



CITY OF MISSOULA, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
AUDIT
FOR FISCAL YEAR ENDED JUNE 30, 2007



Downtown Missoula turn of the Century



CITY OF MISSOULA, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2007



Downtown Missoula circa 1945

Prepared by the Finance Department
of the
City of Missoula, Montana
435 Ryman, Missoula, Montana 406-552-6110

CITY OF MISSOULA, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2007

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INTRODUCTORY SECTION



FINANCE DEPARTMENT

435 Ryman Street, Missoula, Montana 59802 (406) 552-6107 FAX (406) 327-2217

Budget and Analysis
Treasury

Finance and Debt Management
Accounting/Utility Billing

DATE: December 20, 2007

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, 2007. 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 forecasts contained in the Spring 2007 issue of the Montana Business Quarterly relating to Missoula and Missoula County are restated below.

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 Census Bureau data show the 2005 Missoula median home price was \$204,000, just behind Gallatin County. Missoula home prices increased 11.3 percent from late 2005 to late 2006, slightly less than the statewide average but greater than the nationwide figure. See graphic below. The 2001-2004 data report that the fastest-growing basic industries were in state government (mostly research at UM), the federal government, and non-resident travel.

Table 1
Median Value, Owner Occupied Homes, 2005

Montana	\$131,600
Cascade County	\$112,600
Flathead County	\$183,000
Gallatin County	\$216,900
Missoula County	\$204,000
Yellowstone County	\$133,300

Source: U.S. Census Bureau.

Table 2
Index of Single-Family Home Prices, Annual Percent Change

	Missoula County	Cascade County	Yellowstone County	Montana	United States
2005Q3 - 2006Q3	11.3	13.2	6.3	12.9	7.7
2004Q3 - 2005Q3	10.1	8.1	10.9	12.7	12.7
2003Q3 - 2004Q3	13.7	5.0	9.7	11.3	12.7

Source: U.S. Office of Federal Housing Oversight.

The Bureau projects that Missoula County population will increase 1.2% per year between 2005 – 2010—double the percentage increase of the state as a whole. See the Bureau's chart below.

Table 3
Population, Montana and Regions, 1990-2010

	Thousands of Persons				Average Annual Percent Change		
	Actual		Projected				
	1990	2000	2005	2010	1990-2000	2000-2005	2005-2010
Montana	800	902	936	974	1.2%	0.7%	0.8%
West	335	400	416	445	1.8%	0.8%	1.4%
Missoula	79	95	100	106	1.9%	1.0%	1.2%
Flathead	60	75	83	90	2.3%	2.0%	1.6%
Silver Bow	34	35	33	37	0.3%	-1.2%	2.3%
Lewis and Clark	48	56	58	61	1.5%	0.7%	1.0%
Ravalli	25	36	40	43	3.7%	2.1%	1.5%
Rest of West	89	103	102	108	1.5%	-0.2%	1.1%
North-Central	181	183	183	184	0.1%	0.0%	0.1%
Cascade	78	80	80	82	0.3%	0.0%	0.5%
Hill	18	17	16	17	-0.6%	-1.2%	1.2%
Fergus	12	12	12	13	0.0%	0.0%	1.6%
Rest of North-Central	73	74	75	72	0.1%	0.3%	-0.8%
Southeast	284	319	337	345	1.2%	1.1%	0.5%
Yellowstone	114	128	137	145	1.2%	1.4%	1.1%
Gallatin	51	68	78	86	2.9%	2.3%	2.0%
Richland	11	10	9	11	-0.9%	-2.1%	4.1%
Custer	12	12	11	12	0.0%	-1.7%	1.8%
Rest of Southeast	96	101	102	91	0.5%	0.2%	-2.2%

Sources: Bureau of the Census, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula.

MAJOR INITIATIVES

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

- An \$8,100,000 aquatics bond issue (for new pools and spray-decks) was approved by the voters in the November 2003 election and bonds were sold in the spring of 2004. Engineering design for construction was completed in early FY- 2005 and construction begun on the \$12.4 million aquatics project, utilizing multiple funding sources that included the debt proceeds from an \$8.1 million voted general obligation bond. This project was designed to replace aging pools at two different sites and splash decks in four other parks

throughout the City. All of these facilities were ready for use in use by the beginning of FY 2007 (summer of 2006).

- \$6,973,249 of street improvements was completed in FY 2007.
- A new city council chamber and new offices for the City's redevelopment agency were constructed by remodeling space located at 140 West Pine.
- 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. An additional maintenance bay was also added to fire station #4 in FY 2007.
- 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.
- The City recently completed a very successful refunding (refinance) of three older voted general obligation bond issues (\$4,355,000) that will save the City's taxpayers approximately \$27,000 per year for the next ten years. This refunding coupled with an equally successful bond sale of \$1,860,000 of General Fund debt (saving \$12,000 per year for the next twenty years) will provide ongoing savings of nearly \$40,000 per year for many years into the future.
- Since fiscal year 2003, the city has made a conscious effort to rebuild the General Fund balance. At the end of the current fiscal year, the total fund balance of the General Fund was \$2,124,659 compared to \$1,011,574 at year end in FY 2003. This ending fund balance represented nearly six percent of total General Fund expenditures. The current year budget (FY 2008) anticipates an ending General Fund balance of \$2,300,000. The City's goal is to target a fund balance equal to seven percent of the General Fund expenditures, which would equal approximately \$2,700,000 based on the level of expenditures for FY 2008.

For the Future

- Over the Fall of 2007, the City is 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 is working 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 is under construction in the fall of 2007 and is slated to open in the spring of 2008.
- 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.

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, 2006. This was the tenth 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, 2006

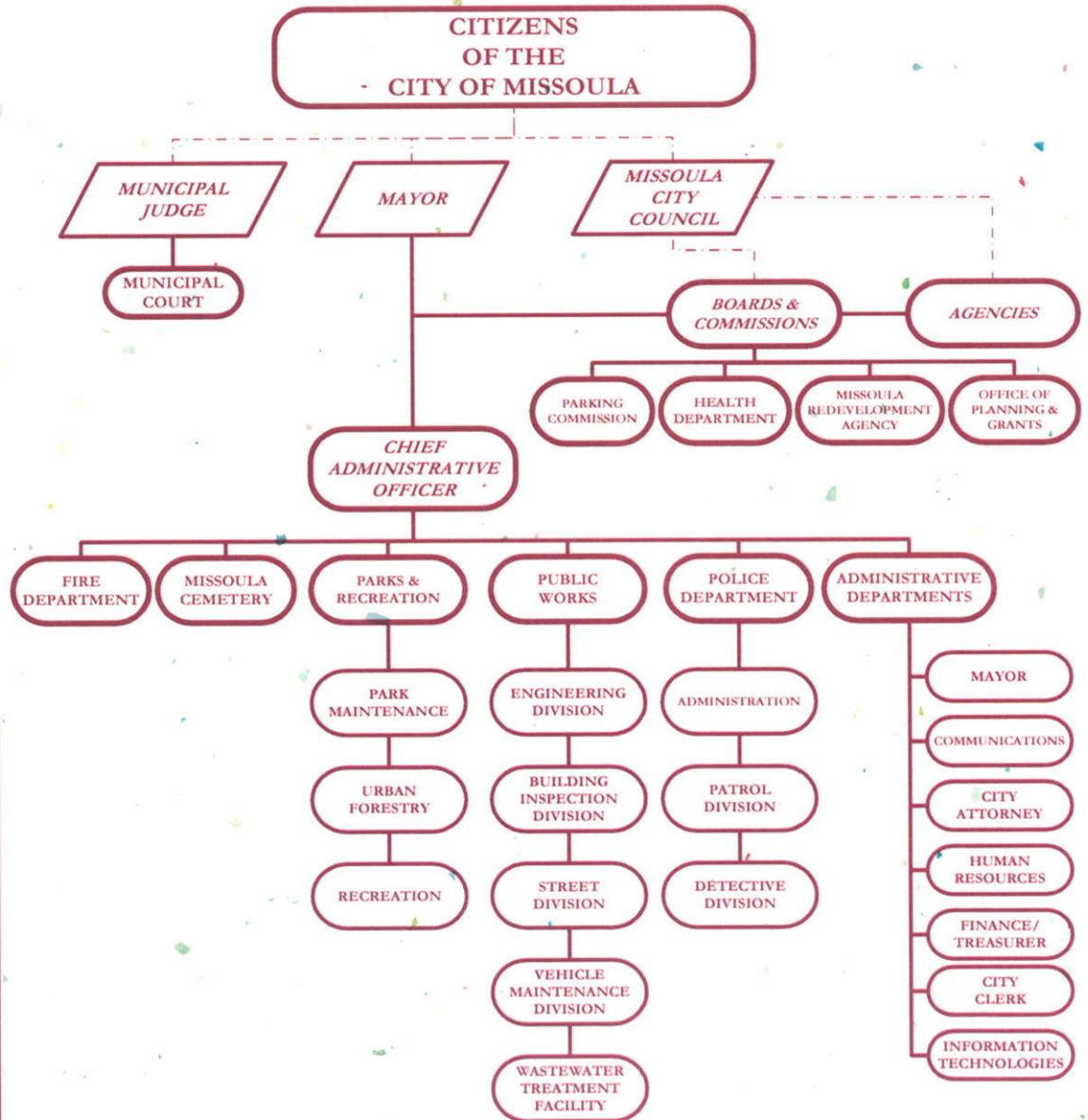
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF MISSOULA



DENOTES ELECTED OFFICIALS



ELECTED OFFICIALS

MAYOR, John Engen

MUNICIPAL COURT JUDGE, Donald J. Louden

ALDERPERSONS FIRST WARD

Term Expires First Monday in

Dave Strohmaier	2010
Heidi Kendall	2008

ALDERPERSONS THIRD WARD

Term Expires First Monday in

Bob Jaffe	2010
Stacy Rye	2008

ALDERPERSONS FIFTH WARD

Term Expires First Monday in

Dick Haines	2010
Jack Reidy	2008

ALDERPERSONS SECOND WARD

Term Expires First Monday in

John Hendrickson	2010
Don Nicholson	2008

ALDERPERSONS FOURTH WARD

Term Expires First Monday in

Jerry Ballas	2008
Jon Wilkins	2010

ALDERPERSONS SIXTH WARD

Term Expires First Monday in

Ed Childers	2008
Marilyn Marler	2010

ADMINISTRATIVE OFFICIALS

BRUCE BENDER, Chief Administrative Officer

TOM STEENBERG, Fire Chief

JAMES P. NUGENT, City Attorney

RUSTY WICKMAN, Police Chief

BRENTT RAMHARTER, Finance Director/Treasurer

ELLEN BUCHANAN, Director, Missoula Redevelopment Agency

MARTHA L. REHBEIN, City Clerk

GAIL VERLANIC, Human Resources Director/EEO Officer

DAVID BORING, Information Network Manager

STEVE KING, Director, Public Works

KEVIN SLOVARP, City Engineer

BRIAN HENSEL, Superintendent, Street Division

DON VERRUE, Building Official, Building Division

STARR SULLIVAN, Superintendent, Wastewater Treatment Division

JACK STUCKY, Superintendent, Vehicle Maintenance Division

DONNA GAUKLER, Director, Parks & Recreation

DOUG WATERS, Director, Missoula Cemetery

ROGER MILLAR, Director, Office of Planning & Grants

ANNE GUEST, Director, Parking Commission

ELLEN LEAHY, Director, City/County Health Department

HONORE BRAY, Director, City/County Library



FINANCIAL SECTION



INDEPENDENT AUDITORS' 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, 2007, 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, 2007, 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 December 20, 2007, 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 conjunction with this report in considering 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 Zur Muehlen & Co., P.C.

Missoula, Montana
December 20, 2007



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, 2007. 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 i and 11 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 \$ 186,656,296 (*net assets*). Of this amount, \$ 22,615,200 (*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 \$ 7,116,514. The special revenue funds had an unreserved fund balance of \$1,462,685, which is *available for spending* at the government's discretion (*unreserved fund balance*), while \$3,007,558 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 \$2,124,659 which represented six percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,365,053.

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 pages 59 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 \$ 186,656,296 at the close of the most recent fiscal year.

By far the largest portion of the City of Missoula's net assets (87 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	
	2007	2006	2007	2006	2007	2006
Current & Other Assets	\$ 26,044,400	\$ 24,028,545	\$ 5,728,562	\$ 6,384,115	\$ 31,772,962	\$ 30,412,660
Non-Current Capital Assets	143,215,043	129,449,803	74,245,025	72,156,715	217,460,068	201,606,518
Total Assets	<u>\$ 169,259,443</u>	<u>\$ 153,478,348</u>	<u>\$ 79,973,587</u>	<u>\$ 78,540,830</u>	<u>\$ 249,233,030</u>	<u>\$ 232,019,178</u>
Long-term Liabilities						
Current Liabilities	\$ 7,220,431	\$ 10,167,131	\$ 1,319,465	\$ 2,430,535	\$ 8,539,896	\$ 12,597,666
Non-Other Liabilities	38,115,140	16,099,459	15,921,698	15,270,565	54,036,838	31,370,024
Total Liabilities	<u>45,335,571</u>	<u>26,266,590</u>	<u>17,241,163</u>	<u>17,701,100</u>	<u>62,576,734</u>	<u>43,967,690</u>
Net Assets:						
Invested in capital assets,						
net of related debt	103,905,986	97,908,705	55,807,246	53,483,675	159,713,232	151,392,380
Restricted	3,007,558	3,602,376	1,320,306	1,303,028	4,327,864	4,905,404
Unrestricted	17,010,328	11,552,345	5,604,872	6,053,027	22,615,200	17,605,372
Total Net Assets	<u>\$ 123,923,872</u>	<u>\$ 113,063,426</u>	<u>\$ 62,732,424</u>	<u>\$ 60,839,730</u>	<u>\$ 186,656,296</u>	<u>\$ 173,903,156</u>

An additional portion of the City of Missoula's net assets (one percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$22,615,200) 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 increased by \$10,860,446 during the current fiscal year, mainly due to sustained increases in property taxes, intergovernmental revenue, capital grants and charges for service. For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities: The business-type activity net assets increased by \$1,588,992 due to the substantial construction occurring 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 \$802,854 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	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 9,165,743	\$ 7,658,546	\$ 6,510,110	\$ 6,620,032	\$ 15,675,853	\$ 14,278,578
Operating grants & contributions	1,789,208	2,985,691			1,789,208	2,985,691
Capital grants & contributions	7,785,160	3,594,855	848	827	7,786,008	3,595,682
General revenues:						
Property taxes for general purposes	21,003,491	17,869,988			21,003,491	17,869,988
Annexations & developer contributions	-	4,935,983	1,207,664	775,800	1,207,664	5,711,783
Intergovernmental revenue	10,078,402	9,789,157			10,078,402	9,789,157
Investment earnings	695,655	203,490	330,545	63,237	1,026,200	266,727
Miscellaneous	959,284	517,530	2,337	2,886	961,621	520,416
Gain or loss on sale of capital assets	(54,070)	-	9,860	-	(44,210)	-
Interfund Transactions	233,065	224,539	(233,065)	(224,539)	-	-
Total revenues	<u>51,655,938</u>	<u>47,780,779</u>	<u>7,828,299</u>	<u>7,238,243</u>	<u>59,484,237</u>	<u>55,019,022</u>
Primary Government:						
Expenses:						
General Government	7,947,585	7,670,901	-	-	7,947,585	7,670,901
Public Safety	20,685,934	18,705,533	-	-	20,685,934	18,705,533
Public Works	3,102,523	6,019,601	6,239,307	6,084,445	9,341,830	12,104,046
Public Health	1,275,114	1,178,646	-	-	1,275,114	1,178,646
Social and Economic Services	165,849	138,564	-	-	165,849	138,564
Culture and Recreation	4,687,707	3,795,635	-	-	4,687,707	3,795,635
Housing & Development	1,416,594	1,391,082	-	-	1,416,594	1,391,082
Conservation of Natural Resources	296,617	169,228	-	-	296,617	169,228
Miscellaneous	-	-	-	-	-	-
Interest Expense	1,675,186	1,429,993	-	-	1,675,186	1,429,993
Total Expenses	<u>41,253,109</u>	<u>40,500,183</u>	<u>6,239,307</u>	<u>6,084,445</u>	<u>47,492,416</u>	<u>46,594,628</u>
Change in net assets	10,402,829	7,280,596	1,588,992	1,153,798	11,991,821	8,424,394
Restatements	457,617	-	303,702	-	761,319	-
Ending Net Assets	<u>\$ 123,923,872</u>	<u>\$ 113,063,426</u>	<u>\$ 62,732,424</u>	<u>\$ 60,839,730</u>	<u>\$ 186,656,296</u>	<u>\$ 173,903,156</u>

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 \$7,116,514, an increase of \$4,731,323 in comparison with the prior year. The majority of this increase was in the capital project funds, as they were reimbursed during the summer and fall of 2007 when debt was issued to reimburse the City for carrying the costs of those projects until the financing could be completed. The capital construction funds were also increased by the debt proceeds received from the issuance of \$5.74 million of voted general obligation debt to build a new fire station (in southwest Missoula) and reconstruct two older fire stations. The special revenue funds had an unreserved fund balance of \$1,462,685, which is *available for spending* at the government's discretion (*unreserved fund balance*) while \$3,007,558 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 \$2,124,659 which represented six percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,365,053. 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 four percent of total General Fund expenditures. The fund balance of the City's General Fund increased by \$195,144 during the current fiscal year, mainly due to increased inventory levels and expenditure savings.

The debt service funds have a total fund balance of \$3,007,558 all of which is reserved for the payment of debt service.

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 \$5,604,872. The total growth in net assets for the Sewer Fund was \$1,588,992. 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 \$521,374, 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.

Significant revenue differences between the final amended budget and actual results were mainly due to reflections in the market regarding business licenses and charges for services. Both of these areas had lower revenue receipts than originally projected. On the expenditure side the 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.

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, 2007, amounts to \$215,814,760 (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 \$4,795,604 of new construction was completed on additional wastewater treatment facilities that included the extension of several sewer mains in the Rattlesnake valley and elsewhere in the city; construction of additional equipment storage space at the treatment plant; and completion of the solids handling centrifuge project at the plant.
- Construction was completed on the \$12.4 million aquatics project, utilizing multiple funding sources. This project was designed to replace aging pools at two different sites and splash decks in four other parks throughout the City.
- \$6,973,249 of street and bicycle/pedestrian improvements were completed in FY 2007, mainly for streets in new subdivisions throughout the city.

CITY OF MISSOULA'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 19,342,529	\$ 18,325,869	\$ 1,333,614	\$ 1,333,614	\$ 20,676,143	\$ 19,659,483
Art	240,729	190,500	-	-	240,729	-
Buildings and Improvements	39,886,553	20,706,194	94,301,620	89,615,723	134,188,173	110,321,917
Machinery and Equipment	18,510,792	17,340,355	5,413,478	5,318,710	23,924,270	22,659,065
Infrastructure	187,637,799	180,664,550	-	-	187,637,799	180,664,550
Construction in Progress	3,303,888	12,549,429	463,213	1,160,513	3,767,101	13,709,942
Total Capital Assets	268,922,290	249,776,897	101,511,925	97,428,560	370,434,215	347,205,457
Less Accumulated Depreciation	(125,707,249)	(120,327,094)	(28,912,206)	(26,865,674)	(154,619,455)	(147,192,768)
Net Capital Assets	\$ 143,215,041	\$ 129,449,803	\$ 72,599,719	\$ 70,562,886	\$ 215,814,760	\$ 200,012,689

Long-term debt. At the end of the current fiscal year, the City of Missoula had a total of \$59,501,736 of long term debt outstanding of which \$56,106,288 was bonded debt. Of this amount, \$18,720,000 comprises debt backed by the full faith and credit of the government and \$15,455,681 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	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 18,720,000	\$ 14,070,000	\$ -	\$ -	\$ 18,720,000	\$ 14,070,000
Tax Anticipation Note	-	-	-	-	-	-
Limited Obligation Bonds	4,760,000	1,315,000	-	-	4,760,000	1,315,000
Revenue Bonds	-	-	16,797,231	17,079,212	16,797,231	17,079,212
Spec. Assessment Bonds	15,455,681	15,594,203	-	-	15,455,681	15,594,203
Sidewalk & Curb Warrants	120,923	120,923	-	-	120,923	120,923
State Board of Investment Loans	252,453	440,972	-	-	252,453	440,972
Compensated Absences	3,271,481	2,941,117	123,967	120,253	3,395,448	3,061,370
Total Outstanding Debt	\$ 42,580,538	\$ 34,482,215	\$ 16,921,198	\$ 17,199,465	\$ 59,501,736	\$ 51,681,681

The City of Missoula's total debt increased by \$ 7,820,056 (15 percent) during the 2007 fiscal year. The key factor in this increase was the increase in voted general obligation debt and the issuance of additional limited obligation debt by the city's General Fund. The city issued \$5.74 million of new voted general obligation debt to construct a new (fifth) fire station in southwest Missoula and reconstruct two older fire stations (stations # 2 & 3). The city's General Fund also issued \$3.64 million of limited obligation debt to build a new city council chamber and redevelopment offices, expand the size of fire station #4 and assist with the construction of new aquatic facilities.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.51 percent of its total assessed valuation. The current debt limitation for the City of Missoula is \$50,878,304, 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

- The unemployment rate for the City of Missoula is currently 2.1 percent. This compares favorably to the state's average unemployment rate of 2.9 percent.
- Inflationary trends in the region compare favorably to national indices.
- Property tax revenue is projected to grow at approximately 4.0 percent due to new construction, planned annexations and trending of our current tax base at 1.5%

All of these factors were considered in preparing the City of Missoula's budget for the 2007 fiscal year. "Fee for service" revenues were increased in fiscal year 2007 due to the completion of a cost of service analysis contracted from four years ago. The 2008 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.

The sewer utility rates were not increased for the 2007 or 2008 budget years. Due to superior plant performance at the recently upgraded and enlarged wastewater treatment facility, operating costs have not increased to the extent expected as the plant was enlarged. It is expected that sewer fees will be increased modestly for the FY 2009 budget year. In addition, the City's growth in sewer connections has been approximately double the rate of growth of the City's population, thus providing ample revenue for the sewer fund.

Requests for Information

This financial report is designed to provide a general overview of the City of Missoula's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 435 Ryman, City of Missoula, Missoula, Montana, 59802.



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Missoula, Montana
Statement of Net Assets
June 30, 2007

	Primary Government			Component Units	
	Governmental Activities	Business Type Activities	Total	Missoula Parking Commission	Missoula Redevelopment Agency
ASSETS					
<u>Current Assets</u>					
Cash and investments	\$ 12,717,807	\$ 307,800	\$ 13,025,607	\$ 3,290,865	\$ 3,040,602
Taxes/Assessments receivable, net	2,187,017	-	2,187,017	-	134,905
Internal balances	(4,872,598)	4,872,598	-	-	-
Deferred assessments receivable	12,826,178	-	12,826,178	-	-
Accounts receivable	775,004	361,711	1,136,715	-	-
Long term loans receivable	-	-	-	-	-
Other receivable	32,933	31,300	64,233	57,468	-
Interest receivable	75,687	72,876	148,563	-	-
Prepaid expenditures / expenses	291,182	13,402	304,584	-	4,020
Due from other governments	1,251,587	1,705	1,253,292	-	69,037
Inventory of supplies	759,605	67,170	826,775	-	-
Total Current Assets	26,044,402	5,728,562	31,772,964	3,348,333	3,248,564
<u>Noncurrent Assets</u>					
Cash and investments	-	1,630,939	1,630,939	150,000	250,500
Bond issuance costs, net	-	9,608	9,608	12,476	-
Other assets	-	-	-	7,440	-
Capital assets - depreciable, net	120,327,896	70,807,651	191,135,547	2,597,495	-
Capital assets - land and construction in progress	22,887,146	1,796,827	24,683,973	2,397,866	-
Total Noncurrent Assets	143,215,042	74,245,026	217,460,068	5,165,277	250,500
Total Assets	169,259,444	79,973,588	249,233,032	8,513,610	3,499,064
LIABILITIES					
<u>Current Liabilities</u>					
Accounts payable	1,688,344	263,846	1,952,190	34,709	11,089
Accrued expenditures / expenses	784,119	38,269	822,388	17,651	12,051
Deferred revenue	282,570	17,850	300,420	-	-
Compensated absences payable	1,612,500	20,500	1,633,000	30,060	40,007
Special assessment debt with government obligation	1,402,870	-	1,402,870	-	-
Long-term liabilities - due within one year	1,450,028	979,000	2,429,028	105,000	85,000
Total Current Liabilities	7,220,431	1,319,465	8,539,896	187,420	148,147
<u>Noncurrent Liabilities</u>					
Long-term portion of compensated absences	1,658,981	103,467	1,762,448	15,201	12,827
Special assessment debt with government obligation - long-term	14,052,811	-	14,052,811	-	-
Long-term liabilities - due in more than one year	22,403,348	15,818,231	38,221,579	1,060,000	4,415,000
Total Noncurrent Liabilities	38,115,140	15,921,698	54,036,838	1,075,201	4,427,827
Total Liabilities	45,335,571	17,241,163	62,576,734	1,262,621	4,575,974
NET ASSETS					
Invested in capital assets, net of related debt	103,905,986	55,807,247	159,713,233	3,830,361	-
Restricted for debt service	3,007,558	1,320,306	4,327,864	150,000	250,500
Unrestricted	17,010,328	5,604,871	22,615,199	3,270,628	(1,327,410)
Total Net Assets	\$ 123,923,872	\$ 62,732,424	\$ 186,656,296	\$ 7,250,989	\$ (1,076,910)

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2007

Functions/Programs Primary Government:	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets				Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Missoula Parking Commission	Missoula Redevelopment Agency
					Governmental Activities	Business- type Activities	Total		
Governmental activities:									
General government	\$ 7,947,585	\$ 4,099,121	\$ -	\$ 2,358,811	\$ (1,489,653)	\$ -	\$ (1,489,653)	\$ -	\$ -
Public safety	20,685,934	1,445,129	420,387	841,644	(17,978,774)	-	(17,978,774)	-	-
Public works	3,102,523	1,370,015	42,299	4,584,705	2,894,496	-	2,894,496	-	-
Public health	1,275,114				(1,275,114)	-	(1,275,114)	-	-
Social and economic services	165,849	84,758			(81,091)	-	(81,091)	-	-
Culture and recreation	4,687,707	1,780,345	46,715		(2,860,647)	-	(2,860,647)	-	-
Housing and community development	1,416,594	382,683	1,252,306	-	218,395	-	218,395	-	-
Conservation of natural resources	296,617	3,693	27,500	-	(265,424)	-	(265,424)	-	-
Debt service expense - interest	1,675,186	-	-	-	(1,675,186)	-	(1,675,186)	-	-
Total Governmental Activities	41,253,109	9,165,744	1,789,207	7,785,160	(22,512,998)	-	(22,512,998)	-	-
Business-type activities:									
Sewer	6,239,307	6,510,110	-	1,208,512	-	1,479,314	1,479,314	-	-
Total Business-Type Activities	6,239,307	6,510,110	-	1,208,512	-	1,479,314	1,479,314	-	-
Total Primary Government	\$ 47,492,416	\$ 15,675,854	\$ 1,789,207	\$ 8,993,672	(22,512,998)	1,479,314	(21,033,684)	\$ -	\$ -
Component Units:									
Missoula Parking Commission	\$ 1,183,915	\$ 1,391,368	\$ -	\$ -				\$ 207,453	\$ -
Missoula Redevelopment Agency	5,244,930	-	-	-				-	(5,244,930)
Total Component Units	\$ 6,428,845	\$ 1,391,368	\$ -	\$ -				207,453	(5,244,930)
General Revenues									
Property taxes for general purposes					21,003,491	-	21,003,491	-	1,315,227
Intergovernmental revenue, unrestricted					10,078,402	-	10,078,402	-	285,191
Miscellaneous					959,284	2,337	961,621	-	7,439
Interest income					695,655	330,545	1,026,200	195,811	146,692
Interfund transactions					233,065	(233,065)	-	-	-
Gain or loss on sale of capital assets					(54,070)	9,860	(44,210)	-	-
Total general revenues, special items and transfers					32,915,827	109,677	33,025,504	195,811	1,754,549
Change in Net Assets					10,402,829	1,588,992	11,991,820	403,264	(3,490,381)
Net Assets - July 1, 2006					113,063,426	60,839,730	173,903,156	6,847,725	2,413,471
Restatements					457,617	303,702	761,319	-	-
Net Assets - July 1, 2006 - Restated					113,521,043	61,143,433	174,664,475	6,847,725	2,413,471
Net Assets - June 30, 2007					\$ 123,923,872	\$ 62,732,424	\$ 186,656,295	\$ 7,250,989	\$ (1,076,910)

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.

