



**CITY OF HELENA AUDIT COMMITTEE**

**January 10, 2024 – 2:00pm**

**Zoom Online Meeting: <https://us06web.zoom.us/j/81919354463>**

**City-County Building, 316 N. Park Avenue, Room 326**

Call to Order and Roll Call

Updates from City Staff

Regular Items

A. FY2023 Annual Audit Update

Member Communications

Public Comment

Announcements

Adjournment

The City of Helena is committed to providing access to persons with disabilities for its meetings, in compliance with Title II of the Americans with Disabilities Act and the Montana Human Rights Act. The City will not exclude persons with disabilities from participation at its meetings or otherwise deny them the City's services, programs, or activities.

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Phone: (406) 447- 8490

TTY Relay Service 1-800-253-4091 or 711 Email: [citycommunitydevelopment@helenamt.gov](mailto:citycommunitydevelopment@helenamt.gov)

Mailing Address & Physical Location: 316 North Park Avenue, Room 445, Helena, MT 59623.



City of  
**Helena**



# 2023

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

**HELENA, MONTANA**

**JULY 1, 2022 - JUNE 30, 2023**



**CITY OF HELENA, MONTANA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FINANCE DEPARTMENT**  
**Sheila Danielson, Finance Director**  
**Barbara Walsh, Controller**

**FISCAL YEAR 2023**  
**July 1, 2022 – June 30, 2023**

# CITY OF HELENA, MONTANA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

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## **INTRODUCTORY SECTION**



**City of Helena, Montana  
List of Principal Officials  
As of June 30, 2023**

**ELECTED OFFICIALS**

Wilmot J. Collins	Mayor
Andrew Shirtliff	Commissioner
Melinda Reed	Commissioner
Emily Dean	Commissioner
Sean Logan	Commissioner

**CITY OFFICIALS**

Tim Burton	City Manager
Dannai Clayborn	Clerk
Ryan Leland	Public Works Director
David Knoepke	Transportation Systems Director
Anne Peterson	Municipal Judge
Rebeca Dockter	City Attorney
Sheila Danielson	Finance Director
Brett Petty	Interim Police Chief
Jon Campbell	Fire Chief
Christopher Brink	Community Development Director
Douglas Smith	Parks and Recreation Director
Renee McMahon	Human Resources Director



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December 22, 2023

City Manager Tim Burton,  
Mayor Collins, City of Helena Commission and  
Residents of Helena, Montana:

**ANNUAL COMPREHENSIVE FINANCIAL REPORT TRANSMITTAL**

The Annual Comprehensive Financial Report for the City of Helena, Montana for the Fiscal Year ended June 30, 2023, is hereby submitted. This report is published annually as the official annual financial report and complies with Montana State law (2-7-503 MCA) requiring annual reports for general purpose local governments to be filed in a timely manner.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with city management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. To provide a reasonable basis for making these representations, management of the City has established and maintained an internal control system designed to ensure that the assets of the City are protected from loss, theft, or abuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States (US GAAP) and to comply with applicable laws and regulations. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Generally Accepted Accounting Principles (GAAP) require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to

complement the MD&A and should be read in conjunction with it. The City of Helena’s MD&A can be found immediately following the independent auditor’s report.

As a recipient of federal financial assistance in excess of \$750,000 the City is required to undergo a Single Audit designed to meet the special needs of federal grantor agencies, in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards and the auditor’s reports on internal controls and compliance is included in the Single Audit Section of this report.

## **PROFILE OF THE CITY OF HELENA**

### **Self-Government Chartered City**

The City of Helena was incorporated March 7, 1881. On March 2, 1953, by lawful authority, the City established a commission/manager form of government. The voters adopted a self-government charter, which allows the City to exercise powers not specifically prohibited by state law in 1976.

### **City Commission**

The City Commission is composed of a mayor and four commissioners, elected at large by the voters of the City. The City charter outlines the roles and responsibilities of the mayor and commissioners. The Helena City Commission is the legislative and policy-making body of the City and is responsible for the performance of all duties and obligations imposed upon the City by the City charter and State law.

### **City Manager**

The City Manager is appointed by and serves at the pleasure of the City Commission. The City Manager's primary duty is to ensure that policies and guidelines adopted by the City Commission are executed as efficiently, fairly, and effectively as possible.

### **City Demographics**

Known as the “Queen City of the Rockies”, Helena is the state capital of Montana and the county seat of Lewis and Clark County. Helena was established in 1864 as a gold camp during the Montana gold rush. Due to the gold rush Helena became a wealthy city with approximately 50 millionaires inhabiting the area by 1888. This contributed to the City’s elaborate Victorian grand architecture that is seen throughout the city.

Located in southern Lewis and Clark County (west-central Montana), and surrounded by Helena National Forest, Helena boasts attractions for any lifestyle. With its numerous museums, historic sites, trails, parks, commerce, and other indoor and outdoor recreation areas, it serves as a premier destination to work, live and play.

Helena is sustained by a stable base of government employment (30 percent) as it serves as a major governmental center for federal, state and county activities. It is also a trading and transportation center for nearby livestock, mining, and farming enterprises. Helena maintains an interest in mineral production and processing and remains a major telecommunications center. Although Helena's population is about 33,885 it serves a much larger trade area. This area, defined as a "35-mile radius" in and around the City of Helena, encompasses a population of almost 75,000. This area relies on Helena for employment, professional services, retail goods, and entertainment.

### **City Services**

The City provides a full range of services divided into service areas, financial management and control systems. Services provided include: Public safety functions including police and fire protection and prevention, municipal court services, and animal control; Public works, one of the largest city departments, operates engineering services, water, wastewater, and stormwater utilities, solid waste disposal, and recycling services; Community development including planning, zoning, permitting and building inspection activities; Transportation systems including parking, traffic signal, street, roadway and sidewalk construction and maintenance, and operating a vast public transit system. In addition, the City operates and maintains growing open land, parks and recreation programs including a city-owned golf course, public swimming pool, civic center, tennis and pickleball courts, skateboard park, bike park, and an outdoor skating rink, plus sponsors numerous cultural events throughout the year.

### **Financial Entity**

The financial reporting entity includes all the funds of the primary government (i.e., the City of Helena, Montana as legally defined), as well as all its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Business Improvement District and Tourism Business Improvement District are reported as discretely presented component units.

### **Annual Budget**

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City submit budget proposals to the City Finance Department in the spring of each year. During this same time period, the City Manager's office solicits public feedback through various engagement tools. The Finance Department uses these department requests and public feedback as the starting point for the development of the next fiscal year's budget. The City Commissioners are required to hold public hearings on the preliminary budget which is adopted by resolution with an effective date of July 1 and contains the estimated amount to be raised by an ad valorem property tax. The Commission holds a separate public hearing to adopt the final budget no later than the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the Montana State Department of Revenue. The legal level of budget appropriations is at the fund level. Management cannot

overspend the budget at the fund level without the approval of the governing body. A budgetary management plan is prepared by fund, department, division, and line item. The City maintains budgetary controls whose objectives are to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the City Commission.

The State municipal budget law stipulates that money, other than payments from custodial funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted annual budget is required for all funds, except for custodial funds. The City legally adopts a budget for the required funds. Consistent with past years, the City established the legal spending level at the fund level for the fiscal year 2023 budget. The City Manager may make transfers of appropriations within a fund. Transfers between funds, however, require approval of the City Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the general and streets funds, comparisons are presented beginning on page III – 7 as part of the basic financial statements for the governmental funds. For other governmental funds, this comparison is presented in the governmental fund subsection of this report, starting on page V – 4. All appropriations lapse at year-end; however, they can be re-appropriated by the City Manager as part of the following year's budget in accordance with state law and the adopting budget resolution.

## **LONG RANGE FINANCIAL PLANNING**

### **Comprehensive Capital Improvement Programs (CCIP)**

The City updates an annual CCIP. The CCIP encompasses all City operations and is the major long-range financial planning tool of the City which spans out to a 5-year outlook. It addresses capital projects, major maintenance, facility, and equipment revolving schedules which are tied back to financing projections.

The CCIP emphasizes:

- complete inventories of all infrastructure, facilities, and equipment,
- assessments of condition,
- prioritization of projects and needs; and,
- long-term analysis of funding feasibility and options.

CCIPs are updated annually and the first year in the CCIP becomes the proposed annual budget. In their public forum, the City Commission reviews the capital plan in order to set priorities and policies for the implementation of current and long-term capital projects. The City Commission is constantly monitoring capital and maintenance needs while attempting to strike a proper balance between raising fees to better fund those needs and considering the cost to the consumer.

## ECONOMIC CONDITION AND OUTLOOK

### **Local Economy**

Montana's economic output (GDP) grew by 1.6 percent in 2022, consistent with long-term historic growth. After slightly contracting in the first two quarters of 2022, the economy turned positive in the second half of the year. The first quarter of 2023 showed continued economic strength. Most of the GDP growth was in business service industries, information, and other and leisure activities.

