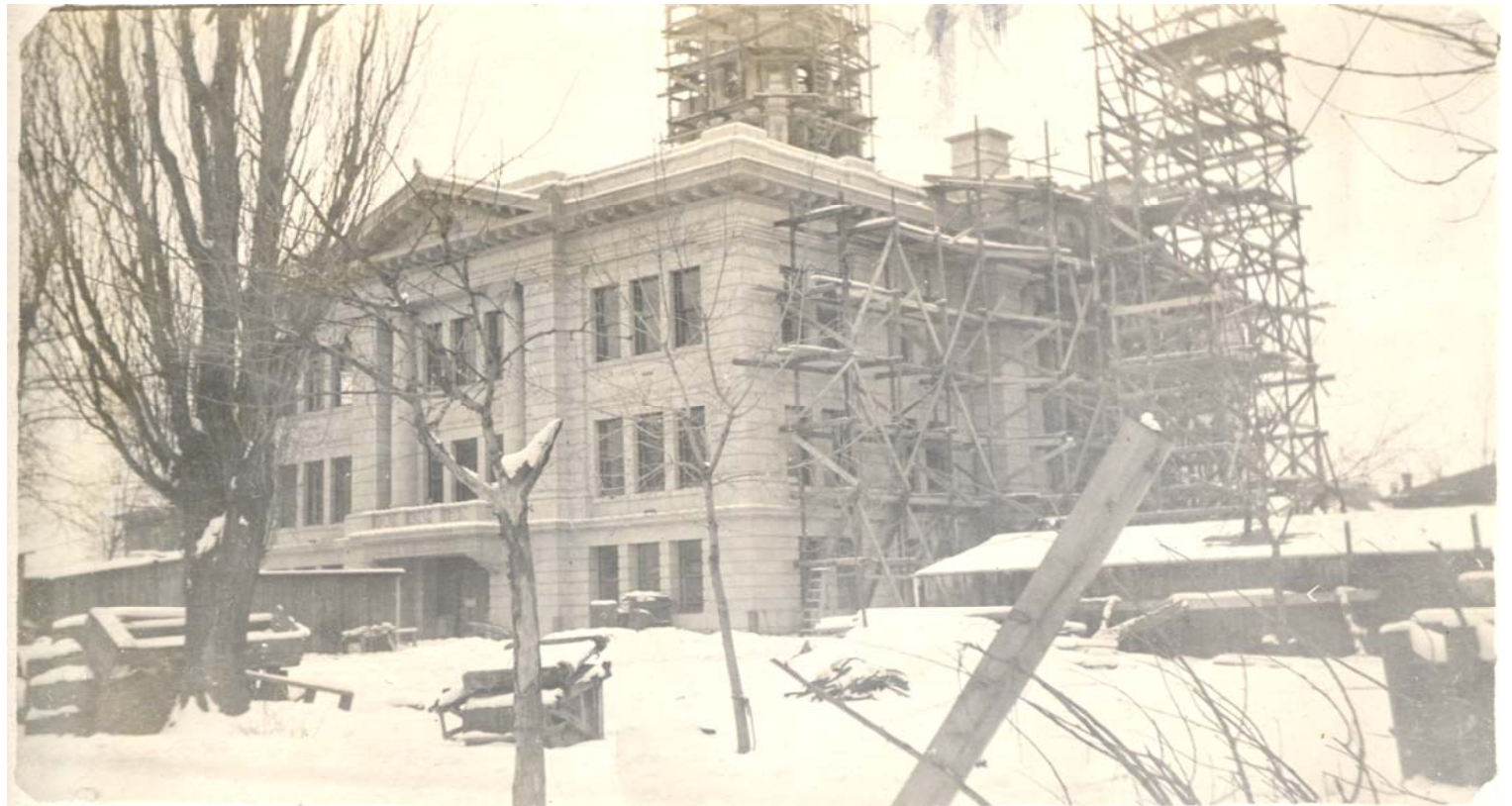


# MISSOULA COUNTY, MONTANA

## **C**OMPREHENSIVE **A**NNUAL **F**INANCIAL **R**EPORT

For the Fiscal Year Ended  
June 30, 2017



Picture Credits: "Building the Missoula County Courthouse" Courtesy of the HMFM Ned L. Marshall Collection

**MISSOULA COUNTY, MONTANA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2017

Prepared by:

Financial Services Department

Andrew V. Czorny  
Chief Financial Officer

Christi Page  
Teresa Graham  
Dawn Overbaugh  
Jacque Harris  
Jessica Overbaugh  
Rose Bjornstad  
Jan Thrasher  
Eric Seitz  
Nick Tschida  
Tyce Velde

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OFFICE OF FINANCIAL SERVICES  
200 WEST BROADWAY  
MISSOULA, MONTANA 59802

PHONE: (406) 721-5700

March 30, 2018

Board of County Commissioners  
Citizens of Missoula County, Montana

Dear Commissioners,

This letter transmits to the Board of County Commissioners and the citizens of Missoula County the Comprehensive Annual Financial Report (CAFR) for Missoula County for the year ended June 30, 2017. This CAFR presents fairly the financial condition of the County as of June 30, 2017 and the results of its operations and cash flows for proprietary type funds for the fiscal year then ended. With the exception of the independent auditors' reports, all the information included in this report is the responsibility of the management of Missoula County.

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

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

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



## **PROFILE**

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

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

Budgetary control of these functions is maintained through an annual budget adopted by the Board of County Commissioners. The budget process generally begins shortly after the mid-year budget review which is held in late January each year. The CFO in consultation with department heads, the CAO and the Financial Services staff provides a forecast of the projected year end fund balances. In addition, a prediction of the following year's revenues and fixed expenses is made. It is from these estimates that the general parameters of the coming year's budget are constructed. A presentation is made to the Commissioners and the Senior Leadership Team to establish the constraints within which the departments must work. The County departments are then provided budget spreadsheets, in which salaries and benefit costs are included. Departments must make the decisions on how to live within the constraints established in the general parameter discussion. The departments then submit their budget spreadsheets to the CFO's office by a set date, where they are reviewed, modified and then returned to the departments. The departments then return the spreadsheets reviewed Financial Services department on behalf of the CFO and if needed modifications or corrections are made before they are passed on to the Budget Team. The budget team is made up of the County Auditor, the Chief Administrative Officer, the Chief Operating Officer, the CFO, the Communications Director and two department heads selected at random annually. Their job is to examine each of the budgets ensuring they contribute to the overall goal of the current year's budget goals and assist the departments in presenting their program in the best light possible. The Commissioners then meet with each department to discuss their budget requests and hear an analysis of the departmental budgets provided by the CFO. Decisions are made on the individual departmental requests at the conclusion of the budget meetings when examined in the context of total proposed County budget. Public budget hearings are generally conducted in July and August of each year. The final budget is adopted by the second Monday in August or 45 days after receiving the certified taxable values from the State of Montana following the final public hearing. Budget authority is flexible in that the Commissioners may make mid-year transfers among budget object lines within a fund and budget amendments within statutory restrictions as deemed necessary for proper administration of County government. The level of budgetary control is established at the personnel, operations, and capital level within each fund.

The County's internal controls begin as a process that is affected by the organization's structure, work flows, approval processes and the management information systems that are designed to help the County accomplish its goals and objectives. The primary objective of the County's internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. Budgetary controls are maintained in the accounting office and reported to department heads and the County Commissioners. The County's audit staff reviews all departmental expense claims for appropriate backup documentation and departmental approval prior to the presentation to the County Commissioners for final approval and the creation of warrants. Revenues are monitored by department heads as well as the County CFO. Any deviations from the budget are reported to the Commissioners in a timely fashion and budget modifications, which are authorized under current County policy, are made throughout the year by majority vote of the County Commissioners.

## **FINANCIAL CONDITION**

Missoula County's economic environment continues to be healthy and the indicators point toward continued stability. Steady commercial and residential development continues to provide additional tax base to the County, which has generally been adequate to maintain the current level of service. However, it has not provided enough growth to increase the level of service to accommodate new growth. Additionally, since substantially all growth in property tax revenue is from new construction (and not from increases in market value of existing properties), if the rate of construction declines in Missoula, the County could be faced with inadequate resources to maintain the current level of service.

In order to mitigate the risk of declining revenue and other financial risks, the County's long-term financial planning includes basic revenue forecasting for most of the County's general revenues, including property taxes, local option motor vehicle tax, entitlement share, Clerk & Recorder fees, and Justice Court fines and forfeitures. The County also maintains multi-year budgets for the Capital Improvement Program and the Technology Program to ensure adequate resources for the future replacement of existing capital assets and to budget for new assets.

Management's Discussion and Analysis, starting on page 5, provides additional information on the economic environment in the County, as well as the highlights of the 2017 fiscal year and the challenges facing the 2018 budget.

## **OTHER OPERATING FACTORS**

Fiduciary Responsibilities – The County acts as either agent or trustee for more than 50 local government agencies, collecting taxes and other revenues for most of those agencies. It also provides accounting and investment services for those agencies.

Cash Management – The County operates an investment pool for idle cash belonging to the County, school districts, fire districts and other small local agencies. The operation of the pool is governed by an investment policy that emphasizes security, liquidity and yield, in that order.

The pool may be invested in the Short-Term Investment Pool operated by the State of Montana, U.S. government treasury and agency securities, local bank certificates of deposit, money market funds, and repurchase agreements. On average during fiscal year 2017, 80.2% was invested in the Short-Term Investment Pool, 7.1% was invested in U.S. Government treasury and agency securities, 5.4% was invested in money market funds, 5.0% was invested in repurchase agreements, and 2.3% was other demand deposits and cash on hand. The average rate of return for fiscal year 2017 was 0.6% based on total investment income in the pool of approximately \$1,220,089 net of fees. The County's share for governmental funds was approximately \$149,000.

Investments are held by a third party in the County's name, or in some cases by the financial institution's trust department in the County's name. Certificates of deposit are covered by insurance or collateralized to the extent required by Montana law (100% for institutions with less than 6% net worth, 50% for those with 6% or greater net worth).

Risk Management – The County has an extensive self-insured risk management program for all property and casualty insurance. The County provides self-insurance coverage to employees for medical and dental insurance. The County also provides Workers' Compensation coverage through a self-insurance program. The Excess Loss Fund provides an additional self-insurance program as an intermediary reinsurance program for the other three programs.

## **RELEVANT FINANCIAL POLICIES**

To achieve the goal of providing outstanding, cost-effective regional public services, Missoula County applies sound management practices and policies that enhance the quality of life of its citizens. Many of the financial management practices used by the County have been identified by the Government Finance Officers Association of the United States and Canada (GFOA) and recognized by Standard and Poor's rating agency as best practices that promote financial soundness, efficiency in government and solvency in public finance. The following summarizes the County's financial management practices. Each County department prepares an annual budget plan which they present during the budget process for evaluation by the County Commissioners and senior staff. Budget plans communicate the value the department brings to the community and measures performance. A budget plan sets forth long-term goals, operational and budget challenges, strategies for overcoming challenges and progress towards achieving those goals during the coming year.

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

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

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

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

Awards – Missoula County earned its twenty-third consecutive GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2016 Comprehensive Annual Financial Report. The Fiscal Year 2017 Report will also be submitted for consideration for the Certificate.

Acknowledgements – I would like to thank the Missoula County Financial Services Office: Rose Bjornstad, Teresa Graham, Jacque Harris, Dawn Overbaugh, Jessica Overbaugh, Jan Thrasher, Eric Seitz, Nick Tschida, Tyce Velde, and especially Christi Page for all their work and dedication. Thanks also to David Wall, the Missoula County Auditor, for her support and special thanks goes to the County Chief Administrative Officer, Vickie Zeier, for her leadership. Without the efforts of all these people, this report would not have been possible. Finally, I would like to thank the Board of County Commissioners for their service, understanding of the value of this report, their commitment to the County making difficult decisions in difficult times and their continued support for strong financial accountability.

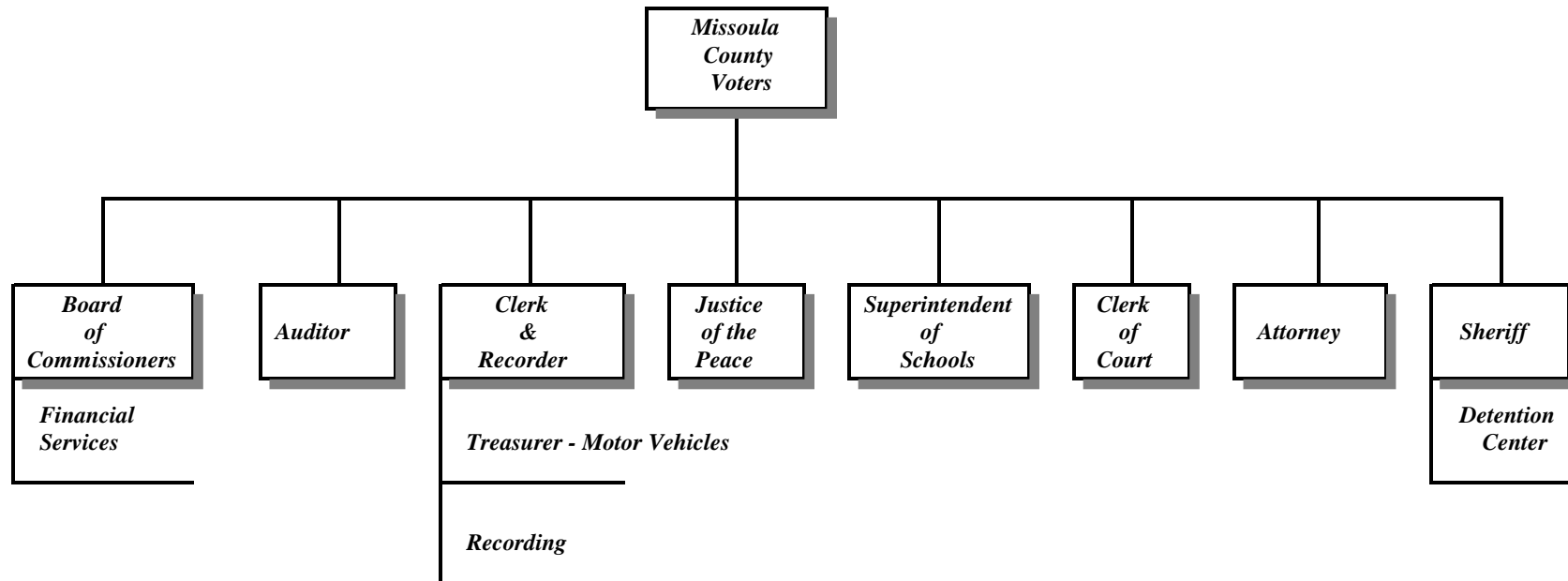
A handwritten signature in black ink, appearing to read 'Andrew V. Czorny', with a stylized flourish at the end.

Andrew V. Czorny  
Chief Financial Officer

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# MISSOULA COUNTY

## Organizational Chart



# MISSOULA COUNTY, MONTANA

## **Board of County Commissioners**

Jean L. Curtiss  
Nicole Rowley  
David Strohmaier

## **Auditor**

David Wall

## **Clerk and Recorder - Treasurer**

Tyler Gernant

## **Justice of the Peace**

Marie Andersen  
Lanee Holloway

## **Superintendent of Schools**

Erin Lipkind

## **Clerk of Court**

Shirley E. Faust

## **County Attorney**

Kirsten Pabst

## **Sheriff**

T.J. McDermott



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Missoula County  
Montana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO



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# FINANCIAL SECTION

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***Nicole M. Noonan, CPA, P.C.***

*435 Little Mill Creek Road*

*St. Regis, Montana 59866*

*Phone and FAX: (406) 649-2436*

*Cell phone: (406) 239-4260*

*E-mail: noonanaccounting@hotmail.com*

**INDEPENDENT AUDITORS' REPORT**

Board of County Commissioners  
Missoula County, Montana

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Missoula County, Montana's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of Missoula Aging Services, which represent 17.8 percent, 28.6 percent, and 13.6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for Missoula Aging Services, is based solely on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress for the retiree health insurance benefit plan, the schedule of proportionate share of net pension liability, the schedule of pension contributions, and budgetary comparison information on pages 5-20 and 101-126 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Missoula County, Montana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated March 30, 2018, on my consideration of Missoula County, Montana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Missoula County, Montana's internal control over financial reporting and compliance.



Nicole M. Noonan, CPA, P.C.  
St. Regis, Montana  
March 30, 2018

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**MISSOULA COUNTY, MONTANA**  
**Management's Discussion and Analysis**  
**June 30, 2017**

The management of Missoula County offers this discussion and analysis of Missoula County's financial position and results of operations for the year ended June 30, 2017. We encourage readers to consider information presented here in conjunction with additional information provided in the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

**Financial Highlights**

- The assets of the County exceeded its liabilities at June 30, 2017 by \$88.5 million (net position) compared with a balance of \$84.0 million at June 30, 2016. Due primarily to pension related items, unrestricted net position was -\$47.6 million.
- The County's total net position increased by \$4.5 million, representing a 5.3% increase over 2016. This was primarily due to an increase of \$10.3 million in deferred outflows of resources related to pensions combined with a decrease of \$3.6 million in deferred inflows of resources related to pensions and a decrease of \$1.2 million in other deferred inflows of resources.
- At the end of the current year, the County's Balance Sheet for Governmental Funds reported a combined ending fund balance of \$57.8 million, approximately \$10.9 million less than the prior year. Of this amount, \$14.3 million is unrestricted and immediately available for spending on behalf of its citizens.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2.7 million, or 14.4% of total general fund expenditures and other financing uses.

Missoula County's total debt increased by \$21,697,277, which contributed to a net 18.3% increase in Long Term Liabilities, related to primary government activities. This increase was primarily due to a \$15.5 million increase in net pension liability combined with issuance of debt for Open Space purchases and construction of a new Library facility.



## **Using the Comprehensive Annual Financial Report**

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

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

## **Reporting Missoula County as a Whole**

### Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

## **Reporting Missoula County's Most Significant Funds**

### Fund Financial Statements

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

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

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

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

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary statements beginning on page 129.

*Proprietary Funds:* The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Larchmont Golf Course and the Rural Special Improvement Maintenance Districts. Internal Service funds are used to account for the financing of certain goods and services between departments and agencies of the County. The County uses internal service funds to account for its self-insurance programs: Risk Management, Health Insurance, Workers' Compensation, and Excess Loss. Additionally, Telephone Services, which operates the County telephone system, and Information Services Operations, which operates the County network and provides technical services to County departments, are accounted for in internal service funds. The proprietary fund financial statements can be found on pages 28-32.

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund financial statements can be found on pages 33-34.

*Notes to the Financial Statements:* The notes provide additional information that is essential to a full understanding of the governmental-wide and fund financial statements. The notes to the financial statements begin on page 35.

*Other information:* In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which begin on page 129. Statistical information that shows trends for periods up to ten years is also available beginning on page 203.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. For the year ended June 30, 2017 the County's assets exceeded liabilities by \$88.5 million (\$82.7 million in governmental activities and \$5.7 million in business-type activities). 101.6% of the County's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Other restrictions total \$46,089,481.

The following table provides a summary of the County's net position for 2017:

<b>Net Position</b>						
	Governmental Activities		Business-Type Activities		Total	
<b>Assets</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current & Other Assets	\$ 94,827,921	\$ 102,674,529	\$ 1,783,850	\$ 1,657,528	\$ 96,611,771	\$ 104,332,057
Capital Assets, Net	138,945,453	117,722,646	4,597,938	4,648,337	143,543,391	122,370,983
Total Assets	<u>233,773,374</u>	<u>220,397,175</u>	<u>6,381,788</u>	<u>6,305,865</u>	<u>240,155,162</u>	<u>226,703,040</u>
<b>Deferred Outflows of Resources</b>						
Deferred Charges on Refunding of Debt	76,380	108,528	-	-	76,380	108,528
Deferred Outflows of Resources - Pension	17,340,189	7,106,041	123,929	44,164	17,464,118	7,150,205
Total Deferred Outflows of Resources	<u>17,416,569</u>	<u>7,214,569</u>	<u>123,929</u>	<u>44,164</u>	<u>17,540,498</u>	<u>7,258,733</u>
<b>Liabilities</b>						
Current & Other Liabilities	8,788,006	7,307,239	130,244	123,778	8,918,250	7,431,017
Current Portion of Long-term Debt	10,581,513	11,288,885	26,259	25,998	10,607,772	11,314,883
Long-term Debt, Net of Current Portion	136,710,109	113,463,477	642,260	525,470	137,352,369	113,988,947
Total Liabilities	<u>156,079,628</u>	<u>132,059,601</u>	<u>798,763</u>	<u>675,246</u>	<u>156,878,391</u>	<u>132,734,847</u>
<b>Deferred Inflows of Resources</b>						
Deferred Assessments	9,139,453	10,393,995	-	-	9,139,453	10,393,995
Other Deferred Receipts	33,663	29,302	-	-	33,663	29,302
Deferred Inflows of Resources - Pension	3,173,734	6,757,968	2,038	38,435	3,175,772	6,796,403
Total Deferred Inflows	<u>12,346,850</u>	<u>17,181,265</u>	<u>2,038</u>	<u>38,435</u>	<u>12,348,888</u>	<u>17,219,700</u>
<b>Net Position</b>						
Net Investment in Capital Assets	85,395,548	83,362,498	4,545,160	4,569,561	89,940,708	87,932,059
Restricted	44,907,476	54,049,148	1,182,005	1,116,075	46,089,481	55,165,223
Unrestricted	(47,539,559)	(59,040,768)	(22,249)	(49,288)	(47,561,808)	(59,090,056)
Total Net Position	<u>\$ 82,763,465</u>	<u>\$ 78,370,878</u>	<u>\$ 5,704,916</u>	<u>\$ 5,636,348</u>	<u>\$ 88,468,381</u>	<u>\$ 84,007,226</u>

The following table provides a summary of the changes in net position for 2017:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 21,368,586	\$ 18,514,793	\$ 1,968,526	\$ 1,986,967	\$ 23,337,112	\$ 20,501,760
Operating Grants and Contributions	8,941,008	8,479,102	11,418	12,383	8,952,426	8,491,485
Capital Grants and Contributions	1,802,030	2,985,372	-	-	1,802,030	2,985,372
General Revenues						
Property Taxes	48,422,980	44,958,039	-	-	48,422,980	44,958,039
Intergovernmental Revenue	6,733,625	6,595,554	12,291	-	6,745,916	6,595,554
Investment Earnings	166,575	884,391	14,944	8,428	181,519	892,819
Gain on Sale of Capital Assets	-	96,565	-	3,300	-	99,865
Miscellaneous	2,264,667	1,169,858	22,018	61,679	2,286,685	1,231,537
Total Revenues	<u>89,699,471</u>	<u>83,683,674</u>	<u>2,029,197</u>	<u>2,072,757</u>	<u>91,728,668</u>	<u>85,756,431</u>
<b>Program Expenses</b>						
General Government	18,740,845	16,163,885	-	-	18,740,845	16,163,885
Criminal Justice	4,149,551	5,100,309	-	-	4,149,551	5,100,309
Public Safety	26,035,864	22,488,114	-	-	26,035,864	22,488,114
Public Works	12,310,157	10,674,525	-	-	12,310,157	10,674,525
Public Health	8,864,427	8,656,404	-	-	8,864,427	8,656,404
Social and Economic Services	2,845,205	2,669,877	-	-	2,845,205	2,669,877
Culture and Recreation	6,323,201	6,432,951	-	-	6,323,201	6,432,951
Housing and Community Develop.	3,493,022	3,759,445	-	-	3,493,022	3,759,445
Interest and Fiscal Charges	2,638,247	1,330,526	-	-	2,638,247	1,330,526
Larchmont Golf Course	-	-	804,729	855,777	804,729	855,777
Rural Special Improvement Districts	-	-	1,062,265	1,076,337	1,062,265	1,076,337
Total Expenses	<u>85,400,519</u>	<u>77,276,036</u>	<u>1,866,994</u>	<u>1,932,114</u>	<u>87,267,513</u>	<u>79,208,150</u>
Change in Net Position before Transfers	4,298,952	6,407,638	162,203	140,643	4,461,155	6,548,281
Transfers	93,635	97,275	(93,635)	(97,275)	-	-
Capital Contributions	-	-	-	-	-	-
Change in Net Position	<u>4,392,587</u>	<u>6,504,913</u>	<u>68,568</u>	<u>43,368</u>	<u>4,461,155</u>	<u>6,548,281</u>
Net Position - Beginning of Year Restated	<u>78,370,878</u>	<u>71,865,965</u>	<u>5,636,348</u>	<u>5,592,980</u>	<u>84,007,226</u>	<u>77,458,945</u>
Net Position - End of Year	<u>\$ 82,763,465</u>	<u>\$ 78,370,878</u>	<u>\$ 5,704,916</u>	<u>\$ 5,636,348</u>	<u>\$ 88,468,381</u>	<u>\$ 84,007,226</u>

## Governmental Activities

*General Government* – The General Government function includes those elected offices that provide direct service to the public for decision making or record keeping matters. This includes the Board of County Commissioners and staff (including Facilities Management, Financial Services, Human Resources, Elections, Communications and Projects, and Technology departments); the Clerk & Recorder/Treasurer functions of Recording and Treasury; the County Auditor; the GIS department; and the Superintendent of Schools who maintains a variety of school related records. Additionally, this function includes the Financial Administration department which contains expenses related to general government and the Board of County Commissioners' agenda. In 2017, general government expenses comprised 21.9% (20.9% in 2016) of governmental activities. Total general government expenses increased by \$2,576,960 (or 15.9%) from the prior year. The increase is primarily due to an increase in capital purchases, write off of leasehold improvements, and pension expenses in 2017.

*Criminal Justice* – the criminal justice function includes all offices related to the court system. These include the Justice Courts, the County Attorney's Office, and certain grants related to State District Court. Criminal Justice expenses comprised 4.9% of governmental activities in 2017 (versus 6.6% in 2016). Total expenses decreased \$950,758 (or -18.6%) from the prior year. The decrease was primarily due to construction in process additions in 2017.

*Public Safety* – the public safety function is comprised of the Sheriff's Office including the Missoula County Detention Facility, Court Support (bailiffs), and the Department of Emergency Services including the 9-1-1 Emergency Dispatch Center, the Office of Emergency Management, and the Public Safety capital projects fund. Public safety expenses comprised 30.5% of governmental activities in 2017 (versus 29.1% in 2016). Public safety expenses increased \$3,547,750 compared to 2016, (or 15.8%). The increase is primarily due to increased personnel costs associated with adding new deputies combined with increased capital and pension expenses in 2017.

*Public Works* – public works includes the Road and Bridge funds and the Surveyor department, the Weed and Extension funds, the Rural Special Assessment Districts program, Seeley Lake Refuse District and the Missoula Development Authority. Public works expenses comprised 14.4% of governmental activities in 2017 (versus 13.8% in 2016) and increased \$1,635,632 (or 15.3%) in expenses compared to 2016. The increase was primarily due to increases in operational costs and pension expenses in 2017.

*Public Health* – the public health function is comprised of the Health Department, the Water Quality District, the Junk Vehicle Program, and Animal Control. Public health expenses comprised 10.4% of governmental activities in 2017 (versus 11.2% in 2016). Total public health expenses increased \$208,023 (or 2.4%) from 2016, primarily due to necessary capital expenses combined with increased pension expense in 2017.

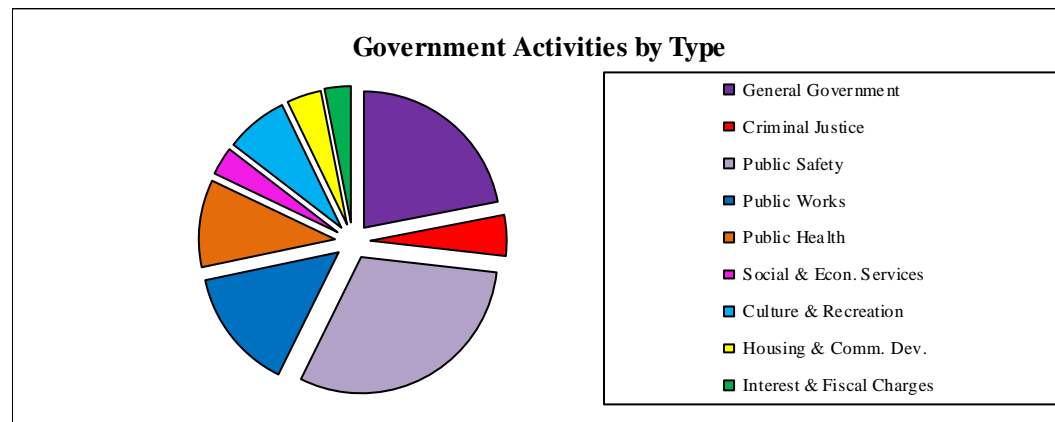
*Social & Economic Services* – the social and economic services function includes those programs that address the social and economic needs of the citizens of Missoula County. It includes Community Assistance, Aging, Child Daycare, and Mental Health. It also includes programs for the assistance of victims of crime, battered women, at risk families, recovering alcoholics needing housing, those who have little or no health care coverage, and those who need assistance qualifying for SSI. Many of these programs are administered by Grants Division of the Community and Planning Services department. These expenses comprised 3.3% of governmental activities in 2017, compared to 3.5% in 2016. Social and economic services expenses increased \$175,328 (or 6.6%) over 2016 largely due to increased personnel and operations related to relationship violence services.

*Culture & Recreation* – the culture and recreation function includes the Western Montana Fair, the Historical Museum at Fort Missoula, the Library and the Park funds. Culture and recreation expenses comprised 7.4% of governmental activities in 2017, compared to 8.3% in 2016. Culture and recreation expenses decreased \$109,750 (or -1.7%) from 2016. This was primarily due to decreased operations and community projects in the Parks department in 2017.

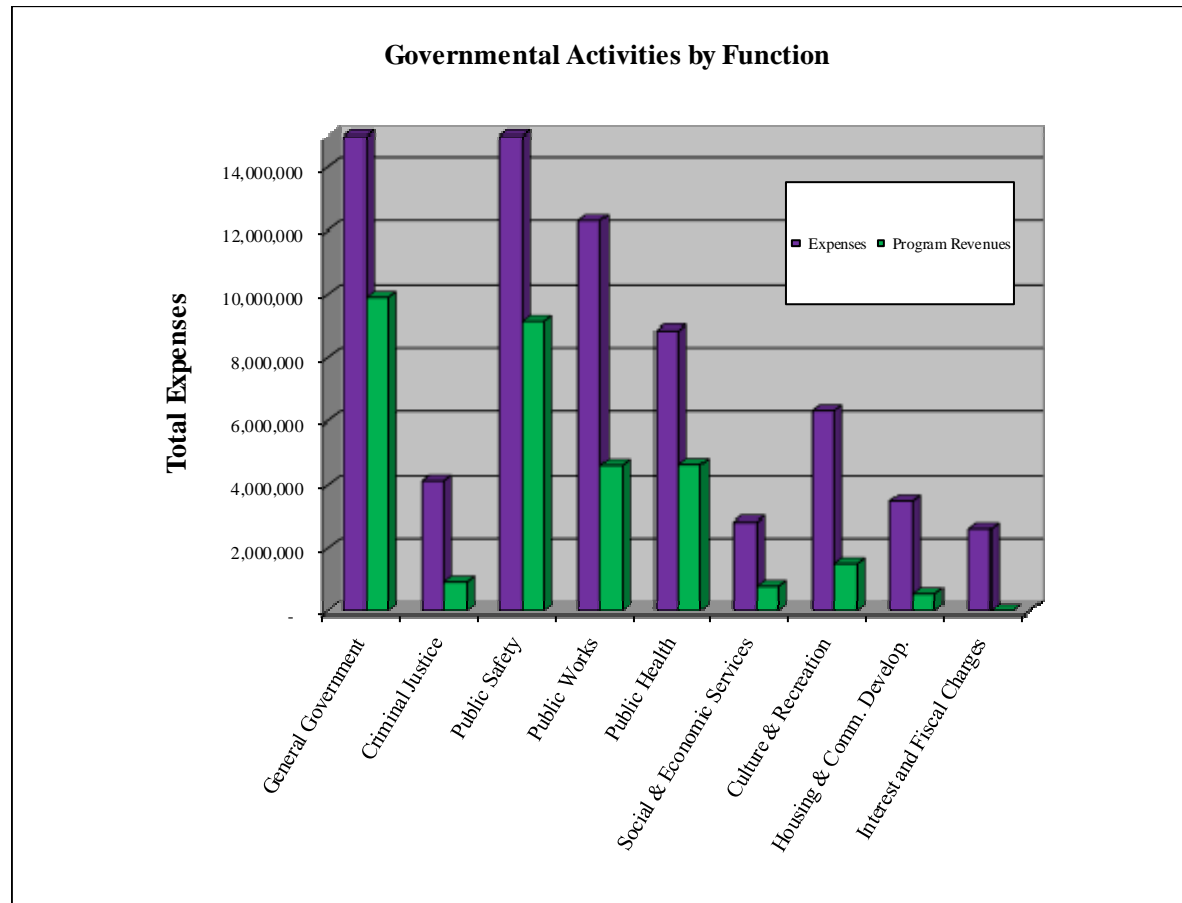
*Housing & Community Development* – this function includes Community and Planning Services, as well as specific grant programs, and the administration of federal and state community development dollars including the Open Space fund. These expenses comprised 4.1% of governmental activities in 2017, compared to 4.9% in 2016. Total expenses decreased \$266,423 (or -7.1%) versus 2016 due to fewer grant expenditures in the Big Sky Trust fund in 2017.

Total governmental activities resulted in an increase in net position totaling \$4.4 million. This increase over 2016 is primarily due to an increase in property taxes of \$3.4 million and \$1.1 million in retroactive prisoner board charges for services received by Public Safety in 2017.

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



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



### Business-Type Activities

Total net position related to business-type activities increased by \$68,568 compared to an increase of \$43,368 in 2016. This was primarily due to an increase in RSID assessment revenues of \$93,408 netted with a decrease in operating expenses of \$44,305.



## **Fund Level Financial Analysis**

### Governmental Funds

For the fiscal year ended June 30, 2017, the County's governmental funds reported combined fund balance totaling \$57,791,003 compared with \$68,716,551 in 2016. Approximately \$14.3 million of this amount constitutes unrestricted (categorized as committed, assigned and unassigned) fund balance, which is available to spend for current needs. The remaining balance is nonspendable (inventory) or restricted. The governmental funds had a combined decrease in fund balances totaling \$10,925,548 for 2017.

The General fund is the chief operating fund of the County. For fiscal year 2017, total fund balance decreased \$749,266 to \$2,794,335, of which \$2,734,763 was unassigned. As a measure of the General fund's total liquidity, it may be useful to compare total unassigned fund balance to total General fund expenditures. Total unassigned General Fund balance represents 14.4% of total expenditures compared to 18.5% in 2016. The 2017 budget was designed to spend down excess cash reserves by approximately \$326,306. Although expenditures and revenues were consistent from year to year, the General Fund received a lower level of support from other funds through transfers in during 2017.

The Public Safety fund accounts for the operation of the Sheriff's Department, including law enforcement and the Missoula County Detention Facility. The Public Safety fund had a fund balance totaling \$5,970,577 at June 30, 2017 (\$5,043,165 at June 30, 2016). Fund balance represents 28.9% (26.8% in 2016) of total expenditures. The fund balance increased during the year by \$927,412, although the 2017 budget was designed to decrease the fund balance by \$841,618. The increase was primarily due to receipt of \$1.1 million in retroactive prisoner board charges for services received by Public Safety in 2017.

The RSID Debt Service fund is used to collect special assessments and make bond payments for the County's rural special improvement districts. Total fund balance was \$2,842,425 at June 30, 2017 (\$2,836,891 at June 30, 2016), all of which is considered restricted for debt service. Fund balance represents 241.5% (237.5% in 2016) of total expenditures. Fund balances decreased primarily due to a decrease in assessment revenue.

The Fort Missoula Regional Park Construction fund accounts for parks and trails project expenditures related to the issuance of the Parks & Trails 2016 general obligation bonds. Total fund balance was \$14,452,847 at June 30, 2017 (\$31,460,715 at June 30, 2016), all of which is considered restricted for parks and trails projects. The fund balance represents 85.0% (302.24% in 2016) of total expenditures. Fund balance decreased primarily due to capital improvement expenditures of approximately \$17.0 million.

## **Missoula County Budget Highlights**

Missoula County's budget is prepared on the basis of cash receipts, disbursements, encumbrances, and certain receivables. During the year, the Board of County Commissioners amends the budget in accordance with state law. For fiscal year 2017, budget amendments resulted in increases in appropriations in the General fund budget by \$322,614. Significant budget variances in the General fund include:

- Clerk & Recorder and Treasurers charges for services were \$67,692 and \$32,195 more than anticipated, respectively, due to conservative budgeting in 2017.
- Non-Departmental General Fund intergovernmental revenues were \$933,336 more than anticipated due to receiving 2 years of payment in lieu of taxes (PILT) in 2017. In the past, PILT has been recorded in July, but for 2017, payments were recorded in June, therefore, 2 years payments were receipted in 2017 on the budget basis.
- Personnel costs were \$623,417 under budget primarily due to vacancy savings in County Attorney, Treasurers, the Office of Emergency Management, 9-1-1 Communications and Surveyors.
- Operations costs were \$455,071 under budget due to lower than anticipated contracted service costs in the Clerk & Recorder, 9-1-1 Communications, and Financial Administration and postage and supplies costs in Central Services.

## **Capital Assets and Debt Administration**

### Capital Assets

Missoula County's capital assets consist of land, buildings and systems, improvements, infrastructure, equipment, and machinery. Infrastructure assets placed in service in 2005 and after are reported in capital assets. Capital assets have been restated to include the retro-active implementation of infrastructure capital assets per GASB No. 34. Missoula County's investment in capital assets (net of accumulated depreciation and outstanding debt) was \$91,141,956 at June 30, 2017 (\$87,932,059 at June 30, 2016). Capital asset activity is presented in Note 4 of the financial statements (page 52) as well as on pages 199-201 of the supplementary information.

Significant activity in capital assets for 2017 includes:

- Purchase of a new building for General Government services totaling \$3,350,000.
- Purchase of new parking lot for General Government services totaling \$402,500.
- Purchase of new vehicles and equipment for General Government services totaling \$90,210.
- Purchase of new vehicles and equipment for Public Safety totaling \$1,165,876.
- Purchase of new vehicles and equipment for Public Works totaling \$430,101.
- Purchase of new vehicles and equipment for Public Health totaling \$187,485.
- Remodel of the Public Works office building totaling \$287,096 which included \$117,498 in 2017 expenditures.
- Fairground building improvements totaling \$575,503 which included \$505,616 in 2017 expenditures.
- Acquisition of property for a new Library facility of \$445,180.
- An increase of \$1,274,690 in Construction in Progress related to the County Courthouse renovations.
- An increase of \$338,784 in Construction in Progress related to the new Library facility.
- An increase of \$17,136,993 in Construction in Progress related to the Fort Missoula Regional Park.
- A variety of road, bridge and pathway projects in the amount of \$1,496,636.

### Long-Term Debt

Long-Term Liabilities for Missoula County totaled \$140,594,839 at June 30, 2017 (\$118,897,562 at June 30, 2016). Total debt increased \$21,697,277. This increase was the net result of a net pension liability net increase of \$15,393,219, new debt of \$10,630,199 and principal payments on outstanding debt were made in the amount of \$4,610,733. The liability for compensated absences increased \$263,445 to a total of \$5,051,988. The liability for post-employment benefits increased \$21,147 to a total of \$574,320. Additional information regarding long-term debt can be found in Note 5 to the financial statements.

The following table shows outstanding debt by type:

<b>Total Long-term Debt</b>		
General Obligation Bonds and Loans	\$	54,354,192
Limited Obligation Bonds and Loans		9,418,362
Tax Increment Bonds		1,710,000
Special Assessment Bonds and Loans		9,775,410
Capital Lease Payable		7,339,303
Notes and Contracts Payable		2,366,089
Post Employment Benefits		574,320
Compensated Absence Liability		5,051,988
Net Pension Liability		50,005,175
	\$	<u>140,594,839</u>

## **Economic Factors and the Fiscal Year 2018 Budget**

The following economic factors currently affect Missoula County and were considered in developing the fiscal year 2018 budget:

- The unemployment rate for Missoula County is currently 3.5%, which is a slight increase from a rate of 3.4% a year ago.
- A property tax rate increase of 7.1% to fund increases in recurring expenditure obligations.
- Increases in the taxable assessed value as a percentage of estimated actual value and resulting increases in property assessments will continue to affect Missoula County's real property tax base.
- Increases in housing prices and new construction are expected to continue throughout the fiscal year, further boosting tax revenues and assessed values.
- Interest rates are expected to slowly rise throughout fiscal year 2018.
- On the expenditure side, increases are expected in health insurance premiums as well as pension and other employee benefit costs.
- Missoula County's daytime population exceeds 115,000 people a day, requiring twenty-four hour services for residents and non-residents alike.
- Departmental budget reductions were implemented in recognition of the decline in revenues as a result of anticipated decreases to state and federal funding sources.
- Contract settlements with all of Missoula County's unions.
- Continued maintenance of strong cash reserves and the funding of major capital projects, notably Fort Missoula Regional Park, a new Library building, and redevelopment of the Missoula County fairgrounds.
- Funding of critical need items including statutorily or contractually required requests and items in the departments' strategic plan.
- Funding of critical need capital expenditures focusing on life-safety compliance and major repairs.
- Items that will greatly improve departmental efficiency and provide long-term cost savings.

## **Contacting Missoula County**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional information, contact Christi Page, Director of Financial Services, Missoula County, 200 W. Broadway, Missoula, Montana 59802; [cpage@missoulacounty.us](mailto:cpage@missoulacounty.us), (406) 721-5700. Additionally, Missoula County's Budgets and CAFRs are available online at [www.missoulacounty.us](http://www.missoulacounty.us).

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**MISSOULA COUNTY, MONTANA**

**Statement of Net Position**

**June 30, 2017**

(Page 1 of 2)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
<b>Assets</b>					
Cash & Cash Equivalents	\$ 3,176,607	\$ 34,993	\$ 3,211,600	\$ 1,684,628	\$ 9,212,563
Cash with Fiscal Agents	5,893,618	-	5,893,618	-	-
Investments	61,382,798	2,393,773	63,776,571	1,871,091	-
Investment in Land Held for Resale	3,865,128	-	3,865,128	-	-
Property Taxes Receivable, net	2,453,431	-	2,453,431	-	-
RSID Receivable-Delinquent	98,856	35,648	134,504	-	-
RSID Receivable-Deferred	9,139,453	-	9,139,453	-	-
Accounts Receivable	2,761,046	3,837	2,764,883	534,370	1,905,045
Interest Receivable	56,331	1,789	58,120	-	-
Contributions Receivable	454,221	-	454,221	-	-
Loans & Notes Receivable, net	1,391,822	-	1,391,822	-	-
Due (to) from Other Funds	(59,157)	59,157	-	-	-
Advances to (from) Other Funds	795,000	(795,000)	-	-	-
Advances to Component Units	1,795,000	-	1,795,000	-	-
Prepaid Costs	77,307	-	77,307	4,975	835
Inventory	1,546,460	49,653	1,596,113	-	672,583
Capital Assets - non-depreciable	54,157,492	1,104,570	55,262,062	132,000	445,189
Capital Assets - depreciable, net	84,787,961	3,493,368	88,281,329	1,122,649	12,438,809
Total Assets	<u>233,773,374</u>	<u>6,381,788</u>	<u>240,155,162</u>	<u>5,349,713</u>	<u>24,675,024</u>
<b>Deferred Outflows of Resources</b>					
Deferred Charges on Refunding of Debt	76,380	-	76,380	-	-
Deferred Outflows of Resources - Pension	17,340,189	123,929	17,464,118	-	2,307,912
Total Deferred Outflows of Resources	<u>\$ 17,416,569</u>	<u>\$ 123,929</u>	<u>\$ 17,540,498</u>	<u>\$ -</u>	<u>\$ 2,307,912</u>

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



**MISSOULA COUNTY, MONTANA**  
**Statement of Net Position (Continued)**  
**June 30, 2017**  
**(Page 2 of 2)**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
<b>Liabilities</b>					
Accounts & Warrants Payable	\$ 5,492,028	\$ 90,413	\$ 5,582,441	\$ 200,886	\$ 753,903
Accrued Interest Payable	1,397,095	-	1,397,095	-	38,474
Accrued Payroll	1,800,471	39,831	1,840,302	252,349	521,515
Funds Held in Trust	98,412	-	98,412	-	-
Liability for Sick & Vacation - Current Portion	3,622,912	-	3,622,912	-	703,826
Liability for Sick & Vacation, net of Current Portion	1,429,076	-	1,429,076	-	-
Liability for Claims - Current Portion	1,240,787	-	1,240,787	-	-
Liability for Claims, net of Current Portion	5,455,996	-	5,455,996	-	-
Long-term Liabilities:					
Liability for Post Employment Benefits	574,320	-	574,320	-	82,315
Net Pension Liability	50,005,175	615,741	50,620,916	-	10,556,020
Special Assessment with Government Commitment:					
Due within One Year	800,860	-	800,860	-	-
Due in more than One Year	8,974,550	-	8,974,550	-	-
Other-Due within One Year	4,916,954	26,259	4,943,213	-	140,000
Other-Due in more than One Year	70,270,992	26,519	70,297,511	-	1,930,000
Total Liabilities	156,079,628	798,763	156,878,391	453,235	14,726,053
<b>Deferred Inflows of Resources</b>					
Deferred Assessments	9,139,453	-	9,139,453	-	-
Other Deferred Receipts	33,663	-	33,663	10,710	-
Deferred Inflows of Resources - Pension	3,173,734	2,038	3,175,772	-	34,941
Total Deferred Inflows of Resources	12,346,850	2,038	12,348,888	10,710	34,941
<b>Net Position</b>					
Net Investment in Capital Assets	85,395,548	4,545,160	89,940,708	1,254,649	10,813,998
Restricted:					
Criminal Justice	447,038	-	447,038	-	-
Public Safety	6,408,290	-	6,408,290	-	-
Public Works	7,969,506	-	7,969,506	-	-
Public Health	2,149,455	-	2,149,455	-	147,314
Social & Economic Services	288,927	-	288,927	-	-
Culture & Recreation	3,372,811	-	3,372,811	-	-
Housing & Community Development	1,251,837	-	1,251,837	-	-
Debt Service	5,720,432	-	5,720,432	-	-
Capital Projects	17,299,180	-	17,299,180	-	-
RSID Maintenance	-	1,182,005	1,182,005	-	-
Aging Programs	-	-	-	1,010,614	-
Unrestricted	(47,539,559)	(22,249)	(47,561,808)	2,620,505	1,260,630
Total Net Position	\$ 82,763,465	\$ 5,704,916	\$ 88,468,381	\$ 4,885,768	\$ 12,221,942

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

**MISSOULA COUNTY, MONTANA**  
**Statement of Activities**  
**For Fiscal Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Missoula Aging Services	Partnership Health Center
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 18,740,845	\$ 7,472,311	\$ 2,443,998	\$ -	\$ (8,824,536)	\$ -	\$ (8,824,536)	\$ -	\$ -
Criminal Justice	4,149,551	749,527	213,687	-	(3,186,337)	-	(3,186,337)	-	-
Public Safety	26,035,864	7,669,688	1,461,011	-	(16,905,165)	-	(16,905,165)	-	-
Public Works	12,310,157	2,322,877	471,848	1,802,030	(7,713,402)	-	(7,713,402)	-	-
Public Health	8,864,427	2,157,898	2,461,067	-	(4,245,462)	-	(4,245,462)	-	-
Social & Economic Services	2,845,205	76,764	741,120	-	(2,027,321)	-	(2,027,321)	-	-
Culture & Recreation	6,323,201	779,061	717,996	-	(4,826,144)	-	(4,826,144)	-	-
Housing & Community Development	3,493,022	140,460	430,281	-	(2,922,281)	-	(2,922,281)	-	-
Interest and Fiscal Charges	2,638,247	-	-	-	(2,638,247)	-	(2,638,247)	-	-
Total Governmental Activities	85,400,519	21,368,586	8,941,008	1,802,030	(53,288,895)	-	(53,288,895)	-	-
Business-type Activities:									
Larchmont Golf Course	804,729	897,852	5,874	-	-	98,997	98,997	-	-
Rural Special Improvement Districts	1,062,265	1,070,674	5,544	-	-	13,953	13,953	-	-
Total Business-type Activities	1,866,994	1,968,526	11,418	-	-	112,950	112,950	-	-
Total Primary Government	\$ 87,267,513	\$ 23,337,112	\$ 8,952,426	\$ 1,802,030	(53,288,895)	112,950	(53,175,945)	-	-
<b>Component units:</b>									
Missoula Aging Services	\$ 4,068,982	\$ 837,834	\$ 3,453,180	\$ -				222,032	-
Partnership Health Center	26,184,658	19,274,288	9,023,423	62,541				-	2,175,594
Total component units	\$ 30,253,640	\$ 20,112,122	\$ 12,476,603	\$ 62,541				222,032	2,175,594
<b>General revenues:</b>									
Property Taxes					48,422,980	-	48,422,980	-	-
Intergovernmental Revenue - Unrestricted					6,733,625	12,291	6,745,916	-	-
Investment Earnings					166,575	14,944	181,519	157,404	-
Sale of Capital Assets					-	-	-	-	-
Miscellaneous Revenues					2,264,667	22,018	2,286,685	-	10,195
<b>Transfers</b>					93,635	(93,635)	-	-	-
Total General Revenues & Transfers					57,681,482	(44,382)	57,637,100	157,404	10,195
Change in Net Position					4,392,587	68,568	4,461,155	379,436	2,185,789
Net Position - Beginning of Year					78,370,878	5,636,348	84,007,226	4,506,332	10,064,585
Restatement					-	-	-	-	(28,432)
Net Position - Beginning of Year as Restated					78,370,878	5,636,348	84,007,226	4,506,332	10,036,153
Net Position - End of Year					\$ 82,763,465	\$ 5,704,916	\$ 88,468,381	\$ 4,885,768	\$ 12,221,942

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

**MISSOULA COUNTY, MONTANA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**  
**(Page 1 of 2)**

	<b>General</b>	<b>Public Safety</b>	<b>RSID Debt Service</b>	<b>Fort Missoula Regional Park Construction</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash & Cash Equivalents	\$ 6,778	\$ 85,711	\$ 33,614	\$ 234,672	\$ 359,370	\$ 720,145
Cash with Fiscal Agents	-	-	714,968	-	5,178,650	5,893,618
Investments	463,706	5,863,294	2,299,455	16,053,376	24,583,663	49,263,494
Investment in Land Held for Resale	-	-	-	-	3,865,128	3,865,128
Property Taxes Receivable (net)	492,310	555,614	-	-	1,361,504	2,409,428
RSID Receivable:						
Delinquent	-	-	98,856	-	-	98,856
Deferred	-	-	9,139,453	-	-	9,139,453
Accounts Receivable	243,360	700,046	-	317,219	1,207,183	2,467,808
Interest Receivable	24,789	641	-	-	11,046	36,476
Loans & Notes Receivable	27,789	58,996	-	-	1,305,037	1,391,822
Due from Other Funds	2,845,878	478,568	-	92,118	705,952	4,122,516
Advances to Other Funds	-	-	-	-	803,124	803,124
Advances to Component Units	-	-	-	-	1,795,000	1,795,000
Inventory	59,572	-	-	-	1,486,888	1,546,460
Total Assets	<u>\$ 4,164,182</u>	<u>\$ 7,742,870</u>	<u>\$ 12,286,346</u>	<u>\$ 16,697,385</u>	<u>\$ 42,662,545</u>	<u>\$ 83,553,328</u>
<b>Liabilities</b>						
Accounts & Warrants Payable	\$ 293,467	\$ 572,152	\$ -	\$ 2,244,538	\$ 2,280,679	\$ 5,390,836
Accrued Interest Payable	3,583	-	197,488	-	1,196,024	1,397,095
Accrued Payroll	454,286	585,531	-	-	659,964	1,699,781
Due to Other Funds	-	-	-	-	4,181,673	4,181,673
Advances from Other Funds	-	-	8,124	-	-	8,124
Funds Held in Trust	98,412	-	-	-	-	98,412
Total Liabilities	<u>849,748</u>	<u>1,157,683</u>	<u>205,612</u>	<u>2,244,538</u>	<u>8,318,340</u>	<u>12,775,921</u>
<b>Deferred Inflows of Resources</b>						
Deferred Taxes and Assessments	492,310	555,614	9,238,309	-	1,361,504	11,647,737
Other Deferred Receipts	27,789	58,996	-	-	1,251,882	1,338,667
Total Deferred Inflows	<u>520,099</u>	<u>614,610</u>	<u>9,238,309</u>	<u>-</u>	<u>2,613,386</u>	<u>12,986,404</u>

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

**MISSOULA COUNTY, MONTANA**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2017**  
**(Page 2 of 2)**

	<u>General</u>	<u>Public Safety</u>	<u>RSID Debt Service</u>	<u>Fort Missoula Regional Park Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balance</b>						
Nonspendable	59,572	-	-	-	1,486,888	1,546,460
Restricted	-	4,165,330	2,842,425	14,452,847	20,453,561	41,914,163
Committed	-	1,805,247	-	-	8,182,867	9,988,114
Assigned	-	-	-	-	4,295,852	4,295,852
Unassigned	2,734,763	-	-	-	(2,688,349)	46,414
Total Fund Balance	<u>2,794,335</u>	<u>5,970,577</u>	<u>2,842,425</u>	<u>14,452,847</u>	<u>31,730,819</u>	<u>57,791,003</u>
<b>Total Liabilities, Deferred Inflows and Fund Balance</b>	<u>\$ 4,164,182</u>	<u>\$ 7,742,870</u>	<u>\$ 12,286,346</u>	<u>\$ 16,697,385</u>	<u>\$ 42,662,545</u>	

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

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.

