



CITY
OF
MISSOULA, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
AUDIT
FOR FISCAL YEAR ENDED JUNE 30, 2006



Downtown Missoula circa 1945



CITY OF MISSOULA, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2006



Downtown Missoula turn of the Century

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, 2006

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INTRODUCTORY SECTION



FINANCE DEPARTMENT

Budget and Analysis
Treasury

Finance and Debt Management
Accounting/Utility Billing

435 Ryman Street, Missoula, Montana 59802 (406) 258-4701 FAX (406) 258-4896

DATE: December 12, 2006

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, 2006. 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.

There are four main sections to this report:

Introductory Section: provides information on the City's organization, boards and committees, as well as this letter.

Financial Section: begins with Management's Discussion and Analysis, which provides users of the basic financial statements with a narrative introduction, overview, and analysis of the statements. It contains general-purpose financial statements, proprietary fund statements and disclosure notes. It contains combining statements for individual funds grouped by broad fund classification and budget to actual schedules.

Statistical Section: contains statistical information on revenues, expenditures, debt and taxes for the past ten years.

Single Audit Section: contains information related to the single audit, including the schedule of federal financial assistance and the auditors' reports on the internal controls and compliance with the applicable laws and regulations.

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.

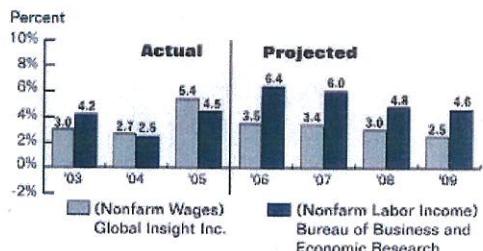
The City of Missoula maintains budgetary controls, the object of which is to ensure compliance with the legal provisions embodied in the annual budget adopted by the City Council each summer. Budgets are legally required and prepared for all of the City's funds. The legal level of budgetary control is 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 2005 issue of the Montana Business Quarterly relating to Missoula and Missoula County are restated below.

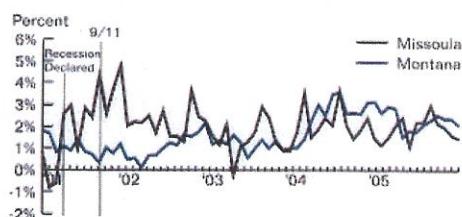
Missoula continues as the dominant trade and service center in western Montana. It is the second largest trade center in the state. The employment data (Figure 3) show that Missoula outperformed the state early in the decade, but recent growth has been in line with statewide averages. Very strong projected growth in 2006 and 2007 reflect the opening of a new call center and environmental cleanup activities. The index for single-family home prices in Missoula County increased 9.6 percent in 2005. Missoula ranked 110th out of 265 metropolitan areas in the United States in terms of house price increases in 2005. Missoula's real estate industry has grown significantly since 2000, and may be vulnerable to an interest rate induced softening of the housing market. The 2001-2003 data report that most of the recent growth in Missoula's economic base was in the federal government (perhaps national security related), state government (mostly research at UM), nonresident travel, and retail related trade center activities. Employment growth has remained strong. Almost 90% of the new jobs created between 1980 and 1990 were in retail trade and services areas. About 68% of the increase projected for 1990 to 2010 will be in these same areas.

Figure 2
Actual and Projected Change in Nonfarm Labor Income and Nonfarm Wages, Missoula County, 2003-2009



Sources: (Nonfarm Labor Income) Bureau of Business and Economic Research, (Nonfarm Wages) Global Insight Inc.

Figure 3
Annual Percent Change in Nonfarm Wage and Salary Employment January 2001 to November 2005



Source: Research and Analysis Bureau, Montana Department of Labor and Industry.

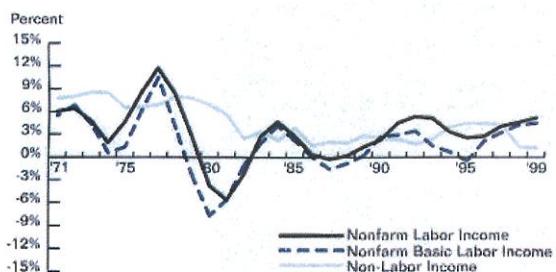
Missoula County was recently designated the state's third Metropolitan Statistical Area, thus increasing Missoula's national visibility. The University of Montana, located in Missoula, continues to be a significant factor in the local economy with nearly 14,000 students. The Bureau projects that Missoula County will be one of the leaders in Montana in population growth over the next several years as shown by the chart below.

Table 2
Population, Montana and BEA Regions, 1990-2010

	Thousands of Persons				Average Percent 1990-2000	Annual Change 2000-2004	Annual Change 2004-2010
	Actual 1990	2000	2004	2010			
Montana	800	902	929	968	1.2%	0.7%	0.7%
West	335	400	414	444	1.8%	0.9%	1.2%
Missoula	79	95	99	105	1.9%	1.0%	1.0%
Flathead	60	75	81	90	2.3%	1.9%	1.8%
Silver Bow	34	35	33	35	0.3%	-1.5%	1.0%
Lewis and Clark	48	56	58	61	1.5%	0.9%	0.8%
Ravalli	25	36	39	43	3.7%	2.0%	1.6%
Rest of West	89	103	104	110	1.5%	0.2%	0.9%
North-Central	181	183	182	184	0.1%	-0.1%	0.2%
Cascade	78	80	80	81	0.3%	0.0%	0.2%
Hill	18	17	16	17	-0.6%	-1.5%	1.0%
Fergus	12	12	12	12	0.0%	0.0%	0.0%
Rest of North-Central	73	74	74	74	0.1%	-0.0%	0.0%
Southeast	284	319	333	340	1.2%	1.0%	0.3%
Yellowstone	114	128	135	145	1.2%	1.3%	1.2%
Gallatin	51	68	76	85	2.9%	2.8%	1.9%
Richland	11	10	9	10	-0.9%	-2.6%	1.8%
Custer	12	12	11	12	0.0%	-2.1%	1.5%
Rest of Southeast	98	101	102	88	0.5%	0.2%	-2.4%

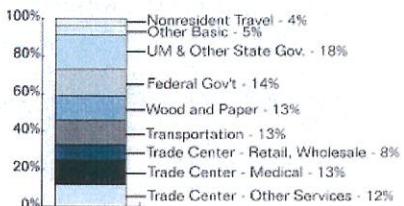
Source: Bureau of the Census, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula.

Figure 4
Nonfarm Labor Income and Nonfarm Basic Labor Income, Missoula County, Percentage Change, 3-Year Moving Average [in constant dollars]



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 5
Labor Income in Basic Industries, Missoula County, 2001-2003 [percent of total]



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

MAJOR INITIATIVES

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

- Engineering design was completed on the \$4,000,000 Rattlesnake Neighborhood Wastewater Collection Project in FY 2004, although construction was delayed due to a lawsuit filed against the project. The City did prevail in the lawsuit in FY 2005 and construction was initiated and completed on several smaller components of this project.
- 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 began 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. Many of these facilities were ready for use in the summer of 2006.
- \$8,940,425 of street improvements was completed in FY 2006.
- The City of Missoula began accepting credit cards and electronic payments in FY 2005 and expanded the number of areas in FY 2006 where this form of payment could be accepted on the web.
- A new Municipal Court structure was built in FY 2006 due to the growth occurring within the City of Missoula.
- A space needs analysis was prepared to determine the best way to build additional space to handle the growth of offices at City Hall.
- A new Fire Station (#5) began construction 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 three other, older fire stations.

- The City's Parks and Recreation Department completed the development of a skate board park in FY 2006.
- The new Maloney Ranch Park was slated for completion in the spring of 2006.

For the Future

- A new Council Chambers and Redevelopment structure was under construction at the close of FY 2006 due to the growth occurring within the City of Missoula and was completed in November of 2006.
- The City will extend 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 will work in cooperation with the competitive swim community to build a 50 meter pool immediately at Playfair Park to replace the old 50 meter pool at McCormick Park, which was removed in the fall of 2006.
- Repair and enlarge Fire Station #4. This project is partially completed and is slated to move into the second phase (addition of an additional maintenance bay) in FY 07.
- Construction should be completed in the fall of 2006 for a new Fire Station (#5) that is being built 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 three other, older fire stations.

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, 2005. This was the ninth 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, 2005

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.



Carla E. Fudge

President

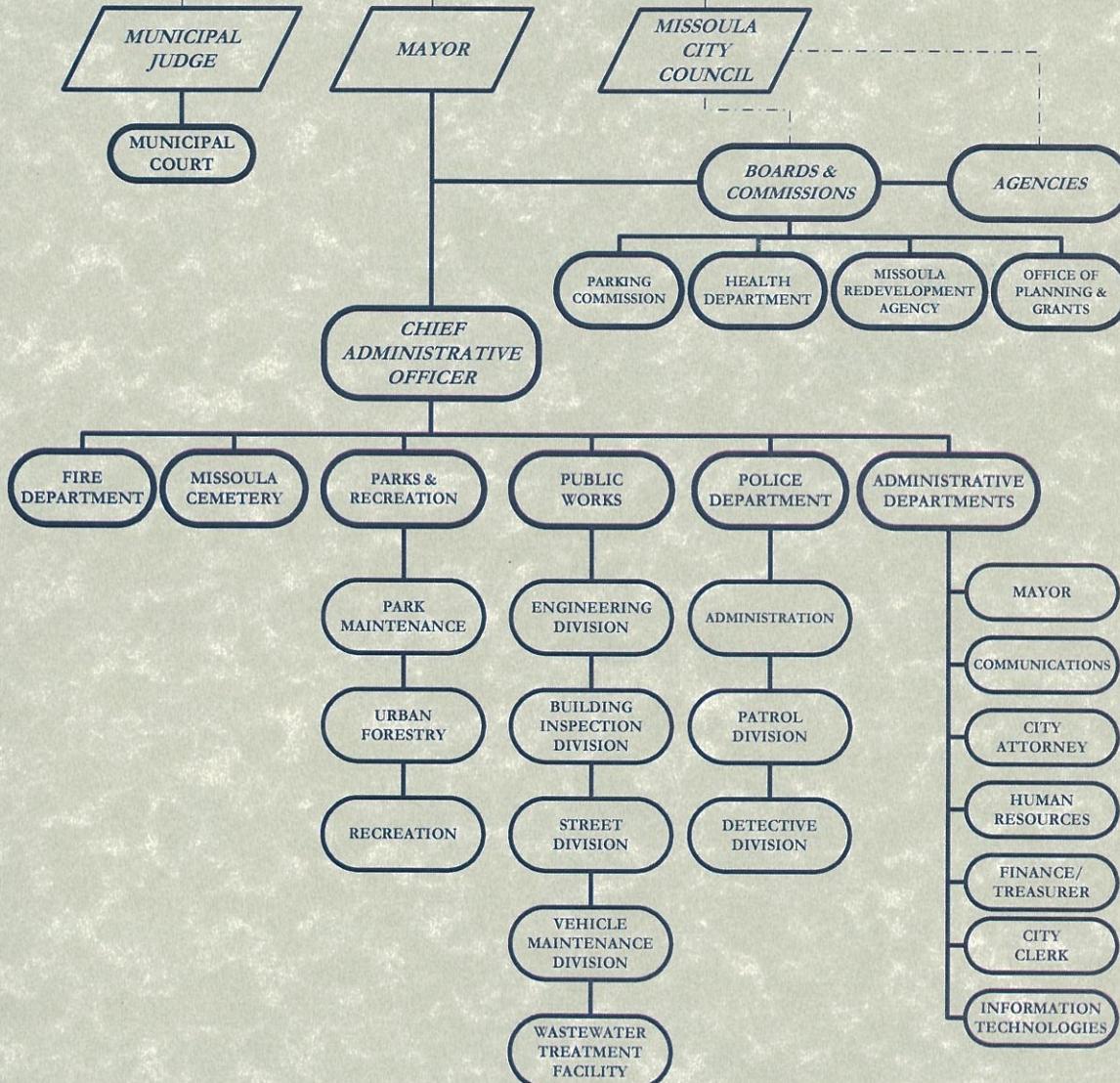
Jeffrey L. Ecker

Executive Director

CITY OF MISSOULA



CITIZENS OF THE 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

BRENT 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

CINDY KLETTE, 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, 2006, 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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2006, 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 Zorn Muehle & Co., P.C.

Missoula, Montana
December 10, 2006



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, 2006. 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 \$ 173,903,156 (*net assets*). Of this amount, \$ 17,605,372 (*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 \$ 2,181,093. Included within this amount is a deficit fund balance of (\$5,290,370) for the capital project funds, most of which will be reimbursed during the summer and fall of 2006 as debt is issued to reimburse the City for carrying the costs of those projects until the financing could be completed. The special revenue funds had an unreserved fund balance of \$1,939,572, which is *available for spending* at the government's discretion (*unreserved fund balance*), while \$3,602,376 of debt service fund balance is restricted for debt payments.
- At the end of the current fiscal year, the total fund balance of the General fund was \$1,929,515 which represented six percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,341,370.

Overview of the Financial Statements

This discussion and analysis are 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 ninety nine 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 25-54 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 55 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 \$ 173,903,157 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	
	2006	2005	2006	2005	2006	2005
Current & Other Assets	\$ 24,028,545	\$ 33,925,846	\$ 6,384,115	\$ 4,856,492	\$ 30,412,660	\$ 38,782,338
Non-Current Capital Assets	129,449,803	109,995,557	72,156,715	72,197,199	201,606,518	182,192,756
Total Assets	\$ 153,478,348	\$ 143,921,403	\$ 78,540,830	\$ 77,053,691	\$ 232,019,178	\$ 220,975,094
Long-term Liabilities						
Non-Current Liabilities	\$ 16,099,459	\$ 30,952,928	\$ 16,249,565	\$ 15,817,654	\$ 32,349,024	\$ 46,770,582
Other Liabilities	10,167,131	6,323,669	1,451,535	1,550,105	11,618,666	7,873,774
Total Liabilities	\$ 26,266,590	\$ 37,276,597	\$ 17,701,100	\$ 17,367,759	\$ 43,967,690	\$ 54,644,356
Net Assets:						
Invested in capital assets, net of related debt	97,908,705	84,357,623	53,483,675	54,728,019	151,392,380	139,085,642
Restricted	3,602,376	3,280,061	1,303,028	2,525,370	4,905,404	5,805,431
Unrestricted	11,552,345	18,145,146	6,053,027	2,432,543	17,605,372	20,577,689
Total Net Assets	\$ 113,063,426	\$ 105,782,830	\$ 60,839,730	\$ 59,685,932	\$ 173,903,156	\$ 165,468,762

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* (\$21,207,747) 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 \$7,280,596 during the current fiscal year, mainly due to sustained increases in 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 \$1,153,798 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 \$775,800 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 four 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	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 7,658,546	\$ 7,333,406	\$ 6,620,032	\$ 7,265,855	\$ 14,278,578	\$ 14,599,261
Operating grants & contributions	2,986,691	2,532,942			2,986,691	2,532,942
Capital grants & contributions	3,594,855	4,744,999	827	1,283,828	3,595,682	6,028,827
General revenues:						
Property taxes for general purposes	17,869,988	17,967,026			17,869,988	17,967,026
Annexations & developer contributions	4,935,983	5,772,066	775,800		5,711,783	5,772,066
Intergovernmental revenue	9,789,157	9,048,644			9,789,157	9,048,644
Investment earnings	203,490	209,628	63,237	299,782	266,727	509,410
Miscellaneous	517,530	684,960	2,886	8,749	520,416	693,709
Interfund Transactions	224,539	220,635	(224,539)	(220,635)		
Total revenues	<u>47,780,779</u>	<u>48,514,306</u>	<u>7,238,243</u>	<u>8,637,579</u>	<u>55,019,022</u>	<u>57,151,885</u>
Primary Government:						
Expenses:						
General Government	7,670,901	5,447,966	-	-	7,670,901	5,447,966
Public Safety	18,706,533	17,596,888	-	-	18,706,533	17,596,888
Public Works	6,019,601	5,880,778	6,084,445	5,904,344	12,104,046	11,785,122
Public Health	1,178,646	1,118,946	-	-	1,178,646	1,118,946
Social and Economic Services	138,564	131,017	-	-	138,564	131,017
Culture and Recreation	3,795,635	3,346,471	-	-	3,795,635	3,346,471
Housing & Development	1,391,082	1,494,654	-	-	1,391,082	1,494,654
Conservation of Natural Resources	169,228	108,599	-	-	169,228	108,599
Miscellaneous	-	910,387	-	-	-	910,387
Interest Expense	<u>1,429,993</u>	<u>1,867,190</u>	<u>-</u>	<u>-</u>	<u>1,429,993</u>	<u>1,867,190</u>
Total Expenses	<u>40,500,183</u>	<u>37,902,896</u>	<u>6,084,445</u>	<u>5,904,344</u>	<u>46,584,628</u>	<u>43,807,240</u>
Change in net assets	<u>7,280,596</u>	<u>10,611,410</u>	<u>1,153,798</u>	<u>2,733,235</u>	<u>8,434,394</u>	<u>13,344,645</u>
Restatements	-	(861,976)	-	-	-	(861,976)
Ending Net Assets	<u>\$ 113,063,426</u>	<u>\$ 105,782,830</u>	<u>\$ 60,839,730</u>	<u>\$ 59,685,932</u>	<u>\$ 173,903,156</u>	<u>\$ 165,468,762</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 \$2,181,093, a decrease of \$12,211,323 in comparison with the prior year. Included within this amount is a deficit fund balance of (\$5,290,370) for the capital project funds, most of which will be reimbursed during the summer and fall of 2006 as debt is issued to reimburse the City for carrying the costs of those projects until the financing could be completed. The decline in governmental fund balance was also heavily influenced by the spend down of the \$8.1 million of General Obligation bond proceeds that were on hand at the beginning of the year to assist with the construction of the City's new aquatic facilities. The special revenue funds had an unreserved fund balance of \$1,939,572, which is *available for spending* at the government's discretion (*unreserved fund balance*) while \$3,602,376 of debt service fund balance is reserved for debt payments.

The General Fund is the chief operating fund of the City of Missoula. At the end of the current fiscal year, the total fund balance of the General fund was \$1,929,515 which represented six percent of total General Fund expenditures. The unreserved portion of the fund balance was \$1,341,370. 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 2006 the unreserved fund balance represented four percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$123,009 during the current fiscal year, mainly due to expenditure savings. The fund balance of the 2004 GO Aquatics Bond decreased by \$7,993,588 due to the construction, and related spend down of the resources, of the aquatics facility.

The debt service funds have a total fund balance of \$3,602,376 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 \$6,053,028. The total growth in net assets for the Sewer Fund was \$1,153,799. 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 a reduction in budgeted appropriations of \$245,505, mainly because a large federal public safety grant was not awarded.

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, 2006, amounts to \$200,012,689 (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:

- Construction was completed on additional wastewater treatment facilities for the sewer plant; construction in progress of \$1,651,246 was capitalized which included the final installation of the centrifuge and completion of the Mullan Trail sewer line connection and the Birch Street sewer main replacement.
- Construction continued on the \$12.3 million aquatics project, utilizing multiple funding sources that included the debt proceeds from an \$8.1 million voted general obligation bond that was sold in the spring of 2004. This project was designed to replace aging pools at two different sites and splash decks in four other parks throughout the City.
- \$8,940,425 of street and bicycle/pedestrian improvements were completed in FY 2006.

CITY OF MISSOULA'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 18,325,869	\$ 16,188,382	\$ 1,333,614	\$ 1,333,614	\$ 19,659,483	\$ 17,521,996
Art	190,500	-	-	-	190,500	-
Buildings and Improvements	20,706,194	18,859,318	89,615,723	87,334,383	110,321,917	106,193,701
Machinery and Equipment	17,340,355	15,213,898	5,318,710	5,275,560	22,659,065	20,489,458
Infrastructure	180,664,550	172,766,992	-	-	180,664,550	172,766,992
Construction in Progress	12,549,429	1,042,867	1,160,513	918,844	13,709,942	1,961,711
Total Capital Assets	249,776,897	224,071,457	97,428,560	94,862,401	347,205,457	318,933,858
Less Accumulated Depreciation	(120,327,094)	(114,714,959)	(26,865,674)	(24,705,221)	(147,192,768)	(139,420,180)
Net Capital Assets	\$ 129,449,803	\$ 109,356,498	\$ 70,562,886	\$ 70,157,180	\$ 200,012,689	\$ 179,513,678

Long-term debt. At the end of the current fiscal year, the City of Missoula had a total of \$51,681,680 of long term debt outstanding of which \$48,058,415 was bonded debt. Of this amount, \$14,070,000 comprises debt backed by the full faith and credit of the government and \$15,594,203 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	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	\$ 14,070,000	\$ 15,020,000	-	-	\$ 14,070,000	\$ 15,020,000
Tax Anticipation Note	-	-	-	-	-	-
Limited Obligation Bonds	1,315,000	1,380,000	-	-	1,315,000	1,380,000
Revenue Bonds	-	-	17,079,212	16,586,137	17,079,212	16,586,137
Spec. Assessment Bonds	15,594,203	14,226,402	-	-	15,594,203	14,226,402
Sidewalk & Curb Warrants	120,923	228,628	-	-	120,923	228,628
State Board of Investment Loans	440,972	546,373	-	-	440,972	546,373
Compensated Absences	2,941,117	2,818,798	120,253	118,500	3,061,370	2,937,298
Total Outstanding Debt	\$ 34,482,215	\$ 34,220,201	\$ 17,199,465	\$ 16,704,637	\$ 51,681,680	\$ 50,924,839

The City of Missoula's total debt was increased by \$ 756,842 (1.5 percent) during the 2006 fiscal year. The key factor in this increase was the increase in special assessment debt and revenue bonds. The government issued \$2,726,001 in special assessment bonds to finance street construction and \$1,387,825 of new sewer revenue bonds to complete the expansion of the wastewater treatment facility and additional trunk lines.

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 \$45,789,258, 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 2.8 percent. This compares favorably to the state's average unemployment rate of 3.6 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 and planned annexations.

All of these factors were considered in preparing the City of Missoula's budget for the 2006 fiscal year. "Fee for service" revenues were increased in fiscal year 2006 due to the completion of a cost of service analysis contracted for three years ago. The 2007 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 2006 or 2007 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 2008 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, 2006

	Primary Government			Component Units				
	Governmental Activities	Business Type Activities		Total	Missoula	Missoula		
					Parking Commission	Redevelopment Agency		
ASSETS								
Current Assets								
Cash and investments	\$ 11,048,468	\$ 1,222,649	\$ 12,271,117	\$ 2,907,983	\$ 2,435,507			
Taxes/Assessments receivable, net	2,087,043	-	2,087,043	-	120,926			
Internal balances	(4,578,600)	4,578,600	-	-	-	-		
Deferred assessments receivable	13,064,322	-	13,064,322	-	-	-		
Accounts receivable	503,410	489,570	992,980	-	-	-		
Long term loans receivable	64,793	-	64,793	-	-	-		
Other receivable	26,073	23,300	49,373	45,375	-	-		
Interest receivable	119,577	33,980	153,557	576	-	-		
Prepaid expense	264,314	13,443	277,757	-	3,840			
Due from other governments	841,000	73	841,073	-	56,650			
Inventory of supplies	588,145	22,500	610,645	-	-	-		
Total Current Assets	<u>24,028,545</u>	<u>6,384,115</u>	<u>30,412,660</u>	<u>2,953,934</u>	<u>2,616,923</u>			
Noncurrent Assets								
Cash and investments	-	1,582,619	1,582,619	150,000	-			
Bond issuance costs, net	-	11,210	11,210	13,973	-			
Other assets	-	-	-	7,110	-			
Capital assets - depreciable, net	98,384,004	68,068,760	166,452,764	2,682,490	-			
Capital assets - land and construction in progress	31,065,799	2,494,126	33,559,925	2,397,866	-			
Total Noncurrent Assets	<u>129,449,803</u>	<u>72,156,715</u>	<u>201,606,518</u>	<u>5,251,439</u>	<u>-</u>			
Total Assets	<u>153,478,348</u>	<u>78,540,830</u>	<u>232,019,178</u>	<u>8,205,373</u>	<u>2,616,923</u>			
LIABILITIES								
Current Liabilities								
Accounts payable	4,866,518	448,208	5,314,726	40,552	158,977			
Accrued expenses	671,153	33,327	704,480	10,762	-			
Deferred revenue	258,237	20,100	278,337	-	-			
Bond deposit	136,800	-	136,800	-	-			
Compensated absences payable	1,597,000	22,900	1,619,900	27,305	32,416			
Special assessment debt with government obligation	1,445,870	-	1,445,870	-	-			
Long-term liabilities - due within one year	1,191,553	927,000	2,118,553	100,000	-			
Total Current Liabilities	<u>10,167,131</u>	<u>1,451,535</u>	<u>11,618,666</u>	<u>178,619</u>	<u>191,393</u>			
Noncurrent Liabilities								
Long-term portion of compensated absences	1,344,117	97,353	1,441,470	14,029	12,059			
Special assessment debt with government obligation - long-term	14,148,333	-	14,148,333	-	-			
Long-term liabilities - due in more than one year	<u>14,755,342</u>	<u>16,152,212</u>	<u>30,907,554</u>	<u>1,165,000</u>	<u>-</u>			
Total Noncurrent Liabilities	<u>16,099,459</u>	<u>16,249,565</u>	<u>32,349,024</u>	<u>1,179,029</u>	<u>12,059</u>			
Total Liabilities	<u>26,266,590</u>	<u>17,701,100</u>	<u>43,967,690</u>	<u>1,357,648</u>	<u>203,452</u>			
NET ASSETS								
Invested in capital assets, net of related debt	97,908,705	53,483,675	151,392,380	3,815,356	-			
Restricted for debt service	3,602,376	1,303,028	4,905,404	150,000	-			
Unrestricted	11,552,345	6,053,026	17,605,371	2,882,369	2,413,471			
Total Net Assets	<u>\$ 113,063,426</u>	<u>\$ 60,839,730</u>	<u>\$ 173,903,155</u>	<u>\$ 6,847,725</u>	<u>\$ 2,413,471</u>			

See accompanying Notes to the Financial Statements

City of Missoula, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2006

Net (Expenses) Revenues and Changes in Net Assets									
Program Revenues		Primary Government				Component Units			
Operating Grants and Contributions		Capital Grants and Contributions		Governmental Activities		Business-type Activities		Missoula	Missoula Redevelopment Agency
Charges for Services	Expenses						Total	Commission	
Functions/Programs									
Primary Government									
Governmental activities:									
General government	\$ 7,670,901	\$ 3,866,032	\$ 26,000	\$ 2,347,124	\$ (1,431,745)	\$ (1,431,745)	\$ (1,431,745)	\$ (1,431,745)	\$ -
Public safety	18,706,533	1,387,678	523,155	104,593	(16,691,107)	-	(16,691,107)	-	-
Public works	6,019,601	1,465,396	6,544	659,265	(3,888,396)	-	(3,888,396)	-	-
Public health	1,178,646	-	-	-	(1,178,646)	-	(1,178,646)	-	-
Social and economic services	138,564	32,899	-	-	(105,665)	-	(105,665)	-	-
Culture and recreation	3,795,635	581,157	9,051	483,873	(2,721,554)	-	(2,721,554)	-	-
Housing and community development	1,391,082	324,124	2,421,941	-	1,354,983	-	1,354,983	-	-
Conservation of natural resources	169,228	1,260	-	-	(167,968)	-	(167,968)	-	-
Debt service expense - interest	1,429,993	-	-	-	(1,429,993)	-	(1,429,993)	-	-
Total Governmental Activities	<u>40,500,183</u>	<u>7,658,546</u>	<u>2,986,691</u>	<u>3,594,855</u>	<u>(26,260,091)</u>	<u>-</u>	<u>(26,260,091)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	6,084,445	6,620,032	-	827	-	536,414	536,414	-	-
Total Business-Type Activities	<u>6,084,445</u>	<u>6,620,032</u>	<u>-</u>	<u>827</u>	<u>-</u>	<u>536,414</u>	<u>536,414</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 46,584,628</u>	<u>\$ 14,278,578</u>	<u>\$ 2,986,691</u>	<u>\$ 3,595,682</u>	<u>(26,260,091)</u>	<u>536,414</u>	<u>(25,723,677)</u>	<u>\$ -</u>	<u>\$ -</u>
Component Units:									
Missoula Parking Commission	\$ 1,123,211	\$ 1,474,651	\$ -	\$ -					
Missoula Redevelopment Agency	4,826,444	-	-	-					
Total Component Units	<u>\$ 5,949,655</u>	<u>\$ 1,474,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General Revenues									
Property taxes for general purposes	17,869,988	-	-	-	17,869,988	-	17,869,988	-	1,062,215
Intergovernmental revenue, unrestricted	9,789,157	-	-	-	9,789,157	-	9,789,157	-	489,306
Miscellaneous	517,550	-	-	-	520,416	-	520,416	-	70,919
Interest income	203,490	-	-	-	63,237	-	63,237	-	129,956
Developers contributions and annexations	4,935,983	-	-	-	775,800	-	775,800	-	-
Interfund transactions	224,539	-	-	-	(224,539)	-	(224,539)	-	-
Total general revenues, special items and transfers	<u>33,540,687</u>	<u>-</u>	<u>617,384</u>	<u>-</u>	<u>34,158,071</u>	<u>-</u>	<u>34,158,071</u>	<u>-</u>	<u>1,757,396</u>
Change in Net Assets	<u>7,280,596</u>	<u>-</u>	<u>1,153,798</u>	<u>-</u>	<u>8,434,394</u>	<u>-</u>	<u>8,434,394</u>	<u>-</u>	<u>(3,074,648)</u>
Net Assets - July 1, 2005	106,644,806	59,685,932	166,330,738	6,373,353	6,373,353	6,373,353	6,373,353	5,487,519	
Restatements	<u>(861,976)</u>	<u>-</u>	<u>(861,976)</u>	<u>-</u>	<u>(861,976)</u>	<u>-</u>	<u>(861,976)</u>	<u>-</u>	<u>5,487,519</u>
Net Assets - July 1, 2005 - Restated	<u>105,782,830</u>	<u>59,685,932</u>	<u>165,468,762</u>	<u>6,373,353</u>	<u>6,373,353</u>	<u>6,373,353</u>	<u>6,373,353</u>	<u>5,487,519</u>	
	<u>\$ 113,063,426</u>	<u>\$ 60,839,730</u>	<u>\$ 173,903,156</u>	<u>\$ 6,847,725</u>	<u>\$ 2,413,471</u>	<u>\$ 2,413,471</u>	<u>\$ 2,413,471</u>	<u>\$ 2,413,471</u>	

See accompanying Notes to the Financial Statements



FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

GENERAL FUND

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

2004 GENERAL OBLIGATION BOND AQUATICS CONSTRUCTION FUND

A capital project fund established to account for the financial resources received from a voter approved general obligation bond intended to construct aquatics facilities within the City.

