- -	- -	590	121,923	47,589
Investment Earnings	182	6	107	4,547	1,995
Total Revenues	182	6	697	126,470	49,584
EXPENDITURES					
Debt Service	650	- -	- -	102,400	28,920
Total Expenditures	650	- -	- -	102,400	28,920
Excess (Deficiency) of Revenue Over Expenditures	(468)	6	697	24,070	20,664
Other Financing Sources (Uses)					
Operating Transfers Out	- -	- -	- -	- -	- -
Issuance of Long Term Debt	11,200	- -	- -	- -	- -
Total Other Financing Sources (Uses)	11,200	- -	- -	- -	- -
Excess (Deficiency) of Revenue Over Expenditures	10,732	6	697	24,070	20,664
Fund Balance, June 30, 2007	- -	213	2,582	138,181	54,257
Cumulative effect of a change in accounting principle	- -	- -	482	682	24
Fund Balance, July 1, 2007, As Restated	- -	213	3,064	138,863	54,281
Fund Balance, June 30, 2008	\$ 10,732	\$ 219	\$ 3,761	\$ 162,933	\$ 74,945

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CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 503	SID 505	SID 506	SID 507	SID 508
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	10,600	13,085	2,265	4,175	270
Investment Earnings	767	367	137	199	11
Total Revenues	11,367	13,452	2,402	4,374	281
EXPENDITURES					
Debt Service	12,460	11,300	6,342	8,474	-
Total Expenditures	12,460	11,300	6,342	8,474	-
Excess (Deficiency) of Revenue Over Expenditures	(1,093)	2,152	(3,940)	(4,100)	281
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(1,093)	2,152	(3,940)	(4,100)	281
Fund Balance, June 30, 2007	26,910	8,712	5,289	6,840	290
Cumulative effect of a change in accounting principle	-	-	-	-	-
Fund Balance, July 1, 2007, As Restated	26,910	8,712	5,289	6,840	290
Fund Balance, June 30, 2008	\$ 25,817	\$ 10,864	\$ 1,349	\$ 2,740	\$ 571

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 510	SID 511	SID 512	SID 513	SID 514
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	16,669	16,923	114,077	176	12,463
Investment Earnings	2,468	705	9,035	967	2,432
Total Revenues	<u>19,137</u>	<u>17,628</u>	<u>123,112</u>	<u>1,143</u>	<u>14,895</u>
EXPENDITURES					
Debt Service	-	15,440	170,907	1,995	10,365
Total Expenditures	<u>-</u>	<u>15,440</u>	<u>170,907</u>	<u>1,995</u>	<u>10,365</u>
Excess (Deficiency) of Revenue Over Expenditures	19,137	2,188	(47,795)	(852)	4,530
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	19,137	2,188	(47,795)	(852)	4,530
Fund Balance, June 30, 2007	73,232	22,777	299,266	33,561	78,743
Cumulative effect of a change in accounting principle	155	-	2,098	-	323
Fund Balance, July 1, 2007, As Restated	<u>73,387</u>	<u>22,777</u>	<u>301,364</u>	<u>33,561</u>	<u>79,066</u>
Fund Balance, June 30, 2008	<u>\$ 92,524</u>	<u>\$ 24,965</u>	<u>\$ 253,569</u>	<u>\$ 32,709</u>	<u>\$ 83,596</u>

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 515	SID 517	SID 518	SID 519	SID 520
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	- -	4,352	2,057	7,398	155,332
Investment Earnings	(411)	370	236	463	4,132
Total Revenues	(411)	4,722	2,293	7,861	159,464
EXPENDITURES					
Debt Service	478	8,081	3,317	8,954	160,400
Total Expenditures	478	8,081	3,317	8,954	160,400
Excess (Deficiency) of Revenue Over Expenditures	(889)	(3,359)	(1,024)	(1,093)	(936)
Other Financing Sources (Uses)					
Operating Transfers Out	- -	- -	- -	- -	- -
Issuance of Long Term Debt	- -	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -				
Excess (Deficiency) of Revenue Over Expenditures	(889)	(3,359)	(1,024)	(1,093)	(936)
Fund Balance, June 30, 2007	(13,809)	12,714	7,762	14,580	136,687
Cumulative effect of a change in accounting principle	- -	79	- -	- -	741
Fund Balance, July 1, 2007, As Restated	(13,809)	12,793	7,762	14,580	137,428
Fund Balance, June 30, 2008	\$ (14,698)	\$ 9,434	\$ 6,738	\$ 13,487	\$ 136,492

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 521	SID 522	SID 525	SID 526	SID 527
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	513	870	52,877	181,381	3,803
Investment Earnings	163	176	5,960	11,852	134
Total Revenues	<u>676</u>	<u>1,046</u>	<u>58,837</u>	<u>193,233</u>	<u>3,937</u>
EXPENDITURES					
Debt Service	776	1,121	43,500	181,160	3,743
Total Expenditures	<u>776</u>	<u>1,121</u>	<u>43,500</u>	<u>181,160</u>	<u>3,743</u>
Excess (Deficiency) of Revenue Over Expenditures	(100)	(75)	15,337	12,073	194
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	(100)	(75)	15,337	12,073	194
Fund Balance, June 30, 2007	5,505	5,902	189,784	386,446	7,134
Cumulative effect of a change in accounting principle	-	-	-	1,376	12
Fund Balance, July 1, 2007, As Restated	<u>5,505</u>	<u>5,902</u>	<u>189,784</u>	<u>387,822</u>	<u>7,146</u>
Fund Balance, June 30, 2008	<u>\$ 5,405</u>	<u>\$ 5,827</u>	<u>\$ 205,121</u>	<u>\$ 399,895</u>	<u>\$ 7,340</u>

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 530	SID 531	SID 532	SID 533	SID 534
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	734	4,080	58,529	17,395	26,632
Investment Earnings	124	268	1,382	1,195	672
Total Revenues	858	4,348	59,911	18,590	27,304
EXPENDITURES					
Debt Service	946	-	52,207	17,230	18,150
Total Expenditures	946	-	52,207	17,230	18,150
Excess (Deficiency) of Revenue Over Expenditures	(88)	4,348	7,704	1,360	9,154
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(88)	4,348	7,704	1,360	9,154
Fund Balance, June 30, 2007	5,006	6,589	31,339	39,277	13,253
Cumulative effect of a change in accounting principle	-	35	-	-	-
Fund Balance, July 1, 2007, As Restated	5,006	6,624	31,339	39,277	13,253
Fund Balance, June 30, 2008	\$ 4,918	\$ 10,972	\$ 39,043	\$ 40,637	\$ 22,407

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 535	SID 536	SID 539	SID 540	TOTALS
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,773,364
Special Assessments	6,919	41,515	2,860	199,377	2,068,288
Investment Earnings	170	1,346	150	2,419	194,083
Total Revenues	<u>7,089</u>	<u>42,861</u>	<u>3,010</u>	<u>201,796</u>	<u>4,035,735</u>
EXPENDITURES					
Debt Service	- 31,525	- -	- 118,167	- -	3,820,347
Total Expenditures	<u>-</u>	<u>31,525</u>	<u>-</u>	<u>118,167</u>	<u>3,820,347</u>
Excess (Deficiency) of Revenue Over Expenditures	7,089	11,336	3,010	83,629	215,388
Other Financing Sources (Uses)					
Operating Transfers Out	- -	- -	- -	- -	(289,250)
Issuance of Long Term Debt	- -	- -	- -	- -	99,114
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,136)</u>
Excess (Deficiency) of Revenue Over Expenditures	7,089	11,336	3,010	83,629	25,252
Fund Balance, June 30, 2007	6,283	38,243	3,134	4,947	2,590,167
Cumulative effect of a change in accounting principle	- 386	- -	- -	- -	39,138
Fund Balance, July 1, 2007, As Restated	<u>6,283</u>	<u>38,629</u>	<u>3,134</u>	<u>4,947</u>	<u>2,629,305</u>
Fund Balance, June 30, 2008	<u>\$ 13,372</u>	<u>\$ 49,965</u>	<u>\$ 6,144</u>	<u>\$ 88,576</u>	<u>\$ 2,654,557</u>



COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

**FOR NONMAJOR
GOVERNMENTAL
CAPITAL PROJECT
FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	1997 Open Space	New Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb
REVENUES					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 71,208
Investment Earnings	(4,299)	(35,013)	727	7,561	(11,627)
Total Revenues	(4,299)	(35,013)	727	7,561	59,581
EXPENDITURES					
General Government	-	-	-	4,734	7,840
Public Works	-	-	-	-	-
Culture and Recreation	2,750	-	-	-	-
Capital Outlay	9,884	2,011,081	-	23,911	387,710
Total Expenditures	12,634	2,011,081	-	28,645	395,550
Excess(Deficiency) of Revenue Over Expenditures	(16,933)	(2,046,094)	727	(21,084)	(335,969)
Other Financing Sources (Uses)					
Issuance of Long Term Debt	-	-	-	863,005	520,800
Total Other Financing Sources(Uses)	-	-	-	863,005	520,800
Excess(Deficiency) of Revenues Over Expenditures	(16,933)	(2,046,094)	727	841,921	184,831
Fund Balance, June 30, 2007 Restatement	406,560	3,255,365	24,736	(833,026)	(187,754)
Fund Balance, July 1, 2007, As Restated	-	-	-	-	-
Fund Balance, June 30, 2008	406,560	3,255,365	24,736	(833,026)	(187,754)
	\$ 389,627	\$ 1,209,271	\$ 25,463	\$ 8,895	\$ (2,923)

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	09 Sidewalk & Curb	SID 530 Construction	SID 531 Construction	SID 532 Construction	SID 533 Construction
REVENUES					
Miscellaneous	\$ 35,181	\$ -	\$ -	\$ -	\$ -
Investment Earnings	(2,674)	(128)	(1,231)	1,749	(475)
Total Revenues	32,507	(128)	(1,231)	1,749	(475)
EXPENDITURES					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	329,327	-	-	-	-
Total Expenditures	329,327	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	(296,820)	(128)	(1,231)	1,749	(475)
Other Financing Sources (Uses)					
Issuance of Long Term Debt	-	-	-	-	16,667
Total Other Financing Sources(Uses)	-	-	-	-	16,667
Excess(Deficiency) of Revenues Over Expenditures	(296,820)	(128)	(1,231)	1,749	16,192
Fund Balance, June 30, 2007	-	-	(41,928)	59,570	(32,669)
Restatement	-	-	-	(22,866)	-
Fund Balance, July 1, 2007, As Restated	-	-	(41,928)	36,704	(32,669)
Fund Balance, June 30, 2008	\$ (296,820)	\$ (128)	\$ (43,159)	\$ 38,453	\$ (16,477)

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 534 Construction	SID 535 Construction	SID 536 Construction	SID 538 Construction	SID 539 Construction
REVENUES					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	(82)	(1,879)	164	(81)	(570)
Total Revenues	(82)	(1,879)	164	(81)	(570)
EXPENDITURES					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	-	-	-	4,847	-
Total Expenditures	-	-	-	4,847	-
Excess(Deficiency) of Revenue Over Expenditures	(82)	(1,879)	164	(4,928)	(570)
Other Financing Sources (Uses)					
Issuance of Long Term Debt	-	-	38,768	-	-
Total Other Financing Sources(Uses)	-	-	38,768	-	-
Excess(Deficiency) of Revenues Over Expenditures	(82)	(1,879)	38,932	(4,928)	(570)
Fund Balance, June 30, 2007 Restatement	(1,623)	(63,982)	(44,277)	38	(19,384)
Fund Balance, July 1, 2007, As Restated	-	-	-	-	-
Fund Balance, June 30, 2008	(1,623)	(63,982)	(44,277)	38	(19,384)
\$ (1,705) \$ (65,861) \$ (5,345) \$ (4,890) \$ (19,954)					

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 540 Construction	SID 541 Construction	SID 542 Construction	SID 543 Construction	Miller Creek Mitigation
REVENUES					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 149,422
Investment Earnings	2,711	(3,602)	(4,562)	(2,175)	657
Total Revenues	2,711	(3,602)	(4,562)	(2,175)	150,079
EXPENDITURES					
General Government	-	-	-	-	-
Public Works	29,659	36,000	-	3,997	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	15,840	41,083	25,572	64,538	146,316
Total Expenditures	45,499	77,083	25,572	68,535	146,316
Excess(Deficiency) of Revenue Over Expenditures	(42,788)	(80,685)	(30,134)	(70,710)	3,763
Other Financing Sources (Uses)					
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(42,788)	(80,685)	(30,134)	(70,710)	3,763
Fund Balance, June 30, 2007 Restatement	154,477	(31,011)	(98,643)	-	-
Fund Balance, July 1, 2007, As Restated	-	-	-	-	-
Fund Balance, June 30, 2008	154,477	(31,011)	(98,643)	-	-
	\$ 111,689	\$ (111,696)	\$ (128,777)	\$ (70,710)	\$ 3,763

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Miller Creek Mitigation (T)	Miller Creek Mitigation (Mc)	TOTALS
REVENUES			
Miscellaneous	\$ 107,934	\$ 348,410	\$ 712,155
Investment Earnings	1,258	4,061	(49,510)
Total Revenues	<u>109,192</u>	<u>352,471</u>	<u>662,645</u>
EXPENDITURES			
General Government	-	-	12,574
Public Works	-	-	69,656
Culture and Recreation	-	-	2,750
Capital Outlay	<u>4,100</u>		<u>3,064,209</u>
Total Expenditures	<u>4,100</u>	-	<u>3,149,189</u>
Excess(Deficiency) of Revenue Over Expenditures	105,092	352,471	(2,486,544)
Other Financing Sources (Uses)			
Issuance of Long Term Debt	-	-	1,439,240
Total Other Financing Sources(Uses)	<u>-</u>	<u>-</u>	<u>1,439,240</u>
Excess(Deficiency) of Revenues Over Expenditures	105,092	352,471	(1,047,304)
Fund Balance, June 30, 2007	-	-	2,546,449
Restatement	<u>-</u>	<u>-</u>	<u>(22,866)</u>
Fund Balance, July 1, 2007, As Restated	<u>-</u>	<u>-</u>	<u>2,523,583</u>
Fund Balance, June 30, 2008	<u>\$ 105,092</u>	<u>\$ 352,471</u>	<u>\$ 1,476,279</u>



AGENCY FUNDS

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2008

	Balance 07/01/2007	Additions	Deletions	Balance 06/30/2008
COURT SURCHARGE				
ASSETS				
Cash	\$ 39,775	\$ 86,082	\$ 94,161	\$ 31,696
Interest Receivable	\$ 427	-	427	-
Due From Other Governments	7,274	7,022	7,274	7,022
TOTAL ASSETS	\$ 47,476	\$ 93,104	\$ 101,862	\$ 38,718
LIABILITIES				
Accounts Payable	\$ 31,056	\$ 85,830	\$ 94,161	\$ 22,725
Due to Other Governments	16,420		427	15,993
TOTAL LIABILITIES	\$ 47,476	\$ 85,830	\$ 94,588	\$ 38,718
COUNTY CLEARING				
ASSETS				
Cash	\$ 1,399	\$ 14,068	\$ 13,466	\$ 2,001
Interest Receivable	15	-	15	0
TOTAL ASSETS	\$ 1,414	\$ 14,068	\$ 13,481	\$ 2,001
LIABILITIES				
Accounts Payable	\$ 1,088	\$ 14,069	\$ 13,467	\$ 1,690
Due to Other Governments	326	-	15	311
TOTAL LIABILITIES	\$ 1,414	\$ 14,069	\$ 13,482	\$ 2,001
SEWER REBATE				
ASSETS				
Cash	\$ 51,073	\$ 2,383	-	\$ 53,456
Interest Receivable	548	-	548	-
TOTAL ASSETS	\$ 51,621	\$ 2,383	\$ 548	\$ 53,456
LIABILITIES				
Due to Private Parties	\$ 51,621	\$ 2,383	\$ 548	\$ 53,456
YOUTH PROGRAMS				
ASSETS				
Cash	\$ 473	\$ -	-	\$ 473
Interest Receivable	5	-	5	-
TOTAL ASSETS	\$ 478	\$ -	\$ 5	\$ 473
LIABILITIES				
Due to Private Parties	\$ 478	\$ -	\$ 5	\$ 473