138,945,453

Deferred charges on debt refunding used in governmental activities are not financial resources and, therefore, are not reported in the funds.

76,380

Notes receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

1,338,667

Taxes receivable are not recorded as revenue until they are received and, therefore, are deferred in the funds.

2,409,428

Delinquent RSID receivable are not recorded as revenue until they are received and, therefore, are deferred in the funds.

98,856

Internal Service Funds are used by management to charge the costs of self-insurance to individual funds.

The assets and liabilities of the internal service funds (not including capital assets and pension related items) are included in governmental activities in the statement of net position.

8,532,062

Liabilities not due and payable in the current period and, therefore not reported in the funds:

    Compensated Absences

(5,051,988)

    Post Employment Benefits

(574,320)

    Pensions

(35,838,720)

    Long-term liabilities, including bonds payable

(84,963,356)

Net Position of governmental activities

\$ 82,763,465

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

**MISSOULA COUNTY, MONTANA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**

	<b>General</b>	<b>Public Safety</b>	<b>RSID Debt Service</b>	<b>Fort Missoula Regional Park Construction</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>						
Property Taxes	\$ 10,899,389	\$ 12,014,522	\$ 1,185,266	\$ -	\$ 23,699,272	\$ 47,798,449
Licenses & Permits	23,253	47,063	-	-	1,159,810	1,230,126
Intergovernmental Revenue	2,538,820	654,342	-	-	13,364,732	16,557,894
Charges for Services	2,472,008	8,353,361	-	-	3,225,552	14,050,921
Fines & Forfeitures	596,535	36,705	-	-	133,574	766,814
Investment Earnings	163,681	4,968	-	-	(15,761)	152,888
Private & Local Grants	-	-	-	-	266,029	266,029
Miscellaneous Revenue	35,498	839,051	-	-	1,210,343	2,084,892
Total Revenues	<u>16,729,184</u>	<u>21,950,012</u>	<u>1,185,266</u>	<u>-</u>	<u>43,043,551</u>	<u>82,908,013</u>
<b>Expenditures:</b>						
Current Operations:						
General Government	9,733,581	-	-	-	1,319,405	11,052,986
Criminal Justice	3,972,508	-	-	-	1,097,637	5,070,145
Public Safety	2,763,085	20,362,930	-	-	354,772	23,480,787
Public Works	314,337	-	-	-	9,045,095	9,359,432
Public Health	-	-	-	-	8,041,365	8,041,365
Social & Economic Services	-	-	-	-	2,640,900	2,640,900
Culture & Recreation	-	-	-	-	5,667,706	5,667,706
Housing & Community Development	-	-	-	-	2,511,647	2,511,647
Capital Outlay	414,049	323,896	-	17,007,868	9,830,624	27,576,437
Debt Service:						
Principal	62,772	-	776,860	-	3,383,241	4,222,873
Interest and Fiscal Charges	17,214	-	400,006	-	2,724,490	3,141,710
Total Expenditures	<u>17,277,546</u>	<u>20,686,826</u>	<u>1,176,866</u>	<u>17,007,868</u>	<u>46,616,882</u>	<u>102,765,988</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>(548,362)</u>	<u>1,263,186</u>	<u>8,400</u>	<u>(17,007,868)</u>	<u>(3,573,331)</u>	<u>(19,857,975)</u>
<b>Other Financing Sources (uses):</b>						
Transfer In	1,487,220	1,097,432	-	-	7,581,360	10,166,012
Transfer Out	(1,702,650)	(1,433,206)	(2,866)	-	(8,775,103)	(11,913,825)
Issuance of Debt	-	-	-	-	10,630,199	10,630,199
Sale of Capital Assets	16,158	-	-	-	-	16,158
Total other financing sources and uses	<u>(199,272)</u>	<u>(335,774)</u>	<u>(2,866)</u>	<u>-</u>	<u>9,436,456</u>	<u>8,898,544</u>
Net Change in Fund Balances	<u>(747,634)</u>	<u>927,412</u>	<u>5,534</u>	<u>(17,007,868)</u>	<u>5,863,125</u>	<u>(10,959,431)</u>
Fund Balances - Beginning of Year	3,543,601	5,043,165	2,836,891	31,460,715	25,832,179	68,716,551
Change in Inventory Reserves	(1,632)	-	-	-	35,515	33,883
Fund Balances - Beginning of Year as Restated	<u>3,541,969</u>	<u>5,043,165</u>	<u>2,836,891</u>	<u>31,460,715</u>	<u>25,867,694</u>	<u>68,750,434</u>
Fund Balances - End of Year	<u>\$ 2,794,335</u>	<u>\$ 5,970,577</u>	<u>\$ 2,842,425</u>	<u>\$ 14,452,847</u>	<u>\$ 31,730,819</u>	<u>\$ 57,791,003</u>

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

**MISSOULA COUNTY, MONTANA**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For Fiscal Year Ended June 30, 2017**

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

Net change in fund balances - total governmental funds (page 26)	\$ (10,959,431)
Governmental funds report capital outlays as expenditures and proceeds from sales as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and gain or loss is reported upon sale or disposal.	
Expenditures for capital assets	27,360,477
Current year depreciation	(4,922,654)
Gain or loss on disposal of capital assets	(1,215,016)
	<u>21,222,807</u>
Property taxes and special assessment revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,012,687
The issuance of notes receivable consumes the current financial resources of governmental funds, while payments received on notes receivable provide current financial resources. Neither transaction, however, has any effect on net position.	48,923
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Issuance of debt	(9,930,700)
Principal payments on long-term debt	4,222,873
Interest Payable	147,751
Governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(343,787)
The increase in expenses due to the increase in the liability for compensated absences reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.	(263,445)
The increase in expenses due to the increase in the liability for post employment benefits reported in the statement of activities do not provide current financial resources and, therefore are not reported in the governmental funds.	(21,147)
The decrease in expenses due to the decrease in the liability for pension benefits and related contribution revenue reported in the statement of activities do not provide current financial resources and, therefore are not reported in the governmental funds.	
On-behalf state revenue	577,819
Pension expense	(2,152,656)
The increase in expenses due to the change in inventory reported in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.	33,883
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>797,010</u>
Change in net position of governmental activities (page 23)	<u>\$ 4,392,587</u>

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

**MISSOULA COUNTY, MONTANA**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2017**

**(Page 1 of 2)**

	<b>Business-Type Activities-Enterprise Funds</b>			<b>Governmental</b>
	<b>Major Fund</b>	<b>Nonmajor Fund</b>		<b>Activities-</b>
	Larchmont	RSID		<b>Internal</b>
	Golf Course	Funds	<b>Total</b>	<b>Service Funds</b>
<b>Assets</b>				
<b><i>Current Assets:</i></b>				
Cash & Cash Equivalents	\$ 13,901	\$ 21,092	\$ 34,993	\$ 2,456,462
Investments	950,954	1,442,819	2,393,773	12,119,304
Taxes Receivable, net	-	35,648	35,648	44,003
Accounts Receivable (net)	3,837	-	3,837	193,662
Interest Receivable	932	857	1,789	19,855
Prescription Rebate Receivable	-	-	-	99,576
Contributions Receivable	-	-	-	454,221
Due from Other Funds	59,157	-	59,157	-
Prepaid Costs	-	-	-	77,307
Inventory	49,653	-	49,653	-
Total Current Assets	<u>1,078,434</u>	<u>1,500,416</u>	<u>2,578,850</u>	<u>15,464,390</u>
<b><i>Noncurrent Assets:</i></b>				
Capital Assets - non-depreciable	1,049,212	55,358	1,104,570	-
Capital Assets - depreciable, net	1,987,095	1,506,273	3,493,368	210,129
Total Noncurrent Assets	<u>3,036,307</u>	<u>1,561,631</u>	<u>4,597,938</u>	<u>210,129</u>
Total Assets	<u>4,114,741</u>	<u>3,062,047</u>	<u>7,176,788</u>	<u>15,674,519</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows of Resources - Pension	58,562	65,367	123,929	445,688
Total Deferred Outflows of Resources	<u>58,562</u>	<u>65,367</u>	<u>123,929</u>	<u>445,688</u>

**MISSOULA COUNTY, MONTANA**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2017**

**(Page 2 of 2)**

	<b>Business-Type Activities-Enterprise Funds</b>			<b>Governmental</b>
	<b>Major Fund</b>	<b>Nonmajor Fund</b>		<b>Activities-</b>
	Larchmont Golf Course	RSID Funds	<b>Total</b>	<b>Internal Service Funds</b>
<b>Liabilities</b>				
<b><i>Current Liabilities:</i></b>				
Accounts & Warrants Payable	\$ 18,099	\$ 72,314	\$ 90,413	\$ 101,192
Accrued Payroll	28,335	11,496	39,831	100,690
Contributions Paid in Advance	-	-	-	33,663
Due to Other Funds	-	-	-	-
Advances Payable, Current Portion	45,000	-	45,000	-
Notes Payable, Current Portion	-	26,259	26,259	-
Liability for Claims, Current Portion	-	-	-	1,240,787
Total Current Liabilities	<u>91,434</u>	<u>110,069</u>	<u>201,503</u>	<u>1,476,332</u>
<b><i>Noncurrent Liabilities:</i></b>				
Advances Payable, net of Current Portion	750,000	-	750,000	-
Notes Payable, net of Current Portion	-	26,519	26,519	-
Liability for Claims, net of Current Portion	-	-	-	5,455,996
Net Pension Liability	316,763	298,978	615,741	2,038,511
Total Noncurrent Liabilities	<u>1,066,763</u>	<u>325,497</u>	<u>1,392,260</u>	<u>7,494,507</u>
Total Liabilities	<u>1,158,197</u>	<u>435,566</u>	<u>1,593,763</u>	<u>8,970,839</u>
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows of Resources - Pension	<u>1,048</u>	<u>990</u>	<u>2,038</u>	<u>6,746</u>
Total Deferred Inflows of Resources	<u>1,048</u>	<u>990</u>	<u>2,038</u>	<u>6,746</u>
<b>Net Position</b>				
Net Investment in Capital Assets	3,036,307	1,508,853	4,545,160	210,129
Restricted - RSID Maintenance	-	1,182,005	1,182,005	-
Unrestricted	(22,249)	-	(22,249)	6,932,493
Total Net Position	<u>\$ 3,014,058</u>	<u>\$ 2,690,858</u>	<u>\$ 5,704,916</u>	<u>\$ 7,142,622</u>

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



**MISSOULA COUNTY, MONTANA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For Fiscal Year Ended June 30, 2017**

	<b>Business-Type Activities-Enterprise Funds</b>			<b>Governmental</b>
	<b>Major Fund</b>	<b>Nonmajor Fund</b>		<b>Activities- Internal Service Funds</b>
	Larchmont Golf Course	RSID Funds	<b>Total</b>	
Operating Revenues:				
Special Assessments	\$ -	\$ 1,070,674	\$ 1,070,674	\$ -
Charges for Services	897,852	-	897,852	13,880,943
Rental Income	-	-	-	16,027
Rebates	-	-	-	114,694
On-behalf State Pension Revenue	5,874	5,544	11,418	37,803
Total Operating Revenues	<u>903,726</u>	<u>1,076,218</u>	<u>1,979,944</u>	<u>14,049,467</u>
Operating Expenses:				
Personnel	340,551	361,951	702,502	2,430,197
Operations	361,742	587,590	949,332	316,912
Claims	-	-	-	12,028,678
Reinsurance Premiums	-	-	-	911,781
Administrative	-	-	-	519,248
Depreciation and Amortization	95,161	82,491	177,652	17,463
Total Operating Expenses	<u>797,454</u>	<u>1,032,032</u>	<u>1,829,486</u>	<u>16,224,279</u>
Operating Income (Loss)	<u>106,272</u>	<u>44,186</u>	<u>150,458</u>	<u>(2,174,812)</u>
Non-operating Revenues (Expenses):				
Property Taxes	-	-	-	865,804
Miscellaneous Income	-	22,018	22,018	-
Investment Earnings	8,081	6,863	14,944	13,687
Interest Expense	(29,113)	(1,120)	(30,233)	-
Intergovernmental Revenues	-	12,291	12,291	74,921
Gain (Loss) on Sale of Assets	-	(7,275)	(7,275)	-
Total Non-operating Revenues (Expenses)	<u>(21,032)</u>	<u>32,777</u>	<u>11,745</u>	<u>954,412</u>
Net Income (Loss) before Transfers	85,240	76,963	162,203	(1,220,400)
Transfers In	-	-	-	1,856,448
Transfers Out	(83,677)	(9,958)	(93,635)	(15,000)
Change in Net Position	1,563	67,005	68,568	621,048
Total Net Position - Beginning of Year	3,012,495	# 2,623,853	5,636,348	6,521,574
Total Net Position - End of Year	<u>\$ 3,014,058</u>	<u>\$ 2,690,858</u>	<u>\$ 5,704,916</u>	<u>\$ 7,142,622</u>

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

**MISSOULA COUNTY, MONTANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 1 of 2)**

	<b>Business-Type Activities-Enterprise Funds</b>			<b>Governmental Activities-Internal Service Funds</b>
	<b>Major Fund</b>	<b>Nonmajor Fund</b>		
	Larchmont Golf Course	RSID Funds	<b>Total</b>	
<b>Cash flows from operating activities:</b>				
Cash receipts for charges for services	\$ 899,580	\$ 1,059,132	\$ 1,958,712	\$ 4,049,699
Cash receipts for interfund charges for services	-	-	-	10,078,278
Cash receipts for rebates	-	-	-	66,386
Cash receipts for rent charged	-	-	-	16,027
Cash payments to employees for services	(353,956)	(335,566)	(689,522)	(2,254,697)
Cash payments for reinsurance premiums	-	-	-	(909,674)
Cash payments for administrative expenses	-	(560,669)	(560,669)	(528,914)
Cash payments for claims expenses	-	-	-	(11,369,241)
Cash payments to other suppliers for goods and services	(368,181)	-	(368,181)	(259,487)
Net cash provided by (used in) operating activities	<u>177,443</u>	<u>162,897</u>	<u>340,340</u>	<u>(1,111,623)</u>
<b>Cash flows from non-capital financing activities:</b>				
Property taxes collected	-	-	-	849,213
Cash advances to other funds	450	-	450	(291,249)
Transfers in from primary government	-	-	-	1,856,448
Transfers out to other funds	(83,677)	(9,958)	(93,635)	(15,000)
Intergovernmental sources	-	34,309	34,309	74,921
Net cash provided (used) by non-capital financing activities	<u>(83,227)</u>	<u>24,351</u>	<u>(58,876)</u>	<u>2,474,333</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from sale of capital assets	-	-	-	-
Proceeds from (payments on) advances	(45,000)	-	(45,000)	-
Principal paid on notes payable	-	(25,998)	(25,998)	-
Interest paid on advances from other funds	(29,113)	-	(29,113)	-
Interest paid on notes payable	-	(1,120)	(1,120)	-
Acquisition of capital assets and construction in progress	(69,685)	(64,843)	(134,528)	-
Net cash used for capital and related financing activities	<u>(143,798)</u>	<u>(91,961)</u>	<u>(235,759)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Purchases of investment securities	(560,827)	(1,010,949)	(1,571,776)	(5,757,156)
Proceeds from sale of investment securities	584,452	886,749	1,471,201	6,517,709
Interest on investments	7,659	6,440	14,099	106,720
Net cash provided (used) by investing activities	<u>31,284</u>	<u>(117,760)</u>	<u>(86,476)</u>	<u>867,273</u>
Net increase (decrease) in cash and cash equivalents	(18,298)	(22,473)	(40,771)	2,229,983
Cash and cash equivalents at beginning of year	32,199	43,565	75,764	226,479
Cash and cash equivalents at end of year	<u>\$ 13,901</u>	<u>\$ 21,092</u>	<u>\$ 34,993</u>	<u>\$ 2,456,462</u>

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

**MISSOULA COUNTY, MONTANA**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 2 of 2)**

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

	<b>Business-Type Activities-Enterprise Funds</b>			<b>Governmental</b>
	<b>Major Fund</b>	<b>Nonmajor Fund</b>		<b>Activities-</b>
	Larchmont	RSID		<b>Internal</b>
	Golf Course	Funds	<b>Total</b>	<b>Service Funds</b>
Income (loss) from operations	\$ 106,272	\$ 44,186	\$ 150,458	\$ (2,174,812)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	95,161	82,491	177,652	17,463
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	1,728	(11,542)	(9,814)	-
(Increase) decrease in contributions receivable	-	-	-	(60,446)
(Increase) decrease in interfund contributions receivable	-	-	-	303,119
(Increase) decrease in rebates receivable	-	-	-	(48,308)
(Increase) decrease in prepaid costs	-	-	-	2,090
(Increase) decrease in inventory	(11,309)	-	(11,309)	-
(Increase) decrease in pension deferred outflows	(37,082)	(42,683)	(79,765)	(297,517)
(Decrease) increase in payables	4,870	26,921	31,791	53,248
(Decrease) increase in accrued liabilities	(26,178)	853	(25,325)	825,542
(Decrease) increase in net pension liability	65,837	77,212	143,049	557,789
(Decrease) increase in pension deferred inflows	(21,856)	(14,541)	(36,397)	(101,819)
Net cash provided by (used in) operating activities	<u>\$ 177,443</u>	<u>\$ 162,897</u>	<u>\$ 340,340</u>	<u>\$ (1,111,623)</u>

**Supplemental Disclosure of Cash Flow Information**

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

RSID funds had a \$7,275 loss on disposal of capital assets.

Internal service funds had \$99,426 of net investment loss that was absorbed by their trust portfolios for the year.

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

**MISSOULA COUNTY, MONTANA**  
**Statement of Fiduciary Net Position**  
**June 30, 2017**

	<b>Agency Funds</b>	<b>Investment Trusts</b>
<b>Assets</b>		
Cash & Cash Equivalents	\$ 21,227	\$ 1,905,920
Cash with Fiscal Agents	1,254,530	-
Property Taxes Receivable, net	7,060,198	-
Due from Other Agencies	29,685	-
Other Assets	6,412	-
Investments, at Fair Value:		
Securities	135,122	11,681,352
Money Markets	78,533	6,789,206
Repurchase Agreements	73,034	6,313,805
STIP	1,221,459	105,595,512
Total Investments	1,508,148	130,379,875
Total Assets	9,880,200	132,285,795
<b>Liabilities</b>		
Accounts Payable	1,453,940	-
Other Liabilities	81,847	-
Due to Other Agencies	8,344,413	-
Total Liabilities	9,880,200	-
<b>Net Position</b>		
Funds Held in Trust for:		
Pool Participants	-	132,285,795
Total Net Position	\$ -	\$ 132,285,795

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

**MISSOULA COUNTY, MONTANA**  
**Statement of Changes in Fiduciary Net Position**  
**For Fiscal Year Ended June 30, 2017**

	<u>Investment Trusts</u>
<b>Additions</b>	
Interest Income	\$ 1,071,277
Net Investment Income	<u>1,071,277</u>
 Participant Investments in Pool	 443,166,731
Total Additions	<u>444,238,008</u>
 <b>Deductions</b>	
Distribution to Participants	<u>(451,694,331)</u>
Total Deductions	(451,694,331)
 Change in Net Position	 (7,456,323)
 <b>Net Position Held in Trust for Pool Participants</b>	
Net Position - Beginning of Year	<u>139,742,118</u>
Net Position - End of Year	<u><u>\$ 132,285,795</u></u>

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

# MISSOULA COUNTY, MONTANA

## Notes to Financial Statements

June 30, 2017

### **Note 1 - Summary of Significant Accounting Policies**

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

The County has adopted the provisions of the following GASB pronouncement for fiscal year 2017:

Implementation of GASB Statement No. 72, Fair Value Measurement and Application, addresses accounting and financial reporting issues related to fair value measurements.

Early implementation of GASB Statement No. 82, Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73, addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

Accounting Standard effective in the future:

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, addresses improvements to the usefulness of information about postemployment benefits other than pensions. The statement is effective for fiscal years beginning after June 15, 2016. The effect of the adoption of this statement cannot be determined at this time.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses improvements to accounting and financial reporting for postemployment benefits other than pensions. The statement is effective for fiscal years beginning after June 15, 2017. The effect of the adoption of this statement cannot be determined at this time.

GASB Statement No. 77, Tax Abatement Disclosures, addresses limitations on revenue-generating capacity resulting from government programs that use tax abatements. The statement is effective for fiscal years beginning after December 15, 2015. The effect of the adoption of this statement cannot be determined at this time.

GASB Statement No. 80, Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14, revises the blending requirements and clarifies the reporting requirements for component units. The statement is effective for fiscal years beginning after June 15, 2016. The effect of the adoption of this statement cannot be determined at this time.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

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

### Component Units

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

#### Missoula County Employee Benefits Plan

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

#### Missoula County Workers' Compensation Group Insurance Authority

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

#### Seeley Lake Refuse District

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

#### Larchmont Golf Course

The Board of County Commissioners serves as the governing board of Larchmont Golf Course. The course is managed by a seven-member advisory board who are appointed by the Board of County Commissioners of Missoula County. The course is required to remit 10% of golf course sales and 4.5% of concession sales to Missoula County annually. The operations of the golf course are reported in a separate Enterprise Fund.

#### Missoula Development Authority

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

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Partnership Health Center - The Partnership Health Center, Inc. is a nonprofit corporation organized for the purpose of providing health services to the medically underserved in the County. The organization's board is comprised of representatives of local health care providers and consumers and is not controlled by the County. However, under terms of an agreement between the Center and the County, the County has management control over all fiscal and personnel matters of the Center. Under this agreement, Center employees are considered County employees and are subject to County personnel policies. In addition, the County Commissioners are responsible for adopting the Center's annual budget. Lastly, the County provides risk management oversight and indemnification for the Center and its governing board. The organization prepares its separately issued financial statements on the basis of GASB Statement 34, using accounting principles applicable to enterprise funds. Complete financial statements of the Partnership Health Center, Inc. can be obtained from the organization at 401 W Railroad St, Missoula, Montana 59802.

### Related Organizations

Two organizations fall into the category of "related organizations" as defined by the Governmental Accounting Standards Board criteria. These are the Missoula County Airport Authority and Lolo Mosquito District. For each of these entities the Missoula County Board of County Commissioners appoints the board of directors, but cannot impose their will on the organization, nor does the County derive any benefit or burden from these organizations.

#### Missoula County Airport Authority

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

#### Lolo Mosquito District

The Lolo Mosquito District is governed by a five-member board of directors appointed by the Missoula County Commissioners. It operates mosquito abatement programs in the community of Lolo.

Accounting Policies - The accounting policies of Missoula County conform to generally accepted accounting principles (GAAP) applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

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



## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### Government-wide Financial Statements

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

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

### Fund Financial Statements

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

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

### Governmental Funds

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

#### General Fund

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

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### Public Safety Special Revenue Fund

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

### RSID Debt Service Fund

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

### Fort Missoula Regional Park Construction Fund

The Fort Missoula Regional Park Construction fund accounts for expenditures associated with designing, acquiring, constructing, installing, and equipping various improvements for parks, trails, and recreational activities in Missoula County, including the construction of Fort Missoula Regional Park. The primary source of revenue for this fund is issuance of the Parks & Trails general obligation bonds.

### Proprietary Funds

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

### Enterprise Funds

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

#### Larchmont Golf Course

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

### Internal Service Funds

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

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### Fiduciary Funds

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

### Basis of Accounting and Measurement Focus

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

### Government-wide Financial Statements

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

### Fund Financial Statements

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

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

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

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

- (1) Prior to the first Monday in July, a proposed operating budget is submitted to the County Commissioners for the fiscal year commencing July 1st. The operating budget includes proposed expenditures and the means of financing them.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Within 45 calendar days of receipt of certified taxable values from the Montana Department of Revenue, the budget is legally enacted through an official resolution of adoption.

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

Budgets cannot be increased except by:

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

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

Annual appropriated budgets are adopted for all funds with anticipated expenditures.

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

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

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

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

## Note 1 - Summary of Significant Accounting Policies (Continued)

An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The estimated uncollectible amount at June 30, 2017 is \$372,824.

Taxable valuations, mill values and mill levies for November 2016 and May 2017 property tax billings were as follows:

	<u>Taxable Valuation</u>	<u>Valuation of Tax Increment</u>	<u>Value of Mill</u>	<u>Mills Levied</u>
County-wide levies	\$ 206,364,111	\$ 7,448,943	\$ 206,364	188.97 mills
Unincorporated levies	\$ 93,231,705	\$ 2,879,365	\$ 93,232	39.57 mills

The county-wide value includes \$4,569,578 which is the incremental value of property within the City of Missoula tax increment districts. Both the county-wide and unincorporated values include \$2,356,678, the incremental value of property in the Airport Industrial Tax Increment District; \$269,083, the incremental value of property in the Technology District; \$113,075, the incremental value of property in the Bonner Mill Industrial District; and \$140,529, the incremental value of property in the Bonner West Log Yard Targeted Economic Development Districts. Taxes on that value accrue to the tax increment district, not to the usual taxing authorities, hence the value of a mill which it is budgeted against is reduced by that incremental value.

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

Cash and Cash Equivalents, Investments and Investment Income - Except for certain specific bank deposits and investments held separately on behalf of health benefits and workers compensation funds, cash resources, to the extent available, of the individual funds are combined to form an investment pool, which is managed by the Chief Financial Officer. Investments of pooled cash, which are authorized by state law, consist primarily of demand deposits, non-negotiable certificates of deposit, bank repurchase agreements, government agency securities and notes, and investments in the state short-term investment pool (STIP).

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

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

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

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

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

## Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

### Resource Categories:

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

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

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

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

### **General Fund and Special Revenue Funds:**

First: Restricted

Second: Committed

Third: Assigned

Fourth: Unassigned

### **Debt Service and Capital Projects Funds:**

First: Assigned

Second: Committed

Third: Restricted

Fourth: Unassigned

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

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



## Note 2 - Cash and Cash Equivalents and Investments

The total cash and cash equivalents, cash with fiscal agents, restricted cash and investments at June 30, 2017, are detailed as follows:

	Primary Government	Component Units	Total
Cash on hand	\$ 9,006	\$ -	\$ 9,006
Cash in pooled bank deposits	2,741,223	132,717	2,873,940
Cash in non-pooled bank deposits	2,388,518	1,684,628	4,073,146
Cash with fiscal agents	7,148,148	-	7,148,148
Pooled investments	188,137,189	9,079,846	197,217,035
Non-pooled investments	7,527,405	1,871,091	9,398,496
Investment in land held for resale	3,865,128	-	3,865,128
Total	\$ <u>211,816,617</u>	\$ <u>12,768,282</u>	\$ <u>224,584,899</u>

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

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

At June 30, 2017, the County's carrying amount of demand deposits was \$5,263,891 and the statement balance was \$3,354,992. Of the demand deposit balance, \$316,018 in bank deposits was covered by federal depository insurance, with \$681,445 in bank deposits unsecured but was covered by securities held by the pledging financial institution's trust department or agent in the County's name; and \$287,591 in cash with a brokerage firm was covered by Securities Investor Protection Corporation, with \$2,069,937 unsecured, but in the process of being reinvested. The County has repurchase agreements totaling \$9,550,477 that are collateralized by securities held by the pledging financial institutions' trust department or agent.

Fiscal agent deposits of \$7,148,148 consist of deposits with trustees related to the payment of bonds by the County. These funds are invested in accordance with bond covenants and are pledged for payment of principal and interest. The pledging financial institutions' trust department or agent holds the invested funds in the County's name.

Montana statutes state that the County may have pledged securities equal to 50% of its total bank deposits that are not insured or guaranteed. At June 30, 2017, 100% of the County's uninsured bank deposits were collateralized by pledged securities.

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

Pooled and non-pooled investments - At June 30, 2017, the County's pooled and non-pooled investment balances were as follows:

	Maturity in Years					No Maturity	Fair Value	Rating
	Less than 1	1-2	2-3	3-4	4-5			
Primary Government Investments:								
Government Money Market (Rated)	\$ 10,666,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,666,612	AA+
Certificates of Deposit	711,801	-	240,238	-	-	-	952,039	AA+
Vanguard Short-Term Federal Mutual Fund	398,428	-	-	-	-	-	398,428	AA+
Federal Home Loan Bank Notes-CMO	709,748	399,870	1,054,623	189,571	4,134,891	-	6,488,703	AA+
Federal Home Loan Mortgage Corp-CMO	2,684,773	449,973	1,901,300	4,245,700	1,750,657	-	11,032,403	AA+
Federal National Mortgage Assoc-CMO	601,757	802,057	623,697	1,669,469	945,117	-	4,642,097	AA+
Short Term Investment Pool (STIP)	152,373,538	-	-	-	-	-	152,373,538	A1
Repurchase Agreements	-	-	-	-	-	9,110,774	9,110,774	A3
Investment in land held for resale	-	-	-	-	-	3,865,128	3,865,128	A3
Total Primary Government	168,146,657	1,651,900	3,819,858	6,104,740	6,830,665	12,975,902	199,529,722	
Component Unit Investments:								
Government Money Market (Rated)	472,810	-	-	-	-	-	472,810	AA+
Certificates of Deposit	34,353	-	11,594	-	-	-	45,947	AA+
Federal Home Loan Bank Notes-CMO	-	-	-	9,149	182,451	-	191,600	AA+
Federal Home Loan Mortgage Corporation-CMO	115,096	-	91,760	204,905	84,490	-	496,251	AA+
Federal National Mortgage Association Notes	-	-	-	34,095	45,613	-	79,708	AA+
Short Term Investment Pool (STIP)	7,353,827	-	-	-	-	-	7,353,827	A1
Equity Mutual Funds	-	-	-	-	-	1,871,091	1,871,091	NR
Repurchase Agreements	-	-	-	-	-	439,703	439,703	A3
Total Component Unit	7,976,086	-	103,354	248,149	312,554	2,310,794	10,950,937	
Total	\$ 176,122,743	\$ 1,651,900	\$ 3,923,212	\$ 6,352,889	\$ 7,143,219	\$ 15,286,696	\$ 210,480,659	

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

The County categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1: Unadjusted quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to their fair value measurements requires judgement and considers factors specific to each asset or liability.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical method are not classified in the fair value hierarchy. This is the case of the State of Montana Short Term Investment Pool (STIP) which consists of cash and cash equivalents. Effective During 2017, investments by fair value level are as follows:

	Fair Value	Level 2	Level 3
Certificates of Deposit	\$ 952,039	\$ 952,039	\$ -
Fixed Government Securities	22,561,631	22,561,631	-
Investment in land held for resale	3,865,128	-	3,865,128
Total investments by fair value level	<u>27,378,798</u>	<u>\$ 23,513,670</u>	<u>\$ 3,865,128</u>
Investments measured at the net asset value (NAV):			
State of Montana Short Term Investment Pool (STIP)	<u>152,373,538</u>		
Total investments measured at fair value	<u>\$ 179,752,336</u>		

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

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

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

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

These investments have credit risk measured by major credit rating services (the ratings in the preceding table are from Standard & Poor's Corporation or Moody's Investment Services). Although the STIP investments have been rated by investment security type, STIP, as an external investment pool, has not been rated. All of the investments in the schedule are uninsured and unregistered with the pledging financial institution's trust department or agent holding the invested funds in the County's name, except for STIP because those securities are not used as evidence of the investments.

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

The State Short-Term Investment Pool (STIP) is an external investment pool managed and administered under the direction of the Montana Board of Investments (BOI) as statutorily authorized by the Unified Investment Program. It is a commingled pool for investment purposes and participant requested redemptions from the pool are redeemed the next business day. The fair values of the investments in this category have been determined using the NAV per share (or its equivalent) of the investment. Refer to the fair value measurement note disclosures within BOI's annual financial statements ([www.investmentmt.com](http://www.investmentmt.com)) for the underlying investments within the fair value hierarchy.

The external investment pool managed by the County is 79.82% invested in STIP and 4.77% invested in repurchase agreements. For the year ended June 30, 2017, STIP's average investment return was 0.82%.

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

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

**Statement of Net Position**

## Assets:

Cash on hand	\$ 9,005
Cash in pooled bank deposits	2,873,940
Investments	
Repurchase agreements	9,550,477
Government securities	17,669,610
Money markets	10,269,584
STIP	159,727,365
Total Assets	<u>200,099,981</u>

## Net Position:

County funds	67,814,200
External participants	132,285,795
Total Net Position	<u>\$ 200,099,995</u>

**Statement of Changes in Net Position**

## Additions:

Interest Income	\$ 1,220,089
Participant Investments in Pool	564,943,010
Total Additions	<u>566,163,099</u>

## Deductions:

Distribution to Participants	<u>(577,529,229)</u>
Change in Net Position	(11,366,130)

## Net Position

Beginning of year	<u>211,466,125</u>
End of year	<u>\$ 200,099,995</u>

### Note 3 - Loans and Notes Receivable (Continued)

Loans and notes receivable at June 30, 2017 consist of:

HUD - Missoula Children's Theatre

0%, \$24,500 due annually June 2003 through June 2017 \$ 26,542

Missoula Area Youth Hockey Association

Variable interest due annually, all principal and interest due January 1, 2016 61,000

Mountain Water Company

Contracts for sale of water lines, 0% interest, varying amounts due annually with remainder due at varying dates through July 2049 699,075

Pyramid Mountain Lumber

4%, due monthly in varying amounts from January 2013 through December 2020 174,557

Seeley Lake Fire

4%, \$8,500 due semiannually from August 2009 through August 2024 53,155

Pyramid Mountain Lumber

4%, \$914 due monthly from January 2013 through December 2020 35,774

Homewood

3%, \$337 due monthly from January 2013 through February 2028 with balance due March 2028 72,239

Western Cider

5%, \$21,637 due annually through January 2028 164,480

Free Cycle

4%, \$22,956 due annually through April 2037 105,000

**Loans & Notes Receivable** \$ 1,391,822

#### Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

<b>Primary Government</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,054,891	\$ 847,680	\$ -	\$ 6,902,571
Construction in Progress	<u>33,281,061</u>	<u>20,938,295</u>	<u>(6,964,435)</u>	<u>47,254,921</u>
Total capital assets, not being depreciated	<u>39,335,952</u>	<u>21,785,975</u>	<u>(6,964,435)</u>	<u>54,157,492</u>
Capital assets, being depreciated:				
Buildings	51,630,395	4,420,701	(3,173,781)	52,877,315
Equipment	25,702,703	1,824,436	(589,360)	26,937,779
Infrastructure	<u>57,378,764</u>	<u>6,293,800</u>	<u>-</u>	<u>63,672,564</u>
Total capital assets, being depreciated	<u>134,711,862</u>	<u>12,538,937</u>	<u>(3,763,141)</u>	<u>143,487,658</u>
Less accumulated depreciation for:				
Buildings	18,542,494	1,299,834	(1,958,766)	17,883,562
Equipment	17,777,935	1,987,641	(589,359)	19,176,217
Infrastructure	<u>20,004,739</u>	<u>1,635,179</u>	<u>-</u>	<u>21,639,918</u>
Total accumulated depreciation	<u>56,325,168</u>	<u>4,922,654</u>	<u>(2,548,125)</u>	<u>58,699,697</u>
Total capital assets, being depreciated, net	<u>78,386,694</u>	<u>7,616,283</u>	<u>(1,215,016)</u>	<u>84,787,961</u>
Total capital assets	<u>\$ 117,722,646</u>	<u>\$ 29,402,258</u>	<u>\$ (8,179,451)</u>	<u>\$ 138,945,453</u>

During 2017, Missoula County disposed of \$511,170 in fully depreciated capital assets related to governmental activities that were individually below the capitalization threshold.

**Note 4 - Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,049,212	\$ -	\$ -	\$ 1,049,212
Construction in Progress	106,029	23,298	(73,969)	55,358
Total capital assets, not being depreciated	<u>1,155,241</u>	<u>23,298</u>	<u>(73,969)</u>	<u>1,104,570</u>
Capital assets, being depreciated:				
Buildings and improvements	1,630,988	-	-	1,630,988
Improvements other than buildings	5,349,663	94,704	(10,690)	5,433,677
Equipment, furniture and fixtures	1,382,780	90,495	(67,770)	1,405,505
Total capital assets, being depreciated	<u>8,363,431</u>	<u>185,199</u>	<u>(78,460)</u>	<u>8,470,170</u>
Less accumulated depreciation for:				
Buildings and improvements	974,012	38,649	-	1,012,661
Improvements other than buildings	2,806,165	59,399	(3,415)	2,862,149
Equipment, furniture and fixtures	1,090,158	79,604	(67,770)	1,101,992
Total capital assets, being depreciated	<u>4,870,335</u>	<u>177,652</u>	<u>(71,185)</u>	<u>4,976,802</u>
Total capital assets, being depreciated, net	<u>3,493,096</u>	<u>7,547</u>	<u>(7,275)</u>	<u>3,493,368</u>
Total capital assets	\$ <u>4,648,337</u>	\$ <u>30,845</u>	\$ <u>(81,244)</u>	\$ <u>4,597,938</u>

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

Governmental activities:	
General Government	\$ 473,219
Criminal Justice	9,650
Public Safety	1,969,983
Public Works	2,199,700
Public Health	80,566
Social and Economic Services	40,496
Culture and Recreation	147,280
Housing & Community Development	1,760
Total depreciation expense - governmental activities	\$ <u>4,922,654</u>
Business-type activities:	
Larchmont Golf Course	\$ 95,161
RSIDs	82,491
Total depreciation expense - business-type activities	\$ <u>177,652</u>



#### Note 4 - Capital Assets (Continued)

##### Discretely presented component units

Activity for the Missoula Aging Services for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 132,000	\$ -	\$ -	\$ 132,000
Capital assets, being depreciated:				
Buildings	1,895,522	41,355	-	1,936,877
Equipment	133,203	8,052	-	141,255
Total capital assets, being depreciated	2,028,725	49,407	-	2,078,132
Less accumulated depreciation	888,237	67,246	-	955,483
Total capital assets, being depreciated, net	1,140,488	(17,839)	-	1,122,649
Total capital assets	\$ 1,272,488	\$ (17,839)	\$ -	\$ 1,254,649

Activity for the Partnership Health Center for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in Progress	\$ -	\$ 445,189	\$ -	\$ 445,189
Capital assets, being depreciated:				
Buildings	14,394,017	28,361	-	14,422,378
Machinery and equipment	1,459,470	268,445	-	1,727,915
Total capital assets, being depreciated	15,853,487	296,806	-	16,150,293
Less accumulated depreciation	3,222,817	488,667	-	3,711,484
Total capital assets, being depreciated, net	\$ 12,630,670	\$ (191,861)	\$ -	\$ 12,438,809

#### Note 5 - Long-Term Liabilities

At June 30, 2017, unmatured principal on long-term debt consisted of the following:

Governmental Activities:

##### General Obligation

\$3,325,000 General Obligation Bonds Series 2007 issued December 2007, 3.625% to 3.75%, due in varying amounts to July 2018	\$ 800,000
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**Note 5 - Long-Term Liabilities (Continued)**

\$6,540,000 Refunding General Obligation Bonds Series 2012 issued December 2012, 2% stated interest, 0.95% implicit interest, due in varying amounts to July 2018 - outstanding balance includes a net issuance premium of \$68,248	2,528,248
\$206,194 State Revolving Fund Loan, issued July 2000, 4%, due in varying amounts to July 2020	49,000
\$3,325,000 General Obligation Bonds Series 2010 issued September 2010, 2.0% to 3.125%, due in varying amounts to July 2028	2,915,000
\$36,255,000 General Obligation Bonds Series 2016 issued May 2016, 2.0% to 5.0%, due in varying amounts to July 2036 outstanding balance includes a net issuance premium of \$5,422,420	41,677,420
\$3,325,000 General Obligation Bonds Series 2016A issued July 2016, 3.0% to 5.0%, due in varying amounts to July 2036 - outstanding balance includes a net issuance premium of \$664,524	3,414,524
\$2,970,000 General Obligation Bonds Series 2017, issued May 2017, 3%, due in varying amounts to July 2037	2,970,000
Total general obligation bonds and loans	<u>54,354,192</u>

**Limited Obligation Bonds and Notes**

\$2,000,000 Partnership Health Center Limited Obligation Note, Series 2008 issued November 17, 2008, 4% to 5%, due in varying amounts to July 2028	1,390,000
\$800,000 Ice Rink Facility Bond, Series 2006 issued March 2006, 3.4% to 4.25%, due in varying amounts to July 2026	480,000
\$1,255,000 Refunding Limited Obligation Bonds, Series 2012A issued December 13, 2012, 0.8% to 3% stated interest, 1.96% implicit interest, due in varying amounts to July 2032 - outstanding balance includes a net issuance premium of \$25,120	935,120
\$1,615,000 Limited Obligation Bonds, Series 2012B issued December 13, 2012, 0.96% to 3% stated interest, 2.4% implicit interest, due in varying amounts to July 2032 - outstanding balance includes a net issuance premium of \$42,363	1,362,363
\$1,060,000 Larchmont Golf Course Limited Obligation Note, Series 2010 issued September 2, 2010, 2.0% to 4.0%, due in varying amounts to July 2030	795,000
\$1,394,329 Grants/RVSD Building Limited Obligation Note, Series 2014 issued November 20, 2014, 3.0%, due in varying amounts to July 2030	1,305,879

**Note 5 - Long-Term Liabilities (Continued)**

\$3,150,000 Limited Obligation Note, Series 2017 issued January 30, 2017, 3.1%, due in varying amounts to January 2037	3,150,000
Total limited obligation bonds and notes	<u>9,418,362</u>

**Tax Increment Bonds**

\$4,945,000 Series 2006 Industrial Tax Increment Bond, 3.6% to 4.0%, due in varying amounts through July 2018; repayment from the Missoula Development Authority - Industrial Tax Increment District	985,000
\$1,100,000 Series 2006 Industrial Tax Increment Bond, 5.6% to 6.4%, due in varying amounts through July 2026; repayment from the Missoula Development Authority - Technology Tax Increment District	725,000
Total limited obligation bonds and notes	<u>1,710,000</u>

**Special Assessment Bonds and Loans**

\$877,000 Rural Special Improvement Districts Bonds for Meadows West/O'Keefe Boulevard paving, issued November 2006, 3.7% to 4.6%, due in varying amounts through July 2027	475,000
\$514,000 Rural Special Improvement Districts Bonds for Interstate Place paving, issued August 2007, 3.8% to 4.5%, due in varying amounts through July 2022	250,000
\$226,000 Rural Special Improvement Districts Bonds for Whipporwill Drive Paving, issued November 2006, 3.7% to 4.5%, due in varying amounts through July 2022	90,000
\$2,230,000 Rural Special Improvement Districts Bonds for the Wye Sewer Project, issued July 2009, 3.5% to 6.25%, due in varying amounts through July 2029	1,690,000
\$1,126,000 Rural Special Improvement Districts Bonds for Tookie Trek Paving, issued August 2007, 3.8% to 4.6%, due in varying amounts through July 2027	750,000
\$291,000 State Revolving Fund Loan for the Sunset West Water project, issued November 1998, 4%, due in varying amounts to July 2019	37,000
\$649,936 State Revolving Fund Loan for the Lolo Wastewater Improvements project, issued September 2002, 4%, due in varying amounts to July 2023	214,000
\$4,498,121 State Revolving Fund Loan for the Mullan Corridor Sewer project, issued July 2003, 3.75%, due in varying amounts to July 2024	1,251,000
\$281,199 State Revolving Fund Loan for the Country Crest portion of the Mullan Corridor Sewer project, issued April 2005, 3.75%, due in varying amounts to July 2020	42,000

**Note 5 - Long-Term Liabilities (Continued)**

\$359,300 State Revolving Fund Loan (ARRA-B) for the Wye Sewer project, issued December 2009, 1.75%, due in varying amounts to July 2029	249,000
\$3,735,000 State Revolving Fund Loan (ARRA-C) for the Wye Sewer project, issued December 2009, 3.75%, due in varying amounts to July 2029	1,980,000
\$3,410,125 State Revolving Fund Loan for the Wye Sewer project, issued August 2009, 3.75%, due in varying amounts to July 2029	2,501,000
\$142,000 State Revolving Fund Loan for the Lorraine South Water Improvements project, issued November 2008, 3.75%, due in varying amounts to July 2029	100,000
\$165,000 State Revolving Fund Loan for the Lewis & Clark Water project, issued September 2009, 0.75%, due in varying amounts to July 2029	105,000
Variable rate (1.25% at 6/30/2015) loan payable for the Williams Addition Area Sewer project, due in varying amounts through August 2025; repayment from the RSID 8497	41,410
Total special assessment bonds and loans	<u>9,775,410</u>

**Capital Lease Payable**

\$9,000,000 Capital Lease for Courthouse Renovation, 2.98%, \$379,243 due through July 2028	7,339,303
Total capital lease payable	<u>7,339,303</u>

**Notes & Contracts Payable**

Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2024; repayment from the Historical Museum fund	234,678
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2018; repayment from the Seeley Lake Refuse	8,515
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2018; repayment from Road and Building Code Division funds	164,046
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2019; repayment from Road fund	283,182
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through February 2020; repayment from Central Services fund	86,724
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through February 2030; repayment from Seeley Lake Search & Rescue fund	40,811

**Note 5 - Long-Term Liabilities (Continued)**

Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2030; repayment from Seeley Lake Search & Rescue fund	145,118
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2023; repayment from General Fund	342,315
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through February 2020; repayment from Road fund	237,096
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2027; repayment from Fair fund	743,604
Variable rate (2.5% at 6/30/2017) loan payable, due in varying amounts through August 2027; repayment from Fair fund	80,000
Total notes and contracts payable	<u>2,366,089</u>
Subtotal	<u>84,963,356</u>

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

Post employment benefits	574,320
Net Pension Liability	50,005,175
Accrued vacation benefits	2,467,740
Accrued compensatory time benefits	540,183
Accrued holiday benefits	183,482
Accrued sick benefits	1,039,386
Fringe on accrued leave liability	<u>821,197</u>
Total accrued leave	<u>5,051,988</u>
Total Governmental-type Long-Term Liabilities	<u><u>\$ 140,594,839</u></u>

**Business-type Activities:****Notes & Contracts Payable**

Variable rate (1.0% at 6/30/2014) loan payable, due in varying amounts through February 2019; repayment from RSID Enterprise fund	<u>\$ 52,778</u>
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**Liability for Accrued Leave and Post Employment Benefits**

Net Pension Liability	615,741
Total Business-type Long-Term Liabilities	<u><u>\$ 668,519</u></u>

## Note 5 - Long-Term Liabilities (Continued)

An analysis of the changes in bonds, notes, leases and contracts payable for the primary government during the year ended June 30, 2017, follows:

	<u>Beginning Balance</u>	<u>New Debt Issued/ Leave Accrued</u>	<u>Debt Retired/ Leave Used</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation	\$ 49,943,412	\$ 6,419,499	\$ (2,008,719)	\$ 54,354,192	\$ 2,774,498
Limited Obligation Note	6,676,328	3,150,000	(407,966)	9,418,362	540,723
Tax Increment	2,225,000	-	(515,000)	1,710,000	540,000
Special Assessment Bonds Payable	3,495,000	-	(240,000)	3,255,000	245,000
Special Assessment Loans Payable	7,057,270	-	(536,860)	6,520,410	555,860
Capital Lease Payable	7,867,250	-	(527,947)	7,339,303	543,797
Contracts Payable	1,679,630	1,060,700	(374,241)	2,366,089	517,936
Post Employment Benefits	553,173	213,039	(191,892)	574,320	-
Liability for Sick and Vacation	4,788,543	4,313,555	(4,050,110)	5,051,988	3,622,912
Net Pension Liability	<u>34,611,956</u>	<u>18,737,305</u>	<u>(3,344,086)</u>	<u>50,005,175</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 118,897,562</u>	<u>\$ 33,894,098</u>	<u>\$ (12,196,821)</u>	<u>\$ 140,594,839</u>	<u>\$ 9,340,726</u>
For governmental activities, the liability for sick and vacation and other post employment benefits are generally liquidated by the general fund and other governmental funds.					
Business-type Activities					
Contracts Payable	\$ 78,776	\$ -	\$ (25,998)	\$ 52,778	\$ 26,259
Net Pension Liability	<u>472,692</u>	<u>179,567</u>	<u>(36,518)</u>	<u>615,741</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 551,468</u>	<u>\$ 179,567</u>	<u>\$ (62,516)</u>	<u>\$ 668,519</u>	<u>\$ 26,259</u>

**Note 5 - Long-Term Liabilities (Continued)**

Annual debt service principal and interest payments required on bonds, notes, leases, contracts and loans payable at June 30, 2017, are as follows:

Governmental Activities										
Fiscal Year Ending June 30	Open Space 2007 Bond Principal	Open Space 2007 Bond Interest	Refunding Bond Principal	Refunding Bond Interest	Fair SRF Principal	Fair SRF Interest	Open Space 2010 Bond Principal	Open Space 2010 Bond Interest	Parks & Trails 2016 Bond Total Principal	Parks & Trails 2016 Bond Total Interest
2018	\$ 395,000	21,840	1,215,000	37,050	14,000	1,820	45,000	84,444	1,060,000	1,494,275
2019	405,000	7,341	1,245,000	12,450	14,000	1,260	75,000	83,244	1,235,000	1,471,325
2020	-	-	-	-	14,000	700	225,000	77,994	1,255,000	1,440,150
2021	-	-	-	-	7,000	140	235,000	70,556	1,295,000	1,388,950
2022	-	-	-	-	-	-	250,000	64,494	1,360,000	1,322,575
2023-2027	-	-	-	-	-	-	1,420,000	211,613	7,875,000	5,529,175
2028-2032	-	-	-	-	-	-	665,000	21,016	9,880,000	3,456,125
2033-2037	-	-	-	-	-	-	-	-	12,295,000	1,068,538
2038	-	-	-	-	-	-	-	-	-	-
	<u>800,000</u>	<u>\$ 29,181</u>	<u>2,460,000</u>	<u>\$ 49,500</u>	<u>49,000</u>	<u>\$ 3,920</u>	<u>2,915,000</u>	<u>\$ 613,361</u>	<u>36,255,000</u>	<u>\$ 17,171,113</u>
Premium on Issuance	-	-	68,248	-	-	-	-	-	5,422,420	-
Total	800,000	-	2,528,248	-	49,000	-	2,915,000	-	41,677,420	-
Less current portion	(395,000)	-	(1,260,498)	-	(14,000)	-	(45,000)	-	(1,060,000)	-
	<u>\$ 405,000</u>	-	<u>\$ 1,267,750</u>	-	<u>\$ 35,000</u>	-	<u>\$ 2,870,000</u>	-	<u>\$ 40,617,420</u>	-

Governmental Activities (Continued)										
Fiscal Year Ending June 30	Open Space 2016 Bond Principal	Open Space 2016 Bond Interest	Library 2017 Bond Principal	Library 2017 Bond Interest	General Obligation Total Principal	General Obligation Total Interest	2008 PHC Ltd Oblig Principal	2008 PHC Ltd Oblig Interest	Ice Rink 2006 Principal	Ice Rink 2006 Interest
2018	\$ -	\$ 136,000	\$ -	\$ 52,223	\$ 2,729,000	\$ 1,827,652	\$ 90,000	\$ 67,248	\$ 40,000	\$ 19,257
2019	5,000	135,925	105,000	87,525	3,084,000	1,799,070	100,000	63,288	40,000	17,617
2020	5,000	135,775	115,000	84,225	1,614,000	1,738,844	95,000	58,688	45,000	15,875
2021	5,000	135,625	115,000	80,775	1,657,000	1,676,046	100,000	54,175	45,000	14,030
2022	5,000	135,475	120,000	77,250	1,735,000	1,599,794	105,000	49,425	45,000	12,185
2023-2027	35,000	674,975	660,000	328,800	9,990,000	6,744,563	610,000	166,400	265,000	28,794
2028-2032	975,000	586,675	775,000	221,625	12,295,000	4,285,441	290,000	22,000	-	-
2033-2037	1,720,000	223,250	885,000	97,575	14,900,000	1,389,363	-	-	-	-
2038	-	-	195,000	2,925	195,000	2,925	-	-	-	-
	<u>2,750,000</u>	<u>\$ 2,163,700</u>	<u>2,970,000</u>	<u>\$ 1,032,923</u>	<u>48,199,000</u>	<u>\$ 21,063,698</u>	<u>1,390,000</u>	<u>\$ 481,224</u>	<u>480,000</u>	<u>\$ 107,758</u>
Premium on Issuance	664,524	-	-	-	6,155,192	-	-	-	-	-
Total	3,414,524	-	2,970,000	-	54,354,192	-	1,390,000	-	480,000	-
Less current portion	-	-	-	-	(2,774,498)	-	(90,000)	-	(40,000)	-
	<u>\$ 3,414,524</u>	-	<u>\$ 2,970,000</u>	-	<u>\$ 51,579,694</u>	-	<u>\$ 1,300,000</u>	-	<u>\$ 440,000</u>	-

**Note 5 - Long-Term Liabilities (Continued)**

Governmental Activities (Continued)										
Fiscal Year Ending June 30	Ltd Oblig 2012A Principal	Ltd Oblig 2012A Interest	Ltd Oblig 2012B Principal	Ltd Oblig 2012B Interest	Larchmont Ltd Oblig Principal	Larchmont Ltd Oblig Interest	Grants/RVSD Building Principal	Grants/RVSD Building Interest	Ltd Oblig 2017 Principal	Ltd Oblig 2017 Interest
2018	\$ 110,000	\$ 19,990	\$ 70,000	\$ 33,458	\$ 45,000	27,862	53,731	38,771	123,119	88,871
2019	115,000	18,400	70,000	32,786	45,000	26,906	55,355	37,147	119,086	92,904
2020	85,000	16,400	70,000	31,750	50,000	25,650	57,028	35,473	122,806	89,184
2021	80,000	14,750	75,000	30,300	50,000	24,150	58,657	33,845	126,638	85,352
2022	85,000	13,100	75,000	28,800	50,000	22,525	60,525	31,977	130,599	81,391
2023-2027	295,000	37,175	400,000	114,225	285,000	82,550	331,116	131,393	716,798	343,151
2028-2032	115,000	12,825	460,000	50,550	270,000	22,000	384,297	78,212	835,980	223,969
2033-2037	25,000	375	100,000	1,500	-	-	305,170	18,586	974,974	84,975
2038	-	-	-	-	-	-	-	-	-	-
	<u>910,000</u>	<u>\$ 133,015</u>	<u>1,320,000</u>	<u>\$ 323,369</u>	<u>795,000</u>	<u>\$ 231,643</u>	<u>1,305,879</u>	<u>\$ 405,404</u>	<u>3,150,000</u>	<u>\$ 1,089,797</u>
Premium on Issuance	25,120		42,363		-		-		-	
Total	935,120		1,362,363		795,000		1,305,879		3,150,000	
Less current portion	(116,140)		(72,733)		(45,000)		(53,731)		(123,119)	
	<u>\$ 818,980</u>		<u>\$ 1,289,630</u>		<u>\$ 750,000</u>		<u>\$ 1,252,148</u>		<u>\$ 3,026,881</u>	

Governmental Activities (Continued)										
Fiscal Year Ending June 30	Industrial Increment Principal	Industrial Increment Interest	Technology Increment Principal	Technology Increment Interest	Special Assess Bonds Principal	Special Assess Bonds Interest	Special Assess Loans Principal	Special Assess Loans Interest	Lease Payable Principal	Lease Payable Interest
2018	\$ 485,000	29,700	55,000	43,516	245,000	152,616	555,860	232,181	543,797	214,690
2019	500,000	10,000	55,000	40,216	260,000	142,118	574,860	211,717	560,123	198,364
2020	-	-	60,000	36,693	265,000	131,030	588,860	190,495	576,939	181,548
2021	-	-	65,000	32,866	275,000	119,355	596,860	168,928	594,259	164,227
2022	-	-	70,000	28,731	285,000	106,938	612,860	147,056	612,101	146,386
2023-2027	-	-	420,000	70,031	1,310,000	344,496	2,421,110	433,255	3,347,435	444,999
2028-2032	-	-	-	-	615,000	49,556	1,170,000	63,773	1,104,649	33,081
2033-2037	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-
	<u>985,000</u>	<u>\$ 39,700</u>	<u>725,000</u>	<u>\$ 252,053</u>	<u>3,255,000</u>	<u>\$ 1,046,109</u>	<u>6,520,410</u>	<u>\$ 1,447,405</u>	<u>7,339,303</u>	<u>\$ 1,383,295</u>
Premium on Issuance	-		-		-		-		-	
Total	985,000		725,000		3,255,000		6,520,410		7,339,303	
Less current portion	(485,000)		(55,000)		(245,000)		(555,860)		(543,797)	
	<u>\$ 500,000</u>		<u>\$ 670,000</u>		<u>\$ 3,010,000</u>		<u>\$ 5,964,550</u>		<u>\$ 6,795,506</u>	



**Note 5 - Long-Term Liabilities (Continued)**

Fiscal Year Ending June 30	Governmental Activities (Continued)				Business-type Activities	
	Notes & Contracts Principal	Notes & Contracts Interest	Total Governmental Principal	Total Governmental Interest	Notes & Contracts Principal	Notes & Contracts Interest
2018	\$ 517,936	47,854	5,663,443	\$ 2,843,666	\$ 26,259	660
2019	392,952	36,692	5,971,376	2,727,225	26,519	331
2020	337,946	30,893	3,967,579	2,582,523	-	-
2021	175,350	17,317	3,898,764	2,435,341	-	-
2022	178,917	14,818	4,045,002	2,283,126	-	-
2023-2027	665,573	36,277	21,057,032	8,977,309	-	-
2028-2032	97,415	4,926	17,637,341	4,846,333	-	-
2033-2037	-	-	16,305,144	1,494,799	-	-
2038	-	-	195,000	2,925	-	-
	<u>2,366,089</u>	<u>\$ 188,777</u>	<u>78,740,681</u>	<u>\$ 28,193,247</u>	<u>52,778</u>	<u>\$ 991</u>
Premium on Issuance	-		<u>6,222,675</u>		<u>-</u>	
Total	<u>2,366,089</u>		<u>84,963,356</u>		<u>52,778</u>	
Less current portion	<u>(517,936)</u>		<u>(5,717,814)</u>		<u>(26,259)</u>	
	<u>\$ 1,848,153</u>		<u>\$ 79,245,542</u>		<u>\$ 26,519</u>	

## **Note 5 - Long-Term Liabilities (Continued)**

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, minimum revenue bond coverages, minimum levels of insurance coverage and maintenance of operating assets in good condition. At June 30, 2017, the County was in compliance with all significant indenture provisions.