Since 2019, per capita personal income has grown 4.7 percent, compared to 3.8 percent prior to 2019. Most of personal income came from wages followed by investment income and government payments. Montana households continue to spend in 2022, drawing on cash reserves.<sup>1</sup>

As with other cities in Montana, Helena continues to experience population growth as more people are inspired to move from large metropolitan areas and relocate to Montana. The acceleration in growth began in 2020. The inventory of homes has not kept up with demand and the median home cost almost doubled from 2017 to 2022 to over \$490,000. Some Montanans benefit from the increased values but the housing costs rising faster than incomes strain household budgets and make it more difficult to purchase a home.

The metro area of Helena boasts over 2,500 businesses and over 36,000 employees. Our tourism, hospitality and recreation industries have exceeded pre-pandemic levels, and it is expected to continue in that fashion in the next year.

New residential and commercial construction continues to grow. In December 2020, the Capital Hill Mall Urban Renewal District Plan was approved for urban renewal and redevelopment. This area is considered a gateway into Helena defined by the two one-way couplets of Prospect Avenue and 11<sup>th</sup> Street that provide access to Interstate 15. The area is close in proximity to the State Capital and includes the old Capitol Hill Mall site (built in 1965 and demolished in 2019), a number of hotel parcels, retail establishments, office buildings, financial institutions, and the Samuel V. Stewart Homes development managed by the Helena Housing Authority. In 2022, three businesses were built and operating in the area and Benefits Health Systems began construction of a freestanding clinic that will offer primary and specialty care services. They are slated to open for business in the Spring of 2024. Opportunity Bank is nearing the end of construction on its facility and should gain occupancy in early 2024.

The Downtown Urban Renewal district (approved in October 2018 and amended in 2019 to include the Rodney Street area) continues to experience large commercial and infrastructure development according to the URD plan. The Rodney Street project is a multi-phase project from

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<sup>1</sup> Montana Department of Labor and Industries: "Montana unemployment rate Remains at an all-time low", June 16, 2023; by Jessica Nelson, Public Information Officer. Montana Department of Labor and Industries: "Hello, I'm new here", July 2023; by Amy Watson, State Economist.

Helena Avenue to Division Street. It includes roadway reconstruction, traffic signals, sidewalks, boulevards, drainage, and water and sewer utilities. Phase I of this project was completed in late 2021, which included water, wastewater, storm infrastructure and street reconstruction. Phase II began in the Spring of 2022 and wrapped up in late summer of 2023. The City and the Helena Business Improvement District continues to work on other projects located in the Downtown Urban Renewal area.

The Railroad Urban renewal district was established in 2016 and encompasses the Sixth Ward (the area just east of Montana Avenue and south of the railroad tracks or “historic Railroad District”). In 2023 several abandoned Apartments were demolished and cleared making way for the construction of The Bell Hotel LLC (a new boutique hotel). The hotel will create jobs, increase tax values, and increase tourism to the business district. Carroll College demolished several old structures and re-defined its entry to the campus to an inviting park-like gateway.

In 2023, the City annexed the first two phases of the Westside Major Phased subdivision that will eventually boast 98 new lots and 170 new residential dwelling units on a 58.85-acre site. An additional phase of Mountain View Meadows phased development was annexed, adding several single and multi-family structures to the housing inventory.

Our planning and engineering departments have backlogs of new construction, both commercial and residential, planned for the upcoming year. Just recently, the building permit department received its largest permit fee in several decades for new commercial construction and anticipates two more large commercial permits to be issued in the near future.

### **Population**

Over the last decade, Montana added an average of 6,200 more people each year. The pandemic recession migration accelerated the net in-movers significantly. From 2020 to 2022, the State’s population increased by 41,000, which is over three times more people than average. Most of the population growth has occurred in the Western portion of the State since the pandemic. Flathead County has experienced the most net in-migration followed by Gallatin and Yellowstone Counties. Missoula and Ravalli Counties combined have seen larger population growth than Montana’s largest cities, Billings, and Bozeman. Lewis and Clark County experienced net migration of 3,354 of people from 2020 to 2022, or 4.5 percent.<sup>2</sup>

Helena area has also experienced consistent long-term growth since 2010 and has grown 11.4 percent from 2010 to 2022, with a current population estimate of 33,885. Montana’s population is currently estimated at 1,104,271, according to the Montana Department of Labor and Industries market data and U.S. Census Bureau. Lewis and Clark County, (which largely comprises the trade area), experienced similar growth in this time frame of 16.4 percent, currently estimated to be 73,832.

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<sup>2</sup> Montana Department of Labor and Industries: “Montana unemployment rate Remains at an all-time low”, June 16, 2023; by Jessica Nelson, Public Information Officer. Montana Department of Labor and Industries: “Hello, I’m new here”, July 2023; by Amy Watson, State Economist.

### **Unemployment**

In June of 2023, Governor Gianforte announced that Montana’s unemployment rate remained at an all-time low of 2.3 percent in May 2023 as compared to the nationwide average of 3.7 percent. May 2023 marked the twentieth consecutive month of an unemployment rate below 3.0 percent. Montana’s labor force topped 575,000 workers for the first time in state history.<sup>2</sup>

Tight labor conditions persisted with three job openings for every one unemployed person. Aging workers retiring are driving a decrease in labor force participation exacerbating the State’s workforce shortage. With these labor shortages, both governmental and private businesses are not able to meet demand in an efficient manner. The City is not immune to the workforce shortage experiencing high vacancy rates in almost every department.

A significant impact to labor participation is the lack of available and affordable daycare. Helena is self-declared as a “daycare desert.” In Lewis and Clark County, childcare capacity as a percent of demand is only 30 percent. This prevents some parents from fully participating in the workforce.

### **Per Capita Income**

Low unemployment rates are driving up wages in Montana and Lewis and Clark County. The average wage in Montana increased over 6 percent in 2022 with annual average earnings of \$54,525. Inflation outpaced wages; however, resulting in real-wage declines of 1.6 percent. On a per capita basis, average income rose to \$57,719 in 2022, which does fall below the national average.

The US Census Bureau market data as of 2022 posted the per capita income for Lewis and Clark County, Montana as \$59,712 and median household income at \$72,250. Persons living in poverty was 8.7 percent. Montana’s per capita income was \$57,719 and median household income was \$67,631. Persons living in poverty in Montana was 12.1 percent.

### **Revenue Growth and Reform**

City revenues can be considered statutorily limited, circumstantial, or discretionary. The City has very little control over the growth of these revenues. Although the City ‘controls’ the growth of discretionary revenue, it is still subject to typical community pressures for conservative growth.

Revenues such as property taxes and State entitlements are subject to statutory or other limitations. Property taxes make up approximately 15.4 percent of total City budgeted revenues and 51.8 percent of General Fund budgeted revenues (excluding interfund transfers). The City is only allowed to increase property taxes on existing property at one-half the CPI-U average rate of inflation for the past three years. The Montana Constitution and state law require periodic reappraisal of property in the interest of equal taxation (15-7-111, MCA). The State of Montana, through the Department of Revenue (DOR), is responsible for valuing all taxable real and personal property. The 2015 legislature changed the reappraisal period from once every six years to once every two years. The DOR is required by state law to conduct a reappraisal of all residential, commercial, industrial, agricultural, and forestland property in the state. The most recent



reappraisal cycle was completed on January 1, 2023, for legislative review during the 2023 legislative session. New reappraisal values will be used for property tax purposes in tax year 2023 (fiscal year 2024). Within the City limits of Helena, appraised values went up over 30 percent.

State shared entitlement revenues make up approximately 4.3 percent of total City budgeted revenues and 18.4 percent of the General Fund budgeted revenues. This revenue is set by statutory formula and has grown by population and inflation in recent years. State shared entitlement revenue (born from House Bill 124 passed in 2001 by the Montana State Legislature) consists of motor vehicle taxes, gaming revenues, and alcohol and income taxes intended to provide local governments with a stable source of funding.

Discretionary revenues such as special assessments, licenses, permits, fines, utility, and other charges for services make up about 48.1 percent of budgeted City revenues and allow the City to set rates to cover costs. Such revenue is secured by the ability to attach property liens and/or do utility shut-offs in case of non-payment. Special assessments make up approximately 10.3 percent of total City budgeted revenues. Service charges make up approximately 25.0 percent of total City budgeted revenues.

Circumstantial revenues such as newly taxable property and building permit fees are primarily driven by the economy or other variables beyond City control. The Montana State Legislature also allows local governments to raise mills to cover the cost of increases in health insurance premiums.

### **Major Initiatives**

The City Clerk's office continues its efforts in digitizing historical records in 2023. This multi-year project is preserving historic documents and increasing transparency of City records. Departments are being onboarded a digital workflow and signature program. Internal document flow, including digital agreements, are being converted to reduce paper and increase efficiencies. The City Clerk's office has made progress in working on the revision of the City Boards and Committees system, instituting new administrative policies and governance protocols to create a more efficient and effective advisory board system.