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, 2006

	General Fund	2004 GO Aquatics	2004 GO Aquatics	Other Governmental Funds	Other Governmental Funds	Total Governmental Funds
ASSETS			SID 524			
Current Assets						
Cash and investments	\$ 1,357,759	\$ 790,079	\$ 752,134	\$ 6,807,571	\$ 9,707,543	
Taxes/Assessments receivable, net	1,464,685	-	9,943	612,415	2,087,043	
Deferred assessments receivable	200,122	-	3,537,419	9,326,781	13,064,322	
Due from other governments	418,767	-	1,976	420,257	841,000	
Accounts receivable	140,991	-	3,373	423,840	568,204	
Interest receivable	94,719	-	-	18,868	113,587	
Prepaid expenses	226,237	-	-	7,680	233,917	
Inventory of supplies	588,145	-	-	-	588,145	
Total Assets	\$ 4,491,425	\$ 790,079	\$ 4,304,845	\$ 17,617,412	\$ 27,203,761	
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 626,492	\$ 1,519,162	\$ -	\$ 2,562,964	\$ 4,708,618	
Accrued expenses	648,613	-	-	22,540	671,153	
Deferred revenue	1,286,805	-	3,547,362	10,093,327	14,927,494	
Bond deposit	-	-	-	136,800	136,800	
Interfund payable	-	-	-	4,578,603	4,578,603	
Total Liabilities	2,561,910	1,519,162	3,547,362	17,394,234	25,022,668	
FUND BALANCES						
Reserved for inventories	588,145	-	-	-	588,145	
Reserved for debt service	-	-	757,483	2,844,893	3,602,376	
Unreserved reported in general fund	1,341,370	-	-	-	1,341,370	
Unreserved reported in special revenue funds	-	-	-	-	1,939,572	
Unreserved reported in capital projects funds	-	(729,083)	-	(4,561,287)	(5,290,370)	
Total Fund Balance	<u>1,929,515</u>	<u>(729,083)</u>	<u>757,483</u>	<u>223,178</u>	<u>2,181,093</u>	
Total Liabilities and Fund Balance	\$ 4,491,425	\$ 790,079	\$ 4,304,845	\$ 17,617,412	\$ 27,203,761	

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, 2006

Total fund balances - governmental funds	\$ 2,181,093
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds	129,449,803
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.	14,927,494
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	987,251
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	(34,482,215)
Total net assets - governmental activities	<u><u>\$ 113,063,426</u></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, 2006

	General	2004 GO Aquatics	SID 524	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	\$ 15,344,840	\$ -	\$ 454,974	\$ 6,540,990	\$ 22,340,804
Licenses and permits	1,267,752	-	-	1,571,306	2,839,058
Intergovernmental	8,578,949	-	-	4,629,806	13,208,755
Charges for services	3,310,649	-	-	314,576	3,625,225
Fines and forfeitures	1,129,598	-	-	49,322	1,178,920
Miscellaneous	256,389	-	-	693,148	949,537
Investment earnings	114,996	-	6,502	71,260	192,758
Total revenues	<u>30,003,173</u>	<u>-</u>	<u>461,476</u>	<u>13,870,408</u>	<u>44,335,057</u>
EXPENDITURES					
Current:					
General government	5,962,589	-	-	371,655	6,334,244
Public safety	16,635,389	-	-	1,503,405	18,138,794
Public works	5,421,287	-	-	382,222	5,803,509
Public health	1,152,195	-	-	-	1,152,195
Social and economic services	108,395	-	-	-	108,395
Culture and recreation	2,938,866	-	-	72,188	3,011,054
Housing and community development	-	-	-	2,379,741	2,379,741
Debt service expenditures	-	-	348,280	3,792,899	4,141,179
Capital outlay	572,641	7,993,588	-	9,930,303	18,496,532
Total expenditures	<u>32,791,362</u>	<u>7,993,588</u>	<u>348,280</u>	<u>18,432,413</u>	<u>59,565,643</u>
Excess (deficiency) of revenues over expenditures	<u>(2,788,189)</u>	<u>(7,993,588)</u>	<u>113,196</u>	<u>(4,562,005)</u>	<u>(15,230,586)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,136,500	-	-	1,201,825	5,338,325
Transfers (out)	(1,225,316)	-	-	(3,944,727)	(5,170,043)
Issuance of long term debt	-	-	-	2,850,881	2,850,881
Proceeds from sale of capital assets	-	-	-	100	100
Total other financing sources (uses)	<u>2,911,184</u>	<u>-</u>	<u>-</u>	<u>108,079</u>	<u>3,019,263</u>
Net Change in Fund Balance	122,995	(7,993,588)	113,196	(4,453,926)	(12,211,323)
Fund Balance - July 1, 2005	1,806,506	7,264,505	646,256	4,675,149	14,392,416
Residual Equity Transfer	14	-	(1,969)	1,955	-
Fund Balance - June 30, 2006	<u>\$ 1,929,515</u>	<u>\$ (729,083)</u>	<u>\$ 757,483</u>	<u>\$ 223,178</u>	<u>\$ 2,181,093</u>

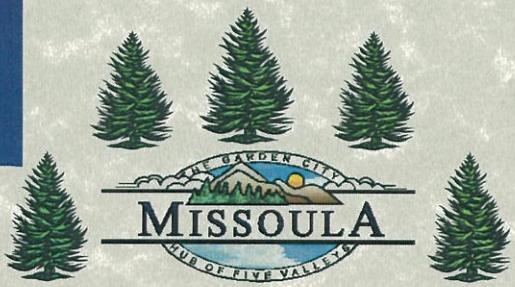
See accompanying Notes to the Financial Statements

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, 2006

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

Net change in fund balances - total governmental funds	\$ (12,211,323)
Governmental funds report capital outlays as expenditures.	26,982,569
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(5,979,958)
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.	(47,330)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,684,783)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(2,850,881)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,711,186
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(122,319)
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.	483,434
Change in net assets - statement of activities	\$ 7,280,596

See accompanying Notes to the Financial Statements



PROPRIETARY FUND FINANCIAL STATEMENTS

City of Missoula, Montana
Balance Sheet
Proprietary Funds
June 30, 2006

	Business-Type Activities - Enterprise Funds	Governmental Activities		
		Internal Service Self Insurance		
		Sewer		
ASSETS				
Current Assets				
Cash and investments	\$ 1,222,649	\$ 1,340,925		
Accounts receivable	489,570	-		
Interest receivable	33,980	5,993		
Other receivable	23,300	26,073		
Due from other governments	73	-		
Prepaid expenses	13,443	30,397		
Interfund receivable	4,578,600	-		
Inventory of supplies	22,500	-		
Total Current Assets	<u>6,384,115</u>	<u>1,403,388</u>		
Noncurrent Assets				
Cash and investments	1,582,619	-		
Land	1,333,614	-		
Construction - work in progress	1,160,513	-		
Buildings	6,780,221	-		
Improvements other than buildings	82,835,502	-		
Machinery and equipment	5,318,710	-		
Allowance for depreciation	(26,865,674)	-		
Bond Issuance costs, net	11,210	-		
Total Noncurrent Assets	<u>72,156,715</u>	<u>-</u>		
Total Assets	<u><u>78,540,830</u></u>	<u><u>1,403,388</u></u>		
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 448,208	\$ 5,561		
Claims payable	-	152,339		
Accrued expenses	33,327	-		
Deferred revenue	20,100	258,237		
Compensated absences payable	22,900	-		
Long-term liabilities - due within one year	927,000	-		
Total Current Liabilities	<u>1,451,535</u>	<u>416,137</u>		
Noncurrent Liabilities				
Long-Term portion of compensated absences	97,353	-		
Long-term liabilities - due in more than one year	16,152,212	-		
Total Noncurrent Liabilities	<u>16,249,565</u>	<u>-</u>		
Total Liabilities	<u><u>17,701,100</u></u>	<u><u>416,137</u></u>		
NET ASSETS				
Invested in capital assets, net of related debt	53,483,675	-		
Restricted for debt service	1,303,028	-		
Unrestricted	6,053,027	987,251		
Total Net Assets	<u>60,839,730</u>	<u>987,251</u>		
Total Liabilities and Net Assets	<u><u>78,540,830</u></u>	<u><u>1,403,388</u></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, 2006

	Business-Type Activities -		Governmental Activities	
	Enterprise Funds			
	Sewer	Internal Service Self-Insurance Funds		
Operating Revenues:				
Intergovernmental	\$ 827	\$ -	-	
Charges for services	6,620,032	-	-	
Miscellaneous	2,886	-	-	
Internal services	-	3,482,554		
Total Operating Revenues	<u>6,623,745</u>	<u>3,482,554</u>		
Operating Expenses				
Personal services	1,172,946	-	-	
Fixed charges	641,259	-	-	
Depreciation	2,160,452	-	-	
Insurance claims and expenses	-	3,072,589		
Maintenance and operations	<u>1,449,447</u>	-	-	
Total Operating Expenses	<u>5,424,104</u>	<u>3,072,589</u>		
Operating Income	<u>1,199,641</u>	<u>409,965</u>		
Non-operating revenues (expenses)				
Contributions from property owners	775,800	-	-	
Interest revenue	63,237	10,728		
Debt service interest expense	(660,341)	-	-	
Total non-operating revenues (expenses)	<u>178,696</u>	<u>10,728</u>		
Income (loss) before transfers	<u>1,378,337</u>	<u>420,693</u>		
Transfers in	-	62,741		
Transfers (out)	(224,539)	-		
Change in Net Assets	<u>1,153,798</u>	<u>483,434</u>		
Net Assets - July 1, 2005	59,685,932	503,817		
Net Assets - June 30, 2006	<u>\$ 60,839,730</u>	<u>\$ 987,251</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, 2006

	Business - Type Activities	Governmental Activities - Internal Service Funds
	Sewer	Self-Insurance
Cash Flows from Operating Activities:		
Receipts from customers	\$ 6,566,173	\$ -
Payments to suppliers	(2,222,503)	-
Payments to employees	(1,210,248)	-
Receipts from operating grants	-	-
Other receipts	19,812	-
Receipts from internal services	-	3,740,791
Benefit payments	-	(3,166,107)
Net Cash Provided by Operating Activities	3,153,234	574,684
Cash Flows from Capital and Related Financing Activities:		
Proceeds from debt	1,387,825	-
Principal paid on debt	(894,751)	-
Interest paid on debt	(660,341)	-
Acquisition and construction of capital assets	(1,790,360)	-
Net Cash Used by Capital and Related Financing Activities	(1,957,627)	-
Cash Flows from Investing Activities		
Interest on investments	30,859	4,735
Proceeds from sale of capital assets	-	-
Receipts from short-term loans to other funds	3,381,889	-
Disbursements for short-term loans to other funds	(4,578,602)	-
Net Cash Provided (Used) by Investing Activities	(1,165,854)	4,735
Cash Flows from Non-Capital Financing Activities:		
Transfers to other funds	(224,539)	-
Transfers from other funds	-	62,741
Net Cash Provided (Used) by Non-Capital Financing Activities	(224,539)	62,741
Net increase (decrease) in cash and cash equivalents	(194,786)	642,160
Cash and cash equivalents at July 1, 2005	3,000,054	698,765
Cash and cash equivalents at June 30, 2006	\$ 2,805,268	\$ 1,340,925
Cash and cash equivalents consists of:		
Cash and investments	\$ 1,222,649	\$ 1,340,925
Restricted cash and investments	1,582,619	-
Total cash and cash equivalents	\$ 2,805,268	\$ 1,340,925
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,199,641	\$ 409,965
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,160,452	-
Changes in assets and liabilities:		
Due from other governments	16,099	-
Other receivables and notes receivable	(51,684)	45,179
Prepaid expense	(13,440)	(30,397)
Deferred revenue	(2,175)	-
Contributions paid in advance	-	258,237
Compensated absences payable	1,753	-
Inventories	1,900	-
Accounts and other payables	(192,639)	(108,300)
Accrued expenses	33,327	-
Net Cash Provided by Operating Activities	\$ 3,153,234	\$ 574,684

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, 2006

	<u>Agency</u> <u>Funds</u>
ASSETS	
Cash and short-term investments	\$ 499,552
Interest receivable	3,707
Due from other governments	8,636
Total assets	\$ 511,895
LIABILITIES	
Accounts payable	\$ 46,493
Due to private parties	237,658
Due to other governments	227,744
Total liabilities	\$ 511,895

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, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City complies with 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.

The City adopted the following GASB provisions for its fiscal year ended June 30, 2006:

GASB 42 - Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries
GASB 44 - Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1
GASB 46 - Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34
GASB 47 - Accounting for Termination Benefits

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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 extends the tax increment provisions for the term of the bonds, whose final maturity is July 1, 2005. These bonds are payable solely from the tax increment receipts and are not a debt of the City. 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 1,112 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 good 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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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

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

Measurement Focus and Basis of Accounting

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

Fund Financial Statements

Basis of Presentation

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

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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.

Aquatics Bond Capital Fund – A capital project fund established to account for the financial resources received from a voter approved general obligation bond intended to construct aquatics facilities within the City.

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.

CITY OF MISSOULA, MONTANA
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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 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.

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;
- (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

CITY OF MISSOULA, MONTANA
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governing body;

- (e) any fund for special assessments approved by the governing body;
- (f) the proceeds from the sale of land;
- (g) any fund for gifts or donations; and
- (h) money borrowed during the fiscal year.

The Council approved several resolutions for budget amendments. The amendments resulted in the following changes to the budget:

- The General Fund revenue budget was decreased by \$158,231
- The General Fund expenditure budget was decreased by \$245,505.
- The Special Revenue funds revenue budget was increased by \$1,590,893.
- The Special Revenue funds expenditure budget was increased by \$1,523,657.
- The Debt Service funds revenue budget was increased by \$13,209.
- The Capital Projects funds revenue budget was increased by \$8,571,088.
- The Capital Projects funds expenditure budget was increased by \$7,970,390.

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 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, 2006. 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, 2006.

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:

CITY OF MISSOULA, MONTANA
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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.

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.

CITY OF MISSOULA, MONTANA
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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. Pavement has an estimated useful life of 20 years; curb and sidewalk 50 years; storm sewer is 75 years; sumps are 30 years; signs are 60 years; bridges and pedestrian crossing are 50 years; and street lights are 50 years. Useful lives of infrastructure assets are from 20 to 75 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.

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.

CITY OF MISSOULA, MONTANA
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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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

Nine special revenue funds with deficit fund balances were identified as of June 30, 2006. The Impact Fee fund (\$29,012), the Employee Health Insurance Levy fund (\$411,930), the Building Divisions fund (\$118,465), the Dangerous Building Demolition and Repair fund (\$2,000), the Russell Park Maintenance fund (\$1,478), the Community Development Block Grant fund (\$65,609), the Law Enforcement Grant fund (\$9,046), the Crime Victim Surcharge Fund (\$5,801), and the Willowood Park Maintenance fund (\$139) all carried deficit fund balances which will be covered by future assessments and grant revenue in fiscal year 2007.

Four general obligation bond fund balances were identified as having negative fund balances as of June 30, 2006. All of these deficits will be covered by tax revenues received shortly after the close of the fiscal year. These funds are 1998 Safety Bond Fund (\$12,261), 1996 Open Space Bond Fund (\$14,995), 2004 Aquatics Bonds Fund (\$110,693), and the 2004 Refunding Bond Fund (\$176,488).

CITY OF MISSOULA, MONTANA
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The following SID Sinking funds have deficit fund balances.

SID Rebates	\$ (19)	SID 536	\$ (23,339)
SID 515	(13,414)	FY99 Sidewalk & Curb	(8,855)
SID 534	(12,165)	FY03 Sidewalk & Curb	(14,723)
SID 535	(3,384)		

These deficits will decrease as assessments are collected. Any deficits remaining when all assessments have been collected will be covered by the Revolving Fund.

The capital projects Sidewalk and Curb Fund had a deficit fund balance (\$381,695), the SID Fund had a deficit balance (\$1,301,931), and the New Fire Station GO Bond fund had a deficit balance (\$825,654) due to the receipt of the financing proceeds in FY 2007. The 2004 Non GO Aquatics fund has a deficit balance of (\$729,083) due to future community fund raisers to support unanticipated aquatics facility costs. The Capital Improvement fund reported a negative fund balance (\$2,502,356) 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, 2006:

Employee Health Insurance	\$25,000
Russell Park Maintenance	2,372
HIDTA Grant	2,577
2004 Aquatic Bond	1,250
Sidewalk & Curb	122,678
FY 04 Sidewalk & Curb	250
FY 05 Sidewalk & Curb	662
FY 06 Sidewalk & Curb	600
SID 470	13,361
SID 503	33
SID 505	980
SID 518	4
SID 521	1
SID 522	1
SID 531	2,152
SID 532	549
SID 533	22,711
SID 534	12,099
SID 535	3,366
SID 536	23,212
2004 GO Aquatics	634,823
Sidewalk & Curb	446,941
39 th Street Construction	5,472
SID Funds	1,157,420

CITY OF MISSOULA, MONTANA
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III. DETAILED NOTES ON ALL THE PRIMARY GOVERNMENT'S FUNDS

A. Cash and Cash Equivalents

At June 30, 2006, cash and investments consisted of the following:

	Primary Government	Component Units	Total
Petty Cash and Cash on Hand	\$ 3,739	\$ 1,721	\$ 5,460
Repurchase Agreements	549,187	213,217	762,403
Demand Deposits	603,997	155,185	759,183
Certificates of Deposit	288,134	111,866	400,000
Money Markey Mutual Funds	95,372	37,027	132,400
Marketable Government Securities	8,468,799	3,287,933	11,756,732
State Short-Term Investment Pool (STIP) *	<u>4,344,059</u>	<u>1,686,541</u>	<u>6,030,600</u>
Total	<u>\$ 14,353,288</u>	<u>\$ 5,493,490</u>	<u>\$ 19,846,778</u>

At June 30, 2006, the carrying amount of the City's deposits in local banks were \$744,738 and the bank balances were \$687,299. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$187,299 was covered by collateral held by the pledging bank's agent in the City's name. Individual investments comprising more than 5% of total investments are indicated with an asterisk (*).

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

	Unrestricted	Restricted	Total
Governmental Activities	\$ 11,548,020	\$ -	\$ 11,548,020
Business-type Activities	1,222,649	1,582,619	2,805,268
Component Units	<u>5,343,490</u>	<u>150,000</u>	<u>5,493,490</u>
Total	<u>\$ 18,114,159</u>	<u>\$ 1,732,619</u>	<u>\$ 19,846,778</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, 2006, 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.

CITY OF MISSOULA, MONTANA
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The following table provides information about the interest rate risks associated with the City's deposits and investments.

Investment	Maturities	Credit Risk Rating	Fair Value
State Short-Term Investment Pool	NA	Not Rated	\$ 6,030,600
U.S. Government Bonds	7/2005-4/2011	AAA	11,756,732
Money Market Funds	NA	NA	132,400
Certificates of Deposits	11/2005-11/2010	NA	400,000
Demand deposits	NA	NA	759,183
Repurchase Agreements	NA	NA	762,403
Petty Cash and Cash on Hand	NA	NA	5,460
Total			\$ 19,846,778

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, 2006, follows:

Proprietary Funds:

Sewer (major fund) – Sewer Fees	\$ 489,570
Sewer (major fund) – Lease receivable and Sewer Charges	23,300
Internal Service – Prescription Rebates	<u>26,073</u>
Total Proprietary Funds	\$ 538,943

Governmental Funds:

General (major fund) – Various Licenses, Services and Fees	\$ 140,991
Park Enterprise – Recreational Fees	2,246
Trail Development – Vendor/Contractor Reimbursement and Donations	24,947
Impact Fee – Impact Fees	992
Cable TV Franchise – Franchise Fees	110,310
Building Inspection – Permit Fees	3,168
Program Income – Grant Receipts	4,986
SID Revolving Fund – Mountain Water Notes	212,296
SID 524 Debt Fund – SID receipts	3,373
Capital Improvement – Vendor/Contractor Reimbursement	<u>102</u>
Total Government Funds	\$ 503,410

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Long Term Loans Receivable

A summary of the City's long-term loans receivable as of June 30, 2006, follows:

Primary Government:

Title One - Extended Family Services	\$ 14,793
\$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.	<u>50,000</u>
Reporting Entity Total, Long Term Loans	<u>\$ 64,793</u>

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	\$ 29,871
*From Employee Health Insurance Levy Fund	521,699
*From Cable TV Franchise	10,556
*From Building Inspection	105,800
*From Russell Park Maintenance	1,472
*From Willowwood Park Maintenance	138
*From Law Enforcement Block Grant	3,775
*From CDBG Grant	68,249
*From ISTEA Grant	10,574
*From HOME Grant	50,000
*From General Obligation Debt Funds	390,681
*From Sidewalk and Curb Debt Funds	24,156
*From SID Debt Funds	52,071
*From Capital Improvement	1,894,776
*From 06 Fire Station General Obligation Construction	514,995
*From Sidewalk and Curb Construction Funds	652,229
*From SID Construction Funds	<u>247,561</u>
Primary Government Total, Due To Other Funds	<u>\$ 4,578,600</u>

CITY OF MISSOULA, MONTANA
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Due From Other Governments:

Primary Government

General Fund

Due from Missoula County – Taxes Receivable	\$ 23,632
Due from State of Montana - Gambling	4,150
Due from Montana Department of Transportation	123,444
Due from Federal Government - CDBG Grant	46,240
Due from Federal Government - HOME Grant	19,632
Due from Federal Government - UHP Police Grant	56,250
Due from Federal Government - Pedestrian Safety Grant	15,720
Due from City Municipal Court	<u>129,699</u>
Total General Fund	<u>418,767</u>

Special Revenue Funds:

Due from Missoula County – Taxes Receivable	36,376
Due from Missoula County – Police Capital Grant	45,536
Due from Partnership Health Center – CDBG loan repayment	2,640
Due from City Municipal Court – Drug Forfeiture	2,989
Due from City Municipal Court – Crime Victim Surcharge	8,882
Due from Montana Department of Transportation – CMAQ/CTEP grants	17,112
Due from State of Montana – HOME ADDI Grant	50,000
Due from State of Montana - Underage Drinking Grant	500
Due from Federal Government – HOME Grant	60,947
Due from Federal Government - JAG Police Grant	3,549
Due from Federal Government - Bulletproof Vest Program	9,175
Due from Federal Government – HIDTA Task Force grant	140,959
Due from Federal Government – EPA Brownfields grant	5,267
Due from Federal Government - CDBG Grant	<u>2,320</u>
Total Special Revenue Funds	<u>386,251</u>

Debt Service Funds

Major fund – Due from Missoula County – Taxes Receivable	1,976
Non-major funds - Due from Missoula County – Taxes Receivable	<u>29,817</u>
Total Debt Service Funds	<u>31,793</u>

Capital Projects Funds

Due from Montana Department of Transportation – CMAQ/CTEP grants	4,189
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Total, Due From Other Governments, Governmental Funds	<u>\$ 841,000</u>
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Agency Funds

Due from City Municipal Court – Court Surcharge	8,333
Due from Missoula County – Taxes Receivable	<u>303</u>
Total Agency Funds	<u>\$ 8,636</u>

Proprietary Funds

Due from Missoula County – Delinquent Sewer Collections	<u>\$ 73</u>
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CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Due to Other Governments:

Agency Funds		
Supreme Court	\$ 15,993	
County Park Board	5,500	
Business Improvement District	205,940	
County Clearing	311	
Total Due to Other Governments	<u>227,744</u>	

Due to Private Parties:

Agency Funds		
Sewer Rebates	\$ 29,636	
Youth Programs	473	
Municipal Court Restitution	203,681	
Elk Hills Subdivision	3,868	
Total Due to Private Parties	<u>237,658</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)	\$ 11,210	
Component Unit, Parking Commission Revenue Bond Costs	<u>13,973</u>	
Total Deferred Expense, Reporting Entity	<u>25,183</u>	

E. Capital Assets

Capital Asset Footnote Disclosure

The City identified 3 types of street infrastructure:

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

Estimating construction costs

1. Arterial/collector - The City estimated costs of arterial/collector streets using a bid on 39th street project for 2002/2003.
2. Commercial - The City estimated costs of commercial streets by adjusting the bid on the 39th street project for 2002/2003.
3. Residential - The City estimated costs of residential streets by using a bid from 1997 on the CMAQ gravel street paving project SID 519.

