



Traffic Signal Box art
by Rachel Neal

City of Missoula, Montana
Comprehensive Annual Financial Report
For the Year ended June 30, 2017

City of Missoula, Montana
Annual Comprehensive Annual Report and Audit
For the Fiscal Year Ended June 30, 2017



Prepared by the City of Missoula Finance Department



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INTRODUCTORY SECTION



FINANCE DEPARTMENT

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

Budget and Analysis
Treasury

Finance and Debt Management
Accounting/Utility Billing

DATE: January 31, 2018

TO: Mayor John Engen
City Council
Citizens of Missoula

RE: Annual Financial Statements

The City management is pleased to submit the audited Financial Statements for the City of Missoula, the financial reporting entity, for the fiscal year ended June 30, 2017. This report presents comprehensive financial and operating information about the City's activities that is useful to taxpayers, citizens, and other interested parties. The report includes all funds and account groups of the City of Missoula, the primary government. The Finance Department staff prepares the City's financial statements and is responsible for their integrity and objectivity. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because of the costs of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. These statements are considered to present the City's financial position and results of operations fairly and consistently. The report has been prepared in accordance with generally accepted accounting principles for governments. These statements necessarily include some amounts that are based on best estimates and professional judgments. Management encourages readers to refer to the Management's Discussion and Analysis section of the report for a more complete overview and analysis of the City's financial activities.

Because the City receives federal grants, it is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Office of Management and Budget Uniform Guidance. Information related to the single audit, including the Schedule of Expenditures of Federal Awards and the auditors' reports on the internal controls and compliance of the applicable laws and regulations are included in the single audit section of this report.

CITY OF MISSOULA PROFILE

The City was originally incorporated in 1883 and re-incorporated in 1889. It operates under the Mayor-Council form of government and provides a wide range of municipal services including police, fire, recreation, public works improvements and general administration services. Civic Stadium, Water utility, Wastewater and Compost utility, Storm Water utility and the Aquatics Fund are accounted for in enterprise

funds. Private firms provide garbage, electric and gas services. The Missoula Parking Commission, Missoula Redevelopment Agency, Business Improvement District and Tourism Business Improvement District are included in this report as component units. Component units are legally separate entities for which the primary government is financially accountable. All retirement plans are handled by State agencies. The Library and the Health Department are joint City/County agencies that are administered by Missoula County and are reported in the County's annual report. The contribution on behalf of the City to the Health Department appears in these statements. The Missoula Housing Authority and Missoula Urban Transportation District are considered related parties to the City of Missoula but they do not meet the criteria for inclusion in this report.

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

ECONOMIC CONDITION AND OUTLOOK

The Bureau of Business and Economic Research (BBER) is the research and public service branch of the University of Montana's School of Business Administration. The Bureau is regularly involved in a wide variety of activities, including economic analysis and forecasting. Excerpts from the Bureau's updated forecasts discussed at the 42nd Annual Economic Outlook Seminar relating to Missoula and Missoula County are summarized below.

- *Missoula & Missoula County growth in 2015 was helped by a robust expansion in health care that moderated in 2016. Manufacturing picked up the baton and helped growth in 2016. The growth in retail and accommodations activity were signs of continued strong visitor spending. Growth in the public administration activities of government were stronger in Missoula than any other part of the state. Of concern is the weakness in professional services growth, which contracted in the beginning of 2016, and the continued weakness in construction.*
- *One of the bright spots in Missoula's economy is the Manufacturing industry. Since 2012, this industry has seen continued growth in both worker's earnings and in employment. In a survey conducted by BBER of local manufacturing businesses all anticipate more than 70 percent growth in overall manufacturing, employment, sales, production and profit. Another area of note is the Healthcare industry. The healthcare industry is currently Montana's largest industry which accounts for 17% of total covered wages and 15% of covered employment. Missoula is second in employment in the private sector of health care employment and accounts for 25% of health care employment and 28% of the total wages. This industry is expected to see continued growth in the next few years in an effort to bolster the Missoula economy.*

Missoula continues to experience an increase in residential and commercial development. Even though there is an increase in the residential and commercial development, new single family homes are not showing strong growth and the majority of the residential development is in multi-family units and apartment complexes. A positive indication of development is that the sales volumes and median home prices are up by 60% and 12% respectively, since 2012. In addition to the increase in sales, the City is realizing an 11.9% growth in Housing Price Index since 2012. This indicates that a majority of real estate sales are located within the City, and indication of growth within the City. Two of the strongest areas of growth in the City are located over reclaimed brownfields sites: one is in central

Missoula, The Sawmill District, and the other is directly to the north, The Scott Street Village. The Sawmill District has seen the construction of several multi-story buildings including student housing for the local university. This is the second recent privately developed student housing development with another currently under construction in downtown Missoula. Directly north of the Sawmill District, The Scott Street Village, is a planned development with construction of low income, single and multiple family housing units.

The Missoula Economic Partnership, a public-private economic development organization, opened its doors in June 2011 and is fielding calls from a variety of fronts for business relocation, granting activity, expansion assistance and more. The Partnership is working in cooperation with a number of agencies creating easy access to economic-development resources.

All of these factors were considered in preparing the City of Missoula's budget for the 2018 fiscal year. The economic recession from FY2009 through FY2012 brought with it decreased revenues in the fee based services which include planning and engineering fees in addition to business licensing. This trend was reversed in FY2015 and Missoula has been experiencing steady growth in the fee based services and that trend is expected to continue.

Sewer utility rates were increased 2.5% per year for the past three years, beginning in FY 2016, to fund major capital improvement projects. These projects increase the capacity of sanitary sewer pipelines and pump stations to accommodate the growth and residential construction that is being planned for in the Linda Vista and Miller Creek areas. The City has continued to grow in population and in new sewer connections at a rate of approximately 1.5% per year. The sewer fund has been able to continue to build the fund balance to accommodate future projects, however the growth for the past couple of years is not adequate to cover the necessary and requested upgrades to the sewer treatment plant and sewer infrastructure therefore the implementation of a 2.5% increase in fees. In FY 2017, the City completed the purchase of EKO compost, renaming it to Garden City compost.

MAJOR INITIATIVES

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

- **Water Utility Acquisition.** On April 2, 2014 the City of Missoula filed a Complaint for Order of Condemnation under Montana's Law of Eminent Domain in the Montana Fourth Judicial District Court in Missoula County. In FY 2016 the City incurred \$2,715,827, for a total of \$6,248,024, in legal and professional fees. The condemnation trial started on March 18th, 2015. At the conclusion of the trial, Judge Karen Townsend, of the Missoula District Court, determined: "its contemplated use of the water system as a municipally owned water system is more necessary than the current use as a privately owned for-profit enterprise." Therefore the City was awarded to take ownership of the water utility after a sale price was determined to be \$88.6 million. The judgement of City ownership held up through an appeal made to the Montana Supreme court. On June 22, 2017 the City took possession of the local water system after a successful eminent domain trial. The system assets, related acquisition and pending legal expenses were financed solely through the issuance of two bond anticipation notes.
- **FY 2018 Budget.** The budget was brought to Council in mid-June, earlier than the previous year, and in line with an accelerated schedule adopted in FY 2013 to approve the next fiscal year budget prior to the end of the current fiscal year. The estimated additional property tax impact for the current fiscal year (FY 2017) is a reduction of 1.19% for City taxes and City-wide Road and Park District

assessments, which is estimated to be a reduction by approximately \$26.40 per year for a home with a market value of \$250,000.

- The actual level of new tax revenue from growth in the City's tax base for the current fiscal year (FY2017) is \$429,000. This compares to growth in the past five fiscal years of \$452,529 for FY 2016; \$195,197 for FY 2015; \$299,612 for FY 2014 and \$271,813 for FY 2013. The City has budgeted for inflationary trending of property taxes allowed by state law (\$124,594).
- Standard & Poor's and Moody's, our ratings agencies completed an updated review of many of our City credits in 2014. All of the City's credits were re-affirmed and sustained, which is a very positive factor while two credit ratings were increased by Standard and Poor's:
 - The City's GO Bond rating was increased from AA- to AA+
 - The City's General Fund Obligation Bonds from A+ to AA
- Quoted below are excerpts from the Standard & Poor's April, 2008 and May, 2014 rating upgrade:

Standard & Poor's Ratings Services raised its long-term rating and underlying rating on Missoula, Mont.'s unlimited-tax general obligation (GO) bonds to 'AA+' from 'AA-', at the same time, they raised their long-term rating on the City's previously issued general fund GO bonds to 'AA' from 'A+'. The outlook is stable.

- *The City's local economy is, in our opinion, strong, supported by a broad and diverse economy and is home to the University of Montana. The area economy has ties to health care, retail, and tourism-related activities.*
- *We view the City of Missoula's management conditions are very strong with "strong" financial practices under our Financial Management Assessment methodology, indicating practices are strong, well embedded, and likely sustainable.*
- *Expanding property tax and economic bases due to a low cost of living and an educated labor force compared with the rest of the region;*
- *Historically low and stable unemployment levels; and*
- *Low overall debt burden with manageable future capital needs and limited debt issuance.*

Outlook

The stable outlook reflects the expectation of the local economy's continued diversity and steady economic growth. The City's low reserves levels preclude a higher rating at this time. The City's ability to benefit from new retail development and its current sizable base in the future due to changes in state legislation could lead to rating improvement if additional revenue flexibility allows the City to build reserves levels.

- The City's high ratings are an objective indication of sound financial management, recognition that its overall debt profile is characterized by good debt service coverage from pledged revenues and by sound legal provisions ensuring full and timely payment of its debt service obligations.
- The City also recently received an improved credit rating from Standard & Poor's for its financial management assessment (FMA) which resulted in an FMA of "strong", the highest rating a City can receive from Standard & Poor's, the City's credit rating agency. The City's credit rating is an integral component in financing infrastructure projects.

Standard & Poor's has this to say about the City's "strong" FMA assessment: "A Financial Management Assessment of 'strong' indicates that practices are strong, well embedded, and likely sustainable. The government maintains most 'best practices' deemed critical to supporting credit quality and these are well

embedded in the government's daily operations and practices. Formal policies support many of these activities, adding to the likelihood that these practices will be continued into the future and transcend changes in the operating environment or personnel."

- Standard & Poor's has established an analytical methodology that evaluates established and ongoing management practices and policies in the seven areas most likely to affect credit quality. These areas are:
 - Revenue and expenditure assumptions
 - Budget amendments and updates
 - Long term financial planning
 - Long term capital planning
 - Investment management policies
 - Debt management policies
 - Reserve and liquidity policies
- The City of Missoula was evaluated as having superior policies and practices in all of the areas above.

For the Future

- Police Facility Upgrades – The City of Missoula police force continues to grow each year in response to expressed needs within the community for an increased police presence in downtown Missoula. This continued growth has exceeded the space available to house the police force. In addition to the increased police force, the need for secure storage has tripled in the last several years relating to legal requirements for evidence storage. The first phase of increased storage capacity located at the Scott Street shops was completed in FY2017 and phase II, the purchase and remodel of a newly acquired property on Catlin Street is in the engineering stages with the remodel set to be completed by the end of FY2018. In addition to the purchase and remodel of the Catlin Street property, and to meet union obligations to provide a space for the police staff to change, shower and secure their belongings while on duty, a \$2.2 million, 3,500 square foot locker room addition to the Scott Street property is slated to begin in FY2022. The locker room expansion will provide access to showers, restrooms, and lockers for up to 123 men and 30 women.
- Russell Street Construction (Between Broadway and Dakota Streets) – The reconstruction of Russell Street between Broadway and Dakota Street, including bridge replacement was slated to start in the spring of 2017. For a period of time Phase I and Phase II were placed on hold due to the budget shortfalls, however the Governor of Montana reinstated this project due to the age and the failing structural integrity of the bridge. Currently the final construction and right of way plans, Phase I, are being developed for the West Broadway to Dakota section. The reconstruction includes widening of Russell Street from two lanes to five lanes with landscaped medians, turn pockets, raised bicycle lanes, bus stops with amenities and sidewalks. Phase II of the project includes intersection improvements and grade-separated trail crossings for the Milwaukee trail. Additional phases of the project will commence as funding becomes available. The Montana Department of Transportation (MDOT) has previously spent approximately \$8,800,000 to complete pre-construction tasks and an additional \$581,000 to secure additional right-of-way in FY 2017. This segment (Broadway to Dakota), beginning in the spring of 2018, is the first stage of a multi-year/phase project and this phase is estimated to have a construction cost of \$28 million for the MDOT and has an expected completion date for the bridge in 2020.

- City Parks Development & Expansion – In FY2018 the Parks Department will be engaged in installing playground equipment and features on undeveloped park land. Two of the parks being developed will include bike skills features. These parks are being constructed with the local neighborhoods providing support through in-kind donations/support, neighborhood and State grants plus a generous donation from I Ride for Tanner foundation in the amount of \$130,000. Two other projects of note are the Johnson Street Park and the 44 Ranch playground. The 44 Ranch Playground was a project that was planned on being delayed until additional funding could be identified. In light of the delay, a local business stepped up and donated a play structure for the park. With the donated play structure, this project was moved up to take advantage of the widespread community support to complete the project. The final project of note is the Johnson Street Park (now known as the Montana Rail Link Park). The City acquired twelve acres of land in the central part of Missoula located near the Southgate Mall from Montana Rail Link (MRL) for \$2.0 million. The twelve acres of land is located in an underserved culture and recreation area of Missoula and through the acquisition, the City is required to develop a park on the south west portion of the property. An added bonus to developing a park in an area that is in dire need of a park is with this land, the Bitterroot Branch Trail can be completed. The construction of this section of the Bitterroot Branch Trail, from Livingston Avenue to North Ave, completes the trail from the “spur” located near McCormick Park all the way down the Bitterroot Valley. The total amount for developing these parks is \$2.5 million.
- Clegg Lane – Clegg Lane between Orange Street and Hickory Street is being reconstructed to meet the City's complete streets policy for a collector roadway. The existing Clegg Lane roadway infrastructure does not meet current collector roadway standards. The goal of reconstructing Clegg Lane is to serve as a collector roadway, calm traffic and to enhance active transportation connectivity for McCormick Park and surrounding areas to function as one of Missoula's most accessible parks for all demographics. The project will consist of converting Clegg Lane into a two-lane road and providing enhanced pedestrian crossing and safety. In addition to reconstructing Clegg Lane, additional improvements consist of multi-use facilities on both sides of the roadway, bus pull-outs, and finally, road to trail connectivity to enhance Clegg Lane for pedestrian use and as a collector roadway. The estimated cost of this project is approximately \$684,000, with transportation and park impact fees estimated to contribute a majority of the project (\$600,160) and the remainder is planned to be assessed through an SID. This project is scheduled to begin in FY 2018.
- South Ave – Reserve to 36th St. – The City annexed the South Avenue right-of-way in 2016 and plans to make physical improvements to the roadway in the form of curb, gutter, sidewalk, bike lane, asphalt trail, pavement, and storm drains. These improvements would implement the City's complete streets policy and allow for all modes of travel on this section of South Avenue. The anticipated roadway improvements will start at Reserve Street and continue west until reaching the intersection of 36th Avenue. This section is approximately 1.4 miles in length and currently consists of two lanes of asphalt with some sections of asphalt trail on the south side of the roadway. Improvements would allow pedestrians, bicyclists, motor vehicle operators to use the corridor to access Fort Missoula Regional Park, Big Sky High School, veteran cemetery, Community Medical Center along with other residences and businesses in the area. In addition, a new bridge over the Bitterroot River is planned at the end of South Avenue that will make this section of South Avenue an important collector street for the Missoula community. The project is planned to be designed and constructed in phases. The initial phase of the improvements include the installation of curbs, gutters, drainage facilities and access control in an area that is adjacent to the newly developed Fort Missoula Regional Park. This phase is estimated at \$1.7 million with

Transportation Impact fees contributing \$950,000 (53%), reimbursement from the Fort Missoula Regional Park (FMRP) bond for \$338,000 and the remainder from utilizing the State Gas Tax. This project is slated to start and be completed in FY2018.

- Storm Water infrastructure projects – The City created the Storm Water utility fund in FY2017 as a result of the Department of Environmental Quality's Municipal Separate Storm Sewer System (MS4) permit. In an effort to comply with the MS4 permit, two major projects are identified in FY2018. The first is the Caras Park Outfall storm water separator. This project upgrades the existing storm drainage system that carries the water from downtown Missoula and deposits it in the Clark Fork River. Phase I upgrades the system by installing hydrodynamic separators to remove sediment and pollutants from runoff in downtown Missoula, treating the storm water prior to entering the Clark Fork River. The separators work to remove trash, sediment and other harmful material from being deposited into the Clark Fork River. The remaining project of note is the design and engineering of the Upper Gharrett drainage improvements. This project was brought to the attention of the City by home owners in the Upper Miller Creek requesting the City to address the spring and storm water runoff between Gharrett Street and Kerr Drive. Over the past 12 years the annual runoff in this area has eroded the land to create a gully up to six feet deep in certain areas. In FY2019, the first phase of this project is to come up with a preliminary design for drainage improvements and the project scope.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Missoula for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the eighteenth consecutive year that the City of Missoula has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes the current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

CONCLUSION

The City of Missoula is in stable financial condition, in spite of limitations placed on the growth of property tax revenues. The 1997 State Legislature passed Senate Bill 195, which restricts increases in taxable valuation due to increasing property values; only new construction or newly annexed property can significantly increase taxable valuation. This area of property taxation was addressed again in the 1999 State Legislature. The 1999 State Legislature substantially reduced property taxes for businesses, homeowners and light vehicle owners and will reduce production taxes for oil, natural gas and coal producers. This 8.2 percent reduction in taxes by the State is offset by State general fund reimbursements that will be made to various state and local accounts. In addition to the property tax reimbursement, the State attempted to mitigate the additional loss in revenue by altering the rules regarding mill levy increases made by local taxing jurisdictions which allowed local governments to collect property taxes to the prior year amount, plus any revenue from any new property (SB184), therefore allowing local governments to increase their mill levy to cover the loss in revenues from the reduction in property tax assessed by the State. With the county and state in a recession, careful budgeting and control of expenditures by departments have continued to benefit the City. The careful budgeting and control over expenditures assisted the City in weathering the

recession starting in FY 2010 and showing signs of positive growth in the current year. Another avenue the City utilized to assist in increasing the tax base is the annexation of contiguous areas in recent years that are of an urban nature. These annexations of urban areas have helped to expand the tax base and to some degree, mitigate the inflationary costs that are realized on an annual basis. Since the start of the recession, the City has been prudent and restrictive in the use of year-end cash balances and has attempted to increase the cash balance on an annual basis. However the restrictions levied by the State on property tax levy increases and the annual increases in administrative costs, has made it challenging to maintain or increase the year end cash balance.

ACKNOWLEDGEMENTS

I want to express my sincere appreciation to the Finance Office staff for their excellent work and support in preparing this report.

Respectfully submitted,



Leigh Griffing
Finance Director
City of Missoula



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Missoula
Montana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

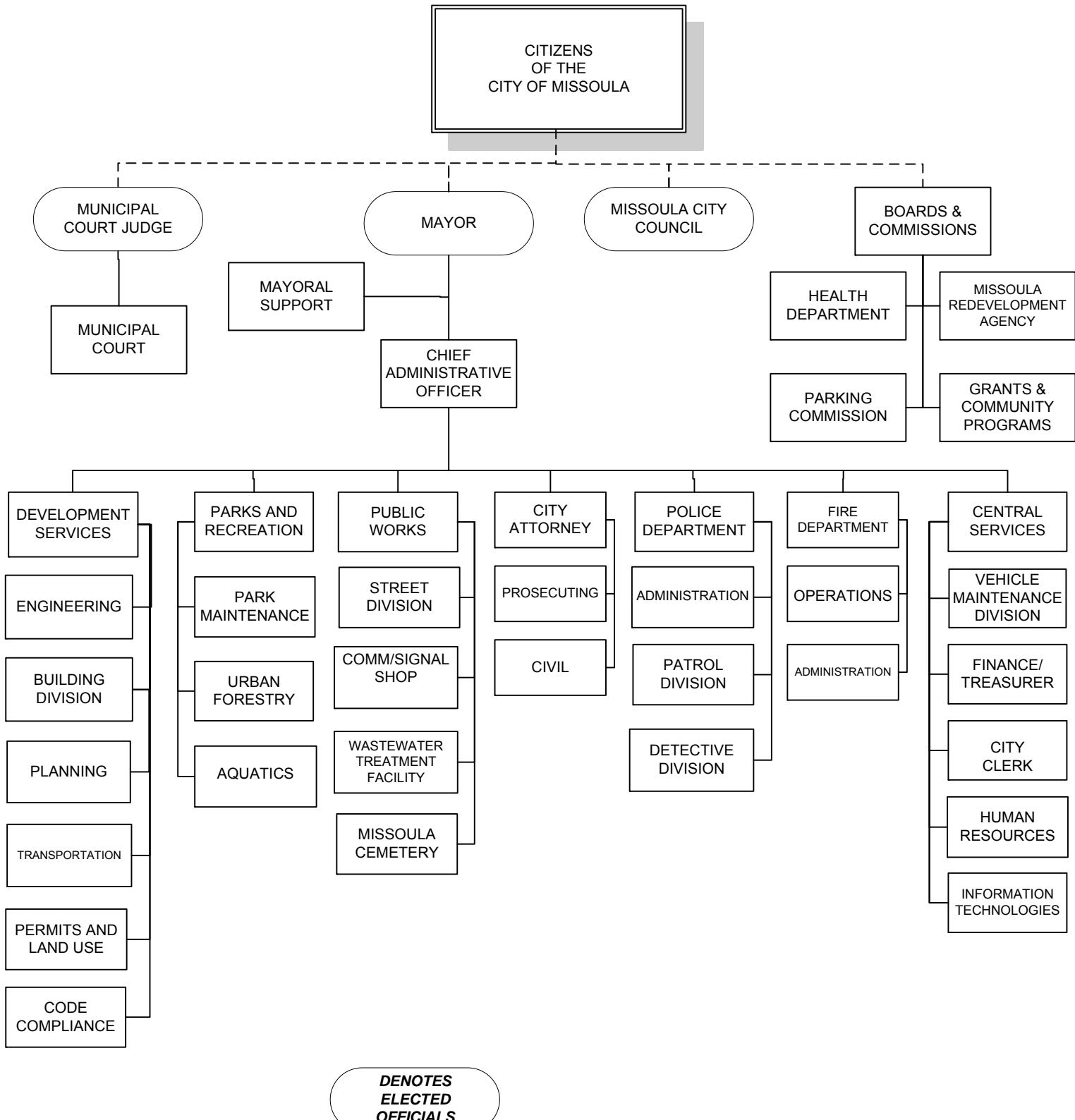
June 30, 2016

Christopher P. Monill

Executive Director/CEO



FY17 Citizens of The City of Missoula



FINANCIAL SECTION

ELECTED OFFICIALS

MAYOR, John Engen
MUNICIPAL COURT JUDGE, Kathleen Jenks

ALDERPERSONS FIRST WARD

TERM EXPIRES FIRST MONDAY IN:
Brian Von Lossberg 2018
Heidi West 2020

ALDERPERSONS SECOND WARD

TERM EXPIRES FIRST MONDAY IN:
Jordan Hess 2018
Ruth Ann Swaney 2020

ALDERPERSONS THIRD WARD

TERM EXPIRES FIRST MONDAY IN:
Emily Bentley 2018
Gwen Jones 2020

ALDERPERSONS FOURTH WARD

TERM EXPIRES FIRST MONDAY IN:
John DiBari 2020
Jon Wilkins 2018

ALDERPERSONS FIFTH WARD

TERM EXPIRES FIRST MONDAY IN:
Annelise Hedahl 2018
Julie Armstrong 2020

ALDERPERSONS SIXTH WARD

TERM EXPIRES FIRST MONDAY IN:
Michelle Cares 2020
Marilyn Marler 2018

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ADMINISTRATIVE OFFICIALS

Dale Bickell, CHIEF ADMINISTRATIVE OFFICER

Steve Johnson, CENTRAL SERVICES DIRECTOR

Jason Diehl, FIRE CHIEF

James P. Nugent, CITY ATTORNEY

Mike Brady, POLICE CHIEF

Leigh Griffing, FINANCE DIRECTOR

Ellen Buchanan, DIRECTOR, REDEVELOPMENT, HOUSING & ECONOMIC DEVELOPMENT

Martha L. Rehbein, CITY CLERK

Carl Horton, DIRECTOR, INFORMATION TECHNOLOGIES

Kevin Slovarp, CITY ENGINEER

Brian Hensel, SUPERINTENDENT, STREET DIVISION

Don Verrue, BUILDING OFFICIAL, DEVELOPMENT SERVICES

Starr Sullivan, SUPERINTENDENT, WASTE WATER TREATMENT DIVISION

Scot Colwell, MANAGER, VEHICLE FLEET MAINTENANCE DIVISION

Matt Lawson, MANAGER, FACILITIES MAINTENANCE DIVISION

Donna Gaukler, DIRECTOR, PARKS & RECREATION

Ronald Regan, DIRECTOR, MISSOULA CEMETERY

Mike Haynes, DEVELOPMENT SERVICES DIRECTOR

Rod Austin, DIRECTOR, MISSOULA PARKING COMMISSION

Ellen Leahy, DIRECTOR, CITY/ COUNTY HEALTH DEPARTMENT

Honore Bray, DIRECTOR, CITY/COUNTY LIBRARY

Laurie Pfau, DIRECTOR, HUMAN RESOURCES

John Wilson, DIRECTOR, PUBLIC WORKS

Eran Pehan, DIRECTOR, HOUSING & COMMUNITY DEVELOPMENT

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Missoula
Missoula, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Missoula, Montana (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City'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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, we 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 presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Missoula, Montana, as of June 30, 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, budgetary comparison schedule – general fund, schedule of funding status for retiree health insurance, schedule of proportionate share of net pension liability for the last ten fiscal years, and the schedule of contributions for the last ten fiscal years 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, major and nonmajor governmental funds – budget to actual, 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, major and nonmajor governmental funds – budget to actual, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 our opinion, the information is 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, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the City's internal control over financial reporting and compliance.

Anderson Zurmuehlen & Co., P.C.

Missoula, Montana
January 31, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The City of Missoula (the City) offers the readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements, which begin on pages 1 and 24, respectively, of this report. Certain comparative information between the current year and the prior year is also presented.

Financial Highlights

- The assets of the City of Missoula exceeded its liabilities at the close of the most recent fiscal year by \$221,807,320 (*net position*). Of this amount, (\$40,119,621) (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position is primarily negative due to the recognition of GASB 68 requirements which require the City recognize a net pension liability of \$32,561,376 as well as negative fund balance in the Capital Improvement Program (\$7,342,692) Funds which await financing for projects underway.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,918,152. The special revenue funds had a total fund balance of \$6,069,775, of which \$7,265,244 is either restricted, committed, or assigned to specific City programs while a deficit of (\$1,195,469) exists in certain funds pending either future grant or tax collections. The debt service funds have \$3,366,501 of fund balance that is restricted for debt payments, and a deficit unassigned balance of (\$379,470) pending future tax collections. The capital project funds have a fund balance of \$368,253, \$766,883 of this is restricted for capital project expenditures and the negative balance of (\$398,630) will be reimbursed by future debt issuance.
- At the end of the current fiscal year, the total fund balance of the General Fund was \$3,835,785 which represented 7% percent of total General Fund expenditures and transfers out. The unassigned portion of the fund balance for the General Fund was \$452,861 or .83% of total General Fund expenditures and transfers but the actual spendable portion (restricted/assigned/unassigned) was \$2,439,552, or 4.45% of total expenditures and transfers out.

Overview of the Financial Statements

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

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

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

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

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

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Missoula, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Missoula can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Missoula maintains one hundred thirty three governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Capital Improvement Fund, both of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining schedules* elsewhere in this report.

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

Proprietary Funds. The City of Missoula maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer and compost utility, water utility, storm water utility, Civic Stadium fund and aquatics facilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Missoula's various functions. The City of Missoula uses an internal service fund to account for the health benefit plan. Because this service

predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Missoula's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-86 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Other Post-Employment Benefits, Net Pension Liability and a Budgetary Comparison Schedule for the General Fund. Required supplementary information can be found beginning on page 87 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Missoula, assets exceeded liabilities by \$221,807,320 at the close of the most recent fiscal year. This is an increase in the net position of \$14,570,809, from FY 2016, of which \$2,460,848 is the net increase related to the deferred outflow and inflow of resources from pension related adjustments. This increase between fiscal years arises from the City implementing the provisions of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No.27" and GASB Statement No.71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68".

By far the largest portion of the City of Missoula's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City of Missoula uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Missoula's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following two tables present condensed financial information on the City's Net position and Changes in Net position for both Governmental and Business type activities as of, and for, the fiscal years ended June 30, 2017 and June 30, 2016:

CITY OF MISSOULA'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current & Other Assets	\$ 23,936,379	\$ 22,499,426	\$ 42,905,661	\$ 5,074,309	\$ 66,842,040	\$ 27,573,735
Capital Assets	193,811,450	173,254,668	208,788,497	101,351,198	402,599,947	274,605,866
Total Assets	217,747,829	195,754,094	251,694,158	106,425,507	469,441,987	302,179,601
Deferred Outflows	7,103,076	3,380,712	399,922	128,805	7,502,998	3,509,517
Current Liabilities	15,945,868	18,679,172	13,216,678	2,306,240	29,162,546	20,985,412
Non-Current Liabilities	58,645,745	54,945,988	166,961,854	20,549,217	225,607,599	75,495,205
Total Liabilities	74,591,613	73,625,160	180,178,532	22,855,457	254,770,145	96,480,617
Deferred Inflows	360,511	1,824,907	7,006	147,082	367,517	1,971,989
Net Position:						
Net Investment in						
Capital Assets	164,778,388	143,783,756	42,251,262	81,037,217	207,029,650	224,820,973
Restricted	20,675,227	16,360,067	34,222,064	2,377,857	54,897,291	18,737,924
Unrestricted	(35,554,837)	(36,459,084)	(4,564,784)	136,698	(40,119,621)	(36,322,386)
Total Net Position	\$ 149,898,778	\$ 123,684,739	\$ 71,908,542	\$ 83,551,772	\$ 221,807,320	\$ 207,236,511

The *restricted* portion of the City of Missoula's net position (24.75 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance is the *unrestricted net position* with a negative balance (\$40,119,621) due primarily to the recognition of GASB 68 requirements.

Readers are encouraged to refer to the information provided in the Notes to the Financial Statements for more detailed information on the assets and long-term debt activity for the year.

Governmental activities: Governmental activity net position increased in total by \$26,214,040 during the current fiscal year. The increase in fund balance during FY 2017 occurred due to several factors despite the fund reclassification of \$6,248,789 moving the water utility to its own enterprise fund subsequent to the City's successful eminent domain lawsuit to acquire the water utility that services Missoula. In FY 2017, there was an increase in capital assets as a result of several completed projects and acquisition of property. City acquired land in the amount of \$3,072,583, machinery and equipment for \$2,252,857 and \$5,805,398 in improvements related to the construction of Fort Missoula Regional Park, Missoula Art Park and several bike & walking trails upgrades, improvements and extensions. The remaining amount is in ongoing capital projects which will be covered by debt issued in FY 2018 or future years depending on the complexity of the project.

Business-type activities: The business-type activity total net position decreased by \$11,643,230 and the amount invested in capital assets decreased by \$38,785,955. Investment in capital asset decreased largely due to the \$138,225,000 of debt that was issued for the successful acquisition of the water utility. This amount of debt covered all of the attorney related costs and added \$104,170,212 in assets with an additional \$2,500,000 committed for capital improvements. In addition to the water utility assets, the sewer fund acquired the compost facility and to meet State and Department of Environmental Quality standards purchased equipment and made improvements to the facility in the amount of \$1,888,670. Unrestricted net position decreased by \$4,701,482 due to an increase in the operating loss in the Aquatics fund and the start-up of the Storm Water Utility.

CITY OF MISSOULA'S CHANGE IN NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 14,241,592	\$ 12,777,488	\$ 10,536,292	\$ 9,238,671	\$ 24,777,884	\$ 22,016,159
Operating Grants & Contributions	1,370,235	2,879,310	39,217	35,255	1,409,452	2,914,565
General Revenues						
Property taxes for general purposes	31,774,735	28,615,524	-	-	31,774,735	28,615,524
Intergovernmental revenue, unrestricted	14,392,239	14,807,522	-	-	14,392,239	14,807,522
Miscellaneous	386,493	81,636	369,919	761,463	756,412	843,099
Gain or Loss on Sale of Capital Assets	14,445	-	-	-	14,445	-
Investment Earnings	19,291	28,782	233,891	238,645	253,182	267,427
Total Revenues	62,199,030	59,190,262	11,179,319	10,274,034	73,378,349	69,464,296
Expenses						
General government	8,022,538	11,793,813	-	-	8,022,538	11,793,813
Public safety	20,910,167	29,481,389	-	-	20,910,167	29,481,389
Public works	13,564,159	14,991,013	15,139,245	9,160,165	28,703,404	24,151,178
Public health	1,223,889	1,775,343	-	-	1,223,889	1,775,343
Social and economic services	138,469	174,525	-	-	138,469	174,525
Culture and recreation	4,376,832	1,045,843	1,994,925	1,864,428	6,371,757	2,910,271
Housing and community development	873,424	6,037,362	-	-	873,424	6,037,362
Conservation of natural resources	-	-	-	-	-	-
Miscellaneous	165,216	818,567	-	-	165,216	818,567
Debt service interest expense	1,088,561	1,256,776	-	-	1,088,561	1,256,776
Total Expenses	50,363,255	67,374,631	17,134,170	11,024,593	67,497,425	78,399,224
Excess (Deficiency) Before:	11,835,775	(8,184,369)	(5,954,851)	(750,559)	5,880,924	(8,934,928)
Capital Grants & Contributions	7,885,240	5,683,590	795,791	542,866	8,681,031	6,226,456
Interfund Transactions	(203,000)	(203,000)	203,000	203,000	-	-
Net Contributions/Other Items	7,682,240	5,480,590	998,791	745,866	8,681,031	86,713,728
Change in Net Position	19,518,015	(2,703,779)	(4,956,060)	(4,693)	14,561,955	(2,708,472)
Restatements	6,696,024	(131,023)	(6,687,170)	(22,182)	8,854	(153,205)
Ending Net Position	\$149,898,778	\$123,684,739	\$ 71,908,542	\$ 83,551,772	\$ 11,709,132	\$ (2,861,677)

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,918,159, an increase of \$4,185,997 in comparison with the prior year. The majority of this increase occurred through the acquisition of the Water fund. The Water Fund carried a negative fund balance of \$6,248,789 which was reclassified into the Business Type funds. The General Fund also saw a decrease of \$1,657,013 from a restatement and minor change in fund balance from operations. The restatement of

\$1,729,577 moved capital equipment capital lease proceeds from prior years out of the General Fund and into the Capital Improvement Program fund which is the fund where the purchases of the financed equipment occurred originally. The Capital Improvement Program fund has a negative ending fund balance of \$7,342,692, an increase of \$1,253,782. The ongoing negative fund balance still reflects the fact that certain construction projects will not be fully reimbursed until all final financing is accomplished for the various projects and put in place. Most of this should occur within the next couple of fiscal years.

The majority of the fund balance for the Special Revenue funds was either committed \$3,722,872, restricted \$3,370,903, or assigned \$171,468 while \$3,366,502 of debt service fund balance is reserved for debt payments.

The General Fund is the chief operating fund of the City of Missoula. At the end of the current fiscal year, the total fund balance of the General fund was \$3.84 million which represented 7 percent of total General Fund expenditures and transfers out. The City decreased its General Fund year-end fund balance from \$5.49 million to \$3.84 million by the close of FY 2017. The general fund revenues came in slightly lower than anticipated and the City responded with expenditure savings within general fund departments that resulted in actual budgetary savings of \$3.8 million and was on the way to increase the fund balance by \$72,564. However as discussed above, the general fund received capital lease proceeds revenues for the past five years and an end of the year restatement occurred to re-allocate the capital lease proceeds to the capital improvement fund. As a result of the restatement, the City experienced a decrease to unassigned fund balance by \$1,346,584. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned portion of the fund balance for the General Fund was \$452,861, or 0.83% of total General Fund expenditures and transfers out but the actual spendable portion (restricted/assigned/unassigned) was \$2,439,552, or 4.45% of total expenditures and transfers out.

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

Unrestricted net position of the proprietary funds is negative \$4,564,784 for the fiscal year ended June 30, 2017, a decrease of \$4,701,482 from the previous fiscal year.

The net position of the sewer fund decreased by \$507,772 due to negative net income of \$69,390 and a restatement in the amount of negative \$438,381. The restatement reflected the correct allocation of capital lease proceeds revenue out of the sewer fund and into the capital improvement project fund. The capital improvement project fund had purchased equipment for the sewer fund and these expenditures were to be reimbursed by the capital lease financing. The negative net income decrease is due to capital project expenditures related to the upgrade of the compost facility and wastewater infrastructure that will be financed in future years. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Missoula's business-type activities.

The water fund ended the year with a negative net position of \$10,635,439. A fund reclassification of negative \$6,248,789 was done to bring the negative beginning fund balance into proprietary funds after the resolution of the eminent domain lawsuit to acquire the system. An additional net loss of \$4,386,650 occurred as a result of additional acquisition expenditures and only 7 days of operations in fiscal year 2017. GASB Statement No. 69 disallows the capitalization of legal and professional fees which were required for the City to acquire the system. For management and budgeting purposes these costs are considered part of the capital asset and the negative net position resulting from being in compliance with GASB standards is considerably smaller and will be net positive due to operations within the first full year of running the utility.

The non-major enterprise funds consist of the Civic Stadium fund, Aquatics fund, and Storm Water Utility which was created in fiscal year 2017. Collectively these funds reduced the proprietary net position by \$500,017.

The City's internal service fund had suffered from significant increases in usage and medical inflation during the past decade. Fiscal year 2017 saw a loss of \$178,634. In order to combat the volatile nature and high claims experience, the City increased the contributions by 5% in addition to a 3% increase in FY 2016. With

these increases, there is a conservative estimate to increase the fund balance by \$200,000 to get closer to meeting the reserve goal of \$1,400,000.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in budgeted appropriations of \$623,422, due to the need to amend the budget for the carry-forward and re-budget of unexpended contracts and grants approved in the prior year, recognize approved budget items after the adoption of the budget, recognize debt service related to equipment purchases approved during the year, and recognize the creation of the Housing and Community Development budget.

The General Fund year-end fund balance decreased to \$3,835,785 from \$5,492,798 at the end of FY 2017. This is largely due to the year-end restatement related to the capital lease payments that were credited to the General fund, all of which should have been credited to the capital improvement project fund and reimbursement of the capital equipment and vehicles that were purchased in the prior five years.

Capital Asset and Debt Administration

Capital Assets. The City of Missoula's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$402,599,948 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building system improvements, machinery and equipment, park facilities, trails, open space, streets, sidewalks, curbs and gutters, water and wastewater utilities and sanitary sewer or, storm drain systems. More detailed disclosure on the City's capital assets is available in section III-D of the Notes to the Financial Statements. Major capital asset events during the current fiscal year included the following:

- Acquisition of the water utility which added \$104,170,212 of land, buildings, improvements, intangibles and machinery & equipment.
- \$5.7 million of additions to sewer capital assets including the purchase of the adjacent composting facility.
- The \$925 thousand installation of the Missoula Art Park in downtown Missoula.
- The purchase of \$2.3 million in core equipment for the continuing functions of the City.
- \$5.8 million on bike and pedestrian trail improvements and extensions and playground equipment.
- Additional street infrastructure projects were under construction at fiscal year-end.

CITY OF MISSOULA CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 22,703,382	\$ 19,805,799	\$ 4,203,349	\$ 2,540,579	\$ 26,906,731	\$ 22,346,378
Art	236,590	236,590	65,229	65,229	301,819	301,819
Intangibles	-	-	733,242	-	733,242	-
Buildings & Improvements	46,854,904	35,526,893	231,254,773	144,973,336	278,109,677	180,500,229
Machinery & Equipment	27,805,670	25,040,724	30,248,463	6,535,075	58,054,133	31,575,799
Infrastructure	288,829,819	260,456,777	-	-	288,829,819	260,456,777
Work In Process	2,934,712	12,243,194	1,613,504	439,838	4,548,216	12,683,032
Total Capital Assets	389,365,077	353,309,977	268,118,560	154,554,057	657,483,637	507,864,034
Less Accumulated Depreciation	(195,553,627)	(178,684,935)	(59,330,062)	(52,614,554)	(254,883,689)	(231,299,490)
Net Capital Assets	\$ 193,811,450	\$ 174,625,042	\$ 208,788,498	\$ 101,939,503	\$ 402,599,948	\$ 276,564,544

Long-Term Debt. At the end of the current fiscal year, the City of Missoula had a total of \$198,163,098 of long term debt outstanding of which \$182,191,272 was bonded debt. Of this amount, \$11,955,000 comprises debt backed by the full faith and credit of the government and \$12,173,827 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment, although this debt

is collateralized with liens on the properties against which the debt is assessed. The majority of the remainder of the City of Missoula's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). More detailed disclosure on the City's long-term debt is available in section III-F of the Notes to the Financial Statements.

CITY OF MISSOULA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 7,305,000	\$ 8,395,000	\$ -	\$ -	\$ 7,305,000	\$ 8,395,000
Limited Obligation Bonds	4,650,000	5,100,000	-	-	4,650,000	5,100,000
Revenue Bonds	-	-	158,062,445	18,799,002	158,062,445	18,799,002
Special Assessment Bonds	12,173,827	10,693,500	-	-	12,173,827	10,693,500
Loans Payable	242,822	336,192	-	-	242,822	336,192
Capital Leases	4,879,043	5,216,533	389,699	122,116	5,268,742	5,338,649
Bond Premiums	363,981	383,138	-	-	363,981	383,138
Notes Payable	-	-	1,353,747	1,392,863	1,353,747	1,392,863
Compensated Absences	5,267,720	5,132,603	464,514	243,848	5,732,234	5,376,451
Post Employment Benefits	2,819,485	2,233,930	190,814	138,849	3,010,299	2,372,779
Total Outstanding Debt	<u>\$ 37,701,879</u>	<u>\$ 37,490,896</u>	<u>\$160,461,219</u>	<u>\$ 20,696,678</u>	<u>\$198,163,098</u>	<u>\$ 58,187,574</u>

The City of Missoula's total debt increased by \$139,975,524 during the 2017 fiscal year. This increase was a result of issuing \$138 million for the acquisition of the water utility, \$1.9 million for the acquisition of the compost facility, \$1.75 million in new debt for the replacement of core equipment, \$2.89 million of special assessment debt, and reductions of \$11.5 million.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5 percent of its total assessed valuation. The current debt limitation for the City of Missoula is \$184,773,000 which is significantly in excess of the City of Missoula's outstanding general obligation debt. Section III-E of the Notes to the City's financial statements provides additional disclosure of the City of Missoula's bonded indebtedness. The City has continued to utilize its general obligation debt capacity to a very low percentage with the result that we have maintained a strong financial position and an AA+ bond rating with Standard and Poor's.

Economic Factors and New Year's Budgets and Rates

- The Bureau of Business and Economic Research (BBER) is the research and public service branch of the University of Montana's School of Business Administration. The Bureau is regularly involved in a wide variety of activities, including economic analysis and forecasting. The information regarding the economic outlook is now provided annually by a seminar produced by the BBER. For Missoula's economic outlook, this is a synopsis from the 2017 Montana Economic Report:

Missoula's stronger growth in 2015 was helped by a robust expansion in health care that moderated in 2016. Manufacturing picked up the baton and helped growth in 2016.

The growth in retail and accommodations activity were signs of continued strong visitor spending. Growth in the public administration activities of government were stronger in Missoula than any other part of the state. Of concern is the weakness in professional services growth, which contracted in the beginning of 2016, and the continued weakness in construction.

- The Missoula Economic Partnership, a public-private economic development organization, opened its doors in June 2011 and in that time has grown to serve as a central role in a broad, collaborative effort involving 80 businesses, individual and government investors as well as more than 30 strategic partners, all of whom share the vision of a vibrant, growing and diversified region economy. The Partnership, in conjunction with the multiple strategic partners and collaborative businesses is creating easy access to economic-development resources. In recognizing that 80 percent of economic growth comes from within, The Partnership offers services for business retention and expansion (BRE). The BRE program 24

services are as simple as a phone call or can be more involved, such as fostering a multiyear client - consultant relationship. The MEP Angel Network, Air Service Task Force and cultivating Strategic Partnerships are just some of the additional services offered by Missoula Economic Partnership. For a more detailed look into the services or to connect with the Missoula Economic Partnership please visit the Partnership's website at <http://www.missoulapartnership.com>.

- University of Montana economist, Patrick Barkey, has forecast that Montana's economic growth will be around the 3.2% range, which continues an improvement that began in 2014. Patrick Barkey has also projected that the Montana economy will outperform the national economy this next year. Missoula continues to see growth in the construction and manufacturing areas of the economy and in the financial and business industries. There are four identified areas that are proposed to see growth in the upcoming year: UM and State Government; Healthcare; Professional Services and Manufacturing of wood products. Due to an increase in these industries, Missoula is starting to realize a positive and favorable growth. The Development Services department of the City of Missoula reported an increase of the number of overall permits issued from FY 2016. Of interest is the number of single and multi-family new construction homes increased by 637 permits from the prior year. In FY 2018 there are a number of projects that are set to start construction or starting the planning phase. One of these projects is located in central Missoula and is the result of a company that sold a piece of property to the City that will allow the completion of the Bitterroot Branch trail. In addition to the trail, a 2 acre park is set to be constructed. The other project, set in downtown Missoula, is an approximately \$150 million conference center and hotel planned for the corner of Orange St and Front St., also referred to as the Fox Site. Given these projects, it is anticipated that FY2018 will continue to see growth and an increase in the construction valuation.
- All of these factors were considered in preparing the City of Missoula's budget for the 2018 fiscal year. The decline in revenues in FY 2009 through FY 2012, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses) has reversed and these revenues have been increasing each year since FY 2012.
- Sewer utility rates were increased modestly (2.5% per year) for the past three years beginning in FY 2016 to fund capital improvement projects. This takes into account increasing the capacity of sanitary sewer pipelines and pump stations to accommodate the growth and residential construction that is being planned for in the Linda Vista and Miller Creek areas. The City has continued to grow in population and in new sewer connections at a rate of approximately 1.5% per year. The sewer fund has been able to continue to build the fund balance to accommodate future projects, however the growth for the past couple of years is not adequate to cover the necessary and requested upgrades to the sewer treatment plant and sewer infrastructure therefore the modest increase in rates by 2.5%. In FY 2017, the City completed the purchase of EKO compost, renaming it to Garden City compost.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**

City of Missoula
Statement of Net Position
June 30, 2017

	Primary Government			Component Units				
	Governmental Activities	Business-type Activities	Total	Business Improvement District		Tourism Business Improvement District	Missoula Parking Commission	Missoula Redevelopment Agency
				Business Improvement District	Missoula Parking Commission			
ASSETS AND DEFERRED OUTFLOWS								
Current assets:								
Cash and investments	\$ 2,446,932	\$ 5,908,647	\$ 8,355,579	\$ 190,673	\$ 463,885	\$ 819,758	\$ 10,322,564	
Taxes/Assessments receivable, net	2,794,058		2,794,058	8,489				313,547
Accounts receivable	437,109	2,670,633	3,107,742			259,938		
Other receivable	18,252	2,425,536	2,443,788	13,364			241,275	234,523
Prepaid expenditures/expenses	272,399	35,264	307,663					
Due from other governments	2,415,698	117,163	2,532,861	3,557				84,649
Advances Receivable	3,456,015		3,456,015					
Inventory of supplies	1,143,230	26,354	1,169,584					
Total current assets	12,983,693	11,183,597	24,167,290	216,083	723,823	1,061,033		10,955,283
Noncurrent assets:								
Cash and investments	-	31,722,064	31,722,064			528,325		675,665
Noncurrent assessments receivable	8,560,726	-	8,560,726					
Long-term loans receivable	2,391,960	-	2,391,960			2,572,000		655,811
Other assets	-					363,394		
Capital assets - depreciable, net	167,936,766	202,173,173	370,109,939		41,961	11,188,903		
Capital assets - land and construction in progress	25,874,684	6,615,324	32,490,008			3,587,760		
Total noncurrent assets	204,764,136	240,510,561	445,274,697		41,961	18,240,382		1,331,476
Total assets	217,747,829	251,694,158	469,441,987	216,083	765,784	19,301,415		12,286,759
DEFERRED OUTFLOWS OF RESOURCES								
Pension contributions and adjustments	6,521,464	399,922	6,921,386	-	-	97,149		90,278
Deferred portion of refunded bond	581,612	-	581,612					18,287
Total deferred outflows of resources	7,103,076	399,922	7,502,998			97,149		108,565
TOTAL ASSETS AND DEFERRED OUTFLOWS	224,850,905	252,094,080	476,944,985	216,083	765,784	19,398,564		12,395,324
LIABILITIES, DEFERRED INFLOWS AND NET POSITION								
Current liabilities:								
Accounts payable	2,534,113	7,034,622	9,568,735	34,062	41,435	73,479		2,690,001
Advances payable	-	3,456,015	3,456,015					
Accrued expenses	745,228	358,868	1,104,096			146,500		11,410
Due to other government	-	-	-			81,230		
Contributions paid in advance	773,518		773,518					
Compensated absences payable	4,817,810	381,135	5,198,945			33,527		69,765
Special assessment debt with government obligation	1,368,472	-	1,368,472					
Long-term liabilities - due within one year	3,314,765	1,966,038	5,280,803			440,600		476,374
Unearned revenue	2,391,962	20,000	2,411,962	8,489				
Total current liabilities	15,945,868	13,216,678	29,162,546	42,551	41,435	775,336		3,247,550
Noncurrent liabilities:								
Net post employment benefit obligation	2,819,485	190,814	3,010,299			75,273		37,224
Net pension liability	30,444,912	2,116,464	32,561,376			514,131		477,765
Special assessment debt with government obligation - long-term	10,805,355	-	10,805,355					
Long-term liabilities - due in more than one year	14,126,082	164,571,197	178,697,279			7,422,900		28,047,341
Long-term portion of compensated absences	449,911	83,379	533,290					24,200
Total noncurrent liabilities	58,645,745	166,961,854	225,607,599			8,012,304		28,586,530
Total liabilities	74,591,613	180,178,532	254,770,145	42,551	41,435	8,787,640		31,834,080
DEFERRED INFLOWS OF RESOURCES								
Pension adjustments	360,511	7,006	367,517	-	-	1,702		1,581
Deferred charge on refunding of debt	-	-	-			113,186		-
Total deferred inflows of resources	360,511	7,006	367,517			114,888		1,581
Total liabilities and deferred inflows of resources	74,952,124	180,185,538	255,137,662	42,551	41,435	8,902,528		31,835,661
NET POSITION								
Net investment in capital assets	164,778,388	42,251,262	207,029,650	-	41,961	6,799,977		-
Restricted for:								
Building construction inspections	1,998,851	-	1,998,851					
Cable contract restricted for CAT & PEG Access	-	-	-					
Capital Projects	766,883	2,500,000	3,266,883					
Debt service	12,935,752	31,722,064	44,657,816			528,325		675,665
Grant restrictions for program expenditures	960,141	-	960,141					
Law Enforcement	3,653,132	-	3,653,132					
Public works safety & maintenance expenditures	125,277	-	125,277					
Title 1 & Revolving Loan Programs	235,191	-	235,191					
Unrestricted	(35,554,837)	(4,564,784)	(40,119,621)	173,532	682,377	3,167,734		(20,116,002)
TOTAL NET POSITION	\$ 149,898,778	\$ 71,908,542	\$ 221,807,320	\$ 173,532	\$ 724,338	\$ 10,496,036		\$ (19,440,337)

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

City of Missoula
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Business Improvement District	Tourism Business Improvement District	Missoula Parking Commission	Missoula Redevelopment Agency
Primary government:											
<u>Governmental activities:</u>											
General Government	\$ 8,022,538	\$ 1,948,255	\$ -	\$ 5,500	\$ (6,068,783)	\$ -	\$ (6,068,783)	\$ -	\$ -	\$ -	\$ -
Public Works	13,564,159	7,674,502	65,932	6,572,510	748,785	-	748,785	-	-	-	-
Public Safety	20,910,167	3,214,812	824,941	54,546	(16,815,868)	-	(16,815,868)	-	-	-	-
Cultural & Recreation	4,376,832	1,041,145	48,033	558,738	(2,728,916)	-	(2,728,916)	-	-	-	-
Housing & Community Development	873,424	242,922	431,329	693,946	494,773	-	494,773	-	-	-	-
Public Health	1,223,889	119,956	-	-	(1,103,933)	-	(1,103,933)	-	-	-	-
Social & Economic Services	138,469	-	-	-	(138,469)	-	(138,469)	-	-	-	-
Miscellaneous	165,216	-	-	-	(165,216)	-	(165,216)	-	-	-	-
Debt Service	1,088,561	-	-	-	(1,088,561)	-	(1,088,561)	-	-	-	-
Total governmental activities	50,363,255	14,241,592	1,370,235	7,885,240	(26,866,188)	-	(26,866,188)	-	-	-	-
<u>Business-type activities:</u>											
Sewer	10,150,268	9,045,781	30,714	686,428	-	(387,345)	(387,345)	-	-	-	-
Water	4,731,406	343,061	1,695	-	-	(4,386,650)	(4,386,650)	-	-	-	-
Storm Water	257,571	133,815	1,562	109,363	-	(12,831)	(12,831)	-	-	-	-
Aquatics	1,795,539	1,013,635	5,246	-	-	(776,658)	(776,658)	-	-	-	-
Civic Stadium	199,386	-	-	-	-	(199,386)	(199,386)	-	-	-	-
Total business-type activities	17,134,170	10,536,292	39,217	795,791	-	(5,762,870)	(5,762,870)	-	-	-	-
Total Primary Government	\$ 67,497,425	\$ 24,777,884	\$ 1,409,452	\$ 8,681,031	(26,866,188)	(5,762,870)	(32,629,058)	-	-	-	-
<u>Component Units:</u>											
Business Improvement District	\$ 347,571	\$ -	\$ -	\$ -	-	-	(347,571)	-	-	-	-
Tourism Business Improvement District	935,840	-	-	-	-	-	-	(935,840)	-	-	-
Missoula Parking Commission	2,387,366	2,251,065	-	-	-	-	-	-	(136,301)	-	-
Missoula Redevelopment Agency	12,459,428	-	-	-	-	-	-	-	-	(12,459,428)	-
Total Component Units	\$ 16,130,205	\$ 2,251,065	\$ -	\$ -	-	-	(347,571)	(935,840)	(136,301)	(12,459,428)	-
<u>General revenues:</u>											
Property taxes for general purposes				31,774,735	-	31,774,735	284,603	-	-	3,923,638	
Intergovernmental revenue, unrestricted				14,392,239	-	14,392,239	-	-	-	792,592	
Miscellaneous				386,493	369,919	756,412	55,163	824,694	-	24,991	
Interest income				19,291	233,891	253,182	604	2,358	108,383	-	
Gain on sale of capital assets				14,445	-	14,445	-	-	-	-	
General funds support of Sewer & Aquatic's activities				(203,000)	203,000	-	-	-	-	-	
Total general revenues, special items, and transfers				46,384,203	806,810	47,191,013	340,370	827,052	108,383	4,741,221	
Change in net position				19,518,015	(4,956,060)	14,561,955	(7,201)	(108,788)	(27,918)	(7,718,207)	
Net position - beginning				123,684,739	83,551,772	207,236,511	180,733	833,126	10,523,954	(11,722,130)	
Fund Reclassifications				6,248,789	(6,248,789)	-	-	-	-	-	
Restatements				447,235	(438,381)	8,854	-	-	-	-	
Net position - beginning restated				130,380,763	76,864,602	207,245,365	180,733	833,126	10,523,954	(11,722,130)	
Net position - ending				\$ 149,898,778	\$ 71,908,542	\$ 221,807,320	\$ 173,532	\$ 724,338	\$ 10,496,036	\$ (19,440,337)	

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

FUND
FINANCIAL
STATEMENTS

MAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

GENERAL FUND

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

CAPITAL IMPROVEMENT PROGRAM

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

MAJOR PROPRIETARY FUNDS

FUND DESCRIPTIONS

SEWER FUND

This fund accounts for financial resources from service charges, allocated by law, contractual agreement, or administrative regulations for, and the payment of, sewer maintenance, sewer construction, and other sewer related costs. This fund also accounts for fees related to the acceptance of green waste to convert into compost and the fees derived from the sale of the compost.