Continued

CITY OF MISSOULA, MONTANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2008

	Balance 07/01/2007	Additions	Deletions	Balance 06/30/2008
COUNTY PARK BOARD				
ASSETS				
Cash	\$ 5,500	\$ -	\$ -	\$ 5,500
Interest Receivable	\$ 59			\$ 59
TOTAL ASSETS	\$ 5,559	\$ -	\$ 59	\$ 5,500
LIABILITIES				
Due to Other Governments	\$ 5,559	\$ -	\$ 59	\$ 5,500
ELK HILLS SUBDIVISION				
ASSETS				
Cash	\$ 3,868	\$ -	\$ -	\$ 3,868
Interest Receivable	\$ 42			\$ 42
TOTAL ASSETS	\$ 3,910	\$ -	\$ 42	\$ 3,868
LIABILITIES				
Due to Private Parties	\$ 3,910			\$ 3,868
MUNICIPAL COURT RESTITUTION				
ASSETS				
Cash	\$ 232,332	\$ -	\$ -	\$ 232,332
LIABILITIES				
Due to Private Parties	\$ 232,332	\$ -	\$ -	\$ 232,332
RESIDENTIAL INSPECTION FUND				
ASSETS				
Cash	\$ -	\$ 1,600	\$ -	\$ 1,600
TOTAL ASSETS	\$ -	\$ 1,600	\$ -	\$ 1,600
LIABILITIES				
Accounts Payable	\$ -	\$ 43	\$ -	\$ 43
Due to Private Parties		\$ 1,600	\$ 43	\$ 1,557
TOTAL LIABILITIES	\$ -	\$ 1,643	\$ 43	\$ 1,600
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 334,420	\$ 104,133	\$ 107,627	\$ 330,925
Interest Receivable	\$ 1,096	\$ -	\$ 1,096	\$ 0
Due From Other Governments	\$ 7,274	\$ 7,022	\$ 7,274	\$ 7,022
TOTAL ASSETS	\$ 342,789	\$ 111,155	\$ 115,997	\$ 337,947
LIABILITIES				
Accounts Payable	\$ 32,144	\$ 99,942	\$ 107,628	\$ 24,458
Due to Other Governments	\$ 22,305	\$ -	\$ 501	\$ 21,804
Due to Private Parties	\$ 288,341	\$ 3,983	\$ 638	\$ 291,686
TOTAL LIABILITIES	\$ 342,789	\$ 103,925	\$ 108,767	\$ 337,947



MAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

CITY OF MISSOULA, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Capital Improvement				SID 524			
	Original Budget	Final Budget	Actual	Variance - Over (Under)	Original and Final Budget	Actual	Variance - Over (Under)	
REVENUES								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 365,739	\$ 395,128	\$ 29,389	
Intergovernmental	316,172	826,096	540,612	(285,484)	-	-	-	
Miscellaneous	-	286,138	286,905	767	-	-	-	
Investment Earnings	-	-	(38,479)	(38,479)	-	14,667	14,667	
Total Revenues	316,172	1,112,234	789,038	(323,196)	365,739	409,795	44,056	
EXPENDITURES								
General Government	-	100,000	28,840	71,160	-	-	-	
Culture and Recreation	61,730	61,730	11,692	50,038	-	-	-	
Debt Service	548,720	548,720	512,247	36,473	307,240	307,240	-	
Capital Outlay	856,643	3,805,591	2,968,554	837,037	-	-	-	
Total Expenditures	1,467,093	4,516,041	3,521,333	994,708	307,240	307,240	-	
Excess(Deficiency) of Revenue Over Expenditures	(1,150,921)	(3,403,807)	(2,732,295)	671,512	58,499	102,555	44,056	
Other Financing Sources (Uses)								
Operating Transfers In	1,150,921	1,158,158	130,500	(1,027,658)	-	-	-	
Issuance of long term debt	-	840,000	840,000	-	-	-	-	
Proceeds from sale of capital assets	-	840,000	839,056	(944)	-	-	-	
Total Other Financing Sources(Uses)	1,150,921	2,838,158	1,809,556	(1,028,602)	-	-	-	
Excess(Deficiency) of Revenues Over Expenditures	-	(565,649)	(922,739)	(357,090)	58,499	102,555	44,056	
Fund Balance, June 30, 2007	(2,024,837)	(2,024,837)	(2,024,837)	-	417,391	417,391	-	
Restatement						1,070	1,070	
Fund Balance as of June 30, 2005, Restated	(2,024,837)	(2,024,837)	(2,024,837)	-	417,391	418,461	1,070	
Fund Balance, June 30, 2008	\$ (2,024,837)	\$ (2,590,486)	\$ (2,947,576)	\$ (357,090)	\$ 475,890	\$ 521,016	\$ 45,126	



NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL



NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

SPECIAL REVENUE FUNDS

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Park Acquisition			Park Enterprise		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	76,000	24,484	(51,516)	18,000	26,790	8,790
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	20,000	7,000	(13,000)	-	-	-
Interest	-	(1,800)	(1,800)	-	(1,824)	(1,824)
Total Revenues	96,000	29,684	(66,316)	18,000	24,966	6,966
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	45,000	5,350	39,650	45,000	18,367	26,633
Community Development	-	-	-	-	-	-
Capital Outlay	155,000	629	154,371	75,000	-	75,000
Total Expenditures	200,000	5,979	194,021	120,000	18,367	101,633
Excess (Deficiency) of Revenue Over Expenditures	(104,000)	23,705	127,705	(102,000)	6,599	108,599
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(104,000)	23,705	127,705	(102,000)	6,599	108,599
Fund Balance, June 30, 2007	169,572	169,572	-	172,770	172,770	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	169,572	169,572	-	172,770	172,770	-
Fund Balance, June 30, 2008	\$ 65,572	\$ 193,277	\$ 127,705	\$ 70,770	\$ 179,369	\$ 108,599

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Trail Development			Cremain Wall		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	15,000	15,000	9,000	11,600	2,600
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	393,000	26,695	(366,305)	2,000	651	(1,349)
Interest	-	(2,366)	(2,366)	-	1,138	1,138
Total Revenues	393,000	39,329	(353,671)	11,000	13,389	2,389
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	305,000	25,164	279,836	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	295,000	11,756	283,244	4,500	1,188	3,312
Total Expenditures	600,000	36,920	563,080	4,500	1,188	3,312
Excess (Deficiency) of Revenue Over Expenditures	(207,000)	2,409	209,409	6,500	12,201	5,701
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(15,000)	-	15,000	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(15,000)	-	15,000	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(222,000)	2,409	224,409	6,500	12,201	5,701
Fund Balance, June 30, 2007	223,026	223,026	-	17,730	17,730	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	223,026	223,026	-	17,730	17,730	-
Fund Balance, June 30, 2008	\$ 1,026	\$ 225,435	\$ 224,409	\$ 24,230	\$ 29,931	\$ 5,701

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Cemetery Care			Title One Projects		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	71,500	77,965	6,465	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	500	-	(500)	1,696	-	(1,696)
Interest	3,000	9,085	6,085	15,000	78,176	63,176
Total Revenues	75,000	87,050	12,050	16,696	78,176	61,480
EXPENDITURES						
Current						
General Government	-	-	-	548,296	32,915	515,381
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	21,900	-	21,900	-	-	-
Total Expenditures	21,900	-	21,900	548,296	32,915	515,381
Excess (Deficiency) of Revenue Over Expenditures	53,100	87,050	33,950	(531,600)	45,261	576,861
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(43,400)	(8,400)	35,000
Sale of Capital Assets	-	1,564	1,564	-	-	-
Total Other Financing Sources (Uses)	-	1,564	1,564	(43,400)	(8,400)	35,000
Excess (Deficiency) of Revenue Over Expenditures	53,100	88,614	35,514	(575,000)	36,861	611,861
Fund Balance, June 30, 2007	152,426	152,426	-	572,377	572,377	-
Restatement						
Fund Balance as of June 30, 2007, Restated	152,426	152,426	-	572,377	572,377	-
Fund Balance, June 30, 2008	\$ 205,526	\$ 241,040	\$ 35,514	\$ (2,623)	\$ 609,238	\$ 611,861

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Impact Fee			Public Art		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	525,000	885,336	360,336	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	18,000	47,452	29,452
Interest	-	(8,763)	(8,763)	-	(297)	(297)
Total Revenues	525,000	876,573	351,573	18,000	47,155	29,155
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	39,000	19	38,981
Community Development	-	-	-	-	-	-
Capital Outlay	525,000	-	525,000	11,000	11,000	-
Total Expenditures	525,000	-	525,000	50,000	11,019	38,981
Excess (Deficiency) of Revenue Over Expenditures	-	876,573	876,573	(32,000)	36,136	68,136
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	876,573	876,573	(32,000)	36,136	68,136
Fund Balance, June 30, 2007	(532,525)	(532,525)	-	27,988	27,988	-
Restatement						
Fund Balance as of June 30, 2007, Restated	(532,525)	(532,525)	-	27,988	27,988	-
Fund Balance, June 30, 2008	\$ (532,525)	\$ 344,048	\$ 876,573	\$ (4,012)	\$ 64,124	\$ 68,136

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Employee Health Insurance			Cable TV Franchise		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ 3,260,719	3,180,327	\$ (80,392)	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	473,000	513,614	40,614
Intergovernmental	8,820	-	(8,820)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	(47,488)	(47,488)	-	(71)	(71)
Total Revenues	3,269,539	3,132,839	(136,700)	473,000	513,543	40,543
EXPENDITURES						
Current						
General Government	-	-	-	302,000	320,934	(18,934)
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	-	-	-	35,000	21,749	13,251
Total Expenditures	-	-	-	337,000	342,683	(5,683)
Excess (Deficiency) of Revenue Over Expenditures	3,269,539	3,132,839	(136,700)	136,000	170,860	34,860
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(3,137,742)	(3,137,741)	1	(136,000)	(132,612)	3,388
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,137,742)	(3,137,741)	1	(136,000)	(132,612)	3,388
Excess (Deficiency) of Revenue Over Expenditures	131,797	(4,902)	(136,699)	-	38,248	38,248
Fund Balance, June 30, 2007	(450,234)	(450,234)	-	124,671	124,671	-
Restatement	49,450	49,450				
Fund Balance as of June 30, 2007, Restated	(450,234)	(400,784)	49,450	124,671	124,671	-
Fund Balance, June 30, 2008	\$ (318,437)	\$ (405,686)	\$ (87,249)	\$ 124,671	\$ 162,919	\$ 38,248

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Drug Forfeiture			Building Division		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	1,362,617	1,452,583	89,966
Intergovernmental	-	-	-	-	541	541
Charges for Services	-	-	-	2,136	136	(2,000)
Fines and Forfeitures	260,150	42,993	(217,157)	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	(619)	(619)	-	482	482
Total Revenues	260,150	42,374	(217,776)	1,364,753	1,453,742	88,989
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	96,500	20,777	75,723	1,259,678	1,099,500	160,178
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	163,650	8,596	155,054	22,200	20,841	1,359
Total Expenditures	260,150	29,373	230,777	1,281,878	1,120,341	161,537
Excess (Deficiency) of Revenue Over Expenditures	-	13,001	13,001	82,875	333,401	250,526
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	13,001	13,001	82,875	333,401	250,526
Fund Balance, June 30, 2007	51,017	51,017	-	(181,783)	(181,783)	-
Restatement						
Fund Balance as of June 30, 2007, Restated	51,017	51,017	-	(181,783)	(181,783)	-
Fund Balance, June 30, 2008	\$ 51,017	\$ 64,018	\$ 13,001	\$ (98,908)	\$ 151,618	\$ 250,526

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Program Income			Revolving Loan Program		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	9,000	224	(8,776)	9,000	6,750	(2,250)
Interest	1,000	(3,596)	(4,596)	1,000	1,271	271
Total Revenues	10,000	(3,372)	(13,372)	10,000	8,021	(1,979)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	8,900	-	8,900	59,000	9,501	49,499
Capital Outlay	-	-	-	-	-	-
Total Expenditures	8,900	-	8,900	59,000	9,501	49,499
Excess (Deficiency) of Revenue Over Expenditures	1,100	(3,372)	(4,472)	(49,000)	(1,480)	47,520
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	1,100	(3,372)	(4,472)	(49,000)	(1,480)	47,520
Fund Balance, June 30, 2007	5,505	5,505	-	46,821	46,821	-
Restatement						
Fund Balance as of June 30, 2007, Restated	5,505	5,505	-	46,821	46,821	-
Fund Balance, June 30, 2008	\$ 6,605	\$ 2,133	\$ (4,472)	\$ (2,179)	\$ 45,341	\$ 47,520

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Street Lighting			Street Maintenance		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	361,378	288,337	(73,041)	51,327	47,165	(4,162)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	(2,819)	(2,819)	-	(67)	(67)
Total Revenues	361,378	285,518	(75,860)	51,327	47,098	(4,229)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	361,378	281,764	79,614	-	29,247	(29,247)
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	361,378	281,764	79,614		29,247	(29,247)
Excess (Deficiency) of Revenue Over Expenditures	-	3,754	3,754	51,327	17,851	(33,476)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(51,327)	(32,628)	18,699
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(51,327)	(32,628)	18,699
Excess (Deficiency) of Revenue Over Expenditures	-	3,754	3,754	-	(14,777)	(14,777)
Fund Balance, June 30, 2007	241,137	241,137	-	6,269	6,269	-
Restatement	1,260	1,260	1,260	-	87	87
Fund Balance as of June 30, 2007, Restated	241,137	242,397	1,260	6,269	6,356	87
Fund Balance, June 30, 2008	\$ 241,137	\$ 246,151	\$ 5,014	\$ 6,269	\$ (8,421)	\$ (14,690)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Russell Park Maintenance			Willowwood Park Maintenance		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,740	2,612	(128)	2,275	3,019	744
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	30	30	-	2	2
Total Revenues	2,740	2,642	(98)	2,275	3,021	746
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,740	2,642	(98)	2,275	3,021	746
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(2,740)	(2,740)	-	(2,275)	(4,854)	(2,579)
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,740)	(2,740)	-	(2,275)	(4,854)	(2,579)
Excess (Deficiency) of Revenue Over Expenditures	-	(98)	(98)	-	(1,833)	(1,833)
Fund Balance, June 30, 2007	(2,799)	(2,799)	-	(144)	(144)	-
Restatement						
Fund Balance as of June 30, 2007, Restated	(2,799)	(2,799)	-	(144)	(144)	-
Fund Balance, June 30, 2008	\$ (2,799)	\$ (2,897)	\$ (98)	\$ (144)	\$ (1,977)	\$ (1,833)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	State Gas Tax			Crime Victim Surcharge		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,145,356	1,078,393	(66,963)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	(25)	(25)	-	(82)	(82)
Total Revenues	1,145,356	1,078,368	(66,988)	-	(82)	(82)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	10,305	15,019	(4,714)	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	639,195	401,540	237,655	-	-	-
Total Expenditures	649,500	416,559	232,941	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	495,856	661,809	165,953	-	(82)	(82)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(564,000)	(564,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(564,000)	(564,000)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(68,144)	97,809	165,953	-	(82)	(82)
Fund Balance, June 30, 2007	(72,520)	(72,520)	-	(5,118)	(5,118)	-
Restatement						
Fund Balance as of June 30, 2007, Restated	(72,520)	(72,520)	-	(5,118)	(5,118)	-
Fund Balance, June 30, 2008	\$ (140,664)	\$ 25,289	\$ 165,953	\$ (5,118)	\$ (5,200)	\$ (82)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Law Enforcement Grant			HIDTA Grant		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	167,400	75,888	(91,512)	-	-	-
Charges for Services	-	-	-	14,000	91,106	77,106
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	(433)	(433)	1,000	20,540	19,540
Total Revenues	167,400	75,455	(91,945)	15,000	111,646	96,646
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	87,400	61,664	25,736	286,200	526	285,674
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	80,000	11,000	69,000	-	-	-
Total Expenditures	167,400	72,664	94,736	286,200	526	285,674
Excess (Deficiency) of Revenue Over Expenditures	-	2,791	2,791	(271,200)	111,120	382,320
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	2,791	2,791	(271,200)	111,120	382,320
Fund Balance, June 30, 2007	(3,768)	(3,768)	-	483,055	483,055	-
Restatement						
Fund Balance as of June 30, 2007, Restated	(3,768)	(3,768)	-	483,055	483,055	-
Fund Balance, June 30, 2008	\$ (3,768)	\$ (977)	\$ 2,791	\$ 211,855	\$ 594,175	\$ 382,320