Estimating overhead

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Total estimates per square yard

The total estimated construction and overhead costs per square yard of street are shown below for fiscal year 2006:

	<u>Construction</u>	<u>Overhead</u>	<u>Total</u>
Arterial/Collector	\$34/Sq Yard	\$13.60/Sq Yard	\$47.60/Sq Yard
Commercial	\$27/Sq Yard	\$6.75/Sq Yard	\$33.75/Sq Yard
Residential	\$18/Sq Yard	\$4.50/Sq Yard	\$22.50/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, 2006, 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	\$ -	\$ -	\$ 190,500
Land	16,188,382	-	2,137,487	-	18,325,869
Work-In-Progress	1,042,867	174,424	15,494,695	(4,162,555)	12,549,430
Total Capital Assets not being Depreciated	\$ 17,231,249	\$ 364,924	\$ 7,632,182	\$(4,162,555)	\$ 31,065,799
Capital Assets being Depreciated:					
Buildings	\$ 18,859,318	\$ (45,500)	\$ 1,892,376	\$ -	\$ 20,706,194
Infrastructure	172,766,992	(1,042,867)	8,940,425	-	180,664,550
Machinery & Equipment	15,213,898	(151,744)	2,680,141	(401,941)	17,340,354
Total Capital Assets being Depreciated	\$ 206,840,208	\$(1,240,111)	\$13,512,942	\$(401,941)	\$218,711,098
Less Accumulated Depreciation for:					
Buildings	\$ (9,287,294)	\$ 12,825	\$ (506,190)	\$ -	\$ (9,780,659)
Infrastructure	(95,955,405)	-	(4,509,367)	-	(100,464,772)
Machinery & Equipment	(9,472,260)	386	(964,400)	354,611	(10,081,663)
Total Accumulated Depreciation	\$(114,714,959)	13,211	(5,979,957)	354,611	(120,327,094)
Total Capital Assets being Depreciated, Net	92,125,249	(1,226,900)	7,532,985	(47,330)	98,384,004
Capital Assets, Net	\$ 109,356,498	\$(861,976)	\$25,165,167	\$(4,209,885)	\$129,449,803

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 214,767
Public Safety	580,750
Public Works	4,749,015
Public Health	14,865
Culture and Recreation	267,087
Housing & Community Development	<u>153,473</u>
Total Governmental Activities Depreciation Expense	<u>\$ 5,979,957</u>

The following is a summary of business-type capital assets for the year ended June 30, 2006:

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
Work In Process	<u>918,844</u>	<u>-</u>	<u>1,892,914</u>	<u>(1,651,246)</u>	<u>1,160,512</u>
Total Capital Assets not being Depreciated	<u>2,252,458</u>	<u>-</u>	<u>1,892,914</u>	<u>(1,651,246)</u>	<u>2,494,126</u>
Capital Assets being Depreciated:					
Buildings	6,780,221	-	-	-	6,780,221
Improvements	<u>80,554,163</u>	<u>-</u>	<u>2,281,339</u>	<u>-</u>	<u>82,835,502</u>
Machinery & Equipment	<u>5,275,560</u>	<u>-</u>	<u>43,151</u>	<u>-</u>	<u>5,318,711</u>
Total Capital Assets being Depreciated	<u>92,609,944</u>	<u>-</u>	<u>2,324,490</u>	<u>-</u>	<u>93,934,434</u>
Less Accumulated Depreciation for:					
Buildings	(3,058,428)	-	(154,168)	-	(3,212,596)
Improvements	<u>(17,789,870)</u>	<u>-</u>	<u>(1,792,681)</u>	<u>-</u>	<u>(19,582,551)</u>
Machinery & Equipment	<u>(3,856,924)</u>	<u>-</u>	<u>(213,603)</u>	<u>-</u>	<u>(4,070,527)</u>
Total Accumulated Depreciation	<u>(24,705,222)</u>	<u>-</u>	<u>(2,160,452)</u>	<u>-</u>	<u>(26,865,674)</u>
Total Capital Assets being Depreciated, Net	<u>67,904,722</u>	<u>-</u>	<u>164,038</u>	<u>-</u>	<u>68,068,760</u>
Capital Assets, Net	<u>\$ 70,157,180</u>	<u>\$ -</u>	<u>\$ 2,056,952</u>	<u>\$ (1,651,246)</u>	<u>\$ 70,562,886</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

	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	189,346	-	134,456	54,890
Machinery, equipment and vehicles	433,381	25,524	52,105	406,800
Parking lot improvements	1,076,989	97,312	864	1,173,437
Capitalized interest	409,007	-	-	409,007
	4,365,184	122,836	187,425	4,300,595
Less accumulated depreciation	(1,671,330)	(134,179)	(187,404)	(1,618,105)
Total capital assets being depreciated, net	2,693,854	(11,343)	21	2,682,490
Capital assets, net	<u>\$ 5,091,720</u>	<u>\$ (11,343)</u>	<u>\$ 21</u>	<u>\$ 5,080,356</u>

F. Long-Term Obligations

During the year ended June 30, 2006 the following changes occurred in long-term liabilities reported in the governmental activities, the City's proprietary funds and component units:

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$15,020,000	\$ -	\$ 950,000	\$14,070,000	\$ 980,000
Limited Obligation Bonds	1,380,000	-	65,000	1,315,000	65,000
Special Assessment Bonds	14,226,402	2,726,001	1,358,200	15,594,203	1,445,870
Sidewalk and Curb Warrants	228,628	-	107,705	120,923	-
Intercap Loans	546,373	124,880	230,281	440,972	146,553
Compensated Absences	<u>2,818,798</u>	<u>1,719,345</u>	<u>1,597,026</u>	<u>2,941,117</u>	<u>1,597,000</u>
Total Governmental Activities	<u>\$34,220,201</u>	<u>\$ 4,570,226</u>	<u>\$ 4,308,212</u>	<u>\$34,482,215</u>	<u>\$ 4,234,423</u>
Proprietary Funds / Business-type Activities:					
Revenue Bonds	\$16,586,138	\$ 1,387,825	\$ 894,751	\$17,079,212	\$ 927,000
Compensated Absences	<u>118,499</u>	<u>24,659</u>	<u>22,905</u>	<u>120,253</u>	<u>22,900</u>
Total Proprietary Funds	<u>\$16,704,637</u>	<u>\$ 1,412,484</u>	<u>\$ 917,656</u>	<u>\$17,199,465</u>	<u>\$ 949,900</u>
Component Units:					
Revenue Bonds	\$ 1,360,000	\$ -	\$ 95,000	\$ 1,265,000	\$ 100,000
Compensated Absences	<u>82,803</u>	<u>62,064</u>	<u>59,058</u>	<u>85,809</u>	<u>59,721</u>
Total Component Units	<u>\$ 1,442,803</u>	<u>\$ 62,064</u>	<u>\$ 154,058</u>	<u>\$ 1,350,809</u>	<u>\$ 159,721</u>

(a) Included in Balance June 30, 2006

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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, 2006</u>
1996 Open Space	1996	2016	3.8-7.25%	\$ 3,500,000	\$ 2,285,000
1997 Open Space	1997	2017	3.9-5.2%	1,500,000	1,045,000
1998 Fire	1998	2018	4.4-4.875%	1,677,000	1,185,000
2004 Aquatics	2004	2024	3.0-4.5%	8,100,000	7,520,000
2004 Refunding	2004	2013	3.0-3.8%	2,705,000	2,035,000
Total GO Bonds				<u>\$17,482,000</u>	<u>\$14,070,000</u>

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2006, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 980,000	\$ 587,180	\$ 1,567,180
2008	1,020,000	552,938	1,572,938
2009	1,045,000	516,803	1,561,803
2010	935,000	478,552	1,413,552
2011	985,000	442,707	1,427,707
2012-2016	4,790,000	1,592,610	6,382,610
2017-2021	2,690,000	698,845	3,388,845
2022-2024	<u>1,625,000</u>	<u>148,275</u>	<u>1,773,275</u>
Total	<u>\$ 14,070,000</u>	<u>\$ 5,017,910</u>	<u>\$ 19,087,910</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, 2006</u>
2001A Maintenance	2000	2020	4.25-5.20%	\$ 1,600,000	\$ 1,315,000

Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2006, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 65,000	\$ 64,948	\$ 129,948
2008	70,000	62,022	132,022
2009	70,000	58,838	128,838
2010	75,000	55,618	130,618
2011	80,000	52,130	132,130
2012-2016	475,000	197,525	672,525
2017-2020	<u>480,000</u>	<u>63,995</u>	<u>543,995</u>
Total	<u>\$ 1,315,000</u>	<u>\$ 555,076</u>	<u>\$ 1,870,076</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Revenue Bonds

Paid from sewer utility revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2006</u>
1992 Sewer, A	1/23/92	7/1/2013	4.00%	\$ 1,177,000	\$ 521,000
1992 Sewer, B	7/15/92	1/1/2013	4.00%	2,221,000	917,000
1999 Sewer Bonds	6/24/99	7/1/2019	4.00%	1,820,000	1,339,000
2000(B) Sewer Bonds	10/03/00	7/1/2020	4.00%	718,000	559,000
2001 Sewer Bonds-Bellevue & Reserve	4/27/01	1/1/2021	4.00%	459,162	364,000
2002 Sewer Bonds-39 th St.	5/16/02	1/1/2022	4.00%	1,395,000	1,078,000
2002 Missoula Treatment Plant A	11/21/02	7/1/2022	4.00%	5,000,000	4,290,000
2003 Missoula Treatment Plant B	10/15/03	7/1/2023	3.75%	3,800,000	3,393,000
2003 Missoula Treatment Plant C	3/23/04	7/1/2024	3.75%	3,688,000	3,373,000
2005 Sewer Bonds-Brdwy/Lincolnwood	11/28/05	7/1/2025	3.75%	1,314,212	1,245,212
Total				<u>\$21,592,374</u>	<u>\$17,079,212</u>

Annual debt service requirements to maturity for revenue bonds as of June 30, 2006, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 927,000	\$ 679,805	\$ 1,606,805
2008	964,000	643,225	1,607,225
2009	1,001,000	605,258	1,606,258
2010	1,040,000	565,786	1,605,786
2011	1,083,000	524,771	1,607,771
2012-2016	5,200,000	1,998,641	7,198,641
2017-2021	5,320,212	948,938	6,269,150
2022-2026	1,544,000	71,674	1,615,674
	<u>\$ 17,079,212</u>	<u>\$6,038,098</u>	<u>\$23,117,310</u>

Revenue Bond Covenants

The Sewer Revenue Bonds require:

1. Segregated cash accounts with restrictions on their use.
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.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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, 2006 is \$779,710. The Revolving Fund cash at June 30, 2006 is \$885,738.

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2006.

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2006</u>
497	1992	2007	6.473%	\$ 1,241,700	\$ 55,000
498	1992	2012	4.00%	2,465,000	634,000
501	1992	2012	4.00%	943,000	208,000
503	1993	2013	4.00%	324,000	73,000
505	1994	2009	4.00 – 6.50%	174,000	30,000
506	1993	2008	5.695%	90,000	12,000
507	1993	2008	5.925%	126,000	16,000
510	1994	2014	4.00%	502,000	23,000
511	1994	2014	4.00%	304,000	121,000
512	1998	2018	4-50.250%	1,724,000	1,063,175
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	35,890
518	1997	2012	4.20-5.50%	39,000	15,354
519	1997	2012	4.20-5.50%	109,000	42,955
520	1998	2019	4.00%	2,634,000	1,776,000
521	1998	2018	4.50-5.25%	7,900	4,839
522	1998	2018	4.50-5.25%	11,200	6,989
524	2002	2023	4.00%	4,577,000	4,226,000
525	2001	2020	4.00%	658,000	470,000
526	2000	2021	4.00%	2,671,000	2,131,000
527	2004	2010	2.70-3.80%	22,400	16,000
530	2006	2016	3.80-4.75%	6,706	6,706
532	2005	2025	3.50-5.00%	556,000	520,000
533	2006	2026	3.75%	96,847	88,847
534	2006	2027	3.75%	156,448	156,448
FY99 S&C	1999	2011	3.20-4.60%	644,000	175,000
FY00 S&C	2000	2012	4.625-5.5%	840,000	310,000
FY01 S&C	2001	2013	3.00-4.50%	340,000	165,000
FY02 S&C	2002	2014	2.00-4.40%	430,000	230,000
FY03 S&C	2003	2015	2.00-3.80%	805,000	535,000
FY04 S&C	2004	2016	2.00-4.75%	710,000	535,000
FY05 S&C	2005	2017	3.50-4.65%	765,000	685,000
FY06 S&C	2006	2018	3.75-4.25%	<u>1,145,000</u>	<u>1,145,000</u>
Total Special Assessment Bonds				<u>\$25,473,001</u>	<u>\$15,594,203</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Annual debt service requirements to maturity for special assessment bonds as of June 30, 2006, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 1,445,870	\$ 637,850	\$ 2,083,720
2008	1,402,870	572,804	1,975,674
2009	1,341,870	517,362	1,859,232
2010	1,354,870	464,163	1,819,033
2011	1,355,870	408,799	1,764,669
2012-2016	4,713,403	1,316,596	6,029,999
2017-2021	3,253,450	494,903	3,748,353
2022-2025	<u>726,000</u>	<u>40,308</u>	<u>766,308</u>
Total	<u>\$ 15,594,203</u>	<u>\$ 4,452,785</u>	<u>\$ 20,046,988</u>

Sidewalk and Curb Interest Bearing Warrants

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

Issue Date	Interest Rate	Term	Outstanding June 30, 2006
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, 2006, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ -	\$ 7,862	\$ 7,862
2008	-	7,862	7,862
2009	20,672	7,862	28,534
2010	<u>100,291</u>	<u>6,519</u>	<u>106,810</u>
	<u>\$120,963</u>	<u>\$ 30,105</u>	<u>\$ 151,068</u>

Intercap Loans

Intercap loans are loans for capital equipment from the Montana Board of Investments. Payments are due in August and February. The interest rate varies annually and was 3.80% for fiscal year 2006.

<u>Issue Date</u>	<u>Maturity Date</u>	Original Loan	Balance
		<u>Amount</u>	<u>June 30, 2006</u>
1999	2009	\$ 400,000	\$ 61,980
2004	2006	386,698	97,561
2004	2014	<u>300,000</u>	<u>281,431</u>
Total		<u>\$1,086,698</u>	<u>\$440,972</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Annual debt service requirements to maturity for Intercap loans as of June 30, 2006, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 146,553	\$ 18,029	\$164,582
2008	50,678	13,387	64,065
2009	52,433	10,960	63,393
2010	32,246	8,707	40,953
2011	33,417	7,162	40,579
2012-2015	<u>125,645</u>	<u>12,067</u>	<u>137,712</u>
Total	<u>\$ 440,972</u>	<u>\$ 70,312</u>	<u>\$ 511,284</u>

Component Units

Revenue Bonds

Missoula Parking Commission: Revenue bonds paid from parking revenues.

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2006</u>
Parking Commission	5/1/2001	11/1/2016	4.6-5.5%	\$1,700,000	\$1,265,000

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

Year Ended	Principal	Interest	Totals
<u>June 30</u>			
2007	\$ 100,000	\$ 64,573	\$ 164,573
2008	105,000	59,872	164,872
2009	110,000	54,885	164,885
2010	115,000	49,605	164,605
2011	120,000	43,970	163,970
2012-2016	<u>715,000</u>	<u>119,330</u>	<u>834,330</u>
Totals	<u>\$ 1,265,000</u>	<u>\$ 392,235</u>	<u>\$ 1,657,235</u>

Conduit Debt Obligations

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

As of June 30, 2006, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$7,453,461.

G. Retirement Plans

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 \$18,277,294 for FY06, of which \$17,645,074 is covered by PERS, MPORS, or FURS. The financial information for all three retirement plans are reported in

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

the Public Employees' Retirement Board's published "Comprehensive Annual Financial Report" for the fiscal year end. It is available from MPERA at 100 North Park Ave, P.O. Box 200131, Helena, MT 59620-0131, (406) 444-3154. Retirement expenditures are reported in the fund incurring the expense.

Public Employees' Retirement System (PERS)

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

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

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 6.90% of monthly compensation. State and University employers are required to contribute 6.80% of members' compensation. Local government entities are required to contribute 6.80% 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 $\frac{1}{2}$ of the last monthly compensation received. An additional amount equal to 2% of the last monthly compensation earned for each year in excess of 20 years can be received. For those hired on or after July 1, 1981, who did not elect to be covered under GABA, the retirement allowance is equal to 2% of the final average compensation for each year of service. Post retirement benefits are 50% of a current firefighter's salary. For members hired after June 30, 1997, and members hired prior to July 1, 1997 who have elected to be covered by GABA, a guaranteed annual benefit adjustment (GABA) of 1.5% is provided each January for benefit recipients if they have been receiving a benefit for at least 36 months. 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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

contribute 14.36% of members' compensation. The State is required to contribute 32.61% of members' compensation. One hundred percent of required contributions were received.

Municipal Police Officers' Retirement System (MPORS)

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

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

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 5.8% (for members hired prior to July 1, 1975 and not electing GABA), 7.0% (for members hired between July 1, 1975 and June 30, 1979 and not electing GABA), 8.5% (for members hired on and after July 1, 1979 and not electing GABA), and 9.0% (for new hires after June 30, 1997 and members electing GABA) of monthly compensation. Employers are required to contribute 14.41% of members' compensation. The State is required to contribute 29.37% of members' compensation. One hundred percent of required contributions were received.

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, 2006, 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)

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

The City of Missoula and the State of Montana contributions (including component units) for the years ending June 30, 2004, 2005 and 2006 as listed below, were equal to the required contributions for each year.

	Primary Government						Component Units		
	PERS		MPORS		FURS		PERS		
	City	State	City	State	City	State	City	State	
2004	\$ 491,089	\$ 722	\$ 515,254	\$ 1,050,174	\$ 474,148	\$ 1,076,739	\$ 38,250	\$ 563	
2005	512,248	8,342	584,722	1,247,614	502,484	1,150,970	40,155	624	
2006	631,137	8,454	631,137	1,342,803	552,782	1,274,868	41,361	620	

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 \$320 for a half time employee to \$640 for a full time employee. Employee contributions were \$10 for full time employees up to \$330 for half time employees. Retirees may also participate in the plan. The City subsidizes the retiree's premium cost at 15%. They paid \$513.74 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, 2006 were \$2,752,672, employee contributions were \$369,051 and retiree contributions were \$304,989. Premium expenses are charged to the appropriate departments, than deposited into the Employee Benefit Fund, an internal service fund. This fund is used to pay claims, stop loss insurance and an administrator to process claims. An operating transfer in the amount of \$62,741 from the General Fund was made to the Employee Benefit Fund during fiscal year 2006. Following is a summary of the changes in the balances of claim liabilities during fiscal 2004, 2005 and 2006.

	Claims			Claims		
	Payable				Payable End	
	Beginning of	Claims	Incurred	Claims Paid	of Fiscal	Year
Fiscal Year						
2003/2004	\$ 102,665	\$ 2,849,460		\$ 2,792,974	\$ 159,151	
2004/2005	159,151	2,848,995		2,746,392	261,754	
2005/2006	261,754	2,589,334		2,698,749	152,339	

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 which would result in additional costs to the insurance program. Out of 436 employees covered by the insurance plan in June 2006, there were 51 retirees and 2 C.O.B.R.A. participants.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Street Maint	\$ 44,224	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	Health Insurance	2,746,320	Reimburse General Fund for health insurance premiums paid
General Fund	Cable TV	128,750	For right of way maintenance
General Fund	Impact Fee	332,048	To use Impact Fee resources to support General Fund expenditures
General Fund	Russell Park	3,843	Reimburse General Fund for costs incurred within the Russell Park Maint
General Fund	Title I	8,400	Special budget request to support Partnership Health Center
General Fund	Willowwood	2,142	Reimburse General Fund for costs incurred within the Willowwood Park
		<u>3,829,727</u>	<u>Total Non-major Special Revenue transfers to General Fund</u>
General Fund	SID Revolving	80,000	To reimburse General Fund for SID costs
		<u>80,000</u>	<u>Total Non-major Debt Service transfers to General Fund</u>
General Fund	Sewer	223,039	Reimburse General Fund for proportionate share of various technology imprvmnts
		<u>223,039</u>	<u>Total Major Proprietary fund transfers to General Fund</u>
Law Enforcement Grant	Drug Forfeiture	10,000	To support a Federal Match for the Law Enforcement Block Grant
		<u>10,000</u>	<u>Total Non-major Special Revenue transfers to Non-major Special Revenue</u>
Capital Improvement	Title I	25,000	Ongoing support for capital ADA improvement projects/funded within the CIP
		<u>25,000</u>	<u>Total Non-major Special Revenue transfers to Non-major Capital Projects</u>
Capital Improvement	General Fund	1,162,575	Support for capital projects
		<u>1,162,575</u>	<u>Total General Fund transfers to Non-major Capital Projects</u>
Capital Improvement	Sewer	1,500	Sewer's proportionate share of various approved CIP projects
		<u>1,500</u>	<u>Total Major Proprietary fund transfers to Non-major Capital Projects</u>
Employee Benefit Plan	General Fund	62,741	Retiree subsidizing approved by the City council
		<u>62,741</u>	<u>Total General Fund transfers to Internal Service</u>
Total Transfers		<u>\$ 5,394,582</u>	

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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	\$ 3,734	To support new enhancements to operating budget
Public Art	MRA	<u>2,750</u>	To support a public art project
Total Transfers		<u>\$ 6,484</u>	

J. Restricted Cash/Investments/Assets

The following restricted cash/investments were held by the City as of June 30, 2006.

<u>Description</u>	<u>Amount</u>
Primary Government	
Sewer Fund	
Restricted for future debt payments	\$ 1,582,619
Component Units	
Missoula Parking Commission	
Restricted for debt service	<u>150,000</u>
Total Restricted Cash	<u>\$ 1,732,619</u>

The following net assets were restricted by the City for the reasons stated below as of June 30, 2006.

Primary Government	
Governmental Funds - Restricted for debt service	3,602,376
Sewer - Restricted for debt service	1,303,028
Missoula Parking Commission	
Restricted for debt service	<u>150,000</u>
Total Restricted Net Assets	<u>\$ 5,055,404</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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, which in turn is reimbursed by the Comprehensive Insurance Fund, a special revenue fund, established solely to track revenue from a special purpose property tax levy. The General Fund is reimbursed during the year based on expenditures to date and cash available in the Comprehensive Insurance 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 operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort action 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. 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.

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 or aggregate claims for one individual over \$1,000,000.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Complete financial statements can be obtained by contacting MMIA at PO Box 6669, Helena, MT 59604-6669.

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 one potential instance where a loss of up to \$200,000 is reasonably possible. 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. Prior Period Adjustment

The government-wide financial statements include a prior period adjustment to correct an error in the reporting of capital assets. Certain infrastructure assets were included both in work in progress and in infrastructure. The correction had the effect of reducing capital assets and net assets at June 30, 2005 by \$861,976.



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



BUDGET TO ACTUAL COMPARISON GENERAL FUND

City of Missoula, Montana
Budgetary Comparison Schedule
June 30, 2006

	General Fund				
	BUDGETED AMOUNTS		ACTUAL AMOUNTS		VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	(BUDGETARY BASIS)		
Resources (inflows):					
Taxes and assessments	\$ 15,320,445	\$ 15,386,235	\$ 15,344,840	\$ (41,395)	
Licenses and permits	1,347,845	1,347,845	1,267,752	(80,093)	
Intergovernmental	9,037,714	8,737,758	8,578,949	(158,809)	
Charges for services	3,236,684	3,284,864	3,310,649	25,785	
Fines and forfeitures	1,543,172	1,543,172	1,129,598	(413,574)	
Miscellaneous	105,435	198,980	256,389	57,409	
Investment earnings	450,000	450,000	114,996	(335,004)	
Transfers in	4,107,767	4,107,767	4,136,500	28,733	
Proceeds from sale of capital assets	-	-	-	-	
Total Resources	35,149,062	35,056,621	34,139,673	(916,948)	
Charges to Appropriations (outflows):					
General government	6,508,826	6,508,826	5,962,589	546,237	
Public safety	17,211,809	16,963,304	16,635,389	327,915	
Public works	5,576,979	5,576,979	5,421,287	155,692	
Public health	1,152,195	1,152,195	1,152,195	-	
Social and economic services	108,395	150,895	108,395	42,500	
Culture and recreation	3,257,720	3,215,220	2,938,866	276,354	
Miscellaneous	-	-	-	-	
Debt service expense - principal	-	-	-	-	
Capital outlay	595,389	598,389	572,641	25,748	
Transfers out	2,069,248	2,069,248	1,225,316	843,932	
Total Charges to Appropriations	36,480,561	36,235,056	34,016,678	2,218,378	
Excess (Deficiency) of resources (inflows) over Charges to appropriations (outflows)	<u><u>\$ (1,331,499)</u></u>	<u><u>\$ (1,178,435)</u></u>	<u><u>122,995</u></u>	<u><u>\$ 1,301,430</u></u>	
Budgetary Fund Balance - June 30, 2005			1,806,506		
Residual Equity Transfer			14		
Budgetary Fund Balance - June 30, 2006			<u><u>\$ 1,929,515</u></u>		

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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.

Dangerous Building Demolition and Repair – This fund is used to account for construction expenses incurred for demolition and repair of dilapidated and unsafe buildings within the City.

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.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

SPECIAL REVENUE FUNDS (Cont.)

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

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.

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.

SID Rebate – Accounts for costs associated with rebates given to encourage City residents to pay off certain SID assessments ahead of schedule.

1978 Pool and Fire Bonds – Created to account for debt service related to the construction of a new swimming pool at McCormick Park and to purchase new fire trucks and equipment. These bonds have been paid off, and future collections of delinquent taxes will be transferred to the General Fund.

1985 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. These bonds have been paid off and the collections of delinquent taxes are transferred to the General Fund.

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%.

NONMAJOR GOVERNMENTAL FUNDS ***FUND DESCRIPTIONS (Cont.)***

DEBT SERVICE FUNDS (Cont.)

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%.

2005 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.

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).

2004 Refunding Bonds – Established in 2004 to provide funds for refunding the City's series 1993 and 1994 general obligation bonds.

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.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

CAPITAL PROJECTS FUNDS (Cont.)

1996 Open Space Purchase Fund – Missoula voters approved a \$5,000,000 general obligation bond referendum in November 1996 allowing the City to purchase open space land and conservation easements.

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.

2004 Aquatics Non GO Bond Project Fund – Missoula voters approved a \$8,100,000 general obligation bond referendum in November 2003 allowing the City to improve its aquatics facilities. This fund is used to account for the project support that is coming from sources other then the GO Bond.

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

39th Street Construction – These funds account for the creation, construction and maintenance of street, sidewalks and infrastructure improvements on 39th Street.