WATER FUND

The Water Fund accounts for expenditures related to the City's eminent domain lawsuit to acquire the local water company. Once the acquisition of the utility is finalized this fund will be converted to a proprietary enterprise fund similar to the Sewer Fund.

**GOVERMENTAL FUND
FINANCIAL
STATEMENTS**

**City of Missoula
Balance Sheet
Governmental Funds
June 30, 2017**

	General Fund	Capital Improvement Program Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 28,974	\$ -	\$ 624,451	\$ 653,425
Taxes/assessments receivable,net	1,451,756	-	1,342,302	2,794,058
Noncurrent assessments receivable	-	-	8,560,726	8,560,726
Due from other governments	1,508,668	-	907,030	2,415,698
Accounts Receivable	251,645	5,000	180,464	437,109
Long term loans	3,439	-	2,388,521	2,391,960
Interfund receivable	2,231,176	-	10,019,855	12,251,031
Advances receivable	3,780,381	-	1,292,752	5,073,133
Inventory of supplies	1,143,230	-	-	1,143,230
Prepaid Items	253,003	-	19,396	272,399
Total assets	<u>\$ 10,652,272</u>	<u>\$ 5,000</u>	<u>\$ 25,335,496</u>	<u>\$ 35,992,768</u>
LIABILITIES				
Accrued expenditures	701,954	-	43,275	745,229
Interfund payable	3,983,378	5,959,026	2,677,592	12,619,996
Advances payable	-	1,232,423	15,735	1,248,158
Accounts payable	<u>1,151,091</u>	<u>156,243</u>	<u>967,469</u>	<u>2,274,803</u>
Total liabilities	<u>5,836,423</u>	<u>7,347,692</u>	<u>3,704,071</u>	<u>16,888,186</u>
Deferred Inflows				
Deferred revenues; taxes and loans receivable	980,064	-	12,206,366	13,186,430
FUND BALANCES (DEFICITS)				
Nonspendable				
Inventories	1,143,230	-	-	1,143,230
Prepaid Expenses	253,003	-	-	253,003
Restricted				
Building construction inspections	-	-	1,998,851	1,998,851
Capital Projects	-	-	-	-
Cemetery memorial	25,587	-	-	25,587
Debt Service	-	-	-	-
Capital Project expenditures	-	-	766,883	766,883
Grant restrictions for program expenditures	-	-	960,141	960,141
Law Enforcement	-	-	3,653,132	3,653,132
Public works safety & maintenance expenditures	-	-	125,277	125,277
Title I & Revolving Loan programs	235,191	-	-	235,191
Committed				
By City Ordinance for specific budgeted programs	-	-	3,722,872	3,722,872
Assigned				
Specific Budgeted General Fund Programs	1,725,913	-	171,473	1,897,386
Unassigned				
Total fund balances (deficits)	<u>\$ 452,861</u>	<u>(7,342,692)</u>	<u>(1,973,569)</u>	<u>(8,863,400)</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,835,785</u>	<u>\$ (7,342,692)</u>	<u>\$ 9,425,059</u>	<u>\$ 5,918,152</u>
	<u><u>\$ 10,652,272</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 25,335,496</u></u>	<u><u>\$ 35,992,768</u></u>

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

City of Missoula, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2017

Total fund balances - governmental funds	\$ 5,918,152
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	193,811,456
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	10,794,467
An internal service fund is used by management to charge the costs of employee medical insurance. The governmental portion of the internal service fund is included with governmental activities.	778,930
Long-term liabilities (current and non-current portions) are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(37,120,268)
The net pension asset is not an available resource and, therefore, is not reported in the governmental funds.	(24,283,959)
Total Net Position - governmental activities	\$ 149,898,778

See accompanying Notes to the Financial Statements

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Capital Improvement Program Fund	Water Fund	Total	Total
				Nonmajor Funds	Governmental Funds
REVENUES					
Intergovernmental	\$ 14,542,043	\$ 302,433	\$ -	\$ 4,295,435	\$ 19,139,911
Taxes and assessments	24,544,854	-	-	11,151,893	35,696,747
Licenses and permits	1,559,842	-	-	2,883,016	4,442,858
Charges for services	6,036,333	-	-	1,951,475	7,987,808
Fines and forfeitures	1,609,079	-	-	15,843	1,624,922
Miscellaneous	215,595	208,205	-	341,067	764,867
Investment earnings	10,617	-	-	8,673	19,290
Gain on disposal of fixed assets	-	-	-	-	-
Total revenues	48,518,363	510,638	-	20,647,402	69,676,403
EXPENDITURES					
Current:					
General Government	9,445,759	-	-	1,684,091	11,129,850
Public Works	6,542,516	-	-	1,407,489	7,950,005
Public Safety	27,866,206	10,299	-	1,993,600	29,870,105
Cultural & Recreation	4,274,087	-	-	772,722	5,046,809
Housing & Community Development	585,818	-	-	687,824	1,273,642
Public Health	1,797,051	-	-	-	1,797,051
Social & Economic Services	210,000	-	-	-	210,000
Miscellaneous	75,180	-	-	90,039	165,219
Debt Service					
Administrative charges	-	-	-	-	-
Interest	14,550	250,711	-	770,619	1,035,880
Principal retirement	575,800	874,618	-	3,287,834	4,738,252
Capital outlay:					
General Government	-	366,825	-	18,671	385,496
Public Works	384,988	1,232,736	-	4,485,991	6,103,715
Public Safety	29,912	3,045,500	-	143,330	3,218,742
Cultural & Recreation	733,975	1,329,084	-	1,132,643	3,195,702
Total expenditures	52,535,842	7,109,773	-	16,474,854	76,120,469
Excess (deficiency) of revenues over expenditures	(4,017,479)	(6,599,135)	-	4,172,548	(6,444,066)
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(2,247,457)	-	-	(8,036,849)	(10,284,306)
Transfers in	6,337,498	1,330,842	-	1,898,883	9,567,223
Issuance of long term debt/capital leases	-	1,758,427	-	2,892,685	4,651,112
Total other financing sources (uses)	4,090,041	3,089,269	-	(3,245,282)	3,934,028
Net change in fund balances	72,562	(3,509,866)	-	927,266	(2,510,038)
Fund Restatement - Water fund moved to proprietary					
Fund balances - beginning	5,492,800	(8,596,474)	(6,248,789)	11,084,629	1,732,166
Fund Reclassification	-	-	6,248,789	-	6,248,789
Restatements	(1,729,577)	4,763,648	-	(2,586,836)	447,235
Fund balances - beginning restated	3,763,223	(3,832,826)	-	8,497,793	8,428,190
Fund balances - ending	\$ 3,835,785	\$ (7,342,692)	\$ -	\$ 9,425,059	\$ 5,918,152

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

City of Missoula, Montana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds	\$ (2,510,038)
Governmental funds report capital outlays as expenditures	38,086,575
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(11,165,641)
In the statement of activities, only the loss on the sale of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by cost of the assets sold.	(6,364,155)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	964,250
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(4,651,112)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	5,156,761
Amortization of deferred portion of refunding bond is a component of interest expense on the statement of activities, but is not recognized in the governmental funds.	(67,800)
The change in compensated absences is shown as an addition to payroll expense on the statement of activities	(135,117)
The change in post employment obligations is shown as an addition to payroll expense on the statement of activities	(619,694)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.	(178,634)
Contributions to the pension plan in the current fiscal year are deferred outflows in the Statement of Net Position	1,002,620
Change in net position - statement of activities	<u>\$ 19,518,015</u>

See accompanying Notes to the Financial Statements

**PROPRIETARY FUND
FINANCIAL
STATEMENTS**

City of Missoula
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities				Governmental
	Sewer	Water	Total Nonmajor Enterprise funds	Total Enterprise Funds	Activities
					Internal Service Funds
ASSETS					
Current assets:					
Cash and Investments	\$ -	\$ 5,811,002	\$ 97,645	\$ 5,908,647	\$ 1,793,507
Due from other governments	117,062	-	101	117,163	-
Accounts Receivable	560,008	2,069,413	41,212	2,670,633	-
Interfund receivable	-	1,125,767	-	1,125,767	-
Advances receivable	1,002,802	-	26,268	1,029,070	-
Inventory of supplies	-	-	26,354	26,354	-
Prepaid expenses	23,700	6,034	5,530	35,264	-
Other receivable	270,699	-	-	270,699	18,252
Total current assets	1,974,271	9,012,216	197,110	11,183,597	1,811,759
Noncurrent assets:					
Cash and Investments	2,008,005	29,714,059	-	31,722,064	-
Art	-	-	65,229	65,229	-
Land	2,989,527	1,213,822	-	4,203,349	-
Intangibles	688,000	45,242	-	733,242	-
Construction work in progress	1,029,987	556,379	27,138	1,613,504	-
Buildings	8,373,118	2,552,559	12,521,965	23,447,642	-
Improvements other than buildings	122,944,273	79,823,638	5,039,219	207,807,130	-
Machinery and equipment	9,448,480	20,534,951	265,031	30,248,462	-
Allowance for depreciation	(54,044,770)	(77,484)	(5,207,807)	(59,330,061)	-
Total noncurrent assets	93,436,620	134,363,166	12,710,775	240,510,561	-
Deferred Outflow of Resources					
Deferred Outflow of Resources	314,658	17,564	67,700	399,922	-
Total Assets & Deferred Outflows of Resources	95,725,549	143,392,946	12,975,585	252,094,080	1,811,759
LIABILITIES					
Current liabilities:					
Unearned revenues; taxes and loans receivable	20,000	-	-	20,000	-
Long-term liabilities - due within one year	1,626,692	297,836	41,510	1,966,038	-
Accrued expenses	39,081	285,233	34,554	358,868	-
Interfund payable	718,236	-	38,564	756,800	-
Advances payable	-	4,854,045	-	4,854,045	-
Advances payable to Component Units	-	598,559	-	598,559	-
Accounts payable	1,110,993	3,082,559	87,681	4,281,233	259,311
Contributions paid in advance	-	-	-	-	773,518
Compensated absences payable	203,939	136,995	40,201	381,135	-
Total current liabilities	3,718,941	9,255,227	242,510	13,216,678	1,032,829
Noncurrent liabilities:					
Long-term liabilities - due in more than one year	18,600,448	144,658,512	1,312,237	164,571,197	-
Net post employment benefit obligation	153,562	2,706	34,546	190,814	-
Net pension liability	1,665,230	92,951	358,283	2,116,464	-
Long-term portion of compensated absences	53,101	18,681	11,597	83,379	-
Total noncurrent liabilities	20,472,341	144,772,850	1,716,663	166,961,854	-
Total liabilities	24,191,282	154,028,077	1,959,173	180,178,532	1,032,829
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	5,512	308	1,186	7,006	-
Total deferred inflows of resources	5,512	308	1,186	7,006	-
Total liabilities and deferred inflows of resources	24,196,794	154,028,385	1,960,359	180,185,538	1,032,829
NET POSITION					
Net investment in capital assets	71,201,475	(40,307,241)	11,357,028	42,251,262	-
Restricted for:					
Debt Service	2,008,005	29,714,059	-	31,722,064	-
Capital Projects	-	2,500,000	-	2,500,000	-
Unrestricted	(1,680,725)	(2,542,257)	(341,802)	(4,564,784)	778,930
Total net position	\$ 71,528,755	\$ (10,635,439)	\$ 11,015,226	\$ 71,908,542	\$ 778,930

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

City of Missoula
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For Fiscal Year Ended June 30, 2017

	Business-type Activities				Governmental Activities Internal Service Funds
	Sewer	Water	Total Nonmajor Enterprise funds	Total Enterprise Funds	
	\$	\$	\$	\$	
Operating Revenues					
Internal Services	-	-	-	-	\$ 5,322,681
Intergovernmental	30,714	1,695	6,808	39,217	-
Licenses and permits	1,046	-	-	1,046	-
Charges for services	9,044,735	343,061	1,147,450	10,535,246	-
Miscellaneous	40,518	-	285,854	326,372	-
Total operating revenues	<u>9,117,013</u>	<u>344,756</u>	<u>1,440,112</u>	<u>10,901,881</u>	<u>5,322,681</u>
Operating Expenses					
Maintenance and operations	2,656,816	88,911	585,295	3,331,022	-
Personal services	2,238,173	626,330	925,287	3,789,790	-
Fixed charges	1,493,160	6,934	58,781	1,558,875	-
Depreciation	2,938,410	77,484	605,766	3,621,660	-
Insurance claims and expenses	-	-	-	-	6,015,400
Total operating expenses	<u>9,326,559</u>	<u>799,659</u>	<u>2,175,129</u>	<u>12,301,347</u>	<u>6,015,400</u>
Operating income (loss)	<u>(209,546)</u>	<u>(454,903)</u>	<u>(735,017)</u>	<u>(1,399,466)</u>	<u>(692,719)</u>
Non-operating revenues (expenses)					
IRS interest reimbursement	233,816	-	-	233,816	-
Interest revenue	74	-	1	75	-
Debt service interest expense	(823,709)	-	(77,367)	(901,076)	-
Gain on disposal of fixed assets	43,547	-	-	43,547	-
Acquisition expenses	-	(3,931,747)	-	(3,931,747)	-
Total nonoperating revenues (expenses)	<u>(546,272)</u>	<u>(3,931,747)</u>	<u>(77,366)</u>	<u>(4,555,385)</u>	<u>(692,719)</u>
Income (loss) before contributions and transfers	<u>(755,818)</u>	<u>(4,386,650)</u>	<u>(812,383)</u>	<u>(5,954,851)</u>	<u>(692,719)</u>
Contributions & Transfers					
Contributions	686,428	-	109,363	795,791	-
Transfers in	657,438	-	203,000	860,438	514,085
Transfers (out)	(657,438)	-	-	(657,438)	-
Net Contributions and Transfers	<u>686,428</u>	<u>-</u>	<u>312,363</u>	<u>998,791</u>	<u>514,085</u>
Change in net position	(69,390)	(4,386,650)	(500,020)	(4,956,060)	(178,634)
Total net position - beginning	72,036,526	-	11,515,246	83,551,772	957,564
Fund Reclassification		(6,248,789)	-	(6,248,789)	-
Restatements	(438,381)	-	-	(438,381)	-
Fund balances - beginning restated	<u>71,598,145</u>	<u>(6,248,789)</u>	<u>11,515,246</u>	<u>76,864,602</u>	<u>957,564</u>
Total net position - ending	<u>\$ 71,528,755</u>	<u>\$ (10,635,439)</u>	<u>\$ 11,015,226</u>	<u>\$ 71,908,542</u>	<u>\$ 778,930</u>

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

City of Missoula
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities				Governmental
	Sewer	Water	Total Nonmajor Enterprise funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Payments to employees	\$ (2,127,147)	\$ (113,082)	\$ (891,884)	\$ (3,132,113)	\$ -
Cash receipts from customers	8,835,061	343,061	1,230,627	10,408,749	-
Payments to suppliers	(2,740,044)	(51,122)	(559,365)	(3,350,531)	-
Other receipts	232,057	1,695	141,903	375,655	-
Receipts from internal services	-	-	-	-	5,285,173
Benefit payments	-	-	-	-	(6,245,797)
Net cash provided (used) by operating activities	<u>4,199,927</u>	<u>180,552</u>	<u>(78,719)</u>	<u>4,301,760</u>	<u>(960,624)</u>
Cash Flows from Non-Capital Financing Activities:					
Transfers to other funds	(657,438)	-	-	(657,438)	-
Transfers from other funds	657,438	-	203,000	860,438	514,085
Purchase of Accounts Receivable and Acquisiton Related Payables	-	(4,803,789)	-	(4,803,789)	-
Interfund lending	-	-	8,276	8,276	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(4,803,789)</u>	<u>211,276</u>	<u>(4,592,513)</u>	<u>514,085</u>
Cash Flows from Capital and Related Financing Activities:					
Activities:					
Principal paid on debt	1,306,022	-	(39,118)	1,266,904	-
Interest paid on debt	(823,709)	-	(77,368)	(901,077)	-
IRS Interest Reimbursement	233,816	-	-	233,816	-
Proceeds from sale of capital assets	43,547	-	-	43,547	-
Proceeds from debt	-	144,956,348	-	144,956,348	-
Acquisition and construction of capital assets	(5,859,609)	(104,808,050)	(85,061)	(110,752,720)	-
Net cash provided (used) by capital and related financing	<u>(5,099,933)</u>	<u>40,148,298</u>	<u>(201,547)</u>	<u>34,846,818</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on investments	73	-	2	75	-
Net cash provided by investing activities	<u>73</u>	<u>-</u>	<u>2</u>	<u>75</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(899,933)	35,525,061	(68,988)	34,556,140	(446,539)
Balances - beginning of year	2,907,938	-	166,633	3,074,571	2,240,047
Balances - end of the year	<u>\$ 2,008,005</u>	<u>\$ 35,525,061</u>	<u>\$ 97,645</u>	<u>\$ 37,630,711</u>	<u>\$ 1,793,507</u>
Cash and cash equivalents consists of:					
Cash and cash equivalents	-	5,811,002	97,645	5,908,647	1,793,507
Restricted Cash and cash equivalents	2,008,005	29,714,059	-	31,722,064	-
Totals	<u>\$ 2,008,005</u>	<u>\$ 35,525,061</u>	<u>\$ 97,645</u>	<u>\$ 37,630,711</u>	<u>\$ 1,793,507</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	(209,546)	(454,903)	(735,017)	(1,399,466)	(692,719)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,938,410	77,484	605,766	3,621,660	-
Changes in assets and liabilities:					
Accounts Payable - Other	1,409,933	44,722	40,684	1,495,339	(238,277)
Inventory	-	-	44,025	44,025	-
Other operating receivables	66,298	-	(67,580)	(1,282)	6,673
Compensated absences payable	45,584	155,676	(16,179)	185,081	-
Net post employment benefit obligation	40,591	2,706	(4,875)	38,422	-
Prepaid expense	(76)	(6,034)	(468)	(6,578)	1,207
Contributions paid in advance	-	-	-	-	(37,508)
Accrued Expenses	(64,736)	285,205	(15,088)	205,381	-
Due From Other Government	(116,193)	-	-	(116,193)	-
Net Pension	89,662	75,696	70,013	235,371	-
Net cash provided (used) by operating activities	<u>\$ 4,199,927</u>	<u>\$ 180,552</u>	<u>\$ (78,719)</u>	<u>\$ 4,301,760</u>	<u>\$ (960,624)</u>
Noncash investing, capital and financing activities					
Developer contributions	\$ 668,428	\$ -	\$ -	\$ -	\$ -

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

**FIDUCIARY FUND
FINANCIAL
STATEMENTS**

City of Missoula, Montana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and short-term investments	\$ 413,805
Accounts receivable	-
Interest receivable	-
Due from other governments	5,347
Total assets	\$ <u>419,152</u>
LIABILITIES	
Accounts payable	\$ 34,004
Due to private parties	370,080
Short-term payables	-
Deposits payable	-
Due to other governments	15,068
Total liabilities	\$ <u>419,152</u>

See accompanying Notes to the Financial Statements

NOTES TO
FINANCIAL
STATEMENTS

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

I. Summary of Significant Accounting Policies

The City of Missoula (the City) follows U.S. generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The City of Missoula has adopted the provisions of the following GASB pronouncements for fiscal year 2016:

Statement No. 77, Tax Abatement Disclosures. This Statement addresses the disclosure of tax abatements within the notes to the financial statements. The Statement provides guidance for the reporting of (1) the total tax abated in the current fiscal year, (2) the general description of each tax abatement program, and (3) any obligations the City incurred with respect to the approved abatement program. This Statement is effective for fiscal years beginning after December 15, 2016. For the year ended June 30, 2017, the City had no tax abatements.

A. Reporting Entity

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

On June 22nd, 2017 the City took possession of the local water system after a successful eminent domain trial. The system assets, related acquisition and pending legal expenses were financed solely through the issuance of two bond anticipation notes. Municipal operations commenced on June 22nd, 2017. The municipal utility is accounted for as an enterprise fund.

For financial reporting purposes, the City includes those separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39 and No. 61. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's governing board must be appointed by the City, and either a) the City must be able to impose its will, or b) the City may potentially benefit financially or be financially responsible for the component unit. Alternatively, if the organization is fiscally dependent on the City and the City may potentially benefit financially or be financially responsible for the component unit, the City is considered financially accountable.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

1. The Missoula Redevelopment Agency (MRA) was established in 1978 by the City as a separate legal entity in accordance with state urban renewal laws (Section 7-15-4201 MCA). MRA has the authority to renovate property within blighted areas legally designated as redevelopment districts, but the authority to exercise the power of eminent domain, acquire and resell property and to issue tax increment bonds remains with the City. Any bonds issued are payable solely from tax increment receipts. Infrastructure improvements made by the urban renewal districts are City capital assets. The City has established six current urban renewal districts: District II in 1991, District III in 2000, Front Street in 2007, and Riverfront Triangle in 2008, Hellgate in 2014, and North Reserve/Scott Street in 2014. The five member governing board is appointed by the Mayor and confirmed by the City Council. MRA has no authority to levy taxes. However, under the City's Urban Renewal Plans, incremental property taxes which result from increases in the taxable value of property within a redevelopment district are designated for urban renewal purposes and provide the primary funding source for MRA. State law provides that the tax increment provisions applicable to a renewal district established after 1980 be terminated fifteen years after enactment or when all tax increment bonds have been retired. Due to the control exercised by the City, MRA is considered a component unit of the City. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from Missoula Redevelopment Agency, 140 W. Pine, Missoula, MT 59802.

2. The Missoula Parking Commission (MPC) is a public corporation formed by the City and, as such, is a proprietary component unit of the City. On January 25, 1971, the City Council of Missoula passed Resolution No. 2992 declaring the need for a parking commission. The creation of a commission was subsequently approved by the voters of the City in April 1971 pursuant to Part 46 of the Montana Code. Voters also authorized MPC to adopt the revenue bond method of financing parking projects provided in Title 7, Chapter 14, Part 46, Montana Code Annotated. As a component unit of the City, MPC is exempt from income tax. MPC currently operates approximately 134 parking meters on various streets and in various lots throughout the downtown business area. MPC operates approximately 1,275 leased parking spaces in various lots throughout downtown Missoula. MPC also oversees a residential parking district in the University area of approximately 820 spaces. It also issues tickets for parking violations in the downtown area and the University residential parking district. MPC operates three parking structures (Central Park, Park Place and Bank Street Structure) that offer both short-term and long-term parking.

The Missoula Parking Commission is considered a component unit because the City appoints the Board members, determines the parking jurisdiction and determines parking fines and is secondarily liable for the Parking Commission bonds. The City does not provide any operating subsidies nor does it receive any surpluses, but the Parking Commission does pay the City for services such as legal advice, payroll and bill paying. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from Missoula Parking Commission, 128 W. Main St., Missoula, MT 59802.

3. The Downtown Business Improvement District (BID) was created through the efforts of the Missoula Downtown Association to address the challenges created by the termination of the Downtown Urban Renewal District (URD I) on June 30, 2005. Implementation began in 2001 with committee development, community education, local media campaigns, meetings with property and business owners, creation of a comprehensive database of property owners, and the required petition process. The process of verifying the petition was finalized at the end of 2004 and the BID was approved by the City Council in April 2005. The BID serves as an advocate for property owners in the district and address areas such as safety, cleanliness, appearance, marketing, business retention and recruitment, public and private investment in buildings and infrastructure. The BID is included in the City's financial statements as a component unit due to the nature and significance of its relationship with the City. The BID is financially accountable to the City; the City appoints the BID's seven member Board of Trustees and approves the BID budget. Additionally, the BID receives its funding through an assessment of the property owners (ratepayers) in the district which are collected and disseminated by the City. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from the Business Improvement District, 218 E. Main Street, Suite C., Missoula, MT 59802.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

4. The Tourism Business Improvement District was created by a Resolution of the City Council on October 25th, 2010 in order to aid in tourism, promotion, and marketing within the City of Missoula. The District is created pursuant MCA 7-12-1101 and for a period of 10 years. Similar to the BID discussed above, the TBID is reported as a component unit due to the nature and significance of its relationship with the City. The TBID is financially accountable to the City of Missoula; the City appoints the 5 member board of trustees and approves the TBID budget. The director of the TBID is the executive director of the Missoula Convention and Visitor's Bureau in accordance with MCA 7-12-1121. The TBID Board of Trustees is a public body and subject to all statutory and constitutional laws pertaining to public bodies. Complete financial statements may be obtained from the City Clerk, 435 Ryman St., Missoula, MT 59802 or from the Tourism Business Improvement District, 140 N. Higgins Ave, Suite 203, Missoula, MT 59802.

Related Organizations:

The City is responsible for appointing members of the Missoula Urban Transportation District Board of Directors. The purpose of the Missoula Urban Transportation District Board of Directors is to set policy for Mountain Line, Missoula's public transit agency, and guide the agency in its vision to be an essential public transportation provider in the urban area and a major contributor to a multi-county, multi-modal transportation infrastructure in the western Montana region. Three members are appointed by the Mayor, three members are appointed by the County Commissioners and one member alternating City / County appointment.

The Missoula Housing Authority is a quasi-governmental entity organized under the laws of the State of Montana as a tax-exempt, quasi-governmental entity under the United States housing Act of 1937. The Missoula Housing Authority is a public non-profit organization dedicated to providing safe, decent and affordable housing to individuals and families in Missoula, MT and within a 10-mile radius of Missoula's city limits. The seven-member Board of Commissioners governs the Missoula Housing Authority and is responsible for establishing policy and approving MHA's annual budget. Each board member is appointed by the Mayor of Missoula. Two of the seven members of the board are resident commissioners who are MHA residents as well as members of the board. Resident commissioners serve a two year term. The remaining five commissioners commit to a five year term. No housing commissioner may be a City official.

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

Government-wide Statements

Basis of Presentation

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

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

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Measurement Focus and Basis of Accounting

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

Fund Financial Statements

Basis of Presentation

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the fund financial statements. All of the remaining funds are aggregated and reported in a single column as non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

Governmental Funds:

Measurement Focus and Basis of Accounting

These statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. When collections are delayed due to highly unusual circumstances the City will recognize revenues collected up to 75 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

The City reports the following major governmental funds:

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

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

Proprietary Funds:

Measurement Focus and Basis of Accounting

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

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

The City reports the following enterprise funds:

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

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

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

Civic Stadium Fund - This fund was created for the issuance of \$1,555,000 of Revenue Bonds and purchase of the interest of certain secured lenders in the Civic Stadium to facilitate the City of Missoula's purchase of the Civic Stadium. The fund will receive lease payments in the amount of \$120,000 a year for 20 years from Mountain Baseball. The lease payments will be used to make the debt service payments to the creditors of the \$1,555,000 Civic Stadium Revenue Bonds.

Storm Water Fund – This fund accounts for financial resources from service charges to maintain infrastructure for both surface and underground movement of water from rain, snow melt, and other weather events and ensures compliance with state, federal, and local laws for storm water management.

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Fiduciary Funds:

Measurement Focus and Basis of Accounting

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

The City reports the following fiduciary funds for the following purposes:

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

Court Collected Parking Fines - Accounts for fines collected by Municipal Court on behalf of the Parking Commission.

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

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

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

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

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

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

Public Defender Fees – Accounts for public defender fees charged and owed to the State of Montana.

Rattlesnake Cornerstone Trail SW - accounts for funds received from the housing developer for Rattlesnake Cornerstone subdivision to be used for the construction of a trail within the subdivision.

C. Budgets and Budgetary Accounting

1. Budget Process

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

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

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

The annual appropriations and transfers out for various departments are controlled and monitored for budgetary compliance at the fund level. Management does not make transfers of appropriations or over-expend appropriations at the fund level without approval of the City Council.

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D. Assets, Liabilities, and Equity

1. Cash, Cash Equivalents, and Investments

Cash and investments are under the management of the City's Treasurer and consist primarily of investments in money market funds and direct obligations of the U.S. Treasury. Interest income earned as a result of pooling of City deposits is distributed to the appropriate funds utilizing a formula based on the average balance of cash and investments of each fund. Investments in government securities are reported at fair value, based on market prices. Certificates of deposit are reported at cost.

Montana State statutes authorize the City to invest in interest-bearing savings accounts, certificates of deposits, and time deposits, which are insured up to \$250,000 or fully collateralized. Also authorized are U.S. government and U.S. agency obligations, STIP, and repurchase agreements where there is a master repurchase agreement and collateral held by a third party.

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

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

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets (these investments are valued using prices quoted in active markets); Level 2 inputs are significant other observable inputs (these investments are valued using matrix pricing); Level 3 inputs are significant unobservable inputs (these investments are valued using consensus pricing).

2. Receivables

Receivables arise from transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year end. Short-term loans are reported as "due to/from other funds," long-term loans are reported as "advances to/from if they are internal lending and "long-term loans" if the funds have been lent outside the City. See schedule B - "Other Receivables" under detailed notes on all the primary government's funds for additional detail on long-term loans.

Tax and special assessment receivables are recorded in the appropriate funds. Property tax levies are set in August at the time the City budget is approved and are billed November 1 by the County. Taxes are due 50% by November 30 and 50% by May 31 of each year. After those dates, they become delinquent (and a lien is placed upon the property). After three years the County can exercise the lien and take title to the property.

Special assessments are billed November 1 of each year as a component of the County property tax billing. The first part (50%) is due November 30th and the second part (50%) is due May 31st. After those dates, the bills are delinquent (and a lien is placed on the property). Delinquent assessments receivable at June 30, 2017 were \$83,783.

Lighting, park maintenance and street maintenance assessments are determined by the estimated cost of operating these districts for the next year. The other special improvement districts (SID's) are billed for a portion of the principal owed plus interest on the unpaid balance. Each SID also has deferred assessments to account for the unbilled portion of the principal.

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

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

Water fees are billed monthly after service has been established. When flat rates are used for estimating the amount of water used by consumers, the water bill shall be due and payable in advance each month. When meters are in use for determining the amount of water used by consumers, the water bill shall be due and payable for water delivered during the previous month. Accounts that are delinquent for 30 days are notified that unless the bill is paid in full within 10 days, water service will be disconnected.

3. Inventories

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

4. Prepays

The City accounts for prepaid items in the governmental funds using the purchase method. The City's prepaid expenses consist of health insurance premiums which are paid one month in advance and expensed upon receiving the benefit in the following month.

5. Warrants Payable

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

6. Capital Assets

Capital assets purchased are recorded as expenditures in the governmental funds. All purchased capital assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated capital assets (including infrastructure acquired through developer's contributions and annexations) are recorded at their estimated fair value at the date of donation. The City capitalizes all capital assets with a value of \$10,000 or greater. Property, plant, and equipment in the proprietary funds of the government are recorded at cost. Property, plant, and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Depreciation on general government capital assets is provided over their estimated useful lives on the straight-line method. Buildings have an estimated useful life of 30 years; machinery and equipment 4 to 20 years.

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

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

7. Unearned Revenues

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

CITY OF MISSOULA, MONTANA
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8. Compensated Absences

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

9. Other Post Employment Benefits

The City recognizes and reports its post employment health care benefits in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

10. Long-Term Obligations

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

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

11. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide financial statements and the proprietary fund financial statements include a section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualifies for this category: the deferred amount on refunding GO bonds and the deferred amount of pension expense required to be reported according to GASB 68 and 71. The deferred amount on the GO bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the fund financial statements include a section for deferred inflows of resources. This represents an increase to fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for this category, which arises only under the modified accrual basis of accounting. These are unavailable revenue and the deferred inflows of resources of the pension liability . These amounts are recognized as an inflow of resources in the period that the amounts become available.

12. Fund Equity

The Government Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which was effective for the City beginning in fiscal year 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 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 government funds.

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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 City's governmental funds have been categorized as follows:

Resource Categories

a. **Nonspendable:**

Resources not in spendable form (ex: inventory) or those legally required to be maintained intact (ex: principal portion of permanent trust funds).

b. **Restricted:**

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

c. **Committed:**

Constraint is internally imposed by City Council by resolution, removal of constraint is imposed by same.

d. **Assigned:**

Constraint is internally expressed intent by City Administration or City Council through budget approval process or express assignment by resolution.

e. **Unassigned:**

No constraints and negative fund balance in non-general funds.

Expenditure order for Resource Categories

General Fund and Special Revenue Funds:

a. First: Restricted

b. Second: Committed

c. Third: Assigned

d. Fourth: Unassigned

Debt Service and Capital Projects Funds:

e. First: Assigned

f. Second: Committed

g. Third: Restricted

h. Fourth: Unassigned

13. Interfund Transactions

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

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

14. Pledged Revenues

The City has pledged sewer charges for services revenue to pay for the revenue bonds outstanding in the sewer fund. The revenue bonds have been used for sewer system improvements and expansion. The revenues are pledged until the revenue bonds are paid in full. During fiscal year 2017, principal and interest payments on revenue bonds totaled \$2,162,431 and charges for services revenue was \$9,044,735.

15. Estimates Used in Financial Statement Preparation

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

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

A. Deficit Fund Balances

Eleven special revenue funds with deficit fund balances were identified as of June 30, 2017: Planning (\$17,792), the Employee Health Insurance Levy fund (\$292,054), the Cable Television Franchise fund (\$54,901), the Street Maintenance Assessment Fund (\$1,218), the Road District Fund (\$662,549), the Park District Fund (\$103,286), the Law Enforcement Grant fund (\$169), the Community Development Block Grant fund (\$8,213), the Neighborhood Stabilization Grant Fund (\$599), the Federal Transportation Fund (\$34,825), and the Police Grants and Donations Fund (\$19,863) all carried deficit fund balances which will be covered by future assessments, grant revenue, and license and permit revenue in fiscal year 2018.

Four general obligation bond funds were identified as having a negative fund balances as of June 30, 2017: the 2004 Aquatics bond (\$17,581), the 2013A Refunding bond (\$199,323), the 2004 Refunding Bond (\$1,458) and the 2006 Fire Station GO bond (\$154,529). These deficits will be covered by tax revenue collections in the next fiscal year.

The sinking funds for the following Sidewalk & Curb and SID funds had deficit balances which will be cleared with tax collections in FY 2018: SID 522 (\$556), SID 530 (\$1,350) FY0 Sidewalk and Curb (\$700), FY04 Sidewalk and Curb (\$525), and FY16 Sidewalk and Curb (\$3,449).

The following SID Construction funds have deficit fund balances:

SID 531	\$ (1,070)	SID 545	(4,928)
SID 534	(14)	SID 546	(5,192)
SID 539	(140)		

The following Capital Projects funds have deficit fund balances which will be mitigated through future debt issuance and grant revenues:

New Fire Station GO	\$ (1)	ARRA Enhancement	(2,498)
16 Sidewalk and Curb Fund	(313,175)	HB 645	(23,677)
18 Sidewalk and Curb Fund	(37,473)	WFL Miller Creek Road	(34)
Slant Street Traffic Calming	(4,725)	Western Federal Lands	(5,704)

The Capital Improvement fund reported a negative fund balance (\$7,342,692) due to ongoing internal and external financing activities.

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

A. Cash and Cash Equivalents

	Primary		Total
	Government	Component Units	
Petty Cash and Cash on Hand	\$ 9,953	\$ 10,066	\$ 20,019
Demand Deposits	13,115,387	12,837,048	25,952,435
Certificates of Deposit	152,049	153,756	305,805
Money Market Funds	27,214,059	-	27,214,059
	\$ 40,491,448	\$ 13,000,870	\$ 53,492,318

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

	Unrestricted	Restricted	Total
Governmental Activities	\$ 2,446,932	\$ -	\$ 2,446,932
Business-Type Activities	5,908,647	31,722,064	37,630,711
Fiduciary Funds	413,805	-	413,805
Component Units	11,796,880	1,203,990	13,000,870
Total	\$ 20,566,264	\$ 32,926,054	\$ 53,492,318

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

At June 30, 2017, the carrying amount of the City's deposits in local banks was \$22,978,730 and the bank balances were \$27,658,083, of which \$597,304 was covered by federal depository insurance, and the remaining balance was covered by a letter of credit in the City's name.

The City of Missoula's investment policy states that the City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

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

<u>Investment</u>	<u>Maturities</u>	<u>Credit Risk Rating</u>	<u>Fair Value</u>
Certificates of Deposit	11/2017-01/2019	NA	\$ 305,805
Money Market Funds	NA	Aaa-mf	27,214,059
Demand Deposits	NA	NA	25,952,436
Petty Cash and Cash on Hand	NA	NA	20,019
Total			\$ 53,492,319

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The above credit risk rating indicates the probability that the issuer may default in making timely principal and interest payments. The credit ratings presented are provided by Fitch & Moody's. The City utilizes federal depository insurance and the bank's pledged collateral or letter of credit, held by the bank's agent in the City's name, all in accordance with the City's investment policy and state law, to minimize credit risk. The City also has intentionally restricted all investments to AAA rated U.S. Treasuries or U.S. Agency investments to minimize credit risk. This keeps City investments aligned with the City's investment policy in which safety of principal is the foremost objective of the investment program.

B. Other Receivables

A summary of the City's accounts receivable and other receivables as of June 30, 2017, follows:

Proprietary Funds:

Sewer (major fund) - Sewer Fees	\$ 537,434
Sewer (major fund) - Compost Fees	699
Sewer (major fund) - Glenn Eagle Note	250,000
Sewer (major fund) - Sewer Connection Notes	21,079
Sewer (major fund) - Lease Receivable	20,000
Sewer (major fund) - Disposal and Development Fees	1,495
Storm Water - Storm Water Fees	11,212
Water (major fund) - Water Fees	2,069,413
Civic Stadium - Lease Payment	30,000
Internal Service - Prior Period Premium Receivables	1,664
Internal Service - Flex Plan Forfeits	16,588
Total Proprietary Funds	\$ 2,959,584

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Governmental Funds:

General (major fund) - Various Licenses, Services and Fees	\$ 37,840
General (major fund) - Sidewalk & Curb	54,002
General (major fund) - Insurance payments	19,323
General (major fund) - Streets reimbursements	4,576
General (major fund) - Hazardous Vegetation Violation	1,580
General (major fund) - Bus Sign Work	3,000
Fort Missoula Regional Park - Missoula County Park District Draw	131,324
Cable TV Franchise - Franchise Fees	178,791
Street Lighting Assessment Funds - Lighting Fees Reimbursement	1,606
CDBG Home Program - Loan Interest	67
Capital Improvement Program Fund - US Forest Service Art Park	5,000
Total Government Funds	\$ 437,109

Long Term Loans Receivable

A summary of the City's long-term loans receivable as of June 30, 2017, follows:

Primary Government:

CDBG - Missoula Art Museum	\$ 181,743
\$200,000 at 1% interest to be repaid \$2,000 per year through 2014, then \$11,083 per year through 2034.	
CDBG - Missoula Housing Authority	134,479
\$200,000 at 1% interest to be repaid \$11,083 per year through 2030	
CDBG - Parenting Place	124,096
\$130,000 at 1% interest to be repaid \$1,300 per year through 2016, then \$7,204 per year though 2036.	
CDBG - Partnership Health Center	275,000
\$275,000 with interest rate deferred and determined upon sale of property.	
Title One - Extended Family Services	3,439
\$18,000 at 0% interest to be repaid in installments of \$600 per year, with final payment due by 2021; \$9,000 at \$346.15 per year, with final payment due by 2021. \$9,000 was forgiven April 1996.	
HOME Fund - homeWORD	80,000
\$80,000 at 1% interest only monthly payments of \$66.67 through 2028, then interest increases to 3% and payments to \$551.09 through 2043.	
GRANTS & DONATION FUND - EPA Brownfield RLF	
<u>Millsite Revitalization Project/Missoula Redevelopment Agency</u>	
\$1,775,000 at 1.5% to be repaid solely from tax increment revenue resulting from the increased taxable value of the property within the Old Sawmill District. The loan is reflected as a liability of the Missoula Redevelopment Agency.	1,593,203
Total Primary Government	\$ 2,391,960

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C. Advances From/To Other Funds, Due From/To Other Funds, Due to Other Governments, and Due to Private Parties

Advances From/To Other Funds

Long-term borrowings between funds are reported as advances within the funds. Loans are recorded as Advances Receivable in the lending fund and as Advances Payable in the loanee fund. The City has advances to the Capital Improvement Program fund from several Governmental funds.

	<u>Advances Receivable</u>	<u>Advances Payable</u>
^ General Fund	\$ 3,780,381	\$ -
^ Capital Improvement Program	-	1,232,423
Non-major governmental funds	1,292,752	15,735
^ Water Operating	-	5,452,604
^ Sewer Operating	1,002,802	-
Non-major proprietary funds	26,268	-
MRA (component unit)	598,559	-
	<hr/> <u>\$ 6,700,762</u>	<hr/> <u>\$ 6,700,762</u>

[^]indicates a major fund

Due From/To Other Funds:

Negative cash balances are required to be reported as interfund loans. Material checks that are on the bank reconciliation but are held until after the balance sheet date are reclassified as accounts payable. Loans are recorded as Interfund Receivable in the lending fund and as Interfund Payable in the loanee fund. The principal purpose of the interfund transfers is to provide funds for cash deficits.

	Interfund Receivable	Interfund Payable
	Due From	Due To
^ General Fund	\$ 2,231,176	\$ 3,983,378
^ Capital Improvement Program	-	5,959,026
^ Water Fund	1,125,767	-
^ Sewer Fund	-	718,236
Non-major governmental funds	10,019,855	2,677,592
Non-major proprietary funds	-	38,564
	<hr/> <u>\$ 13,376,797</u>	<hr/> <u>\$ 13,376,797</u>

[^]indicates a major fund

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Due From Other Governments:

Primary Government

General Fund

Due from Missoula County – Taxes Receivable	\$ 599,354
Due From State of Montana – Safe Route to School Grant	220,000
Due From State of Montana – State Maintenance Contracts - Streets	363,491
Due from State of Montana - DNRC Outside Hires, Supplies	74,076
Due From Federal Government-Dept. of Justice - Encourage Arrest Grant	32,787
Due From Federal Government-Dept. of Justice - COPS HiringGrant	3,650
Due From Federal Government-Dept. of Justice - Police OT & Services	2,945
Due from Missoula County – Police OT & Services	1,161
Due from Missoula Municipal Court	185,721
Due from Missoula Business Improvement District	24,558
Due from State of Montana-DOJ Gambling Fees	925
Total General Fund	1,508,668

Non-Major Special Revenue Funds

Due from Missoula County – Planning Entitlement & Taxes	29,685
Due from Missoula County – Taxes Receivable	177,087
Due from Federal Government – Grants	129,529
Due from Federal Government – Grants HIDTA Seizure Funds	38,709
Due from City Municipal Court – Drug Forfeiture and Crime Victim Surcharge	569
Due from State of Montana - Dept of Transp. Bike/Ped Reimbursement	75,175
Due from State of Montana - Dept of Transp. FTA Grant	169,216
Due from State of Montana - Dept of Transp.CTEP Grant	210,082
Total Non-Major Special Revenue Funds	830,052

Non-Major Debt Service Funds

Due from Missoula County – Taxes Receivable	76,978
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Total Due from Other Governments, Governmental Funds

\$ 2,415,698

Proprietary Funds

Due from City of Missoula - Payroll Corrections Checks	214
Due from Federal Government - IRS Interest Reimbursement	116,908
Due from Missoula County – Delinquent Sewer Receivable	41
Total Proprietary Funds	\$ 117,163

Agency Funds

Due from City Municipal Court - Court Surcharge and Public Defender Fees	5,347
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CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Due to Other Governments:

Agency Funds

Court Surcharge	\$ 7,991
County Park Board	5,500
County Clearing	1,577
Total Due to Other Governments	\$ 15,068

Due to Private Parties:

Agency Funds

Court Collected Parking Fines	\$ 9,086
Sewer Rebates	35,193
Youth Programs	473
Municipal Court Restitution	294,178
Residential Inspection	(132)
Elk Hills Subdivision	3,868
Rattlesnake Cornerstone Trail	27,413
Total Due to Private Parties	\$ 370,080

D. Capital Assets

The City has identified three types of street infrastructure:

- 1) Arterial/collector streets
- 2) Commercial streets
- 3) Residential streets

Estimating construction costs

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

Estimating overhead

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

Total estimates per square yard

The total estimated construction and overhead costs per square yard of street are shown below for fiscal year 2017:

	Construction	Overhead	Total
Arterial/Collector	\$ 41 /Sq. Yard	\$ 41 /Sq. Yard	\$ 41 /Sq. Yard
Commercial	\$ 38 /Sq. Yard	\$ 38 /Sq. Yard	\$ 38 /Sq. Yard
Residential	\$ 26 /Sq. Yard	\$ 26 /Sq. Yard	\$ 26 /Sq. Yard

Depreciation

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

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

CAPITAL ASSETS

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

Governmental Activities:	Beginning Balance	Prior Period Adjustment	Additions	Deletions	Ending Balance
Capital Assets not being Depreciated:					
Art	\$ 236,590	\$ -	\$ -	\$ -	\$ 236,590
Land	19,805,799	-	3,072,583	(175,000)	22,703,382
Work-In-Progress	4,941,442	-	4,180,925	(6,187,655)	2,934,712
Total Capital Assets not being Depreciated	24,983,831	-	7,253,508	(6,362,655)	25,874,684
Capital Assets being Depreciated:					
Buildings	32,916,932	-	128,242	-	33,045,174
Infrastructure	266,183,249	-	22,646,570	-	288,829,819
Improvements	8,004,332	-	5,805,398	-	13,809,730
Machinery & Equipment	25,569,702	-	2,252,857	(16,889)	27,805,670
Total Capital Assets being Depreciated	332,674,215	-	30,833,067	(16,889)	363,490,393
Less Accumulated Depreciation for:					
Buildings	(15,229,012)	-	(1,000,143)	-	(16,229,155)
Infrastructure	(153,670,825)	-	(7,676,132)	-	(161,346,957)
Improvements	(186,913)	-	(386,771)	-	(573,684)
Machinery & Equipment	(15,316,625)	-	(2,102,594)	15,389	(17,403,830)
Total Accumulated Depreciation	(184,403,375)	-	(11,165,641)	15,389	(195,553,627)
Total Capital Assets being Depreciated, Net	148,270,840	-	19,667,426	(1,500)	167,936,766
Capital Assets, Net	\$ 173,254,671	\$ -	\$ 26,920,934	\$ (6,364,155)	\$ 193,811,450
Depreciation expense was charged to functions as follows:					
General Government		\$	508,798		
Public Safety			1,214,559		
Public Works			8,322,123		
Public Health			38,958		
Culture & Recreation			1,049,087		
Housing & Community Development			32,116		
Total Governmental Activities Depreciation Expense		\$	11,165,641		

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Business-type Activities:	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets not being Depreciated:					
Art	\$ 65,229	\$ -	\$ -	\$ -	\$ 65,229
Land	2,540,579	-	1,662,770	-	4,203,349
Intangibles	-	-	733,242	-	733,242
Work In Process	685,906	5,305	2,643,579	(1,721,286)	1,613,504
Total Capital Assets not being Depreciated	3,291,714	5,305	5,039,591	(1,721,286)	6,615,324
Capital Assets being Depreciated:					
Buildings	20,798,440	-	2,649,204	-	23,447,644
Improvements	125,221,459	-	82,585,670	-	207,807,129
Machinery & Equipment	7,747,986	-	22,500,477	-	30,248,463
Total Capital Assets being Depreciated	153,767,885	-	107,735,351	-	261,503,236
Less Accumulated Depreciation for:					
Buildings	(8,932,838)	-	(619,693)	-	(9,552,531)
Improvements	(41,235,041)	-	(2,555,446)	-	(43,790,487)
Machinery & Equipment	(5,540,523)	-	(446,522)	-	(5,987,045)
Total Accumulated Depreciation	(55,708,402)	-	(3,621,661)	-	(59,330,063)
Total Capital Assets being Depreciated, Net	98,059,483	-	104,113,690	-	202,173,173
Capital Assets, Net	\$ 101,351,197	\$ 5,305	\$ 109,153,281	\$ (1,721,286)	\$ 208,788,497

Component Unit : MPC

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets not being Depreciated:				
Parking Lots and land	3,587,760	-	-	3,587,760
Total Capital Assets not being Depreciated	3,587,760	-	-	3,587,760
Capital Assets being Depreciated:				
Parking Structures	12,624,241	-	-	12,624,241
Furniture, Fixtures & Computers	259,057	-	-	259,057
Machinery, equipment and vehicles	191,405	-	-	191,405
Parking Lot improvements	2,244,098	21,374	-	2,265,472
	15,318,801	21,374	-	15,340,175
Less Accumulated Depreciation	(3,655,656)	(495,616)	-	(4,151,272)
Total Capital Assets being Depreciated, Net	11,663,145	(474,242)	-	11,188,903
Capital Assets, Net	\$ 15,250,905	\$ (474,242)	\$ -	\$ 14,776,663

E. Long-Term Obligations

During the year ended June 30, 2017 the following changes occurred in long-term obligations reported in the governmental activities, the City's proprietary funds and component units:

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

	<u>Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Balance</u>		<u>Due Within</u>
	<u>July 1, 2016</u>		<u></u>		<u></u>		<u>June 30, 2017</u>		<u>One Year</u>
Governmental Activities:									
General Obligation Bonds	\$ 8,395,000		\$ -		\$ 1,090,000		\$ 7,305,000		\$ 990,000
Limited Obligation Bonds	5,100,000		- -		450,000		4,650,000		465,000
Special Assessment Bonds	10,693,500		2,892,685		1,412,358		12,173,827		1,368,472
Loans Payable	336,190		- -		93,368		242,822		95,501
Capital Leases	5,216,533		1,355,037		1,692,527		4,879,043		1,745,107
Bond Premiums	383,138		- -		19,157		363,981		19,157
Compensated Absences	5,132,603		5,179,166		5,044,049		5,267,720		4,817,810
Post Employment Benefits	2,199,791		619,694		- -		2,819,485		- -
Total Governmental Activities	<u>\$ 37,456,755</u>		<u>\$ 10,046,582</u>		<u>\$ 9,801,459</u>		<u>\$ 37,701,878</u>		<u>\$ 9,501,047</u>
Proprietary Funds/									
Business-type Activities:									
Revenue Bonds	\$ 18,799,002		\$ 140,608,241		\$ 1,344,798		\$ 158,062,445		\$ 1,475,281
Capital Leases	122,116		403,390		135,806		389,700		108,458
Notes Payable	1,392,863		- -		39,116		1,353,747		41,510
FBO Contracts Payable	- -		6,731,343		- -		6,731,343		297,836
Compensated Absences	243,848		459,410		238,744		464,514		381,134
Post Employment Benefits	138,046		52,768		- -		190,814		- -
Total Proprietary Funds	<u>\$ 20,695,875</u>		<u>\$ 148,255,152</u>		<u>\$ 1,758,464</u>		<u>\$ 167,192,563</u>		<u>\$ 2,304,219</u>
Component Units:									
Revenue Bonds	\$ 22,641,047		\$ 9,145,654		\$ 902,821		\$ 30,883,880		\$ 612,500
Notes Payable	5,911,406		- -		1,586,571		4,324,835		118,874
Leases Payable	1,359,900		- -		181,400		1,178,500		185,600
Compensated Absences	113,143		44,828		30,479		127,492		103,292
Post Employment Benefits	- -		- -		- -		- -		- -
Total Component Units	<u>\$ 30,025,496</u>		<u>\$ 9,190,482</u>		<u>\$ 2,701,271</u>		<u>\$ 36,514,707</u>		<u>\$ 1,020,266</u>

Primary Government

For governmental activities, compensated absences and other post employment benefits are generally liquidated by the general fund.

General Obligation Bonds Payable

Paid from property tax revenues deposited in Debt Service Funds:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2017</u>
2012 Refunding	2012	2024	1.50-2.25%	\$ 5,480,000	\$ 3,780,000
2013 Refunding	2013	2026	2.32%	<u>5,860,000</u>	<u>3,525,000</u>
Total GO Bonds				<u>\$ 11,340,000</u>	<u>\$ 7,305,000</u>

Annual debt service requirements to maturity for General Obligation Bonds as of June 30, 2017, were as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30			
2018	\$ 990,000	\$ 148,628	\$ 1,138,628
2019	875,000	126,027	1,001,027
2020	895,000	107,391	1,002,391
2021	905,000	91,014	996,014
2022	920,000	74,176	994,176
2023-2026	2,720,000	123,882	2,843,882
Total	<u>\$ 7,305,000</u>	<u>\$ 671,118</u>	<u>\$ 7,976,118</u>

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

On February 25, 2016 the City issued General Fund Obligation New Money and Refunding Bonds, Series 2016 in the amount of \$3,900,000, with an average interest rate of 3.27%. This issuance included a premium on sale of \$387,927, which will be amortized over the life of the bonds as a component of interest expense. The 2016 debt advance refunded \$660,000 of Series 2006B, \$1,090,000 of Series 2006C, partially advance refunded \$385,000 of Series 2007B, and \$500,000 of Series 2007C, which had average interest rates of 4.53%, 3.96%, 4.17%, and 4.25%, respectively. The 2016 debt also provided \$1,435,000 in new money.

Proceeds from the sale of the refunding bonds, in the amount of \$2,679,436, were deposited in an irrevocable escrow account. Of that amount, \$665,975 and \$1,099,801 was used to call the Series 2006B and 2006C bonds, respectively, on July 1, 2016. The remaining \$397,664 and \$515,996 for the Series 2007B and 2007C bonds, respectively, will be held in escrow until these bonds are called July 1, 2017.

The City reduced its aggregate debt service payments by \$349,935 over the next 11 years by refunding the prior debt and there was an economic gain on the refunding of \$311,331.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. In accordance with GASB Statement No. 65 (GASB 65) this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. At June 30, 2017, the City reports deferred outflows of resources from the 2012A (\$416,672), the 2013A (\$436,508), and the 2016 (\$42,214) refunding bonds. The deferred charges have been amortized (\$34,723, \$33,578, and \$2,222 per year) as a component of interest expense in the Statement of Revenues, Expenses and Changes in Net Position.