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.

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	SID 524	Other Governmental Funds	Total Governmental Funds
ASSETS				
<u>Current Assets</u>				
Cash and investments	\$ 1,456,854	\$ 411,815	\$ 8,954,088	\$ 10,822,757
Taxes/Assessments receivable, net	1,572,817	10,896	603,304	2,187,017
Deferred assessments receivable	-	3,270,938	9,555,240	12,826,178
Due from other governments	362,660	1,158	887,769	1,251,587
Accounts receivable	345,434	-	429,570	775,004
Interest receivable	13,533	4,418	37,405	55,357
Prepaid expenditures	248,400	-	9,380	257,780
Interfund receivable	-	-	465,149	465,149
Inventory of supplies	759,606	-	-	759,606
Total Assets	\$ <u>4,759,304</u>	\$ <u>3,699,225</u>	\$ <u>20,941,905</u>	\$ <u>29,400,434</u>
LIABILITIES				
<u>Current Liabilities</u>				
Accounts payable	\$ 717,326	\$ -	\$ 798,176	\$ 1,515,502
Accrued expenditures	759,976	-	24,143	784,119
Deferred revenue	1,157,343	3,281,834	10,207,373	14,646,550
Interfund payable	-	-	5,337,749	5,337,749
Total Liabilities	<u>2,634,645</u>	<u>3,281,834</u>	<u>16,367,441</u>	<u>22,283,920</u>
FUND BALANCES				
Reserved for inventories	759,606	-	-	759,606
Reserved for debt service	-	417,391	2,590,167	3,007,558
Unreserved reported in general fund	1,365,053	-	-	1,365,053
Unreserved reported in special revenue funds	-	-	1,462,685	1,462,685
Unreserved reported in capital projects funds	-	-	521,612	521,612
Total Fund Balance	<u>2,124,659</u>	<u>417,391</u>	<u>4,574,464</u>	<u>7,116,514</u>
Total Liabilities and Fund Balance	\$ <u>4,759,304</u>	\$ <u>3,699,225</u>	\$ <u>20,941,905</u>	\$ <u>29,400,434</u>

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, 2007

Total fund balances - governmental funds	\$ 7,116,514
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	143,215,043
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.	14,646,550
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.	1,526,303
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.	(42,580,538)
Total net assets - governmental activities	<u>\$ 123,923,872</u>

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, 2007

	General	SID 524	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes and assessments	\$ 16,412,799	\$ 423,613	\$ 7,291,973	\$ 24,128,385
Licenses and permits	1,276,867	-	1,650,607	2,927,474
Intergovernmental	8,605,071	-	4,430,627	13,035,698
Charges for services	4,235,878	-	305,099	4,540,977
Fines and forfeitures	1,370,311	-	51,277	1,421,588
Miscellaneous	522,664	-	452,870	975,534
Investment earnings	409,771	13,940	114,707	538,418
Total revenues	<u>32,833,361</u>	<u>437,553</u>	<u>14,297,160</u>	<u>47,568,074</u>
EXPENDITURES				
Current:				
General government	5,364,086	-	381,270	5,745,356
Public safety	18,259,974	-	1,620,758	19,880,732
Public works	5,733,706	-	428,222	6,161,928
Public health	1,249,223	-	-	1,249,223
Social and economic services	132,897	-	-	132,897
Culture and recreation	3,621,833	-	54,646	3,676,479
Housing and community development	947,093	-	2,202,392	3,149,485
Debt service expenditures	-	777,645	7,021,164	7,798,809
Capital outlay	602,106	-	8,514,134	9,116,240
Total expenditures	<u>35,910,918</u>	<u>777,645</u>	<u>20,222,586</u>	<u>56,911,149</u>
Excess (deficiency) of revenues over expenditures	<u>(3,077,557)</u>	<u>(340,092)</u>	<u>(5,925,426)</u>	<u>(9,343,075)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,347,950	-	2,655,925	7,003,875
Transfers (out)	(1,075,249)	-	(5,745,810)	(6,821,059)
Payments to Refunded Bond Escrow Agent	-	-	(2,037,769)	(2,037,769)
Refunding Bond Proceeds	-	-	4,355,000	4,355,000
Issuance of long term debt	-	-	11,574,351	11,574,351
Total other financing sources (uses)	<u>3,272,701</u>	<u>-</u>	<u>10,801,697</u>	<u>14,074,398</u>
Net Change in Fund Balance	195,144	(340,092)	4,876,271	4,731,323
Fund Balance - July 1, 2006	1,929,515	757,483	(505,905)	2,181,093
Restatements	-	-	204,098	204,098
Fund Balance - July 1, 2006 Restated	<u>1,929,515</u>	<u>757,483</u>	<u>(301,807)</u>	<u>2,385,191</u>
Fund Balance - June 30, 2007	<u>\$ 2,124,659</u>	<u>\$ 417,391</u>	<u>\$ 4,574,464</u>	<u>\$ 7,116,514</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, 2007

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

Net change in fund balances - total governmental funds	\$ 4,731,323
Governmental funds report capital outlays as expenditures	19,450,100
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(5,884,309)
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.	(54,070)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(280,944)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(13,891,582)
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.	6,123,623
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(330,364)
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.	539,052
Change in net assets - statement of activities	\$ <u>10,402,829</u>

See accompanying Notes to the Financial Statements



PROPRIETARY FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Balance Sheet
Proprietary Funds
June 30, 2007

	Business-Type Activities - Enterprise Funds	Governmental Activities
	Sewer	Internal Service Self Insurance
ASSETS		
<u>Current Assets</u>		
Cash and investments	\$ 307,800	\$ 1,895,050
Accounts receivable	361,711	-
Interest receivable	72,876	20,330
Other receivable	31,300	32,933
Due from other governments	1,705	-
Prepaid expenses	13,402	33,402
Interfund receivable	4,872,598	-
Inventory of supplies	67,170	-
Total Current Assets	<u>5,728,562</u>	<u>1,981,715</u>
<u>Noncurrent Assets</u>		
Cash and investments	1,630,939	-
Land	1,333,614	-
Construction - work in progress	463,213	-
Buildings	7,873,330	-
Improvements other than buildings	86,428,290	-
Machinery and equipment	5,413,478	-
Allowance for depreciation	(28,907,446)	-
Bond Issuance costs, net	9,608	-
Total Noncurrent Assets	<u>74,245,026</u>	<u>-</u>
Total Assets	<u>\$ 79,973,588</u>	<u>\$ 1,981,715</u>
LIABILITIES		
<u>Current Liabilities</u>		
Accounts payable	\$ 263,846	\$ 172,842
Claims payable	-	-
Accrued expenses	38,269	-
Deferred revenue	17,850	282,570
Compensated absences payable	20,500	-
Long-term liabilities - due within one year	979,000	-
Total Current Liabilities	<u>1,319,465</u>	<u>455,412</u>
<u>Noncurrent Liabilities</u>		
Long-Term portion of compensated absences	103,467	-
Long-term liabilities - due in more than one year	15,818,231	-
Total Noncurrent Liabilities	<u>15,921,698</u>	<u>-</u>
Total Liabilities	<u>17,241,163</u>	<u>455,412</u>
NET ASSETS		
Invested in capital assets, net of related debt	55,807,247	-
Restricted for debt service	1,320,306	-
Unrestricted	5,604,871	1,526,303
Total Net Assets	<u>62,732,424</u>	<u>1,526,303</u>
Total Liabilities and Net Assets	<u>\$ 79,973,588</u>	<u>\$ 1,981,715</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, 2007

	<u>Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities</u>
	<u>Sewer</u>	<u>Internal Service Self-Insurance Funds</u>
Operating Revenues:		
Intergovernmental	\$ 848	\$ -
Charges for services	6,510,110	-
Miscellaneous	2,337	-
Internal services	-	3,987,568
Total Operating Revenues	<u>6,513,295</u>	<u>3,987,568</u>
Operating Expenses		
Personal services	1,252,327	-
Fixed charges	687,505	-
Depreciation	2,056,714	-
Insurance claims and expenses	-	3,577,142
Maintenance and operations	1,558,431	-
Total Operating Expenses	<u>5,554,977</u>	<u>3,577,142</u>
 Operating Income	 <u>958,318</u>	 <u>410,426</u>
Non-operating revenues (expenses)		
Gain on sale of capital assets	9,860	-
Contributions from property owners	1,207,663	-
Interest revenue	330,545	78,377
Debt service interest expense	(684,329)	-
Total non-operating revenues (expenses)	<u>863,739</u>	<u>78,377</u>
Income (loss) before transfers	<u>1,822,057</u>	<u>488,803</u>
 Transfers in	 -	 50,249
Transfers (out)	(233,065)	-
Change in Net Assets	<u>1,588,992</u>	<u>539,052</u>
 Net Assets - July 1, 2006	 60,839,730	 987,251
Restatements	303,702	-
Net Assets - July 1, 2006 - Restated	<u>61,143,432</u>	<u>987,251</u>
Net Assets - June 30, 2007	<u>\$ 62,732,424</u>	<u>\$ 1,526,303</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, 2007

	<u>Business - Type Activities</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Sewer</u>	<u>Self-Insurance</u>
Cash Flows from Operating Activities:		
Receipts from customers	\$ 6,627,719	\$ -
Payments to suppliers	(2,474,968)	-
Payments to employees	(1,243,630)	-
Receipts from operating grants	-	-
Other receipts	1,553	-
Receipts from internal services	-	4,011,901
Benefit payments	-	(3,572,065)
Net Cash Provided by Operating Activities	<u>2,910,674</u>	<u>439,836</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from debt	659,019	-
Principal paid on debt	(941,000)	-
Interest paid on debt	(682,727)	-
Acquisition and construction of capital assets	(2,586,941)	-
Net Cash Used by Capital and Related Financing Activities	<u>(3,551,649)</u>	<u>-</u>
Cash Flows from Investing Activities		
Interest on investments	291,649	64,040
Proceeds from sale of capital assets	9,860	-
Receipts from short-term loans to other funds	4,578,600	-
Disbursements for short-term loans to other funds	(4,872,598)	-
Net Cash Provided by Investing Activities	<u>7,511</u>	<u>64,040</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to other funds	(233,065)	-
Transfers from other funds	-	50,249
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(233,065)</u>	<u>50,249</u>
Net increase (decrease) in cash and cash equivalents	(866,529)	554,125
Cash and cash equivalents at July 1, 2006	2,805,268	1,340,925
Cash and cash equivalents at June 30, 2007	<u>\$ 1,938,739</u>	<u>\$ 1,895,050</u>
Cash and cash equivalents consists of:		
Cash and investments	\$ 307,800	\$ 1,895,050
Restricted cash and investments	1,630,939	-
Total cash and cash equivalents	<u>\$ 1,938,739</u>	<u>\$ 1,895,050</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 958,318	\$ 410,426
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,056,714	-
Changes in assets and liabilities:		
Due from other governments	(1,632)	-
Other receivables and notes receivable	119,859	(6,860)
Prepaid expense	41	(3,005)
Deferred revenue	(2,250)	-
Contributions paid in advance	-	24,333
Compensated absences payable	3,714	-
Inventories	(44,670)	-
Accounts and other payables	(184,362)	14,942
Accrued expenses	4,942	-
Net Cash Provided by Operating Activities	<u>\$ 2,910,674</u>	<u>\$ 439,836</u>

Disclosure of Non-Cash Items:

The Sewer fund had several non-cash transactions including a prior period adjustment that increased capital assets and retained earnings in the amount of \$303,702, developer contributions of capital assets of \$1,207,663, and annual bond issuance cost amortization of \$1,602.

See accompanying Notes to the Financial Statements

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FIDUCIARY FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2007

		Agency Funds
ASSETS		
Cash and short-term investments	\$	652,127
Taxes receivable		9,631
Interest receivable		1,096
Due from other governments		8,150
Total assets	\$	<u>671,004</u>
LIABILITIES		
Accounts payable	\$	69,457
Due to private parties		279,257
Due to other governments		322,290
Total liabilities	\$	<u>671,004</u>

See accompanying Notes to the Financial Statements

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NOTES TO FINANCIAL STATEMENTS

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

provisions for the term of the bonds, whose final maturity was July 1, 2005 at which point District I was 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. 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, 123 W. Spruce St., 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 801 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.

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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 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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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 resources of the City except those required to be accounted for in other funds.

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 the 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 receivable and revenue from such assessments are reported as

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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 fund 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 major proprietary fund:

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.

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.

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.

Business Improvement District – Assessments are collected from property tax receipts and held for the use of the Business Improvement District Board.

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 Fund, Internal Service Fund and Capital Project Funds. All budgets are presented on the budgetary basis appropriate for the fund type (i.e. all governmental funds were budgeted on a modified accrual basis and all proprietary funds were 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;

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- (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.

FY07 Revenue Budget			
	<u>Original</u>	<u>Amended</u>	<u>Difference</u>
General Fund	\$38,236,392	\$38,757,766	\$521,374
Special Revenue Funds	13,290,498	15,475,937	2,185,439
Debt Service Funds	4,335,475	9,522,041	5,186,566
Capital Funds	12,523,894	17,909,556	5,385,662
Sewer Funds	24,790,056	26,016,484	1,226,428
Totals	<u>\$93,176,315</u>	<u>\$107,681,784</u>	<u>\$14,505,469</u>

FY07 Expenditure Budget			
	<u>Original</u>	<u>Amended</u>	<u>Difference</u>
General Fund	\$39,925,138	\$40,080,849	\$155,711
Special Revenue Funds	15,463,916	18,064,442	2,600,526
Debt Service Funds	6,372,250	11,161,566	4,789,316
Capital Funds	17,498,746	20,760,802	3,262,056
Sewer Funds	30,790,051	35,816,075	5,026,024
Totals	<u>\$110,050,101</u>	<u>\$125,883,734</u>	<u>\$15,833,633</u>

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 Bonds and the Montana State Short-Term Investment Pool (STIP). 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.

According to GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investments Pools", STIP is considered an external investment pool. An external investment pool is defined as an arrangement that pools the monies of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio. STIP is also classified as a "2a7-like" pool. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. If certain conditions are met, 2a7-like pools

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are allowed to use amortized cost rather than fair value to report net assets to compute unit values. The Board of Investments, the regulatory agency which oversees the pool, has adopted a policy to treat STIP as a 2a7-like pool. Accordingly, the investment in STIP is valued at amortized cost as of June 30, 2007. The fair value of the position in the external investment pool is the same as the value of the pool shares as of June 30, 2007.

Investing in STIP allows the City to obtain the highest possible return, yet maintain a highly liquid position whereby funds may be invested for relatively short periods of time, one day or more, depending on the participant's anticipated use of the funds. Accordingly, the City's investment in STIP is classified as a cash equivalent. The STIP portfolio includes asset-backed and variable interest rate securities to provide diversification and competitive rate of return. These securities are described below:

Asset-backed Securities are debt securities collateralized by a pool of mortgage and non-mortgage assets such as trade and loan receivables, equipment leases and credit cards, etc., pledged by the issuer. Asset-backed securities have one or more forms of credit enhancement to raise the quality of the security. Examples of credit enhancement include, but are not limited to, letter of credit, reserve fund, or senior/subordinate arrangements.

Variable Rate (Floating-Rate) Securities provide many advantages of short-term bonds because they are designed to minimize the investor's interest rate risk. As with variable rate loans issued by banks, the interest rate paid by the issuer of these securities is reset periodically depending on market conditions. The value of these securities will usually remain at or near par because their interest rates are reset to maintain a current market yield. STIP's variable rate securities float to either the Prime Rate or the London Interbank Offering Rate (LIBOR), which is similar to the European Federal Funds Rate.

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. The SID revolving fund or the Sewer fund usually reports the interfund receivable (i.e. they are considered the loaning funds).

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.

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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 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.

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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 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.

CITY OF MISSOULA, MONTANA
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II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

Eleven special revenue funds with deficit fund balances were identified as of June 30, 2007. The Impact Fee fund (\$532,525), the Employee Health Insurance Levy fund (\$450,234), the Building Divisions fund (\$181,783), the Russell Park Maintenance fund (\$2,799), the State Gas Tax fund (\$72,520), the HOME Grant fund (\$7,841), the ADDI Grant fund (\$107), the Community Development fund (\$5,224), the Law Enforcement Grant fund (\$3,768), the Crime Victim Surcharge Fund (\$5,118), and the Willowood Park Maintenance fund (\$144) all carried deficit fund balances which will be covered by future assessments and grant revenue in fiscal year 2008.

Five general obligation bond fund balances were identified as having negative fund balances as of June 30, 2007. All of these deficits will be covered by tax revenues received shortly after the close of the fiscal year. These funds are 1996 Open Space Bond Fund (\$8,356), 2004 Aquatics Bonds Fund (\$189,675), the 2004 Refunding Bond Fund (\$48,940), the 2006 Fire Station GO Fund (\$148,003), and the 2007 Refunding Bond Fund (\$24,006).

One SID sinking fund, SID 515 (\$13,809), had a deficit fund balance at June 30, 2007. 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 529 & 531	\$ (41,928)	SID 536	\$ (44,277)
SID 533	(32,669)	SID 539	(19,384)
SID 534	(1,623)	SID 541	(31,011)
SID 535	(63,982)	SID 542	(98,643)

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

The capital projects 07 Sidewalk and Curb Fund (\$833,026) and 08 Sidewalk and Curb Fund (\$187,754) had deficit balances due to the receipt of the financing proceeds in FY 2008. The Capital Improvement fund reported a negative fund balance (\$2,024,837) due to the delayed sale of the old City shop property and upcoming general fund obligation bond proceeds.

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, 2007:

Cable TV Franchise Fund	\$4,369
State Gas Tax	66,954
FY05 Sidewalk and Curb	12
SID 530	23
SID 532	250
SID 534	335

CITY OF MISSOULA, MONTANA
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JUNE 30, 2007

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

A. Cash and Cash Equivalents

At June 30, 2007, cash and investments consisted of the following:

	Primary Government	Component Units	Total
Petty Cash and Cash on Hand	\$ 5,725	\$ 1,735	\$ 7,460
Repurchase Agreements	4,281,159	1,910,725	6,191,884
Demand Deposits	653,647	192,091	845,738
Certificates of Deposit	345,707	154,293	500,000
Marketable Government Securities	9,655,572	4,309,380	13,964,952
State Short-Term Investment Pool (STIP)	366,865	163,735	530,600
Total	<u>\$ 15,308,675</u>	<u>\$ 6,731,959</u>	<u>\$ 22,040,634</u>

At June 30, 2007, the carrying amount of the City's deposits in local banks was \$862,097 and the bank balances were \$622,490. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$239,607 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:

	Unrestricted	Restricted	Total
Governmental Activities	\$ 12,717,807	\$ -	\$ 12,717,807
Business-type Activities	307,800	1,630,939	1,938,739
Fiduciary Funds	652,127	-	652,127
Component Units	6,331,461	400,500	6,731,961
Total	<u>\$ 20,009,195</u>	<u>\$ 2,031,439</u>	<u>\$ 22,040,634</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.

At June 30, 2007, the City had investments in the State Short-Term Investment Pool (STIP), in non-negotiable repurchase agreements, and in various United States government bonds, as allowed by State law. Recent media reports have stated that the Short Term Investment Pool (STIP), along with many other public and private money market type accounts, holds asset-backed securities called Structural Investment Vehicles (SIV). These types of investments are issued by financial institutions and/or investment managers and are backed by underlying assets of various types. The investment rating of AXON was downgraded to a CCC on November 9, 2007, which according to the Montana Board of Investments, on November 15, 2007 was approximately 3.69% of total STIP investments. Fortunately for the City, this will have no impact on its investment strength. Beginning in February 2007, the City worked in conjunction with its Financial Manager to solicit a Portfolio Manager to administer investments. The City was still at the point

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transferring investments to the Portfolio Manager at the close of the fiscal year 2007, and the transfer was completed by July 2007. As of August 15, 2007, the City only had \$5,000 invested with STIP and has carried that balance until November 29, 2007. As of June 30, 2007, the City's investment in STIP amounts to 2.4% of its total investments.

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

<u>Investment</u>	<u>Maturities</u>	<u>Credit Risk Rating</u>	<u>Fair Value</u>
State Short-Term Investment Pool	NA	Not Rated	\$ 530,600
U.S. Government Bonds	7/2005-4/2011	AAA	13,964,952
Money Market Funds	NA	NA	-
Certificates of Deposits	11/2005-11/2010	NA	500,000
Demand deposits	NA	NA	845,738
Repurchase Agreements	NA	NA	6,191,884
Petty Cash and Cash on Hand	NA	NA	7,460
Total			<u>\$ 22,040,634</u>

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, 2007, follows:

Proprietary Funds:

Sewer (major fund) – Sewer Fees	\$ 361,711
Sewer (major fund) – Lease receivable and Sewer Charges	31,300
Internal Service – Retiree Contributions	8,032
Internal Service – Prescription Rebates	<u>24,901</u>
Total Proprietary Funds	<u>\$ 425,944</u>

Governmental Funds:

General (major fund) – Various Licenses, Services and Fees	\$ 85,133
General (major fund) – Mountain Water Notes	238,713
General (major fund) – Sidewalk & Curb	21,589
Park Enterprise – Recreational Fees	992
Trail Development – Donations	1,000
Cable TV Franchise – Franchise Fees	118,038
Building Inspection – Permit Fees	3,146
Program Income – Mountain Water Notes	4,986
SID Revolving Fund – Mountain Water Notes	212,296
FY07 Sidewalk & Curb – Vendor/Contractor Reimbursement	665
Capital Improvement – Property Rental	<u>24,600</u>
Total Government Funds	<u>\$ 711,157</u>

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Long Term Loans Receivable

A summary of the City's long-term loans receivable as of June 30, 2007, follows:

Primary Government:

Title One - Extended Family Services	\$ 13,847
\$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.	

Missoula Housing Corporation

\$50,000 at 2% interest per year, accruing until paid within a ten year period commencing from May 21, 2001, the date of the contract.	50,000
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Reporting Entity Total, Long Term Loans	\$ 63,847
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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 nonmajor governmental fund in the aggregate*

^indicates a major fund

^Interfund Loans due to Sewer Fund

*From Impact Fee Fund	\$ 537,030
*From Employee Health Insurance Levy Fund	580,058
*From Building Inspection	166,087
*From Russell Park Maintenance	2,769
*From Willowwood Park Maintenance	142
*From Law Enforcement Block Grant	32,686
*From CDBG Grant	23,291
*From ISTEAGrant	121,882
*From HOME Grant	411,966
*From HOME-ADDI Grant	10,000
*From General Obligation Debt Funds	14,724
*From SID Debt Funds	13,663
*From Capital Improvement	1,769,594
*From Sidewalk and Curb Construction Fund	880,736
*From SID Construction Funds	307,970
	4,872,600

***Interfund Loan due to Title I Fund**

*From General Obligation Debt Funds	465,149
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Primary Government Total, Due To Other Funds	\$ 5,337,749
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Due From Other Governments:

Primary Government

General Fund

Due from Missoula County – Taxes Receivable	\$ 134,650
Due from Missoula County Public Schools – School Police Officer	57,550
Due from Montana Department of Transportation – Public Works Projects	20,365
Due from Montana Department of Transportation - Pedestrian Safety Grant	17,740
Due from City Municipal Court	<u>132,355</u>
Total General Fund	<u>362,660</u>

Special Revenue Funds:

Due from Missoula County – Taxes Receivable	1,558
Due from Missoula County – Police Capital Grant	18,219
Due from City/County Health Department – Water Quality Incentive	375
Due from City Municipal Court – Drug Forfeiture	1,409
Due from City Municipal Court – Crime Victim Surcharge	7,179
Due from University of Montana – CMAQ/CTEP grant matching	7,363
Due from Montana Department of Transportation – CMAQ/CTEP grants	232,138
Due from State of Montana – HOME ADDI Grant	10,000
Due from State of Montana - Underage Drinking Grant	7,483
Due from State of Montana – Seatbelt Overtime Grant	8,506
Due from State of Montana – In-Car Video Grant	8,950
Due from Federal Government – HOME Grant	408,545
Due from Federal Government - JAG Police Grant	30,083
Due from Federal Government - Bulletproof Vest Program	2,520
Due from Federal Government – HIDTA Task Force grant	79,309
Due from Federal Government – EPA Brownfields grant	6,191
Due from Federal Government - CDBG Grant	<u>41,777</u>
Total Special Revenue Funds	<u>871,605</u>

Debt Service Funds

Major fund – Due from Missoula County – Taxes Receivable	1,158
Non-major funds - Due from Missoula County – Taxes Receivable	<u>14,606</u>
Total Debt Service Funds	<u>15,768</u>

Capital Projects Funds

Due from Montana Department of Transportation – CMAQ/CTEP grants	<u>1,558</u>
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Total, Due From Other Governments, Governmental Funds \$ 1,251,587

Proprietary Funds

Due from Missoula County – Delinquent Sewer Collections	<u>\$ 1,705</u>
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Agency Funds

Due from City Municipal Court – Court Surcharge	7,274
Due from Missoula County – Taxes Receivable	<u>876</u>
Total Agency Funds	<u>\$ 8,150</u>

CITY OF MISSOULA, MONTANA
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Due to Other Governments:

Agency Funds	
Supreme Court	\$ 16,420
County Park Board	5,559
Business Improvement District	299,985
County Clearing	<u>326</u>
Total Due to Other Governments	<u>\$ 322,290</u>

Due to Private Parties:

Agency Funds	
Sewer Rebates	\$ 51,621
Youth Programs	478
Municipal Court Restitution	223,248
Elk Hills Subdivision	<u>3,910</u>
Total Due to Private Parties	<u>\$ 279,257</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)	\$ 9,608
Component Unit, Parking Commission Revenue Bond Costs	<u>12,476</u>
Total Deferred Expense, Reporting Entity	<u>\$ 22,084</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

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 FY 2007) and from the England Boulevard bid on 9/18/2006 for FY 2007 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 2007:

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	<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, 2007, 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	\$ 190,500	\$ -	\$ 50,228	\$ -	\$ 240,729
Land	18,325,869	-	1,016,660	-	19,342,529
Construction-In-Progress	12,549,429	(84,738)	5,727,694	(14,888,495)	3,303,889
Total Capital Assets not being Depreciated	<u>\$ 31,065,798</u>	<u>\$ (84,738)</u>	<u>\$ 6,794,581</u>	<u>\$ (14,888,495)</u>	<u>\$ 22,887,146</u>
Capital Assets being Depreciated:					
Buildings	\$ 20,706,194	-	\$ 19,180,359	-	\$ 39,886,553
Infrastructure	180,664,550	-	6,973,249	-	187,637,799
Machinery & Equipment	17,340,354	315,204	1,390,406	(535,171)	18,510,792
Total Capital Assets being Depreciated	<u>\$ 218,711,098</u>	<u>\$ 315,204</u>	<u>\$ 27,544,014</u>	<u>\$ (535,171)</u>	<u>\$ 246,035,145</u>
Less Accumulated Depreciation for:					
Buildings	\$ (9,780,659)	\$ -	\$ 616,223)	\$ -	\$ (10,396,882)
Infrastructure	(100,464,772)	-	(4,177,686)	-	(104,642,458)
Machinery & Equipment	(10,081,663)	23,053	(1,090,400)	481,102	(10,667,909)
Total Accumulated Depreciation	<u>(120,327,094)</u>	<u>23,053</u>	<u>(5,884,309)</u>	<u>481,102</u>	<u>(125,707,249)</u>
Total Capital Assets being Depreciated, Net	<u>98,384,004</u>	<u>338,257</u>	<u>21,659,705</u>	<u>(54,070)</u>	<u>120,327,896</u>
Capital Assets, Net	<u>\$ 129,449,802</u>	<u>\$ 253,519</u>	<u>\$ 28,454,286</u>	<u>\$ 14,942,565)</u>	<u>\$ 143,215,042</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 186,410
Public Safety	700,539
Public Works	4,462,370
Public Health	17,333
Culture and Recreation	367,227
Housing & Community Development	150,431
Total Governmental Activities Depreciation Expense	<u>\$ 5,884,309</u>