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



NONMAJOR GOVERNMENTAL FUNDS

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL FUNDS
ASSETS AND OTHER DEBITS				
Cash and Investments	\$ 2,476,950	\$ 3,203,170	\$ 1,127,451	\$ 6,807,571
Taxes Receivable	253,417	152,360	-	405,777
Special Assessments Receivable	40,151	166,487	-	206,638
Interest Receivable	4,205	27,418	\$ (12,755)	18,868
Prepaid Expense	7,680	-	-	7,680
Other Receivables	146,649	212,296	102	359,047
Long Term Loans	64,793	-	-	64,793
Due From Other Governments	386,251	29,817	4,189	420,257
Deferred Assessments Receivable	-	9,326,781	-	9,326,781
TOTAL ASSETS	\$ 3,380,096	\$ 13,118,329	\$ 1,118,987	\$ 17,617,412
LIABILITIES, EQUITY AND OTHER CREDITS				
Accounts Payable	\$ 329,051	\$ -	\$ 2,233,913	\$ 2,562,964
Accrued Payroll	22,540	-	-	22,540
Due to Other Funds	802,134	466,908	3,309,561	4,578,603
Deferred Revenues	286,799	9,806,528	-	10,093,327
Bond Deposit	-	-	136,800	136,800
TOTAL LIABILITIES	1,440,524	10,273,436	5,680,274	17,394,234
FUND EQUITY AND OTHER CREDITS				
Fund Balance				
Restricted For Debt Service	-	2,844,893	-	2,844,893
Undesignated	1,939,572	-	(4,561,287)	(2,621,715)
TOTAL EQUITY AND OTHER CREDITS	1,939,572	2,844,893	(4,561,287)	223,178
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 3,380,096	\$ 13,118,329	\$ 1,118,987	\$ 17,617,412

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall	Cemetery Care	Title One Projects
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 80,763	\$ 156,137	\$ 225,727	\$ 7,964	\$ 67,346	\$ 605,671
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	-	-	-	5	1,663	2,723
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	2,246	24,947	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Long Term Loans						
Extended Family Services	-	-	-	-	-	14,793
Missoula Housing Corporation	-	-	-	-	-	50,000
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	\$ 80,763	\$ 158,383	\$ 250,674	\$ 7,969	\$ 69,009	\$ 673,187
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ 6,802	\$ -	\$ 37,592	\$ 61	\$ 1,246	\$ 2,430
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	-	64,793
TOTAL LIABILITIES	6,802	-	37,592	61	1,246	67,223
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	73,961	158,383	213,082	7,908	67,763	605,964
TOTAL EQUITY AND OTHER CREDITS	73,961	158,383	213,082	7,908	67,763	605,964
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 80,763	\$ 158,383	\$ 250,674	\$ 7,969	\$ 69,009	\$ 673,187

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Impact Fee	Public Art	Employee Health Ins	Cable TV Franchise	Drug Forfeiture	Building Division
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 65,175	\$ -	\$ -	\$ 34,450	\$ -
Taxes Receivable	-	-	253,417	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	(133)	-	(2,326)	-	-	-
Prepaid Expenses	-	-	-	-	-	7,680
Other Receivables						
Vendors	992	-	-	110,310	-	3,168
Mountain Water Notes	-	-	-	-	-	-
Long Term Loans						
Extended Family Services	-	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-	-
Due From Other Governments	-	-	35,547	-	3,662	-
TOTAL ASSETS	\$ 859	\$ 65,175	\$ 286,638	\$ 110,310	\$ 38,112	\$ 10,848
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 15,333	\$ -	\$ 291	\$ 5,804	\$ 2,601
Accrued Payroll	-	-	-	-	-	20,912
Due to Other Funds	29,871	-	521,699	10,556	-	105,800
Deferred Revenues	-	-	176,869	-	-	-
TOTAL LIABILITIES	29,871	15,333	698,568	10,847	5,804	129,313
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	(29,012)	49,842	(411,930)	99,463	32,308	(118,465)
TOTAL EQUITY AND OTHER CREDITS	(29,012)	49,842	(411,930)	99,463	32,308	(118,465)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 859	\$ 65,175	\$ 286,638	\$ 110,310	\$ 38,112	\$ 10,848

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Program Income	Revolving Loan Program	Dangerous Bldg Demo & Repair	Street Lighting	Street Maintenance	Russell Park Mtnc
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 116,432	\$ 65,787	\$ -	\$ 193,562	\$ 775	\$ -
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	22,485	16,585	94
Interest Receivable	39	296	-	-	-	(6)
Prepaid Expenses	-	-	-	-	-	-
Other Receivables						
Vendors	-	-	-	-	-	-
Mountain Water Notes	4,986	-	-	-	-	-
Long Term Loans						
Extended Family Services	-	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-	-
Due From Other Governments	-	-	-	156	-	-
TOTAL ASSETS	\$ 121,457	\$ 66,083	\$ -	\$ 216,203	\$ 17,360	\$ 88
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 58	\$ 2,000	\$ 22,711	\$ -	\$ -
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	1,472
Deferred Revenues	4,986	-	-	22,485	16,585	94
TOTAL LIABILITIES	4,986	58	2,000	45,196	16,585	1,566
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Undesignated	116,471	66,025	(2,000)	171,007	775	(1,478)
TOTAL EQUITY AND OTHER CREDITS	116,471	66,025	(2,000)	171,007	775	(1,478)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 121,457	\$ 66,083	\$ -	\$ 216,203	\$ 17,360	\$ 88

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Willowwood Maintenance	State Gas Tax	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ 187,276	\$ 12,769	\$ -	\$ 426,860
Taxes Receivable	-	-	-	-	-
Special Assessments Receivable	987	-	-	-	-
Interest Receivable	(1)	-	57	(15)	1,903
Prepaid Expenses	-	-	-	-	-
Other Receivables					
Vendors	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-
Long Term Loans					
Extended Family Services	-	-	-	-	-
Missoula Housing Corporation	-	-	-	-	-
Due From Other Governments	-	-	8,882	3,549	-
TOTAL ASSETS	\$ 986	\$ 187,276	\$ 21,708	\$ 3,534	\$ 428,763
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ 118,112	\$ 27,509	\$ 8,805	\$ -
Accrued Payroll	-	-	-	-	-
Due to Other Funds	138	-	-	3,775	-
Deferred Revenues	987	-	-	-	-
TOTAL LIABILITIES	\$ 1,125	\$ 118,112	\$ 27,509	\$ 12,580	\$ -
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Undesignated	(139)	69,164	(5,801)	(9,046)	428,763
TOTAL EQUITY AND OTHER CREDITS	(139)	69,164	(5,801)	(9,046)	428,763
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 986	\$ 187,276	\$ 21,708	\$ 3,534	\$ 428,763

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Community Development	HOME Grant	ISTEA Grants	Grants & Donations	TOTALS
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ -	\$ -	\$ 230,256	\$ 2,476,950
Taxes Receivable	-	-	-	-	253,417
Special Assessments Receivable	-	-	-	-	40,151
Interest Receivable	-	-	-	-	4,205
Prepaid Expenses	-	-	-	-	7,680
Other Receivables					
Vendors	-	-	-	-	141,663
Mountain Water Notes	-	-	-	-	4,986
Long Term Loans					
Extended Family Services	-	-	-	-	14,793
Missoula Housing Corporation	-	-	-	-	50,000
Due From Other Governments	4,960	110,947	12,757	205,791	386,251
TOTAL ASSETS	\$ 4,960	\$ 110,947	\$ 12,757	\$ 436,047	\$ 3,380,096
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 2,320	\$ 60,947	\$ -	\$ 14,429	\$ 329,051
Accrued Payroll	-	-	-	1,628	22,540
Due to Other Funds	68,249	50,000	10,574	-	802,134
Deferred Revenues	-	-	-	-	286,799
TOTAL LIABILITIES	70,569	110,947	10,574	16,057	1,440,524
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Undesignated	(65,609)	-	2,183	419,990	1,939,572
TOTAL EQUITY AND OTHER CREDITS	(65,609)	-	2,183	419,990	1,939,572
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 4,960	\$ 110,947	\$ 12,757	\$ 436,047	\$ 3,380,096

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	SID Revolving	SID Rebate	1978 Pool & Fire Bonds	1985 Open Space Bonds	1998 Safety Bond	1996 Open Space Bonds
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 885,738	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	1,190	-	-	-	15,793	29,403
Special Assessments Receivable	-	-	-	-	-	-
Interest Receivable	3,980	(19)	-	-	(83)	(114)
Other Receivables						
Mountain Water Notes	212,296	-	-	-	-	-
Due From Other Governments	-	-	-	-	1,583	3,205
Deferred Assessments	1,444	-	-	-	-	-
TOTAL ASSETS	\$ 1,104,648	\$ (19)	\$ -	\$ -	\$ 17,293	\$ 32,494
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	18,775	26,845
Deferred Revenues	214,930	-	-	-	10,779	20,644
TOTAL LIABILITIES	214,930	-	-	-	29,554	47,489
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	889,718	(19)	-	-	(12,261)	(14,995)
TOTAL EQUITY AND OTHER CREDITS	889,718	(19)	-	-	(12,261)	(14,995)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,104,648	\$ (19)	\$ -	\$ -	\$ 17,293	\$ 32,494

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	1997 Open Space Bond	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bonds	2004 Refunding	Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 41,432	\$ 113,234	\$ -	\$ -	\$ 121,037
Taxes Receivable	17,400	3,318	5,406	40,213	39,637	-
Special Assessments Receivable	-	-	-	-	-	54,325
Interest Receivable	1,986	185	505	12,479	(868)	545
Other Receivables	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	993	1	3	6,948	5,363	-
Deferred Assessments	-	-	-	-	-	235,951
TOTAL ASSETS	\$ 20,379	\$ 44,936	\$ 119,148	\$ 59,640	\$ 44,132	\$ 411,858
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	6,295	-	-	143,941	194,825	-
Deferred Revenues	11,535	3,311	5,394	26,392	25,795	290,276
TOTAL LIABILITIES	\$ 17,830	\$ 3,311	\$ 5,394	\$ 170,333	\$ 220,620	\$ 290,276
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	2,549	41,625	113,754	(110,693)	(176,488)	121,582
TOTAL EQUITY AND OTHER CREDITS	\$ 2,549	\$ 41,625	\$ 113,754	\$ (110,693)	\$ (176,488)	\$ 121,582
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
						Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 10,278	\$ 40,170	\$ 33,421	\$ -	\$ 48,777
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	21,188	9,405	1,275	2,612	11,007	5,590
Interest Receivable	(40)	46	180	149	(68)	217
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	79	376	97	-	606	2,203
Deferred Assessments	168,584	298,732	159,556	211,803	528,772	524,633
TOTAL ASSETS	\$ 189,811	\$ 318,837	\$ 201,278	\$ 247,985	\$ 540,317	\$ 581,420
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	8,894	-	-	-	15,261	-
Deferred Revenues	189,772	308,137	160,831	214,415	539,779	530,223
TOTAL LIABILITIES	\$ 198,666	\$ 308,137	\$ 160,831	\$ 214,415	\$ 555,040	\$ 530,223
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	(8,855)	10,700	40,447	33,570	(14,723)	51,197
TOTAL EQUITY AND OTHER CREDITS	(8,855)	10,700	40,447	33,570	(14,723)	51,197
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 189,811	\$ 318,837	\$ 201,278	\$ 247,985	\$ 540,317	\$ 581,420

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	FY05 Sidewalk & Curb	FY06 Sidewalk & Curb	SID 433	SID 470	SID 491	SID 492	SID 494
ASSETS AND OTHER DEBITS							
Cash and Investments	\$ 11,204	\$ 401	-	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-	-
Special Assessments Receivable	9,591	-	-	-	-	-	-
Interest Receivable	52	2	-	-	-	-	-
Other Receivables							
Mountain Water Notes	-	-	-	-	-	-	-
Due From Other Governments	607	-	-	-	-	-	-
Deferred Assessments	670,570	-	-	-	-	-	-
TOTAL ASSETS	\$ 692,024	\$ 403	-	\$ -	\$ -	\$ -	\$ -
LIABILITIES, EQUITY AND OTHER CREDITS							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenues	680,161	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 680,161	-	-	-	-	-	-
FUND EQUITY AND OTHER CREDITS							
Fund Balance							
Reserved							
For Debt Service	11,863	403	-	-	-	-	-
TOTAL EQUITY AND OTHER CREDITS	11,863	403	-	-	-	-	-
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 692,024	\$ 403	\$ -				

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	SID 495	SID 496	SID 497	SID 498	SID 500	SID 501
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 7,050	\$ -	\$ 57,319	\$ 197,852	\$ -	\$ 92,963
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	1,687	3,213	-	1,935
Interest Receivable	33	-	260	888	-	417
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	-	-	149	287	-	273
Deferred Assessments	-	-	53,130	614,934	-	213,503
TOTAL ASSETS	\$ 7,083	\$ -	\$ 112,545	\$ 817,174	\$ -	\$ 309,091
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	(102)	-	54,496	617,756	-	215,438
TOTAL LIABILITIES	(102)	-	54,496	617,756	-	215,438
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	7,185	-	58,049	199,418	-	93,653
TOTAL EQUITY AND OTHER CREDITS	7,185	-	58,049	199,418	-	93,653
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 7,083	\$ -	\$ 112,545	\$ 817,174	\$ -	\$ 309,091

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	SID 502	SID 503	SID 504	SID 505	SID 506	SID 507
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 22,982	\$ -	\$ 6,411	\$ 9,221	\$ 10,661
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	11	-	-	-	-
Interest Receivable	-	103	-	29	41	48
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Deferred Assessments	-	64,394	-	34,800	4,286	11,897
TOTAL ASSETS	\$ -	\$ 87,490	\$ -	\$ 41,240	\$ 13,548	\$ 22,606
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	-	64,405	-	34,800	4,286	11,897
TOTAL LIABILITIES	\$ -	\$ 64,405	\$ -	\$ 34,800	\$ 4,286	\$ 11,897
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	-	23,085	-	6,440	9,262	10,709
TOTAL EQUITY AND OTHER CREDITS	\$ -	\$ 23,085	\$ -	\$ 6,440	\$ 9,262	\$ 10,709
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ -	\$ 87,490	\$ -	\$ 41,240	\$ 13,548	\$ 22,606

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	SID 508	SID 510	SID 511	SID 512	SID 513	SID 514
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ 76,238	\$ 41,120	\$ 298,697	\$ 32,326	\$ 64,335
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	1,183	917	4,580	82	1,485
Interest Receivable	-	341	184	1,340	145	288
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	-	-	-	166	-	-
Deferred Assessments	-	102,157	114,559	890,296	522	57,097
TOTAL ASSETS	\$ -	\$ 179,919	\$ 156,780	\$ 1,195,079	\$ 33,075	\$ 123,205
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	-	103,340	115,476	894,876	604	58,582
TOTAL LIABILITIES	\$ -	\$ 103,340	\$ 115,476	\$ 894,876	\$ 604	\$ 58,582
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	-	76,579	41,304	300,203	32,471	64,623
TOTAL EQUITY AND OTHER CREDITS	\$ -	\$ 76,579	\$ 41,304	\$ 300,203	\$ 32,471	\$ 64,623
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ -	\$ 179,919	\$ 156,780	\$ 1,195,079	\$ 33,075	\$ 123,205

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	SID 515	SID 517	SID 518	SID 519	SID 520	SID 521	SID 522
ASSETS AND OTHER DEBITS							
Cash and Investments	\$ -	\$ 15,094	\$ 8,172	\$ 15,976	\$ 287,712	\$ 5,331	\$ 5,669
Taxes Receivable	-	-	-	-	-	-	-
Special Assessments Receivable	-	2,077	-	38	13,780	51	66
Interest Receivable	(59)	68	36	71	1,291	24	25
Other Receivables	-	-	-	-	-	-	-
Mountain Water Notes	-	-	-	-	-	-	-
Due From Other Governments	-	514	861	259	1,237	-	-
Deferred Assessments	351	21,448	9,282	32,954	1,510,160	1,024	1,650
TOTAL ASSETS	\$ 292	\$ 39,201	\$ 18,351	\$ 49,298	\$ 1,814,180	\$ 6,430	\$ 7,410
LIABILITIES, EQUITY AND OTHER CREDITS							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	13,355	-	-	-	-	-	-
Deferred Revenues	351	23,525	9,282	32,992	1,522,198	1,062	1,716
TOTAL LIABILITIES	13,706	23,525	9,282	32,992	1,522,198	1,062	1,716
FUND EQUITY AND OTHER CREDITS							
Fund Balance							
Reserved							
For Debt Service	(13,414)	15,676	9,069	16,306	291,982	5,368	5,694
TOTAL EQUITY AND OTHER CREDITS	(13,414)	15,676	9,069	16,306	291,982	5,368	5,694
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS							
	\$ 292	\$ 39,201	\$ 18,351	\$ 49,298	\$ 1,814,180	\$ 6,430	\$ 7,410

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	SID 525	SID 526	SID 527	SID 530	SID 531	SID 532
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ 179,491	\$ 427,586	\$ 6,686	\$ 4,645	\$ 2,204	\$ 7,271
Taxes Receivable	-	-	-	-	-	-
Special Assessments Receivable	699	15,683	100	-	72	3,835
Interest Receivable	806	1,918	30	20	10	33
Other Receivables						
Mountain Water Notes	-	-	-	-	-	-
Due From Other Governments	1,192	614	32	-	-	-
Deferred Assessments	380,737	1,644,989	15,235	5,150	27,450	512,470
TOTAL ASSETS	\$ 562,925	\$ 2,090,790	\$ 22,083	\$ 9,815	\$ 29,736	\$ 523,609
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenues	380,828	1,659,817	15,291	5,150	27,522	516,305
TOTAL LIABILITIES	380,828	1,659,817	15,291	5,150	27,522	516,305
FUND EQUITY AND OTHER CREDITS						
Fund Balance						
Reserved						
For Debt Service	182,097	430,973	6,792	4,665	2,214	7,304
TOTAL EQUITY AND OTHER CREDITS	182,097	430,973	6,792	4,665	2,214	7,304
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 562,925	\$ 2,090,790	\$ 22,083	\$ 9,815	\$ 29,736	\$ 523,609

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS
JUNE 30, 2006

	SID 533	SID 534	SID 535	SID 536	TOTALS
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ 14,466	\$ -	\$ -	\$ -	\$ 3,203,170
Taxes Receivable	-	-	-	-	152,360
Special Assessments Receivable	-	-	-	-	166,487
Interest Receivable	65	(54)	(14)	(103)	27,418
Other Receivables	-	-	-	-	212,296
Mountain Water Notes	-	-	-	-	-
Due From Other Governments	2,169	-	-	-	29,817
Deferred Assessments	202,261	-	-	-	9,326,781
TOTAL ASSETS	\$ 218,961	\$ (54)	\$ (14)	\$ (103)	\$ 13,118,329
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	12,111	3,370	23,236	466,908
Deferred Revenues	202,261	-	-	-	9,806,528
TOTAL LIABILITIES	202,261	12,111	3,370	23,236	10,273,436
FUND EQUITY AND OTHER CREDITS					
Fund Balance					
Reserved					
For Debt Service	16,700	(12,165)	(3,384)	(23,339)	2,844,893
TOTAL EQUITY AND OTHER CREDITS	16,700	(12,165)	(3,384)	(23,339)	2,844,893
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 218,961	\$ (54)	\$ (14)	\$ (103)	\$ 13,118,329

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2006

	2004 Refunding Bonds	Capital Improvement	1996 Open Space	1997 Open Space	2004 Non GO Aquatics	
ASSETS AND OTHER DEBITS						
Cash and Investments	\$ -	\$ -	\$ -	\$ 448,113	\$ -	
Interest Receivable			(8,429)			-
Other Receivables			102			-
Due From Other Governments			-		4,189	-
TOTAL ASSETS	\$ -	\$ (8,327)	\$ -	\$ 452,302	\$ -	
LIABILITIES, EQUITY AND OTHER CREDITS						
Accounts Payable	\$ -	\$ 577,252	\$ -	\$ 1,953	\$ -	
Due to Other Funds			1,894,777			-
Bond Deposit			22,000			-
TOTAL LIABILITIES	\$ -	\$ 2,494,029	\$ -	\$ 1,953	\$ -	
FUND EQUITY AND OTHER CREDITS						
Fund Balance			(2,502,356)		450,349	-
TOTAL EQUITY AND OTHER CREDITS	\$ -	\$ (2,502,356)	\$ -	\$ 450,349	\$ -	
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS						
	\$ -	\$ (8,327)	\$ -	\$ 452,302	\$ -	

Continued

CITY OF MISSOULA, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS
JUNE 30, 2006

	New Fire Station GO Bond	Sidewalk & Curb	39th Street Construction	SID Funds	Totals
ASSETS AND OTHER DEBITS					
Cash and Investments	\$ -	\$ 539,556	\$ -	\$ 139,782	\$ 1,127,451
Interest Receivable	(2,296)	(1,550)	-	(480)	(12,755)
Other Receivables	-	-	-	-	102
Due From Other Governments	-	-	-	-	4,189
TOTAL ASSETS	\$ (2,296)	\$ 538,006	\$ -	\$ 139,302	\$ 1,118,987
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts Payable	\$ 193,564	\$ 267,471	\$ -	\$ 1,193,673	\$ 2,233,913
Due to Other Funds	514,994	652,230	-	247,560	3,309,561
Bond Deposit	114,800	-	-	-	136,800
TOTAL LIABILITIES	\$ 823,358	919,701	-	1,441,233	\$ 5,680,274
FUND EQUITY AND OTHER CREDITS					
Fund Balance	(825,654)	(381,695)	-	(1,301,931)	(4,561,287)
TOTAL EQUITY AND OTHER CREDITS	(825,654)	(381,695)	-	(1,301,931)	(4,561,287)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ (2,296)	\$ 538,006	\$ -	\$ 139,302	\$ 1,118,987

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTALS FOR NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	--TOTALS-- NONMAJOR GOVERNMENTAL
REVENUES				
Taxes	\$ 2,620,339	\$ 1,589,586	\$ -	\$ 4,209,925
Special Assessments	438,913	1,892,152	-	2,331,065
Licenses & Permits	1,571,306	-	-	1,571,306
Intergovernmental	4,318,353	-	311,453	4,629,806
Charges for Services	314,576	-	-	314,576
Fines and Forfeitures	49,322	-	-	49,322
Miscellaneous	139,220	31,063	522,865	693,148
Investment Earnings	25,688	62,011	(16,439)	71,260
TOTAL REVENUES	9,477,717	3,574,812	817,879	13,870,408
EXPENDITURES				
General Government	314,476	-	57,179	371,655
Public Safety	1,468,405	-	35,000	1,503,405
Public Works	350,050	-	32,172	382,222
Culture and Recreation	72,188	-	-	72,188
Community Development	2,379,741	-	-	2,379,741
Debt Service	-	3,409,902	382,997	3,792,899
Capital Outlay	1,226,183	-	8,704,120	9,930,303
TOTAL EXPENDITURES	5,811,043	3,409,902	9,211,468	18,432,413
Excess (Deficiency) of Revenues Over Expenditures	3,666,674	164,910	(8,393,589)	(4,562,005)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	12,750	-	1,189,075	1,201,825
Operating Transfers Out	(3,864,727)	(80,000)	-	(3,944,727)
Issuance of Long Term Debt	-	127,414	2,723,467	2,850,881
Sale of Capital Assets	100	-	-	100
TOTAL OTHER FINANCING SOURCES (USES)	(3,851,877)	47,414	3,912,542	108,079
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(185,203)	212,324	(4,481,047)	(4,453,926)
Fund Balance, July 1, 2005	2,124,775	2,633,805	(83,431)	4,675,149
Residual Equity Transfer	-	(1,236)	3,191	1,955
Fund Balance, June 30, 2006	\$ 1,939,572	\$ 2,844,893	\$ (4,561,287)	\$ 223,178

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	Park Acquisition	Park Enterprise	Trail Development	Cremain Wall	Cemetery Care
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	- -	- -	- -	- -	- -
Licenses & Permits	- -	- -	- -	- -	- -
Intergovernmental	- -	- -	- -	- -	- -
Charges for Services	12,000	30,374	- -	2,401	36,328
Fines and Forfeitures	- -	- -	- -	- -	- -
Miscellaneous	- -	- -	34,175	267	- -
Investment Earnings	- -	- -	- -	2	1,884
Total Revenues	12,000	30,374	34,175	2,670	38,212
EXPENDITURES					
Current					
General Government	- -	- -	- -	- -	- -
Public Safety	- -	- -	- -	- -	- -
Public Works	- -	- -	- -	910	80
Culture and Recreation	35,181	650	36,325	- -	- -
Community Development	- -	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -	- -
Capital Outlay	4,856	- -	32,164	186	6,482
Total Expenditures	40,037	650	68,489	1,096	6,562
Excess (Deficiency) of Revenue Over Expenditures	(28,037)	29,724	(34,314)	1,574	31,650
Other Financing Sources (Uses)					
Operating Transfers In	- -	- -	- -	- -	- -
Operating Transfers Out	- -	- -	- -	- -	- -
Sale of Capital Assets	- -	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	- -	- -	- -	- -
Excess (Deficiency) of Revenue Over Expenditures	(28,037)	29,724	(34,314)	1,574	31,650
Fund Balance, June 30, 2005	101,998	128,659	247,396	6,334	36,113
Fund Balance, June 30, 2006	\$ 73,961	\$ 158,383	\$ 213,082	\$ 7,908	\$ 67,763

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, 2006

	Title One Projects	Impact Fee	Public Art	Employee Health Insurance	Cable TV Franchise
REVENUES					
Taxes	\$ -	\$ -	-	\$ 2,620,339	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	432,593
Intergovernmental	-	445,273	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	90,005	-	200	-	-
Investment Earnings	21,527	(2,353)	-	978	-
Total Revenues	111,532	442,920	200	2,621,317	432,593
EXPENDITURES					
Current					
General Government	69,860	-	-	-	244,616
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital Outlay	-	-	34,896	-	36,871
Total Expenditures	69,860	-	34,896	-	281,487
Excess (Deficiency) of Revenue Over Expenditures	41,672	442,920	(34,696)	2,621,317	151,106
Other Financing Sources (Uses)					
Operating Transfers In	-	-	2,750	-	-
Operating Transfers Out	(33,400)	(332,048)	-	(2,746,320)	(128,750)
Sale of Capital Assets	100	-	-	-	-
Total Other Financing Sources (Uses)	(33,300)	(332,048)	2,750	(2,746,320)	(128,750)
Excess (Deficiency) of Revenue Over Expenditures	8,372	110,872	(31,946)	(125,003)	22,356
Fund Balance, June 30, 2005	597,592	(139,884)	81,788	(286,927)	77,107
Fund Balance, June 30, 2006	\$ 605,964	\$ (29,012)	\$ 49,842	\$ (411,930)	\$ 99,463

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, 2006

	Drug Forfeiture	Building Division	Program Income	Revolving Loan Program	Dangerous Building Demo & Repair
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	1,138,713	-	-	-
Intergovernmental	-	562	20	-	-
Charges for Services	-	378	-	-	-
Fines and Forfeitures	40,441	-	-	-	-
Miscellaneous	-	640	1,074	3,994	-
Investment Earnings	-	-	(240)	479	-
Total Revenues	40,441	1,140,293	854	4,473	-
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	36,284	1,226,134	-	-	2,000
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	7,801	-
Miscellaneous	-	-	-	-	-
Capital Outlay	2,071	9,538	-	-	-
Total Expenditures	38,355	1,235,672	-	7,801	2,000
Excess (Deficiency) of Revenue Over Expenditures	2,086	(95,379)	854	(3,328)	(2,000)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(10,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(10,000)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(7,914)	(95,379)	854	(3,328)	(2,000)
Fund Balance, June 30, 2005	40,222	(23,086)	115,617	69,353	-
Fund Balance, June 30, 2006	\$ 32,308	\$ (118,465)	\$ 116,471	\$ 66,025	\$ (2,000)