Limited Obligation Bonds

Paid from General Fund revenues:

Bonds	Date Issued	Date Matures	Rate	Amount Issued	Balance June 30, 2017
2007B Fire Subsidy	2007	2026	3.70-4.20%	\$ 680,000	\$ -
2007C 50 Meter Pool	2007	2027	3.50-4.40%	840,000	-
2010A Refunding	2010	2020	3.0-3.5%	1,000,000	365,000
2010C Energy	2010	2025	3.0-4.0%	1,010,000	580,000
2016A Maintenance Shop/Refund	2016	2035	2.0-4.0%	3,900,000	3,705,000
Total Limited Obligation Bonds				\$ 7,430,000	\$ 4,650,000

Annual debt service requirements to maturity for Limited Obligation Bonds as of June 30, 2017, were as follows:

Fiscal Year Ending	June 30	Principal	Interest	Total
2018	\$ 465,000	\$ 152,275	\$ 617,275	
2019	450,000	137,913	587,913	
2020	495,000	121,188	616,188	
2021	380,000	108,713	488,713	
2022	400,000	94,038	494,038	
2023-2027	1,745,000	282,600	2,027,600	
2028-2032	425,000	91,200	516,200	
2033-2035	290,000	17,550	307,550	
Total	\$ 4,650,000	\$ 1,005,477	\$ 5,655,477	

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Revenue Bonds

Paid from sewer utility revenues:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2017</u>
Water 2017A BAN	06/22/17	06/21/20	2.77 to 2.94%	\$ 112,925,000	\$ 112,925,000
Water 2017B BAN	06/22/17	06/21/20	1.47 to 1.94%	25,300,000	25,300,000
1999A Sewer Bonds	06/24/99	7/1/2019	2.00%	1,820,000	242,000
2000(B) Sewer Bonds	10/10/00	7/1/2020	2.00%	718,000	140,000
2001 Sewer Bonds - Bellevue & Reserve	04/27/01	1/1/2021	2.00%	459,162	103,000
2002 Sewer Bonds - 39th St.	11/21/02	1/1/2022	2.00%	1,395,000	364,000
2002 Missoula Treatment Plant A	11/21/02	7/1/2022	2.00%	5,000,000	1,569,000
2002 Missoula Treatment Plant B	10/15/03	7/1/2023	2.25%	3,800,000	1,401,000
2004 Missoula Treatment Plant C	03/23/04	7/1/2024	2.25%	3,688,000	1,463,000
2005 Sewer Bonds - Brdwy/Lincolnwood	11/28/05	7/1/2025	2.25%	1,731,833	797,000
Rattlesnake Series 2009B	12/23/09	7/1/2030	3.00%	572,098	330,000
2010 RZED Sewer Bonds-Headworks*	11/15/10	7/1/2035	1.75 to 6.14%	10,345,000	9,635,000
Series 2011 Taxable Sewer Bonds	05/01/11	7/1/2031	2.0 to 5.50%	1,290,000	1,055,000
2015 Dewatering Proj	10/14/15	7/1/2035	2.50%	926,775	849,775
EKO Compost Purchase	11/18/16	1/1/2037	2.75%	1,766,000	1,738,202
EKO Compost Equipment	12/30/16	7/1/2030	2.25%	150,468	150,468
Total Revenue Bonds				\$ 171,887,336	\$ 158,062,445

*Federal Credit received for portion of interest

Annual debt service requirements to maturity for Revenue Bonds as of June 30, 2017, were as follows:

Fiscal Year Ending	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Credit *</u>	<u>Total</u>
	2018	\$ 1,475,281	\$ 4,794,920	\$ (248,879)	\$ 6,021,322
	2019	139,775,939	4,730,463	(246,139)	144,260,263
	2020	1,467,270	739,340	(243,204)	1,963,407
	2021	1,448,272	699,908	(237,984)	1,910,195
	2022	1,531,328	659,878	(232,335)	1,958,870
	2023-2027	4,546,537	2,715,987	(1,020,097)	6,242,427
	2028-2032	4,616,195	1,636,593	(646,922)	5,605,866
	2033-2037	3,201,623	361,725	(145,286)	3,418,062
	Total	\$ 158,062,445	\$ 16,338,813	\$ (3,020,847)	\$ 171,380,411

On June 22, 2017 the City issued Water System Revenue Bond Anticipation Notes 2017A and 2017B in the aggregate amount of \$138,225,00 bearing interest at the rate of SIFMA, the Securities Industry and Financial Markets Association Municipal Swap Index, plus 2.00% for the 2017A notes and 0.70% for the 2017B notes to pay for the acquisition of the water system and related pending contingent liabilities from the eminent domain lawsuit. Both notes have a maturity date of June 21, 2020.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

On November 18, 2016 the City passed a Resolution to issue sewer system revenue bonds Series A in the amount of \$1,766,000 to finance the purchase of the local composting facility, and Series B in the amount of \$1,262,000 to acquire capital equipment for the operation of the composting facility which was incorporated into the operations of the wastewater utility. The Series A bond bears interest at a rate of 2.75% per annum with a maturity of January 1, 2037. At the conclusion of Fiscal Year 2017 the Series B Bond had been drawn down in the amount of \$150,468 with the balance to be drawn in full during Fiscal Year 2018. The Series B Bond bears interest at a rate of 2.25% per annum with a maturity not later than 10 years after it has been drawn in full.

Revenue Bond Covenants

The Sewer Revenue Bonds require:

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

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

Special Assessment Debt with Government Commitment

Property owners are assessed for principal and interest to repay special assessment bonds. If sufficient funds are not received, loans are made from the SID Revolving fund. This fund is financed by fees paid by each new SID, by cash transferred from the general fund if needed and by any surplus remaining in completed SID's. The cash balance in the Revolving Fund must equal at least 5% of the principal amount of debt outstanding. If the cash balance is less than 5%, a levy is required to bring the cash balance to the required minimum. The required minimum cash balance at June 30, 2017 is \$480,675.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The following table lists all outstanding special assessment bond issues and the outstanding balance as of June 30, 2017:

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2017</u>
512	1998	2018	4.00-5.25%	\$ 1,724,000	\$ 14,835
520	1998	2019	4.00%	2,634,000	301,000
521	1998	2018	4.50-5.25%	7,900	68
522	1998	2018	4.50-5.25%	11,200	98
524	2002	2023	4.00%	4,577,000	1,614,000
525	2001	2020	4.00%	658,000	90,000
526	2000	2021	4.00%	2,671,000	707,000
532	2006	2024	3.50-5.00%	556,000	190,000
533	2006	2025	3.75%	244,000	121,000
534	2006	2026	3.75%	254,000	138,000
536	2006	2026	3.75%	438,000	238,000
540	2006	2027	3.75-4.65%	1,570,000	945,000
541	2009	2029	2.10-5.40%	750,000	515,000
544-Series C	2009	2029	3.75%	1,608,102	1,191,000
544-Series D	2009	2029	3.75%	31,000	20,500
544-Series B	2009	2029	1.75%	359,300	248,000
548	2011	2031	1.75%	1,250,000	840,000
549	2017	2036	0.95-3.55%	2,550,000	2,440,000
FY05 S&C	2005	2017	3.50-4.65%	765,000	-
FY06 S&C	2006	2018	3.75-4.25%	1,145,000	25,000
FY07 S&C	2007	2027	4.00-4.75%	920,000	200,000
FY08 S&C	2008	2028	2.50-5.00%	560,000	135,000
FY09 S&C	2009	2029	1.00-5.40%	645,000	220,000
FY10 S&C	2010	2030	2.25-6.0%	885,000	325,000
FY12 S&C	2012	2032	0.95-4.375%	775,000	525,000
FY13 S&C	2013	2033	3.29%	393,000	277,000
FY2015A	2015	2035	3.75%	346,400	310,600
FY2015B	2015	2035	5.15%	252,200	221,900
FY2016A	2017	2024	3.35%	32,259	28,151
FY2016B	2017	2028	3.35%	44,937	41,085
FY2016C	2017	2036	3.50%	265,489	251,591
Total Special Assessment Bonds				\$ 28,922,787	\$ 12,173,827

Annual debt service requirements to maturity for special assessment bonds as of June 30, 2017, were as follows:

<u>Fiscal Year Ending</u>	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<u>June 30</u>			
2018	\$ 1,368,472	\$ 464,262	\$ 1,832,734	
2019	1,304,367	412,156	1,716,523	
2020	1,145,256	364,780	1,510,036	
2021	1,128,042	321,687	1,449,729	
2022	947,824	280,188	1,228,012	
2023-2027	3,606,062	912,381	4,518,443	
2028-2032	1,904,403	327,881	2,232,284	
2033-2036	769,401	67,841	837,242	
Total	\$ 12,173,827	\$ 3,151,176		\$ 15,325,003

Loans Payable

Loans Payable consist of a Loan Payable on the Accela Automation Software installed in FY 2012. The interest rate is 2.25% and payments are due in January and July.

<u>Loan</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2017</u>
Accela	2012	2020	2.25%	\$ 925,000	\$ 242,822

CITY OF MISSOULA, MONTANA
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Annual debt service requirements to maturity for the loans as of June 30, 2017, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 95,501	\$ 4,925	\$ 100,426
2019	97,662	2,764	100,426
2020	49,659	554	50,213
Total	<u>\$ 242,822</u>	<u>\$ 259,308</u>	<u>\$ 251,065</u>

Capital Leases

Beginning in fiscal year 2010 the City has entered into capital lease purchase agreements to finance the purchase of equipment. In 2017 three leases were entered into with terms of 3, 5 and 7 years respectively. These leases are considered capital leases since there is a bargain purchase option at the end of each lease. The leases are recorded at present value of future minimum lease payments. These capital leases were used to finance equipment that was capitalized by the City with a cost of \$11,106,013 and accumulated depreciation of \$3,947,363 at June 30, 2017.

<u>Capital Leases</u>	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Issued</u>	<u>June 30, 2017</u>
10 Year Equipment Lease	2010	2020	4.76%	\$ 920,548	\$ 322,328
10 Year Equipment Lease	2011	2021	4.74%	565,000	257,747
5 Yr Equipment Lease #400	2012	2017	3.21%	337,343	-
10 Yr Equipment Lease #402	2012	2022	4.20%	188,829	104,561
5 Yr Equipment Lease #5	2014	2018	1.33%	226,289	25,983
3 Yr Lease #1	2014	2017	1.22%	772,521	-
5 Yr Lease #2	2014	2019	1.76%	348,414	140,872
7 Yr Lease #3	2014	2021	2.26%	393,916	228,278
3 yr. Lease #6	2015	2017	1.17%	783,996	-
5 Yr Lease #7	2015	2019	1.63%	379,269	152,906
10 Yr Lease #8	2015	2024	1.63%	990,155	700,973
15 Yr Lease #9	2015	2029	3.01%	1,006,225	814,592
10 Yr Lease #10	2016	2019	1.52%	1,053,855	532,911
5 Yr Lease #11	2016	2021	1.88%	221,238	157,025
7 Yr Lease #12	2016	2023	2.24%	371,861	296,985
3 Yr Lease #13	2017	2020	1.59%	1,091,852	913,460
5 Yr Lease #14	2017	2022	1.74%	59,331	53,627
7 Yr Lease #15	2017	2024	1.91%	607,244	566,494
				<u>\$ 10,317,886</u>	<u>\$ 5,268,742</u>

Annual lease payment requirements as of June 30, 2017, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,464,340	\$ 122,476	\$ 1,586,816
2019	1,289,669	91,406	1,381,075
2020	796,846	65,359	862,205
2021	487,678	46,228	533,906
2022	341,608	31,628	373,236
2023-2027	731,838	67,288	799,126
2028-2029	156,663	7,110	163,773
Total	<u>\$ 5,268,642</u>	<u>\$ 431,496</u>	<u>\$ 5,700,138</u>

Notes Payable

In fiscal year 2012 the City entered into two notes payable as part of the purchase of the Civic Stadium. The payments on the notes payable are funded by a long-term lease of the Civic Stadium, which will enable the City to make the required debt service payments. The cost of the leased assets are \$3,555,000 with accumulated depreciation of \$711,000.

CITY OF MISSOULA, MONTANA
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The following table lists all outstanding Civic Stadium Enterprise Fund Notes Payable and the outstanding balances as of June 30, 2017:

Paid from Civic Stadium	Date Issued	Date Matures	Rate	Amount Issued	Balance June 30, 2017
Paid from Civic Stadium					
operating revenues:					
R-1 MFCU	2012	2036	5.50%	\$ 1,290,000	\$ 1,123,044
R-2 MCDC	2012	2036	5.50%	265,000	230,703
				<u>\$ 1,555,000</u>	<u>\$ 1,353,747</u>

Annual debt service requirements to maturity for Civic Stadium notes payable as of June 30, 2017, were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2018	\$ 41,510	\$ 74,456	\$ 115,966
2019	43,825	72,173	115,998
2020	46,268	69,763	116,031
2021	48,662	67,218	115,880
2022	51,562	64,542	116,104
2023-2027	304,112	276,888	581,000
2028-2032	398,941	183,398	582,339
2033-2037	418,868	60,748	479,616
	<u>\$ 1,353,747</u>	<u>\$ 869,186</u>	<u>\$ 2,222,934</u>

FBO Contracts Payable

As part of the Settlement Agreement with Liberty Utilities to acquire the water system the City entered into an Assignment and Assumption Agreement with Mountain Water Company on June 5th, 2017. Under this agreement the City assumed \$8,025,822 of FBO (Funded by Other's) Contracts Payable. The original contracts were entered into when developers paid for or constructed facilities used by the water utility to provide water service to customers and the water utility agreed to refund such amounts to each contract holder over a 40 year period. The FBO payables incur no interest, but under generally accepted accounting principles, the balance is discounted to a present value for reporting purposes. The City reflects a present value payable of \$6,731,348 on the face value of \$8,025,822, after FY17 payments of \$293,552, utilizing the Federal Reserve rate of 1.25%. Amortization of this discount was considered immaterial for the 7 days of operations in FY17.

Date Issued	Date Matures	Rate	Amount	Face Value	Present Value
			Issued	Balance June 30, 2017	Payable June 30, 2017
6/5/2017	2018-2056	N/A	\$ 8,025,822	\$ 7,732,271	\$ 6,731,348

CITY OF MISSOULA, MONTANA
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Annual debt service requirements to maturity for FBO Contracts payable as of June 30, 2017, were as follows:

Fiscal Year Ending <u>June 30</u>	Present Value		Face Value
	<u>Payable</u>	<u>Imputed Interest</u>	<u>Total</u>
2018	\$ 263,315	\$ 34,521	\$ 297,836
2019	262,945	34,652	297,597
2020	262,944	34,643	297,587
2021	262,943	34,644	297,587
2022	262,942	34,645	297,587
2023-2027	1,314,697	173,241	1,487,938
2028-2032	1,307,860	173,254	1,481,114
2033-2037	1,172,687	169,259	1,341,946
2038-2042	896,291	148,824	1,045,115
2043-2047	536,025	108,159	644,184
2048-2052	159,758	45,789	205,547
2053-2056	<u>28,942</u>	<u>9,293</u>	<u>38,235</u>
	<u><u>\$ 6,731,348</u></u>	<u><u>\$ 1,000,923</u></u>	<u><u>\$ 7,732,271</u></u>

Component Units

Revenue Bonds

Missoula Parking Commission: Revenue bonds paid from parking revenues:

Date <u>Issued</u>	Date <u>Matures</u>	Amount <u>Issued</u>	Balance <u>June 30, 2017</u>
4/9/2014	2035	2-4.35% \$ 7,160,000	\$ 6,685,000

On December 29, 2010, the Commission issued \$635,000 of Series 2010A refunding bonds and \$7.5 million of Series 2010B recovery zone economic development bonds. On March 26, 2014, the Commission refunded the 2010A and 2010B Series and issued the Series 2014 refunding bonds. The Commission incurred issuance costs of \$215,526 and recorded a gain on refunding of \$131,057. The issuance costs were expensed in accordance with GASB 65, Items Previously Reported as Assets and Liabilities. The bonds carry interest rates ranging from 2% to 4.35% and mature annually from 2014 through October 1, 2035.

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

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 255,000	\$ 257,150	\$ 512,150
2019	275,000	249,200	524,200
2020	275,000	241,075	516,075
2021	280,000	232,875	512,875
2022	285,000	222,975	507,975
2023-2027	1,585,000	945,550	2,530,550
2028-2032	1,910,000	594,124	2,504,124
2033-2036	<u>1,820,000</u>	<u>161,608</u>	<u>1,981,608</u>
Total	<u><u>\$ 6,685,000</u></u>	<u><u>\$ 2,904,557</u></u>	<u><u>\$ 9,589,557</u></u>

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In 2015, the Commission entered into a capital lease purchase agreement with First Security Bank to finance the purchase of parking meters. The lease has a one-year term with seven annual, one year renewal options exercisable by the Commission with an interest component of 2.25%. First Security Bank's interest in the meters will terminate upon the Commission's payment of \$1,400,000 in principal on the lease obligation. As of June 30, 2017, the Commission has capitalized \$1,038,445 in meter costs with an associated accumulated depreciation balance of \$51,922.

<u>Capital Lease</u>	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Issued</u>	<u>June 30, 2017</u>
	2016	1/15/2023	2.25%	\$ 1,400,000	\$ 1,178,500

Annual lease payment requirements as of June 30, 2017, were as follows:

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 185,600	\$ 25,478	\$ 211,078
2019	189,800	21,278	211,078
2020	194,100	16,984	211,084
2021	198,500	12,592	211,092
2022	202,900	8,101	211,001
2023	207,600	3,510	211,110
Total	<u>\$ 1,178,500</u>	<u>\$ 87,943</u>	<u>\$ 1,266,443</u>

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

<u>Bonds</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Rate</u>	<u>Amount Issued</u>	<u>Balance June 30, 2017</u>
2006 Tax Increment	08/15/06	2031	4.89%	\$ 3,600,000	\$ 2,475,000
2007 Tax Increment	10/15/07	2031	6.95%	1,500,000	1,215,000
2013 Tax Increment	03/16/13	2031	3.15%	5,750,000	4,875,000
2013 Tax Increment	05/30/13	2031	4.25%	1,753,500	1,527,500
2016 Tax Increment-URD III	12/01/15	2040	4.35%	5,000,000	4,783,000
2016 Tax Increment-NRSS	12/17/15	2035	4.50%	822,892	822,892
2017A Tax Incre. - Front St.	01/12/17	2041	5.75%	1,162,500	1,162,500
2017B Tax Incre. - Front St.	01/12/17	2041	4.50%	277,500	277,500
2017C Tax Incre. - Front St.	01/12/17	2041	4.50%	60,488	60,488
2017A Mary Ave West	06/22/17	2040	4.35%	1,600,000	1,600,000
2017B Mary Ave East	06/22/17	2040	4.65%	5,400,000	5,400,000
Total				<u>\$ 26,926,880</u>	<u>\$ 24,198,880</u>

The above schedule shall be revised following the final advance of principal in accordance with the Disbursement Agreement in order to reflect installments of principal and interest sufficient to pay the outstanding principal amount by maturity date.

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

Fiscal Year Ending

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 357,500	\$ 1,077,963	\$ 1,435,463
2019	759,500	1,232,894	1,992,394
2020	784,000	1,202,010	1,986,010
2021	818,500	1,157,380	1,975,880
2022	853,500	1,104,331	1,957,831
2023-2027	4,864,000	4,763,457	9,627,457
2028-2032	5,348,500	3,530,036	8,878,536
2033-2037	2,032,000	2,016,001	4,048,001
2038-2042	8,381,380	690,340	9,071,720
Total	<u>\$ 24,198,880</u>	<u>\$ 16,774,411</u>	<u>\$ 40,973,291</u>

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<u>Notes Payable</u>	Date	Date	Amount	Balance	
	<u>Issued</u>	<u>Matures</u>	<u>Rate</u>	<u>Issued</u>	<u>June 30, 2017</u>
MAEDC Note Payable	09/01/06	2031	1.50%	\$ 1,659,808	\$ 1,593,068
Safeway Note Payable	03/01/10	2017	0.00%	166,238	57,767
FIB Subordinate TIF Note	12/29/10	2017	6.55%	1,623,380	-
MRA Front Street Parking Note-to MPC	04/09/14	2035	2.29-6%	2,864,000	2,674,000
Total				\$ 6,313,426	\$ 4,324,835

In 2004, the City of Missoula applied for and received a \$1 million grant from the U.S. Environmental Protection agency (EPA) to create a revolving loan fund (RLF) to be used for brownfields remediation. The City entered into a sub recipient agreement with the Missoula Area Economic Development Corporation (MAEDC) to manage the revolving loan fund. MAEDC provided \$200,000 in matching funds required under the EPA grant, creating a total loan fund of \$1.2 million. In August, 2006, MAEDC, at the direction of the Missoula Brownfields Cleanup RLF Committee, made a loan of \$1,000,000 bearing interest at 1.5% to MRP LLC, the developer of the Old Sawmill District, with MRP and MRA identified as co-borrowers. The loan will be repaid solely from MRA tax increment revenue resulting from the increased taxable value of the property within the Old Sawmill District, and is not a general obligation of the City. For these reasons, the loan is reflected as a liability of MRA. In August 2007, the loan was increased from \$1 million to \$1.125 million. The City received additional funding from EPA, and upon approval of the Brownfields Committee, during 2010, MRA, MRP, and MAEDC elected to increase the loan by \$400,000 under the same terms. During 2011, the MAEDC board decided to voluntarily dissolve the organization. On September 27, 2011, the Montana Community Development Corporation, with City approval, assumed the rights and responsibilities of MAEDC under the extant sub recipient agreement. In 2013, the loan was increased by an additional \$250,000, for a total loan of \$1,775,000.

In December 2010, MRA issued a note with First Interstae Bank (the Bank) for \$1,623,380 to repay the Bank for project costs incurred that were legally eligible for reimbursement from tax increment funding. MRA and the Bank have agreed to a repayment schedule that includes a subordinate note that will be financed by the Bank's guaranteed minimum tax payments over 25 Years at 6.55%.

On January 12, 2017, the Agency issued a subordinate TIF Note for the Bank, Series 2017A which is a current refunding of the above note. Additional details related to the refunding are included above under the 2017A front Street Bonds. Due to the refunding, the Bank note was paid in full as of June 30, 2017.

Debt service requirements to maturity for notes payable follow:

Fiscal Year Ending	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 118,874	\$ 129,107	\$ 247,981	
2019	125,177	126,047	251,224	
2020	118,825	122,849	241,674	
2021	124,995	119,580	244,575	
2022	295,458	115,601	411,059	
2023-2027	1,521,812	471,017	1,992,829	
2028-2032	1,291,694	269,820	1,561,514	
2033-2037	728,000	80,305	808,305	
Total	\$ 4,324,835	\$ 1,434,326	\$ 5,759,161	

MRA issued \$1,500,000 of Tax Increment Urban Renewal Revenue Bonds in October 2007. The bonds were issued to finance demolition, site preparation and infrastructure improvements and their associated design costs related with the Safeway, Inc. Project site. The bonds were issued at par, bear interest of 6.95%, and are secured by a first lien upon and pledge of tax increment revenues derived from the Project Site. Should tax increment revenues in any given year not be sufficient to pay the principal and interest payments, Safeway, Inc. (the "Guarantor") is obligated to pay the deficiency. Tax increment in excess of debt service requirements will be (1) used to make Guarantor reimbursements for prior debt service deficiencies, (2) retained in an excess tax increment fund until the amount equals the maximum annual debt service for the bonds, and (3) used to prepay the Series 2007 bonds. In 2010, the Agency received \$166,238 from the Guarantor to fund the deficiency in tax increment revenues. At June 30, 2017, the balance payable to the Guarantor was \$57,767.

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Conduit Debt Obligations

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

As of June 30, 2017, there was one series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$470,399.

F. Employee Benefits

1. Statewide Retirement Plans

Substantially all full-time City employees are eligible for one of three state-wide cost-sharing multiple-employer retirement plans. The City had a total payroll of \$31,067,905 for 2017, of which \$30,670,670 is covered by PERS, MPORS, or FURS. The financial information for all three retirement plans are reported in the Public Employees' Retirement Board's published "Comprehensive Annual Financial Report" for the fiscal year end. It is available from MPERA at 100 North Park Ave, P.O. Box 200131, Helena, MT 59620-0131, (406) 444-3154. Retirement expenditures are reported in the fund incurring the expense.

Public Employees' Retirement System (PERS)

The PERS-Defined Benefit Retirement Plan (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 and 3 of the Montana Code Annotated. This plan provides retirement benefits to covered employees of the State, and 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 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.

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 Legislature.

Summary of Benefits

Eligibility for benefit

Service retirement:

Hired on or after July 1, 2011: Age 65, 5 years of membership service;
Age 70, regardless of membership service

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.

Hired on or after July 1, 2011: Age 55, 5 years of membership service.

Vesting: 5 years of membership service.

Member's highest average compensation (HAC)

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:

CITY OF MISSOULA, MONTANA
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Compensation Cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

Monthly benefit formula

Members hired prior to July 1, 2011:

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007
- Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

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.

Overview of Contributions

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.

Fiscal Year	Member		State & Universities		Local Government		School Districts	
	Hired: <7/01/11	Hired: >7/01/11	Employer	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%	N/A	7.170%	7.070%	0.10%	6.80%	0.370%	
2008-2009	6.9%	N/A	7.038%	6.938%	0.10%	6.80%	0.235%	
2000-2007	6.9%	N/A	6.900%	6.800%	0.10%	6.80%	0.100%	

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1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.95 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% a 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 actuary valuation results that show the amortization period had dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional 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 defined benefit plan, 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.
 - b. Not Special Funding
 - i. The State contribute a portion of Coal Severance Tax income and earnings from the Coal Severance Tax fund.

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report* (CAFR) and the GASB 68 Report disclose the Plan's 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>

Actuarial Assumptions

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 expense)	7.75%
· Admin Expense as % of Payroll	0.27%
· General Wage Growth*	4.00%
*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 (provided below) each January, inclusive of other adjustments to the member's benefit.

- o 3% for members hired prior to July 1, 2007
- o 1.5% for members hired on or after July 1, 2007
 - 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

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beneficiaries 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.

Discount Rate

The discount rate used to measure the Total Pension Liability 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. 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 is contributed monthly and the severance tax is contributed quarterly. Based on those assumptions, the Plan's 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 Total Pension Liability. A municipal bond rate was incorporated in the discount rate.

Target Allocations

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Cash Equivalents	2.00%	4.00%	0.10%
Domestic Equity	36.00%	4.55%	1.64%
Foreign Equity	18.00%	6.35%	1.14%
Fixed Income	24.00%	1.00%	0.23%
Private Equity	12.00%	7.75%	0.93%
Real Estate	8.00%	4.00%	0.32%
Total	100.00%		4.36%
Inflation			3.00%
Portfolio Return Expectation			7.36%

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated June 2010, which is located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector 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, is summarized in the above table.

Sensitivity Analysis

	1.0% Decrease -6.75%	Current Discount Rate	1.0% Increase -8.75%
Employer's Net Pension Liability	\$ 26,201,138	\$ 18,056,380	\$ 11,040,468

The sensitivity of the Net Pension Liability to the discount rate is shown in the above table. A small change in the discount rate can create a significant change in the liability. The Net Pension Liability was calculated using the discount rate of 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

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Summary of Significant Accounting Policies

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, 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 same accrual basis as they are reported by MPERA. 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 adheres to all applicable Governmental Accounting Standards Board (GASB)

Net Pension Liability

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the City is required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System (PERS). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. The below information uses a June 30, 2016 measurement date for the 2017 reporting.

In accordance with Statement 68, PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the City. Due to the existence of this special funding situation, local governments and school districts are required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Severance Tax and interest. All employers are required to report the portion of Coal Tax Severance Tax and interest attributable to the employer.

The City uses a June 30, 2016 and 2015 measurement date for the 2017 and 2016 reporting respectively.

As of reporting date:	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	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 18,056,380	\$ 14,395,213	1.0601%	1.0298%	0.0303%
State of Montana Proportionate Share associated with the Employer	\$ 220,628	\$ 176,821	0.0130%	0.0126%	0.0003%
Total	\$ 18,277,008	\$ 14,572,034	1.0731%	1.0424%	0.0306%

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2017 and 2016. The employer's proportionate share equals the ratio of the employer'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.

At June 30, 2017, the employer recorded a liability of \$ 18,056,380 and the City's proportionate share was 1.0601% .

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

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 Net Pension Liability and the City's reporting date that would have an effect on the City's proportionate share of the collective NPL since the previous measurement date.

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Pension Expense

	Pension Expense as of 6/30/17	Pension Expense as of 6/30/16
City's Proportionate Share	\$ 1,420,778	\$ 646,425
State of Montana Proportionate Share associated with the Employer	\$ 18,489	\$ 10,987
State of Montana Coal Tax associated with the Employer	\$ 316,352	\$ 345,470
Total:	\$ 1,755,619	\$ 1,002,882

At June 30, 2017, the City recognized its proportionate share of the PERS' Pension Expense of \$ 1,755,619 . The employer also recognized grant revenue of \$ 18,489 for the support provided by the State of Montana for its proportionate share of the Pension expense that is associated with the employer, and grant revenue of \$ 316,352 from the Coal Tax Fund.

Recognition of Deferred Inflows and Outflows

At June 30, 2017, the City's 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
Differences between actual and expected experience	\$ 97,427	\$ 59,767
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	1,698,745	-
Changes in proportion differences between the City's contributions and proportionate share of contributions	451,522	-
Contributions paid to PERS subsequent to the measurement date - FY 2017 Contributions	1,321,149	-
Total	\$ 3,568,843	\$ 59,767

Amounts reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability 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:

For the Reporting Year ended June 30:	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2017	\$ 82,244
2018	\$ 82,244
2019	\$ 965,334
2020	\$ 606,583
2021	\$ -
Thereafter	\$ -

Firefighters' Unified Retirement System (FURS)

Plan Description

The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This plan provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries.

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Summary of Benefits

Member's compensation

- Hired prior to July 1, 1981 and not electing GABA - highest monthly compensation (HMC);
- Hired on or after June 30, 1981 and those electing GABA – highest average compensation (HAC) during any consecutive 36 months.

Compensation Cap

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

Eligibility for benefit

20 years of membership service, regardless of age.

Age 50, 5 years of membership service

Vesting

Death and disability rights are vested immediately

5 years of membership service for all other rights

Monthly benefit formula

1) Members hired prior to July 1, 1981 and not electing GABA are entitled to the greater of: 2.5% of HMC per year of service, OR

- if less than 20 years of service -
2% of HMC for each year of service;
- if more than 20 years of service -
50% of the member's HMC plus 2% of the member's HMC for each year of service over 20 years

2) Members hired on or after July 1, 1981 and those electing GABA:

2.5% of HAC per year of membership service

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit

Minimum Benefit Adjustment (non-GABA)

If hired before July 1, 1997, and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than $\frac{1}{2}$ the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least 10 years of membership service).

Overview of Contributions

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 to the plan. Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		Employer	State
	Non-GABA	GABA		
1998-2017	9.500%	10.700%	14.360%	32.610%
1997	7.800%		14.360%	32.610%

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan's 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>

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Actuarial Assumptions

The TPL used to calculate the NPL was determined by an actuarial valuation as of June 30, 2015, with update procedures to roll forward 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 expense)	7.75%
· Admin Expense as % of Payroll	0.19%
· General Wage Growth*	4.00%
· *includes Inflation at	3.00%
· Merit Increases	0% to 7.3%
· Postretirement Benefit Increases	

Guaranteed Annual Benefit Adjustment (GABA)

Members hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit

Minimum Benefit Adjustment (non-GABA)

Members hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than 1/2 the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least 10 years of membership service).

- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries 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.

Discount Rate

The discount rate used to measure the Total Pension Liability 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. The State contributes 32.61% of salaries pensionable payroll paid by employers. Based on those assumptions, the System's 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 Total Pension Liability. A municipal bond rate was not incorporated in the discount rate.

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Target Allocations

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis	Long-Term Expected Real Rate of Return
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%		4.36%
Inflation			3.00%
Portfolio Return			7.36%
Expectation			

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated June 2010, which is located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including rates of return adopted by similar public sector 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 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. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016, is summarized in the above table.

Sensitivity Analysis

	1.0% Decrease -6.75%	Current Discount Rate	1.0% Increase -8.75%
Employer's Net Pension Liability	\$ 9,033,233	\$ 5,736,896	\$ 3,026,575

The sensitivity of the Net Pension Liability to changes in the discount rate, the above table presents the Net Pension Liability calculated using the discount rate of 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Summary of Significant Accounting Policies

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, 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 same accrual basis as they are reported by MPERA. 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 adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

CITY OF MISSOULA, MONTANA
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Net Pension Liability

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers are required to recognize and report certain amounts associated with their participation in the Firefighters' Unified Retirement System (FURS). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. The below information uses a June 30, 2016 measurement date for the 2017 reporting.

In accordance with Statement 68, FURS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to FURS on behalf of the employers. Due to the existence of this special funding situation, employers are required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

The City uses a June 30, 2016 and 2015 measurement date for the 2017 and 2016 reporting, respectively.

As of reporting date:	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
Employer Proportionate Share	\$ 5,736,896	\$ 5,224,726	5.0230%	5.1084%	-0.0854%
State of Montana Proportionate Share associated with the Employer	\$ 12,997,998	\$ 11,636,854	11.3805%	11.3778%	0.0027%
Total	\$ 18,734,894	\$ 16,861,580	16.4035%	16.4862%	-0.0827%

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2017 and 2016. The employer's proportionate share equals the ratio of the employer'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.

As of the employer's reporting date the employer recorded a liability of \$ 5,736,896 and the employer's proportionate share was 5.023000%

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

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 Net Pension Liability and the employer's reporting date that would have a significant effect on the employer's proportionate share of the collective NPL since the previous measurement date.

Pension Expense

	Pension Expense as of 6/30/17	Pension Expense as of 6/30/16
City's Proportionate Share	\$ 736,352	\$ 580,002
State of Montana Proportionate Share associated with the Employer	1,685,075	1,259,851
Total:	\$ 2,421,427	\$ 1,839,853

At June 30, 2017, the City recognized its proportionate share of the FURS' Pension Expense of \$ 736,352. The employer also recognized grant revenue of \$ 1,685,075 for the support provided by the State of Montana for the proportionate share of the Pension Expense that it associated with the employer.

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Recognition of Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 54,007
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	600,594	-
Changes in proportion differences between the City's contributions and proportionate share of contributions	-	58,188
Contributions paid to PERS subsequent to the measurement date - FY 2017 Contributions	1,025,346	-
Total	\$ 1,625,940	\$ 112,195

Amounts reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability 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:

For the Reporting Year ended June 30:	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
	2017 \$ 43,585
	2018 \$ 43,585
	2019 \$ 287,060
	2020 \$ 182,087
	2021 \$ (9,731)
Thereafter	\$ -

Municipal Police Officers' Retirement System (MPORS)

Plan Description

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan that was established in 1974 and is governed by Title 19, chapters 2 & 9 of the MCA. This plan provides retirement benefits to all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature. The MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries.

Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Park 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may only participate in the DROP once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to an eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

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Summary of Benefits

Member's final average compensation (FAC)

- Hired prior to July 1, 1977 - average monthly compensation of final year of service;
- Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months.

Compensation Cap

- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's final average compensation.

Eligibility for benefit

20 years of membership service, regardless of age.

Age 50, 5 years of membership service.

Vesting

Death and disability rights are vested immediately

5 years of membership service for all other rights

Monthly benefit formula

2.5% of FAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit

Minimum benefit adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than $\frac{1}{2}$ the compensation of a newly confirmed officer in the city that the member was last employed

Overview of Contributions

Member and employer 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 to the plan. Member and employer contribution rates are shown in the table below.

Fiscal Year	Member					Employer	State
	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	GABA			
2000-2017	5.80%	7.00%	8.50%	9.00%	14.41%	29.37%	
1998-1999	7.80%	9.00%	10.50%	11.00%	14.41%	29.37%	
1997	7.80%	9.00%	10.50%		14.36%	29.37%	

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan's 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>

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Actuarial Assumptions

The TPL used to calculate the NPL was determined by an actuarial valuation as of June 30, 2015, with update procedures to roll forward 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 expense)	7.75%
· Admin Expense as % of Payroll	0.20%
· General Wage Growth*	4.00%
· *includes Inflation at	3.00%
· Merit Increases	0% to 7.3%
· Postretirement Benefit Increases	

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit

Minimum Benefit Adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed officer in the city that the member was last employed.

- 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.

Discount Rate

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 the Montana Code Annotated. The State contributes 29.37% of salaries paid by employers. Based on those assumptions, the System's 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.

Target Allocations

Asset Class	Target Asset Allocation	Real Rate of Return Arithithmetic Basis	Long-Term Expected Real Rate of Return
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%		4.36%
Inflation			3.00%
Portfolio Return Expectation			7.36%

CITY OF MISSOULA, MONTANA
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The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the Plan. The experience study, performed for the period of fiscal years 2003 through 2009, was outlined in a report dated June 2010 and is located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, as well as the utilization of 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 then 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 above.

<i>Sensitivity Analysis</i>	1.0% Decrease	Current Discount	1.0% Increase
	-6.75%	Rate	-8.75%

Employer's Net Pension Liability	\$ 13,141,317	\$ 9,759,997	\$ 6,071,572
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The sensitivity of the Net Pension Liability to changes in the discount rate, the above table presents the Net Pension Liability calculated using the discount rate of 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Summary of Significant Accounting Policies

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, 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 same accrual basis as they are reported by MPERA. 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.

Net Pension Liability

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers are required to recognize and report certain amounts associated with their participation in the Municipal Police Officers' Retirement System (MPORS). GASB Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective Net Pension Liability (NPL), Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions. The below information uses a June 30, 2016 measurement date for the 2017 reporting.

MPORS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to MPORS on behalf of the employers. Due to the existence of this special funding situation, the State is required to report a proportionate share of a local government's collective NPL that is associated with the non-State employer.

The Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2015, with update procedures to roll forward the TPL to the measurement date of June 30, 2016.

The City uses a June 30, 2016 and 2015 measurement date for the 2017 and 2016 reporting, respectively.

As of reporting date:	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
Employer Proportionate Share	\$ 9,759,997	\$ 8,828,179	5.4218%	5.3368%	0.0850%
State of Montana Proportionate Share associated with the Employer	\$ 19,374,019	\$ 17,886,730	10.7625%	10.8129%	-0.0504%
Total	\$ 29,134,016	\$ 26,714,909	16.1843%	16.1497%	0.0346%

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The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2017 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by MPORS during the measurement period July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all MPORS' participating employers.

As of the employer's reporting date the employer recorded a liability of \$ 9,759,997 and the employer's proportionate share was 5.4218%

Changes 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: There were no changes between the measurement date of the collective Net Pension Liability and the employer's reporting date that would have an effect on the employer's proportionate share of the collective NPL since the previous measurement date.

<u>Pension Expense</u>	Pension Expense as of 6/30/17		Pension Expense as of 6/30/16
City's Proportionate Share	\$ 1,175,043	\$ 974,285	
State of Montana Proportionate	2,076,011		1,819,132
Share associated with the Employer			
Total:	\$ 3,251,054	\$ 2,793,417	

At June 30, 2017, the City recognized its proportionate share of the MPORS' Pension Expense of \$ 1,175,043 .

The employer also recognized grant revenue of \$ 2,076,011 for the support provided by the State of Montana for the proportionate share of the Pension Expense that it associated with the employer.

Recognition of Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 198,838
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	632,858	-
Changes in proportion differences between the City's contributions and proportionate share of contributions	267,855	-
Contributions paid to PERS subsequent to the measurement date - FY 2017 Contributions	1,116,192	-
Total	\$ 2,016,905	\$ 198,838

Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the NPL beginning 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:

For the Reporting	Amount recognized in Pension
Year ended June 30:	Expense as an increase or (decrease) to Pension Expense
2017	\$ (19,942)
2018	\$ (19,942)
2019	\$ 268,857
2020	\$ 205,047
2021	\$ -
Thereafter	\$ -

CITY OF MISSOULA, MONTANA
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2. Insurance

The City has a self-insured medical, dental and life insurance plan which provides benefits for all permanent employees electing to be covered. City and employee monthly contribution rates depend on whether the employee is full or part time. City contributions were \$395 for a half time employee to \$790 for a full time employee. Employee contributions were \$22 for full time employees up to \$417 for half time employees. Retirees may also participate in the plan. The City subsidizes the retiree's premium cost at 15%. They paid \$652 per month, for medical coverage only. They are not covered by the dental and life insurance plans. City contributions to the plan for the year ended June 30, 2017 were \$3,096,546; employee contributions were \$951,280 and retiree contributions were \$381,129. Premium expenses are charged to the appropriate departments, then deposited into the Employee Benefit Fund, an internal service fund. This fund is used to pay claims, stop loss insurance and an administrator to process claims. An operating transfer in the amount of \$514,085 from the General Fund was made to the Employee Benefit Fund during fiscal year 2017. Following is a summary of the changes in the balances of claim liabilities (based on calculations provided by the plan administrator) during fiscal years 2015, 2016, and 2017.

Claims Payable				Claims Payable			
Beginning of	Claims	Claims	Ending of				
<u>Fiscal Year</u>	<u>Incurred</u>	<u>Paid</u>	<u>Fiscal Year</u>				
2015 \$ 441,770	\$ 5,778,467	\$ 5,531,637	\$ 688,600				
2016 688,600	5,097,675	5,290,585	495,690				
2017 495,690	6,015,451	6,254,337	256,805				

3. Postemployment Benefits

Terminated employees may remain on the City's health insurance plan for up to 18 months if they pay the monthly premiums. This benefit is required under the federal C.O.B.R.A. law. Retirees may remain on the City's health plan as long as they wish, provided they pay the monthly premiums. State law requires the City to provide this benefit. There are no other post-employment benefits provided by the City. Out of 562 individuals covered by the plan at June 2017, there were 47 retirees, and no C.O.B.R.A. participants.

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

The City adopted the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans," in fiscal year 2009. GASB 45 requires employers to calculate the actuarial liability for future retiree benefits and the annual required contribution (ARC) for retirees. Information on the City's health benefits plan for retirees is included below. GASB 10, as modified by GASB 45, requires that amounts related to retirees be excluded from the internal service fund used for health benefits. Accordingly, amounts related to retirees have been excluded from the internal service fund.

The City of Missoula sponsors a defined benefit plan for health insurance, which includes coverage for retirees. This plan is named the Health Benefits Plan for the Employees of City of Missoula. The City administers this single-employer plan. The plan provides medical insurance for retirees with the retiree paying a premium for this benefit. Contribution rates are established by the City Council based on the recommendations received from both the Employee Benefits Committee and the City Administration. The plan's financial information, excluding retirees, is the City's self insurance internal service fund. The plan does not issue separate audited financial statements.

The retiree and the City contribute to the plan. The plan is financed on a pay-as-you-go basis with City contributions ensuring that adequate reserves are maintained in the plan. The City's contribution is not contributed to a trust for only retiree benefits so it is not considered a contribution towards the annual required contribution under GASB 45. The contributions to the plan are as follows for fiscal year 2017.

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Coverage	Retiree	City	Total
	Contribution	Contribution	Premium
Retiree	\$ 651.79	\$ 115.02	\$ 766.81
Retiree, spouse	750.72	132.48	883.20
Retiree, spouse, child	791.87	139.74	931.61
Retiree, spouse, 2 children	833.02	147.00	980.02
Retiree, spouse, 3 children	874.17	154.26	1,028.43
Retiree, spouse, 4 children	915.32	161.52	1,076.84
Retiree, child	692.94	122.28	815.22
Retiree, 2 children	734.09	129.54	863.63
Retiree, 3 children	775.24	136.80	912.04
Retiree, 4 children	816.39	144.06	960.45

Based on an actuarial study prepared as of June 30, 2017, the City's annual other post-employment benefit cost was \$976,629 for the fiscal year ended June 30, 2017. This cost consisted of the annual required contribution of \$1,024,631, interest on the net OPEB obligation of \$75,933, and an adjustment to the ARC of \$123,936. There were contributions of \$279,812 made in fiscal year 2017, which was 29% of the annual cost. The net increase in the OPEB obligation for fiscal year 2017 was \$696,817 and the Net Obligation at June 30, 2017 was \$3,122,796.

	Fiscal Year Ending		
	June 30, 2017	June 30, 2016	June 30, 2015
Beginning OPEB Obligation	\$ 2,425,979	\$ 2,123,625	\$ 1,784,311
Annual OPEB Cost	976,629	534,954	540,646
Annual OPEB Contributions	<u>(279,812)</u>	<u>(232,600)</u>	<u>(201,332)</u>
Ending OPEB Obligation	<u><u>\$ 3,122,796</u></u>	<u><u>\$ 2,425,979</u></u>	<u><u>\$ 2,123,625</u></u>
Percentage of cost contributed	29%	43%	37%

As of June 30, 2017, the most recent actuarial valuation date, the plan had an unfunded accrued actuarial liability of \$9,986,786. This liability is not funded under GASB 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 \$32,409,955 for fiscal year 2017; the unfunded actuarial liability was 33% 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 and funds as follows:

		Component Units							
		Parking							
		Governmental							
		<u>Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>	<u>Aquatics</u>	<u>MRA</u>	<u>Commission</u>	<u>Total</u>
Annual OPEB Cost	\$	868,200	\$ 3,979	\$ 56,869	\$ 3,979	\$ 9,478	\$ 11,374	\$ 22,748	\$ 976,627
Annual OPEB Contributions		248,506	1,273	16,278	1,273	2,713	3,256	6,511	\$ 31,304
Net OPEB Obligation		2,819,485	2,706	153,562	2,706	31,840	37,224	75,273	\$ 3,122,796
Unfunded Actuarial Liability		8,881,452	38,784	581,755	38,784	96,959	116,351	232,702	\$ 9,986,787

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Actuarial valuations involve estimates of the value of 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 past expectations and new estimates are made about the future. The schedule of funding progress in the required supplementary information section 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 the actuarial 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 perspective 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 cost trend rate, which includes an inflation rate, was 6.8% in 2017 and grades down to 5% over a 9 year period. The assumed discount and long-term rate of return was 3.13%. The unfunded actuarial liability was amortized on a level-dollar basis over an open period of 30 years.

4. Deferred Compensation Plan

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

G. Restricted Cash/Investments/Assets

The following restricted cash/investments were held by the City as of June 30, 2017:

<u>Description</u>	\$	
Primary Government		
Sewer Fund - Restricted for debt service	\$	2,008,005
Capital Projects		
Water Fund - Restricted for debt service	\$	27,214,059
Water Fund - Restricted for capital projects	\$	2,500,000
Component Units		
Missoula Redevelopment Agency - Restricted for debt service	\$	675,665
Missoula Parking Commission - Restricted for debt service and capital projects	\$	528,325
 Total Restricted Cash	 \$	 32,926,054

The following net position was restricted by the City for the reasons stated below as of June 30, 2017:

<u>Description</u>	\$	
Primary Government		
Governmental Funds - Restricted as shown in Note H	\$	7,765,062
Sewer - Restricted for debt service	\$	2,008,005
Water Fund - Restricted for debt service and capital projects	\$	32,214,059
Component Units		
Missoula Redevelopment Agency - Restricted for debt service	\$	675,665
Missoula Parking Commission - Restricted for debt service and capital projects	\$	528,325
 Total Restricted Net Assets	 \$	 10,977,057

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H. Governmental Fund Balances

At June 30, 2017 the City had a total fund balance in governmental funds of \$5,918,159. In accordance with GASB Statement 54 this fund balance has been classified as follows:

General Fund

Nonspendable	\$ 1,396,233	Inventories and Prepaid Expenses
Restricted	260,778	Cemetery memorial, Title I Program and Revolving Loan Program
Assigned	1,725,913	Specific general fund programs
Unassigned	452,861	Remaining

Non Major Special Revenue Funds

Restricted	3,370,904	State and Federal Law for law enforcement, building construction inspections, public works safety and maintenance and various Grant restrictions for program expenditures.
Committed	3,722,872	City Ordinance for specific budgeted programs and by Developer Agreement for future development.
Assigned	171,468	Specific special revenue fund programs
Unassigned	(1,195,469)	Negative fund balance is Unassigned per GASB 54 definitions.

Non Major Debt service Funds

Restricted	3,366,497	Debt Service
Committed	5	City Ordinance for specific budgeted programs
Unassigned	(379,470)	Negative fund balance is Unassigned per GASB 54 definitions.

Non Major Capital projects Funds

Restricted	766,883	Federal & State law, Bond Covenants, and County & Developer Agreements for Capital Project expenditures.
Unassigned	(398,630)	Negative fund balance is Unassigned per GASB 54 definitions.

Major Capital Projects Fund

Unassigned	<u>(7,342,692)</u>	Negative fund balance is Unassigned per GASB 54 definitions.
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Total Governmental

Fund Balance **\$ 5,918,152**

City of Missoula - Schedule of Transfers "IN" as of June 30, 2017

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Street Maintenance	\$ 86,046	Reimburse General Fund for costs incurred within the flushing district
General Fund	Gas Tax	564,000	For street maintenance work by City street staff
General Fund	Employee Health Insur.	4,778,677	Reimburse General Fund from special health levy funds for health insurance premiums paid
General Fund	Cable TV Franchise	301,434	For right of way maintenance
General Fund	SID Revolving	86,729	Transfer Excess Revolving Funds to GF
General Fund (1216)	GF Parks & Rec Trails	10,000	Parks support of Park & Rec Trails Scholarship
General Fund (1216)	CDBG	160,000	CDBG Support of Kiwanis Park
General Fund (1219)	Park District	163,214	Fort Missoula Regional Park Subsidy
General Fund (1219)	Impact Fees	187,398	Contribution to Park Playground Project
		<u>6,337,498</u>	Total transfers To General Fund
Capital Improvement	General Fund	<u>1,330,842</u>	Support for capital projects
		<u>1,330,842</u>	Total transfers to Major Capital Projects

CITY OF MISSOULA, MONTANA
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Planning	General Fund	83,734	Planning Subsidy
Public Safety Info Sys.	General Fund	6,000	Police Yearly Contribution to Public Safety Info Systems
Park District	General Fund	7,810	Contribution to Park Capital Projects
Park District	Impact Fees	2,265	Contribution to Park Capital Projects
CDBG Fund	CDBG Program Income	29,370	Program Income Support of CDBG Programs
HOME Fund	City HOME Program Income	26,043	Program Income Support of HOME Programs
Transportation	General Fund	9,900	Bike Ped Subsidy
Transportation	General Fund	82,086	Transportation support
Revolving Fund	Debt Service Funds	144,634	Close retired debt service accounts
Slant St. Traffic Calming	Slant St. Traffic Construction	86	Debt Service payments on internal lending
S. 4th Street Traffic	S. 4th St Traffic Construction	38	Debt Service payments on internal lending
SID 546 Debt Service	SID 546 Construction	1,713	Debt Service payments on internal lending
Hillview Way	Impact Fees	1,503,138	Hillview Way Construction
SID 542 Hillview Way Const	Hillview Way Construction	178	Hillview Way Construction
Phillips St Traffic Calming	SID 545 Construction	1,888	Debt Service payments on internal lending
		1,898,883	Total transfers To Other Nonmajor Governmental Funds
Aquatics	General Fund	203,000	Support for aquatics activities
		203,000	Total transfers To Major Proprietary Funds
Employee Benefit Plan	General Fund	442,000	Transfer for Health Reserve
Employee Benefit Plan	General Fund	72,085	Retiree subsidizing health insurance premium approved by
		514,085	Total transfers To Internal Service Fund
	Total Transfers "IN"	\$ 10,284,308	

City of Missoula - Schedule of Transfers "OUT" as of June 30, 2017

Transfer From:	Transfer To:	Amount	Explanation
General Fund	General Fund (1216)	\$ 10,000	Parks support of Park & Rec Trails Scholarship
General Fund	Capital Improvement	1,330,842	Support for capital projects
General Fund	Planning	83,734	Planning Subsidy
General Fund	Public Safety Info Systems	6,000	Police Yearly Contribution to Public Safety Info Systems
General Fund	Park District	7,810	Contribution to Park Capital Projects
General Fund	Transportation	9,900	Bike Ped Subsidy
General Fund	Transportation	82,086	Transportation support
General Fund	Aquatics	203,000	Police Yearly Contribution to Public Safety Info Systems
General Fund	Employee Benefit Plan	147,333	Transfer for Health Reserve
General Fund	Employee Benefit Plan	294,667	Transfer for Health Reserve
General Fund	Employee Benefit Plan	72,085	Retiree subsidizing HI premium approved by City Council
		2,247,457	Total transfers From General Fund

CITY OF MISSOULA, MONTANA
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Impact Fees	Park District	2,265	Contribution to Park Capital Projects
Impact Fees	Hillview Way	1,503,138	Hillview Way Construction
Impact Fees	General Fund (1219)	187,397	Contribution to Park Playground Project
Employee Health Insurance	General Fund	4,526	Reimburse General Fund from special health levy funds for health insurance premiums paid
Employee Health Insurance	General Fund	4,774,150	Reimburse General Fund from special health levy funds for health insurance premiums paid
Cable TV Franchise	General Fund	301,434	For right of way maintenance
Street Maintenance	General Fund	86,046	Reimburse General Fund for costs incurred within the flushing district
Park District	General Fund (1219)	163,214	Fort Missoula Regional Park Subsidy
Gas Tax	General Fund	564,000	For street maintenance work by City street staff
CDBG	General Fund (1216)	160,000	CDBG Support of Kiwanis Park
CDBG Program Income	CDBG Fund	29,370	Program Income Support of CDBG Programs
City HOME Program Income	HOME Fund	26,043	Program Income Support of HOME Programs
SID Revolving	General Fund	86,729	Transfer Excess Revolving Funds to GF
Slant St. Traffic Construction	Slant St. Traffic Calming	86	Debt Service payments on internal lending
S. 4th St Traffic Construction	S. 4th Street Traffic	38	Debt Service payments on internal lending
SID 545 Construction	Phillips St Traffic Calming	1,888	Debt Service payments on internal lending
SID 546 Construction	SID 546 Debt Service	1,713	Debt Service payments on internal lending
Debt Service Funds	Revolving Fund	17,134	Close retired debt service accounts
Hillview Construction	SID 542 Hillview Way Const.	178	Hillview Way Construction
Debt Service Funds	Revolving Fund	127,500	Close retired debt service accounts
<u>8,036,849</u>			Total transfers From Other Nonmajor Governmental Funds
Total Transfers OUT"			<u>\$ 10,284,308</u>

I. Transactions with Component Units

The City provides administrative services to their discretely presented component units, Missoula Redevelopment Agency and Missoula Parking Commission. To compensate for these services, the City received administrative fees of \$123,809 and \$178,892 from Missoula Redevelopment Agency and Missoula Parking Commission, respectively, during fiscal year 2016.

J. Joint Operations with the County

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

The City also had an Interlocal agreement with Missoula County to provide transportation planning and grant management services, which was ended January 1, 2013. As part of the reorganization, the City acquired 19 new employees (formerly county employees who were under contract with the city through the terminated Interlocal agreement. These employees were integrated into the new Development Services department to provide planning services to the public. This new department includes a significant number of city employees that were formerly organized in the city's engineering and building inspection departments. The revenue support formerly provided to the county employees providing planning services will be transferred to the city, such that no additional unfunded payroll or operating costs will be incurred by the city with this reorganization.

CITY OF MISSOULA, MONTANA
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Subsequently, Missoula County provided grant management services for the City until September 2016 when the City created the department of Housing & Community Development. Beginning in fiscal year 2017 this new department will resume the management of grant awards to the City of Missoula.

K. Risk Management

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

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

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

The City provides medical insurance coverage for its employees via a self-insured plan administered by Allegiance Benefit Plan Management, Inc. It provides medical, dental and vision benefits and is operated as an Internal Service Fund, funded by premiums charged to each department, based on the employees in that department, premiums from employees for their spouses, dependents, premiums from retirees electing to remain under the City's plan, and pro rated premiums from part-time and seasonal eligible employees. A commercial "stop-loss" policy has been purchased to cover any claims that exceed \$140,000 per individual or in aggregate for the plan in excess of 95% of the first monthly aggregate attachment point times 12.