The City Manager's office devoted a full-time employee for grants administration to streamline applying for and administering grants. This centralization also allows the City to maximize its efforts in achieving federal infrastructure funding. This office is also dedicated to prioritizing clear, consistent communication to the public and promoting greater public engagement by integrating the City's communication platforms.

The Human Resources Department gained the Commissions' support to launch a market-based pay plan to help the City become more competitive with other employers. A more competitive benefits structure was implemented in fiscal year 2023 and several positions received market pay adjustments starting in fiscal year 2024. Human Resources is continuing their efforts to promote a welcoming and inclusive workplace, supporting a common vision and purpose for all City

employees, cultivate positive employee morale, and promote a culture to encourage employees to safely offer and contribute ideas and develop solutions and support workplace safety.

The Police Department began implementation of a new records management and Computer Aided Dispatch system which should go live in fiscal year 2024. Community engagement continues to be one of the Police Department's primary focus is working on community outreach activities such as Coffee w/ Cop, Citizen's Academy, National Night Out, Public Safety Open House, Explorers, etc. The Police Department was able to finalize an agreement with the Helena School District for its School Resource Officer program. This agreement supports a partnership between the City of Helena and the Helena School District by improving school and law enforcement collaboration and ultimately providing a safe learning environment for our children.

The Helena Fire Department answered more than 4,700 calls for service in 2022, up from 4,200 from the prior year. The Fire Department's planning meeting is working on presenting an executive summary and implementation plan garnered from the recent master plan. They continue to seek out grant funding and other revenue opportunities to meet ever-increasing costs and needs.

The Community Development Department, in collaboration with other City departments, is participating in the configuration and implementation of Tyler Technology's Enterprise Permitting and Licensing system, including standard permitting as well as a Citizen Self Service portal, and electronic plan review. The EPL system provides online access to City staff, other City departments, contractors, licensed professionals, and the public. Building Division is revising documentation for the public to assist applicants on changes in the proposed adoption of the next edition of the International Codes and provide training for contractors, licensed professionals, and the public. Planning began a 5-year update to the 2019 Growth Policy and is continuing to implement the existing Growth Policy goals and objectives. The Planning Division will also conclude a year-long review of the City's development process and begin to implement changes to those process that are efficient, transparent, and predictable for both our citizens and development community. They are continuing to update City Code Title 11 - Zoning by reviewing all regulations and ordinances and identifying any barriers for development while ensuring the City residents' health, safety, and welfare. The Housing Division will begin looking at other housing strategies and work toward specific strategies and funding goals for affordable housing efforts.

The City Finance Department kicked off Phase III - Implementation of the city-wide ERP replacement software. Implementation began in January 2023 with Tyler Technologies to transition the City from a 20+ year old system to a modern financial system to streamline and digitize our Accounts Payable, Accounts Receivable, Accounting, Reporting, Contract Management and Payment procedures. The City is scheduled to go live with the core financial module in January 2024. Concurrently, the Finance Department is working with the Community Development and Building Department on the permitting and licensing module and with Human Resources on the Human Capital Management/ Payroll module. Once those modules go live, Finance will kick – off transitioning its utility billing module.

Parks, Recreation and Open Lands departments kicked off several improvement projects including new playground equipment for Leo Pocha Park. The team will continue focusing on needed improvements to the City's public spaces and providing high quality recreation programs. Another primary focus is their efforts to explore a Regional Parks District in partnership with key stakeholders to better serve the residents within city limits and surrounding area.

The Facilities Department implemented a new computerized maintenance management software which will allow staff to track the condition and maintenance of facility assets and equipment. In fiscal 2022, a third-party assessment was performed on all City facilities and the City-County jointly owned facilities. The information provided by this assessment was consolidated and is being utilized by staff to implement short-term and long-term capital projects. They continue to implement strategies to support the City's goal of making all City facilities 50 percent energy efficient by 2026.

Sustainability continues to be a priority, and public works staff are working to complete several master plans including Water and Sewer Rate and System Development Fee Studies, the Wastewater Treatment and Collection Master Plan, the Integrated Solid Waste Master Plan, and the Water Facility Master Plan. They are capitalizing on loans, grants, and federal ARPA funds to complete over 13 million dollars in projects including a water Treatment – Red Mountain Flume (ARPA) • Water Treatment – Headgates (ARPA) • Water treatment filter project at the Ten-Mile Treatment plant, improvements to the Upper Hale/West Main, completion of the Crosstown Connector Valves project and improvements to Bio-reactor Basin Blowers for wastewater treatment.

Finally, the Transportation Services Department continues its efforts to improve the quality of life for all our citizens and the Helena experience for those passing through by providing safe facilities for pedestrians, bicyclists, and the traveling public. Utilizing transparency, public outreach, stewardship of public funds, accountability, reliability, and looking into the future for providing the best transportation network for Helena. Their major initiatives are to evaluate a pedestrian safety program, adopt a crash reduction program, advocate roadway code enforcement compliance through education, and exploring new funding with the Metropolitan Planning Organization designation we received from the State.

As the proud seat of the State of Montana, Helena remains strong and continues to model for the future of the state.

## **INDEPENDENT AUDIT**

The State of Montana requires a biennial audit of the basic financial statements of the City by independent certified public accountants selected by the Commission. The City of Helena has elected to have an annual audit performed. An annual audit provides a higher level of financial management and fiscal responsibility. Maher Duessel, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Helena, Montana's financial statements for the

fiscal year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

### **AWARDS AND ACKNOWLEDGEMENTS**

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 Helena for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the thirty-fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive, and timely 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.

Staff anticipates the current annual comprehensive financial report continues to meet the requirements that evidence the spirit of transparency and full disclosure to be understandable, reliable, relevant, consistent, and comparable. We will submit the fiscal year 2023 report to the GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report represents the culmination of months of collaborative teamwork of the entire staff in the Finance Department. Each member of the Finance Department has our sincere appreciation for the contributions made in the preparation of this report. We also wish to thank all city departments for their assistance in providing the data necessary to prepare this report.

Further appreciation is offered to the City's leadership team, City Manager, the Mayor, and the City Commission for their encouragement, interest, and support in conducting the financial operations of the City in a sound and progressive manner.

Respectively Submitted,



Sheila Danielson  
Finance Director



Barbara Walsh  
City Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Helena  
Montana**

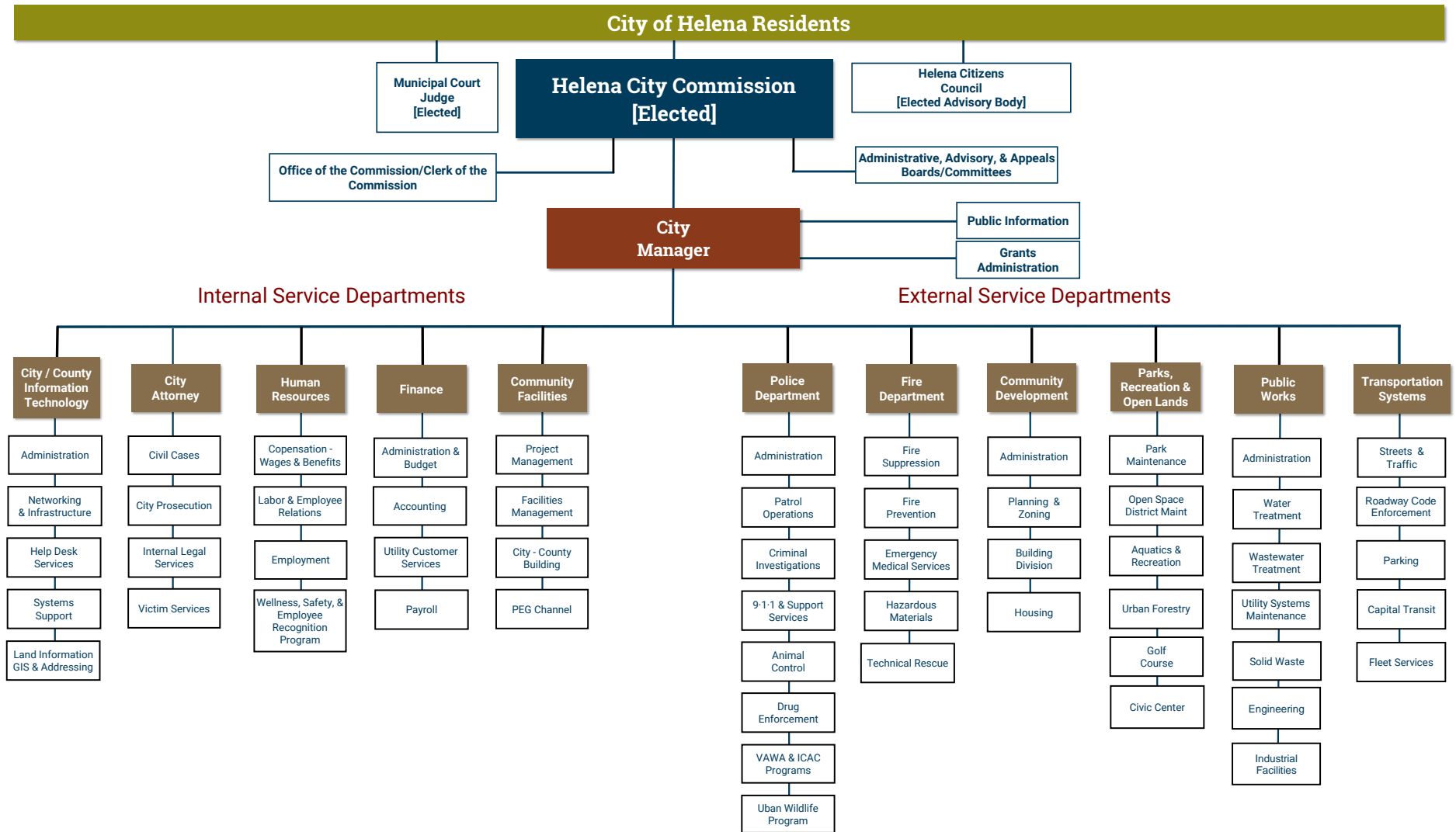
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# CITY OF HELENA - ORGANIZATION CHART