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, 2006

	Street Lighting	Street Maintenance	Russell Park Mtnc	Willowwood Park Mtnc	State Gas Tax
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	374,507	58,603	3,731	2,072	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	1,059,360
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	-	-	(23)	(7)	-
Total Revenues	374,507	58,603	3,708	2,065	1,059,360
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	307,757	-	-	-	23,702
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital Outlay	-	-	-	-	867,240
Total Expenditures	307,757	-	-	-	890,942
Excess (Deficiency) of Revenue Over Expenditures	66,750	58,603	3,708	2,065	168,418
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(44,224)	(3,843)	(2,142)	(564,000)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(44,224)	(3,843)	(2,142)	(564,000)
Excess (Deficiency) of Revenue Over Expenditures	66,750	14,379	(135)	(77)	(395,582)
Fund Balance, June 30, 2005	104,257	(13,604)	(1,343)	(62)	464,746
Fund Balance, June 30, 2006	\$ 171,007	\$ 775	\$ (1,478)	\$ (139)	\$ 69,164

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, 2006

	Crime Victim Surcharge	Law Enforcement Grant	HIDTA Grant	Community Development	Home Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	3,549	-	1,202,273	1,218,575
Charges for Services	-	-	233,095	-	-
Fines and Forfeitures	8,881	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(82)	(198)	3,721	-	-
Total Revenues	8,799	3,351	236,816	1,202,273	1,218,575
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	17,557	2,577	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	1,195,220	1,153,362
Miscellaneous	-	-	-	-	-
Capital Outlay	-	9,105	-	-	-
Total Expenditures	-	26,662	2,577	1,195,220	1,153,362
Excess (Deficiency) of Revenue Over Expenditures	8,799	(23,311)	234,239	7,053	65,213
Other Financing Sources (Uses)					
Operating Transfers In	-	10,000	-	-	-
Operating Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	10,000	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	8,799	(13,311)	234,239	7,053	65,213
Fund Balance, June 30, 2005	(14,600)	4,265	194,524	(72,662)	(65,213)
Fund Balance, June 30, 2006	\$ (5,801)	\$ (9,046)	\$ 428,763	\$ (65,609)	\$ -

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, 2006

	ISTEA Grants	Grants & Donations	TOTALS
REVENUES			
Taxes	\$ -	\$ -	\$ 2,620,339
Special Assessments	- -	- -	438,913
Licenses & Permits	- -	- -	1,571,306
Intergovernmental	63,026	325,715	4,318,353
Charges for Services	- -	- -	314,576
Fines and Forfeitures	- -	- -	49,322
Miscellaneous	- -	8,865	139,220
Investment Earnings	- -	- -	25,688
Total Revenues	<u>63,026</u>	<u>334,580</u>	<u>9,477,717</u>
EXPENDITURES			
Current			
General Government	- -	- -	314,476
Public Safety	- -	183,853	1,468,405
Public Works	- -	17,601	350,050
Culture and Recreation	- -	32	72,188
Community Development	- -	23,358	2,379,741
Miscellaneous	- -	- -	- -
Capital Outlay	<u>60,264</u>	<u>162,510</u>	<u>1,226,183</u>
Total Expenditures	<u>60,264</u>	<u>387,354</u>	<u>5,811,043</u>
Excess (Deficiency) of Revenue Over Expenditures	2,762	(52,774)	3,666,674
Other Financing Sources (Uses)			
Operating Transfers In	- -	- -	12,750
Operating Transfers Out	- -	- -	(3,864,727)
Sale of Capital Assets	- -	- -	100
Total Other Financing Sources (Uses)	<u>- -</u>	<u>- -</u>	<u>(3,851,877)</u>
Excess (Deficiency) of Revenue Over Expenditures	2,762	(52,774)	(185,203)
Fund Balance, June 30, 2005	<u>(579)</u>	<u>472,764</u>	<u>2,124,775</u>
Fund Balance, June 30, 2006	<u>\$ 2,183</u>	<u>\$ 419,990</u>	<u>\$ 1,939,572</u>

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, 2006

	SID Revolving	SID Rebate	1978 Pool & Fire	1985 Open Space	1998 Safety Bonds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 167,917
Special Assessments	- -	(8)	- -	- -	- -
Intergovernmental	- -	- -	- -	- -	- -
Miscellaneous	31,063	- -	- -	- -	- -
Investment Earnings	6,745	90	- -	- -	(402)
Total Revenues	37,808	82	- -	- -	167,515
EXPENDITURES					
Debt Service	- -	- -	- -	- -	\$ 128,783
Total Expenditures	- -	- -	- -	- -	128,783
Excess (Deficiency) of Revenue Over Expenditures	37,808	82	- -	- -	38,732
Other Financing Sources (Uses)					
Operating Transfers Out	(80,000)	- -	- -	- -	- -
Issuance of Long Term Debt	123,300	- -	- -	- -	- -
Total Other Financing Sources (Uses)	43,300	- -	- -	- -	- -
Excess (Deficiency) of Revenue Over Expenditures	81,108	82	- -	- -	38,732
Fund Balance, June 30, 2005	808,460	(101)	12	2	(50,993)
Residual Equity Transfer	150	- -	(12)	(2)	- -
Fund Balance, June 30, 2006	\$ 889,718	\$ (19)	- -	\$ -	\$ (12,261)

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, 2006

	1996 Open Space	1997 Open Space	1994 City Hall & Fire Bonds	1993 Fire Bonds	2004 Aquatics Bond
REVENUES					
Taxes	\$ 297,086	\$ 191,810	\$ 4,060	\$ 7,604	\$ 462,501
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(1,323)	2,733	740	1,687	39,932
Total Revenues	295,763	194,543	4,800	9,291	502,433
EXPENDITURES					
Debt Service	282,963	120,435	-	-	621,545
Total Expenditures	282,963	120,435	-	-	621,545
Excess (Deficiency) of Revenue Over Expenditures	12,800	74,108	4,800	9,291	(119,112)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	12,800	74,108	4,800	9,291	(119,112)
Fund Balance, June 30, 2005	(26,779)	(71,559)	36,825	104,463	8,419
Residual Equity Transfer	(1,016)	-	-	-	-
Fund Balance, June 30, 2006	\$ (14,995)	\$ 2,549	\$ 41,625	\$ 113,754	\$ (110,693)

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, 2006

	2004 Refunding	Sidewalk & Curb	FY99 Sidewalk & Curb	FY00 Sidewalk & Curb	FY01 Sidewalk & Curb
REVENUES					
Taxes	\$ 458,608	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	114,101	81,696	115,069	43,366
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(3,457)	988	(321)	(139)	183
Total Revenues	455,151	115,089	81,375	114,930	43,549
EXPENDITURES					
Debt Service	418,350	122,678	75,580	106,303	43,080
Total Expenditures	418,350	122,678	75,580	106,303	43,080
Excess (Deficiency) of Revenue Over Expenditures	36,801	(7,589)	5,795	8,627	469
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	36,801	(7,589)	5,795	8,627	469
Fund Balance, June 30, 2005	(213,083)	129,171	(14,650)	2,073	39,978
Residual Equity Transfer	(206)	-	-	-	-
Fund Balance, June 30, 2006	\$ (176,488)	\$ 121,582	\$ (8,855)	\$ 10,700	\$ 40,447

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, 2006

	FY02 Sidewalk & Curb	FY03 Sidewalk & Curb	FY04 Sidewalk & Curb	FY05 Sidewalk & Curb	FY06 Sidewalk & Curb
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	70,910	103,345	121,344	120,668	-
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	114	(410)	147	(458)	2
Total Revenues	71,024	102,935	121,491	120,210	2
EXPENDITURES					
Debt Service	60,115	107,083	107,765	111,460	600
Total Expenditures	60,115	107,083	107,765	111,460	600
Excess (Deficiency) of Revenue Over Expenditures	10,909	(4,148)	13,726	8,750	(598)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	3,113	1,001
Total Other Financing Sources (Uses)	-	-	-	3,113	1,001
Excess (Deficiency) of Revenue Over Expenditures	10,909	(4,148)	13,726	11,863	403
Fund Balance, June 30, 2005	22,661	(10,575)	37,471	-	-
Residual Equity Transfer	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 33,570	\$ (14,723)	\$ 51,197	\$ 11,863	\$ 403

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, 2006

	SID 433	SID 470	SID 491	SID 492	SID 494
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	595	-	-	-	-
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	4	-	(13)	(17)	(23)
Total Revenues	599	-	(13)	(17)	(23)
EXPENDITURES					
Debt Service	-	13,361	-	-	-
Total Expenditures	-	13,361	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	599	(13,361)	(13)	(17)	(23)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	599	(13,361)	(13)	(17)	(23)
Fund Balance, June 30, 2005	-	13,361	4,020	(2,086)	(616)
Residual Equity Transfer	(599)	-	(4,007)	2,103	639
Fund Balance, June 30, 2006	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2006

	SID 495	SID 496	SID 497	SID 498	SID 500
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	28,733	-	59,393	125,287	-
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(112)	-	275	1,694	-
Total Revenues	28,621	-	59,668	126,981	-
EXPENDITURES					
Debt Service	58,987	-	94,408	121,101	-
Total Expenditures	58,987	-	94,408	121,101	-
Excess (Deficiency) of Revenue Over Expenditures	(30,366)	-	(34,740)	5,880	-
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(30,366)	-	(34,740)	5,880	-
Fund Balance, June 30, 2005	37,551	(38)	92,789	193,538	30
Residual Equity Transfer	-	38	-	-	(30)
Fund Balance, June 30, 2006	\$ 7,185	\$ -	\$ 58,049	\$ 199,418	\$ -

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, 2006

	SID 501	SID 502	SID 503	SID 504	SID 505
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	52,785	-	12,966	-	14,748
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	774	54	178	5	21
Total Revenues	53,559	54	13,144	5	14,769
EXPENDITURES					
Debt Service	39,220	-	11,160	-	12,590
Total Expenditures	39,220	-	11,160	-	12,590
Excess (Deficiency) of Revenue Over Expenditures	14,339	54	1,984	5	2,179
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	14,339	54	1,984	5	2,179
Fund Balance, June 30, 2005	79,314	4,413	21,101	563	4,261
Residual Equity Transfer	-	(4,467)	-	(568)	-
Fund Balance, June 30, 2006	\$ 93,653	\$ -	\$ 23,085	\$ -	\$ 6,440

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, 2006

	SID 506	SID 507	SID 508	SID 510	SID 511
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,509	5,899	296	18,044	23,275
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	101	84	(55)	645	332
Total Revenues	2,610	5,983	241	18,689	23,607
EXPENDITURES					
Debt Service	5,968	9,422	-	2,980	17,200
Total Expenditures	5,968	9,422	-	2,980	17,200
Excess (Deficiency) of Revenue Over Expenditures	(3,358)	(3,439)	241	15,709	6,407
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(3,358)	(3,439)	241	15,709	6,407
Fund Balance, June 30, 2005	12,620	14,148	(6,982)	60,870	34,897
Residual Equity Transfer	-	-	6,741	-	-
Fund Balance, June 30, 2006	\$ 9,262	\$ 10,709	\$ -	\$ 76,579	\$ 41,304

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, 2006

	SID 512	SID 513	SID 514	SID 515	SID 517
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	148,662	3,909	19,219	396	5,180
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	2,486	273	532	(106)	162
Total Revenues	151,148	4,182	19,751	290	5,342
EXPENDITURES					
Debt Service	150,063	752	3,906	180	8,378
Total Expenditures	150,063	752	3,906	180	8,378
Excess (Deficiency) of Revenue Over Expenditures	1,085	3,430	15,845	110	(3,036)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	1,085	3,430	15,845	110	(3,036)
Fund Balance, June 30, 2005	299,118	29,041	48,778	(13,524)	18,712
Residual Equity Transfer	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 300,203	\$ 32,471	\$ 64,623	\$ (13,414)	\$ 15,676

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, 2006

	SID 518	SID 519	SID 520	SID 521	SID 522
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,365	8,101	210,324	858	915
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	125	162	2,417	46	50
Total Revenues	2,490	8,263	212,741	904	965
EXPENDITURES					
Debt Service	3,590	10,032	177,140	683	986
Total Expenditures	3,590	10,032	177,140	683	986
Excess (Deficiency) of Revenue Over Expenditures	(1,100)	(1,769)	35,601	221	(21)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(1,100)	(1,769)	35,601	221	(21)
Fund Balance, June 30, 2005	10,169	18,075	256,381	5,147	5,715
Residual Equity Transfer	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 9,069	\$ 16,306	\$ 291,982	\$ 5,368	\$ 5,694

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, 2006

	SID 525	SID 526	SID 527	SID 530	SID 531
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	51,851	207,378	4,707	1,331	4,363
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	1,497	3,748	28	21	5
Total Revenues	53,348	211,126	4,735	1,352	4,368
EXPENDITURES					
Debt Service	43,520	189,280	3,868	-	2,152
Total Expenditures	43,520	189,280	3,868	-	2,152
Excess (Deficiency) of Revenue Over Expenditures	9,828	21,846	867	1,352	2,216
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	9,828	21,846	867	1,352	2,216
Fund Balance, June 30, 2005	172,269	409,127	5,925	3,313	(2)
Residual Equity Transfer	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 182,097	\$ 430,973	\$ 6,792	\$ 4,665	\$ 2,214

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, 2006

	SID 532	SID 533	SID 534	SID 535	SID 536
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	68,174	39,398	-	-	-
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Investment Earnings	(35)	13	(66)	(18)	(127)
Total Revenues	68,139	39,411	(66)	(18)	(127)
EXPENDITURES					
Debt Service	60,847	22,711	12,099	3,366	23,212
Total Expenditures	60,847	22,711	12,099	3,366	23,212
Excess (Deficiency) of Revenue Over Expenditures	7,292	16,700	(12,165)	(3,384)	(23,339)
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	7,292	16,700	(12,165)	(3,384)	(23,339)
Fund Balance, June 30, 2005	12	-	-	-	-
Residual Equity Transfer	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 7,304	\$ 16,700	\$ (12,165)	\$ (3,384)	\$ (23,339)

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, 2006

TOTALS

REVENUES

Taxes	\$ 1,589,586
Special Assessments	1,892,152
Intergovernmental	-
Miscellaneous	31,063
Investment Earnings	62,011
Total Revenues	<u>3,574,812</u>

EXPENDITURES

Debt Service	3,409,902
Total Expenditures	<u>3,409,902</u>

Excess (Deficiency) of Revenue

Over Expenditures	164,910
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Other Financing Sources (Uses)

Operating Transfers Out	(80,000)
Issuance of Long Term Debt	127,414
Total Other Financing Sources (Uses)	<u>47,414</u>

Excess (Deficiency) of Revenue

Over Expenditures	212,324
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Fund Balance, June 30, 2005

Residual Equity Transfer	(1,236)
Fund Balance, June 30, 2006	<u>\$ 2,844,893</u>

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, 2006

	2004 Refunding Bonds	Capital Improvements	1996 Open Space	1997 Open Space	2004 Non GO Aquatics
REVENUES					
Intergovernmental	\$ -	\$ 292,597	\$ -	\$ 18,856	\$ -
Charges for Services	-	-	-	-	-
Miscellaneous	-	\$ 291,599	-	\$ 25	-
Investment Earnings	-	\$ (18,560)	-	-	-
Total Revenues	-	\$ 565,636	-	\$ 18,881	-
EXPENDITURES					
General Government	-	-	-	-	-
Public Safety	-	\$ 35,000	-	-	-
Public Works	-	\$ 32,172	-	-	-
Debt Service	-	\$ 382,997	-	-	-
Capital Outlay	-	\$ 2,851,727	-	\$ 20,880	\$ 1,445,488
Total Expenditures	-	\$ 3,301,896	-	\$ 20,880	\$ 1,445,488
Excess(Deficiency) of Revenue Over Expenditures	-	(2,736,260)	-	(1,999)	(1,445,488)
Other Financing Sources (Uses)					
Operating Transfers In	-	\$ 1,189,075	-	-	-
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	\$ 124,880	-	-	-
Total Other Financing Sources(Uses)	-	\$ 1,313,955	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	-	(1,422,305)	-	(1,999)	(1,445,488)
Fund Balance, June 30, 2005	(206)	(1,080,051)	(1,016)	452,348	1,445,488
Residual Equity Transfer	206	-	1,016	-	-
Fund Balance, June 30, 2006	\$ -	\$ (2,502,356)	\$ -	\$ 450,349	\$ -

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, 2006

	New Fire Station GO Bond	Sidewalk & Curb	39th Street Construction	SID Funds	TOTALS
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 311,453
Charges for Services	-	-	-	-	-
Miscellaneous	-	225,829	-	5,412	522,865
Investment Earnings	(3,294)	(2,800)	3,186	5,029	(16,439)
Total Revenues	(3,294)	223,029	3,186	10,441	817,879
EXPENDITURES					
General Government	-	37,889	-	19,290	57,179
Public Safety	-	-	-	-	35,000
Public Works	-	-	-	-	32,172
Debt Service	-	-	-	-	382,997
Capital Outlay	822,360	1,484,063	5,472	2,074,130	16,697,708
Total Expenditures	822,360	1,521,952	5,472	2,093,420	17,205,056
Excess(Deficiency) of Revenue Over Expenditures	(825,654)	(1,298,923)	(2,286)	(2,082,979)	(16,387,177)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	1,189,075
Operating Transfers Out	-	-	-	-	-
Issuance of Long Term Debt	-	1,810,386	-	788,201	2,723,467
Total Other Financing Sources(Uses)	-	1,810,386	-	788,201	3,912,542
Excess(Deficiency) of Revenues Over Expenditures	(825,654)	511,463	(2,286)	(1,294,778)	(12,474,635)
Fund Balance, June 30, 2005	-	(893,158)	317	(7,153)	7,181,074
Residual Equity Transfer	-	-	1,969	-	3,191
Fund Balance, June 30, 2006	\$ (825,654)	\$ (381,695)	\$ -	\$ (1,301,931)	\$ (5,290,370)



AGENCY FUNDS

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
JUNE 30, 2006

	Balance 07/01/2005	Additions	Deletions	Balance 06/30/2006
COURT SURCHARGE				
ASSETS				
Cash	\$ 28,912	\$ 94,026	\$ 90,283	\$ 32,655
Due From Other Governments	7,836	8,333	7,836	8,333
TOTAL ASSETS	\$ 36,748	\$ 102,359	\$ 98,119	\$ 40,988
LIABILITIES				
Accounts Payable	\$ -	\$ 114,947	\$ 89,952	\$ 24,995
Due to Other Governments	36,748	118,527	139,282	15,993
TOTAL LIABILITIES	\$ 36,748	\$ 233,474	\$ 229,234	\$ 40,988
COUNTY CLEARING				
ASSETS				
Cash	\$ 2,246	\$ 12,671	\$ 12,736	\$ 2,181
LIABILITIES				
Accounts Payable	\$ 1,935	\$ 12,648	\$ 12,713	\$ 1,870
Due to Other Governments	311	-	-	311
TOTAL LIABILITIES	\$ 2,246	\$ 12,648	\$ 12,713	\$ 2,181
SEWER REBATE				
ASSETS				
Cash	\$ 26,807	\$ 3,029	\$ 200	\$ 29,636
LIABILITIES				
Due to Private Parties	\$ 26,807	\$ 3,029	\$ 200	\$ 29,636
YOUTH PROGRAMS				
ASSETS				
Cash	\$ 473	\$ -	\$ -	\$ 473
LIABILITIES				
Due to Private Parties	\$ 473	\$ -	\$ -	\$ 473
COUNTY PARK BOARD				
ASSETS				
Cash	\$ 5,500	\$ -	\$ -	\$ 5,500
LIABILITIES				
Due to Other Governments	\$ 5,500	\$ -	\$ -	\$ 5,500
ELK HILLS SUBDIVISION				
ASSETS				
Cash	\$ 3,868	\$ -	\$ -	\$ 3,868
LIABILITIES				
Due to Private Parties	\$ 3,868	\$ -	\$ -	\$ 3,868
BUSINESS IMPROVEMENT				
ASSETS				
Cash	\$ -	\$ 237,814	\$ 16,256	\$ 221,558
Interest Receivable	-	3,707	-	3,707
Due From Other Governments	-	303	-	303
TOTAL ASSETS	\$ -	\$ 241,824	\$ 16,256	\$ 225,568
LIABILITIES				
Accounts Payable	\$ -	\$ 34,077	\$ 14,449	\$ 19,628
Due to Other Governments	-	205,940	-	205,940
TOTAL LIABILITIES	\$ -	\$ 240,017	\$ 14,449	\$ 225,568
MUNICIPAL COURT RESTITUTION				
ASSETS				
Cash	\$ 188,985	\$ 14,696	\$ -	\$ 203,681
LIABILITIES				
Due to Private Parties	\$ 188,985	\$ 14,696	\$ -	\$ 203,681
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 256,791	\$ 362,236	\$ 119,475	\$ 499,552
Interest Receivable	-	3,707	-	3,707
Due From Other Governments	7,836	8,636	7,836	8,636
TOTAL ASSETS	\$ 264,627	\$ 374,579	\$ 127,311	\$ 511,895
LIABILITIES				
Accounts Payable	\$ 1,935	\$ 161,672	\$ 117,114	\$ 46,493
Due to Other Governments	42,559	324,467	139,282	227,744
Due to Private Parties	220,133	17,725	200	237,658
TOTAL LIABILITIES	\$ 264,627	\$ 503,864	\$ 256,596	\$ 511,895

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MAJOR GOVERNMENTAL FUNDS BUDGET TO ACTUAL

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	2004 GO Aquatics			SID 524		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Special Assessments	\$ -	\$ -	-	\$ 399,539	\$ 454,974	55,435
Investment Earnings	-	-	-	-	6,502	6,502
Total Revenues	-	-	-	399,539	461,476	61,937
EXPENDITURES						
Debt Service	-	-	-	962,280	348,280	614,000
Capital Outlay	7,358,765	7,993,588	(634,823)	-	-	-
Total Expenditures	7,358,765	7,993,588	(634,823)	962,280	348,280	614,000
Excess(Deficiency) of Revenue Over Expenditures	(7,358,765)	(7,993,588)	(634,823)	(562,741)	113,196	675,937
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues Over Expenditures	(7,358,765)	(7,993,588)	(634,823)	(562,741)	113,196	675,937
Fund Balance, June 30, 2005	7,264,505	7,264,505	-	646,256	646,256	-
Residual Equity Transfer	-	-	-	-	(1,969)	(1,969)
Fund Balance, June 30, 2006	\$ (94,260)	\$ (729,083)	\$ (634,823)	\$ 83,515	\$ 757,483	\$ 673,968

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NONMAJOR GOVERNMENTAL FUNDS BUDGET TO ACTUAL

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, 2006

	Park Acquisition			Park Enterprise		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	76,000	12,000	(64,000)	18,000	30,374	12,374
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	34,000	-	(34,000)	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	110,000	12,000	(98,000)	18,000	30,374	12,374
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	45,000	35,181	9,819	45,000	650	44,350
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	65,000	4,856	60,144	75,000	-	75,000
Total Expenditures	110,000	40,037	69,963	120,000	650	119,350
Excess (Deficiency) of Revenue Over Expenditures	-	(28,037)	(28,037)	(102,000)	29,724	131,724
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(28,037)	(28,037)	(102,000)	29,724	131,724
Fund Balance, June 30, 2005	101,998	101,998	-	128,659	128,659	-
Fund Balance, June 30, 2006	\$ 101,998	\$ 73,961	\$ (28,037)	\$ 26,659	\$ 158,383	\$ 131,724

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, 2006

	Trail Development			Cremain Wall		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	2,000	2,401	401
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	385,000	34,175	(350,825)	1,000	267	(733)
Interest	-	-	-	-	2	2
Total Revenues	385,000	34,175	(350,825)	3,000	2,670	(330)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	910	(910)
Culture and Recreation	295,000	36,325	258,675	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	295,000	32,164	262,836	8,988	186	8,802
Total Expenditures	590,000	68,489	521,511	8,988	1,096	7,892
Excess (Deficiency) of Revenue Over Expenditures	(205,000)	(34,314)	170,686	(5,988)	1,574	7,562
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(205,000)	(34,314)	170,686	(5,988)	1,574	7,562
Fund Balance, June 30, 2005	247,396	247,396	-	6,334	6,334	-
Fund Balance, June 30, 2006	\$ 42,396	\$ 213,082	\$ 170,686	\$ 346	\$ 7,908	\$ 7,562

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, 2006

	Cemetery Care			Title One Projects		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	18400	36,328	17,928	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	500	-	(500)	27,000	90,005	63,005
Interest	3,000	1,884	(1,116)	51,300	21,527	(29,773)
Total Revenues	21,900	38,212	16,312	78,300	111,532	33,232
EXPENDITURES						
Current						
General Government	-	-	-	528,578	69,860	458,718
Public Safety	-	-	-	-	-	-
Public Works	7,500	80	7,420	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	13,025	6,482	6,543	-	-	-
Total Expenditures	20,525	6,562	13,963	528,578	69,860	458,718
Excess (Deficiency) of Revenue Over Expenditures	1,375	31,650	30,275	(450,278)	41,672	491,950
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(33,400)	(33,400)	-
Sale of Capital Assets	-	-	-	-	100	100
Total Other Financing Sources (Uses)	-	-	-	(33,400)	(33,300)	100
Excess (Deficiency) of Revenue Over Expenditures	1,375	31,650	30,275	(483,678)	8,372	492,050
Fund Balance, June 30, 2005	36,113	36,113	-	597,592	597,592	-
Fund Balance, June 30, 2006	\$ 37,488	\$ 67,763	\$ 30,275	\$ 113,914	\$ 605,964	\$ 492,050

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, 2006

	Impact Fee			Public Art			
			Variance -			Variance -	
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Assessments	-	-	-	-	-	-	
Licenses	-	-	-	-	-	-	
Intergovernmental	450,000	445,273	(4,727)	-	-	-	
Charges for Services	-	-	-	-	-	-	
Fines and Forfeitures	-	-	-	-	-	-	
Grants and Miscellaneous	-	-	-	8,000	200	(7,800)	
Interest	-	(2,353)	(2,353)	-	-	-	
Total Revenues	450,000	442,920	(7,080)	8,000	200	(7,800)	
EXPENDITURES							
Current							
General Government	-	-	-	-	-	-	
Public Safety	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Culture and Recreation	-	-	-	90,000	-	90,000	
Community Development	-	-	-	-	-	-	
Conservation of Natural Resources	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
Capital Outlay	117,952	-	117,952	2,750	34,896	(32,146)	
Total Expenditures	117,952	-	117,952	92,750	34,896	57,854	
Excess (Deficiency) of Revenue Over Expenditures	332,048	442,920	110,872	(84,750)	(34,696)	50,054	
Other Financing Sources (Uses)							
Operating Transfers In	-	-	-	2,750	2,750	-	
Operating Transfers Out	(332,048)	(332,048)	-	-	-	-	
Sale of Capital Assets	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	(332,048)	(332,048)	-	2,750	2,750	-	
Excess (Deficiency) of Revenue Over Expenditures	-	110,872	110,872	(82,000)	(31,946)	50,054	
Fund Balance, June 30, 2005	(139,884)	(139,884)	-	81,788	81,788	-	
Fund Balance, June 30, 2006	\$ (139,884)	\$ (29,012)	\$ 110,872	\$ (212)	\$ 49,842	\$ 50,054	