The following is a summary of business-type capital assets for the year ended June 30, 2007:

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:					
Land	\$ 1,333,614	\$ -	\$ -	\$ -	\$ 1,333,614
Construction-In-Progress	1,160,513	-	1,789,091	(2,486,391)	463,213
Total Capital Assets not being Depreciated	<u>\$ 2,494,127</u>	<u>\$ -</u>	<u>\$ 1,789,091</u>	<u>\$(2,486,391)</u>	<u>\$ 1,796,827</u>
Capital Assets being Depreciated:					
Buildings	\$ 6,780,221	\$ -	\$ 1,093,109	\$ -	\$ 7,873,330
Improvements	82,835,504	-	3,592,786	-	86,428,290
Machinery & Equipment	5,318,710	(12,240)	109,708	(2,700)	5,413,478
Total Capital Assets being Depreciated	<u>\$ 94,934,435</u>	<u>\$ (12,240)</u>	<u>\$ 4,795,604</u>	<u>\$ (2,700)</u>	<u>\$ 99,715,098</u>
Less Accumulated Depreciation for:					
Buildings	\$ (3,212,596)	\$ 13	\$ 156,448)	\$ -	\$ (3,369,030)
Improvements	(19,582,551)	-	(1,726,004)	-	(21,308,555)
Machinery & Equipment	(4,070,527)	12,241	(174,275)	2,700	(4,229,861)
Total Accumulated Depreciation	<u>(26,865,674)</u>	<u>7,495</u>	<u>(2,056,727)</u>	<u>2,700</u>	<u>(28,907,446)</u>
Total Capital Assets being Depreciated, Net	<u>68,068,761</u>	<u>(4,745)</u>	<u>2,738,876</u>	<u>-</u>	<u>70,807,652</u>
Capital Assets, Net	<u>\$ 70,562,888</u>	<u>\$ (4,745)</u>	<u>\$ 4,527,967</u>	<u>\$ (2,486,391)</u>	<u>\$ 72,604,479</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

	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	-	-	2,256,461
Furniture, fixtures, and computers	54,890	-	-	54,890
Machinery, equipment and vehicles	406,800	-	-	406,800
Parking lot improvements	1,173,437	-	-	1,173,437
Capitalized interest	409,007	-	-	409,007
	4,300,595	-	-	4,300,595
Less accumulated depreciation	(1,618,105)	(153,113)	16,836	(1,754,382)
Total capital assets being depreciated, net	2,682,490	(153,113)	16,836	2,546,213
Capital assets, net	\$ 5,080,356	\$ (153,113)	\$ 16,836	\$ 4,944,079

F. Long-Term Obligations

During the year ended June 30, 2007 the following changes occurred in long-term liabilities reported in the governmental activities, the City's proprietary funds and component units:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	(a) Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$14,070,000	\$10,095,000	\$ 5,445,000	\$18,720,000	\$ 1,220,000
Limited Obligation Bonds	1,315,000	3,640,000	195,000	4,760,000	200,000
Special Assessment Bonds	15,594,203	2,194,351	2,332,873	15,455,681	1,402,870
Sidewalk and Curb Warrants	120,923	-	-	120,923	-
Intercept Loans	440,972	-	188,519	252,453	30,028
Compensated Absences	2,941,117	1,958,176	1,627,812	3,271,481	1,612,500
Total Governmental Activities	\$34,482,215	\$17,887,527	\$ 9,789,204	\$42,580,538	\$ 4,465,398
Proprietary Funds / Business-type Activities:					
Revenue Bonds	\$17,079,212	\$ 659,019	\$ 941,000	\$16,797,231	\$ 979,000
Compensated Absences	120,253	22,013	18,299	123,967	20,500
Total Proprietary Funds	\$17,199,465	\$ 681,032	\$ 959,299	\$16,921,198	\$ 999,500
Component Units:					
Revenue Bonds	\$ 1,265,000	\$ 4,600,000	\$ 200,000	\$ 5,665,000	\$ 190,000
Compensated Absences	85,809	72,822	60,536	98,095	60,000
Total Component Units	\$ 1,350,809	\$ 4,672,822	\$ 260,536	\$ 5,763,095	\$ 250,000

(a) Included in Balance June 30, 2007

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>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2007</u>
1998 Fire	1998	2008	4.4-4.875%	\$ 1,677,000	\$ 80,000
2004 Aquatics	2004	2024	3.0-4.5%	8,100,000	7,200,000
2004 Refunding	2004	2013	3.0-3.8%	2,705,000	1,685,000
2005 Fire Station	2006	2026	3.95-4.5%	5,740,000	5,550,000
2007 Refunding	2007	2018	3.6-4.0%	4,355,000	4,205,000
Total GO Bonds				<u>\$ 22,577,000</u>	<u>\$ 18,720,000</u>

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2007, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,220,000	\$ 743,483	\$ 1,963,483
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
2013-2017	5,750,000	2,136,547	7,886,547
2018-2022	4,145,000	1,138,598	5,283,598
2023-2026	<u>2,675,000</u>	<u>252,907</u>	<u>2,927,907</u>
Total	<u>\$ 18,720,000</u>	<u>\$ 6,814,222</u>	<u>\$ 25,534,222</u>

Limited Obligation Bonds

Paid from General Fund revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2007</u>
2001A Maintenance	2000	2020	4.25-5.20%	\$ 1,600,000	\$ 1,250,000
2006 Council/MRA Remodel	2006	2026	4.25-4.55%	1,100,000	1,065,000
2006 Aquatics Support	2006	2026	3.625-4.0%	1,860,000	1,765,000
2007B Fire Subsidy	2007	2026	3.70-4.20%	680,000	680,000
Total Limited Obligation Bonds				<u>\$ 5,240,000</u>	<u>\$ 4,760,000</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2007, were as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 200,000	\$ 205,098	\$ 405,098
2009	200,000	195,043	395,043
2010	210,000	186,841	396,841
2011	225,000	178,191	403,191
2012	235,000	168,831	403,831
2013-2017	1,330,000	685,950	2,015,950
2018-2022	1,380,000	372,762	1,752,762
2023-2026	980,000	105,828	1,085,828
Total	\$ 4,760,000	\$ 2,098,544	\$ 6,858,544

Revenue Bonds

Paid from sewer utility revenues:

<u>Bonds</u>	<u>Date</u> <u>Issued</u>	<u>Date</u> <u>Matures</u>	<u>Rate</u>	<u>Amount</u> <u>Issued</u>	<u>Balance</u> <u>June 30, 2007</u>
1992 Sewer, A	1/23/92	7/1/2013	4.00%	\$ 1,177,000	\$ 455,000
1992 Sewer, B	7/15/92	1/1/2013	4.00%	2,221,000	791,000
1999 Sewer Bonds	6/24/99	7/1/2019	4.00%	1,820,000	1,258,000
2000(B) Sewer Bonds	10/03/00	7/1/2020	4.00%	718,000	529,000
2001 Sewer Bonds-Bellevue & Reserve	4/27/01	1/1/2021	4.00%	459,162	345,000
2002 Sewer Bonds-39 th St.	5/16/02	1/1/2022	4.00%	1,395,000	1,025,000
2002 Missoula Treatment Plant A	11/21/02	7/1/2022	4.00%	5,000,000	4,094,000
2003 Missoula Treatment Plant B	10/15/03	7/1/2023	3.75%	3,800,000	3,247,000
2003 Missoula Treatment Plant C	3/23/04	7/1/2024	3.75%	3,688,000	3,234,000
2005 Sewer Bonds-Brdwy/Lincolnwood	11/28/05	7/1/2025	3.75%	1,997,000	1,591,833
2006 Sewer Bonds-Lincolnwood Phase II	9/21/06	7/1/2026	3.75%	241,398	227,398
Total				\$22,516,560	\$16,797,231

Annual debt service requirements to maturity for revenue bonds as of June 30, 2007, were as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 979,000	\$ 641,677	\$ 1,620,677
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
2013-2017	5,250,000	1,766,756	7,016,756
2018-2022	5,472,398	712,357	6,184,755
2023-2024	782,833	25,959	808,792
	\$ 16,797,231	\$5,312,209	\$22,109,440

Revenue Bond Covenants

The Sewer Revenue Bonds require:

1. Segregated cash accounts with restrictions on their use.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007 is \$772,784. The Revolving Fund cash at June 30, 2007 is \$938,617.

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2007:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2007</u>
498	1992	2012	4.00%	\$ 2,465,000	\$ 456,000
501	1992	2012	4.00%	943,000	129,000
503	1993	2013	4.00%	324,000	64,000
505	1994	2009	4.00 – 6.50%	174,000	20,000
506	1993	2008	5.695%	90,000	6,000
507	1993	2008	5.925%	126,000	8,000
511	1994	2014	4.00%	304,000	89,000
512	1998	2018	4-50.250%	1,724,000	959,330
513	1996	2007	5.90%	41,000	12,743
514	1996	2012	5.90%	213,000	66,207
515	1996	2007	5.90%	9,800	3,050
517	1997	2012	4.20-5.50%	91,000	29,797
518	1997	2012	4.20-5.50%	39,000	12,743
519	1997	2012	4.20-5.50%	109,000	35,659
520	1998	2019	4.00%	2,634,000	1,510,000
521	1998	2018	4.50-5.25%	7,900	4,365
522	1998	2018	4.50-5.25%	11,200	6,305
524	2002	2023	4.00%	4,577,000	3,597,000
525	2001	2020	4.00%	658,000	444,000
526	2000	2021	4.00%	2,671,000	1,930,000
527	2004	2011	2.70-3.80%	22,400	12,800
530	2006	2016	3.80-4.75%	6,706	6,036
532	2005	2024	3.50-5.00%	556,000	490,000
533	2006	2025	3.75%	244,000	210,456

CITY OF MISSOULA, MONTANA
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534	2006	2026	3.75%	254,000	246,000
536	2006	2026	3.75%	438,000	382,190
540	2006	2027	3.75-4.65%	1,570,000	1,570,000
FY99 S&C	1999	2011	3.20-4.60%	644,000	110,000
FY00 S&C	2000	2012	4.625-5.5%	840,000	225,000
FY01 S&C	2001	2013	3.00-4.50%	340,000	130,000
FY02 S&C	2002	2014	2.00-4.40%	430,000	180,000
FY03 S&C	2003	2015	2.00-3.80%	805,000	445,000
FY04 S&C	2004	2016	2.00-4.75%	710,000	450,000
FY05 S&C	2005	2017	3.50-4.65%	765,000	605,000
FY06 S&C	2006	2018	3.75-4.25%	<u>1,145,000</u>	<u>1,010,000</u>
Total Special Assessment Bonds				<u>\$25,982,006</u>	<u>\$15,455,681</u>

Annual debt service requirements to maturity for special assessment bonds as of June 30, 2007, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,402,870	\$ 629,867	\$ 2,032,737
2009	1,342,871	573,627	1,916,498
2010	1,357,870	519,182	1,877,052
2011	1,358,870	463,546	1,822,416
2012	1,272,870	407,340	1,680,210
2013-2017	4,393,686	1,382,994	5,776,680
2018-2022	3,268,000	569,180	3,837,180
2023-2027	<u>1,058,644</u>	<u>101,283</u>	<u>1,159,927</u>
Total	<u>\$ 15,455,681</u>	<u>\$ 4,647,019</u>	<u>\$ 20,102,700</u>

Sidewalk and Curb Interest Bearing Warrants

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Outstanding June 30, 2007</u>
1998	6.50%	12 yrs	\$ 20,672
1999	6.50%	12 yrs	<u>100,251</u>
Total Sidewalk and Curb Warrants			<u>\$ 120,923</u>

Annual debt service requirements to maturity for Sidewalk and Curb warrants as of June 30, 2007, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ -	\$ 7,862	\$ 7,862
2009	20,672	7,862	28,534
2010	<u>100,251</u>	<u>6,519</u>	<u>106,770</u>
	<u>\$120,923</u>	<u>\$ 22,243</u>	<u>\$ 143,166</u>

CITY OF MISSOULA, MONTANA
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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 and was 4.75% for fiscal year 2007.

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Balance June 30, 2007</u>
2004	2014	\$ 300,000	\$ 252,453

Annual debt service requirements to maturity for InterCap loan as of June 30, 2007, were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 30,028	\$ 11,879	\$ 41,907
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
2013-2015	91,015	6,507	97,522
Total	\$ 252,453	\$ 50,015	\$ 302,468

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, 2007</u>
Parking Commission	5/1/2001	11/1/2016	4.6-5.5%	\$ 1,700,000	\$ 1,165,000

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

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 105,000	\$ 57,379	\$ 162,379
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
2013-2016	585,000	65,690	650,690
Totals	\$ 1,165,000	\$ 297,727	\$ 1,462,727

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, 2007</u>
MAEDC Note Payable	8/10/2006	2031	1.50%	\$1,000,000	\$1,000,000
2006 Tax Increment	8/15/2006	2031	4.89%	3,600,000	3,500,000
Total				\$4,600,000	\$4,500,000

CITY OF MISSOULA, MONTANA
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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 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 series 2006 bonds payable are shown below:

Year Ended June 30	Principal	Interest	Totals
2008	\$ 85,000	\$ 165,500	\$ 250,500
2009	85,000	161,675	246,675
2010	90,000	157,850	247,850
2011	95,000	153,800	248,800
2012	100,000	149,525	249,525
2013-2016	570,000	676,075	1,246,075
2017-2021	1,400,000	361,877	1,761,877
2022-2026	195,000	255,315	450,315
2027-2031	880,000	106,876	986,876
Totals	\$ 3,500,000	\$ 2,188,493	\$ 5,688,493

Debt service requirements to maturity, based on the final MAEDC loan amount of \$1.125 million, follow:

Year Ending June 30	Principal	Interest	Total
2008	\$ -	\$ 14,324	\$ 14,324
2009	20,571	16,875	37,446
2010	41,605	16,411	58,016
2011	95,000	153,800	248,800
2012	100,000	149,525	249,525
2013-2017	570,000	676,075	1,246,075
2018-2022	705,000	536,125	1,241,125
2023-2027	890,000	346,538	1,236,538
2028-2031	880,000	106,875	986,875
Total	\$ 1,125,000	\$ 2,453,963	\$ 5,953,963

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.

CITY OF MISSOULA, MONTANA
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Refunding Bond

On February 1, 2007, the City issued general obligation refunding bonds in the amount of \$4,355,000, with an average interest rate of 3.78% to refund three separate general obligation bonds. The refunded bonds were the 1996 Open Space, 1997 Open Space, and 1998 Fire bonds with average interest rates of 5.16%, 5.10%, and 4.78%, respectively. The 1996 Open Space bonds were called and paid off when the refunding bonds were sold. This resulted in a reduction of total debt service payments of \$169,888 and an economic gain of \$130,647.

For the 1997 Open Space Bonds, \$989,442 of refunding bond proceeds were deposited into an irrevocable trust with an escrow agent to call the outstanding bonds on July 1, 2007. After the partial advance refunding the City paid debt service expenditures of \$66,511 on the bonds prior to the escrow taking over responsibility for future debt service payments. At June 30, 2007, the escrow agent is to provide all future payments, therefore the bonds outstanding of \$980,000 are considered defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The result of the partial advance refunding was a reduction of total debt service payments of \$71,452 and an economic gain of \$59,504. The difference between the amount placed in escrow and the outstanding bonds defeased of \$9,442 was charged to expense in the statement of activities in the year of refunding.

A partial advance refunding was also done on the 1998 Fire bonds. Proceeds from the sale of the refunding bonds in the amount of \$1,048,325 were deposited in an irrevocable escrow account to call the outstanding bonds on July 1, 2008. After the partial advance refunding the City was responsible for an additional \$161,990 in debt service expenditures. The City paid \$78,430 of those expenditures in fiscal year 2007 with the remainder due in fiscal year 2008. The outstanding obligation at June 30, 2007 consisted of \$80,000 in principal and \$3,560 in interest, the \$80,000 principal payment is reported as outstanding debt on the government-wide statement of net assets. The remainder of the bonds outstanding at June 30, 2007 of \$1,030,000 is the responsibility of the escrow agent and is therefore considered defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The result of the partial advance refunding was a reduction of total debt service payments of \$43,616 and an economic gain of \$40,814. The difference between the amount placed in escrow and the outstanding bonds defeased of \$18,325 was charged to expense in the statement of activities in the year of refunding.

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 \$20,100,989 for FY07, of which \$18,290,032 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

CITY OF MISSOULA, MONTANA
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JUNE 30, 2007

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 6.80% 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 ½ 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. 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.

CITY OF MISSOULA, MONTANA
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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 ½ 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, 2007, were:

	PERS	MPORS	FURS
Employee	6.90%	5.8 – 9.0% (1)	9.5-10.7% (2)
Employer	6.80%	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
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, 2005, 2006 and 2007 as listed below, were equal to the required contributions for each year.

	PERS		MPORS		FURS		PERS	
	City	State	City	State	City	State	City	State
2005 \$	512,248	\$ 8,342	\$ 584,722	\$ 1,247,614	\$ 502,484	\$ 1,150,970	\$ 40,155	\$ 624
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

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, 2007 were \$3,261,681, employee contributions were

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\$399,752 and retiree contributions were \$302,246. Premium expenses are charged to the appropriate departments, then 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 \$50,249 from the General Fund was made to the Employee Benefit Fund during fiscal year 2007. Following is a summary of the changes in the balances of claim liabilities during fiscal 2005, 2006 and 2007.

	Claims Payable Beginning of Fiscal Year	Claims Incurred	Claims Paid	Claims Payable End of Fiscal Year
2005	\$ 159,151	\$ 2,848,995	\$ 2,746,392	\$ 261,754
2006	261,754	2,589,334	2,698,749	152,339
2007	152,339	3,041,420	3,022,700	171,059

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.

4. Post Employment 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. No cost can be estimated for the above benefits, although there is the probability that there are higher medical costs for retirees who would result in additional costs to the insurance program. Out of 462 individuals covered by the insurance plan in June 2007, there were 44 retirees and 2 C.O.B.R.A. participants.

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

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Street Maintenance	\$ 45,772	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	3,137,743	Reimburse General Fund from special health levy funds for health insurance premiums paid
General Fund	Cable TV Franchise	132,613	For right of way maintenance
General Fund	Impact Fee	42,554	To use Impact Fee resources to support General Fund expenditures
General Fund	Russell Park Maintenance	3,977	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	2,275	Reimburse General Fund for costs incurred within the Willowwood Park Maintenance District
		3,937,334	Total Non-major Special Revenue transfers to General Fund
General Fund	SID Revolving	178,655	To reimburse General Fund for SID costs
		178,655	Total Non-major Debt Service transfers to General Fund
General Fund	Sewer	231,961	Reimburse General Fund for proportionate share of various technology improvements
		231,961	Total Major Proprietary fund transfers to General Fund
CDBG Fund	Program Income	107,499	To appropriate fund activity to correct fund
		107,499	Total Non-major Special Revenue transfers to Non-major Special Revenue
2007 Refunding	1996 Open Space	666	Refunding bond contingency fund
2007 Refunding	1998 Safety Bonds	2,502	Refunding bond contingency fund
1997 Open Space	2007 Refunding	1,767	Refunding bond contingency fund
2007 Refunding	1996 Open Space	194,122	Close inactive debt funds to existing fund
2004 Refunding	1994 City Hall & Fire Bonds	41,691	Close inactive debt funds to existing fund
2004 Refunding	1993 Fire Bonds	113,711	Close inactive debt funds to existing fund
SID Revolving	SID 495	7,589	Close inactive debt funds to existing fund
SID Revolving	SID 497	52,931	Close inactive debt funds to existing fund
		414,979	Total Non-major Debt Service transfers to Non-major Debt Service
Transfer To:	Transfer From:	Amount	Explanation
Capital Improvement	Impact Fee	956,904	Impact Fee Support for Capital Projects
Capital Improvement	Title I	25,000	Ongoing support for capital ADA improvement projects/funded within the CIP
		981,904	Total Non-major Special Revenue transfers to Non-major Capital Projects
SID 538	SID Revolving	3	Close inactive debt funds to existing fund
		3	Total Non-major Debt Service transfers to Non-major Capital Projects

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Public Art	Capital Improvement	7,000	City ordinance #3221 requires 1% of Construction costs to go to public art
		7,000	Total Non-major Capital Projects transfers to Non-major Special Revenue
SID Revolving	Sidewalk & Curb	2,683	Close inactive capital funds to existing fund
FY99 Sidewalk & Curb	Sidewalk & Curb	15,527	Close inactive capital funds to existing fund
FY03 Sidewalk & Curb	Sidewalk & Curb	6,974	Close inactive capital funds to existing fund
SID 540	SID 540	57,238	Close inactive capital funds to existing fund
		82,422	Total Non-major Capital Projects transfers to Non-major Debt Service
SID 538	SID 542	36,014	To appropriate fund activity to new SID fund created
		36,014	Total Non-major Capital Projects transfers to Non-major Capital Projects
Capital Improvement	General Fund	1,025,000	Support for capital projects
		1,025,000	Total General Fund transfers to Non-major Capital Projects
Capital Improvement	Sewer	1,104	Sewer's proportionate share of various approved CIP projects
		1,104	Total Major Proprietary fund transfers to Non-major Capital Projects
Employee Benefit Plan	General Fund	50,249	Retiree subsidizing approved by the City council
		50,249	Total General Fund transfers to Internal Service
Total Transfers		\$ 7,054,124	

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	\$ 4,855	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, 2007:

<u>Description</u>	<u>Amount</u>
Primary Government	
Sewer Fund - Restricted for debt service	\$1,630,939
Component Units	
Missoula Redevelopment Agency - Restricted for debt service	250,500

CITY OF MISSOULA, MONTANA
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JUNE 30, 2007

Missoula Parking Commission - Restricted for debt service	<u>150,000</u>
Total Restricted Cash	<u>\$ 2,031,439</u>

The following net assets were restricted by the City for the reasons stated below as of June 30, 2007:

<u>Description</u>	<u>Amount</u>
Primary Government	
Governmental Funds - Restricted for debt service	\$3,007,558
Sewer - Restricted for debt service	1,320,306
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>\$4,728,364</u>

K. Residual Equity Transfers – Certain residual equity transfers were made to close out inactive funds.

L. Joint Operations with the County

Through interlocal agreements between the City of Missoula and Missoula County services are provided jointly for Health, Planning and Grants, Library, Animal Control and 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.

M. 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 three 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

CITY OF MISSOULA, MONTANA
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JUNE 30, 2007

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 \$3,210,185.

N. 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. However, 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 in three instances where the city is potentially exposed up to \$250,000 in total. 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.

O. Restatements

The government-wide financial statements include a prior period adjustment to correct an error in the reporting of capital projects related to SID 533, SID 534, SID 536 and the respective revenue bonds. Certain construction costs were posted to the SID construction fund in FY 2006 instead of the appropriate revenue bond fund. Also, a prior period adjustment of \$253,519 was made to City governmental capital assets due to software conversion issues.

P. Subsequent Events

The City sold \$920,000 of curb & sidewalk special assessment bonds on August 30, 2007 to Wells Fargo Brokerage Services. These bonds were sold with a maximum maturity of 20 years and a true interest cost of 4.586%. 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. The SID Revolving 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 City sold \$840,000 of General Fund Obligation Bonds on November 14, 2007 to D.A. Davidson & Company. These bonds were sold with a maximum maturity of 20 years and a true interest cost of 4.254%. These bonds were issued for the purpose of (i) paying a portion of the costs of the design, construction and installation of (a) a 50 meter swimming pool. This project is the final phase of the City's aquatics project, approved by a voter referendum and previously financed in part with the City's \$8,100,000 General Obligation Bonds, Series 2004, \$1,860,000 of additional General Fund Obligation Bonds, Series 2006C and \$2,445,000 in cash. In addition to the above support for the aquatics projects, Swim Missoula, a competitive swim club in the

CITY OF MISSOULA, MONTANA
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City, has agreed to provide funding for the 50 meter pool project in the amount of \$412,386. The Bonds are to be repaid solely from revenue of the City's General Fund in any fiscal year that is pledged to the payment of the Bonds. The authorizing State statute describes the Bonds as being a general obligation of the City backed by its general credit. However, the statute also states that the City is not obligated to levy taxes or pledge its taxing power to pay debt service, which distinguishes the Bonds from a traditional general obligation issue.

The City sold its old vehicle maintenance facility and its associated land on West Broadway to St. Patrick Hospital and Health Services Center on October 29, 2007 for the amount of \$845,000. This land sale was delayed for several years, pending resolution of a lawsuit challenging the Missoula City council's September 22, 2003 rezoning of the property to in part allow a new Safeway grocery store building. The litigation was finally concluded March 7, 2006 when the Montana Supreme Court unanimously upheld the City of Missoula rezoning to allow a new Safeway structure in *Citizen Advocates for a Livable Missoula, Inc. et. al. v. City Council and Mayor of the City of Missoula, Montana* 2006 MT 47, 331 Mont. 269, 130 P.3d 1259, 2006 Mont. LEXIS 59.

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BUDGET TO ACTUAL COMPARISON GENERAL FUND



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

City of Missoula, Montana
Budgetary Comparison Schedule
June 30, 2007

General Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues				
Taxes and assessments	\$ 16,463,472	\$ 16,463,472	\$ 16,412,799	\$ (50,673)
Licenses and permits	1,432,100	1,432,100	1,276,867	(155,233)
Intergovernmental	8,918,167	9,028,967	8,605,071	(423,896)
Charges for services	4,506,385	4,605,333	4,235,878	(369,455)
Fines and forfeitures	1,277,547	1,277,547	1,370,311	92,764
Miscellaneous	400,295	689,266	522,664	(166,602)
Investment earnings	450,000	450,000	409,771	(40,229)
Total revenues	33,447,966	33,946,685	32,833,361	(1,113,324)
Expenditures				
General government	7,027,476	7,027,476	5,364,086	1,663,390
Public safety	18,071,295	18,227,006	18,259,974	(32,968)
Public works	6,159,554	6,159,554	5,733,706	425,848
Public health	1,249,223	1,249,223	1,249,223	-
Social and economic services	111,647	111,647	132,897	(21,250)
Culture and recreation	4,046,354	4,046,354	3,621,833	424,521
Housing and community development	1,146,009	1,146,009	947,093	198,916
Capital outlay	616,979	616,979	602,106	14,873
Total Expenditures	38,428,537	38,584,248	35,910,918	2,673,330
Excess of revenues over expenditures	(4,980,571)	(4,637,563)	(3,077,557)	(3,786,654)
Other Financing Sources (Uses)				
Transfers in	4,788,426	4,811,081	4,347,950	(463,131)
Transfers out	(1,496,601)	(1,496,601)	(1,075,249)	(421,352)
Total Other Financing Sources (Uses)	3,291,825	3,314,480	3,272,701	(884,483)
Net change in fund balance	(1,688,746)	(1,323,083)	195,144	(4,671,137)
Fund balances - beginning	1,929,515	1,929,515	1,929,515	1,929,515
Fund balances - ending	\$ 240,769	\$ 606,432	\$ 2,124,659	\$ (2,741,622)

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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.

ISTEA Grants – 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).

Capital Improvement Program (CIP) - 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.

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.