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

General Obligation Bond Issues - In July 1997, the County issued \$4 million in bond anticipation notes related to a general obligation bond issue approved in 1996 for the construction of a new detention center. The proceeds of the notes were used for the acquisition of land to be used for the detention center. In April 1998, the County issued \$17,100,000 of general obligation bonds, whose net proceeds of \$16,762,636 were used to establish a fund for the construction of the detention facility (\$16,758,000), and to pay accrued interest on the bonds of \$4,636. Concurrently with the closing of the bond issue, the County repaid the \$4 million of bond anticipation notes plus accrued interest of \$50,567. In August, 2005, the County issued the Series 2005 General Obligation Refunding Bonds in order to capture savings from low interest rates. Proceeds of the note were used to defease the Series 1998 Detention Center Bonds, resulting in a net present value benefit of \$455,615 and an aggregate debt service savings of \$3,072,229. In December 2012, the County issued the Series 2012 General Obligation Refunding Bonds in order to capture savings from low interest rates. Proceeds of the note were used to defease the Series 2005 General Obligation Refunding Bonds, resulting in a net present value benefit of \$588,987 and an aggregate debt service savings of \$1,136,509.

In December 2007 and September 2010 the County issued \$3,325,000 of general obligation bonds to support the acquisition of lands to be designated as "Open Space" in perpetuity.

In May 2016 the County issued \$36,225,000 of general obligation bonds to pay for designing, acquiring, constructing, installing, and equipping various improvements for parks, trails, and/or recreational activities on County or City of Missoula lands.

In July 2016 the County issued \$2,750,000 of general obligation bonds to support the acquisition of lands to be designated as "Open Space" in perpetuity.

In May 2017 the County issued \$2,970,000 of general obligation bonds to pay for designing, constructing, furnishing, equipping, and landscaping a new public library.

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

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

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

## **Note 5 - Long-Term Liabilities (Continued)**

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

Limited Obligation Bonds - In June 2004, the County issued \$995,000 in Series 2004 Limited Obligation General Fund Bonds. The net proceeds of \$981,113 were recorded in the Fair Ice Rink Capital Projects fund. These bonds will be repaid from revenues generated from leasing the Ice Rink facility. In December 2012, these bonds were refunded as part of the issuance of the Limited General Obligation and Refunding Bonds, Series 2012A.

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

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

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

In December 2012, the County issued \$1,255,000 in Series 2012A Limited Obligation Refunding Bonds in order to capture savings from low interest rates. Proceeds were used to defease the Series 1998 Limited Obligation Notes and partially defease the 2004 Limited Obligation General Fund Bonds as well as fund new construction for the Partnership Health Center, resulting in a net present value benefit of \$105,620 and an aggregate debt service savings of \$112,484.

In December 2012, the County issued \$1,615,000 in Series 2012B Limited Obligation Bonds. The net proceeds of \$1,643,087 were used to finance a number of capital projects including, but not limited to, the records center, secure storage warehouse, and administration building renovations. Debt service payments will be made by the General Fund.

In November 2014, the County issued \$1,382,080 in Series 2014 Limited Obligation Bonds. The proceeds were used to finance a number of capital projects including the Grants and Rural Domestic Violence building renovations. Debt service payments will be made by the Grants and Rural Domestic Violence Division funds.

In January 2017, the County issued \$3,150,000 in Series 2017 Limited Obligation Bonds. The proceeds were used to finance the capital acquisition of the Administration Building and the Alder Street property as well as phase 5 of the County Courthouse project.

Limited Obligation Note Payable - In June 1998, the County issued \$480,000 in Series 1998 Limited Obligation Notes. The net proceeds of \$471,600 were used to finance a portion of a new health care facility. The health care facility is owned by Partnership Health Center for the purpose of providing health care services to the residents of Missoula County. In December 2012, these bonds were refunded as part of the issuance of the Limited General Obligation and Refunding Bonds, Series 2012A.

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 RSID Revolving fund. This fund is financed by fees paid by each new RSID, by cash transferred from the general fund if needed and by any surplus remaining in completed RSID'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 at June 30, 2017 is \$488,771. The Revolving Fund cash at June 30, 2017 is \$710,738.

Capital Lease - During fiscal year 2014 the County entered into a capital lease for \$9,000,000 to fund a portion of the county courthouse renovation. At June 30, 2014 the County reported \$9,000,000 in construction in progress funded by this capital lease.

## **Note 5 - Long-Term Liabilities (Continued)**

Conduit Debt - From time to time the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State of Montana, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

In December 2006, the County entered into a transaction for the purchase of a facility from and a lease to DIRECTV Customer Services, Inc. The DIRECTV purchase was financed through a 4.8% \$10,640,000 infrastructure loan from the Montana Board of Investments (MBOI). Repayment terms of the loan are equal to the monthly lease payments of \$60,714, which are fully assigned to MBOI under the loan agreement, and in the event of default, MBOI may obtain title to the property. Accordingly, the loan is nonrecourse to the County. The initial lease term of 10 years expired in December 2016. A five-year extension was entered into by the parties, with an expiration date of December 21, 2021. There are two additional five-year renewal options. Title to the property transfers to DIRECTV at the end of the lease term concurrent with full repayment of the MBOI loan. Because the County acts solely as an intermediary to collect payments from DIRECTV and remit them to MBOI for payments on the loan, the transaction is tantamount to a conduit debt obligation, and no liability is recorded on the County's financial statements.

In May 2010, the County issued an additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. That issue was for the purchase of 50% interest in property on Radio Way as well as renovation and purchase of equipment by Radio Way LLC. The original amount was \$631,000. The amount payable at June 30, 2017 was \$462,825.

In August 2010, the County issued an additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. That issue was for the construction of office space for 2 businesses by Dodge Holdings LLC. The original amount was \$450,000. The amount payable at June 30, 2017 was \$340,160.

In December 2010, the County issued an additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. That issue was for the purchase of furniture, fixtures, and equipment for Garlington, Lohn & Robinson, PLLP. The original amount was \$1,100,000. The amount payable at June 30, 2017 was \$542,185.

In December 2010, the County issued five additional series of Industrial Revenue Bonds under the Recovery Zone Facility Bonds Program. Those issues were for the purchase and renovation of several condominiums and construction of a pediatric dentistry office in the Missoula area by K and T Associates, LLC. The original aggregate amount borrowed was \$3,800,530. The amount payable at June 30, 2017 was \$3,086,070.

In December 2010, the County approved refinancing of one of the original series of Industrial Revenue Bonds issued prior to July 1, 1995. The Rocky Mountain Elk Foundation refinanced the debt to take advantage of lower interest rates. The amount payable at June 30, 2017 was \$1,612,360.

Legal Debt Margin - The County's legal debt limitation is 2.5% of total assessed value of taxable property. As of June 30, 2017 the debt margin was \$327,098,727.

## **Note 6 - Commitments and Contingencies**

Commitments - At June 30, 2017, the County was committed to spend approximately \$20,152,000 on various contracts for rural special improvement district facilities (principally streets, curbs and gutters), county roads, bridges, social services, and other construction projects. Appropriations for these contractual obligations are budgeted in the years that payments are required.

## Note 6 - Commitments and Contingencies (Continued)

Protested Taxes - The County and other taxing districts within the County are contingently liable for refunds of property taxes under various tax appeals proceedings. In general, the amount available in the protested tax fund is sufficient to provide for such potential refunds; however, it is possible that refunds could be required relative to taxes not deposited in the protest fund. The County's potential liability, should such refunds be necessary, is not determinable. As of June 30, 2017, taxes remaining under protest totaled \$2,894,027.

Rural Special Improvement Districts (RSIDS) - As of June 30, 2017, delinquent assessments on RSIDs were \$98,856. The delinquencies are due from various residential property owners. The County anticipates payment of the delinquencies from the land owners and will proceed with tax deeds on the property if the assessments are not paid before the end of the RSID bond terms.

Leases - At June 30, 2017, future minimum annual rental expenditures and rental revenue on noncancellable operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Minimum Annual Rental Expenditures/Expenses</u>	<u>Minimum Annual Rental Revenues</u>
2018	\$ 576,385	\$ 86,966
2019	420,882	56,987
2020	413,173	57,316
2021	234,191	45,050
2022	62,845	45,050
Later	702,693	89,800
Total	<u>\$ 2,410,169</u>	<u>\$ 381,169</u>

Operating lease expenditures for 2017 were \$569,761.

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

Missoula County has a contractual agreement with Summit Golf Management for management of the Larchmont Golf Course in order to provide expert management of the golf course while minimizing costs. Missoula County retains the right to approve annual budgets, set fee schedules, and approve capital improvements. Summit Golf Management will oversee day-to-day operations of the Larchmont Golf Course. Compensation under the arrangement includes a flat fee of \$28,000 per year plus 10.5% of the gross revenue from all green fees and passes. Summit Golf Management will also receive 100% of the revenues from lessons, club rentals, and sales in the professional shop.

As part of the transaction with DIRECTV described in Note 5, the County has entered into a lease for the DIRECTV site. This land lease required no payments during the initial ten-year lease term, and then provides for three five-year renewal options. DIRECTV exercised its option to renew for the first five-year renewal and is paying amortized lease payments of \$7,848.94 per month. DIRECTV has the option to purchase the land at any time during the lease term for the fair value of the property at the initial date of the lease of \$1,317,128. Because the purchase option is not considered a bargain purchase, the land lease is treated as an operating lease.

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

## **Note 6 - Commitments and Contingencies (Continued)**

The County has guaranteed approximately \$360,000 of a loan for the Seeley-Swan Hospital District. The County's guarantee stipulates that if Partnership Health Center terminates their lease agreement with the Hospital District prior to December 31, 2028, the County will pay up to \$24,000 per year toward the loan. The guarantee stipulates any amount paid by the county will be reimbursed by the Hospital District at the loan interest rate plus 1%.

The County is party to certain litigation under which it may be required to pay certain monies upon the decision of the courts. The office of the County Attorney reports various contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the County Attorney that the County's liability in the cases not covered by insurance will not be material to the financial statements and amounts reserved are sufficient to cover any losses, except for two related cases in which it is reasonably possible that the amount of the loss could be material. However, because the amount of the loss, if any, is not reasonably determinable, no provision has been made in the financial statements for these contingent liabilities.

## **Note 7 - Risk Management**

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

Risk Management - The Risk Management fund relates to general liability coverage for the County. The County has self-insured several major types of risks, including general liability, various aspects of law enforcement and public officials' liability. There have been claims of \$3,166,281 asserted for risks which are self-insured as of year end.

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

### Health Insurance -

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

*Plan Contributions* - County and employee monthly contribution rates depend on whether the employee is full or part time and type of coverage. County contributions for medical benefits are based on expected claims using a five-year history of claims paid. County contributions for long-term disability coverage are calculated as 0.23% of covered payroll. County contributions range from \$621 to \$1,070 depending on the type of coverage. Employee contributions were up to \$579 for full time employees; contribution rates for part-time employees vary depending on the type of coverage. Continued medical, dental and vision coverage is available for County retirees for monthly employee contributions from \$460 to \$1,649, depending on the type of coverage. Qualified terminated employees can continue medical coverage for monthly contributions from \$590 to \$1,506, depending on coverage for up to 18 months, as required by federal C.O.B.R.A. law. County contributions to the plan for the year ended June 30, 2017 were \$6,776,157 (representing 19.9% of covered payroll), current employee contributions were \$1,813,989 and retiree contributions were \$547,879. Contributions from the ten other agencies participating in the plan were \$2,581,316.

**Note 7 - Risk Management (Continued)**

Covered Participants - As of June 30, 2017, the Plan covered the following participants:

Current employees and their beneficiaries	1,870
Retirees and their beneficiaries	89
	<hr/>
	1,959

*Postemployment Benefits* - Retirees may remain on the County's health insurance plan as long as they wish, provided they pay the monthly premiums. State law requires the County to provide this benefit. There are no other post-employment benefits provided by the County.

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

The liability for health claims consists of an accrual for claims reported, but unpaid, and for claims incurred but not reported (IBNR) as of the balance sheet date. The Plan estimates its IBNR liability based on claims paid within a 120 day period subsequent to the balance sheet date that were incurred prior to but received by the Plan after the balance sheet date. This method of estimating the IBNR is supported by the Plan's historical claims experience.

Workers' Compensation - The County self-insures for workers' compensation coverage for all employees through the Missoula County Workers' Compensation Group Insurance Authority (formerly the Missoula County Workers' Compensation Plan). County contribution rates to the Authority were \$1.00 to \$11.60 per \$100 of covered salary, depending on employee classification. County contributions to the Authority for the fiscal year ended June 30, 2017 were \$1,145,581. Asserted workers' compensation claims at June 30, 2017 totaled \$1,131,715.

**Note 7 - Risk Management (Continued)**

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

Changes in the funds' claims liability for 2016 and 2017 are as follows:

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>
Estimated Claims liability, June 30, 2015	<u>\$ 1,632,144</u>	<u>\$ 932,410</u>	<u>\$ 3,854,851</u>
Incurred for Claims and Claims Adjustment Expenses:			
Provisions for claims incurred in Fiscal Year 2016	147,517	9,150,610	987,887
Increase (decrease) in provisions for claims incurred in prior years	<u>158,883</u>	<u>40,309</u>	<u>(548,973)</u>
Total incurred claims and claims adjustment expenses	<u>306,400</u>	<u>9,190,919</u>	<u>438,914</u>
Payments:			
Claims and claims adjustments paid for Fiscal Year 2016	78,755	8,214,350	201,811
Claims and claims adjustments paid for prior years	<u>351,476</u>	<u>902,186</u>	<u>752,260</u>
Total payments, Fiscal Year 2016	<u>430,231</u>	<u>9,116,536</u>	<u>954,071</u>
Estimated Claims liability, June 30, 2016	<u>1,508,313</u>	<u>1,006,793</u>	<u>3,339,694</u>
Incurred for Claims and Claims Adjustment Expenses:			
Provisions for claims incurred in Fiscal Year 2017	32,099	9,413,986	756,300
Increase (decrease) in provisions for claims incurred in prior years	<u>2,027,801</u>	<u>(49,876)</u>	<u>(573,055)</u>
Total incurred claims and claims adjustment expenses	<u>2,059,900</u>	<u>9,364,110</u>	<u>183,245</u>
Payments:			
Claims and claims adjustments paid for Fiscal Year 2017	104,942	8,742,899	43,177
Claims and claims adjustments paid for prior years	<u>296,990</u>	<u>887,217</u>	<u>690,047</u>
Total payments, Fiscal Year 2017	<u>401,932</u>	<u>9,630,116</u>	<u>733,224</u>
Estimated Claims liability, June 30, 2017	<u><u>\$ 3,166,281</u></u>	<u><u>\$ 740,787</u></u>	<u><u>\$ 2,789,715</u></u>



## **Note 8 - Retirement Plans**

### Plan Descriptions

#### Public Employees' Retirement System (PERS)

##### Defined Benefit Retirement Plan (PERS-DBRP)

The PERS-DBRP, administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, local governments, and certain employees of the Montana University System and school districts.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the Public Employees' Retirement System-Defined Contribution Retirement Plan (PERS-DCRP) by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System-Retirement Program (MUS-RP).

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the state legislature.

##### Defined Contribution Retirement Plan (PERS-DCRP)

The County contributed to the PERS-DCRP for employees that have elected the DCRP. The PERS-DCRP is administered by the Montana Public Employees Retirement Board (PERB) and is a multiple-employer plan established July 1, 2002, and is governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA).

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Benefits are dependent on eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The Montana Legislature has the authority to establish and amend contribution rates. As of June 30, 2017, PERS-DCRP contribution rates are the same as noted for the PERS-DBRP.

At the plan level, for the measurement period ended June 30, 2016, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 289 employers that have participants in the PERS-DCRP totaled \$382,656. The County has estimated pension expense related to the PERS-DCRP as \$307, 613 for 2017.

## Note 8 - Retirement Plans (Continued)

### Sheriffs' Retirement System (SRS)

The Sheriffs' Retirement System (SRS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established July 1, 1974, and governed by Title 19, chapters 2 & 7, MCA. This plan provides retirement benefits to all Department of Justice criminal and gambling investigators hired after July 1, 1993, all detention officers hired after July 1, 2005, and to all Montana sheriffs. Benefits are established by state law and can only be amended by the Legislature. The SRS provides retirement, disability and death benefits to plan members and their beneficiaries.

### Teachers' Retirement System (TRS)

The Teachers' Retirement System (TRS) is a mandatory-participation, multiple-employer cost-sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana.

The TRS Board is the governing body of TRS and TRS staff administers the system in conformity with the laws set forth in Title 19, chapter 20, MCA, and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS website at [trs.mt.gov](http://trs.mt.gov).

### Summary of Benefits

#### Eligibility for Benefits

##### PERS

###### Service Retirement:

Hired prior to July 1, 2011	Age 60, 5 years of membership service; Age 65, regardless of membership service; or Any age, 30 years of membership service.
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Hired on or after July 1, 2011	Age 65, 5 years of membership service; or Age 70, regardless of membership service.
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###### Early retirement, actuarially reduced:

Hired prior to July 1, 2011	Age 50, 5 years of membership service; or Any age, 25 years of membership service.
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Hired on or after July 1, 2011	Age 55, 5 years of membership service.
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Vesting	5 years of membership service.
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##### SRS

Service Retirement	20 years of membership service, regardless of age.
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Other Retirement	Age 50, 5 years of membership service, which is the actuarial equivalent of the service retirement benefit.
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Vesting	5 years of membership service for all other rights
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## Note 8 - Retirement Plans (Continued)

### Member's highest average compensation (HAC)

#### PERS and SRS

Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months;

Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months;

### Compensation Cap

#### PERS and SRS

Hired on or after July 1, 2013 - 110% annual cap on compensation considered as part of a members highest average compensation.

### Monthly Benefit Formula

#### PERS

Hired prior to July 1, 2011:

Less than 25 years of membership service	1.785% of HAC per year of service credit
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25 years of membership service or more	2% of HAC per year of service credit
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Hired on or after July 1, 2011:

Less than 10 years of membership service	1.5% of HAC per year of service credit
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10 years or more, but less than 30 years of membership service	1.785% of HAC per year of service credit
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30 years or more of membership service	2% of HAC per year of service credit
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#### SRS

2.5% of HAC per year of service

### Guaranteed Annual Benefit Adjustment \*

#### PERS

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member's benefit.

3% for members hired prior to July 1, 2007

1.5% for members hired between July 1, 2007 and June 30, 2013

## Note 8 - Retirement Plans (Continued)

Members hired on or after July 1, 2013:

- a) 1.5% for each year PERS is funded at or above 90%;
- b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
- c) 0% whenever the amortization period for PERS is 40 years or more.

### SRS

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member's benefit.

3% for members hired prior to July 1, 2007

1.5% for members hired on or after July 1, 2007

### TRS

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. Final compensation is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows:

- \* Tier Two uses a 5-year average final compensation (as opposed to 3-year AFC in Tier One)
- \* Tier Two provides for unreduced service retirement benefits at age 60 with 5 years of creditable service or at age 55 with at least 30 years of creditable service (rather than at age 60 with 5 years of service or at any age with 25 years of creditable service in Tier One)
- \* Tier Two provides for early retirement benefits with 5 years of creditable service at age 55 (rather than age 50 in Tier One)
- \* Tier Two has a one percent higher normal employee contribution rate (though a temporary 1% supplemental employee contribution rate is also currently in place for Tier One members), and
- \* Tier Two provides for an enhanced benefit calculation -  $1.85\% \times \text{AFC} \times \text{years of creditable service}$  - for member retiring with at least 30 years of creditable service and at least 60 years of age (rather than  $1.6667 \times \text{AFC} \times \text{years of creditable service}$  in Tier One)

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA for Tier One members is 1.5% of the benefit payable as of January 1st. For Tier Two members, the GABA each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

## Note 8 - Retirement Plans (Continued)

### Overview of Contributions

#### PERS

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and are remitted by participating employers. The Montana legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are shown in the table below.

Fiscal Year	<b>Member</b>		<b>State &amp; Universities Employer</b>	<b>Local Government</b>		<b>School Districts</b>	
	Hired < 7/1/2011	Hired > 7/1/2011		Employer	State	Employer	State
2017	7.9%	7.9%	8.470%	8.370%	0.10%	8.10%	0.370%
2016	7.9%	7.9%	8.370%	8.270%	0.10%	8.00%	0.370%
2015	7.9%	7.9%	8.270%	8.170%	0.10%	7.90%	0.370%
2014	7.9%	7.9%	8.170%	8.070%	0.10%	7.80%	0.370%
2012-2013	6.9%	7.9%	7.170%	7.070%	0.10%	6.80%	0.370%
2010-2011	6.9%		7.170%	7.070%	0.10%	6.80%	0.370%
2008-2009	6.9%		7.035%	6.935%	0.10%	6.80%	0.235%
2000-2007	6.9%		6.900%	6.800%	0.10%	6.80%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
  - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS employer contributions increase an additional 0.1% per year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below 25 years following the reduction of both the additional employer and member contribution rates.
  - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
  - c. The Plan Choice Rate (PCR), that directed a portion of employer contributions for DC members to the PERS-DBRP, are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.
3. Non Employer Contributions:
  - a. Special Funding
    - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
    - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.

**Note 8 - Retirement Plans (Continued)**

b. Not Special Funding - The State contributes a portion of Coal Severance Tax income and earnings from the Coal Severance Tax fund.

**SRS**

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The Montana Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are shown in the table below.

<u><b>Fiscal Year</b></u>	<u><b>Member</b></u>	<u><b>Employer</b></u>
2010-2017	9.245%	10.115%
2008-2009	9.245%	9.825%
1998-2007	9.245%	9.535%

**TRS**

TRS receives a portion of the total required statutory contributions directly from the State for all employers. The employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in TRS. TRS receives 2.49% of reportable compensation from the State's general fund for School Districts and Other Employers. TRS also receives 0.11% of reportable compensation from the State's general fund for all TRS Employers including State Agency and University System Employers. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1st of each year.

The tables below show the legislated contribution rates for TRS members, employers, and the State.

<u><b>School District and Other Employers</b></u>				
<u><b>Fiscal Year</b></u>	<u><b>Members</b></u>	<u><b>Employers</b></u>	<u><b>General fund</b></u>	<u><b>Total employee &amp; employer</b></u>
Prior to 2008	7.15%	7.47%	0.11%	14.73%
2008-2009	7.15%	7.47%	2.11%	16.73%
2009-2013	7.15%	7.47%	2.49%	17.11%
2014	8.15%	8.47%	2.49%	19.11%
2015	8.15%	8.57%	2.49%	19.21%
2016	8.15%	8.67%	2.49%	19.31%
2017	8.15%	8.77%	2.49%	19.41%
2018	8.15%	8.87%	2.49%	19.51%
2019	8.15%	8.97%	2.49%	19.61%
2020	8.15%	9.07%	2.49%	19.71%
2021	8.15%	9.17%	2.49%	19.81%
2022	8.15%	9.27%	2.49%	19.91%
2023	8.15%	9.37%	2.49%	20.01%
2024	8.15%	9.47%	2.49%	20.11%

**Note 8 - Retirement Plans (Continued)**

<b>State and University Employers</b>				
<u>Fiscal Year</u>	<u>Members</u>	<u>Employers</u>	<u>General fund</u>	<u>Total employee &amp; employer</u>
Prior to 2008	7.15%	7.47%	0.11%	14.73%
2008-2009	7.15%	9.47%	0.11%	16.73%
2010-2013	7.15%	9.85%	0.11%	17.11%
2014	8.15%	10.85%	0.11%	19.11%
2015	8.15%	10.95%	0.11%	19.21%
2016	8.15%	11.05%	0.11%	19.31%
2017	8.15%	11.15%	0.11%	19.41%
2018	8.15%	11.25%	0.11%	19.51%
2019	8.15%	11.35%	0.11%	19.61%
2020	8.15%	11.45%	0.11%	19.71%
2021	8.15%	11.55%	0.11%	19.81%
2022	8.15%	11.65%	0.11%	19.91%
2023	8.15%	11.75%	0.11%	20.01%
2024	8.15%	11.85%	0.11%	20.11%

**Stand-Alone Plan Statements****PERS and SRS**

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the PERS and SRS fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena, MT 59620-0131, (406)444-3154 or the MPERA website at <http://mpera.mt.gov/index.shtml>.

**TRS**

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at <https://trs.mt.gov/TrsInfo/NewsAnnualReports>

## Note 8 - Retirement Plans (Continued)

### Actuarial Assumptions

#### PERS

The Total Pension Liability (TPL) used to calculate the Net Pension Liability (NPL) was determined by taking the results of the June 30, 2015 actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2016. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the last actuarial experience study, dated June 2010, for the six-year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

Investment Return (net of admin expenses)	7.75%
Admin Expense as % of Payroll	0.27%
General Wage Growth *	4%
* includes Inflation at	3.00%
Merit Increases	0% to 6%
Postretirement Benefit Increases	

#### **Guaranteed Annual Benefit Adjustment (GABA)**

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.

3% for members hired prior to July 1, 2007

1.5% for members hired between July 1, 2007 and June 30, 2013

Members hired on or after July 1, 2013

- a) 1.5% for each year PERS is funded at or above 90%;
- b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
- c) 0% whenever the amortization period for PERS is 40 years or more.

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.



## Note 8 - Retirement Plans (Continued)

### SRS

The TPL used to calculate the NPL was determined by taking the results of the June 30, 2015 actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2016. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the last actuarial experience study, dated June 2010, for the six-year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

Investment Return (net of admin expenses)	7.75%
Admin Expense as % of Payroll	0.17%
General Wage Growth *	4%
* includes Inflation at	3.00%
Merit Increases	0% to 7.3%

#### Post Retirement Increases

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.

For members hired prior to July 1, 2007	3.00%
For members hired on or after July 1, 2007	1.50%

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

### TRS

The TPL as of June 30, 2016 is based on the results of an actuarial valuation date of July 1, 2016. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used on the July 1, 2016 valuation were based on the results of the last actuarial experience study, dated May 1, 2014. Among those assumptions are the following:

Total Wage Increases *	4%-8.51% for Non-University Members and 5.00% for University Members
Investment Return	7.75%
Price Inflation	3.25%

\* Total Wage Increases includes a 4.00% general wage increase assumption.

## Note 8 - Retirement Plans (Continued)

### Postretirement Benefit Increases

Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.

Tier Two Members: the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows TRS to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.

Mortality among contributing members, service retired members, and beneficiaries:

- For Males: 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.
- For Females: 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.

For TRS, mortality among disabled members:

- For Males: RP 2000 Disabled Mortality Table for males, set forward one year, with mortality improvements projected by Scale BB to 2018.
- For Females: RP 2000 Disabled Mortality Table for females, set forward five years, with mortality improvements projected by Scale BB to 2018.

### Discount Rate

#### PERS

The discount rate used to measure the TPL was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries paid by local governments and 0.37% paid by school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest was contributed monthly and the severance tax was contributed quarterly. Based on those assumptions, PERS' fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2117. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

#### SRS

The discount rate used to measure the TPL was 5.93%, which is a blend of the assumed long-term expected rate of return of 7.75% on SRS investments and a municipal bond index rate of 3.01%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members and employers would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. Based on those assumptions, SRS' fiduciary net position was projected to not be adequate to make all the projected future benefit payments of current plan members after June 30, 2056. Therefore, the portion of future projected benefit payments after June 30, 2056 are discounted at the municipal bond index rate.

## Note 8 - Retirement Plans (Continued)

### TRS

The discount rate used to measure the TPL was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute \$25 million annually to TRS payable July 1st of each year. Based on those assumptions, TRS' fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. No municipal bond rate was incorporated in the discount rate.

### Target Allocations

#### PERS and SRS

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for PERS and SRS. The experience study, performed for the period covering fiscal years 2003 through 2009, was outlined in a report dated June 2010 and can be located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation ) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2016, are summarized below.

<u>Asset Class</u>	<u>Target Asset Allocation (a)</u>	<u>Real Rate of Return Arithmetic Basis (b)</u>	<u>Long-Term Expected Real Rate of Return (a) x (b)</u>
Cash Equivalents	2.60%	4.00%	0.10%
Domestic Equity	36.00%	4.55%	1.64%
Foreign Equity	18.00%	6.35%	1.14%
Fixed Income	23.40%	1.00%	0.23%
Private Equity	12.00%	7.75%	0.93%
Real Estate	8.00%	4.00%	0.32%
Total	100.00%		4.37%
Inflation			3.00%
Portfolio Return Expectation			7.37%

## Note 8 - Retirement Plans (Continued)

### TRS

The assumed long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for TRS. The most recent analysis, performed for the period covering fiscal years 2009 through 2013, is outlined in a report dated May 1, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates of arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2016 are summarized in the table below.

Asset Class	Target Asset Allocation (a)	Real Rate of Return Arithmetic Basis (b)	Long-Term Expected Portfolio Real Rate of Return * (a) x (b)
Broad US Equity	36.00%	4.80%	1.73%
Broad International Equity	18.00%	6.05%	1.09%
Private Equity	12.00%	8.50%	1.02%
Intermediate Bonds	23.40%	1.50%	0.35%
Core Real Estate	4.00%	4.50%	0.18%
High Yield Bonds	2.60%	3.25%	0.08%
Non-Core Real Estate	4.00%	7.50%	0.30%
	100.00%		4.75%
		Inflation	3.25%
		Expected arithmetic nominal return	8.00%

\* The long-term expected nominal rate of return above the 8.00% differs from the total TRS long-term rate of return assumption of 7.75%. The assumed rate is comprised of a 3.25% inflation rate and a real long-term rate of return of 4.50%.

## Note 8 - Retirement Plans (Continued)

### Sensitivity Analysis

#### PERS and TRS

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.75%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

County's proportionate share of:	1.0% Decrease 6.75%	Current Discount Rate	1.0% Increase 8.75%
PERS Net Pension Liability	\$ 61,301,902	\$ 42,245,889	\$ 25,831,002
TRS Net Pension Liability	130,789	97,479	69,435

#### SRS

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 5.93%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

County's proportionate share of:	1.0% Decrease 4.93%	Current Discount Rate	1.0% Increase 6.93%
SRS Net Pension Liability	27,005,883	18,961,826	12,415,569

### Summary of Significant Accounting Policies

#### All Plans

MPERA and TRS prepare financial statements using the accrual basis of accounting. For the purposes of measuring NPL, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the accrual basis, consistent with how they are reported by MPERA and TRS. For this purpose, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA and TRS adhere to all applicable Governmental Accounting Standards Board (GASB) statements.

### Pension Amount Totals

#### All Plans

Employers are provided guidance in GASB Statement 68, paragraph 74, that pension amounts must be combined as a total or aggregate for reporting. This is true when employees are provided benefits through more than one pension, whether cost-sharing, single-employer, or agent plans.

## Note 8 - Retirement Plans (Continued)

### Net Pension Liability

#### PERS

In accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the PERS-DBRP. Employers are required to record and report their proportionate share of the collective NPL, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources associated with pensions.

The state of Montana, as the non-employer contributing entity, paid additional contributions to PERS that qualify as special funding. Those employers who received special funding are counties, cities and towns, school districts and high schools, and other governmental agencies.

Per Montana law, state agencies and universities paid their own additional contributions. These employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions. The state of Montana, as the non-employer contributing entity, also paid coal tax contributions to PERS that are not accounted for as special funding for all participating employers.

The TPL minus the Fiduciary Net Position equals the NPL. As GASB Statement 68 allows, a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the TPL. The basis for the TPL as of June 30, 2016, was determined by taking the results of the June 30, 2015 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The proportionate shares of the County's and state of Montana's NPL for June 30, 2017 and 2016 are displayed below. The County's proportionate share equals the ratio of the County's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid. The County recorded a liability of \$42,245,889 and the employer's proportionate share was 2.4802%.

	<u>Net Pension Liability</u> <u>as of 6/30/2017</u>	<u>Net Pension Liability</u> <u>as of 6/30/2016</u>	<u>Percent of</u> <u>Collective NPL</u> <u>as of 6/30/2017</u>	<u>Percent of</u> <u>Collective NPL</u> <u>as of 6/30/2016</u>	<u>Change in</u> <u>Percent of</u> <u>Collective NPL</u>
County's Proportionate Share	\$ 42,245,889	\$ 32,230,429	2.480200%	2.305679%	0.174521%
State of Montana Proportionate Share associated with County	516,196	395,896	0.028301%	0.028321%	-0.000020%
Total	<u>\$ 42,762,085</u>	<u>\$ 32,626,325</u>	<u>2.508501%</u>	<u>2.334000%</u>	<u>0.174501%</u>

Change in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL, but those changes are not considered significant.

## Note 8 - Retirement Plans (Continued)

### SRS

In accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Sheriffs' Retirement System (SRS). Employers are required to record and report the proportionate share of the collective NPL, Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions. This report provides information for employers who are using a June 30, 2016 measurement date for the 2017 reporting.

The TPL minus the Fiduciary Net Position equals the NPL. As GASB Statement 68 allows, a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the TPL. The basis for the TPL as of June 30, 2016, was determined by taking the results of the June 30, 2015 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The proportionate share of the County's NPL for June 30, 2017 and 2016 are displayed below. The employer's proportionate share equals the ratio of the County's contributions to the sum of all employer contributions during the measurement period. The employer recorded a liability of \$18,961,826 and the employer's proportionate share was 10.7935%.

	<u>Net Pension Liability</u> <u>as of 6/30/2017</u>	<u>Net Pension Liability</u> <u>as of 6/30/2016</u>	<u>Percent of</u> <u>Collective NPL</u> <u>as of 6/30/2017</u>	<u>Percent of</u> <u>Collective NPL</u> <u>as of 6/30/2016</u>	<u>Change in</u> <u>Percent of</u> <u>Collective NPL</u>
County's Proportionate Share	\$ 18,961,826	\$ 10,084,702	10.793500%	10.461431%	0.332069%

Change in actuarial assumptions and methods: There were no changes in demographic assumptions that affected the measurement of the TPL. There was an adjustment in the discount rate during the measurement period.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

### TRS

In accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS). GASB Statement No. 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective NPL. In accordance with GASB Statement No. 68, TRS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective NPL that is associated with the employer.

## Note 8 - Retirement Plans (Continued)

The following table shows the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2017 and 2016. The NPL was measured as of June 30, 2016 and the TPL used to calculate the NPL was determined by an actuarial valuation as of June 30, 2016. Therefore, no update procedures were used to roll forward the TPL to the measurement date. The County's proportion of the NPL was based on the County's contributions received by TRS during the measurement period July 1, 2015 through June 30, 2016 relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2017, the County recorded a liability of \$97,479 and the County's proportionate share was 0.0053%.

	Net Pension Liability as of 6/30/2017	Net Pension Liability as of 6/30/2016	Percent of Collective NPL as of 6/30/2017	Percent of Collective NPL as of 6/30/2016	Change in Percent of Collective NPL
County's Proportionate Share	\$ 97,479	\$ 86,759	0.0053%	0.0053%	0.0000%
State of Montana Proportionate Share associated with County	66,896	65,520	0.0037%	0.0040%	-0.0003%
Total	<u>\$ 164,375</u>	<u>\$ 152,279</u>	<u>0.0090%</u>	<u>0.0093%</u>	<u>-0.0003%</u>

Change in actuarial assumptions and methods: Since the previous measurement date, the normal cost method has been updated to align the calculation of the projected compensation and the total present value of plan benefits so that the normal cost rate reflects the most appropriate allocation of plan costs over future compensation.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.



## Note 8 - Retirement Plans (Continued)

### Pension Expense

#### PERS

At June 30, 2017, the County recognized a Pension Expense of \$3,805,478 for its proportionate share of the PERS' Pension Expense. The County recognized grant revenue of \$43,257 for the support provided by the State of Montana for the proportionate share of the Pension Expense that is associated with the employer, and grant revenue of \$740,159 from the Coal Tax Fund.

#### SRS

At June 30, 2017, the County recognized a Pension Expense of \$2,509,762 for its proportionate share of the SRS' Pension Expense.

#### TRS

At June 30, 2017, the County recognized a Pension Expense of \$6,862 for its proportionate share of the TRS' Pension Expense. The County also recognized grant revenue of \$3,952 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the County.

### Deferred Outflows and Inflows

#### PERS

At June 30, 2017, the County reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 227,946	\$ 139,835
Projected Investment Earnings vs. Actual Investment Earnings	3,974,495	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	2,440,828	-
Employer Contributions subsequent to the measurement date (Fiscal Year 2017 Contributions)	2,582,454	-
Total	<u>\$ 9,225,723</u>	<u>\$ 139,835</u>

## Note 8 - Retirement Plans (Continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

Reporting year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2018	\$ 192,423
2019	192,423
2020	2,258,560
2021	1,419,201

### SRS

At June 30, 2017, the County reported its proportionate share of SRS' deferred outflows of resources and deferred inflows of resources related to SRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 67,389	\$ 14,031
Projected Investment Earnings vs. Actual Investment Earnings	1,035,927	-
Changes in Assumptions	8,206,235	3,055,633
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	375,630	-
Employer Contributions subsequent to the measurement date (Fiscal Year 2017 Contributions)	875,315	-
Total	<u>\$ 10,560,496</u>	<u>\$ 3,069,664</u>

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

Reporting year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2018	\$ 1,102,002
2019	1,102,002
2020	1,596,938
2021	1,403,887
2022	1,035,058

## Note 8 - Retirement Plans (Continued)

### TRS

At June 30, 2017, the County reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 521	\$ 207
Changes in actuarial assumptions	620	613
Difference between projected and actual investment earnings	6,277	-
Changes in proportion and differences between actual and expected contributions	-	819
Employer Contributions subsequent to the measurement date (Fiscal Year 2017 Contributions) #	6,435	-
Total	<u>\$ 13,853</u>	<u>\$ 1,639</u>

# Amounts reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2018.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

<u>Reporting year ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Increase (Decrease) to Pension Expense</u>
2018	\$ 1,305	\$ (982)	\$ 323
2019	399	(423)	(24)
2020	3,461	(232)	3,229
2021	2,253	-	2,253

## Note 8 - Retirement Plans (Continued)

### Pension Activity by Reporting Unit

The County processes payroll, including payment of payroll taxes and benefits, for 2 local agencies, the Bitterroot Economic Development District and the Soil Conservation District. The pension items related to these agencies is included in the County's allocation by the State of Montana. The pension activity by reporting unit for PERS, SRS, and TRS in total is as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Governmental Activities	\$ 17,340,189	\$ 50,005,175	\$ 3,173,734
Business-type Activities	123,929	615,741	2,038
Partnership Health Center	2,307,912	10,556,020	34,941
Agencies	28,042	128,258	425
Total	<u>\$ 19,800,072</u>	<u>\$ 61,305,194</u>	<u>\$ 3,211,138</u>

	On-Behalf State Pension Revenue	Pension Expense
Governmental Activities	\$ 577,819	\$ 5,891,676
Business-type Activities	11,418	67,076
Partnership Health Center	195,753	1,149,924
Agencies	2,378	13,972
Total	<u>\$ 787,368</u>	<u>\$ 7,122,648</u>

### Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is available to all County employees. This permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation in the plan is optional. The fair value of assets held in the plan at June 30, 2017 was \$9,409,691.

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

## Note 9 - Other Post-employment Benefits

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

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

Retirees are able to purchase health benefits for themselves and their family members at two different rates: the "Medical Standard Plan" and the "Medical High Deductible Plan." The retiree contributions are determined and can be amended by Missoula County and are based on their plan election and level of dependent coverage. The monthly premiums effective July 1, 2016 are shown below:

Level of Coverage	Single	Employee/ Spouse	Employee/ Child	Family
Medical Standard Plan	\$ 578.00	\$ 1,085.00	\$ 969.00	\$ 1,476.00
Medical High Deductible Plan	404.60	759.50	678.30	1,033.20
Dental	43.00	76.00	105.00	139.00
Vision	12.50	23.60	23.00	34.10

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

Based on an actuarial study prepared as of June 30, 2017, the County's annual other post-employment benefit cost was \$269,127 for the fiscal year ended June 30, 2017. This cost consisted of the annual required contribution of \$280,744, interest on the net OPEB obligation of \$22,044, and an adjustment to the ARC of \$33,661. There were contributions of \$242,325 made in 2017, which was 90% of the annual cost.

	Fiscal Year Ending		
	June 30, 2017	June 30, 2016	June 30, 2015
Beginning OPEB Obligation	\$ 629,834	\$ 602,528	\$ 605,175
Annual OPEB Cost	269,127	269,631	241,882
Annual OPEB Contributions	(242,325)	(242,325)	(244,529)
Ending OPEB Obligation	<u>656,636</u>	<u>629,834</u>	<u>602,528</u>
Percentage of cost contributed	90%	90%	101%

## Note 9 - Other Post-employment Benefits (Continued)

As of June 30, 2017, the most recent actuarial valuation date, the plan had an unfunded accrued actuarial liability of \$2,547,625. This liability is not funded under GASB Statement No. 45 since there are no assets allocated to an irrevocable trust for the retiree benefit plan. Therefore, the funded status of the plan is 0%. The annual covered payroll was \$40,506,505 for 2017; the unfunded actuarial liability was 6.3% of covered payroll. The annual other post-employment benefit cost, annual OPEB contributions, net other post-employment benefit obligation, and the unfunded actuarial liability is allocated to the applicable component units as follows:

	Governmental Activities	Component Unit Partnership Health Center	Total
Annual Required Contribution (ARC)	\$ 222,315	\$ 58,429	\$ 280,744
Interest on OPEB Obligation	17,542	4,502	22,044
Adjustment to the ARC	(26,787)	(6,874)	(33,661)
Annual OPEB Cost	213,070	56,057	269,127
Annual OPEB Contributions	(191,892)	(50,433)	(242,325)
Decrease to Net OPEB Obligation	21,178	5,624	26,802
Net OPEB Obligation	574,320	82,315	656,635
Unfunded Actuarial Liability	2,017,409	530,216	2,547,625

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to the past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits for the plan are based on types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial calculations reflect a long-term prospective and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities. For the actuarial valuation performed at June 30, 2017, the projected unit credit actuarial cost method was used. The health care trend rate, which includes an inflation rate, was 7.5% for 2017, decreasing by 0.5% each year to 5% for 2022 and after. The dental and vision trend rates were 3% per year. The assumed discount rate was 3.5%. The unfunded actuarial liability was amortized on a level-dollar basis over a open period of 30 years.