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, 2006

	Employee Health Insurance			Cable TV Franchise		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ 2,738,448	2,620,339	\$ (118,109)	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	414,545	432,593	18,048
Intergovernmental	7,872	-	(7,872)	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	978	978	-	-	-
Total Revenues	2,746,320	2,621,317	(125,003)	414,545	432,593	18,048
EXPENDITURES						
Current						
General Government	-	-	-	251,399	244,616	6,783
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	38,146	36,871	1,275
Total Expenditures	-	-	-	289,545	281,487	8,058
Excess (Deficiency) of Revenue Over Expenditures	2,746,320	2,621,317	(125,003)	125,000	151,106	26,106
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(2,721,320)	(2,746,320)	(25,000)	(128,750)	(128,750)	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,721,320)	(2,746,320)	(25,000)	(128,750)	(128,750)	-
Excess (Deficiency) of Revenue Over Expenditures	25,000	(125,003)	(150,003)	(3,750)	22,356	26,106
Fund Balance, June 30, 2005	(286,927)	(286,927)	-	77,107	77,107	-
Fund Balance, June 30, 2006	\$ (261,927)	\$ (411,930)	\$ (150,003)	\$ 73,357	\$ 99,463	\$ 26,106

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, 2006

	Drug Forfeiture			Building Division		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	1,251,762	1,138,713	(113,049)
Intergovernmental	-	-	-	-	562	562
Charges for Services	-	-	-	3,314	378	(2,936)
Fines and Forfeitures	260,150	40,441	(219,709)	-	-	-
Grants and Miscellaneous	-	-	-	-	640	640
Interest	-	-	-	-	-	-
Total Revenues	260,150	40,441	(219,709)	1,255,076	1,140,293	(114,783)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	96,500	36,284	60,216	1,263,107	1,226,134	36,973
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	153,650	2,071	151,579	3,600	9,538	(5,938)
Total Expenditures	250,150	38,355	211,795	1,266,707	1,235,672	31,035
Excess (Deficiency) of Revenue Over Expenditures	10,000	2,086	(7,914)	(11,631)	(95,379)	(83,748)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(10,000)	(10,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(10,000)	(10,000)	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(7,914)	(7,914)	(11,631)	(95,379)	(83,748)
Fund Balance, June 30, 2005	40,222	40,222	-	(23,086)	(23,086)	-
Fund Balance, June 30, 2006	\$ 40,222	\$ 32,308	\$ (7,914)	\$ (34,717)	\$ (118,465)	\$ (83,748)

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, 2006

	Program Income			Revolving Loan Program		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	20	20	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	1,074	1,074	-	3,994	3,994
Interest	-	(240)	(240)	-	479	479
Total Revenues	-	854	854	-	4,473	4,473
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	120,888	-	120,888	69,030	7,801	61,229
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	120,888	-	120,888	69,030	7,801	61,229
Excess (Deficiency) of Revenue Over Expenditures	(120,888)	854	121,742	(69,030)	(3,328)	65,702
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(120,888)	854	121,742	(69,030)	(3,328)	65,702
Fund Balance, June 30, 2005	115,617	115,617	-	69,353	69,353	-
Fund Balance, June 30, 2006	\$ (5,271)	\$ 116,471	\$ 121,742	\$ 323	\$ 66,025	\$ 65,702

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, 2006

	Dangerous Building Demolition & Repair			Street Lighting		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments		15,000			359,825	
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	15,000	-	(15,000)	359,825	374,507	14,682
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	15,000	2,000	13,000	-	-	-
Public Works	-	-	-	359,825	307,757	52,068
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	15,000	2,000	13,000	359,825	307,757	52,068
Excess (Deficiency) of Revenue Over Expenditures		(2,000)	(2,000)		66,750	66,750
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures		(2,000)	(2,000)		66,750	66,750
Fund Balance, June 30, 2005	-	-	-	104,257	104,257	-
Fund Balance, June 30, 2006	\$ -	\$ (2,000)	\$ (2,000)	\$ 104,257	\$ 171,007	\$ 66,750

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, 2006

	Street Maintenance			Russell Park Maintenance		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	44,224	58,603	14,379	1,471	3,731	2,260
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	(23)	(23)
Total Revenues	44,224	58,603	14,379	1,471	3,708	2,237
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	44,224	58,603	14,379	1,471	3,708	2,237
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(44,224)	(44,224)	-	(1,471)	(3,843)	(2,372)
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(44,224)	(44,224)	-	(1,471)	(3,843)	(2,372)
Excess (Deficiency) of Revenue Over Expenditures	-	14,379	14,379	-	(135)	(135)
Fund Balance, June 30, 2005	(13,604)	(13,604)	-	(1,343)	(1,343)	-
Fund Balance, June 30, 2006	\$ (13,604)	\$ 775	\$ 14,379	\$ (1,343)	\$ (1,478)	\$ (135)

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, 2006

	Willowwood Park Maintenance			State Gas Tax			Variance - Favorable (Unfavorable)	
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual			
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Special Assessments	2,238	2,072	(166)					
Licenses	-	-	-					
Intergovernmental	-	-	-	1,060,000	1,059,360	(640)		
Charges for Services	-	-	-					
Fines and Forfeitures	-	-	-					
Grants and Miscellaneous	-	-	-					
Interest	-	(7)	(7)					
Total Revenues	2,238	2,065	(173)	1,060,000	1,059,360	(640)		
EXPENDITURES								
Current								
General Government	-	-	-					
Public Safety	-	-	-					
Public Works	-	-	-	20,000	23,702	(3,702)		
Culture and Recreation	-	-	-					
Community Development	-	-	-					
Conservation of Natural Resources	-	-	-					
Miscellaneous	-	-	-					
Capital Outlay	-	-	-	899,382	867,240	32,142		
Total Expenditures	-	-	-	919,382	890,942	28,440		
Excess (Deficiency) of Revenue Over Expenditures	2,238	2,065	(173)	140,618	168,418	27,800		
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-					
Operating Transfers Out	(2,238)	(2,142)	96	(564,000)	(564,000)	-		
Sale of Capital Assets	-	-	-					
Total Other Financing Sources (Uses)	(2,238)	(2,142)	96	(564,000)	(564,000)	-		
Excess (Deficiency) of Revenue Over Expenditures	-	(77)	(77)	(423,382)	(395,582)	27,800		
Fund Balance, June 30, 2005	(62)	(62)	-	464,746	464,746	-		
Fund Balance, June 30, 2006	\$ (62)	\$ (139)	\$ (77)	\$ 41,364	\$ 69,164	\$ 27,800		

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, 2006

	Crime Victim Surcharge			Law Enforcement Grant		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	99,732	3,549	(96,183)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	8,881	8,881	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(82)	(82)	-	(198)	(198)
Total Revenues	-	8,799	8,799	99,732	3,351	(96,381)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	35,877	17,557	18,320
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	64,711	9,105	55,606
Total Expenditures	-	-	-	100,588	26,662	73,926
Excess (Deficiency) of Revenue Over Expenditures		8,799	8,799	(856)	(23,311)	(22,455)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	10,000	10,000	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	10,000	10,000	-
Excess (Deficiency) of Revenue Over Expenditures		8,799	8,799	9,144	(13,311)	(22,455)
Fund Balance, June 30, 2005	(14,600)	(14,600)	-	4,265	4,265	-
Fund Balance, June 30, 2006	\$ (14,600)	\$ (5,801)	\$ 8,799	\$ 13,409	\$ (9,046)	\$ (22,455)

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, 2006

	HIDTA Grant			Community Development		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	2,171,832	1,202,273	(969,559)
Charges for Services	-	233,095	233,095	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	3,721	3,721	-	-	-
Total Revenues	-	236,816	236,816	2,171,832	1,202,273	(969,559)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	2,577	(2,577)	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	2,171,832	1,195,220	976,612
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	2,577	(2,577)	2,171,832	1,195,220	976,612
Excess (Deficiency) of Revenue Over Expenditures		234,239	234,239	-	7,053	7,053
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures		234,239	234,239	-	7,053	7,053
Fund Balance, June 30, 2005	194,524	194,524	-	(72,662)	(72,662)	-
Fund Balance, June 30, 2006	\$ 194,524	\$ 428,763	\$ 234,239	\$ (72,662)	\$ (65,609)	\$ 7,053

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, 2006

	Home Grant			ISTEA Grants		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	2,245,042	1,218,575	(1,026,467)	1,105,770	63,026	(1,042,744)
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	2,245,042	1,218,575	(1,026,467)	1,105,770	63,026	(1,042,744)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	2,259,042	1,153,362	1,105,680	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	1,105,770	60,264	1,045,506
Total Expenditures	2,259,042	1,153,362	1,105,680	1,105,770	60,264	1,045,506
Excess (Deficiency) of Revenue Over Expenditures	(14,000)	65,213	79,213	-	2,762	2,762
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(14,000)	65,213	79,213	-	2,762	2,762
Fund Balance, June 30, 2005	(65,213)	(65,213)	-	(579)	(579)	-
Fund Balance, June 30, 2006	\$ (79,213)	\$ -	\$ 79,213	\$ (579)	\$ 2,183	\$ 2,762

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, 2006

	Grants & Donations			Variance - Favorable (Unfavorable)	
	Budget	Actual	-		
	\$	\$			
REVENUES					
Taxes	\$ -	\$ -	-	-	
Special Assessments	-	-	-	-	
Licenses	-	-	-	-	
Intergovernmental	1,638,649	325,715	(1,312,934)	(1,312,934)	
Charges for Services	53,985	-	(53,985)	(53,985)	
Fines and Forfeitures	-	-	-	-	
Grants and Miscellaneous	22,399	8,865	(13,534)	(13,534)	
Interest	-	-	-	-	
Total Revenues	1,715,033	334,580	(1,380,453)	(1,380,453)	
EXPENDITURES					
Current					
General Government	3,570	-	3,570	3,570	
Public Safety	225,618	183,853	41,765	41,765	
Public Works	1,000	17,601	(16,601)	(16,601)	
Culture and Recreation	10,068	32	10,036	10,036	
Community Development	1,185,761	23,358	1,162,403	1,162,403	
Conservation of Natural Resources	74,831	-	74,831	74,831	
Miscellaneous	-	-	-	-	
Capital Outlay	158,091	162,510	(4,419)	(4,419)	
Total Expenditures	1,658,939	387,354	1,271,585	1,271,585	
Excess (Deficiency) of Revenue Over Expenditures	56,094	(52,774)	(108,868)	(108,868)	
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	
Operating Transfers Out	-	-	-	-	
Sale of Capital Assets	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	
Excess (Deficiency) of Revenue Over Expenditures	56,094	(52,774)	(108,868)	(108,868)	
Fund Balance, June 30, 2005	472,764	472,764	-	-	
Fund Balance, June 30, 2006	\$ 528,858	\$ 419,990	\$ (108,868)	\$ (108,868)	

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, 2006

	SID Revolving			SID Rebate		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	(8)	(8)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	31,063	31,063	-	-	-
Interest	-	6,745	6,745	-	90	90
Total Revenues	-	37,808	37,808	-	82	82
EXPENDITURES						
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	37,808	37,808	-	82	82
Other Financing Sources (Uses)						
Operating Transfers Out	(969,132)	(80,000)	889,132	-	-	-
Issuance of Long Term Debt	149,510	123,300	(26,210)	-	-	-
Total Other Financing Sources (Uses)	(819,622)	43,300	862,922	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(819,622)	81,108	900,730	-	82	82
Fund Balance, June 30, 2005	808,460	808,460	-	(101)	(101)	-
Residual Equity Transfer	-	150	150	-	-	-
Fund Balance, June 30, 2006	\$ (11,162)	\$ 889,718	\$ 900,880	\$ (101)	\$ (19)	\$ 82

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, 2006

	1978 Pool & Fire			1985 Open Space		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	-	-	-	-	-
Fund Balance, June 30, 2005	12	12	-	2	2	-
Residual Equity Transfer	-	(12)	(12)	-	(2)	(2)
Fund Balance, June 30, 2006	\$ 12	\$ -	\$ (12)	\$ 2	\$ -	\$ (2)

Continued

CITY OF MISSOULA, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	1998 Safety Bonds			1996 Open Space		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ 178,835	167,917	\$ (10,918)	\$ 315,086	297,086	\$ (18,000)
Special Assessments	-	-	-	-	-	-
Intergovernmental	525	-	(525)	1,000	-	(1,000)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(402)	(402)	-	(1,323)	(1,323)
Total Revenues	179,360	167,515	(11,845)	316,086	295,763	(20,323)
EXPENDITURES						
Debt Service	128,908	128,783	125	283,266	282,963	303
Total Expenditures	128,908	128,783	125	283,266	282,963	303
Excess (Deficiency) of Revenue Over Expenditures	50,452	38,732	(11,720)	32,820	12,800	(20,020)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	50,452	38,732	(11,720)	32,820	12,800	(20,020)
Fund Balance, June 30, 2005	(50,993)	(50,993)	-	(26,779)	(26,779)	-
Residual Equity Transfer	-	-	-	-	(1,016)	(1,016)
Fund Balance, June 30, 2006	\$ (541)	\$ (12,261)	\$ (11,720)	\$ 6,041	\$ (14,995)	\$ (21,036)

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, 2006

	1997 Open Space			1994 City Hall & Fire Bonds		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ 209,492	191,810	\$ (17,682)	\$ -	4,060	\$ 4,060
Special Assessments	-	-	-	-	-	-
Intergovernmental	608	-	(608)	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	2,733	2,733	-	740	740
Total Revenues	210,100	194,543	(15,557)	-	4,800	4,800
EXPENDITURES						
Debt Service	120,735	120,435	300	37,045	-	37,045
Total Expenditures	120,735	120,435	300	37,045	-	37,045
Excess (Deficiency) of Revenue Over Expenditures	89,365	74,108	(15,257)	(37,045)	4,800	41,845
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	89,365	74,108	(15,257)	(37,045)	4,800	41,845
Fund Balance, June 30, 2005	(71,559)	(71,559)	-	36,825	36,825	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 17,806	\$ 2,549	\$ (15,257)	\$ (220)	\$ 41,625	\$ 41,845

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, 2006

	1993 Fire Bonds			2004 Aquatics Bonds		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	7,604	\$ 7,604	\$ 493,892	462,501	\$ (31,391)
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	1,403	-	(1,403)
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	1,687	1,687	150,000	39,932	(110,068)
Total Revenues	-	9,291	9,291	645,295	502,433	(142,862)
EXPENDITURES						
Debt Service	103,370	-	103,370	620,295	621,545	(1,250)
Total Expenditures	103,370	-	103,370	620,295	621,545	(1,250)
Excess (Deficiency) of Revenue Over Expenditures	(103,370)	9,291	112,661	25,000	(119,112)	(144,112)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(103,370)	9,291	112,661	25,000	(119,112)	(144,112)
Fund Balance, June 30, 2005	104,463	104,463	-	8,419	8,419	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 1,093	\$ 113,754	\$ 112,661	\$ 33,419	\$ (110,693)	\$ (144,112)

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, 2006

	2004 Refunding			Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ 493,808	458,608	\$ (35,200)	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	114,101	114,101
Intergovernmental	1,392	-	(1,392)	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(3,457)	(3,457)	-	988	988
Total Revenues	495,200	455,151	(40,049)	-	115,089	115,089
EXPENDITURES						
Debt Service	418,400	418,350	50	-	122,678	(122,678)
Total Expenditures	418,400	418,350	50	-	122,678	(122,678)
Excess (Deficiency) of Revenue Over Expenditures	76,800	36,801	(39,999)	-	(7,589)	(7,589)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	76,800	36,801	(39,999)	-	(7,589)	(7,589)
Fund Balance, June 30, 2005	(213,083)	(213,083)	-	129,171	129,171	-
Residual Equity Transfer	-	(206)	(206)	-	-	-
Fund Balance, June 30, 2006	\$ (136,283)	\$ (176,488)	\$ (40,205)	\$ 129,171	\$ 121,582	\$ (7,589)

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, 2006

	FY99 Sidewalk & Curb			FY00 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	102,295	81,696	(20,599)	122,140	115,069	(7,071)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(321)	(321)	-	(139)	(139)
Total Revenues	102,295	81,375	(20,920)	122,140	114,930	(7,210)
EXPENDITURES						
Debt Service	75,580	75,580	-	106,428	106,303	125
Total Expenditures	75,580	75,580	-	106,428	106,303	125
Excess (Deficiency) of Revenue Over Expenditures	26,715	5,795	(20,920)	15,712	8,627	(7,085)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	26,715	5,795	(20,920)	15,712	8,627	(7,085)
Fund Balance, June 30, 2005	(14,650)	(14,650)	-	2,073	2,073	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 12,065	\$ (8,855)	\$ (20,920)	\$ 17,785	\$ 10,700	\$ (7,085)

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, 2006

	FY01 Sidewalk & Curb			FY02 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	43,766	43,366	(400)	58,006	70,910	12,904
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	183	183	-	114	114
Total Revenues	43,766	43,549	(217)	58,006	71,024	13,018
EXPENDITURES						
Debt Service	56,177	43,080	13,097	62,155	60,115	2,040
Total Expenditures	56,177	43,080	13,097	62,155	60,115	2,040
Excess (Deficiency) of Revenue Over Expenditures	(12,411)	469	12,880	(4,149)	10,909	15,058
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(12,411)	469	12,880	(4,149)	10,909	15,058
Fund Balance, June 30, 2005	39,978	39,978	-	22,661	22,661	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 27,567	\$ 40,447	\$ 12,880	\$ 18,512	\$ 33,570	\$ 15,058

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, 2006

	FY03 Sidewalk & Curb			FY04 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	138,616	103,345	(35,271)	106,202	121,344	15,142
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(410)	(410)	-	147	147
Total Revenues	138,616	102,935	(35,681)	106,202	121,491	15,289
EXPENDITURES						
Debt Service	107,083	107,083	-	107,515	107,765	(250)
Total Expenditures	107,083	107,083	-	107,515	107,765	(250)
Excess (Deficiency) of Revenue Over Expenditures	31,533	(4,148)	(35,681)	(1,313)	13,726	15,039
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	31,533	(4,148)	(35,681)	(1,313)	13,726	15,039
Fund Balance, June 30, 2005	(10,575)	(10,575)	-	37,471	37,471	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 20,958	\$ (14,723)	\$ (35,681)	\$ 36,158	\$ 51,197	\$ 15,039

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, 2006

	FY05 Sidewalk & Curb			FY06 Sidewalk & Curb		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	113,490	120,668	7,178	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(458)	(458)	-	2	2
Total Revenues	113,490	120,210	6,720	-	2	2
EXPENDITURES						
Debt Service	110,798	111,460	(662)	-	600	(600)
Total Expenditures	110,798	111,460	(662)	-	600	(600)
Excess (Deficiency) of Revenue Over Expenditures	2,692	8,750	6,058	-	(598)	(598)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	3,113	3,113	-	1,001	1,001	-
Total Other Financing Sources (Uses)	3,113	3,113	-	1,001	1,001	-
Excess (Deficiency) of Revenue Over Expenditures	5,805	11,863	6,058	1,001	403	(598)
Fund Balance, June 30, 2005	-	-	-	-	-	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 5,805	\$ 11,863	\$ 6,058	\$ 1,001	\$ 403	\$ (598)

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, 2006

	SID 470			SID 491		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	(13)	(13)
Total Revenues	-	-	-	-	(13)	(13)
EXPENDITURES						
Debt Service	-	13,361	(13,361)	3,387	-	3,387
Total Expenditures	-	13,361	(13,361)	3,387	-	3,387
Excess (Deficiency) of Revenue Over Expenditures	-	(13,361)	(13,361)	(3,387)	(13)	3,374
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(13,361)	(13,361)	(3,387)	(13)	3,374
Fund Balance, June 30, 2005	13,361	13,361	-	4,020	4,020	-
Residual Equity Transfer	-	-	-	-	(4,007)	(4,007)
Fund Balance, June 30, 2006	\$ 13,361	\$ -	\$ (13,361)	\$ 633	\$ -	\$ (633)

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, 2006

	SID 492			SID 494		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments		2,010	(2,010)		772	(772)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(17)	(17)	-	(23)	(23)
Total Revenues	2,010	(17)	(2,027)	772	(23)	(795)
EXPENDITURES						
Debt Service	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,010	(17)	(2,027)	772	(23)	(795)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	2,010	(17)	(2,027)	772	(23)	(795)
Fund Balance, June 30, 2005	(2,086)	(2,086)	-	(616)	(616)	-
Residual Equity Transfer	-	2,103	2,103	-	639	639
Fund Balance, June 30, 2006	\$ (76)	\$ -	\$ 76	\$ 156	\$ -	\$ (156)

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, 2006

	SID 495			SID 496		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	31,706	28,733	(2,973)	39	-	(39)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(112)	(112)	-	-	-
Total Revenues	31,706	28,621	(3,085)	39	-	(39)
EXPENDITURES						
Debt Service	58,988	58,987	1	-	-	-
Total Expenditures	58,988	58,987	1	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(27,282)	(30,366)	(3,084)	39	-	(39)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(27,282)	(30,366)	(3,084)	39	-	(39)
Fund Balance, June 30, 2005	37,551	37,551	-	(38)	(38)	-
Residual Equity Transfer	-	-	-	-	38	38
Fund Balance, June 30, 2006	\$ 10,269	\$ 7,185	\$ (3,084)	\$ 1	\$ -	\$ (1)

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, 2006

	SID 497			SID 498		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	62,464	59,393	(3,071)	121,757	125,287	3,530
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	275	275	-	1,694	1,694
Total Revenues	62,464	59,668	(2,796)	121,757	126,981	5,224
EXPENDITURES						
Debt Service	132,848	94,408	38,440	281,160	121,101	160,059
Total Expenditures	132,848	94,408	38,440	281,160	121,101	160,059
Excess (Deficiency) of Revenue Over Expenditures	(70,384)	(34,740)	35,644	(159,403)	5,880	165,283
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(70,384)	(34,740)	35,644	(159,403)	5,880	165,283
Fund Balance, June 30, 2005	92,789	92,789	-	193,538	193,538	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 22,405	\$ 58,049	\$ 35,644	\$ 34,135	\$ 199,418	\$ 165,283

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, 2006

	SID 500			SID 501		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	46,120	52,785	6,665
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	774	774
Total Revenues	-	-	-	46,120	53,559	7,439
EXPENDITURES						
Debt Service	28	-	28	99,220	39,220	60,000
Total Expenditures	28	-	28	99,220	39,220	60,000
Excess (Deficiency) of Revenue						
Over Expenditures	(28)	-	28	(53,100)	14,339	67,439
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(28)	-	28	(53,100)	14,339	67,439
Fund Balance, June 30, 2005	30	30	-	79,314	79,314	-
Residual Equity Transfer	-	(30)	(30)	-	-	-
Fund Balance, June 30, 2006	\$ 2	\$ -	\$ (2)	\$ 26,214	\$ 93,653	\$ 67,439

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, 2006

	SID 502			SID 503		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	12,947	12,966	19
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	54	54	-	178	178
Total Revenues	-	54	54	12,947	13,144	197
EXPENDITURES						
Debt Service	4,320	-	4,320	11,127	11,160	(33)
Total Expenditures	4,320	-	4,320	11,127	11,160	(33)
Excess (Deficiency) of Revenue						
Over Expenditures	(4,320)	54	4,374	1,820	1,984	164
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(4,320)	54	4,374	1,820	1,984	164
Fund Balance, June 30, 2005	4,413	4,413	-	21,101	21,101	-
Residual Equity Transfer	-	(4,467)	(4,467)	-	-	-
Fund Balance, June 30, 2006	\$ 93	\$ -	\$ (93)	\$ 22,921	\$ 23,085	\$ 164

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, 2006

	SID 504			SID 505		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	15,312	14,748	(564)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	5	5	-	21	21
Total Revenues	-	5	5	15,312	14,769	(543)
EXPENDITURES						
Debt Service	547	-	547	11,610	12,590	(980)
Total Expenditures	547	-	547	11,610	12,590	(980)
Excess (Deficiency) of Revenue Over Expenditures	(547)	5	552	3,702	2,179	(1,523)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(547)	5	552	3,702	2,179	(1,523)
Fund Balance, June 30, 2005	563	563	-	4,261	4,261	-
Residual Equity Transfer	-	(568)	(568)	-	-	-
Fund Balance, June 30, 2006	\$ 16	\$ -	\$ (16)	\$ 7,963	\$ 6,440	\$ (1,523)

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, 2006

	SID 506			SID 507		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	3,157	2,509	(648)	7,259	5,899	(1,360)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	101	101	-	84	84
Total Revenues	3,157	2,610	(547)	7,259	5,983	(1,276)
EXPENDITURES						
Debt Service	5,968	5,968	-	9,896	9,422	474
Total Expenditures	5,968	5,968	-	9,896	9,422	474
Excess (Deficiency) of Revenue Over Expenditures	(2,811)	(3,358)	(547)	(2,637)	(3,439)	(802)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(2,811)	(3,358)	(547)	(2,637)	(3,439)	(802)
Fund Balance, June 30, 2005	12,620	12,620	-	14,148	14,148	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 9,809	\$ 9,262	\$ (547)	\$ 11,511	\$ 10,709	\$ (802)

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, 2006

	SID 508			SID 510		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	6,720	296	(6,424)	18,222	18,044	(178)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(55)	(55)	-	645	645
Total Revenues	6,720	241	(6,479)	18,222	18,689	467
EXPENDITURES						
Debt Service	-	-	-	57,980	2,980	55,000
Total Expenditures	-	-	-	57,980	2,980	55,000
Excess (Deficiency) of Revenue Over Expenditures	6,720	241	(6,479)	(39,758)	15,709	55,467
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	6,720	241	(6,479)	(39,758)	15,709	55,467
Fund Balance, June 30, 2005	(6,982)	(6,982)	-	60,870	60,870	-
Residual Equity Transfer	-	6,741	6,741	-	-	-
Fund Balance, June 30, 2006	\$ (262)	\$ -	\$ 262	\$ 21,112	\$ 76,579	\$ 55,467

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, 2006

	SID 511			SID 512		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	18,670	23,275	4,605	131,078	148,662	17,584
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	332	332	-	2,486	2,486
Total Revenues	18,670	23,607	4,937	131,078	151,148	20,070
EXPENDITURES						
Debt Service	30,200	17,200	13,000	392,891	150,063	242,828
Total Expenditures	30,200	17,200	13,000	392,891	150,063	242,828
Excess (Deficiency) of Revenue Over Expenditures	(11,530)	6,407	17,937	(261,813)	1,085	262,898
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(11,530)	6,407	17,937	(261,813)	1,085	262,898
Fund Balance, June 30, 2005	34,897	34,897	-	299,118	299,118	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 23,367	\$ 41,304	\$ 17,937	\$ 37,305	\$ 300,203	\$ 262,898