L. Pending Litigation

The City of Missoula is party to certain litigation under which it may be required to pay certain monies upon the decision of the courts. The office of the City Attorney reports various contingent liabilities based on the amount of damages alleged in various cases. It is the opinion of the City Attorney that the City's liability in the cases not covered by insurance will not be material to the financial statements and amounts reserved are sufficient to cover losses.

The City of Missoula was a plaintiff in litigation with defendant Mountain Water Company. The City of Missoula sought a judicial determination entitling it to acquire by eminent domain Missoula's water supply and distribution system. On June 15, 2015 District Court Judge Karen Townsend found in the City's favor and issued a Preliminary Order of Condemnation. Pursuant to Montana law the second step in this process was to determine a value to be paid upon the City's possession of the water utility. Valuation proceedings began on November 2, 2015, in front of a three-member commission that was charged with setting the value of the company. The water commission members agreed unanimously on a value of \$88.6 million on November 17, 2015.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The Preliminary Order of Condemnation was appealed to the State of Montana Supreme Court. In August, 2016 the Supreme Court affirmed Judge Townsend's order clearing the way for the City to take ownership. The City subsequently entered into a negotiated settlement agreement with Mountain Water Company's owners. The City closed and took possession of the water system and immediately commenced municipal operations on June 22, 2017 pursuant to the settlement agreement and funded by revenue bond anticipation notes issued by Barclays. Three ancillary issues remain pending on appeal and in district court related to attorneys' fees, post-summons interest and property taxes. These limited, remaining contingent liabilities have been addressed by appropriate reserves in the water system bond anticipation series B note and, thus, will not be material to the financial statements.

M. Construction Commitments

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

	Expended to Date	Remaining Commitment
Sewer Funds		
Reserve Street Lift Station	\$ 182,769	\$ 386,231
Russell St. Sewer Re-Route (Design)	11,500	114,299
Cogeneration (Biogas) System	173,360	1,334,707
Russell St. Interceptor	19,244	6,800
Wastewater Facilities Plan Update	-	285,079
Broadway Interceptor Sewer (Design)	18,783	737
Water Funds		
N. Russell Water Main Extension	59,117	8,524
Main Replacement N. 3rd & Orange	3,995	15,933
Water Line replacement N. Orange	195,766	29,234
Governmental Funds		
S. 3rd St. - Russell to Reserve (Design & Construction)	2,281,219	17,763
England Blvd Safety Improvements (Design)	10,612	284
Van Buren Ph. III (Design)	19,081	19,352
Caras Park Stormwater Outfall Pretreatment (Design)	41,040	11,009
Caras Park Stormwater Outfall Pretreatment (Construction)	-	207,800
Clegg Ln. - Hickory to Orange (Design)	46,289	19,355
Halling Farms Tract 2 - Clark Fork Ln Extension	221,390	12,162
Brooks-Stephens-Mount Ph. I (Design & Construction)	72,191	776,371
Ph. II: Margaret St. - Strand to Kensington (Design)	29,773	220,331
Hillview Way (Design & Construction)	3,515,634	76,635
Bitterroot Branch Trail Crossing Improvements	8,038	225,331
Bellevue well installation	-	8,431
CDBG Invest Health Missoula Sidewalks 2018 (Design)	-	84,361
Total Construction Commitments	\$ 6,909,800	\$ 3,860,728

N. Subsequent Events

Debt issued in FY17 but prior to the publication of the CAFR:

Beginning in fiscal year 2010 the City has entered into capital lease purchase agreements to finance the purchase of equipment. In fiscal year 2018 three leases were entered into with terms of 3, 5, and 7 years respectively. These leases are considered capital leases since there is a bargain purchase option at the end of each lease. The leases are recorded at present value of future minimum lease payments. These capital leases were used to finance equipment that was capitalized by the City with a cost of \$12,142,086 and accumulated depreciation of \$3,947,363 at June 30, 2017.

Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, Series 2017 (the "Series 2017 Bonds"), were issued in the original aggregate principal amount of \$364,013. The Series 2017 Bonds shall be issued as a single term bond and shall mature on July 1, 2037, subject to prior redemption, and shall bear interest from the date of original registration to their maturity or prior date upon which it has been duly for redemption at a rate of 3.95% per annum.

CITY OF MISSOULA, MONTANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

O. Restatements/Prior Period Adjustments

The fund balances of the City's governmental funds have been restated to reflect the following:
The General fund balance was reduced by \$1,729,577 to reflect prior year capital lease transfers.
The Road District #1 fund balance was reduced by \$1,734,617 to reflect prior year capital lease transfers.
The Park District #1 fund balance was reduced by \$852,219 to reflect prior year capital lease transfers.
The Capital Improvement Program fund balance was increased by \$4,763,648 to reflect prior year capital lease transfers.

The net position in the government-wide financial statements has been restated by the above fund balance changes. In addition, governmental activities net position was increased by \$903 to reflect corrections to capital asset balances, and \$138,031 to reflect employee contributions to the internal service fund Employee Benefits fund from FY15.

The fund balances of the City's proprietary funds have been restated to reflect the following:
The sewer fund balances were restated for \$438,381 to reflect prior year capital lease transfers.

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

**BUDGET TO ACTUAL
COMPARISON
GENERAL FUND**

City of Missoula
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		Variance with Final Budget	
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 14,082,078	\$ 14,567,866	\$ 14,542,043	\$ (25,823)
Taxes and assessments	24,802,955	24,802,955	24,544,854	(258,101)
Licenses and permits	1,367,241	1,367,241	1,559,842	192,601
Charges for services	6,220,287	6,220,287	6,036,333	(183,954)
Fines and forfeitures	1,750,827	1,750,827	1,609,079	(141,748)
Miscellaneous	704,500	704,500	215,595	(488,905)
Gain on disposal of fixed assets	-	-	10,617	10,617
Investment Earnings	73,500	73,500	-	(73,500)
Total revenues	<u>49,001,388</u>	<u>49,487,176</u>	<u>48,518,363</u>	<u>(968,813)</u>
Expenditures				
Current:				
General Government	9,969,857	9,969,857	9,445,759	(524,098)
Public Works	6,690,967	6,690,967	6,542,516	(148,451)
Public Safety	28,902,599	28,902,599	27,866,206	(1,036,393)
Cultural & Recreation	4,774,296	4,774,296	4,274,087	(500,209)
Housing & Community Development	662,439	662,439	585,818	(76,621)
Public Health	1,754,519	1,754,519	1,797,051	42,532
Social & Economic Services	175,000	175,000	210,000	35,000
Miscellaneous	1,002,782	1,002,782	75,180	(927,602)
Total current	<u>53,932,459</u>	<u>53,932,459</u>	<u>50,796,617</u>	<u>(3,135,842)</u>
Debt service:				
Interest	14,524	14,524	14,550	26
Principal retirement	575,801	575,801	575,800	(1)
Total debt service	<u>590,325</u>	<u>590,325</u>	<u>590,350</u>	<u>25</u>
Capital outlay:				
General Government	-	-	-	-
Public Works	167,814	241,999	384,988	142,989
Public Safety	-	-	29,912	29,912
Cultural & Recreation	700,593	1,249,830	733,975	(515,855)
Housing & Community Development	-	-	-	-
Total capital outlay	<u>868,407</u>	<u>1,491,829</u>	<u>1,148,875</u>	<u>(342,954)</u>
Total expenditures	<u>55,391,191</u>	<u>56,014,613</u>	<u>52,535,842</u>	<u>(3,478,771)</u>
Excess (deficiency) of revenues over expenditures	<u>(6,389,803)</u>	<u>(6,527,437)</u>	<u>(4,017,479)</u>	<u>(4,447,584)</u>
Other Financing Sources (Uses)				
Transfers (out)	(2,172,871)	(2,172,871)	(2,247,457)	(74,586)
Transfers in	6,094,122	6,281,520	6,337,498	55,978
Issuance of long term debt/capital leases	448,244	448,244	-	(448,244)
Total other financing sources (uses)	<u>4,369,495</u>	<u>4,556,893</u>	<u>4,090,041</u>	<u>(466,852)</u>
Net change in fund balances	<u>(2,020,308)</u>	<u>(1,970,544)</u>	<u>72,562</u>	<u>(4,914,436)</u>
Fund balances - beginning	5,492,800	5,492,800	5,492,800	-
Restatements	-	-	(1,729,577)	(1,729,577)
Fund balances - beginning restated	<u>5,492,800</u>	<u>5,492,800</u>	<u>3,763,223</u>	<u>(1,729,577)</u>
Fund balances - ending	<u>\$ 3,472,492</u>	<u>\$ 3,522,256</u>	<u>\$ 3,835,785</u>	<u>\$ (6,644,013)</u>

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

**SCHEDULE OF FUNDING STATUS
FOR RETIREE HEALTH INSURANCE
BENEFIT PLAN**

City of Missoula, Montana
Schedule of Funding Status for Retiree Health Insurance Benefit Plan
June 30, 2017

	Governmental Activities	Water	Sewer	Storm Water	Aquatics	Component Units		
						MRA	Parking Commission	Total
<i>Actuarial Valuation Date: 6/30/17</i>								
Accrued Actuarial Liability	8,881,452	38,784	581,755	38,784	96,959	116,351	232,702	9,986,786
Actuarial Value of Assets	-	-	-	-	-	-	-	-
Unfunded Actuarial Liability	8,881,452	38,784	581,755	38,784	96,959	116,351	232,702	9,986,786
Funded Ratio	0%	0%	0%	0%	0%	0%	0%	0%
Annual Covered Payroll (***)	29,811,741	67,695	1,397,426	75,152	189,022	417,647	451,272	32,409,955
Unfunded Actuarial Liability to Covered Payroll	30%	57%	42%	52%	51%	28%	52%	31%
<i>Actuarial Valuation Date: 6/30/15</i>								
Accrued Actuarial Liability	5,478,201	-	285,065	-	49,576	74,365	123,941	6,011,148
Actuarial Value of Assets	-	-	-	-	-	-	-	-
Unfunded Actuarial Liability	5,478,201	-	285,065	-	49,576	74,365	123,941	6,011,148
Funded Ratio	0%	0%	0%	0%	0%	0%	0%	0%
Annual Covered Payroll (***)	28,301,134	-	1,220,183	-	150,174	338,507	459,317	30,469,315
Unfunded Actuarial Liability to Covered Payroll	19%	0%	23%	0%	33%	22%	27%	20%
<i>Actuarial Valuation Date: 6/30/13</i>								
Accrued Actuarial Liability	7,170,390	-	376,488	-	85,566	85,566	205,357	7,923,367
Actuarial Value of Assets	-	-	-	-	-	-	-	-
Unfunded Actuarial Liability	7,170,390	-	376,488	-	85,566	85,566	205,357	7,923,367
Funded Ratio	0%	0%	0%	0%	0%	0%	0%	0%
Annual Covered Payroll (***)	26,699,220	-	1,132,168	-	166,526	289,782	406,184	28,693,880
Unfunded Actuarial Liability to Covered Payroll	27%	0%	33%	0%	51%	30%	51%	28%

**SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY**

City of Missoula, Montana
Schedule of Proportionate Share of Net Pension Liability
and Schedule of Contributions
For the Last Ten Fiscal Years*

Public Employees Retirement System (PERS)

Schedule of Proportionate Share of the Net Pension Liability:

Employer's proportionate share of the net pension liability associated with the Employer (as a percentage)
 Employer's proportion of the net pension liability
 State of MT proportionate share of the net pension liability associated with the Employer
Total

	2016	2015	2014
	1.06010%	1.02998%	1.01859%
\$ 18,056,380	\$ 14,395,213	\$ 12,691,684	
	\$ 220,628	\$ 176,821	\$ 154,985
\$ 18,277,008	\$ 14,572,034	\$ 12,846,669	

Employer's covered-employee payroll
 Employer's proportionate share of the net pension liability as of its covered-employee payroll (as a percentage)
 Plan fiduciary net position the total pension liability (as a percentage)

\$ 12,697,585	\$ 12,017,913	\$ 11,639,784
142.20%	119.78%	109.04%
74.7100%	78.40%	79.90%

Schedule of Contributions:

Contractually required contributions
 Contributions in relation to the contractually required contributions
 Contribution deficiency (excess)
 Employer's covered-employee payroll
 Contributions of covered-employee payroll (as a percentage)

	2017	2016	2015
\$ 1,164,199	\$ 1,102,253	\$ 1,060,807	
\$ 1,164,199	\$ 1,102,253	\$ 1,060,807	
\$ -	\$ -	\$ -	
\$ 13,909,191	\$ 12,697,585	\$ 12,017,913	
8.370%	8.681%	8.827%	

* Schedule is intended to show information for ten years, additional years will be displayed as it becomes available.

City of Missoula, Montana
Schedule of Proportionate Share of Net Pension Liability
and Schedule of Contributions
For the Last Ten Fiscal Years*

Firefighters' Unified Retirement System (FURS)

Schedule of Proportionate Share of the Net Pension Liability:

Employer's proportionate share of the net pension liability associated with the Employer (as a percentage)
Employer's proportion of the net pension liability
State of MT proportionate share of the net pension liability associated with the Employer
Total

	2016	2015	2014
	5.0230%	5.1084%	5.0839%
\$ 5,736,896	\$ 5,224,726	\$ 4,962,706	
	\$ 12,997,998	\$ 11,636,854	\$ 11,195,623
\$ 18,734,894	\$ 16,861,580	\$ 16,158,329	

Employer's covered-employee payroll
Employer's proportionate share of the net pension liability as of its covered-employee payroll (as a percentage)
Plan fiduciary net position the total pension liability (as a percentage)

\$ 7,073,230	\$ 6,864,943	\$ 6,603,801
81.11%	76.11%	75.15%
75.48%	76.90%	76.70%

Schedule of Contributions:

Contractually required contributions
Contributions in relation to the contractually required contributions
Contribution deficiency (excess)
Employer's covered-employee payroll
Contributions of covered-employee payroll (as a percentage)

	2017	2016	2015
\$ 1,065,630	\$ 1,011,282	\$ 1,004,990	
\$ 1,065,630	\$ 1,011,282	\$ 1,004,990	
\$ -	\$ -	\$ -	
\$ 7,420,820	\$ 7,073,230	\$ 6,864,943	
14.36%	14.30%	14.64%	

* Pension Schedules in the Required supplementary information are intended to show information for ten years, additional years' information will be displayed as it becomes available.

City of Missoula, Montana
Schedule of Proportionate Share of Net Pension Liability
and Schedule of Contributions
For the Last Ten Fiscal Years*

Municipal Police Officers' Retirement System (MPORS)

Schedule of Proportionate Share of the Net Pension Liability:

Employer's proportionate share of the net pension liability associated with the Employer (as a percentage)
Employer's proportion of the net pension liability
State of MT proportionate share of the net pension liability associated with the Employer
Total

	2016	2015	2014
	5.4218%	5.3368%	5.1583%
\$ 9,759,997	\$ 8,828,179	\$ 8,105,541	
\$ 19,374,019	\$ 17,886,730	\$ 16,374,162	
\$ 29,134,016	\$ 26,714,909	\$ 24,479,703	

Employer's covered-employee payroll
Employer's proportionate share of the net pension liability as of its covered-employee payroll (as a percentage)
Plan fiduciary net position the total pension liability (as a percentage)

	\$ 7,653,813	\$ 7,386,236	\$ 6,921,082
	127.52%	119.52%	117.11%
	65.62%	66.90%	67.01%

Schedule of Contributions:

Contractually required contributions
Contributions in relation to the contractually required contributions
Contribution deficiency (excess)
Employer's covered-employee payroll
Contributions of covered-employee payroll (as a percentage)

	2017	2016	2015
\$ 1,129,983	\$ 1,121,184	\$ 1,070,710	
\$ 1,129,983	\$ 1,121,184	\$ 1,070,710	
\$ -	\$ -	\$ -	
\$ 7,841,657	\$ 7,653,813	\$ 7,386,236	
	14.41%	14.65%	14.50%

* Pension Schedules in the Required supplementary information are intended to show information for ten years, additional years' information will be displayed as it becomes available.

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF MISSOULA, MONTANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

Changes of Benefit Terms

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

2013 Legislative Changes:

Working Retirees – House Bill 95 – PERS, SRS, and FURS, effective July 1, 2013

- The law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. PERS working retirees may still work up to 960 hours a year, without impacting benefits.

Highest Average Compensation (HAC) Cap – House Bill 97, effective July 1, 2013

All PERS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.

All bonuses paid to PERS members on or after July 1, 2013, will not be treated as compensation for retirement purposes.

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% 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.

CITY OF MISSOULA, MONTANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

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 again in the 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 the January after receiving recalculated benefit for 12 months.
- 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 again in the January immediately following second retirement.
- 4) For members who retire **on or after January 1, 2016, return to PERS-covered employment and accumulate five or more years of service credit before retiring again:**
 - member receives same retirement benefit as prior to 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%, .47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS- RP member's account.

CITY OF MISSOULA, MONTANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

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 upon implementation of GASB Statement 68:

Admin Expense as % of Payroll	0.27%
-------------------------------	-------

The following changes were adopted in 2013 based on the 2013 Economic Experience study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Investment rate of return	7.75 percent, net pension plan investment expense, and including inflation

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

General Wage Growth*	4.25%
*Includes inflation at	3.00%
Merit increase	0% to 7.3%
Investment rate of return	8.00 percent, 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

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

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

Planning Fund – The City Planning section manages Growth Policy requirements and legislative initiatives of the City Council and Administration as they relate to that policy. The section facilitates a long-range vision for the community that is implemented through adopted plans, policies, code, the historic preservation program and partnerships.

Public Safety Information Services – As part of the inter-local for the new Public Safety Software a special fund was to be created and maintained by the City of Missoula. The Missoula County 911 center, Missoula County Sheriff Office, City of Missoula Police Department, City Fire and Missoula Rural Fire Districts combined, are each required to deposit \$6,000 per year in this fund. This account should be accumulating \$24,000 per year.

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

George Elmer Cattle Drive - This fund is used to contract for the construction of the intersection improvements (roundabout) at George Elmer Drive and Cattle Drive. The area developers (44 Ranch and Flynn Ranch) were unable to come to agreement between themselves in order to fulfill both of their respective subdivision conditions.

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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

Dangerous Building Demolition and Repair - This fund has been established to account for the costs of steps taken to abate a danger or demolish a building. The City Council may levy a special assessment upon this property to recover its costs.

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

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

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

Road District #1 – This fund accounts for a City-wide road district designed to maintain the current level of service as provided to all city residents. Additionally, the road district provides financial assistance to property owners for ADA curb ramps as an additional financial resource to reduce sidewalk installation assessment costs.

Park District #1 – accounts for a city-wide park district designed to maintain the base level of service (FY09) provided to all city residents. An annual assessment will be established for the purpose of funding and/or financing costs associated with providing services.

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

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

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

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

Community Development Program Income – Accounts for re-payment from CDBG-Entitlement assisted projects and then uses the funds collected to assist additional CDBG-eligible activities.

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

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

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

City Home Program Income – This program derives its funding from the repayment of loans provided to low- and moderate-income homebuyers for down payment, homebuyer education and closing cost assistance, as well as repayment of loans and the interest on those loans to organizations providing housing through funds provided by the City's HOME program.

Neighborhood Stabilization - The purpose of Neighborhood Stabilization Program (NSP) Fund is to acquire foreclosed, vacant or abandoned residential properties in the City of Missoula and redevelop them into affordable housing or other community enhancements. This fund receives a federal grant has been used as partial funding to acquire property at 1311 E. Broadway, demolish the structures on that land, and construct 115 units of rental housing, most of which will be designated for low- and moderate income households in the City of Missoula.

Transportation – This account provides transportation planning and alternative transportation services within three key areas and through various funding sources including the Missoula Metropolitan Planning Organization, Missoula in Motion and Bicycle and Pedestrian office.

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

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

Police Grants and Donations – This fund accounts for the receipt and expenditure of Police related grants and donations.

DEBT SERVICE FUNDS

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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

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

2013A Refunding – Issued in 2013 to provide to provide funds for refunding on July 1, 2013 the City's outstanding General Obligation Bonds, Series 2006 and Series 2007. The interest rate varies from 1.5% to 2.25.

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

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

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

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

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

5th, 6th, Arthur Streets Construction – This project was funded by special improvement district assessments charged to the benefitting landowners, which in this case was the University of Montana for the street improvements designed to improve traffic circulation near the north end of the campus. Additionally, the Montana Department of Transportation funded signals and associated work.

Maloney/Twite Miller Creek \$1.2M Contribution – This project reconstructed Miller Creek Road between Briggs and the roundabout. The project was funded through a combination of contributions and fees from the developers in the area and impact fees.

Hillview Way – This project improvements are mostly within this section but some improvements are north of Black Pine. Improvements also consist of a box culvert at Moose Can Gully for use by pedestrians and wildlife. Present and future development adjacent to this road section has increased the need for improvements.

Rattlesnake Sewer Collection – this project was funded by a combination of grants and special improvement district assessments charged to the benefitting landowners for the extension of sewer mains to the majority of the remaining areas of the city in the Rattlesnake Valley that were not connected to the sewer system.

Phillips Street Traffic Calming – this project was funded by special improvement district assessments charged to the benefitting landowners fronting on Phillips Street between Scott Street and Russell Street for the installation of traffic calming improvements designed to slow traffic down in their neighborhood.

Pattee Creek Drive – this project consists of installing four (4) speed cushion traffic calming improvements on Pattee Creek Drive with associated signage and striping.

Stormwater outfall – This project involves the installation of a storm water treatment device to clean stormwater runoff before it reaches the river.

NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS (Cont.)

ARRA Enhancements –Federal ARRA stimulus funds were used for the following transportation projects: North Higgins streetscape project, Mullan Road bike/pedestrian path, Greenough Drive sidewalks, sidewalk ramps, other pavement preservation, Higgins Street Roundabout and the Scott Street Bridge.

ARRA HB645 –State ARRA stimulus money was used for: the construction of curb ramps, North Higgins Street paving, Brooks Street curb/sidewalk work, Greenough Park Bridge construction and four new playgrounds in City parks.

Western Federal Lands Miller Creek – This project reconstructed Lower Miller Creek Road between the roundabout and Linda Vista Boulevard.

Western Federal Lands - This project will install a pedestrian and bicycle bridge across Rattlesnake Creek and construct a trail from Rattlesnake Creek Bridge to Van Buren Street. The project will enhance access to the University of Montana with improved pedestrian and bicycle facilities.

**NONMAJOR
GOVERNMENTAL
FUNDS**

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

City of Missoula
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
June 30, 2017

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 224	\$ 624,227	\$ -	\$ 624,451
Taxes Receivable	302,256	71,911	-	374,167
Special Assessments Receivable	4,268	963,867	-	968,135
Due from other governments	830,052	76,978	-	907,030
Accounts Receivable	180,464	-	-	180,464
Long term loans	2,388,521	-	-	2,388,521
Interfund receivable	7,612,100	1,537,120	870,635	10,019,855
Advanced receivable	3,142	1,289,610	-	1,292,752
Prepaid expenditures	19,396	-	-	19,396
Deferred Assessments Receivable	-	8,560,726	-	8,560,726
Total assets	<u>\$ 11,340,423</u>	<u>\$ 13,124,438</u>	<u>\$ 870,635</u>	<u>\$ 25,335,496</u>
LIABILITIES				
Unearned revenues; taxes and loans receivable	2,595,655	9,610,711	-	12,206,366
Accrued expenditures	43,275	-	-	43,275
Interfund payable	1,805,824	526,346	345,422	2,677,592
Advances payable	-	-	15,735	15,735
Accounts payable	825,894	350	141,225	967,469
Total liabilities	<u>5,270,648</u>	<u>10,137,407</u>	<u>502,382</u>	<u>15,910,437</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Restricted				
Building construction inspections	1,998,851	-	-	1,998,851
Cable contract restricted for CAT & PEG Access	-	-	-	-
Grant restrictions for program expenditures	960,141	-	-	960,141
Law Enforcement	286,635	3,366,497	-	3,653,132
Public works safety & maintenance expenditures	125,277	-	-	125,277
Debt Service	-	-	-	-
for Capital Project expenditures	-	-	766,883	766,883
Committed				
By City Ordinance for specific budgeted programs	3,722,872	-	-	3,722,872
Assigned	171,468	5	-	171,473
Unassigned	(1,195,469)	(379,470)	(398,630)	(1,973,569)
Total fund balances (deficits)	<u>\$ 6,069,775</u>	<u>\$ 2,987,031</u>	<u>\$ 368,253</u>	<u>\$ 9,425,059</u>
Total liabilities and fund balances (deficits)	\$ 11,340,423	\$ 13,124,438	\$ 870,635	\$ 25,335,496

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

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended June 30, 2017

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 4,242,237	\$ -	\$ 53,198	\$ 4,295,435
Taxes and assessments	7,946,063	3,205,830	-	11,151,893
Licenses and permits	2,883,016	-	-	2,883,016
Charges for services	1,951,475	-	-	1,951,475
Fines and forfeitures	15,843	-	-	15,843
Miscellaneous	70,640	15,531	254,896	341,067
Investment earnings	-	8,673	-	8,673
Total revenues	<u>17,109,274</u>	<u>3,230,034</u>	<u>308,094</u>	<u>20,647,402</u>
EXPENDITURES				
Current:				
General Government	1,683,473	618	-	1,684,091
Public Works	1,123,546	-	283,943	1,407,489
Public Safety	1,993,600	-	-	1,993,600
Cultural & Recreation	772,722	-	-	772,722
Housing & Community Development	687,824	-	-	687,824
Social & Economic Services	-	-	-	-
Miscellaneous	58,886	-	31,153	90,039
Debt service:				
Administrative charges	-	-	-	-
Interest	65,165	704,846	608	770,619
Principal retirement	785,476	2,502,358	-	3,287,834
Capital outlay:				
General Government	18,671	-	-	18,671
Public Works	1,396,392	-	3,089,599	4,485,991
Public Safety	143,330	-	-	143,330
Cultural & Recreation	743,109	-	389,534	1,132,643
Total expenditures	<u>9,472,195</u>	<u>3,207,822</u>	<u>3,794,837</u>	<u>16,474,854</u>
Excess (deficiency) of revenues over expenditures	<u>7,637,079</u>	<u>22,212</u>	<u>(3,486,743)</u>	<u>4,172,548</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(7,801,583)	(90,454)	(144,812)	(8,036,849)
Transfers in	247,208	144,634	1,507,041	1,898,883
Issuance of long term debt/capital leases	-	-	2,892,685	2,892,685
Total other financing sources (uses)	<u>(7,554,376)</u>	<u>54,180</u>	<u>4,254,914</u>	<u>(3,245,282)</u>
Net change in fund balances	82,703	76,392	768,171	927,266
Fund balances - beginning	8,573,908	2,910,639	(399,918)	11,084,629
Restatements	(2,586,836)	-	-	(2,586,836)
Fund balances - beginning restated	5,987,072	2,910,639	(399,918)	8,497,793
Fund balances - ending	<u>\$ 6,069,775</u>	<u>\$ 2,987,031</u>	<u>\$ 368,253</u>	<u>\$ 9,425,059</u>

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

**COMBINING BALANCE SHEET
FOR NONMAJOR
GOVERNMENTAL
SPECIAL REVENUE
FUNDS**

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	PLANNING FUND	PUBLIC SAFETY INFORMATION SYSTEM	IMPACT FEE FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	- -	- -	- -
Special Assessments Receivable	- -	- -	- -
Due from other governments	29,685	- -	- -
Accounts Receivable	- -	- -	- -
Long term loans	- -	- -	- -
Interfund receivable	- -	39,285	3,686,476
Advanced receivable	- -	- -	- -
Prepaid expenditures	3,160	- -	- -
Total assets	<u><u>\$ 32,845</u></u>	<u><u>\$ 39,285</u></u>	<u><u>\$ 3,686,476</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	- -	- -	- -
Accrued expenditures	5,836	- -	- -
Interfund payable	44,776	- -	187,398
Accounts payable	25	- -	115,152
Total liabilities	<u><u>50,637</u></u>	<u><u>- -</u></u>	<u><u>302,550</u></u>
FUND BALANCES			
(DEFICITS)			
Nonspendable	- -	- -	- -
Restricted	- -	- -	- -
Building construction inspections	- -	- -	- -
Cable contract restricted for CAT & PEG Access	- -	- -	- -
Grant restrictions for program expenditures	- -	- -	- -
Law Enforcement	- -	- -	- -
Public works safety & maintenance expenditures	- -	- -	- -
Committed	- -	- -	- -
By City Ordinance for specific budgeted programs	- -	- -	3,383,926
Assigned	\$ -	\$ 39,285	- -
Unassigned	<u><u>(17,792)</u></u>	<u><u>- -</u></u>	<u><u>- -</u></u>
Total fund balances (deficits)	<u><u>\$ (17,792)</u></u>	<u><u>\$ 39,285</u></u>	<u><u>\$ 3,383,926</u></u>
Total liabilities and fund balances (deficits)	\$ 32,845	\$ 39,285	\$ 3,686,476

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	GEORGE ELMER/CATTLE DR INTERSECTION	PUBLIC ART FUND	EMPLOYEE HEALTH INSURANCE LEVY
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	232,118
Special Assessments Receivable	-	-	-
Due from other governments	-	-	91,158
Accounts Receivable	-	-	-
Long term loans	-	-	-
Interfund receivable	1	15,944	-
Advanced receivable	-	-	-
Prepaid expenditures	-	-	-
Total assets	\$ 1	\$ 15,944	\$ 323,276
LIABILITIES			
Unearned revenues; taxes and loans receivable	-	-	129,588
Accrued expenditures	-	-	-
Interfund payable	-	-	485,742
Accounts payable	-	-	-
Total liabilities	-	-	615,330
FUND BALANCES			
(DEFICITS)			
Nonspendable			
Restricted			
Building construction inspections	-	-	-
Cable contract restricted for CAT & PEG Access	-	-	-
Grant restrictions for program expenditures	-	-	-
Law Enforcement	-	-	-
Public works safety & maintenance expenditures	-	-	-
Committed			
By City Ordinance for specific budgeted programs	1	15,944	-
Assigned			
Unassigned			(292,054)
Total fund balances (deficits)	\$ 1	\$ 15,944	\$ (292,054)
Total liabilities and fund balances (deficits)	\$ 1	\$ 15,944	\$ 323,276

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	CABLE TELEVISION FRANCHISE FUND	DRUG FORFEITURE FUND	BUILDING INSPECTION FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	-	-	-
Due from other governments	-	619	-
Accounts Receivable	178,791	-	-
Long term loans	-	-	-
Interfund receivable	-	4,863	2,022,139
Advanced receivable	-	-	-
Prepaid expenditures	-	-	7,111
Total assets	<u><u>\$ 178,791</u></u>	<u><u>\$ 5,482</u></u>	<u><u>\$ 2,029,250</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	-	-	-
Accrued expenditures	-	-	12,851
Interfund payable	103,127	-	-
Accounts payable	130,565	1,245	17,548
Total liabilities	<u><u>233,692</u></u>	<u><u>1,245</u></u>	<u><u>30,399</u></u>
FUND BALANCES			
(DEFICITS)			
Nonspendable			
Restricted			
Building construction inspections	-	-	1,998,851
Cable contract restricted for CAT & PEG Access	-	-	-
Grant restrictions for program expenditures	-	-	-
Law Enforcement	-	4,237	-
Public works safety & maintenance expenditures	-	-	-
Committed			
By City Ordinance for specific budgeted programs	-	-	-
Assigned			
Unassigned	<u><u>(54,901)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total fund balances (deficits)	<u><u>\$ (54,901)</u></u>	<u><u>\$ 4,237</u></u>	<u><u>\$ 1,998,851</u></u>
Total liabilities and fund balances (deficits)	\$ 178,791	\$ 5,482	\$ 2,029,250

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	CITY GRANTS & PROGRAM INCOME FUND	STREET LIGHTING ASSESSMENTS FUND	STREET MAINTENANCE ASSESSMENT FUND
ASSETS			
Cash and Investments	\$ 224	\$ -	\$ -
Taxes Receivable	-	3,214	1,054
Special Assessments Receivable	-	3,040	1,564
Due from other governments	-	1,606	-
Accounts Receivable	-	-	-
Long term loans	-	-	-
Interfund receivable	3,847	121,249	-
Advanced receivable	3,142	-	-
Prepaid expenditures	-	-	-
Total assets	<u>\$ 7,213</u>	<u>\$ 129,109</u>	<u>\$ 2,618</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	3,142	3,214	1,053
Accrued expenditures	-	-	-
Interfund payable	-	-	2,782
Accounts payable	-	661	-
Total liabilities	<u>3,142</u>	<u>3,875</u>	<u>3,835</u>
FUND BALANCES			
(DEFICITS)			
Nonspendable			
Restricted			
Building construction inspections	-	-	-
Cable contract restricted for CAT & PEG Access	-	-	-
Grant restrictions for program expenditures	4,071	-	-
Law Enforcement	-	-	-
Public works safety & maintenance expenditures	-	125,234	-
Committed			
By City Ordinance for specific budgeted programs	-	-	-
Assigned			
Unassigned			(1,217)
Total fund balances (deficits)	<u>\$ 4,071</u>	<u>\$ 125,234</u>	<u>\$ (1,217)</u>
Total liabilities and fund balances (deficits)	\$ 7,213	\$ 129,109	\$ 2,618

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	WILLOWWOOD PARK		ROAD DISTRICT #1		PARK DISTRICT #1
	MAINTENANCE		FUND		FUND
	ASSESSMENT FUND				
ASSETS					
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	- -		40,624		29,514
Special Assessments Receivable	- -		- -		
Due from other governments	- -		45,403		35,872
Accounts Receivable	- -		- -		
Long term loans	- -		- -		
Interfund receivable	43		- -		
Advanced receivable	- -		- -		
Prepaid expenditures	- -		- -	3,429	
Total assets	<u>\$ 43</u>		<u>\$ 86,027</u>		<u>\$ 68,815</u>
LIABILITIES					
Unearned revenues; taxes and loans receivable	- -		40,624		29,514
Accrued expenditures	- -		379		6,936
Interfund payable	- -		703,278		96,972
Accounts payable	- -		4,296		38,678
Total liabilities	<u>- -</u>		<u>748,577</u>		<u>172,100</u>
FUND BALANCES					
(DEFICITS)					
Nonspendable					
Restricted					
Building construction inspections	- -		- -		
Cable contract restricted for CAT & PEG Access	- -		- -		
Grant restrictions for program expenditures	- -		- -		
Law Enforcement	- -		- -		
Public works safety & maintenance expenditures	43		- -		
Committed					
By City Ordinance for specific budgeted programs	- -		- -		
Assigned					
Unassigned			(662,550)		(103,285)
Total fund balances (deficits)	<u>\$ 43</u>		<u>\$ (662,550)</u>		<u>\$ (103,285)</u>
Total liabilities and fund balances (deficits)	\$ 43	\$ 86,027	\$ 68,815		

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	<u>STATE GAS TAX FUND</u>	<u>LAW ENFORCEMENT BLOCK GRANT FUND</u>	<u>HIDTA FUND</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	- -	- -	- -
Special Assessments Receivable	- -	- -	- -
Due from other governments	- -	- -	9,043
Accounts Receivable	- -	- -	- -
Long term loans	- -	- -	- -
Interfund receivable	412,443	- -	275,989
Advanced receivable	- -	- -	- -
Prepaid expenditures	- -	- -	- -
Total assets	<u>\$ 412,443</u>	<u>\$ - -</u>	<u>\$ 285,032</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	- -	- -	- -
Accrued expenditures	- -	- -	- -
Interfund payable	- -	169	- -
Accounts payable	<u>89,442</u>	- -	<u>2,634</u>
Total liabilities	<u>89,442</u>	<u>169</u>	<u>2,634</u>
FUND BALANCES			
(DEFICITS)			
Nonspendable	- -	- -	- -
Restricted	- -	- -	- -
Building construction inspections	- -	- -	- -
Cable contract restricted for CAT & PEG Access	- -	- -	- -
Grant restrictions for program expenditures	- -	- -	- -
Law Enforcement	- -	- -	282,398
Public works safety & maintenance expenditures	- -	- -	- -
Committed	- -	- -	- -
By City Ordinance for specific budgeted programs	323,001	- -	- -
Assigned	- -	- -	- -
Unassigned	- -	(169)	- -
Total fund balances (deficits)	<u>\$ 323,001</u>	<u>\$ (169)</u>	<u>\$ 282,398</u>
Total liabilities and fund balances (deficits)	\$ 412,443	\$ - -	\$ 285,032

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	CDBG PROGRAM INCOME ACCOUNT		
	FUND	CDBG FUND	HOME FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	- -	- -	- -
Special Assessments Receivable	- -	- -	- -
Due from other governments	- -	56,735	29,067
Accounts Receivable	- -	- -	- -
Long term loans	715,318	- -	80,000
Interfund receivable	13,014	26,773	7,200
Advanced receivable	- -	- -	- -
Prepaid expenditures	- -	- -	- -
Total assets	<u><u>\$ 728,332</u></u>	<u><u>\$ 83,508</u></u>	<u><u>\$ 116,267</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	715,317	- -	80,000
Accrued expenditures	- -	- -	- -
Interfund payable	- -	- -	- -
Accounts payable	- -	91,721	28,132
Total liabilities	<u><u>715,317</u></u>	<u><u>91,721</u></u>	<u><u>108,132</u></u>
FUND BALANCES			
(DEFICITS)			
Nonspendable			
Restricted			
Building construction inspections	- -	- -	- -
Cable contract restricted for CAT & PEG Access	- -	- -	- -
Grant restrictions for program expenditures	13,015	- -	8,135
Law Enforcement	- -	- -	- -
Public works safety & maintenance expenditures	- -	- -	- -
Committed			
By City Ordinance for specific budgeted programs	- -	- -	- -
Assigned			
Unassigned		(8,213)	
Total fund balances (deficits)	<u><u>\$ 13,015</u></u>	<u><u>\$ (8,213)</u></u>	<u><u>\$ 8,135</u></u>
Total liabilities and fund balances (deficits)	\$ 728,332	\$ 83,508	\$ 116,267

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	CITY HOME PROGRAM INCOME FUND	NEIGHBORHOOD STABILIZATION PROGRAM FUND	TRANSPORTATION
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	- -	- -	- -
Special Assessments Receivable	- -	- -	- -
Due from other governments	- -	- -	244,390
Accounts Receivable	67 -	- -	- -
Long term loans	- -	- -	- -
Interfund receivable	40,869 -	- -	- -
Advanced receivable	- -	- -	- -
Prepaid expenditures	- -	- -	5,608
Total assets	<u>\$ 40,936</u>	<u>\$ -</u>	<u>\$ 249,998</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	- -	- -	- -
Accrued expenditures	- -	- -	11,920
Interfund payable	- 599	599	34,320
Accounts payable	- -	- -	71,575
Total liabilities	<u>- 599</u>	<u>599</u>	<u>117,815</u>
FUND BALANCES			
(DEFICITS)			
Nonspendable	- -	- -	- -
Restricted	- -	- -	- -
Building construction inspections	- -	- -	- -
Cable contract restricted for CAT & PEG Access	- -	- -	- -
Grant restrictions for program expenditures	40,936 -	- -	- -
Law Enforcement	- -	- -	- -
Public works safety & maintenance expenditures	- -	- -	- -
Committed	- -	- -	- -
By City Ordinance for specific budgeted programs	- -	- -	- -
Assigned	- -	- -	132,183
Unassigned	- (599)	(599)	- -
Total fund balances (deficits)	<u>\$ 40,936</u>	<u>\$ (599)</u>	<u>\$ 132,183</u>
Total liabilities and fund balances (deficits)	\$ 40,936	\$ -	\$ 249,998

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	FEDERAL TRANSPORTATION FUND	GRANTS & DONATIONS FUND	POLICE GRANTS & DONATIONS
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	- -	- -	- -
Special Assessments Receivable	- -	- -	- -
Due from other governments	210,082	22,011	51,383
Accounts Receivable	- -	- -	- -
Long term loans	- -	1,593,203	- -
Interfund receivable	- -	941,965	- -
Advanced receivable	- -	- -	- -
Prepaid expenditures	- -	- -	88
Total assets	<u><u>\$ 210,082</u></u>	<u><u>\$ 2,557,179</u></u>	<u><u>\$ 51,471</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	- -	1,593,203	- -
Accrued expenditures	- -	- -	5,353
Interfund payable	81,965	- -	64,696
Accounts payable	<u><u>162,942</u></u>	<u><u>69,992</u></u>	<u><u>1,286</u></u>
Total liabilities	<u><u>244,907</u></u>	<u><u>1,663,195</u></u>	<u><u>71,335</u></u>
FUND BALANCES			
(DEFICITS)			
Nonspendable	- -	- -	- -
Restricted	- -	- -	- -
Building construction inspections	- -	- -	- -
Cable contract restricted for CAT & PEG Access	- -	- -	- -
Grant restrictions for program expenditures	- -	893,984	- -
Law Enforcement	- -	- -	- -
Public works safety & maintenance expenditures	- -	- -	- -
Committed	- -	- -	- -
By City Ordinance for specific budgeted programs	- -	- -	- -
Assigned	- -	- -	- -
Unassigned	<u><u>(34,825)</u></u>	- -	<u><u>(19,864)</u></u>
Total fund balances (deficits)	<u><u>\$ (34,825)</u></u>	<u><u>\$ 893,984</u></u>	<u><u>\$ (19,864)</u></u>
Total liabilities and fund balances (deficits)	\$ 210,082	\$ 2,557,179	\$ 51,471

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

Total Nonmajor
Special revenue funds

ASSETS

Cash and Investments	\$ 224
Taxes Receivable	302,256
Special Assessments Receivable	4,268
Due from other governments	830,052
Accounts Receivable	180,464
Long term loans	2,388,521
Interfund receivable	7,612,100
Advanced receivable	3,142
Prepaid expenditures	19,396
Total assets	<u>\$ 11,340,423</u>

LIABILITIES

Unearned revenues; taxes and loans receivable	2,595,655
Accrued expenditures	43,275
Interfund payable	1,805,824
Accounts payable	825,894
Total liabilities	<u>5,270,648</u>

FUND BALANCES

(DEFICITS)

Nonspendable

Restricted

Building construction inspections	1,998,851
Cable contract restricted for CAT & PEG Access	-
Grant restrictions for program expenditures	960,141
Law Enforcement	286,635
Public works safety & maintenance expenditures	125,277

Committed

By City Ordinance for specific budgeted programs	3,722,872
Assigned	171,468

Unassigned

Total fund balances (deficits)	<u>(1,195,469)</u>
	<u>\$ 6,069,775</u>

Total liabilities and fund balances (deficits)	\$ 11,340,423
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**COMBINING BALANCE SHEET
FOR NONMAJOR
GOVERNMENTAL
DEBT SERVICE
FUNDS**

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	SID REVOLVING FUND	1998 PUBLIC SAFETY G O BONDS FUND	1996 OPEN SPACE GO BONDS FUND
ASSETS			
Cash and Investments	\$ 624,223	\$ -	\$ -
Taxes Receivable	-	41	81
Special Assessments Receivable	-	-	-
Due from other governments	-	-	-
Interfund receivable	-	-	-
Advanced receivable	41,452	-	-
Deferred Assessments	-	-	-
Total assets	<u><u>\$ 665,675</u></u>	<u><u>\$ 41</u></u>	<u><u>\$ 81</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	41,453	41	81
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u><u>41,453</u></u>	<u><u>41</u></u>	<u><u>81</u></u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	624,222	-	-
Committed			
Unassigned			
Total fund balances (deficits)	<u><u>\$ 624,222</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Total liabilities and fund balances (deficits)	\$ 665,675	\$ 41	\$ 81

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	1997 OPEN SPACE GO BOND FUND	1994 FIRE EQUIP/CITY HALLS REMODEL	1993 FIRE STATION G O BOND FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	20	61	48
Special Assessments Receivable	-	-	-
Due from other governments	-	-	-
Interfund receivable	-	-	-
Advanced receivable	-	-	-
Deferred Assessments	-	-	-
Total assets	<u><u>\$ 20</u></u>	<u><u>\$ 61</u></u>	<u><u>\$ 48</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	20	61	48
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u><u>20</u></u>	<u><u>61</u></u>	<u><u>48</u></u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	-	-	-
Committed			
Unassigned			
Total fund balances (deficits)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Total liabilities and fund balances (deficits)	\$ 20	\$ 61	\$ 48

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	2004	Series 2013A	2004
	AQUATICS	GO REFUNDING	REFUNDING
	BOND FUND	BOND	BONDS DEBT
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	29,854	34,304	919
Special Assessments Receivable	-	-	-
Due from other governments	11,330	12,798	-
Interfund receivable	114	-	-
Advanced receivable	-	-	-
Deferred Assessments	-	-	-
Total assets	<u><u>\$ 41,298</u></u>	<u><u>\$ 47,102</u></u>	<u><u>\$ 919</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	17,093	19,904	893
Interfund payable	41,786	226,521	1,484
Accounts payable	-	-	-
Total liabilities	<u><u>58,879</u></u>	<u><u>246,425</u></u>	<u><u>2,377</u></u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	-	-	-
Committed			
Unassigned	(17,581)	(199,323)	(1,458)
Total fund balances (deficits)	<u><u>\$ (17,581)</u></u>	<u><u>\$ (199,323)</u></u>	<u><u>\$ (1,458)</u></u>
Total liabilities and fund balances (deficits)	\$ 41,298	\$ 47,102	\$ 919

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	NEW FIRE STATION GO BOND FUND	2007 REFUNDING BONDS FUND	SIDEWALK & CURB WARRANTS FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	5,892	-	-
Special Assessments Receivable	-	-	214
Due from other governments	-	-	-
Interfund receivable	-	25,676	-
Advanced receivable	-	-	-
Deferred Assessments	-	-	5,051
Total assets	<u><u>\$ 5,892</u></u>	<u><u>\$ 25,676</u></u>	<u><u>\$ 5,265</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	5,830	-	5,265
Interfund payable	154,590	-	-
Accounts payable	-	-	-
Total liabilities	<u><u>160,420</u></u>	<u><u>-</u></u>	<u><u>5,265</u></u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	-	25,676	-
Committed			
Unassigned	(154,528)	-	-
Total fund balances (deficits)	<u><u>\$ (154,528)</u></u>	<u><u>\$ 25,676</u></u>	<u><u>\$ -</u></u>
Total liabilities and fund balances (deficits)	\$ 5,892	\$ 25,676	\$ 5,265

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	<u>FY99 SIDEWALK & CURB DEBT SERVICE FUND</u>	<u>FY00 SIDEWALK & CURB DEBT SERVICE FUND</u>	<u>JUDGMENT LEVIES</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ 4
Taxes Receivable	-	-	691
Special Assessments Receivable	18,974	6,549	-
Due from other governments	-	-	-
Interfund receivable	-	-	-
Advanced receivable	-	-	-
Deferred Assessments	-	-	-
Total assets	<u>\$ 18,974</u>	<u>\$ 6,549</u>	<u>\$ 695</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	18,974	6,549	690
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>18,974</u>	<u>6,549</u>	<u>690</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	-	-	-
Committed			5
Unassigned			
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>
Total liabilities and fund balances (deficits)	\$ 18,974	\$ 6,549	\$ 695

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	FY02 SIDEWALK & CURB DEBT SERVICE FUND	FY03 SIDEWALK & CURB DEBT SERVICE FUND	FY04 SIDEWALK CURB DEBT SERVICE FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	-	-	1,086
Due from other governments	-	-	-
Interfund receivable	350	-	-
Advanced receivable	-	-	-
Deferred Assessments	-	-	-
Total assets	<u><u>\$ 350</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,086</u></u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	-	-	1,086
Interfund payable	-	350	525
Accounts payable	-	350	-
Total liabilities	<u><u>\$ -</u></u>	<u><u>\$ 700</u></u>	<u><u>\$ 1,611</u></u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	350	-	-
Committed			
Unassigned			
Total fund balances (deficits)	<u><u>\$ 350</u></u>	<u><u>\$ (700)</u></u>	<u><u>\$ (525)</u></u>
Total liabilities and fund balances (deficits)	\$ 350	\$ (700)	\$ (525)
			Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	<u>SID 433 DEBT SERVICE FUND</u>	<u>FY 05 SIDEWALK AND CURB FUND</u>	<u>FY 06 SIDEWALK AND CURB FUND</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	-	2,423	324
Due from other governments	-	1,692	5
Interfund receivable	-	22,540	26,017
Advanced receivable	-	42,203	76,307
Deferred Assessments	405	-	23,761
Total assets	<u>\$ 405</u>	<u>\$ 68,858</u>	<u>\$ 126,414</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	405	2,423	24,085
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>405</u>	<u>2,423</u>	<u>24,085</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service		66,435	102,329
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ 66,435</u>	<u>\$ 102,329</u>
Total liabilities and fund balances (deficits)	\$ 405	\$ 68,858	\$ 126,414

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	FY07 SIDEWALK AND CURB FUND	SERIES 2008A SIDEWALK AND CURB FUND	SERIES 2009 SIDEWALK AND CURB FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	2,338	1,739	1,951
Due from other governments	3,489	623	2,439
Interfund receivable	46	37,402	83,109
Advanced receivable	26,752	-	-
Deferred Assessments	188,020	119,671	217,103
Total assets	<u>\$ 220,645</u>	<u>\$ 159,435</u>	<u>\$ 304,602</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	190,357	121,410	219,054
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>190,357</u>	<u>121,410</u>	<u>219,054</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	30,288	38,025	85,548
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ 30,288</u>	<u>\$ 38,025</u>	<u>\$ 85,548</u>
Total liabilities and fund balances (deficits)	<u>\$ 220,645</u>	<u>\$ 159,435</u>	<u>\$ 304,602</u>

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	SERIES 2010 SIDEWALK AND CURB FUND	FY12 S/C DEBT SERVICE FUND	FY13 SIDEWALK AND CURB DEBT SERVICE FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	- -	- -	- -
Special Assessments Receivable	1,874	3,536	411
Due from other governments	1,589	3,806	757
Interfund receivable	77,547	193	5,270
Advanced receivable	- -	- -	- -
Deferred Assessments	257,919	520,114	273,457
Total assets	<u>\$ 338,929</u>	<u>\$ 527,649</u>	<u>\$ 279,895</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	259,793	523,651	273,868
Interfund payable	- -	- -	- -
Accounts payable	- -	- -	- -
Total liabilities	<u>259,793</u>	<u>523,651</u>	<u>273,868</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	79,136	3,998	6,027
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ 79,136</u>	<u>\$ 3,998</u>	<u>\$ 6,027</u>
Total liabilities and fund balances (deficits)	<u>\$ 338,929</u>	<u>\$ 527,649</u>	<u>\$ 279,895</u>

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	<u>FY15 SIDEWALK AND CURB DEBT SERVICE FUND</u>	<u>FY16 SIDEWALK AND CURB DEBT SERVICE FUND</u>	<u>SID 498 DEBT SERVICE FUND</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	- -	- -	- -
Special Assessments Receivable	773	1,824	140
Due from other governments	994	1,997	- -
Interfund receivable	15,664	- -	- -
Advanced receivable	- -	- -	- -
Deferred Assessments	508,035	306,246	478
Total assets	<u>\$ 525,466</u>	<u>\$ 310,067</u>	<u>\$ 618</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	508,808	308,070	618
Interfund payable	- 5,446	- -	- -
Accounts payable	- -	- -	- -
Total liabilities	<u>508,808</u>	<u>313,516</u>	<u>618</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	16,658		
Committed			
Unassigned		(3,449)	
Total fund balances (deficits)	<u>\$ 16,658</u>	<u>\$ (3,449)</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	\$ 525,466	\$ 310,067	\$ 618

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	<u>SID 501 DEBT SERVICE FUND</u>	<u>SID 510 DEBT SERVICE FUND</u>	<u>SID 511 DEBT SERVICE FUND</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	139	-	692
Due from other governments	-	-	-
Interfund receivable	-	11,732	-
Advanced receivable	-	107,084	-
Deferred Assessments	-	-	-
Total assets	<u>\$ 139</u>	<u>\$ 118,816</u>	<u>\$ 692</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	139	-	692
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>139</u>	<u>-</u>	<u>692</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service		118,816	
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ 118,816</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	\$ 139	\$ 118,816	\$ 692

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	<u>SID 512 DEBT SERVICE FUND</u>	<u>SID 517 DEBT SERVICE FUND</u>	<u>SID 520 DEBT SERVICE FUND</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	906	-	5,649
Due from other governments	549	-	5,669
Interfund receivable	136,221	-	132,083
Advanced receivable	9,451	-	15,735
Deferred Assessments	78,955	875	258,561
Total assets	<u>\$ 226,082</u>	<u>\$ 875</u>	<u>\$ 417,697</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	79,862	875	264,210
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>79,862</u>	<u>875</u>	<u>264,210</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	146,220		153,487
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ 146,220</u>	<u>\$ -</u>	<u>\$ 153,487</u>
Total liabilities and fund balances (deficits)	<u>\$ 226,082</u>	<u>\$ 875</u>	<u>\$ 417,697</u>

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	<u>SID 521 DEBT SERVICE FUND</u>	<u>SID 522 DEBT SERVICE FUND</u>	<u>SID 524 DEBT SERVICE FUND</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	-	-	6,121
Due from other governments	-	-	5,524
Interfund receivable	1,063	-	179,942
Advanced receivable	-	-	430,630
Deferred Assessments	-	-	1,104,241
Total assets	<u>\$ 1,063</u>	<u>\$ -</u>	<u>\$ 1,726,458</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	-	-	1,110,361
Interfund payable	-	556	-
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>556</u>	<u>1,110,361</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	1,063		616,097
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ 1,063</u>	<u>(556)</u>	<u>\$ 616,097</u>
Total liabilities and fund balances (deficits)	\$ 1,063	\$ -	\$ 1,726,458

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	SID 525 DEBT SERVICE FUND	SID 526 DEBT SERVICE FUND	SID 530 DEBT SERVICE FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	918	10,194	-
Due from other governments	1,447	7,432	-
Interfund receivable	97,150	-	-
Advanced receivable	142,866	201,729	-
Deferred Assessments	73,855	379,457	-
Total assets	<u>\$ 316,236</u>	<u>\$ 598,812</u>	<u>\$ -</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	74,773	389,651	-
Interfund payable	-	93,738	1,350
Accounts payable	-	-	-
Total liabilities	<u>74,773</u>	<u>483,389</u>	<u>1,350</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	241,463	115,423	-
Committed			
Unassigned			(1,350)
Total fund balances (deficits)	<u>\$ 241,463</u>	<u>\$ 115,423</u>	<u>\$ (1,350)</u>
Total liabilities and fund balances (deficits)	\$ 316,236	\$ 598,812	\$ -

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

ASSETS

	<u>SID 532 DEBT SERVICE FUND</u>	<u>GILBERT ST SEWER SID DEBT FUND</u>	<u>LINCOLNWOOD SEWER PHASE I DEBT FUND</u>
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	540	560	3,826
Due from other governments	714	592	762
Interfund receivable	16,417	20,313	44,444
Advanced receivable	-	-	-
Deferred Assessments	175,084	69,258	96,039
Total assets	<u>\$ 192,755</u>	<u>\$ 90,723</u>	<u>\$ 145,071</u>

LIABILITIES

Unearned revenues; taxes and loans receivable	175,624	69,818	99,866
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>175,624</u>	<u>69,818</u>	<u>99,866</u>

**FUND BALANCES
(DEFICITS)**

Restricted

Debt Service	17,131	20,905	45,205
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Committed