## Note 10 - Governmental Fund Balances

At June 30, 2017, the County had a total fund balance in governmental funds of \$57,791,003. In accordance with GASB Statement No. 54, this fund balance has been classified as follows:

	Balance	Category	Description
<b>General Fund</b>			
Nonspendable	\$ 59,572	General Government	Inventories
Unassigned	1,540,672	Governmental Services	Remainder
Unassigned	126,929	Justice Courts	Remainder

**Note 10 - Governmental Fund Balances (Continued)****General Fund (Continued)**

	<u>Balance</u>	<u>Category</u>	<u>Description</u>
Unassigned	501,856	County Attorney	Remainder
Unassigned	437,353	Emergency Services	Remainder
Unassigned	49,755	Surveyors	Remainder
Unassigned	12,661	Debt Service	Remainder
Unassigned	65,537	Capital Outlay	Remainder

**Public Safety**

Restricted	4,165,330	Sheriff	State and Federal law
Committed	1,805,247	Detention	Commissary

**RSID Debt Service**

Restricted	2,842,425	Debt Service	Federal, State, and other grant and legal commitments
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**Fort Missoula Regional Park Construction**

Restricted	14,452,847	Fort Missoula Regional Park	Federal, State, and other grant and legal commitments
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**Nonmajor Governmental Funds**

Nonspendable	1,486,888	Road and Bridge Supplies	Inventories
Restricted	570,240	General Government Technology	Federal, State, and other grant and legal commitments
Restricted	412,552	Clerk of District Court	Federal, State, and other grant and legal commitments
Restricted	11,064	Relationship Violence Grants	Federal, State, and other grant and legal commitments
Restricted	155,756	Drug Education and Containment	Federal, State, and other grant and legal commitments
Restricted	112,728	Search & Rescue	Federal, State, and other grant and legal commitments
Restricted	36,644	Rural Emergency Services	Federal, State, and other grant and legal commitments
Restricted	1,318,994	Emergency Services	Federal, State, and other grant and legal commitments
Restricted	989,420	Road Projects	Federal, State, and other grant and legal commitments
Restricted	1,358,370	Bridge Projects	Federal, State, and other grant and legal commitments
Restricted	649,193	Building Code Division	Federal, State, and other grant and legal commitments
Restricted	393,087	Weed and Extension Services	Federal, State, and other grant and legal commitments
Restricted	2,766,181	Airport Industrial Park Projects	Federal, State, and other grant and legal commitments
Restricted	421,038	Technology District Projects	Federal, State, and other grant and legal commitments
Restricted	276,522	Bonner Millsite Projects	Federal, State, and other grant and legal commitments
Restricted	172,833	Bonner West Log Yard Projects	Federal, State, and other grant and legal commitments

**Note 10 - Governmental Fund Balances (Continued)****Nonmajor Governmental Funds (Continued)**

	<u>Balance</u>	<u>Category</u>	<u>Description</u>
Restricted	44,830	Substance Abuse Prevention Programs	Federal, State, and other grant and legal commitments
Restricted	1,664,347	Public Health Services	Federal, State, and other grant and legal commitments
Restricted	201,757	Water Quality Testing and Projects	Federal, State, and other grant and legal commitments
Restricted	133,836	Junk Vehicle Services	Federal, State, and other grant and legal commitments
Restricted	62,814	Wood Stove Exchange	Federal, State, and other grant and legal commitments
Restricted	187,618	Social Services	Federal, State, and other grant and legal commitments
Restricted	292,079	Parks & Trails	Federal, State, and other grant and legal commitments
Restricted	2,694,441	Library Services	Federal, State, and other grant and legal commitments
Restricted	210,257	Historical Museum Programs	Federal, State, and other grant and legal commitments
Restricted	574,550	Community Development Programs	Federal, State, and other grant and legal commitments
Restricted	2,227,797	Open Space Projects	Federal, State, and other grant and legal commitments
Restricted	2,514,613	Debt Service	Federal, State, and other grant and legal commitments
Committed	275	General Programs	Commissioner resolution for specific programs and projects
Committed	28,620	Extension Services	Commissioner resolution for specific programs and projects
Committed	1,096,162	Airport Industrial Park Projects	Commissioner resolution for specific programs and projects
Committed	3,218,253	Technology District Projects	Commissioner resolution for specific programs and projects
Committed	70,845	Special District Management	Commissioner resolution for specific programs and projects
Committed	142,250	Solid Waste Collection	Commissioner resolution for specific programs and projects
Committed	198,873	Animal Control Services	Commissioner resolution for specific programs and projects
Committed	34,180	Public Health Services	Commissioner resolution for specific programs and projects
Committed	35,435	Library Projects	Commissioner resolution for specific programs and projects
Committed	348,190	Historical Museum Projects	Commissioner resolution for specific programs and projects
Committed	456,194	Community Development Programs	Commissioner resolution for specific programs and projects
Committed	2,553,590	Debt Service	Commissioner resolution for specific programs and projects
Assigned	11,628	Sheriff Department Capital Projects	Intent established in budgeting process or by express assignment
Assigned	68,178	Search & Rescue Capital Projects	Intent established in budgeting process or by express assignment
Assigned	393,604	Road Capital Projects	Intent established in budgeting process or by express assignment
Assigned	363,520	Bridge Capital Projects	Intent established in budgeting process or by express assignment
Assigned	1,149,642	Weed/Extension Capital Projects	Intent established in budgeting process or by express assignment



**Note 10 - Governmental Fund Balances (Continued)****Nonmajor Governmental Funds (Continued)**

	<u>Balance</u>	<u>Category</u>	<u>Description</u>
Assigned	467,988	Public Health Capital Projects	Intent established in budgeting process or by express assignment
Assigned	94,069	Water Quality Capital Projects	Intent established in budgeting process or by express assignment
Assigned	64,230	Library Projects	Intent established in budgeting process or by express assignment
Assigned	479,261	Parks & Trails Projects	Intent established in budgeting process or by express assignment
Assigned	104,278	Community Development Projects	Intent established in budgeting process or by express assignment
Assigned	1,099,454	County Capital Projects	Intent established in budgeting process or by express assignment
Unassigned	(16,065)	General Programs	Negative fund balance is Unassigned per GASB Statement No. 54 definitions
Unassigned	(11,715)	Public Health Grants	Negative fund balance is Unassigned per GASB Statement No. 54 definitions
Unassigned	(8,662)	Community Development Projects	Negative fund balance is Unassigned per GASB Statement No. 54 definitions
Unassigned	(1,772)	Disaster Services	Negative fund balance is Unassigned per GASB Statement No. 54 definitions
Unassigned	(43,759)	Fair Operations and Capital Projects	Negative fund balance is Unassigned per GASB Statement No. 54 definitions
Unassigned	(211,733)	Debt Service	Negative fund balance is Unassigned per GASB Statement No. 54 definitions
Unassigned	(2,394,643)	Capital Projects	Negative fund balance is Unassigned per GASB Statement No. 54 definitions

## Note 11 - Deficit Fund Balances

Deficit fund balances - At June 30, 2017, the following funds had a deficit fund balance resulting from expenditures/expenses in excess of revenues during 2017 and prior years:

Nonmajor Governmental Funds		
Special Revenue Funds		
Fair	\$	23,065
Grants		37,273
Disaster Emergency Levy		1,772
Debt Service Funds		
Fair Ice Rink Series 2012 Refinance		30,466
Fair Ice Rink Series 2006		2,770
2017 LTGO Debt Service		40,665
Capital Improvement Debt Service		137,001
Capital Projects Funds		
Fair Capital Projects		20,694
Courthouse Reconstruction		1,390,717
Courthouse Reconstruction Phase 2-5		1,003,926
Internal Service Funds		
Risk Management		3,044,024
Information Services Operations		1,084,038

The deficits in the Grants, Fair Ice Rink Debt Service, and 2017 LTGO Debt Service funds are expected to be eliminated through future income. The deficit in the Disaster Emergency Levy fund will be eliminated with a transfer from the General Fund. The deficit in the Fair Capital Projects fund will be eliminated through collections on a note receivable and issuance of debt. The deficits in the Fair, Open Space, Courthouse Reconstruction, Courthouse Reconstruction Phase 2-5, RVSD Building Construction, and Admin Building Acquisition Reserve funds are expected to be eliminated through debt financing. The deficit in the Capital Improvement Debt Service fund will be eliminated with a transfer from the Capital Improvement fund. The deficit in Risk Management will be eliminated through a judgment levy in fiscal year 2018. The deficit in the Information Services Operations fund will be eliminated with a transfer from the Technology fund.

## Note 12 - Budgetary-GAAP Reporting Reconciliation

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

	General	Public Safety	RSID Debt Service	Fort Missoula Regional Park Construction	Nonmajor Governmental	Internal Service
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - GAAP Basis	\$ (747,634)	\$ 927,412	\$ 5,534	\$ (17,007,868)	\$ 5,863,125	\$ 621,048
Cash & Investments - 6/30/2016	1,709,464	1,803	-	-	(494,347)	13,537
Cash & Investments - 6/30/2017	(49,299)	(7,043)	-	-	1,493,826	(19,605)
Accounts Receivable - 6/30/2016	91,443	803,876	-	-	2,480,230	747,873
Accounts Receivable - 6/30/2017	(80,707)	(700,046)	-	(317,219)	(1,159,418)	(741,769)
Advances to Other Funds - 6/30/2016	-	-	-	-	2,770,000	-
Advances to Other Funds - 6/30/2017	-	-	-	-	(2,590,000)	-
Deferred Pension Outflows - 6/30/2016	-	-	-	-	-	148,171
Deferred Pension Outflows - 6/30/2017	-	-	-	-	-	(445,688)
Accounts Payable - 6/30/2016	(208,245)	(320,934)	-	(2,442,303)	(1,747,551)	(34,184)
Accounts Payable - 6/30/2017	293,467	572,152	-	2,244,538	1,550,519	81,960
Claims Payable - 6/30/2016	-	-	-	-	-	(5,854,800)
Claims Payable - 6/30/2017	-	-	-	-	-	6,696,783
Accrued Payroll - 6/30/2016	(409,737)	(529,428)	-	-	(594,637)	(121,492)
Accrued Payroll - 6/30/2017	454,286	585,531	-	-	743,936	100,690
Prepaid Cost - 6/30/2016	-	-	-	-	-	79,397
Prepaid Cost - 6/30/2017	-	-	-	-	-	(77,307)
Accrued Interest - 6/30/2016	-	-	(211,721)	-	(381,516)	-
Accrued Interest - 6/30/2017	-	-	197,488	-	1,842,213	-
Deferred Tax Revenue - 6/30/2016	-	-	-	-	-	27,265
Deferred Tax Revenue - 6/30/2017	-	-	-	-	-	(44,156)
Other Deferred Revenue - 6/30/2016	-	-	-	-	-	(29,302)
Other Deferred Revenue - 6/30/2017	-	-	-	-	-	33,663
Net Pension Liability - 6/30/2016	-	-	-	-	-	(1,466,847)
Net Pension Liability - 6/30/2017	-	-	-	-	-	2,038,511
Deferred Pension Inflows - 6/30/2016	-	-	-	-	-	(122,394)
Deferred Pension Inflows - 6/30/2017	-	-	-	-	-	6,746
Depreciation	-	-	-	-	-	17,463
Capital Purchases	-	-	-	-	-	-
Loss on Disposal of Capital Assets	-	-	-	-	-	-
Non-budgeted Funds:						
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	-	-	-	(164,208)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Budget Basis	<u>\$ 1,053,038</u>	<u>\$ 1,333,323</u>	<u>\$ (8,699)</u>	<u>\$ (17,522,852)</u>	<u>\$ 9,612,172</u>	<u>\$ 1,655,563</u>

### Note 13 - Interfund Transactions

Interfund transfers - The County uses interfund transfers for regular recurring internal charges, such as debt service, supplies and materials, and services provided. An analysis of transfers in and out during 2017 follows:

General Fund to:	
Public Safety	\$ 501,363
Nonmajor Governmental Funds (Road)	
Community & Planning Services, Community Based Organizations,	
Animal Control, Historical Museum, Technology)	1,171,317
Internal Service (Information Services)	29,970
Public Safety Fund to:	
General Fund	95,668
Nonmajor Governmental Funds (Drug Forfeiture, Relationship Violence	
Services, Technology, Public Safety Capital Reserve)	929,650
Internal Service (Risk Management, Information Services)	407,888
RSID Debt Service Funds to:	
Nonmajor Governmental Funds (Road)	2,866
Nonmajor Governmental Funds to:	
General Fund	1,307,875
Public Safety Fund	596,069
Nonmajor Governmental Funds (Road, Community Assistance Fund,	
Bridge, Weed, Weed Grant, Fair, District Court, Parks, Library,	
Planning, Grants, Substance Abuse Prevention, Relationship	
Violence Services, Community & Planning Services, Health,	
Water Quality District, Animal Control, Extension, Extension	
Grant, Drug Forfeiture, Historical Museum, NACo RX Fund,	
Missoula Search & Rescue, Junk Vehicle, RSID Administration,	
Seeley Lake Stove Project, Permissive Medical Levy, Friends of	
the Museum, RSID Revolving, Capital Improvement Debt	
Service, Weed/Extension Building Reserve, Missoula Search &	
Rescue Reserve, Courthouse Reconstruction, Capital	
Improvement, Technology)	5,452,569

**Note 13 - Interfund Transactions (Continued)**

Internal Service (Risk Management, Health Insurance, IS Operations)	1,418,590
Internal Service Funds to:	
Nonmajor Governmental Funds (Technology)	15,000
Larchmont Golf Course Fund to:	
General Fund	83,677
Nonmajor Enterprise Fund to:	
Nonmajor Governmental Funds (RSID Administration)	9,958
Total Transfers In/Out	<u>\$ 12,022,460</u>

Interfund Receivables/Payables - Interfund receivables and payables for funds that incur negative cash balances due to expenditures exceeding revenues for a short time period. Balances due to/from other funds at June 30, 2017 consist of the following:

General Fund - Cash flow advances to:	
Nonmajor Governmental Funds (Fair, Grants, Disaster Emergency, Relationship Violence Services, Health Center 2012 Refi, Fair Ice Rink 2012, Fair Ice Rink 2006, Health Center 2009, Health Center 2012, CIP Debt Service, Fair Construction, Courthouse Reconstruction, Courthouse Reconstruction Phase 2-5)	\$ 2,845,878
Public Safety - Cash flow advances to:	
Nonmajor Governmental Funds (Jail Bonds)	478,568
Nonmajor Governmental Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Relationship Violence Services, MDA Technology District, Technology Tax Increment Bonds, Fair Ice Rink 2006, Open Space Bonds, Capital Improvement Debt Service, Fort Missoula Regional Park Construction, RVSD Building Construction)	798,070
Enterprise Funds - Cash flow advances to:	
Nonmajor Governmental Funds (Larchmont LTGO)	59,157
Total Due from Other Funds	<u>\$ 4,181,673</u>

**Note 13 - Interfund Transactions (Continued)**

Interfund Advances - advances receivable at June 30, 2017 include the following:

Nonmajor Governmental Funds - Advances to:	
RSID Debt Service to pay off bonds	8,124
Enterprise Funds (Larchmont) for County bond repayment	795,000
Total Advances to Other Funds	<u>\$ 803,124</u>
Which includes non-current portions of:	
Enterprise Funds (Larchmont) for County bond repayment	750,000
Total Non-Current Advances to Other Funds	<u>\$ 750,000</u>

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

Partnership Health Center

Advances from Primary Government

Advance from Nonmajor Governmental Funds (Health Center Bonds)	\$ 1,795,000
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Transactions with Primary Government

Principal and Interest payment to Nonmajor Governmental Funds (Health Center Bonds)	\$ 64,390
Health insurance premiums paid to Internal Service Funds	1,457,419
Community Based Organizations Grant from Nonmajor Governmental Fund (Community Assistance Fund)	200,600

**Note 14 - Transactions with Component Units**

Missoula Aging Services

Community Based Organizations Grant from Nonmajor Governmental Fund (Aging Fund)	718,330
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**Note 15 - Subsequent Events**

On December 1, 2017, the County issued \$1,087,600 in judgment levy bonds based on litigation that settled after June 30, 2017.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress for Retiree Health Insurance Benefit Plan

Schedules of Proportionate Share of Net Pension Liability and Schedules of Pension Contributions



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**Missoula County, Montana**  
**Schedule of Funding Progress for Retiree Health Insurance Benefit Plan**  
**June 30, 2017**

	Governmental	Component Units	
	Activities	Partnership Health Center	Total
<i>Actuarial Valuation Date: 6/30/2016</i>			
Accrued Actuarial Liability	\$ 2,017,409	\$ 530,216	\$ 2,547,625
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Liability	<u>2,017,409</u>	<u>530,216</u>	<u>2,547,625</u>
Funded Ratio	0%	0%	0%
Annual Covered Payroll for 2017	34,001,230	6,505,275	40,506,505
Unfunded Actuarial Liability to Covered Payroll	6%	8%	6%
<i>Actuarial Valuation Date: 6/30/2014</i>			
Accrued Actuarial Liability	\$ 2,280,903	\$ 491,808	\$ 2,772,711
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Liability	<u>2,280,903</u>	<u>491,808</u>	<u>2,772,711</u>
Funded Ratio	0%	0%	0%
Annual Covered Payroll for 2015	30,272,877	4,964,414	35,237,291
Unfunded Actuarial Liability to Covered Payroll	8%	10%	8%
<i>Actuarial Valuation Date: 6/30/2012</i>			
Accrued Actuarial Liability	\$ 2,867,634	\$ 382,351	\$ 3,249,985
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Liability	<u>2,867,634</u>	<u>382,351</u>	<u>3,249,985</u>
Funded Ratio	0%	0%	0%
Annual Covered Payroll for 2013	27,423,759	3,592,597	31,016,356
Unfunded Actuarial Liability to Covered Payroll	10%	11%	10%

**Missoula County, Montana**  
**Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions**  
**Montana Public Employees' Retirement System**  
**Schedule of Proportionate Share of Net Pension Liability**  
**For the Last Three Fiscal Years \***

	2017	2016	2015
County's proportionate share of net pension liability	\$ 42,245,889	\$ 32,230,430	\$ 28,051,394
County's proportionate share of net pension liability (as a percentage)	2.4802%	2.3057%	2.2513%
State of Montana proportionate share of net pension liability associated with the County	516,196	395,896	342,550
Total	<u>\$ 42,762,085</u>	<u>\$ 32,626,326</u>	<u>\$ 28,393,944</u>
County's covered-employee payroll	\$ 30,852,365	\$ 26,907,729	\$ 25,484,634
County's proportionate share of net pension liability as a percentage of covered-employee payroll	136.9292%	119.7813%	110.0718%
Plan fiduciary net position as a percentage of total pension liability	74.7100%	78.4000%	79.9000%

\* The amounts presented above for each fiscal year were determined as of June 30th, the pension plan measurement date. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Pension Contributions**  
**For the Last Three Fiscal Years \*\***

Contractually required contributions	\$ 2,582,454	\$ 2,566,517	\$ 2,356,552
Contributions recognized by the plan	2,582,454	2,566,517	2,356,552
Contribution difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 30,852,365	\$ 29,708,103	\$ 26,907,729
Contributions recognized by the plan as a percentage of covered-employee payroll	8.3704%	8.6391%	8.7579%

\*\* The amounts presented above for each fiscal year were determined as of June 30th, the fiscal year end date. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Montana Public Employees' Retirement System  
Notes to Required Supplementary Information

Change of Benefit Terms

The following changes to the plan provision were made as identified:

House Bill 454 - Permanent Injunction Limits Application of the GABA Reduction passed under HB 454

Guaranteed Annual Benefit Adjustment (GABA) - for PERS

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- \* 3.0% for members hired prior to July 1, 2007
- \* 1.5% for members hired on or after July 1, 2007 and before July 1, 2013
- \* Members hired on or after July 1, 2013
  - a. 1.5% each year PERS is funded at or above 90%;
  - b. 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and,
  - c. 0% whenever the amortization period for PERS is 40 years or more.

**2015 Legislative Changes:**

General Revisions - House Bill 101, effective January 1, 2016

Second Retirement Benefit - for PERS

1. Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
  - \* refund of member's contributions from second employment plus regular interest (currently 0.25%);
  - \* no service credit for second employment;
  - \* start same benefit amount the month following termination; and
  - \* GABA starts in January immediately following second retirement.
2. For members who retire before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:
  - \* member receives a recalculated retirement benefit based on laws in effect at second retirement; and,
  - \* GABA starts in January after receiving recalculated benefit for 12 months.

Notes to Required Supplementary Information (continued)

3. For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:
  - \* refund of member's contributions from second employment plus regular interest (currently (0.25%));
  - \* no service credit for second employment;
  - \* start same benefit amount the month following termination; and
  - \* GABA starts in January immediately following second retirement.
4. For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate 5 or more years of service credit before retiring again:
  - \* member receives same retirement benefit as prior return to service;
  - \* member receives second retirement benefit for second period of service based on laws in effect at second retirement; and
  - \* GABA starts on both benefits in January after member receives original and new benefit for 12 months.

Revise DC Funding Laws - House Bill 107, effective July 1, 2015

Employer Contributions and the Defined Contribution Plan - for PERS and MUS-RP

The PCR was paid off effective March 2016 and the contributions of 2.37%, 0.47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

**Changes in Actuarial Assumptions and Methods**

Method and assumptions used in calculations of actuarially determined contributions

The following addition to the actuarial assumptions was adopted in 2014 based on implementation of GASB Statement No. 68:

Admin Expense as a % of Payroll	0.27%
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There were no changes following the 2013 Economic Experience study.

Notes to Required Supplementary Information (continued)

The following Actuarial Assumptions were adopted from the June 2010 Experience Study:

General Wage Growth *	4.00%
* Includes inflation at	3.00%
Merit increase	0% to 6.0%
Investment rate of return	7.75%, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

**Missoula County, Montana**  
**Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions**  
**Montana Sheriffs' Retirement System**  
**Schedule of Proportionate Share of Net Pension Liability**  
**For the Last Three Fiscal Years \***

	2017	2016	2015
County's proportionate share of net pension liability	\$ 18,961,826	\$ 10,084,703	\$ 4,297,968
County's proportionate share of net pension liability (as a percentage)	10.7935%	10.4614%	10.3274%
County's covered-employee payroll	\$ 7,619,504	\$ 7,118,535	\$ 6,679,020
County's proportionate share of net pension liability as a percentage of covered-employee payroll	248.8591%	141.6682%	64.3503%
Plan fiduciary net position as a percentage of total pension liability	63.0000%	75.4000%	87.2000%

\* The amounts presented above for each fiscal year were determined as of June 30th, the pension plan measurement date. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Pension Contributions**  
**For the Last Three Fiscal Years \*\***

Contractually required contributions	\$ 875,315	\$ 789,727	\$ 722,095
Contributions recognized by the plan	875,315	789,727	722,095
Contribution difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 8,653,636	\$ 7,619,504	\$ 7,118,535
Contributions recognized by the plan as a percentage of covered-employee payroll	10.1150%	10.3645%	10.1439%

\*\* The amounts presented above for each fiscal year were determined as of June 30th, the fiscal year end date. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Montana Sheriffs' Retirement System  
Notes to Required Supplementary Information

Change of Benefit Terms

The following changes to the plan provision were made as identified:

**2015 Legislative Changes** - none

**Changes in Actuarial Assumptions and Methods**

Method and assumptions used in calculations of actuarially determined contributions

The following change to the actuarial assumptions was adopted in 2016:

SRS Discount rate - used to measure the	5.93%, which is a blend of the assumed long-term expected rate of return of
TPL	7.75% on pension plan investments and a municipal bond index rate of 3.01%.

The following change to the actuarial assumptions was adopted in 2015:

SRS Discount rate - used to measure the	6.86%, which is a blend of the assumed long-term expected rate of return of
TPL	7.75% on pension plan investments and a municipal bond index rate of 3.80%.

The following additions were adopted in 2014 based on implementation of GASB Statement No. 68:

Admin Expense as % of Payroll	0.17%
SRS Discount rate - used to measure the	7.75%, which is the assumed long-term expected rate of return on pension plan
TPL	investments



Notes to Required Supplementary Information (continued)

The following change to the actuarial assumptions was adopted in 2015:

SRS Discount rate - used to measure the TPL	6.86%, which is a blend of the assumed long-term expected rate of return of 7.82% on pension plan investments and a municipal bond index rate of 4.27%.
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There were no changes following the 2013 Economic Experience study.

The following Actuarial Assumptions are from the June 2010 Experience Study:

General Wage Growth *	4.00%
* Includes inflation at	3.00%
Merit increase	0% to 7.3%
Investment rate of return	7.75%, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

**Missoula County, Montana**  
**Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions**  
**Montana Teachers' Retirement System**  
**Schedule of Proportionate Share of Net Pension Liability**  
**For the Last Three Fiscal Years \***

	2017	2016	2015
County's proportionate share of net pension liability	\$ 97,479	\$ 86,759	\$ 80,664
County's proportionate share of net pension liability (as a percentage)	0.0053%	0.0053%	0.0052%
State of Montana proportionate share of net pension liability associated with the County	66,896	65,520	57,909
Total	<u>\$ 164,375</u>	<u>\$ 152,279</u>	<u>\$ 138,573</u>
County's covered-employee payroll	\$ 69,260	\$ 67,394	\$ 66,101
County's proportionate share of net pension liability as a percentage of covered-employee payroll	140.7436%	128.7340%	122.0314%
Plan fiduciary net position as a percentage of total pension liability	66.6900%	69.3000%	70.3600%

\* The amounts presented above for each fiscal year were determined as of June 30th, the pension plan measurement date. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Pension Contributions**  
**For the Last Three Fiscal Years \*\***

Contractually required contributions	\$ 6,435	\$ 6,005	\$ 5,776
Contributions recognized by the plan	6,435	6,005	5,776
Contribution difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 73,369	\$ 69,260	\$ 67,394
Contributions recognized by the plan as a percentage of covered-employee payroll	8.7707%	8.6702%	8.5705%

\*\* The amounts presented above for each fiscal year were determined as of June 30th, the fiscal year end date. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Montana Teachers' Retirement System  
Notes to Required Supplementary Information

**Changes of Benefit Terms:**

The following changes to the plan provision were made as identified.

The 2013 Montana Legislature passed HB 377 which provides additional revenue and created a two tier benefit structure. A Tier One Member is a person who first became a member before July 1, 2013 and has not withdrawn their member's account balance. A Tier Two Member is a person who first becomes a member on or after July 1, 2013 or after withdrawing their member's account balance, becomes a member again on or after July 1, 2013.

The GABA for Tier One Members has been set at 1.5% GABA regardless of the funding condition of the System.

The second tier budget structure for members hired on or after July 1, 2013 is as follows:

1. **Final Average Compensation:** average of earned compensation paid in five consecutive years of full-time service that yields the highest average
2. **Service Retirement:** eligible to receive a service retirement benefit if the member has been credited with at least five full years of creditable service and has attained the age of 60; or has been credited with 30 or more years of full-time or part-time creditable service and has attained age 55
3. **Early Retirement:** eligible to receive an early retirement allowance if a member is not eligible for service retirement but has at least five years of creditable service and attained age 55
4. **Professional Retirement Option:** if the member has been credited with 30 or more years of service and has attained the age of 60, they are eligible for an enhanced allowance equal to 1.85% of average final compensation times all service at retirement. Otherwise, the multiplier used to calculate the retirement allowance will be equal to 1.67%
5. **Annual Contribution:** 8.15% of member's earned compensation
6. **Supplemental Contribution Rate:** on or after July 1, 2023, the TRS Board may require a supplemental contribution up to 0.5% if the following three conditions are met:
  - a. The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
  - b. The period necessary to amortize all System liabilities based on the latest annual actuarial valuation is greater than 20 years;

Notes to Required Supplementary Information (continued)

- c. A State or employer contribution rate increase or a flat dollar contribution to the Retirement System Trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the TRS Board.
- 7. **Disability Retirement:** a member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination
- 8. **Guaranteed Annual Benefit Adjustment (GABA):** if the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.50%, as set by the TRS Board.

HB 377 increased revenue from the members, employers and the State as follows:

- \* Annual State contribution equal to \$25 million paid to the System in monthly installments.
- \* One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was \$22 million in fiscal year 2014.
- \* 1% supplemental employer contribution. This will increase the current employer rates:
  - School District contributions will increase from 7.47% to 8.47%.
  - The Montana University System and State Agencies will increase from 9.85% to 10.85%.
  - The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 through fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- \* Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- \* Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.

**Changes in actuarial assumptions and other inputs:**

The following changes to the actuarial assumptions were adopted in 2016:

- \* The normal cost method has been updated to align the calculation of the projected compensation and the total present value of plan benefits so that the normal cost rate reflects the most appropriate allocation of plan costs over future compensation.

The following changes to the actuarial assumptions were adopted in 2015:

- \* Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three year COLA deferral period for Tier 2 Members.
- \* The 0.63% load applied to the projected retirement benefits of the university members "to account for larger than average annual compensation increases observed in the years immediately preceding retirement" is not applied to benefits expected to be paid to university members on account of death, disability and termination prior to retirement eligibility.
- \* The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- \* The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again, when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to "retain membership in the System" are covered by the \$500 death benefit after termination.

The following changes to the actuarial assumptions were adopted in 2014:

- \* Assumed rate of inflation was reduced from 3.50% to 3.25%.
- \* Payroll Growth Assumption was reduced from 4.50% to 4.00%.
- \* Assumed real wage growth was reduced from 1.00% to 0.75%.
- \* Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.

## Notes to Required Supplementary Information (continued)

- \* Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.

For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.

- \* Mortality among disables members was updated to the following:

For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.

For Females: RP Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

### Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	24 years
Asset valuation method	4-year smoothed market
Inflation	3.25%
Salary increase	4.00 to 8.51%, including inflation for Non-University Members and 5.00% for University Members
Investment rate of return	7.75%, net of pension plan investment expense and including inflation

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## **REQUIRED SUPPLEMENTARY INFORMATION**

### **GENERAL FUND - Budget to Actual**

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

**Communications and Projects** – To account for the budget of the Communications and Projects department.

**Justice Courts** – To account for the budgets of the Justices of the Peace.

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

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

**Clerk & Recorder** – To account for the budget of the Clerk & Recorder Office.

**Elections** – To account for the budget of the Elections Office.

**Treasurers** – To account for the budget of the Treasurers Office.

**Records Managment** – To account for the budget of the Records Management Center.

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

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

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

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

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

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

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

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

**GIS** - To account for the budget of the Geographic Information Systems department.

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

### **MAJOR SPECIAL REVENUE FUNDS - Budget to Actual**

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



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**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 1 of 10)**

	Commissioners				Communications and Projects			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	7,575	7,575	1,715	(5,860)	-	-	30,303	30,303
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>7,575</u>	<u>7,575</u>	<u>1,715</u>	<u>(5,860)</u>	<u>-</u>	<u>-</u>	<u>30,303</u>	<u>30,303</u>
Expenditures:								
Current Operations:								
Personnel	648,369	648,369	637,670	10,699	338,306	338,306	287,736	50,570
Operations	27,100	27,100	19,346	7,754	5,220	5,220	2,378	2,842
Capital Outlay	2,000	2,000	1,897	103	1,400	1,400	165	1,235
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>677,469</u>	<u>677,469</u>	<u>658,913</u>	<u>18,556</u>	<u>344,926</u>	<u>344,926</u>	<u>290,279</u>	<u>54,647</u>
Excess of Revenues over (under) Expenditures	(669,894)	(669,894)	(657,198)	12,696	(344,926)	(344,926)	(259,976)	84,950
Other Financing Sources (Uses):								
Transfers In	12,000	12,000	12,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (657,894)</u>	<u>\$ (657,894)</u>	<u>\$ (645,198)</u>	<u>\$ 12,696</u>	<u>\$ (344,926)</u>	<u>\$ (344,926)</u>	<u>\$ (259,976)</u>	<u>\$ 84,950</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 2 of 10)**

	<b>Justice Courts</b>				<b>Attorney</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	82,000	82,000	70,918	(11,082)
Charges for Services	1,340	1,340	1,325	(15)	115,500	115,500	127,964	12,464
Fines & Forfeitures	515,800	515,800	521,373	5,573	92,500	92,500	75,162	(17,338)
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	24,000	24,000	15,201	(8,799)	-	-	-	-
Total Revenues	<u>541,140</u>	<u>541,140</u>	<u>537,899</u>	<u>(3,241)</u>	<u>290,000</u>	<u>290,000</u>	<u>274,044</u>	<u>(15,956)</u>
Expenditures:								
Current Operations:								
Personnel	811,995	811,995	768,380	43,615	3,089,523	3,120,494	3,046,370	74,124
Operations	62,200	62,200	33,542	28,658	85,432	111,457	110,438	1,019
Capital Outlay	2,000	2,000	1,000	1,000	8,000	24,000	17,813	6,187
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>876,195</u>	<u>876,195</u>	<u>802,922</u>	<u>73,273</u>	<u>3,182,955</u>	<u>3,255,951</u>	<u>3,174,621</u>	<u>81,330</u>
Excess of Revenues over (under) Expenditures	(335,055)	(335,055)	(265,023)	70,032	(2,892,955)	(2,965,951)	(2,900,577)	65,374
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	156,348	156,348	134,721	(21,627)
Transfers Out	-	-	-	-	(33,157)	(38,895)	(38,895)	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (335,055)</u>	<u>\$ (335,055)</u>	<u>\$ (265,023)</u>	<u>\$ 70,032</u>	<u>\$ (2,769,764)</u>	<u>\$ (2,848,498)</u>	<u>\$ (2,804,751)</u>	<u>\$ 43,747</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 3 of 10)**

	<b>Financial Services</b>				<b>Clerk &amp; Recorder</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	60,000	60,000	51,542	(8,458)	685,600	685,600	753,292	67,692
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	6	6	(225)	(225)	33	258
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>51,548</u>	<u>(8,452)</u>	<u>685,375</u>	<u>685,375</u>	<u>753,325</u>	<u>67,950</u>
Expenditures:								
Current Operations:								
Personnel	898,416	896,141	886,541	9,600	293,218	293,218	292,764	454
Operations	169,020	162,250	147,218	15,032	221,744	221,744	63,387	158,357
Capital Outlay	8,000	8,000	5,940	2,060	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,075,436</u>	<u>1,066,391</u>	<u>1,039,699</u>	<u>26,692</u>	<u>514,962</u>	<u>514,962</u>	<u>356,151</u>	<u>158,811</u>
Excess of Revenues over (under) Expenditures	(1,015,436)	(1,006,391)	(988,151)	18,240	170,413	170,413	397,174	226,761
Other Financing Sources (Uses):								
Transfers In	14,000	14,000	14,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,001,436)</u>	<u>\$ (992,391)</u>	<u>\$ (974,151)</u>	<u>\$ 18,240</u>	<u>\$ 170,413</u>	<u>\$ 170,413</u>	<u>\$ 397,174</u>	<u>\$ 226,761</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 4 of 10)**

	<b>Elections</b>				<b>Treasurers</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	28,540	28,540	23,253	(5,287)
Intergovernmental Revenue	-	-	-	-	60,000	60,000	26,700	(33,300)
Charges for Services	113,000	113,000	115,464	2,464	97,200	97,200	166,211	69,011
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	1,771	1,771
Total Revenues	<u>113,000</u>	<u>113,000</u>	<u>115,464</u>	<u>2,464</u>	<u>185,740</u>	<u>185,740</u>	<u>217,935</u>	<u>32,195</u>
Expenditures:								
Current Operations:								
Personnel	563,318	563,318	548,381	14,937	1,172,448	1,172,448	1,099,844	72,604
Operations	446,736	530,612	530,611	1	123,696	123,696	117,508	6,188
Capital Outlay	-	9,500	9,500	-	49,270	49,270	30,330	18,940
Debt Service								
Principal	30,902	30,902	-	30,902	-	-	-	-
Interest	3,233	3,233	-	3,233	-	-	-	-
Total Expenditures	<u>1,044,189</u>	<u>1,137,565</u>	<u>1,088,492</u>	<u>49,073</u>	<u>1,345,414</u>	<u>1,345,414</u>	<u>1,247,682</u>	<u>97,732</u>
Excess of Revenues over (under) Expenditures	(931,189)	(1,024,565)	(973,028)	51,537	(1,159,674)	(1,159,674)	(1,029,747)	129,927
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	324,408	324,408	-	(324,408)	50,000	50,000	-	(50,000)
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (606,781)</u>	<u>\$ (700,157)</u>	<u>\$ (973,028)</u>	<u>\$ (272,871)</u>	<u>\$ (1,109,674)</u>	<u>\$ (1,109,674)</u>	<u>\$ (1,029,747)</u>	<u>\$ 79,927</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
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	Records Management				Auditor			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	750	750	182	(568)	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>750</u>	<u>750</u>	<u>182</u>	<u>(568)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	264,909	265,108	265,107	1	167,292	169,567	169,565	2
Operations	13,350	13,151	10,941	2,210	56,365	63,135	63,133	2
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>278,259</u>	<u>278,259</u>	<u>276,048</u>	<u>2,211</u>	<u>223,657</u>	<u>232,702</u>	<u>232,698</u>	<u>4</u>
Excess of Revenues over (under) Expenditures	(277,509)	(277,509)	(275,866)	1,643	(223,657)	(232,702)	(232,698)	4
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (277,509)</u>	<u>\$ (277,509)</u>	<u>\$ (275,866)</u>	<u>\$ 1,643</u>	<u>\$ (223,657)</u>	<u>\$ (232,702)</u>	<u>\$ (232,698)</u>	<u>\$ 4</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 6 of 10)**

	<b>Facilities Management</b>				<b>Office of Emergency Services</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	176,250	176,250	91,233	(85,017)
Charges for Services	758,449	828,449	850,471	22,022	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	7,605	7,605
Total Revenues	<u>758,449</u>	<u>828,449</u>	<u>850,471</u>	<u>22,022</u>	<u>176,250</u>	<u>176,250</u>	<u>98,838</u>	<u>(77,412)</u>
Expenditures:								
Current Operations:								
Personnel	1,121,598	1,165,511	1,143,767	21,744	273,538	268,778	210,463	58,315
Operations	1,097,825	1,167,825	1,167,619	206	106,570	107,553	107,552	1
Capital Outlay	7,500	7,500	6,312	1,188	24,233	28,010	28,009	1
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,226,923</u>	<u>2,340,836</u>	<u>2,317,698</u>	<u>23,138</u>	<u>404,341</u>	<u>404,341</u>	<u>346,024</u>	<u>58,317</u>
Excess of Revenues over (under) Expenditures	(1,468,474)	(1,512,387)	(1,467,227)	45,160	(228,091)	(228,091)	(247,186)	(19,095)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,468,474)</u>	<u>\$ (1,512,387)</u>	<u>\$ (1,467,227)</u>	<u>\$ 45,160</u>	<u>\$ (228,091)</u>	<u>\$ (228,091)</u>	<u>\$ (247,186)</u>	<u>\$ (19,095)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>9-1-1 Communications</b>				<b>Human Resources</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	300	300	1,145	845	30,000	30,000	25,553	(4,447)
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>300</u>	<u>300</u>	<u>1,145</u>	<u>845</u>	<u>30,000</u>	<u>30,000</u>	<u>25,553</u>	<u>(4,447)</u>
Expenditures:								
Current Operations:								
Personnel	2,187,340	2,187,340	2,034,853	152,487	550,444	550,444	513,896	36,548
Operations	456,150	383,384	327,542	55,842	192,584	192,584	173,406	19,178
Capital Outlay	89,178	160,358	160,358	-	1,500	1,500	515	985
Debt Service								
Principal	24,936	24,936	24,920	16	-	-	-	-
Interest	2,847	4,433	4,432	1	-	-	-	-
Total Expenditures	<u>2,760,451</u>	<u>2,760,451</u>	<u>2,552,105</u>	<u>208,346</u>	<u>744,528</u>	<u>744,528</u>	<u>687,817</u>	<u>56,711</u>
Excess of Revenues over (under) Expenditures	(2,760,151)	(2,760,151)	(2,550,960)	209,191	(714,528)	(714,528)	(662,264)	52,264
Other Financing Sources (Uses):								
Transfers In	706,950	706,950	561,426	(145,524)	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (2,053,201)</u>	<u>\$ (2,053,201)</u>	<u>\$ (1,989,534)</u>	<u>\$ 63,667</u>	<u>\$ (714,528)</u>	<u>\$ (714,528)</u>	<u>\$ (662,264)</u>	<u>\$ 52,264</u>



**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 8 of 10)**

	Central Services				Superintendent of Schools			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	425,000	425,000	357,772	(67,228)	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>425,000</u>	<u>425,000</u>	<u>357,772</u>	<u>(67,228)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	146,409	147,149	147,148	1
Operations	350,500	350,500	268,650	81,850	29,516	28,776	27,078	1,698
Capital Outlay	130,000	130,000	94,994	35,006	-	-	-	-
Debt Service								
Principal	28,270	28,270	28,263	7	-	-	-	-
Interest	1,680	1,680	1,672	8	-	-	-	-
Total Expenditures	<u>510,450</u>	<u>510,450</u>	<u>393,579</u>	<u>116,871</u>	<u>175,925</u>	<u>175,925</u>	<u>174,226</u>	<u>1,699</u>
Excess of Revenues over (under) Expenditures	(85,450)	(85,450)	(35,807)	49,643	(175,925)	(175,925)	(174,226)	1,699
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	130,000	130,000	-	(130,000)	-	-	-	-
Sale of Capital Assets	10,000	10,000	258	(9,742)	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 54,550</u>	<u>\$ 54,550</u>	<u>\$ (35,549)</u>	<u>\$ (90,099)</u>	<u>\$ (175,925)</u>	<u>\$ (175,925)</u>	<u>\$ (174,226)</u>	<u>\$ 1,699</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 9 of 10)**

	Surveyor				GIS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	22,000	27,318	27,476	158
Charges for Services	12,500	12,500	19,301	6,801	10,400	10,400	320	(10,080)
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	(15)	(15)	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>12,500</u>	<u>12,500</u>	<u>19,286</u>	<u>6,786</u>	<u>32,400</u>	<u>37,718</u>	<u>27,796</u>	<u>(9,922)</u>
Expenditures:								
Current Operations:								
Personnel	332,332	379,164	301,449	77,715	404,044	407,946	407,945	1
Operations	24,775	24,775	13,125	11,650	7,720	9,136	9,136	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>357,107</u>	<u>403,939</u>	<u>314,574</u>	<u>89,365</u>	<u>411,764</u>	<u>417,082</u>	<u>417,081</u>	<u>1</u>
Excess of Revenues over (under) Expenditures	(344,607)	(391,439)	(295,288)	96,151	(379,364)	(379,364)	(389,285)	(9,921)
Other Financing Sources (Uses):								
Transfers In	1,200	1,200	1,200	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (343,407)</u>	<u>\$ (390,239)</u>	<u>\$ (294,088)</u>	<u>\$ 96,151</u>	<u>\$ (379,364)</u>	<u>\$ (379,364)</u>	<u>\$ (389,285)</u>	<u>\$ (9,921)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**General Fund**  
**Budget and Actual**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Non-Departmental</b>				<b>Totals</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 11,014,153	\$ 11,014,153	\$ 10,899,389	\$ (114,764)	\$ 11,014,153	\$ 11,014,153	\$ 10,899,389	\$ (114,764)
License & Permits	-	-	-	-	28,540	28,540	23,253	(5,287)
Intergovernmental Revenue	2,969,994	2,969,994	3,903,330	933,336	3,317,819	3,323,137	4,151,675	828,538
Charges for Services	-	-	-	-	2,310,039	2,380,039	2,470,542	90,503
Fines & Forfeitures	-	-	-	-	608,300	608,300	596,535	(11,765)
Investment Earnings	55,000	55,000	171,588	116,588	55,000	55,000	171,573	116,573
Miscellaneous Revenues	12,250	12,250	11,457	(793)	36,025	36,025	36,073	48
Total Revenues	<u>14,051,397</u>	<u>14,051,397</u>	<u>14,985,764</u>	<u>934,367</u>	<u>17,369,876</u>	<u>17,445,194</u>	<u>18,349,040</u>	<u>903,846</u>
Expenditures:								
Current Operations:								
Personnel	-	7,500	7,500	-	13,263,499	13,392,796	12,769,379	623,417
Operations	773,625	738,023	675,440	62,583	4,250,128	4,323,121	3,868,050	455,071
Capital Outlay	9,000	10,165	10,165	-	332,081	433,703	366,998	66,705
Debt Service								
Principal	-	9,589	9,589	-	84,108	93,697	62,772	30,925
Interest	-	7,527	7,527	-	7,760	16,873	13,631	3,242
Total Expenditures	<u>782,625</u>	<u>772,804</u>	<u>710,221</u>	<u>62,583</u>	<u>17,937,576</u>	<u>18,260,190</u>	<u>17,080,830</u>	<u>1,179,360</u>
Excess of Revenues over (under) Expenditures	13,268,772	13,278,593	14,275,543	996,950	(567,700)	(814,996)	1,268,210	2,083,206
Other Financing Sources (Uses):								
Transfers In	786,435	786,435	763,873	(22,562)	1,676,933	1,676,933	1,487,220	(189,713)
Transfers Out	(1,610,435)	(1,663,756)	(1,663,755)	1	(1,643,592)	(1,702,651)	(1,702,650)	1
Issuance of Debt	-	-	-	-	504,408	504,408	-	(504,408)
Sale of Capital Assets	-	-	-	-	10,000	10,000	258	(9,742)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 12,444,772</u>	<u>\$ 12,401,272</u>	<u>\$ 13,375,661</u>	<u>\$ 974,389</u>	<u>\$ (19,951)</u>	<u>\$ (326,306)</u>	<u>\$ 1,053,038</u>	<u>\$ 1,379,344</u>

**MISSOULA COUNTY, MONTANA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Budgeted Major Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**

	<b>Public Safety</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:				
Property Taxes	\$ 12,212,337	\$ 12,328,837	\$ 12,014,522	\$ (314,315)
License & Permits	40,000	45,000	47,063	2,063
Intergovernmental Revenue	578,311	682,311	690,872	8,561
Charges for Services	6,605,259	6,663,924	8,387,737	1,723,813
Fines & Forfeitures	36,000	36,000	37,790	1,790
Investment Earnings	2,336	2,336	5,326	2,990
Miscellaneous Revenues	<u>680,600</u>	<u>714,100</u>	<u>831,543</u>	<u>117,443</u>
Total Revenues	<u>20,154,843</u>	<u>20,472,508</u>	<u>22,014,853</u>	<u>1,542,345</u>
Expenditures:				
Current Operations:				
Personnel	13,978,853	14,521,343	14,521,342	1
Operations	5,823,150	6,008,076	5,511,573	496,503
Capital Outlay	329,138	320,438	312,841	7,597
Debt Service:				
Principal	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>20,131,141</u>	<u>20,849,857</u>	<u>20,345,756</u>	<u>504,101</u>
Excess of Revenues over (under) Expenditures	23,702	(377,349)	1,669,097	2,046,446
Other Financing Sources (Uses):				
Transfers In	1,289,559	1,114,559	1,097,432	(17,127)
Transfers Out	(1,430,552)	(1,578,828)	(1,433,206)	145,622
Issuance of Debt	-	-	-	-
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (117,291)</u>	<u>\$ (841,618)</u>	<u>\$ 1,333,323</u>	<u>\$ 2,174,941</u>

## MISSOULA COUNTY, MONTANA

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

#### Budget and Actual

June 30, 2017

#### **Note 1 - Basis of Presentation**

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

## **MAJOR FUNDS OTHER THAN SPECIAL REVENUE - Budget to Actual**

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

**Fort Missoula Regional Park Construction** – To account for the budget of the construction of Fort Missoula Regional Park as well as other parks and trails projects covered by the issuance of the 2016 Parks & Trails General Obligation bonds.

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**MISSOULA COUNTY, MONTANA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Budgeted Major Governmental Funds Other Than Special Revenue**  
**For Fiscal Year Ended June 30, 2017**

	<b>RSID Debt Service</b>				<b>Fort Missoula Regional Park Construction</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 1,123,369	1,123,719	1,185,266	\$ 61,547	\$ -	\$ -	\$ -	\$ -
License & Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>1,123,369</u>	<u>1,123,719</u>	<u>1,185,266</u>	<u>61,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	17,522,853	17,522,852	1
Debt Service:								
Principal	776,860	776,860	776,860	-	-	-	-	-
Interest & Fiscal Charges	415,420	415,554	414,239	1,315	-	-	-	-
Total Expenditures	<u>1,192,280</u>	<u>1,192,414</u>	<u>1,191,099</u>	<u>1,315</u>	<u>-</u>	<u>17,522,853</u>	<u>17,522,852</u>	<u>1</u>
Excess of Revenues over (under) Expenditures	(68,911)	(68,695)	(5,833)	62,862	-	(17,522,853)	(17,522,852)	1
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(8,679)	(11,546)	(2,866)	8,680	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (77,590)</u>	<u>\$ (80,241)</u>	<u>\$ (8,699)</u>	<u>\$ 71,542</u>	<u>\$ -</u>	<u>\$ (17,522,853)</u>	<u>\$ (17,522,852)</u>	<u>\$ 1</u>



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## **NON-MAJOR FUNDS**

**Special Revenue Funds** – to account for revenues which are legally restricted to specific uses.

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

**Community Assistance** – To account for taxes and other revenues to assist community organizations that provide services to meet basic human needs.

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

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

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

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

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

**Parks** – To account for revenues to support operations of the Parks & Trails Department.

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

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

**Grants** – To account for revenues used by the Grants Office.

**Substance Abuse Prevention** – To account for revenues used by the Substance Abuse Prevention Office.

**Relationship Violence Services Division** – To account for revenues used by the Relationship Violence Services Division.

**Community and Planning Services** – To account for revenues used by the Community and Planning Services Office.

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

**Health** – To account for revenues restricted to use in programs related to public health.

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

**Animal Control** – To account for revenues to support Animal Control programs.

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

**Extension Grants** – To account for grants and donations revenues received by the County Extension Service.

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

**MDA Technology Tax Increment District** – To account for tax increment revenues from the Missoula Development Authority Technology Tax Increment District.

**Bonner Millsite Tax Increment District** – To account for tax increment revenues from the Bonner Millsite Tax Increment District.

**Bonner West Log Yard Targeted Economic Development District** – To account for tax increment revenues from the Bonner West Log Yard Targeted Economic Development District.

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

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

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

**Caremark Rx** – To account for revenues related to the County-wide prescription card program.

**Missoula and Seeley Lake Search & Rescue funds** – To account for revenues used in the Search & Rescue Programs in Missoula and Seeley Lake.

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

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

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

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

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

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

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

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

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

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

Seeley Lake Stove	Big Sky Trust	Friends of the Library
Friends of the Historical Museum	Open Space	Other Special Revenue Funds

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

**Jail Bond Fund** – To account for principal and interest payments for the 2012 general obligation refunding bond issue for jail construction.

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

**Health Center** – To account for principal and interest payments for the 2009 and 2012A limited general obligation bond issues as well as the 2012A limited obligation refunding bonds for the Partnership Health Clinic building.

**Fair Ice Rink** – To account for principal and interest payments for the 2006 limited general obligation and 2012A limited obligation refunding bond issues for the ice facilities at the Western Montana Fairgrounds.

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

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

**2017 LTGO Bonds** – To account for principal and interest payments for the 2017 limited obligation bonds.

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

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

**Capital Improvement Debt Service** – To account for principal and interest payments for the 2012B limited obligation bonds.

**Parks & Trails Bond Fund** – To account for principal and interest payments for the 2016 general obligation bonds.

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

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

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

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

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

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

**Fair Projects** – To account for bond proceeds and other revenues used for construction projects at the Western Montana Fair.

**Park Construction Reserve** – To account for revenues used in on community parks and trails projects.

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

**Courthouse Reconstruction** – To account for bond proceeds and other revenues used for phase one of the Courthouse Reconstruction.

**Courthouse Reconstruction Phases 2-5** – To account for bond proceeds and other revenues used for phases 2-5 of the Courthouse Reconstruction.

**Relationship Violence Services Division (RVSD) Construction** – To account for bond proceeds and other revenues used for the RVSD Building Construction.

**Library Bond Construction** – To account for bond proceeds and other revenues used for the construction of a new library building.

**2017 LTGO Bond Construction** – To account for bond proceeds used for part of phase 5 of the Courthouse Reconstruction project.

**Alder Street Acquisition** – To account for bond proceeds used for to purchase property for future space needs.

**Historical Museum Capital Campaign** – To account for donations and other revenues used for renovations of the T-1 Building.