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, 2006

	SID 513			SID 514		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	4,614	3,909	(705)	16,416	19,219	2,803
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	273	273	-	532	532
Total Revenues	4,614	4,182	(432)	16,416	19,751	3,335
EXPENDITURES						
Debt Service	10,752	752	10,000	41,906	3,906	38,000
Total Expenditures	10,752	752	10,000	41,906	3,906	38,000
Excess (Deficiency) of Revenue						
Over Expenditures	(6,138)	3,430	9,568	(25,490)	15,845	41,335
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(6,138)	3,430	9,568	(25,490)	15,845	41,335
Fund Balance, June 30, 2005	29,041	29,041	-	48,778	48,778	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 22,903	\$ 32,471	\$ 9,568	\$ 23,288	\$ 64,623	\$ 41,335

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, 2006

	SID 515			SID 517		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	13,254	396	(12,858)	5,741	5,180	(561)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(106)	(106)	-	162	162
Total Revenues	13,254	290	(12,964)	5,741	5,342	(399)
EXPENDITURES						
Debt Service	180	180	-	8,382	8,378	4
Total Expenditures	180	180	-	8,382	8,378	4
Excess (Deficiency) of Revenue Over Expenditures	13,074	110	(12,964)	(2,641)	(3,036)	(395)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	13,074	110	(12,964)	(2,641)	(3,036)	(395)
Fund Balance, June 30, 2005	(13,524)	(13,524)	-	18,712	18,712	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ (450)	\$ (13,414)	\$ (12,964)	\$ 16,071	\$ 15,676	\$ (395)

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, 2006

	SID 518			SID 519		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	3,852	2,365	(1,487)	8,140	8,101	(39)
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	125	125	-	162	162
Total Revenues	3,852	2,490	(1,362)	8,140	8,263	123
EXPENDITURES						
Debt Service	3,586	3,590	(4)	10,032	10,032	-
Total Expenditures	3,586	3,590	(4)	10,032	10,032	-
Excess (Deficiency) of Revenue Over Expenditures	266	(1,100)	(1,366)	(1,892)	(1,769)	123
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	266	(1,100)	(1,366)	(1,892)	(1,769)	123
Fund Balance, June 30, 2005	10,169	10,169	-	18,075	18,075	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 10,435	\$ 9,069	\$ (1,366)	\$ 16,183	\$ 16,306	\$ 123

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, 2006

	SID 520			SID 521		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	158,361	210,324	51,963	735	858	123
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	2,417	2,417	-	46	46
Total Revenues	158,361	212,741	54,380	735	904	169
EXPENDITURES						
Debt Service	362,140	177,140	185,000	682	683	(1)
Total Expenditures	362,140	177,140	185,000	682	683	(1)
Excess (Deficiency) of Revenue						
Over Expenditures	(203,779)	35,601	239,380	53	221	168
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(203,779)	35,601	239,380	53	221	168
Fund Balance, June 30, 2005	256,381	256,381	-	5,147	5,147	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 52,602	\$ 291,982	\$ 239,380	\$ 5,200	\$ 5,368	\$ 168

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, 2006

	SID 522			SID 525		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	1,122	915	(207)	47,999	51,851	3,852
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	50	50	-	1,497	1,497
Total Revenues	1,122	965	(157)	47,999	53,348	5,349
EXPENDITURES						
Debt Service	985	986	(1)	197,520	43,520	154,000
Total Expenditures	985	986	(1)	197,520	43,520	154,000
Excess (Deficiency) of Revenue Over Expenditures	137	(21)	(158)	(149,521)	9,828	159,349
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	137	(21)	(158)	(149,521)	9,828	159,349
Fund Balance, June 30, 2005	5,715	5,715	-	172,269	172,269	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 5,852	\$ 5,694	\$ (158)	\$ 22,748	\$ 182,097	\$ 159,349

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, 2006

	SID 526			SID 527		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	201,485	207,378	5,893	4,343	4,707	364
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	3,748	3,748	-	28	28
Total Revenues	201,485	211,126	9,641	4,343	4,735	392
EXPENDITURES						
Debt Service	558,280	189,280	369,000	3,868	3,868	-
Total Expenditures	558,280	189,280	369,000	3,868	3,868	-
Excess (Deficiency) of Revenue Over Expenditures	(356,795)	21,846	378,641	475	867	392
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(356,795)	21,846	378,641	475	867	392
Fund Balance, June 30, 2005	409,127	409,127	-	5,925	5,925	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 52,332	\$ 430,973	\$ 378,641	\$ 6,400	\$ 6,792	\$ 392

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, 2006

	SID 530			SID 531		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	1,331	1,331	-	4,363	4,363
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	21	21	-	5	5
Total Revenues	-	1,352	1,352	-	4,368	4,368
EXPENDITURES						
Debt Service	-	-	-	-	2,152	(2,152)
Total Expenditures	-	-	-	-	2,152	(2,152)
Excess (Deficiency) of Revenue Over Expenditures		1,352	1,352		2,216	2,216
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures		1,352	1,352		2,216	2,216
Fund Balance, June 30, 2005	3,313	3,313	-	(2)	(2)	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ 3,313	\$ 4,665	\$ 1,352	\$ (2)	\$ 2,214	\$ 2,216

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, 2006

	SID 532			SID 533		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	-	\$ -	\$ -	-
Special Assessments	57,724	68,174	10,450	-	39,398	39,398
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(35)	(35)	-	13	13
Total Revenues	57,724	68,139	10,415	-	39,411	39,411
EXPENDITURES						
Debt Service	60,298	60,847	(549)	-	22,711	(22,711)
Total Expenditures	60,298	60,847	(549)	-	22,711	(22,711)
Excess (Deficiency) of Revenue						
Over Expenditures	(2,574)	7,292	9,866	-	16,700	16,700
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(2,574)	7,292	9,866	-	16,700	16,700
Fund Balance, June 30, 2005	12	12	-	-	-	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ (2,562)	\$ 7,304	\$ 9,866	\$ -	\$ 16,700	\$ 16,700

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, 2006

	SID 534			SID 535		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	-	\$ -	\$ -	-
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	-	-
Interest	-	(66)	(66)	-	(18)	(18)
Total Revenues	-	(66)	(66)	-	(18)	(18)
EXPENDITURES						
Debt Service	-	12,099	(12,099)	-	3,366	(3,366)
Total Expenditures	-	12,099	(12,099)	-	3,366	(3,366)
Excess (Deficiency) of Revenue Over Expenditures	-	(12,165)	(12,165)	-	(3,384)	(3,384)
Other Financing Sources (Uses)						
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(12,165)	(12,165)	-	(3,384)	(3,384)
Fund Balance, June 30, 2005	-	-	-	-	-	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ -	\$ (12,165)	\$ (12,165)	\$ -	\$ (3,384)	\$ (3,384)

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, 2006

	SID 536		
	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ -	\$ -	-
Special Assessments	-	-	-
Intergovernmental	-	-	-
Grants and Miscellaneous	-	-	-
Interest	-	(127)	(127)
Total Revenues	-	(127)	(127)
EXPENDITURES			
Debt Service	-	23,212	(23,212)
Total Expenditures	-	23,212	(23,212)
Excess (Deficiency) of Revenue Over Expenditures		(23,339)	(23,339)
Other Financing Sources (Uses)			
Operating Transfers Out	-	-	-
Issuance of Long Term Debt	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures		(23,339)	(23,339)
Fund Balance, June 30, 2005	-	-	-
Residual Equity Transfer	-	-	-
Fund Balance, June 30, 2006	\$ -	\$ (23,339)	\$ (23,339)

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, 2006

	2004 Refunding Bonds			Capital Improvements		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable			(Unfavorable)
REVENUES						
Intergovernmental	\$ -	\$ -	-	\$ 1,359,296	\$ 292,597	\$ (1,066,699)
Charges for Services	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	40,379	291,599	251,220
Other Financing	-	-	-	-	-	-
Interest	-	-	-	-	(18,560)	(18,560)
Total Revenues	-	-	-	1,399,675	565,636	(834,039)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	43,394	35,000	8,394
Public Works	-	-	-	104,300	32,172	72,128
Debt Service	-	-	-	586,920	382,997	203,923
Capital Outlay	-	-	-	7,118,007	2,851,727	4,266,280
Total Expenditures	-	-	-	7,852,621	3,301,896	4,550,725
Excess(Deficiency) of Revenue						
Over Expenditures	-	-	-	(6,452,946)	(2,736,260)	3,716,686
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	2,033,007	1,189,075	(843,932)
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	4,111,977	124,880	(3,987,097)
Sale of Capital Assets	-	-	-	1,281,300	-	(1,281,300)
Total Other Financing Sources(Uses)	-	-	-	7,426,284	1,313,955	(6,112,329)
Excess(Deficiency) of Revenues						
Over Expenditures	-	-	-	973,338	(1,422,305)	(2,395,643)
Fund Balance, June 30, 2005	(206)	(206)	-	(1,080,051)	(1,080,051)	-
Residual Equity Transfer	-	206	206	-	-	-
Fund Balance, June 30, 2006	\$ (206)	\$ -	\$ 206	\$ (106,713)	\$ (2,502,356)	\$ (2,395,643)

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, 2006

	1996 Open Space			1997 Open Space		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 18,856	\$ 18,856
Charges for Services	-	-	-	-	-	-
Grants and Miscellaneous	-	-	-	-	25	25
Other Financing	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	18,881	18,881
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	116,146	-	116,146	455,851	20,880	434,971
Total Expenditures	116,146	-	116,146	455,851	20,880	434,971
Excess(Deficiency) of Revenue						
Over Expenditures	(116,146)	-	116,146	(455,851)	(1,999)	453,852
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(116,146)	-	116,146	(455,851)	(1,999)	453,852
Fund Balance, June 30, 2005	(1,016)	(1,016)	-	452,348	452,348	-
Residual Equity Transfer	-	1,016	1,016	-	-	-
Fund Balance, June 30, 2006	\$ (117,162)	\$ -	\$ 117,162	\$ (3,503)	\$ 450,349	\$ 453,852

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, 2006

	2004 Non GO Aquatics			Fire Station GO Bond		
			Variance -			Variance -
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Grants and Miscellaneous	1,408,000	-	(1,408,000)	-	-	-
Other Financing	-	-	-	-	-	-
Interest	-	-	-	-	(3,294)	(3,294)
Total Revenues	1,408,000	-	(1,408,000)	-	(3,294)	(3,294)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	2,865,277	1,445,488	1,419,789	5,740,000	822,360	4,917,640
Total Expenditures	2,865,277	1,445,488	1,419,789	5,740,000	822,360	4,917,640
Excess(Deficiency) of Revenue						
Over Expenditures	(1,457,277)	(1,445,488)	11,789	(5,740,000)	(825,654)	4,914,346
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	(1,457,277)	(1,445,488)	11,789	(5,740,000)	(825,654)	4,914,346
Fund Balance, June 30, 2005	1,445,488	1,445,488	-	-	-	-
Residual Equity Transfer	-	-	-	-	-	-
Fund Balance, June 30, 2006	\$ (11,789)	\$ -	\$ 11,789	\$ (5,740,000)	\$ (825,654)	\$ 4,914,346

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, 2006

	Sidewalk & Curb			39th Street Construction		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			(Unfavorable)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Grants and Miscellaneous	-	225,829	225,829	-	-	-
Other Financing	-	-	-	-	-	-
Interest	-	(2,800)	(2,800)	-	3,186	3,186
Total Revenues	-	223,029	223,029	-	3,186	3,186
EXPENDITURES						
General Government	-	37,889	(37,889)	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	1,075,011	1,484,063	(409,052)	-	5,472	(5,472)
Total Expenditures	1,075,011	1,521,952	(446,941)	-	5,472	(5,472)
Excess(Deficiency) of Revenue						
Over Expenditures	(1,075,011)	(1,298,923)	(223,912)	-	(2,286)	(2,286)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Issuance of Long Term Debt	1,772,498	1,810,386	37,888	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources(Uses)	1,772,498	1,810,386	37,888	-	-	-
Excess(Deficiency) of Revenues						
Over Expenditures	697,487	511,463	(186,024)	-	(2,286)	(2,286)
Fund Balance, June 30, 2005	(893,158)	(893,158)	-	317	317	-
Residual Equity Transfer	-	-	-	-	1,969	1,969
Fund Balance, June 30, 2006	\$ (195,671)	\$ (381,695)	\$ (186,024)	\$ 317	\$ -	\$ (317)

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, 2006

	SID Funds		
	Budget	Actual	Variance -
			Favorable
REVENUES			(Unfavorable)
Intergovernmental	\$ -	\$ -	-
Charges for Services	- -	- -	-
Grants and Miscellaneous	- -	5,412	5,412
Other Financing	- -	- -	-
Interest	- -	5,029	5,029
Total Revenues	<u>- -</u>	<u>10,441</u>	<u>10,441</u>
EXPENDITURES			
General Government	- -	19,290	(19,290)
Public Safety	- -	- -	-
Public Works	- -	- -	-
Debt Service	- -	- -	-
Capital Outlay	936,000	2,074,130	(1,138,130)
Total Expenditures	<u>936,000</u>	<u>2,093,420</u>	<u>(1,157,420)</u>
Excess(Deficiency) of Revenue			
Over Expenditures	(936,000)	(2,082,979)	(1,146,979)
Other Financing Sources (Uses)			
Operating Transfers In	- -	- -	-
Operating Transfers Out	- -	- -	-
Issuance of Long Term Debt	839,711	788,201	(51,510)
Sale of Capital Assets	- -	- -	-
Total Other Financing Sources(Uses)	<u>839,711</u>	<u>788,201</u>	<u>(51,510)</u>
Excess(Deficiency) of Revenues			
Over Expenditures	(96,289)	(1,294,778)	(1,198,489)
Fund Balance, June 30, 2005	(7,153)	(7,153)	-
Residual Equity Transfer	- -	- -	-
Fund Balance, June 30, 2006	<u>\$ (103,442)</u>	<u>\$ (1,301,931)</u>	<u>\$ (1,198,489)</u>

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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>	159-162
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	163-168
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>	169-176
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 report Activities take place.</i>	177-181
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>	182-190

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

	Fiscal Year			
	2003	2004	2005	2006
Government activities				
Investment in capital assets, net of related debt	\$ 262,909,501	\$ 84,425,320	\$ 85,219,599	\$ 97,908,705
Restricted	5,786,102	13,144,514	3,280,061	3,602,376
Unrestricted	7,694,919	6,552,715	18,145,146	11,552,345
Total government activities net assets	<u><u>\$ 276,390,522</u></u>	<u><u>\$104,122,549</u></u>	<u><u>\$106,644,806</u></u>	<u><u>\$113,063,426</u></u>
Business-type activities				
Investment in capital assets, net of related debt	\$ 45,596,659	\$ 50,437,434	\$ 54,728,019	\$ 53,483,675
Restricted	560,772	1,307,315	2,525,370	1,303,028
Unrestricted	5,793,401	4,949,789	2,432,543	6,053,027
Total business-type activities net assets	<u><u>\$ 51,950,832</u></u>	<u><u>\$ 56,694,538</u></u>	<u><u>\$ 59,685,932</u></u>	<u><u>\$ 60,839,730</u></u>
Primary Government				
Investment in Capital Assets, net related debt	\$ 308,506,160	\$134,862,754	\$139,947,618	\$ 151,392,380
Restricted	6,346,874	14,451,829	5,805,431	4,905,404
Unrestricted	13,488,320	11,502,504	20,577,689	17,605,372
Total primary government net assets	<u><u>\$ 328,341,354</u></u>	<u><u>\$160,817,087</u></u>	<u><u>\$166,330,738</u></u>	<u><u>\$ 173,903,156</u></u>

Source: City of Missoula

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

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$ 4,237,489	\$ 4,814,217	\$ 5,447,966	\$ 7,670,901
Public safety	15,267,862	15,774,300	17,596,888	18,706,533
Public works	22,022,343	9,728,383	5,880,778	6,019,601
Public health	1,056,111	1,033,396	1,118,946	1,178,646
Social and economic	105,100	245,802	131,017	138,564
Culture and recreation	2,520,258	2,712,280	3,346,471	3,795,635
Housing & development	849,904	669,857	1,494,654	1,391,082
Conservation of natural resources	-	-	108,599	169,228
Miscellaneous	788,987	590,225	910,387	-
Interest on long-term debt	1,755,702	1,235,533	1,867,190	1,429,993
Total governmental activities expenses	<u>48,603,756</u>	<u>36,803,993</u>	<u>37,902,896</u>	<u>40,500,183</u>
Business-type activities				
Wastewater treatment	4,071,937	5,400,406	5,904,344	6,084,445
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>
Total primary government expenses	<u><u>\$ 52,675,693</u></u>	<u><u>\$ 42,204,399</u></u>	<u><u>\$ 43,807,240</u></u>	<u><u>\$ 46,584,628</u></u>
Program Revenues				
Government activities				
Program revenues:				
Charges for services	\$ 6,956,285	\$ 8,558,269	\$ 7,333,406	\$ 7,658,546
Operating grants & contributions	1,547,094	5,248,503	2,532,942	2,986,691
Capital grants & contributions	2,227,874	300,948	4,744,999	3,594,855
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>
Business-type activities				
Charges for services	4,912,232	6,306,775	7,265,855	6,620,032
Capital grants & contributions	4,551,646	1,121,104	1,283,828	827
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>
Total primary governmental program revenues	<u><u>\$ 20,195,131</u></u>	<u><u>\$ 21,535,599</u></u>	<u><u>\$ 23,161,030</u></u>	<u><u>\$ 20,860,951</u></u>
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
Total primary government expenses	<u><u>\$ (32,480,562)</u></u>	<u><u>\$ (20,668,800)</u></u>	<u><u>\$ (20,646,210)</u></u>	<u><u>\$ (25,723,677)</u></u>
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
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
Investment earnings	232,802	381,380	209,628	203,490
Miscellaneous	689,427	545,714	684,960	517,530
Interfund transactions	(20,980)	242,188	220,635	224,539
Total governmental activities	<u>24,934,654</u>	<u>36,297,172</u>	<u>33,902,959</u>	<u>33,540,687</u>
Business-type activities				
Annexation & developer contributions	-	-	-	775,800
Investment earnings	106,838	369,797	299,782	63,237
Miscellaneous	-	23,773	8,749	2,886
Interfund transactions	20,980	(242,188)	(220,635)	(224,539)
Total business-type activities	<u>127,818</u>	<u>151,382</u>	<u>87,896</u>	<u>617,384</u>
Total primary government	<u><u>\$ 25,062,472</u></u>	<u><u>\$ 36,448,554</u></u>	<u><u>\$ 33,990,855</u></u>	<u><u>\$ 34,158,071</u></u>
Change in Net Assets				
Governmental activities	\$(12,937,849)	\$ 13,600,899	\$ 10,611,410	\$ 7,280,596
Business-type activities	5,519,759	2,178,855	2,733,235	1,153,798
Total primary government	<u><u>\$ (7,418,090)</u></u>	<u><u>\$ 15,779,754</u></u>	<u><u>\$ 13,344,645</u></u>	<u><u>\$ 8,434,394</u></u>

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

	Fiscal Year					
	1997	1998	1999	2000	2001	2002
General Fund						
Reserved	\$3,681	\$8,134	\$353,037	\$10,928	\$8,202	\$6,826
Unreserved	3,564,907	3,691,444	2,861,811	2,573,821	2,427,933	1,645,837
Total General Fund	\$3,568,588	\$3,699,578	\$3,214,848	\$2,584,749	\$2,436,135	\$1,652,663
All other governmental funds						
Reserved	\$993,355	\$1,277,111	\$1,476,999	\$1,207,657	\$1,980,958	\$3,602,376
Unreserved, reported in:						
Special revenue funds	1,923,444	1,781,795	2,117,617	2,749,470	3,057,184	1,939,572
Debt service funds	-	100,675	-	-	1,980,958	1,939,572
Capital projects funds	1,494,694	5,307,036	3,263,924	1,758,329	332,583	(5,290,370)
Total other governmental funds	\$4,411,493	\$8,466,617	\$6,858,540	\$5,715,456	\$7,351,683	\$2,191,150

Source: City of Missoula

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

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Taxes and assessments	\$ 16,515,528	\$ 18,956,194	\$ 19,470,666	\$ 22,340,804
Licenses and permits	2,287,385	2,318,146	3,165,413	2,839,058
Intergovernmental	11,846,177	11,091,624	14,238,028	13,208,755
Charges for services	2,336,424	2,700,372	3,298,503	3,625,225
Fines and forfeitures	795,329	857,707	1,223,864	1,178,920
Miscellaneous	420,425	520,337	309,781	949,537
Interest earnings	231,951	449,387	226,538	192,758
Total revenues	<u>34,433,219</u>	<u>36,893,767</u>	<u>41,932,793</u>	<u>44,335,057</u>
Expenditures				
General government	4,005,055	4,718,579	4,501,423	6,334,244
Public safety	14,588,393	15,420,765	16,957,739	18,138,794
Public works	4,929,802	5,239,404	5,765,617	5,803,509
Public health	1,030,253	1,008,837	1,096,344	1,152,195
Social and economic	105,100	100,706	105,238	108,395
Culture and recreation	2,206,720	2,468,401	2,719,381	3,011,054
Community development	709,847	681,088	2,129,109	2,379,741
Miscellaneous	788,987	795,362	910,387	-
Debt service - principal	2,734,737	4,369,674	2,432,981	2,783,319
Debt service - interest	1,044,657	1,126,448	1,428,517	1,357,860
Capital outlay	6,800,610	6,514,225	4,980,661	18,496,532
Total expenditures	<u>38,944,161</u>	<u>42,443,489</u>	<u>43,027,397</u>	<u>59,565,643</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>
Other financing sources (uses)				
Transfers in	4,864,269	5,474,240	4,833,042	5,338,325
Transfers out	(4,898,223)	(5,283,345)	(4,675,148)	(5,170,043)
Loans	-	-	-	-
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
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>
Net change in fund balances	<u>\$ (2,034,251)</u>	<u>\$ 13,628,627</u>	<u>\$ 104,558</u>	<u>\$ (12,211,323)</u>
Debt service as a percentage of non-capital expenditures	<u>13%</u>	<u>18%</u>	<u>11%</u>	<u>11%</u>

Source: City of Missoula

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

Taxing Authority	2006	2005	2004	2003	2004	2003	2002	2001	2000	1999
City of Missoula	196.39	182.57	176.32	169.48	165.19	159.15	146.63	139.84	137.62	138.20
County of Missoula										
County Wide	129.11	127.12	122.79	123.97	117.80	100.15	89.24	83.15	75.59	73.42
County Wide Schools	102.26	101.59	108.34	100.75	96.56	99.86	93.52	89.72	90.95	92.89
Total	231.37	228.71	231.13	224.72	214.36	200.01	182.76	172.87	166.54	166.31
District Schools										
School District One	150.66	158.29	159.27	153.24	149.04	136.72	138.20	135.31	129.20	132.51
High Schools	83.40	83.16	84.27	84.65	77.30	71.28	66.17	65.32	69.63	69.04
Total	234.06	241.45	243.54	237.89	226.34	208.00	204.37	200.63	198.83	201.55
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	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	55.00	55.00	55.00	55.00	55.00
Urban Transportation District	12.38	12.23	11.93	11.66	11.31	10.94	10.37	9.82	9.82	9.82
Total Levy on City Residents	720.20	710.96	708.92	689.75	663.20	633.10	599.13	578.16	567.81	570.88
Other Levies of Interest										
County Only	31.83	33.97	25.33	27.32	24.54	24.48	21.91	21.13	21.47	21.53
Missoula Rural Fire	79.64	78.26	77.37	74.25	73.97	71.27	62.14	57.02	56.89	55.69

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
For the 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
1997	\$ 1,611,509,167	\$ 66,849,021	4.15%	\$ 2,986,773	138.20
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

Source: Missoula County Assessors Office

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

Fiscal Year	Real Property	Equipment & Fixtures	Electric, Airline & Telecomm unications	Railroad	Electric, Phone Co-ops & Pollution Control	Other	Tax Increment District	Total Taxable Assessed Value
1997	\$ 61,984	\$ 7,147	\$ 6,786	\$ 638	\$ 222	\$ 26	\$ (3,760)	\$ 73,043
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

*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
For the 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		
1997	\$ 1,611,509,167	269	\$ 26,535,582	Not Available	Not Available	1,623	\$ 86,403,397	3.06%	
1998	1,876,325,293	264	27,342,134	Not Available	Not Available	1,900	108,691,598	25.80%	
1999	1,859,622,977	274	30,079,840	Not Available	Not Available	2,486	117,814,791	8.39%	
2000	1,985,298,106	288	29,407,617	Not Available	Not Available	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	33,752,869	79	4,390,529	1,494	158,084,366	39.63%	

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

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

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value
NORTHWESTERN CORPORATION	\$ 3,146,727	1	3.23%			
QWEST COMMUNICATIONS	1,862,461	2	1.91%			
MOUNTAIN WATER COMPANY	915,943	3	0.94%	\$ 548,109	5	0.75%
SOUTHGATE MALL	842,991	4	0.86%	827,465	3	1.13%
GATEWAY LIMITED PARTNERSHIP	753,039	5	0.77%	236,208	10	0.32%
ST PATRICK HOSPITAL CORP	729,536	6	0.75%			
WAL- MART	521,507	7	0.53%			
MOUNTAIN STATES LEASING	472,378	8	0.48%			
MONTANA RAIL LINK INC	352,772	9	0.36%	704,309	4	0.96%
WOODMONT MISSOULA	308,436	10	0.32%			
MONTANA POWER COMPANY				2,118,164	1	2.90%
US WEST				1,721,775	2	2.36%
W.C. LEASING CORP..				441,275	6	0.60%
MISSOULA WHITE PINE SASH				292,256	7	0.40%
DENNIS WASHINGTON CONSTRUCTION				259,401	8	0.36%
SHOPKO PROPERTIES, INC.				230,941	9	0.32%
Total	<u>\$ 9,905,790</u>		<u>10.16%</u>	<u>\$ 7,379,903</u>		<u>10.10%</u>

Source: Department of Revenue - Missoula County Finance Office

CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES AND COLLECTIONS
GOVERNMENTAL FUND TYPES
For the 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	Amount	Percentage of Levy
1997	\$ 10,095,296	\$ 9,067,015	89.81%	\$ 1,474,487	\$ 10,541,502	104.42%
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%

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, 2006

Market Valuation	\$	2,901,638,641
Market Valuation (Less Tax Increment)	\$	2,900,191,682
Taxable Valuation	\$	94,980,538
Taxable Valuation (Less Tax Increment)	\$	93,533,579
Population		67,417
Direct Debt Per Capita	\$	206
Direct and Overlapping Debt Per Capita	\$	616
Direct Debt to Market Valuation		0.48%
Direct and Overlapping Debt to Market Valuation		1.43%
Direct Debt to Taxable Valuation		14.81%
Direct and Overlapping Debt to Taxable Valuation		43.92%
Market Valuation per Capita	\$	43,040
Taxable Valuation per Capita	\$	1,387

Source: City of Missoula

CITY OF MISSOULA, MONTANA
SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2006

Summary of Direct Debt

	Gross Debt	Less: Debt Service Funds (a)	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 14,070,000	\$ (154,666)	\$ 13,915,334
Debt Supported by General Fund	1,315,000	-	1,315,000
Revenue Debt (Sewer)	17,079,212	(b)	17,079,212
Revenue Debt (TIF and Parking)	1,265,000	(c)	1,265,000
Subtotal of Direct Debt	<u><u>\$ 33,729,212</u></u>		<u><u>\$ 33,574,546</u></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

Taxing Unit:	G.O. Debt as of June 30, 2006	Debt Applicable to Tax Capacity of City	
		Percentage	Amount
Missoula County Elementary School District	\$ 8,995,050	75.60%	\$ 6,800,258
Missoula County High School District	21,296,349	60.50%	12,884,291
Hellgate Elementary School District	1,830,000	45.90%	839,970
Target Range Elementary School District	850,000	19.60%	166,600
Missoula County	<u>13,933,000</u>	49.90%	<u>6,952,567</u>
Subtotal of Indirect Debt	<u><u>\$ 46,904,399</u></u>		<u><u>\$ 27,643,686</u></u>

Total of Direct and Indirect Debt \$ 61,218,232

Debt Ratios*

	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value (\$2,901,638,641)	0.48%	1.43%
Per Capita (67,417)	\$ 206	\$ 616

*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
For the Last Ten Fiscal Years
(amounts expressed in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Limit	\$ 20,452	\$ 20,987	\$ 21,567	\$ 21,476	\$ 33,942	\$ 36,289	\$ 39,817	\$ 42,362	\$ 43,815	\$ 48,253
Total net debt applicable to limit	<u>8,153</u>	<u>11,322</u>	<u>11,120</u>	<u>10,455</u>	<u>9,754</u>	<u>9,279</u>	<u>8,438</u>	<u>15,095</u>	<u>15,566</u>	<u>14,511</u>
Legal debt Margin	<u>\$ 12,299</u>	<u>\$ 9,665</u>	<u>\$ 10,447</u>	<u>\$ 11,021</u>	<u>\$ 24,188</u>	<u>\$ 27,010</u>	<u>\$ 31,379</u>	<u>\$ 26,367</u>	<u>\$ 28,249</u>	<u>\$ 33,742</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>39.86%</u>	<u>53.95%</u>	<u>51.56%</u>	<u>48.68%</u>	<u>28.74%</u>	<u>25.57%</u>	<u>21.19%</u>	<u>37.76%</u>	<u>35.53%</u>	<u>30.07%</u>

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed Value	\$ 3,195,587
Debt Limit 1.51% of Assessed Value (1)	<u>1.51%</u>
General Obligation Debt Limit	48,253
Less: Outstanding General Obligation Debt, June 30, 2006	14,511
Total net debt applicable to limit	<u>33,742</u>
Legal Debt Margin	<u>\$ 33,742</u>

(1) Montana Statute (7-14-236) prescribes a legal debt limit of 1.5% of the total assessed value of taxable property.