NONMAJOR GOVERNMENTAL FUNDS



TOTALS FOR

COMBINING BALANCE SHEET

AND

COMBINING SCHEDULE OF

REVENUES, EXPENDITURES

AND

CHANGES IN FUND BALANCE

FOR NON MAJOR

GOVERNMENTAL FUNDS

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 2,085,168	\$ 2,947,723	\$ 3,921,197	\$ 8,954,088
Taxes Receivable	304,688	171,252	-	475,940
Special Assessments Receivable	11,783	115,581	-	127,364
Interest Receivable	15,535	25,922	(4,052)	37,405
Prepaid Expense	9,380	-	-	9,380
Other Receivables	128,162	212,296	25,265	365,723
Long Term Loans	63,847	-	-	63,847
Interfund Receivable	465,149	-	-	465,149
Due From Other Governments	871,605	14,606	1,558	887,769
Deferred Assessments Receivable	-	9,555,240	-	9,555,240
TOTAL ASSETS	\$ 3,955,317	\$ 13,042,620	\$ 3,943,968	\$ 20,941,905
LIABILITIES				
Accounts Payable	\$ 333,112	\$ 1,010	\$ 464,054	\$ 798,176
Accrued Payroll	24,143	-	-	24,143
Interfund Payable	1,885,911	493,536	2,958,302	5,337,749
Deferred Revenues	249,466	9,957,907	-	10,207,373
TOTAL LIABILITIES	2,492,632	10,452,453	3,422,356	16,367,441
FUND EQUITY				
Fund Balance				
Reserved For Debt Service	-	2,590,167	-	2,590,167
Undesignated	1,462,685	-	521,612	1,984,297
TOTAL EQUITY AND OTHER CREDITS	1,462,685	2,590,167	521,612	4,574,464
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 3,955,317	\$ 13,042,620	\$ 3,943,968	\$ 20,941,905

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL
REVENUES				
Taxes	\$ 3,114,677	\$ 1,759,419	\$ -	\$ 4,874,096
Special Assessments	421,905	1,995,972	-	2,417,877
Licenses & Permits	1,650,607	-	-	1,650,607
Intergovernmental	4,425,842	-	4,785	4,430,627
Charges for Services	305,099	-	-	305,099
Fines and Forfeitures	51,277	-	-	51,277
Miscellaneous	86,832	17,323	348,715	452,870
Investment Earnings	32,353	103,891	(21,537)	114,707
TOTAL REVENUES	10,088,592	3,876,605	331,963	14,297,160
EXPENDITURES				
General Government	300,037	34,292	46,941	381,270
Public Safety	1,562,048	-	58,710	1,620,758
Public Works	328,842	-	99,380	428,222
Culture and Recreation	50,611	-	4,035	54,646
Community Development	2,202,392	-	-	2,202,392
Debt Service	-	6,464,109	557,055	7,021,164
Capital Outlay	1,209,311	-	7,304,823	8,514,134
TOTAL EXPENDITURES	5,653,241	6,498,401	8,070,944	20,222,586
Excess (Deficiency) of Revenues Over Expenditures	4,435,351	(2,621,796)	(7,738,981)	(5,925,426)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	114,499	497,401	2,044,025	2,655,925
Operating Transfers Out	(5,026,737)	(593,637)	(125,436)	(5,745,810)
Payments to Refunded Bond Escrow Agent	-	(2,037,769)	-	(2,037,769)
Refunding Bond Proceeds	-	4,355,000	-	4,355,000
Issuance of Long Term Debt	-	133,411	11,440,940	11,574,351
TOTAL OTHER FINANCING SOURCES (USES)	(4,912,238)	2,354,406	13,359,529	10,801,697
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(476,887)	(267,390)	5,620,548	4,876,271
Fund Balance, July 1, 2006	1,939,572	2,844,893	(5,290,370)	(505,905)
Restatements	-	12,664	191,434	204,098
Fund Balance, July 1, 2006, As Restated	1,939,572	2,857,557	(5,098,936)	(301,807)
Fund Balance, June 30, 2007	\$ 1,462,685	\$ 2,590,167	\$ 521,612	\$ 4,574,464



COMBINING BALANCE SHEET

FOR NON MAJOR
SPECIAL REVENUE
GOVERNMENTAL FUNDS

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall	Cemetery Care	Title One Projects
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 167,772	\$ 169,955	\$ 220,536	\$ 17,828	\$ 152,426	\$ 106,098
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	1,800	1,823	2,366	-	-	6,130
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	992	1,000	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable						465,149
Long Term Loans						
Extended Family Services	-	-	-	-	-	13,847
Missoula Housing Corporation	-	-	-	-	-	50,000
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ 169,572	\$ 172,770	\$ 223,902	\$ 17,828	\$ 152,426	\$ 641,224
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ 876	\$ 98		\$ 5,000
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	-	63,847
TOTAL LIABILITIES	-	-	876	98	-	68,847
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	169,572	172,770	223,026	17,730	152,426	572,377
TOTAL EQUITY AND OTHER CREDITS	169,572	172,770	223,026	17,730	152,426	572,377
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 169,572	\$ 172,770	\$ 223,902	\$ 17,828	\$ 152,426	\$ 641,224

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Impact Fee	Public Art	Employee Health Ins	Cable TV Franchise	Drug Forfeiture	Building Division
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 27,691	\$ -	\$ 6,563	\$ 57,651	\$ -
Taxes Receivable	-	-	304,688	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	4,505	297	(6,223)	70	619	(1,879)
Prepaid Expenses	-	-	-	-	-	9,380
Other Receivables						
Vendors		-	-	118,038	-	3,146
Mountain Water Notes	-	-	-	-	-	-
Interfund Receivable						
Long Term Loans						
Extended Family Services	-	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-	-
Due From Other Governments	-	-	434	-	2,465	-
TOTAL ASSETS	\$ 4,505	\$ 27,988	\$ 298,899	\$ 124,671	\$ 60,735	\$ 10,647
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -		\$ -		\$ 9,718	\$ 4,672
Accrued Payroll	-	-	-	-	-	21,671
Due to Other Funds	537,030	-	580,058		-	166,087
Deferred Revenues	-	-	169,075	-	-	-
TOTAL LIABILITIES	537,030	-	749,133	-	9,718	192,430
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	(532,525)	27,988	(450,234)	124,671	51,017	(181,783)
TOTAL EQUITY AND OTHER CREDITS	(532,525)	27,988	(450,234)	124,671	51,017	(181,783)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 4,505	\$ 27,988	\$ 298,899	\$ 124,671	\$ 60,735	\$ 10,647

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Program Income	Revolving Loan Program	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Maintenance
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 5,224	\$ 46,324	\$ 262,737	\$ 6,202	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	9,027	2,756	-	-
Interest Receivable	56	497	2,819	67	(30)	(2)
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	-	-	-	-	-
Mountain Water Notes	4,986	-	-	-	-	-
Interfund Receivable						
Long Term Loans						
Extended Family Services	-	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-	-
Due From Other Governments	-	375	68	-	-	-
TOTAL ASSETS	\$ 10,266	\$ 47,196	\$ 274,651	\$ 9,025	\$ (30)	\$ (2)
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 375	\$ 24,487	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	2,769	142
Deferred Revenues	4,761	-	9,027	2,756	-	-
TOTAL LIABILITIES	4,761	375	33,514	2,756	2,769	142
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	5,505	46,821	241,137	6,269	(2,799)	(144)
TOTAL EQUITY AND OTHER CREDITS	5,505	46,821	241,137	6,269	(2,799)	(144)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 10,266	\$ 47,196	\$ 274,651	\$ 9,025	\$ (30)	\$ (2)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2007

	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant	Community Development
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 2,374	\$ 25,038	\$ -	\$ 477,928	\$ -
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Interest Receivable	25	269	(351)	5,127	(174)
Prepaid Expenses	-	-	-	-	-
Other Receivables					-
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Interfund Receivable					-
Long Term Loans					-
Extended Family Services	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-
Due From Other Governments	-	7,179	30,083	-	41,777
TOTAL ASSETS	\$ 2,399	\$ 32,486	\$ 29,732	\$ 483,055	\$ 41,603
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 74,919	\$ 37,604	\$ 814	\$ -	\$ 23,536
Accrued Payroll	-	-	-	-	-
Due to Other Funds	-	-	32,686	-	23,291
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	74,919	37,604	33,500	-	46,827
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Undesignated	(72,520)	(5,118)	(3,768)	483,055	(5,224)
TOTAL EQUITY AND OTHER CREDITS	(72,520)	(5,118)	(3,768)	483,055	(5,224)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 2,399	\$ 32,486	\$ 29,732	\$ 483,055	\$ 41,603

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2007

	HOME Grant	ADDI Grants	ISTEA Grants	Grants & Donations	TOTALS
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ -	\$ -	\$ 332,821	\$ 2,085,168
Taxes Receivable	-	-	-	-	304,688
Special Assessments Receivable	-	-	-	-	11,783
Interest Receivable	(4,420)	(107)	(1,309)	3,560	15,535
Prepaid Expenses	-	-	-	-	9,380
Other Receivables					
Vendors	-	-	-	-	123,176
Mountain Water Notes	-	-	-	-	4,986
Interfund Receivable	-				465,149
Long Term Loans					
Extended Family Services	-	-	-	-	13,847
Missoula Housing Corporation	-	-	-	-	50,000
Due From Other Governments	408,545	10,000	235,147	135,532	871,605
TOTAL ASSETS	\$ 404,125	\$ 9,893	\$ 233,838	\$ 471,913	\$ 3,955,317
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ 106,842	\$ 44,171	\$ 333,112
Accrued Payroll	-	-	-	2,472	24,143
Due to Other Funds	411,966	10,000	121,882	-	1,885,911
Deferred Revenues	-	-	-	-	249,466
TOTAL LIABILITIES	411,966	10,000	228,724	46,643	2,492,632
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Undesignated	(7,841)	(107)	5,114	425,270	1,462,685
TOTAL EQUITY AND OTHER CREDITS	(7,841)	(107)	5,114	425,270	1,462,685
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 404,125	\$ 9,893	\$ 233,838	\$ 471,913	\$ 3,955,317

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COMBINING BALANCE SHEET

**FOR NON MAJOR
DEBT SERVICE
GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007

	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	\$ 928,632	\$ 6,454	\$ -	\$ 19,094	\$ -	\$ -
Taxes Receivable		13,790	28,858	10,457	2,558	4,257
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	9,985	69	(221)	205	-	-
Other Receivables						
Mountain Water Notes	212,296	-	-	-	-	-
Due From Other Governments	-	21	42	18	1	2
Deferred Assessments		-	-	-	-	-
TOTAL ASSETS	\$ 1,150,913	\$ 20,334	\$ 28,679	\$ 29,774	\$ 2,559	\$ 4,259
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	20,627	-	-	-
Deferred Revenues	196,765	7,728	16,408	5,667	2,465	4,081
TOTAL LIABILITIES	196,765	7,728	37,035	5,667	2,465	4,081
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	954,148	12,606	(8,356)	24,107	94	178
TOTAL EQUITY AND OTHER CREDITS	954,148	12,606	(8,356)	24,107	94	178
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,150,913	\$ 20,334	\$ 28,679	\$ 29,774	\$ 2,559	\$ 4,259

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007

	2004 Aquatics Bonds	2004 Refunding	2006 Fire Station GO	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 157,440	\$ -
Taxes Receivable	51,023	37,066	23,243	-	-	-
Special Assessments Receivable	-	-	-	-	3,208	21,727
Interest Receivable	(623)	(2,359)	(1,690)	(255)	1,689	-
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	75	60	26	-	-	-
Deferred Assessments	-	-	-	-	45,902	110,179
TOTAL ASSETS	\$ 50,475	\$ 34,767	\$ 21,579	\$ (255)	\$ 208,239	\$ 131,906
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	213,473	64,474	157,548	23,751	-	-
Deferred Revenues	26,677	19,233	12,034	-	49,110	131,906
TOTAL LIABILITIES	240,150	83,707	169,582	23,751	49,110	131,906
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	(189,675)	(48,940)	(148,003)	(24,006)	159,129	-
TOTAL EQUITY AND OTHER CREDITS	(189,675)	(48,940)	(148,003)	(24,006)	159,129	-
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 50,475	\$ 34,767	\$ 21,579	\$ (255)	\$ 208,239	\$ 131,906

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007

	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	\$ 7,943	\$ 39,390	\$ 30,928	\$ -	\$ 46,718	\$ 33,284
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	10,289	2,025	2,906	7,463	7,023	4,581
Interest Receivable	85	424	333		501	357
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments			1,450	115	883	3,083
Deferred Assessments	217,319	126,408	164,696	438,520	445,552	576,319
TOTAL ASSETS	\$ 235,636	\$ 168,247	\$ 200,313	\$ 446,098	\$ 500,677	\$ 617,624
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ 1,010	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	227,608	128,434	167,603	445,983	452,575	580,900
TOTAL LIABILITIES	227,608	128,434	168,613	445,983	452,575	580,900
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	8,028	39,813	31,700	115	48,102	36,724
TOTAL EQUITY AND OTHER CREDITS	8,028	39,813	31,700	115	48,102	36,724
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 235,636	\$ 168,247	\$ 200,313	\$ 446,098	\$ 500,677	\$ 617,624

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007

	FY06 Sidewalk & Curb	SID 495	SID 497	SID 498	SID 501	SID 503
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 40,305	\$ 211	\$ 2,039	\$ 136,038	\$ 53,652	\$ 26,624
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	7,559	-	1,312	2,372	3,551	-
Interest Receivable	-	2	22	1,459	575	286
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	2,470	-	200	294	29	-
Deferred Assessments	958,593	-	-	510,610	177,894	52,670
TOTAL ASSETS	\$ 1,008,927	\$ 213	\$ 3,573	\$ 650,773	\$ 235,701	\$ 79,580
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	966,153	-	991	512,592	181,444	52,670
TOTAL LIABILITIES	966,153	-	991	512,592	181,444	52,670
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	42,774	213	2,582	138,181	54,257	26,910
TOTAL EQUITY AND OTHER CREDITS	42,774	213	2,582	138,181	54,257	26,910
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,008,927	\$ 213	\$ 3,573	\$ 650,773	\$ 235,701	\$ 79,580

Continued

**CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007**

	SID 505	SID 506	SID 507	SID 508	SID 510	SID 511
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 8,619	\$ 5,233	\$ 6,767	\$ 287	\$ 72,047	\$ 22,535
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	1,058	1,128
Interest Receivable	93	56	73	3	773	241
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	412	-
Deferred Assessments	23,200	2,143	7,931	1,263	89,387	88,664
TOTAL ASSETS	\$ 31,912	\$ 7,432	\$ 14,771	\$ 1,553	\$ 163,677	\$ 112,568
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	23,200	2,143	7,931	1,263	90,445	89,791
TOTAL LIABILITIES	23,200	2,143	7,931	1,263	90,445	89,791
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	8,712	5,289	6,840	290	73,232	22,777
TOTAL EQUITY AND OTHER CREDITS	8,712	5,289	6,840	290	73,232	22,777
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 31,912	\$ 7,432	\$ 14,771	\$ 1,553	\$ 163,677	\$ 112,568

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007

	SID 512	SID 513	SID 514	SID 515	SID 517	SID 518
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 295,301	\$ 33,205	\$ 77,877	\$ -	\$ 12,492	\$ 7,680
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	8,287	161	563	-	2,456	345
Interest Receivable	3,169	356	835	(146)	134	82
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	796	-	30	-	88	-
Deferred Assessments	795,814		46,852		17,874	7,735
TOTAL ASSETS	\$ 1,103,367	\$ 33,722	\$ 126,157	\$ (146)	\$ 33,044	\$ 15,842
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	13,663	-	-
Deferred Revenues	804,101	161	47,414	-	20,330	8,080
TOTAL LIABILITIES	804,101	161	47,414	13,663	20,330	8,080
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	299,266	33,561	78,743	(13,809)	12,714	7,762
TOTAL EQUITY AND OTHER CREDITS	299,266	33,561	78,743	(13,809)	12,714	7,762
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,103,367	\$ 33,722	\$ 126,157	\$ (146)	\$ 33,044	\$ 15,842

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007

	SID 519	SID 520	SID 521	SID 522	SID 525	SID 526
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 14,425	\$ 132,001	\$ 5,434	\$ 5,839	\$ 186,851	\$ 379,280
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	243	8,167	26		554	12,138
Interest Receivable	154	1,417	58	63	2,005	4,069
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments		1,528	-	-	320	2,242
Deferred Assessments	27,462	1,409,673	491	825	353,542	1,500,326
TOTAL ASSETS	\$ 42,284	\$ 1,552,786	\$ 6,009	\$ 6,727	\$ 543,272	\$ 1,898,055
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	27,704	1,416,099	504	825	353,488	1,511,609
TOTAL LIABILITIES	27,704	1,416,099	504	825	353,488	1,511,609
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	14,580	136,687	5,505	5,902	189,784	386,446
TOTAL EQUITY AND OTHER CREDITS	14,580	136,687	5,505	5,902	189,784	386,446
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 42,284	\$ 1,552,786	\$ 6,009	\$ 6,727	\$ 543,272	\$ 1,898,055

Continued

**CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007**

	SID 527	SID 530	SID 531	SID 532	SID 533	SID 534
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 7,003	\$ 4,953	\$ 6,449	\$ 30,770	\$ 38,860	\$ 13,253
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	49	14	139	4,836	207	510
Interest Receivable	75	53	69	330	417	
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	13	-	71	239		-
Deferred Assessments	12,074	4,206	24,400	462,079	177,350	230,899
TOTAL ASSETS	\$ 19,214	\$ 9,226	\$ 31,128	\$ 498,254	\$ 216,834	\$ 244,662
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	-	-
Deferred Revenues	12,080	4,220	24,539	466,915	177,557	231,409
TOTAL LIABILITIES	12,080	4,220	24,539	466,915	177,557	231,409
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	7,134	5,006	6,589	31,339	39,277	13,253
TOTAL EQUITY AND OTHER CREDITS	7,134	5,006	6,589	31,339	39,277	13,253
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 19,214	\$ 9,226	\$ 31,128	\$ 498,254	\$ 216,834	\$ 244,662

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2007

	SID 535	SID 536	SID 539	SID 540	TOTALS
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 6,032	\$ 37,837	\$ 3,047	\$ 4,894	\$ 2,947,723
Taxes Receivable	-	-	-	-	171,252
Special Assessments Receivable	192	386	106	-	115,581
Interest Receivable	207	406	33	53	25,922
Other Receivables					
Mountain Water Notes	-	-	-	-	212,296
Due From Other Governments	44	-	54	-	14,606
Deferred Assessments	38,772	393,209	14,407	-	9,555,240
TOTAL ASSETS	\$ 45,247	\$ 431,838	\$ 17,647	\$ 4,947	\$ 13,042,620
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,010
Interfund Payable	-	-	-	-	493,536
Deferred Revenues	38,964	393,595	14,513	-	9,957,907
TOTAL LIABILITIES	38,964	393,595	14,513	-	10,452,453
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Reserved					
For Debt Service	6,283	38,243	3,134	4,947	2,590,167
TOTAL EQUITY AND OTHER CREDITS	6,283	38,243	3,134	4,947	2,590,167
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 45,247	\$ 431,838	\$ 17,647	\$ 4,947	\$ 13,042,620

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COMBINING BALANCE SHEET

**FOR NON MAJOR
CAPITAL PROJECTS
GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2007

	Capital Improvement	1997 Open Space	06 Fire Station GO Bond	06 Sidewalk & Curb	07 Sidewalk & Curb	08 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 400,703	\$ 3,263,852	\$ 24,473	\$ -	\$ -
Interest Receivable	(34,422)	4,299	35,013	263	(8,934)	(600)
Other Receivables	24,600	-	-	-	665	-
Due From Other Governments	-	1,558	-	-	-	-
TOTAL ASSETS	<u>\$ (9,822)</u>	<u>\$ 406,560</u>	<u>\$ 3,298,865</u>	<u>\$ 24,736</u>	<u>\$ (8,269)</u>	<u>\$ (600)</u>
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 245,419	\$ -	\$ 43,500	\$ -	\$ -	\$ 131,175
Interfund Payable	1,769,596	-	-	-	824,757	55,979
TOTAL LIABILITIES	<u>2,015,015</u>	<u>-</u>	<u>43,500</u>	<u>-</u>	<u>824,757</u>	<u>187,154</u>
FUND EQUITY AND OTHER CREDITS						
Fund Balance	(2,024,837)	406,560	3,255,365	24,736	(833,026)	(187,754)
TOTAL EQUITY AND OTHER CREDITS	<u>(2,024,837)</u>	<u>406,560</u>	<u>3,255,365</u>	<u>24,736</u>	<u>(833,026)</u>	<u>(187,754)</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ (9,822)</u>	<u>\$ 406,560</u>	<u>\$ 3,298,865</u>	<u>\$ 24,736</u>	<u>\$ (8,269)</u>	<u>\$ (600)</u>

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2007

	SID 529 & 531 Construction	SID 532 Construction	SID 533 Construction	SID 534 Construction	SID 535 Construction	SID 536 Construction
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 58,938	\$ -	\$ 1,433	\$ -	\$ -
Interest Receivable	(445)	632	(344)	15	(679)	(460)
Other Receivables	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ (445)	\$ 59,570	\$ (344)	\$ 1,448	\$ (679)	\$ (460)
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ 292	\$ 3,071	\$ -	\$ 956
Interfund Payable	41,483	-	32,033	-	63,303	42,861
TOTAL LIABILITIES	41,483	-	32,325	3,071	63,303	43,817
FUND EQUITY AND OTHER CREDITS						
Fund Balance	(41,928)	59,570	(32,669)	(1,623)	(63,982)	(44,277)
TOTAL EQUITY AND OTHER CREDITS	(41,928)	59,570	(32,669)	(1,623)	(63,982)	(44,277)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ (445)	\$ 59,570	\$ (344)	\$ 1,448	\$ (679)	\$ (460)

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2007

	SID 538 Construction	SID 539 Construction	SID 540 Construction	SID 541 Construction	SID 542 Construction	Totals
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 3,505	\$ -	\$ 168,293	\$ -	\$ -	\$ 3,921,197
Interest Receivable	38	(206)	1,805	(27)	-	(4,052)
Other Receivables	-	-	-	-	-	25,265
Due From Other Governments	-	-	-	-	-	1,558
TOTAL ASSETS	\$ 3,543	\$ (206)	\$ 170,098	\$ (27)	\$ -	\$ 3,943,968
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 3,505	\$ -	\$ 15,621	\$ 20,515	\$ -	\$ 464,054
Interfund Payable	-	19,178	-	10,469	98,643	2,958,302
TOTAL LIABILITIES	3,505	19,178	15,621	30,984	98,643	3,422,356
FUND EQUITY AND OTHER CREDITS						
Fund Balance	38	(19,384)	154,477	(31,011)	(98,643)	521,612
TOTAL EQUITY AND OTHER CREDITS	38	(19,384)	154,477	(31,011)	(98,643)	521,612
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 3,543	\$ (206)	\$ 170,098	\$ (27)	\$ -	\$ 3,943,968

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

**FOR NON MAJOR
SPECIAL REVENUE
GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall	Cemetery Care
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	107,397	21,841	-	9,531	79,085
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	6,580	-	30,115	517	-
Investment Earnings	1,800	1,823	2,366	737	5,578
Total Revenues	115,777	23,664	32,481	10,785	84,663
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	20,166	9,277	20,201	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	-	2,336	963	-
Total Expenditures	20,166	9,277	22,537	963	-
Excess (Deficiency) of Revenue Over Expenditures	95,611	14,387	9,944	9,822	84,663
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	95,611	14,387	9,944	9,822	84,663
Fund Balance, June 30, 2006	73,961	158,383	213,082	7,908	67,763
Fund Balance, June 30, 2007	\$ 169,572	\$ 172,770	\$ 223,026	\$ 17,730	\$ 152,426

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Title One Projects	Impact Fee	Public Art	Employee Health Insurance	Cable TV Franchise
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 3,114,677	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	472,719
Intergovernmental	-	481,205	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	27,968	14,740	297	(15,238)	70
Total Revenues	27,968	495,945	297	3,099,439	472,789
EXPENDITURES					
Current					
General Government	28,155	-	-	-	271,882
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	967	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	-	28,184	-	43,086
Total Expenditures	28,155	-	29,151	-	314,968
Excess (Deficiency) of Revenue Over Expenditures	(187)	495,945	(28,854)	3,099,439	157,821
Other Financing Sources (Uses)					
Operating Transfers In	-	-	7,000	-	-
Operating Transfers Out	(33,400)	(999,458)	-	(3,137,743)	(132,613)
Total Other Financing Sources (Uses)	(33,400)	(999,458)	7,000	(3,137,743)	(132,613)
Excess (Deficiency) of Revenue Over Expenditures	(33,587)	(503,513)	(21,854)	(38,304)	25,208
Fund Balance, June 30, 2006	605,964	(29,012)	49,842	(411,930)	99,463
Fund Balance, June 30, 2007	\$ 572,377	\$ (532,525)	\$ 27,988	\$ (450,234)	\$ 124,671

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program	Dangerous Building Demo & Repair
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	2,000
Licenses & Permits	-	1,177,888	-	-	-
Intergovernmental	-	569	-	-	-
Charges for Services	-	1,465	-	-	-
Fines and Forfeitures	51,277	-	-	-	-
Miscellaneous	828	-	225	32,167	-
Investment Earnings	619	(9,619)	(3,692)	2,233	-
Total Revenues	52,724	1,170,303	(3,467)	34,400	2,000
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	24,499	1,222,383	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	53,604	-
Capital Outlay	9,516	11,238	-	-	-
Total Expenditures	34,015	1,233,621	-	53,604	-
Excess (Deficiency) of Revenue Over Expenditures	18,709	(63,318)	(3,467)	(19,204)	2,000
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	(107,499)	-	-
Total Other Financing Sources (Uses)	-	-	(107,499)	-	-
Excess (Deficiency) of Revenue Over Expenditures	18,709	(63,318)	(110,966)	(19,204)	2,000
Fund Balance, June 30, 2006	32,308	(118,465)	116,471	66,025	(2,000)
Fund Balance, June 30, 2007	\$ 51,017	\$ (181,783)	\$ 5,505	\$ 46,821	\$ -

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc	State Gas Tax
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	363,691	51,199	2,740	2,275	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	1,070,601
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	2,819	67	(84)	(5)	25
Total Revenues	366,510	51,266	2,656	2,270	1,070,626
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	296,380	-	-	-	32,462
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	-	-	-	615,848
Total Expenditures	296,380	-	-	-	648,310
Excess (Deficiency) of Revenue Over Expenditures	70,130	51,266	2,656	2,270	422,316
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(45,772)	(3,977)	(2,275)	(564,000)
Total Other Financing Sources (Uses)	-	(45,772)	(3,977)	(2,275)	(564,000)
Excess (Deficiency) of Revenue Over Expenditures	70,130	5,494	(1,321)	(5)	(141,684)
Fund Balance, June 30, 2006	171,007	775	(1,478)	(139)	69,164
Fund Balance, June 30, 2007	\$ 241,137	\$ 6,269	\$ (2,799)	\$ (144)	\$ (72,520)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant	Community Development	HOME Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	104,190	-	444,502	766,981
Charges for Services	-	-	84,680	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	5,300	-
Investment Earnings	683	(1,611)	3,224	(174)	(4,420)
Total Revenues	683	102,579	87,904	449,628	762,561
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	71,152	33,612	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	496,742	770,402
Capital Outlay	-	26,149	-	-	-
Total Expenditures	-	97,301	33,612	496,742	770,402
Excess (Deficiency) of Revenue Over Expenditures	683	5,278	54,292	(47,114)	(7,841)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	107,499	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	107,499	-
Excess (Deficiency) of Revenue Over Expenditures	683	5,278	54,292	60,385	(7,841)
Fund Balance, June 30, 2006	(5,801)	(9,046)	428,763	(65,609)	-
Fund Balance, June 30, 2007	\$ (5,118)	\$ (3,768)	\$ 483,055	\$ (5,224)	\$ (7,841)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	ADDI Grants	ISTEA Grants	Grants & Donations	TOTALS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 3,114,677
Special Assessments	-	-	-	421,905
Licenses & Permits	-	-	-	1,650,607
Intergovernmental	40,000	423,038	1,094,756	4,425,842
Charges for Services	-	-	1,100	305,099
Fines and Forfeitures	-	-	-	51,277
Miscellaneous	-	-	11,100	86,832
Investment Earnings	(107)	(1,307)	3,561	32,353
Total Revenues	39,893	421,731	1,110,517	10,088,592
EXPENDITURES				
Current				
General Government	-	-	-	300,037
Public Safety	-	-	210,402	1,562,048
Public Works	-	-	-	328,842
Culture and Recreation	-	-	-	50,611
Community Development	40,000	-	841,644	2,202,392
Capital Outlay	-	418,800	53,191	1,209,311
Total Expenditures	40,000	418,800	1,105,237	5,653,241
Excess (Deficiency) of Revenue Over Expenditures	(107)	2,931	5,280	4,435,351
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	114,499
Operating Transfers Out	-	-	-	(5,026,737)
Total Other Financing Sources (Uses)	-	-	-	(4,912,238)
Excess (Deficiency) of Revenue Over Expenditures	(107)	2,931	5,280	(476,887)
Fund Balance, June 30, 2006	-	2,183	419,990	1,939,572
Fund Balance, June 30, 2007	\$ (107)	\$ 5,114	\$ 425,270	\$ 1,462,685