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CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Community Development Program Income			Community Development		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	7,940	10,579	2,639	1,625,923	470,747	(1,155,176)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	319	319	-	174	174
Total Revenues	7,940	10,898	2,958	1,625,923	470,921	(1,155,002)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	7,940	-	7,940	1,625,923	472,554	1,153,369
Capital Outlay	-	-	-	-	-	-
Total Expenditures	7,940	-	7,940	1,625,923	472,554	1,153,369
Excess (Deficiency) of Revenue Over Expenditures	-	10,898	10,898	-	(1,633)	(1,633)
Other Financing Sources (Uses)						
Operating Transfers In	2,000	2,000	-	-	-	-
Operating Transfers Out	-	-	-	(2,000)	(2,000)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	2,000	2,000	-	(2,000)	(2,000)	-
Excess (Deficiency) of Revenue Over Expenditures	2,000	12,898	10,898	(2,000)	(3,633)	(1,633)
Fund Balance, June 30, 2007	-	-	-	(5,224)	(5,224)	-
Restatement						
Fund Balance as of June 30, 2007, Restated	-	-	-	(5,224)	(5,224)	-
Fund Balance, June 30, 2008	\$ 2,000	\$ 12,898	\$ 10,898	\$ (7,224)	\$ (8,857)	\$ (1,633)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Home Grant			ADDI Grants		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	531,598	276,334	(255,264)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	4,420	4,420	-	107	107
Total Revenues	531,598	280,754	(250,844)		107	107
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	531,598	245,728	285,870	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	531,598	245,728	285,870		-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	35,026	35,026	-	107	107
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-		-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	35,026	35,026	-	107	107
Fund Balance, June 30, 2007	(7,841)	(7,841)	-	(107)	(107)	-
Restatement						
Fund Balance as of June 30, 2007, Restated	(7,841)	(7,841)	-	(107)	(107)	-
Fund Balance, June 30, 2008	\$ (7,841)	\$ 27,185	\$ 35,026	\$ (107)	\$ -	\$ 107

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Federal Transportation			Grants & Donations		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			(Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,133,955	301,586	(832,369)	1,091,270	548,150	(543,120)
Charges for Services	-	-	-	20,367	1,668	(18,699)
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	96,250	-	(96,250)	42,500	15,825	(26,675)
Interest	-	1,308	1,308	-	(3,560)	(3,560)
Total Revenues	1,230,205	302,894	(927,311)	1,154,137	562,083	(592,054)
EXPENDITURES						
Current						
General Government	-	-	-	3,570	2,000	1,570
Public Safety	-	-	-	472,117	186,540	285,577
Public Works	-	-	-	55,831	-	55,831
Culture and Recreation	-	-	-	10,036	612	9,424
Community Development	-	-	-	629,338	289,251	340,087
Capital Outlay	1,608,620	327,819	1,280,801	95,346	43,908	51,438
Total Expenditures	1,608,620	327,819	1,280,801	1,286,238	522,311	763,927
Excess (Deficiency) of Revenue Over Expenditures	(378,415)	(24,925)	353,490	(132,101)	39,772	171,873
Other Financing Sources (Uses)						
Operating Transfers In	77,600	-	(77,600)	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	77,600	-	(77,600)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(300,815)	(24,925)	275,890	(132,101)	39,772	171,873
Fund Balance, June 30, 2007	5,114	5,114	-	425,270	425,270	-
Restatement					(43,762)	(43,762)
Fund Balance as of June 30, 2007, Restated	5,114	5,114	-	425,270	381,508	(43,762)
Fund Balance, June 30, 2008	\$ (295,701)	\$ (19,811)	\$ 275,890	\$ 293,169	\$ 421,280	\$ 128,111



NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

DEBT SERVICE

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID Revolving			1998 Safety Bonds		
			Variance - Over (Under)			Variance - Over (Under)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 61,298	\$ 61,836	\$ 538
Special Assessments	-	15,531	15,531	-	-	-
Miscellaneous	35,000	-	(35,000)	-	-	-
Investment Earnings	-	22,618	22,618	-	837	837
Total Revenues	35,000	38,149	3,149	61,298	62,673	1,375
EXPENDITURES						
Debt Service	-	-	-	83,560	83,860	(300)
Total Expenditures	-	-	-	83,560	83,860	(300)
Excess (Deficiency) of Revenue Over Expenditures	35,000	38,149	3,149	(22,262)	(21,187)	1,075
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(318,818)	(289,250)	29,568	-	-	-
Issuance of Long Term Debt	76,919	76,919	-	-	-	-
Total Other Financing Sources (Uses)	(318,818)	(212,331)	106,487	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(283,818)	(174,182)	109,636	(22,262)	(21,187)	1,075
Fund Balance, June 30, 2007	954,148	954,148	-	12,606	12,606	-
Restatement	-	-	-	-	2,082	2,082
Fund Balance as of June 30, 2007, Restated	954,148	954,148	-	12,606	14,688	2,082
Fund Balance, June 30, 2008	\$ 670,330	\$ 779,966	\$ 109,636	\$ (9,656)	\$ (6,499)	\$ 3,157

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	1996 Open Space			1997 Open Space		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ 5,507	\$ 5,507	\$ -	\$ 2,029	\$ 2,029
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	230	230		16,749	16,749
Total Revenues	-	5,737	5,737		18,778	18,778
EXPENDITURES						
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-		18,778	18,778
Excess (Deficiency) of Revenue						
Over Expenditures	-	5,737	5,737	-	18,778	18,778
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-		18,778	18,778
Excess (Deficiency) of Revenue						
Over Expenditures	-	5,737	5,737	-	18,778	18,778
Fund Balance, June 30, 2007	(8,356)	(8,356)	-	24,107	24,107	-
Restatement	-	4,393	4,393	-	1,497	1,497
Fund Balance as of June 30, 2007, Restated	(8,356)	(3,963)	4,393	24,107	25,604	1,497
Fund Balance, June 30, 2008	\$ (8,356)	\$ 1,774	\$ 10,130	\$ 24,107	\$ 44,382	\$ 20,275

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	1994 City Hall & Fire Bonds			1993 Fire Bonds			
			Variance -			Variance -	
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)	
REVENUES							
Taxes	\$ -	\$ 106	\$ 106	\$ -	\$ 193	\$ 193	
Special Assessments	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
Investment Earnings	-	7	7	-	14	14	
Total Revenues	-	113	113	-	207	207	
EXPENDITURES							
Debt Service	-	-	-	-	-	-	
Total Expenditures	-	-	-	-	-	-	
Excess (Deficiency) of Revenue							
Over Expenditures	-	113	113	-	207	207	
Other Financing Sources (Uses)							
Operating Transfers In	-	-	-	-	-	-	
Operating Transfers Out	-	-	-	-	-	-	
Issuance of Long Term Debt	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	
Excess (Deficiency) of Revenue							
Over Expenditures	-	113	113	-	207	207	
Fund Balance, June 30, 2007	94	94	-	178	178	-	
Restatement	-	21	21	-	40	40	
Fund Balance as of June 30, 2007, Restated	94	115	21	178	218	40	
Fund Balance, June 30, 2008	\$ 94	\$ 228	\$ 134	\$ 178	\$ 425	\$ 247	

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	2004 Aquatics Bonds			2004 Refunding Bonds		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ 708,747	\$ 690,739	\$ (18,008)	\$ 409,427	\$ 400,641	\$ (8,786)
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	3,841	3,841	-	(2,801)	(2,801)
Total Revenues	708,747	694,580	(14,167)	409,427	397,840	(11,587)
EXPENDITURES						
Debt Service	611,295	611,195	100	422,750	422,650	100
Total Expenditures	611,295	611,195	100	422,750	422,650	100
Excess (Deficiency) of Revenue Over Expenditures	97,452	83,385	(14,067)	(13,323)	(24,810)	(11,487)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	97,452	83,385	(14,067)	(13,323)	(24,810)	(11,487)
Fund Balance, June 30, 2007	(189,675)	(189,675)	-	(48,940)	(48,940)	-
Restatement	-	8,922	8,922	-	6,227	6,227
Fund Balance as of June 30, 2007, Restated	(189,675)	(180,753)	8,922	(48,940)	(42,713)	6,227
Fund Balance, June 30, 2008	\$ (92,223)	\$ (97,368)	\$ (5,145)	\$ (62,263)	\$ (67,523)	\$ (5,260)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	2006 Fire Station GO			2007 Refunding Bonds		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ 333,820	\$ 325,133	\$ (8,687)	\$ 299,032	\$ 287,180	\$ (11,852)
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	70,000	77,547	7,547	-	(732)	(732)
Total Revenues	403,820	402,680	(1,140)	299,032	286,448	(12,584)
EXPENDITURES						
Debt Service	435,313	435,263	50	411,965	411,915	50
Total Expenditures	435,313	435,263	50	411,965	411,915	50
Excess (Deficiency) of Revenue Over Expenditures	(31,493)	(32,583)	(1,090)	(112,933)	(125,467)	(12,534)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(31,493)	(32,583)	(1,090)	(112,933)	(125,467)	(12,534)
Fund Balance, June 30, 2007	(148,003)	(148,003)	-	(24,006)	(24,006)	-
Restatement	-	4,671	4,671	-	-	-
Fund Balance as of June 30, 2007, Restated	(148,003)	(143,332)	4,671	(24,006)	(24,006)	-
Fund Balance, June 30, 2008	\$ (179,496)	\$ (175,915)	\$ 3,581	\$ (136,939)	\$ (149,473)	\$ (12,534)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Sidewalk & Curb			FY99 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	29,498	29,498	34,261	33,366	(895)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	5,206	5,206	-	337	337
Total Revenues	-	34,704	34,704	34,261	33,703	(558)
EXPENDITURES						
Debt Service	7,863	7,863	-	34,885	35,185	(300)
Total Expenditures	7,863	7,863	-	34,885	35,185	(300)
Excess (Deficiency) of Revenue Over Expenditures	(7,863)	26,841	34,704	(624)	(1,482)	(858)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(7,863)	26,841	34,704	(624)	(1,482)	(858)
Fund Balance, June 30, 2007	159,129	159,129	-	-	-	-
Restatement	-	-	-	-	1,404	1,404
Fund Balance as of June 30, 2007, Restated	159,129	159,129	-	-	1,404	1,404
Fund Balance, June 30, 2008	\$ 151,266	\$ 185,970	\$ 34,704	\$ (624)	\$ (78)	\$ 546

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CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	FY00 Sidewalk & Curb			FY01 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	97,947	93,259	(4,688)	39,609	36,353	(3,256)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	955	955	-	1,622	1,622
Total Revenues	97,947	94,214	(3,733)	39,609	37,975	(1,634)
EXPENDITURES						
Debt Service	97,160	97,335	(175)	40,378	40,678	(300)
Total Expenditures	97,160	97,335	(175)	40,378	40,678	(300)
Excess (Deficiency) of Revenue Over Expenditures	787	(3,121)	(3,908)	(769)	(2,703)	(1,934)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	787	(3,121)	(3,908)	(769)	(2,703)	(1,934)
Fund Balance, June 30, 2007	8,028	8,028	-	39,813	39,813	-
Restatement	-	838	838	-	2,005	2,005
Fund Balance as of June 30, 2007, Restated	8,028	8,866	838	39,813	41,818	2,005
Fund Balance, June 30, 2008	\$ 8,815	\$ 5,745	\$ (3,070)	\$ 39,044	\$ 39,115	\$ 71

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	FY02 Sidewalk & Curb			FY03 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	52,433	49,039	(3,394)	101,659	76,107	(25,552)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,261	1,261	-	101	101
Total Revenues	52,433	50,300	(2,133)	101,659	76,208	(25,451)
EXPENDITURES						
Debt Service	56,965	57,265	(300)	103,393	103,893	(500)
Total Expenditures	56,965	57,265	(300)	103,393	103,893	(500)
Excess (Deficiency) of Revenue Over Expenditures	(4,532)	(6,965)	(2,433)	(1,734)	(27,685)	(25,951)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(4,532)	(6,965)	(2,433)	(1,734)	(27,685)	(25,951)
Fund Balance, June 30, 2007	31,700	31,700	-	115	115	-
Restatement	-	-	-	-	131	131
Fund Balance as of June 30, 2007, Restated	31,700	31,700	-	115	246	131
Fund Balance, June 30, 2008	\$ 27,168	\$ 24,735	\$ (2,433)	\$ (1,619)	\$ (27,439)	\$ (25,820)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	FY04 Sidewalk & Curb			FY05 Sidewalk & Curb		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Over (Under)			Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	98,586	93,895	(4,691)	107,283	157,510	50,227
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	2,015	2,015	-	3,245	3,245
Total Revenues	98,586	95,910	(2,676)	107,283	160,755	53,472
EXPENDITURES						
Debt Service	102,755	103,005	(250)	105,230	105,480	(250)
Total Expenditures	102,755	103,005	(250)	105,230	105,480	(250)
Excess (Deficiency) of Revenue Over Expenditures	(4,169)	(7,095)	(2,926)	2,053	55,275	53,222
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(4,169)	(7,095)	(2,926)	2,053	55,275	53,222
Fund Balance, June 30, 2007	48,102	48,102	-	36,724	36,724	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	48,102	48,102	-	36,724	36,724	-
Fund Balance, June 30, 2008	\$ 43,933	\$ 41,007	\$ (2,926)	\$ 38,777	\$ 91,999	\$ 53,222

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	FY06 Sidewalk & Curb			FY07 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	174,448	205,320	30,872	114,900	150,981	36,081
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	4,388	4,388	-	1,917	1,917
Total Revenues	174,448	209,708	35,260	114,900	152,898	37,998
EXPENDITURES						
Debt Service	339,939	170,269	169,670	114,900	115,483	(583)
Total Expenditures	339,939	170,269	169,670	114,900	115,483	(583)
Excess (Deficiency) of Revenue Over Expenditures	(165,491)	39,439	204,930	-	37,415	37,415
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	10,995	10,995
Total Other Financing Sources (Uses)	-	-	-	-	10,995	10,995
Excess (Deficiency) of Revenue Over Expenditures	(165,491)	39,439	204,930	-	48,410	48,410
Fund Balance, June 30, 2007	42,774	42,774	-	-	-	-
Restatement	-	514	514	-	-	-
Fund Balance as of June 30, 2007, Restated	42,774	43,288	514	-	-	-
Fund Balance, June 30, 2008	\$ (122,717)	\$ 82,727	\$ 205,444	\$ -	\$ 48,410	\$ 48,410