## **FINANCIAL SECTION**

## Independent Auditor's Report

**To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana**

### Report on the Audit of the Financial Statements

#### Opinions

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 Helena, Montana (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund and Streets Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair



To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana  
Independent Auditor's Report

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana  
Independent Auditor's Report

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary 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 supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our

To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana  
Independent Auditor's Report

auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
December 22, 2023

## **REQUIRED SUPPLEMENTARY INFORMATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

As management of the City of Helena, Montana (City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages I-2 through I-12 of this report.

### Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at fiscal year end June 30, 2023, by \$355,130,551 (*net position*). Of this amount, \$53,039,588 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased by \$13,949,940 over the prior fiscal year primarily due to capital asset acquisitions of \$17,392,323 and an increase of \$6,477,849 in cash and cash equivalents, offset by increased pension liability of \$7,373,909 and other liabilities and deferred outflows.
- As of June 30, 2023, the City's governmental funds reported combined ending fund balances of \$49,365,151, an increase of \$4,290,173 from the prior year. Approximately, 32.43 percent of this amount, \$16,009,142 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the total of the *committed*, *assigned*, and *unassigned* components of *fund balance* for the General Fund was \$12,925,657, or 67.81 percent of total General Fund expenditures.
- The City's total debt decreased by \$1,754,789 (7.26 percent) during the current fiscal year. Key factors in the change include:
  1. Water Revenue Loan principal payments of \$732,112 decreased the total water revenue bond debt service outstanding. No new water revenue bonds issues were taken out in fiscal year 2023.
  2. Wastewater Revenue Loan principal payments of \$113,000 decreased the total wastewater revenue bond debt services outstanding. Wastewater revenue bonds in the amount of \$905,769 were issued in fiscal year 2023.
  3. General obligation bond principal payments of \$640,000, other loan principal payments, offset by SBITAs issued in the amount of \$1,012,594 for cloud-based enterprise resource planning software represent the balance.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components:

- 1) government-wide financial statements
- 2) fund financial statements
- 3) notes to the financial statements

This report also contains required supplementary information and supplementary information intended to furnish additional detail to support the basic financial statements themselves.

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

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

The *Statement of Net Position* presents information on all of the City's assets and liabilities. The difference between total assets and deferred outflows minus liabilities and deferred inflows is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the City's financial position is improving or deteriorating.

The *Statement of Activities* presents information reflecting how the City's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Thus, the revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but not unused vacation leave).

The government-wide financial statements distinguish functions of the City 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 *Statement of Net Position* and the *Statement of Activities* distinguishes between the following activities:

- Governmental Activities - much of the City's basic services are reported here, including general administration, public safety, public works, public health, culture and recreation and community development. Property taxes, state entitlement distributions, property assessments, and state and federal grants finance most of the costs of these activities.
- Business-type Activities - the City charges a fee to customers to recover the cost of certain services provided. The City's water, wastewater, solid waste, transfer station, parking, transit (bus), golf course, building, and City-County administration building (CCAB) activities are reported here.
- Component Units - the City includes two separate legal entities in its report, the Business Improvement District, and Tourism Business Improvement District. Although legally separate, these component units are presented because the City is financially accountable for them, and the boards of these entities are appointed by the City Mayor subject to approval by the City Commission. The City Commission also approves the annual budget and assessments charged by each component unit. Further information about the City's component units are presented in the notes to the financial statements.

The government-wide financial statements can be found beginning on page III-1 of this report.

**Fund Financial Statements.** Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. With the implementation of Governmental Accounting Standards Board (GASB) Statement 34, the focus is on major funds rather than fund types. A *fund* is a grouping of

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A major fund should generally meet both of the following criteria: 1) total assets, liabilities, revenues, or expenditures/expenses are at least 10 percent of the corresponding total (assets, liabilities, etc.) for that fund type (i.e. *governmental* or *enterprise* funds) and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise funds are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year.

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

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 and Streets special revenue funds that are major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements and the required supplementary information.

The City adopts an annual appropriations budget for all funds. GASB Statement No. 34, requires budgetary information be shown for the General Fund and each major special revenue fund. A budgetary comparison statement has been provided for the General and Streets funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found beginning on page III-3 of this report.

**Proprietary Funds.** The City maintains two different types of *proprietary* funds: Enterprise and Internal Service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting.



# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

*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 water, wastewater, solid waste, transfer station, parking, golf course, transit (bus), building, and City-County Building operations. *Internal service funds* are used to account for activities performed for other organizational units within the City. The City uses internal service funds to account for its fleet services, copier revolving, property and liability insurance, and health insurance services.

Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Activities*, but provide more detail and additional information, such as cash flows. Internal service funds are reflected in either the governmental or the business-type activities depending on which funds benefit primarily from its services. The fleet services fund's assets are consolidated in the government-wide financial statements with the business-type activities. Similarly, the copier revolving, property and liability insurance, and health insurance funds are consolidated with the governmental activities.

The basic proprietary fund financial statements can be found beginning on page III-9 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for assets that are not for the benefit of the government or its component units. For fiscal year 2023, the City has one Fiduciary Fund categorized as "Other Fiduciary Activities" or Custodial Fund.

The activities in the Custodial Fund meet the following criteria to be reported as Other Fiduciary Activities:

1. The assets are controlled by the government.
2. The assets are not derived from the government's own-source revenue or government mandated nonexchange or voluntary nonexchange transactions, and
3. The assets are for the benefit of individuals, and the government does not have administrative or direct financial involvement with the assets, and the assets are not derived from the government providing goods or services to those individuals.

Fiduciary funds are not reflected in the government-wide financial statements because the assets of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Fiduciary Funds present two basic financial statements 1) A statement of fiduciary net position, and 2) A statement of changes in fiduciary net position. Fiduciary funds are not required to report a Statement of Cash Flows.

The Custodial Fund is used to account for and report Municipal Court Bond and Restitution assets. The basic fiduciary fund financial statements can be found beginning on page III-12.

**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 beginning on page III-14 of this report.

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

### June 30, 2023

**Other Information.** All required supplementary information other than GASB Statement Nos. 68 and 75, Pensions and Other Postemployment Benefits other than Pensions (OPEB) schedules precedes the basic financial statements or is included in the basic financial statements and accompanying notes. Therefore, the only information presented in the section for required supplementary information is information demonstrating funding of our OPEB implied rate subsidy and Pension's liabilities beginning on page IV-1.

The Tourism Business Improvement District (TBID) consists of two governmental funds. The TBID does not prepare separate financial statements. Therefore, combining statements are included beginning on page V-23.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. The net position for the fiscal year ending June 30, 2023 was \$355,130,551 (assets and deferred outflows exceeded liabilities and deferred inflows), which was an increase of \$13,949,940.