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

Library	Health	Water Quality District
Weed/Extension Building	Bridge	Road
Missoula and Search & Rescue	Seeley Lake Search & Rescue	Administration Building

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
**(Page 1 of 9)**

	<b>Special Revenue</b>									
	Road	Community Assistance Fund	Bridge	Weed	Weed Grant	Fair	District Court	Parks	Library	Planning
<b>Assets:</b>										
Cash & Cash Equivalents	\$ 22,431	\$ 1,806	\$ 20,038	\$ 2,212	\$ 2,989	\$ -	\$ 6,410	\$ 5,139	\$ 5,746	\$ 596
Cash with Fiscal Agents	-	-	-	-	-	7,980	-	-	-	-
Investments	1,534,423	123,574	1,370,762	151,359	204,476	-	438,506	351,559	393,119	40,767
Property Taxes Receivable (net)	134,936	45,590	51,921	30,735	-	23,941	34,486	22,519	128,023	35,881
Accounts Receivable	9,947	-	1,128	-	47,461	37,650	11,768	-	-	-
Interest Receivable	-	-	-	-	-	47	-	-	-	-
Inventory	1,486,888	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 3,188,625</u>	<u>\$ 170,970</u>	<u>\$ 1,443,849</u>	<u>\$ 184,306</u>	<u>\$ 254,926</u>	<u>\$ 69,618</u>	<u>\$ 491,170</u>	<u>\$ 379,217</u>	<u>\$ 526,888</u>	<u>\$ 77,244</u>
<b>Liabilities:</b>										
Accounts & Warrants Payable	\$ 492,960	\$ 65,281	\$ 5,448	\$ 3,455	\$ 54,166	\$ 24,337	\$ 6,746	\$ 53,451	\$ 17,176	\$ 29,685
Accrued Interest Payable	-	-	-	-	-	980	-	-	-	-
Accrued Payroll	84,421	-	28,110	32,162	-	20,027	37,386	11,168	75,153	-
Due to Other Funds	-	-	-	-	-	23,398	-	-	-	-
Total Liabilities	<u>577,381</u>	<u>65,281</u>	<u>33,558</u>	<u>35,617</u>	<u>54,166</u>	<u>68,742</u>	<u>44,132</u>	<u>64,619</u>	<u>92,329</u>	<u>29,685</u>
<b>Deferred Inflows</b>										
Deferred Taxes and Assessments	134,936	45,590	51,921	30,735	-	23,941	34,486	22,519	128,023	35,881
Other Deferred Receipts	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows	<u>134,936</u>	<u>45,590</u>	<u>51,921</u>	<u>30,735</u>	<u>-</u>	<u>23,941</u>	<u>34,486</u>	<u>22,519</u>	<u>128,023</u>	<u>35,881</u>
<b>Fund Balance:</b>										
Nonspendable	1,486,888	-	-	-	-	-	-	-	-	-
Restricted	989,420	60,099	1,358,370	117,954	200,760	-	412,552	292,079	306,536	11,678
Unassigned	-	-	-	-	-	(23,065)	-	-	-	-
Total Fund Balance	<u>2,476,308</u>	<u>60,099</u>	<u>1,358,370</u>	<u>117,954</u>	<u>200,760</u>	<u>(23,065)</u>	<u>412,552</u>	<u>292,079</u>	<u>306,536</u>	<u>11,678</u>
Total Liabilities and Fund Balance	<u>\$ 3,188,625</u>	<u>\$ 170,970</u>	<u>\$ 1,443,849</u>	<u>\$ 184,306</u>	<u>\$ 254,926</u>	<u>\$ 69,618</u>	<u>\$ 491,170</u>	<u>\$ 379,217</u>	<u>\$ 526,888</u>	<u>\$ 77,244</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
**(Page 2 of 9)**

	<b>Special Revenue</b>									
	Grants	Substance Abuse Prevention	Relationship Violence Services	Community & Planning Services	Building Code Division	Health	Water Quality District	Animal Control	Extension	Extension Grant
<b>Assets:</b>										
Cash & Cash Equivalents	\$ -	\$ 949	\$ -	\$ 7,075	\$ 9,713	\$ 23,309	\$ 3,078	\$ 3,365	\$ 1,127	\$ 414
Investments	-	64,924	-	483,982	664,433	1,594,483	210,547	230,202	77,117	28,351
Property Taxes Receivable (net)	21,786	19,347	-	28,890	-	50,276	35,062	8,748	23,655	-
Accounts Receivable	117,718	42,191	153,073	8,845	-	314,338	6,250	-	9,372	-
Interest Receivable	-	-	-	21	-	-	-	-	-	-
Total Assets	<u>\$ 139,504</u>	<u>\$ 127,411</u>	<u>\$ 153,073</u>	<u>\$ 528,813</u>	<u>\$ 674,146</u>	<u>\$ 1,982,406</u>	<u>\$ 254,937</u>	<u>\$ 242,315</u>	<u>\$ 111,271</u>	<u>\$ 28,765</u>
<b>Liabilities:</b>										
Accounts & Warrants Payable	\$ 108,232	\$ 54,302	\$ 17,099	\$ 7,173	\$ 5,499	\$ 97,349	\$ 4,179	\$ 13,556	\$ 3,904	\$ 145
Accrued Interest Payable	-	-	5,096	-	-	-	-	-	-	-
Accrued Payroll	32,551	8,932	27,084	36,556	19,454	170,434	13,939	21,138	9,339	-
Due to Other Funds	14,208	-	92,419	-	-	-	-	-	-	-
Total Liabilities	<u>154,991</u>	<u>63,234</u>	<u>141,698</u>	<u>43,729</u>	<u>24,953</u>	<u>267,783</u>	<u>18,118</u>	<u>34,694</u>	<u>13,243</u>	<u>145</u>
<b>Deferred Inflows</b>										
Deferred Taxes and Assessments	21,786	19,347	-	28,890	-	50,276	35,062	8,748	23,655	-
Total Deferred Inflows	<u>21,786</u>	<u>19,347</u>	<u>-</u>	<u>28,890</u>	<u>-</u>	<u>50,276</u>	<u>35,062</u>	<u>8,748</u>	<u>23,655</u>	<u>-</u>
<b>Fund Balance:</b>										
Restricted	-	44,830	11,375	-	649,193	1,664,347	201,757	-	74,373	-
Committed	-	-	-	456,194	-	-	-	198,873	-	28,620
Unassigned	(37,273)	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>(37,273)</u>	<u>44,830</u>	<u>11,375</u>	<u>456,194</u>	<u>649,193</u>	<u>1,664,347</u>	<u>201,757</u>	<u>198,873</u>	<u>74,373</u>	<u>28,620</u>
Total Liabilities and Fund Balance	<u>\$ 139,504</u>	<u>\$ 127,411</u>	<u>\$ 153,073</u>	<u>\$ 528,813</u>	<u>\$ 674,146</u>	<u>\$ 1,982,406</u>	<u>\$ 254,937</u>	<u>\$ 242,315</u>	<u>\$ 111,271</u>	<u>\$ 28,765</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
**(Page 3 of 9)**

	<b>Special Revenue</b>									
	MDA Airport Industrial District	MDA Technology District	Bonner Millsite Tax Increment District	Bonner West Log Yard TEDD	Drug Forfeiture	Youth Education & Safety	Historical Museum	Caremark NACo Rx	Missoula Search & Rescue	Seeley Lake Search & Rescue
<b>Assets:</b>										
Cash & Cash Equivalents	\$ 36,813	\$ 7,961	\$ 3,988	\$ 2,494	\$ 2,298	\$ 8	\$ 3,364	\$ -	\$ 1,069	\$ 572
Cash with Fiscal Agents	504,700	-	-	-	-	-	-	-	-	-
Investments	2,518,337	544,572	272,782	170,587	157,175	564	230,071	-	73,137	39,099
Investment in Land Held for Resale	820,972	3,044,156	-	-	-	-	-	-	-	-
Property Taxes Receivable (net)	103,843	47,685	34,299	-	-	-	24,616	-	2,751	1,477
Accounts Receivable	-	-	-	-	4,026	-	-	242	-	-
Interest Receivable	4,636	318	-	-	187	-	-	-	-	-
Loans & Notes Receivable (net)	515,788	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	44,865	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,505,089</b>	<b>\$ 3,689,557</b>	<b>\$ 311,069</b>	<b>\$ 173,081</b>	<b>\$ 163,686</b>	<b>\$ 572</b>	<b>\$ 258,051</b>	<b>\$ 242</b>	<b>\$ 76,957</b>	<b>\$ 41,148</b>
<b>Liabilities:</b>										
Accounts & Warrants Payable	\$ 937	\$ 546	\$ -	\$ -	\$ -	\$ -	\$ 9,045	\$ -	\$ 621	\$ 528
Accrued Interest Payable	19,700	-	-	-	-	-	-	-	-	-
Accrued Payroll	2,478	2,035	248	248	8,502	-	14,133	-	-	-
<b>Total Liabilities</b>	<b>23,115</b>	<b>2,581</b>	<b>248</b>	<b>248</b>	<b>8,502</b>	<b>-</b>	<b>23,178</b>	<b>-</b>	<b>621</b>	<b>528</b>
<b>Deferred Inflows</b>										
Deferred Taxes and Assessments	103,843	47,685	34,299	-	-	-	24,616	-	2,751	1,477
Other Deferred Receipts	515,788	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>619,631</b>	<b>47,685</b>	<b>34,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,616</b>	<b>-</b>	<b>2,751</b>	<b>1,477</b>
<b>Fund Balance:</b>										
Restricted	2,766,181	421,038	276,522	172,833	155,184	572	210,257	-	73,585	39,143
Committed	1,096,162	3,218,253	-	-	-	-	-	242	-	-
<b>Total Fund Balance</b>	<b>3,862,343</b>	<b>3,639,291</b>	<b>276,522</b>	<b>172,833</b>	<b>155,184</b>	<b>572</b>	<b>210,257</b>	<b>242</b>	<b>73,585</b>	<b>39,143</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,505,089</b>	<b>\$ 3,689,557</b>	<b>\$ 311,069</b>	<b>\$ 173,081</b>	<b>\$ 163,686</b>	<b>\$ 572</b>	<b>\$ 258,051</b>	<b>\$ 242</b>	<b>\$ 76,957</b>	<b>\$ 41,148</b>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
**(Page 4 of 9)**

	<b>Special Revenue</b>									
	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse	9-1-1 Trust	Seeley Lake Stove Project
Assets:										
Cash & Cash Equivalents	\$ -	\$ 1,991	\$ 528	\$ 1,052	\$ 10,981	\$ 5,504	\$ -	\$ 2,246	\$ 14,727	\$ 905
Investments	-	136,207	36,116	71,976	751,164	376,559	-	153,622	1,007,427	61,909
Property Taxes Receivable (net)	11	-	-	-	-	44,655	94,982	44,161	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	295,737	-
Interest Receivable	-	-	-	-	727	-	-	155	1,103	-
Loans & Notes Receivable	-	-	-	-	578,592	-	-	-	-	-
Total Assets	<u>\$ 11</u>	<u>\$ 138,198</u>	<u>\$ 36,644</u>	<u>\$ 73,028</u>	<u>\$ 1,341,464</u>	<u>\$ 426,718</u>	<u>\$ 94,982</u>	<u>\$ 200,184</u>	<u>\$ 1,318,994</u>	<u>\$ 62,814</u>
Liabilities:										
Accounts & Warrants Payable	\$ 432	\$ 2,135	\$ -	\$ -	\$ 200,000	\$ 254,544	\$ -	\$ 13,717	\$ -	\$ -
Accrued Payroll	-	2,227	-	2,183	-	-	-	56	-	-
Due to Other Funds	1,340	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>1,772</u>	<u>4,362</u>	<u>-</u>	<u>2,183</u>	<u>200,000</u>	<u>254,544</u>	<u>-</u>	<u>13,773</u>	<u>-</u>	<u>-</u>
Deferred Inflows										
Deferred Taxes and Assessments	11	-	-	-	-	44,655	94,982	44,161	-	-
Other Deferred Receipts	-	-	-	-	578,592	-	-	-	-	-
Total Deferred Inflows	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,592</u>	<u>44,655</u>	<u>94,982</u>	<u>44,161</u>	<u>-</u>	<u>-</u>
Fund Balance:										
Restricted	-	133,836	36,644	-	562,872	127,519	-	-	1,318,994	62,814
Committed	-	-	-	70,845	-	-	-	142,250	-	-
Unassigned	(1,772)	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>(1,772)</u>	<u>133,836</u>	<u>36,644</u>	<u>70,845</u>	<u>562,872</u>	<u>127,519</u>	<u>-</u>	<u>142,250</u>	<u>1,318,994</u>	<u>62,814</u>
Total Liabilities and Fund Balance	<u>\$ 11</u>	<u>\$ 138,198</u>	<u>\$ 36,644</u>	<u>\$ 73,028</u>	<u>\$ 1,341,464</u>	<u>\$ 426,718</u>	<u>\$ 94,982</u>	<u>\$ 200,184</u>	<u>\$ 1,318,994</u>	<u>\$ 62,814</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
**(Page 5 of 9)**

	<b>Special Revenue</b>				<b>Debt Service</b>				
	Friends of the Library	Friends of Historical Museum	Open Space	Other Special Revenue	Jail Bond	Health Center 2012 Refi	Risk Management	Fair Ice Rink Series 2012 Refinance	Fair Ice Rink Series 2006
<b>Assets:</b>									
Cash & Cash Equivalents	\$ 522	\$ 1,264	\$ 1	\$ 503	\$ -	\$ -	\$ 1	\$ -	\$ -
Cash with Fiscal Agents	-	-	-	-	1,239,600	35,540	-	65,365	50,039
Investments	35,715	86,484	32	34,397	-	-	41	-	-
Property Taxes Receivable (net)	-	-	-	2	51,760	-	188	-	-
Interest Receivable	33	87	-	34	-	-	-	-	-
Advances to Component Units	-	-	-	-	-	75,000	-	-	-
Total Assets	<u>\$ 36,270</u>	<u>\$ 87,835</u>	<u>\$ 33</u>	<u>\$ 34,936</u>	<u>\$ 1,291,360</u>	<u>\$ 110,540</u>	<u>\$ 230</u>	<u>\$ 65,365</u>	<u>\$ 50,039</u>
<b>Liabilities:</b>									
Accounts & Warrants Payable	\$ 835	\$ 2,282	\$ -	\$ 754	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	24,600	540	-	5,365	10,038
Due to Other Funds	-	-	-	-	478,568	26,542	-	90,466	42,771
Total Liabilities	<u>835</u>	<u>2,282</u>	<u>-</u>	<u>754</u>	<u>503,168</u>	<u>27,082</u>	<u>-</u>	<u>95,831</u>	<u>52,809</u>
<b>Deferred Inflows</b>									
Deferred Taxes and Assessments	-	-	-	2	51,760	-	188	-	-
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>51,760</u>	<u>-</u>	<u>188</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>									
Restricted	-	-	-	-	736,432	-	42	-	-
Committed	35,435	85,553	33	34,180	-	83,458	-	-	-
Unassigned	-	-	-	-	-	-	-	(30,466)	(2,770)
Total Fund Balance	<u>35,435</u>	<u>85,553</u>	<u>33</u>	<u>34,180</u>	<u>736,432</u>	<u>83,458</u>	<u>42</u>	<u>(30,466)</u>	<u>(2,770)</u>
Total Liabilities and Fund Balance	<u>\$ 36,270</u>	<u>\$ 87,835</u>	<u>\$ 33</u>	<u>\$ 34,936</u>	<u>\$ 1,291,360</u>	<u>\$ 110,540</u>	<u>\$ 230</u>	<u>\$ 65,365</u>	<u>\$ 50,039</u>



**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
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	Debt Service								
	Technology Tax Increment Bonds	Open Space Bonds	Health Center 2009	Health Center 2012	2017 LTGO	Larchmont Bonds	RSID Revolving	Capital Improvement Debt Service	Parks & Trails Bonds
Assets:									
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,240	\$ -	\$ -
Cash with Fiscal Agents	77,565	564,947	123,624	19,310	-	59,156	-	618,386	1,812,438
Investments	-	-	-	-	-	-	700,498	-	-
Property Taxes Receivable (net)	-	28,115	-	-	-	-	-	-	87,973
Loans & Notes Receivable	-	-	-	-	-	-	96,502	-	-
Advances to Other Funds	-	-	-	-	-	795,000	8,124	-	-
Advances to Component Units	-	-	1,390,000	330,000	-	-	-	-	-
Total Assets	<u>\$ 77,565</u>	<u>\$ 593,062</u>	<u>\$ 1,513,624</u>	<u>\$ 349,310</u>	<u>\$ -</u>	<u>\$ 854,156</u>	<u>\$ 815,364</u>	<u>\$ 618,386</u>	<u>\$ 1,900,411</u>
Liabilities:									
Accrued Interest Payable	\$ 22,565	\$ 124,947	\$ 33,624	\$ 4,310	\$ 40,665	\$ 14,156	\$ -	\$ 137,001	\$ 752,437
Due to Other Funds	<u>44,865</u>	<u>359,052</u>	<u>123,174</u>	<u>12,538</u>	<u>-</u>	<u>59,156</u>	<u>-</u>	<u>618,386</u>	<u>92,118</u>
Total Liabilities	<u>67,430</u>	<u>483,999</u>	<u>156,798</u>	<u>16,848</u>	<u>40,665</u>	<u>73,312</u>	<u>-</u>	<u>755,387</u>	<u>844,555</u>
Deferred Inflows									
Deferred Taxes and Assessments	-	28,115	-	-	-	-	-	-	87,973
Other Deferred Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,502</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows	<u>-</u>	<u>28,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,502</u>	<u>-</u>	<u>87,973</u>
Fund Balance:									
Restricted	10,135	80,948	-	-	-	-	718,862	-	967,883
Committed	-	-	1,356,826	332,462	-	780,844	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,665)</u>	<u>-</u>	<u>-</u>	<u>(137,001)</u>	<u>-</u>
Total Fund Balance	<u>10,135</u>	<u>80,948</u>	<u>1,356,826</u>	<u>332,462</u>	<u>(40,665)</u>	<u>780,844</u>	<u>718,862</u>	<u>(137,001)</u>	<u>967,883</u>
Total Liabilities and Fund Balance	<u>\$ 77,565</u>	<u>\$ 593,062</u>	<u>\$ 1,513,624</u>	<u>\$ 349,310</u>	<u>\$ -</u>	<u>\$ 854,156</u>	<u>\$ 815,364</u>	<u>\$ 618,386</u>	<u>\$ 1,900,411</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
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	<b>Capital Projects</b>							
	<b>Capital Improvements</b>	<b>Technology</b>	<b>Milltown Historical Preservation</b>	<b>Open Space</b>	<b>Library Capital Reserve</b>	<b>Health Building Reserve</b>	<b>WQD Capital Reserve</b>	<b>Public Safety Capital Reserve</b>
Assets:								
Cash & Cash Equivalents	\$ -	\$ 8,174	\$ 1,501	\$ 26,909	\$ 924	\$ 6,736	\$ 1,354	\$ 168
Investments	-	559,182	102,676	1,840,759	63,215	460,800	92,605	11,449
Property Taxes Receivable (net)	50,894	48,296	-	-	-	-	-	-
Accounts Receivable	-	6,752	-	-	-	-	-	-
Interest Receivable	-	-	101	1,077	91	452	110	11
Loans & Notes Receivable	53,155	-	-	-	-	-	-	-
Due from Other Funds	302,035	-	-	359,052	-	-	-	-
Total Assets	<u>\$ 406,084</u>	<u>\$ 622,404</u>	<u>\$ 104,278</u>	<u>\$ 2,227,797</u>	<u>\$ 64,230</u>	<u>\$ 467,988</u>	<u>\$ 94,069</u>	<u>\$ 11,628</u>
Liabilities:								
Accounts & Warrants Payable	\$ 55,736	\$ 3,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>55,736</u>	<u>3,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows								
Deferred Taxes and Assessments	50,894	48,296	-	-	-	-	-	-
Total Deferred Inflows	<u>50,894</u>	<u>48,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:								
Restricted	-	570,240	-	2,227,797	-	-	-	-
Assigned	299,454	-	104,278	-	64,230	467,988	94,069	11,628
Total Fund Balance	<u>299,454</u>	<u>570,240</u>	<u>104,278</u>	<u>2,227,797</u>	<u>64,230</u>	<u>467,988</u>	<u>94,069</u>	<u>11,628</u>
Total Liabilities and Fund Balance	<u>\$ 406,084</u>	<u>\$ 622,404</u>	<u>\$ 104,278</u>	<u>\$ 2,227,797</u>	<u>\$ 64,230</u>	<u>\$ 467,988</u>	<u>\$ 94,069</u>	<u>\$ 11,628</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
**(Page 8 of 9)**

	Capital Projects							
	Fair Capital Projects	Park Construction Reserve	Weed/Ext Building Reserve	Bridge Reserve	Road Escrow	Missoula Search & Rescue Reserve	Seeley Lake Search & Rescue Reserve	Library Bond Construction
Assets:								
Cash & Cash Equivalents	\$ -	\$ 6,557	\$ 16,547	\$ 5,238	\$ 5,665	\$ 826	\$ 155	\$ 37,877
Investments	-	448,574	1,131,984	358,282	387,559	56,518	10,614	2,591,064
Accounts Receivable	-	48,197	-	-	-	-	-	-
Interest Receivable	-	300	1,111	-	380	55	10	-
Loans & Notes Receivable	61,000	-	-	-	-	-	-	-
Total Assets	<u>\$ 61,000</u>	<u>\$ 503,628</u>	<u>\$ 1,149,642</u>	<u>\$ 363,520</u>	<u>\$ 393,604</u>	<u>\$ 57,399</u>	<u>\$ 10,779</u>	<u>\$ 2,628,941</u>
Liabilities:								
Accounts & Warrants Payable	\$ -	\$ 24,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,036
Due to Other Funds	20,694	-	-	-	-	-	-	-
Total Liabilities	<u>20,694</u>	<u>24,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,036</u>
Deferred Inflows								
Other Deferred Receipts	<u>61,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows	<u>61,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:								
Restricted	-	-	-	-	-	-	-	2,387,905
Assigned	-	479,261	1,149,642	363,520	393,604	57,399	10,779	-
Unassigned	(20,694)	-	-	-	-	-	-	-
Total Fund Balance	<u>(20,694)</u>	<u>479,261</u>	<u>1,149,642</u>	<u>363,520</u>	<u>393,604</u>	<u>57,399</u>	<u>10,779</u>	<u>2,387,905</u>
Total Liabilities and Fund Balance	\$ 61,000	\$ 503,628	\$ 1,149,642	\$ 363,520	\$ 393,604	\$ 57,399	\$ 10,779	\$ 2,628,941

**MISSOULA COUNTY, MONTANA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
**(Page 9 of 9)**

	<b>Capital Projects</b>				<b>Total</b>
	Museum Capital Campaign	Courthouse Reconstruction	Courthouse Reconstruction Phase 2-5	2017 LTGO Construction	
Assets:					
Cash & Cash Equivalents	\$ 3,784	\$ -	\$ -	\$ 11,526	\$ 359,370
Cash with Fiscal Agents	-	-	-	-	5,178,650
Investments	258,853	-	-	788,474	24,583,663
Investment in Land Held for Resale	-	-	-	-	3,865,128
Property Taxes Receivable (net)	-	-	-	-	1,361,504
Accounts Receivable	-	92,488	-	-	1,207,183
Interest Receivable	-	-	-	-	11,046
Loans & Notes Receivable	-	-	-	-	1,305,037
Due from Other Funds	-	-	-	-	705,952
Advances to Other Funds	-	-	-	-	803,124
Advances to Component Units	-	-	-	-	1,795,000
Inventory	-	-	-	-	1,486,888
Total Assets	<u>\$ 262,637</u>	<u>\$ 92,488</u>	<u>\$ -</u>	<u>\$ 800,000</u>	<u>\$ 42,662,545</u>
Liabilities:					
Accounts & Warrants Payable	\$ -	\$ 336,806	\$ 68,347	\$ -	\$ 2,280,679
Accrued Interest Payable	-	-	-	-	1,196,024
Accrued Payroll	-	-	-	-	659,964
Due to Other Funds	-	1,146,399	935,579	-	4,181,673
Total Liabilities	<u>-</u>	<u>1,483,205</u>	<u>1,003,926</u>	<u>-</u>	<u>8,318,340</u>
Deferred Inflows					
Deferred Taxes and Assessments	-	-	-	-	1,361,504
Other Deferred Receipts	-	-	-	-	1,251,882
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,613,386</u>
Fund Balance:					
Nonspendable	-	-	-	-	1,486,888
Restricted	-	-	-	-	20,453,561
Committed	262,637	-	-	-	8,182,867
Assigned	-	-	-	800,000	4,295,852
Unassigned	-	(1,390,717)	(1,003,926)	-	(2,688,349)
Total Fund Balance	<u>262,637</u>	<u>(1,390,717)</u>	<u>(1,003,926)</u>	<u>800,000</u>	<u>31,730,819</u>
Total Liabilities and Fund Balance	<u>\$ 262,637</u>	<u>\$ 92,488</u>	<u>\$ -</u>	<u>\$ 800,000</u>	<u>\$ 42,662,545</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 1 of 9)**

	Special Revenue									
	Road	Community Assistance Fund	Bridge	Weed	Weed Grant	Fair	District Court	Parks	Library	Planning
Revenues:										
Property Taxes	\$ 2,286,128	\$ 801,171	\$ 953,394	\$ 574,819	\$ -	\$ 498,764	\$ 960,663	\$ 436,631	\$ 2,357,439	\$ 658,958
Licenses & Permits	23,255	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	3,181,976	183,485	666,120	53,541	307,040	15,181	86,077	14,725	280,276	92,561
Charges for Services	7,245	-	-	-	-	768,741	61,004	-	1,870	-
Fines & Forfeitures	-	-	-	-	-	-	903	-	72,308	-
Investment Earnings	-	-	-	1	-	3	-	-	-	-
Miscellaneous Revenues	15,282	-	-	201	-	940	425	2,217	23,047	-
Total Revenues	5,513,886	984,656	1,619,514	628,562	307,040	1,283,629	1,109,072	453,573	2,734,940	751,519
Expenditures:										
Current Operations:										
Criminal Justice	-	-	-	-	-	-	1,097,637	-	-	-
Public Works	3,898,213	-	926,158	574,982	262,612	-	-	-	-	-
Social & Economic Services	-	798,136	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	1,340,332	-	472,895	2,726,831	-
Housing & Community Development	-	-	-	-	-	-	-	-	-	329,685
Capital Outlay	1,667,356	-	520,592	17,606	-	535,448	-	-	241,456	-
Debt Service:										
Principal	254,372	-	-	-	-	12,000	-	-	-	-
Interest and Fiscal Charges	9,580	-	-	-	-	2,131	-	-	-	-
Total Expenditures	5,829,521	798,136	1,446,750	592,588	262,612	1,889,911	1,097,637	472,895	2,968,287	329,685
Excess of Revenues over (under) Expenditures	(315,635)	186,520	172,764	35,974	44,428	(606,282)	11,435	(19,322)	(233,347)	421,834
Other Financing Sources (uses):										
Transfers In	129,411	-	34,143	159,367	70,750	35,666	62,338	108,344	98,686	-
Transfers Out	(36,650)	(97,000)	(1,000)	(206,938)	(147,463)	(7,800)	(26,600)	(295,150)	-	(421,834)
Issuance of Debt	237,096	-	-	-	-	746,910	-	-	-	-
Net change in Fund Balance	14,222	89,520	205,907	(11,597)	(32,285)	168,494	47,173	(206,128)	(134,661)	-
Fund Balance - Beginning of Year	2,426,571	(29,421)	1,152,463	129,551	233,045	(191,559)	365,379	498,207	441,197	11,678
Change in Inventory Reserves	35,515	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ 2,476,308	\$ 60,099	\$ 1,358,370	\$ 117,954	\$ 200,760	\$ (23,065)	\$ 412,552	\$ 292,079	\$ 306,536	\$ 11,678

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 2 of 9)**

	<b>Special Revenue</b>									
	Grants	Substance Abuse Prevention	Relationship Violence Services	Community & Planning Services	Building Code Division	Health	Water Quality District	Animal Control	Extension	Extension Grant
Revenues:										
Property Taxes	\$ 476,678	\$ 358,659	\$ -	\$ 576,753	\$ -	\$ 830,126	\$ -	\$ 145,262	\$ 444,631	\$ -
Licenses & Permits	-	-	-	76,393	664,505	151,926	-	243,731	-	-
Intergovernmental Revenue	1,251,380	164,260	684,716	8,374	-	3,300,633	3,008	357,826	51,568	13,126
Charges for Services	-	76,150	24,412	75,765	97,497	1,246,450	416,864	75,555	2,875	-
Fines & Forfeitures	-	-	53,247	-	-	50	-	-	-	-
Investment Earnings	-	-	-	167	-	-	-	-	-	-
Private & Local Grants	42,215	-	-	-	-	45,400	15,000	27,275	-	-
Miscellaneous Revenues	-	21,975	3,500	649	-	77,291	26,682	10,614	19,649	-
Total Revenues	1,770,273	621,044	765,875	738,101	762,002	5,651,876	461,554	860,263	518,723	13,126
Expenditures:										
Current Operations:										
General Government	695,138	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	578,783	-	-	-	478,936	6,086
Public Health	506,888	619,828	-	-	-	5,562,402	492,249	782,433	-	-
Social & Economic Services	-	-	854,059	-	-	-	-	-	-	-
Housing & Community Development	374,797	-	-	1,128,809	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	131,721	20,000	48,281	942	-
Debt Service:										
Principal	28,641	-	13,595	-	19,491	-	-	-	-	-
Interest and Fiscal Charges	7,332	-	10,381	-	532	-	-	-	-	-
Total Expenditures	1,612,796	619,828	878,035	1,128,809	598,806	5,694,123	512,249	830,714	479,878	6,086
Excess of Revenues over (under) Expenditures	157,477	1,216	(112,160)	(390,708)	163,196	(42,247)	(50,695)	29,549	38,845	7,040
Other Financing Sources (uses):										
Transfers In	92,965	-	128,425	604,560	-	222,379	20,000	27,332	46,791	2,500
Transfers Out	(119,600)	(950)	(12,850)	(92,551)	-	(87,450)	(6,500)	(7,700)	(103,158)	-
Net change in Fund Balance	130,842	266	3,415	121,301	163,196	92,682	(37,195)	49,181	(17,522)	9,540
Fund Balance - Beginning of Year	(168,115)	44,564	7,960	334,893	485,997	1,571,665	238,952	149,692	91,895	19,080
Fund Balance - End of Year	\$ (37,273)	\$ 44,830	\$ 11,375	\$ 456,194	\$ 649,193	\$ 1,664,347	\$ 201,757	\$ 198,873	\$ 74,373	\$ 28,620

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Special Revenue</b>									
	MDA Airport Industrial District	MDA Technology District	Bonner Millsite Tax Increment District	Bonner West Log Yard TEDD	Drug Forfeiture	Youth Education & Safety	Historical Museum	Caremark NACo Rx	Missoula Search & Rescue	Seeley Lake Search & Rescue
Revenues:										
Property Taxes	\$ 1,641,151	\$ 131,389	\$ 94,057	\$ 99,829	\$ -	\$ -	\$ 450,651	\$ -	\$ 50,105	\$ 28,017
Intergovernmental Revenue	150,568	15,365	13,986	-	110,746	-	52,334	-	53,067	1,102
Fines & Forfeitures	-	-	-	-	7,066	-	-	-	-	-
Investment Earnings	(5,211)	(166,181)	-	-	1,768	4	-	-	-	-
Private & Local Grants	-	-	-	-	-	-	28,540	-	-	-
Miscellaneous Revenues	21,166	765,955	-	-	-	-	-	1,574	-	-
Total Revenues	1,807,674	746,528	108,043	99,829	119,580	4	531,525	1,574	103,172	29,119
Expenditures:										
Current Operations:										
Public Safety	-	-	-	-	272,051	4,522	-	-	14,250	6,168
Public Works	743,032	1,176,409	7,493	7,493	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	534,666	-	-	-
Capital Outlay	28,565	-	-	-	-	-	29,641	-	75,554	12,774
Debt Service:										
Principal	465,000	-	-	-	-	-	28,790	-	-	12,705
Interest and Fiscal Charges	39,750	-	-	-	-	-	3,972	-	-	3,032
Total Expenditures	1,276,347	1,176,409	7,493	7,493	272,051	4,522	597,069	-	89,804	34,679
Excess of Revenues over (under) Expenditures	531,327	(429,881)	100,550	92,336	(152,471)	(4,518)	(65,544)	1,574	13,368	(5,560)
Other Financing Sources (uses):										
Transfers In	10,000	-	-	-	135,000	-	30,942	-	-	-
Transfers Out	(2,102,950)	(106,600)	(5,000)	(5,000)	(4,100)	-	(4,850)	(4,645)	-	-
Net change in Fund Balance	(1,561,623)	(536,481)	95,550	87,336	(21,571)	(4,518)	(39,452)	(3,071)	13,368	(5,560)
Fund Balance - Beginning of Year	5,423,966	4,175,772	180,972	85,497	176,755	5,090	249,709	3,313	60,217	44,703
Fund Balance - End of Year	\$ 3,862,343	\$ 3,639,291	\$ 276,522	\$ 172,833	\$ 155,184	\$ 572	\$ 210,257	\$ 242	\$ 73,585	\$ 39,143

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Special Revenue</b>									
	Disaster Emergency Levy	Junk Vehicle	Forest Reserve Title III	RSID Administration	HUD/ CDBG	Community Based Organizations	Permissive Medical Levy	Seeley Lake Refuse	9-1-1 Trust	Seeley Lake Stove Project
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 821,495	\$ 1,826,094	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	181,601	-	-	16,473	78,482	27,899	-	829,950	-
Charges for Services	-	-	-	-	-	-	-	299,245	-	-
Investment Earnings	-	(402)	-	-	114,913	-	-	1,095	8,131	-
Total Revenues	-	181,199	-	-	131,386	899,977	1,853,993	300,340	838,081	-
Expenditures:										
Current Operations:										
Public Safety	432	-	57,349	-	-	-	-	-	-	-
Public Works	-	-	-	62,823	-	-	-	319,154	-	-
Public Health	-	76,751	-	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	988,705	-	-	-	-
Housing & Community Development	-	-	-	-	510,056	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	5,700	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	198	-	-
Total Expenditures	432	76,751	57,349	62,823	510,056	988,705	-	325,052	-	-
Excess of Revenues over (under) Expenditures	(432)	104,448	(57,349)	(62,823)	(378,670)	(88,728)	1,853,993	(24,712)	838,081	-
Other Financing Sources (uses):										
Transfers In	-	-	-	9,958	-	75,756	-	-	-	-
Transfers Out	-	(1,553)	-	(15,000)	(55,000)	-	(1,853,993)	-	(561,426)	-
Net change in Fund Balance	(432)	102,895	(57,349)	(67,865)	(433,670)	(12,972)	-	(24,712)	276,655	-
Fund Balance - Beginning of Year	(1,340)	30,941	93,993	138,710	996,542	140,491	-	166,962	1,042,339	62,814
Fund Balance - End of Year	<u>\$ (1,772)</u>	<u>\$ 133,836</u>	<u>\$ 36,644</u>	<u>\$ 70,845</u>	<u>\$ 562,872</u>	<u>\$ 127,519</u>	<u>\$ -</u>	<u>\$ 142,250</u>	<u>\$ 1,318,994</u>	<u>\$ 62,814</u>



**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	Special Revenue					Debt Service				
	Friends of the Library	Friends of Historical Museum	Open Space	Other Special Revenue	Big Sky Trust	Jail Bond	Health Center 2012 Refi	Risk Management	Fair Ice Rink Series 2012 Refinance	Fair Ice Rink Series 2006
Revenues:										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 940,202	\$ -	\$ 29	\$ -	\$ -
Intergovernmental Revenue	-	-	-	-	168,300	283,909	1,265	-	-	-
Charges for Services	-	10,160	-	-	-	-	-	-	-	-
Investment Earnings	259	744	-	271	-	-	-	-	-	-
Private & Local Grants	36,140	71,109	-	350	-	-	-	-	-	-
Miscellaneous Revenues	-	671	-	-	-	-	-	-	70,730	60,077
Total Revenues	36,399	82,684	-	621	168,300	1,224,111	1,265	29	70,730	60,077
Expenditures:										
Current Operations:										
Public Health	-	-	-	814	-	-	-	-	-	-
Culture & Recreation	30,722	53,804	-	-	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	168,300	-	-	-	-	-
Capital Outlay	4,706	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	1,190,000	35,000	-	60,000	40,000
Interest and Fiscal Charges	-	-	-	-	-	49,500	1,125	-	10,730	20,427
Total Expenditures	35,428	53,804	-	814	168,300	1,239,500	36,125	-	70,730	60,427
Excess of Revenues over (under) Expenditures	971	28,880	-	(193)	-	(15,389)	(34,860)	29	-	(350)
Other Financing Sources (uses):										
Transfers Out	-	(16,393)	-	-	-	-	-	-	-	-
Net change in Fund Balance	971	12,487	-	(193)	-	(15,389)	(34,860)	29	-	(350)
Fund Balance - Beginning of Year	34,464	73,066	33	34,373	-	751,821	118,318	13	(30,466)	(2,420)
Fund Balance - End of Year	\$ 35,435	\$ 85,553	\$ 33	\$ 34,180	\$ -	\$ 736,432	\$ 83,458	\$ 42	\$ (30,466)	\$ (2,770)

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Debt Service</b>								
	Technology Tax Increment Bonds	Open Space Bonds	Health Center 2009	Health Center 2012	2017 LTGO	Larchmont Bonds	RSID Revolving	Capital Improvement Debt Service	Parks & Trails Bonds
Revenues:									
Property Taxes	\$ -	\$ 636,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,624,295
Intergovernmental Revenue	-	16,366	69,575	8,785	-	29,112	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	6,031	-	-
Total Revenues	-	652,556	69,575	8,785	-	29,112	6,031	-	2,624,295
Expenditures:									
Current Operations:									
Debt Service:									
Principal	50,000	425,000	85,000	15,000	-	45,000	-	597,947	-
Interest and Fiscal Charges	45,481	236,182	67,598	8,725	40,665	28,662	-	267,516	1,655,712
Total Expenditures	95,481	661,182	152,598	23,725	40,665	73,662	-	865,463	1,655,712
Excess of Revenues over (under) Expenditures	(95,481)	(8,626)	(83,023)	(14,940)	(40,665)	(44,550)	6,031	(865,463)	968,583
Other Financing Sources (uses):									
Transfers In	96,600	-	-	-	-	-	-	862,917	-
Net change in Fund Balance	1,119	(8,626)	(83,023)	(14,940)	(40,665)	(44,550)	6,031	(2,546)	968,583
Fund Balance - Beginning of Year	9,016	89,574	1,439,849	347,402	-	825,394	712,831	(134,455)	(700)
Fund Balance - End of Year	\$ 10,135	\$ 80,948	\$ 1,356,826	\$ 332,462	\$ (40,665)	\$ 780,844	\$ 718,862	\$ (137,001)	\$ 967,883

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	Capital Projects							
	Capital Improvements	Technology	Milltown Historical Preservation	Open Space	Library Capital Reserve	Health Building Reserve	WQD Capital Reserve	Public Safety Capital Reserve
Revenues:								
Property Taxes	\$ 1,080,347	\$ 915,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	8,722	47,455	-	-	-	-	-	-
Charges for Services	-	55,931	-	-	-	-	-	-
Investment Earnings	900	-	808	6,423	1,175	3,622	882	1,223
Miscellaneous Revenues	-	14,957	-	-	-	-	-	36,916
Total Revenues	1,089,969	1,033,688	808	6,423	1,175	3,622	882	38,139
Expenditures:								
Current Operations:								
General Government	7,830	476,437	-	-	-	-	-	-
Capital Outlay	2,710,122	290,523	-	805,778	106,306	-	-	692,151
Debt Service:								
Interest and Fiscal Charges	-	-	-	88,659	-	-	-	-
Total Expenditures	2,717,952	766,960	-	894,437	106,306	-	-	692,151
Excess of Revenues over (under) Expenditures	(1,627,983)	266,728	808	(888,014)	(105,131)	3,622	882	(654,012)
Other Financing Sources (uses):								
Transfers In	-	1,316,750	-	-	-	-	-	619,000
Transfers Out	(950,431)	(1,396,968)	-	-	-	-	(20,000)	-
Issuance of Debt	1,753,071	-	-	3,449,499	-	-	-	-
Net change in Fund Balance	(825,343)	186,510	808	2,561,485	(105,131)	3,622	(19,118)	(35,012)
Fund Balance - Beginning of Year	1,124,797	383,730	103,470	(333,688)	169,361	464,366	113,187	46,640
Fund Balance - End of Year	\$ 299,454	\$ 570,240	\$ 104,278	\$ 2,227,797	\$ 64,230	\$ 467,988	\$ 94,069	\$ 11,628

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	Capital Projects							
	Fair Capital Projects	Park Construction Reserve	Weed/Ext Building Reserve	Bridge Reserve	Road Escrow	Missoula Search & Rescue Reserve	Seeley Lake Search & Rescue Reserve	Library Bond Construction
Revenues:								
Intergovernmental Revenue	\$ -	\$ 483,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	4,070	-	-	-	-	-	-
Investment Earnings	-	2,055	8,016	-	3,046	444	83	-
Miscellaneous Revenues	-	29,794	-	-	-	-	-	-
Total Revenues	-	519,716	8,016	-	3,046	444	83	-
Expenditures:								
Current Operations:								
Public Works	-	-	2,921	-	-	-	-	-
Culture & Recreation	-	479,779	-	-	-	-	-	28,677
Capital Outlay	-	9,247	4,524	-	-	-	-	274,240
Debt Service:								
Interest and Fiscal Charges	-	-	-	-	-	-	-	88,850
Total Expenditures	-	489,026	7,445	-	-	-	-	391,767
Excess of Revenues over (under) Expenditures	-	30,690	571	-	3,046	444	83	(391,767)
Other Financing Sources (uses):								
Transfers In	-	291,950	201,316	-	-	-	-	-
Issuance of Debt	76,694	-	-	-	-	-	-	2,970,000
Net change in Fund Balance	76,694	322,640	201,887	-	3,046	444	83	2,578,233
Fund Balance - Beginning of Year	(97,388)	156,621	947,755	363,520	390,558	56,955	10,696	(190,328)
Fund Balance - End of Year	\$ (20,694)	\$ 479,261	\$ 1,149,642	\$ 363,520	\$ 393,604	\$ 57,399	\$ 10,779	\$ 2,387,905

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Capital Projects</b>							
	Museum Capital Campaign	Courthouse Reconstruction	Courthouse Reconstruction Phase 2-5	2017 LTGO Construction	RVSD Building Construction	Admin Bldg Acquisition Reserve	Alder Street Acquisition	<b>Total</b>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,699,272
Licenses & Permits	-	-	-	-	-	-	-	1,159,810
Intergovernmental Revenue	-	-	-	-	-	-	-	13,364,732
Charges for Services	1,718	-	-	-	-	-	-	3,225,552
Fines & Forfeitures	-	-	-	-	-	-	-	133,574
Investment Earnings	-	-	-	-	-	-	-	(15,761)
Private & Local Grants	-	-	-	-	-	-	-	266,029
Miscellaneous Revenues	-	-	-	-	-	-	-	1,210,343
Total Revenues	1,718	-	-	-	-	-	-	43,043,551
Expenditures:								
Current Operations:								
General Government	-	-	-	-	-	140,000	-	1,319,405
Criminal Justice	-	-	-	-	-	-	-	1,097,637
Public Safety	-	-	-	-	-	-	-	354,772
Public Works	-	-	-	-	-	-	-	9,045,095
Public Health	-	-	-	-	-	-	-	8,041,365
Social & Economic Services	-	-	-	-	-	-	-	2,640,900
Culture & Recreation	-	-	-	-	-	-	-	5,667,706
Housing & Community Development	-	-	-	-	-	-	-	2,511,647
Capital Outlay	16,294	697,222	487,013	-	-	-	402,562	9,830,624
Debt Service:								
Principal	-	-	-	-	-	-	-	3,383,241
Interest and Fiscal Charges	-	-	-	37,750	-	-	-	2,724,490
Total Expenditures	16,294	697,222	487,013	37,750	-	140,000	402,562	46,616,882
Excess of Revenues over (under) Expenditures	(14,576)	(697,222)	(487,013)	(37,750)	-	(140,000)	(402,562)	(3,573,331)
Other Financing Sources (uses):								
Transfers In	-	1,500,000	500,000	-	87,514	-	-	7,581,360
Transfers Out	-	-	-	-	-	-	-	(8,775,103)
Issuance of Debt	-	-	-	837,750	-	156,617	402,562	10,630,199
Net change in Fund Balance	(14,576)	802,778	12,987	800,000	87,514	16,617	-	5,863,125
Fund Balance - Beginning of Year	277,213	(2,193,495)	(1,016,913)	-	(87,514)	(16,617)	-	25,832,179
Change in Inventory Reserves	-	-	-	-	-	-	-	35,515
Fund Balance - End of Year	\$ 262,637	\$ (1,390,717)	\$ (1,003,926)	\$ 800,000	\$ -	\$ -	\$ -	\$ 31,730,819

**NON-MAJOR FUNDS - Budget to Actual**

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**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Special Revenue Funds</b>							
	<b>Road</b>				<b>Community Assistance Fund</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 2,366,228	\$ 2,366,228	\$ 2,286,128	\$ (80,100)	\$ 825,456	\$ 825,456	\$ 801,171	\$ (24,285)
License & Permits	7,250	7,250	23,255	16,005	-	-	-	-
Intergovernmental Revenue	3,130,627	3,130,627	4,087,339	956,712	169,541	169,541	183,485	13,944
Charges for Services	23,000	23,000	7,050	(15,950)	-	-	-	-
Miscellaneous Revenues	15,500	15,500	23,825	8,325	-	-	-	-
Total Revenues	<u>5,542,605</u>	<u>5,542,605</u>	<u>6,427,597</u>	<u>884,992</u>	<u>994,997</u>	<u>994,997</u>	<u>984,656</u>	<u>(10,341)</u>
Expenditures:								
Current Operations:								
Personnel	2,457,713	2,470,899	2,470,898	1	-	-	-	-
Operations	1,938,962	1,924,826	1,594,452	330,374	843,890	843,890	764,504	79,386
Capital Outlay	1,893,162	2,151,986	1,771,856	380,130	-	-	-	-
Debt Service:								
Principal	316,850	316,850	254,372	62,478	-	-	-	-
Interest	14,000	14,000	9,580	4,420	-	-	-	-
Total Expenditures	<u>6,620,687</u>	<u>6,878,561</u>	<u>6,101,158</u>	<u>777,403</u>	<u>843,890</u>	<u>843,890</u>	<u>764,504</u>	<u>79,386</u>
Excess of Revenues over (under) Expenditures	(1,078,082)	(1,335,956)	326,439	1,662,395	151,107	151,107	220,152	69,045
Other Financing Sources (Uses):								
Transfers In	145,348	145,348	129,411	(15,937)	-	-	-	-
Transfers Out	(35,700)	(36,650)	(36,650)	-	(110,000)	(110,000)	(97,000)	13,000
Issuance of Debt	300,000	300,000	237,096	(62,904)	-	-	-	-
Sale of Capital Assets	-	50,000	-	(50,000)	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (668,434)</u>	<u>\$ (877,258)</u>	<u>\$ 656,296</u>	<u>\$ 1,533,554</u>	<u>\$ 41,107</u>	<u>\$ 41,107</u>	<u>\$ 123,152</u>	<u>\$ 82,045</u>



**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>Bridge</b>				<b>Weed</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 982,293	\$ 982,293	\$ 953,394	\$ (28,899)	\$ 592,265	\$ 592,265	\$ 574,819	\$ (17,446)
Intergovernmental Revenue	1,079,338	1,079,338	874,787	(204,551)	50,907	50,907	51,041	134
Total Revenues	<u>2,061,631</u>	<u>2,061,631</u>	<u>1,828,181</u>	<u>(233,450)</u>	<u>643,172</u>	<u>643,172</u>	<u>626,062</u>	<u>(17,110)</u>
Expenditures:								
Current Operations:								
Personnel	823,349	832,754	832,753	1	467,110	467,110	462,178	4,932
Operations	291,000	281,595	91,346	190,249	107,800	107,800	97,257	10,543
Capital Outlay	1,356,770	1,356,770	460,888	895,882	20,000	20,000	17,606	2,394
Total Expenditures	<u>2,471,119</u>	<u>2,471,119</u>	<u>1,384,987</u>	<u>1,086,132</u>	<u>594,910</u>	<u>594,910</u>	<u>577,041</u>	<u>17,869</u>
Excess of Revenues over (under) Expenditures	(409,488)	(409,488)	443,194	852,682	48,262	48,262	49,021	759
Other Financing Sources (Uses):								
Transfers In	48,663	48,663	34,143	(14,520)	94,113	139,638	159,367	19,729
Transfers Out	<u>(9,400)</u>	<u>(9,400)</u>	<u>(1,000)</u>	<u>8,400</u>	<u>(205,964)</u>	<u>(206,938)</u>	<u>(206,938)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (370,225)</u>	<u>\$ (370,225)</u>	<u>\$ 476,337</u>	<u>\$ 846,562</u>	<u>\$ (63,589)</u>	<u>\$ (19,038)</u>	<u>\$ 1,450</u>	<u>\$ 20,488</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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Special Revenue Funds								
	Weed Grant				Fair			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 515,910	\$ 515,910	\$ 498,764	\$ (17,146)
Intergovernmental Revenue	338,485	338,485	305,397	(33,088)	15,051	15,051	15,181	130
Charges for Services	600	600	-	(600)	828,000	828,000	768,720	(59,280)
Total Revenues	339,085	339,085	305,397	(33,688)	1,358,961	1,358,961	1,283,605	(75,356)
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	541,360	595,230	595,229	1
Operations	473,475	400,512	226,147	174,365	735,550	727,650	727,647	3
Capital Outlay	-	-	-	-	450,000	601,552	601,551	1
Debt Service:								
Principal	-	-	-	-	41,939	37,496	12,000	25,496
Interest	-	-	-	-	6,814	2,371	2,371	-
Total Expenditures	473,475	400,512	226,147	174,365	1,775,663	1,964,299	1,938,798	25,501
Excess of Revenues over (under) Expenditures	(134,390)	(61,427)	79,250	140,677	(416,702)	(605,338)	(655,193)	(49,855)
Other Financing Sources (Uses):								
Transfers In	70,750	117,801	70,750	(47,051)	36,116	36,116	35,666	(450)
Transfers Out	(74,500)	(147,463)	(147,463)	-	(5,800)	(7,800)	(7,800)	-
Issuance of Debt	-	-	-	-	450,000	615,140	746,910	131,770
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (138,140)	\$ (91,089)	\$ 2,537	\$ 93,626	\$ 63,614	\$ 38,118	\$ 119,583	\$ 81,465