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	FY08 Sidewalk & Curb			SID 495		
	Variance -			Variance -		
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	182	182	-	6	6
Total Revenues	-	182	182	-	6	6
EXPENDITURES						
Debt Service	-	650	(650)	-	-	-
Total Expenditures	-	650	(650)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(468)	(468)	-	6	6
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	1,143	-	(1,143)
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	11,200	11,200	-	-	-
Total Other Financing Sources (Uses)	-	11,200	11,200	1,143	-	(1,143)
Excess (Deficiency) of Revenue Over Expenditures	-	10,732	10,732	1,143	6	(1,137)
Fund Balance, June 30, 2007	-	-	-	213	213	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	-	-	-	213	213	-
Fund Balance, June 30, 2008	\$ -	\$ 10,732	\$ 10,732	\$ 1,356	\$ 219	\$ (1,137)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 497			SID 498		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	590	590	118,263	121,923	3,660
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	107	107	-	4,547	4,547
Total Revenues	-	697	697	118,263	126,470	8,207
EXPENDITURES						
Debt Service	-	-	-	102,400	102,400	-
Total Expenditures	-	-	-	102,400	102,400	-
Excess (Deficiency) of Revenue Over Expenditures	-	697	697	15,863	24,070	8,207
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	697	697	15,863	24,070	8,207
Fund Balance, June 30, 2007	2,582	2,582	-	138,181	138,181	-
Restatement	-	482	482	-	682	682
Fund Balance as of June 30, 2007, Restated	2,582	3,064	482	138,181	138,863	682
Fund Balance, June 30, 2008	\$ 2,582	\$ 3,761	\$ 1,179	\$ 154,044	\$ 162,933	\$ 8,889

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 501			SID 503		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	45,200	47,589	2,389	12,097	10,600	(1,497)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,995	1,995	-	767	767
Total Revenues	45,200	49,584	4,384	12,097	11,367	(730)
EXPENDITURES						
Debt Service	28,929	28,920	9	12,460	12,460	-
Total Expenditures	28,929	28,920	9	12,460	12,460	-
Excess (Deficiency) of Revenue Over Expenditures	16,271	20,664	4,393	(363)	(1,093)	(730)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	16,271	20,664	4,393	(363)	(1,093)	(730)
Fund Balance, June 30, 2007	54,257	54,257	-	26,910	26,910	-
Restatement	-	24	24	-	-	-
Fund Balance as of June 30, 2007, Restated	54,257	54,281	24	26,910	26,910	-
Fund Balance, June 30, 2008	\$ 70,528	\$ 74,945	\$ 4,417	\$ 26,547	\$ 25,817	\$ (730)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 505			SID 506		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	13,827	13,085	(742)	2,387	2,265	(122)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	367	367	-	137	137
Total Revenues	13,827	13,452	(375)	2,387	2,402	15
EXPENDITURES						
Debt Service	11,300	11,300	-	6,342	6,342	-
Total Expenditures	11,300	11,300	-	6,342	6,342	-
Excess (Deficiency) of Revenue Over Expenditures	2,527	2,152	(375)	(3,955)	(3,940)	15
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	6,329	-	(6,329)
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	6,329	-	(6,329)
Excess (Deficiency) of Revenue Over Expenditures	2,527	2,152	(375)	2,374	(3,940)	(6,314)
Fund Balance, June 30, 2007	8,712	8,712	-	5,289	5,289	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	8,712	8,712	-	5,289	5,289	-
Fund Balance, June 30, 2008	\$ 11,239	\$ 10,864	\$ (375)	\$ 7,663	\$ 1,349	\$ (6,314)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 507			SID 508		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,670	4,175	(495)	283	270	(13)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	199	199	-	11	11
Total Revenues	4,670	4,374	(296)	283	281	(2)
EXPENDITURES						
Debt Service	8,474	8,474	-	-	-	-
Total Expenditures	8,474	8,474	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(3,804)	(4,100)	(296)	283	281	(2)
Other Financing Sources (Uses)						
Operating Transfers In	4,839	-	(4,839)	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,839	-	(4,839)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	1,035	(4,100)	(5,135)	283	281	(2)
Fund Balance, June 30, 2007	6,840	6,840	-	290	290	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	6,840	6,840	-	290	290	-
Fund Balance, June 30, 2008	\$ 7,875	\$ 2,740	\$ (5,135)	\$ 573	\$ 571	\$ (2)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 510			SID 511		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	16,855	16,669	(186)	16,719	16,923	204
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	2,468	2,468	-	705	705
Total Revenues	16,855	19,137	2,282	16,719	17,628	909
EXPENDITURES						
Debt Service	15,440	-	15,440	18,180	15,440	2,740
Total Expenditures	15,440	-	15,440	18,180	15,440	2,740
Excess (Deficiency) of Revenue Over Expenditures	1,415	19,137	17,722	(1,461)	2,188	3,649
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	1,415	19,137	17,722	(1,461)	2,188	3,649
Fund Balance, June 30, 2007	73,232	73,232	-	22,777	22,777	-
Restatement	-	155	155	-	-	-
Fund Balance as of June 30, 2007, Restated	73,232	73,387	155	22,777	22,777	-
Fund Balance, June 30, 2008	\$ 74,647	\$ 92,524	\$ 17,877	\$ 21,316	\$ 24,965	\$ 3,649

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 512			SID 513		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	124,281	114,077	(10,204)	-	176	176
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	9,035	9,035	-	967	967
Total Revenues	124,281	123,112	(1,169)	-	1,143	1,143
EXPENDITURES						
Debt Service	170,607	170,907	(300)	1,995	1,995	-
Total Expenditures	170,607	170,907	(300)	1,995	1,995	-
Excess (Deficiency) of Revenue Over Expenditures	(46,326)	(47,795)	(1,469)	(1,995)	(852)	1,143
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	1,136	-	(1,136)
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,136	-	(1,136)
Excess (Deficiency) of Revenue Over Expenditures	(46,326)	(47,795)	(1,469)	(859)	(852)	7
Fund Balance, June 30, 2007	299,266	299,266	-	33,561	33,561	-
Restatement	-	2,098	2,098	-	-	-
Fund Balance as of June 30, 2007, Restated	299,266	301,364	2,098	33,561	33,561	-
Fund Balance, June 30, 2008	\$ 252,940	\$ 253,569	\$ 629	\$ 32,702	\$ 32,709	\$ 7

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 514			SID 515		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	13,170	12,463	(707)	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	2,432	2,432	-	(411)	(411)
Total Revenues	13,170	14,895	1,725	-	(411)	(411)
EXPENDITURES						
Debt Service	10,365	10,365	-	478	478	-
Total Expenditures	10,365	10,365	-	478	478	-
Excess (Deficiency) of Revenue Over Expenditures	2,805	4,530	1,725	(478)	(889)	(411)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,805	4,530	1,725	(478)	(889)	(411)
Fund Balance, June 30, 2007	78,743	78,743	-	(13,809)	(13,809)	-
Restatement	-	323	323	-	-	-
Fund Balance as of June 30, 2007, Restated	78,743	79,066	323	(13,809)	(13,809)	-
Fund Balance, June 30, 2008	\$ 81,548	\$ 83,596	\$ 2,048	\$ (14,287)	\$ (14,698)	\$ (411)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 517			SID 518		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,866	4,352	(514)	2,106	2,057	(49)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	370	370	-	236	236
Total Revenues	4,866	4,722	(144)	2,106	2,293	187
EXPENDITURES						
Debt Service	9,281	8,081	1,200	3,321	3,317	4
Total Expenditures	9,281	8,081	1,200	3,321	3,317	4
Excess (Deficiency) of Revenue Over Expenditures	(4,415)	(3,359)	1,056	(1,215)	(1,024)	191
Other Financing Sources (Uses)						
Operating Transfers In	4,432	-	(4,432)	761	-	(761)
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,432	-	(4,432)	761	-	(761)
Excess (Deficiency) of Revenue Over Expenditures	17	(3,359)	(3,376)	(454)	(1,024)	(570)
Fund Balance, June 30, 2007	12,714	12,714	-	7,762	7,762	-
Restatement	-	79	79	-	-	-
Fund Balance as of June 30, 2007, Restated	12,714	12,793	79	7,762	7,762	-
Fund Balance, June 30, 2008	\$ 12,731	\$ 9,434	\$ (3,297)	\$ 7,308	\$ 6,738	\$ (570)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 519			SID 520		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	7,476	7,398	(78)	151,274	155,332	4,058
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	463	463	-	4,132	4,132
Total Revenues	7,476	7,861	385	151,274	159,464	8,190
EXPENDITURES						
Debt Service	8,078	8,954	(876)	210,400	160,400	50,000
Total Expenditures	8,078	8,954	(876)	210,400	160,400	50,000
Excess (Deficiency) of Revenue Over Expenditures	(602)	(1,093)	(491)	(59,126)	(936)	58,190
Other Financing Sources (Uses)						
Operating Transfers In	297	-	(297)	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	297	-	(297)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(305)	(1,093)	(788)	(59,126)	(936)	58,190
Fund Balance, June 30, 2007	14,580	14,580	-	136,687	136,687	-
Restatement	-	-	-	-	741	741
Fund Balance as of June 30, 2007, Restated	14,580	14,580	-	136,687	137,428	741
Fund Balance, June 30, 2008	\$ 14,275	\$ 13,487	\$ (788)	\$ 77,561	\$ 136,492	\$ 58,931

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CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 521			SID 522		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	568	513	(55)	916	870	(46)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	163	163	-	176	176
Total Revenues	568	676	108	916	1,046	130
EXPENDITURES						
Debt Service	776	776	-	1,121	1,121	-
Total Expenditures	776	776	-	1,121	1,121	-
Excess (Deficiency) of Revenue Over Expenditures	(208)	(100)	108	(205)	(75)	130
Other Financing Sources (Uses)						
Operating Transfers In	152	-	(152)	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	152	-	(152)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(56)	(100)	(44)	(205)	(75)	130
Fund Balance, June 30, 2007	5,505	5,505	-	5,902	5,902	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	5,505	5,505	-	5,902	5,902	-
Fund Balance, June 30, 2008	\$ 5,449	\$ 5,405	\$ (44)	\$ 5,697	\$ 5,827	\$ 130

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CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 525			SID 526		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	44,328	52,877	8,549	183,102	181,381	(1,721)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	5,960	5,960	-	11,852	11,852
Total Revenues	44,328	58,837	14,509	183,102	193,233	10,131
EXPENDITURES						
Debt Service	43,500	43,500	-	181,160	181,160	-
Total Expenditures	43,500	43,500	-	181,160	181,160	-
Excess (Deficiency) of Revenue Over Expenditures	828	15,337	14,509	1,942	12,073	10,131
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	828	15,337	14,509	1,942	12,073	10,131
Fund Balance, June 30, 2007	189,784	189,784	-	386,446	386,446	-
Restatement	-	-	-	-	1,376	1,376
Fund Balance as of June 30, 2007, Restated	189,784	189,784	-	386,446	387,822	1,376
Fund Balance, June 30, 2008	\$ 190,612	\$ 205,121	\$ 14,509	\$ 388,388	\$ 399,895	\$ 11,507

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CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 527			SID 530		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	3,845	3,803	(42)	829	734	(95)
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	134	134	-	124	124
Total Revenues	3,845	3,937	92	829	858	29
EXPENDITURES						
Debt Service	3,743	3,743	-	946	946	-
Total Expenditures	3,743	3,743	-	946	946	-
Excess (Deficiency) of Revenue Over Expenditures	102	194	92	(117)	(88)	29
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	102	194	92	(117)	(88)	29
Fund Balance, June 30, 2007	7,134	7,134	-	5,006	5,006	-
Restatement	-	12	12	-	-	-
Fund Balance as of June 30, 2007, Restated	7,134	7,146	12	5,006	5,006	-
Fund Balance, June 30, 2008	\$ 7,236	\$ 7,340	\$ 104	\$ 4,889	\$ 4,918	\$ 29

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 531			SID 532		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,230	4,080	(150)	53,272	58,529	5,257
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	268	268	-	1,382	1,382
Total Revenues	4,230	4,348	118	53,272	59,911	6,639
EXPENDITURES						
Debt Service	-	-	-	51,958	52,207	(249)
Total Expenditures	-	-	-	51,958	52,207	(249)
Excess (Deficiency) of Revenue Over Expenditures	4,230	4,348	118	1,314	7,704	6,390
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	4,230	4,348	118	1,314	7,704	6,390
Fund Balance, June 30, 2007	6,589	6,589	-	31,339	31,339	-
Restatement	-	35	35	-	-	-
Fund Balance as of June 30, 2007, Restated	6,589	6,624	35	31,339	31,339	-
Fund Balance, June 30, 2008	\$ 10,819	\$ 10,972	\$ 153	\$ 32,653	\$ 39,043	\$ 6,390

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 533			SID 534		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	19,241	17,395	(1,846)	23,505	26,632	3,127
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,195	1,195	-	672	672
Total Revenues	19,241	18,590	(651)	23,505	27,304	3,799
EXPENDITURES						
Debt Service	17,475	17,230	245	18,150	18,150	-
Total Expenditures	17,475	17,230	245	18,150	18,150	-
Excess (Deficiency) of Revenue Over Expenditures	1,766	1,360	(406)	5,355	9,154	3,799
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	1,766	1,360	(406)	5,355	9,154	3,799
Fund Balance, June 30, 2007	39,277	39,277	-	13,253	13,253	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	39,277	39,277	-	13,253	13,253	-
Fund Balance, June 30, 2008	\$ 41,043	\$ 40,637	\$ (406)	\$ 18,608	\$ 22,407	\$ 3,799

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 535			SID 536		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	7,019	6,919	(100)	40,531	41,515	984
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	170	170	-	1,346	1,346
Total Revenues	7,019	7,089	70	40,531	42,861	2,330
EXPENDITURES						
Debt Service	-	-	-	31,713	31,525	188
Total Expenditures	-	-	-	31,713	31,525	188
Excess (Deficiency) of Revenue Over Expenditures	7,019	7,089	70	8,818	11,336	2,518
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	7,019	7,089	70	8,818	11,336	2,518
Fund Balance, June 30, 2007	6,283	6,283	-	38,243	38,243	-
Restatement	-	-	-	-	386	386
Fund Balance as of June 30, 2007, Restated	6,283	6,283	-	38,243	38,629	386
Fund Balance, June 30, 2008	\$ 13,302	\$ 13,372	\$ 70	\$ 47,061	\$ 49,965	\$ 2,904

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 539			SID 540		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,548	2,860	312	119,068	199,377	80,309
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	150	150	-	2,419	2,419
Total Revenues	2,548	3,010	462	119,068	201,796	82,728
EXPENDITURES						
Debt Service	-	-	-	117,868	118,167	(299)
Total Expenditures	-	-	-	117,868	118,167	(299)
Excess (Deficiency) of Revenue Over Expenditures	2,548	3,010	462	1,200	83,629	82,429
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,548	3,010	462	1,200	83,629	82,429
Fund Balance, June 30, 2007	3,134	3,134	-	4,947	4,947	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	3,134	3,134	-	4,947	4,947	-
Fund Balance, June 30, 2008	\$ 5,682	\$ 6,144	\$ 462	\$ 6,147	\$ 88,576	\$ 82,429



NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

CAPITAL PROJECT FUNDS

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	1997 Open Space			Fire Station GO Bond		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(4,299)	(4,299)	-	(35,013)	(35,013)
Total Revenues	-	(4,299)	(4,299)	-	(35,013)	(35,013)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	2,750	(2,750)	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	409,111	9,884	399,227	3,255,365	2,011,081	1,244,284
Total Expenditures	409,111	12,634	396,477	3,255,365	2,011,081	1,244,284
Excess(Deficiency) of Revenue						
Over Expenditures	(409,111)	(16,933)	392,178	(3,255,365)	(2,046,094)	1,209,271
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(409,111)	(16,933)	392,178	(3,255,365)	(2,046,094)	1,209,271
Fund Balance, June 30, 2007	406,560	406,560	-	3,255,365	3,255,365	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	406,560	406,560	-	3,255,365	3,255,365	-
Fund Balance, June 30, 2008	(2,551)	389,627	392,178	-	1,209,271	1,209,271