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

**FOR NON MAJOR
DEBT SERVICE
GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID Revolving	SID Rebate	1998 Safety Bonds	1996 Open Space	1997 Open Space
REVENUES					
Taxes	\$ -	\$ -	\$ 133,206	\$ 278,708	\$ 98,669
Special Assessments	-	-	-	-	-
Miscellaneous	17,321	2	-	-	-
Investment Earnings	40,184	17	657	(106)	13,856
Total Revenues	57,505	19	133,863	278,602	112,525
EXPENDITURES					
General Government	-	-	11,674	15,000	5,557
Debt Service	-	-	106,494	2,362,175	92,734
Total Expenditures	-	-	118,168	2,377,175	98,291
Excess (Deficiency) of Revenue Over Expenditures	57,505	19	15,695	(2,098,573)	14,234
Other Financing Sources (Uses)					
Operating Transfers In	63,203	-	-	-	1,767
Operating Transfers Out	(178,658)	-	(2,502)	(194,788)	-
Payments to Refunded Bond Escrow Agent	-	-	(1,048,326)	-	(989,443)
Refunding Bond Proceeds	-	-	1,060,000	2,300,000	995,000
Issuance of Long Term Debt	109,716	-	-	-	-
Total Other Financing Sources (Uses)	(5,739)	-	9,172	2,105,212	7,324
Excess (Deficiency) of Revenue Over Expenditures	51,766	19	24,867	6,639	21,558
Fund Balance, June 30, 2006	889,718	(19)	(12,261)	(14,995)	2,549
Restatement	12,664	-	-	-	-
Fund Balance, July 1, 2006, As Restated	902,382	(19)	(12,261)	(14,995)	2,549
Fund Balance, June 30, 2007	\$ 954,148	\$ -	\$ 12,606	\$ (8,356)	\$ 24,107

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bond	2004 Refunding	2006 Fire Station GO
REVENUES					
Taxes	\$ 346	\$ 640	\$ 564,836	\$ 395,392	\$ 287,622
Special Assessments	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(186)	(505)	(28,023)	(5,096)	(2,462)
Total Revenues	160	135	536,813	390,296	285,160
EXPENDITURES					
General Government	-	-	-	-	-
Debt Service	-	-	615,795	418,150	433,163
Total Expenditures	-	-	615,795	418,150	433,163
Excess (Deficiency) of Revenue Over Expenditures	160	135	(78,982)	(27,854)	(148,003)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	155,402	-
Operating Transfers Out	(41,691)	(113,711)	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	(41,691)	(113,711)	-	155,402	-
Excess (Deficiency) of Revenue Over Expenditures	(41,531)	(113,576)	(78,982)	127,548	(148,003)
Fund Balance, June 30, 2006	41,625	113,754	(110,693)	(176,488)	-
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	41,625	113,754	(110,693)	(176,488)	-
Fund Balance, June 30, 2007	\$ 94	\$ 178	\$ (189,675)	\$ (48,940)	\$ (148,003)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	2007 Refunding Bonds	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	39,261	65,982	98,101	39,303
Miscellaneous	-	-	-	-	-
Investment Earnings	1,793	6,149	261	1,067	2,036
Total Revenues	1,793	45,410	66,243	99,168	41,339
EXPENDITURES					
General Government	1,482	-	-	-	-
Debt Service	219,840	7,863	72,915	101,840	41,973
Total Expenditures	221,322	7,863	72,915	101,840	41,973
Excess (Deficiency) of Revenue Over Expenditures	(219,529)	37,547	(6,672)	(2,672)	(634)
Other Financing Sources (Uses)					
Operating Transfers In	197,290	-	15,527	-	-
Operating Transfers Out	(1,767)	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	195,523	-	15,527	-	-
Excess (Deficiency) of Revenue Over Expenditures	(24,006)	37,547	8,855	(2,672)	(634)
Fund Balance, June 30, 2006	-	121,582	(8,855)	10,700	40,447
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	-	121,582	(8,855)	10,700	40,447
Fund Balance, June 30, 2007	\$ (24,006)	\$ 159,129	\$ -	\$ 8,028	\$ 39,813

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb	FY06 Sidewalk & Curb
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	55,506	112,859	99,769	131,311	226,215
Miscellaneous	-	-	-	-	-
Investment Earnings	1,839	538	2,691	1,910	2,241
Total Revenues	57,345	113,397	102,460	133,221	228,456
EXPENDITURES					
General Government	-	-	-	-	-
Debt Service	59,215	105,533	105,555	108,360	186,085
Total Expenditures	59,215	105,533	105,555	108,360	186,085
Excess (Deficiency) of Revenue Over Expenditures	(1,870)	7,864	(3,095)	24,861	42,371
Other Financing Sources (Uses)					
Operating Transfers In	-	6,974	-	-	-
Operating Transfers Out	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	6,974	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(1,870)	14,838	(3,095)	24,861	42,371
Fund Balance, June 30, 2006	33,570	(14,723)	51,197	11,863	403
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	33,570	(14,723)	51,197	11,863	403
Fund Balance, June 30, 2007	\$ 31,700	\$ 115	\$ 48,102	\$ 36,724	\$ 42,774

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 495	SID 497	SID 498	SID 501	SID 503
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	437	54,375	131,170	43,700	14,628
Miscellaneous	-	-	-	-	-
Investment Earnings	180	1,802	4,807	1,728	1,037
Total Revenues	617	56,177	135,977	45,428	15,665
EXPENDITURES					
General Government	-	-	-	-	-
Debt Service	-	58,713	197,214	84,824	11,840
Total Expenditures	-	58,713	197,214	84,824	11,840
Excess (Deficiency) of Revenue Over Expenditures	617	(2,536)	(61,237)	(39,396)	3,825
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(7,589)	(52,931)	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	(7,589)	(52,931)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(6,972)	(55,467)	(61,237)	(39,396)	3,825
Fund Balance, June 30, 2006	7,185	58,049	199,418	93,653	23,085
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	7,185	58,049	199,418	93,653	23,085
Fund Balance, June 30, 2007	\$ 213	\$ 2,582	\$ 138,181	\$ 54,257	\$ 26,910

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 505	SID 506	SID 507	SID 508	SID 510
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	13,827	2,387	4,677	283	17,037
Miscellaneous	-	-	-	-	-
Investment Earnings	395	324	402	7	2,616
Total Revenues	14,222	2,711	5,079	290	19,653
EXPENDITURES					
General Government	-	-	-	-	-
Debt Service	11,950	6,684	8,948	-	23,000
Total Expenditures	11,950	6,684	8,948	-	23,000
Excess (Deficiency) of Revenue Over Expenditures	2,272	(3,973)	(3,869)	290	(3,347)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,272	(3,973)	(3,869)	290	(3,347)
Fund Balance, June 30, 2006	6,440	9,262	10,709	-	76,579
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	6,440	9,262	10,709	-	76,579
Fund Balance, June 30, 2007	\$ 8,712	\$ 5,289	\$ 6,840	\$ 290	\$ 73,232

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 511	SID 512	SID 513	SID 514	SID 515
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	16,539	141,543	480	14,929	374
Miscellaneous	-	-	-	-	-
Investment Earnings	800	13,372	1,362	3,097	(589)
Total Revenues	17,339	154,915	1,842	18,026	(215)
EXPENDITURES					
General Government	-	-	-	-	-
Debt Service	35,866	155,852	752	3,906	180
Total Expenditures	35,866	155,852	752	3,906	180
Excess (Deficiency) of Revenue Over Expenditures	(18,527)	(937)	1,090	14,120	(395)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(18,527)	(937)	1,090	14,120	(395)
Fund Balance, June 30, 2006	41,304	300,203	32,471	64,623	(13,414)
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	41,304	300,203	32,471	64,623	(13,414)
Fund Balance, June 30, 2007	\$ 22,777	\$ 299,266	\$ 33,561	\$ 78,743	\$ (13,809)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 517	SID 518	SID 519	SID 520	SID 521
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,508	1,779	7,233	169,138	617
Miscellaneous	-	-	-	-	-
Investment Earnings	597	371	701	4,902	228
Total Revenues	5,105	2,150	7,934	174,040	845
EXPENDITURES					
General Government	-	-	-	-	-
Debt Service	8,067	3,457	9,660	329,335	708
Total Expenditures	8,067	3,457	9,660	329,335	708
Excess (Deficiency) of Revenue Over Expenditures	(2,962)	(1,307)	(1,726)	(155,295)	137
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(2,962)	(1,307)	(1,726)	(155,295)	137
Fund Balance, June 30, 2006	15,676	9,069	16,306	291,982	5,368
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	15,676	9,069	16,306	291,982	5,368
Fund Balance, June 30, 2007	\$ 12,714	\$ 7,762	\$ 14,580	\$ 136,687	\$ 5,505

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 522	SID 525	SID 526	SID 527	SID 530
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	984	44,537	221,653	4,022	1,150
Miscellaneous	-	-	-	-	-
Investment Earnings	246	7,690	15,060	203	187
Total Revenues	1,230	52,227	236,713	4,225	1,337
EXPENDITURES					
General Government	-	-	-	-	-
Debt Service	1,022	44,540	281,240	3,883	996
Total Expenditures	1,022	44,540	281,240	3,883	996
Excess (Deficiency) of Revenue Over Expenditures	208	7,687	(44,527)	342	341
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	208	7,687	(44,527)	342	341
Fund Balance, June 30, 2006	5,694	182,097	430,973	6,792	4,665
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	5,694	182,097	430,973	6,792	4,665
Fund Balance, June 30, 2007	\$ 5,902	\$ 189,784	\$ 386,446	\$ 7,134	\$ 5,006

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 531	SID 532	SID 533	SID 534	SID 535
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,171	76,031	27,081	33,160	9,405
Miscellaneous	-	-	-	-	-
Investment Earnings	204	1,292	1,254	(6)	262
Total Revenues	4,375	77,323	28,335	33,154	9,667
EXPENDITURES					
General Government	-	-	579	-	-
Debt Service	-	53,288	16,775	19,835	-
Total Expenditures	-	53,288	17,354	19,835	-
Excess (Deficiency) of Revenue Over Expenditures	4,375	24,035	10,981	13,319	9,667
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-
Issuance of Long Term Debt	-	-	11,596	12,099	-
Total Other Financing Sources (Uses)	-	-	11,596	12,099	-
Excess (Deficiency) of Revenue Over Expenditures	4,375	24,035	22,577	25,418	9,667
Fund Balance, June 30, 2006	2,214	7,304	16,700	(12,165)	(3,384)
Restatement	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	2,214	7,304	16,700	(12,165)	(3,384)
Fund Balance, June 30, 2007	\$ 6,589	\$ 31,339	\$ 39,277	\$ 13,253	\$ 6,283

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 536	SID 539	SID 540	TOTALS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,759,419
Special Assessments	62,759	3,051	-	1,995,972
Miscellaneous	-	-	-	17,323
Investment Earnings	1,206	83	(790)	103,891
Total Revenues	63,965	3,134	(790)	3,876,605
EXPENDITURES				
General Government	-	-	-	34,292
Debt Service	2,383	-	51,501	6,464,109
Total Expenditures	2,383	-	51,501	6,498,401
Excess (Deficiency) of Revenue Over Expenditures	61,582	3,134	(52,291)	(2,621,796)
Other Financing Sources (Uses)				
Operating Transfers In	-	-	57,238	497,401
Operating Transfers Out	-	-	-	(593,637)
Payments to Refunded Bond Escrow Agent	-	-	-	(2,037,769)
Refunding Bond Proceeds	-	-	-	4,355,000
Issuance of Long Term Debt	-	-	-	133,411
Total Other Financing Sources (Uses)	-	-	57,238	2,354,406
Excess (Deficiency) of Revenue Over Expenditures	61,582	3,134	4,947	(267,390)
Fund Balance, June 30, 2006	(23,339)	-	-	2,844,893
Restatement	-	-	-	12,664
Fund Balance, July 1, 2006, As Restated	(23,339)	-	-	2,857,557
Fund Balance, June 30, 2007	\$ 38,243	\$ 3,134	\$ 4,947	\$ 2,590,167

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

**FOR NON MAJOR
CAPITAL PROJECTS
GOVERNMENTAL FUNDS**

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Capital Improvement	1997 Open Space	New Fire Station GO Bond	2004 GO Aquatics	Sidewalk & Curb	06 Sidewalk & Curb
REVENUES						
Intergovernmental	\$ -	\$ 4,785	\$ -	\$ -	\$ -	\$ -
Miscellaneous	116,658	-	-	-	-	8,741
Investment Earnings	(87,505)	4,299	166,026	(51,660)	741	1,803
Total Revenues	29,153	9,084	166,026	(51,660)	741	10,544
EXPENDITURES						
General Government	46,941	-	-	-	-	-
Public Safety	-	-	58,710	-	-	-
Public Works	33,992	-	-	-	-	-
Culture and Recreation	4,035	-	-	-	-	-
Debt Service	557,055	-	-	-	-	-
Capital Outlay	3,769,876	52,873	1,766,297	-	-	-
Total Expenditures	4,411,899	52,873	1,825,007	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	(4,382,746)	(43,789)	(1,658,981)	(51,660)	741	10,544
Other Financing Sources (Uses)						
Operating Transfers In	2,008,008	-	-	-	-	-
Operating Transfers Out	(7,000)	-	-	-	(25,184)	-
Issuance of Long Term Debt	3,640,000	-	5,740,000	-	-	-
Total Other Financing Sources(Uses)	5,641,008	-	5,740,000	-	(25,184)	-
Excess(Deficiency) of Revenues Over Expenditures	1,258,262	(43,789)	4,081,019	(51,660)	(24,443)	10,544
Fund Balance, June 30, 2006	(2,502,356)	450,349	(825,654)	(729,083)	24,443	14,192
Restatement	-	-	-	-	-	-
Fund Balance, July 1, 2006, As Restated	(2,502,356)	450,349	(825,654)	(729,083)	24,443	14,192
Residual Equity Transfer	(780,743)	-	-	780,743	-	-
Fund Balance, June 30, 2007	\$ (2,024,837)	\$ 406,560	\$ 3,255,365	\$ -	\$ -	\$ 24,736

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	07 Sidewalk & Curb	08 Sidewalk & Curb	SID 529 & 531 Construction	SID 532 Construction	SID 533 Construction	SID 534 Construction
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	221,511					
Investment Earnings	(37,161)	(1,026)	(1,696)	2,097	(7,068)	(6,395)
Total Revenues	184,350	(1,026)	(1,696)	2,097	(7,068)	(6,395)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	597,046	186,728	-	2,711	-	-
Total Expenditures	597,046	186,728	-	2,711	-	-
Excess(Deficiency) of Revenue Over Expenditures	(412,696)	(187,754)	(1,696)	(614)	(7,068)	(6,395)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	3	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	111,533	80,575
Total Other Financing Sources(Uses)	-	-	3	-	111,533	80,575
Excess(Deficiency) of Revenues Over Expenditures	(412,696)	(187,754)	(1,693)	(614)	104,465	74,180
Fund Balance, June 30, 2006	(420,330)	-	(40,235)	60,184	(165,783)	(212,633)
Restatement	-	-	-	-	28,649	136,830
Fund Balance, July 1, 2006, As Restated	(420,330)	-	(40,235)	60,184	(137,134)	(75,803)
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ (833,026)	\$ (187,754)	\$ (41,928)	\$ 59,570	\$ (32,669)	\$ (1,623)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 535 Construction	SID 536 Construction	SID 537 Construction	SID 538 Construction	SID 539 Construction	SID 540 Construction
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous		1,805	-		-	
Investment Earnings	(2,928)	(10,286)	-	38	(922)	12,132
Total Revenues	(2,928)	(8,481)	-	38	(922)	12,132
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	19,913	-	-	-	45,475
Culture and Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	24,974	393,210	-	-	18,462	401,032
Total Expenditures	24,974	413,123	-	-	18,462	446,507
Excess(Deficiency) of Revenue Over Expenditures	(27,902)	(421,604)	-	38	(19,384)	(434,375)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	36,014	-	-
Operating Transfers Out	-	-	-	-	-	(57,238)
Issuance of Long Term Debt	-	377,332	-	-	-	1,491,500
Total Other Financing Sources(Uses)	-	377,332	-	36,014	-	1,434,262
Excess(Deficiency) of Revenues Over Expenditures	(27,902)	(44,272)	-	36,052	(19,384)	999,887
Fund Balance, June 30, 2006	(36,080)	(25,960)	(182)	(36,014)	-	(845,228)
Restatement	-	25,955	-	-	-	-
Fund Balance, July 1, 2006, As Restated	(36,080)	(5)	(182)	(36,014)	-	(845,228)
Residual Equity Transfer	-	-	182	-	-	(182)
Fund Balance, June 30, 2007	\$ (63,982)	\$ (44,277)	\$ -	\$ 38	\$ (19,384)	\$ 154,477

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SID 541 Construction	SID 542 Construction	TOTALS
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 4,785
Miscellaneous			348,715
Investment Earnings	(77)	(1,949)	(21,537)
Total Revenues	(77)	(1,949)	331,963
EXPENDITURES			
General Government	-	-	46,941
Public Safety	-	-	58,710
Public Works	-	-	99,380
Culture and Recreation	-	-	4,035
Debt Service	-	-	557,055
Capital Outlay	30,934	60,680	7,304,823
Total Expenditures	30,934	60,680	8,070,944
Excess(Deficiency) of Revenue Over Expenditures	(31,011)	(62,629)	(7,738,981)
Other Financing Sources (Uses)			
Operating Transfers In	-	-	2,044,025
Operating Transfers Out	-	(36,014)	(125,436)
Issuance of Long Term Debt	-	-	11,440,940
Total Other Financing Sources(Uses)	-	(36,014)	13,359,529
Excess(Deficiency) of Revenues Over Expenditures	(31,011)	(98,643)	5,620,548
Fund Balance, June 30, 2006	-	-	(5,290,370)
Restatement	-	-	191,434
Fund Balance, July 1, 2006, As Restated	-	-	(5,098,936)
Residual Equity Transfer	-	-	-
Fund Balance, June 30, 2007	\$ (31,011)	\$ (98,643)	\$ 521,612



AGENCY FUNDS

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2007

	Balance 07/01/2006	Additions	Deletions	Balance 06/30/2007
COURT SURCHARGE				
ASSETS				
Cash	\$ 32,655	\$ 99,602	\$ 92,482	\$ 39,775
Interest Receivable		427		427
Due From Other Governments	8,333	7,274	8,333	7,274
TOTAL ASSETS	\$ 40,988	\$ 107,303	\$ 100,815	\$ 47,476
LIABILITIES				
Accounts Payable	\$ 24,995	\$ 98,543	\$ 92,482	\$ 31,056
Due to Other Governments	15,993	427		16,420
TOTAL LIABILITIES	\$ 40,988	\$ 98,970	\$ 92,482	\$ 47,476
COUNTY CLEARING				
ASSETS				
Cash	\$ 2,181	\$ 11,422	\$ 12,204	\$ 1,399
Interest Receivable	-	15	-	15
TOTAL ASSETS	\$ 2,181	\$ 11,437	\$ 12,204	\$ 1,414
LIABILITIES				
Accounts Payable	\$ 1,870	\$ 11,422	\$ 12,204	\$ 1,088
Due to Other Governments	311	15	-	326
TOTAL LIABILITIES	\$ 2,181	\$ 11,437	\$ 12,204	\$ 1,414
SEWER REBATE				
ASSETS				
Cash	\$ 29,636	\$ 27,437	\$ 6,000	\$ 51,073
Interest Receivable	-	548	-	548
TOTAL ASSETS	\$ 29,636	\$ 27,985	\$ 6,000	\$ 51,621
LIABILITIES				
Due to Private Parties	\$ 29,636	\$ 21,985	\$ -	\$ 51,621
YOUTH PROGRAMS				
ASSETS				
Cash	\$ 473	\$ -	\$ -	\$ 473
Interest Receivable	-	5	-	5
TOTAL ASSETS	\$ 473	\$ 5	\$ -	\$ 478
LIABILITIES				
Due to Private Parties	\$ 473	\$ 5	\$ -	\$ 478

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2007

	Balance 07/01/2006	Additions	Deletions	Balance 06/30/2007
COUNTY PARK BOARD				
ASSETS				
Cash	\$ 5,500	\$ -	\$ -	\$ 5,500
Interest Receivable	-	59	-	59
TOTAL ASSETS	\$ 5,500	\$ 59	\$ -	\$ 5,559
LIABILITIES				
Due to Other Governments	\$ 5,500	\$ 59	\$ -	\$ 5,559
ELK HILLS SUBDIVISION				
ASSETS				
Cash	\$ 3,868	\$ -	\$ -	\$ 3,868
Interest Receivable	-	42	-	42
TOTAL ASSETS	\$ 3,868	\$ 42	\$ -	\$ 3,910
LIABILITIES				
Due to Private Parties	\$ 3,868	\$ 42	\$ -	\$ 3,910
BUSINESS IMPROVEMENT				
ASSETS				
Cash	\$ 221,558	\$ 271,457	\$ 166,224	\$ 326,791
Interest Receivable	3,707	3,707	7,414	0
Taxes Receivable	-	9,631	-	9,631
Due From Other Governments	303	876	303	876
TOTAL ASSETS	\$ 225,568	\$ 285,671	\$ 173,941	\$ 337,298
LIABILITIES				
Accounts Payable	\$ 19,628	\$ 182,494	\$ 164,809	\$ 37,313
Due to Other Governments	205,940	94,045	-	299,985
TOTAL LIABILITIES	\$ 225,568	\$ 276,539	\$ 164,809	\$ 337,298
MUNICIPAL COURT RESTITUTION				
ASSETS				
Cash	\$ 203,681	\$ 19,567	\$ -	\$ 223,248
LIABILITIES				
Due to Private Parties	\$ 203,681	\$ 19,567	\$ -	\$ 223,248
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 499,552	\$ 429,485	\$ 276,910	\$ 652,127
Interest Receivable	3,707	4,803	7,414	1,096
Taxes Receivable	-	9,631	-	9,631
Due From Other Governments	8,636	8,150	8,636	8,150
TOTAL ASSETS	\$ 511,895	\$ 452,069	\$ 292,960	\$ 671,004
LIABILITIES				
Accounts Payable	\$ 46,493	\$ 292,459	\$ 269,495	\$ 69,457
Due to Other Governments	227,744	94,546	-	322,290
Due to Private Parties	237,658	41,599	-	279,257
TOTAL LIABILITIES	\$ 511,895	\$ 428,604	\$ 269,495	\$ 671,004



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 FUND
FOR THE YEAR ENDED JUNE 30, 2007

	SID 524		
	Original and Final Budget	Actual	Variance - Over (Under)
REVENUES			
Special Assessments	\$ 347,260	\$ 423,613	\$ 76,353
Investment Earnings	-	13,940	13,940
Total Revenues	347,260	437,553	90,293
EXPENDITURES			
Debt Service	818,029	777,645	40,384
Total Expenditures	818,029	777,645	40,384
Excess(Deficiency) of Revenues Over Expenditures	(470,769)	(340,092)	130,677
Fund Balance, June 30, 2006	757,483	757,483	-
Fund Balance, June 30, 2007	\$ 286,714	\$ 417,391	\$ 130,677

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NONMAJOR GOVERNMENTAL FUNDS BUDGET TO ACTUAL



**NONMAJOR
GOVERNMENTAL FUNDS
BUDGET TO ACTUAL

SPECIAL REVENUE**

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, 2007

	Park Acquisition			Park Enterprise		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	114,250	107,397	(6,853)	18,000	21,841	3,841
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	54,800	6,580	(48,220)	-	-	-
Interest	-	1,800	1,800	-	1,823	1,823
Total Revenues	169,050	115,777	(53,273)	18,000	23,664	5,664
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	45,000	20,166	24,834	45,000	9,277	35,723
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	193,250	-	193,250	75,000	-	75,000
Total Expenditures	238,250	20,166	218,084	120,000	9,277	110,723
Excess (Deficiency) of Revenue Over Expenditures	(69,200)	95,611	164,811	(102,000)	14,387	116,387
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(69,200)	95,611	164,811	(102,000)	14,387	116,387
Fund Balance, June 30, 2006	73,961	73,961	-	158,383	158,383	-
Fund Balance, June 30, 2007	\$ 4,761	\$ 169,572	\$ 164,811	\$ 56,383	\$ 172,770	\$ 116,387

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, 2007

	Trail Development			Cremain Wall		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	9,531	9,531
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	385,000	30,115	(354,885)	4,500	517	(3,983)
Interest	-	2,366	2,366	-	737	737
Total Revenues	385,000	32,481	(352,519)	4,500	10,785	6,285
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	290,000	20,201	269,799	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	325,000	2,336	322,664	4,500	963	3,537
Total Expenditures	615,000	22,537	592,463	4,500	963	3,537
Excess (Deficiency) of Revenue Over Expenditures	(230,000)	9,944	239,944	-	9,822	9,822
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(230,000)	9,944	239,944	-	9,822	9,822
Fund Balance, June 30, 2006	213,082	213,082	-	7,908	7,908	-
Fund Balance, June 30, 2007	\$ (16,918)	\$ 223,026	\$ 239,944	\$ 7,908	\$ 17,730	\$ 9,822

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, 2007

	Cemetery Care			Title One Projects		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	18,400	79,085	60,685	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	500	-	(500)	-	-	-
Interest	3,000	5,578	2,578	16,696	27,968	11,272
Total Revenues	21,900	84,663	62,763	16,696	27,968	11,272
EXPENDITURES						
Current						
General Government	-	-	-	578,578	28,155	550,423
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	21,900	-	21,900	-	-	-
Total Expenditures	21,900	-	21,900	578,578	28,155	550,423
Excess (Deficiency) of Revenue Over Expenditures	-	84,663	84,663	(561,882)	(187)	561,695
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(33,400)	(33,400)	-
Total Other Financing Sources (Uses)	-	-	-	(33,400)	(33,400)	-
Excess (Deficiency) of Revenue Over Expenditures	-	84,663	84,663	(595,282)	(33,587)	561,695
Fund Balance, June 30, 2006	67,763	67,763	-	605,964	605,964	-
Fund Balance, June 30, 2007	\$ 67,763	\$ 152,426	\$ 84,663	\$ 10,682	\$ 572,377	\$ 561,695

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, 2007

	Impact Fee			Public Art		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	525,000	481,205	(43,795)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	50,000	-	(50,000)
Interest	-	14,740	14,740	-	297	297
Total Revenues	525,000	495,945	(29,055)	50,000	297	(49,703)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	967	(967)
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	50,000	28,184	21,816
Total Expenditures	-	-	-	50,000	29,151	20,849
Excess (Deficiency) of Revenue Over Expenditures	525,000	495,945	(29,055)	-	(28,854)	(28,854)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	7,000	7,000	-
Operating Transfers Out	(999,458)	(999,458)	-	-	-	-
Total Other Financing Sources (Uses)	(999,458)	(999,458)	-	7,000	7,000	-
Excess (Deficiency) of Revenue Over Expenditures	(474,458)	(503,513)	(29,055)	7,000	(21,854)	(28,854)
Fund Balance, June 30, 2006	(29,012)	(29,012)	-	49,842	49,842	-
Fund Balance, June 30, 2007	\$ (503,470)	\$ (532,525)	\$ (29,055)	\$ 56,842	\$ 27,988	\$ (28,854)