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>District Court</b>				<b>Parks</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 930,919	\$ 930,919	\$ 960,663	\$ 29,744	\$ 449,874	\$ 449,874	\$ 436,631	\$ (13,243)
Intergovernmental Revenue	85,760	85,760	79,768	(5,992)	14,686	14,686	14,725	39
Charges for Services	64,000	64,000	61,004	(2,996)	-	-	-	-
Fines & Forfeitures	325	325	903	578	-	-	-	-
Miscellaneous Revenues	-	-	425	425	1,250	1,250	2,217	967
Total Revenues	<u>1,081,004</u>	<u>1,081,004</u>	<u>1,102,763</u>	<u>21,759</u>	<u>465,810</u>	<u>465,810</u>	<u>453,573</u>	<u>(12,237)</u>
Expenditures:								
Current Operations:								
Personnel	1,014,412	1,014,412	984,050	30,362	296,759	310,895	310,894	1
Operations	<u>127,150</u>	<u>127,150</u>	<u>103,752</u>	<u>23,398</u>	<u>225,827</u>	<u>211,691</u>	<u>115,118</u>	<u>96,573</u>
Total Expenditures	<u>1,141,562</u>	<u>1,141,562</u>	<u>1,087,802</u>	<u>53,760</u>	<u>522,586</u>	<u>522,586</u>	<u>426,012</u>	<u>96,574</u>
Excess of Revenues over (under) Expenditures	(60,558)	(60,558)	14,961	75,519	(56,776)	(56,776)	27,561	84,337
Other Financing Sources (Uses):								
Transfers In	64,129	64,129	62,338	(1,791)	83,524	119,524	108,344	(11,180)
Transfers Out	<u>(27,250)</u>	<u>(27,250)</u>	<u>(26,600)</u>	<u>650</u>	<u>(295,150)</u>	<u>(295,150)</u>	<u>(295,150)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (23,679)</u>	<u>\$ (23,679)</u>	<u>\$ 50,699</u>	<u>\$ 74,378</u>	<u>\$ (268,402)</u>	<u>\$ (232,402)</u>	<u>\$ (159,245)</u>	<u>\$ 73,157</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>Library</b>				<b>Planning</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 2,428,904	\$ 2,428,904	\$ 2,357,439	\$ (71,465)	\$ 678,938	\$ 678,938	\$ 658,958	\$ (19,980)
Intergovernmental Revenue	299,642	299,642	280,276	(19,366)	92,317	92,317	92,561	244
Charges for Services	26,000	26,000	1,678	(24,322)	-	-	-	-
Fines & Forfeitures	55,000	55,000	72,308	17,308	-	-	-	-
Miscellaneous Revenues	64,644	64,644	23,047	(41,597)	-	-	-	-
Total Revenues	<u>2,874,190</u>	<u>2,874,190</u>	<u>2,734,748</u>	<u>(139,442)</u>	<u>771,255</u>	<u>771,255</u>	<u>751,519</u>	<u>(19,736)</u>
Expenditures:								
Current Operations:								
Personnel	2,177,423	2,197,423	2,116,081	81,342	-	-	-	-
Operations	458,964	626,964	603,689	23,275	338,676	338,676	336,507	2,169
Capital Outlay	322,610	343,610	258,938	84,672	-	-	-	-
Total Expenditures	<u>2,958,997</u>	<u>3,167,997</u>	<u>2,978,708</u>	<u>189,289</u>	<u>338,676</u>	<u>338,676</u>	<u>336,507</u>	<u>2,169</u>
Excess of Revenues over (under) Expenditures	(84,807)	(293,807)	(243,960)	49,847	432,579	432,579	415,012	(17,567)
Other Financing Sources (Uses):								
Transfers In	101,522	101,522	98,686	(2,836)	-	-	-	-
Transfers Out	-	-	-	-	(432,579)	(432,579)	(421,834)	10,745
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 16,715</u>	<u>\$ (192,285)</u>	<u>\$ (145,274)</u>	<u>\$ 47,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,822)</u>	<u>\$ (6,822)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>Grants</b>				<b>Substance Abuse Prevention</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 491,146	\$ 491,146	\$ 476,678	\$ (14,468)	\$ 368,920	\$ 368,920	\$ 358,659	\$ (10,261)
Intergovernmental Revenue	903,235	1,286,354	1,416,598	130,244	169,643	169,643	174,252	4,609
Charges for Services	-	-	-	-	71,110	79,610	75,969	(3,641)
Private & Local Grants	-	-	27,696	27,696	-	-	-	-
Miscellaneous Revenues	-	-	-	-	5,000	5,000	21,975	16,975
Total Revenues	<u>1,394,381</u>	<u>1,777,500</u>	<u>1,920,972</u>	<u>143,472</u>	<u>614,673</u>	<u>623,173</u>	<u>630,855</u>	<u>7,682</u>
Expenditures:								
Current Operations:								
Personnel	563,803	573,801	573,800	1	281,786	281,260	267,220	14,040
Operations	856,835	1,301,455	1,126,306	175,149	361,509	413,040	377,763	35,277
Debt Service:								
Principal	37,856	37,856	28,641	9,215	-	-	-	-
Interest	30,304	30,304	22,479	7,825	-	-	-	-
Total Expenditures	<u>1,488,798</u>	<u>1,943,416</u>	<u>1,751,226</u>	<u>192,190</u>	<u>643,295</u>	<u>694,300</u>	<u>644,983</u>	<u>49,317</u>
Excess of Revenues over (under) Expenditures	(94,417)	(165,916)	169,746	335,662	(28,622)	(71,127)	(14,128)	56,999
Other Financing Sources (Uses):								
Transfers In	5,200	137,896	92,965	(44,931)	-	-	-	-
Transfers Out	<u>(125,600)</u>	<u>(124,650)</u>	<u>(119,600)</u>	<u>5,050</u>	<u>(2,300)</u>	<u>(1,150)</u>	<u>(950)</u>	<u>200</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (214,817)</u>	<u>\$ (152,670)</u>	<u>\$ 143,111</u>	<u>\$ 295,781</u>	<u>\$ (30,922)</u>	<u>\$ (72,277)</u>	<u>\$ (15,078)</u>	<u>\$ 57,199</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>Relationship Violence Services Division</b>				<b>Community &amp; Planning Services</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 594,328	\$ 594,328	\$ 576,753	\$ (17,575)
License & Permits	-	-	-	-	58,800	58,800	75,098	16,298
Intergovernmental Revenue	682,265	682,265	812,361	130,096	8,351	8,351	8,374	23
Charges for Services	40,160	40,160	24,412	(15,748)	25,000	25,000	68,215	43,215
Fines & Forfeitures	40,000	40,000	37,619	(2,381)	-	-	-	-
Investment Earnings	-	-	-	-	-	-	176	176
Miscellaneous Revenues	-	3,500	3,500	-	500	500	649	149
Total Revenues	<u>762,425</u>	<u>765,925</u>	<u>877,892</u>	<u>111,967</u>	<u>686,979</u>	<u>686,979</u>	<u>729,265</u>	<u>42,286</u>
Expenditures:								
Current Operations:								
Personnel	652,887	682,887	676,539	6,348	1,047,279	1,049,263	1,007,240	42,023
Operations	197,074	200,574	171,304	29,270	225,400	225,400	111,656	113,744
Debt Service:								
Principal	16,417	16,417	13,595	2,822	-	-	-	-
Interest	13,142	13,142	10,671	2,471	-	-	-	-
Total Expenditures	<u>879,520</u>	<u>913,020</u>	<u>872,109</u>	<u>40,911</u>	<u>1,272,679</u>	<u>1,274,663</u>	<u>1,118,896</u>	<u>155,767</u>
Excess of Revenues over (under) Expenditures	(117,095)	(147,095)	5,783	152,878	(585,700)	(587,684)	(389,631)	198,053
Other Financing Sources (Uses):								
Transfers In	128,425	128,425	128,425	-	618,132	618,135	604,560	(13,575)
Transfers Out	<u>(15,700)</u>	<u>(15,700)</u>	<u>(12,850)</u>	<u>2,850</u>	<u>(92,551)</u>	<u>(92,551)</u>	<u>(92,551)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (4,370)</u>	<u>\$ (34,370)</u>	<u>\$ 121,358</u>	<u>\$ 155,728</u>	<u>\$ (60,119)</u>	<u>\$ (62,100)</u>	<u>\$ 122,378</u>	<u>\$ 184,478</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>Building Code Division</b>				<b>Health</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,267,294	\$ 857,734	\$ 830,126	\$ (27,608)
License & Permits	448,000	448,000	664,505	216,505	128,200	137,200	151,926	14,726
Intergovernmental Revenue	-	-	-	-	1,880,060	3,439,626	3,300,067	(139,559)
Charges for Services	45,000	45,000	97,497	52,497	1,130,041	1,141,624	1,321,391	179,767
Fines & Forfeitures	-	-	-	-	-	-	50	50
Private & Local Grants	-	-	-	-	36,503	48,300	45,400	(2,900)
Miscellaneous Revenues	-	-	-	-	47,100	81,903	74,611	(7,292)
Total Revenues	<u>493,000</u>	<u>493,000</u>	<u>762,002</u>	<u>269,002</u>	<u>5,489,198</u>	<u>5,706,387</u>	<u>5,723,571</u>	<u>17,184</u>
Expenditures:								
Current Operations:								
Personnel	544,352	544,352	521,080	23,272	4,785,960	4,977,285	4,663,980	313,305
Operations	61,190	61,190	52,366	8,824	913,384	991,555	895,883	95,672
Capital Outlay	-	-	-	-	50,000	135,000	84,427	50,573
Debt Service:								
Principal	19,492	19,492	19,491	1	-	-	-	-
Interest	532	532	532	-	-	-	-	-
Total Expenditures	<u>625,566</u>	<u>625,566</u>	<u>593,469</u>	<u>32,097</u>	<u>5,749,344</u>	<u>6,103,840</u>	<u>5,644,290</u>	<u>459,550</u>
Excess of Revenues over (under) Expenditures	(132,566)	(132,566)	168,533	301,099	(260,146)	(397,453)	79,281	476,734
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	239,791	239,791	222,379	(17,412)
Transfers Out	(2,457)	(2,457)	-	2,457	(95,200)	(95,200)	(87,450)	7,750
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (135,023)</u>	<u>\$ (135,023)</u>	<u>\$ 168,533</u>	<u>\$ 303,556</u>	<u>\$ (115,555)</u>	<u>\$ (252,862)</u>	<u>\$ 214,210</u>	<u>\$ 467,072</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>Water Quality District</b>				<b>Animal Control</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget</b>
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 535,856	\$ 150,104	\$ 145,262	\$ (4,842)
License & Permits	-	-	-	-	198,500	198,500	244,417	45,917
Intergovernmental Revenue	20,000	28,800	3,008	(25,792)	23,718	409,470	357,826	(51,644)
Charges for Services	493,525	493,525	414,364	(79,161)	68,850	68,850	76,934	8,084
Private & Local Grants	15,000	15,000	11,250	(3,750)	20,000	20,000	27,275	7,275
Miscellaneous Revenues	400	400	26,682	26,282	1,000	1,000	10,614	9,614
Total Revenues	<u>528,925</u>	<u>537,725</u>	<u>455,304</u>	<u>(82,421)</u>	<u>847,924</u>	<u>847,924</u>	<u>862,328</u>	<u>14,404</u>
Expenditures:								
Current Operations:								
Personnel	395,117	400,117	396,844	3,273	605,063	605,063	594,242	10,821
Operations	190,107	193,907	90,921	102,986	224,605	224,605	187,690	36,915
Capital Outlay	215,000	215,000	20,000	195,000	77,683	88,090	54,490	33,600
Total Expenditures	<u>800,224</u>	<u>809,024</u>	<u>507,765</u>	<u>301,259</u>	<u>907,351</u>	<u>917,758</u>	<u>836,422</u>	<u>81,336</u>
Excess of Revenues over (under) Expenditures	(271,299)	(271,299)	(52,461)	218,838	(59,427)	(69,834)	25,906	95,740
Other Financing Sources (Uses):								
Transfers In	50,000	50,000	20,000	(30,000)	27,644	27,644	27,332	(312)
Transfers Out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(6,500)</u>	<u>500</u>	<u>(37,383)</u>	<u>(7,700)</u>	<u>(7,700)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ <u>(228,299)</u>	\$ <u>(228,299)</u>	\$ <u>(38,961)</u>	\$ <u>189,338</u>	\$ <u>(69,166)</u>	\$ <u>(49,890)</u>	\$ <u>45,538</u>	\$ <u>95,428</u>



**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>Extension</b>				<b>Extension Grant</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 458,128	\$ 458,128	\$ 444,631	\$ (13,497)	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	51,433	51,433	51,568	135	12,200	12,200	13,126	926
Charges for Services	1,100	1,100	2,875	1,775	-	-	-	-
Miscellaneous Revenues	13,000	13,000	19,900	6,900	-	-	-	-
Total Revenues	<u>523,661</u>	<u>523,661</u>	<u>518,974</u>	<u>(4,687)</u>	<u>12,200</u>	<u>12,200</u>	<u>13,126</u>	<u>926</u>
Expenditures:								
Current Operations:								
Personnel	296,103	296,103	253,619	42,484	-	-	-	-
Operations	242,808	242,808	226,676	16,132	14,128	14,128	5,949	8,179
Capital Outlay	4,000	4,000	-	4,000	-	-	-	-
Total Expenditures	<u>542,911</u>	<u>542,911</u>	<u>480,295</u>	<u>62,616</u>	<u>14,128</u>	<u>14,128</u>	<u>5,949</u>	<u>8,179</u>
Excess of Revenues over (under) Expenditures	(19,250)	(19,250)	38,679	57,929	(1,928)	(1,928)	7,177	9,105
Other Financing Sources (Uses):								
Transfers In	48,357	48,357	46,791	(1,566)	1,500	1,500	2,500	1,000
Transfers Out	<u>(103,188)</u>	<u>(103,188)</u>	<u>(103,158)</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (74,081)</u>	<u>\$ (74,081)</u>	<u>\$ (17,688)</u>	<u>\$ 56,393</u>	<u>\$ (428)</u>	<u>\$ (428)</u>	<u>\$ 9,677</u>	<u>\$ 10,105</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Special Revenue Funds</b>								
	<b>MDA Airport Industrial District</b>				<b>MDA Technology District</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 1,428,826	\$ 1,428,826	\$ 1,641,151	\$ 212,325	\$ 202,536	\$ 205,536	\$ 131,389	\$ (74,147)
Intergovernmental Revenue	158,792	158,792	150,568	(8,224)	16,204	16,204	15,365	(839)
Investment Earnings	8,225	8,225	34,641	26,416	500	500	4,280	3,780
Miscellaneous Revenues	10,000	10,000	21,166	11,166	728,573	728,573	765,955	37,382
Total Revenues	<u>1,605,843</u>	<u>1,605,843</u>	<u>1,847,526</u>	<u>241,683</u>	<u>947,813</u>	<u>950,813</u>	<u>916,989</u>	<u>(33,824)</u>
Expenditures:								
Current Operations:								
Personnel	159,486	72,884	69,671	3,213	-	70,869	59,081	11,788
Operations	1,352,938	1,343,916	677,011	666,905	738,573	1,131,069	1,117,181	13,888
Capital Outlay	628,500	628,500	30,325	598,175	40,000	40,000	-	40,000
Debt Service:								
Principal	465,000	465,000	465,000	-	-	-	-	-
Interest	49,050	49,050	49,050	-	-	-	-	-
Total Expenditures	<u>2,654,974</u>	<u>2,559,350</u>	<u>1,291,057</u>	<u>1,268,293</u>	<u>778,573</u>	<u>1,241,938</u>	<u>1,176,262</u>	<u>65,676</u>
Excess of Revenues over (under) Expenditures	(1,049,131)	(953,507)	556,469	1,509,976	169,240	(291,125)	(259,273)	31,852
Other Financing Sources (Uses):								
Transfers In	10,000	10,000	10,000	-	-	-	-	-
Transfers Out	(90,950)	(2,102,950)	(2,102,950)	-	(106,951)	(106,951)	(106,600)	351
Sale of Capital Assets	<u>400,055</u>	<u>400,055</u>	<u>564,358</u>	<u>164,303</u>	<u>-</u>	<u>-</u>	<u>174,097</u>	<u>174,097</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (730,026)</u>	<u>\$ (2,646,402)</u>	<u>\$ (972,123)</u>	<u>\$ 1,674,279</u>	<u>\$ 62,289</u>	<u>\$ (398,076)</u>	<u>\$ (191,776)</u>	<u>\$ 206,300</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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Special Revenue Funds									
	Bonner Millsite Tax Increment District				Bonner West Log Yard TED District				
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	
Revenues:									
Property Taxes	\$ 64,597	\$ 64,597	\$ 94,057	\$ 29,460	\$ 85,194	\$ 85,194	\$ 99,829	\$ 14,635	
Intergovernmental Revenue	13,909	13,909	13,986	77	-	-	-	-	
Total Revenues	78,506	78,506	108,043	29,537	85,194	85,194	99,829	14,635	
Expenditures:									
Current Operations:									
Personnel	-	7,875	7,245	630	-	7,874	7,245	629	
Operations	10,000	5,182	-	5,182	10,000	5,182	-	5,182	
Total Expenditures	10,000	13,057	7,245	5,812	10,000	13,056	7,245	5,811	
Excess of Revenues over (under) Expenditures	68,506	65,449	100,798	35,349	75,194	72,138	92,584	20,446	
Other Financing Sources (Uses):									
Transfers Out	-	(5,000)	(5,000)	-	-	(5,000)	(5,000)	-	
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 68,506	\$ 60,449	\$ 95,798	\$ 35,349	\$ 75,194	\$ 67,138	\$ 87,584	\$ 20,446	

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
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Special Revenue Funds								
	Drug Forfeiture				Youth Education and Safety			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Intergovernmental Revenue	\$ 124,919	\$ 124,919	\$ 109,437	\$ (15,482)	\$ -	\$ -	\$ -	\$ -
Fines & Forfeitures	5,000	6,131	7,066	935	-	-	-	-
Investment Earnings	-	-	1,854	1,854	-	-	10	10
Private & Local Grants	-	-	-	-	1,000	1,000	-	(1,000)
Total Revenues	129,919	131,050	118,357	(12,693)	1,000	1,000	10	(990)
Expenditures:								
Current Operations:								
Personnel	251,935	255,206	255,206	-	-	-	-	-
Operations	20,150	18,010	17,810	200	1,450	5,270	5,269	1
Total Expenditures	272,085	273,216	273,016	200	1,450	5,270	5,269	1
Excess of Revenues over (under) Expenditures	(142,166)	(142,166)	(154,659)	(12,493)	(450)	(4,270)	(5,259)	(989)
Other Financing Sources (Uses):								
Transfers In	135,000	135,000	135,000	-	-	-	-	-
Transfers Out	(4,100)	(4,100)	(4,100)	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (11,266)	\$ (11,266)	\$ (23,759)	\$ (12,493)	\$ (450)	\$ (4,270)	\$ (5,259)	\$ (989)

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
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<b>Special Revenue Funds</b>								
	<b>Historical Museum</b>				<b>Caremark NACo Rx</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 464,319	\$ 464,319	\$ 450,651	\$ (13,668)	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	61,474	61,474	62,317	843	-	-	-	-
Private & Local Grants	18,000	18,000	28,540	10,540	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	1,332	1,332	-
Total Revenues	<u>543,793</u>	<u>543,793</u>	<u>541,508</u>	<u>(2,285)</u>	<u>-</u>	<u>1,332</u>	<u>1,332</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	390,365	392,890	392,890	-	-	-	-	-
Operations	166,822	159,447	148,299	11,148	-	-	-	-
Capital Outlay	63,075	63,075	28,309	34,766	-	-	-	-
Debt Service:								
Principal	28,790	28,790	28,790	-	-	-	-	-
Interest	3,972	3,972	3,972	-	-	-	-	-
Total Expenditures	<u>653,024</u>	<u>648,174</u>	<u>602,260</u>	<u>45,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(109,231)	(104,381)	(60,752)	43,629	-	1,332	1,332	-
Other Financing Sources (Uses):								
Transfers In	30,968	30,968	30,942	(26)	-	-	-	-
Transfers Out	-	(4,850)	(4,850)	-	-	(4,645)	(4,645)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (78,263)</u>	<u>\$ (78,263)</u>	<u>\$ (34,660)</u>	<u>\$ 43,603</u>	<u>\$ -</u>	<u>\$ (3,313)</u>	<u>\$ (3,313)</u>	<u>\$ -</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
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<b>Special Revenue Funds</b>								
	<b>Missoula Search &amp; Rescue</b>				<b>Seeley Lake Search &amp; Rescue</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 52,000	\$ 52,000	\$ 50,105	\$ (1,895)	\$ 28,000	\$ 28,000	\$ 28,017	\$ 17
Intergovernmental Revenue	1,313	1,313	1,317	4	796	796	1,102	306
Total Revenues	<u>53,313</u>	<u>53,313</u>	<u>51,422</u>	<u>(1,891)</u>	<u>28,796</u>	<u>28,796</u>	<u>29,119</u>	<u>323</u>
Expenditures:								
Current Operations:								
Operations	26,313	26,313	14,647	11,666	11,000	8,317	5,869	2,448
Capital Outlay	27,000	43,460	40,264	3,196	11,200	13,883	13,503	380
Debt Service:								
Principal	-	-	-	-	12,706	12,706	12,705	1
Interest	-	-	-	-	3,033	3,033	3,032	1
Total Expenditures	<u>53,313</u>	<u>69,773</u>	<u>54,911</u>	<u>14,862</u>	<u>37,939</u>	<u>37,939</u>	<u>35,109</u>	<u>2,830</u>
Excess of Revenues over (under) Expenditures	-	(16,460)	(3,489)	12,971	(9,143)	(9,143)	(5,990)	3,153
Other Financing Sources (Uses):								
Transfers Out	(50,000)	(50,000)	-	50,000	(24,000)	(24,000)	-	24,000
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (50,000)</u>	<u>\$ (66,460)</u>	<u>\$ (3,489)</u>	<u>\$ 62,971</u>	<u>\$ (33,143)</u>	<u>\$ (33,143)</u>	<u>\$ (5,990)</u>	<u>\$ 27,153</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
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<b>Special Revenue Funds</b>								
	<b>Junk Vehicle</b>				<b>Forest Reserve Title III</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Intergovernmental Revenue	\$ 181,601	\$ 181,601	\$ 181,601	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	100	100	-	(100)	-	-	-	-
Private & Local Grants	-	-	(467)	(467)	-	-	-	-
Miscellaneous Revenues	500	500	-	(500)	-	-	-	-
Total Revenues	<u>182,201</u>	<u>182,201</u>	<u>181,134</u>	<u>(1,067)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Personnel	65,352	65,352	59,498	5,854	-	-	-	-
Operations	46,738	46,738	15,206	31,532	89,288	89,288	57,349	31,939
Capital Outlay	30,000	88,946	-	88,946	-	-	-	-
Total Expenditures	<u>142,090</u>	<u>201,036</u>	<u>74,704</u>	<u>126,332</u>	<u>89,288</u>	<u>89,288</u>	<u>57,349</u>	<u>31,939</u>
Excess of Revenues over (under) Expenditures	40,111	(18,835)	106,430	125,265	(89,288)	(89,288)	(57,349)	31,939
Other Financing Sources (Uses):								
Transfers Out	(2,500)	(2,500)	(1,553)	947	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 37,611</u>	<u>\$ (21,335)</u>	<u>\$ 104,877</u>	<u>\$ 126,212</u>	<u>\$ (89,288)</u>	<u>\$ (89,288)</u>	<u>\$ (57,349)</u>	<u>\$ 31,939</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
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<b>Special Revenue Funds</b>								
	<b>RSID Administration</b>				<b>HUD/CDBG</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,473	\$ 16,473
Investment Earnings	-	-	-	-	106,545	106,545	115,390	8,845
Total Revenues	-	-	-	-	106,545	106,545	131,863	25,318
Expenditures:								
Current Operations:								
Personnel	64,388	64,388	62,690	1,698	-	-	-	-
Operations	400	400	-	400	-	500,000	310,056	189,944
Total Expenditures	64,788	64,788	62,690	2,098	-	500,000	310,056	189,944
Excess of Revenues over (under) Expenditures	(64,788)	(64,788)	(62,690)	2,098	106,545	(393,455)	(178,193)	215,262
Other Financing Sources (Uses):								
Transfers In	9,958	9,958	9,958	-	-	-	-	-
Transfers Out	(15,000)	(15,000)	(15,000)	-	-	(55,000)	(55,000)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (69,830)	\$ (69,830)	\$ (67,732)	\$ 2,098	\$ 106,545	\$ (448,455)	\$ (233,193)	\$ 215,262



**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
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<b>Special Revenue Funds</b>								
	<b>Community Based Organizations</b>				<b>Permissive Medical Levy</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 844,896	\$ 844,896	\$ 821,495	\$ (23,401)	\$ 1,881,607	\$ 1,881,607	\$ 1,826,094	\$ (55,513)
Intergovernmental Revenue	78,210	78,210	78,482	272	27,176	27,176	27,899	723
Total Revenues	<u>923,106</u>	<u>923,106</u>	<u>899,977</u>	<u>(23,129)</u>	<u>1,908,783</u>	<u>1,908,783</u>	<u>1,853,993</u>	<u>(54,790)</u>
Expenditures:								
Current Operations:								
Operations	1,005,433	1,005,433	734,161	271,272	-	-	-	-
Total Expenditures	<u>1,005,433</u>	<u>1,005,433</u>	<u>734,161</u>	<u>271,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(82,327)	(82,327)	165,816	248,143	1,908,783	1,908,783	1,853,993	(54,790)
Other Financing Sources (Uses):								
Transfers In	75,756	75,756	75,756	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,908,783)</u>	<u>(1,908,783)</u>	<u>(1,853,993)</u>	<u>54,790</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (6,571)</u>	<u>\$ (6,571)</u>	<u>\$ 241,572</u>	<u>\$ 248,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
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<b>Special Revenue Funds</b>								
	<b>Seeley Lake Refuse</b>				<b>9-1-1 Trust</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ 766,408	\$ 766,408	\$ 802,616	\$ 36,208
Charges for Services	287,000	287,000	298,164	11,164	-	-	-	-
Investment Earnings	250	250	1,177	927	3,000	3,000	8,648	5,648
Total Revenues	<u>287,250</u>	<u>287,250</u>	<u>299,341</u>	<u>12,091</u>	<u>769,408</u>	<u>769,408</u>	<u>811,264</u>	<u>41,856</u>
Expenditures:								
Current Operations:								
Personnel	11,851	11,851	11,442	409	-	-	-	-
Operations	286,725	315,279	315,178	101	-	-	-	-
Debt Service:								
Principal	5,700	5,700	5,700	-	-	-	-	-
Interest	200	200	198	2	-	-	-	-
Total Expenditures	<u>304,476</u>	<u>333,030</u>	<u>332,518</u>	<u>512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(17,226)	(45,780)	(33,177)	12,603	769,408	769,408	811,264	41,856
Other Financing Sources (Uses):								
Transfers Out	-	-	-	-	(706,950)	(706,950)	(561,426)	145,524
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (17,226)</u>	<u>\$ (45,780)</u>	<u>\$ (33,177)</u>	<u>\$ 12,603</u>	<u>\$ 62,458</u>	<u>\$ 62,458</u>	<u>\$ 249,838</u>	<u>\$ 187,380</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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Special Revenue Funds								
	Big Sky Trust				Friends of the Library			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Intergovernmental Revenue	\$ 1,206,500	\$ 1,206,500	\$ 168,300	\$ (1,038,200)	\$ -	\$ -	\$ -	\$ -
Total Revenues	1,206,500	1,206,500	168,300	(1,038,200)	-	37,360	36,416	(944)
Expenditures:								
Current Operations:								
Operations	1,206,500	1,206,500	168,300	1,038,200	-	31,950	31,937	13
Capital Outlay	-	-	-	-	-	5,408	5,408	-
Total Expenditures	1,206,500	1,206,500	168,300	1,038,200	-	37,358	37,345	13
Excess of Revenues over (under) Expenditures	-	-	-	-	-	2	(929)	(931)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ (929)	\$ (931)

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
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Special Revenue Funds								
	Friends of the Historical Museum				Other Special Revenue Funds			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Charges for Services	\$ 9,000	\$ 9,000	\$ 10,086	\$ 1,086	\$ -	\$ -	\$ -	\$ -
Investment Earnings	300	300	776	476	-	-	286	286
Private & Local Grants	59,900	61,231	71,109	9,878	-	60	350	290
Miscellaneous Revenues	2,000	2,000	671	(1,329)	-	-	-	-
Total Revenues	71,200	72,531	82,642	10,111	-	60	636	576
Expenditures:								
Current Operations:								
Operations	55,200	56,138	56,216	(78)	-	60	60	-
Total Expenditures	55,200	56,138	56,216	(78)	-	60	60	-
Excess of Revenues over (under) Expenditures	16,000	16,393	26,426	10,033	-	-	576	576
Other Financing Sources (Uses):								
Transfers Out	(16,000)	(16,393)	(16,393)	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ 10,033	\$ 10,033	\$ -	\$ -	\$ 576	\$ 576

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
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Debt Service Funds								
	Jail Bond				Health Center Bond 2012 Refi			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 968,843	\$ 968,843	\$ 940,202	\$ (28,641)	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	283,162	283,162	283,909	747	36,320	36,320	36,265	(55)
Total Revenues	<u>1,252,005</u>	<u>1,252,005</u>	<u>1,224,111</u>	<u>(27,894)</u>	<u>36,320</u>	<u>36,320</u>	<u>36,265</u>	<u>(55)</u>
Expenditures:								
Current Operations:								
Debt Service:								
Principal	1,190,000	1,190,000	1,190,000	-	35,000	35,000	35,000	-
Interest	61,700	61,700	61,400	300	1,320	1,320	1,265	55
Total Expenditures	<u>1,251,700</u>	<u>1,251,700</u>	<u>1,251,400</u>	<u>300</u>	<u>36,320</u>	<u>36,320</u>	<u>36,265</u>	<u>55</u>
Excess of Revenues over (under) Expenditures	<u>305</u>	<u>305</u>	<u>(27,289)</u>	<u>(27,594)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 305</u>	<u>\$ 305</u>	<u>\$ (27,289)</u>	<u>\$ (27,594)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
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	Debt Service Funds							
	Risk Management Bonds				Fair Ice Rink Series 2012 Refinance			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ 29	\$ 29	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	-	-	-	-	71,470	71,470	70,730	(740)
Total Revenues	-	-	29	29	71,470	71,470	70,730	(740)
Expenditures:								
Current Operations:								
Debt Service:								
Principal	-	-	-	-	60,000	60,000	60,000	-
Interest	-	-	-	-	11,470	11,470	10,970	500
Total Expenditures	-	-	-	-	71,470	71,470	70,970	500
Excess of Revenues over (under) Expenditures	-	-	29	29	-	-	(240)	(240)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ 29	\$ 29	\$ -	\$ -	\$ (240)	\$ (240)

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
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<b>Debt Service Funds</b>								
	<b>Fair Ice Rink Series 2006</b>				<b>Technology Tax Increment</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Miscellaneous Revenues	\$ 61,158	\$ 61,158	\$ 60,077	\$ (1,081)	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>61,158</u>	<u>61,158</u>	<u>60,077</u>	<u>(1,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current Operations:								
Debt Service:								
Principal	40,000	40,000	40,000	-	50,000	50,000	50,000	-
Interest	<u>21,158</u>	<u>21,208</u>	<u>21,207</u>	<u>1</u>	<u>46,951</u>	<u>46,951</u>	<u>46,950</u>	<u>1</u>
Total Expenditures	<u>61,158</u>	<u>61,208</u>	<u>61,207</u>	<u>1</u>	<u>96,951</u>	<u>96,951</u>	<u>96,950</u>	<u>1</u>
Excess of Revenues over (under) Expenditures	-	(50)	(1,130)	(1,080)	(96,951)	(96,951)	(96,950)	1
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	96,951	96,951	96,600	(351)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (50)</u>	<u>\$ (1,130)</u>	<u>\$ (1,080)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (350)</u>	<u>\$ (350)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	Debt Service Funds							
	Open Space General Obligation				Health Center Bond 2009			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 650,989	\$ 650,989	\$ 636,190	\$ (14,799)	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	16,323	16,323	16,366	43	154,725	154,725	154,575	(150)
Total Revenues	667,312	667,312	652,556	(14,756)	154,725	154,725	154,575	(150)
Expenditures:								
Current Operations:								
Debt Service:								
Principal	425,000	425,000	425,000	-	85,000	85,000	85,000	-
Interest	174,780	175,480	175,479	1	69,725	69,725	69,425	300
Total Expenditures	599,780	600,480	600,479	1	154,725	154,725	154,425	300
Excess of Revenues over (under) Expenditures	67,532	66,832	52,077	(14,755)	-	-	150	150
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 67,532	\$ 66,832	\$ 52,077	\$ (14,755)	\$ -	\$ -	\$ 150	\$ 150



**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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Debt Service Funds								
	Health Center Bond 2012				Larchmont L.O. Irrigation Bonds			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Intergovernmental Revenue	\$ 23,930	\$ 23,930	\$ 23,785	\$ (145)	\$ 74,113	\$ 74,113	\$ 74,112	\$ (1)
Total Revenues	23,930	23,930	23,785	(145)	74,113	74,113	74,112	(1)
Expenditures:								
Current Operations:								
Debt Service:								
Principal	15,000	15,000	15,000	-	45,000	45,000	45,000	-
Interest	8,930	8,930	8,785	145	29,113	29,113	29,112	1
Total Expenditures	23,930	23,930	23,785	145	74,113	74,113	74,112	1
Excess of Revenues over (under) Expenditures	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	Debt Service Funds							
	RSID Revolving				Capital Improvements Debt Service			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Miscellaneous Revenues	\$ -	\$ -	\$ 6,031	\$ 6,031	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	6,031	6,031	-	-	-	-
Expenditures:								
Current Operations:								
Debt Service:								
Principal	-	-	-	-	597,947	597,947	597,947	-
Interest	-	-	-	-	264,970	264,970	264,970	-
Total Expenditures	-	-	-	-	862,917	862,917	862,917	-
Excess of Revenues over (under) Expenditures	-	-	6,031	6,031	(862,917)	(862,917)	(862,917)	-
Other Financing Sources (Uses):								
Transfers In	8,679	8,679	-	(8,679)	862,917	862,917	862,917	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 8,679	\$ 8,679	\$ 6,031	\$ (2,648)	\$ -	\$ -	\$ -	\$ -

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Debt Service Funds</b>				<b>Capital Projects Funds</b>			
	<b>Parks &amp; Trails Bonds</b>				<b>Capital Improvements</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
Revenues:								
Property Taxes	\$ 2,716,063	\$ 2,716,063	\$ 2,624,295	\$ (91,768)	\$ 1,119,222	\$ 1,119,222	\$ 1,080,347	\$ (38,875)
Intergovernmental Revenue	-	-	-	-	8,496	8,496	8,722	226
Investment Earnings	-	-	-	-	-	-	900	900
Total Revenues	<u>2,716,063</u>	<u>2,716,063</u>	<u>2,624,295</u>	<u>(91,768)</u>	<u>1,127,718</u>	<u>1,127,718</u>	<u>1,089,969</u>	<u>(37,749)</u>
Expenditures:								
Current Operations:								
Operations	-	-	-	-	-	7,830	7,830	-
Capital Outlay	-	-	-	-	4,200,000	2,991,640	2,654,386	337,254
Debt Service:								
Interest	<u>903,525</u>	<u>903,525</u>	<u>903,275</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>903,525</u>	<u>903,525</u>	<u>903,275</u>	<u>250</u>	<u>4,200,000</u>	<u>2,999,470</u>	<u>2,662,216</u>	<u>337,254</u>
Excess of Revenues over (under) Expenditures	1,812,538	1,812,538	1,721,020	(91,518)	(3,072,282)	(1,871,752)	(1,572,247)	299,505
Other Financing Sources (Uses):								
Transfers Out	-	-	-	-	(862,917)	(950,432)	(950,431)	1
Issuance of Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,200,000</u>	<u>4,200,000</u>	<u>1,753,071</u>	<u>(2,446,929)</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,812,538</u>	<u>\$ 1,812,538</u>	<u>\$ 1,721,020</u>	<u>\$ (91,518)</u>	<u>\$ 264,801</u>	<u>\$ 1,377,816</u>	<u>\$ (769,607)</u>	<u>\$ (2,147,423)</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Capital Projects Funds</b>								
	<b>Technology Fund</b>				<b>Milltown Historic Preservation</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ 943,083	\$ 943,083	\$ 915,345	\$ (27,738)	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	47,331	47,331	47,455	124	-	-	-	-
Charges for Services	31,872	31,872	55,931	24,059	-	-	-	-
Investment Earnings	-	-	-	-	2,000	2,000	852	(1,148)
Miscellaneous Revenues	58,902	58,902	14,957	(43,945)	-	-	-	-
Total Revenues	<u>1,081,188</u>	<u>1,081,188</u>	<u>1,033,688</u>	<u>(47,500)</u>	<u>2,000</u>	<u>2,000</u>	<u>852</u>	<u>(1,148)</u>
Expenditures:								
Current Operations:								
Operations	696,536	718,015	475,686	242,329	40,000	40,000	-	40,000
Capital Outlay	245,800	290,132	288,599	1,533	-	-	-	-
Total Expenditures	<u>942,336</u>	<u>1,008,147</u>	<u>764,285</u>	<u>243,862</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Excess of Revenues over (under) Expenditures	138,852	73,041	269,403	196,362	(38,000)	(38,000)	852	38,852
Other Financing Sources (Uses):								
Transfers In	1,309,750	1,309,750	1,316,750	7,000	-	-	-	-
Transfers Out	<u>(1,485,382)</u>	<u>(1,485,382)</u>	<u>(1,396,968)</u>	<u>88,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (36,780)</u>	<u>\$ (102,591)</u>	<u>\$ 189,185</u>	<u>\$ 291,776</u>	<u>\$ (38,000)</u>	<u>\$ (38,000)</u>	<u>\$ 852</u>	<u>\$ 38,852</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	Capital Projects Funds							
	Open Space Programs				Library Capital Reserve			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Investment Earnings	\$ -	\$ -	\$ 6,418	\$ 6,418	\$ -	\$ -	\$ 1,310	\$ 1,310
Total Revenues	-	-	6,418	6,418	-	-	1,310	1,310
Expenditures:								
Current Operations:								
Operations	-	-	-	-	-	150,000	106,306	43,694
Capital Outlay	-	1,350,100	805,778	544,322	-	-	-	-
Debt Service:								
Interest	-	88,660	88,659	1	-	-	-	-
Total Expenditures	-	1,438,760	894,437	544,323	-	150,000	106,306	43,694
Excess of Revenues over (under) Expenditures	-	(1,438,760)	(888,019)	550,741	-	(150,000)	(104,996)	45,004
Other Financing Sources (Uses):								
Issuance of Debt	-	88,660	3,449,499	3,360,839	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ (1,350,100)	\$ 2,561,480	\$ 3,911,580	\$ -	\$ (150,000)	\$ (104,996)	\$ 45,004

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Capital Projects Funds</b>								
<b>Water Quality District Capital Reserve</b>					<b>Public Safety Capital Reserve</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Investment Earnings	\$ -	\$ -	\$ 932	\$ 932	\$ 1,400	\$ 1,400	\$ 1,195	\$ (205)
Miscellaneous Revenues	-	-	-	-	-	36,900	36,916	16
Total Revenues	-	-	932	932	1,400	38,300	38,111	(189)
Expenditures:								
Current Operations:								
Capital Outlay	-	-	-	-	365,000	697,400	697,371	29
Total Expenditures	-	-	-	-	365,000	697,400	697,371	29
Excess of Revenues over (under) Expenditures	-	-	932	932	(363,600)	(659,100)	(659,260)	(160)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	365,000	660,500	619,000	(41,500)
Transfers Out	-	(20,000)	(20,000)	-	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ (20,000)	\$ (19,068)	\$ 932	\$ 1,400	\$ 1,400	\$ (40,260)	\$ (41,660)

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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<b>Capital Projects Funds</b>								
	<b>Park Construction Reserve</b>				<b>Weed/Extension Building Reserve</b>			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Intergovernmental Revenue	\$ 519,000	\$ 519,000	\$ 435,600	\$ (83,400)	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	4,070	4,070	-	-	-	-
Investment Earnings	-	-	2,099	2,099	-	-	8,393	8,393
Miscellaneous Revenues	17,204	17,204	29,794	12,590	5,000	5,000	-	(5,000)
Total Revenues	536,204	536,204	471,563	(64,641)	5,000	5,000	8,393	3,393
Expenditures:								
Current Operations:								
Operations	702,815	702,815	462,145	240,670	3,000	3,000	2,921	79
Capital Outlay	106,809	106,809	9,247	97,562	50,000	50,000	4,524	45,476
Total Expenditures	809,624	809,624	471,392	338,232	53,000	53,000	7,445	45,555
Excess of Revenues over (under) Expenditures	(273,420)	(273,420)	171	273,591	(48,000)	(48,000)	948	48,948
Other Financing Sources (Uses):								
Transfers In	291,950	291,950	291,950	-	200,372	200,372	201,316	944
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 18,530	\$ 18,530	\$ 292,121	\$ 273,591	\$ 152,372	\$ 152,372	\$ 202,264	\$ 49,892

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	Capital Projects Funds							
	Library Bond Construction				Historical Museum Capital Campaign			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,718	1,718
Total Revenues	-	-	-	-	-	-	1,718	1,718
Expenditures:								
Current Operations:								
Operations	-	28,677	28,677	-	-	-	-	-
Capital Outlay	1,344,000	1,226,473	33,204	1,193,269	-	16,294	16,294	-
Debt Service:								
Interest	-	88,850	88,850	-	-	-	-	-
Total Expenditures	1,344,000	1,344,000	150,731	1,193,269	-	16,294	16,294	-
Excess of Revenues over (under) Expenditures	(1,344,000)	(1,344,000)	(150,731)	1,193,269	-	(16,294)	(14,576)	1,718
Other Financing Sources (Uses):								
Issuance of Debt	1,372,000	1,372,000	2,970,000	1,598,000	-	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 28,000	\$ 28,000	\$ 2,819,269	\$ 2,791,269	\$ -	\$ (16,294)	\$ (14,576)	\$ 1,718



**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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Capital Projects Funds								
	Courthouse Reconstruction				Courthouse Reconstruction Phase 2-5			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current Operations:								
Capital Outlay	-	613,015	613,014	1	-	500,000	487,713	12,287
Total Expenditures	-	613,015	613,014	1	-	500,000	487,713	12,287
Excess of Revenues over (under) Expenditures	-	(613,015)	(613,014)	1	-	(500,000)	(487,713)	12,287
Other Financing Sources (Uses):								
Transfers In	-	1,500,000	1,500,000	-	-	500,000	500,000	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 886,985	\$ 886,986	\$ 1	\$ -	\$ -	\$ 12,287	\$ 12,287

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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Capital Projects Funds								
	Admin Building Acquisition Reserve				2017 LTGO Construction			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current Operations:								
Operations	140,000	140,000	140,000	-	-	-	-	-
Interest	-	-	-	-	-	37,750	37,750	-
Total Expenditures	140,000	140,000	140,000	-	-	37,750	37,750	-
Excess of Revenues over (under) Expenditures	(140,000)	(140,000)	(140,000)	-	-	(37,750)	(37,750)	-
Other Financing Sources (Uses):								
Issuance of Debt	-	-	156,617	156,617	-	837,750	837,750	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (140,000)	\$ (140,000)	\$ 16,617	\$ 156,617	\$ -	\$ 800,000	\$ 800,000	\$ -

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Budget and Actual**  
**Budgeted Nonmajor Governmental Funds**  
**For Fiscal Year Ended June 30, 2017**  
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	<b>Capital Projects Funds</b>				<b>Totals</b>			
	<b>Alder Street Acquisition</b>							
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Revenues:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 25,936,634	\$ 24,144,322	\$ 23,699,272	\$ (445,050)
License & Permits	-	-	-	-	840,750	849,750	1,159,201	309,451
Intergovernmental Revenue	-	-	-	-	12,827,961	15,165,198	14,831,992	(333,206)
Charges for Services	-	-	-	-	3,144,358	3,164,441	3,290,078	125,637
Fines & Forfeitures	-	-	-	-	100,325	101,456	117,946	16,490
Investment Earnings	-	-	-	-	122,220	122,495	189,614	67,119
Private & Local Grants	-	-	-	-	150,403	200,676	247,293	46,617
Miscellaneous Revenues	-	-	-	-	1,103,201	1,179,736	1,216,215	36,479
Total Revenues	-	-	-	-	44,225,852	44,928,074	44,751,611	(176,463)
Expenditures:								
Current Operations:								
Personnel	-	-	-	-	17,893,853	18,248,043	17,651,615	596,428
Operations	-	-	-	-	15,438,215	17,204,245	12,805,047	4,399,198
Capital Outlay	-	402,562	402,562	-	11,500,609	14,043,705	9,400,257	4,643,448
Debt Service:								
Principal	-	-	-	-	3,487,697	3,483,254	3,383,241	100,013
Interest	-	-	-	-	1,714,689	1,926,256	1,909,982	16,274
Total Expenditures	-	402,562	402,562	-	50,035,063	54,905,503	45,150,142	9,755,361
Excess of Revenues over (under) Expenditures	-	(402,562)	(402,562)	-	(5,809,211)	(9,977,429)	(398,531)	9,578,898
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	5,160,515	7,717,290	7,493,846	(223,444)
Transfers Out	-	-	-	-	(6,951,255)	(9,190,762)	(8,775,103)	415,659
Issuance of Debt	-	402,562	402,562	-	6,322,000	7,816,112	10,553,505	2,737,393
Sale of Capital Assets	-	-	-	-	400,055	450,055	738,455	288,400
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ (877,896)	\$ (3,184,734)	\$ 9,612,172	\$ 12,796,906

## **INTERNAL SERVICE FUNDS**

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

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

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

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

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

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

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

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

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**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**  
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	<u>Risk Management</u>	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
<b>Assets</b>								
<b>Current Assets:</b>								
Cash & Cash Equivalents	\$ 2,243	\$ 20,685	\$ 2,421,175	\$ 3,206	\$ 1,159	\$ -	\$ 7,994	\$ 2,456,462
Investments	153,392	4,978,455	6,141,961	219,320	79,329	-	546,847	12,119,304
Taxes Receivable, net	44,003	-	-	-	-	-	-	44,003
Accounts Receivable	-	187,972	-	-	-	-	5,690	193,662
Interest Receivable	-	12,144	7,496	215	-	-	-	19,855
Prescription Rebate Receivable	-	99,576	-	-	-	-	-	99,576
Contributions Receivable	-	386,271	67,950	-	-	-	-	454,221
Prepaid Costs	-	44,261	33,046	-	-	-	-	77,307
Total Current Assets	<u>199,638</u>	<u>5,729,364</u>	<u>8,671,628</u>	<u>222,741</u>	<u>80,488</u>	<u>-</u>	<u>560,531</u>	<u>15,464,390</u>
<b>Noncurrent Assets:</b>								
Capital Assets, net	-	128,714	-	-	-	-	81,415	210,129
Total Assets	<u>199,638</u>	<u>5,858,078</u>	<u>8,671,628</u>	<u>222,741</u>	<u>80,488</u>	<u>-</u>	<u>641,946</u>	<u>15,674,519</u>
<b>Deferred Outflows of Resources:</b>								
Deferred Outflows of Resources - Pension	20,287	75,186	20,961	-	3,033	287,786	38,435	445,688
Total Deferred Outflows of Resources	<u>20,287</u>	<u>75,186</u>	<u>20,961</u>	<u>-</u>	<u>3,033</u>	<u>287,786</u>	<u>38,435</u>	<u>445,688</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**  
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	<u>Risk Management</u>	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
<b>Liabilities</b>								
<b>Current Liabilities:</b>								
Accounts Payable	\$ 50	\$ 66,053	\$ 3,091	\$ -	\$ 19,232	\$ 925	\$ 11,841	\$ 101,192
Accrued Payroll	4,521	38,172	-	-	661	50,256	7,080	100,690
Contributions Paid in Advance	-	32,488	1,175	-	-	-	-	33,663
Liability for Claims, Current Portion	-	740,787	500,000	-	-	-	-	1,240,787
Total Current Liabilities	<u>4,571</u>	<u>877,500</u>	<u>504,266</u>	<u>-</u>	<u>19,893</u>	<u>51,181</u>	<u>18,921</u>	<u>1,476,332</u>
<b>Noncurrent Liabilities:</b>								
Liability for Claims, net of Current Portion	3,166,281	-	2,289,715	-	-	-	-	5,455,996
Net Pension Liability	<u>92,790</u>	<u>343,888</u>	<u>95,874</u>	<u>-</u>	<u>13,875</u>	<u>1,316,287</u>	<u>175,797</u>	<u>2,038,511</u>
Total Noncurrent Liabilities	<u>3,259,071</u>	<u>343,888</u>	<u>2,385,589</u>	<u>-</u>	<u>13,875</u>	<u>1,316,287</u>	<u>175,797</u>	<u>7,494,507</u>
Total Liabilities	<u>3,263,642</u>	<u>1,221,388</u>	<u>2,889,855</u>	<u>-</u>	<u>33,768</u>	<u>1,367,468</u>	<u>194,718</u>	<u>8,970,839</u>
<b>Deferred Outflows of Resources:</b>								
Deferred Inflows of Resources - Pension	<u>307</u>	<u>1,138</u>	<u>317</u>	<u>-</u>	<u>46</u>	<u>4,356</u>	<u>582</u>	<u>6,746</u>
Total Deferred Inflows of Resources	<u>307</u>	<u>1,138</u>	<u>317</u>	<u>-</u>	<u>46</u>	<u>4,356</u>	<u>582</u>	<u>6,746</u>
<b>Net Position</b>								
Net Investment in Capital Assets	-	128,714	-	-	-	-	81,415	210,129
Unrestricted	<u>(3,044,024)</u>	<u>4,582,024</u>	<u>5,802,417</u>	<u>222,741</u>	<u>49,707</u>	<u>(1,084,038)</u>	<u>403,666</u>	<u>6,932,493</u>
Total Net Position	<u>(3,044,024)</u>	<u>4,710,738</u>	<u>5,802,417</u>	<u>222,741</u>	<u>49,707</u>	<u>(1,084,038)</u>	<u>485,081</u>	<u>7,142,622</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For Fiscal Year Ended June 30, 2017**

	<u>Risk Management</u>	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
Operating Revenues:								
Charges for Services	\$ -	\$ 11,205,445	\$ 1,744,614	\$ -	\$ 483,200	\$ -	\$ 447,684	\$ 13,880,943
Rental Income	-	16,027	-	-	-	-	-	16,027
Rebates	-	114,694	-	-	-	-	-	114,694
On-behalf State Pension Revenue	<u>1,721</u>	<u>6,377</u>	<u>1,778</u>	<u>-</u>	<u>257</u>	<u>24,410</u>	<u>3,260</u>	<u>37,803</u>
Total Operating Revenues	<u>1,721</u>	<u>11,342,543</u>	<u>1,746,392</u>	<u>-</u>	<u>483,457</u>	<u>24,410</u>	<u>450,944</u>	<u>14,049,467</u>
Operating Expenses:								
Personnel	132,751	328,255	99,588	-	27,781	1,594,545	247,277	2,430,197
Operations	38,617	-	-	-	51,121	26,532	200,642	316,912
Claims	2,059,901	9,364,105	183,245	-	421,427	-	-	12,028,678
Reinsurance Premiums	282,557	527,472	101,752	-	-	-	-	911,781
Administrative	-	343,451	175,797	-	-	-	-	519,248
Depreciation and Amortization	<u>-</u>	<u>6,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,194</u>	<u>17,463</u>
Total Operating Expense	<u>2,513,826</u>	<u>10,569,552</u>	<u>560,382</u>	<u>-</u>	<u>500,329</u>	<u>1,621,077</u>	<u>459,113</u>	<u>16,224,279</u>
Income (Loss) from Operations	(2,512,105)	772,991	1,186,010	-	(16,872)	(1,596,667)	(8,169)	(2,174,812)
Non-operating Revenues (Expenses):								
Property Taxes	865,804	-	-	-	-	-	-	865,804
Investment Earnings	(2,770)	(5,026)	19,634	1,849	-	-	-	13,687
Intergovernmental Revenues	<u>74,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,921</u>
Net Income (Loss) before Transfers	(1,574,150)	767,965	1,205,644	1,849	(16,872)	(1,596,667)	(8,169)	(1,220,400)
Transfers In	374,660	16,779	-	-	-	1,465,009	-	1,856,448
Transfers Out	<u>(11,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,900)</u>	<u>(15,000)</u>
Change in Net Position	(1,210,590)	784,744	1,205,644	1,849	(16,872)	(131,658)	(12,069)	621,048
Net Position - Beginning of Year	<u>(1,833,434)</u>	<u>3,925,994</u>	<u>4,596,773</u>	<u>220,892</u>	<u>66,579</u>	<u>(952,380)</u>	<u>497,150</u>	<u>6,521,574</u>
Net Position - End of Year	<u>\$ (3,044,024)</u>	<u>\$ 4,710,738</u>	<u>\$ 5,802,417</u>	<u>\$ 222,741</u>	<u>\$ 49,707</u>	<u>\$ (1,084,038)</u>	<u>\$ 485,081</u>	<u>\$ 7,142,622</u>



**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 1 of 2)**

	<u>Risk Management</u>	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
Cash flows from operating activities:								
Cash receipts for charges for services	\$ -	\$ 2,514,037	\$ 604,489	\$ -	\$ 483,200	\$ -	\$ 447,973	\$ 4,049,699
Cash receipts for interfund charges for services	-	8,929,984	1,148,294	-	-	-	-	10,078,278
Cash receipts for rebates	-	66,386	-	-	-	-	-	66,386
Cash receipts for rent charged	-	16,027	-	-	-	-	-	16,027
Cash payments to employees for services	(114,950)	(376,540)	(111,906)	-	(16,508)	(1,433,770)	(201,023)	(2,254,697)
Cash payments for reinsurance premiums	(282,540)	(525,382)	(101,752)	-	-	-	-	(909,674)
Cash payments for administrative expenses	-	(299,818)	(177,975)	-	(51,121)	-	-	(528,914)
Cash payments for claims expenses	(401,933)	(9,818,083)	(733,224)	-	(416,001)	-	-	(11,369,241)
Cash payments to other suppliers for goods and services	(38,617)	-	-	-	-	(31,239)	(189,631)	(259,487)
Net cash provided (used) by operating activities	<u>(838,040)</u>	<u>506,611</u>	<u>627,926</u>	<u>-</u>	<u>(430)</u>	<u>(1,465,009)</u>	<u>57,319</u>	<u>(1,111,623)</u>
Cash flows from non-capital financing activities:								
Property taxes	849,213	-	-	-	-	-	-	849,213
Advances (to) from other funds	(291,249)	-	-	-	-	-	-	(291,249)
Transfers in from primary government	374,660	16,779	-	-	-	1,465,009	-	1,856,448
Transfers out to other funds	(11,100)	-	-	-	-	-	(3,900)	(15,000)
Intergovernmental sources	74,921	-	-	-	-	-	-	74,921
Net cash provided by non-capital financing activities	<u>996,445</u>	<u>16,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,465,009</u>	<u>(3,900)</u>	<u>2,474,333</u>
Cash flows from investing activities:								
Purchases of investment securities	(247,666)	(1,568,272)	(3,353,619)	(140,295)	(49,754)	-	(397,550)	(5,757,156)
Proceeds of sale and maturities of investment securities	94,274	983,400	4,920,398	134,793	48,755	-	336,089	6,517,709
Interest on investments	(2,770)	44,405	63,441	1,644	-	-	-	106,720
Net cash provided (used) by investing activities	<u>(156,162)</u>	<u>(540,467)</u>	<u>1,630,220</u>	<u>(3,858)</u>	<u>(999)</u>	<u>-</u>	<u>(61,461)</u>	<u>867,273</u>
Net increase (decrease) in cash and cash equivalents	2,243	(17,077)	2,258,146	(3,858)	(1,429)	-	(8,042)	2,229,983
Cash and cash equivalents at beginning of year	-	37,762	163,029	7,064	2,588	-	16,036	226,479
Cash and cash equivalents at end of year	<u>\$ 2,243</u>	<u>\$ 20,685</u>	<u>\$ 2,421,175</u>	<u>\$ 3,206</u>	<u>\$ 1,159</u>	<u>\$ -</u>	<u>\$ 7,994</u>	<u>\$ 2,456,462</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For Fiscal Year Ended June 30, 2017**  
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**Reconciliation of Income from Operations to Cash Provided (Used) by Operations**

	<u>Risk Management</u>	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Excess Loss</u>	<u>Other Benefits Programs</u>	<u>Information Services Operations</u>	<u>Telephone Services</u>	<u>Total</u>
Income (loss) from operations	\$ (2,512,105)	\$ 772,991	\$ 1,186,010	\$ -	\$ (16,872)	\$ (1,596,667)	\$ (8,169)	\$ (2,174,812)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:								
Depreciation and amortization	-	6,269	-	-	-	-	11,194	17,463
Change in assets and liabilities:								
Decrease (increase) in receivables	-	(72,707)	11,972	-	-	-	289	(60,446)
Decrease (increase) in interfund receivables	-	307,201	(4,082)	-	-	-	-	303,119
Decrease (increase) in rebate receivables	-	(48,308)	-	-	-	-	-	(48,308)
Decrease (increase) in reinsurance receivables	-	(187,972)	-	-	-	-	-	(187,972)
Decrease (increase) in prepaid costs	-	2,090	-	-	-	-	-	2,090
Decrease (increase) in pension deferred outflows	(15,345)	(43,757)	(11,879)	-	(3,033)	(195,488)	(28,015)	(297,517)
Increase (decrease) in payables and contributions paid in advance	17	43,633	(2,178)	-	5,472	(4,707)	11,011	53,248
Increase (decrease) in accrued liabilities	1,649,665	(278,766)	(549,700)	-	128	3,696	519	825,542
Increase (decrease) in net pension liability	43,697	31,823	5,502	-	-	401,386	75,381	557,789
Increase (decrease) in pension deferred inflows	(3,969)	(25,886)	(7,719)	-	13,875	(73,229)	(4,891)	(101,819)
Net cash provided (used) by operating activities	<u>\$ (838,040)</u>	<u>\$ 506,611</u>	<u>\$ 627,926</u>	<u>\$ -</u>	<u>\$ (430)</u>	<u>\$ (1,465,009)</u>	<u>\$ 57,319</u>	<u>\$ (1,111,623)</u>

**Supplemental Disclosure of Cash Flow Information**

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

Employee Benefits and the Workers' Compensation Plan had \$53,952 and \$45,474, respectively, of net investment loss that was absorbed by their trust portfolios for the year.