The largest portion of the City's net position, \$292,589,709 or 82.39 percent, reflects its investment in capital assets (e.g., land, building, machinery and equipment, right-to-use lease equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A summary of net position is shown in the following table:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 51,709,578	\$ 51,528,342	\$ 53,449,234	\$ 47,661,870	\$ 105,158,812	\$ 99,190,212
Capital assets	147,571,240	142,197,622	165,646,687	162,818,052	313,217,927	305,015,674
<b>Total assets</b>	<b>199,280,818</b>	<b>193,725,964</b>	<b>219,095,921</b>	<b>210,479,922</b>	<b>418,376,739</b>	<b>404,205,886</b>
Deferred outflows of resources	5,616,059	5,021,329	1,955,912	1,876,186	7,571,971	6,897,515
Long-term liabilities	26,590,321	21,485,670	28,600,207	26,715,615	55,190,528	48,201,285
Other liabilities	1,686,230	3,528,485	1,940,358	4,419,411	3,626,588	7,947,896
<b>Total liabilities</b>	<b>28,276,551</b>	<b>25,014,155</b>	<b>30,540,565</b>	<b>31,135,026</b>	<b>58,817,116</b>	<b>56,149,181</b>
Deferred inflows of resources	5,554,365	6,651,426	6,446,678	7,122,182	12,001,043	13,773,608
Net investment in capital assets	143,238,126	138,334,845	149,351,583	141,526,645	292,589,709	279,861,490
Restricted	8,234,765	38,392,081	1,266,489	28,792,457	9,501,254	67,184,538
Unrestricted	19,593,070	(9,645,214)	33,446,518	3,779,798	53,039,588	(5,865,416)
<b>Total net position</b>	<b>\$ 171,065,961</b>	<b>\$ 167,081,712</b>	<b>\$ 184,064,590</b>	<b>\$ 174,098,900</b>	<b>\$ 355,130,551</b>	<b>\$ 341,180,612</b>

As of June 30, 2023 the City can report positive balances in all three categories of net position. The Golf Course and Transit (Bus) proprietary funds' negative unrestricted net position and Governmental funds' negative unrestricted fund balance is because GASB 68 and 75 require the City's estimated portion of the

**CITY OF HELENA, MONTANA**  
Management's Discussion and Analysis  
June 30, 2023

State's pension liability and other postemployment benefits (OPEB) to be reported. The City has paid all required amounts to the pension administrators as required by State law. In addition, the City has paid all insurance premiums.

The City's increase in net position by \$7,373,909 is attributed to several factors that are discussed on the following pages.

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

### June 30, 2023

	Governmental Activities		Busienss-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 15,790,408	\$ 14,796,641	\$ 31,152,445	\$ 30,080,444	\$ 46,942,853	\$ 44,877,085
Operating grants and contributions	12,802,601	14,417,774	1,872,365	1,903,796	14,674,966	16,321,570
Capital grants and contributions	633,196	49,069	-	735,000	633,196	784,069
General revenues:						
Property taxes	13,884,885	13,651,843	-	-	13,884,885	13,651,843
Motor vehicle taxes	965,755	1,210,782	-	-	965,755	1,210,782
Grants and contributions not restricted to specific programs	-	4,819,847	-	-	-	4,819,847
Other	1,820,952	346,808	1,601,971	552,468	3,422,923	899,276
<b>Total revenues</b>	<b>45,897,797</b>	<b>49,292,764</b>	<b>34,626,781</b>	<b>33,271,708</b>	<b>80,524,578</b>	<b>82,564,472</b>
<b>Expenses:</b>						
General government	2,328,408	5,283,194	-	-	2,328,408	5,283,194
Public safety	20,342,894	17,953,590	-	-	20,342,894	17,953,590
Public works	8,583,419	9,300,006	-	-	8,583,419	9,300,006
Public health	144,666	126,375	-	-	144,666	126,375
Culture and recreation	6,705,086	5,868,110	-	-	6,705,086	5,868,110
Community development	827,314	1,201,983	-	-	827,314	1,201,983
Interest on long-term debt	156,112	121,254	-	-	156,112	121,254
Water	-	-	7,209,705	6,670,785	7,209,705	6,670,785
Wastewater	-	-	4,653,288	4,238,054	4,653,288	4,238,054
Solid Waste	-	-	3,709,506	3,471,806	3,709,506	3,471,806
Transfer Station	-	-	3,385,950	3,071,589	3,385,950	3,071,589
Parking	-	-	1,758,174	1,731,661	1,758,174	1,731,661
Golf course	-	-	2,094,635	2,125,520	2,094,635	2,125,520
Transit (Bus)	-	-	1,858,205	1,730,348	1,858,205	1,730,348
Building	-	-	1,405,102	1,162,583	1,405,102	1,162,583
City-County Administration Building	-	-	1,412,374	1,422,665	1,412,374	1,422,665
<b>Total expenses</b>	<b>39,087,899</b>	<b>39,854,512</b>	<b>27,486,939</b>	<b>25,625,011</b>	<b>66,574,838</b>	<b>65,479,523</b>
Change in Net Position before transfers	6,809,898	9,438,252	7,139,842	7,646,697	13,949,740	17,084,949
Transfers	(2,825,848)	(787,505)	2,825,848	787,505	-	-
Net Position - beginning of year	167,081,711	158,430,964	174,098,900	165,664,698	341,180,611	324,095,662
Net Position - end of year	\$ 171,065,761	\$ 167,081,711	\$ 184,064,590	\$ 174,098,900	\$ 355,130,351	\$ 341,180,611

**Governmental Activities.** Governmental activities in fiscal year 2023 increased the City's net position by \$3,984,250, or 2.38 percent. The key elements of the increase and variances between years are:

#### Governmental Revenues:

- Charges for services increased modestly by \$993,767 or 6.72 percent. Parks and recreation fees, to include swimming pool fees, civic center charges, and parks reservations, were increased in the spring of 2023. A full year of these fee increases will be realized in fiscal year 2024. Fees were increased on average by 25 percent to meet inflationary cost pressures.
- Total Operating Grants and Contributions of \$12,802,601 decreased by \$1,615,173, or 11.20 percent from the prior year. This decrease is largely related to Local Government Recovery Funds or American Rescue Plan Act (ARPA) funds received an spent in the amount of \$4,256,034 in fiscal

# CITY OF HELENA, MONTANA

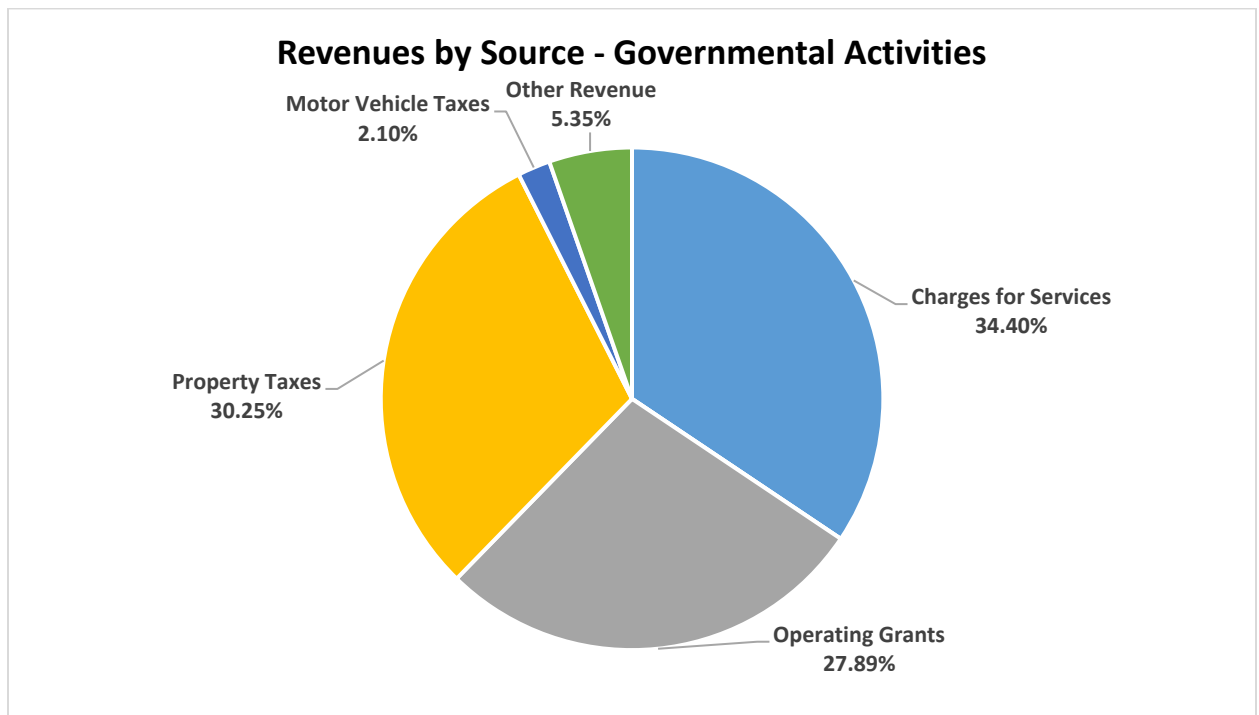
## Management's Discussion and Analysis

June 30, 2023

year 2022. HB124 State Entitlement Revenue funds increased by \$160,485 from the prior year, or 3.4 percent.