Source: City of Missoula
Source: Missoula County Assessors Office

CITY OF MISSOULA, MONTANA
RATIO OF OUTSTANDING DEBT BY TYPE
For the Last Four Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities						Debt as a Percentage of Personal Income					
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	State Board of Investment Bonds	State Board of Investment Loans	Sidewalk and Curb Warrants	Revenue Bonds	Revenue Bonds	Total Government Bonds	Primary Government Bonds	Total Primary Government Bonds	Total Personal Per capita Income	Total Personal Per capita Income	Total Population	Debt Per Capita	Debt as a Percentage of Market Value		
2003	\$ 8,302,060	\$ 1,495,000	\$ 12,928,173	\$ 236,290	\$ 327,830				\$ 31,982,720	\$ 8,693,367	\$ 31,982,720	\$ 28,274	\$ 63,318	1.74%	\$ 505	1.33%		
2004	15,895,000	1,440,000	14,649,201	100,179	316,409				47,616,776	15,215,987	47,616,776	29,625	64,945	2.47%	733	1.8%		
2005	15,020,000	1,380,000	14,226,402	546,373	228,628				47,987,541	16,586,138	47,987,541	30,673	66,403	2.36%	723	1.7%		
2006	14,070,000	1,315,000	15,594,203	440,972	120,923				48,620,310	17,079,212	48,620,310	31,509	67,417	2.29%	721	1.68%		

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

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

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Valuation	Percentage of Taxable Value of Property	Estimated Population	Per Capita
1997	\$ 7,920	\$ 73,043	10.8429%	51,000	\$ 155.29
1998	10,693	74,837	14.2884%	51,204	\$ 208.83
1999	10,241	77,024	13.2959%	52,239	\$ 196.04
2000	9,794	75,329	13.0016%	57,053	\$ 171.66
2001	9,320	76,699	12.1514%	58,323	\$ 159.80
2002	8,822	78,829	11.1913%	59,891	\$ 147.30
2003	8,302	82,035	10.1201%	63,318	\$ 131.12
2004	15,895	84,586	18.7915%	64,945	\$ 244.75
2005	15,020	87,514	17.1630%	66,403	\$ 226.19
2006	14,070	93,534	15.0427%	67,417	\$ 208.70

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
For the Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt	Debt Service Requirements			Current Year Coverage	Max Annual Debt Service Coverage (2)
				Principal	Interest	Total		
1997	\$ 2,368,133	\$ 1,790,075	\$ 578,058	\$ 337,000	\$ 134,087	\$ 471,087	123%	233%
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%
2003	4,955,880	2,555,053	2,400,827	489,162	231,961	721,123	333%	379%
2004	5,274,686	3,036,426	2,238,260	689,000	503,234	1,192,234	188%	151%
2005	5,550,626	3,151,625	2,399,001	797,233	655,716	1,452,949	165%	162%
2006	5,665,706	3,263,652	2,402,054	894,751	660,341	1,555,092	154%	135%

(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
For the Last Ten Fiscal Years

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
1997	\$ 500,778	\$ 4,230,100	11.8%
1998	523,187	4,123,000	12.7%
1999	761,206	8,550,934	8.9%
2000	506,909	8,705,000	5.8%
2001	687,189	8,504,698	8.1%
2002	765,477	11,457,860	6.7%
2003	742,524	12,928,174	5.7%
2004	852,799	14,357,629	5.9%
2005	808,460	14,226,402	5.7%
2006	885,738	15,594,203	5.7%

Source: City of Missoula

CITY OF MISSOULA, MONTANA
REVOLVING FUND CHANGES IN FUND BALANCE
REQUIRED CONTINUING DISCLOSURE
For the Last Seven Years

	Fiscal Year						
	2000	2001	2002	2003	2004	2005	2006
Beginning Balance	\$ 792,077	\$ 608,463	\$ 718,011	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460
Disbursements/Transfers	(183,614)	109,548	76,237	(16,199)	177,736	(147,325)	77,278
Ending Balance	<u>\$ 608,463</u>	<u>\$ 718,011</u>	<u>\$ 794,248</u>	<u>\$ 778,049</u>	<u>\$ 955,785</u>	<u>\$ 808,460</u>	<u>\$ 885,738</u>
Assets:							
Cash	\$ 537,639	\$ 687,189	\$ 765,477	\$ 742,524	\$ 852,799	\$ 808,460	\$ 885,738
Due from SID Funds	70,824	30,822	28,771	35,525	72,062	-	-
Other Receivables	365,984	348,414	330,525	310,660	320,488	227,828	218,910
Total Assets	<u>974,447</u>	<u>1,066,425</u>	<u>1,124,773</u>	<u>1,088,709</u>	<u>1,245,349</u>	<u>1,036,288</u>	<u>1,104,648</u>
Liabilities:							
Deferred Revenue	365,984	348,414	330,525	310,660	289,564	227,828	214,930
Total Liabilities	<u>365,984</u>	<u>348,414</u>	<u>330,525</u>	<u>310,660</u>	<u>289,564</u>	<u>227,828</u>	<u>214,930</u>
Total Fund Balance	<u><u>\$ 608,463</u></u>	<u><u>\$ 718,011</u></u>	<u><u>\$ 794,248</u></u>	<u><u>\$ 778,049</u></u>	<u><u>\$ 955,785</u></u>	<u><u>\$ 808,460</u></u>	<u><u>\$ 889,718</u></u>

Source: City of Missoula

CITY OF MISSOULA, MONTANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
For the 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	State	Unemployment Rate (2)	
1997	51,000	\$ 88,856	\$ 1,912,898	\$ 20,535	43,703	5.3%	4.1%		
1998	51,204	88,989	2,053,161	21,878	45,140	5.6%	3.9%		
1999	52,239	89,344	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	58,323	95,303	2,561,445	26,493	68,945	4.5%	3.9%		
2002	59,891	98,102	2,669,139	27,294	70,158	4.5%	4.1%		
2003	63,318	98,516	2,783,129	28,274	71,866	4.4%	3.9%		
2004	64,945	100,802	2,934,767	29,625	73,110	4.3%	4.0%		
2005	66,403	101,887	3,102,000	30,991	N/A	4.0%	3.7%		
2006	67,417	102,860	N/A	N/A	N/A	3.5%	3.3%		

(1) Population is estimated from City Planning Department and building permits. 2000 population is from the US Census
(2) Only Missoula County information available. 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 Nine Years Ago

Employer	Type of Product or Service	2006 Number of Employees	1997 Number of Employees
Community Medical Center	Health Services	1000+	750-1000
Missoula County Public Schools	Public Education	1000+	1000+
Plum Creek Timber	Manufacturing	1000+	
St. Patrick Hospital	Health Services	1000+	1000+
University of Montana	Higher Education	1000+	1000+
Southgate Mall	Retail	750-1000	500-750
Washington Corporations	Manufacturing	500-750	500-750
U.S. Forest Service	Government	500-750	500-750
Wal-Mart	Retail	500-750	
Smurfit-Stone Container Corp	Manufacturing	500-750	500-750
Stimson Lumber Company	Manufacturing		500-750
Missoula County	Government		500-750

Source: Bureau of Economic Analysis

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

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
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	3.65	4.00	4.00	4.00	4.00	4.00
Human Resources	2.65	2.65	3.03	3.03	3.78	3.90	3.90	3.90	3.90	4.15
Communications	0.92	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	2.00	2.07	2.03	2.03	3.25	3.25	3.25	3.25	3.50	4.00
Information Systems	2.00	3.00	4.00	4.00	4.00	4.50	4.50	5.00	5.50	5.50
Finance/Treasurer	11.85	12.29	11.72	12.72	13.22	12.97	13.13	12.75	12.75	12.75
Public Safety										
Municipal Court	6.94	7.11	7.11	7.11	8.11	8.11	8.50	9.00	10.50	13.00
City Attorney	8.40	8.42	8.42	8.42	8.90	9.90	9.90	9.90	9.90	12.40
Police Department	91.88	96.26	94.30	98.19	102.00	102.00	102.00	108.00	116.00	119.00
Fire Department	72.23	72.50	72.95	74.02	76.00	76.00	76.00	76.00	78.00	82.00
Building Inspection	12.00	12.00	12.00	14.37	14.37	14.37	14.37	13.50	13.86	14.34
Parking Commission	11.75	11.75	11.50	11.50	11.00	11.00	11.00	11.00	11.00	11.00
Public Works										
Engineering	22.47	23.22	23.47	25.47	25.92	25.92	25.92	27.12	28.12	28.62
Street Division	26.77	26.77	27.00	27.53	28.25	28.29	28.29	28.29	28.54	28.54
Vehicle Maintenance	8.09	8.37	8.25	8.50	9.00	10.50	10.50	10.50	10.50	11.00
Public Health										
Wastewater	20.20	20.20	20.20	20.20	20.20	20.20	20.20	20.20	22.20	22.20
Social Services										
City Cemetery	8.17	8.44	8.50	9.26	8.93	8.93	8.50	8.50	8.50	8.50
Community Development										
MRA	5.31	5.14	5.14	7.14	7.14	6.14	6.14	6.14	6.14	6.00
Culture and Recreation										
Parks and Recreation	42.44	42.80	43.70	48.15	48.72	47.89	48.80	49.94	52.94	58.77
Total	371.72	379.64	379.97	398.29	408.94	410.62	411.74	419.87	438.35	458.77

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	72	June 30, 2008
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept	8	June 30, 2007
Missoula Police Protective Association	91	June 30, 2010
Wastewater	17	June 30, 2007
Parking Commission	6	June 30, 2009
Teamsters Union, Local No. 2	22	June 30, 2008
Operators' Union, Local No. 4000	8	June 30, 2008
Machinists Union, Local No. 88, District No. 86	8	June 30, 2008
Teamsters, Parks and Recreation Seasonal	6	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, 2006, the City employed approximately 598 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
For the Last Ten Fiscal Years

	2004(A)	2003	2002	2001	2000	1999	1998	1997	1996	1995
Agriculture, Forestry, Fisheries										
Mining	1,490	1,485	1,656	1,451	299	244	269	262	278	245
Construction	96	82	(B)	64	31	48	35	35	24	29
Manufacturing	4,820	4,695	4,343	4,373	2,485	2,340	2,153	2,033	2,099	1,811
Transportation, Commun., and Public Utilities	3,168	3,144	3,182	3,118	3,347	3,331	3,308	3,339	3,426	3,497
Wholesale Trade	4,189	4,341	4,499	4,561	2,734	2,830	2,718	2,644	2,523	2,672
Retail Trade	2,385	2,381	2,334	2,347	2,243	2,180	2,172	2,187	2,088	1,957
Financial, Insurance and Real Estate	10,120	9,707	9,513	9,371	11,250	11,028	10,799	10,697	10,437	10,141
Services	5,363	5,287	5,031	4,920	2,241	2,194	2,088	1,970	1,843	1,771
Government	31,225	30,392	29,886	28,999	15,538	14,693	13,880	12,849	12,170	11,576
	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
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
SID's Billed	4,747	4,868	4,636	5,837	9,907	10,134	10,432	10,470	10,426	11,200
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
# Sewer Bills	27,260	27,890	28,538	30,094	32,642	35,124	35,448	36,641	38,728	
Public Safety Activities										
Citations issued	No data	21,809	25,136	31,008	33,262					
Orders of Protection issued	No data	447	523	586	604					
Attorney's Office - Lawsuits	No data	21	41	53	51					
Attorney - Opened criminal files	No data	1,605	1,890	2,476	2,179					
Officers/1,000 population	1.45	1.50	1.45	1.40	1.41	1.37	1.34	1.35	1.45	4,235
Total sworn officers	74	77	76	80	82	82	85	88	96	100
Police calls for Service	No data	No data	34,868	34,328	36,256	36,221	37,398	37,494	43,778	
Total Fire Department Incident Responses	3,803	4,603	4,101	4,244	4,266	4,451	4,729	4,701	5,259	5,555
Public Works										
Miles of sidewalk installed	9,00	13,20	9,60	11,30	5,70	8,53	11,03	17,45	24,74	
Building Permits Issued	1,623	1,900	2,486	1,895	1,694	1,930	2,180	1,663	1,677	1,494
Construction Value of Bldg permits issued	86,403,397	108,691,598	117,814,791	120,150,936	135,701,353	102,287,782	193,063,792	109,963,100	113,217,490	158,084,366
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
Population	51,000	51,204	52,239	57,053	58,323	59,891	63,318	64,945	66,403	67,417

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

GENERAL GOVERNMENT		PUBLIC WORKS	
Passenger Vehicles	3	Pavement - Arterial	1,513,122 sq. yards
City Hall	1	Pavement - Commercial	758,900 sq. yards
PUBLIC SAFETY ACTIVITIES		Pavement - Residential	4,324,848 sq. yards
Fire Stations & Training Facilities	5	Curb	1,898,481 lineal ft.
Fire Passenger Vehicles	2	Sidewalk	11,486,784 sq. ft.
Fire Vans	3	Storm Sewer	153,275 lineal ft.
Fire Pickup Trucks	7	Sumps	5,030
Fire Engines/Ladder Trucks	10	Signs	54,034
Fire Wildland Engines	4	Bridges/Pedestrian Crossings	5
Fire Wildland-Urban Interface Engines	1	Public Works Vehicles	17
Fire Water Tenders	1	Vehicle Maintenance 10-20K Single Axle Trucks	2
Police Marked & Unmarked Patrol Cars	27	Vehicle Maintenance Fork Lifts	1
Police Passenger Vehicles	3	Vehicle Maintenance Generator/Pumps	2
Police Vans	6	Vehicle Maintenance Air Compressors	1
Police Motorcycles	6	Vehicle Maintenance Paint Boots	1
Police Jeep/Sport Utility Vehicles	4	Vehicle Maintenance Hoists	1
Police 4 Wheel Drive Pick Up Trucks	3	Traffic Services Passenger Vans	1
Ambulances	1	Traffic Services Pickup Trucks	3
Boat House and Ramp	1	Traffic Services 21-30K Single Axle Trucks	1
Police Communication Towers & Associated Equipment	2	Arial Lift Trucks	1
Bomb Suits	2	Multi-Use Snow Equipment	5
Plan Plotters	1	Air Compressors	1
Air Compressors	3	Paint Stripe Units	3
Amkus Tools	1	Streets Pickup Trucks	6
Self Contained Breathing Apparatus (SCBA) Gear	37	Streets One Ton Trucks	3
Thermal Imagers	3	Streets 10-20K Single Axle Trucks	3
Mini Crimescopes	1	Streets 21-30K Single Axle Trucks	10
Hostage Phones	1	Streets 31-50K Tandem Axle Trucks	8
Emergency Generators	3	Sander Units	8
CULTURE AND RECREATION		Road Graders	2
Passenger Cars	2	Front End Loaders	4
Artic Cats	2	Street Sweepers	7
Vans	4	Pavers	1
Sport Utility Vehicles	2	Backhoes	2
Pickup Trucks	45	Flusher/Water Trucks	3
One Ton Trucks	3	Patcher/Crack & Seal Machines	3
10-20K Single Axle Trucks	3	Leaf Removal Equipment	2
21-30K Single Axle Trucks	2	Snow Plows	16
Sanders	1	Asphalt Rollers	3
Aerial Lift Trucks	1	Vacuum Units	91
Leaf Blowers/Seed Stripers	7	Chip Spreaders	1
Vac-All for Trucks	1	Screening Plants	1
Fork Lifts	1	Maintenance Facility	1
Small Tractors	2	Street Dept Main Building	1
Backhoes	4	Covered Parking Area	1
Tractors/Weed Mowers	2	Sand Shed	1
Flusher/Water Trucks	1	Holding Tanks for Deicer	3
Lawn Mowers	23	Paint Stripers	1
Multi Use Snow Equipment	2	Road Graders	3
Asphalt Rollers	1	Chip Spreaders	1
Air Compressors	1	Loaders	5
Vacuum Units	1	Asphalt Rollers	3
Paint Stripe Units	1	Dump Trucks	3
Brush/Chipper Units	2	Backhoes	2
Bobcats	1	Vacuum Leaf Loaders	2
Turf Aerators	1	Street Sweepers	5
Stump Grinders	1	Forklifts	1
Brite Stripers	2	Boilers	1
GPS Units	1	Emergency Generators	1
Buildings	3	Radio Service Monitors	1
Bandshell/Pavillions	2	Snow Plows	13
Parks	45	Asphalt Mill Machines	1
Trails	16	Bobcats	1
Pools / Wading Pools and Splash Decks	8	Pavers	1
Baseball Diamonds	11	Crack & Seal Machines	1
Basketball Courts	17	Crane & Grapples	1
Playground Equipment	25	Sanders	1
Tennis Courts	7	Pneumatic Compactors	1
Volleyball Courts	6		
Soccer Fields	3	PUBLIC HEALTH ACTIVITIES	
Public Restrooms	14	Cemetery & Buildings	7
Park Shelters	8	Jeep/Sport Utility Vehicles	1
Storage Sheds/Buildings	3	Pickup Trucks	3
		10-20K Single Axle Trucks	2
		Forklifts	1
		Street Sweepers	2
		Small Tractors	2
		Lawn/Tractor Mowers	8
		Air Compressors	1

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

Fiscal Year	Assessments Billed	Current Assessments Paid	Percent Collected	Delinquent Assessments Paid	Total Assessments Paid	Penalty and Interest Paid
1997	\$ 1,097,546	\$ 1,006,636	91.72%	\$ 107,558	\$ 1,114,194	\$ 14,299
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

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

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

CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION RATES AND FEES
For the 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
1997	\$ 0.20	\$ 0.25	\$30.00 to \$36.00	\$12.00 TO \$28.00	\$ 17.00
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

Source: Missoula Parking Commission

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

Fiscal Year	On-Street Parking Meters	Off-Street Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue	Percentage of Parking Meter Revenue	Percentage of Garage Parking Revenue	Percentage of Leased Parking Revenue other than Garage	Percentage of Other Revenue
	1,112	1,256	14	167	1,158	27%	27%	16%	27%	3%
2001	1,112	1,295	16	168	1,148	27%	27%	16%	27%	3%
2002	1,116	1,295	14	172	1,381	27%	33%	16%	27%	3%
2003	1,122	1,107	15	242	1,381	20%	32%	18%	24%	6%
2004	1,061	1,275	14	250	1,381	17%	36%	20%	23%	3%
2005	1,164	1,168	14	250	1,381	20%	34%	14%	28%	5%
2006	1,106	1,168	14							

Source: Missoula Parking Commission

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

Urban Renewal District II			
Fiscal Year	Real Property & Personal Attached		Total Taxable Value
	Taxable Value	Personal Property (Unattached) Taxable Value	
1997	\$ 1,954,307	\$ 244,623	\$ 2,198,930
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

Urban Renewal District III			
Fiscal Year	Real Property & Personal Attached		Total Taxable Value
	Taxable Value	Personal Property (Unattached) Taxable Value	
2002 *	6,701,861	437,851	7,139,712
2003	6,665,087	466,103	7,131,190
2004	6,739,549	469,329	7,208,878
2005	6,809,431	621,899	7,431,330
2006	6,991,926	677,495	7,669,421

* 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
1997	\$ 70,214,583	\$ 2,198,930	\$ 339,107	0.5%
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%

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%

* 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)	City			Net Taxable Value (excluding district)
			Incremental Taxable Value of District I	Incremental Taxable Value of District II	Incremental Taxable Value of District III	
1997	\$ 1,611,509,167	\$ 70,214,583	\$ 3,421,531	\$ 339,107	\$ -	\$ 66,453,945
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

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



SINGLE AUDIT SECTION

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

Mayor and City Council
City of Missoula
Missoula, Montana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Missoula, Montana, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 10, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain other matters involving internal control that we have reported to management in a separate letter dated December 10, 2006.

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, we noted certain other matters involving compliance that we have reported to management in a separate letter dated December 10, 2006.

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 Zuremke & Co., P.C.

Missoula, Montana
December 10, 2006



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, 2006. 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, 2006.

Internal Control Over Compliance

The management of the City of Missoula 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 and to test and report on the internal control over compliance in accordance with OMB Circular A 133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended 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 Zorich & Co., P.C.

Missoula, Montana
December 10, 2006

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Beginning Balance July 1, 2005	Federal Revenue	Match/Other Revenue	Federal Expenditures	Match/Other Expenditures	Ending Balance June 30, 2006
Office of National Drug Control Policy									
Direct:									
High Intensity Drug Trafficking Area 2005	071 Unknown	15PRMP6042	\$ 111,257	\$ (17,287)	\$ 54,215	\$ -	\$ 36,928	\$ -	\$ -
High Intensity Drug Trafficking Area 2006	071 Unknown	16PRMP6042	\$ 125,006	\$ (17,287)	\$ 45,676	\$ -	\$ 45,676	\$ -	\$ -
Total Office of National Drug Control Policy			\$ 236,263	\$ (17,287)	\$ 99,891	\$ -	\$ 82,604	\$ -	\$ -
U.S. Department of Housing and Urban Development									
Direct:									
Community Development Block Grant	14,218	B-04/05-MC-30-0003	1,466,122		1,193,633				
Home Investment Partnership Program	14,239	M-03/04/05-MC-30-0219	1,981,429	(\$5,213)	1,245,113				
Passed through State of Montana Department of Commerce:									
Home Investment Partnership Program-ADLI	14,239	M-04-SG-30-0144	\$ 70,031		\$ 50,000				
Total U.S. Department of Housing and Urban Development			\$ 3,517,582		\$ 2,488,746				
U.S. Department of the Interior									
Passed through the Montana Historical Society:									
Historic Preservation Fund Grant	15,904	06-21529-022	\$ 5,500						
U.S. Department of Justice									
Direct:									
Law Enforcement Block Grant - VII	16,592	2003-LB-BX-2061	37,331	4,452			2,044	304	6,192
Law Enforcement Block Grant - IX	16,592	2004-LB-BX-1118	14,289	13,958				10,842	
Bulletproof Vest Partnership Grant	16,607	N/A	16,700	-	12,155			12,155	3,116
COPS Universal Hiring Award	16,710	2003UMWX0233	225,000	-	77,964			77,964	-
COPS Schools Award	16,710	2002SHWX0675	375,000	-	45,727			45,727	-
COPS Technology	16,710	2004INWX0012	11,072	(10,113)				141,712	(10,113)
JAG Grant 2005	16,738	2005DJBX0563	75,879	-	3,549			3,549	-
Passed through State of Montana Board of Crime Control:									
Underage Drinking Enforcement	16,727	04-U01-81914	41,837	2,074	41,837			43,911	
Total U.S. Department of Justice			\$ 797,108		\$ 10,371			\$ 181,232	
U.S. Department of Transportation									
Passed through the Montana Department of Transportation:									
Congestion Mitigation and Air Quality	20,205	CM 81190(70)	54,000	-			38,922	38,922	6,033
Congestion Mitigation and Air Quality	20,205	CM 8117(3)	173,160	-			526	526	-
Congestion Mitigation and Air Quality	20,205	CM 8103 (12)	155,497	-			63,533	63,533	(188)
Surface Transportation Planning Urban Funds	20,205	Pavement Preservation	17,511	-			17,511	17,511	-
Surface Transportation Planning Urban Funds	20,205	BR-CM-STPLU-STPE 8105(13)	11,000,000	-			17,430	17,430	-
Community Transportation Enhancement Program	20,205	CM-STPLU-STPE 0002(693)	14,946	-			14,946	14,946	-
Congestion Mitigation and Air Quality	20,205	CM-STPLU-STPE 0002(693)	50,000	-			18,856	18,856	-
Community Transportation Enhancement Program	20,205	STPE 81199(61)	119,000	-			292,597	292,597	-
Congestion Mitigation and Air Quality	20,205	IFB06-1219R	292,597	-			45,353	45,353	-
State and Community Highway Safety	20,600	2006-09-02/19/2006-11-03-19	27,500	2,703			18,120	20,823	(4,802)
State and Community Highway Safety	20,600	N/A	4,802	-			-	4,802	-
Passed through Missoula County:									
Interoperable Mobile Data Communications	20,607	2006-12-09-02	45,536		45,536			45,536	
Total U.S. Department of Transportation			\$ 11,954,549		\$ 2,703			\$ 585,670	
Environmental Protection Agency									
Direct:									
Brownfields Assessment and Cleanup	66,818	1,152,538	-				23,357	23,357	-
U.S. Department of Homeland Security									
Direct:									
Assistance to Firefighters Grant	97,044	EMW-2004-FG-10400	\$ 81,236				50,384	50,384	-
Total Federal Financial Assistance			\$ 17,774,776		\$ (59,426)			\$ 358,897	\$ 3,406,352
									\$ 363,045
									\$ (7,185)

CITY OF MISSOULA, MONTANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Fiscal Year Ended June 30, 2006

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, 2006

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:

CFDA Number **Name of Federal Program or Cluster**

14.239	Home Investment Partnership Program
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee? No

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 following section summarizes findings in the prior audit report and their current status.

05-1 The City utilizes engineering estimates and third party procurements to estimate the cost of certain infrastructure, such as streets, instead of using actual costs for assets that are purchased or constructed as required by generally accepted accounting principles.

Current Status: Implemented.