**MISSOULA COUNTY, MONTANA**  
**Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**Budget and Actual - Internal Service Funds**  
**For Fiscal Year Ending June 30, 2017**  
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	Risk Management				Employee Benefits			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 11,113,103	\$ 12,216,427	\$ 11,444,021	\$ (772,406)
Total Operating Revenue	-	-	-	-	11,113,103	12,216,427	11,444,021	(772,406)
Operating Expense:								
Personnel	146,805	120,055	114,950	5,105	395,617	400,291	376,540	23,751
Operations	1,119,535	1,144,685	723,090	421,595	11,103,500	12,202,150	10,643,283	1,558,867
Total Operating Expense	1,266,340	1,264,740	838,040	426,700	11,499,117	12,602,441	11,019,823	1,582,618
Income (Loss) from Operation	(1,266,340)	(1,264,740)	(838,040)	426,700	(386,014)	(386,014)	424,198	810,212
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	874,983	874,983	849,213	(25,770)	-	-	-	-
Investment Earnings	500	500	(2,920)	(3,420)	24,000	24,000	(9,547)	(33,547)
Intergovernmental Revenue	74,723	74,723	74,921	198	-	-	-	-
Other Income	-	-	-	-	16,000	16,000	16,027	27
Rebates	-	-	-	-	40,000	40,000	66,386	26,386
Net Income (Loss) before Transfers	(316,134)	(314,534)	83,174	397,708	(306,014)	(306,014)	497,064	803,078
Transfers In	377,628	377,628	374,660	(2,968)	25,345	25,345	16,779	(8,566)
Transfers Out	(9,500)	(11,100)	(11,100)	-	(170,000)	(170,000)	-	170,000
Change in Net Position	\$ 51,994	\$ 51,994	\$ 446,734	\$ 394,740	\$ (450,669)	\$ (450,669)	\$ 513,843	\$ 964,512

**MISSOULA COUNTY, MONTANA**  
**Schedule of Revenues, Expenses and Changes in Fund Net Position (Continued)**  
**Budget and Actual - Internal Service Funds**  
**For Fiscal Year Ending June 30, 2017**  
**(Page 2 of 4)**

	Workers' Compensation				Excess Loss			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 1,650,000	\$ 1,650,000	\$ 1,752,783	\$ 102,783	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,752,783</u>	<u>102,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	142,782	142,782	111,906	30,876	-	-	-	-
Operations	<u>1,098,304</u>	<u>1,099,489</u>	<u>1,012,951</u>	<u>86,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expense	<u>1,241,086</u>	<u>1,242,271</u>	<u>1,124,857</u>	<u>117,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) from Operation	408,914	407,729	627,926	220,197	-	-	-	-
Non-operating Revenues (Expenses):								
Investment Earnings	<u>75,000</u>	<u>75,000</u>	<u>17,966</u>	<u>(57,034)</u>	<u>1,000</u>	<u>1,000</u>	<u>1,820</u>	<u>820</u>
Net Income (Loss) before Transfers	483,914	482,729	645,892	163,163	1,000	1,000	1,820	820
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>(495,000)</u>	<u>(495,000)</u>	<u>-</u>	<u>495,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ (11,086)</u>	<u>\$ (12,271)</u>	<u>\$ 645,892</u>	<u>\$ 658,163</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,820</u>	<u>\$ 820</u>

**MISSOULA COUNTY, MONTANA**  
**Schedule of Revenues, Expenses and Changes in Fund Net Position (Continued)**  
**Budget and Actual - Internal Service Funds**  
**For Fiscal Year Ending June 30, 2017**  
**(Page 3 of 4)**

	Other Benefits Programs				Information Services Operations			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 472,000	\$ 492,000	\$ 483,200	\$ (8,800)	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>472,000</u>	<u>492,000</u>	<u>483,200</u>	<u>(8,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expense:								
Personnel	17,057	17,057	16,508	549	1,495,308	1,495,308	1,433,770	61,538
Operations	<u>454,000</u>	<u>474,000</u>	<u>472,548</u>	<u>1,452</u>	<u>32,799</u>	<u>32,799</u>	<u>31,239</u>	<u>1,560</u>
Total Operating Expense	<u>471,057</u>	<u>491,057</u>	<u>489,056</u>	<u>2,001</u>	<u>1,528,107</u>	<u>1,528,107</u>	<u>1,465,009</u>	<u>63,098</u>
Income (Loss) from Operation	<u>943</u>	<u>943</u>	<u>(5,856)</u>	<u>(6,799)</u>	<u>(1,528,107)</u>	<u>(1,528,107)</u>	<u>(1,465,009)</u>	<u>63,098</u>
Net Income (Loss) before Transfers	<u>943</u>	<u>943</u>	<u>(5,856)</u>	<u>(6,799)</u>	<u>(1,528,107)</u>	<u>(1,528,107)</u>	<u>(1,465,009)</u>	<u>63,098</u>
Transfers In	-	-	-	-	1,528,107	1,528,107	1,465,009	(63,098)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 943</u>	<u>\$ 943</u>	<u>\$ (5,856)</u>	<u>\$ (6,799)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MISSOULA COUNTY, MONTANA**  
**Schedule of Revenues, Expenses and Changes in Fund Net Position (Continued)**  
**Budget and Actual - Internal Service Funds**  
**For Fiscal Year Ending June 30, 2017**  
**(Page 4 of 4)**

	Telephone Services				Totals			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Operating Revenue:								
Charges for Services	\$ 394,700	\$ 394,700	\$ 447,684	\$ 52,984	\$ 13,629,803	\$ 14,753,127	\$ 14,127,688	\$ (625,439)
Total Operating Revenue	<u>394,700</u>	<u>394,700</u>	<u>447,684</u>	<u>52,984</u>	<u>13,629,803</u>	<u>14,753,127</u>	<u>14,127,688</u>	<u>(625,439)</u>
Operating Expense:								
Personnel	214,031	214,031	201,023	13,008	2,411,600	2,389,524	2,254,697	134,827
Operations	<u>224,405</u>	<u>224,405</u>	<u>189,631</u>	<u>34,774</u>	<u>14,032,543</u>	<u>15,177,528</u>	<u>13,072,742</u>	<u>2,104,786</u>
Total Operating Expense	<u>438,436</u>	<u>438,436</u>	<u>390,654</u>	<u>47,782</u>	<u>16,444,143</u>	<u>17,567,052</u>	<u>15,327,439</u>	<u>2,239,613</u>
Income (Loss) from Operation	(43,736)	(43,736)	57,030	100,766	(2,814,340)	(2,813,925)	(1,199,751)	1,614,174
Non-operating Revenues (Expenses):								
Operating Property Tax Revenue	-	-	-	-	874,983	874,983	849,213	(25,770)
Investment Earnings	-	-	-	-	100,500	100,500	7,319	(93,181)
Intergovernmental Revenue	-	-	-	-	74,723	74,723	74,921	198
Other Income	-	-	-	-	16,000	16,000	16,027	27
Rebates	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>66,386</u>	<u>26,386</u>
Net Income (Loss) before Transfers	(43,736)	(43,736)	57,030	100,766	(1,708,134)	(1,707,719)	(185,885)	1,521,834
Transfers In	-	-	-	-	1,931,080	1,931,080	1,856,448	(74,632)
Transfers Out	<u>(4,000)</u>	<u>(4,000)</u>	<u>(3,900)</u>	<u>100</u>	<u>(678,500)</u>	<u>(680,100)</u>	<u>(15,000)</u>	<u>665,100</u>
Change in Net Position	<u>\$ (47,736)</u>	<u>\$ (47,736)</u>	<u>\$ 53,130</u>	<u>\$ 100,866</u>	<u>\$ (455,554)</u>	<u>\$ (456,739)</u>	<u>\$ 1,655,563</u>	<u>\$ 2,112,302</u>

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## **TRUST AND AGENCY FUNDS**

Trust and agency funds are used to account for situations where the County holds assets in trust or acts as an agent for another governmental entity or an individual.

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

**Schools Fund** – To account for revenues collected and cash held for various school districts.

**Other Local Taxing Units Fund** – To account for revenues collected and cash held for fire districts, irrigation districts, cemetery districts, the hospital district, the mosquito district and the urban transportation district.

**State Fund** – To account for revenues collected and cash held for the State of Montana.

**City Fund** – To account for revenues collected and cash held for the City of Missoula.

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

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



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**MISSOULA COUNTY, MONTANA**  
**Statement of Fiduciary Net Position**  
**June 30, 2017**

	<b>External Pool Investment Trust</b>
<b>Assets</b>	
Cash & Cash Equivalents	\$ 1,905,920
Investments, at Fair Value:	
Securities	11,681,352
Money Markets	6,789,206
Repurchase Agreements	6,313,805
STIP	105,595,512
Total Investments	<u>130,379,875</u>
Total Assets	<u>132,285,795</u>
<b>Net Position</b>	
Funds Held in Trust for:	
Investment Trusts	<u>132,285,795</u>
Total Net Position	<u><u>\$ 132,285,795</u></u>

**MISSOULA COUNTY, MONTANA**  
**Statement of Changes in Fiduciary Net Position**  
**For Fiscal Year Ended June 30, 2017**

	<b>External Pool Investment Trust</b>
<b>Additions</b>	
Interest Income	\$ 1,071,277
Net Investment Income	<u>1,071,277</u>
Participant Investments in Pool	443,166,731
Total Additions	<u>444,238,008</u>
 <b>Deductions</b>	
Distribution to Participants	<u>(451,694,331)</u>
Total Deductions	<u>(451,694,331)</u>
 Change in Net Position	 (7,456,323)
 <b>Net Position Held in Trust for Pool Participants</b>	
Net Position - Beginning of Year	<u>139,742,118</u>
Net Position - End of Year	<u>\$ 132,285,795</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 1 of 4)**

**SCHOOLS**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Assets:				
Cash with Fiscal Agents	\$ 1,370,308	\$ 1,227,760	\$ 1,370,308	\$ 1,227,760
Property Taxes Receivable (net)	<u>2,054,152</u>	<u>61,880,624</u>	<u>60,642,663</u>	<u>3,292,113</u>
Total Assets	<u>\$ 3,424,460</u>	<u>\$ 63,108,384</u>	<u>\$ 62,012,971</u>	<u>\$ 4,519,873</u>
Liabilities:				
Due to Other Agencies	\$ <u>3,424,460</u>	\$ <u>63,108,384</u>	\$ <u>62,012,971</u>	\$ <u>4,519,873</u>
Total Liabilities	<u>\$ 3,424,460</u>	<u>\$ 63,108,384</u>	<u>\$ 62,012,971</u>	<u>\$ 4,519,873</u>

**OTHER LOCAL TAXING UNITS**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Assets:				
Cash with Fiscal Agents	\$ 27,583	\$ 26,770	\$ 27,583	\$ 26,770
Property Taxes Receivable (net)	<u>496,085</u>	<u>12,311,832</u>	<u>12,080,450</u>	<u>727,467</u>
Total Assets	<u>\$ 523,668</u>	<u>\$ 12,338,602</u>	<u>\$ 12,108,033</u>	<u>\$ 754,237</u>
Liabilities:				
Due to Other Agencies	\$ <u>523,668</u>	\$ <u>12,338,602</u>	\$ <u>12,108,033</u>	\$ <u>754,237</u>
Total Liabilities	<u>\$ 523,668</u>	<u>\$ 12,338,602</u>	<u>\$ 12,108,033</u>	<u>\$ 754,237</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 2 of 4)**

**STATE**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Assets:				
Property Taxes Receivable (net)	\$ 642,145	\$ 21,612,726	\$ 21,122,564	\$ 1,132,307
Total Assets	<u>\$ 642,145</u>	<u>\$ 21,612,726</u>	<u>\$ 21,122,564</u>	<u>\$ 1,132,307</u>
Liabilities:				
Due to Other Agencies	\$ 642,145	\$ 21,612,726	\$ 21,122,564	\$ 1,132,307
Total Liabilities	<u>\$ 642,145</u>	<u>\$ 21,612,726</u>	<u>\$ 21,122,564</u>	<u>\$ 1,132,307</u>

**CITY**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2017
Assets:				
Property Taxes Receivable (net)	\$ 1,121,209	\$ 39,252,461	\$ 38,465,359	\$ 1,908,311
Accounts Receivable	36,507	329,685	336,507	29,685
Total Assets	<u>\$ 1,157,716</u>	<u>\$ 39,582,146</u>	<u>\$ 38,801,866</u>	<u>\$ 1,937,996</u>
Liabilities:				
Due to Other Agencies	\$ 1,157,716	\$ 39,582,146	\$ 38,801,866	\$ 1,937,996
Total Liabilities	<u>\$ 1,157,716</u>	<u>\$ 39,582,146</u>	<u>\$ 38,801,866</u>	<u>\$ 1,937,996</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 3 of 4)**

**OTHER POST-RETIREMENT BENEFITS (OPEB)**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Assets:				
Cash & Cash Equivalents	\$ 955	\$ 908,307	\$ 908,937	\$ 325
Investments	112,525	78,254	112,525	78,254
Other Assets	4,336	6,412	4,336	6,412
Total Assets	<u>\$ 117,816</u>	<u>\$ 992,973</u>	<u>\$ 1,025,798</u>	<u>\$ 84,991</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,157	\$ 16,346	\$ 14,359	\$ 3,144
Other Liabilities	116,659	894,093	928,905	81,847
Total Liabilities	<u>\$ 117,816</u>	<u>\$ 910,439</u>	<u>\$ 943,264</u>	<u>\$ 84,991</u>

**PAYROLL & CLAIMS**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2017
Assets:				
Cash & Cash Equivalents	\$ 58,685	\$ 20,902	\$ 58,685	\$ 20,902
Investments	1,776,267	1,429,894	1,776,267	1,429,894
Total Assets	<u>\$ 1,834,952</u>	<u>\$ 1,450,796</u>	<u>\$ 1,834,952</u>	<u>\$ 1,450,796</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,834,952	\$ 1,450,796	\$ 1,834,952	\$ 1,450,796
Total Liabilities	<u>\$ 1,834,952</u>	<u>\$ 1,450,796</u>	<u>\$ 1,834,952</u>	<u>\$ 1,450,796</u>

**MISSOULA COUNTY, MONTANA**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Continued)**  
**For Fiscal Year Ended June 30, 2017**  
**(Page 4 of 4)**

**TOTAL AGENCY FUNDS**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Assets:				
Cash & Cash Equivalents	\$ 59,640	\$ 929,209	\$ 967,622	\$ 21,227
Cash with Fiscal Agents	1,397,891	1,254,530	1,397,891	1,254,530
Investments	1,888,792	1,508,148	1,888,792	1,508,148
Property Taxes Receivable (net)	4,313,591	135,057,643	132,311,036	7,060,198
Accounts Receivable	36,507	329,685	336,507	29,685
Other Assets	4,336	6,412	4,336	6,412
Total Assets	<u>\$ 7,700,757</u>	<u>\$ 139,085,627</u>	<u>\$ 136,906,184</u>	<u>\$ 9,880,200</u>
Liabilities:				
Accounts & Warrants Payable	\$ 1,836,109	\$ 1,467,142	\$ 1,849,311	\$ 1,453,940
Other Liabilities	116,659	894,093	928,905	81,847
Due to Other Agencies	5,747,989	136,641,858	134,045,434	8,344,413
Total Liabilities	<u>\$ 7,700,757</u>	<u>\$ 139,003,093</u>	<u>\$ 136,823,650</u>	<u>\$ 9,880,200</u>

## **CAPITAL ASSETS**

Capital assets used in the operation of Governmental Funds



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**MISSOULA COUNTY, MONTANA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule By Source <sup>1</sup>**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Governmental Funds Capital Assets:		
Land	\$ 6,902,571	\$ 6,054,891
Buildings	52,626,560	51,379,640
Machinery and Equipment	26,773,207	25,536,842
Infrastructure	63,672,564	57,378,764
Construction in Progress	<u>47,254,921</u>	<u>33,281,061</u>
Total Governmental Funds Capital Assets	<u><u>\$ 197,229,823</u></u>	<u><u>\$ 173,631,198</u></u>
Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 24,660,928	\$ 20,860,520
Special Revenue Fund	149,434,592	128,821,494
Federal Grants	21,188,207	22,003,088
Initial Start of System	<u>1,946,096</u>	<u>1,946,096</u>
Total Governmental Funds Capital Assets	<u><u>\$ 197,229,823</u></u>	<u><u>\$ 173,631,198</u></u>

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

**MISSOULA COUNTY, MONTANA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity <sup>1</sup>**  
**June 30, 2017**

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction in Progress</b>	<b>Total</b>
General Government:						
Administration and Finance	\$ -	\$ -	\$ 549,921	\$ -	\$ -	\$ 549,921
Records and Election	-	-	1,058,242	-	-	1,058,242
Data Processing	-	-	668,694	-	292,696	961,390
General Services	416,703	7,797,993	1,141,837	-	1,873,075	11,229,608
Criminal Justice	-	-	115,846	-	10,745,921	10,861,767
Total General Government	416,703	7,797,993	3,534,540	-	12,911,692	24,660,928
Public Works:						
Road & Bridge	135,100	2,894,084	8,808,802	61,933,730	727,405	74,499,121
Missoula Development Authority	-	-	-	1,390,062	5,770,090	7,160,152
Weed & Extension	-	-	187,754	-	92,783	280,537
Seeley Lake Refuse	65,400	110,793	20,160	-	-	196,353
Total Public Works	200,500	3,004,877	9,016,716	63,323,792	6,590,278	82,136,163
Public Safety:						
Sheriff	19,199	6,271,019	5,031,902	60,000	-	11,382,120
Communications	-	3,510,666	6,523,966	-	-	10,034,632
Detention Center	1,791,035	23,282,670	1,404,663	-	338,292	26,816,660
Total Public Safety	1,810,234	33,064,355	12,960,531	60,000	338,292	48,233,412
Public Health:						
City/County Health	58,162	2,676,316	205,540	-	-	2,940,018
Environmental Health	-	277,768	410,168	-	-	687,936
Total Public Health	58,162	2,954,084	615,708	-	-	3,627,954
Social and Economic Services	-	1,472,269	33,212	-	-	1,505,481
Housing and Community Development	-	-	8,801	-	-	8,801
Culture and Recreation	2,470,876	4,332,982	603,699	288,772	27,414,659	35,110,988
Nondepartmental	1,946,096	-	-	-	-	1,946,096
Total Governmental Funds						
Capital Assets	\$ 6,902,571	\$ 52,626,560	\$ 26,773,207	\$ 63,672,564	\$ 47,254,921	\$ 197,229,823

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

**MISSOULA COUNTY, MONTANA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity <sup>1</sup>**  
**For Fiscal Year Ended June 30, 2017**

<b>Function and Activity</b>	Governmental Funds Capital Assets July 1, 2016	Adjustments & Reclasses	As Restated July 1, 2016	Additions	Deductions	Adjustments	Governmental Funds Capital Assets June 30, 2017
General Government:							
Administration and Finance	\$ 556,412	\$ -	\$ 556,412	\$ -	\$ (6,491)	\$ -	\$ 549,921
Records and Election	1,069,340	-	1,069,340	-	(11,098)	-	1,058,242
Data Processing	903,940	-	903,940	82,709	(25,259)	-	961,390
General Services	8,724,262	-	8,724,262	3,887,893	(1,382,547)	-	11,229,608
Criminal Justice	9,606,566	-	9,606,566	1,268,462	(13,261)	-	10,861,767
Total General Government	20,860,520	-	20,860,520	5,239,064	(1,438,656)	-	24,660,928
Public Works:							
Road & Bridge	72,526,783	-	72,526,783	8,625,132	(6,652,794)	-	74,499,121
Missoula Development Authority	7,129,977	-	7,129,977	30,175	-	-	7,160,152
Weed & Extension	269,553	(10,911)	258,642	29,524	(7,629)	-	280,537
Seeley Lake Refuse	196,353	-	196,353	-	-	-	196,353
Total Public Works	80,122,666	(10,911)	80,111,755	8,684,831	(6,660,423)	-	82,136,163
Public Safety:							
Sheriff	10,685,332	(331,243)	10,354,089	1,028,031	-	-	11,382,120
Communications	10,027,497	-	10,027,497	35,001	(27,866)	-	10,034,632
Detention Center	26,330,822	331,243	26,662,065	154,595	-	-	26,816,660
Total Public Safety	47,043,651	-	47,043,651	1,217,627	(27,866)	-	48,233,412
Public Health:							
City/County Health	2,873,299	-	2,873,299	187,485	(120,766)	-	2,940,018
Environmental Health	780,289	-	780,289	-	(92,353)	-	687,936
Total Public Health	3,653,588	-	3,653,588	187,485	(213,119)	-	3,627,954
Social and Economic Services	1,510,704	-	1,510,704	-	(5,223)	-	1,505,481
Housing and Community Development	8,801	-	8,801	-	-	-	8,801
Culture and Recreation	18,485,172	10,911	18,496,083	18,995,905	(2,381,000)	-	35,110,988
Nondepartmental	1,946,096	-	1,946,096	-	-	-	1,946,096
Total General Capital Assets	\$ 173,631,198	\$ -	173,631,198	34,324,912	\$ (10,726,287)	\$ -	\$ 197,229,823

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

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# STATISTICAL SECTION

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## **STATISTICAL SECTION**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Economic & Demographic Information**

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

### **Operating Information**

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

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

**MISSOULA COUNTY, MONTANA**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 41,799,334	\$ 47,859,926	\$ 50,908,218	\$ 52,441,539	\$ 56,576,425	\$ 69,649,599	\$ 67,011,808	\$ 73,771,998	\$ 83,362,498	\$ 85,395,548
Restricted	1,550,263	1,275,007	2,393,072	15,967,427	35,802,909	17,685,419	19,139,960	20,392,083	54,049,148	44,907,476
Unrestricted	<u>28,155,028</u>	<u>36,814,281</u>	<u>36,385,797</u>	<u>23,837,507</u>	<u>2,894,401</u>	<u>11,556,859</u>	<u>15,680,483</u>	<u>(26,407,340)</u>	<u>(59,040,768)</u>	<u>(47,539,559)</u>
Total Governmental Activities Net Position	<u>\$ 71,504,625</u>	<u>\$ 85,949,214</u>	<u>\$ 89,687,087</u>	<u>\$ 92,246,473</u>	<u>\$ 95,273,735</u>	<u>\$ 98,891,877</u>	<u>\$101,832,251</u>	<u>\$ 67,756,741</u>	<u>\$ 78,370,878</u>	<u>\$ 82,763,465</u>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 2,125,336	\$ 2,601,442	\$ 4,052,553	\$ 3,656,007	\$ 4,680,442	\$ 4,626,843	\$ 4,605,935	\$ 4,647,074	\$ 4,569,561	\$ 4,545,160
Unrestricted	<u>1,778,396</u>	<u>1,581,937</u>	<u>1,046,487</u>	<u>2,593,970</u>	<u>1,255,778</u>	<u>1,340,953</u>	<u>1,360,612</u>	<u>947,659</u>	<u>1,066,787</u>	<u>(22,249)</u>
Total Business-type Activities Net Position	<u>\$ 3,903,732</u>	<u>\$ 4,183,379</u>	<u>\$ 5,099,040</u>	<u>\$ 6,249,977</u>	<u>\$ 5,936,220</u>	<u>\$ 5,967,796</u>	<u>\$ 5,966,547</u>	<u>\$ 5,594,733</u>	<u>\$ 5,636,348</u>	<u>\$ 4,522,911</u>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 43,924,670	\$ 50,461,368	\$ 54,960,771	\$ 56,097,546	\$ 60,761,678	\$ 74,276,442	\$ 71,617,743	\$ 78,419,072	\$ 87,932,059	\$ 89,940,708
Restricted	1,550,263	1,275,007	2,393,072	15,967,427	35,802,909	17,685,419	19,139,960	20,392,083	54,049,148	44,907,476
Unrestricted	<u>29,933,424</u>	<u>38,396,218</u>	<u>37,432,284</u>	<u>26,431,477</u>	<u>4,150,179</u>	<u>12,897,812</u>	<u>17,041,095</u>	<u>(25,459,681)</u>	<u>(57,973,981)</u>	<u>(47,561,808)</u>
Total Primary Government Net Position	<u>\$ 75,408,357</u>	<u>\$ 90,132,593</u>	<u>\$ 94,786,127</u>	<u>\$ 98,496,450</u>	<u>\$100,714,766</u>	<u>\$104,859,673</u>	<u>\$107,798,798</u>	<u>\$ 73,351,474</u>	<u>\$ 84,007,226</u>	<u>\$ 87,286,376</u>



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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 11,532,881	\$ 12,236,110	\$ 11,885,058	\$ 13,978,668	\$ 15,820,520	\$ 20,445,707	\$ 17,283,281	\$ 16,415,581	\$ 16,163,885	\$ 18,740,845
Criminal Justice	3,729,153	3,758,712	3,847,607	4,128,781	4,276,443	2,979,747	3,616,057	4,608,917	5,100,309	4,149,551
Public Safety	17,933,310	18,135,508	18,831,204	20,042,141	20,051,543	17,752,142	17,764,481	24,652,439	22,488,114	26,035,864
Public Works	13,520,691	6,065,827	10,604,449	10,172,173	10,654,220	11,155,178	11,364,880	11,547,417	10,674,525	12,310,157
Public Health	5,903,619	5,860,795	6,041,743	6,542,193	6,970,001	7,547,594	7,381,596	7,799,341	8,656,404	8,864,427
Social & Economic Services	4,078,319	4,615,766	4,686,338	2,339,977	2,730,068	2,326,781	1,758,902	2,578,754	2,669,877	2,845,205
Culture & Recreation	4,493,107	4,333,841	4,473,973	5,156,053	5,266,106	4,845,283	4,592,167	4,906,518	6,432,951	6,323,201
Housing & Community Development	3,435,749	2,918,937	2,819,982	3,875,925	1,829,234	1,782,217	5,057,663	3,196,624	3,759,445	3,493,022
Interest on Long-term Debt	1,261,685	1,145,352	1,543,010	1,654,795	1,357,720	1,112,108	1,381,506	1,282,078	1,330,526	2,638,247
Total Governmental Activities Expenses	65,888,514	59,070,848	64,733,364	67,890,706	68,955,855	69,946,757	70,200,533	76,987,669	77,276,036	85,400,519
Business-type Activities:										
Larchmont Golf Course	852,695	847,389	860,865	854,062	877,081	897,720	904,531	952,053	855,777	804,729
Rural Special Improvement Districts	707,010	735,247	382,198	822,299	1,309,864	922,016	942,995	928,184	1,076,337	1,062,265
Total Business-type Activities Expenses	1,559,705	1,582,636	1,243,063	1,676,361	2,186,945	1,819,736	1,847,526	1,880,237	1,932,114	1,866,994
Total Primary Government Expenses	\$ 67,448,219	\$ 60,653,484	\$ 65,976,427	\$ 69,567,067	\$ 71,142,800	\$ 71,766,493	\$ 72,048,059	\$ 78,867,906	\$ 79,208,150	\$ 87,267,513
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 4,596,879	\$ 4,405,714	\$ 4,370,193	\$ 4,757,274	\$ 4,944,047	\$ 5,002,429	\$ 4,922,055	\$ 5,481,192	\$ 5,601,735	\$ 7,472,311
Criminal Justice	876,544	910,461	882,066	855,132	784,263	797,539	848,911	923,639	818,208	749,527
Public Safety	5,845,885	5,218,345	5,097,532	5,144,087	6,391,991	5,384,210	5,581,416	7,843,374	6,501,498	7,669,688
Public Works	2,067,227	1,747,766	1,522,702	2,618,765	2,446,931	2,453,681	2,595,957	2,270,337	2,354,464	2,322,877
Public Health	1,730,795	1,532,922	1,477,509	1,495,133	1,732,005	1,647,280	1,863,366	1,990,209	2,370,198	2,157,898
Social & Economic Services	-	-	-	-	184,993	-	-	-	-	76,764
Culture & Recreation	1,136,630	981,832	1,022,162	1,097,072	1,222,868	1,137,248	915,798	863,942	765,267	779,061
Housing & Community Development	206,284	195,356	158,728	144,605	1,434	-	94,854	90,742	103,423	140,460
Operating Grants and Contributions	6,862,787	6,626,708	5,364,471	10,503,550	7,671,180	6,856,910	8,068,517	7,939,965	8,479,102	8,941,008
Capital Grants and Contributions	260,121	3,546,936	2,576,393	1,148,146	1,536,905	2,611,277	353,300	1,789,304	2,985,372	1,802,030
Total Governmental Activities Program Revenues	23,583,152	25,166,040	22,471,756	27,763,764	26,916,617	25,890,574	25,244,174	29,192,704	29,979,267	32,111,624
Business-type Activities:										
Charges for Services:										
Larchmont Golf Course	984,778	1,012,132	988,599	981,338	969,831	959,930	946,171	1,034,980	1,022,084	909,270
Rural Special Improvement Districts	780,030	823,465	882,273	995,892	989,238	997,690	992,971	990,327	977,266	1,070,674
Total Business-type Activities Program Revenues	1,764,808	1,835,597	1,870,872	1,977,230	1,959,069	1,957,620	1,939,142	2,025,307	1,999,350	1,979,944
Total Primary Government Program Revenues	\$ 25,347,960	\$ 27,001,637	\$ 24,342,628	\$ 29,740,994	\$ 28,875,686	\$ 27,848,194	\$ 27,183,316	\$ 31,218,011	\$ 31,978,617	\$ 34,091,568
<b>Net (Expense) Revenue</b>										
Governmental Activities:	\$ (42,305,362)	\$ (33,904,808)	\$ (42,261,608)	\$ (40,126,942)	\$ (42,039,238)	\$ (44,056,183)	\$ (44,956,359)	\$ (47,794,965)	\$ (47,296,769)	\$ (53,288,895)
Business-type Activities:	205,103	252,961	627,809	300,869	(227,876)	137,884	91,616	145,070	67,236	112,950
Total Primary Government Net (Expenses) Revenues	\$ (42,100,259)	\$ (33,651,847)	\$ (41,633,799)	\$ (39,826,073)	\$ (42,267,114)	\$ (43,918,299)	\$ (44,864,743)	\$ (47,649,895)	\$ (47,229,533)	\$ (53,175,945)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenue and Other</b>										
<b>Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 34,367,166	\$ 34,622,390	\$ 38,095,655	\$ 36,962,016	\$ 36,962,016	\$ 39,240,200	\$ 40,179,586	\$ 41,650,425	\$ 44,958,039	\$ 48,422,980
Intergovernmental Revenue	6,766,492	5,857,686	5,845,783	2,967,366	2,967,366	782,442	6,182,199	6,314,257	6,595,554	6,733,625
Investment Earnings	1,489,227	816,387	297,001	239,823	239,823	40,151	157,715	152,439	884,391	166,575
Gain on Sale of Capital Assets	643,320	(28,243)	-	(1,542)	(1,542)	-	10,400	33,257	96,565	-
Miscellaneous Revenues	2,329,610	2,832,296	2,369,802	2,384,056	2,384,056	2,501,499	1,496,429	1,743,651	1,169,858	2,264,667
Transfers	151,225	164,386	(227,491)	107,531	107,531	110,033	96,447	88,820	97,275	93,635
Total Governmental Activities	45,747,040	44,264,902	46,380,750	42,659,250	42,659,250	42,674,325	48,122,776	49,982,849	53,801,682	57,681,482
Business-type Activities:										
Intergovernmental Revenue	-	100,000	-	-	-	-	724	-	-	12,291
Investment Earnings	38,345	35,691	24,426	9,080	9,080	3,725	4,960	4,877	8,428	14,944
Gain on Sale of Capital Assets	-	10,430	7,000	-	-	-	(7,014)	-	3,300	-
Miscellaneous Revenues	22,500	5,587	-	2,500	2,500	-	4,912	63,135	61,679	22,018
Transfers	(151,225)	(164,386)	227,491	(107,531)	(107,531)	(110,033)	(96,447)	(88,820)	(97,275)	(93,635)
Total Business-type Activities	(90,380)	(12,678)	258,917	(95,951)	(95,951)	(106,308)	(92,865)	(20,808)	(23,868)	(44,382)
Total Primary Government	<u>\$ 45,656,660</u>	<u>\$ 44,252,224</u>	<u>\$ 46,639,667</u>	<u>\$ 42,563,299</u>	<u>\$ 42,563,299</u>	<u>\$ 42,568,017</u>	<u>\$ 48,029,911</u>	<u>\$ 49,962,041</u>	<u>\$ 53,777,814</u>	<u>\$ 57,637,100</u>
<b>Changes in Net Position</b>										
Governmental Activities	\$ 3,441,678	\$ 10,360,094	\$ 4,119,142	\$ 2,532,308	\$ 620,012	\$ 3,618,142	\$ 3,166,417	\$ 2,187,884	\$ 6,504,913	\$ 4,392,587
Business-type Activities	114,723	240,283	886,726	204,918	(323,827)	31,576	(1,249)	124,262	43,368	68,568
Total Primary Government Changes in Net Position	<u>\$ 3,556,401</u>	<u>\$ 10,600,377</u>	<u>\$ 5,005,868</u>	<u>\$ 2,737,226</u>	<u>\$ 296,185</u>	<u>\$ 3,649,718</u>	<u>\$ 3,165,168</u>	<u>\$ 2,312,146</u>	<u>\$ 6,548,281</u>	<u>\$ 4,461,155</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ 226,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,218,236	2,577,538	1,962,335	-	-	-	-	-	-	-
Nonspendable *	-	-	-	63,911	61,571	56,450	57,453	66,450	61,204	59,572
Restricted *	-	-	-	55,952	72,423	226,043	-	-	-	-
Unassigned *	-	-	-	2,264,689	2,244,801	2,655,190	2,547,676	2,416,051	3,482,397	2,734,763
Total General Fund	<u>\$ 2,218,236</u>	<u>\$ 2,577,538</u>	<u>\$ 2,188,981</u>	<u>\$ 2,384,552</u>	<u>\$ 2,378,795</u>	<u>\$ 2,937,683</u>	<u>\$ 2,605,129</u>	<u>\$ 2,482,501</u>	<u>\$ 3,543,601</u>	<u>\$ 2,794,335</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 2,875,328	\$ 6,131,515	\$ 7,749,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	15,826,535	22,776,020	22,814,502	-	-	-	-	-	-	-
Debt Service Funds	1,550,263	1,555,901	(278,996)	-	-	-	-	-	-	-
Capital Project Funds	7,513,750	1,341,314	1,932,761	-	-	-	-	-	-	-
Nonspendable *	-	-	-	911,287	1,030,056	1,386,525	1,376,432	1,498,668	1,451,373	1,486,888
Restricted *	-	-	-	15,911,475	15,961,562	17,329,372	17,633,978	19,853,562	52,118,144	41,914,163
Committed *	-	-	-	8,658,734	9,040,200	7,887,322	7,445,068	7,300,773	12,149,926	9,988,114
Assigned *	-	-	-	7,303,069	6,147,357	7,116,220	9,005,699	4,316,172	3,947,926	4,295,852
Unassigned *	-	-	-	(1,111,352)	(478,722)	(3,681,443)	(1,522,815)	(1,008,736)	(4,494,419)	(2,688,349)
Total All Other Governmental Funds	<u>\$ 27,765,876</u>	<u>\$ 31,804,750</u>	<u>\$ 32,218,163</u>	<u>\$ 31,673,213</u>	<u>\$ 31,700,453</u>	<u>\$ 30,037,996</u>	<u>\$ 33,938,362</u>	<u>\$ 31,960,439</u>	<u>\$ 65,172,950</u>	<u>\$ 54,996,668</u>

\* Restated to conform to GASB Statement No. 54.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes/assessments	\$ 33,225,843	\$ 36,062,438	\$ 36,771,969	\$ 38,521,237	\$ 39,428,446	\$ 40,298,123	\$ 42,012,128	\$ 42,999,719	\$ 46,342,250	\$ 47,798,449
Licenses and Permits	1,064,392	817,724	727,632	738,704	768,855	837,596	947,805	939,154	1,146,776	1,230,126
Intergovernmental Revenues	12,148,625	18,070,793	14,409,605	15,115,115	13,558,910	14,830,716	14,351,953	15,266,814	16,761,539	16,557,894
Charges for Services	11,346,129	10,114,876	9,847,043	9,889,566	11,608,160	10,422,169	10,483,316	13,145,084	12,082,801	14,050,921
Fines and Forfeitures	920,364	976,834	936,107	882,552	894,942	889,467	905,763	943,908	793,298	766,814
Investment Earnings	1,140,275	555,296	190,485	188,422	55,470	24,177	105,055	78,256	690,074	152,888
Private & Local Grants	2,208,405	114,916	1,100	157,550	205,397	356,279	184,451	98,463	634,942	266,029
Miscellaneous Revenue	2,420,861	2,391,991	2,411,935	1,779,966	2,233,871	2,788,167	1,976,682	2,193,161	1,305,372	2,084,892
Total Revenues	64,474,894	69,104,868	65,295,876	67,273,112	68,754,051	70,446,694	70,967,153	75,664,559	79,757,052	82,908,013
Expenditures:										
General Government	7,970,031	8,105,151	7,735,812	9,625,844	10,021,440	10,073,648	9,645,929	10,118,566	10,595,571	11,052,986
Criminal Justice	3,689,674	3,819,405	3,822,320	4,063,389	4,096,121	4,150,445	4,253,173	4,554,891	4,841,149	5,070,145
Public Safety	17,366,160	18,427,629	18,180,447	19,205,517	18,177,818	19,072,868	19,526,774	22,135,085	21,417,652	23,480,787
Public Works	12,212,920	7,997,379	7,534,287	7,940,624	8,225,522	8,131,000	8,320,456	8,585,108	8,461,858	9,359,432
Public Health	5,741,099	5,769,984	5,900,159	6,363,895	6,548,747	7,342,714	7,177,226	7,368,521	7,969,617	8,041,365
Social & Economic Services	3,871,633	4,544,542	4,437,612	2,275,749	2,585,961	2,239,227	2,631,577	2,432,102	2,504,087	2,640,900
Culture & Recreation	4,010,707	3,701,593	3,968,586	4,524,909	4,495,439	4,159,797	4,260,849	4,309,415	4,713,900	5,667,706
Housing & Community Development	3,397,241	2,928,408	2,777,337	3,796,036	1,760,469	1,740,447	3,847,250	3,023,548	2,895,424	2,511,647
Capital Outlay	8,079,485	9,872,743	15,334,966	8,199,726	7,107,222	11,403,305	10,650,685	11,657,484	23,116,780	27,576,437
Debt Service										
Principal	2,741,130	2,607,106	2,499,705	2,855,235	3,441,847	3,430,163	3,059,571	3,804,264	4,065,601	4,222,873
Interest	1,358,953	1,199,852	1,588,512	1,654,795	1,357,720	1,222,019	1,400,997	1,301,569	1,503,511	3,141,710
Total Expenditures	70,439,033	68,973,792	73,779,743	70,505,719	67,818,306	72,965,633	74,774,487	79,290,553	92,085,150	102,765,988
Excess of Revenues over (under) Expenditures	(5,964,139)	131,076	(8,483,867)	(3,232,607)	935,745	(2,518,939)	(3,807,334)	(3,625,994)	(12,328,098)	(19,857,975)
Other Financing Sources (uses):										
Transfers In	6,793,915	5,521,943	7,712,254	9,425,668	7,748,289	9,335,368	9,207,575	10,318,895	10,535,454	10,166,012
Transfers Out	(6,737,452)	(5,434,588)	(8,137,283)	(10,389,474)	(8,869,555)	(10,243,464)	(10,602,575)	(11,575,340)	(12,173,599)	(11,913,825)
Issuance of Debt	4,965,000	3,520,281	8,808,731	4,550,202	113,163	2,038,464	9,000,000	9,000,000	42,814,459	10,630,199
Defeasance of Debt	-	-	-	-	-	7,370,200	-	2,617,398	-	-
Premium on Issuance of Debt	6,908	-	-	-	-	368,106	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(8,136,047)	-	-	-	-
Sale of Capital Assets	1,552,982	181,836	166,956	12,400	1,603	331,445	10,400	33,257	96,565	16,158
Total Other Financing Sources (uses)	6,581,353	3,789,472	8,550,658	3,598,796	(1,006,500)	1,064,072	7,615,400	10,394,210	41,272,879	8,898,544
Net Change in Fund Balance	\$ 617,214	\$ 3,920,548	\$ 66,791	\$ 366,189	\$ (70,755)	\$ (1,454,867)	\$ 3,808,066	\$ 6,768,216	\$ 28,944,781	\$ (10,959,431)
Ratio of Debt Service Expenditures to Noncapital Expenditures	6.35%	6.25%	6.63%	7.80%	7.76%	7.29%	6.90%	7.35%	7.79%	9.77%

**MISSOULA COUNTY, MONTANA**  
**Bureau of Census (BOC) Supplemental Schedule**  
**As of and for the Fiscal Year ended June 30, 2017**

**1. Intergovernmental expenditures:**

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

**2. Salaries and wages:**

\$ 35,121,828

**3. Debt outstanding:**

**A. Long-term debt outstanding, issued and retired**

Purpose	Amount					
	Bonds outstanding July 1, 2016		Bonds during the Fiscal Year		Outstanding as of June 30, 2017	
			Issued	Retired	General Obligation	Revenue bonds
Water utility	\$ -	\$ -	\$ -	\$ -	-	-
Sewer	-	-	-	-	-	-
Electric utility	-	-	-	-	-	-
Gas utility	-	-	-	-	-	-
Industrial revenue	-	-	-	-	-	-
All other	13,372,000	29,580,543	(8,146,711)		54,354,192	-

**B. Short-term Debt**

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

**4. Cash balances of fund type groups:**

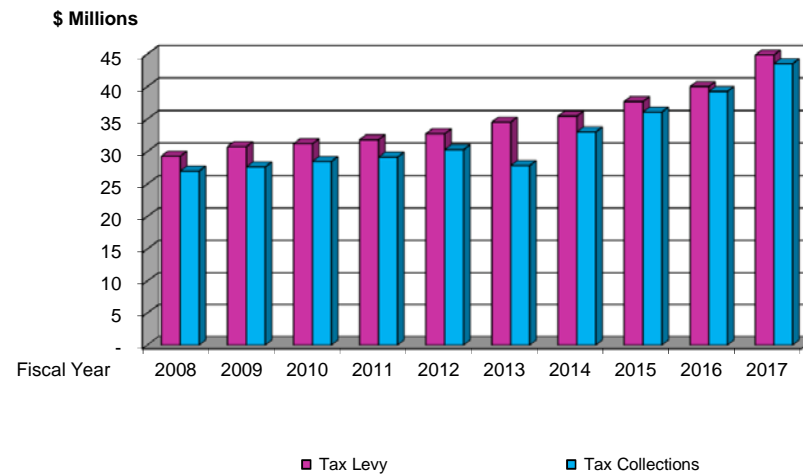
Type of funds	Amount
General fund	\$ 470,484
Special revenue funds	21,397,389
Debt service funds	8,424,787
Capital projects funds	25,584,597
Enterprise funds	2,428,766
Internal service funds	14,575,766
Trust and agency funds	135,069,700
Total	\$ 207,951,489

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

Fiscal Year	Total Tax Levy July 1 (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections in Subsequent Years (b)	Total Tax Collections	Ratio of Total Collections to Current Tax Levy
2008	29,291,463	26,987,919	92.14	2,300,020	29,287,939	99.99
2009	30,749,059	27,634,375	89.87	3,106,381	30,740,756	99.97
2010	31,196,235	28,479,702	91.29	2,704,514	31,184,216	99.96
2011	31,830,035	29,145,942	91.57	2,645,357	31,791,299	99.88
2012	32,744,989	30,294,134	92.52	2,415,799	32,709,933	99.89
2013	34,533,181	27,842,307	80.62	6,595,669	34,437,976	99.72
2014	35,445,488	33,030,464	93.19	2,347,197	35,377,661	99.81
2015	37,687,953	36,080,484	95.73	1,506,449	37,586,933	99.73
2016	40,009,252	39,250,991	98.10	678,891	39,929,882	99.80
2017	44,858,412	43,531,497	97.04	-	43,531,497	97.04

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

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



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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Centrally Assessed</u>	<u>Personal Property</u>	<u>Mobile Homes</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2008	158,914,639	21,835,221	5,582,848	2,075,112	188,407,820	136.19
2009	160,174,626	20,996,538	5,997,214	1,984,161	189,152,539	140.40
2010	162,702,385	20,051,998	6,319,728	1,781,174	190,855,285	140.60
2011	162,381,138	22,672,074	6,054,145	1,666,950	192,774,307	142.13
2012	162,368,539	24,902,349	5,715,293	1,574,935	194,561,116	142.47
2013	163,822,441	26,792,685	4,422,444	1,496,705	196,534,275	145.04
2014	170,789,996	20,950,785	4,917,936	1,469,707	198,128,424	150.32
2015	173,129,092	20,506,897	2,762,742	1,412,598	197,811,329	160.09
2016	174,782,665	22,112,660	3,267,218	1,213,737	201,376,280	167.96
2017	176,334,425	26,394,881	2,708,721	926,084	206,364,111	172.32

Source: County Treasurers Office

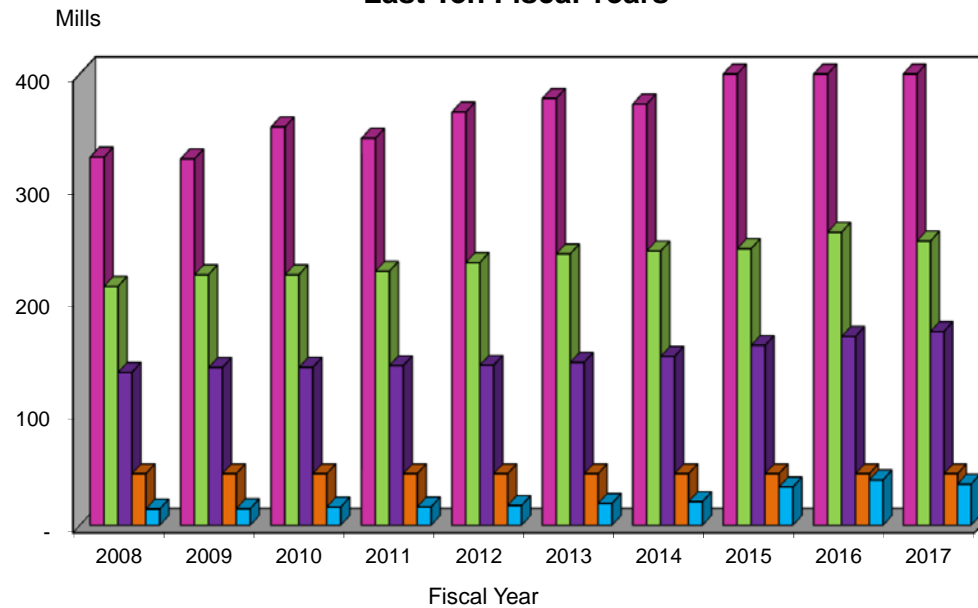
Note: Property in the County is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

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

Fiscal Year	County	Schools	City	State	Urban Trans	Total
2008	136.19	326.54	212.23	46.00	14.62	735.58
2009	140.40	324.98	222.45	46.00	14.86	748.69
2010	140.60	353.17	222.45	46.00	16.30	778.52
2011	142.13	343.25	225.56	46.00	16.45	773.39
2012	142.47	366.40	233.24	46.00	17.69	805.80
2013	145.04	378.44	240.90	46.00	19.51	829.89
2014	150.32	373.40	243.52	46.00	21.05	834.29
2015	160.09	400.22	245.62	46.00	34.26	886.19
2016	167.96	451.50	260.08	46.00	40.47	966.01
2017	172.32	531.54	252.27	46.00	36.78	1,038.91

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

**TOTAL PROPERTY TAX LEVIES BY MILLS**  
**Last Ten Fiscal Years**



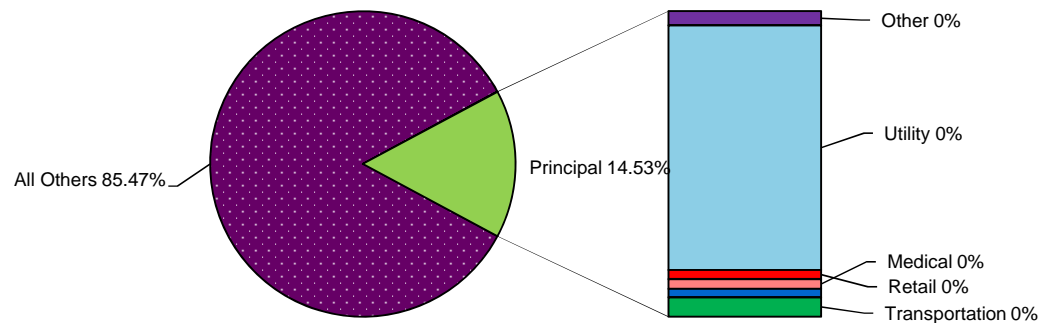


**MISSOULA COUNTY, MONTANA**  
**Principal Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	Type of Industry	2017				2008		
		Tax Dollars All Taxing Agencies	Taxable Value	% of Total Taxable Value		Taxable Value	% of Total Taxable Value	
Northwestern Energy/Montana Power	Utility	\$ 12,845,062	\$ 17,560,600	8.51	%	\$ 11,385,991	6.60	%
Mountain Water Company	Utility	1,755,672	1,966,142	0.95		1,132,367	0.66	
Charter Communications LLC	Utility	1,672,582	2,012,685	0.98		-	0.00	
Montana Rail Link	Transportation	1,613,922	2,052,384	0.99		1,329,131	0.77	
Centurylink Inc/Qwest Communications	Utility	1,492,727	1,716,405	0.83		3,106,832	1.80	
Verizon Wireless	Utility	1,187,080	1,432,708	0.69		562,134	0.33	
Southgate Mall Associates	Retail	905,715	969,663	0.47		872,208	0.51	
RCHP Billings Missoula LLC	Medical	901,986	1,028,709	0.50		-	0.00	
Missoula Electric Cooperative	Utility	835,204	1,204,870	0.58		974,013	0.56	
Roseburg Forest Products Co	Forest Products	698,381	894,697	0.43		595,566	0.35	
Gateway Limited Partnership	Other	633,032	692,509	0.34		753,833	0.44	
Yellowstone Pipeline Co	Other	601,596	806,137	0.39		-	0.00	
		<u>\$ 25,142,959</u>	<u>\$ 32,337,509</u>	<u>15.67</u>	<u>%</u>	<u>\$ 20,712,075</u>	<u>12.01</u>	<u>%</u>
Total County Taxable Value:			<u>\$ 206,364,111</u>			<u>\$ 172,525,317</u>		

Source: Tax roll for fiscal year 2016

**PRINCIPAL TAXPAYERS BY TYPE**  
**June 30, 2017**



**\$ 206,364,111**

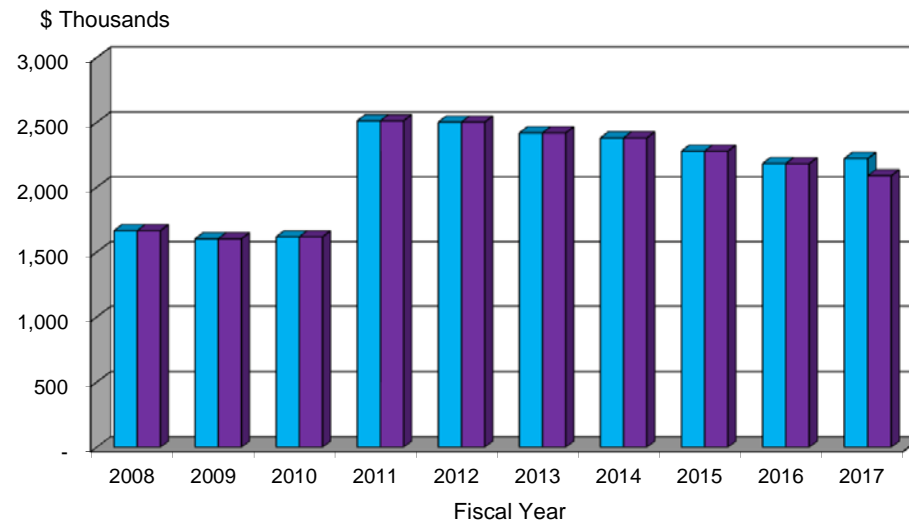
**\$ 32,337,509**

**MISSOULA COUNTY, MONTANA**  
**Special Assessments Billings and Collections**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Amount Billed</u>	<u>Current Collections</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent Collected through 6/30/2016</u>
2008	1,665,327	1,556,778	108,549	1,665,327	100.00%
2009	1,602,683	1,478,302	124,381	1,602,683	100.00%
2010	1,617,545	1,507,920	109,625	1,617,545	100.00%
2011	2,512,336	2,250,255	262,081	2,512,336	100.00%
2012	2,502,061	2,251,362	250,699	2,502,061	100.00%
2013	2,419,071	2,241,491	177,580	2,419,071	100.00%
2014	2,380,944	2,204,237	176,707	2,380,944	100.00%
2015	2,279,085	2,189,869	89,212	2,279,081	100.00%
2016	2,183,240	2,129,744	52,314	2,182,058	99.95%
2017	2,221,768	2,088,448	-	2,088,448	94.00%