- Streets Fund State-shared gas revenue increased by \$735,000. Most of the funds for state shared gas revenue was used towards Rodney Street reconstruction project.
- Property tax revenue increased \$233,042 or 1.71 percent from the prior year. General property tax levy revenue grows by 1/2 of the average rate of inflation for the prior three years in addition to new construction. The Helena area has continued to experience significant growth in both residential and commercial development in fiscal year 2023, which is represented in the revenue growth.
- Motor vehicle tax state shared revenue decreased \$245,027 or 20.24 percent.

The chart below shows the distribution of General Government Revenues by source for fiscal year 2023:



Governmental Expenditures:

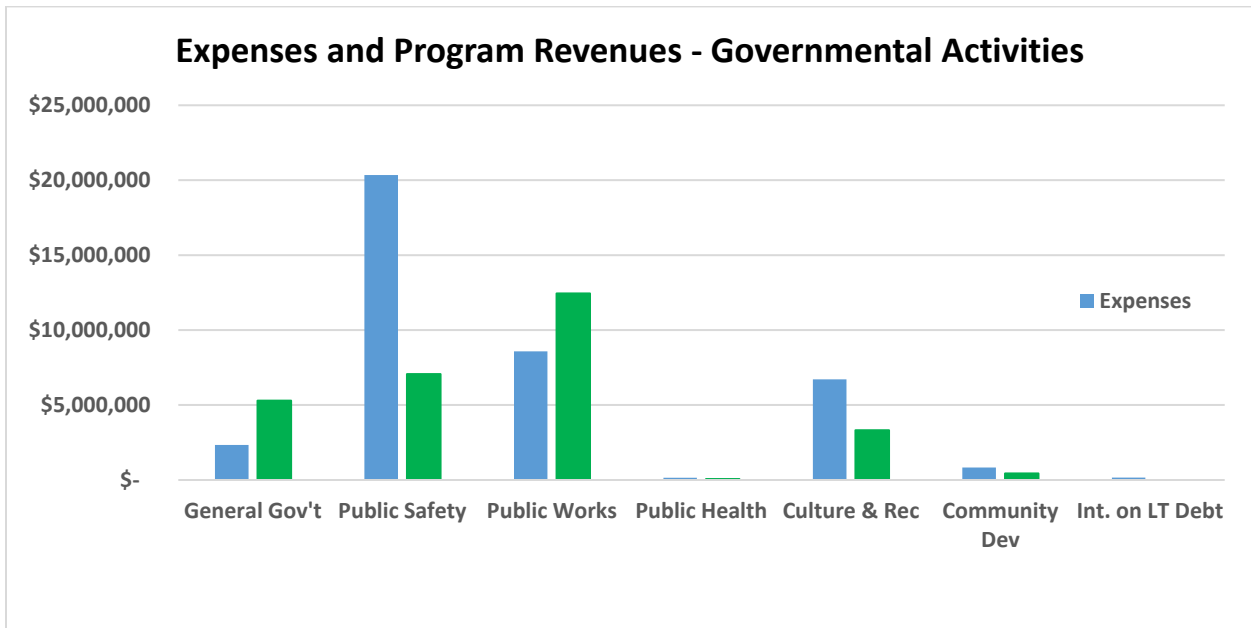
- General Government Expenditures decreased \$2,954,788 from the prior year or (55.93 percent). This is primarily related to the following:
  - There was an increase in the internal allocations of general government services to other funds, reducing expenditures in the governmental activities on the Government-Wide Statements.

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

- In fiscal year 2023, the engineering services had several vacancies that went unfilled for the entire year. Difficulty in recruitment for engineers has been partially addressed with an increase in salaries.
- In fiscal year 2023, governmental departments were tasked with reducing their operating budgets by almost 4 percent in order to present balanced budgets to the Commission without using cash reserves. This was primarily evident in the general fund.
- General Government activities revenue and expense by program is displayed in the chart below:



**Business-Type Activities.** Business-type activities increased the City's net position by \$9,636,146 or 5.53 percent. Key elements of the increase are:

- The total change in net position of \$9,965,690 was primarily impacted by water and wastewater revenues over expenses by \$4,483,729 and the result of capital asset acquisitions increasing by \$1,156,275 or 18.51 percent.
- While there were no rate increases implemented in fiscal year 2023, water consumption was high with the drought conditions leading to several wildfires throughout the state.
- The building fund experienced a high volume of permits outpacing expenses by \$353,273. New residential and commercial developments are throughout the City, including chain restaurants and multi-family complexes to meet the demand for housing.

Business-Type Revenues:

- Water and wastewater charges for services decreased by \$151,032 (1.52 percent) and \$116,312 (1.77 percent), respectively primarily due to high consumption of water. There were no rate

# CITY OF HELENA, MONTANA

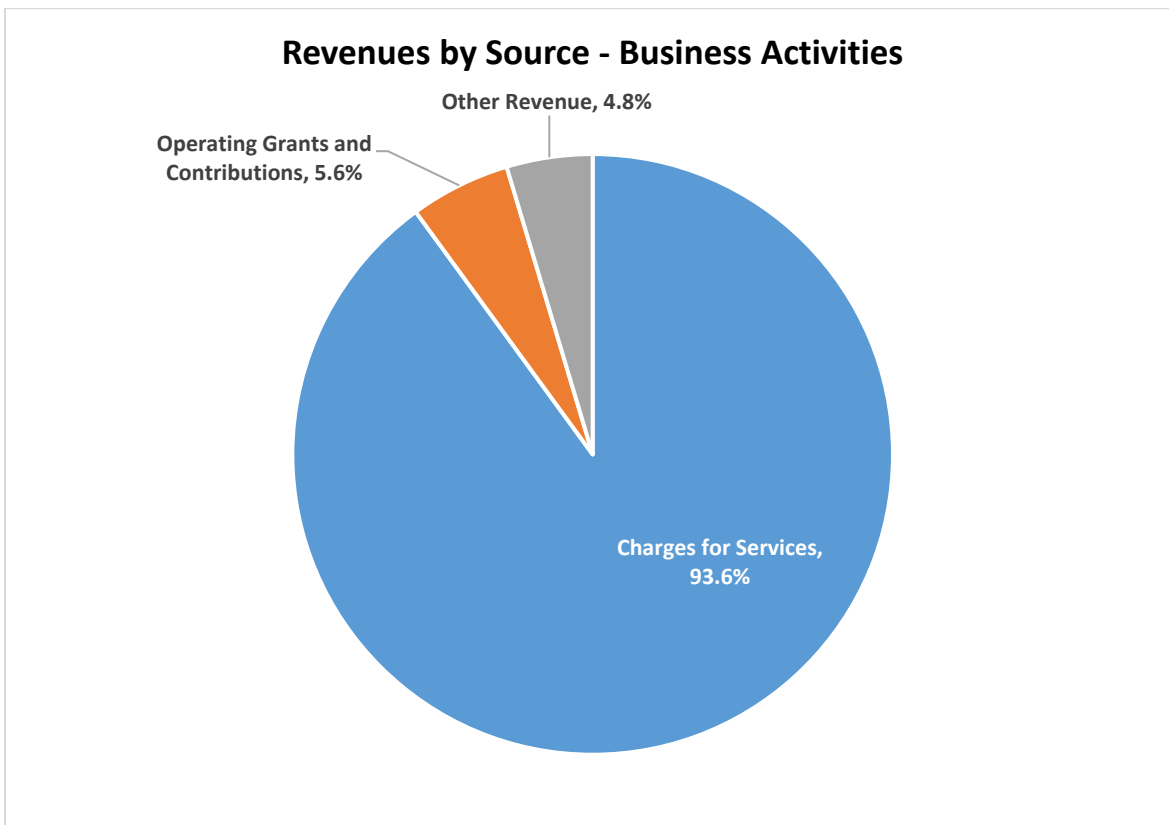
## Management's Discussion and Analysis

June 30, 2023

increases implemented in fiscal year 2023 for Water and Wastewater services. The water sales increased primarily from drought conditions.

- Transfer station charges for services decreased by \$147,027 or 5.20 percent. Fiscal year 2022 saw a significant increase in transfer station charges as residents were still homebound due to the pandemic. Volume has decreased since the pandemic eased and people went back to work and school.
- Golf Course charges for services increased from the prior year by \$202,066 or 11.53 percent from the prior year. The golf course activity is resuming to pre-pandemic levels in addition to modest increases to the fee structure. Most people purchased their season passes before the new fees went into effect in February. Munis restaurant also increased their food and beverage costs to keep in line with the cost of providing those services to our golf community and the community at large.
- Parking revenues increased 1.4 percent from the prior year. No increase in the fee structure was passed. The increase is due to more activity in the pay-to-park kiosks in the downtown area.
- Building permit fees increased from the prior year by \$401,852, or 29.6 percent, reflective of the residential and commercial development increases noted above.