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, 2007

	Employee Health Insurance			Cable TV Franchise		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ 3,128,922	3,114,677	\$ (14,245)	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	438,349	472,719	34,370
Intergovernmental	8,820	-	(8,820)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(15,238)	(15,238)	-	70	70
Total Revenues	3,137,742	3,099,439	(38,303)	438,349	472,789	34,440
EXPENDITURES						
Current						
General Government	-	-	-	266,388	271,882	(5,494)
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	44,211	43,086	1,125
Total Expenditures	-	-	-	310,599	314,968	(4,369)
Excess (Deficiency) of Revenue Over Expenditures	3,137,742	3,099,439	(38,303)	127,750	157,821	30,071
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(3,137,743)	(3,137,743)	-	(132,613)	(132,613)	-
Total Other Financing Sources (Uses)	(3,137,743)	(3,137,743)	-	(132,613)	(132,613)	-
Excess (Deficiency) of Revenue Over Expenditures	(1)	(38,304)	(38,303)	(4,863)	25,208	30,071
Fund Balance, June 30, 2006	(411,930)	(411,930)	-	99,463	99,463	-
Fund Balance, June 30, 2007	\$ (411,931)	\$ (450,234)	\$ (38,303)	\$ 94,600	\$ 124,671	\$ 30,071

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, 2007

	Drug Forfeiture			Building Division		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	1,327,550	1,177,888	(149,662)
Intergovernmental	-	-	-	-	569	569
Charges for Services	-	-	-	2,166	1,465	(701)
Fines and Forfeitures	260,150	51,277	(208,873)	-	-	-
Grants and Miscellaneous	-	828	828	-	-	-
Interest	-	619	619	-	(9,619)	(9,619)
Total Revenues	260,150	52,724	(207,426)	1,329,716	1,170,303	(159,413)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	96,500	24,499	72,001	1,290,923	1,222,383	68,540
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	163,650	9,516	154,134	22,515	11,238	11,277
Total Expenditures	260,150	34,015	226,135	1,313,438	1,233,621	79,817
Excess (Deficiency) of Revenue Over Expenditures	-	18,709	18,709	16,278	(63,318)	(79,596)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	18,709	18,709	16,278	(63,318)	(79,596)
Fund Balance, June 30, 2006	32,308	32,308	-	(118,465)	(118,465)	-
Fund Balance, June 30, 2007	\$ 32,308	\$ 51,017	\$ 18,709	\$ (102,187)	\$ (181,783)	\$ (79,596)

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, 2007

	Program Income			Revolving Loan Program		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	39,000	225	(38,775)	9,000	32,167	23,167
Interest	1,000	(3,692)	(4,692)	1,000	2,233	1,233
Total Revenues	40,000	(3,467)	(43,467)	10,000	34,400	24,400
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	158,000	-	158,000	77,000	53,604	23,396
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	158,000	-	158,000	77,000	53,604	23,396
Excess (Deficiency) of Revenue Over Expenditures	(118,000)	(3,467)	114,533	(67,000)	(19,204)	47,796
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(107,499)	(107,499)	-	-	-	-
Total Other Financing Sources (Uses)	(107,499)	(107,499)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(225,499)	(110,966)	114,533	(67,000)	(19,204)	47,796
Fund Balance, June 30, 2006	116,471	116,471	-	66,025	66,025	-
Fund Balance, June 30, 2007	\$ (109,028)	\$ 5,505	\$ 114,533	\$ (975)	\$ 46,821	\$ 47,796

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, 2007

	Dangerous Building Demolition & Repair			Street Lighting		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	17,000	2,000	(15,000)	364,046	363,691	(355)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	2,819	2,819
Total Revenues	17,000	2,000	(15,000)	364,046	366,510	2,464
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	15,000	-	15,000	364,046	296,380	67,666
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	15,000	-	15,000	364,046	296,380	67,666
Excess (Deficiency) of Revenue Over Expenditures	2,000	2,000	-	-	70,130	70,130
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,000	2,000	-	-	70,130	70,130
Fund Balance, June 30, 2006	(2,000)	(2,000)	-	171,007	171,007	-
Fund Balance, June 30, 2007	\$ -	\$ -	\$ -	\$ 171,007	\$ 241,137	\$ 70,130

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, 2007

	Street Maintenance			Russell Park Maintenance		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	51,327	51,199	(128)	2,740	2,740	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	67	67	-	(84)	(84)
Total Revenues	51,327	51,266	(61)	2,740	2,656	(84)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	51,327	51,266	(61)	2,740	2,656	(84)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(51,327)	(45,772)	5,555	(3,977)	(3,977)	-
Total Other Financing Sources (Uses)	(51,327)	(45,772)	5,555	(3,977)	(3,977)	-
Excess (Deficiency) of Revenue Over Expenditures	-	5,494	5,494	(1,237)	(1,321)	(84)
Fund Balance, June 30, 2006	775	775	-	(1,478)	(1,478)	-
Fund Balance, June 30, 2007	\$ 775	\$ 6,269	\$ 5,494	\$ (2,715)	\$ (2,799)	\$ (84)

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, 2007

	Willowwood Park Maintenance			State Gas Tax		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,275	2,275	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	1,145,356	1,070,601	(74,755)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(5)	(5)	-	25	25
Total Revenues	2,275	2,270	(5)	1,145,356	1,070,626	(74,730)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	20,000	32,462	(12,462)
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	561,356	615,848	(54,492)
Total Expenditures	-	-	-	581,356	648,310	(66,954)
Excess (Deficiency) of Revenue Over Expenditures	2,275	2,270	(5)	564,000	422,316	(141,684)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(2,275)	(2,275)	-	(564,000)	(564,000)	-
Total Other Financing Sources (Uses)	(2,275)	(2,275)	-	(564,000)	(564,000)	-
Excess (Deficiency) of Revenue Over Expenditures	-	(5)	(5)	-	(141,684)	(141,684)
Fund Balance, June 30, 2006	(139)	(139)	-	69,164	69,164	-
Fund Balance, June 30, 2007	\$ (139)	\$ (144)	\$ (5)	\$ 69,164	\$ (72,520)	\$ (141,684)

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, 2007

	Crime Victim Surcharge			Law Enforcement Grant		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	199,256	104,190	(95,066)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	683	683	-	(1,611)	(1,611)
Total Revenues	-	683	683	199,256	102,579	(96,677)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	196,146	71,152	124,994
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	3,110	26,149	(23,039)
Total Expenditures	-	-	-	199,256	97,301	101,955
Excess (Deficiency) of Revenue Over Expenditures	-	683	683	0	5,278	5,278
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	683	683	0	5,278	5,278
Fund Balance, June 30, 2006	(5,801)	(5,801)	-	(9,046)	(9,046)	-
Fund Balance, June 30, 2007	\$ (5,801)	\$ (5,118)	\$ 683	\$ (9,046)	\$ (3,768)	\$ 5,278

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, 2007

	HIDTA Grant			Community Development		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	1,928,336	444,502	(1,483,834)
Charges for Services	14,000	84,680	70,680	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	5,300	5,300
Interest	1,000	3,224	2,224	-	(174)	(174)
Total Revenues	15,000	87,904	72,904	1,928,336	449,628	(1,478,708)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	422,000	33,612	388,388	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	1,928,336	496,742	1,431,594
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	422,000	33,612	388,388	1,928,336	496,742	1,431,594
Excess (Deficiency) of Revenue Over Expenditures	(407,000)	54,292	461,292	-	(47,114)	(47,114)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	107,499	107,499	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	107,499	107,499	-
Excess (Deficiency) of Revenue Over Expenditures	(407,000)	54,292	461,292	107,499	60,385	(47,114)
Fund Balance, June 30, 2006	428,763	428,763	-	(65,609)	(65,609)	-
Fund Balance, June 30, 2007	\$ 21,763	\$ 483,055	\$ 461,292	\$ 41,890	\$ (5,224)	\$ (47,114)

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, 2007

	Home Grant			ADDI Grant		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,849,294	766,981	(1,082,313)	40,000	40,000	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(4,420)	(4,420)	-	(107)	(107)
Total Revenues	1,849,294	762,561	(1,086,733)	40,000	39,893	(107)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	1,849,294	770,402	1,078,892	40,000	40,000	-
Conservation of Natural Resources	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	1,849,294	770,402	1,078,892	40,000	40,000	-
Excess (Deficiency) of Revenue Over Expenditures	-	(7,841)	(7,841)	-	(107)	(107)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(7,841)	(7,841)	-	(107)	(107)
Fund Balance, June 30, 2006	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ -	\$ (7,841)	\$ (7,841)	\$ -	\$ (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, 2007

	ISTEA Grants			Grants & Donations		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	1,570,635	423,038	(1,147,597)	1,474,196	1,094,756	(379,440)
Charges for Services	-	-	-	20,367	1,100	(19,267)
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	275,507	-	(275,507)	40,000	11,100	(28,900)
Interest	-	(1,307)	(1,307)	-	3,561	3,561
Total Revenues	1,846,142	421,731	(1,424,411)	1,534,563	1,110,517	(424,046)
EXPENDITURES						
Current						
General Government	-	-	-	3,570	-	3,570
Public Safety	-	-	-	219,672	210,402	9,270
Public Works	-	-	-	76,198	-	76,198
Culture and Recreation	-	-	-	10,036	-	10,036
Community Development	-	-	-	1,170,330	841,644	328,686
Conservation of Natural Resources	-	-	-	20,000	-	20,000
Capital Outlay	1,752,534	418,800	1,333,734	71,752	53,191	18,561
Total Expenditures	1,752,534	418,800	1,333,734	1,571,558	1,105,237	466,321
Excess (Deficiency) of Revenue Over Expenditures	93,608	2,931	(90,677)	(36,995)	5,280	42,275
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	93,608	2,931	(90,677)	(36,995)	5,280	42,275
Fund Balance, June 30, 2006	2,183	2,183	-	419,990	419,990	-
Fund Balance, June 30, 2007	\$ 95,791	\$ 5,114	\$ (90,677)	\$ 382,995	\$ 425,270	\$ 42,275



**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, 2007

	SID Revolving			SID Rebate		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Grants and Miscellaneous	35,000	17,321	(17,679)	-	2	2
Interest	-	40,184	40,184	-	17	17
Total Revenues	35,000	57,505	22,505	-	19	19
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	35,000	57,505	22,505	-	19	19
Other Financing Sources (Uses)						
Operating Transfers In	79,169	63,203	(15,966)	-	-	-
Operating Transfers Out	(178,658)	(178,658)	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	170,236	109,716	(60,520)	-	-	-
Total Other Financing Sources (Uses)	70,747	(5,739)	(76,486)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	105,747	51,766	(53,981)	-	19	19
Fund Balance, June 30, 2006	889,718	889,718	-	(19)	(19)	-
Restatement	-	12,664	12,664	-	-	-
Fund Balance as of June 30, 2006, Restated	889,718	902,382	12,664	(19)	(19)	-
Fund Balance, June 30, 2007	\$ 995,465	\$ 954,148	\$ (41,317)	\$ (19)	\$ -	\$ 19

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, 2007

	1998 Safety Bonds			1996 Open Space		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ 131,304	\$ 133,206	\$ 1,902	\$ 276,783	\$ 278,708	\$ 1,925
Special Assessments	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	657	657	-	(106)	(106)
Total Revenues	131,304	133,863	2,559	276,783	278,602	1,819
EXPENDITURES						
General Government	11,674	11,674	-	15,000	15,000	-
Debt Service	130,878	106,494	24,384	2,401,112	2,362,175	38,937
Total Expenditures	142,552	118,168	24,384	2,416,112	2,377,175	38,937
Excess (Deficiency) of Revenue Over Expenditures	(11,248)	15,695	26,943	(2,139,329)	(2,098,573)	40,756
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(2,502)	(2,502)	-	(194,788)	(194,788)	-
Payments to Refunded Bond Escrow Agent	(1,048,326)	(1,048,326)	-	-	-	-
Refunding Bond Proceeds	1,060,000	1,060,000	-	2,300,000	2,300,000	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	9,172	9,172	-	2,105,212	2,105,212	-
Excess (Deficiency) of Revenue Over Expenditures	(2,076)	24,867	26,943	(34,117)	6,639	40,756
Fund Balance, June 30, 2006	(12,261)	(12,261)	-	(14,995)	(14,995)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(12,261)	(12,261)	-	(14,995)	(14,995)	-
Fund Balance, June 30, 2007	\$ (14,337)	\$ 12,606	\$ 26,943	\$ (49,112)	\$ (8,356)	\$ 40,756

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, 2007

	1997 Open Space			1994 City Hall & Fire Bonds		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ 94,161	\$ 98,669	\$ 4,508	\$ 4,500	\$ 346	\$ (4,154)
Special Assessments	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	6,000	13,856	7,856	-	(186)	(186)
Total Revenues	100,161	112,525	12,364	4,500	160	(4,340)
EXPENDITURES						
General Government	5,557	5,557	-	-	-	-
Debt Service	117,795	92,734	25,061	-	-	-
Total Expenditures	123,352	98,291	25,061	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(23,191)	14,234	37,425	4,500	160	(4,340)
Other Financing Sources (Uses)						
Operating Transfers In	1,767	1,767	-	-	-	-
Operating Transfers Out	-	-	-	(41,691)	(41,691)	-
Payments to Refunded Bond Escrow Agent	(989,443)	(989,443)	-	-	-	-
Refunding Bond Proceeds	995,000	995,000	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	7,324	7,324	-	(41,691)	(41,691)	-
Excess (Deficiency) of Revenue Over Expenditures	(15,867)	21,558	37,425	(37,191)	(41,531)	(4,340)
Fund Balance, June 30, 2006	2,549	2,549	-	41,625	41,625	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	2,549	2,549	-	41,625	41,625	-
Fund Balance, June 30, 2007	\$ (13,318)	\$ 24,107	\$ 37,425	\$ 4,434	\$ 94	\$ (4,340)

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, 2007

	1993 Fire Bonds			2004 Aquatics Bonds		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ 7,000	\$ 640	\$ (6,360)	\$ 567,860	\$ 564,836	\$ (3,024)
Special Assessments	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(505)	(505)	20,000	(28,023)	(48,023)
Total Revenues	7,000	135	(6,865)	587,860	536,813	(51,047)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	615,895	615,795	100
Total Expenditures	-	-	-	615,895	615,795	100
Excess (Deficiency) of Revenue Over Expenditures	7,000	135	(6,865)	(28,035)	(78,982)	(50,947)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(113,711)	(113,711)	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(113,711)	(113,711)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(106,711)	(113,576)	(6,865)	(28,035)	(78,982)	(50,947)
Fund Balance, June 30, 2006	113,754	113,754	-	(110,693)	(110,693)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	113,754	113,754	-	(110,693)	(110,693)	-
Fund Balance, June 30, 2007	\$ 7,043	\$ 178	\$ (6,865)	\$ (138,728)	\$ (189,675)	\$ (50,947)

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, 2007

	2004 Refunding Bonds			2006 Fire Station GO		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ 395,521	\$ 395,392	\$ (129)	\$ 300,645	\$ 287,622	\$ (13,023)
Special Assessments	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(5,096)	(5,096)	140,975	(2,462)	(143,437)
Total Revenues	395,521	390,296	(5,225)	441,620	285,160	(156,460)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	418,250	418,150	100	441,620	433,163	8,457
Total Expenditures	418,250	418,150	100	441,620	433,163	8,457
Excess (Deficiency) of Revenue Over Expenditures	(22,729)	(27,854)	(5,125)	-	(148,003)	(148,003)
Other Financing Sources (Uses)						
Operating Transfers In	190,923	155,402	(35,521)	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	190,923	155,402	(35,521)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	168,194	127,548	(40,646)	-	(148,003)	(148,003)
Fund Balance, June 30, 2006	(176,488)	(176,488)	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(176,488)	(176,488)	-	-	-	-
Fund Balance, June 30, 2007	\$ (8,294)	\$ (48,940)	\$ (40,646)	\$ -	\$ (148,003)	\$ (148,003)

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, 2007

	2007 Refunding Bonds			Sidewalk & Curb		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	39,261	39,261
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,793	1,793	-	6,149	6,149
Total Revenues	-	1,793	1,793	-	45,410	45,410
EXPENDITURES						
General Government	-	1,482	(1,482)	-	-	-
Debt Service	222,723	219,840	2,883	103,727	7,863	95,864
Total Expenditures	222,723	221,322	1,401	103,727	7,863	95,864
Excess (Deficiency) of Revenue Over Expenditures	(222,723)	(219,529)	3,194	(103,727)	37,547	141,274
Other Financing Sources (Uses)						
Operating Transfers In	197,290	197,290	-	-	-	-
Operating Transfers Out	(1,767)	(1,767)	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	195,523	195,523	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(27,200)	(24,006)	3,194	(103,727)	37,547	141,274
Fund Balance, June 30, 2006	-	-	-	121,582	121,582	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	-	-	-	121,582	121,582	-
Fund Balance, June 30, 2007	\$ (27,200)	\$ (24,006)	\$ 3,194	\$ 17,855	\$ 159,129	\$ 141,274

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, 2007

	FY99 Sidewalk & Curb			FY00 Sidewalk & Curb		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	72,965	65,982	(6,983)	102,015	98,101	(3,914)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	261	261	-	1,067	1,067
Total Revenues	72,965	66,243	(6,722)	102,015	99,168	(2,847)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	72,965	72,915	50	102,015	101,840	175
Total Expenditures	72,965	72,915	50	102,015	101,840	175
Excess (Deficiency) of Revenue Over Expenditures	-	(6,672)	(6,672)	-	(2,672)	(2,672)
Other Financing Sources (Uses)						
Operating Transfers In	15,528	15,527	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	15,528	15,527	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	15,528	8,855	(6,672)	-	(2,672)	(2,672)
Fund Balance, June 30, 2006	(8,855)	(8,855)	-	10,700	10,700	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(8,855)	(8,855)	-	10,700	10,700	-
Fund Balance, June 30, 2007	\$ 6,673	\$ -	\$ (6,672)	\$ 10,700	\$ 8,028	\$ (2,672)

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, 2007

	FY01 Sidewalk & Curb			FY02 Sidewalk & Curb		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	62,910	39,303	(23,607)	69,821	55,506	(14,315)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	2,036	2,036	-	1,839	1,839
Total Revenues	62,910	41,339	(21,571)	69,821	57,345	(12,476)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	72,191	41,973	30,218	64,676	59,215	5,461
Total Expenditures	72,191	41,973	30,218	64,676	59,215	5,461
Excess (Deficiency) of Revenue Over Expenditures	(9,281)	(634)	8,647	5,145	(1,870)	(7,015)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(9,281)	(634)	8,647	5,145	(1,870)	(7,015)
Fund Balance, June 30, 2006	40,447	40,447	-	33,570	33,570	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	40,447	40,447	-	33,570	33,570	-
Fund Balance, June 30, 2007	\$ 31,166	\$ 39,813	\$ 8,647	\$ 38,715	\$ 31,700	\$ (7,015)

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, 2007

	FY03 Sidewalk & Curb			FY04 Sidewalk & Curb		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	105,633	112,859	7,226	107,995	99,769	(8,226)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	538	538	-	2,691	2,691
Total Revenues	105,633	113,397	7,764	107,995	102,460	(5,535)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	105,633	105,533	100	105,655	105,555	100
Total Expenditures	105,633	105,533	100	105,655	105,555	100
Excess (Deficiency) of Revenue Over Expenditures	-	7,864	7,864	2,340	(3,095)	(5,435)
Other Financing Sources (Uses)						
Operating Transfers In	6,974	6,974	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	6,974	6,974	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	6,974	14,838	7,864	2,340	(3,095)	(5,435)
Fund Balance, June 30, 2006	(14,723)	(14,723)	-	51,197	51,197	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(14,723)	(14,723)	-	51,197	51,197	-
Fund Balance, June 30, 2007	\$ (7,749)	\$ 115	\$ 7,864	\$ 53,537	\$ 48,102	\$ (5,435)

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, 2007

	FY05 Sidewalk & Curb			FY06 Sidewalk & Curb		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	108,348	131,311	22,963	226,215	226,215	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,910	1,910	-	2,241	2,241
Total Revenues	108,348	133,221	24,873	226,215	228,456	2,241
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	108,348	108,360	(12)	186,136	186,085	51
Total Expenditures	108,348	108,360	(12)	186,136	186,085	51
Excess (Deficiency) of Revenue Over Expenditures	-	24,861	24,861	40,079	42,371	2,292
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	24,861	24,861	40,079	42,371	2,292
Fund Balance, June 30, 2006	11,863	11,863	-	403	403	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	11,863	11,863	-	403	403	-
Fund Balance, June 30, 2007	\$ 11,863	\$ 36,724	\$ 24,861	\$ 40,482	\$ 42,774	\$ 2,292

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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, 2007

	SID 495			SID 497		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments		437	437	59,063	54,375	(4,688)
Grants and Miscellaneous		-	-	-	-	-
Interest		180	180	-	1,802	1,802
Total Revenues	-	617	617	59,063	56,177	(2,886)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	8,732	-	8,732	59,063	58,713	350
Total Expenditures	8,732	-	8,732	59,063	58,713	350
Excess (Deficiency) of Revenue Over Expenditures	(8,732)	617	9,349	-	(2,536)	(2,536)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	(7,589)	(7,589)	(62,045)	(52,931)	9,114
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(7,589)	(7,589)	(62,045)	(52,931)	9,114
Excess (Deficiency) of Revenue Over Expenditures	(8,732)	(6,972)	1,760	(62,045)	(55,467)	6,578
Fund Balance, June 30, 2006	7,185	7,185	-	58,049	58,049	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	7,185	7,185	-	58,049	58,049	-
Fund Balance, June 30, 2007	\$ (1,547)	\$ 213	\$ 1,760	\$ (3,996)	\$ 2,582	\$ 6,578

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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, 2007

	SID 498			SID 501		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	119,770	131,170	11,400	40,350	43,700	3,350
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	4,807	4,807	-	1,728	1,728
Total Revenues	119,770	135,977	16,207	40,350	45,428	5,078
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	214,611	197,214	17,397	97,138	84,824	12,314
Total Expenditures	214,611	197,214	17,397	97,138	84,824	12,314
Excess (Deficiency) of Revenue Over Expenditures	(94,841)	(61,237)	33,604	(56,788)	(39,396)	17,392
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(94,841)	(61,237)	33,604	(56,788)	(39,396)	17,392
Fund Balance, June 30, 2006	199,418	199,418	-	93,653	93,653	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	199,418	199,418	-	93,653	93,653	-
Fund Balance, June 30, 2007	\$ 104,577	\$ 138,181	\$ 33,604	\$ 36,865	\$ 54,257	\$ 17,392

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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, 2007

	SID 503			SID 505		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	12,190	14,628	2,438	12,300	13,827	1,527
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,037	1,037	-	395	395
Total Revenues	12,190	15,665	3,475	12,300	14,222	1,922
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	12,190	11,840	350	12,300	11,950	350
Total Expenditures	12,190	11,840	350	12,300	11,950	350
Excess (Deficiency) of Revenue Over Expenditures	-	3,825	3,825	-	2,272	2,272
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	3,825	3,825	-	2,272	2,272
Fund Balance, June 30, 2006	23,085	23,085	-	6,440	6,440	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	23,085	23,085	-	6,440	6,440	-
Fund Balance, June 30, 2007	\$ 23,085	\$ 26,910	\$ 3,825	\$ 6,440	\$ 8,712	\$ 2,272

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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, 2007

	SID 506			SID 507		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	7,034	2,387	(4,647)	9,298	4,677	(4,621)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	324	324	-	402	402
Total Revenues	7,034	2,711	(4,323)	9,298	5,079	(4,219)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	14,220	6,684	7,536	16,642	8,948	7,694
Total Expenditures	14,220	6,684	7,536	16,642	8,948	7,694
Excess (Deficiency) of Revenue Over Expenditures	(7,186)	(3,973)	3,213	(7,344)	(3,869)	3,475
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(7,186)	(3,973)	3,213	(7,344)	(3,869)	3,475
Fund Balance, June 30, 2006	9,262	9,262	-	10,709	10,709	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	9,262	9,262	-	10,709	10,709	-
Fund Balance, June 30, 2007	\$ 2,076	\$ 5,289	\$ 3,213	\$ 3,365	\$ 6,840	\$ 3,475

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, 2007

	SID 508			SID 510		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	283	283	3,250	17,037	13,787
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	7	7	-	2,616	2,616
Total Revenues	-	290	290	3,250	19,653	16,403
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	72,393	23,000	49,393
Total Expenditures	-	-	-	72,393	23,000	49,393
Excess (Deficiency) of Revenue Over Expenditures	-	290	290	(69,143)	(3,347)	65,796
Other Financing Sources (Uses)						
Operating Transfers In	6,942	-	(6,942)	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	6,942	-	(6,942)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	6,942	290	(6,652)	(69,143)	(3,347)	65,796
Fund Balance, June 30, 2006	-	-	-	76,579	76,579	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	-	-	-	76,579	76,579	-
Fund Balance, June 30, 2007	\$ 6,942	\$ 290	\$ (6,652)	\$ 7,436	\$ 73,232	\$ 65,796

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, 2007

	SID 511			SID 512		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	17,720	16,539	(1,181)	155,902	141,543	(14,359)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	800	800	-	13,372	13,372
Total Revenues	17,720	17,339	(381)	155,902	154,915	(987)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	39,916	35,866	4,050	396,975	155,852	241,123
Total Expenditures	39,916	35,866	4,050	396,975	155,852	241,123
Excess (Deficiency) of Revenue Over Expenditures	(22,196)	(18,527)	3,669	(241,073)	(937)	240,136
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(22,196)	(18,527)	3,669	(241,073)	(937)	240,136
Fund Balance, June 30, 2006	41,304	41,304	-	300,203	300,203	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	41,304	41,304	-	300,203	300,203	-
Fund Balance, June 30, 2007	\$ 19,108	\$ 22,777	\$ 3,669	\$ 59,130	\$ 299,266	\$ 240,136

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, 2007

	SID 513			SID 514		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	1,102	480	(622)	3,906	14,929	11,023
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,362	1,362	-	3,097	3,097
Total Revenues	1,102	1,842	740	3,906	18,026	14,120
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	31,947	752	31,195	62,331	3,906	58,425
Total Expenditures	31,947	752	31,195	62,331	3,906	58,425
Excess (Deficiency) of Revenue Over Expenditures	(30,845)	1,090	31,935	(58,425)	14,120	72,545
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(30,845)	1,090	31,935	(58,425)	14,120	72,545
Fund Balance, June 30, 2006	32,471	32,471	-	64,623	64,623	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	32,471	32,471	-	64,623	64,623	-
Fund Balance, June 30, 2007	\$ 1,626	\$ 33,561	\$ 31,935	\$ 6,198	\$ 78,743	\$ 72,545

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, 2007

	SID 515			SID 517		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	13,805	374	(13,431)	8,067	4,508	(3,559)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(589)	(589)	-	597	597
Total Revenues	13,805	(215)	(14,020)	8,067	5,105	(2,962)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	180	180	-	22,097	8,067	14,030
Total Expenditures	180	180	-	22,097	8,067	14,030
Excess (Deficiency) of Revenue Over Expenditures	13,625	(395)	(14,020)	(14,030)	(2,962)	11,068
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	13,625	(395)	(14,020)	(14,030)	(2,962)	11,068
Fund Balance, June 30, 2006	(13,414)	(13,414)	-	15,676	15,676	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(13,414)	(13,414)	-	15,676	15,676	-
Fund Balance, June 30, 2007	\$ 211	\$ (13,809)	\$ (14,020)	\$ 1,646	\$ 12,714	\$ 11,068

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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, 2007

	SID 518			SID 519		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	10,199	1,779	(8,420)	9,659	7,233	(2,426)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	371	371	-	701	701
Total Revenues	10,199	2,150	(8,049)	9,659	7,934	(1,725)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	10,720	3,457	7,263	22,501	9,660	12,841
Total Expenditures	10,720	3,457	7,263	22,501	9,660	12,841
Excess (Deficiency) of Revenue Over Expenditures	(521)	(1,307)	(786)	(12,842)	(1,726)	11,116
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(521)	(1,307)	(786)	(12,842)	(1,726)	11,116
Fund Balance, June 30, 2006	9,069	9,069	-	16,306	16,306	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	9,069	9,069	-	16,306	16,306	-
Fund Balance, June 30, 2007	\$ 8,548	\$ 7,762	\$ (786)	\$ 3,464	\$ 14,580	\$ 11,116