Unassigned

Total fund balances (deficits)	<u>\$ 17,131</u>	<u>\$ 20,905</u>	<u>\$ 45,205</u>
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Total liabilities and fund balances (deficits)	\$ 192,755	\$ 90,723	\$ 145,071
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Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	SLANT STREET TRAFFIC CALMING FUND	LINCOLNWOOD SEWER PHASE II DEBT FUND	SOUTH 4TH STREET W TRAFFIC DEBT FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	-	387	-
Due from other governments	-	617	-
Interfund receivable	-	68,263	-
Advanced receivable	-	-	-
Deferred Assessments	1	167,343	-
Total assets	<u>\$ 1</u>	<u>\$ 236,610</u>	<u>\$ -</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	-	167,731	-
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>167,731</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	1	68,879	-
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ 1</u>	<u>\$ 68,879</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	\$ 1	\$ 236,610	\$ -

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	SID 540 DEBT SERVICE FUND	SID 541 DEBT SERVICE FUND	SID 543 DEBT SERVICE FUND
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-
Special Assessments Receivable	778	1,415	168
Due from other governments	1,343	1,861	230
Interfund receivable	298,644	33,725	14,194
Advanced receivable	73,397	31,789	-
Deferred Assessments	559,130	452,373	7,665
Total assets	<u>\$ 933,292</u>	<u>\$ 521,163</u>	<u>\$ 22,257</u>
LIABILITIES			
Unearned revenues; taxes and loans receivable	559,909	453,789	7,833
Interfund payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>559,909</u>	<u>453,789</u>	<u>7,833</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	373,383	67,374	14,424
Committed			
Unassigned			
Total fund balances (deficits)	<u>\$ 373,383</u>	<u>\$ 67,374</u>	<u>\$ 14,424</u>
Total liabilities and fund balances (deficits)	\$ 933,292	\$ 521,163	\$ 22,257

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	SID 544			
	RATTLESNAKE			
	DEBT SERVICE	SID 545 DEBT	SID 546 DEBT	
	FUND	SERVICE FUND	SERVICE FUND	
ASSETS				
Cash and Investments	\$ -	\$ -	\$ -	-
Taxes Receivable	-	-	-	-
Special Assessments Receivable	10,261	68	34	
Due from other governments	5,880	71	35	
Interfund receivable	128,164	-	-	
Advanced receivable	90,215	-	-	
Deferred Assessments	1,238,316	5,183	4,278	
Total assets	<u>\$ 1,472,836</u>	<u>\$ 5,322</u>	<u>\$ 4,347</u>	
LIABILITIES				
Unearned revenues; taxes and loans receivable	1,248,578	5,251	4,312	
Interfund payable	-	-	-	
Accounts payable	-	-	-	
Total liabilities	<u>1,248,578</u>	<u>5,251</u>	<u>4,312</u>	
FUND BALANCES (DEFICITS)				
Restricted				
Debt Service	224,258	71	35	
Committed				
Unassigned				
Total fund balances (deficits)	<u>\$ 224,258</u>	<u>\$ 71</u>	<u>\$ 35</u>	
Total liabilities and fund balances (deficits)	<u>\$ 1,472,836</u>	<u>\$ 5,322</u>	<u>\$ 4,347</u>	

Continued

City of Missoula
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2017

	SID 549			Total
	SID 548-5TH 6TH	HILLVIEW WAY	Nonmajor Debt	
	& ARTHUR DEBT	DEBT SERVICE	service funds	
	SERVICE FUND	FUND	funds	
ASSETS				
Cash and Investments	\$ -	\$ -	\$ 624,227	
Taxes Receivable	- -	- -	71,911	
Special Assessments Receivable	875,000	2,055	963,867	
Due from other governments	- -	2,733	76,978	
Interfund receivable	17,944	42,893	1,537,120	
Advanced receivable	- -	- -	1,289,610	
Deferred Assessments	- -	1,469,852	8,560,726	
Total assets	<u>\$ 892,944</u>	<u>\$ 1,517,533</u>	<u>\$ 13,124,438</u>	
LIABILITIES				
Unearned revenues; taxes and loans receivable	875,000	1,471,907	9,610,711	
Interfund payable	- -	- -	526,346	
Accounts payable	- -	- -	350	
Total liabilities	<u>875,000</u>	<u>1,471,907</u>	<u>10,137,407</u>	
FUND BALANCES (DEFICITS)				
Restricted				
Debt Service	17,944	45,626	3,366,497	
Committed			5	
Unassigned			(379,470)	
Total fund balances (deficits)	<u>\$ 17,944</u>	<u>\$ 45,626</u>	<u>\$ 2,987,031</u>	
Total liabilities and fund balances (deficits)	<u>\$ 892,944</u>	<u>\$ 1,517,533</u>	<u>\$ 13,124,438</u>	

**COMBINING BALANCE SHEET
FOR NONMAJOR
GOVERNMENTAL
CAPITAL PROJECT
FUNDS**

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	1997 G O	
	BOND OPEN	
	SPACE	NEW FIRE STATION
	PURCHASE	GO BOND FUND
ASSETS		
Interfund receivable	\$ -	\$ -
Total assets	<hr/> -	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Interfund payable	- -	1
Advances payable	- -	-
Accounts payable	- -	-
Total liabilities	<hr/> - -	<hr/> 1
	<hr/> <hr/>	<hr/> <hr/>
FUND BALANCES		
(DEFICITS)		
Restricted		
for Capital Project expenditures	- -	-
Unassigned		
Total fund balances (deficits)	<hr/> \$ -	<hr/> (1)
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and fund balances (deficits)	\$ -	\$ -

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	S/C CONSTRUCTION FUND FOR FY06	FY07 SIDEWALK & CURB BOND FUND
ASSETS		
Interfund receivable	\$ -	\$ 34
Total assets	<hr/> -	<hr/> 34 <hr/>
LIABILITIES		
Interfund payable	-	-
Advances payable	-	-
Accounts payable	-	-
Total liabilities	<hr/> -	<hr/> -
FUND BALANCES (DEFICITS)		
Restricted		
for Capital Project expenditures	-	34
Unassigned		
Total fund balances (deficits)	<hr/> \$ - <hr/>	<hr/> \$ 34 <hr/>
Total liabilities and fund balances (deficits)	\$ -	\$ 34

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	<u>FY08 SIDEWALK & CURB BOND FUND</u>	<u>FY09 SIDEWALK & CURB BOND FUND</u>
ASSETS		
Interfund receivable	\$ -	\$ -
Total assets	- -	- -
	<u><u><u></u></u></u>	<u><u><u></u></u></u>
LIABILITIES		
Interfund payable	- -	- -
Advances payable	- -	- -
Accounts payable	- -	- -
Total liabilities	- -	- -
	<u><u><u></u></u></u>	<u><u><u></u></u></u>
FUND BALANCES (DEFICITS)		
Restricted		
for Capital Project expenditures	- -	- -
Unassigned		
Total fund balances (deficits)	\$ -	\$ -
	<u><u><u></u></u></u>	<u><u><u></u></u></u>
Total liabilities and fund balances (deficits)	\$ -	\$ -

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	<u>FY10 SIDEWALK & CURB BOND FUND</u>	<u>FY11 SIDEWALK & CURB BOND FUND</u>
ASSETS		
Interfund receivable	\$ 889	\$ 538
Total assets	<u>889</u>	<u>538</u>
LIABILITIES		
Interfund payable	-	-
Advances payable	-	-
Accounts payable	-	-
Total liabilities	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)		
Restricted		
for Capital Project expenditures	889	538
Unassigned		
Total fund balances (deficits)	<u>\$ 889</u>	<u>\$ 538</u>
Total liabilities and fund balances (deficits)	\$ 889	\$ 538

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	<u>FY12 SIDEWALK & CURB BOND FUND</u>	<u>FY13 SIDEWALK & CURB BOND FUND</u>	<u>FY14 SIDEWALK & CURB BOND FUND</u>
ASSETS			
Interfund receivable	\$ 48,779	\$ 33,363	\$ -
Total assets	<u>48,779</u>	<u>33,363</u>	<u>-</u>
LIABILITIES			
Interfund payable	-	-	-
Advances payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted			
for Capital Project expenditures	48,779	33,363	-
Unassigned			
Total fund balances (deficits)	<u>\$ 48,779</u>	<u>\$ 33,363</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	\$ 48,779	\$ 33,363	\$ -

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	<u>FY15 SIDEWALK & CURB BOND FUND</u>	<u>FY16 SIDEWALK & CURB BOND FUND</u>
ASSETS		
Interfund receivable	\$ 57,725	\$ 11,110
Total assets	<u>57,725</u>	<u>11,110</u>
LIABILITIES		
Interfund payable	-	-
Advances payable	-	-
Accounts payable	-	-
Total liabilities	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)		
Restricted		
for Capital Project expenditures	57,725	11,110
Unassigned		
Total fund balances (deficits)	<u>\$ 57,725</u>	<u>\$ 11,110</u>
Total liabilities and fund balances (deficits)	\$ 57,725	\$ 11,110

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	<u>FY17 SIDEWALK & CURB CONSTRUCTION</u>	<u>FY18 SIDEWALK & CURB CONSTRUCTION</u>
ASSETS		
Interfund receivable	\$ -	\$ -
Total assets	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
LIABILITIES		
Interfund payable	313,175	-
Advances payable	-	-
Accounts payable	-	37,473
Total liabilities	<u>313,175</u>	<u>37,473</u>
	<u><u>313,175</u></u>	<u><u>37,473</u></u>
FUND BALANCES (DEFICITS)		
Restricted		
for Capital Project expenditures	-	-
Unassigned	<u>(313,175)</u>	<u>(37,473)</u>
Total fund balances (deficits)	<u><u>\$ (313,175)</u></u>	<u><u>\$ (37,473)</u></u>
	<u><u>\$ (313,175)</u></u>	<u><u>\$ (37,473)</u></u>
Total liabilities and fund balances (deficits)	\$ -	\$ -

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

ASSETS

	SID 530 CHRISTIAN DR CALMING FUND	SID 531 TRAFFIC CALMING FUND	MALONEY RANCH SID FUND
Interfund receivable	\$ -	\$ -	\$ 763
Total assets	<hr/> -	<hr/> -	<hr/> 763

LIABILITIES

Interfund payable	-	-	-
Advances payable	-	1,070	-
Accounts payable	-	-	-
Total liabilities	<hr/> -	<hr/> 1,070	<hr/> -

**FUND BALANCES
(DEFICITS)**

Restricted

for Capital Project expenditures	-	-	763
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Unassigned

Total fund balances (deficits)	<hr/> \$ -	<hr/> \$ (1,070)	<hr/> \$ -
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Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ 763
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Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	RATTLESNAKE SEWER SID FUND	SID 534 LINCOLNWOOD FUND	SLANT STREET TRAFFIC CALMING FUND
ASSETS			
Interfund receivable	\$ 11	\$ -	\$ -
Total assets	<u>11</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Interfund payable	-	14	-
Advances payable	-	-	4,725
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>14</u>	<u>4,725</u>
FUND BALANCES (DEFICITS)			
Restricted			
for Capital Project expenditures	11	-	-
Unassigned	-	(14)	(4,725)
Total fund balances (deficits)	<u>\$ 11</u>	<u>\$ (14)</u>	<u>\$ (4,725)</u>
Total liabilities and fund balances (deficits)	\$ 11	\$ -	\$ -

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

ASSETS

	SID536	ENGLAND	SID 538
	LINCOLNWOOD	BOULEVARD	HILLVIEW
	SEWER PHASE II	STREET FUND	WAY FUND
	FUND	STREET FUND	WAY FUND
Interfund receivable	\$ 2,220	\$ -	\$ -
Total assets	<u>2,220</u>	<u>-</u>	<u>-</u>

LIABILITIES

Interfund payable	-	-	-
Advances payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>

**FUND BALANCES
(DEFICITS)**

Restricted

for Capital Project expenditures	2,220	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>

Total fund balances (deficits)	<u>\$ 2,220</u>	<u>\$ -</u>	<u>\$ -</u>
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Total liabilities and fund balances (deficits)	\$ 2,220	\$ -	\$ -
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Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	SID 539 4th STREET FUND	SID 540 ENGLAND BLVD FUND	SID 541 PINEVIEW PARK FUND
ASSETS			
Interfund receivable	\$ -	\$ 99,154	\$ 23,576
Total assets	- -	99,154	23,576
LIABILITIES			
Interfund payable	- -	- -	- -
Advances payable	140	- -	- -
Accounts payable	- -	- -	- -
Total liabilities	140	- -	- -
FUND BALANCES (DEFICITS)			
Restricted			
for Capital Project expenditures	- -	99,154	23,576
Unassigned			
Total fund balances (deficits)	\$ (140)	\$ 99,154	\$ 23,576
Total liabilities and fund balances (deficits)	\$ -	\$ 99,154	\$ 23,576

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	SID 542	SID 543 TRAFFIC	MILLER CREEK
	HILLVIEW	CALMING FUND	MITIGATION FUND
	WAY FUND		
ASSETS			
Interfund receivable	\$ -	\$ -	\$ 3,526
Total assets	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
LIABILITIES			
Interfund payable	-	-	-
Advances payable	-	-	-
Accounts payable	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total liabilities	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
FUND BALANCES			
(DEFICITS)			
Restricted			
for Capital Project expenditures	-	-	3,526
Unassigned	-	-	-
Total fund balances (deficits)	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ 3,526

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

ASSETS

	MILLER CREEK TWITE CONSTRUCTION	MILLER CREEK MALOHNEY CONSTRUCTION
Interfund receivable	\$ 1,394	\$ 10,025
Total assets	<u>1,394</u>	<u>10,025</u>

LIABILITIES

Interfund payable	-	-
Advances payable	-	-
Accounts payable	-	-
Total liabilities	<u>-</u>	<u>-</u>

**FUND BALANCES
(DEFICITS)**

Restricted

for Capital Project expenditures	1,394	10,025
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Unassigned

Total fund balances (deficits)	<u>\$ 1,394</u>	<u>\$ 10,025</u>
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Total liabilities and fund balances (deficits)	\$ 1,394	\$ 10,025
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Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

ASSETS

	MILLER CREEK	SID 548
	MCCARTHY	5TH,6TH &
	CONSTRUCTION	ARTHUR
Interfund receivable	\$ 18,657	\$ 120,805
Total assets	<u>18,657</u>	<u>120,805</u>

LIABILITIES

Interfund payable	-	-
Advances payable	-	-
Accounts payable	-	156
Total liabilities	<u>-</u>	<u>156</u>

FUND BALANCES

(DEFICITS)

Restricted

for Capital Project expenditures	18,657	120,649
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Unassigned

Total fund balances (deficits)	<u>18,657</u>	<u>120,649</u>
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Total liabilities and fund balances (deficits)	\$ 18,657	\$ 120,805
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Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

ASSETS

	MALONEY/TWITE MILLER CR FUND	SID 549 HILLVIEW WAY	SID 544 RATTLESNAKE SEWER
Interfund receivable	\$ 1,292	\$ 381,664	\$ 245
Total assets	<u>1,292</u>	<u>381,664</u>	<u>245</u>

LIABILITIES

Interfund payable	-	-	-
Advances payable	-	-	-
Accounts payable	-	103,596	-
Total liabilities	<u>-</u>	<u>103,596</u>	<u>-</u>

**FUND BALANCES
(DEFICITS)**

Restricted

for Capital Project expenditures	1,292	278,068	245
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Unassigned

Total fund balances (deficits)	\$ 1,292	\$ 278,068	\$ 245
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Total liabilities and fund balances (deficits)	\$ 1,292	\$ 381,664	\$ 245
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Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

ASSETS

	SID 545 PHILLIPS	CREEK DR.	STORMWATER
	ST TRAFFIC	TRAFFIC	OUTFALL
	CALMING	CALMING	RETROFITS
Interfund receivable	\$ -	\$ -	\$ 45,434
Total assets	- -	- -	45,434

LIABILITIES

Interfund payable	- -	319	- -
Advances payable	4,928	4,872	- -
Accounts payable	- -	- -	- -
Total liabilities	4,928	5,191	- -

**FUND BALANCES
(DEFICITS)**

Restricted

for Capital Project expenditures	- -	- -	45,434
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Unassigned

Total fund balances (deficits)	\$ (4,928)	\$ (5,191)	\$ - -
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Total liabilities and fund balances (deficits)	\$ - -	\$ - -	\$ 45,434
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Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	WAYFINDING PROJECT	ARRA ENHANCEMENTS	ARRA HB645
ASSETS			
Interfund receivable	\$ 9,431	\$ -	\$ -
Total assets	<u>9,431</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Interfund payable	-	2,498	23,677
Advances payable	-	-	-
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>2,498</u>	<u>23,677</u>
FUND BALANCES (DEFICITS)			
Restricted			
for Capital Project expenditures	9,431	-	-
Unassigned	-	(2,498)	(23,677)
Total fund balances (deficits)	<u>\$ 9,431</u>	<u>\$ (2,498)</u>	<u>\$ (23,677)</u>
Total liabilities and fund balances (deficits)	\$ 9,431	\$ -	\$ -

Continued

City of Missoula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	WFL MILLER CREEK ROAD	WESTERN FEDERAL LANDS	Total Nonmajor Capital projects funds
ASSETS			
Interfund receivable	\$ -	\$ -	\$ 870,635
Total assets	- -	- -	870,635
LIABILITIES			
Interfund payable	34	5,704	345,422
Advances payable	- -	- -	15,735
Accounts payable	- -	- -	141,225
Total liabilities	34	5,704	502,382
FUND BALANCES (DEFICITS)			
Restricted			
for Capital Project expenditures	- -	- -	766,883
Unassigned	(34)	(5,704)	(398,630)
Total fund balances (deficits)	\$ (34)	\$ (5,704)	\$ 368,253
Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ 870,635

COMBINING STATEMENT OF
REVENUE, EXPENDITURES
AND
CHANGES IN FUND BALANCE

FOR NONMAJOR
GOVERNMENTAL
SPECIAL REVENUE
FUNDS

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

REVENUES	PLANNING FUND		PUBLIC SAFETY INFORMATION SYSTEM	
	\$	335,409	\$	15,300
Intergovernmental				
Taxes		-		-
Special Assessments		-		-
Licenses and permits		-		-
Charges for services		-		-
Fines and forfeitures		-		-
Miscellaneous		-		-
Total revenues		<u>335,409</u>		<u>15,300</u>

EXPENDITURES

Current:				
General Government		424,457		-
Public Works		-		-
Public Safety		-		-
Cultural & Recreation		-		-
Housing & Community Development		-		-
Miscellaneous		111		-
Debt service:				
Interest		-		-
Principal retirement		-		-
Capital outlay:				
General Government		-		-
Public Works		-		-
Public Safety		-		-
Cultural & Recreation		-		-
Total expenditures		<u>424,568</u>		<u>-</u>
Excess (deficiency) of revenues over expenditures		<u>(89,159)</u>		<u>15,300</u>

**OTHER FINANCING SOURCES
(USES)**

Transfers (out)				
Transfers in		83,734		6,000
Total other financing sources (uses)		<u>83,734</u>		<u>6,000</u>
Net change in fund balances		(5,425)		21,300
Fund balances - beginning		(12,367)		17,985
Restatements		-		-
Fund balances - beginning restated		-		-
Fund balances - ending	\$	<u>(17,792)</u>	\$	<u>39,285</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	IMPACT FEE FUND	GEORGE ELMER/CATTLE DR INTERSECTION	PUBLIC ART FUND
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 1,000
Taxes	- -	- -	- -
Special Assessments	- -	- -	- -
Licenses and permits	- -	- -	- -
Charges for services	1,876,965	- -	- -
Fines and forfeitures	- -	- -	- -
Miscellaneous	- -	- -	81
Total revenues	<u>1,876,965</u>	<u>- -</u>	<u>1,081</u>
EXPENDITURES			
Current:			
General Government	- -	- -	- -
Public Works	10,629	- -	- -
Public Safety	- -	- -	- -
Cultural & Recreation	- -	- -	362.17
Housing & Community Development	- -	- -	- -
Miscellaneous	- -	- -	- -
Debt service:			
Interest	- -	- -	- -
Principal retirement	- -	- -	- -
Capital outlay:			
General Government	- -	- -	- -
Public Works	587,736	- -	- -
Public Safety	187	- -	- -
Cultural & Recreation	380,461	- -	5,000
Total expenditures	<u>979,013</u>	<u>- -</u>	<u>5,362</u>
Excess (deficiency) of revenues over expenditures	<u>897,952</u>	<u>- -</u>	<u>(4,281)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(1,692,801)	- -	- -
Transfers in	- -	- -	- -
Total other financing sources (uses)	<u>(1,692,801)</u>	<u>- -</u>	<u>- -</u>
Net change in fund balances	(794,849)	- -	(4,281)
Fund balances - beginning	4,178,775	1	20,225
Restatements	- -	- -	- -
Fund balances - beginning restated	- -	- -	- -
Fund balances - ending	<u>\$ 3,383,926</u>	<u>\$ 1</u>	<u>\$ 15,944</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	EMPLOYEE HEALTH INSURANCE LEVY	CABLE TELEVISION FRANCHISE FUND
REVENUES		
Intergovernmental	\$ -	\$ -
Taxes	4,688,174	-
Special Assessments	-	-
Licenses and permits	-	722,666
Charges for services	-	-
Fines and forfeitures	-	-
Miscellaneous	-	-
Total revenues	<u>4,688,174</u>	<u>722,666</u>

EXPENDITURES

Current:		
General Government	-	454,189
Public Works	-	-
Public Safety	-	-
Cultural & Recreation	-	-
Housing & Community Development	-	-
Miscellaneous	378	-
Debt service:		
Interest	-	-
Principal retirement	-	-
Capital outlay:		
General Government	-	18,671
Public Works	-	-
Public Safety	-	-
Cultural & Recreation	-	-
Total expenditures	<u>378</u>	<u>472,860</u>
Excess (deficiency) of revenues over expenditures	<u>4,687,796</u>	<u>249,806</u>

**OTHER FINANCING SOURCES
(USES)**

Transfers (out)	(4,778,676)	(301,434)
Transfers in	-	-
Total other financing sources (uses)	<u>(4,778,676)</u>	<u>(301,434)</u>
Net change in fund balances	(90,880)	(51,628)
Fund balances - beginning	(201,174)	(3,273)
Restatements	-	-
Fund balances - beginning restated	-	-
Fund balances - ending	<u>\$ (292,054)</u>	<u>\$ (54,901)</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	DRUG FORFEITURE FUND	BUILDING INSPECTION FUND	CITY GRANTS & PROGRAM INCOME FUND
REVENUES			
Intergovernmental	\$ -	\$ 470	\$ -
Taxes	- -	- -	- -
Special Assessments	- -	- -	- -
Licenses and permits	- -	2,160,350	- -
Charges for services	- -	612	- -
Fines and forfeitures	15,843	- -	- -
Miscellaneous	- -	1,724	224
Total revenues	<u>15,843</u>	<u>2,163,156</u>	<u>224</u>
EXPENDITURES			
Current:			
General Government	- -	- -	- -
Public Works	- -	- -	- -
Public Safety	17,536	1,513,519	- -
Cultural & Recreation	- -	- -	- -
Housing & Community Development	- -	- -	- -
Miscellaneous	- -	37,470	34
Debt service:			
Interest	- -	- -	- -
Principal retirement	- -	- -	- -
Capital outlay:			
General Government	- -	- -	- -
Public Works	- -	- -	- -
Public Safety	- -	64,404	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	<u>17,536</u>	<u>1,615,393</u>	<u>34</u>
Excess (deficiency) of revenues over expenditures	<u>(1,693)</u>	<u>547,763</u>	<u>190</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	- -	- -	- -
Total other financing sources (uses)	<u>- -</u>	<u>- -</u>	<u>- -</u>
Net change in fund balances	(1,693)	547,763	190
Fund balances - beginning	5,930	1,451,088	3,881
Restatements	- -	- -	- -
Fund balances - beginning restated	- -	- -	- -
Fund balances - ending	<u>\$ 4,237</u>	<u>\$ 1,998,851</u>	<u>\$ 4,071</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	STREET LIGHTING ASSESSMENTS FUND	STREET MAINTENANCE ASSESSMENT FUND
REVENUES		
Intergovernmental	\$ -	\$ -
Taxes	- -	- -
Special Assessments	310,216	56,511
Licenses and permits	- -	- -
Charges for services	- -	- -
Fines and forfeitures	- -	- -
Miscellaneous	1,606	- -
Total revenues	<u>311,822</u>	<u>56,511</u>
EXPENDITURES		
Current:		
General Government	- -	- -
Public Works	324,162	- -
Public Safety	- -	- -
Cultural & Recreation	- -	- -
Housing & Community Development	- -	- -
Miscellaneous	- -	20,745
Debt service:		
Interest	- -	- -
Principal retirement	- -	- -
Capital outlay:		
General Government	- -	- -
Public Works	- -	- -
Public Safety	- -	- -
Cultural & Recreation	- -	- -
Total expenditures	<u>324,162</u>	<u>20,745</u>
Excess (deficiency) of revenues over expenditures	<u>(12,340)</u>	<u>35,766</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	- -	(86,046)
Transfers in	- -	- -
Total other financing sources (uses)	<u>- -</u>	<u>(86,046)</u>
Net change in fund balances	(12,340)	(50,280)
Fund balances - beginning	137,574	49,063
Restatements	- -	- -
Fund balances - beginning restated	- -	- -
Fund balances - ending	<u>\$ 125,234</u>	<u>\$ (1,217)</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	WILLOWWOOD PARK MAINTENANCE ASSESSMENT FUND	ROAD DISTRICT #1 FUND	PARK DISTRICT #1 FUND
REVENUES			
Intergovernmental	\$ -	\$ 14	\$ 167
Taxes	- -	- -	- -
Special Assessments	- -	1,616,799	1,274,363
Licenses and permits	- -	- -	- -
Charges for services	- -	- -	- -
Fines and forfeitures	- -	- -	- -
Miscellaneous	- -	- -	- -
Total revenues	<hr/> - -	<hr/> 1,616,813	<hr/> 1,274,530
EXPENDITURES			
Current:			
General Government	- -	- -	- -
Public Works	- -	704,053	- -
Public Safety	- -	- -	- -
Cultural & Recreation	- -	1,946	770,414
Housing & Community Development	- -	- -	- -
Miscellaneous	- -	- -	- -
Debt service:			
Interest	- -	53,980	11,185
Principal retirement	- -	446,181	339,295
Capital outlay:			
General Government	- -	- -	- -
Public Works	- -	485,908	- -
Public Safety	- -	- -	- -
Cultural & Recreation	- -	- -	64,128
Total expenditures	<hr/> - -	<hr/> 1,692,068	<hr/> 1,185,022
Excess (deficiency) of revenues over expenditures	<hr/> - -	<hr/> (75,255)	<hr/> 89,508
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	(163,214)
Transfers in	<hr/> - -	<hr/> - -	<hr/> 10,075
Total other financing sources (uses)	<hr/> - -	<hr/> - -	<hr/> (153,139)
Net change in fund balances	- -	(75,255)	(63,631)
Fund balances - beginning	43	1,147,322	812,565
Restatements		(1,734,617)	(852,219)
Fund balances - beginning restated		(587,295)	(39,654)
Fund balances - ending	<hr/> \$ 43	<hr/> \$ (662,550)	<hr/> \$ (103,285)

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	STATE GAS TAX FUND	LAW ENFORCEMENT	
		BLOCK GRANT FUND	
REVENUES			
Intergovernmental	\$ 1,081,510	\$ 60,373	
Taxes	-	-	
Special Assessments	-	-	
Licenses and permits	-	-	
Charges for services	-	-	
Fines and forfeitures	-	-	
Miscellaneous	-	-	
Total revenues	<u>1,081,510</u>	<u>60,373</u>	

EXPENDITURES

Current:			
General Government	-	-	
Public Works	-	-	
Public Safety	-	60,373	
Cultural & Recreation	-	-	
Housing & Community Development	-	-	
Miscellaneous	-	4	
Debt service:			
Interest	-	-	
Principal retirement	-	-	
Capital outlay:			
General Government	-	-	
Public Works	314,710	-	
Public Safety	-	-	
Cultural & Recreation	-	-	
Total expenditures	<u>314,710</u>	<u>60,377</u>	
Excess (deficiency) of revenues over expenditures	<u>766,800</u>	<u>(4)</u>	

**OTHER FINANCING SOURCES
(USES)**

Transfers (out)	(564,000)	-
Transfers in	-	-
Total other financing sources (uses)	<u>(564,000)</u>	<u>-</u>
Net change in fund balances	202,800	(4)
Fund balances - beginning	120,201	(165)
Restatements	-	-
Fund balances - beginning restated	-	-
Fund balances - ending	<u>\$ 323,001</u>	<u>\$ (169)</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	HIDTA FUND	CDBG PROGRAM INCOME ACCOUNT		CDBG FUND
		FUND		
REVENUES				
Intergovernmental	\$ -	\$ 29,370		\$ 361,775
Taxes	-	-		-
Special Assessments	-	-		-
Licenses and permits	-	-		-
Charges for services	73,111	-		-
Fines and forfeitures	-	-		-
Miscellaneous	-	-		-
Total revenues	<u>73,111</u>	<u>29,370</u>		<u>361,775</u>
EXPENDITURES				
Current:				
General Government	-	-		-
Public Works	-	-		-
Public Safety	61,670	-		-
Cultural & Recreation	-	-		-
Housing & Community Development	-	-		230,461
Miscellaneous	-	-		-
Debt service:				
Interest	-	-		-
Principal retirement	-	-		-
Capital outlay:				
General Government	-	-		-
Public Works	-	-		-
Public Safety	16,432	-		-
Cultural & Recreation	-	-		-
Total expenditures	<u>78,102</u>	<u>-</u>		<u>230,461</u>
Excess (deficiency) of revenues over expenditures	<u>(4,991)</u>	<u>29,370</u>		<u>131,314</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(29,370)		(160,000)
Transfers in	-	-		29,370
Total other financing sources (uses)	<u>-</u>	<u>(29,370)</u>		<u>(130,630)</u>
Net change in fund balances	(4,991)	-		684
Fund balances - beginning	287,389	13,015		(8,897)
Restatements	-	-		-
Fund balances - beginning restated	-	-		-
Fund balances - ending	<u>\$ 282,398</u>	<u>\$ 13,015</u>		<u>\$ (8,213)</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	CITY HOME PROGRAM	
	HOME FUND	INCOME FUND
REVENUES		
Intergovernmental	\$ 180,798	\$ -
Taxes	-	-
Special Assessments	-	-
Licenses and permits	-	-
Charges for services	-	-
Fines and forfeitures	-	-
Miscellaneous	-	40,984
Total revenues	<u>180,798</u>	<u>40,984</u>

EXPENDITURES

Current:		
General Government	-	-
Public Works	-	-
Public Safety	-	-
Cultural & Recreation	-	-
Housing & Community Development	206,909	182
Miscellaneous	-	-
Debt service:		
Interest	-	-
Principal retirement	-	-
Capital outlay:		
General Government	-	-
Public Works	-	-
Public Safety	-	-
Cultural & Recreation	-	-
Total expenditures	<u>206,909</u>	<u>182</u>
Excess (deficiency) of revenues over expenditures	<u>(26,111)</u>	<u>40,802</u>

**OTHER FINANCING SOURCES
(USES)**

Transfers (out)	-	(26,043)
Transfers in	26,043	-
Total other financing sources (uses)	<u>26,043</u>	<u>(26,043)</u>
Net change in fund balances	(68)	14,760
Fund balances - beginning	8,203	26,176
Restatements	-	-
Fund balances - beginning restated	-	-
Fund balances - ending	<u>\$ 8,135</u>	<u>\$ 40,936</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	NEIGHBORHOOD STABILIZATION PROGRAM FUND	TRANSPORTATION	FEDERAL TRANSPORTATION FUND
REVENUES			
Intergovernmental	\$ -	\$ 844,133	\$ 263,570
Taxes	- -	- -	- -
Special Assessments	- -	- -	- -
Licenses and permits	- -	- -	- -
Charges for services	- -	- -	- -
Fines and forfeitures	- -	- -	- -
Miscellaneous	- -	15,971	10,000
Total revenues	<hr/> - -	<hr/> 860,104	<hr/> 273,570
EXPENDITURES			
Current:			
General Government	- -	804,828	- -
Public Works	- -	84,702	- -
Public Safety	- -	- -	- -
Cultural & Recreation	- -	- -	- -
Housing & Community Development	- -	- -	- -
Miscellaneous	- -	143	- -
Debt service:			
Interest	- -	- -	- -
Principal retirement	- -	- -	- -
Capital outlay:			
General Government	- -	- -	- -
Public Works	- -	- -	8,038
Public Safety	- -	- -	- -
Cultural & Recreation	- -	- -	293,520
Total expenditures	<hr/> - -	<hr/> 889,673	<hr/> 301,558
Excess (deficiency) of revenues over expenditures	<hr/> - -	<hr/> (29,570)	<hr/> (27,988)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	- -	91,986	- -
Total other financing sources (uses)	<hr/> - -	<hr/> 91,986	<hr/> - -
Net change in fund balances	- -	62,416	(27,988)
Fund balances - beginning	(599)	69,767	(6,837)
Restatements	- -	- -	- -
Fund balances - beginning restated	- -	- -	- -
Fund balances - ending	<hr/> \$ (599)	<hr/> \$ 132,183	<hr/> \$ (34,825)

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	GRANTS & DONATIONS FUND	POLICE GRANTS & DONATIONS
REVENUES		
Intergovernmental	\$ 748,497	\$ 319,851
Taxes	-	-
Special Assessments	-	-
Licenses and permits	-	-
Charges for services	-	787
Fines and forfeitures	-	-
Miscellaneous	50	-
Total revenues	<u>748,547</u>	<u>320,638</u>
EXPENDITURES		
Current:		
General Government	-	-
Public Works	-	-
Public Safety	-	340,502
Cultural & Recreation	-	-
Housing & Community Development	250,273	-
Miscellaneous	-	-
Debt service:		
Interest	-	-
Principal retirement	-	-
Capital outlay:		
General Government	-	-
Public Works	-	-
Public Safety	62,307	-
Cultural & Recreation	-	-
Total expenditures	<u>312,580</u>	<u>340,502</u>
Excess (deficiency) of revenues over expenditures	<u>435,967</u>	<u>(19,864)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	435,967	(19,864)
Fund balances - beginning	458,017	-
Restatements	-	-
Fund balances - beginning restated	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 893,984</u>	<u>\$ (19,864)</u>

Continued

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

City of Missoula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	Total Nonmajor Special revenue funds
REVENUES	
Intergovernmental	\$ 4,242,237
Taxes	4,688,174
Special Assessments	3,257,889
Licenses and permits	2,883,016
Charges for services	1,951,475
Fines and forfeitures	15,843
Miscellaneous	70,640
Total revenues	17,109,274

EXPENDITURES

Current:

General Government	1,683,473
Public Works	1,123,546
Public Safety	1,993,600
Cultural & Recreation	772,722
Housing & Community Development	687,824
Miscellaneous	58,886

Debt service:

Interest	65,165
Principal retirement	785,476

Capital outlay:

General Government	18,671
Public Works	1,396,392
Public Safety	143,330
Cultural & Recreation	743,109
Total expenditures	9,472,195
Excess (deficiency) of revenues over expenditures	7,637,079

OTHER FINANCING SOURCES

(USES)

Transfers (out)	(7,801,583)
Transfers in	247,208
Total other financing sources (uses)	(7,554,376)

Net change in fund balances	82,703
Fund balances - beginning	8,573,908
Restatements	(2,586,836)
Fund balances - beginning restated	5,987,072
Fund balances - ending	\$ 6,069,775

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

COMBINING STATEMENT OF
REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE

FOR NONMAJOR
GOVERNMENTAL
DEBT SERVICE FUNDS

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID REVOLVING FUND	2004 AQUATICS BOND FUND
REVENUES		
Taxes	\$ -	\$ 582,933
Special Assessments	\$ 255	
Miscellaneous	\$ 15,531	
Investment earnings	-	
Total revenues	<u>15,786</u>	<u>582,933</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	-	78,785
Principal retirement	-	515,000
Total expenditures	<u>-</u>	<u>593,785</u>
Excess (deficiency) of revenues over expenditures	<u>15,786</u>	<u>(10,852)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(86,729)	-
Transfers in	144,634	-
Total other financing sources (uses)	<u>57,905</u>	<u>-</u>
Net change in fund balances	73,691	(10,852)
Fund balances - beginning	550,531	(6,729)
Fund balances - ending	<u>\$ 624,222</u>	<u>\$ (17,581)</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	Series 2013A GO REFUNDING BOND	2004 REFUNDING BONDS DEBT SERVICE
REVENUES		
Taxes	\$ 658,194	\$ 42
Special Assessments		
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>658,194</u>	<u>42</u>
EXPENDITURES		
Current:		
General Government	59	2
Miscellaneous	-	-
Debt service:		
Interest	95,470	-
Principal retirement	575,000	-
Total expenditures	<u>670,529</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	<u>(12,335)</u>	<u>40</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(12,335)</u>	<u>40</u>
Fund balances - beginning	(186,988)	(1,498)
Fund balances - ending	<u>\$ (199,323)</u>	<u>\$ (1,458)</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	NEW FIRE STATION GO BOND FUND	2007 REFUNDING BONDS FUND
REVENUES		
Taxes	\$ 581	\$ -
Special Assessments	-	-
Miscellaneous	-	-
Investment earnings	-	-
Total revenues	<u>581</u>	<u>-</u>
EXPENDITURES		
Current:		
General Government	157	-
Miscellaneous	-	-
Debt service:		
Interest	350	-
Principal retirement	-	-
Total expenditures	<u>507</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>74</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	74	-
Fund balances - beginning	(154,602)	25,676
Fund balances - ending	<u><u>\$ (154,528)</u></u>	<u><u>\$ 25,676</u></u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	<u>JUDGMENT LEVIES</u>	<u>FY02 SIDEWALK & CURB DEBT SERVICE FUND</u>
REVENUES		
Taxes	\$ -	\$ -
Special Assessments	\$ -	\$ -
Miscellaneous	\$ -	\$ -
Investment earnings	(1)	350
Total revenues	<u>(1)</u>	<u>350</u>
EXPENDITURES		
Current:		
General Government	- -	- -
Miscellaneous	- -	- -
Debt service:		
Interest	- -	- -
Principal retirement	- -	- -
Total expenditures	<u>- -</u>	<u>- -</u>
Excess (deficiency) of revenues over expenditures	<u>(1)</u>	<u>350</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	- -	- -
Transfers in	- -	- -
Total other financing sources (uses)	<u>- -</u>	<u>- -</u>
Net change in fund balances	(1)	350
Fund balances - beginning	6	- -
Fund balances - ending	<u>\$ 5</u>	<u>\$ 350</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	FY03 SIDEWALK & CURB DEBT SERVICE FUND	FY04 SIDEWALK CURB DEBT SERVICE FUND
REVENUES		
Taxes	\$ -	\$ -
Special Assessments		
Miscellaneous		
Investment earnings	- -	- -
Total revenues	- -	- -
EXPENDITURES		
Current:		
General Government	- -	- -
Miscellaneous	- -	- -
Debt service:		
Interest	700	350
Principal retirement	- -	- -
Total expenditures	700	350
Excess (deficiency) of revenues over expenditures	(700)	(350)
OTHER FINANCING SOURCES (USES)		
Transfers (out)	- -	- -
Transfers in	- -	- -
Total other financing sources (uses)	- -	- -
Net change in fund balances	(700)	(350)
Fund balances - beginning	- (175)	(175)
Fund balances - ending	\$ (700)	\$ (525)

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 433 DEBT SERVICE FUND	FY 05 SIDEWALK AND CURB FUND
REVENUES		
Taxes		
Special Assessments	\$ (255)	\$ 46,555
Miscellaneous		
Investment earnings	-	274
Total revenues	<u>(255)</u>	<u>46,829</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	-	1,978
Principal retirement	-	35,000
Total expenditures	<u>-</u>	<u>36,978</u>
Excess (deficiency) of revenues over expenditures	<u>(255)</u>	<u>9,851</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(255)	9,851
Fund balances - beginning	255	56,584
Fund balances - ending	<u>\$ -</u>	<u>\$ 66,435</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	FY 06 SIDEWALK AND CURB FUND	FY07 SIDEWALK AND CURB FUND
REVENUES		
Taxes		
Special Assessments	\$ 17,837	\$ 37,082
Miscellaneous		
Investment earnings	495	173
Total revenues	<u>18,332</u>	<u>37,255</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	2,475	11,830
Principal retirement	25,000	45,000
Total expenditures	<u>27,475</u>	<u>56,830</u>
Excess (deficiency) of revenues over expenditures	<u>(9,143)</u>	<u>(19,575)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(9,143)	(19,575)
Fund balances - beginning	111,472	49,863
Fund balances - ending	<u>\$ 102,329</u>	<u>\$ 30,288</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SERIES 2008A SIDEWALK AND CURB FUND	SERIES 2009 SIDEWALK AND CURB FUND
REVENUES		
Taxes		
Special Assessments	\$ 44,845	\$ 72,414
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>44,845</u>	<u>72,414</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	7,838	13,368
Principal retirement	20,000	50,000
Total expenditures	<u>27,838</u>	<u>63,368</u>
Excess (deficiency) of revenues over expenditures	<u>17,007</u>	<u>9,046</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	17,007	9,046
Fund balances - beginning	21,018	76,502
Fund balances - ending	<u>\$ 38,025</u>	<u>\$ 85,548</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SERIES 2010	FY12 S/C DEBT
	SIDEWALK AND CURB	SERVICE FUND
	FUND	
REVENUES		
Taxes		
Special Assessments	\$ 82,274	\$ 68,187
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>82,274</u>	<u>68,187</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	21,850	20,910
Principal retirement	75,000	50,000
Total expenditures	<u>96,850</u>	<u>70,910</u>
Excess (deficiency) of revenues over expenditures	<u>(14,576)</u>	<u>(2,723)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(14,576)	(2,723)
Fund balances - beginning	93,712	6,721
Fund balances - ending	<u>\$ 79,136</u>	<u>\$ 3,998</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	<u>FY13 SIDEWALK/CURB DEBT SERVICE FUND</u>	<u>FY15 SIDEWALK/CURB DEBT SERVICE FUND</u>
REVENUES		
Taxes		
Special Assessments	\$ 40,158	\$ 73,217
Miscellaneous	-	-
Investment earnings	-	-
Total revenues	<u>40,158</u>	<u>73,217</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	10,069	24,524
Principal retirement	29,000	33,000
Total expenditures	<u>39,069</u>	<u>57,524</u>
Excess (deficiency) of revenues over expenditures	<u>1,089</u>	<u>15,693</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	1,089	15,693
Fund balances - beginning	4,938	965
Fund balances - ending	<u>\$ 6,027</u>	<u>\$ 16,658</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	FY16 SIDEWALK/CURB DEBT SERVIC	SID 510 DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ 40,095	\$ -
Miscellaneous		
Investment earnings	-	878
Total revenues	<u>40,095</u>	<u>878</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous		
Debt service:		
Interest	21,686	-
Principal retirement	21,858	-
Total expenditures	<u>43,544</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(3,449)</u>	<u>878</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(3,449)	878
Fund balances - beginning	-	117,938
Fund balances - ending	<u>\$ (3,449)</u>	<u>\$ 118,816</u>

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 512 DEBT SERVICE FUND	SID 520 DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ 79,874	\$ 134,942
Miscellaneous		
Investment earnings	61	608
Total revenues	<u>79,935</u>	<u>135,550</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	2,157	16,344
Principal retirement	19,780	143,000
Total expenditures	<u>21,937</u>	<u>159,344</u>
Excess (deficiency) of revenues over expenditures	<u>57,998</u>	<u>(23,794)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	57,998	(23,794)
Fund balances - beginning	88,222	177,281
Fund balances - ending	<u>\$ 146,220</u>	<u>\$ 153,487</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 521 DEBT SERVICE FUND	SID 522 DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ -	\$ -
Miscellaneous		
Investment earnings	- -	- -
Total revenues	- -	- -
EXPENDITURES		
Current:		
General Government	- -	- -
Miscellaneous	- -	- -
Debt service:		
Interest	4	12
Principal retirement	90	130
Total expenditures	94	142
Excess (deficiency) of revenues over expenditures	(94)	(142)
OTHER FINANCING SOURCES (USES)		
Transfers (out)	- -	- -
Transfers in	- -	- -
Total other financing sources (uses)	- -	- -
Net change in fund balances	(94)	(142)
Fund balances - beginning	1,157	(414)
Fund balances - ending	<u><u>\$ 1,063</u></u>	<u><u>\$ (556)</u></u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 524 DEBT SERVICE FUND	SID 525 DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ 257,006	\$ 29,630
Miscellaneous		
Investment earnings	2,791	926
Total revenues	<u>259,797</u>	<u>30,556</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	71,600	4,440
Principal retirement	234,000	28,000
Total expenditures	<u>305,600</u>	<u>32,440</u>
Excess (deficiency) of revenues over expenditures	<u>(45,803)</u>	<u>(1,884)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(45,803)	(1,884)
Fund balances - beginning	661,900	243,347
Fund balances - ending	<u>\$ 616,097</u>	<u>\$ 241,463</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 526 DEBT SERVICE FUND	SID 530 DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ 128,206	\$ -
Miscellaneous		
Investment earnings	1,307	-
Total revenues	<u>129,513</u>	<u>-</u>
EXPENDITURES		
Current:		
General Government	46	-
Miscellaneous	-	-
Debt service:		
Interest	33,100	-
Principal retirement	160,000	-
Total expenditures	<u>193,146</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(63,633)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(63,633)	-
Fund balances - beginning	179,056	(1,350)
Fund balances - ending	<u>\$ 115,423</u>	<u>\$ (1,350)</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 532 DEBT SERVICE FUND	GILBERT ST SEWER SID DEBT FUND
REVENUES		
Taxes		
Special Assessments	\$ 33,169	\$ 14,252
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>33,169</u>	<u>14,252</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	10,983	4,875
Principal retirement	30,000	12,000
Total expenditures	<u>40,983</u>	<u>16,875</u>
Excess (deficiency) of revenues over expenditures	<u>(7,814)</u>	<u>(2,623)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(7,814)	(2,623)
Fund balances - beginning	24,945	23,528
Fund balances - ending	<u>\$ 17,131</u>	<u>\$ 20,905</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	LINCOLNWOOD SEWER PHASE I DEBT FUND	SLANT STREET TRAFFIC CALMING FUND
REVENUES		
Taxes		
Special Assessments	\$ 15,247	\$ 24
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>15,247</u>	<u>24</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	5,513	-
Principal retirement	<u>12,000</u>	-
Total expenditures	<u>17,513</u>	-
Excess (deficiency) of revenues over expenditures	<u>(2,266)</u>	<u>24</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	(86)
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>(86)</u>
Net change in fund balances	(2,266)	(62)
Fund balances - beginning	47,471	63
Fund balances - ending	<u>\$ 45,205</u>	<u>\$ 1</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	LINCOLNWOOD SEWER PHASE II DEBT FUND	SOUTH 4TH STREET W TRAFFIC DEBT FUND
REVENUES		
Taxes		
Special Assessments	\$ 30,449	\$ -
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>30,449</u>	<u>-</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	9,544	-
Principal retirement	<u>22,000</u>	<u>-</u>
Total expenditures	<u>31,544</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,095)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	(38)
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>(38)</u>
Net change in fund balances	(1,095)	(38)
Fund balances - beginning	69,974	38
Fund balances - ending	<u>\$ 68,879</u>	<u>\$ -</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 540 DEBT SERVICE FUND	SID 541 DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ 170,116	\$ 58,504
Miscellaneous		
Investment earnings	20	206
Total revenues	<u>170,136</u>	<u>58,710</u>
EXPENDITURES		
Current:		
General Government	354	-
Miscellaneous	-	-
Debt service:		
Interest	45,903	28,098
Principal retirement	75,000	30,000
Total expenditures	<u>121,257</u>	<u>58,098</u>
Excess (deficiency) of revenues over expenditures	<u>48,879</u>	<u>612</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	48,879	612
Fund balances - beginning	324,504	66,762
Fund balances - ending	<u>\$ 373,383</u>	<u>\$ 67,374</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	<u>SID 543 DEBT SERVICE FUND</u>	<u>SID 544 RATTLESNAKE DEBT SERVICE FUND</u>
REVENUES		
Taxes		
Special Assessments	\$ 14,076	\$ 143,158
Miscellaneous		
Investment earnings	-	585
Total revenues	<u>14,076</u>	<u>143,743</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	-	55,097
Principal retirement	-	87,500
Total expenditures	<u>-</u>	<u>142,597</u>
Excess (deficiency) of revenues over expenditures	<u>14,076</u>	<u>1,146</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	14,076	1,146
Fund balances - beginning	348	223,112
Fund balances - ending	<u>\$ 14,424</u>	<u>\$ 224,258</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 545 DEBT SERVICE FUND	SID 546 DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ 1,901	\$ 1,694
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>1,901</u>	<u>1,694</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	-	-
Principal retirement	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,901</u>	<u>1,694</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(1,888)	(1,713)
Transfers in	-	-
Total other financing sources (uses)	<u>(1,888)</u>	<u>(1,713)</u>
Net change in fund balances	13	(19)
Fund balances - beginning	58	54
Fund balances - ending	<u>\$ 71</u>	<u>\$ 35</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 548-5TH 6TH & ARTHUR DEBT SERVICE FUND	SID 549 HILLVIEW WAY DEBT SERVICE FUND
REVENUES		
Taxes		
Special Assessments	\$ 113,125	\$ 216,043
Miscellaneous		
Investment earnings	-	-
Total revenues	<u>113,125</u>	<u>216,043</u>
EXPENDITURES		
Current:		
General Government	-	-
Miscellaneous	-	-
Debt service:		
Interest	44,575	60,418
Principal retirement	<u>65,000</u>	<u>110,000</u>
Total expenditures	<u>109,575</u>	<u>170,418</u>
Excess (deficiency) of revenues over expenditures	<u>3,550</u>	<u>45,625</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	-
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	3,550	45,625
Fund balances - beginning	14,394	-
Fund balances - ending	<u>\$ 17,944</u>	<u>\$ 45,625</u>

Continued

City of Missoula
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	Total Nonmajor Debt service funds
REVENUES	
Taxes	\$ 1,241,750
Special Assessments	1,964,080
Miscellaneous	15,531
Investment earnings	8,673
Total revenues	<u>3,230,034</u>
EXPENDITURES	
Current:	
General Government	618
Miscellaneous	-
Debt service:	
Interest	704,846
Principal retirement	2,502,358
Total expenditures	<u>3,207,822</u>
Excess (deficiency) of revenues over expenditures	<u>22,212</u>
OTHER FINANCING SOURCES (USES)	
Transfers (out)	(90,454)
Transfers in	144,634
Total other financing sources (uses)	<u>54,180</u>
Net change in fund balances	76,392
Fund balances - beginning	2,910,639
Fund balances - ending	<u>\$ 2,987,031</u>

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

**FOR NONMAJOR
GOVERNMENTAL
CAPITAL PROJECT FUNDS**

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	1997 G O BOND OPEN SPACE PURCHASE	NEW FIRE STATION GO BOND FUND	FY07 SIDEWALK & CURB BOND FUND
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	- -	- -	- -
EXPENDITURES			
Current:			
Public Works	- -	- -	- -
Miscellaneous	- -	- -	- -
Debt service:			
Interest	- -	- -	- -
Capital outlay:			
Public Works	- -	- -	- -
Cultural & Recreation	389,534	- -	- -
Total expenditures	389,534	- -	- -
Excess (deficiency) of revenues over expenditures	(389,534)	- -	- -
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	- -	- -	- -
Issuance of long term debt/capital leases	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -
Net change in fund balances	(389,534)	- -	- -
Fund balances - beginning	389,534	(1)	34
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ 34</u></u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	FY10 SIDEWALK & CURB BOND FUND	FY11 SIDEWALK & CURB BOND FUND	FY12 SIDEWALK & CURB BOND FUND
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	- -	- -	- -
EXPENDITURES			
Current:			
Public Works	- -	- -	- -
Miscellaneous	- -	- -	- -
Debt service:			
Interest	- -	- -	- -
Capital outlay:			
Public Works	- -	- -	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	- -	- -	- -
Excess (deficiency) of revenues over expenditures	- -	- -	- -
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	- -	- -	- -
Issuance of long term debt/capital leases	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -
Net change in fund balances	- -	- -	- -
Fund balances - beginning	889	538	48,779
Fund balances - ending	<u><u>\$ 889</u></u>	<u><u>\$ 538</u></u>	<u><u>\$ 48,779</u></u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	FY13	FY15	FY16
	SIDEWALK & CURB BOND FUND	SIDEWALK & CURB BOND FUND	SIDEWALK & CURB BOND FUND
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXPENDITURES			
Current:			
Public Works	- -	- -	- -
Miscellaneous	- -	- -	34
Debt service:			
Interest	- -	- -	- -
Capital outlay:			
Public Works	- -	- -	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	<u>- -</u>	<u>- -</u>	<u>34</u>
Excess (deficiency) of revenues over expenditures	<u>- -</u>	<u>- -</u>	<u>(34)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	(17,134)
Transfers in	- -	- -	- -
Issuance of long term debt/capital leases	<u>- -</u>	<u>- -</u>	<u>342,685</u>
Total other financing sources (uses)	<u>- -</u>	<u>- -</u>	<u>325,551</u>
Net change in fund balances	<u>- -</u>	<u>- -</u>	<u>325,517</u>
Fund balances - beginning	33,363	57,725	(314,407)
Fund balances - ending	<u>\$ 33,363</u>	<u>\$ 57,725</u>	<u>\$ 11,110</u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	FY17 SIDEWALK & CURB CONSTRUCTION	FY18 SIDEWALK & CURB CONSTRUCTION	SID 531 TRAFFIC CALMING FUND
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	247,205	-	-
Total revenues	<u>247,205</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Miscellaneous	556	-	-
Debt service:			
Interest	-	-	-
Capital outlay:			
Public Works	489,858	37,473	-
Cultural & Recreation	-	-	-
Total expenditures	<u>490,414</u>	<u>37,473</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(243,209)</u>	<u>(37,473)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
Transfers in	-	-	-
Issuance of long term debt/capital leases	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(243,209)	(37,473)	-
Fund balances - beginning	(69,966)	-	(1,070)
Fund balances - ending	<u>\$ (313,175)</u>	<u>\$ (37,473)</u>	<u>\$ (1,070)</u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	MALONEY RANCH SID FUND	RATTLESNAKE SEWER SID FUND	SID 534 LINCOLNWOOD FUND
REVENUES			
Intergovermental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	- -	- -	- -
EXPENDITURES			
Current:			
Public Works	- -	- -	- -
Miscellaneous	- -	- -	- -
Debt service:			
Interest	- -	- -	- -
Capital outlay:			
Public Works	- -	- -	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	- -	- -	- -
Excess (deficiency) of revenues over expenditures	- -	- -	- -
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	- -	- -	- -
Issuance of long term debt/capital leases	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -
Net change in fund balances	- -	- -	- -
Fund balances - beginning	763	11	(14)
Fund balances - ending	<u><u>\$ 763</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ (14)</u></u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	SLANT STREET TRAFFIC CALMING FUND	SID536 LINCOLNWOOD SEWER PHASE II FUND
REVENUES		
Intergovermental	\$ -	\$ -
Miscellaneous	- -	- -
Total revenues	- -	- -
EXPENDITURES		
Current:		
Public Works	- -	- -
Miscellaneous	- -	- -
Debt service:		
Interest	86	- -
Capital outlay:		
Public Works	- -	- -
Cultural & Recreation	- -	- -
Total expenditures	86	- -
Excess (deficiency) of revenues over expenditures	(86)	- -
OTHER FINANCING SOURCES (USES)		
Transfers (out)	- -	- -
Transfers in	86	- -
Issuance of long term debt/capital leases	- -	- -
Total other financing sources (uses)	86	- -
Net change in fund balances	- -	- -
Fund balances - beginning	(4,725)	2,220
Fund balances - ending	<u><u>\$ (4,725)</u></u>	<u><u>\$ 2,220</u></u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	SID 539 4th STREET FUND	SID 540 ENGLAND BLVD FUND	SID 541 PINEVIEW PARK FUND
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	<u>- -</u>	<u>- -</u>	<u>- -</u>
EXPENDITURES			
Current:			
Public Works	- -	- -	- -
Miscellaneous	- -	7,020	- -
Debt service:			
Interest	7	- -	- -
Capital outlay:			
Public Works	- -	- -	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	<u>7</u>	<u>7,020</u>	<u>- -</u>
Excess (deficiency) of revenues over expenditures	<u>(7)</u>	<u>(7,020)</u>	<u>- -</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	38	- -	- -
Issuance of long term debt/capital leases	<u>- -</u>	<u>- -</u>	<u>- -</u>
Total other financing sources (uses)	<u>38</u>	<u>- -</u>	<u>- -</u>
Net change in fund balances	31	(7,020)	- -
Fund balances - beginning	(171)	106,174	23,576
Fund balances - ending	<u><u>\$ (140)</u></u>	<u><u>\$ 99,154</u></u>	<u><u>\$ 23,576</u></u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	SID 542 HILLVIEW WAY FUND	MILLER CREEK MITIGATION FUND	MILLER CREEK TWITE CONSTRUCTION
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	- -	- -	- -
EXPENDITURES			
Current:			
Public Works	- -	- -	- -
Miscellaneous	- -	- -	- -
Debt service:			
Interest	- -	- -	- -
Capital outlay:			
Public Works	- -	- -	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	- -	- -	- -
Excess (deficiency) of revenues over expenditures	- -	- -	- -
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	178	- -	- -
Issuance of long term debt/capital leases	- -	- -	- -
Total other financing sources (uses)	178	- -	- -
Net change in fund balances	178	- -	- -
Fund balances - beginning	(178)	3,526	1,394
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 3,526</u></u>	<u><u>\$ 1,394</u></u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	MILLER CREEK MALOHNEY CONSTRUCTION	MILLER CREEK MCCARTHY CONSTRUCTION	SID 548 5TH,6TH & ARTHUR
REVENUES			
Intergovermental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	- -	- -	- -
EXPENDITURES			
Current:			
Public Works	- -	- -	- -
Miscellaneous	- -	- -	- -
Debt service:			
Interest	- -	- -	- -
Capital outlay:			
Public Works	- -	- -	18,303
Cultural & Recreation	- -	- -	- -
Total expenditures	- -	- -	18,303
Excess (deficiency) of revenues over expenditures	- -	- -	(18,303)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	- -	- -	- -
Issuance of long term debt/capital leases	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -
Net change in fund balances	- -	- -	(18,303)
Fund balances - beginning	10,025	18,657	138,952
Fund balances - ending	<u><u>\$ 10,025</u></u>	<u><u>\$ 18,657</u></u>	<u><u>\$ 120,649</u></u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	MALONEY/ TWITE MILLER CR FUND	SID 549 HILLVIEW WAY	SID 544 RATTLESNAKE SEWER
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	- -	7,691	- -
Total revenues	- -	7,691	- -
EXPENDITURES			
Current:			
Public Works	- -	163,318	- -
Miscellaneous	- -	23,543	- -
Debt service:			
Interest	- -	- -	- -
Capital outlay:			
Public Works	- -	2,541,433	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	- -	2,728,294	- -
Excess (deficiency) of revenues over expenditures	- -	(2,720,603)	- -
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	(127,678)	- -
Transfers in	- -	1,503,138	- -
Issuance of long term debt/capital leases	- -	2,550,000	- -
Total other financing sources (uses)	- -	3,925,460	- -
Net change in fund balances	- -	1,204,857	- -
Fund balances - beginning	1,292	(926,789)	245
Fund balances - ending	<u>\$ 1,292</u>	<u>\$ 278,068</u>	<u>\$ 245</u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	SID 546	PATTEE	CREEK DR.	STORMWATER	
	SID 545	TRAFFIC	TRAFFIC	OUTFALL	
	PHILLIPS ST	CALMING	CALMING	RETROFITS	
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 53,198	
Miscellaneous	- -	- -	- -	- -	
Total revenues	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>53,198</u>	
EXPENDITURES					
Current:					
Public Works	- -	- -	- -	30,229	
Miscellaneous	- -	- -	- -	- -	
Debt service:					
Interest	262	253	- -	- -	
Capital outlay:					
Public Works	- -	- -	- -	2,532	
Cultural & Recreation	- -	- -	- -	- -	
Total expenditures	<u>262</u>	<u>253</u>	<u>- -</u>	<u>32,761</u>	
Excess (deficiency) of revenues over expenditures	<u>(262)</u>	<u>(253)</u>	<u>- -</u>	<u>20,437</u>	
OTHER FINANCING SOURCES (USES)					
Transfers (out)	- -	- -	- -	- -	
Transfers in	1,888	1,713	- -	- -	
Issuance of long term debt/capital leases	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	
Total other financing sources (uses)	<u>1,888</u>	<u>1,713</u>	<u>- -</u>	<u>- -</u>	
Net change in fund balances	1,626	1,460	- -	20,437	
Fund balances - beginning	(6,554)	(6,651)	- -	24,997	
Fund balances - ending	<u>\$ (4,928)</u>	<u>\$ (5,191)</u>	<u>- -</u>	<u>\$ 45,434</u>	

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	WAYFINDING PROJECT	ARRA ENHANCEMENTS	ARRA HB645
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	- -	- -	- -
Total revenues	- -	- -	- -
EXPENDITURES			
Current:	- -	- -	- -
Public Works	90,396	- -	- -
Miscellaneous	- -	- -	- -
Debt service:	- -	- -	- -
Interest	- -	- -	- -
Capital outlay:	- -	- -	- -
Public Works	- -	- -	- -
Cultural & Recreation	- -	- -	- -
Total expenditures	90,396	- -	- -
Excess (deficiency) of revenues over expenditures	(90,396)	- -	- -
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	- -
Transfers in	- -	- -	- -
Issuance of long term debt/capital leases	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -
Net change in fund balances	(90,396)	- -	- -
Fund balances - beginning	99,827	(2,498)	(23,677)
Fund balances - ending	<u>\$ 9,431</u>	<u>\$ (2,498)</u>	<u>\$ (23,677)</u>

Continued

City of Missoula
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2017

	WFL MILLER CREEK ROAD	WESTERN FEDERAL LANDS	Total Nonmajor Capital projects funds
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 53,198
Miscellaneous	- -	- -	254,896
Total revenues	- -	- -	308,094
EXPENDITURES			
Current:	- -	- -	
Public Works	- -	- -	283,943
Miscellaneous	- -	- -	31,153
Debt service:			
Interest	- -	- -	608
Capital outlay:			
Public Works	- -	- -	3,089,599
Cultural & Recreation	- -	- -	389,534
Total expenditures	- -	- -	3,794,837
Excess (deficiency) of revenues over expenditures	- -	- -	(3,486,743)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	- -	- -	(144,812)
Transfers in	- -	- -	1,507,041
Issuance of long term debt/capital leases	- -	- -	2,892,685
Total other financing sources (uses)	- -	- -	4,254,914
Net change in fund balances	- -	- -	768,171
Fund balances - beginning	(34)	(5,704)	(399,918)
Fund balances - ending	\$ (34)	\$ (5,704)	\$ 368,253

**COMBINING STATEMENT OF NET
POSITION**

**FOR NONMAJOR
PROPRIETARY
FUNDS**

NONMAJOR PROPRIETARY FUNDS

FUND DESCRIPTIONS

Non-major Proprietary Funds are used for operations (a) that are financed and operated in a manner similar to private business enterprise—when 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 or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Civic Stadium – This fund was created for the issuance of \$1,555,000 of Revenue Bonds and purchase of the interest of certain secured lenders in the Civic Stadium to facilitate the City of Missoula's purchase of the Civic Stadium. The fund will receive lease payments in the amount of \$120,000 a year for 20 years from Mountain Baseball. The lease payments will be used to make the debt service payments to the creditors of the \$1,555,000 Civic Stadium Revenue Bonds.