Revenues by sources and a comparison of expenses to program revenues are displayed in the charts below:



# CITY OF HELENA, MONTANA

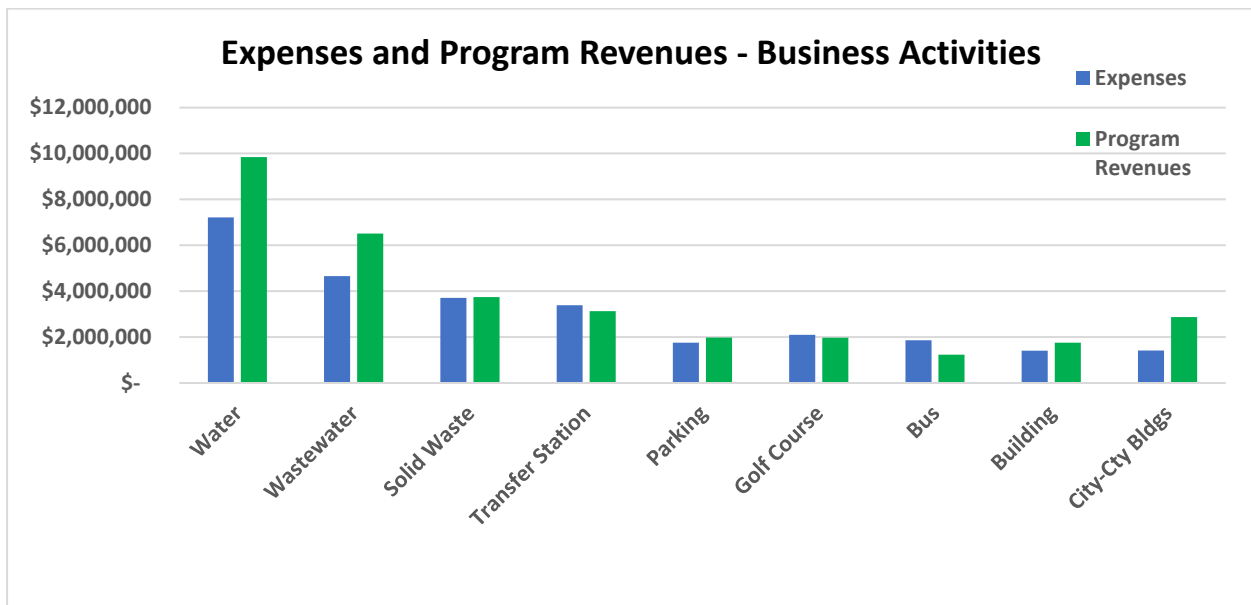
## Management's Discussion and Analysis

June 30, 2023

Business-Type Expenses:

- Total business-type activity program expenses increased by \$1,861,927 or 7.27 percent, which represents inflationary cost increases and rising material costs due to shortages. The Commission issued a 5.02 percent cost of living adjustment and enhanced the healthcare benefit package reducing the cost to employees. The average decrease for an employee on the family plan went from paying an out-of-pocket cost of \$750 per month to \$350 per month. The employer is now absorbing the difference in order to attract and retain employees.

A chart representing both business type revenues as compared to expenses for fiscal year 2023 is shown below:



**Financial Analysis of the City's Funds**

**Governmental Funds.** The focus of the City'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's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use of particular purposes by the City Commission.

As of June 30, 2023 the City's governmental funds reported combined fund balances of \$49,365,151, an increase of \$1,290,173 in comparison with the prior year. Approximately 32.43 percent of this amount, \$16,009,142, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned* to indicate



**CITY OF HELENA, MONTANA**  
**Management's Discussion and Analysis**  
 June 30, 2023

that it is 1) not in spendable form, \$335,736, 2) restricted for particular purposes, \$8,234,765, 3) committed for a particular purpose, \$5,781,563, or 4) assigned for a particular purpose, \$19,003,945.

The General Fund is the chief operating fund of the City. At June 30, 2023 unassigned fund balance was \$9,949,717 while total fund balance was \$13,201,448. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 52.19 percent of total General Fund expenditures, while total fund balance represents approximately 69.25 percent of that same amount. The General Fund balance decreased \$3,071,661 during the current fiscal year, primarily due to spending down cash reserves on capital and community aide.

The Streets Fund had an ending fund balance of \$12,286,865, a decrease of \$668,869 primarily due to spending down cash reserves on infrastructure. The Rodney Street reconstruction will conclude in fiscal year 2024, but the bulk of cash reserves were spent on this project in addition to inflationary pressures and cost of living increases to staff.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position and the total growth in net position of proprietary funds is outlined by fund below:

City's Proprietary Fund Net Position

	Unrestricted Net Position	Percent of Unrestricted Net Position	Change in Net Position	Percent Change in Net Position
Water	\$ 18,539,687	55.06%	\$ 5,143,983	54.58%
Wastewater	8,558,498	25.42%	2,162,921	22.95%
Solid Waste	1,976,477	5.87%	(62,432)	-0.66%
Transfer Station	1,390,017	4.13%	117,271	1.24%
Parking	55,737	0.17%	342,195	3.63%
Golf Course	(602,848)	-1.79%	(4,848)	-0.05%
Building	1,326,204	3.94%	409,221	4.34%
Transit (Bus)	(256,739)	-0.76%	(142,408)	-1.51%
City-County				
Administration Building	1,546,817	4.59%	1,994,155	21.16%
Internal service	1,138,260	3.38%	(535,631)	-5.68%
Total	<u>\$ 33,672,110</u>	<u>100.00%</u>	<u>\$ 9,424,427</u>	<u>100.00%</u>

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

Major changes in net position of the proprietary funds are attributable to:

- The Water and Wastewater funds increased Total Net Position by 5.58 and 3.76 percent, respectively, during fiscal year 2023 primarily due to infrastructure improvements and construction in progress increasing Capital Assets.
- Total proprietary operating income added \$4,167,337 (not including internal service activities) to net position of proprietary funds, of which \$2,748,269 and \$1,787,776 was for Water and Wastewater services, respectively. While no rate increases were passed, the increase in the customer base along with consumption added to service revenue.
- The Parking, Building, and City-County Buildings had operating gains of \$430,604, \$314,433, and \$1,451,159, respectively. Parking increases were recognized primarily in metered sales for downtown activity. The Transfer Station experienced more activity and the Golf Course saw more activity along with a rate increase to most services.
- These operating gains were offset by operating losses in the Transfer station of \$(680,143), Golf Course of \$(112,211) and the Transit (Bus) fund by \$(1,780,898). The Transfer station has seen a significant increase in subsidizing curbside recycling per the Commission's direction. In addition, an intergovernmental transfer from the Solid Waste fund for Tipping fees offsets the operating loss so the change in Net Position for the Transfer Station was positive by \$117,271. The Golf Course is still coming back to pre-pandemic levels and the fees increases passed in February will be fully recognized in the following fiscal year. Although the operating loss for Transit was negative, this operation is primarily supported by intergovernmental grants from the State and support from the General Fund for grant match. Fees have not been raised for many years, however the transportation services department will bring fee increase proposals to the Commission in fiscal year 2024.

### General Fund Budgetary Highlights

Revenue budgets were adjusted by \$25,000 for more than anticipated interest earnings. The Revenue was increased in order to offset banking fees which were not budgeted for. In past years, banking fees were netted against interest earnings. In fiscal year 2023, we started reporting banking fees separately for more transparency.

General Fund budgeted expenditures were increased in total by \$6,463,570. This was comprised primarily of fiscal year 2022 budget carryovers and other adjustments as follows:

- Non-Departmental:
  - \$75,000 – Transfer to Streets Fund for Henderson Street Pedestrian Bridge Study
  - \$25,000 – Transfer to Facilities Fund for Network Tower Building Damage Repairs
  - \$69,000 – Transfer to Facilities for the Grandstreet Theatre Roof Repair
  - \$750,000 – Transfer to SSD Fund for Voiceprint Audio Dispatch & Records Upgrade
  - \$200,000 – Transfer to Fire Levy Fund for Wildfire Vehicle Replacement
  - \$69,000 – Transfer to Law & Justice Center Fund for Building Improvements
  - \$500,000 – Transfer to General Capital Fund for ERP System Upgrade
  - \$479,720 – Transfer to General Capital Fund for Civic Center HVAC Replacement

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

- \$120,000 – Transfer to General Capital for Centennial Trail Improvements
- \$1,800,000 – Transfer to Water Fund for TMTP Project
- Legislative:
  - \$40,000 – Henderson Crossing Flasher Project
  - \$10,000 – Legal Publishing Project
  - \$28,000 – Minute Book Project
  - -\$5,000 – Transfer to HR Advertising Budget
  - \$2,537 – Laptop Purchase for HCC Employee
  - \$3,000 – Scanner upgrade for Minute Book Project
- Executive Services:
  - \$30,000 - Electric Vehicle Charging Station
- Legal Services:
  - \$46,395 – KARPEL Prosecutor Software upgrade
  - \$15,000 – Litigation
- Accounting Services:
  - \$25,000 – Banking Fees
- Human Resource Services:
  - \$27,600 – Contracted Services
  - \$9,000 – Recruitment advertising
- Public Safety - Law Enforcement:
  - \$48,433 – State of MT BCC High Risk Grant Balance
  - \$25,000 – Contracted Ammo/Training
  - \$50,000 – Staffing Study Contracted Services
- Public Safety - Fire:
  - \$35,167 – Fire Service Strategic Plan Contracted Services
  - \$10,257 - HAZMAT Grant Balance
- Community Development:
  - \$2,461 – Housing Trust Fund Procedure Development Contract

Total actual General Fund expenditures were \$8,169,634 less than the final budget. Over 4 million of the comparison is due to internal allocations. The budget is prepared on a cash basis, but the government funds are prepared on a modified-accrual basis. In modified accrual, the general expenses are reduced (along with the revenue) by internal services allocated to other funds.