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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, 2007

	SID 520			SID 521		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	176,980	169,138	(7,842)	709	617	(92)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	4,902	4,902	-	228	228
Total Revenues	176,980	174,040	(2,940)	709	845	136
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	345,213	329,335	15,878	5,984	708	5,276
Total Expenditures	345,213	329,335	15,878	5,984	708	5,276
Excess (Deficiency) of Revenue Over Expenditures	(168,233)	(155,295)	12,938	(5,275)	137	5,412
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(168,233)	(155,295)	12,938	(5,275)	137	5,412
Fund Balance, June 30, 2006	291,982	291,982	-	5,368	5,368	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	291,982	291,982	-	5,368	5,368	-
Fund Balance, June 30, 2007	\$ 123,749	\$ 136,687	\$ 12,938	\$ 93	\$ 5,505	\$ 5,412

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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, 2007

	SID 522			SID 525		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	1,023	984	(39)	44,540	44,537	(3)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	246	246	-	7,690	7,690
Total Revenues	1,023	1,230	207	44,540	52,227	7,687
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	6,179	1,022	5,157	194,510	44,540	149,970
Total Expenditures	6,179	1,022	5,157	194,510	44,540	149,970
Excess (Deficiency) of Revenue Over Expenditures	(5,156)	208	5,364	(149,970)	7,687	157,657
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(5,156)	208	5,364	(149,970)	7,687	157,657
Fund Balance, June 30, 2006	5,694	5,694	-	182,097	182,097	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	5,694	5,694	-	182,097	182,097	-
Fund Balance, June 30, 2007	\$ 538	\$ 5,902	\$ 5,364	\$ 32,127	\$ 189,784	\$ 157,657

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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, 2007

	SID 526			SID 527		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	191,180	221,653	30,473	3,884	4,022	138
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	15,060	15,060	-	203	203
Total Revenues	191,180	236,713	45,533	3,884	4,225	341
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	491,390	281,240	210,150	5,708	3,883	1,825
Total Expenditures	491,390	281,240	210,150	5,708	3,883	1,825
Excess (Deficiency) of Revenue Over Expenditures	(300,210)	(44,527)	255,683	(1,824)	342	2,166
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(300,210)	(44,527)	255,683	(1,824)	342	2,166
Fund Balance, June 30, 2006	430,973	430,973	-	6,792	6,792	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	430,973	430,973	-	6,792	6,792	-
Fund Balance, June 30, 2007	\$ 130,763	\$ 386,446	\$ 255,683	\$ 4,968	\$ 7,134	\$ 2,166

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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, 2007

	SID 530			SID 531		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	973	1,150	177	5,200	4,171	(1,029)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	187	187	-	204	204
Total Revenues	973	1,337	364	5,200	4,375	(825)
EXPENDITURES						
General Government	-	-	-	5,200	-	5,200
Debt Service	973	996	(23)	-	-	-
Total Expenditures	973	996	(23)	5,200	-	5,200
Excess (Deficiency) of Revenue Over Expenditures	-	341	341	-	4,375	4,375
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	341	341	-	4,375	4,375
Fund Balance, June 30, 2006	4,665	4,665	-	2,214	2,214	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	4,665	4,665	-	2,214	2,214	-
Fund Balance, June 30, 2007	\$ 4,665	\$ 5,006	\$ 341	\$ 2,214	\$ 6,589	\$ 4,375

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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, 2007

	SID 532			SID 533		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	53,038	76,031	22,993	53,038	27,081	(25,957)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,292	1,292	-	1,254	1,254
Total Revenues	53,038	77,323	24,285	53,038	28,335	(24,703)
EXPENDITURES						
General Government	-	-	-	-	579	(579)
Debt Service	53,038	53,288	(250)	53,038	16,775	36,263
Total Expenditures	53,038	53,288	(250)	53,038	17,354	35,684
Excess (Deficiency) of Revenue Over Expenditures	-	24,035	24,035	-	10,981	10,981
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	11,596	11,596
Total Other Financing Sources (Uses)	-	-	-	-	11,596	11,596
Excess (Deficiency) of Revenue Over Expenditures	-	24,035	24,035	-	22,577	22,577
Fund Balance, June 30, 2006	7,304	7,304	-	16,700	16,700	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	7,304	7,304	-	16,700	16,700	-
Fund Balance, June 30, 2007	\$ 7,304	\$ 31,339	\$ 24,035	\$ 16,700	\$ 39,277	\$ 22,577

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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, 2007

	SID 534			SID 535		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	19,500	33,160	13,660	3,691	9,405	5,714
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(6)	(6)	-	262	262
Total Revenues	19,500	33,154	13,654	3,691	9,667	5,976
EXPENDITURES						
General Government	-	-	-	3,691	-	3,691
Debt Service	19,500	19,835	(335)	-	-	-
Total Expenditures	19,500	19,835	(335)	3,691	-	3,691
Excess (Deficiency) of Revenue Over Expenditures	-	13,319	13,319	-	9,667	9,667
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	12,099	12,099	-	-	-
Total Other Financing Sources (Uses)	-	12,099	12,099	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	25,418	25,418	-	9,667	9,667
Fund Balance, June 30, 2006	(12,165)	(12,165)	-	(3,384)	(3,384)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(12,165)	(12,165)	-	(3,384)	(3,384)	-
Fund Balance, June 30, 2007	\$ (12,165)	\$ 13,253	\$ 25,418	\$ (3,384)	\$ 6,283	\$ 9,667

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, 2007

	SID 536			SID 539		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	32,193	62,759	30,566	1,340	3,051	1,711
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,206	1,206	-	83	83
Total Revenues	32,193	63,965	31,772	1,340	3,134	1,794
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	32,193	2,383	29,810	1,340	-	1,340
Total Expenditures	32,193	2,383	29,810	1,340	-	1,340
Excess (Deficiency) of Revenue Over Expenditures	-	61,582	61,582	-	3,134	3,134
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Refunding Bond Proceeds	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	61,582	61,582	-	3,134	3,134
Fund Balance, June 30, 2006	(23,339)	(23,339)	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(23,339)	(23,339)	-	-	-	-
Fund Balance, June 30, 2007	\$ (23,339)	\$ 38,243	\$ 61,582	\$ -	\$ 3,134	\$ 3,134

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, 2007

	SID 540		
	Budget	Actual	Variance - Over (Under)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Special Assessments		-	
Grants and Miscellaneous		-	
Interest	-	(790)	(790)
Total Revenues	-	(790)	(790)
EXPENDITURES			
General Government	-	-	-
Debt Service	51,501	51,501	
Total Expenditures	51,501	51,501	-
Excess (Deficiency) of Revenue Over Expenditures	(51,501)	(52,291)	(790)
Other Financing Sources (Uses)	-		
Operating Transfers In	57,238	57,238	-
Operating Transfers Out	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-
Refunding Bond Proceeds	-	-	-
Issuance of Long Term Debt	-	-	-
Total Other Financing Sources (Uses)	57,238	57,238	-
Excess (Deficiency) of Revenue Over Expenditures	5,737	4,947	(790)
Fund Balance, June 30, 2006	-	-	-
Restatement	-	-	-
Fund Balance as of June 30, 2006, Restated	-	-	-
Fund Balance, June 30, 2007	\$ 5,737	\$ 4,947	\$ (790)

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**NONMAJOR
GOVERNMENTAL FUNDS
BUDGET TO ACTUAL

CAPITAL PROJECTS**

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, 2007

	Capital Improvements			1997 Open Space		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ 1,107,135	\$ -	\$ (1,107,135)	\$ -	\$ 4,785	\$ 4,785
Miscellaneous	350,136	116,658	(233,478)	-	-	-
Investment Earnings	-	(87,505)	(87,505)	-	4,299	4,299
Total Revenues	1,457,271	29,153	(1,428,118)	-	9,084	9,084
EXPENDITURES						
General Government	67,200	46,941	20,259	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	77,128	33,992	43,136	-	-	-
Culture & Recreation	-	4,035	(4,035)	-	-	-
Debt Service	627,580	557,055	70,525	-	-	-
Capital Outlay	8,884,769	3,769,876	5,114,893	449,664	52,873	396,791
Total Expenditures	9,656,677	4,411,899	5,244,778	449,664	52,873	396,791
Excess(Deficiency) of Revenue Over Expenditures	(8,199,406)	(4,382,746)	3,816,660	(449,664)	(43,789)	405,875
Other Financing Sources (Uses)						
Operating Transfers In	1,672,245	2,008,008	335,763	-	-	-
Operating Transfers Out	(7,000)	(7,000)	-	-	-	-
Issuance of Long Term Debt	3,877,850	3,640,000	(237,850)	-	-	-
Total Other Financing Sources(Uses)	5,543,095	5,641,008	97,913	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(2,656,311)	1,258,262	3,914,573	(449,664)	(43,789)	405,875
Fund Balance, June 30, 2006	(2,502,356)	(2,502,356)	-	450,349	450,349	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(2,502,356)	(2,502,356)	-	450,349	450,349	-
Residual Equity Transfer	-	(780,743)	(780,743)	-	-	-
Fund Balance, June 30, 2007	\$ (5,158,667)	\$ (2,024,837)	\$ 3,133,830	\$ 685	\$ 406,560	\$ 405,875

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, 2007

	Fire Station GO Bond			04 Aquatics GO Bond		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	166,026	166,026	-	(51,660)	(51,660)
Total Revenues	-	166,026	166,026	-	(51,660)	(51,660)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	58,710	(58,710)	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	4,952,011	1,766,297	3,185,714	2,942,470	-	2,942,470
Total Expenditures	4,952,011	1,825,007	3,127,004	2,942,470	-	2,942,470
Excess(Deficiency) of Revenue Over Expenditures	(4,952,011)	(1,658,981)	3,293,030	(2,942,470)	(51,660)	2,890,810
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	5,625,728	5,740,000	114,272	-	-	-
Total Other Financing Sources(Uses)	5,625,728	5,740,000	114,272	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	673,717	4,081,019	3,407,302	(2,942,470)	(51,660)	2,890,810
Fund Balance, June 30, 2006	(825,654)	(825,654)	-	(729,083)	(729,083)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(825,654)	(825,654)	-	(729,083)	(729,083)	-
Residual Equity Transfer	-	-	-	-	780,743	780,743
Fund Balance, June 30, 2007	\$ (151,937)	\$ 3,255,365	\$ 3,407,302	\$ (3,671,553)	\$ -	\$ 3,671,553

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, 2007

	Sidewalk & Curb			06 Sidewalk & Curb		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	8,741	8,741
Investment Earnings	-	741	741	-	1,803	1,803
Total Revenues	-	741	741	-	10,544	10,544
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	741	741	-	10,544	10,544
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(25,184)	(25,184)	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	(25,184)	(25,184)	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(25,184)	(24,443)	741	-	10,544	10,544
Fund Balance, June 30, 2006	24,443	24,443	-	14,192	14,192	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	24,443	24,443	-	14,192	14,192	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ (741)	\$ -	\$ 741	\$ 14,192	\$ 24,736	\$ 10,544

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, 2007

	07 Sidewalk & Curb			08 Sidewalk & Curb		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	221,511	221,511	-	-	-	-
Investment Earnings	-	(37,161)	(37,161)	-	(1,026)	(1,026)
Total Revenues	221,511	184,350	(37,161)	-	(1,026)	(1,026)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	597,046	597,046	-	186,728	186,728	-
Total Expenditures	597,046	597,046	-	186,728	186,728	-
Excess(Deficiency) of Revenue Over Expenditures	(375,535)	(412,696)	(37,161)	(186,728)	(187,754)	(1,026)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(375,535)	(412,696)	(37,161)	(186,728)	(187,754)	(1,026)
Fund Balance, June 30, 2006	(420,330)	(420,330)	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(420,330)	(420,330)	-	-	-	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ (795,865)	\$ (833,026)	\$ (37,161)	\$ (186,728)	\$ (187,754)	\$ (1,026)

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, 2007

	SID 529 & 531			SID 532		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(1,696)	(1,696)	-	2,097	2,097
Total Revenues	-	(1,696)	(1,696)	-	2,097	2,097
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	2,711	2,711	-
Total Expenditures	-	-	-	2,711	2,711	-
Excess(Deficiency) of Revenue Over Expenditures	-	(1,696)	(1,696)	(2,711)	(614)	2,097
Other Financing Sources (Uses)						
Operating Transfers In	-	3	3	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	3	3	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	(1,693)	(1,693)	(2,711)	(614)	2,097
Fund Balance, June 30, 2006	(40,235)	(40,235)	-	60,184	60,184	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(40,235)	(40,235)	-	60,184	60,184	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ (40,235)	\$ (41,928)	\$ (1,693)	\$ 57,473	\$ 59,570	\$ 2,097

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, 2007

	SID 533			SID 534		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(7,068)	(7,068)	-	(6,395)	(6,395)
Total Revenues	-	(7,068)	(7,068)	-	(6,395)	(6,395)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	(7,068)	(7,068)	-	(6,395)	(6,395)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	111,533	111,533	-	80,575	80,575	-
Total Other Financing Sources(Uses)	111,533	111,533	-	80,575	80,575	-
Excess(Deficiency) of Revenues Over Expenditures	111,533	104,465	(7,068)	80,575	74,180	(6,395)
Fund Balance, June 30, 2006	(165,783)	(165,783)	-	(212,633)	(212,633)	-
Restatement	28,649	28,649	-	136,830	136,830	-
Fund Balance as of June 30, 2006, Restated	(137,134)	(137,134)	-	(75,803)	(75,803)	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ (25,601)	\$ (32,669)	\$ (7,068)	\$ 4,772	\$ (1,623)	\$ (6,395)

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, 2007

	SID 535			SID 536		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	1,805	1,805
Investment Earnings	-	(2,928)	(2,928)	-	(10,286)	(10,286)
Total Revenues	-	(2,928)	(2,928)	-	(8,481)	(8,481)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	19,913	19,913	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	24,974	24,974	-	393,210	393,210	-
Total Expenditures	24,974	24,974	-	413,123	413,123	-
Excess(Deficiency) of Revenue Over Expenditures	(24,974)	(27,902)	(2,928)	(413,123)	(421,604)	(8,481)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	377,332	377,332	-
Total Other Financing Sources(Uses)	-	-	-	377,332	377,332	-
Excess(Deficiency) of Revenues Over Expenditures	(24,974)	(27,902)	(2,928)	(35,791)	(44,272)	(8,481)
Fund Balance, June 30, 2006	(36,080)	(36,080)	-	(25,960)	(25,960)	-
Restatement	-	-	-	25,955	25,955	-
Fund Balance as of June 30, 2006, Restated	(36,080)	(36,080)	-	(5)	(5)	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ (61,054)	\$ (63,982)	\$ (2,928)	\$ (35,796)	\$ (44,277)	\$ (8,481)

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, 2007

	SID 537			SID 538		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	38	38
Total Revenues	-	-	-	-	38	38
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess(Deficiency) of Revenue Over Expenditures	-	-	-	-	38	38
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	36,014	36,014	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	36,014	36,014	-
Excess(Deficiency) of Revenues Over Expenditures	-	-	-	36,014	36,052	38
Fund Balance, June 30, 2006	(182)	(182)	-	(36,014)	(36,014)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	(182)	(182)	-	(36,014)	(36,014)	-
Residual Equity Transfer	-	182	182	-	-	-
Fund Balance, June 30, 2007	\$ (182)	\$ -	\$ 182	\$ (0)	\$ 38	\$ 38

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, 2007

	SID 539			SID 540		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(922)	(922)	-	12,132	12,132
Total Revenues	-	(922)	(922)	-	12,132	12,132
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	45,475	(45,475)
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	18,462	18,462	-	451,032	401,032	50,000
Total Expenditures	18,462	18,462	-	451,032	446,507	4,525
Excess(Deficiency) of Revenue Over Expenditures	(18,462)	(19,384)	(922)	(451,032)	(434,375)	16,657
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	(57,238)	(57,238)
Issuance of Long Term Debt	-	-	-	1,491,500	1,491,500	-
Total Other Financing Sources(Uses)	-	-	-	1,491,500	1,434,262	(57,238)
Excess(Deficiency) of Revenues Over Expenditures	(18,462)	(19,384)	(922)	1,040,468	999,887	(40,581)
Fund Balance, June 30, 2006	-	-	-	(845,228)	(845,228)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	-	-	-	(845,228)	(845,228)	-
Residual Equity Transfer	-	-	-	-	(182)	(182)
Fund Balance, June 30, 2007	\$ (18,462)	\$ (19,384)	\$ (922)	\$ 195,240	\$ 154,477	\$ (40,763)

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, 2007

	SID 541			SID 542		
	Budget	Actual	Variance - Over (Under)	Budget	Actual	Variance - Over (Under)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	(77)	(77)	-	(1,949)	(1,949)
Total Revenues	-	(77)	(77)	-	(1,949)	(1,949)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	30,934	30,934	0	60,680	60,680	-
Total Expenditures	30,934	30,934	0	60,680	60,680	-
Excess(Deficiency) of Revenue Over Expenditures	(30,934)	(31,011)	(77)	(60,680)	(62,629)	(1,949)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(72,027)	(36,014)	36,013
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	(72,027)	(36,014)	36,013
Excess(Deficiency) of Revenues Over Expenditures	(30,934)	(31,011)	(77)	(132,707)	(98,643)	34,064
Fund Balance, June 30, 2006	-	-	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2006, Restated	-	-	-	-	-	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2007	\$ (30,934)	\$ (31,011)	\$ (77)	\$ (132,707)	\$ (98,643)	\$ 34,064



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>	168-171
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	172-177
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>	178-185
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>	186-190
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>	191-199

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 Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Government activities					
Investment in capital assets, net of related debt	\$ 262,909,501	\$ 84,425,320	\$ 85,219,599	\$ 97,908,705	\$ 103,905,986
Restricted	5,786,102	13,144,514	3,280,061	3,602,376	3,007,558
Unrestricted	7,694,919	6,552,715	18,145,146	11,552,345	17,010,325
Total government activities net assets	<u>\$ 276,390,522</u>	<u>\$ 104,122,549</u>	<u>\$106,644,806</u>	<u>\$ 113,063,426</u>	<u>\$ 123,923,869</u>
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
Restricted	560,772	1,307,315	2,525,370	1,303,028	1,320,306
Unrestricted	5,793,401	4,949,789	2,432,543	6,053,027	5,604,871
Total business-type activities net assets	<u>\$ 51,950,832</u>	<u>\$ 56,694,538</u>	<u>\$ 59,685,932</u>	<u>\$ 60,839,730</u>	<u>\$ 62,732,424</u>
Primary Government					
Investment in capital assets, net related debt	\$ 308,506,160	\$ 134,862,754	\$139,947,618	\$ 151,392,380	\$ 159,713,233
Restricted	6,346,874	14,451,829	5,805,431	4,905,404	4,327,864
Unrestricted	13,488,320	11,502,504	20,577,689	17,605,372	22,615,196
Total primary government net assets	<u>\$ 328,341,354</u>	<u>\$ 160,817,087</u>	<u>\$166,330,738</u>	<u>\$ 173,903,156</u>	<u>\$ 186,656,293</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
CHANGE IN NET ASSETS
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 4,237,489	\$ 4,814,217	\$ 5,447,966	\$ 7,670,901	\$ 7,947,585
Public safety	15,267,862	15,774,300	17,596,888	18,706,533	20,685,934
Public works	22,022,343	9,728,383	5,880,778	6,019,601	3,102,523
Public health	1,056,111	1,033,396	1,118,946	1,178,646	1,275,114
Social and economic	105,100	245,802	131,017	138,564	165,849
Culture and recreation	2,520,258	2,712,280	3,346,471	3,795,635	4,687,707
Housing & development	849,904	669,857	1,494,654	1,391,082	1,416,594
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
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>
Business-type activities					
Wastewater treatment	4,071,937	5,400,406	5,904,344	6,084,445	\$ 6,239,307
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>
Total primary government expenses	<u>\$ 52,675,693</u>	<u>\$ 42,204,399</u>	<u>\$ 43,807,240</u>	<u>\$ 46,584,628</u>	<u>\$ 47,492,416</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
Operating grants & contributions	1,547,094	5,248,503	2,532,942	2,986,691	1,789,207
Capital grants & contributions	2,227,874	300,948	4,744,999	3,594,855	7,785,160
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>
Business-type activities					
Charges for services	4,912,232	6,306,775	7,265,855	6,620,032	6,510,110
Capital grants & contributions	4,551,646	1,121,104	1,283,828	827	1,208,512
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>
Total primary governmental program revenues	<u>\$ 20,195,131</u>	<u>\$ 21,535,599</u>	<u>\$ 23,161,030</u>	<u>\$ 20,860,951</u>	<u>\$ 26,458,733</u>
Net (expense) revenue					
Governmental activities:	\$ (37,872,503)	\$ (22,696,273)	\$ (23,291,549)	\$ (26,260,091)	#####
Business-type activities	5,391,941	2,027,473	2,645,339	536,414	1,479,315
Total primary government expenses	<u>\$ (32,480,562)</u>	<u>\$ (20,668,800)</u>	<u>\$ (20,646,210)</u>	<u>\$ (25,723,677)</u>	<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
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
Investment earnings	232,802	381,380	209,628	203,490	695,655
Gain or loss on sale of capital assets	-	-	-	-	(54,070)
Miscellaneous	689,427	545,714	684,960	517,530	959,284
Interfund transactions	(20,980)	242,188	220,635	224,539	233,065
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>
Business-type activities					
Annexation & developer contributions	-	-	-	775,800	-
Investment earnings	106,838	369,797	299,782	63,237	330,545
Miscellaneous	-	23,773	8,749	2,886	2,337
Gain or loss on sale of capital assets	-	-	-	-	9,860
Interfund transactions	20,980	(242,188)	(220,635)	(224,539)	(233,065)
Total business-type activities	<u>127,818</u>	<u>151,382</u>	<u>87,896</u>	<u>617,384</u>	<u>109,677</u>
Total primary government	<u>\$ 25,062,472</u>	<u>\$ 36,448,554</u>	<u>\$ 33,990,855</u>	<u>\$ 34,158,071</u>	<u>\$ 33,025,504</u>
Change in Net Assets					
Governmental activities	\$ (12,937,849)	\$ 13,600,899	\$ 10,611,410	\$ 7,280,596	\$ 10,402,829
Business-type activities	5,519,759	2,178,855	2,733,235	1,153,798	1,588,992
Total primary government	<u>\$ (7,418,090)</u>	<u>\$ 15,779,754</u>	<u>\$ 13,344,645</u>	<u>\$ 8,434,394</u>	<u>\$ 11,991,820</u>

Source: City of Missoula

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 8,134	\$ 353,037	\$ 10,928	\$ 8,202	\$ 6,826	\$ -	\$ 396,988	\$ 639,060	\$ 588,145	\$ 759,606
Unreserved	3,691,444	2,861,811	2,573,821	2,427,933	1,645,837	1,011,574	1,450,347	1,167,446	1,341,370	1,365,053
Total General Fund	\$3,699,578	\$3,214,848	\$2,584,749	\$2,436,135	\$1,652,663	\$1,011,574	\$1,847,335	\$1,806,506	\$1,929,515	\$2,124,659
All other governmental funds										
Reserved	\$1,277,111	\$1,476,999	\$1,207,657	\$1,980,958	\$3,602,376	\$2,054,790	\$2,993,025	\$3,280,061	\$3,602,376	\$3,007,558
Unreserved, reported in:										
Special revenue funds	1,781,795	2,117,617	2,749,470	3,057,184	1,939,572	2,952,039	2,458,951	2,124,775	1,939,572	1,462,685
Debt service funds	100,675	-	-	1,980,958	1,939,572	(35,775)	-	-	-	-
Capital projects funds	5,307,036	3,263,924	1,758,329	332,583	(5,290,370)	(912,811)	7,692,538	7,181,073	(5,290,370)	521,612
Total other governmental funds	\$8,466,617	\$6,858,540	\$5,715,456	\$7,351,683	\$2,191,150	\$4,058,243	\$13,144,514	\$12,585,909	\$251,578	\$4,991,855

Source: City of Missoula

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues					
Taxes and assessments	\$ 16,515,528	\$ 18,956,194	\$ 19,470,666	\$ 22,340,804	\$ 24,128,385
Licenses and permits	2,287,385	2,318,146	3,165,413	2,839,058	2,927,474
Intergovernmental	11,846,177	11,091,624	14,238,028	13,208,755	13,035,698
Charges for services	2,336,424	2,700,372	3,298,503	3,625,225	4,540,977
Fines and forfeitures	795,329	857,707	1,223,864	1,178,920	1,421,588
Miscellaneous	420,425	520,337	309,781	949,537	975,534
Interest earnings	231,951	449,387	226,538	192,758	538,418
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>
Expenditures					
General government	4,005,055	4,718,579	4,501,423	6,334,244	5,745,356
Public safety	14,588,393	15,420,765	16,957,739	18,138,794	19,880,732
Public works	4,929,802	5,239,404	5,765,617	5,803,509	6,161,928
Public health	1,030,253	1,008,837	1,096,344	1,152,195	1,249,223
Social and economic	105,100	100,706	105,238	108,395	132,897
Culture and recreation	2,206,720	2,468,401	2,719,381	3,011,054	3,676,479
Community development	709,847	681,088	2,129,109	2,379,741	2,202,392
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
Debt service - interest	1,044,657	1,126,448	1,428,517	1,357,860	1,671,508
Capital outlay	6,800,610	6,514,225	4,980,661	18,496,532	9,116,240
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>
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>
Other financing sources (uses)					
Transfers in	4,864,269	5,474,240	4,833,042	5,338,325	7,003,875
Transfers out	(4,898,223)	(5,283,345)	(4,675,148)	(5,170,043)	(6,821,059)
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	-
Proceeds from long term debt	2,461,724	18,759,366	994,921	2,850,881	11,574,351
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>
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>
Debt service as a percentage of non-capital expenditures	<u>13%</u>	<u>18%</u>	<u>15%</u>	<u>12%</u>	<u>23%</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	2007	2006	2005	2004	2003	2002	2001	1999	2000	1999
City of Missoula	204.73	196.39	182.57	176.32	169.48	165.19	159.15	146.63	139.84	137.62
County of Missoula										
County Wide	133.64	129.11	127.12	122.79	123.97	117.80	100.15	89.24	83.15	75.59
County Wide Schools	104.26	102.26	101.59	108.34	100.75	96.56	99.86	93.52	89.72	90.95
Total	237.90	231.37	228.71	231.13	224.72	214.36	200.01	182.76	172.87	166.54
District Schools										
School District One	150.26	150.66	158.29	159.27	153.24	149.04	136.72	138.20	135.31	129.20
High Schools	82.21	83.40	83.16	84.27	84.65	77.30	71.28	66.17	65.32	69.63
Total	232.47	234.06	241.45	243.54	237.89	226.34	208.00	204.37	200.63	198.83
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	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	46.00	46.00	46.00	46.00	46.00	46.00	55.00	55.00	55.00	55.00
Urban Transportation District	13.91	12.38	12.23	11.93	11.66	11.31	10.94	10.37	9.82	9.82
Total Levy on City Residents	<u>735.01</u>	<u>720.20</u>	<u>710.96</u>	<u>708.92</u>	<u>689.75</u>	<u>663.20</u>	<u>633.10</u>	<u>599.13</u>	<u>578.16</u>	<u>567.81</u>
Other Levies of Interest										
County Only	34.50	31.83	33.97	25.33	27.32	24.54	24.48	21.91	21.13	21.47
Missoula Rural Fire	80.89	79.64	78.26	77.37	74.25	73.97	71.27	62.14	57.02	56.89

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
1998	\$ 1,876,325,293	\$ 73,042,997	3.89%	\$ 3,365,562	138.20
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

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 & Telecommunications	Railroad	Electric, Phone Co-ops & Pollution Control	Other	Tax Increment District	Total Taxable Assessed Value
1998	\$ 63,893	\$ 7,028	\$ 6,889	\$ 647	\$ 227	\$ 29	\$ (3,876)	\$ 74,837
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.