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

Storm Water Fund - The Storm Water Division manages and monitors storm water system infrastructure, monitors discharge of rain and snow runoff into local waterways, monitors and maintains storm drains and outfalls, provides education in an effort to prevent pollutant discharge into the storm water system, monitors and maintains the levees, and ensures the City's storm water system complies with state and federal water quality standards.

City of Missoula
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2017

	Civic Stadium	Storm Water Utility	Aquatics	Total Nonmajor Enterprise funds
ASSETS				
Current assets:				
Cash and Investments	\$ 973	\$ -	\$ 96,672	\$ 97,645
Due from other governments	- -	- -	101	101
Accounts Receivable	30,000	11,212	-	41,212
Interfund receivable	- -	- -	-	-
Advances receivable	26,268	- -	-	26,268
Inventory of supplies	- -	- -	26,354	26,354
Prepaid expenditures	- -	1,580	3,950	5,530
Allowance for depreciation	- -	- -	-	-
Total current assets	<u>57,241</u>	<u>12,792</u>	<u>127,077</u>	<u>197,110</u>
Noncurrent assets:				
Art	- -	- -	65,229	65,229
Land	- -	- -	-	-
Construction work in progress	- -	27,138	-	27,138
Buildings	- -	- -	12,521,965	12,521,965
Improvements other than buildings	3,555,000	94,364	1,389,855	5,039,219
Machinery and equipment	- -	- -	265,031	265,031
Allowance for depreciation	(711,000)	(944)	(4,495,863)	(5,207,807)
Total noncurrent assets	<u>2,844,000</u>	<u>120,558</u>	<u>9,746,217</u>	<u>12,710,775</u>
Total assets	<u>2,901,241</u>	<u>133,350</u>	<u>9,873,294</u>	<u>12,907,885</u>
Deferred Outflow of Resources				
Deferred Outflow of Resources	- -	16,245	51,455	67,700
Total Assets & Deferred Outflows of Resources	<u>2,901,241</u>	<u>149,595</u>	<u>9,924,749</u>	<u>12,975,585</u>
LIABILITIES				
Current liabilities:				
Long-term liabilities - due within one year	41,510	- -	-	41,510
Accrued expenditures	- -	2,121	32,433	34,554
Interfund payable	8,276	30,288	-	38,564
Accounts payable	- -	8,670	79,011	87,681
Compensated absences payable	- -	4,616	35,585	40,201
Total current liabilities	<u>49,786</u>	<u>45,695</u>	<u>147,029</u>	<u>242,510</u>
Noncurrent liabilities:				
Long-term liabilities - due in more than one year	1,312,237	- -	-	1,312,237
Net post employment benefit obligation	- -	2,706	31,840	34,546
Net pension liability	- -	85,973	272,310	358,283
Long-term portion of compensated absences	- -	629	10,968	11,597
Total noncurrent liabilities	<u>1,312,237</u>	<u>89,308</u>	<u>315,118</u>	<u>1,716,663</u>
Total liabilities	<u>1,362,023</u>	<u>135,003</u>	<u>462,147</u>	<u>1,959,173</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	- -	285	901	1,186
Total deferred inflows of resources	- -	285	901	1,186
Total liabilities and deferred inflows of resources	<u>1,362,023</u>	<u>135,288</u>	<u>463,048</u>	<u>1,960,359</u>
NET POSITION				
Net investment in capital assets	1,490,253	120,558	9,746,217	11,357,028
Restricted for:				
Unrestricted	48,965	(106,251)	(284,516)	(341,802)
Total net position	<u>\$ 1,539,218</u>	<u>\$ 14,307</u>	<u>\$ 9,461,701</u>	<u>\$ 11,015,226</u>

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

City of Missoula
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Civic Stadium	Storm Water Utility	Aquatics	Total Non Major Enterprise funds
OPERATING REVENUES				
Internal Services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,562	5,246	6,808
Licenses and permits	-	-	-	-
Charges for services	-	133,815	1,013,635	1,147,450
Miscellaneous	150,759	27,138	107,957	285,854
Total operating revenues	<u>150,759</u>	<u>162,515</u>	<u>1,126,838</u>	<u>1,440,112</u>
OPERATING EXPENSES				
Maintenance and operations	-	73,892	511,403	585,295
Personal services	-	156,354	768,933	925,287
Fixed charges	3,519	26,381	28,881	58,781
Depreciation	118,500	944	486,322	605,766
Total operating expenses	<u>122,019</u>	<u>257,571</u>	<u>1,795,539</u>	<u>2,175,129</u>
Operating income (loss)	<u>28,740</u>	<u>(95,056)</u>	<u>(668,701)</u>	<u>(735,017)</u>
NONOPERATING REVENUES (EXPENSES)				
Debt service interest expense	(77,367)	-	-	(77,367)
Investment earnings	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total nonoperating revenues (expenses)	<u>(77,366)</u>	<u>-</u>	<u>-</u>	<u>(77,366)</u>
Income (loss) before contributions and transfers	<u>(48,626)</u>	<u>(95,056)</u>	<u>(668,701)</u>	<u>(812,383)</u>
Contributions & Transfers				
Contributions	-	109,363	-	109,363
Transfers in	-	-	203,000	203,000
Transfers (out)	-	-	-	-
Net Contributions and Transfers	<u>-</u>	<u>109,363</u>	<u>203,000</u>	<u>312,363</u>
Change in net position	<u>(48,626)</u>	<u>14,307</u>	<u>(465,701)</u>	<u>(500,020)</u>
Total net position - beginning	<u>1,587,844</u>	<u>-</u>	<u>9,927,402</u>	<u>11,515,246</u>
Total net position - ending	<u>\$ 1,539,218</u>	<u>\$ 14,307</u>	<u>\$ 9,461,701</u>	<u>\$ 11,015,226</u>

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

City of Missoula
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For Fiscal Year Ended June 30, 2017

	Civic Stadium	Storm Water Utility	Aquatics	Total Non Major Enterprise funds
Cash Flows from Operating Activities:				
Payments to employees	\$ -	\$ (77,850)	\$ (814,034)	\$ (891,884)
Cash receipts from customers	94,491	122,602	1,013,534	1,230,627
Payments to suppliers	(3,519)	(91,601)	(464,245)	(559,365)
Other receipts	-	28,700	113,203	141,903
Receipts from internal services	-	-	-	-
Benefit payments	-	-	-	-
Net cash provided (used) by operating activities	<u>90,972</u>	<u>(18,149)</u>	<u>(151,542)</u>	<u>(78,719)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers to other funds	-	-	-	-
Transfers from other funds	-	-	203,000	203,000
Interfund lending	8,276	-	-	8,276
Net cash provided (used) by noncapital financing activities	<u>8,276</u>	<u>-</u>	<u>203,000</u>	<u>211,276</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on debt	(39,118)	-	-	(39,118)
Interest paid on debt	(77,368)	-	-	(77,368)
IRS Interest Reimbursement	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Acquisition and construction of capital assets	-	18,149	(103,210)	(85,061)
Net cash provided (used) by capital and related financing activities	<u>(116,486)</u>	<u>18,149</u>	<u>(103,210)</u>	<u>(201,547)</u>
Cash Flows from Investing Activities				
Interest on investments	2	-	-	2
Net cash provided (used) by investing activities	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Net increase (decrease) in cash and cash equivalents	(17,236)	-	(51,752)	(68,988)
Balances - beginning of year	18,209	-	148,424	166,633
Balances - end of the year	<u>\$ 973</u>	<u>\$ -</u>	<u>\$ 96,672</u>	<u>\$ 97,645</u>
Cash and cash equivalents consists of:				
Cash and cash equivalents	973	-	96,672	97,645
Restricted Cash and cash equivalents	-	-	-	-
Totals	<u>\$ 973</u>	<u>\$ -</u>	<u>\$ 96,672</u>	<u>\$ 97,645</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	28,740	(95,056)	(668,701)	(735,017)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	118,500	944	486,322	605,766
Accounts Payable - Other	-	8,670	32,014	40,684
Inventory	-	-	44,025	44,025
Other operating receivables	(56,268)	(11,211)	(101)	(67,580)
Compensated absences payable	-	5,245	(21,424)	(16,179)
Net post employment benefit obligation	-	2,706	(7,581)	(4,875)
Prepaid expense	-	(1,580)	1,112	(468)
Contributions paid in advance	-	-	-	-
Accrued Expenses	-	2,120	(17,208)	(15,088)
Due From Other Government	-	-	-	-
Net Pension	-	70,013	-	70,013
Net cash provided (used) by operating activities	<u>\$ 90,972</u>	<u>\$ (18,149)</u>	<u>\$ (151,542)</u>	<u>\$ (78,719)</u>
Noncash investing, capital and financing activities				
Developer contributions	\$ -	\$ 109,363	\$ -	\$ 109,363

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

AGENCY FUNDS

City of Missoula, Montana
Changes in Assets and Liabilities - All Agency Funds
For the Period Ending June 30, 2017

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
COURT COLLECTED PARKING FINES				
ASSETS				
Cash	\$ 8,986	\$ 101	-	\$ 9,087
Interest Receivable	-	-	-	-
Due From Other Governments	-	-	-	-
TOTAL ASSETS	\$ 8,986	\$ 101	-	\$ 9,087
LIABILITIES				
Accounts Payable	\$ -	\$ -	-	\$ -
Due to Private Parties	8,986	101	-	9,087
TOTAL LIABILITIES	\$ 8,986	\$ 101	-	\$ 9,087
COURT SURCHARGE				
ASSETS				
Cash	\$ 39,001	\$ 68,193	\$ 70,643	\$ 36,551
Interest Receivable	-	-	-	-
Due From Other Governments	6,444	5,307	6,444	5,307
TOTAL ASSETS	\$ 45,445	\$ 73,500	\$ 77,087	\$ 41,858
LIABILITIES				
Accounts Payable	\$ 37,454	\$ 63,335	\$ 66,922	\$ 33,867
Due to Other Governments	7,991	-	-	7,991
TOTAL LIABILITIES	\$ 45,445	\$ 63,335	\$ 66,922	\$ 41,858
PUBLIC DEFENDER FEES				
ASSETS				
Cash	\$ 954	\$ 3,838	\$ 3,668	\$ 1,124
Interest Receivable	-	-	-	-
Due From Other Governments	555	40	555	40
TOTAL ASSETS	\$ 1,509	\$ 3,878	\$ 4,223	\$ 1,164
LIABILITIES				
Accounts Payable	\$ 1,509	\$ 3,628	\$ 3,973	\$ 1,164
Due to Other Governments	-	-	-	-
TOTAL LIABILITIES	\$ 1,509	\$ 3,628	\$ 3,973	\$ 1,164
COUNTY CLEARING				
ASSETS				
Cash	\$ 782	\$ 9,531	\$ 9,763	\$ 550
Interest Receivable	-	-	-	-
TOTAL ASSETS	\$ 782	\$ 9,531	\$ 9,763	\$ 550
LIABILITIES				
Accounts Payable	\$ (795)	\$ 9,531	\$ 9,763	\$ (1,027)
Due to Other Governments	1,577	-	-	1,577
TOTAL LIABILITIES	\$ 782	\$ 9,531	\$ 9,763	\$ 550

continued

City of Missoula, Montana
Changes in Assets and Liabilities - All Agency Funds
For the Period Ending June 30, 2017

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
SEWER REBATE				
ASSETS				
Cash	\$ 34,699	\$ 10,364	\$ 9,870	\$ 35,193
Interest Receivable	-	-	-	-
TOTAL ASSETS	\$ 34,699	\$ 10,364	\$ 9,870	\$ 35,193
LIABILITIES				
Due to Private Parties	\$ 34,699	\$ 10,364	\$ 9,870	\$ 35,193
COUNTY PARK BOARD				
ASSETS				
Cash	\$ 5,500	\$ -	\$ -	\$ 5,500
Interest Receivable	-	-	-	-
TOTAL ASSETS	\$ 5,500	\$ -	\$ -	\$ 5,500
LIABILITIES				
Due to Other Governments	\$ 5,500	\$ -	\$ -	\$ 5,500
ELK HILLS SUBDIVISION				
ASSETS				
Cash	\$ 3,868	\$ -	\$ -	\$ 3,868
Interest Receivable	-	-	-	-
TOTAL ASSETS	\$ 3,868	\$ -	\$ -	\$ 3,868
LIABILITIES				
Due to Private Parties	\$ 3,868	\$ -	\$ -	\$ 3,868
MUNICIPAL COURT RESTITUTION				
ASSETS				
Cash	\$ 337,473	\$ -	\$ 43,295	\$ 294,178
TOTAL ASSETS	\$ 337,473	\$ -	\$ 43,295	\$ 294,178
LIABILITIES				
Due to Private Parties	\$ 337,473	\$ -	\$ 43,295	\$ 294,178
RATTLESNAKE CORNERSTONE TRAIL SW				
ASSETS				
Cash	\$ 27,413	\$ -	\$ -	\$ 27,413
TOTAL ASSETS	\$ 27,413	\$ -	\$ -	\$ 27,413
LIABILITIES				
Due to Private Parties	\$ 27,413	\$ -	\$ -	\$ 27,413
TOTAL LIABILITIES	\$ 27,413	\$ -	\$ -	\$ 27,413

continued

City of Missoula, Montana
Changes in Assets and Liabilities - All Agency Funds
For the Period Ending June 30, 2017

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
YOUTH PROGRAMS				
ASSETS				
Cash	\$ 473	\$ -	\$ -	\$ 473
Interest Receivable	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	\$ 473	\$ -	\$ -	\$ 473
LIABILITIES				
Due to Private Parties	\$ 473	\$ -	\$ -	\$ 473
RESIDENTIAL INSPECTION FUND				
ASSETS				
Cash	\$ (132)	\$ -	\$ -	\$ (132)
TOTAL ASSETS	\$ (132)	\$ -	\$ -	\$ (132)
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Private Parties	\$ (132)	\$ -	\$ -	\$ (132)
TOTAL LIABILITIES	\$ (132)	\$ -	\$ -	\$ (132)
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 459,017	\$ 92,027	\$ 137,239	\$ 413,805
Interest Receivable	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	\$ -	\$ -	\$ -	\$ -
Due From Other Governments	\$ 6,999	\$ 5,347	\$ 6,999	\$ 5,347
TOTAL ASSETS	\$ 466,016	\$ 97,374	\$ 144,238	\$ 419,152
LIABILITIES				
Accounts Payable	\$ 38,168	\$ 76,494	\$ 80,658	\$ 34,004
Due to Other Governments	\$ 15,068	\$ -	\$ -	\$ 15,068
Due to Private Parties	\$ 412,780	\$ 10,465	\$ 53,165	\$ 370,080
TOTAL LIABILITIES	\$ 466,016	\$ 86,959	\$ 133,823	\$ 419,152

MAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

City of Missoula
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 Major Governmental Funds
 For the Fiscal Year Ended June 30, 2017

CAPITAL IMPROVEMENT PROGRAM FUND

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Miscellaneous	\$ -	\$ 208,205	\$ 208,205	\$ -
Intergovernmental	-	302,433	302,433	-
Total revenues	-	510,638	510,638	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	9,949	10,299	350
Cultural & Recreation	-	-	-	-
Miscellaneous	-	-	-	-
Total current	-	9,949	10,299	350
Debt service:				
Administrative charges	-	-	-	-
Interest	272,571	272,921	250,711	(22,210)
Principal retirement	1,943,270	1,943,270	874,618	(1,068,652)
Total debt service	2,215,841	2,216,191	1,125,329	(1,090,862)
Capital outlay:				
General Government	-	212,366	366,825	154,459
Public Works	-	1,232,739	1,232,736	(3)
Public Safety	-	3,045,501	3,045,500	(1)
Cultural & Recreation	-	1,328,354	1,329,084	730
Public Health	-	-	-	-
Total capital outlay	-	5,818,960	5,974,145	155,185
Total expenditures	2,215,841	8,045,100	7,109,773	(935,327)
Excess (deficiency) of revenues over expenditures	(2,215,841)	(7,534,462)	(6,599,135)	935,327
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(316,129)	(316,129)	-	316,129
Transfers in	1,330,841	1,330,841	1,330,842	1
Issuance of long term debt/capital leases	316,129	2,074,556	1,758,427	(316,129)
Total other financing sources (uses)	1,646,970	3,405,397	3,089,269	(316,128)
Net change in fund balances	(568,871)	(4,129,065)	(3,509,866)	619,199
Fund balances - beginning	(8,596,474)	(8,596,474)	(8,596,474)	-
Restatements	-	-	4,763,648	4,763,648
Fund balances - beginning restated	(8,596,474)	(8,596,474)	(3,832,826)	4,763,648
Fund balances - ending	\$ (9,165,345)	\$ (12,725,539)	\$ (7,342,692)	\$ 619,199

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

NONMAJOR GOVERNMENTAL FUNDS

BUDGET TO ACTUAL

**NONMAJOR GOVERNMENTAL
FUNDS**

BUDGET TO ACTUAL

SPECIAL REVENUE FUNDS

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Planning			Public Safety Information Systems		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ 334,657	\$ 335,409	\$ 752	\$ 18,000	\$ 15,300	\$ (2,700)
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	334,657	335,409	752	18,000	15,300	(2,700)
EXPENDITURES						
Current						
General Government	451,768	424,457	27,311	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	1,917	-	1,917	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	111	(111)	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	453,685	424,568	29,117	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(119,028)	(89,159)	29,869	18,000	15,300	(2,700)
Other Financing Sources (Uses)						
Transfers In-R	83,734	83,734	-	6,000	6,000	-
Transfers Out-38-E	-	-	-	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	83,734	83,734	-	6,000	6,000	-
Excess (Deficiency) of Revenue						
Over Expenditures	(35,294)	(5,425)	29,869	24,000	21,300	(2,700)
Fund Balance, July 1, 2016	(12,367)	(12,367)	-	17,985	17,985	-
Restatement						
Fund Balance, July 1, 2016	(12,367)	(12,367)	-	17,985	17,985	-
Fund Balance, June 30, 2017	\$ (47,661)	\$ (17,792)	\$ 29,869	\$ 41,985	\$ 39,285	\$ (2,700)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Impact Fee			George Elmer Cattle Drive		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	1,200,000	1,876,965	676,965	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	15,000	-	(15,000)
Total Revenues	1,200,000	1,876,965	676,965	15,000	-	(15,000)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	10,629	(10,629)	15,000	-	15,000
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	2,576,000	968,384	1,607,616	-	-	-
Total Expenditures	2,576,000	979,013	1,596,987	15,000	-	15,000
Excess (Deficiency) of Revenue						
Over Expenditures	(1,376,000)	897,952	2,273,952	-	-	-
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	(76,265)	(1,692,801)	(1,616,536)	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(76,265)	(1,692,801)	(1,616,536)	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(1,452,265)	(794,849)	657,416	-	-	-
Fund Balance, July 1, 2016	4,178,775	4,178,775	-	1	1	-
Restatement						
Fund Balance, July 1, 2016	4,178,775	4,178,775	-	1	1	-
Fund Balance, June 30, 2017	\$ 2,726,510	\$ 3,383,926	\$ 657,416	\$ 1	\$ 1	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Public Art			Employee Health Insurance		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -
Taxes	-	-	-	4,778,675	4,688,174	(90,501)
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	10,095	81	(10,014)	-	-	-
Total Revenues	10,095	1,081	(9,014)	4,778,675	4,688,174	(90,501)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	26,320	362	25,958	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	379	378	1
Debt Service	-	-	-	-	-	-
Capital Outlay	-	5,000	(5,000)	-	-	-
Total Expenditures	26,320	5,362	20,958	379	378	1
Excess (Deficiency) of Revenue						
Over Expenditures	(16,225)	(4,281)	11,944	-	4,779,054	4,687,796
Over Expenditures	(16,225)	(4,281)	11,944	-	4,779,054	4,687,796
Over Expenditures	(16,225)	(4,281)	11,944	379	(90,880)	(90,501)
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	-	-	-	(4,778,675)	(4,778,676)	(1)
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(4,778,675)	(4,778,676)	(1)
Excess (Deficiency) of Revenue						
Over Expenditures	(16,225)	(4,281)	11,944	379	(90,880)	(90,501)
Fund Balance, July 1, 2016	20,225	20,225	-	(201,174)	(201,174)	-
Restatement						
Fund Balance, July 1, 2016	20,225	20,225	-	(201,174)	(201,174)	-
Fund Balance, June 30, 2017	\$ 4,000	\$ 15,944	\$ 11,944	\$ (200,795)	\$ (292,054)	\$ (90,501)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Cable TV Franchise			Drug Forfeiture		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	736,000	722,666	(13,334)	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	16,800	15,843	(957)
Miscellaneous	-	-	-	-	-	-
Total Revenues	736,000	722,666	(13,334)	16,800	15,843	(957)
EXPENDITURES						
Current						
General Government	435,293	454,189	(18,896)	-	-	-
Public Safety	-	-	-	12,800	17,536	(4,736)
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	37,567	18,671	18,896	5,000	-	5,000
Total Expenditures	472,860	472,860	-	17,800	17,536	264
Excess (Deficiency) of Revenue						
Over Expenditures	263,140	249,806	(13,334)	(1,000)	(1,693)	(693)
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	(301,433)	(301,434)	(1)	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(301,433)	(301,434)	(1)	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(38,293)	(51,628)	(13,335)	(1,000)	(1,693)	(693)
Fund Balance, July 1, 2016	(3,273)	(3,273)	-	5,930	5,930	-
Restatement						
Fund Balance, July 1, 2016	(3,273)	(3,273)	-	5,930	5,930	-
Fund Balance, June 30, 2017	\$ (41,566)	\$ (54,901)	\$ (13,335)	\$ 4,930	\$ 4,237	\$ (693)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Building Division			Program Income		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Actual		Budget
REVENUES						
Intergovernmental	\$ -	\$ 470	\$ 470	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	2,160,351	2,160,350	(1)	-	-	-
Charges for services	1,393	612	(781)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	1,724	1,724	2,105	224	(1,881)
Total Revenues	2,161,744	2,163,156	1,412	2,105	224	(1,881)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	1,503,806	1,513,519	(9,713)	-	-	-
Public Works	9,719	-	9,719	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	2,105	-	2,105
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	37,470	37,470	-	-	34	(34)
Debt Service	-	-	-	-	-	-
Capital Outlay	64,404	64,404	-	-	-	-
Total Expenditures	1,615,399	1,615,393	6	2,105	34	2,071
Excess (Deficiency) of Revenue						
Over Expenditures	546,345	547,763	1,418	-	190	190
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	-	-	-	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	546,345	547,763	1,418	-	190	190
Fund Balance, July 1, 2016	1,451,088	1,451,088	-	3,881	3,881	-
Restatement						
Fund Balance, July 1, 2016	1,451,088	1,451,088	-	3,881	3,881	-
Fund Balance, June 30, 2017	\$ 1,997,433	\$ 1,998,851	\$ 1,418	\$ 3,881	\$ 4,071	\$ 190

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Dangerous Bldg Demolition & Repair			Street Lighting		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual	Budget	Actual	Budget	
REVENUES						
Intergovernmental	\$ 15,000	\$ -	\$ (15,000)	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	317,276	310,216	(7,060)
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,606	1,606
Total Revenues	15,000	-	(15,000)	317,276	311,822	(5,454)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	15,000	-	15,000	-	-	-
Public Works	-	-	-	324,162	324,162	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	15,000	-	15,000	324,162	324,162	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	-	-	(6,886)	(12,340)	(5,454)
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	-	-	-	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	-	-	(6,886)	(12,340)	(5,454)
Fund Balance, July 1, 2016	-	-	-	137,574	137,574	-
Restatement						
Fund Balance, July 1, 2016	-	-	-	137,574	137,574	-
Fund Balance, June 30, 2017	\$ -	\$ -	\$ -	\$ 130,688	\$ 125,234	\$ (5,454)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Street Maintenance			Willowwood		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Special Assessments	62,780	56,511	(6,269)	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	62,780	56,511	(6,269)	-	-	-
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	21,580	20,745	835	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	21,580	20,745	835	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	41,200	35,766	(5,434)	-	-	-
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	(86,046)	(86,046)	-	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(86,046)	(86,046)	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(44,846)	(50,280)	(5,434)	-	-	-
Fund Balance, July 1, 2016	49,063	49,063	-	43	43	-
Restatement						
Fund Balance, July 1, 2016	49,063	49,063	-	43	43	-
Fund Balance, June 30, 2017	\$ 4,217	\$ (1,217)	\$ (5,434)	\$ 43	\$ 43	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Road District #1			Park District #1		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ 14	\$ 14	\$ -	\$ 167	\$ 167
Taxes	-	-	-	-	-	-
Special Assessments	1,645,581	1,616,799	(28,782)	1,297,626	1,274,363	(23,263)
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	1,645,581	1,616,813	(28,768)	1,297,626	1,274,530	(23,096)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	967,559	704,053	263,506	-	-	-
Culture and Recreation	2,500	1,946	554	777,940	770,414	7,526
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	567,451	500,161	67,290	301,546	350,480	(48,934)
Capital Outlay	555,480	485,908	69,572	70,000	64,128	5,872
Total Expenditures	2,092,990	1,692,068	400,922	1,149,486	1,185,022	(35,536)
Excess (Deficiency) of Revenue						
Over Expenditures	(447,409)	(75,255)	372,154	148,140	89,508	(58,632)
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	10,075	10,075	-
Transfers Out-38-E	-	-	-	(163,214)	(163,214)	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(153,139)	(153,139)	-
Excess (Deficiency) of Revenue						
Over Expenditures	(447,409)	(75,255)	372,154	(4,999)	(63,631)	(58,632)
Fund Balance, July 1, 2016	1,147,322	1,147,322	-	812,565	812,565	-
Restatement		(1,734,617)			(852,219)	
Fund Balance, July 1, 2016	1,147,322	(587,295)	-	812,565	(39,654)	-
Fund Balance, June 30, 2017	\$ 699,913	\$ (662,550)	\$ 372,154	\$ 807,566	\$ (103,285)	\$ (58,632)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	State Gas Tax			Law Enforcement Grant		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ 1,081,510	\$ 1,081,510	\$ (1)	\$ 100,373	\$ 60,373	\$ (40,000)
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	1,081,510	1,081,510	(1)	100,373	60,373	(40,000)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	100,373	60,373	40,000
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	4	(4)
Debt Service	-	-	-	-	-	-
Capital Outlay	391,200	314,710	76,490	-	-	-
Total Expenditures	391,200	314,710	76,490	100,373	60,377	39,996
Excess (Deficiency) of Revenue						
Over Expenditures	690,310	766,800	76,490	-	(4)	(4)
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	(564,000)	(564,000)	-	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(564,000)	(564,000)	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	126,310	202,800	76,490	-	(4)	(4)
Fund Balance, July 1, 2016	120,201	120,201	-	(165)	(165)	-
Restatement						
Fund Balance, July 1, 2016	120,201	120,201	-	(165)	(165)	-
Fund Balance, June 30, 2017	\$ 246,511	\$ 323,001	\$ 76,490	\$ (165)	\$ (169)	\$ (4)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	HIDTA Grant			Community Dev. Program Income		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual	Budget	Actual	Budget	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 29,370	\$ 29,370	\$ -
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	140,600	73,111	(67,489)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	140,600	73,111	(67,489)	29,370	29,370	-
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	140,600	61,670	78,930	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	29,370	-	29,370
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	16,432	(16,432)	-	-	-
Total Expenditures	140,600	78,102	62,498	29,370	-	29,370
Excess (Deficiency) of Revenue						
Over Expenditures	-	(4,991)	(4,991)	-	29,370	29,370
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	-	-	-	-	(29,370)	(29,370)
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(29,370)	(29,370)
Excess (Deficiency) of Revenue						
Over Expenditures	-	(4,991)	(4,991)	-	-	-
Fund Balance, July 1, 2016	287,389	287,389	-	13,015	13,015	-
Restatement						
Fund Balance, July 1, 2016	287,389	287,389	-	13,015	13,015	-
Fund Balance, June 30, 2017	\$ 287,389	\$ 282,398	\$ (4,991)	\$ 13,015	\$ 13,015	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Community Development			Home Grant		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ 690,143	\$ 361,775	\$ (328,368)	\$ 495,248	\$ 180,798	\$ (314,450)
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	690,143	361,775	(328,368)	495,248	180,798	(314,450)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	690,143	230,461	459,682	495,248	206,909	288,339
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	690,143	230,461	459,682	495,248	206,909	288,339
Excess (Deficiency) of Revenue						
Over Expenditures	-	131,314	131,314	-	(26,111)	(26,111)
Other Financing Sources (Uses)						
Transfers In-R	-	29,370	29,370	-	26,043	-
Transfers Out-38-E	-	(160,000)	(160,000)	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(130,630)	(130,630)	-	26,043	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	684	-	-	(68)	(26,111)
Fund Balance, July 1, 2016	(8,897)	(8,897)	-	8,203	8,203	-
Restatement						
Fund Balance, July 1, 2016	(8,897)	(8,897)	-	8,203	8,203	-
Fund Balance, June 30, 2017	\$ (8,897)	\$ (8,213)	\$ -	\$ 8,203	\$ 8,135	\$ (26,111)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	City Home Program Income			Neighborhood Stabilization		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual	Budget	Actual	Budget	
REVENUES						
Intergovernmental	\$ 26,043	\$ -	\$ (26,043)	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	40,984	40,984	-	-	-	-
Total Revenues	67,027	40,984	(26,043)	-	-	-
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	51,043	182	50,861	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	51,043	182	50,861	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	15,984	40,802	24,818	-	-	-
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	-	(26,043)	(26,043)	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(26,043)	(26,043)	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	15,984	14,759	(1,225)	-	-	-
Fund Balance, July 1, 2016	26,176	26,176	-	(599)	(599)	-
Restatement						
Fund Balance, July 1, 2016	26,176	26,176	-	(599)	(599)	-
Fund Balance, June 30, 2017	\$ 42,160	\$ 40,935	\$ (1,225)	\$ (599)	\$ (599)	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Transportation			Federal Transportation		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ 1,313,383	\$ 844,133	\$ (469,250)	\$ 371,738	\$ 263,570	\$ (108,168)
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	40,000	15,971	(24,029)	-	10,000	10,000
Total Revenues	1,353,383	860,104	(493,279)	371,738	273,570	(98,168)
EXPENDITURES						
Current						
General Government	1,147,081	804,828	342,253	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	84,129	84,703	(574)	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	143	(143)	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	371,738	301,558	70,180
Total Expenditures	1,231,210	889,674	341,536	371,738	301,558	70,180
Excess (Deficiency) of Revenue						
Over Expenditures	122,173	(29,570)	(151,743)	-	(27,988)	(27,988)
Other Financing Sources (Uses)						
Transfers In-R	91,986	91,986	-	-	-	-
Transfers Out-38-E	-	-	-	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	91,986	91,986	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	214,159	62,416	(151,743)	-	(27,988)	(27,988)
Fund Balance, July 1, 2016	69,767	69,767	-	(6,837)	(6,837)	-
Restatement						
Fund Balance, July 1, 2016	69,767	69,767	-	(6,837)	(6,837)	-
Fund Balance, June 30, 2017	\$ 283,926	\$ 132,183	\$ (151,743)	\$ (6,837)	\$ (34,825)	\$ (27,988)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund
Balance Budget and Actual (Budgetary Basis)
NonMajor Special Revenue Funds
For the Year Ended June 30, 2017

	Grants & Donations			Police Grants & Donations		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ 947,678	\$ 748,497	\$ (199,181)	\$ 528,756	\$ 319,851	\$ (208,905)
Taxes	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	5,000	787	(4,213)
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	21,910	50	(21,860)	-	-	-
Total Revenues	969,588	748,547	(221,041)	533,756	320,638	(213,118)
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	21,910	-	21,910	533,756	340,502	193,254
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	887,678	250,273	637,405	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	84,822	62,307	22,515	-	-	-
Total Expenditures	994,410	312,580	681,830	533,756	340,502	193,254
Excess (Deficiency) of Revenue						
Over Expenditures	(24,822)	435,967	460,789	-	(19,864)	(19,864)
Other Financing Sources (Uses)						
Transfers In-R	-	-	-	-	-	-
Transfers Out-38-E	-	-	-	-	-	-
Proceeds From Capital Lease	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	(24,822)	435,967	460,789	-	(19,864)	(19,864)
Fund Balance, July 1, 2016	458,017	458,017	-	-	-	-
Restatement						
Fund Balance, July 1, 2016	458,017	458,017	-	-	-	-
Fund Balance, June 30, 2017	\$ 433,195	\$ 893,984	\$ 460,789	\$ -	\$ (19,864)	\$ (19,864)

**NONMAJOR GOVERNMENTAL
FUNDS**

BUDGET TO ACTUAL

DEBT SERVICE

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID Revolving			2004 Aquatics/ 2012A Aquatics Refunding		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual	Budget	Actual	Budget	
REVENUES						
Taxes	\$ -	\$ 255	\$ 255	\$ 593,785	\$ 582,933	\$ (10,852)
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	15,531	15,531	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	15,786	15,786	593,785	582,933	(10,852)
EXPENDITURES						
General Government	-	-	-	350	-	(350)
Debt Service	-	-	-	593,435	593,785	350
Miscellaneous	-	-	-	-	-	-
Total Expenditures	-	-	-	593,785	593,785	-
Excess (Deficiency) of Revenue Over Expenditures	-	15,786	15,786	-	(10,852)	(10,852)
Other Financing Sources (Uses)						
Transfers In	-	144,634	144,634	-	-	-
Transfers Out	(100,000)	(86,729)	13,271	-	-	-
Total Other Financing Sources (Uses)	(100,000)	57,905	157,905	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(100,000)	73,691	173,691	-	(10,852)	(10,852)
Fund Balance, July 1, 2016	550,531	550,531		(6,729)	(6,729)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	550,531	550,531	-	(6,729)	(6,729)	-
Fund Balance, June 30, 2017	\$ 450,531	\$ 624,222	\$ 173,691	\$ (6,729)	\$ (17,581)	\$ (10,852)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	2013A GO Refunding			2004 Refunding Bonds		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Taxes	\$ 670,470	\$ 658,194	\$ (12,276)	\$ -	\$ 42	\$ 42
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	670,470	658,194	(12,276)	-	42	42
EXPENDITURES						
General Government	350	59	291	-	2	2
Debt Service	670,120	670,470	(350)	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	670,470	670,529	(59)	-	2	2
Excess (Deficiency) of Revenue Over Expenditures	-	(12,335)	(12,217)	-	40	40
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(12,335)	(12,217)	-	40	40
Fund Balance, July 1, 2016	(186,988)	(186,988)	-	(1,498)	(1,498)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(186,988)	(186,988)	-	(1,498)	(1,498)	-
Fund Balance, June 30, 2017	\$ (186,988)	\$ (199,323)	\$ (12,217)	\$ (1,498)	\$ (1,458)	\$ 40

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	New Fire Station GO			2007 Refunding Bonds		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Taxes	\$ -	\$ 581	\$ 581	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	581	581	-	-	-
EXPENDITURES						
General Government	157	157	-	-	-	-
Debt Service	350	350	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	507	507	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(507)	74	581	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(507)	74	581	-	-	-
Fund Balance, July 1, 2016	(154,602)	(154,602)	-	25,676	25,676	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(154,602)	(154,602)	-	25,676	25,676	-
Fund Balance, June 30, 2017	\$ (155,109)	\$ (154,528)	\$ 581	\$ 25,676	\$ 25,676	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	Sidewalk & Curb			Judgment Levy		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	100,000	-	(100,000)	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	100,000	-	(100,000)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	100,000	-	(100,000)	-	-	-
Fund Balance, July 1, 2016	-	-	-	5	5	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	-	-	-	5	5	-
Fund Balance, June 30, 2017	\$ 100,000	\$ -	\$ (100,000)	\$ 5	\$ 5	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	FY02 Sidewalk & Curb			FY03 Sidewalk & Curb		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	350	350	-	-	-
Total Revenues	-	350	350	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	700	700	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	-	-	-	700	700	-
Excess (Deficiency) of Revenue Over Expenditures	-	350	(350)	(700)	(700)	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	350	(350)	(700)	(700)	-
Fund Balance, July 1, 2016	-	-	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	-	-	-	-	-	-
Fund Balance, June 30, 2017	\$ -	\$ 350	\$ (350)	\$ (700)	\$ (700)	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	FY04 Sidewalk & Curb			SID 433		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ (255)	\$ (255)
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	-	-	-	(255)	(255)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	350	350	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	350	350	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(350)	(350)	-	-	(255)	(255)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(350)	(350)	-	-	(255)	(255)
Fund Balance, July 1, 2016	(175)	(175)	38,972	255	255	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(175)	(175)	-	255	255	-
Fund Balance, June 30, 2017	\$ (525)	\$ (525)	\$ -	\$ 255	\$ -	\$ (255)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	FY05 Sidewalk & Curb			FY06 Sidewalk & Curb		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	36,628	46,555	9,927	27,475	17,837	(9,638)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	274	274	-	495	495
Total Revenues	36,628	46,829	10,201	27,475	18,332	(9,143)
EXPENDITURES						
General Government	-	-	-	350	-	350
Debt Service	36,978	36,978	-	27,125	27,475	(350)
Miscellaneous	-	-	-	-	-	-
Total Expenditures	36,978	36,978	-	27,475	27,475	-
Excess (Deficiency) of Revenue Over Expenditures	(350)	9,851	10,201	-	(9,143)	(9,143)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(350)	9,851	10,201	-	(9,143)	(9,143)
Fund Balance, July 1, 2016	56,584	56,584	-	111,472	111,472	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	56,584	56,584	-	111,472	111,472	-
Fund Balance, June 30, 2017	\$ 56,234	\$ 66,435	\$ 10,201	\$ 111,472	\$ 102,329	\$ (9,143)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	FY07 Sidewalk & Curb			FY08 Sidewalk & Curb		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	56,830	37,082	(19,748)	27,838	44,845	17,007
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	173	173	-	-	-
Total Revenues	56,830	37,255	(19,575)	27,838	44,845	17,007
EXPENDITURES						
General Government	350	-	350	350	-	350
Debt Service	56,480	56,830	(350)	27,488	27,838	(350)
Miscellaneous	-	-	-	-	-	-
Total Expenditures	56,830	56,830	-	27,838	27,838	-
Excess (Deficiency) of Revenue Over Expenditures	-	(19,575)	(19,575)	-	17,007	17,007
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(19,575)	(19,575)	-	17,007	17,007
Fund Balance, July 1, 2016	49,863	49,863	-	21,018	21,018	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	49,863	49,863	-	21,018	21,018	-
Fund Balance, June 30, 2017	\$ 49,863	\$ 30,288	\$ (19,575)	\$ 21,018	\$ 38,025	\$ 17,007

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	FY09 Sidewalk & Curb			FY10 Sidewalk & Curb		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	63,368	72,414	9,046	96,850	82,274	(14,576)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	63,368	72,414	9,046	96,850	82,274	(14,576)
EXPENDITURES						
General Government	300	-	300	350	-	350
Debt Service	63,068	63,368	(300)	96,500	96,850	(350)
Miscellaneous	-	-	-	-	-	-
Total Expenditures	63,368	63,368	-	96,850	96,850	-
Excess (Deficiency) of Revenue Over Expenditures	-	9,046	9,046	-	(14,576)	(14,576)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	9,046	9,046	-	(14,576)	(14,576)
Fund Balance, July 1, 2016	76,502	76,502	-	93,712	93,712	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	76,502	76,502	-	93,712	93,712	-
Fund Balance, June 30, 2017	\$ 76,502	\$ 85,548	\$ 9,046	\$ 93,712	\$ 79,136	\$ (14,576)

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City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	FY12 Sidewalk and Curb			FY13 Sidewalk and Curb		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	70,910	68,187	(2,723)	39,067	40,158	1,091
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	70,910	68,187	(2,723)	39,067	40,158	1,091
EXPENDITURES						
General Government	350	-	350	-	-	-
Debt Service	70,560	70,910	(350)	39,067	39,069	(2)
Miscellaneous	-	-	-	-	-	-
Total Expenditures	70,910	70,910	-	39,067	39,069	(2)
Excess (Deficiency) of Revenue Over Expenditures	-	(2,723)	(2,723)	-	1,089	1,093
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(2,723)	(2,723)	-	1,089	1,093
Fund Balance, July 1, 2016	6,721	6,721	-	4,938	4,938	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	6,721	6,721	-	4,938	4,938	-
Fund Balance, June 30, 2017	\$ 6,721	\$ 3,998	\$ (2,723)	\$ 4,938	\$ 6,027	\$ 1,093

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	FY15 Sidewalk and Curb			FY16 Sidewalk and Curb		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	57,525	73,217	15,692	-	40,095	40,095
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	57,525	73,217	15,692		40,095	40,095
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	57,525	57,524	-	43,544	43,544	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	57,525	57,524		43,544	43,544	
Excess (Deficiency) of Revenue Over Expenditures	-	15,693	15,693	(43,544)	(3,449)	40,095
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-		-	-	
Excess (Deficiency) of Revenue Over Expenditures	-	15,693	15,693	(43,544)	(3,449)	40,095
Fund Balance, July 1, 2016	965	965	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	965	965	-	-	-	-
Fund Balance, June 30, 2017	\$ 965	\$ 16,658	\$ 15,693	\$ (43,544)	\$ (3,449)	\$ 40,095

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 510			SID 511		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	878	878	-	-	-
Total Revenues	-	878	878	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	878	878	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue						
Over Expenditures	-	878	878	-	-	-
Fund Balance, July 1, 2016	117,938	117,938	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	117,938	117,938	-	-	-	-
Fund Balance, June 30, 2017	\$ 117,938	\$ 118,816	\$ 878	\$ -	\$ -	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 512			SID 520		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	21,937	79,874	57,937	159,340	134,942	(24,398)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	61	61	-	608	608
Total Revenues	21,937	79,935	57,998	159,340	135,550	(23,790)
EXPENDITURES						
General Government	350	-	350	-	-	-
Debt Service	21,587	21,937	350	159,340	159,344	(4)
Miscellaneous	-	-	-	-	-	-
Total Expenditures	21,937	21,937	700	159,340	159,344	(4)
Excess (Deficiency) of Revenue Over Expenditures	-	57,998	57,298	-	(23,794)	(23,786)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	57,998	57,298	-	(23,794)	(23,786)
Fund Balance, July 1, 2016	88,222	88,222	-	177,281	177,281	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	88,222	88,222	-	177,281	177,281	-
Fund Balance, June 30, 2017	\$ 88,222	\$ 146,220	\$ 57,298	\$ 177,281	\$ 153,487	\$ (23,786)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 521			SID 522		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	98	-	(98)	142	-	(142)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	98	-	(98)	142	-	(142)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	98	94	4	142	142	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	98	94	4	142	142	-
Excess (Deficiency) of Revenue Over Expenditures	-	(94)	(102)	-	(142)	(142)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(94)	(102)	-	(142)	(142)
Fund Balance, July 1, 2016	1,157	1,157	-	(414)	(414)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	1,157	1,157	-	(414)	(414)	-
Fund Balance, June 30, 2017	\$ 1,157	\$ 1,063	\$ (102)	\$ (414)	\$ (556)	\$ (142)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 524			SID 525		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	305,600	257,006	(48,594)	32,440	29,630	(2,810)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	2,791	2,791	-	926	926
Total Revenues	305,600	259,797	(45,803)	32,440	30,556	(1,884)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	305,600	305,600	-	32,440	32,440	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	305,600	305,600	-	32,440	32,440	-
Excess (Deficiency) of Revenue Over Expenditures	-	(45,803)	(45,803)	-	(1,884)	(1,884)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(45,803)	(45,803)	-	(1,884)	(1,884)
Fund Balance, July 1, 2016	661,900	661,900	-	243,347	243,347	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	661,900	661,900	-	243,347	243,347	-
Fund Balance, June 30, 2017	\$ 661,900	\$ 616,097	\$ (45,803)	\$ 243,347	\$ 241,463	\$ (1,884)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 526			SID 530		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	193,100	128,206	(64,894)	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	1,307	1,307	-	-	-
Total Revenues	193,100	129,513	(63,587)	-	-	-
EXPENDITURES						
General Government	-	46	(46)	-	-	-
Debt Service	193,100	193,100	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	193,100	193,146	(46)	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(63,633)	(63,541)	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(63,633)	(63,541)	-	-	-
Fund Balance, July 1, 2016	179,056	179,056	-	(1,350)	(1,350)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	179,056	179,056	-	(1,350)	(1,350)	-
Fund Balance, June 30, 2017	\$ 179,056	\$ 115,423	\$ (63,541)	\$ (1,350)	\$ (1,350)	\$ -

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 532			SID 533		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	40,633	33,169	(7,464)	16,875	14,252	(2,623)
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	40,633	33,169	(7,464)	16,875	14,252	(2,623)
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	40,983	40,983	-	16,875	16,875	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	40,983	40,983	-	16,875	16,875	-
Excess (Deficiency) of Revenue Over Expenditures	(350)	(7,814)	(7,464)	-	(2,623)	(2,623)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	(350)	(7,814)	(7,464)	-	(2,623)	(2,623)
Fund Balance, July 1, 2016	24,945	24,945	-	23,528	23,528	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	24,945	24,945	-	23,528	23,528	-
Fund Balance, June 30, 2017	\$ 24,595	\$ 17,131	\$ (7,464)	\$ 23,528	\$ 20,905	\$ (2,623)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 534			SID 535		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	17,513	15,247	(2,266)	-	24	24
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	17,513	15,247	(2,266)	-	24	24
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	17,513	17,513	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	17,513	17,513	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(2,266)	(2,266)	-	24	24
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(86)	(86)
Total Other Financing Sources (Uses)	-	-	-	-	(86)	(86)
Excess (Deficiency) of Revenue Over Expenditures	-	(2,266)	(2,266)	-	(62)	(62)
Fund Balance, July 1, 2016	47,471	47,471	-	63	63	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	47,471	47,471	-	63	63	-
Fund Balance, June 30, 2017	\$ 47,471	\$ 45,205	\$ (2,266)	\$ 63	\$ 1	\$ (62)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 536			SID 539		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	31,544	30,449	(1,095)	-	-	-
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	31,544	30,449	(1,095)	-	-	-
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	31,544	31,544	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	31,544	31,544	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	(1,095)	(1,095)	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(38)	(38)
Total Other Financing Sources (Uses)	-	-	-	-	(38)	(38)
Excess (Deficiency) of Revenue Over Expenditures	-	(1,095)	(1,095)	-	(38)	(38)
Fund Balance, July 1, 2016	69,974	69,974	-	38	38	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	69,974	69,974	-	38	38	-
Fund Balance, June 30, 2017	\$ 69,974	\$ 68,879	\$ (1,095)	\$ 38	\$ -	\$ (38)

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 540			SID 541		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	121,253	170,116	48,863	58,098	58,504	406
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	20	20	-	206	206
Total Revenues	121,253	170,136	48,883	58,098	58,710	612
EXPENDITURES						
General Government	350	350	-	300	-	300
Debt Service	120,903	120,903	-	57,798	58,098	(300)
Miscellaneous	-	-	-	-	-	-
Total Expenditures	121,253	121,253	-	58,098	58,098	-
Excess (Deficiency) of Revenue Over Expenditures	-	48,883	48,883	-	612	612
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	48,883	48,883	-	612	612
Fund Balance, July 1, 2016	324,504	324,504	-	66,762	66,762	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	324,504	324,504	-	66,762	66,762	-
Fund Balance, June 30, 2017	\$ 324,504	\$ 373,387	\$ 48,883	\$ 66,762	\$ 67,374	\$ 612