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	06 Sidewalk & Curb			07 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	727	727	-	7,561	7,561
Total Revenues	-	727	727	-	7,561	7,561
EXPENDITURES						
General Government	-	-	-	-	4,734	(4,734)
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	23,911	(23,911)
Total Expenditures	-	-	-	-	28,645	(28,645)
Excess(Deficiency) of Revenue						
Over Expenditures	-	727	727	-	(21,084)	(21,084)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	920,000	863,005	(56,995)
Total Other Financing Sources(Uses)	-	-	-	920,000	863,005	(56,995)
Excess(Deficiency) of Revenues						
Over Expenditures	-	727	727	920,000	841,921	(78,079)
Fund Balance, June 30, 2007	24,736	24,736	-	(833,026)	(833,026)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	24,736	24,736	-	(833,026)	(833,026)	-
Fund Balance, June 30, 2008	24,736	25,463	727	86,974	8,895	(78,079)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	08 Sidewalk & Curb			09 Sidewalk & Curb		
	Variance -			Variance -		
	Budget	Actual	(Under)	Budget	Actual	(Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	71,208	71,208	-	35,181	35,181
Investment Earnings	-	(11,627)	(11,627)	-	(2,674)	(2,674)
Total Revenues	-	59,581	59,581	-	32,507	32,507
EXPENDITURES						
General Government	-	7,840	(7,840)	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	400,000	387,710	12,290	300,000	329,327	(29,327)
Total Expenditures	400,000	395,550	4,450	300,000	329,327	(29,327)
Excess(Deficiency) of Revenue						
Over Expenditures	(400,000)	(335,969)	64,031	(300,000)	(296,820)	3,180
Other Financing Sources (Uses)						
Issuance of Long Term Debt	560,000	520,800	(39,200)	-	-	-
Total Other Financing Sources(Uses)	560,000	520,800	(39,200)	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	160,000	184,831	24,831	(300,000)	(296,820)	3,180
Fund Balance, June 30, 2007	(187,754)	(187,754)	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	(187,754)	(187,754)	-	-	-	-
Fund Balance, June 30, 2008	(27,754)	(2,923)	24,831	(300,000)	(296,820)	3,180

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 530			SID 531		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(128)	(128)	-	(1,231)	(1,231)
Total Revenues	-	(128)	(128)	-	(1,231)	(1,231)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	(128)	(128)	-	(1,231)	(1,231)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	-	(128)	(128)	-	(1,231)	(1,231)
Fund Balance, June 30, 2007	-	-	-	(41,928)	(41,928)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	-	-	-	(41,928)	(41,928)	-
Fund Balance, June 30, 2008	-	(128)	(128)	(41,928)	(43,159)	(1,231)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 532			SID 533		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,749	1,749	-	(475)	(475)
Total Revenues	-	1,749	1,749	-	(475)	(475)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	1,749	1,749	-	(475)	(475)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	16,668	16,667	(1)
Total Other Financing Sources(Uses)	-	-	-	16,668	16,667	(1)
Excess(Deficiency) of Revenues						
Over Expenditures	-	1,749	1,749	16,668	16,192	(476)
Fund Balance, June 30, 2007	59,570	59,570	-	(32,669)	(32,669)	-
Restatement	(22,866)	(22,866)	-	-	-	-
Fund Balance as of June 30, 2007, Restated	36,704	36,704	-	(32,669)	(32,669)	-
Fund Balance, June 30, 2008	36,704	38,453	1,749	(16,001)	(16,477)	(476)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 534			SID 535		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(82)	(82)	-	(1,879)	(1,879)
Total Revenues	-	(82)	(82)	-	(1,879)	(1,879)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	-	(82)	(82)	-	(1,879)	(1,879)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	-	(82)	(82)	-	(1,879)	(1,879)
Fund Balance, June 30, 2007	(1,623)	(1,623)	-	(63,982)	(63,982)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	(1,623)	(1,623)	-	(63,982)	(63,982)	-
Fund Balance, June 30, 2008	(1,623)	(1,705)	(82)	(63,982)	(65,861)	(1,879)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 536			SID 538		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	164	164	-	(81)	(81)
Total Revenues	-	164	164	-	(81)	(81)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	4,847	(4,847)
Total Expenditures	-	-	-	-	4,847	(4,847)
Excess(Deficiency) of Revenue						
Over Expenditures	-	164	164	-	(4,928)	(4,928)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	38,768	38,768	-	-	-	-
Total Other Financing Sources(Uses)	38,768	38,768	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	38,768	38,932	164	-	(4,928)	(4,928)
Fund Balance, June 30, 2007	(44,277)	(44,277)	-	38	38	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	(44,277)	(44,277)	-	38	38	-
Fund Balance, June 30, 2008	(5,509)	(5,345)	164	38	(4,890)	(4,928)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 539			SID 540		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(570)	(570)	-	2,711	2,711
Total Revenues	-	(570)	(570)	-	2,711	2,711
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	29,659	(29,659)
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	221,043	15,840	205,203
Total Expenditures	-	-	-	221,043	45,499	175,544
Excess(Deficiency) of Revenue						
Over Expenditures	-	(570)	(570)	(221,043)	(42,788)	178,255
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	-	(570)	(570)	(221,043)	(42,788)	178,255
Fund Balance, June 30, 2007	(19,384)	(19,384)	-	154,477	154,477	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	(19,384)	(19,384)	-	154,477	154,477	-
Fund Balance, June 30, 2008	(19,384)	(19,954)	(570)	(66,566)	111,689	178,255

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 541			SID 542		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(3,602)	(3,602)	-	(4,562)	(4,562)
Total Revenues	-	(3,602)	(3,602)	-	(4,562)	(4,562)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	36,000	(36,000)	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	750,000	41,083	708,917	-	25,572	(25,572)
Total Expenditures	750,000	77,083	672,917	-	25,572	(25,572)
Excess(Deficiency) of Revenue						
Over Expenditures	(750,000)	(80,685)	669,315	-	(30,134)	(30,134)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(750,000)	(80,685)	669,315	-	(30,134)	(30,134)
Fund Balance, June 30, 2007	(31,011)	(31,011)	-	(98,643)	(98,643)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	(31,011)	(31,011)	-	(98,643)	(98,643)	-
Fund Balance, June 30, 2008	(781,011)	(111,696)	669,315	(98,643)	(128,777)	(30,134)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SID 543			Miller Creek Mitigation		
			Variance -			Variance -
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 149,422	\$ 149,422
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(2,175)	(2,175)	-	657	657
Total Revenues	-	(2,175)	(2,175)	149,422	150,079	657
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	155,200	3,997	151,203	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	64,538	(64,538)	-	146,316	(146,316)
Total Expenditures	155,200	68,535	86,665	-	146,316	(146,316)
Excess(Deficiency) of Revenue						
Over Expenditures	(155,200)	(70,710)	84,490	149,422	3,763	(145,659)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(155,200)	(70,710)	84,490	149,422	3,763	(145,659)
Fund Balance, June 30, 2007	-	-	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	-	-	-	-	-	-
Fund Balance, June 30, 2008	(155,200)	(70,710)	84,490	149,422	3,763	(145,659)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Miller Creek (T) Construction			Miller Creek (Mc) Construction		
	Variance -			Variance -		
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	107,934	107,934	-	348,409	348,410	1
Investment Earnings	-	1,258	1,258	-	4,061	4,061
Total Revenues	107,934	109,192	1,258	348,409	352,471	4,062
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	4,100	(4,100)	-	-	-
Total Expenditures	-	4,100	(4,100)	-	-	-
Excess(Deficiency) of Revenue						
Over Expenditures	107,934	105,092	(2,842)	348,409	352,471	4,062
Other Financing Sources (Uses)						
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	107,934	105,092	(2,842)	348,409	352,471	4,062
Fund Balance, June 30, 2007	-	-	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2007, Restated	-	-	-	-	-	-
Fund Balance, June 30, 2008	107,934	105,092	(2,842)	348,409	352,471	4,062



STATISTICAL SECTION

STATISTICAL SECTION

This part of the city of Missoula'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 government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	SS-1 to 4
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	SS-5 to 10
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	SS-11 to 19
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand how the information in the government's financial activities take place.</i>	SS-20 to 24
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.</i>	SS-25 to 32

Sources: Unless otherwise noted the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant years.

CITY OF MISSOULA, MONTANA
NET ASSETS BY COMPONENT
Last Six Fiscal Years
(accrual basis of accounting)

		2003	2004	2005	2006	2007	2008
Government activities							
Investment in capital assets, net of related debt		\$ 77,040,629	\$ 84,425,320	\$ 85,219,599	\$ 97,908,705	\$ 103,905,986	\$ 95,716,983
Restricted		5,786,102	13,144,514	3,280,061	3,602,376	3,007,558	3,175,573
Unrestricted		7,694,919	6,552,715	18,145,146	11,552,345	17,010,325	18,285,910
Total government activities net assets		\$ 90,521,650	\$ 104,122,549	\$ 106,644,806	\$ 113,063,426	\$ 123,923,869	\$ 117,178,466
Business-type activities							
Investment in capital assets, net of related debt		\$ 45,596,659	\$ 50,437,434	\$ 54,728,019	\$ 53,483,675	\$ 55,807,247	\$ 60,741,529
Restricted		560,772	1,307,315	2,525,370	1,303,028	1,320,306	1,303,028
Unrestricted		5,793,401	4,949,789	2,432,543	6,053,027	5,604,871	15,255,848
Total business-type activities net assets		\$ 51,950,832	\$ 56,694,538	\$ 59,685,932	\$ 60,839,730	\$ 62,732,424	\$ 77,300,405
Primary Government							
Investment in capital assets, net related debt		\$ 122,637,288	\$ 134,862,754	\$ 139,947,618	\$ 151,392,380	\$ 159,713,233	\$ 156,458,512
Restricted		6,346,874	14,451,829	5,805,431	4,905,404	4,327,864	4,478,601
Unrestricted		13,488,320	11,502,504	20,577,689	17,605,372	22,615,196	33,541,758
Total primary government net assets		\$ 142,472,482	\$ 160,817,087	\$ 166,330,738	\$ 173,903,156	\$ 186,656,293	\$ 194,478,871

Source: City of Missoula

Typically this statistical table presents information on a ten year basis, however, the City converted to the GASB 34 reporting format in FY 03. Thus there is only information presented since that time.

CITY OF MISSOULA, MONTANA
CHANGE IN NET ASSETS
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 4,237,489	\$ 4,814,217	\$ 5,447,966	\$ 7,670,901	\$ 7,947,585	\$ 7,164,932
Public safety	15,267,862	15,774,300	17,596,888	18,706,533	20,685,934	22,864,926
Public works	22,022,343	9,728,383	5,880,778	6,019,601	3,102,523	11,992,483
Public health	1,056,111	1,033,396	1,118,946	1,178,646	1,275,114	1,382,490
Social and economic	105,100	245,802	131,017	138,564	165,849	115,000
Culture and recreation	2,520,258	2,712,280	3,346,471	3,795,635	4,687,707	3,580,622
Housing & development	849,904	669,857	1,494,654	1,391,082	1,416,594	2,189,207
Conservation of natural resources	-	-	108,599	169,228	296,617	-
Miscellaneous	788,987	590,225	910,387	-	-	-
Interest on long-term debt	1,755,702	1,235,533	1,867,190	1,429,993	1,675,186	1,665,936
Total governmental activities expenses	<u>48,603,756</u>	<u>36,803,993</u>	<u>37,902,896</u>	<u>40,500,183</u>	<u>41,253,109</u>	<u>50,955,596</u>
Business-type activities						
Wastewater treatment	4,071,937	5,400,406	5,904,344	6,084,445	\$ 6,239,307	\$ 6,716,237
Aquatics	-	-	-	-	\$ -	1,412,133
Total business-type activities expenses	<u>4,071,937</u>	<u>5,400,406</u>	<u>5,904,344</u>	<u>6,084,445</u>	<u>6,239,307</u>	<u>8,128,370</u>
Total primary government expenses	<u><u>\$ 52,675,693</u></u>	<u><u>\$ 42,204,399</u></u>	<u><u>\$ 43,807,240</u></u>	<u><u>\$ 46,584,628</u></u>	<u><u>\$ 47,492,416</u></u>	<u><u>\$ 59,083,966</u></u>
Program Revenues						
Government activities						
Program revenues:						
Charges for services	\$ 6,956,285	\$ 8,558,269	\$ 7,333,406	\$ 7,658,546	\$ 9,165,744	\$ 9,915,006
Operating grants & contributions	1,547,094	5,248,503	2,532,942	2,986,691	1,789,207	1,264,937
Capital grants & contributions	2,227,874	300,948	4,744,999	3,594,855	7,785,160	7,572,822
Total governmental activities program revenues	<u>10,731,253</u>	<u>14,107,720</u>	<u>14,611,347</u>	<u>14,240,092</u>	<u>18,740,111</u>	<u>18,752,765</u>
Business-type activities						
Charges for services	4,912,232	6,306,775	7,265,855	6,620,032	6,510,110	7,635,175
Capital grants & contributions	4,551,646	1,121,104	1,283,828	827	1,208,512	1,414,448
Total business-type activities program revenues	<u>9,463,878</u>	<u>7,427,879</u>	<u>8,549,683</u>	<u>6,620,859</u>	<u>7,718,622</u>	<u>9,049,623</u>
Total primary governmental program revenues	<u><u>\$ 20,195,131</u></u>	<u><u>\$ 21,535,599</u></u>	<u><u>\$ 23,161,030</u></u>	<u><u>\$ 20,860,951</u></u>	<u><u>\$ 26,458,733</u></u>	<u><u>\$ 27,802,388</u></u>
Net (expense) revenue						
Governmental activities:	\$ (37,872,503)	\$ (22,696,273)	\$ (23,291,549)	\$ (26,260,091)	\$ (22,512,998)	\$ (32,202,831)
Business-type activities	5,391,941	2,027,473	2,645,339	536,414	1,479,315	921,254
Total primary government expenses	<u><u>\$ (32,480,562)</u></u>	<u><u>\$ (20,668,800)</u></u>	<u><u>\$ (20,646,210)</u></u>	<u><u>\$ (25,723,677)</u></u>	<u><u>\$ (21,033,683)</u></u>	<u><u>\$ (31,281,577)</u></u>
General Revenues and Other Changes In Net Assets						
Governmental activities						
Property taxes for general purposes	\$ 16,688,381	\$ 19,972,703	\$ 17,967,026	\$ 17,869,988	\$ 21,003,491	\$ 23,662,238
Annexation & developer contributions	-	9,964,080	5,772,066	4,935,983	-	-
State contribution for retirement	2,304,555	-	-	-	-	-
Intergovernmental revenue	5,040,469	5,191,107	9,048,644	9,789,157	10,078,402	11,370,796
Investment earnings	232,802	381,380	209,628	203,490	695,655	652,572
Gain on sale of capital assets	-	-	-	-	(54,070)	1,980,388
Miscellaneous	689,427	545,714	684,960	517,530	959,284	1,383,397
Interfund transactions	(20,980)	242,188	220,635	224,539	233,065	(64,798)
Special Items	-	-	-	-	-	(13,409,208)
Total governmental activities	<u>24,934,654</u>	<u>36,297,172</u>	<u>33,902,959</u>	<u>33,540,687</u>	<u>32,915,827</u>	<u>25,575,385</u>
Business-type activities						
Annexation & developer contributions	-	-	-	775,800	-	-
Investment earnings	106,838	369,797	299,782	63,237	330,545	168,312
Miscellaneous	-	23,773	8,749	2,886	2,337	3,378
Gain or loss on sale of capital assets	-	-	-	-	9,860	5,778
Interfund transactions	20,980	(242,188)	(220,635)	(224,539)	(233,065)	64,798
Special Items	-	-	-	-	-	13,409,208
Total business-type activities	<u>127,818</u>	<u>151,382</u>	<u>87,896</u>	<u>617,384</u>	<u>109,677</u>	<u>13,651,474</u>
Total primary government	<u><u>\$ 25,062,472</u></u>	<u><u>\$ 36,448,554</u></u>	<u><u>\$ 33,990,855</u></u>	<u><u>\$ 34,158,071</u></u>	<u><u>\$ 33,025,504</u></u>	<u><u>\$ 39,226,859</u></u>
Change in Net Assets						
Governmental activities	\$ (12,937,849)	\$ 13,600,899	\$ 10,611,410	\$ 7,280,596	\$ 10,402,829	\$ (6,627,446)
Business-type activities	5,519,759	2,178,855	2,733,235	1,153,798	1,588,992	14,572,728
Total primary government	<u><u>\$ (7,418,090)</u></u>	<u><u>\$ 15,779,754</u></u>	<u><u>\$ 13,344,645</u></u>	<u><u>\$ 8,434,394</u></u>	<u><u>\$ 11,991,820</u></u>	<u><u>\$ 7,945,282</u></u>

Source: City of Missoula

Typically this statistical table presents information on a ten year basis, however, the City converted to the GASB 34 reporting format in FY 03. Thus there is only information presented since that time.