Source: Missoula County Assessors 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		All Construction		
		Number	Value Estimate	Number	Value Estimate	Number	Value Estimate	
1998	\$ 1,876,325,293	264	\$ 27,342,134	332	\$ 12,222,660	1,900	\$ 108,691,598	25.80%
1999	1,859,622,977	274	30,079,840	422	16,163,492	2,486	117,814,791	8.39%
2000	1,985,298,106	288	29,407,617	181	8,841,540	1,895	120,150,936	1.98%
2001	2,111,624,637	285	28,288,095	282	12,361,447	1,694	135,701,353	12.94%
2002	2,247,822,357	365	34,135,109	335	13,880,421	1,930	102,287,782	-24.62%
2003	2,403,250,454	419	38,976,115	1,111	47,410,182	2,180	193,963,792	89.63%
2004	2,636,857,585	367	31,611,232	359	15,081,537	1,663	109,963,100	-43.31%
2005	2,805,424,077	457	38,970,878	194	8,157,757	1,677	113,217,490	2.96%
2006	2,901,638,641	374	35,521,132	79	4,393,527	1,494	99,855,627	-11.80%
2007	3,195,587,513	333	31,466,438	153	7,595,391	1,613	89,139,379	-10.73%

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

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

Taxpayer	2007			1998		
	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	3.47%			
QWEST COMMUNICATIONS	2,708,646	2	2.73%			
MOUNTAIN WATER COMPANY	936,523	3	0.94%	\$ 511,355	5	0.68%
SOUTHGATE MALL	866,316	4	0.87%	847,992	3	1.13%
ST PATRICK HOSPITAL CORP	741,311	5	0.75%			
GATEWAY LIMITED PARTNERSHIP	735,500	6	0.74%	516,826	6	0.69%
WW HOLDING CO INC/ALLTELL CORP	456,539	7	0.46%			
MOUNTAIN STATES LEASING	433,899	8	0.44%			
WESTERN HOSPITALITY GROUP	384,007	9	0.39%			
WAL- MART	321,916	10	0.32%	209,667	10	0.28%
MONTANA RAIL LINK INC				615,992	4	0.82%
MONTANA POWER COMPANY				2,433,090	1	3.25%
US WEST				1,757,548	2	2.34%
WC LEASING CORPORATION				235,399	7	0.31%
CREEKSIDE APARTMENTS				243,817	8	0.33%
SHOPKO PROPERTIES, INC.				211,388	9	0.28%
Total	<u>\$ 11,035,504</u>		<u>11.11%</u>	<u>\$ 7,583,074</u>		<u>10.11%</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

Fiscal Year Ended June 30th	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years		Percentage of Levy
				Amount	Percentage of Levy	
1998	\$ 10,339,640	\$ 9,942,359	96.16%	\$ 1,028,973	\$ 10,971,332	106.11%
1999	10,770,977	9,551,945	88.68%	1,048,989	10,600,934	98.42%
2000	11,045,658	10,137,825	91.78%	401,463	10,539,288	95.42%
2001	12,206,430	12,041,824	98.65%	371,989	12,413,813	101.70%
2002	13,043,228	12,359,529	94.76%	399,678	12,759,207	97.82%
2003	13,897,789	13,233,442	95.22%	387,103	13,620,545	98.01%
2004	14,911,332	14,943,191	100.21%	281,762	15,224,953	102.10%
2005	15,976,238	15,900,407	99.53%	208,969	16,109,376	100.83%
2006	18,368,735	17,935,902	97.64%	366,878	18,302,780	99.64%
2007	19,967,941	19,806,028	99.19%	220,890	20,026,918	100.30%

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	\$	3,195,587,513
Market Valuation (Less Tax Increment)	\$	3,193,781,354
Taxable Valuation	\$	99,332,558
Taxable Valuation (Less Tax Increment)	\$	97,526,399
Population		65,311
Direct Debt Per Capita	\$	286
Direct and Overlapping Debt Per Capita	\$	626
Direct Debt to Market Valuation		0.59%
Direct and Overlapping Debt to Market Valuation		1.28%
Direct Debt to Taxable Valuation		18.85%
Direct and Overlapping Debt to Taxable Valuation		41.21%
Market Valuation per Capita	\$	48,929
Taxable Valuation per Capita	\$	1,493

Source: City of Missoula

**SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2007**

	Summary of Direct Debt		
	Gross Debt	Less: Debt Service Funds (a)	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 18,720,000	\$ (19,094)	\$ 18,700,906
Debt Supported by General Fund	4,760,000	-	4,760,000
Revenue Debt (Sewer)	16,797,231	(b)	16,797,231
Revenue Debt (TIF and Parking)	4,665,000	(c)	4,665,000
Subtotal of Direct Debt	<u>\$ 44,942,231</u>		<u>\$ 44,923,137</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		
	G.O. Debt as of June 30, 2007	Debt Applicable to Tax Capacity of City	
		Percentage	Amount
Taxing Unit:			
Missoula County Elementary School District	\$ 3,345,000	75.60%	\$ 2,528,820
Missoula County High School District	15,970,000	60.50%	9,661,850
Hellgate Elementary School District	1,565,000	45.90%	718,335
Target Range Elementary School District	690,000	19.60%	135,240
Missoula County	18,381,000	49.90%	9,172,119
Subtotal of Indirect Debt	<u>\$ 39,951,000</u>		<u>\$ 22,216,364</u>

Total of Direct and Indirect Debt \$ 67,139,501

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value	0.59%	1.28%
Per Capita	\$ 286	\$ 626

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

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 20,987	\$ 21,567	\$ 21,476	\$ 33,942	\$ 36,289	\$ 39,817	\$ 42,362	\$ 43,815	\$ 48,253	\$ 84,236
Total net debt applicable to limit	11,322	11,120	10,455	9,754	9,279	8,438	15,995	15,566	14,511	18,972
Legal debt Margin	\$ 9,665	\$ 10,447	\$ 11,021	\$ 24,188	\$ 27,010	\$ 31,379	\$ 26,367	\$ 28,249	\$ 33,742	\$ 65,264
Total net debt applicable to the limit as a percentage of debt limit	53.95%	51.56%	48.68%	28.74%	25.57%	21.19%	37.76%	35.53%	30.07%	22.52%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	\$ 3,369,424
Debt Limit 2.5% of Assessed Value (1)	2.50%
General Obligation Debt Limit	84,236
Less: Outstanding General Obligation Debt, June 30, 2007	18,972
Total net debt applicable to limit	65,264
Legal Debt Margin	\$ 65,264

(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 Five Fiscal Years

Fiscal Year	Governmental Activities										Business-Type Activities		Total				Debt as a Percentage of Personal Income		Debt as a Percentage of Market Value	
	General Obligation Bonds		Limited Obligation Bonds		Special Assessment Bonds		State Board of Investment Loans		Sidewalk and Curb Warrants		Revenue Bonds	Total Primary Government	Personal Per Capita Income*	Total Population	Debt Per Capita					
		\$		\$		\$		\$		\$		\$		\$						
2003	\$ 8,302,060		\$ 1,495,000		\$12,928,173		\$ 236,290		\$ 327,830		\$ 8,693,367		\$ 31,982,720		\$ 28,274		63,318	1.79%	505	1.33%
2004	15,895,000		1,440,000		14,649,201		100,179		316,409		15,215,987		47,616,776		29,625		64,945	2.47%	733	1.81%
2005	15,020,000		1,380,000		14,226,402		546,373		228,628		16,586,138		47,987,541		30,608		66,403	2.36%	723	1.71%
2006	14,070,000		1,315,000		15,594,203		440,972		120,923		17,079,212		48,620,310		31,509		67,417	2.29%	721	1.68%
2007	18,720,000		4,760,000		15,455,681		252,453		120,923		16,797,231		56,106,288		32,360		65,311	2.65%	859	1.76%

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis US Department of Commerce

*2005 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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total Taxable Assessed Valuation</u>	<u>Percentage of Taxable Value of Property</u>	<u>Estimated Population</u>	<u>Per Capita</u>
1998	\$ 10,693	\$ 74,837	14%	51,204	\$ 208.83
1999	10,241	77,024	13%	52,239	196.04
2000	9,794	75,329	13%	57,053	171.66
2001	9,320	76,699	12%	58,224	160.07
2002	8,822	78,829	11%	59,396	148.53
2003	8,302	82,035	10%	60,567	137.07
2004	15,895	84,586	19%	61,738	257.46
2005	15,020	87,514	17%	62,910	238.76
2006	14,070	93,534	15%	64,081	219.57
2007	18,720	99,333	19%	65,311	286.63

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)	Net Revenue Available for Debt	Debt Service Requirements				
				Principal	Interest	Total	Current Year Coverage	Max Annual Debt Service Coverage (2)
1998	\$ 2,567,570	\$ 2,255,068	\$ 312,502	\$ 420,000	\$ 177,998	\$ 597,998	52%	126%
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*	4,955,880	2,555,053	2,400,827	489,162	231,961	721,123	333%	379%
Legal Calculation	6,234,505	2,555,053	3,679,452	489,162	231,961	721,123	510%	580%
City Operating*	5,274,686	3,036,426	2,238,260	689,000	503,234	1,192,234	188%	151%
Legal Calculation	6,308,650	3,036,426	3,272,224	689,000	503,234	1,192,234	274%	221%
City Operating*	5,550,626	3,151,625	2,399,001	797,233	655,716	1,452,949	165%	162%
Legal Calculation	7,265,854	3,151,625	4,114,229	797,233	655,716	1,452,949	283%	278%
City Operating*	5,665,706	3,263,652	2,402,054	894,751	660,341	1,555,092	154%	135%
Legal Calculation	6,620,032	3,263,652	3,356,380	894,751	660,341	1,555,092	216%	189%
City Operating*	5,975,248	3,492,891	2,482,357	941,000	682,728	1,623,728	153%	150%
Legal Calculation	6,778,103	3,492,891	3,285,211	941,000	682,728	1,623,728	202%	199%

*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
1998	\$ 717,331	\$ 4,123,000	17.4%
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%

Source: City of Missoula

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Beginning Balance	\$ 688,428	\$ 717,331	\$ 792,077	\$ 608,463	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718
Disbursements/Transfers	28,903	74,746	(183,614)	109,548	76,237	(16,199)	177,736	(147,325)	81,258	64,430
Ending Balance	\$ 717,331	\$ 792,077	\$ 608,463	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148
Assets:										
Cash	\$ 523,187	\$ 761,206	\$ 537,639	\$ 687,189	\$ 765,477	\$ 742,524	\$ 852,799	\$ 808,460	\$ 885,738	\$ 928,632
Due from SID Funds	194,144	28,730	70,824	30,822	28,771	35,525	72,062	-	-	-
Other Receivables	399,889	385,078	365,984	348,414	330,525	310,660	320,488	227,828	218,910	222,281
Total Assets	\$ 1,117,220	\$ 1,175,014	\$ 974,447	\$ 1,066,425	\$ 1,124,773	\$ 1,088,709	\$ 1,245,349	\$ 1,036,288	\$ 1,104,648	\$ 1,150,913
Liabilities:										
Deferred Revenue	\$ 399,889	\$ 382,937	\$ 365,984	\$ 348,414	\$ 330,525	\$ 310,660	\$ 289,564	\$ 227,828	\$ 214,930	\$ 196,765
Total Liabilities	\$ 399,889	\$ 382,937	\$ 365,984	\$ 348,414	\$ 330,525	\$ 310,660	\$ 289,564	\$ 227,828	\$ 214,930	\$ 196,765
Total Fund Balance	\$ 717,331	\$ 792,077	\$ 608,463	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148

Source: City of Missoula

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

Fiscal Year	Population		Income Statistics		Employment Statistics		
	Estimated City Population (1)	County Population	Total Personal Income (2)	Per Capita Income (2)	Civilian Employment	Unemployment Rate	Unemployment Rate (2)
1998	51,204	93,847	\$ 2,053,161	\$ 21,878	45,140	5.6%	3.9%
1999	52,239	94,791	2,138,904	22,564	47,005	5.3%	3.4%
2000	57,053	95,802	2,342,773	24,383	48,885	4.8%	4.2%
2001	58,224	96,692	2,561,445	26,493	68,945	4.5%	3.9%
2002	59,396	97,788	2,669,139	27,294	70,158	4.5%	4.1%
2003	60,567	98,359	2,783,129	28,274	71,866	4.4%	3.9%
2004	61,738	99,031	2,934,767	29,625	73,110	4.3%	4.0%
2005	62,910	100,033	3,102,000	30,991	N/A	4.0%	3.7%
2006	64,081	101,417	N/A	N/A	N/A	3.5%	3.3%
2007	65,311	102,385	N/A	N/A	N/A	2.5%	2.3%

(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 TEN EMPLOYERS IN CITY OF MISSOULA
Current and Ten Years Ago

Employer	Type of Product or Service	2007 Number of Employees		1997 Number of Employees
University of Montana	Higher Education	3,208	a	1,479
St. Patrick Hospital	Healthcare	1,400		1,113
Community Medical Center	Healthcare	1,250		900
Missoula County Public Schools	Public Education	1,180		1,400
Montana Rail Link	Rail Transportation	1,000		391
Southgate Mall	Retail	750-1000	b	
Washington Corporations	Manufacturing	500-750	b	
U.S. Forest Service	Government	500-750	b	616
Missoula County	County Government	651	c	507
Wal-Mart	Retail	500		
Smurfit-Stone Container Corporation	Wood Products			685
City of Missoula	City Government			378
Stimson Lumber Company	Wood Products			511

a. Does not include student employees.

b. 2006 figures.

c. Includes people who work half-time or greater.

Source: Telephone Survey of Individual Employers, September 2007

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

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Full Time Equivalent Employees										
General Government										
City Council	12.00	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	3.65	4.00	4.00	4.00	4.00	4.00	5.00
Human Resources	2.65	3.03	3.03	3.78	3.90	3.90	3.90	3.90	4.15	4.15
Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
City Clerk	2.07	2.03	2.03	3.25	3.25	3.25	3.25	3.50	4.00	4.50
Information Systems	3.00	4.00	4.00	4.00	4.00	4.50	4.50	5.00	5.50	6.00
Finance/Treasurer	12.29	11.72	12.72	12.72	13.22	12.97	13.13	12.75	12.75	16.00
Public Safety										
Municipal Court	7.11	7.11	7.11	8.11	8.11	8.50	9.00	10.50	13.00	12.50
City Attorney	8.42	8.42	8.42	8.90	9.90	9.90	9.90	9.90	12.40	14.40
Police Department	96.26	94.30	98.19	102.00	102.00	102.00	108.00	116.00	119.00	125.50
Fire Department	72.50	72.95	74.02	76.00	76.00	76.00	76.00	78.00	82.00	85.00
Building Inspection	12.00	12.00	14.37	14.37	14.37	14.37	13.50	13.86	14.34	15.00
Parking Commission	11.75	11.50	11.50	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Public Works										
Engineering	23.22	23.47	25.47	25.92	25.92	25.92	27.12	28.12	28.62	28.82
Street Division	26.77	27.00	27.53	28.25	28.29	28.29	28.29	28.54	28.54	28.54
Vehicle Maintenance	8.37	8.25	8.50	9.00	10.50	10.50	10.50	10.50	11.00	11.00
Public Health										
Wastewater	20.20	20.20	20.20	20.20	20.20	20.20	20.20	22.20	22.20	22.20
Social Services										
City Cemetery	8.44	8.50	9.26	8.93	8.93	8.50	8.50	8.50	8.50	8.50
Community Development										
MRA	5.14	5.14	7.14	7.14	6.14	6.14	6.14	6.14	6.00	6.00
Culture and Recreation										
Parks and Recreation	42.80	43.70	48.15	48.72	47.89	48.80	49.94	52.94	58.77	55.70
Aquatics									4.75	26.36
Total	379.64	379.97	398.29	408.94	410.62	411.74	419.87	438.35	463.52	498.17

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT**

Bargaining Unit	Number of Members	Date of Expired Contract
International Association of Firefighters, Local No. 271	82	June 30, 2008
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept	9	June 30, 2007
Missoula Police Protective Association	94	June 30, 2010
Wastewater (decertified as of 6-30-07)		
Parking Commission	7	June 30, 2009
Teamsters Union, Local No. 2	21	June 30, 2008
Operators' Union, Local No. 4000	9	June 30, 2008
Machinists Union, Local No. 88, District No. 86	8	June 30, 2008
Teamsters, Parks and Recreation Seasonal	14	June 30, 2007

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, 2007, the City employed approximately 614 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	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government											
Business Licenses Issued	4,586	4,946	5,023	5,892	7,782	7,791	7,823	7,907	4,484	5,173	5,290
SID's Billed	4,747	4,868	4,636	5,837	9,907	10,134	10,432	10,470	10,426	11,200	11,557
Amount of SID's Billed	\$ 1,097,546	\$ 1,267,847	\$ 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
# Sewer Bills	27,260	27,890	28,538	30,094	30,094	32,642	35,124	35,448	36,641	38,728	41,002
Public Safety Activities											
Citations issued	No data	No data	No data	No data	No data	No data	21,809	25,136	31,008	33,262	38,468
Orders of Protection issued	No data	No data	No data	No data	No data	447	523	298	586	604	417
Attorney's Office - Lawsuits & Claims	No data	No data	No data	No data	No data	21	41	51	53	51	47
Attorney - Opened criminal files	No data	No data	No data	No data	No data	1,605	1,890	2,476	2,179	4,235	3,181
Officers/1,000 population	1.45	1.50	1.45	1.40	1.41	1.38	1.40	1.43	1.53	1.56	1.56
Total sworn officers	74	77	76	80	82	82	85	88	96	100	102
Police calls for Service	No data	No data	No data	34,868	34,328	36,256	36,221	37,398	37,494	43,778	40,515
Total Fire Department Incident Responses*	3,803	4,603	4,101	4,244	4,266	4,451	4,729	4,701	5,259	5,497	5,805
Public Works											
Miles of sidewalk installed	9.00	13.20	9.60	11.30	5.70	8.53	11.03	17.45	24.74	9.34	9.19
Building Permits Issued	1,623	1,900	2,486	1,895	1,694	1,930	2,180	1,663	1,677	1,494	1,613
Construction Value of Bldg permits issued	86,403,397	108,691,598	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
Miles of Street - per State Gas Tax Report	298.50	300.93	319.60	326.76	327.61	327.61	344.42	349.24	358.57	358.87	337.98
Population	51,000	51,204	52,239	57,053	58,224	59,396	60,567	61,738	62,910	64,081	65,311

Source: City of Missoula
* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/13/07.

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

Function	Fiscal Year	
	2007	2006
GENERAL GOVERNMENT		
Vehicles	5	3
Buildings	2	1
PUBLIC SAFETY ACTIVITIES		
Fire Stations	5	5
Fire Engines/Trucks/Vehicles/Vans	27	27
Police Motorcycles	6	6
Police Patrol Cars/Passenger Vehicles/Other Vehicles	47	43
PUBLIC WORKS		
Streets (sq. yards)	6,761,248	6,596,870
Curbs (lineal feet)	1,957,574	1,898,481
Sidewalks (sq. feet)	11,484,784	9,588,303
Storm Sewer (lineal feet)	153,275	153,275
Sumps	5,160	5,030
Signs	54,901	54,034
Vehicles	98	98
Buildings	7	6
PUBLIC HEALTH ACTIVITIES		
Cemetery & Buildings	7	7
Vehicles/Tractors/Trucks/Mowers	17	16
CULTURE AND RECREATION		
Parks	46	45
Trails	18.2	16
Park Shelter/Band Shells/Pavillions	10	10
Buildings	20	20
Vehicles	57	61
HOUSING & COMMUNITY DEVELOPMENT		
Vehicles	10	No data
Buildings	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 Billed	Current Assessments Paid	Percent Collected	Delinquent Assessments Paid	Total Assessments Paid	Penalty and Interest Paid
1998	\$ 1,267,847	\$ 1,125,560	88.78%	\$ 126,516	\$ 1,252,076	\$ 18,523
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

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

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 Range	Off-Street Lease Space Range	Average Off-Street and Garage Lease Rate
1998	\$ 0.20	\$ 0.25	\$33.00 to \$40.00	\$12.00 TO \$50.00	\$ 22.00
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

Source: Missoula Parking Commission

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

Fiscal Year	On-Street Parking		Off-Street Parking		Parking Lots Throughout Downtown		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 Leased Parking Revenue other than Parking Garage		Percentage of Other Revenue
	Meters	Spaces	Meters	Spaces	Missoula				Revenue		Revenue			Revenue		
2002	1,116	1,295			16		168	1,148	27%		27%		16%	27%		3%
2003	1,122	1,107			14		172	1,381	27%		33%		16%	27%		3%
2004	1,064	829			13		259	1,097	20%		32%		18%	24%		6%
2005	1,161	816			13		257	1,145	17%		36%		20%	23%		3%
2006	1,075	801			13		257	1,124	20%		34%		14%	28%		5%
2007	1,075	801			13		257	1,124	20%		34%		14%	27%		4%

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 Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
1998	\$ 1,984,589	\$ 232,653	\$ 2,217,242
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

Urban Renewal District III

Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total 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

* 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
1998	\$ 76,803,635	\$ 2,217,242	\$ 357,419	0.5%
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%

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%

* 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	Incremental Taxable Value of District III	Net Taxable Value (excluding district)
1998	\$ 1,876,325,293	\$ 76,803,635	\$ 3,403,773	\$ 357,419	\$ -	\$ 73,042,443
1999	1,859,622,977	78,715,216	3,344,984	392,117	-	74,978,115
2000	1,985,298,106	80,761,493	3,133,084	330,524	-	77,297,885
2001	2,111,624,637	78,662,970	1,794,540	169,471	-	76,698,959
2002	2,247,822,357	81,279,789	1,861,575	318,674	137,634	78,961,906
2003	2,403,250,454	84,728,489	2,071,413	440,310	140,662	82,076,104
2004	2,636,857,585	88,189,948	2,887,057	511,906	204,532	84,586,453
2005	2,805,424,077	91,358,406	2,709,824	708,058	426,984	87,513,540
2006	2,901,638,641	94,980,538	not applicable	781,884	665,075	93,533,579
2007	3,195,587,513	101,138,717	not applicable	1,111,911	694,248	99,332,558

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

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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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2007. 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 ZurMuehlen & Co., P.C.

Missoula, Montana
December 20, 2007



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, 2007. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the 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, 2007.

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.

Anderson Zuer Muehlen & Co., P.C.

Missoula, Montana
December 20, 2007

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Beginning Balance July 1, 2006	Federal Revenue	March/Other Revenue	Federal Expenditures	March/Other Expenditures	Ending Balance June 30, 2007
Office of National Drug Control Policy									
Direct:									
High Intensity Drug Trafficking Area 2005	07 Unknown	ISPRMP604Z	\$ 126,368	\$ -	\$ 15,938	\$ -	\$ 15,938	\$ -	\$ -
High Intensity Drug Trafficking Area 2006	07 Unknown	16PRMP604Z	125,006	-	42,108	-	42,108	-	-
High Intensity Drug Trafficking Area 2007	07 Unknown	17PRMP604Z	163,220	-	74,543	-	74,543	-	-
Total Office of National Drug Control Policy			414,594	-	132,589	-	132,589	-	-
U.S. Department of Housing and Urban Development									
Direct:									
Community Development Block Grant	14 218	B-05/06-MC-30-0003	1,228,737	-	444,508	54,041	498,549	-	-
Home Investment Partnership Program	14 239	M-03/05/06/07-MC-30-0219	2,477,086	-	766,980	-	766,980	-	-
Passed through State of Montana Department of Commerce:									
Home Investment Partnership Program-ADDI	14 239	M-04-SG-30-0144	102,153	-	40,000	-	40,000	-	-
Total U.S. Department of Housing and Urban Development			3,807,976	-	1,251,488	54,041	1,305,529	-	-
U.S. Department of the Interior									
Passed through the Montana Historical Society:									
Historic Preservation Fund Grant	15 904	06-022	5,500	-	5,500	-	5,500	-	-
U.S. Department of Justice									
Direct:									
Law Enforcement Block Grant - IX	16 592	2004-LB-BX-1118	14,289	3,116	-	2,140	3,116	2,140	-
Bulletproof Vest Partnership Grant	16 607	N/A	31,014	-	3,465	-	3,465	-	-
COPS Universal Partnership Award	16 710	2003UNWX0253	225,000	-	-	52,524	-	52,524	-
COPS in Schools Award	16 710	2002SHW X0675	375,000	-	-	49,901	-	49,901	-
COPS Technology	16 710	2004INWX0012	11,072	(10,113)	10,113	-	-	-	-
JAG Grant 2005	16 738	2005DJBX0563	75,879	-	54,482	-	54,482	-	-
JAG Grant 2007	16 738	2006DJBX0292	43,145	-	43,145	-	43,145	-	-
Passed through State of Montana Board of Crime Control:									
Underage Drinking Enforcement	16 727	05-U01-82155	40,906	-	34,510	-	34,510	-	-
Total U.S. Department of Justice			816,305	(6,997)	145,715	104,565	138,718	104,565	-
U.S. Department of Transportation									
Passed through the Montana Department of Transportation:									
Congestion Mitigation and Air Quality	20 205	CM 8199(76)	54,000	-	46,753	30,903	46,753	30,903	-
Congestion Mitigation and Air Quality	20 205	CM 8117(3) CN 4498	167,459	-	105,084	16,019	105,084	16,019	-
Congestion Mitigation and Air Quality	20 205	CM 8103 (12)	155,497	(188)	-	188	-	-	-
Surface Transportation Planning Urban Funds	20 205	STPU 8105(8) CN 4128	368,634	-	160,281	-	160,281	-	-
Community Transportation Enhancement Program	20 205	STPE 8199(61)	119,000	-	70,780	-	70,780	-	-
Community Transportation Enhancement Program	20 205	CM STPE 8199(78) CN 6168	14,000	-	11,197	1,735	11,197	1,735	-
State and Community Highway Safety	20 600	2006-09-02-19/2006-11-03-19	27,500	-	13,221	-	13,221	-	-
State and Community Highway Safety	20 600	2006-02-12-01	9,000	-	9,000	-	9,000	-	-
State and Community Highway Safety	20 600	N/A	4,999	(4,802)	4,999	-	197	-	-
State and Community Highway Safety	20 601	2007-23-01-21/2007-21-02-21	26,250	-	20,138	-	20,138	-	-
State and Community Highway Safety	20 608	2007-18-01-19	9,000	-	8,950	-	8,950	-	-
Passed through Missoula County									
Interoperable Mobile Data Communications	20 607	2006-12-09-02	23,698	-	23,698	-	23,698	-	-
Passed through Montana Fish, Wildlife & Parks									
Recreational Trails Program	20 219	RT2004-25	26,000	-	19,925	-	19,925	-	-
Total U.S. Department of Transportation			1,005,037	(4,990)	494,026	48,845	489,224	48,657	-
Environmental Protection Agency									
Direct:									
Brownfields Assessment and Cleanup	66 818	BF 98102-01	1,000,000	-	817,061	200,000	817,061	200,000	-
Brownfields Assessment and Cleanup	66 818	BF 978119-01	182,483	-	24,583	-	24,583	-	-
Total Environmental Protection Agency			1,182,483	-	841,644	200,000	841,644	200,000	-
Total Federal Financial Assistance			7,231,895	(11,987)	2,870,962	407,451	2,913,204	353,222	-

CITY OF MISSOULA, MONTANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2007

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, 2007

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions 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>
--------------------	---

66.818	Brownfields Clean-Up
--------	----------------------

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

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

The audit contains no findings which constitute:

- Reportable conditions in internal control over major programs.
- Material noncompliance with laws, regulations, contracts or grant agreements related to a major program.
- Known questioned costs in excess of \$10,000 for any major program.
- Known questioned costs in excess of \$10,000 for any program which was not audited as a major program.
- Circumstances which would cause the 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, 2006 contained no audit findings.



CITY OF MISSOULA, MONTANA
Comprehensive Annual Financial Report for
Fiscal Year Ended June 30, 2007
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