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 543			SID 544		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	14,076	14,076	139,497	143,158	3,661
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	585	585
Total Revenues	-	14,076	14,076	139,497	143,743	4,246
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	142,597	142,597	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	-	-	-	142,597	142,597	-
Excess (Deficiency) of Revenue Over Expenditures	-	14,076	14,076	(3,100)	1,146	4,246
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	14,076	14,076	(3,100)	1,146	4,246
Fund Balance, July 1, 2016	348	348	-	223,112	223,112	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	348	348	-	223,112	223,112	-
Fund Balance, June 30, 2017	\$ 348	\$ 14,424	\$ 14,076	\$ 220,012	\$ 224,258	\$ 4,246

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 545			SID 546		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	1,901	1,901	-	1,694	1,694
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	-	1,901	1,901	-	1,694	1,694
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	1,901	1,901	-	1,694	1,694
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(1,888)	(1,888)	-	(1,713)	(1,713)	-
Total Other Financing Sources (Uses)	(1,888)	(1,888)	-	(1,713)	(1,713)	-
Excess (Deficiency) of Revenue Over Expenditures	(1,888)	13	1,901	(1,713)	(19)	1,694
Fund Balance, July 1, 2016	58	58	-	54	54	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	58	58	-	54	54	-
Fund Balance, June 30, 2017	\$ (1,830)	\$ 71	\$ 1,901	\$ (1,659)	\$ 35	\$ 1,694

Continued

City of Missoula
Schedule of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Debt Service Funds
For the Year Ended June 30, 2017

	SID 548			SID 549		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	109,575	113,125	3,550	-	216,043	216,043
Licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-
Total Revenues	109,575	113,125	3,550	-	216,043	216,043
EXPENDITURES						
General Government	-	-	-	-	-	-
Debt Service	109,225	109,575	(350)	170,418	170,418	-
Miscellaneous	350	-	350	-	-	-
Total Expenditures	109,575	109,575	-	170,418	170,418	-
Excess (Deficiency) of Revenue Over Expenditures	-	3,550	3,550	(170,418)	45,625	216,043
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	3,550	3,550	(170,418)	45,625	216,043
Fund Balance, July 1, 2016	14,394	14,394	-	-	-	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	14,394	14,394	-	-	-	-
Fund Balance, June 30, 2017	\$ 14,394	\$ 17,944	\$ 3,550	\$ (170,418)	\$ 45,625	\$ 216,043

**NONMAJOR GOVERNMENTAL
FUNDS**

BUDGET TO ACTUAL

CAPITAL PROJECT FUNDS

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	1997 Open Space			New Fire Station GO Bond		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	389,534	389,534	-	-	-	-
Total Expenditures	389,534	389,534	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	(389,534)	(389,534)	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	(389,534)	(389,534)	-	-	-	-
Fund Balance, July 1, 2016	389,534	389,534	-	(1)	(1)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	389,534	389,534	-	(1)	(1)	-
Fund Balance, June 30, 2017	\$ -	\$ -	\$ -	\$ (1)	\$ (1)	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	07 Sidewalk & Curb			10 Sidewalk & Curb		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	34	34	-	889	889	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	34	34	-	889	889	-
Fund Balance, June 30, 2017	\$ 34	\$ 34	\$ -	\$ 889	\$ 889	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	11 Sidewalk & Curb			12 Sidewalk & Curb		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	538	538	-	48,779	48,779	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	538	538	-	48,779	48,779	-
Fund Balance, June 30, 2017	\$ 538	\$ 538	\$ -	\$ 48,779	\$ 48,779	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	FY13 Sidewalk/Curb			FY15 SIDEWALK/CURB		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	33,363	33,363	-	57,725	57,725	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	33,363	33,363	-	57,725	57,725	-
Fund Balance, June 30, 2017	\$ 33,363	\$ 33,363	\$ -	\$ 57,725	\$ 57,725	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	FY16 SIDEWALK/CURB			FY17 SIDEWALK/CURB		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	247,205	247,205
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	247,205	247,205
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	31	31	-	556	556
Debt Service	-	-	-	-	-	-
Capital Outlay	342,685	-	(342,685)	527,887	489,858	(38,029)
Total Expenditures	342,685	31	(342,654)	527,887	490,414	(37,473)
Excess (Deficiency) of Revenue over Expenditures	(342,685)	(31)	342,654	(527,887)	(243,209)	284,678
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(17,134)	(17,134)	-	-	-
Issuance of long term debt/capital leases	342,685	342,685	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	342,685	325,551	(17,134)	-	-	-
Net change in fund balance	-	325,520	325,520	(527,887)	(243,209)	284,678
Fund Balance, July 1, 2016	(314,407)	(314,407)	-	(69,966)	(69,966)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(314,407)	(314,407)	-	(69,966)	(69,966)	-
Fund Balance, June 30, 2017	\$ (314,407)	\$ 11,113	\$ 325,520	\$ (597,853)	\$ (313,175)	\$ 284,678

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	FY18 SIDEWALK/CURB			SID 531		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	37,473	37,473	-	-	-
Total Expenditures	-	37,473	37,473	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	(37,473)	(37,473)	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	(37,473)	(37,473)	-	-	-
Fund Balance, July 1, 2016	-	-	-	(1,070)	(1,070)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	-	-	-	(1,070)	(1,070)	-
Fund Balance, June 30, 2017	\$ -	\$ (37,473)	\$ (37,473)	\$ (1,070)	\$ (1,070)	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	SID 532			SID 533		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	763	763	-	11	11	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	763	763	-	11	11	-
Fund Balance, June 30, 2017	\$ 763	\$ 763	\$ -	\$ 11	\$ 11	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	SID 534			SID 535		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	86	86
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	86	86
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	(86)	(86)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	86	86
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	86	86
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	(14)	(14)	-	(4,725)	(4,725)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(14)	(14)	-	(4,725)	(4,725)	-
Fund Balance, June 30, 2017	\$ (14)	\$ (14)	\$ -	\$ (4,725)	\$ (4,725)	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	SID 536			SID 539		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	7	7
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	7	7
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	(7)	(7)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	38	38
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	38	38
Net change in fund balance	-	-	-	-	31	31
Fund Balance, July 1, 2016	2,220	2,220	-	(171)	(171)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	2,220	2,220	-	(171)	(171)	-
Fund Balance, June 30, 2017	\$ 2,220	\$ 2,220	\$ -	\$ (171)	\$ (140)	\$ 31

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	SID 540			SID 541		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual		Budget	Actual	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	7,020	7,020	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	7,020	7,020	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	(7,020)	(7,020)	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	(7,020)	(7,020)	-	-	-	-
Fund Balance, July 1, 2016	106,174	106,174	-	23,576	23,576	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	106,174	106,174	-	23,576	23,576	-
Fund Balance, June 30, 2017	\$ 99,154	\$ 99,154	\$ -	\$ 23,576	\$ 23,576	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	SID 542			Miller Creek Mitigation		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	178	178	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	178	178	-	-	-
Net change in fund balance	-	178	178	-	-	-
Fund Balance, July 1, 2016	(178)	(178)	-	3,526	3,526	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(178)	(178)	-	3,526	3,526	-
Fund Balance, June 30, 2017	\$ (178)	\$ -	\$ 178	\$ 3,526	\$ 3,526	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	Miller Creek (T) Construction			Miller Creek (M) Construction		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	1,394	1,394	-	10,025	10,025	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	1,394	1,394	-	10,025	10,025	-
Fund Balance, June 30, 2017	\$ 1,394	\$ 1,394	\$ -	\$ 10,025	\$ 10,025	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	Miller Creek (Mc) Construction			5th, 6th, & Arthur Improvements		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	18,304	18,303	(1)
Total Expenditures	-	-	-	18,304	18,303	(1)
Excess (Deficiency) of Revenue over Expenditures	-	-	-	(18,304)	(18,303)	1
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	(18,304)	(18,303)	1
Fund Balance, July 1, 2016	18,657	18,657	-	138,952	138,952	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	18,657	18,657	-	138,952	138,952	-
Fund Balance, June 30, 2017	\$ 18,657	\$ 18,657	\$ -	\$ 120,648	\$ 120,649	\$ 1

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	SID 549 Hillview Way			Maloney Twite		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	169,574	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	169,574	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	(169,574)	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out			-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	(169,574)	-	-	-	-	-
Fund Balance, July 1, 2016	138,952	138,952	-	1,292	1,292	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	138,952	138,952	-	1,292	1,292	-
Fund Balance, June 30, 2017	\$ (30,622)	\$ 138,952	\$ -	\$ 1,292	\$ 1,292	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	FY13 Hillview Way			Rattlesnake Sewer Collection		
			Variance with Final Budget			Variance with Final Budget
	Budget	Actual	Budget	Actual	Budget	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	7,691	7,691	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	7,691	7,691	-	-	-
EXPENDITURES						
Public Works	290,819	163,318	(127,501)	-	-	-
Miscellaneous	-	23,543	23,543	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	2,550,000	2,541,433	(8,567)	-	-	-
Total Expenditures	2,840,819	2,728,294	(112,525)	-	-	-
Excess (Deficiency) of Revenue over Expenditures	(2,840,819)	(2,720,603)	120,216	-	-	-
Other Financing Sources (Uses)						
Transfers In	1,503,138	1,503,138	-	-	-	-
Transfers Out	-	(127,678)	(127,678)	-	-	-
Issuance of long term debt/capital leases	2,550,000	2,550,000	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,053,138	3,925,460	(127,678)	-	-	-
Net change in fund balance	1,212,319	1,204,857	(7,462)	-	-	-
Fund Balance, July 1, 2016	(926,789)	(926,789)	-	245	245	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(926,789)	(926,789)	-	245	245	-
Fund Balance, June 30, 2017	\$ 285,530	\$ 278,068	\$ (7,462)	\$ 245	\$ 245	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	Phillips St Traffic Calming			Pattee Creek Drive		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	262	262	-	253	253
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	262	262	-	253	253
Excess (Deficiency) of Revenue over Expenditures	-	(262)	(262)	-	(253)	(253)
Other Financing Sources (Uses)						
Transfers In	-	1,888	1,888	-	1,713	1,713
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	1,888	1,888	-	1,713	1,713
Net change in fund balance	-	1,626	1,626	-	1,460	1,460
Fund Balance, July 1, 2016	(6,554)	(6,554)	-	(6,651)	(6,651)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(6,554)	(6,554)	-	(6,651)	(6,651)	-
Fund Balance, June 30, 2017	\$ (6,554)	\$ (4,928)	\$ 1,626	\$ (6,651)	\$ (5,191)	\$ 1,460

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	STORMWATER OUTFALL RETROFITS			SID 949 WAYFINDING PROJECT		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ 28,198	\$ 53,198	\$ 25,000	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	28,198	53,198	25,000	-	-	-
EXPENDITURES						
Public Works	30,229	30,229	-	90,396	90,396	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	2,532	2,532	-	-	-	-
Total Expenditures	32,761	32,761	-	90,396	90,396	-
Excess (Deficiency) of Revenue over Expenditures	(4,563)	20,437	25,000	(90,396)	(90,396)	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	(4,563)	20,437	25,000	(90,396)	(90,396)	-
Fund Balance, July 1, 2016	24,997	24,997	-	99,827	99,827	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	24,997	24,997	-	99,827	99,827	-
Fund Balance, June 30, 2017	\$ 20,434	\$ 45,434	\$ 25,000	\$ 9,431	\$ 9,431	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	ARRA Enhancement			HB 645		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	(2,498)	(2,498)	-	(23,677)	(23,677)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(2,498)	(2,498)	-	(23,677)	(23,677)	-
Fund Balance, June 30, 2017	\$ (2,498)	\$ (2,498)	\$ -	\$ (23,677)	\$ (23,677)	\$ -

continued

City of Missoula
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
NonMajor Capital Project Funds
For the Year Ended June 30, 2017

	WFL Miller Creek Road			WFL		
			Variance with Final			Variance with Final
	Budget	Actual	Budget	Budget	Actual	Budget
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES						
Public Works	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Issuance of long term debt/capital leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund Balance, July 1, 2016	(34)	(34)	-	(5,704)	(5,704)	-
Restatement	-	-	-	-	-	-
Fund Balance as of June 30, 2016, Restated	(34)	(34)	-	(5,704)	(5,704)	-
Fund Balance, June 30, 2017	\$ (34)	\$ (34)	\$ -	\$ (5,704)	\$ (5,704)	\$ -

STATISTICAL SECTION

STATISTICAL SECTION

This part of the city of Missoula's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements note disclosures and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	262 to 266
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	267 to 272
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	273 to 281
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand how the information in the government's financial activities take place.</i>	282 to 287
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.</i>	288 to 306

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

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

	Fiscal Year									
	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
Government activities										
Net Investment in capital assets	\$ 95,716,983	\$ 100,490,698	\$ 108,461,735	\$ 117,493,776	\$ 123,514,699	\$ 132,570,240	\$ 135,567,262	\$ 143,875,936	\$ 143,783,756	\$ 164,778,388
Restricted for:	3,175,573	3,654,339	3,869,555							
Cemetery Memorial	-	-	-	5,633	6,805	6,805	-	-	-	-
Title I Program & Revolving Loan Program	-	-	-	159,649	98,999	151,017	179,972	179,972	658,660	235,191
Cable contract restricted for CAT & PEG Access	-	-	-	328,906	215,381	173,307	307,741	387,742	-	-
Law Enforcement	-	-	-	803,979	912,172	870,464	796,089	1,355,025	293,319	3,653,140
Building construction inspections	-	-	-	681,948	805,771	606,499	227,852	39,581	1,451,087	1,998,850
Public Works safety & maintenance expenditures	-	-	-	578,152	544,259	389,005	76,747	8,830	186,680	125,277
Grant restrictions for program expenditures	-	-	-	695,377	272,874	336,035	365,869	330,556	509,292	960,140
Debt Service	-	-	-	18,800,480	18,238,355	16,867,243	15,042,635	13,867,659	12,298,508	12,935,758
Capital Projects	-	-	-	725,055	891,285	777,419	761,581	775,946	962,521	766,886
Unrestricted	18,285,910	14,462,852	14,613,562	(2,394,004)	(1,627,635)	(540,140)	(2,155,290)	(34,301,707)	(36,459,084)	(35,554,851)
Total government activities net position	<u>\$ 117,178,466</u>	<u>\$ 118,607,889</u>	<u>\$ 126,944,852</u>	<u>\$ 137,878,951</u>	<u>\$ 143,872,965</u>	<u>\$ 152,207,894</u>	<u>\$ 151,170,458</u>	<u>\$ 126,519,540</u>	<u>\$ 123,684,739</u>	<u>\$ 149,898,779</u>
Business-type activities										
Net Investment in capital assets	\$ 73,746,920	\$ 74,821,900	\$ 83,162,349	\$ 77,159,109	\$ 83,405,086	\$ 82,459,531	\$ 81,596,311	\$ 80,729,107	\$ 81,037,217	\$ 42,251,262
Restricted for:	1,303,028	1,337,645	1,662,261							
Debt Service	-	-	-	2,231,478	2,226,925	2,226,925	2,345,008	2,345,938	2,377,857	31,722,064
Capital Projects	-	-	-							2,500,000
Unrestricted	-	1,441,584	278,305	6,193,089	1,903,151	1,974,650	1,852,182	503,602	136,698	(4,564,784)
Total business-type activities net position	<u>\$ 75,049,948</u>	<u>\$ 77,601,129</u>	<u>\$ 85,102,915</u>	<u>\$ 85,583,676</u>	<u>\$ 87,535,162</u>	<u>\$ 86,661,106</u>	<u>\$ 85,793,501</u>	<u>\$ 83,578,647</u>	<u>\$ 83,551,772</u>	<u>\$ 71,908,542</u>
Primary Government										
Net Investment in capital assets	\$ 169,463,903	\$ 175,312,598	\$ 191,624,084	\$ 194,652,885	\$ 206,919,785	\$ 215,029,771	\$ 217,163,573	\$ 224,605,043	\$ 224,820,973	\$ 207,029,650
Restricted for:	4,478,601	4,991,984	5,531,816							
Cemetery Memorial	-	-	-	5,633	6,805	6,805	-	-	-	-
Title I Program & Revolving Loan Program	-	-	-	159,649	98,999	151,017	179,972	179,972	658,660	235,191
Cable contract restricted for CAT & PEG Access	-	-	-	328,906	215,381	173,307	307,741	387,742	-	-
Law Enforcement	-	-	-	803,979	912,172	870,464	796,089	1,355,025	293,319	3,653,140
Building construction inspections	-	-	-	681,948	805,771	606,499	227,852	39,581	1,451,087	1,998,850
Public Works safety & maintenance expenditures	-	-	-	578,152	544,259	389,005	76,747	8,830	186,680	125,277
Grant restrictions for program expenditures	-	-	-	695,377	272,874	336,035	365,869	330,556	509,292	960,140
Debt Service	-	-	-	21,031,958	20,465,280	19,094,168	17,387,643	16,213,597	14,676,365	44,657,822
Capital Projects	-	-	-	725,055	891,285	777,419	761,581	775,946	962,521	3,266,886
Unrestricted	18,285,910	15,904,436	14,891,867	3,799,085	275,516	1,434,510	(303,108)	(33,798,105)	(36,322,386)	(40,119,635)
Total primary government net position	<u>\$ 192,228,414</u>	<u>\$ 196,209,018</u>	<u>\$ 212,047,767</u>	<u>\$ 223,462,627</u>	<u>\$ 231,408,127</u>	<u>\$ 238,869,000</u>	<u>\$ 236,963,959</u>	<u>\$ 210,098,187</u>	<u>\$ 207,236,511</u>	<u>\$ 221,807,321</u>

Source: City of Missoula

* Restatement for Management Discussion and Analysis

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General Government	\$ 7,164,932	\$ 8,492,155	\$ 7,596,451	\$ 6,466,035	\$ 7,063,259	\$ 8,062,728	\$ 10,263,034	\$ 10,833,682	\$ 11,793,813	\$ 7,547,664
Public Safety	22,864,926	20,993,673	23,252,086	23,220,034	24,449,247	25,963,445	28,500,847	29,695,040	29,481,389	20,860,058
Public Works	11,992,483	10,148,557	7,524,949	7,355,598	8,472,243	7,466,331	10,292,376	10,518,044	14,991,013	13,804,507
Public Health	1,382,490	1,422,347	1,387,041	1,398,035	1,444,647	1,480,573	1,569,465	1,732,159	1,775,343	1,111,854
Social And Economic	115,000	118,450	118,450	134,457	116,000	116,000	210,000	221,203	174,525	125,377
Culture And Recreation	3,580,622	3,667,078	3,466,304	3,195,731	3,626,741	3,845,406	4,332,120	4,670,590	1,045,843	4,855,699
Housing & Community Development	2,189,207	1,336,972	4,051,227	2,235,780	10,372,128	1,240,211	294,750	1,486,729	6,037,362	794,020
Conservation Of Natural Resources	-	-	7,759	450	100	120	120	-	-	-
Miscellaneous	-	-	1,041,180	1,189,351	1,003,472	1,049,647	1,057,905	788,789	818,567	175,515
Debt Service Interest Expense	-	1,595,937	1,612,770	1,666,641	1,486,745	1,241,937	1,180,558	1,120,924	1,256,776	1,088,561
Total governmental activities expenses	<u>49,289,660</u>	<u>47,775,169</u>	<u>50,058,217</u>	<u>46,862,112</u>	<u>58,034,582</u>	<u>50,466,398</u>	<u>57,701,175</u>	<u>61,067,159</u>	<u>67,374,631</u>	<u>50,363,255</u>
Business-type activities										
Water	-	-	-	-	-	-	-	-	-	4,731,405
Sewer	6,716,237	6,738,463	7,081,714	7,288,496	8,638,266	8,679,317	8,477,884	8,527,990	9,160,165	10,150,269
Storm Water	-	-	-	-	-	-	-	-	-	257,569
Aquatics	1,412,133	1,456,758	1,459,788	1,615,583	1,648,846	1,555,494	1,649,496	1,798,172	1,666,722	1,795,539
Civic Stadium	-	-	-	-	119,500	178,985	201,441	199,697	197,706	199,385
Total business-type activities expenses	<u>8,128,370</u>	<u>8,195,221</u>	<u>8,541,502</u>	<u>8,904,079</u>	<u>10,406,612</u>	<u>10,413,796</u>	<u>10,328,821</u>	<u>10,525,859</u>	<u>11,024,593</u>	<u>17,134,167</u>
Total primary government expenses	<u><u>\$ 57,418,030</u></u>	<u><u>\$ 55,970,390</u></u>	<u><u>\$ 58,599,719</u></u>	<u><u>\$ 55,766,191</u></u>	<u><u>\$ 68,441,194</u></u>	<u><u>\$ 60,880,194</u></u>	<u><u>\$ 68,029,996</u></u>	<u><u>\$ 71,593,018</u></u>	<u><u>\$ 78,399,224</u></u>	<u><u>\$ 67,497,422</u></u>
Program Revenues										
Government activities										
Program revenues:										
Charges for services:										
General Government	\$ 3,960,870	\$ 4,369,769	\$ 4,137,315	\$ 3,061,618	\$ 3,081,997	\$ 3,414,561	\$ 2,954,537	\$ 1,927,492	\$ 2,054,748	\$ 1,948,255
Public Safety	1,864,023	1,581,222	1,439,971	2,749,672	3,033,806	4,070,238	3,923,290	4,964,365	6,036,116	3,214,812
Public Works	2,180,372	1,825,008	2,833,485	3,150,203	2,872,800	3,105,016	2,746,447	3,440,158	3,433,949	7,674,502
Public Health	-	-	19,323	96,376	85,349	121,885	97,380	112,240	115,170	119,956
Social And Economic Service	21,140	20,338	-	-	18,732	18,767	-	-	-	-
Culture And Recreation	1,519,854	537,764	515,405	499,116	531,912	619,086	610,398	778,944	791,876	1,041,145
Housing And Community Development	367,359	379,530	331,478	211,361	190,698	157,699	129,884	325,824	345,629	242,922
Conservation Of Natural Resources	1,388	1,277	1,580	-	-	-	-	-	-	-
Operating Grants & Contributions	1,264,937	1,978,844	3,413,272	2,111,526	3,022,078	3,479,928	3,005,627	4,022,357	2,879,310	1,370,235
Capital Grants & Contributions	7,572,822	2,848,638	9,869,381	7,753,606	13,355,935	5,286,844	3,832,286	5,416,343	5,683,590	7,885,240
Total governmental activities program revenues	<u>\$ 18,752,765</u>	<u>13,542,390</u>	<u>22,561,210</u>	<u>19,633,478</u>	<u>26,193,307</u>	<u>20,274,024</u>	<u>17,299,849</u>	<u>20,987,723</u>	<u>21,340,388</u>	<u>23,497,067</u>
Business-type activities program revenues										
Charges for services										
Water	-	-	-	-	-	-	-	-	-	343,061
Sewer	6,707,510	6,735,343	6,514,558	6,659,348	7,308,745	7,561,236	7,962,674	8,073,742	8,290,157	9,045,781
Storm Water	-	-	-	-	-	-	-	-	-	133,815
Aquatics	927,665	946,248	911,803	911,537	1,028,526	990,447	928,889	1,044,895	948,514	1,013,635
Operating Grants & Contributions	-	1,435	1,428	176,855	1,543	46,535	8,122	39,135	35,255	39,217
Capital Grants & Contributions	1,414,448	885,658	8,451,165	1,437,382	1,562,035	115,250	28,230	85,001	542,866	795,791
Total business-type activities program revenues	<u>9,049,623</u>	<u>8,568,684</u>	<u>15,878,954</u>	<u>9,185,122</u>	<u>9,900,849</u>	<u>8,713,468</u>	<u>8,927,915</u>	<u>9,242,773</u>	<u>9,816,792</u>	<u>11,371,300</u>
Total primary governmental program revenues	<u><u>\$ 27,802,388</u></u>	<u><u>\$ 22,111,074</u></u>	<u><u>\$ 38,440,164</u></u>	<u><u>\$ 28,818,600</u></u>	<u><u>\$ 36,094,156</u></u>	<u><u>\$ 28,987,492</u></u>	<u><u>\$ 26,227,764</u></u>	<u><u>\$ 30,230,496</u></u>	<u><u>\$ 31,157,180</u></u>	<u><u>\$ 34,868,367</u></u>
Net (expense) revenue										
Governmental activities:										
Property taxes for general purposes	\$ (30,536,895)	\$ (34,232,779)	\$ (27,497,007)	\$ (27,228,634)	\$ (31,841,275)	\$ (30,192,374)	\$ (40,401,326)	\$ (40,079,436)	\$ (46,034,243)	\$ (26,866,188)
Business-type activities	921,254	373,463	7,337,452	281,043	(505,763)	(1,700,328)	(1,400,906)	(1,283,086)	(1,207,801)	(5,762,867)
Total primary government expenses	<u><u>\$ (29,615,641)</u></u>	<u><u>\$ (33,859,316)</u></u>	<u><u>\$ (20,159,555)</u></u>	<u><u>\$ (26,947,591)</u></u>	<u><u>\$ (32,347,038)</u></u>	<u><u>\$ (31,892,702)</u></u>	<u><u>\$ (41,802,232)</u></u>	<u><u>\$ (41,362,522)</u></u>	<u><u>\$ (47,242,044)</u></u>	<u><u>\$ (32,829,055)</u></u>
General Revenues and Other Changes In Net Position										
Governmental activities										
Interest Income	168,312	47,494	(4,020)	21,457	257,348	243,154	240,257	238,767	238,645	233,891
Miscellaneous	3,378	2,405	190,354	5,107	67,177	374,028	172,644	256,024	761,463	369,919
Gain or loss on sale of capital assets	5,778	-	-	-	-	43,321	11,857	8,279	-	-
Interfund transactions	64,798	(122,637)	(22,000)	(257,051)	132,724	163,001	127,787	152,787	203,000	203,000
Special Items	13,409,208	-	-	-	2,000,000	-	-	-	-	-
Total governmental activities	<u>25,575,385</u>	<u>35,412,633</u>	<u>35,833,970</u>	<u>37,854,828</u>	<u>37,996,980</u>	<u>38,516,447</u>	<u>39,668,872</u>	<u>41,216,273</u>	<u>43,330,464</u>	<u>46,384,203</u>
Business-type activities										
Interest Income	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain or loss on sale of capital assets	-	-								

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 558,624	\$ 699,325	\$ 740,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	643,449	201,062	1,348,317							
Nonspendable*				1,148,767	1,232,302	1,259,186	1,129,654	1,404,250	-	-
Inventory	-	-	-	-	-	-	-	-	1,055,988	1,143,230
Prepaid Expenses	-	-	-						277,986	253,003
Restricted*	-	-	-	165,282	105,804	157,822	179,972	179,972	-	-
Cemetery memorial	-	-	-	-	-	-	-	-	7,490	25,587
Title I Revolving Loan programs	-	-	-	-	-	-	-	-	658,660	235,191
Assigned*	-	-	-	1,203,481	1,284,045	1,757,237	1,716,911	1,868,348	1,693,229	1,725,913
Unassigned*	-	-	-	1,152,657	1,940,474	2,968,121	2,543,264	2,160,723	1,799,445	452,861
Total General Fund	\$ 1,202,073	\$ 900,387	\$ 2,088,984	\$ 3,670,187	\$ 4,562,625	\$ 6,142,366	\$ 5,569,801	\$ 5,613,293	\$ 5,492,798	\$ 3,835,785
All other governmental funds										
Reserved	\$ 3,175,573	\$ 3,654,339	\$ 3,869,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,208,509	3,814,089	4,124,600	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	(1,471,297)	(4,728,035)	(4,089,044)	-	-	-	-	-	-	-
Nonspendable*	-	-	-	11,505	12,042	-	-	-	-	-
Restricted*	-	-	-	7,911,860	7,409,318	6,789,639	6,302,882	6,342,952	-	-
Building construction inspections	-	-	-	-	-	-	-	-	1,451,087	1,998,850
Capital Project expenditures	-	-	-	-	-	-	-	-	962,521	766,886
Debt	-	-	-	-	-	-	-	-	3,262,391	-
Grant restrictions for program expenditures	-	-	-	-	-	-	-	-	509,292	960,140
Law Enforcement	-	-	-	-	-	-	-	-	293,319	3,653,140
Public works safety & maintenance expenditures	-	-	-	-	-	-	-	-	186,680	125,277
Committed*	-	-	-	1,374,228	2,048,128	2,892,425	4,543,997	5,289,662	6,279,094	3,722,871
Assigned*	-	-	-	-	-	-	-	-	21,240	87,754
Unassigned*, reported in:										
Special revenue funds	-	-	-	(332,574)	(149,817)	(105,325)	(986,470)	(400,440)	(233,312)	(1,195,469)
Debt service funds	-	-	-	(36,421)	(174,575)	(23,761)	(189,696)	(331,743)	(351,757)	(379,471)
Capital projects funds	-	-	-	(3,962,631)	(4,602,847)	(5,681,029)	(8,125,283)	(9,907,630)	(9,958,916)	(7,741,323)
Water funds	-	-	-	-	-	-	-	(3,532,964)	(6,248,789)	-
Neighborhood stabilization funds	-	-	-	-	-	(4,139)	-	-	-	-
Total other governmental funds	\$ 4,912,785	\$ 2,740,393	\$ 3,905,111	\$ 4,965,967	\$ 4,538,110	\$ 3,871,949	\$ 1,545,430	\$ (2,518,923)	\$ (3,760,636)	\$ 2,082,374

Source: City of Missoula

* Restated to conform to GASB Statement No. 54

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes and assessments	\$ 25,071,209	\$ 26,649,687	\$ 27,445,555	\$ 28,256,587	\$ 29,396,016	\$ 31,729,767	\$ 31,161,007	\$ 32,506,332	\$ 34,184,222	\$ 35,696,747
Licenses and permits	4,054,474	2,753,704	3,050,653	3,092,436	2,866,229	3,227,926	3,119,709	3,663,422	3,848,093	4,442,860
Intergovernmental	12,747,140	13,147,938	20,456,138	17,531,499	25,130,561	17,665,516	17,000,835	19,095,397	19,423,835	19,139,911
Charges for services	3,911,813	4,439,499	4,475,126	5,160,326	5,106,399	6,057,449	5,596,577	6,368,100	7,047,188	7,987,812
Fines and forfeitures	1,215,955	1,130,177	1,203,587	1,008,945	1,344,578	1,565,130	1,347,949	1,326,509	1,546,732	1,624,922
Miscellaneous	1,699,515	1,168,486	1,464,092	1,205,961	613,255	625,976	544,245	836,745	733,501	750,424
Interestearnings	584,698	156,522	63,362	32,409	41,691	47,960	21,214	13,687	13,251	19,290
Gain on disposal of fixed assets	-	-	-	-	-	-	-	-	-	14,445
Total revenues	49,284,804	49,446,013	58,158,513	56,288,163	64,498,728	60,919,724	58,791,536	63,810,192	66,796,822	69,676,411
Expenditures										
General government	6,515,738	7,752,035	7,252,975	6,493,866	6,949,250	8,034,601	9,838,640	10,204,889	10,871,089	11,129,839
Public safety	21,637,023	21,669,039	22,227,258	22,431,087	23,834,156	25,803,943	28,002,557	28,012,238	29,027,968	29,870,108
Public works	6,670,377	6,624,812	6,577,834	7,962,836	7,437,537	7,393,392	7,193,974	9,962,351	10,519,825	7,950,005
Public health	1,364,663	1,404,043	1,368,398	1,372,380	1,431,431	1,482,096	1,550,087	1,644,431	1,706,945	1,797,051
Social and economic	115,000	118,450	118,450	116,000	116,000	116,000	210,000	210,000	175,000	210,000
Culture and recreation	3,118,438	3,278,075	3,293,005	3,289,120	3,528,049	3,838,271	4,091,295	4,434,040	4,769,242	5,046,816
Housing and Community Development	2,041,498	1,193,372	4,017,676	2,264,947	10,348,859	1,238,419	227,258	1,411,431	1,336,254	1,273,642
Conservation of natural resources	-	-	7,757	450	100	120	120	-	-	-
Miscellaneous	-	-	1,041,180	1,189,351	1,003,472	1,049,647	1,057,905	788,789	818,567	165,216
Debt service - principal	2,973,898	3,026,661	3,121,407	3,484,312	3,689,100	3,057,702	3,695,116	4,696,540	7,128,255	4,738,252
Debt service - interest	1,665,936	1,595,937	1,584,136	1,595,391	1,556,195	2,531,043	841,703	836,167	1,197,723	1,035,880
Capital outlay	7,575,647	5,401,985	8,518,735	7,777,324	6,202,777	6,863,986	5,749,618	8,477,784	6,366,171	12,903,656
Total expenditures	53,678,218	52,064,409	59,128,811	57,977,065	66,096,927	61,409,220	62,458,274	70,678,660	73,917,039	76,120,466
Excess of revenues over (under) expenditures	(4,393,414)	(2,618,396)	(970,298)	(1,688,902)	(1,598,199)	(489,496)	(3,666,738)	(6,868,468)	(7,120,217)	(6,444,055)
Other financing sources (uses)										
Transfers in	4,551,456	5,343,911	5,531,051	4,989,066	7,143,975	7,539,764	7,246,955	7,227,765	7,334,163	9,567,221
Transfers out	(4,665,834)	(5,282,309)	(5,557,582)	(4,797,139)	(7,478,899)	(8,145,604)	(8,060,866)	(8,065,955)	(8,056,043)	(10,284,306)
Payments to Refunded Bond Escrow Agent	-	-	(983,591)	-	-	(5,541,672)	(5,781,508)	-	-	-
Issuance of Refunding Bonds	-	-	1,000,000	-	-	5,480,000	5,860,000	-	-	-
Premium on Refunded Bonds	-	-	-	-	-	152,081	-	-	-	-
Issuance of long term debt/capital leases	2,378,354	-	3,276,941	4,168,336	2,559,396	1,895,150	1,514,851	3,159,644	6,472,883	4,651,112
Proceeds from sale of capital assets	840,620	82,716	56,794	-	-	22,171	465	-	-	-
Total other financing sources (uses)	3,104,596	144,318	3,323,613	4,360,263	2,224,471	1,401,890	779,897	2,321,454	5,751,003	3,934,027
Net change in fund balances	\$ (1,288,818)	\$ (2,474,078)	\$ 2,353,315	\$ 2,671,361	\$ 626,272	\$ 912,394	\$ (2,886,840)	\$ (4,547,014)	\$ (1,369,214)	\$ (2,510,028)
Debt service as a percentage of non-capital expenditures	10.88%	10.55%	10.76%	12.61%	9.96%	12.37%	9.00%	10.72%	14.87%	15.16%

Source: City of Missoula

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

Taxing Authority	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of Missoula	212.23	222.45	222.45	225.56	233.24	240.90	243.52	245.62	252.81	260.08
County of Missoula										
County Wide	136.19	140.35	138.94	139.80	142.47	145.04	150.32	160.09	167.96	172.32
Open Space Bond Levy	-			1.66	2.33	3.04	3.33	3.45	2.74	3.22
Fort Missoula Regional Park	-	-	-	-	-	-	-	-	-	13.43
County Wide Schools	104.04	105.61	104.62	103.45	100.94	100.17	104.60	105.64	104.35	103.73
Total	240.23	245.96	243.56	244.91	245.74	248.25	258.25	269.18	275.05	292.70
District Schools										
School District One	145.45	140.24	142.75	141.50	145.18	141.88	148.94	150.34	149.71	180.04
High Schools	77.05	79.13	76.46	74.63	76.44	71.92	72.19	72.77	75.11	85.01
Total	222.50	219.37	219.21	216.13	221.62	213.80	221.13	223.11	224.82	265.05
State Levies										
University	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Education Foundation	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Total	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Urban Transportation District	14.62	14.86	16.30	16.45	17.69	19.51	21.05	34.26	40.47	40.47
Total Levy on City Residents	735.58	748.64	747.52	749.05	764.29	768.46	789.95	818.17	839.15	904.30
Overall Property Tax Increase (Decrease)	0.08%	1.78%	-0.15%	0.20%	2.03%	0.55%	2.80%	3.57%	2.56%	7.76%
Other Levies of Interest										
County Only	35.68	35.80	35.80	36.18	36.18	36.38	36.37	36.37	37.70	39.57
Missoula Rural Fire	91.13	94.13	94.13	97.97	97.97	100.33	102.39	112.59	112.61	114.33

Source: County of Missoula Accounting Office

Note: MRA doesn't get University mills.

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

Fiscal Year	Estimated Market Value	Taxable Value City Without Tax Increment	Ratio of Total Assessed Value to Total Estimated Market Value		Taxable Value Tax Increment Districts	Mill Levy
			Total	Estimated Market Value		
2008	\$ 3,195,587,513	\$ 99,332,558	3.11%		\$ 1,806,159	212.23
2009	3,369,424,088	103,000,436	3.06%		1,909,938	222.45
2010	3,757,969,949	104,408,018	2.78%		4,507,159	222.45
2011	3,965,146,053	106,229,033	2.68%		5,245,004	225.56
2012	4,140,685,284	107,878,992	2.61%		5,114,782	233.24
2013	4,110,699,383	108,167,019	2.63%		4,530,936	240.90
2014	4,305,020,382	109,336,360	2.54%		4,732,437	243.52
2015	4,406,017,003	108,677,495	2.47%		3,946,539	245.62
2016	7,303,174,348	111,843,874	1.53%		4,012,384	252.81
2017	7,390,919,522	113,132,406	1.53%		4,569,578	260.08

Source: Missoula County Assessors Office

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

Fiscal Year	Real Property	Equipment & Fixtures	Electric, Airline & Telecommunications		Railroad	Electric, Phone Co-ops & Pollution Control	Other	Tax Increment District	Total Taxable Assessed Value
			Electric	Airline & Telecommunications					
2008	\$91,045	\$ 4,474	\$ 4,925	\$ 313	\$ 382	\$ -	\$ (1,806)	\$ 99,333	
2009 ^	-	-	-	-	-	-	-	-	
2010	96,352	5,133	3,585	348	380	3,117	(4,507)	104,408	
2011	96,914	4,785	5,304	397	393	3,681	(5,245)	106,229	
2012	98,235	4,851	5,376	402	398	3,732	(5,115)	107,879	
2013	98,669	3,852	5,175	440	407	4,155	(4,531)	108,167	
2014	99,741	4,086	4,928	587	346	4,381	(4,732)	109,336	
2015	101,034	2,242	3,848	501	396	4,604	(3,947)	108,677	
2016	103,502	2,058	3,048	604	361	6,283	(4,012)	111,844	
2017	104,237	2,546	4,584	521	397	5,417	(4,570)	113,132	

*Property in the City does have a Market Value and is assessed at the actual value at a rate of 2.5%; therefore, the assessed values are equal to actual value.

*This table presents taxable property assessments at values calculated after certified values were received from the Department of Revenue. These values will not articulate to certified values due to the date that this report is run by the Department of Revenue.

^ 2009 Values are no longer available due to Department of Revenue (DOR) software constraints and timing issues in FY2009.

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

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

Fiscal Year	Assessed Value City Property	New Construction						% Change Over Last Year	
		Single Family		Multi-Family		All Construction			
		Number	Value Estimate	Number	Value Estimate	Number	Value Estimate		
2008	\$ 3,195,587,513	229	\$ 21,554,764	154	\$ 9,711,099	1,530	\$ 133,165,009	49.39%	
2009	3,369,424,088	142	11,627,586	73	3,019,865	1,291	63,987,567	-51.95%	
2010	3,757,969,949	139	12,643,362	63	2,552,415	1,306	54,867,213	-14.25%	
2011	3,965,146,053	95	8,892,276	262	17,010,385	1,283	87,790,572	60.01%	
2012	4,140,685,284	96	9,675,751	329	15,186,996	1,395	58,443,007	-33.43%	
2013	4,110,699,383	127	11,284,179	371	14,682,857	1,485	68,558,394	17.31%	
2014	4,305,020,382	160	18,828,163	210	9,575,271	1,319	74,177,588	8.20%	
2015	4,406,017,003	176	18,033,312	302	12,840,095	1,427	122,960,429	65.76%	
2016	7,303,174,348	195	20,368,865	150	9,679,420	1,515	117,605,567	-4.35%	
2017	7,390,919,522	246	25,059,568	736	41,624,374	1,576	161,435,250	37.27%	

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

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of City Taxable Assessed Value
NORTHWESTERN ENERGY	\$ 5,805,954	1	4.77%	\$ 3,030,470	1	2.90%
SOUTHGATE MALL ASSOCIATES	1,101,236	2	0.90%	1,049,135	3	1.01%
CENTURYLINK INC**	993,838	3	0.82%	2,022,489	2	1.94%
RCHP BILLINGS MISSOULA LLC *	978,589	4	0.80%			
VERIZON WIRELESS	924,146	5	0.76%			
MONTANA RAIL LINK	882,775	6	0.73%	909,923	4	0.87%
CHARTER COMMUNICATIONS	792,549	7	0.65%	484,352	6	0.46%
MOUNTAIN WATER CO	789,887	8	0.65%	355,644	10	0.34%
GATEWAY LIMITED PARTNERSHIP	773,118	9	0.63%	763,174	5	0.73%
UT MISSOULA LLC	464,151	10	0.38%			
MOUNTAIN STATES LEASING				446,133	7	0.43%
WESTERN HOSPITALITY GROUP				410,986	8	0.39%
WW HOLDING CO INC/ALLTELL CORP				396,445	9	0.38%
Total	\$ 13,506,243		11.09%	\$ 9,868,751		9.45%

* Formerly Community Hospital Corp

** Formerly Qwest Communications

Source: Department of Revenue - Missoula County Finance Office

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

Fiscal Year Ended June 30th	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date*			Percentage of Delinquencies
		Amount	Percentage of Levy	in Subsequent Years	Amount	Percentage of Levy	
2008	\$ 21,454,436	\$ 20,926,264	97.54%	\$ 56,389	\$ 20,982,653	97.80%	2.46%
2009	22,914,220	22,301,910	97.33%	317,891	22,619,800	98.72%	2.67%
2010	23,225,564	22,737,517	97.90%	636,697	23,374,213	100.64%	2.10%
2011	23,961,021	22,743,766	94.92%	862,661	23,606,427	98.52%	5.08%
2012	25,161,696	24,607,176	97.80%	211,507	24,818,683	98.64%	2.20%
2013	26,057,435	26,150,721	100.36%	850,849	27,001,570	103.62%	-0.36%
2014	26,625,590	25,882,072	97.21%	140,631	26,022,703	97.74%	2.79%
2015	26,693,366	26,658,963	99.87%	209,372	26,868,335	100.66%	0.13%
2016	28,203,105	27,863,139	98.79%	100,318	27,963,457	99.15%	1.21%
2017	29,423,476	28,786,655	97.84%	98,256	28,884,910	98.17%	2.16%

Source: City of Missoula

* Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. The City does not identify delinquent collections by the year for which the tax was levied.

In 2014 this table was updated to reflect all taxes levied by the City of Missoula, not just the General Fund. While 2014 delinquencies are within a normal range we feel it germane to the reader to mention the passage of SB96 which reduced 2014 tax receipts for strict personal property. The legislature attempted to make taxing jurisdictions whole by one-time payments. The City of Missoula received a one-time payment of \$327,628 which is reflected in Intergovernmental revenues rather than tax receipts.

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

The following general obligation debt ratios are provided as of June 30, 2017

Market Valuation	\$	7,390,919,522
Market Valuation (Less Tax Increment)	\$	7,386,349,944
Taxable Valuation	\$	117,701,984
Taxable Valuation (Less Tax Increment)	\$	113,132,406
Population		73,747
Direct Debt Per Capita	\$	264
Direct and Overlapping Debt Per Capita	\$	1,315
Direct Debt to Market Valuation		0.26%
Direct and Overlapping Debt to Market Valuation		1.31%
Direct Debt to Taxable Valuation		16.55%
Direct and Overlapping Debt to Taxable Valuation		82.42%
Market Valuation per Capita	\$	100,220
Taxable Valuation per Capita	\$	1,534

Source: City of Missoula

**SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2017**

	Summary of Direct Debt		
	Gross Debt	Less: Debt Service Funds	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 19,478,827	\$ -	\$ 19,478,827
Debt Supported by General Fund	9,771,865	-	9,771,865
Revenue Debt (Water and Sewer)	159,805,891	(a)	159,805,891
Revenue Debt (TIF and Parking)	40,993,239	(b)	40,993,239
Subtotal of Direct Debt	<u><u>\$ 230,049,822</u></u>		<u><u>\$ 230,049,822</u></u>

(a) Monies are transferred from the Sewer Enterprise Fund to make the principal and interest payments on these bonds.
 (b) Monies from the Missoula Parking Commission and tax increment revenues are used to make principal and interest payments on these bonds.

	Summary of Indirect Debt		
	G.O. Debt as of June 30, 2017	Debt Applicable to Tax Capacity of City	Amount
Taxing Unit:			
Missoula County High School District	\$ 26,725,000	89.54%	\$ 23,929,565
Missoula County Elementary School District	49,775,000	51.74%	25,753,585
Hellgate Elementary School District	8,660,000	15.43%	1,336,238
School District No. 20 (Desmet)	75,000	2.62%	1,965
Missoula County	<u><u>48,150,000</u></u>	<u><u>55.05%</u></u>	<u><u>26,506,575</u></u>
Subtotal of Indirect Debt	<u><u>\$ 133,385,000</u></u>		<u><u>\$ 77,527,928</u></u>
Total of Direct and Indirect Debt			<u><u>\$ 307,577,750</u></u>

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value	0.26%	1.31%
Per Capita	\$ 264	\$ 1,315

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

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

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Local Schools

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 79,890	\$ 84,236	\$ 93,949	\$ 99,129	\$ 103,517	\$ 102,767	\$ 107,626	\$ 110,150	\$ 182,579	\$ 184,773
Total net debt applicable to limit	<u>17,722</u>	<u>16,426</u>	<u>15,224</u>	<u>13,966</u>	<u>12,661</u>	<u>12,124</u>	<u>11,555</u>	<u>10,178</u>	<u>8,731</u>	<u>7,548</u>
Legal debt Margin	<u>\$ 62,167</u>	<u>\$ 67,809</u>	<u>\$ 78,725</u>	<u>\$ 85,163</u>	<u>\$ 90,856</u>	<u>\$ 90,643</u>	<u>\$ 96,071</u>	<u>\$ 99,973</u>	<u>\$ 173,848</u>	<u>\$ 177,225</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>22.18%</u>	<u>19.50%</u>	<u>16.20%</u>	<u>14.09%</u>	<u>12.23%</u>	<u>11.80%</u>	<u>10.74%</u>	<u>9.24%</u>	<u>4.78%</u>	<u>4.08%</u>

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	7,390,919.52
Debt Limit 2.5% of Assessed Value (1)	<u>2.50%</u>
General Obligation Debt Limit	184,773
Less: Outstanding General Obligation Debt, June 30, 2017	7,548
Total net debt applicable to limit	<u>177,225</u>
Legal Debt Margin	<u>177,225</u>

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

Source: City of Missoula

Source: Missoula County Assessors Office

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

Fiscal Year	Governmental Activities						Business-Type Activities			Total Personal Per capita Income*	Total Population	Debt as a Percentage of Personal Income	Debt Per Capita	Debt as a Percentage of Market Value	
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	Loans Payable	Capital Leases	Sidewalk & Curb Warrants	Revenue Bonds	Capital Leases	Notes Payable						
2008	\$ 17,500,000	\$ 5,360,000	\$ 15,510,165	\$ 222,425	\$ -	\$ 120,923	\$ 15,818,231	-	-	\$ 54,531,744	\$ 35,318	66,000	2.34%	\$ 826	1.62%
2009	16,235,000	5,130,000	14,030,295	191,309	-	100,248	14,801,231	-	-	50,488,083	35,531	66,295	2.14%	762	1.34%
2010	15,065,000	4,935,000	14,350,241	159,063	1,378,125	-	13,883,485	-	-	49,770,914	33,642	66,788	2.22%	745	1.32%
2011	13,840,000	5,625,000	15,021,055	125,646	1,959,752	-	24,579,098	71,250	-	61,221,801	35,936	67,565	2.52%	906	1.63%
2012	12,570,000	5,285,000	15,322,685	91,014	2,174,849	-	23,600,000	385,660	2,525,270	61,954,479	38,046	68,484	2.38%	905	1.50%
2013	11,465,000	4,935,000	14,189,516	659,267	2,215,466	-	22,051,000	337,080	2,236,246	58,088,575	37,486	69,039	2.24%	841	1.41%
2014	11,020,000	4,575,000	12,738,346	534,747	3,201,445	-	20,857,000	232,296	1,962,919	55,121,753	39,211	69,821	2.01%	789	1.28%
2015	9,750,000	4,210,000	11,394,176	427,513	4,967,415	-	19,631,000	149,281	1,430,114	51,959,499	40,803	71,022	1.79%	732	1.18%
2016	8,395,000	5,100,000	10,693,500	336,190	4,989,470	-	18,799,002	92,293	1,392,863	49,798,318	42,297	72,070	1.63%	691	0.68%
2017	7,305,000	4,650,000	12,173,827	242,822	4,879,043	-	158,062,445	389,699	1,353,747	189,056,583	43,481	73,747	5.90%	2,564	2.56%

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Montana Department of Labor - Research and Analysis Bureau

*2010 is the most recent data available. Preceding years to 2004-2009 are City estimates.

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

Fiscal Year	General Obligation Bonds*	Total Taxable Assessed Valuation	Percentage of Taxable Value of Property	Estimated Population	Per Capita
2008	\$ 17,500	\$ 99,333	18%	66,000	\$ 265.15
2009	16,235	103,000	16%	66,295	244.89
2010	15,065	104,408	14%	66,788	225.56
2011	13,840	106,229	13%	67,565	204.84
2012	12,570	107,879	12%	68,484	183.55
2013	11,465	108,167	11%	69,039	166.07
2014	11,020	109,336	10%	69,821	157.83
2015	9,750	108,677	9%	71,022	137.28
2016	8,395	111,844	8%	72,070	116.48
2017	7,305	113,132	6%	73,747	99.05

* Presented as net bonded debt (net bonded debt is balance of outstanding debt less restricted funds collected for debt payment). First year presented is FY2012. All other fiscal years is presented as total bonded debt.

Source Restricted Debt: Combining Balance Sheet - Nonmajor Debt Service Funds

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

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

Fiscal Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt	Debt Service Requirements			
				Principal Paid	Interest Paid	Total Debt Service	Coverage (2)
2008	\$ 6,848,299	\$ 3,900,755	\$ 2,947,544	\$ 979,000	\$ 641,677	\$ 1,620,677	182%
2009	6,543,754	3,860,411	2,683,343	1,017,000	605,558	1,622,558	165%
2010	6,705,911	3,769,644	2,936,267	1,050,023	568,464	1,618,487	181%
2011	6,678,968	3,876,659	2,802,309	1,511,485	721,218	2,232,703	126%
2012	7,375,912	4,701,243	2,674,669	979,098	876,018	1,855,116	144%
2013	7,861,126	4,925,194	2,935,932	1,186,000	711,146	1,897,146	155%
2014	8,023,882	4,871,391	3,152,491	1,194,000	616,515	1,810,515	174%
2015	8,208,336	5,104,692	3,103,644	1,226,000	564,953	1,790,953	173%
2016	8,655,588	5,641,302	3,014,286	1,292,000	572,563	1,864,563	162%
2017 ^	8,883,197	6,388,150	2,495,047	1,480,604	590,468	2,071,072	120%

^ Debt Service Coverage Calculation - 2017	
FY 2017	
Revenues	
Operating Revenue	\$ 9,117,013
Less: Federal Credit	(233,816)
Total Operating Revenue	<u>8,883,197</u>
Expenses	
Operating Expenses	(9,326,560)
Add back Depreciation	2,938,410
Total Operating Expenses	<u>(6,388,150)</u>
Revenues available for Debt Service:	<u>\$ 2,495,047</u>
Debt Service	
Principal	\$ 1,480,604
Interest	824,284
Less: Federal Credit	(233,816)
Net Debt Service	<u>\$ 2,071,072</u>
Coverage	120%

Source: City of Missoula Annual Financial Reports

(1) Does not include depreciation or bond interest.

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

CITY OF MISSOULA, MONTANA
PLEDGED - REVENUE COVERAGE
PARKING COMMISSION REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses (A)	Net Available For Debt Service	Principal Paid	Interest Paid	Total Debt Service	Coverage (B)
2008	\$ 1,429,972	\$ 1,008,437	\$ 421,535	\$ 105,000	\$ 58,345	\$ 163,345	2.58%
2009	1,448,179	1,013,313	434,866	110,000	53,162	163,162	2.67%
2010	1,415,863	1,026,254	389,609	115,000	46,778	161,778	2.41%
2011	1,443,085	947,789	495,296	120,000	(86,268)	33,732	14.68%
2012	1,739,234	876,485	862,749	220,000	384,813	604,813	1.43%
2013	1,838,073	958,094	879,979	210,000	302,292	512,292	1.72%
2014	1,840,624	1,066,325	774,299	220,000	317,253	537,253	1.44%
2015	1,896,306	1,095,809	800,497	40,000	268,709	308,709	2.59%
2016	2,152,353	1,170,266	982,087	185,000	272,575	457,575	2.15%
2017 *	2,521,547	1,402,419	1,119,128	250,000	265,850	515,850	2.17%

* Debt Service Coverage Calculation - 2017	
FY 2017	
Revenues	
Total Operating Revenue	2,254,696
MRA Pledge	266,851
Total Revenues Pledged	<u>2,521,547</u>
Expenses	
Operating Expenses	(2,096,393)
Add back Depreciation ^	495,616
Add back administrative charges	198,358
Total Operating Expenses	<u>(1,402,419)</u>
Revenues Available for Debt Service	<u>1,119,128</u>
Debt Service	
Principal	250,000
Interest	265,850
Net Debt Service	<u>515,850</u>
Coverage	2.17%

(A) Does not include depreciation or bond interest.

(B) Net available divided by debt service.

Source: City of Missoula Annual Reports

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

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
2008	\$ 779,966	\$ 15,510,165	5.0%
2009	719,399	14,030,295	5.1%
2010	746,320	14,250,241	5.2%
2011	794,547	15,021,055	5.3%
2012	774,812	15,322,685	5.1%
2013	719,735	14,189,516	5.1%
2014	636,917	12,738,346	5.0%
2015	569,709	11,394,176	5.0%
2016	535,000	10,693,500	5.0%
2017	624,223	12,173,827	5.1%

Source: City of Missoula

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Beginning Balance	\$954,148	\$779,966	\$719,399	\$764,101	\$794,547	\$791,209	\$735,266	\$ 652,449	\$ 586,596	\$ 550,531
Disbursements/Transfers	(174,182)	(60,567)	44,702	30,446	(3,338)	(55,943)	(82,817)	(65,853)	(36,065)	73,691
Ending Balance	<u>\$779,966</u>	<u>\$719,399</u>	<u>\$764,101</u>	<u>\$794,547</u>	<u>\$791,209</u>	<u>\$735,266</u>	<u>\$652,449</u>	<u>\$586,596</u>	<u>\$550,531</u>	<u>\$624,222</u>
Assets:										
Cash	\$776,343	\$702,257	\$746,320	\$793,639	\$774,812	\$719,735	\$636,917	\$ 569,709	\$ 535,000	\$ 624,223
Due from SID Funds	-	-	-	-	865	-	-	569,709	-	41,452
Other Receivables	184,856	182,844	167,952	135,548	134,640	119,108	103,577	88,046	72,514	-
Total Assets	<u>961,200</u>	<u>885,101</u>	<u>914,272</u>	<u>929,187</u>	<u>910,317</u>	<u>838,843</u>	<u>740,494</u>	<u>1,227,463</u>	<u>607,514</u>	<u>665,674</u>
Liabilities:										
Interfund Payable	-	-	-	-	-	-	-	568,353	-	-
Deferred Revenue	181,233	165,702	150,171	134,639	119,108	103,577	88,046	72,514	56,983	41,452
Total Liabilities	<u>181,233</u>	<u>165,702</u>	<u>150,171</u>	<u>134,639</u>	<u>119,108</u>	<u>103,577</u>	<u>88,046</u>	<u>640,867</u>	<u>56,983</u>	<u>41,452</u>
Total Fund Balance	<u>\$ 779,967</u>	<u>\$ 719,399</u>	<u>\$ 764,101</u>	<u>\$ 794,548</u>	<u>\$ 791,209</u>	<u>\$ 735,266</u>	<u>\$ 652,448</u>	<u>\$ 586,596</u>	<u>\$ 550,531</u>	<u>\$ 624,222</u>

Source: City of Missoula

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

Fiscal Year	Population		Income Statistics		State Unemployment Rate	Missoula County Unemployment Rate
	Estimated City Population	County Population (1)	Total Personal Income (2)	Per Capita Income		
2008	66,000	107,565	\$ 3,795,962	\$ 35,318	4.7%	5.0%
2009	66,295	108,000	3,818,772	35,531	5.7%	6.3%
2010	66,788	109,299	3,866,079	33,642	6.5%	7.3%
2011	67,565	110,160	3,958,700	35,936	6.3%	6.7%
2012	68,484	111,077	4,226,000	38,046	5.4%	5.9%
2013	69,039	111,731	4,188,400	37,486	4.8%	5.2%
2014	69,821	112,681	4,418,300	39,211	4.1%	4.5%
2015	71,022	114,181	4,658,900	40,803	3.5%	3.8%
2016	72,070	115,260	4,854,600	42,297	3.5%	3.8%
2017	73,747	119,108	5,000,238 *	43,481 *	4.0%	3.6%

(1) 2010 population is from the US Census Bureau. All other years are estimates based of City building permit data.