CITY OF MISSOULA, MONTANA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year					
	1999	2000	2001	2002	2003	2004
General Fund						
Reserved	\$ 353,037	\$ 10,928	\$ 8,202	\$ 6,826	\$ -	\$ 396,988
Unreserved	2,861,811	2,573,821	2,427,933	1,645,837	1,011,574	1,450,347
Total General Fund	<u>\$3,214,848</u>	<u>\$2,584,749</u>	<u>\$2,436,135</u>	<u>\$1,652,663</u>	<u>\$1,011,574</u>	<u>\$1,847,335</u>
All other governmental funds						
Reserved	\$1,476,999	\$1,207,657	\$1,980,958	\$3,602,376	\$2,054,790	\$2,993,025
Unreserved, reported in:						
Special revenue funds	2,117,617	2,749,470	3,057,184	1,939,572	2,952,039	2,458,951
Debt service funds	-	-	1,980,958	1,939,572	(35,775)	-
Capital projects funds	<u>3,263,924</u>	<u>1,758,329</u>	<u>332,583</u>	<u>(5,290,370)</u>	<u>(912,811)</u>	<u>7,692,538</u>
Total other governmental funds	<u>\$6,858,540</u>	<u>\$5,715,456</u>	<u>\$7,351,683</u>	<u>\$2,191,150</u>	<u>\$4,058,243</u>	<u>\$13,144,514</u>

All other governmental funds

	2005	2006	2007	2008
Reserved	\$3,280,061	\$3,602,376	\$3,602,376	\$3,007,558
Unreserved, reported in:				
Special revenue funds	2,124,775	1,939,572	1,462,685	3,208,509
Debt service funds	(35,775)	-	-	-
Capital projects funds	<u>(912,811)</u>	<u>7,692,538</u>	<u>7,181,073</u>	<u>(5,290,370)</u>
Total other governmental funds	<u>\$6,858,540</u>	<u>\$5,715,456</u>	<u>\$7,351,683</u>	<u>\$2,191,150</u>

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Revenues						
Taxes and assessments	\$ 16,515,528	\$ 18,956,194	\$ 19,470,666	\$ 22,340,804	\$ 24,128,385	\$ 25,071,209
Licenses and permits	2,287,385	2,318,146	3,165,413	2,839,058	2,927,474	4,054,474
Intergovernmental	11,846,177	11,091,624	14,238,028	13,208,755	13,035,698	12,747,140
Charges for services	2,336,424	2,700,372	3,298,503	3,625,225	4,540,977	3,911,813
Fines and forfeitures	795,329	857,707	1,223,864	1,178,920	1,421,588	1,215,955
Miscellaneous	420,425	520,337	309,781	949,537	975,534	1,699,515
Interest earnings	231,951	449,387	226,538	192,758	538,418	584,698
Total revenues	<u>34,433,219</u>	<u>36,893,767</u>	<u>41,932,793</u>	<u>44,335,057</u>	<u>47,568,074</u>	<u>49,284,804</u>
Expenditures						
General government	4,005,055	4,718,579	4,501,423	6,334,244	5,745,356	6,515,738
Public safety	14,588,393	15,420,765	16,957,739	18,138,794	19,880,732	21,637,023
Public works	4,929,802	5,239,404	5,765,617	5,803,509	6,161,928	6,670,377
Public health	1,030,253	1,008,837	1,096,344	1,152,195	1,249,223	1,364,663
Social and economic	105,100	100,706	105,238	108,395	132,897	115,000
Culture and recreation	2,206,720	2,468,401	2,719,381	3,011,054	3,676,479	3,118,438
Community development	709,847	681,088	2,129,109	2,379,741	2,202,392	2,041,498
Miscellaneous	788,987	795,362	910,387	-	947,093	-
Debt service - principal	2,734,737	4,369,674	2,432,981	2,783,319	6,127,301	2,973,898
Debt service - interest	1,044,657	1,126,448	1,428,517	1,357,860	1,671,508	1,665,936
Capital outlay	<u>6,800,610</u>	<u>6,514,225</u>	<u>4,980,661</u>	<u>18,496,532</u>	<u>9,116,240</u>	<u>7,575,647</u>
Total expenditures	<u>38,944,161</u>	<u>42,443,489</u>	<u>43,027,397</u>	<u>59,565,643</u>	<u>56,911,149</u>	<u>53,678,218</u>
Excess of revenues over (under) expenditures	<u>(4,510,942)</u>	<u>(5,549,722)</u>	<u>(1,094,604)</u>	<u>(15,230,586)</u>	<u>(9,343,075)</u>	<u>(4,393,414)</u>
Other financing sources (uses)						
Transfers in	4,864,269	5,474,240	4,833,042	5,338,325	7,003,875	4,551,456
Transfers out	(4,898,223)	(5,283,345)	(4,675,148)	(5,170,043)	(6,821,059)	(4,665,834)
Payments to Refunded Bond Escrow Agent	-	-	-	-	(2,037,769)	-
Refunding Bond Proceeds	-	-	-	-	4,355,000	-
Proceeds from sale of capital assets	48,921	228,088	46,347	100	-	840,620
Proceeds from long term debt	<u>2,461,724</u>	<u>18,759,366</u>	<u>994,921</u>	<u>2,850,881</u>	<u>11,574,351</u>	<u>2,378,354</u>
Total other financing sources (uses)	<u>2,476,691</u>	<u>19,178,349</u>	<u>1,199,162</u>	<u>3,019,263</u>	<u>14,074,398</u>	<u>3,104,596</u>
Net change in fund balances	<u>\$ (2,034,251)</u>	<u>\$ 13,628,627</u>	<u>\$ 104,558</u>	<u>\$ (12,211,323)</u>	<u>\$ 4,731,323</u>	<u>\$ (1,288,818)</u>
Debt service as a percentage of non-capital expenditures	<u>13%</u>	<u>18%</u>	<u>15%</u>	<u>12%</u>	<u>23%</u>	<u>12%</u>

Source: City of Missoula

Typically this statistical table presents information on a ten year basis, however, the City converted to the GASB 34 reporting format in FY 03. Thus there is only information presented since that time.

CITY OF MISSOULA, MONTANA
OVERLAPPING PROPERTY TAX LEVIES
Last Ten Fiscal Years

Taxing Authority	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City of Missoula	139.84	146.63	159.15	165.19	169.48	176.32	182.57	196.39	204.73	212.23
County of Missoula										
County Wide	83.15	89.24	100.15	117.80	123.97	122.79	127.12	129.11	133.64	136.19
County Wide Schools	89.72	93.52	99.86	96.56	100.75	108.34	101.59	102.26	104.26	104.04
Total	172.87	182.76	200.01	214.36	224.72	231.13	228.71	231.37	237.90	240.23
District Schools										
School District One	135.31	138.20	136.72	149.04	153.24	159.27	158.29	150.66	150.26	145.45
High Schools	65.32	66.17	71.28	77.30	84.65	84.27	83.16	83.40	82.21	77.05
Total	200.63	204.37	208.00	226.34	237.89	243.54	241.45	234.06	232.47	222.50
State Levies										
University	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Welfare	9.00	9.00	9.00	-	-	-	-	-	-	-
Education Foundation	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Total	55.00	55.00	55.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Urban Transportation District	9.82	10.37	10.94	11.31	11.66	11.93	12.23	12.38	13.91	14.62
Total Levy on City Residents	578.16	599.13	633.10	663.20	689.75	708.92	710.96	720.20	735.01	735.58
Other Levies of Interest										
County Only	21.13	21.91	24.48	24.54	27.32	25.33	33.97	31.83	34.50	35.68
Missoula Rural Fire	57.02	62.14	71.27	73.97	74.25	77.37	78.26	79.64	80.89	91.13

Source: County of Missoula Accounting Office

Note: MRA doesn't get University mills.

CITY OF MISSOULA, MONTANA
ESTIMATED MARKET VALUE, TAXABLE VALUE AND MILL LEVY
Last Ten Fiscal Years

Fiscal Year	Estimated Market Value	Taxable Value City Without Tax Increment	Ratio of Total Assessed Value to Total Estimated Market Value		Taxable Value Tax Increment Districts	Mill Levy
			Total	Estimated Market Value		
1999	\$ 1,859,622,977	\$ 74,954,024	4.03%		\$ 3,760,638	137.62
2000	1,985,298,106	77,024,392	3.88%		3,737,101	139.84
2001	2,111,624,637	76,698,959	3.63%		1,964,011	159.15
2002	2,247,822,357	78,961,906	3.51%		2,317,883	165.19
2003	2,403,250,454	82,076,104	3.42%		2,652,385	169.48
2004	2,636,857,585	84,586,453	3.21%		3,603,495	176.30
2005	2,805,424,077	91,358,406	3.26%		3,844,866	182.57
2006	2,901,638,641	93,533,579	3.22%		1,446,959	196.39
2007	3,195,587,513	99,332,558	3.11%		1,806,159	204.73
2008	3,369,424,088	103,000,436	3.06%		1,909,938	212.23

Source: Missoula County Assessors Office

CITY OF MISSOULA, MONTANA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Real Property	Equipment & Fixtures	Electric, Airline & Telecommuni- cations	\$ 6,889	\$ 647	\$ 227	\$ 29	\$ (3,876)	\$ 74,837
1998	\$ 63,893	\$ 7,028							
1999	\$ 65,974	\$ 6,482	\$ 7,409	\$ 615	\$ 249	\$ 32	\$ (3,737)	\$ 77,024	
2000	63,363	6,579	7,862	682	275	32	(3,464)	75,329	
2001	68,232	3,561	5,970	568	307	25	(1,964)	76,699	
2002	70,987	3,745	5,528	521	347	16	(2,315)	78,829	
2003	74,393	4,145	5,313	389	399	8	(2,612)	82,035	
2004	78,436	4,362	4,902	372	363	(246)	(3,603)	84,586	
2005	81,061	4,529	4,999	363	380	27	(3,845)	87,514	
2006	84,231	4,697	5,291	346	379	61	(1,471)	93,534	
2007	91,045	4,474	7,475	313	382	-	(1,806)	101,883	

*Property in the City is assessed at actual value; therefore, the assessed values are equal to actual value.

*This table presents taxable property assessments at values calculated after certified values were received from the Department of Revenue. These values will not articulate to certified values. 2008 Values were not available at time of publication

Source: Missoula County Assessor's Office and Department of Revenue

CITY OF MISSOULA, MONTANA
PROPERTY VALUE AND NEW CONSTRUCTION
Last Ten Fiscal Years

Fiscal Year	Assessed Value City Property	New Construction				% Change Over Last Year
		Single Family		Multi-Family		
		Number	Value Estimate	Number	Value Estimate	
1999	\$ 1,859,622,977	274	\$ 30,079,840	422	\$ 16,163,492	\$ 117,814,791
2000	1,985,298,106	288	29,407,617	181	8,841,540	120,150,936
2001	2,111,624,637	285	28,288,095	282	12,361,447	135,701,353
2002	2,247,822,357	365	34,135,109	335	13,880,421	102,287,782
2003	2,403,250,454	419	38,976,115	1,111	47,410,182	193,963,792
2004	2,636,857,585	367	31,611,232	359	15,081,537	109,963,100
2005	2,805,424,077	457	38,970,878	194	8,157,757	1,677
2006	2,901,638,641	374	35,521,132	79	4,393,527	1,494
2007	3,195,587,513	303	31,466,438	125	5,675,665	1,613
2008	3,369,424,088	229	21,554,764	138	8,566,097	1,530
						133,165,009
						33.36%

Source: City of Missoula Building Inspection Office and Missoula County Assessor

CITY OF MISSOULA, MONTANA
PRINCIPAL PROPERTY TAXPAYERS
Current and Nine Years Ago

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value
NORTHWESTERN CORPORATION	\$ 3,450,847	1	3.35%			
QWEST COMMUNICATIONS	2,708,646	2	2.63%			
MOUNTAIN WATER COMPANY	936,523	3	0.91%	\$ 648,336	5	0.84%
SOUTHGATE MALL	866,316	4	0.84%	808,544	3	1.05%
ST PATRICK HOSPITAL CORP	741,311	5	0.72%			
GATEWAY LIMITED PARTNERSHIP	735,500	6	0.71%	548,470	6	0.76%
WW HOLDING CO INC/ALLTELL CORP	456,539	7	0.44%			
MOUNTAIN STATES LEASING	433,899	8	0.42%			
WESTERN HOSPITALITY GROUP	384,007	9	0.37%			
MONTANA RAIL LINK INC	321,537	10	0.31%	683,006	4	0.89%
MONTANA POWER COMPANY				2,693,624	1	3.50%
US WEST				18,606,056	2	2.34%
AT&T COMMUNICATIONS				272,331	7	0.35%
WC LEASING CORPORATION				228,240	8	0.30%
TOUCH AMERICA				244,811	9	0.32%
CREEKSIDER APARTMENTS				234,687	10	0.30%
Total	<u><u>\$ 11,035,125</u></u>		<u><u>10.71%</u></u>	<u><u>\$ 24,968,105</u></u>		<u><u>10.65%</u></u>

Source: Department of Revenue - Missoula County Finance Office

CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES AND COLLECTIONS
GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years

**Collected within the Fiscal Year of
the Levy**

Fiscal Year Ended June 30th	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	Total Collections to Date	Percentage of Delinquencies
1999	\$ 10,770,977	\$ 9,551,945	88.68%	\$ 1,048,989	\$ 10,600,934	98.42%		11.32%
2000	11,045,658	10,137,825	91.78%	401,463	10,539,288	95.42%		8.22%
2001	12,206,430	12,041,824	98.65%	371,989	12,413,813	101.70%		1.35%
2002	13,043,228	12,359,529	94.76%	399,678	12,759,207	97.82%		5.24%
2003	13,897,789	13,233,442	95.22%	387,103	13,620,545	98.01%		4.78%
2004	14,911,332	14,943,191	100.21%	281,762	15,224,953	102.10%		-0.21%
2005	15,976,238	15,900,407	99.53%	208,969	16,109,376	100.83%		0.47%
2006	18,368,735	17,935,902	97.64%	366,878	18,302,780	99.64%		2.36%
2007	19,967,941	19,806,028	99.19%	220,890	20,026,918	100.30%		0.81%
2008	21,454,303	20,926,264	97.54%	56,389	20,982,653	97.80%		2.46%

Source: City of Missoula

CITY OF MISSOULA, MONTANA
GENERAL OBLIGATION DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE

The following general obligation debt ratios are provided as of June 30, 2007

Market Valuation	\$	3,369,424,088
Market Valuation (Less Tax Increment)	\$	3,367,514,150
Taxable Valuation	\$	104,910,374
Taxable Valuation (Less Tax Increment)	\$	103,000,436
Population		69,709
Direct Debt Per Capita	\$	250
Direct and Overlapping Debt Per Capita	\$	664
Direct Debt to Market Valuation		0.52%
Direct and Overlapping Debt to Market Valuation		1.37%
Direct Debt to Taxable Valuation		16.68%
Direct and Overlapping Debt to Taxable Valuation		44.18%
Market Valuation per Capita	\$	48,336
Taxable Valuation per Capita	\$	1,478

Source: City of Missoula

SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2008

	Summary of Direct Debt			Net Direct Debt	
	Less: Debt Service				
	Gross Debt	Funds (a)			
General Obligation Debt Supported by Taxes	\$ 17,500,000	\$ (44,505)	\$ 17,455,495		
Debt Supported by General Fund	5,360,000	-	5,360,000		
Revenue Debt (Sewer)	15,818,231	(b)	15,818,231		
Revenue Debt (TIF and Parking)	7,100,000	(c)	7,100,000		
Subtotal of Direct Debt	<u>\$ 45,778,231</u>			<u>\$ 45,733,726</u>	

(a) Debt Service funds are as of June 30th. Includes money to pay both principal and interest.
 (b) Monies are transferred from the Sewer Enterprise Fund to make the principal and interest payments on these bonds.
 (c) Monies from the Missoula Parking Commission and tax increment revenues are used to make principal and interest payments on these bonds.