Source: Missoula County Director of Financial Services

**RSID BILLINGS AND COLLECTIONS**



**MISSOULA COUNTY, MONTANA**  
**Rural Special Improvement District Bonds**  
**Revolving Fund Cash Balance and Principal Amount of Bonds Secured**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Revolving Fund Cash Balance</u>	<u>Principal Amount of Bonds Outstanding</u>	<u>Cash as a % of Outstanding Bonds</u>
2008	362,200	7,244,000	5.00%
2009	346,501	6,930,020	5.00%
2010	766,263	15,267,731	5.02%
2011	778,322	14,859,078	5.24%
2012	812,489	13,932,402	5.83%
2013	700,859	12,924,542	5.42%
2014	735,442	12,105,990	6.08%
2015	767,579	11,317,130	6.78%
2016	695,954	10,552,270	6.60%
2017	710,738	9,775,410	7.27%

Source: Missoula County Director of Financial Services

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Limit on Total Indebtedness:</b>										
Assessed Value	\$ 6,221,103	\$ 6,310,354	\$ 6,905,574	\$ 7,214,308	\$ 7,494,735	\$ 7,399,235	\$ 7,721,133	\$ 7,939,217	#####	#####
Debt Limit % of Value (1)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Debt Limit	155,528	157,759	172,639	180,358	187,368	184,981	193,028	198,480	323,340	327,099
Net Debt Applicable to Limit	31,873	32,787	39,096	40,791	37,462	35,555	41,786	40,548	78,944	84,963
Legal Debt Margin	<u>\$ 123,655</u>	<u>\$ 124,972</u>	<u>\$ 133,543</u>	<u>\$ 139,567</u>	<u>\$ 149,906</u>	<u>\$ 149,426</u>	<u>\$ 151,242</u>	<u>\$ 157,932</u>	<u>\$ 244,396</u>	<u>\$ 242,136</u>
Ratio of Net Debt Limit	<u>20.49%</u>	<u>20.78%</u>	<u>22.65%</u>	<u>22.62%</u>	<u>19.99%</u>	<u>19.22%</u>	<u>21.65%</u>	<u>20.43%</u>	<u>24.42%</u>	<u>25.97%</u>

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

<u>Calendar Year</u>	<u>TANs or RANs (1)</u>	<u>BANs (2)</u>	<u>RSIDs</u>	<u>General Obligation</u>	<u>Other</u>	<u>Total</u>
2008	-	-	1,640,000	3,325,000	-	4,965,000
2009	-	-	142,000	-	2,000,000	2,142,000
2010	-	-	8,761,731	-	-	8,761,731
2011	-	-	165,202	3,325,000	1,060,000	4,550,202
2012	-	-	113,163	-	-	113,163
2013	-	-	-	6,540,000	2,870,000	9,410,000
2014	-	-	12,105,990	11,184,743	6,000,905	29,291,638
2015	-	-	11,317,130	9,592,245	7,041,844	27,951,219
2016	-	-	10,552,270	49,943,412	6,676,328	67,172,010
2017	-	-	9,775,410	54,354,192	9,418,362	73,547,964

(1) Tax anticipation or Revenue anticipation notes

(2) Bond anticipation notes

**MISSOULA COUNTY, MONTANA**  
**Ratio of Net General Obligation Bonded Debt**  
**To Assessed Value and Net General Obligation Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population (b)</u>	<u>Taxable Value (a)</u>	<u>G.O. Bonded Debt</u>	<u>Less Amount Available In Debt Service</u>	<u>Net G.O. Bonded Debt</u>	<u>Ratio Net Debt to Taxable Value</u>	<u>Net Bonded Debt Per Capita</u>
2008	105,650	184,460,260	15,432,000	1,292,714	14,139,286	7.67	134
2009	107,320	189,152,539	14,512,000	1,252,443	13,259,557	7.01	124
2010	108,623	190,855,285	13,372,000	1,309,645	12,062,355	6.32	111
2011	109,299	194,561,116	15,432,000	1,300,585	14,131,415	7.26	129
2012	110,138	192,774,307	14,102,000	1,308,782	12,793,218	6.64	116
2013	110,766	194,561,116	12,087,000	764,220	11,322,780	5.82	102
2014	110,243	196,534,275	11,184,743	1,301,122	9,883,621	5.03	90
2015	112,684	198,128,424	9,592,245	1,264,958	8,327,287	4.20	74
2016	114,181	201,376,280	49,943,412	1,261,600	48,681,812	24.17	426
2017	116,130	206,364,111	54,354,192	110,540	54,243,652	26.29	467

Source:

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

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

Fiscal Year	Governmental Activities					Business-type Activities	Total Primary Government	Personal Income (a)	Percentage of Personal Income	Debt Per Capita
	General Obligation Debt	Limited Obligation Debt	Tax Increment Debt	Special Assessment Debt	Capital Leases and Contracts	Contracts				
2008	15,432,000	2,445,000	5,675,000	7,244,000	1,077,448	-	31,873,448	32,243	0.10%	297
2009	14,512,000	4,255,000	5,300,000	6,930,020	1,789,602	-	32,786,622	33,055	0.10%	302
2010	13,372,000	3,965,000	4,915,000	15,267,731	1,789,602	-	42,461,165	35,108	0.08%	388
2011	15,432,000	4,750,000	4,515,000	14,859,078	1,234,536	-	40,790,614	35,733	0.09%	370
2012	14,102,000	4,415,000	4,095,000	13,932,402	917,528	-	37,461,930	44,084	0.12%	338
2013	12,087,000	6,265,000	3,660,000	12,924,542	618,802	-	35,555,344	44,653	0.13%	323
2014	11,184,743	6,000,905	3,205,000	12,105,990	9,496,230	130,000	42,122,868	44,528	0.11%	374
2015	9,592,245	7,041,844	2,725,000	11,317,130	9,871,697	104,516	40,652,432	44,716	0.11%	356
2016	49,943,412	6,676,328	2,225,000	10,552,270	9,546,880	78,776	79,022,666	40,803	0.05%	692
2017	54,354,192	9,418,362	1,710,000	9,775,410	9,705,392	52,778	85,016,134	46,371	0.05%	732

Source:

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

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

Fiscal Year	Debt Service Expenditures			General Expenditures	Ratio of Debt Service To General Expenditures
	Principal	Interest	Total Debt Service		
2008	2,741,130	1,358,953	4,100,083	70,439,033	5.82
2009	2,607,106	1,199,852	3,806,958	68,973,792	5.52
2010	2,499,705	1,588,512	4,088,217	73,779,743	5.54
2011	2,855,235	1,654,795	4,510,030	70,505,719	6.40
2012	3,441,847	1,357,720	4,799,567	67,818,306	7.08
2013	3,430,163	1,222,019	4,652,182	72,965,633	6.38
2014	3,059,571	1,400,997	4,460,568	74,774,487	5.97
2015	3,804,264	1,301,569	5,105,833	79,290,553	6.44
2016	4,065,601	1,503,511	5,569,112	92,085,150	6.05
2017	4,222,873	3,141,710	7,364,583	102,765,988	7.17



**MISSOULA COUNTY, MONTANA**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2017**

	<u>Gross Debt Outstanding</u>	<u>% Applicable to Missoula County</u>	<u>Amount Applicable to Missoula County</u>
Direct Debt			
General Obligation Debt	\$ 54,354,192	100.00%	\$ 54,354,192
Limited Obligation Debt	9,418,362	100.00%	9,418,362
Tax Increment Debt	1,710,000	100.00%	1,710,000
Special Assessment Bond Debt	3,255,000	100.00%	3,255,000
Special Assessment Loan Debt	6,520,410	100.00%	6,520,410
Capital Lease	7,339,303	100.00%	7,339,303
Contract Payable Debt	<u>2,366,089</u>	100.00%	<u>2,366,089</u>
	<u>84,963,356</u>		<u>84,963,356</u>
Overlapping Debt			
City of Missoula	7,305,000	54.82% *	4,004,728
School District 1	76,500,000	53.61% *	41,014,659
Other Schools	<u>24,836,051</u>	46.39% *	<u>11,520,467</u>
	<u>-</u>		<u>-</u>
Total of Direct and Overlapping Debt	<u>\$ 84,963,356</u>	100.00%	<u>\$ 84,963,356</u>

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

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

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

	<b>2017</b>		<b>2008</b>	
<u>Employees</u>	<u>Employer</u>	<u>Business Activities</u>	<u>Employer</u>	<u>Business Activities</u>
Over 1000	Community Medical Center	Medical Services	Community Medical Center	Medical Services
	St. Patrick Hospital	Medical Services	Missoula County Public Schools	Education
			St. Patrick Hospital	Medical Services
			University of Montana	Education
500-999	County of Missoula	Government	County of Missoula	Government
	DIRECTV	Communications	DIRECTV	Communications
	U.S. Forest Service	Government	Wal-Mart	Retail
	Wal-Mart	Retail	U.S. Forest Service	Government
	Big Bear Resources	Retail		
	City of Missoula	Government		
250-499	Albertsons	Retail	City of Missoula	Government
	Allegiance Benefits	Insurance Services	Village Health Care Center	Medical Services
	Good Food Store	Retail	Missoula International Airport	Air Travel
	Western MT Mental Health	Medical Services	Opportunity Resources	Production/Packaging
			Western Montana Clinic	Medical Services
			Albertson's	Retail
			Smurfit-Stone Container Corp.	Paper Mill

Source: Montana Department of Labor & Industry

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

**MISSOULA COUNTY, MONTANA**  
**Property Tax Levies in the MCA Industrial District**  
**Last Ten Fiscal Years**  
**For Airport Industrial Tax Increment District**

<u>Fiscal Year</u>	<u>MCA Industrial District</u>	<u>State of Montana</u>	<u>Missoula County</u>	<u>Missoula High School District No. 1</u>	<u>DeSmet School District No. 20</u>	<u>Countywide Schools</u>	<u>Missoula Rural Fire</u>	<u>Total</u>
2008	528.19	9.62	15.56	6.98	8.75	9.42	8.25	586.77
2009	515.42	9.92	17.31	7.76	7.99	10.35	8.68	577.43
2010	549.05	9.14	13.86	6.01	8.19	8.22	7.39	601.86
2011	546.30	8.89	12.85	5.39	6.86	7.48	7.08	594.85
2012	571.00	8.85	12.74	5.45	8.62	7.20	6.99	620.85
2013	575.20	8.99	13.58	5.38	9.57	7.50	7.51	627.73
2014	561.19	8.97	13.86	5.36	7.44	7.76	7.60	612.18
2015	565.86	8.97	14.60	5.41	6.23	7.85	8.37	617.29
2016	582.01	8.96	15.21	5.55	6.71	7.72	8.33	634.49
2017	622.38	8.45	12.95	5.20	6.60	6.34	6.99	668.91

**Major Taxpayers in the MCA Industrial District**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Value</u>
FKF Real Estate LLC	Real Estate	\$ 145,251
Missoula Ventures LLC	Lodging	132,012
Big Sky Brewing	Brewery	110,404
EWR LLC (Sun Mountain Sports)	Sports Equipment	108,113
Lithia Real Estate	Real Estate	97,851
Sheridan Montana Ventures	Office/Warehouses	76,386
Direct Television LLC	Satellite Television	72,740
PLR LLC	Manufacturer	68,281
Mountain Water Company	Utility	52,993
Northwestern Energy	Utility	51,735
Total		<u>\$ 915,766</u>

The taxable value of the property of these ten taxpayers represents approximately 36.2% of taxable value of taxable property in the District for tax year 2016.

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

<u>Fiscal Year</u>	<u>Taxable Value</u>	<u>Incremental Taxable Value</u>	<u>Anticipated Tax Increment to be Collected <sup>(1)</sup></u>	<u>Current Tax Collections <sup>(2)</sup></u>	<u>Total Tax Collections <sup>(3)</sup></u>
2009	1,801,900	1,625,295	928,742	716,762	928,742
2010	2,248,148	2,071,543	1,234,350	1,003,488	1,234,350
2011	2,443,922	2,267,317	1,335,110	1,027,148	1,335,110
2012	2,476,513	2,299,908	1,414,098	1,147,262	1,414,098
2013	2,359,923	2,183,318	1,342,413	1,289,902	1,342,413
2014	2,379,639	2,203,034	1,335,435	1,195,414	1,335,435
2015	2,376,862	2,200,257	1,395,600	1,223,475	1,388,117
2016	2,388,249	2,211,644	1,465,015	1,258,658	1,464,304
2017	2,533,283	2,356,678	1,560,333	1,512,735	1,512,735
2018	2,889,101	2,712,496	1,851,224	N/A	N/A

- (1) The amount of Tax Increment to be collected if the current fiscal year's tax collections were to be paid in full, and no delinquent property taxes from prior fiscal years were paid in such fiscal year.
- (2) The amount of Tax Increment actually collected from the levy of the current fiscal year's property taxes. Collection information for FY 2017 is not yet available.
- (3) The actual Tax Increment collections in the fiscal year, including current and delinquent property tax collections. Collection information for FY 2017 is not yet available.

**MISSOULA COUNTY, MONTANA**  
**Missoula Development Authority**  
**Increment Bond Coverage**  
**For Airport Industrial Tax Increment District**  
**Maximum Principal & Interest in any 12 Month Period - \$528,400**

Sources of Coverage				
Fiscal Year	Tax Increment (1)	Port Authority Levy (2)	Total	Coverage (3)
2009	928,742	340,475	1,269,217	2.40
2010	1,234,350	343,540	1,577,890	2.99
2011	1,335,110	346,994	1,682,104	3.18
2012	1,414,098	350,210	1,764,308	3.34
2013	1,342,413	353,762	1,696,175	3.21
2014	1,335,435	356,631	1,692,066	3.20
2015	1,395,600	367,852	1,763,452	3.34
2016	1,465,015	375,069	1,840,084	3.48
2017	1,560,333	384,863	1,945,196	3.68
2018	1,851,224	414,684	2,265,908	4.29

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

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

Tax Year	Taxable Value of County Property	Potential Revenue from the Port Authority Levy (2 Mills)
2009	189,152,539	378,305
2010	190,855,285	381,711
2011	192,774,307	385,549
2012	194,561,116	389,122
2013	196,534,275	393,069
2014	198,128,424	396,257
2015	204,362,352	408,725
2016	208,371,685	416,743
2017	213,813,054	427,626
2018	230,380,269	460,761

**MISSOULA COUNTY, MONTANA**  
**Property Tax Levies**  
**Last Nine Fiscal Years**  
**For Technology Tax Increment District**

<u>Fiscal Year</u>	<u>MCA Industrial District</u>	<u>State of Montana</u>	<u>Missoula County</u>	<u>Missoula High School District No. 1</u>	<u>DeSmet School District No. 20</u>	<u>Countywide Schools</u>	<u>Missoula Rural Fire</u>	<u>Total</u>
2009	571.43	6.00	-	-	-	-	-	577.43
2010	595.86	6.00	-	-	-	-	-	601.86
2011	588.85	6.00	-	-	-	-	-	594.85
2012	600.67	6.00	-	-	-	-	-	606.67
2013	621.73	6.00	-	-	-	-	-	627.73
2014	606.18	6.00	-	-	-	-	-	612.18
2015	611.28	6.00	-	-	-	-	-	617.28
2016	628.49	6.00	-	-	-	-	-	634.49
2017	662.90	6.00	-	-	-	-	-	668.90

Note: Technology District was established in FY 2008.

**Major Taxpayers in the Technology Tax Increment District**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>
DirecTV Holdings LLC	Satellite Television	\$ 267,072
Mountain Water Co.	Utility	1,696
Direct Television LLC	Satellite Television	311
Missoula Electric Cooperative Inc.	Utility	6
Total		<u>\$ 269,085</u>

The taxable value of the property of these eight taxpayers represents 100% of taxable value of taxable property in the District for tax year 2016.

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

<b>Fiscal Year</b>	<b>Taxable Value</b>	<b>Incremental Taxable Value</b>	<b>Anticipated Tax Increment to be Collected <sup>(1)</sup></b>	<b>Current Tax Collections <sup>(2)</sup></b>	<b>Total Tax Collections <sup>(3)</sup></b>
2009	264,094	264,094	150,911	150,911	150,911
2010	279,491	279,491	166,538	166,074	166,538
2011	282,535	282,535	166,371	169,710	166,371
2012	325,021	325,021	199,839	175,344	199,839
2013	318,055	318,055	195,556	182,325	195,556
2014	318,882	318,882	193,300	175,545	193,300
2015	311,886	311,886	202,009	104,117	202,009
2016	282,875	282,875	187,379	186,846	187,379
2017	269,083	269,083	197,839	178,157	197,839
2018	298,444	298,444	203,682	N/A	N/A

- (1) The amount of Tax Increment to be collected if the current fiscal year's tax collections were to be paid in full, and no delinquent property taxes from prior fiscal years were paid in such fiscal year.
- (2) The amount of Tax Increment actually collected from the levy of the current fiscal year's property taxes. Collection information for FY 2016 is not yet available.
- (3) The actual Tax Increment collections in the fiscal year, including current and delinquent property tax collections. Collection information for FY 2016 is not yet available.

Note: Technology District was established in FY 2008.

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

Sources of Coverage				
Fiscal Year	Tax Increment (1)	Port Authority Levy (2)	Total	Coverage (4)
2009	\$ 150,911	\$ 340,475	\$ 491,386	4.88
2010	166,538	343,540	510,078	5.06
2011	166,371	346,994	513,365	5.10
2012	199,839	350,210	550,049	5.46
2013	195,556	353,762	549,318	5.45
2014	193,300	356,631	549,931	5.46
2015	202,009	367,852	569,861	5.66
2016	187,379	375,069	562,448	5.58
2017	197,839	384,863	582,702	5.79
2018	203,682	414,684	618,366	6.14

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

Note: Technology District was established in FY 2008.

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

Tax Year	Taxable Value of County Property	Potential Revenue from the Port Authority Levy (2 Mills)
2009	\$ 189,152,539	\$ 378,305
2010	190,855,285	381,711
2011	192,774,307	385,549
2012	194,561,116	389,122
2013	196,534,275	393,069
2014	198,128,424	396,257
2015	204,362,352	408,725
2016	208,371,685	416,743
2017	213,813,054	427,626
2018	230,380,269	460,761



**MISSOULA COUNTY, MONTANA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Estimated Population (a)	Births (b)	Deaths (b)	Estimated Per Capita Income	Schools (c)		Employment Statistics (d)	
					Public School Enrollment	Private School Enrollment	Civilian Employment	Unemployment Rate
2008	105,650	2,021	987	31,535	13,202	1,145	55,868	3.8
2009	107,320	1,647	936	33,587	13,082	1,088	54,500	6.1
2010	108,623	1,569	883	35,108	13,098	994	54,918	5.7
2011	109,299	1,669	1,045	35,733	13,090	992	54,288	6.9
2012	110,138	1,206	680	44,084	13,211	939	55,271	5.6
2013	110,766	1,659	1,031	44,653	13,364	1,302	53,910	5.4
2014	110,243	1,636	1,056	44,528	9,624	799	46,487	4.0
2015	112,684	1,745	1,128	44,716	13,259	1,021	61,554	3.6
2016	114,181	1,729	1,056	40,803	13,648	1,021	59,103	8.2
2017	116,130	1,735	1,212	46,371	13,806	-	59,862	3.4

Source:

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

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

Fiscal Year	Commercial and Savings	Property Value	Commercial Construction (c)		Residential Construction (c)		Total	
	Banks Deposits (b)	Net Taxable (a)	Number of Units	Value	Number of Units	Value	Number of Units	Value
2006	\$ 1,461,647,000 (d)	\$ 178,546,389	19	\$ 9,317,273	456	\$ 39,061,829	475	\$ 48,379,102
2008	N/A	184,460,260	15	17,130,289	383	31,265,863	398	48,396,152
2009	N/A	189,152,539	5	727,936	215	14,647,451	220	15,375,387
2010	N/A	190,855,285	8	10,145,391	202	15,195,777	210	25,341,168
2011	N/A	194,561,116	16	16,546,682	357	25,902,661	373	42,449,343
2012	N/A	192,774,307	6	896,202	474	33,549,246	480	34,445,448
2013	N/A	196,534,275	27	13,577,432	698	41,684,179	725	55,261,611
2014	N/A	198,128,424	327	30,075,786	272	38,315,934	599	68,391,720
2015	N/A	197,811,329	64	45,978,041	339	49,649,314	403	95,627,355
2016	N/A	201,376,280	113	35,278,667	383	40,363,537	496	75,642,204
2017	N/A	206,364,111	119	17,197,175	453	91,692,968	572	108,890,143

Source:

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

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Legislative	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	23.51	28.64	26.08	18.80	20.25	25.20	21.55	24.00	22.17	13.35
Judicial Services	13.00	13.00	14.00	14.00	14.00	14.00	14.00	13.50	14.00	14.00
Legal Services	31.39	31.39	32.39	32.29	34.00	32.00	32.50	34.00	37.00	38.00
Financial Services	10.50	10.83	10.50	10.00	10.60	10.60	10.60	11.60	11.60	11.80
Human Resources	6.00	6.00	6.00	5.00	5.50	5.50	5.50	6.00	7.20	7.20
Information Services	11.00	11.00	11.00	13.00	14.30	14.30	16.30	15.30	18.30	19.30
Treasurer/MV	21.65	21.65	20.65	18.22	20.00	18.76	19.76	19.46	20.70	20.70
911 Communications	32.29	32.29	32.29	31.25	31.05	31.35	31.35	30.22	32.85	32.85
Election Services	4.53	4.53	4.53	4.41	5.50	7.54	7.54	9.02	11.15	10.84
Records Administration	9.40	9.40	8.40	7.00	7.30	8.30	8.30	8.10	7.90	3.50
Internal Services	9.05	9.05	8.25	12.37	9.35	10.35	10.60	10.60	14.05	12.60
Facilities Administration	10.82	10.00	10.00	11.00	11.53	12.20	14.20	14.20	16.20	15.20
<b>District Court</b>										
Clerk of Court	17.00	17.00	17.00	16.00	17.00	17.00	17.00	18.20	18.20	18.00
<b>Public Safety</b>										
Law Enforcement Services	62.30	61.30	61.30	59.80	59.88	59.88	59.88	61.00	63.25	69.25
Detention Center	107.25	108.35	108.10	106.85	106.85	114.05	114.05	113.05	115.50	118.25
Court Support	1.17	1.25	2.13	2.13	2.13	2.13	2.13	2.13	2.13	0.13
Emergency Services	0.95	0.95	0.95	0.75	2.25	2.25	2.25	3.30	2.67	2.92
<b>Public Works</b>										
Road - Bridge	45.07	43.30	42.31	44.31	44.32	43.25	43.25	44.45	45.33	46.38
Building Code Division	9.00	8.00	5.00	5.35	4.60	5.35	5.35	5.85	6.35	7.35
Seeley Lake Refuse	1.75	1.75	2.25	2.23	2.48	2.20	2.10	2.20	0.25	0.25
Weed	5.25	5.05	5.25	6.02	6.15	7.70	7.45	7.40	7.40	7.65
<b>Public Health</b>										
Public Health Services	69.59	70.15	67.95	66.27	68.48	70.20	70.20	74.08	73.23	74.24
Partnership Health Clinic	44.45	49.75	50.50	82.88	94.95	127.50	127.52	151.73	156.98	186.15
Animal Control	9.00	9.00	9.30	9.15	9.87	9.45	9.45	10.11	10.11	11.35
<b>Culture &amp; Recreation</b>										
Parks & Recreations Services	1.03	1.35	1.23	1.23	1.73	1.90	1.90	3.40	4.38	4.38
Library	33.12	36.25	36.65	40.13	40.88	41.57	41.57	39.47	39.44	40.94
Museum	5.07	5.72	5.72	5.35	5.47	6.05	6.05	6.05	6.05	6.50
Fair	3.25	3.25	4.00	8.24	5.75	4.75	4.75	5.00	6.00	6.70
<b>Social &amp; Economics</b>										
County Extension	5.70	5.70	5.55	5.25	4.80	4.55	5.05	4.30	4.55	4.80
Planning & Grants	64.16	61.11	61.24	62.81	61.96	38.84	38.85	39.65	40.13	35.21
	<u>671.24</u>	<u>680.01</u>	<u>673.52</u>	<u>705.09</u>	<u>725.93</u>	<u>751.72</u>	<u>754.00</u>	<u>790.37</u>	<u>818.07</u>	<u>842.78</u>

Source: Missoula County Finance Office

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Registered Voters (June)	57,215	80,346	78,366	76,757	83,355	83,326	86,295	73,501	76,799	84,366
Property Transactions:										
Deeds Recorded	4,233	3,765	3,629	3,862	4,087	4,049	4,118	4,330	4,437	4,706
Subdivision Plats Filed	87	78	51	43	28	36	41	51	39	38
Certificates of Survey	132	94	49	56	58	39	48	41	59	63
Motor Vehicle Title Transfers	34,481	31,009	30,961	31,419	31,910	32,305	33,118	35,000	37,064	33,441
Motor Vehicle Registrations	89,218	92,046	84,547	95,321	82,170	78,497	78,448	72,945	75,725	75,323
Payroll Payments Processed	20,722	20,860	20,828	20,828	20,995	20,926	21,650	22,342	23,580	24,627
Claims Payments Processed	20,462	18,966	27,365	27,365	23,579	18,844	22,587	21,374	21,988	23,296
911 Emergency Communications										
Law Enforcement	93,430	82,574	83,054	84,751	86,322	79,651	77,642	72,472	72,590	97,453
Fire & Medical dispatched to Fire Dept	10,387	9,725	9,297	11,759	10,336	10,904	11,666	12,472	12,471	13,275
Medical-Ambulance	8,959	8,221	8,280	8,340	8,931	9,365	9,592	9,246	9,261	10,647
Other	13,600	13,425	13,269	9,034	4,769	5,049	1,847	2,930	2,936	10,429
<b>Criminal Justice Activities</b>										
Justice Court Civil Caseload	5,256	5,841	5,558	5,171	6,247	7,910	8,256	3,850	3,457	3,831
Justice Court Criminal Caseload	18,768	18,372	8,905	6,557	4,994	2,366	3,607	10,092	7,925	7,376
Clerk of District Court:										
Marriage Licenses Issued	883	444	782	838	810	840	825	933	896	910
Adoptions	87	72	60	86	78	44	87	72	52	71
Civil Case	1,551	1,724	1,629	1,629	1,531	1,527	1,442	1,316	1,237	1,234
Criminal Cases	614	664	631	610	635	645	671	688	681	738
All Other Open Cases	1,807	2,138	2,285	2,216	2,310	2,522	2,493	2,821	2,826	2,735
<b>Public Safety</b>										
Detention Center:										
Daily Occupancy (392 available beds)	305	312	298	283	322	234	348	352	372	378

Sources:

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

Missoula County Justice Court  
Missoula County District Court

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Government</b>										
Election tabulator	1	1	1	1	1	1	1	1	3	3
M100 Precinct counters	88	88	88	88	88	88	88	88	88	88
Touch screen handicap voting devices	39	39	39	39	39	39	39	39	39	39
<b>Criminal Justice</b>										
Court Rooms - District Court	4	4	4	4	4	4	4	4	4	4
Court Rooms - Justice Court	2	2	2	2	2	2	2	2	2	2
<b>Public Safety</b>										
Station	1	1	1	1	1	1	1	1	1	1
Detention Center	1	1	1	1	1	1	1	1	1	1
Patrol Units	42	48	37	37	38	46	48	55	66	36
Patrol Snowmobiles/ATVs/Boats/Trailers	-	-	-	-	-	-	-	-	-	14
Detectives Vehicles	15	16	16	16	17	17	17	9	11	16
Administration Vehicles	-	-	-	-	-	-	-	-	-	11
Detention Vehicles	20	21	27	27	20	20	28	19	21	20
Maintenance Vehicles	-	-	-	-	-	-	-	-	-	5
Search & Rescue Vehicles	6	6	7	7	2	2	2	8	9	4
Search & Rescue Snowmobiles/ATVs	9	12	11	11	11	14	14	9	10	13
Search & Rescue Boats	2	2	2	2	3	3	3	4	4	2
Search & Rescue Flatbed Trailers	2	2	19	19	5	5	5	6	8	10
<b>Public Works</b>										
Shops	2	2	3	3	3	3	3	3	3	3
Single Axel Trucks	21	21	15	15	15	15	15	15	18	18
Tandem Axel Trucks	17	17	18	18	19	19	19	19	19	20
Snow Plows (attachments)	30	30	35	31	30	28	30	30	32	30
Sanders (attachments)	24	24	26	24	25	23	23	23	23	25
Sweepers	8	8	8	8	6	5	5	4	5	4
Graders	14	14	6	6	6	6	6	6	6	6
<b>Public Health</b>										
Animal Control Vehicles	5	5	5	5	11	10	10	11	5	6
<b>Culture and Recreation</b>										
Fairgrounds	1	1	1	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1	1	1	1
Parks	100	100	100	100	100	100	100	100	90	90

Data for years prior to 2006 is not available

Sources:

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

Missoula County Animal Control Office  
Missoula County Animal Control Office  
Missoula County Parks Department

**MISSOULA COUNTY, MONTANA**  
**Miscellaneous Statistical Data**  
**June 30, 2017**

County Seat	Missoula, MT			Population	Median age
			Year 1940	29,038	N/A
Established as a County	1860		Year 1950	35,493	N/A
			Year 1960	44,663	26.2
Form of Government	Commission		Year 1970	58,263	24.4
			Year 1980	76,016	27.6
Commission Government Established	1865		Year 1990	78,687	31.6
			Year 2000	95,802	33.2
Area in square miles	2,624		Year 2010	108,623	34.4
Registered voters	84,366				
Total County Government			Police protection		
Employees:	Part-time	Full-time		City Police	County Sheriff
Officials & Managers	3	85	Stations	1	1
Professionals	30	63	Officers	88	53
Technical	7	21	Detention Facility		1
Protective services	9	219	Detention Officers		98
Paraprofessionals	40	43			
Administrative Support	156	228	Fire protection	City Fire	Missoula Rural Fire
Skilled Craft	6	48			
Service & Maintenance	8	15	Stations	5	5
	259	722	Full-time employees	95	40
			Volunteers	-	35
			Fire hydrants	1,442	220
			Fire vehicles	17	21

**Miles of Rural Roads**

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

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

**MISSOULA COUNTY, MONTANA**  
**Miscellaneous Statistical Data (Continued)**  
**June 30, 2017**

**Educational Facilities**

Public Schools 2016-2017		
Type	Number	Enrolled
Elementary (District 1)	12	5,255
Elementary (Other Districts)	12	4,479
High Schools (MCHS)	4	3,674
High Schools (Other Dist)	1	398
Private Schools 2016-2017		
Type	Number	Enrolled
Elementary	11	827
High School	4	244
Home School	158	254
Special Education: Programs within school districts and community services.		

**Health Care Facilities**

Hospitals	2
Beds	364
Clinics	36
Nursing Homes	8
Beds	800
Assisted Living Facilities	20
Physicians	275
Chiropractors	47
Dentists	55
Medical Therapists	130
Registered and Practical Nurses	1,053

Sources:

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

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

**Community Facilities**

Public libraries:	
Branch facilities	7
Volumes	251,626
Audios	25,684
Videos	22,609
Other	225,443
Protestant	84
Catholic	6
Other	16
Restaurants	432
Hotels/motels	70
Rooms	3,255
Shopping Centers	12
Indoor Shopping Mall (105 stores)	1
Day Care Centers	52

**Recreation and Cultural**

Swimming Pools	Private - 5	Public - 4
Golf Courses	Private - 2	7
Health Clubs		16
Tennis Courts		30
Bowling Centers		2
Parks		90
Movie Theaters	4 Theaters	16 Screens
Ski Areas		1
Theatrical Playhouses		8
Museums		11
Art Galleries		24
Symphonies/orchestras		4

# SINGLE AUDIT SECTION



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**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis**  
**For the Year Ended June 30, 2017**  
**(Page 1 of 3)**

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>	<u>Total Passed Through to Subrecipients</u>	<u>Notes/Loans Balance</u>
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY:</b>						
Passed Through City of Missoula:						
High Intensity Drug Trafficking Area 2015	95.001	G15RM0037A	N/A	27,022	-	-
Total Office of National Drug Control Policy				27,022	-	-
<b>DEPARTMENT OF AGRICULTURE:</b>						
Passed Through State Department of Public Health:						
Women/Infants/Children 16-17	10.557	16-07-5-21-014-0	492,691	128,399	-	-
Women/Infants/Children 17-18	10.557	17-07-5-21-014-0	478,028	336,110	-	-
WIC Breastfeeding Support Services 16-17	10.557	16-07-5-21-014-0	32,825	10,241	-	-
WIC Breastfeeding Support Services 17-18	10.557	17-07-5-21-014-0	32,500	23,230	-	-
WIC Farmers Market Program 17	10.557	17-07-5-21-085-0	1,850	1,850	-	-
Subtotal Women/Infants/Children Grants				499,830	-	-
Passed Through the State Department of Administration:						
Forest Reserve Receipts	10.665	N/A		120,465	-	-
Total Department of Agriculture				620,295	-	-
<b>DEPARTMENT OF TRANSPORTATION:</b>						
Direct Programs:						
Missoula to Lolo Bike Pedestrian Path	20.933	DTFH61-14-G-00001	4,737,363	703,093	-	-
Passed Through State Department of Transportation:						
Grant Creek Trail	20.205	STPE 32(89)(90), UPN 8811	384,970	331,469	-	-
Airport Road Trail - Seeley Lake	20.205	STPE 32(91) UPN 8808	96,432	76,747	-	-
Old Highway 200 Trail - Milltown	20.205	STPE 32(95) UPN 8809	239,782	329	-	-
Missoula to Lolo Bike Pedestrian Path	20.205	N/A	393,143	237,090	-	-
Federal Bridge Program - South Ave Bridge	20.205	BR 9032(65) UPN 6296	1,226,334	376,828	-	-
Subtotal Highway Planning and Transportation Grants				1,022,463	-	-
DOT Occupant Protection 16-17	20.600	CTS-108554	35,000	7,070	-	-
DOT Occupant Protection 17-18	20.600	CTS-109137	35,000	19,045	-	-
Alcohol Impaired Driving Countermeasures	20.601/20.607	108509	16,000	6,561	-	-
Alcohol Impaired Driving Countermeasures	20.601/20.607	109110	12,800	5,798	-	-
Subtotal Highway Safety Cluster Grants				38,474	-	-
Hazardous Materials Emergency Preparedness Grant	20.703	HM-HMP-0576-16-01-00	20,000	16,950	-	-
Total Department of Transportation				1,780,980	-	-
<b>DEPARTMENT OF JUSTICE:</b>						
Direct Programs:						
OVW Rural Domestic Violence	16.589	2015-WR-AX-0013	625,000	181,041	64,397	-

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2017**  
**(Page 2 of 3)**

Program/Grantor Agency and Program Title	CFDA Number	State Contract Number	Grant Award	Federal Disbursements	Total Passed Through to Subrecipients	Notes/Loans Balance
OVW Encourage Arrest	16.590	2014-WE-AX-0010	236,106	82,459	-	-
OVW Planet Kids Supervised Exchange and Visitation Project	16.527	2013-FL-AK-K012	349,999	52,432	52,432	-
Passed Through State Department of Justice:						
Crime Victim Advocate Program	16.575	15-V01-91775	266,450	145,243	-	-
Improving Response for Victims	16.588	15-W4-91821	49,060	2,336	-	-
Two Proven Models IVS	16.588	16-W4-91959	40,230	37,441	-	-
Subtotal Violence Against Women Grants				39,777	-	-
West Central Drug Task Force	16.738	15-G01-91997	119,607	83,725	-	-
Passed Through City of Missoula:						
JAG Grant	16.804	2016-H3143-MT-DJ	17,249	17,249	-	-
Total Department of Justice				601,926	116,829	-
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</b>						
Direct Programs:						
Ada's Place	14.235	MT0042L8T001502	171,385	144,745	72,600	-
Ada's Place 2	14.235	MT005018T001500	156,204	136,683	122,688	-
Subtotal Supportive Housing Program				281,428	195,288	-
Ada's Place Rapid Rehousing	14.267	MT0042L8T001401	153,277	11,818	-	-
Passed Through State Department of Commerce:						
CDBG - Community Resources	14.228	N/A	N/A	330,000	-	479,811
CDBG - Revolving Fund Loan	14.228	N/A	N/A	25,000	-	98,781
Subtotal Community Development Block Grants - State Program				355,000	-	578,592
Total Department of Housing & Urban Development				648,246	195,288	578,592
<b>ENVIRONMENTAL PROTECTION AGENCY:</b>						
Passed Through State Department Environmental Quality:						
Air Contract 16	66.001	517008	2,000	2,000	-	-
Air Pollution 17	66.001	517007	63,332	63,332	-	-
Subtotal Air Pollution Control Program Support				65,332	-	-
Total Environmental Protection Agency				65,332	-	-
<b>DEPARTMENT OF THE INTERIOR</b>						
Passed Through the National Park Service:						
Preservation of Japanese American Confinement Sites	15.933	P13AP00029	39,730	3,970	-	-
Total Department of the Interior				3,970	-	-

**MISSOULA COUNTY, MONTANA**  
**Schedule of Expenditures of Federal Awards-Cash Basis (Continued)**  
**For the Year Ended June 30, 2017**  
**(Page 3 of 3)**

<u>Program/Grantor Agency and Program Title</u>	<u>CFDA Number</u>	<u>State Contract Number</u>	<u>Grant Award</u>	<u>Federal Disbursements</u>	<u>Total Passed Through to Subrecipients</u>	<u>Notes/Loans Balance</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>						
Passed Through State Department of Military Affairs:						
Emergency Management Program 15	97.042	EMW-2015-EP-00004	99,650	5,180	-	-
Emergency Management Performance	97.042	EMD-2016-EP-00002	115,632	66,565	-	-
Subtotal Emergency Management Performance Grants				71,745	-	-
Pre-Disaster Mitigation Grant	97.047	PDMC-PL-08-MT-2015-004	18,750	18,750	-	-
DHS EOD Grant	97.067	EMW-2015-SS-00005-S01	89,100	63,677	-	-
Total Department of Homeland Security				154,172	-	-
<b>DEPARTMENT OF EDUCATION</b>						
Passed Through State Department of Public Health & Human Services:						
Pre-School Development	84.419	1602PROS0276	15,000	9,092	-	-
Pre-School Development	84.419	1702PROS0276	10,000	3,438	-	-
Subtotal Emergency Management Performance Grants				12,530	-	-
Total Department of Education				12,530	-	-
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>						
Direct Programs:						
Drug Free Schools	93.276	13SP19831A	123,461	125,963	39,122	-
Passed Through State Department of Public Health & Human Services:						
Public Health Emergency Preparedness 17	93.074	17-07-6-11-035-1	113,631	113,631	-	-
Infant Immunization Program 16	93.268	16-07-4-31-130-0	45,033	22,517	-	-
Infant Immunization Program 17	93.268	17-07-4-31-130-0	45,033	22,516	-	-
Subtotal Immunization Grants				45,033	-	-
MT Cardiovascular Disease and Diabetes Prevention	93.991	17-07-3-01-083-0	28,000	28,000	-	-
MCH Block Grant 17	93.994	17-07-5-01-032-0	119,986	119,986	-	-
Title IV-E Child Abuse & Neglect	93.658	20123LEGL0004	70,226	70,226	-	-
Title IV-E Child Abuse & Neglect (Paralegal Services)	93.658	20133LEGL0001	42,126	42,126	-	-
Subtotal Foster Care - Title IV-E				112,352	-	-
Healthy Montana Families	93.505	17-07-5-41-179-0	188,625	112,514	-	-
Safe Care - 16	93.505	16-07-5-01-105-0	239,211	48,511	-	-
Passed Through the Riverstone Health:						
Maternal Infant Child Home	93.505	N/A	N/A	94,393	-	-
Subtotal Maternal, Infant, and Early Childhood Home Visiting Program Grants				255,418	-	-
Total Department of Health & Human Services				800,383	39,122	-
Total Federal Financial Assistance				\$ 4,714,856	\$ 351,239	\$ 578,592

## MISSOULA COUNTY, MONTANA

### Notes to Schedule of Expenditures of Federal Awards - Cash Basis For the Year Ended June 30, 2017

#### Note 1 - Basis of Presentation

The accompanying schedule is presented on the basis of cash disbursements. Accordingly, federal expenditures are recognized when a warrant is issued rather than when the obligation is incurred.

#### Note 2 - Indirect Cost Rate

The County does not use an indirect cost rate; therefore, they have not elected to use the 10% de minimis indirect cost rate.

#### Note 3 - Loans Receivable

The Department of Housing and Urban Development-Community Development Block Grant programs had the following loans receivable in the revolving loan fund at June 30, 2017:

##### Missoula Children's Theatre

0%, \$24,500 due annually from June 2003 through June 2017 \$ 26,542

##### Pyramid Mountain Lumber

4%, varying amounts from January 2013 thru December 2020 174,557

##### Pyramid Mountain Lumber

4%, \$914 due monthly from January 2013 through December 2020 35,774

##### Homewood

3%, \$337 due monthly from January 2013 through February 2028 with balance  
due March 2028 72,239

##### Western Cider

5%, \$21,637 due annually through October 2026 164,480

##### Free Cycle

4%, \$22,956 due annually through April 2037 105,000

#### Note 4 - Notes Payable

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.458) at June 30, 2017:

\$649,936, issued September 2002, 4% due in varying amounts through July 2023	214,000
\$4,498,121, issued July 2003, 3.75% due in varying amounts through July 2024	1,251,000
\$281,199, issued April 2005, 3.75% due in varying amounts through July 2020	42,000
\$359,300, issued December 2009, 1.75% due in varying amounts through July 2029	249,000
\$3,735,000, issued December 2009, 3.75% due in varying amounts through July 2029	1,980,000
\$3,410,125, issued August 2009, 3.75% due in varying amounts through July 2029	2,501,000

The County had the following notes payable to the State Revolving Fund Loan program (CFDA# 66.468) at June 30, 2017:

\$291,000, issued November 1998, 4% due in varying amounts through July 2019	37,000
\$142,000, issued November 2008, 3.75% due in varying amounts through July 2029	100,000
\$165,000, issued September 2009, 0.75% due in varying amounts through July 2029	105,000

#### Note 5 - Subawards

The County passed-through federal awards to subrecipients during the year ended June 30, 2017 as follows:

- Ada's Place (CFDA # 14.235) passed-through \$72,600 to the YWCA.
- Ada's Place 2 (CFDA # 14.235) passed-through \$122,688 to the YWCA.
- OVW Planet Kids Supervised Exchange and Visitation Project (CFDA # 16.527) passed through \$52,432 to the YWCA.
- Rural Domestic Violence Program (CFDA # 16.589) passed-through \$64,397 to the YWCA, Mineral County, the University of Montana, and Seeley Lake School District # 34.
- Drug Free Schools (CFDA # 93.276) passed-through \$39,122 to Frenchtown School District # 40 and Western Montana Addiction Services.

#### Note 6 - Program Clusters

Under the Uniform Guidance, a cluster of programs is defined as Federal programs with different CFDA numbers that closely related and share common compliance requirements. In 2017, the County received the DOT Occupant Protection grant (CFDA # 20.600) and the Alcohol Open Container Requirements grant (CFDA # 20.607) which both belong to the Highway Safety Cluster. A cluster of programs is treated as one program for major program determination and testing.

#### Note 7 - Schools and Roads - Grants to States

The accompanying schedule reports only the portion of the annual Schools and Roads - Grants to States (CFDA 10.665) award that is allocated to the County. The County received an additional \$31,511 that was allocated directly to area schools. Since the County has no oversight responsibilities, this amount is not included on this schedule.

***Nicole M. Noonan, CPA, P.C.***

*435 Little Mill Creek Road*

*St. Regis, Montana 59866*

*Phone and FAX: (406) 649-2436*

*Cell phone: (406) 239-4260*

*E-mail: noonanaccounting@hotmail.com*

**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***

Board of County Commissioners  
Missoula County, Montana

I have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Missoula County, Montana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Missoula County, Montana's basic financial statements, and have issued my report thereon dated March 30, 2018. My report includes a reference to other auditors who audited the financial statements of Missoula Aging Services, as described in my report on Missoula County, Montana's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Missoula County, Montana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Missoula County, Montana's internal control. Accordingly, I do not express an opinion on the effectiveness of Missoula County, Montana's internal control.

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



My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002, that I consider to be material weaknesses.

### **Compliance and Other Matters**

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

### **Missoula County, Montana's Response to Findings**

Missoula County, Montana's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Missoula County, Montana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Nicole M. Noonan, CPA, P.C.  
St. Regis, Montana  
March 30, 2018

***Nicole M. Noonan, CPA, P.C.***

*435 Little Mill Creek Road*

*St. Regis, Montana 59866*

*Phone and FAX: (406) 649-2436*

*Cell phone: (406) 239-4260*

*E-mail: noonanaccounting@hotmail.com*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners  
Missoula County, Montana

**Report on Compliance for Each Major Federal Program**

I have audited Missoula County, Montana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Missoula County, Montana's major federal programs for the year ended June 30, 2017. Missoula County, Montana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Missoula County, Montana's basic financial statements include the operations of Missoula Aging Services and Partnership Health Center (both discretely presented component units), which expended \$1,456,645 and \$5,545,022, respectively, in federal awards which are not included in Missoula County, Montana's schedule of expenditures of federal awards for the year ended June 30, 2017. My audit, described below, did not include the operations of Missoula Aging Services and Partnership Health Center, because these component units obtained separate audits conducted in accordance with the Uniform Guidance.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Missoula County, Montana's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Missoula County, Montana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Missoula County, Montana's compliance.

### ***Opinion on Each Major Federal Program***

In my opinion, Missoula County, Montana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### ***Report on Internal Control Over Compliance***

Management of Missoula County, Montana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Missoula County, Montana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Missoula County, Montana's internal control over compliance.

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

*internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Nicole M. Noonan, CPA, P.C.*

Nicole M. Noonan, CPA, P.C.  
St. Regis, Montana  
March 30, 2018

MISSOULA COUNTY, MONTANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses:	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

MISSOULA COUNTY, MONTANA  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

Identification of major programs:

<u>CFDA#</u>	<u>Federal Program</u>
14.228	Community Development Block Grants - State's Program
20.205	Highway Planning and Construction Cluster
20.933	National Infrastructure Investments

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? No

MISSOULA COUNTY, MONTANA  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

Section II - Financial Statement Findings

**2017-001 Accounts Payable (Material Weakness)**

*Criteria :* Accounts payable should be recorded when the related expenditure is incurred under generally accepted accounting principles.

*Condition :* Accounts payable at June 30, 2017 did not include two accounts payable. The CDBG fund had an unrecorded accounts payable of \$200,000 for a grant to the Missoula Food Bank and the Public Safety fund had a payable of \$220,000 for proceeds from a sheriff's sale that had been deposited, but not yet disbursed.

*Cause :* The CDBG payable was overlooked during preparation of the accounts payable listing. The Public Safety payable was unusual in that the sale and subsequent disbursement crossed over fiscal years. The disbursement of proceeds from sheriff's sales are paid directly by the civil clerk, so do not go through the standard claims process. These direct disbursements were not included in the subsequent disbursements reviewed when compiling the accounts payable listing.

*Effect :* Accounts payable and expenditures in the CDBG and Public Safety funds were understated by \$200,000 and \$220,000, respectively, at June 30, 2017.

*Context :* Reviewed \$6,745,884 in subsequent disbursements, noting \$420,000 in unrecorded accounts payable.

*Repeat Finding :* No

*Recommendations :* Disbursements paid directly by certain departments should be included in the review of subsequent disbursements performed to prepare the accounts payable listing.

*Views of Responsible Officials :* See page 252 for corrective action planned.

MISSOULA COUNTY, MONTANA  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**2017-002 Schedule of Expenditures of Federal Awards (Material Weakness)**

*Criteria* : All federal programs should be included on the Schedule of Expenditures of Federal Awards (SEFA) and reported accurately.

*Condition* : During fiscal year 2017, the South Avenue Bridge project and a COPS grant were not included on the SEFA. In addition, the Missoula to Lolo trail CTEP funding was reported as part of the project's TIGER grant funding under CFDA 20.933, instead of CFDA 20.205.

*Cause* : Programs were missed during SEFA preparation due to inadequate review of intergovernmental revenues for federal grant programs. For the Missoula to Lolo Trail, the project is reported in the general ledger under one project code, so the different funding sources were missed when compiling the SEFA.

*Effect* : Understatement of federal expenditures of \$376,827 for South Avenue Bridge (CFDA #20.205) and \$63,677 for the COPS grant (CFDA# 97.067). Misclassification of expenditures of \$237,090, overstating CFDA 20.933 and understating 20.205. These errors in SEFA information create the potential for errors in major program determination and testing during the federal audit.

*Context* : Fiscal year 2017 was the first year the new County Auditor prepared the SEFA. The prior year SEFA was corrected for the Comprehensive Annual Financial Report, but corrections were not added to the SEFA template so were not carried forward to fiscal year 2017.

*Repeat Finding* : Yes, finding 2016-002 in prior year.

*Recommendations* : A detailed review of intergovernmental revenues for new federal programs should be performed each year. For large projects with multiple funding sources additional care should be taken to ensure expenditures are properly classified on the SEFA.

*Views of Responsible Officials* : See page 252 for corrective action planned.

Section III - Federal Awards Findings and Questioned Costs

There are no matters to report under the Uniform Guidance.



***Nicole M. Noonan, CPA, P.C.***  
***435 Little Mill Creek Road***  
***St. Regis, Montana 59866***  
***Phone and FAX: (406) 649-2436***  
***Cell phone: (406) 239-4260***  
***E-mail: noonanaccounting@hotmail.com***

Board of County Commissioners  
Missoula County, Montana

REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS

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

<u>Number</u>	<u>Recommendation</u>	<u>Action Taken</u>
2016-001	Accounts Receivable	Implemented
2016-002	Schedule of Expenditures of Federal Awards	Repeated

*Nicole M. Noonan, CPA, P.C.*

Nicole M. Noonan, CPA, P.C.  
St. Regis, Montana  
March 30, 2018

**Summary Schedule of Prior Audit Findings – Fiscal Year 2017**

The following summarizes the prior audit findings and corrective actions taken:

**Finding 2016-001 – Accounts Receivable – Implemented:**

The finding has been corrected. When reviewing cash receipts for inclusion in accounts receivable for the fiscal year 2017 audit, the Financial Services department asked for supporting documentation from the departments receiving the funds.

**Finding 2016-002 – Schedule of Expenditures of Federal Awards – Not Implemented:**

The County is working to correct this audit finding. Please see page 252 for the complete corrective action plan.

### **Corrective Action Plan – Fiscal Year 2017**

In the audit schedule of findings for the year ended June 30, 2017, the auditors identified the following 2 items in the financial statements. The County's corrective action plan for each of these items is addressed below.

#### **Finding 2017-001 – Accounts Payable (Material Weakness):**

In addition to procedures already in place, the Financial Services department will perform additional procedures on all significant subsequent disbursements for accounts payable status. With regard to the fund used to account for sheriff's sale proceeds, the Financial Services department has determined that the cash balance should be wholly considered funds held in trust as none of this cash should be considered as belonging to Missoula County. This change will be implemented for the fiscal year 2018 audit.

Contact Person Responsible for the Corrective Action: Christi Page, Director of Financial Services

Anticipated Completion Date of the Corrective Action: June 30, 2018

#### **Finding 2017-002 – Schedule of Expenditures of Federal Awards (Material Weakness):**

Turnover in the County Auditor's Office was a major cause of the repeat of the error from last fiscal year's audit. The County will employ five strategies to ensure that all expenditures on federal awards are reported correctly. Grant revenues coded as state grants will be reviewed to ensure that the state was not just a pass-through for federal funds. The action items on the Board of County Commissioners' administrative agendas will be reviewed for federal grant contract awards and amendments. Intergovernmental revenues reported in the general ledger will be reviewed to identify any items that do not have corresponding expenditures reflected on the Schedule of Expenditures of Federal Awards. Conversations will be held with departmental staff regarding federal grant awards and expenditures. And, the budget for the year under audit will be reviewed for budgeted grant revenue and expenditures.

Contact Person Responsible for the Corrective Action: David Wall, County Auditor

Anticipated Completion Date of the Corrective Action: June 30, 2018