(2) Only Missoula County information available.

* Estimate based on average increase of prior years.

Source - Bureau of Economic Analysis, Department of Labor & Industry, Research & Analysis Bureau and City of Missoula, Development Services Department

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

Employer	Type of Product or Service	Percentage of Total City Employment		Percentage of Total City Employment
		2017	2008[^]	
University of Montana	Higher Education	2,915	3.95%	3000+
St. Patrick Hospital	Healthcare	1,211	1.64%	1000+
Montana Rail Link	Rail Transportation	1,167	1.58%	1000+
Missoula County Public Schools	Public Education	1,114	1.51%	1000+
Community Medical Center	Healthcare	877	1.19%	1000+
Missoula County	Government	853	1.16%	500-999
Us Forest Service	Federal Government	704	0.95%	500-999
AT&T/DirecTV	Service	675	0.92%	500-999
Opportunity Resources	Service	615	0.83%	*
Wal-Mart	Retail	585	0.79%	500-999
Western Montana Clinic				250-499
				1.00%

[^] Information was in range format for FY2008

* Employers were added after 2008

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

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administrative										
City Council	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Mayor's Office	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Human Resources	4.15	4.15	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Clerk	4.50	4.50	4.50	3.50	4.00	4.00	4.00	5.00	5.00	5.00
Information Systems	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00
Finance/Treasurer	16.00	16.00	16.00	16.00	16.00	16.00	15.50	15.00	15.00	16.00
Central Services	-	-	-	-	-	-	1.50	3.00	3.00	3.00
Housing & Community Development	-	-	-	-	-	-	-	-	-	3.00
City Attorney	14.40	14.90	13.25	12.75	14.00	15.00	16.00	16.00	16.00	16.00
Facility Maintenance	-	-	-	-	-	-	-	-	-	1.00
Fleet Maintenance	11.00	11.00	11.00	10.50	10.50	10.50	11.50	10.50	10.50	9.75
Public Safety										
Municipal Court	14.25	13.00	14.25	13.75	13.75	16.75	16.85	17.85	17.85	18.85
Police Department	125.50	124.50	124.50	117.00	117.00	122.00	126.00	130.00	132.00	134.51
Fire Department	95.00	95.00	94.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
Public Works										
Development Services	-	-	-	-	-	33.71	35.21	23.50	23.75	23.87
GIS	-	-	-	-	-	-	3.00	3.00	-	-
Public Works - Operations	29.82	29.87	29.87	29.82	27.52	11.42	8.42	8.42	8.42	8.53
Street Division	28.54	28.54	28.54	25.38	28.54	28.79	28.79	28.79	28.79	29.50
City Cemetery	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.91
Planning	-	-	-	-	-	-	-	4.50	4.50	4.50
Building Inspection	13.34	13.00	9.00	9.00	9.00	9.00	10.99	11.10	12.00	11.88
Road District 1	-	-	-	3.16	-	0.25	0.25	0.25	0.75	2.66
Transportation	-	-	-	-	-	-	-	8.40	9.57	9.67
Wastewater	22.20	22.20	22.20	21.50	21.50	21.50	22.50	22.50	24.00	24.00
Storm Water	-	-	-	-	-	-	-	-	-	2.00
Culture and Recreation										
Parks and Recreation	53.74	55.74	55.74	52.51	54.42	57.74	55.80	57.00	57.59	59.60
Fort Missoula Regional Park	-	-	-	-	-	-	-	-	-	1.75
Parks District 1	-	-	-	3.23	-	1.20	1.20	1.98	2.73	7.22
Aquatics	30.81	30.81	30.81	30.81	26.81	26.81	26.81	25.45	23.88	23.77
Agencies										
Parking Commission	11.00	11.00	11.00	11.33	11.33	11.50	11.50	11.50	11.50	11.50
MRA	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Total	512.17	512.13	506.58	497.16	491.29	523.09	532.74	540.66	545.75	566.47

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT

Bargaining Unit	Number of Members	Date of Expired Contract
International Association of Firefighters, Local No. 271	89	June 30, 2019
Missoula Police Protective Association	100	June 30, 2019
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept.	9	June 30, 2019
MPEA Chemists	2	June 30, 2019
Parking Commission	7	June 30, 2019
Wastewater Plant Operators	6	
Teamsters Union, Local No. 2	22	June 30, 2019
Operators' Union, Local No. 4000	12	June 30, 2019
Machinists Union, Local No. 88, District No. 86	8	June 30, 2019
Teamsters, Parks and Recreation Seasonal	19	June 30, 2019
Wastewater Operator's Union, Local 400	8	June 30, 2019
International Brotherhood of Electrical Workers	2	June 30, 2019
MEA-MFT	6	June 30, 2018

Note: Basic services provided through City government include Police and Fire protection, Municipal Sewer and Sanitation, Street Maintenance and Construction, Building Inspection, Zoning Enforcement, Public Works, and Parks and Recreation. As of June 30, 2015, the City employed approximately 626 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 46% were members of organized bargaining units. State law requires Montana Cities to bargain collectively with formally recognized bargaining units. The City considers relations with its bargaining groups to be satisfactory.

[^] Newly created Union on July 1, 2015. Members were from WW Operators Union Local 400

Source: City of Missoula

MISSOULA, MONTANA METROPOLITAN AREA
EMPLOYMENT BY MAJOR INDUSTRY TYPE
ANNUAL AVERAGE
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 (A)
Goods Producing	6,100	5,500	4,600	4,700	4,400	4,500	4,600	4,900	4,900	5,100
Trade, Transportation and Utilities	12,900	12,100	11,300	11,400	11,600	11,100	11,900	12,300	12,200	12,200
Professional and Business Service	6,200	6,100	6,900	6,900	6,800	7,000	7,000	6,500	6,400	6,500
Educational and Health Services	8,700	8,900	9,200	9,500	9,800	10,000	10,000	10,300	10,400	10,800
Healthcare and Social Assistance	8,200	8,400	8,700	9,000	9,200	9,300	9,400	9,700	9,800	10,100
Leisure and Hospitality	7,900	7,600	7,000	6,900	7,400	7,300	7,700	8,100	8,100	8,500
Government	9,300	8,300	10,300	8,400	10,300	10,500	10,600	10,800	10,800	11,000
	59,300	56,900	58,000	56,800	59,500	59,700	61,200	62,600	62,600	64,200

Source: Department of Labor & Industry, Research & Analysis Bureau

(A) Most recent data available through June 2017.

All other years are annual data

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Business Licenses Issued	6,386	5,141	5,947	5,103	5,872	5,585	5,418	4,566	5,821	5,658
Amount of SID's Billed	\$ 2,802,979	\$ 2,759,874	\$ 2,788,949	\$ 2,979,149	\$ 2,806,770	\$ 2,565,463	\$ 2,468,350	\$ 2,277,577	\$ 2,221,810	\$ 2,516,030
# Sewer Bills	41,818	42,323	42,860	43,493	44,495	45,042	45,042	45,213	45,664	46,326
Public Safety Activities										
Citations issued	32,219	31,700	25,136	20,232	20,554	18,139	15,420	14,042	13,442	20,791
Orders of Protection issued	400	398	277	209	236	203	318	267	351	245
Attorney's Office - Lawsuits & Claims	49	41	26	24	22	32	29	28	35	46
Attorney - Opened criminal files	2,708	2,372	2,313	3,029	4,007	4,255	3,955	3,023	3,777	4,238
Officers/1,000 population	2	2	1	1	2	2	2	2	2	1
Total sworn officers	101	101	100	100	104	106	109	109	109	106
Police calls for Service	40,981	41,424	41,373	40,272	41,334	42,302	41,728	45,605	42,791	53,206
Total Fire Department Incident Responses*	5,805	5,850	6,217	5,752	6,131	6,548	6,745	7,140	7,865	8,169
Public Works										
Miles of sidewalk installed	7.00	4.00	6.78	5.42	4.72	5.58	9.19	4.35	3.48	4.15
Building Permits Issued	1,530	1,291	1,306	1,283	1,395	1,485	1,319	1,427	1,515	1,576
Construction Value of Bldg permits issued	\$ 133,165,009	\$ 63,987,567	\$ 54,867,213	\$ 87,790,572	\$ 58,443,007	\$ 68,558,394	\$ 74,177,588	\$ 122,960,429	\$ 117,605,567	\$ 161,435,250
Miles of Street	312	383	391	413	416	419	422	428	443	454
Population	66,000	66,295	66,788	67,565	68,484	69,039	69,821	71,022	72,070	73,747

Source: City of Missoula

* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/14.

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

Function	Fiscal Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
GENERAL GOVERNMENT											
Vehicles	7	4	4	4	2	2	2	2	2	2	
Buildings	3	3	3	3	4	4	5	5	5	5	
PUBLIC SAFETY ACTIVITIES											
Fire Stations	5	5	5	5	5	5	5	5	5	5	
Fire Engines/Trucks/Vehicles/Vans	26	26	25	25	31	32	32	33	34	31	
Police Motorcycles	6	6	6	4	5	5	5	5	5	5	
Police Patrol Cars/Passenger Vehicles/Other Vehicles	58	62	63	63	66	59	63	63	67	72	
PUBLIC WORKS											
Streets (sq. yards)	6,826,850	6,837,927	7,056,869	7,265,469	7,399,746	7,539,539	7,636,873	7,774,642	8,050,257	8,287,391	
Curbs (lineal feet)	1,997,728	1,957,574	2,100,819	2,135,361	2,159,796	2,182,153	2,241,246	2,259,480	2,273,980	2,288,394	
Sidewalks (sq. feet)	10,015,638	10,232,017	10,599,017	12,699,836	12,824,406	13,345,978	13,588,598	13,703,420	13,795,344	13,904,798	
Storm Sewer (lineal feet)	153,275	157,826	162,158	168,148	172,360	179,388	179,888	180,368	183,538	184,199	
Sumps	5,307	5,307	5,385	5,496	5,524	4,183	4,209	5,585	5,617	5,624	
Signs	53,768	56,635	57,502	58,369	59,236	60,103	60,970	61,837	62,704	63,571	
Vehicles	107	161	163	165	163	123	123	123	225	248	
Buildings	4	4	4	4	4	5	5	5	5	6	
CULTURE AND RECREATION											
Parks	51	67	68	69	70	70	70	70	72	71	
Trails	20	22									
Commuter	N/A	N/A	22	22	23	23	23	23	23	23	
Recreational	N/A	N/A	55	55	56	56	56	56	58	56	
Park Shelter/Band Shells/Pavilions	10	10	12	15	17	18	18	18	24	20	
Buildings	23	23	23	23	23	23	23	23	23	23	
Vehicles (Including trailers)	55	58	59	59	59	108	112	112	115	112	
HOUSING & COMMUNITY DEVELOPMENT											
Vehicles	10	1	1	1	1	1	1	1	1	1	
Buildings	2	-	-	-	-	-	-	-	-	-	

Capital Asset Statistics by Function information prior to 2007 is not readily available in this format.

Source: City of Missoula Fixed Asset Accounting Module

Source: Various City of Missoula Departments

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

Fiscal Year	Current Assessments		Delinquent Assessments		Total Assessments Paid	Penalty and Interest Paid
	Assessments Billed	Paid	Percent Collected	Paid		
2008	\$ 2,802,979	\$ 2,690,299	95.98%	\$ 107,817	\$ 2,798,116	\$ 11,653
2009	2,759,874	2,666,875	96.63%	109,340	2,776,215	11,539
2010	2,788,949	2,796,909	100.29%	136,607	2,933,516	14,999
2011	2,979,149	2,818,935	94.62%	159,941	2,978,876	18,139
2012	2,806,770	2,760,131	98.34%	160,377	2,920,508	16,070
2013	2,565,463	2,549,864	99.39%	51,388	2,601,252	8,058
2014	2,468,350	2,464,285	99.84%	19,211	2,483,496	11,121
2015	2,277,577	2,308,308	101.35%	8,655	2,316,963	8,359
2016	2,221,810	2,185,888	98.38%	5,286	2,191,174	4,989
2017	2,516,030	2,454,187	97.54%	35,599	2,489,786	4,337

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

Source: City of Missoula

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

Fiscal Year	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
2008	\$ 211,405,977	317.09	4,977.27	5.04	141.94
2009	234,349,048	954.97	6,111.87	20.47	160.49
2010	236,039,170	1,071.95	30,710.27	22.07	247.40
2011	215,320,296	1,296.29	51,474.37	40.46	823.26
2012	296,665,021	1,601.54	60,391.92	47.21	957.42
2013	343,465,684	43.42	43.42	43.42	43.42
2014	212,236,360	6,153.16	233,364.95	81.73	3,711.41
2015	275,246,631	7,937.62	244,392.70	10.65	5,041.41
2016	281,792,739	9,733.94	483,578.62	11.17	5,382.13
2017	228,884,766	14,537.55	260,053.13	972.25	10,318.56

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

CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICTS
Current as of June 30, 2017

SID Number	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
FY2011 Total ^	\$ 2,698,949,941	1,042.61	42,350.68	0.03	341.14
FY2012 Total	3,105,150,944	893.51	26,719.49	1.76	429.81
FY2013 Total	3,365,098,815	352.35	40,261.28	4.87	110.58
FY2014 Total	1,497,286,124	1,737.80	233,364.95	0.22	442.92
FY2015 Total	2,373,479,490	2,861.51	244,392.70	0.17	795.46
FY2016 Total	2,446,652,631	4,299.09	1,131,599.24	0.17	832.07
512/521/522	\$ 228,884,766	14,537.55	260,053.13	972.25	10,318.56
0520	77,427,253	1,866.94	12,076.92	172.68	1,582.52
0524	691,275,830	7,634.75	310,647.67	354.08	5,192.17
0525	21,479,720	2,154.25	5,813.04	609.11	1,760.04
0526	97,154,524	2,181.79	12,312.90	69.97	1,689.52
0532	58,918,295	3,867.04	6,695.88	2,000.00	3,818.09
0533	9,475,776	1,951.45	10,132.68	923.37	1,490.19
0534	11,843,958	1,653.52	3,093.69	370.20	1,620.43
0536	20,018,768	1,611.06	3,657.41	40.59	1,572.27
0540	97,342,731	2,469.77	4,024.57	1,175.16	2,431.37
0541	424,504,626	18,355.68	120,841.91	0.33	17,131.74
0543	72,437,763	18,111.11	37,011.80	9,239.27	17,280.04
0544	78,862,134	1,267.88	4,016.34	19.79	1,261.06
0545	12,521,144	14,708.95	32,994.24	3,398.30	14,277.70
0546	9,623,096	14,887.68	18,148.15	11,516.75	14,632.57
0548	9,337,312	41.17	83.46	0.18	45.12
0549	169,182,557	3,372.96	10,329.75	75.93	2,946.77
CS08	7,908,154	910.10	2,401.64	268.64	1,200.82
CS09	8,591,462	983.01	2,893.38	131.22	748.75
CS10	27,073,595	1,518.09	18,380.68	103.28	882.48
CS12	49,643,684	7,322.77	80,165.68	291.87	3,078.90
CS13	64,139,055	18,482.57	143,050.85	110.17	8,813.24
CS15	21,671,236	3,432.93	55,800.98	163.71	1,447.30
CS16	14,970,059	5,994.43	80,376.57	121.96	1,539.54
CS345	18,905,346	1,535.01	3,883.63	211.69	1,273.10
CS346	16,909,229	750.99	2,878.05	107.69	540.23
FY2017 Total	\$ 2,320,102,073	5,830.90	310,647.67	0.18	1,654.98

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

^ First year to disclose information for all City SID's is FY 2011

CITY OF MISSOULA, MONTANA
CITY OF MISSOULA SEWERAGE DISTRICT
USER RATES CHARGES
LAST TEN FISCAL YEARS

Fiscal Year	Single Family ^	Multiple Families ^	General Commercial *	Food Service & Mortuaries *	Hospitals *	Schools *	Large Volume & Industrial *	Biochemical Oxygen Demand (BOD) †	Total Suspended Solids (TSS) †	Admin Charge
	\$ 63.72	\$ 52.50	\$ 1.28	\$ 2.62	\$ 1.24	\$ 1.12	\$ 0.94	\$ 0.16	\$ 0.14	\$ 5.27
2008	63.72	52.50	1.28	2.62	1.24	1.12	0.94	0.16	0.14	5.27
2009	63.72	52.50	1.28	2.62	1.24	1.12	0.94	0.16	0.14	5.27
2010	66.90	55.14	1.34	2.75	1.30	1.18	0.99	0.17	0.15	5.53
2011	70.26	57.90	1.41	2.89	1.37	1.23	1.04	0.18	0.15	5.81
2012	73.74	60.78	1.48	3.03	1.44	1.30	1.09	0.19	0.16	6.10
2013	77.46	63.84	1.56	3.18	1.51	1.36	1.14	0.20	0.17	6.41
2014	77.46	63.84	1.56	3.18	1.51	1.36	1.14	0.20	0.17	6.41
2015	77.46	63.84	1.56	3.18	1.51	1.36	1.14	0.20	0.17	6.41
2016	79.38	65.46	1.60	3.26	1.55	1.39	1.17	0.21	0.17	6.41
2017	81.36	67.08	1.64	3.34	1.59	1.42	1.20	0.22	0.17	6.73

Source: City of Missoula

[^] Rate is based on per unit

^{*} Rate is based on per 100 cubic feet (ccf) of water consumption

[†] Rate is based on per pound

CITY OF MISSOULA, MONTANA
CITY OF MISSOULA SEWERAGE DISTRICT
NUMBER OF USERS and AVERAGE PEAK DEMAND
LAST TEN FISCAL YEARS

Fiscal Year	Single Family	Multiple Families	General Commercial	Food Service & Mortuaries	Hospitals	Schools	Large Industrial	Total Number of Customers	Average Peak Demand ^
2008	17,228	2,024	1,692	233	14	27	6	21,224	18.99
2009	17,363	2,025	1,718	239	14	28	6	21,393	20.69
2010	17,680	1,917	1,709	213	14	27	7	21,567	18.58
2011	18,168	1,908	1,741	214	14	27	7	22,079	15.84
2012	18,449	1,976	1,777	216	14	27	8	22,467	15.22
2013	18,672	2,063	1,801	224	14	27	9	22,810	15.13
2014	18,824	2,085	1,813	229	15	27	10	23,003	15.84
2015	19,026	2,128	1,886	255	15	28	13	23,351	15.43
2016	19,156	2,159	1,904	256	15	28	14	23,532	15.10
2017	19,247	2,175	1,911	257	15	28	14	23,647	16.70

Source: City of Missoula

^ Expressed in Cubic Feet Per Second (cfs)

CITY OF MISSOULA, MONTANA
CITY OF MISSOULA SEWERAGE DISTRICT
SEWER BILLINGS AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30th	Collected within the Fiscal Year of the Billings			Total Collections to Date			Percentage of Delinquencies
	Total Billed for Fiscal Year	Amount	Percentage of Billing	Collections in Subsequent Years	Amount	Percentage of Billing	
2008	\$ 6,277,599	\$ 5,865,545	93.44%	\$ 6,156	\$ 5,871,701	93.53%	6.56%
2009	6,369,678	5,752,522	90.31%	9,622	5,762,145	90.46%	9.69%
2010	6,497,460	5,841,216	89.90%	15,333	5,856,548	90.14%	10.10%
2011	6,795,400	6,102,496	89.80%	12,557	6,115,053	89.99%	10.20%
2012	7,274,608	6,517,539	89.59%	9,098	6,526,637	89.72%	10.41%
2013	7,575,169	6,982,519	92.18%	9,138	6,991,657	92.30%	7.82%
2014	7,940,937	7,215,935	90.87%	6,619	7,222,554	90.95%	9.13%
2015	7,982,782	7,341,700	91.97%	3,697	7,345,397	92.02%	8.03%
2016	7,718,508	7,722,809	100.06%	4,268	7,727,077	100.11%	-0.06%
2017	8,030,403	7,944,830	98.93%	3,461	7,948,292	98.98%	1.07%

Source: City of Missoula

CITY OF MISSOULA, MONTANA
CITY OF MISSOULA SEWERAGE DISTRICT
TOP BILLED CUSTOMERS
SERVICED BY WASTEWATER FACILITY
Current and Ten Years Ago

Customer	Type of Product or Service	Percentage of Total Billed		Percentage of Total Billed	
		2017	2008	2017	2008
University of Montana	Higher Education	\$ 270,195	3.36%	\$ 202,959	3.23%
John R Daily Inc.	Food Manufacturing	147,821	1.84%	62,326	0.99%
Community Medical Center	Healthcare	66,702	0.83%	54,352	0.87%
St. Patrick Hospital	Healthcare	47,680	0.59%	68,871	1.10%
Travois-Harvey's	Trailer Park	45,488	0.57%	36,064	0.57%
Big Sky Brewing Co	Brewery	41,059	0.51%	38,634	0.62%
Hacker, R Scott	Rental Property	39,710	0.49%	31,459	0.50%
Doubletree Missoula	Hotel	38,676	0.48%	33,988	0.54%
Missoula County Airport	Travel	35,856	0.45%		*
American Eagle Instruments	Medical Supplies	33,951	0.42%		*
Holiday Inn Parkside	Hotel	-	0.00%	39,599	0.63%
GTC Oats	Agriculture	-	0.00%	184,339	2.94%

* Customers were added after 2008

Source - City of Missoula

CITY OF MISSOULA, MONTANA
CITY OF MISSOULA SEWERAGE DISTRICT
SEWER TREATMENT REQUIREMENTS
Last Ten Fiscal Years

Fiscal Year Ended June 30th	^ Average Daily Flow		Annual Flow	
	Gallons (in millions)	Percent Increase/ (Decrease)	Gallons (in millions)	Percent Increase/ (Decrease)
2008	9.68	16.35%	3,542	17.01%
2009	10.41	7.54%	3,779	6.69%
2010	8.86	-14.89%	3,233	-14.45%
2011	7.16	-19.19%	2,615	-19.12%
2012	6.80	-5.03%	2,481	-5.12%
2013	6.74	-0.88%	2,460	-0.85%
2014	7.31	8.46%	2,588	5.20%
2015	7.07	-3.28%	2,582	-0.23%
2016	7.12	0.71%	2,606	0.93%
2017	7.72	8.43%	2,819	8.17%

Source: City of Missoula

^ Starting in FY2012 figures were updated to using influent flow by WWTP

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

Fiscal Year	On-Street Hourly Parking	Garage Hourly Parking	Parking Garage Lease Space Range	Off-Street Lease Space Range	Average Off-Street and Garage Lease Rate
2008	\$ 0.50	\$ 0.25	55.00 TO 65.00	30.00 TO 50.00	\$ 45.00
2009	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2010	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2011	0.50	1.00	65.00 TO 75.00	35.00 TO 55.00	49.00
2012	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	51.00
2013	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	51.00
2014	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	53.00
2015	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	53.00
2016*	0.50 - 4.00	1.00	65.00 TO 75.00	30.00 TO 55.00	56.25
2017	0.50 - 4.00	1.00	75.00 TO 85.00	40.00 TO 60.00	65.00

Source: Missoula Parking Commission

* First year of new LUKE on street parking meter machines

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

Fiscal Year	Parking Meters	Leased Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue	Percentage of Parking Meter Revenue	Percentage of Garage Parking Revenue	Percentage of Leased Parking Revenue other than Parking Garage	Percentage of Other Revenue
2008	1,075	801	13	257	1,592	18%	31%	16%	21%	14%
2009	1,129	800	12	257	1,011	19%	35%	16%	21%	10%
2010	1,061	800	12	257	1,166	18%	37%	18%	23%	4%
2011	1,061	800	12	257	1,198	18%	37%	18%	23%	4%
2012	1,015	855	12	257	1,012	17%	38%	14%	29%	3%
2013	1,015	890	12	460	1,025	16%	34%	16%	32%	1%
2014	1,015	1,133	12	522	870	14%	33%	19%	31%	1%
2015	1,061	1,275	15	523	918	12%	38%	21%	27%	3%
2016*	134	1,226	15	529	821	8%	39%	25%	24%	4%
2017	134	1,244	15	541	760	10%	46%	26%	16%	2%

Source: Missoula Parking Commission

* FY2016 first year of LUKE on street parking meter machines

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

Urban Renewal District II (1-1C, 4-1C)			
Fiscal Year	Personal Property		
	Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2008	\$ 2,718,817	\$ 342,487	\$ 3,061,304
2009	3,162,083	358,422	3,520,505
2010	3,302,146	318,269	3,620,415
2011	3,415,110	336,897	3,752,007
2012	3,371,473	309,233	3,680,706
2013	3,379,411	262,535	3,641,946
2014	3,436,681	249,282	3,685,963
2015	3,586,154	216,449	3,802,603
2016	3,696,539	195,043	3,891,582
2017	4,477,327	265,612	4,742,939

Urban Renewal District III (1-1D)			
Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2008	\$ 7,306,424	\$ 406,379	\$ 7,712,803
2009	8,468,861	468,589	8,937,450
2010	9,027,375	514,481	9,541,856
2011	8,939,540	568,590	9,508,130
2012	9,118,547	552,532	9,671,079
2013	8,797,853	381,195	9,179,048
2014	8,964,779	393,662	9,358,441
2015	8,293,647	177,106	8,470,753
2016	8,540,441	230,608	8,771,049
2017	10,846,954	355,738	11,202,692

Front Street URD (1-1F)			
Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2009 *	\$ 1,362,450	\$ 51,225	\$ 1,413,675
2010	1,571,488	50,604	1,622,092
2011	2,105,933	124,059	2,229,992
2012	1,908,040	121,154	2,029,194
2013	1,903,163	83,983	1,987,146
2014	1,885,618	78,619	1,964,237
2015	1,911,595	38,792	1,950,387
2016	1,804,310	34,789	1,839,099
2017	1,881,011	34,435	1,915,446

Riverfront Triangle URD			
Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2010 ^	\$ 133,871	\$ -	\$ 133,871
2011	153,701	36,236	189,937
2012	132,286	36,579	168,865
2013	112,584	279	112,863
2014	113,735	3,259	116,994
2015	119,533	1,337	120,870
2016	130,687	2,196	132,883
2017	344,129	1,399	345,528

Hellgate URD (1-1H) #			
Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2016 #	\$ 960,528	\$ -	\$ 960,528
2017	\$ 1,162,396	\$ 2,433	1,164,829

North Reserve / Scott Street URD (1-1N, 4-1N) #			
Fiscal Year	Personal Property		
	Real Property & Personal Attached Taxable Value	(Unattached) Taxable Value	Total Taxable Value
2016 #	\$ 1,563,956	\$ -	\$ 1,563,956
2017	2,332,473	4,653	2,337,126

* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

First year data available as district was created in FY 2016

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

Urban Renewal District II					
Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District		Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
		Tax Increment	Value Within District		
2008	\$ 103,000,436	\$ 3,061,304		\$ 1,201,481	1.2%
2009	106,334,891	3,520,504		1,392,741	1.3%
2010	107,159,214	3,620,415		1,760,592	1.6%
2011	111,474,037	3,752,007		1,892,184	1.7%
2012	112,993,774	3,680,706		1,820,883	1.6%
2013	112,697,955	3,641,946		1,782,123	1.6%
2014	109,336,360	3,685,963		1,826,140	1.7%
2015	112,624,034	3,802,603		1,942,780	1.7%
2016	115,856,258	3,891,582		2,031,759	1.8%
2017	117,701,984	3,948,513		2,088,690	1.8%

Urban Renewal District III					
Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District		Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
		Tax Increment	Value Within District		
2008	\$ 103,000,436	\$ 7,712,803		\$ 708,457	0.7%
2009	106,334,891	8,937,450		1,933,104	1.8%
2010	107,159,214	9,541,856		2,537,510	2.4%
2011	111,474,037	9,508,130		2,503,784	2.2%
2012	112,993,774	9,671,079		2,666,733	2.4%
2013	112,697,955	9,179,048		2,174,702	1.9%
2014	109,336,360	9,358,441		2,355,095	2.2%
2015	112,624,034	8,470,753		1,466,407	1.3%
2016	115,856,258	8,771,049		1,766,703	1.5%
2017	117,701,984	10,131,604		1,958,760	1.7%

Front Street URD					
Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District		Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
		Tax Increment	Value Within District		
2009 *	\$ 106,334,891	\$ 1,413,675		\$ 640	0.0%
2010	107,159,214	1,622,092		209,057	0.2%
2011	111,474,037	2,229,992		816,957	0.7%
2012	112,993,774	2,029,197		616,159	0.5%
2013	112,697,955	1,987,146		574,111	0.5%
2014	109,336,360	1,964,237		551,202	0.5%
2015	112,624,034	1,950,387		537,352	0.5%
2016	115,856,258	1,839,099		426,064	0.4%
2017	117,701,984	1,828,962		415,927	0.4%

Riverfront Triangle					
Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District		Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
		Tax Increment	Value Within District		
2010 ^	\$ 104,408,018	\$ 133,871		\$ -	0.0%
2011	111,474,037	189,937		32,079	0.0%
2012	112,993,774	168,865		11,007	0.0%
2013	112,697,955	112,863		-	0.0%
2014	109,336,360	116,994		-	0.0%
2015	112,624,034	120,870		-	0.0%
2016	115,856,258	132,883		-	0.0%
2017	117,701,984	112,904		-	0.0%

Hellgate Urban Renewal District #					
Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District		Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
		Tax Increment	Value Within District		
2016 *	\$ 115,856,258	\$ 960,528		\$ -	0.0%
2017	117,701,984	985,733		-	0.0%

North Reserve / Scott Street Urban Renewal District #					
Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District		Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
		Tax Increment	Value Within District		
2016 *	\$ 115,855,770	\$ 1,563,946		\$ 72,741	0.1%
2017	117,701,984	1,567,859		106,201	0.1%

* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

First year data available as district was created in FY 2016

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

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

Fiscal Year	City Appraised Value	City Taxable Value (includes district)	Incremental Taxable Value District II	Incremental Taxable Value District III	Incremental Taxable Value Front Street URD	Incremental Taxable Value Riverfront Triangle URD	Hellgate Urban Renewal District	North Reserve / Scott Street Urban Renewal District	City Taxable Value (without district)
2008	\$ 3,369,424,008	\$ 103,000,436	\$ 1,201,481	\$ 708,457	\$ -	\$ -	\$ -	\$ -	\$ 101,090,498
2009	3,412,313,560	106,334,891	1,392,741	1,933,104	640	-	-	-	103,008,406
2010	3,684,720,974	107,159,214	1,760,592	2,537,510	209,057	-	-	-	102,652,055
2011	3,965,146,053	111,474,037	1,892,184	2,503,784	816,957	32,079	-	-	106,229,033
2012	4,140,685,284	112,993,774	1,820,883	2,666,733	616,159	11,007	-	-	107,878,992
2013	4,110,699,383	112,697,955	1,782,123	2,174,702	574,111	-	-	-	108,167,019
2014	4,305,020,382	114,068,797	1,826,140	2,355,095	551,202	-	-	-	109,336,360
2015	4,406,017,003	112,624,034	1,942,780	1,466,407	537,352	-	-	-	108,677,495
2016	7,303,174,348	115,856,258	2,031,759	1,766,703	426,064	-	-	72,741	111,558,991
2017	7,390,919,522	117,701,984	2,088,690	1,958,760	415,927	-	-	106,201	113,132,406

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

CITY OF MISSOULA, MONTANA
MISSOULA REDEVELOPMENT AGENCY
COMPONENT UNIT TAX INCREMENT REVENUE BOND COVERAGE
URD II: MILLSITE \$3.6M BONDS

FISCAL YEAR	PROJECTED PLEDGED TAX INCREMENT	MAXIMUM PROJECTED DEBT	COVERAGE
2008			
With State Entitlement	\$ 1,129,477	\$ 250,500	451%
Without State Entitlement	845,855	250,500	338%
2009			
With State Entitlement	1,302,970	250,400	520%
Without State Entitlement	1,019,348	250,400	407%
2010			
With State Entitlement	1,369,859	250,400	547%
Without State Entitlement	1,113,237	250,400	445%
2011			
With State Entitlement	1,493,995	250,400	597%
Without State Entitlement	1,210,373	250,400	483%
2012			
With State Entitlement	1,429,000	A 250,400	571%
Without State Entitlement	1,173,740	250,400	469%
2013			
With State Entitlement	1,474,944	C 250,400	589%
Without State Entitlement	1,157,656	250,400	462%
2014			
With State Entitlement	1,522,881	676,428	225%
Without State Entitlement	1,208,093	676,428	179%
2015			
With State Entitlement	1,668,283	E 676,428	247%
Without State Entitlement	1,225,692	676,428	181%
2016			
With State Entitlement	1,713,113	676,428	253%
Without State Entitlement	1,270,522	676,428	188%
2017			
With State Entitlement	2,274,167	676,428	336%
Without State Entitlement	1,831,576	676,428	271%

- A State Entitlement amount reduced by 10% to \$255,260 by 2011 Legislative action
- B Civic Stadium Note issued February 2012 is subordinate to the Series 2006 bonds so not included in Max. Projected DS. Civic Stadium DS is \$500K Max Annual through FY15.
- C Personal Property Tax Reduction Reimbursement approved by 2011 Legislature under SB372. Annual Reimbursement is \$62,028.
- D Series 2013 \$5.75M Bond issued March 2013 on parity with Series 2006 Bond. Max. Annual DS \$426,028
- E Personal Property Tax Reduction Reimbursement approved by 2013 Legislature under SB96. Annual Reimbursement is \$125,303.

Source: City of Missoula Annual Reports

CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES IN THE URBAN RENEWAL DISTRICT II
Last Ten Fiscal Years

Taxing Authority	Fiscal Year									
	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	25.39	25.44	26.92	26.60	26.28	26.55	26.15	19.23	18.78	18.44
General Countywide School Levy	66.04	67.17	54.71	53.28	51.18	51.46	52.68	50.80	49.00	47.82
Missoula County	86.44	89.27	72.66	72.00	72.24	74.51	75.71	76.98	78.86	79.44
Missoula High school District	48.91	50.33	39.98	38.44	38.76	36.94	36.36	34.99	35.27	39.19
City of Missoula	134.71	141.49	116.33	116.17	118.27	123.75	122.64	118.10	118.70	119.89
Urban Transportation District	9.28	9.45	8.52	8.47	8.97	10.02	10.60	16.47	19.00	18.66
Increment 1-1C *	266.50	270.27	353.75	359.55	372.64	369.31	387.47	419.86	440.51	475.22
Subtotal	<u>643.27</u>	<u>659.42</u>	<u>678.87</u>	<u>680.51</u>	<u>694.34</u>	<u>698.54</u>	<u>717.61</u>	<u>742.43</u>	<u>766.12</u>	<u>804.66</u>
 School District 1-1C	 92.32	 89.20	 74.65	 72.88	 73.61	 72.88	 75.01	 72.29	 70.29	 83.00
Total levies for property in the District lying within School District 1-1C	735.59	748.62	753.52	753.39	767.95	771.42	792.62	814.72	836.41	887.66
 Taxing Authority	 FY '08	 FY '09	 FY '10	 FY '11	 FY '12	 FY '13	 FY '14	 FY '15	 FY '16	 FY '17
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	20.06	18.77	24.90	22.73	25.87	25.85	26.37	21.37	20.96	18.89
General Countywide School Levy	52.19	49.56	49.44	43.27	50.14	49.71	53.27	56.44	54.68	49.00
Missoula County	68.31	65.86	65.66	58.47	70.77	71.98	76.55	85.54	88.01	81.40
Missoula High school District	38.65	37.13	36.13	31.21	37.97	35.69	36.76	38.88	39.36	40.16
City of Missoula	106.45	104.38	105.12	94.34	115.86	119.55	124.01	131.23	132.48	122.85
Urban Transportation District	7.33	6.97	7.70	6.88	8.79	9.68	10.72	18.31	21.21	19.12
Increment 4-1C *	355.00	402.98	398.69	441.03	384.35	384.05	382.13	378.47	387.52	446.55
Subtotal	<u>653.99</u>	<u>691.65</u>	<u>693.64</u>	<u>703.93</u>	<u>699.75</u>	<u>702.51</u>	<u>715.81</u>	<u>736.24</u>	<u>750.22</u>	<u>783.97</u>
 School District 4-1C	 64.27	 73.61	 74.27	 66.18	 75.98	 71.89	 74.84	 82.45	 69.94	 68.36
Total levies for property in the District lying within School District	718.26	765.26	767.91	770.11	775.73	774.40	790.65	818.69	820.16	852.33

* Note: Tax Increment districts are not taxing authorities and do not levy taxes, i.e. levy mills. Total incremental taxable value can be viewed as a percentage of total taxable value in a district, from information provided by the Montana Department of Revenue. For purposes of disclosure, this report shows that same percentage broken down as a portion of the total mills levied in the district.

CITY OF MISSOULA, MONTANA
Urban Renewal District II - Top 10 Taxpayers
Tax Year 2017 (FY18)

Taxpayer	Type of Business	2017 Total Tax	2017 Market Value	2017 Taxable Value
1 Millsite Revitalization Project LLC	Residential/Commercial Developers	\$ 251,981	\$ 8,469,180	\$ 154,673
3 MW Corso Associates	Residential - Apartments	251,038	19,061,700	257,332
5 Spirit Master Funding IX LLC	Grocery Store (real property)	134,084	7,064,265	133,515
4 Nutritional Laboratories	Food Supplement Manufacturer	131,830	8,506,774	141,362
7 Good Food Store	Grocery Store	123,314	6,889,926	125,408
6 Blackfoot Telephone	Coop Communications	110,463	4,065,734	121,972
2 Gregg Mario Company LLC	Residential - Apartments	109,095	8,285,800	111,858
9 Mountain Water Company	Water Utility	108,411	9,234,381	116,910
8 Missoula Electric Coop	Coop Electric Utility	88,792	3,202,737	96,083
10 Like-Nu Auto Services	Automotive Repair	87,082	4,831,392	91,311
	Total	<u><u>\$ 1,396,090</u></u>	<u><u>\$ 79,611,889</u></u>	<u><u>\$ 1,350,424</u></u>

CITY OF MISSOULA, MONTANA
Front Street Urban Renewal District - Top 10 Taxpayers
Tax Year 2017 (FY18)

Taxpayer	Type of Business	2017 Total Tax	2017 Market Value	2017 Taxable Value
1 First Interstate Bank	Financial Institution	\$ 290,282	\$ 15,075,189	\$ 284,921
2 El Dorado Hospitality LLC	Hotel	207,199	10,813,305	204,373
3 Northwestern Energy - Transmission & Utility		118,145	1,026,707	123,205
4 Main Street Enterprises LLC	Commercial Properties	72,550	3,795,500	71,735
5 Mercantile Investors LLC	Developer	65,591	3,256,161	61,542
6 Payne Properties LLC	Developer	56,296	5,020,690	56,935
7 N47 LLC	Owner	55,346	2,909,250	54,985
8 Hellgate Lodge 383 - Benevolent	Benevolent Organization	43,515	2,251,200	42,548
9 Terry Payne	Owner	42,580	2,232,790	42,199
10 Wilma Theatre Real Estate LLC	Condominiums	42,552	2,219,684	41,951
Total		<u>\$ 994,056</u>	<u>\$ 48,600,476</u>	<u>\$ 984,394</u>

CITY OF MISSOULA, MONTANA
TAX INCREMENT COLLECTIONS
FRONT STREET URBAN RENEWAL DISTRICT
Last Nine Fiscal Years

Fiscal Year Ended June 30th						Collected within the Fiscal Year of the Levy	
	Taxable Value	Incremental Taxable Value	Mill Levy ^	Total Tax Levy for Fiscal Year *	Amount	Percentage of Levy	
2009	\$1,413,675	\$ 640	0.74264	\$ 475	\$ 446	93.76%	
2010	1,622,092	209,057	0.74152	155,020	150,380	97.01%	
2011	2,229,992	816,957	0.74139	605,684	545,928	90.13%	
2012	2,029,194	616,159	0.75596	465,792	464,068	99.63%	
2013	1,987,146	574,111	0.75942	435,991	437,369	100.32%	
2014	1,964,237	551,202	0.78062	430,279	436,257	101.39%	
2015	1,950,387	537,352	0.80872	434,567	436,305	100.40%	
2016	1,839,099	426,064	0.83041	353,808	348,302	98.44%	
2017	1,828,962	415,927	0.88165	366,702	352,794	96.21%	

Source: City of Missoula, Missoula County

[^] Does not include University Mill Levy (6 Mills)

* Reflects Incremental Taxable Value multiplied by Mill Levy

SINGLE AUDIT SECTION

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

Mayor and City Council
City of Missoula
Missoula, Montana

We have audited, 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 City of Missoula, Montana (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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.

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described as finding #2017-001 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

Compliance and Other Matters

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

The City's response to the internal control over financial reporting finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

We noted certain other matters that we reported to management of the City in a separate letter dated January 31, 2018.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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.

Anderson Zurmuehlen Co., P.C.

Missoula, Montana
January 31, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Mayor and City Council
City of Missoula
Missoula, Montana

Report on Compliance for Each Major Federal Program

We have audited the City of Missoula, Montana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Other Matters

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City'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, we do not express an opinion on the effectiveness of the City'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.

Our 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we 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 our 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.

Anderson Zurmuehlen & Co., P.C.

Missoula, Montana
January 31, 2018

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Federal Expenditures	Total Passed Through to Subrecipients
<u>Office of National Drug Control Policy</u>				
<i>Direct:</i>				
High Intensity Drug Trafficking Area 2016	95.001	G16RM0037A	\$ 115,293	\$ 36,928
High Intensity Drug Trafficking Area 2017	95.001	G17RM0037A	61,792	8,210
Total Office of National Drug Control Policy			<u>177,085</u>	<u>45,138</u>
<u>U.S. Department of Agriculture-Forest Service</u>				
<i>Direct:</i>				
Urban and Community Forestry Program	10.675	16-DG-11010000-020	5,000	-
<i>Passed through the Montana Department of Natural Resources and Conservation:</i>				
Cooperative Forestry Assistance	10.680	UCF-15-101	12,700	-
Total U.S. Department of Agriculture-Forest Service			<u>17,700</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct:</i>				
Community Development Block Grant Entitlement Grants	14.218	B-14/16-MC-30-0003	390,461	180,029
Home Investment Partnership Program	14.239	N/A	388,025	388,025
Home Investment Partnership Program	14.239	M-14/15/16-MC-30-0219	206,841	174,824
Total U.S. Department of Housing and Urban Development			<u>985,327</u>	<u>742,878</u>
<u>U.S. Department of the Interior</u>				
<i>Passed through the Montana Historical Society:</i>				
Historic Preservation Fund Grant	15.904	MT-16-024	<u>5,500</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
<i>Direct:</i>				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX-0010	103,020	-
Bulletproof Vest Partnership Grant	16.607	2016 Regular Fund	3,729	-
Edward Byrne Memorial JAG program-JAG Grant XIII	16.738	2016-DJ-BX-0528	60,373	17,249
Public Safety Partnership and Community Policing Grants	16.710	2014UMWX0147	40,000	-
<i>Passed through City of Billings:</i>				
Missing Children's Assistance	16.543	2016-MC-FX-K038	5,000	-
Total U.S. Department of Justice			<u>212,122</u>	<u>17,249</u>
<u>U.S. Department of Transportation</u>				
<i>Passed through the Montana Department of Transportation:</i>				
Congestion Mitigation and Air Quality	20.205	CM 8199 (139)	146,444	-
Congestion Mitigation and Air Quality	20.205	CM 8199 (136)	60,906	-
Congestion Mitigation and Air Quality	20.205	UPN 6019 012	302,433	-
Congestion Mitigation and Air Quality	20.205	CM 8199 (140) (UPN 2740)	16,375	-
P.L. Transport FFY17	20.205	FFY 2017 UPWP	367,980	-
P.L. Transport FFY16	20.205	FFY 2016 UPWP	92,612	-
Community Transportation Enhancement Program	20.205	UPN 8563	203,570	-
Total Highway Planning and Construction			<u>1,190,320</u>	<u>-</u>
<i>Passed through Montana Fish, Wildlife & Parks</i>				
Recreational Trails Program	20.219	2015-27	60,000	-
Recreational Trails Program	20.219	2014-27	9,449	-
Total Recreational Trails Program			<u>69,449</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>1,259,769</u>	<u>-</u>
<i>Passed through the Montana Department of Transportation:</i>				
Metropolitan Transportation Planning - FTA (Section 5303)	20.505	108692	37,632	31,995
Metropolitan Transportation Planning - FTA (Section 5303)	20.505	108042	93,839	81,466
Total Metropolitan Transportation Planning - FTA (Section 5303)			<u>131,471</u>	<u>113,461</u>

City of Missoula, Missoula County, Montana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Federal Expenditures	Total Passed Through to Subrecipients
State and Community Highway Safety	20.600	108582/108507/109111/109093	30,097	-
National Priority Safety Programs	20.616	108582	1,075	-
Total Highway Safety Cluster			31,172	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	108507/109111/109093	10,311	-
<i>Passed through Montana Department of Military Affairs -</i>				
<i>Disaster and Emergency Services Division:</i>				
Hazardous Materials Emergency Preparedness				
Training and Planning Grants (HMEP)	20.703	HM-HMP-0491-15-01-00	14,454	-
Total U.S. Department of Transportation			1,447,177	113,461
<u>Environmental Protection Agency</u>				
<i>Direct:</i>				
Brownfields Assessment and Cleanup-Assessment	66.818	BF-96836001-0	129,309	-
Brownfields Assessment and Cleanup-RLF	66.818	BF-97810201-5	120,964	-
Total Environmental Protection Agency			250,273	-
<u>Department of Health and Human Services</u>				
<i>Passed through Montana Department of Public Health and Human Services:</i>				
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	PHEP-EVD	22,178	-
<u>U.S. Department of Homeland Security</u>				
<i>Direct:</i>				
Assistance to Firefighters Grant	97.044	EMW-2015-FO-05861	54,546	-
Total Federal Financial Assistance			\$ 3,171,908	\$ 918,726

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF MISSOULA, MONTANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2017

NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Missoula, Montana under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2. INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate described in the Uniform Guidance.

NOTE 3. LOAN PROGRAM

The Brownfields loan program is administered directly by the City, and balances and transactions relating to this program are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2017 for this program was \$1,593,203.

CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2017

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified	
not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
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 2 CFR 200.51(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Entitlement Grants
20.205/20.219	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as low-risk auditee?	No
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CITY OF MISSOULA, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section II – Financial Statement Findings

Finding #2017-001 Prior Period Adjustments Related to Equipment Leases

Condition: During the course of the audit, we were notified of certain restatements related to capital lease proceeds that were recorded incorrectly for the years ended 2013-2016. Specifically, capital lease proceeds were incorrectly recorded in certain individual funds instead of being recorded in the capital improvement program fund, from which the original capital outlay expenditures occurred. Management detected the error, which affected certain general and special revenue funds, as well as the capital improvement program and sewer funds.

Criteria: Issues such as those described above indicate a significant deficiency in internal control over financial reporting.

Effect: The error resulted in fund balances in the affected individual funds being overstated and the fund balance in the capital improvement program fund being understated.

Cause: There was no reconciliation being performed for the activity in the capital improvement program fund.

Recommendation: We recommend and understand that management plans to implement procedures to ensure that capital improvement program fund activity is reconciled and reported correctly. We believe that City personnel likely would have found the discrepancies had detailed reconciliations and reviews been performed prior to discovering this error.

*Client Response and
Corrective Actions:* See management's Corrective Action Plan on page 320.

Section III – Federal Award Findings and Questioned Costs

None reported.

CITY OF MISSOULA, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2017

Finding #2016-001 Information Supporting the Financial Statements and Financial Close Process

Condition: During the course of the audit, we noted the following issues related to the financial reporting process: 1) several schedules did not tie to the financial statements; 2) several correcting journal entries were made well after fiscal year end, some of which were a result of our audit procedures; and 3) an error in the aquatics budget whereby an amount was included twice in different categories.

Criteria: Issues such as those described above indicate a significant deficiency in internal control over financial reporting. We understand management has designed controls in the form of checklists and written procedures for the financial reporting and closing process, but the controls did not appear to be operating effectively as intended for fiscal year 2016.

Effect: There were several differences between supporting schedules and the financial statements, and several correcting and closing adjustments were made well after year end.

Cause: The source documents that we use to perform our audit procedures are the supporting schedules that should reconcile to the financial statements. At the time fieldwork began, we understood that the supporting schedules were complete for all of the audit areas. However, as fieldwork progressed, we noted discrepancies in several of the areas being audited between the supporting documentation, budget information, and the financial statements. In addition, there were several adjustments made to the financial statements during the course of fieldwork.

Recommendation: We recommend that management implement procedures to ensure that supporting schedules reconcile to the financial statements prior to the commencement of the audit and budget amounts are entered correctly. We believe that City personnel likely would have found the discrepancies had detailed reconciliations and reviews been performed.

Client Response and Corrective Actions: Please know that the City of Missoula recognizes and appreciates the challenges faced by the auditors this year. We understand that this posed additional burden for them to complete the audit and we filed for audit deadline extensions to address this. We also understand that this required greater time than the auditors had originally allotted for and we accept additional charges requested by the auditors to address the additional staff time needed to complete the audit.

CITY OF MISSOULA, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017

Finding #2016-001 Information Supporting the Financial Statements and Financial Close Process (Continued)

*Client Response and
Corrective Actions*

(Continued):

Challenges that we faced this year were unusual and not systemic. We had greatly diminished capacity due to the retirement of a 30-year department veteran, staff absences, and the final push in two major City endeavors: the creation of the Stormwater utility and related billing, and the final push on the City's acquisition of the water system. The Finance Department will be fully staffed up prior to the end of fiscal year 2017 and we are implementing additional training for staff to further their capacity in the audit process.

Status: We did not encounter a similar situation in the current year; therefore, this has been resolved.

CITY OF MISSOULA, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017

Finding #2016-002 Subaward information

Affected Program: Community Development Block Grant Entitlement Grant CFDA 14.218 (CDBG Entitlement Grant)

Condition: During our testing of the CDBG Entitlement Grant, we noted the following information is not included in the subaward documents issued by the City: 1) Federal award date; 2) subaward period of performance end date; 3) indirect cost rate for the Federal award; 4) an approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government, or if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient, or a de minimis indirect cost rate.

Criteria: 200.331, paragraph (a) of the Uniform Guidance specifies information required to be included in each subaward.

Effect: Subaward documents do not contain the information required by the Uniform Guidance.

Cause: Templates for subawards were not updated to conform with the requirements contained in the Uniform Guidance.

Recommendation: We recommend that management update subaward agreements to include the elements required in 200.331, paragraph (a) of the Uniform Guidance.

Client Response and Corrective Actions: Federal Award Date: Oftentimes, the City enters into contracts with subrecipients after we receive initial notification from HUD of our CDBG award, but prior to the formal Funding Approval Agreement. For instance, in program year 2016, the City did not receive notification of our Action Plan approval until 8/22/16. Since our Program Year for subrecipients begins July 1, we must develop written agreements prior to the formal notification from HUD. To address this going forward, the City of Missoula will add an attachment to award agreements with the Federal Award Date.

Subaward Period of Performance End Date: The City of Missoula will add this to future written agreements under what is currently Section 5 “Effective Date and Time of Performance.”

Indirect Cost Rate for the Federal Award: The City of Missoula does not typically fund indirect costs, rather we only fund direct project-related costs. As such, we can add a section to the award agreement explaining this if the auditors deem that necessary.

Status: We did not encounter a similar situation in the current year; therefore, this has been resolved.

CITY OF MISSOULA, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017

Finding #2016-003 Subrecipient Monitoring

Affected Program: Community Development Block Grant Entitlement Grant CFDA 14.218 (CDBG Entitlement Grant)

Condition: During our testing, we noted the City has no formal documentation of the analysis of each subrecipient's risk of noncompliance.

Criteria: Part 200.331, paragraph (b) of the Uniform Guidance requires the evaluation of each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate level of subrecipient monitoring to be conducted. The factors to be evaluated include: 1) the subrecipient's prior experience with the same or similar subawards; 2) the results of previous audits; 3) whether the subrecipient has new personnel or new or substantially changed systems; and 4) the extent and results of Federal awarding agency monitoring.

Effect: There is no formal written documentation that supports the level of funding to subrecipients based on each subrecipient's risk of noncompliance.

Cause: The City does not maintain formal documentation of the analysis of each subrecipient's risk of noncompliance.

Recommendation: We recommend the City formally document the risk of noncompliance for each subrecipient as a part of their evaluation for the level of funding to each organization.

Client Response and

Corrective Actions: As detailed previously, the City of Missoula Housing and Community Development Department recently took over administration of the CDBG Entitlement Grant, which had previously been done by Missoula County Department of Grants and Community Programs. As part of this process, we have been auditing systems and have already recognized the need to develop an annual monitoring plan that includes risk analyses of subrecipients. This will be addressed through written policies outlined in the monitoring plan and will be complete by the start of the program year beginning July 1, 2017.

Status: We did not encounter a similar situation in the current year; therefore, this has been resolved.



FINANCE DEPARTMENT

Budget and Analysis
Treasury

Finance and Debt
Management

Corrective Action Plan

Finding #2017-001

Prior period adjustments related to equipment leases

Client response and corrective actions –

Currently the Capital Project Improvement Plan fund encapsulates many multi-year capital projects. This previously hindered full year-end reconciliations.

The City of Missoula is implementing additional capital project funds under the umbrella of the primary Capital Projects Fund. This will aid in timely reconciliations.

Additional funds will include separate funds for each budgeted capital project and separate funds for various classifications of equipment purchases. With the exception of debt service no single capital project fund will account for more than one project. The creation and implementation of these funds will be completed within fiscal year 2018.

Each fund will be reconciled by staff during year-end close. Each fund with a negative fund balance will be identified within the notes to the financial statements in the Deficit Fund Balance note under Stewardship, Compliance and Accountability. The future financing required to clear negative fund balances will be detailed, including amounts and estimated financing closing timeframes, within this note.

Respectfully,

Leigh Griffing
Finance Director
City of Missoula



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