	Summary of Indirect Debt			Amount	
	G.O. Debt as of		Debt Applicable to Tax Capacity of City		
	June 30, 2008	Percentage[^]			
Taxing Unit:					
Missoula County Elementary School District	\$ 2,225,000	52.85%	\$ 1,175,884		
Missoula County High School District	15,105,000	91.03%	13,749,777		
Hellgate Elementary School District	14,285,000	15.16%	2,164,898		
Target Range Elementary School District	525,000	4.55%	23,885		
Missoula County	12,107,000	96.93%	11,735,721		
Subtotal of Indirect Debt	<u>\$ 44,247,000</u>			<u>\$ 28,850,165</u>	
			Total of Direct and Indirect Debt	\$ 74,583,891	

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
	Current Year Estimated Value	1.37%
Per Capita	0.52%	664
	\$ 250	\$ 664

*Includes general obligation debt and debt supported by general fund revenues, excludes revenue supported debt.

[^]The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Local Schools

CITY OF MISSOULA, MONTANA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year					
	1999	2000	2001	2002	2003	2004
Debt Limit	\$ 21,567	\$ 21,476	\$ 33,942	\$ 36,289	\$ 39,817	\$ 42,362
Total net debt applicable to limit	11,120	10,455	9,754	9,279	8,438	15,995
Legal debt Margin	\$ 10,447	\$ 11,021	\$ 24,188	\$ 27,010	\$ 31,379	\$ 28,249
Total net debt applicable to the limit as a percentage of debt limit	51.56%	48.68%	28.74%	25.57%	21.19%	37.76%
					35.53%	30.07%
						22.52%
						21.03%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	\$ 3,412,313
Debt Limit 2.5% of Assessed Value (1)	<u>2.50%</u>
General Obligation Debt Limit	85,308
Less: Outstanding General Obligation Debt, June 30, 2008	17,944
Total net debt applicable to limit	<u>67,364</u>
Legal Debt Margin	\$ 67,364

(1) Montana Statute (7-7-4201) prescribes a legal debt limit of 2.5% of the total assessed value of taxable property, which was increased in the FY 2007 legislature from 1.51%.

Source: City of Missoula

Source: Missoula County Assessors Office

CITY OF MISSOULA, MONTANA
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities						Debt as a Percentage of Personal Income					
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	State Board of Investment Loans	Sidewalk and Curb Warrants	Revenue Bonds	Total Primary Government	Per capita Income*	Total Population	Personal Income	Debt Per Capita	Debt as a Percentage of Market Value						
1999	\$ 10,241,188	\$ -	\$ 8,550,934	\$ 878,792	\$ 1,006,720	\$ 390,000	\$ 21,067,634	\$ 22,564	52,239	1,79%	403	0.88%						
2000	9,794,077	-	8,705,000	661,136	857,258	250,000	20,267,471	24,361	57,053	1.46%	355	0.84%						
2001	9,319,628	160,000	8,504,698	434,858	670,865	1,700,000	20,790,049	26,296	58,224	1.36%	357	0.87%						
2002	8,822,432	1,550,000	11,457,860	456,971	478,911	5,007,021	27,773,195	26,973	59,396	1.73%	468	1.16%						
2003	8,302,060	1,495,000	12,928,173	236,290	327,830	8,693,367	31,982,720	27,815	60,567	1.90%	528	1.33%						
2004	15,895,000	1,440,000	14,649,201	100,179	316,409	15,215,987	47,616,776	29,004	61,738	2.66%	771	1.81%						
2005	15,020,000	1,380,000	14,226,402	546,373	228,628	16,586,138	47,987,541	30,101	62,910	2.53%	763	1.71%						
2006	14,070,000	1,315,000	15,594,203	440,972	120,923	17,079,212	48,620,310	31,535	64,081	2.41%	759	1.68%						
2007	18,720,000	4,760,000	15,455,681	252,453	120,923	16,797,231	56,106,288	32,386	64,118	2.70%	875	1.76%						
2008	17,500,000	5,360,000	15,510,165	222,425	120,923	15,818,231	54,531,744	33,261	69,709	2.35%	782	1.62%						

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Montana Department of Labor - Research and Analysis Bureau

*2006 is the most recent data available. Succeeding years are City estimates.

CITY OF MISSOULA, MONTANA
RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR
Last Ten Fiscal Years
Amounts expressed in thousands, except population and per capita

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Valuation	Percentage of Taxable Value of Property	Estimated Population	Per Capita
1999	\$ 10,241	\$ 74,954	14%	52,239	\$ 196.04
2000	9,794	77,024	13%	57,053	171.66
2001	9,320	76,699	12%	58,224	160.07
2002	8,822	78,962	11%	59,396	148.53
2003	8,302	82,076	10%	60,567	137.07
2004	15,895	84,586	19%	61,738	257.46
2005	15,020	91,358	16%	62,910	238.75
2006	14,070	93,534	15%	64,081	219.57
2007	18,720	99,333	19%	65,311	286.63
2008	17,500	103,000	17%	69,709	251.04

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

CITY OF MISSOULA, MONTANA
PLEDGED-REVENUE COVERAGE
WASTEWATER FACILITY REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Debt Service Requirements				Max Annual Debt Service Coverage (2)	
			Net Revenue Available for Debt		Interest	Total		
			Principal	Interest				
1999	\$ 2,880,073	\$ 2,038,323	\$ 841,750	\$ 139,000	\$ 97,170	\$ 236,170	356% 221%	
2000	3,663,812	2,356,463	1,307,349	206,000	175,576	381,576	343% 301%	
2001	4,383,126	2,554,575	1,828,551	247,000	206,338	453,338	403% 421%	
2002	5,137,531	3,266,074	1,871,457	289,000	188,532	477,532	392% 390%	
City Operating*	2003	4,955,880	2,555,053	2,400,827	489,162	231,961	721,123 333% 379%	
Legal Calculation	2003	6,234,505	2,555,053	3,679,452	489,162	231,961	721,123 510% 580%	
City Operating*	2004	5,274,686	3,036,426	2,238,260	689,000	503,234	1,192,234 188% 151%	
Legal Calculation	2004	6,308,650	3,036,426	3,272,224	689,000	503,234	1,192,234 274% 221%	
City Operating*	2005	5,550,626	3,151,625	2,399,001	797,233	655,716	1,452,949 165% 162%	
Legal Calculation	2005	7,265,854	3,151,625	4,114,229	797,233	655,716	1,452,949 283% 278%	
City Operating*	2006	5,665,706	3,263,652	2,402,054	894,751	660,341	1,555,092 154% 135%	
Legal Calculation	2006	6,620,032	3,263,652	3,356,380	894,751	660,341	1,555,092 216% 189%	
City Operating*	2007	5,975,248	3,492,891	2,482,357	941,000	682,728	1,623,728 153% 150%	
Legal Calculation	2007	6,778,103	3,492,891	3,285,211	941,000	682,728	1,623,728 202% 199%	
City Operating*	2008	6,191,033	3,900,755	2,290,278	979,000	641,677	1,620,677 141% 141%	
Legal Calculation	2008	6,848,299	3,900,755	2,947,544	979,000	641,677	1,620,677 182% 181%	

*City baseline does not include sewer development fees. Legal calculation is based on revenue bond covenant details, section 2.3. Information for both calculations is only available from 2003-present.

(1) Does not include depreciation or bond interest.

(2) Net revenues divided by the maximum debt payment due in any future calendar year.

Source: City of Missoula Annual Financial Reports

CITY OF MISSOULA, MONTANA
REVOLVING FUND YEAR-END BALANCES
REQUIRED CONTINUING DISCLOSURE
Last Ten Fiscal Years

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
1999	\$ 792,077	\$ 8,550,934	9.3%
2000	608,463	8,705,000	7.0%
2001	718,011	8,504,698	8.4%
2002	794,248	11,457,860	6.9%
2003	778,049	12,928,174	6.0%
2004	955,785	14,357,629	6.7%
2005	808,460	14,226,402	5.7%
2006	889,718	15,594,203	5.7%
2007	954,148	15,455,681	6.2%
2008	779,966	15,510,165	5.0%

Source: City of Missoula

CITY OF MISSOULA, MONTANA
REVOLVING FUND CHANGES IN FUND BALANCE
REQUIRED CONTINUING DISCLOSURE
Last Ten Years

	Fiscal Year					
	1999	2000	2001	2002	2003	2004
Beginning Balance	\$ 717,331	\$ 792,077	\$ 608,463	\$ 718,011	\$ 794,248	\$ 778,049
Disbursements/Transfers	74,746	(183,614)	109,548	76,237	(16,199)	177,736
Ending Balance	<u>\$ 792,077</u>	<u>\$ 608,463</u>	<u>\$ 718,011</u>	<u>\$ 794,248</u>	<u>\$ 778,049</u>	<u>\$ 955,785</u>
<hr/>						
Assets:						
Cash	\$ 761,206	\$ 537,639	\$ 687,189	\$ 765,477	\$ 742,524	\$ 852,799
Due from SID Funds	28,730	70,824	30,822	28,771	35,525	72,062
Other Receivables	385,078	365,984	348,414	330,525	310,660	320,488
Total Assets	<u>\$ 1,175,014</u>	<u>974,447</u>	<u>1,066,425</u>	<u>1,124,773</u>	<u>1,088,709</u>	<u>1,245,349</u>
<hr/>						
Liabilities:						
Deferred Revenue	\$ 382,937	\$ 365,984	\$ 348,414	\$ 330,525	\$ 310,660	\$ 289,564
Total Liabilities	<u>\$ 382,937</u>	<u>365,984</u>	<u>348,414</u>	<u>330,525</u>	<u>310,660</u>	<u>289,564</u>
Total Fund Balance	<u>\$ 792,077</u>	<u>\$ 608,463</u>	<u>\$ 718,011</u>	<u>\$ 794,248</u>	<u>\$ 778,049</u>	<u>\$ 955,785</u>

Source: City of Missoula

CITY OF MISSOULA, MONTANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Estimated City Population (1)	Population		Income Statistics		State	
		County Population	Total Personal Income (2)	Per Capita Income (2)	Unemployment Rate	Unemployment Rate (2)	
1999	52,239	94,791	\$ 2,138,904,000	\$ 22,564	5.3%	3.4%	
2000	57,053	95,802	2,342,773,000	24,361	4.8%	4.2%	
2001	58,224	97,409	2,561,445,000	26,296	4.5%	3.9%	
2002	59,396	98,957	2,669,139,000	26,973	4.5%	4.1%	
2003	60,567	99,907	2,778,940,000	27,815	4.4%	3.9%	
2004	61,738	100,884	2,926,024,000	29,004	4.3%	4.0%	
2005	62,910	102,239	3,077,466,000	30,101	4.0%	3.7%	
2006	64,081	104,068	3,281,767,000	31,535	3.5%	3.3%	
2007	65,311	105,650	N/A	N/A	2.5%	2.3%	
2008	69,709	107,118 *	N/A	N/A	4.1%	4.1%	

(1) 2000 population is from the US Census. 2006 City Population is from State of Montana Department of Labor and Industry. All other years are estimated.

(2) Only Missoula County information available.

* Estimate for 2007 based on average increase of prior years.

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau

N/A - Not available

CITY OF MISSOULA, MONTANA
TOP EMPLOYERS IN CITY OF MISSOULA
Current and Nine Years Ago

Employer	Type of Product or Service	2008		1999	
		Number of Employees	Percentage of Total City Employment	Number of Employees	Percentage of Total City Employment
University of Montana	Higher Education	3000+	5%	2000+	4%
St. Patrick Hospital	Healthcare	1000+	2%	1000+	2%
Community Medical Center	Healthcare	1000+	2%	1000+	2%
Missoula County Public Schools	Public Education	1000+	2%	1000+	2%
Montana Rail Link	Rail Transportation	1000+	2%	250-499	1%
Wal-Mart	Retail	500-999	1%		
DirectTV Customer Service	Service	500-999	1%		
U.S. Forest Service	Government	500-999	1%		
Missoula County	County Government	500-999	1%		
Western Montana Clinic	Healthcare	250-499	1%		
Smurfit-Stone Container Corporation	Wood Products	250-499	1%		
Stimson Lumber Company	Wood Products	250-499	1%		
City of Missoula	City Government	250-499	1%		

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau

CITY OF MISSOULA, MONTANA
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Full Time Equivalent Employees						2006	2007	2008
	1999	2000	2001	2002	2003	2004			
General Government									
City Council	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Mayor's Office	3.65	3.65	3.65	4.00	4.00	4.00	4.00	5.00	5.00
Human Resources	3.03	3.03	3.78	3.90	3.90	3.90	4.15	4.15	4.15
Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
City Clerk	2.03	2.03	3.25	3.25	3.25	3.25	3.50	4.00	4.50
Information Systems	4.00	4.00	4.00	4.00	4.50	4.50	5.00	5.50	6.00
Finance/Treasurer	11.72	12.72	12.72	13.22	12.97	13.13	12.75	16.00	16.00
Public Safety									
Municipal Court	7.11	7.11	8.11	8.11	8.50	9.00	10.50	13.00	12.50
City Attorney	8.42	8.42	8.90	9.90	9.90	9.90	12.40	14.40	14.90
Police Department	94.30	98.19	102.00	102.00	102.00	108.00	116.00	119.00	125.50
Fire Department	72.95	74.02	76.00	76.00	76.00	76.00	78.00	82.00	95.00
Building Inspection	12.00	14.37	14.37	14.37	14.37	13.50	13.86	14.34	15.00
Parking Commission	11.50	11.50	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Public Works									
Engineering	23.47	25.47	25.92	25.92	27.12	28.12	28.62	28.82	29.87
Street Division	27.00	27.53	28.25	28.29	28.29	28.54	28.54	28.54	28.54
Vehicle Maintenance	8.25	8.50	9.00	10.50	10.50	10.50	11.00	11.00	11.00
Public Health									
Wastewater	20.20	20.20	20.20	20.20	20.20	20.20	22.20	22.20	22.20
Social Services									
City Cemetery	8.50	9.26	8.93	8.93	8.50	8.50	8.50	8.50	8.92
Community Development									
MRA	5.14	7.14	7.14	6.14	6.14	6.14	6.14	6.00	6.00
Culture and Recreation									
Parks and Recreation	43.70	48.15	48.72	47.89	48.80	49.94	52.94	58.77	55.70
Acquatics							4.75	26.36	55.64
Total	379.97	398.29	408.94	410.62	411.74	419.87	438.35	463.52	514.28

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT

<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Date of Expired Contract</u>
International Association of Firefighters, Local No. 271	89	June 30, 2012
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept	9	June 30, 2011
Missoula Police Protective Association	95	June 30, 2010
Wastewater (decertified as of 6-30-07)		
Parking Commission	6	June 30, 2009
Teamsters Union, Local No. 2	21	June 30, 2012
Operators' Union, Local No. 4000	9	June 30, 2012
Machinists Union, Local No. 88, District No. 86	8	June 30, 2012
Teamsters, Parks and Recreation Seasonal	19	June 30, 2011

Note: Basic Services provided through City government include Police and Fire protection, Municipal Sewer and Sanitation, street Maintenance and Construction, Building Inspection, Zoning Enforcement, Public Works, and Parks and Recreation. As of June 30, 2008, the City employed approximately 639 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 40% were members of organized bargaining units. State law requires Montana Cities to bargain collectively with formally recognized bargaining units. The City considers relations with its bargaining groups to be satisfactory.

Source: City of Missoula

CITY OF MISSOULA, MONTANA
EMPLOYMENT BY MAJOR INDUSTRY TYPE
ANNUAL AVERAGE
Last Ten Fiscal Years

	2004(A)	2003	2002	2001	2000	1999	1998	1997	1996	1995
Agriculture, Forestry, Fisheries	1,490	1,485	1,656	1,451	299	244	269	262	278	245
Mining	96	82	(B)	64	31	48	35	35	24	29
Construction	4,820	4,695	4,343	4,373	2,485	2,340	2,153	2,033	2,099	1,811
Manufacturing	3,168	3,144	3,182	3,118	3,347	3,331	3,308	3,339	3,426	3,497
Transportation, Commun., and Public Utilities	4,189	4,341	4,499	4,561	2,734	2,830	2,718	2,644	2,523	2,672
Wholesale Trade	2,385	2,381	2,334	2,347	2,243	2,180	2,172	2,187	2,088	1,957
Retail Trade	10,120	9,707	9,513	9,371	11,250	11,028	10,799	10,697	10,437	10,141
Financial, Insurance and Real Estate	5,363	5,287	5,031	4,920	2,241	2,194	2,088	1,970	1,843	1,771
Services	31,225	30,392	29,886	28,999	15,538	14,693	13,880	12,849	12,170	11,576
Government	10,254	10,352	9,714	9,741	8,717	8,117	7,718	7,687	7,712	7,396
	<u>73,110</u>	<u>71,866</u>	<u>70,158</u>	<u>68,945</u>	<u>48,885</u>	<u>47,005</u>	<u>45,140</u>	<u>43,703</u>	<u>42,600</u>	<u>41,095</u>

Source: Missoula Area Economic Development Corp (1995 to 2000)
 Bureau of Economic Analysis (2001 to 2004)

(A) Most recent data available
 (B) Not shown to avoid disclosure of confidential information, but estimates are included in the totals

CITY OF MISSOULA, MONTANA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Business Licenses Issued	\$ 5,023	\$ 5,892	\$ 7,782	\$ 7,791	\$ 7,823	\$ 7,907	\$ 4,484	\$ 5,173	\$ 5,290	\$ 6,386
Amount of SID's Billed	\$ 1,307,541	\$ 1,298,209	\$ 1,676,420	\$ 1,865,265	\$ 1,947,490	\$ 2,275,546	\$ 2,241,307	\$ 2,748,200	\$ 2,793,604	\$ 2,802,979
# Sewer Bills	28,538	30,094	30,094	32,642	35,124	35,448	36,641	38,728	41,002	41,818
Public Safety Activities										
Citations issued	No data	No data	No data	No data	21,809	25,136	31,008	33,262	38,468	32,219
Orders of Protection issued	No data	No data	No data	No data	447	523	586	604	417	400
Attorney's Office - Lawsuits & Claims	No data	No data	No data	No data	21	41	53	51	47	49
Attorney - Opened criminal files	No data	No data	No data	No data	1,605	1,890	2,476	2,179	4,235	2,708
Officers/1,000 population	1.45	1.40	1.41	1	1.40	1.43	2	2	2	1.45
Total sworn officers	76	80	82	82	85	88	96	100	102	101
Police calls for Service	No data	34,868	34,328	36,256	36,221	37,398	37,494	43,778	40,515	40,981
Total Fire Department Incident Responses*	4,101	4,244	4,266	4,451	4,729	4,701	5,259	5,497	5,805	5,602
Public Works										
Miles of sidewalk installed	9.60	11.30	5.70	8.53	11.03	17.45	24.74	9.34	9.19	7.00
Building Permits Issued	2,486	1,895	1,694	1,930	2,180	1,663	1,677	1,494	1,613	1,530
Construction Value of Bldg permits issued	117,814,791	120,150,936	135,701,353	102,287,782	193,963,792	109,963,100	113,217,490	99,855,627	89,139,379	133,165,009
Miles of Street - per State Gas Tax Report	319.60	326.76	327.61	327.61	344.42	349.24	358.57	358.87	337.98	312
Population	52,239	57,053	58,224	59,396	60,567	61,738	62,910	64,081	65,311	69,709

Source: City of Missoula

* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/18/08.

CITY OF MISSOULA, MONTANA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Three Fiscal Years

Function	Fiscal Year		
	2008	2007	2006
GENERAL GOVERNMENT			
Vehicles	7	5	3
Buildings	3	2	1
PUBLIC SAFETY ACTIVITIES			
Fire Stations	5	5	5
Fire Engines/Trucks/Vehicles/Vans	26	27	27
Police Motorcycles	6	6	6
Police Patrol Cars/Passenger Vehicles/Other Vehicles	58	47	43
PUBLIC WORKS			
Streets (sq. yards)	6,826,850	6,761,248	6,596,870
Curbs (lineal feet)	1,997,728	1,957,574	1,898,481
Sidewalks (sq. feet)	10,015,638	9,830,923	9,588,303
Storm Sewer (lineal feet)	153,275	153,275	153,275
Sumps	5,307	5,160	5,030
Signs	53,768	54,901	54,034
Vehicles	107	98	98
Buildings	4	7	6
PUBLIC HEALTH ACTIVITIES			
Cemetery & Buildings	7	7	7
Vehicles/Tractors/Trucks/Mowers	16	17	16
CULTURE AND RECREATION			
Parks	51	46	45
Trails	20	18.2	16
Park Shelter/Band Shells/Pavillions	10	10	10
Buildings	23	20	20
Vehicles	55	57	61
HOUSING & COMMUNITY DEVELOPMENT			
Vehicles	10	10	No data
Buildings	2	2	No data

Capital Asset Statistics by Function information prior to 2006 is not readily available in this format.

Source: City of Missoula Fixed Asset Accounting Module
 Source: City of Missoula Parks Dept. Website
 Source: Various City of Missoula Departments

CITY OF MISSOULA, MONTANA
SPECIAL ASSESSMENTS BILLED AND COLLECTED
Last Ten Fiscal Years

Fiscal Year	Assessments		Current Assessments		Percent Collected	Delinquent Assessments	Total Assessments		Penalty and Interest
	Billed	Paid	Paid	Paid			Paid	Paid	
1999	\$ 1,307,541	\$ 1,166,340			89.20%	\$ 324,363	\$ 1,490,703	\$ 26,117	
2000	1,298,209	1,200,303			92.46%	96,792	1,297,095	11,402	
2001	1,676,420	1,589,981			94.84%	102,967	1,692,948	10,190	
2002	1,865,265	1,726,973			92.59%	84,933	1,811,906	10,758	
2003	1,947,490	2,424,156			124.48%	75,325	2,499,481	17,909	
2004	2,275,546	2,105,570			92.53%	306,209	2,411,779	9,728	
2005	2,241,307	2,132,336			95.14%	119,277	2,251,613	16,761	
2006	2,748,200	2,638,272			96.00%	149,327	2,787,599	10,807	
2007	2,793,604	2,695,269			96.48%	106,930	2,802,199	11,629	
2008	2,802,979	2,690,299			95.98%	107,817	2,798,116	11,653	

Note: Property tax levies are set in August at the time the City budget is approved and billed November 1 by the County. Half of the taxes are due by November 30 and the other half by May 31. After those dates, the bills are delinquent (and a lien is placed on the property). The interest charged on delinquent taxes is one percent per month, with a two percent penalty.

Source: City of Missoula

CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICT 512, 521 AND 522
REQUIRED CONTINUING DISCLOSURE

Fiscal Year	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
1999	\$ 82,339,029	47.20	1,103.00	13.40	33.70
2000	116,582,168	77.00	1,304.70	6.40	72.10
2001	135,469,759	180.80	1,529.10	6.90	57.10
2002	146,667,428	196.60	1,586.20	6.20	52.10
2003	136,898,208	127.17	2,887.04	9.01	39.80
2004	158,065,283	89.06	1,154.30	6.30	79.15
2005	166,871,500	95.60	2,692.30	2.07	117.52
2006	158,701,080	757.82	10,797.00	5.82	221.17
2007	191,613,295	1,219.98	13,841.43	6.35	221.37
2008	211,405,977	317.09	4,977.27	5.04	141.94

Source: City of Missoula and Missoula County Assessor's Office

CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION RATES AND FEES
Last Ten Fiscal Years

Fiscal Year	On-Street Hourly Parking	Garage Hourly Parking	Parking Garage Lease Space	Off-Street Lease Space	Average Off-Street and Garage Lease Rate
1999	0.20	0.25	\$40.00 TO \$45.00	\$15.00 TO \$50.00	28.00
2000	0.20	0.25	\$45.00 TO \$50.00	\$20.00 TO \$50.00	35.00
2001	0.50	0.25	\$50.00 TO \$55.00	\$25.00 TO \$50.00	38.00
2002	0.50	0.25	\$55.00 TO \$65.00	\$25.00 TO \$50.00	38.00
2003	0.50	0.25	\$55.00 TO \$65.00	\$35.00 TO \$50.00	44.00
2004	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	44.00
2005	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	44.00
2006	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	44.00
2007	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	45.00
2008	0.50	0.25	\$55.00 TO \$65.00	\$30.00 TO \$50.00	45.00

Source: Missoula Parking Commission

CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION OPERATIONS AND FACILITIES
Last Ten Fiscal Years

Fiscal Year	On-Street Parking Meters	Off-Street Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue	Percentage of Parking Meter Revenue	Percentage of Garage Parking Revenue	Percentage of Other than Parking Garage Revenue	Percentage of Leased Parking Revenue	Percentage of Other than Parking Garage Revenue
	1,060	1,013	14	167	1,099	19%	33%	16%	26%	2%	2%
1999	1,060	1,013	14	167	1,000	24%	29%	16%	27%	4%	4%
2000	1,061	1,275	14	167	1,158	27%	27%	16%	27%	3%	3%
2001	1,112	1,256	14	167	1,148	27%	27%	16%	27%	3%	3%
2002	1,116	1,295	16	168	1,381	27%	33%	16%	27%	3%	3%
2003	1,122	1,107	14	172	1,097	20%	32%	18%	24%	6%	6%
2004	1,064	829	13	259	1,145	17%	36%	20%	23%	3%	3%
2005	1,161	816	13	257	1,124	20%	34%	14%	28%	5%	5%
2006	1,075	801	13	257	1,124	20%	34%	14%	27%	4%	4%
2007	1,075	801	13	257	1,592	18%	31%	16%	21%	14%	14%
2008	1,075	801	13	257							

Source: Missoula Parking Commission

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
HISTORICAL VALUE OF TAX INCREMENT DISTRICTS
For the Last Ten Fiscal Years

Urban Renewal District II			
Fiscal Year	Real Property & Personal Attached		Total Taxable Value
	Taxable Value	(Unattached) Taxable Value	
1999	\$ 2,009,734	\$ 242,206	\$ 2,251,940
2000	1,987,052	203,295	2,190,347
2001	1,950,339	78,955	2,029,294
2002	2,077,215	100,216	2,177,431
2003	2,197,855	93,163	2,291,018
2004	2,243,639	128,090	2,371,729
2005	2,377,104	190,777	2,567,881
2006	2,444,439	197,268	2,641,707
2007	2,660,473	311,261	2,971,734
2008	2,718,817	342,487	3,061,304

Urban Renewal District III			
Fiscal Year	Real Property & Personal Attached		Total Taxable Value
	Taxable Value	(Unattached) Taxable Value	
2002 *	\$ 6,701,861	\$ 437,851	\$ 7,139,712
2003	6,665,087	466,103	7,131,190
2004	6,739,549	469,329	7,208,878
2005	6,809,431	621,899	7,431,330
2006	6,991,926	677,495	7,669,421
2007	7,111,962	586,632	7,698,594
2008	7,306,424	406,379	7,712,803

* First year data available as district was created in FY 2001.

Source: City of Missoula and Missoula County Assessor's Office

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
TAXABLE VALUE OF DISTRICTS COMPARED TO CITY
For the Last Ten Fiscal Years

Urban Renewal District II

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
1999	\$ 78,715,216	\$ 2,251,940	\$ 392,117	0.5%
2000	80,761,493	2,190,347	330,524	0.4%
2001	78,662,970	2,029,294	169,471	0.2%
2002	81,279,789	2,177,431	318,674	0.4%
2003	84,728,489	2,291,018	440,310	0.5%
2004	88,189,948	2,371,729	511,906	0.6%
2005	91,358,406	2,567,881	708,058	0.8%
2006	93,533,579	2,641,707	781,884	0.8%
2007	99,332,558	2,971,734	1,111,911	1.1%
2008	103,000,436	3,061,304	1,201,481	1.2%

Urban Renewal District III

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2002 *	\$ 81,279,789	\$ 7,139,712	\$ 137,634	0.2%
2003	84,728,489	7,131,190	140,662	0.2%
2004	88,189,948	7,208,878	204,532	0.2%
2005	91,358,406	7,431,330	426,984	0.5%
2006	93,533,579	7,669,421	665,075	0.7%
2007	99,332,558	7,698,594	694,248	0.7%
2008	103,000,436	7,712,803	708,457	0.7%

* First year data available as district was created in FY 2001.

Source: City of Missoula and Missoula County Assessor's Office

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
TRENDS IN PROPERTY VALUATION IN CITY
For the Last Ten Fiscal Years

Fiscal Year	City Appraised Value	City Taxable Value (includes district)	Incremental Taxable Value of District I		Incremental Taxable Value of District II		Net Taxable Value (excluding district)	
			\$ 1,859,622,977	\$ 78,715,216	\$ 3,344,984	\$ 392,117	\$ -	\$ 74,978,115
1999	\$ 1,985,298,106	\$ 80,761,493						
2000	2,111,624,637	78,662,970	1,794,540	1,69,471				76,698,959
2001	2,247,822,357	81,279,789	1,861,575	318,674				78,961,906
2002	2,403,250,454	84,728,489	2,071,413	440,310				82,076,104
2003	2,636,857,585	88,189,948	2,887,057	511,906				84,586,453
2004	2,805,424,077	91,358,406	2,709,824	708,058				87,513,540
2005	2,901,638,641	94,980,538	not applicable	781,884				93,533,579
2006	3,195,587,513	101,138,717	not applicable	1,111,911				99,332,558
2007	3,369,424,908	103,000,436	not applicable	1,201,481				101,090,498
2008				708,457				

Source: City of Missoula and Missoula County Assessor's Office



SINGLE AUDIT SECTION

INDEPENDENT AUDITOR'S 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

Mayor and City Council
City of Missoula
Missoula, Montana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Missoula, Montana, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Mayor and City Council, management, the Montana Department of Administration, and 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.

Anderson Zar Muchlis & Co., P.C.

Missoula, Montana
December 18, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Mayor and City Council
City of Missoula
Missoula, Montana

Compliance

We have audited the compliance of City of Missoula, Montana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement*, and the requirements described in the compliance supplement for Montana local governmental entities, that are applicable to each of its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion of the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the City of Missoula, Montana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information of the Mayor and City Council, management, others within the organization, the Montana Department of Administration, and 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.

A handwritten signature in black ink that reads "Anderson Zau Muehle & Co., P.C." The signature is fluid and cursive, with "Anderson" and "Zau Muehle" on the first line and "& Co., P.C." on the second line.

Missoula, Montana
December 18, 2008

**City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2008**

CITY OF MISSOULA, MONTANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2008

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Missoula, Montana, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2008

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified	
not considered to be material weaknesses	None reported
Noncompliance material to financial statements 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 Circular A-133, Section .510(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? Yes

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2008

Section II – Financial Statement Findings

None reported.

Section III – Federal Award 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 auditor's report on major program compliance to be other than unqualified.
- Known fraud affecting any federal award.
- Circumstances which disclose that the auditor's summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

Summary Schedule of Prior Audit Findings

The audit report for the year ended June 30, 2007, contained no audit findings.



CITY OF MISSOULA, MONTANA
Comprehensive Annual Financial Report for Fiscal Year
Ended June 30, 2008

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