The balance of the variance can be attributed to the following:

- \$1,973,000 in Community Aide grants were appropriated but not distributed.
- \$905,000 savings resulted in staffing vacancies.

**CITY OF HELENA, MONTANA**  
**Management's Discussion and Analysis**  
 June 30, 2023

- \$362,000 savings resulted in unspent appropriated contracted services, of which most will be carried over to the new fiscal year.
- Various miscellaneous unspent appropriations throughout the general fund accounted for the remainder of the variance.

**Capital Asset and Debt Administration**

**Capital Assets.** The City's net investment in capital assets (net of related debt) for its governmental and business-type activities as of June 30, 2023 was \$292,589,709. Capital assets include land, buildings, improvements other than buildings, machinery and equipment, construction in progress, right-to-use lease equipment, and infrastructure.

**City's Capital Assets**  
**(Net of Accumulated Depreciation)**

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 84,844,395	\$ 48,264,650	\$ 133,109,045
Construction in Progress	8,726,702	13,667,558	22,394,260
	<u>93,571,097</u>	<u>61,932,208</u>	<u>155,503,305</u>
Depreciable assets:			
Buildings	3,598,903	25,100,856	28,699,759
Improvements other than buildings	7,937,551	2,037,346	9,974,897
Machinery and equipment	8,603,885	5,638,543	14,242,428
Right-to-use lease equipment	2,651	28,649	31,300
Infrastructure	33,857,153	70,909,185	104,766,338
	<u>54,000,143</u>	<u>103,714,579</u>	<u>157,714,722</u>
Net Capital Assets	<u>\$ 147,571,240</u>	<u>\$ 165,646,787</u>	<u>\$ 313,218,027</u>

Total acquisitions amounted to \$17,392,323. Major capital asset events during the current fiscal year include the following:

Streets/Stormwater:

- \$2,886,067 – Rodney Street reconstruction – Phase II
- \$1,697,261 – Vehicle and equipment replacements
- \$157,185 – Generator project

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

- \$115,863 – Safe Route/Multi Modal
- \$107,374 – Sidewalk Crossing Reconstruction/Ewing Crossing
- \$81,389 – Street/Storm Drainage Improvements
- \$23,614 – 11<sup>th</sup> Street Improvements
- \$10,367 – Cruse Avenue/Transfer Station Improvements
- \$7,900 – GIS Building Remodel
- \$2,495 – Grandstreet Alley Improvements

### General Administration:

- \$485,572 – City Parks Renovations
- \$212,546 – New ERP Financial Software
- \$124,303 – Vehicle/Equipment purchases
- \$1,212,223 – Subscription-based Information Technology Arrangement

### Facilities:

- \$908,357 – Law and Justice Center Renovations
- \$529,491 – City-County Building Remodels/Parking Lot
- \$120,855 – Civic Center/Fire Station 1 Remodel
- \$51,252 – Vehicle/Equipment purchases
- \$24,800 – Grandstreet Roof Replacement
- \$20,250 – City Shop Boiler replacement project

### Water / Wastewater:

- \$1,286,048 - Rodney Street reconstruction - Phase II
- \$1,200,632 – Wastewater Main Replacement
- \$837,119 – Westside Water and Sewer Mains
- \$423,607 – Eureka/Ground Water Wells Rehabilitation
- \$329,188 – Generator Project
- \$272,787 – Ten Mile Transmission Main Improvements
- \$270,873 – Crosstown Connector replacements
- \$205,956 – Wastewater Master Plan
- \$150,844 – Vehicle/Equipment purchases
- \$111,785 – TMTP Remodel
- \$71,197 – Scum Pump and Digester Improvements
- \$93,241 – MRTP Heater BFP/Chemical Feed
- \$41,558 – Chessman Dam Replacements
- \$15,800 – GIS Building Remodel
- \$10,227 – Cruse Avenue Improvements

### Solid Waste:

- \$473,753 – Vehicle/Equipment purchases
- \$43,007 – Solid Waste Master Plan

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023

- \$30,108 – Transfer Station Building/Gate Improvements

### Public Safety Services:

- \$753,643 – Vehicle/Equipment purchases
- \$49,839 – Faro Investigation Computer Software

### Parking:

- \$166,784 – Equipment purchases

### Golf:

- \$64,912 – Vehicle/Equipment purchases

### Parks/Open Space/Trails:

- \$39,500 – Vehicle/Equipment purchases

### Transit (Bus):

- \$8,283 – Vehicle/Equipment purchases

### Fleet Services (Internal Services):

- \$92,943 – Vehicle/Equipment purchases
- \$18,587 – Building/Lot Improvements

Additional information on capital assets including commitments for significant capital projects can be found in the notes to the basic financial statements (Notes 6 and 11).

### Long-Term Debt

As of June 30, 2023, the City had total debt outstanding of \$22,405,387. Of this amount, \$4,540,000 comprises debt backed by the full faith and credit of the government; \$694,714 for an INTERCAP Loan secured by the General Fund; \$1,466,190 is loans payable; \$6,230,000 is certificates of participation secured solely by the 15<sup>th</sup> Street Parking Garage; and \$8,433,000 is bonds secured solely by specified revenue sources of the water and wastewater funds.

The City's total debt decreased by \$1,754,789 (7.26 percent) during the current fiscal year. Additional debt was issued for loans in the amount of \$905,769. The City also recognized a new Subscription-Based Technology Arrangement liability in the amount of \$1,012,000.

The City maintains an "AA" rating from Standard & Poor's on its general obligation bonds and on its certificates of participation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.50 percent of the total assessed value of taxable property. The current debt limitation for the City is \$112,828,839, which is significantly in excess of the City's outstanding general obligation debt.

# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

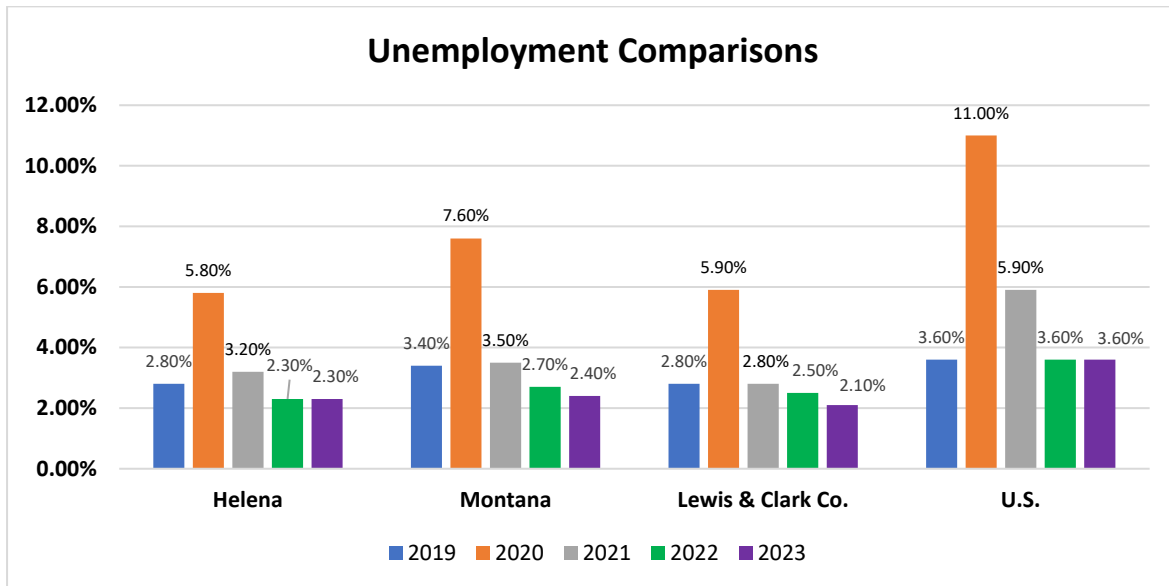
June 30, 2023

### City's Outstanding Debt

	Governmental Activities	Business-Type Activities	Total
General obligations Bonds	\$ 2,625,000	\$ 1,915,000	\$ 4,540,000
Loans Payable	694,714	9,899,190	10,593,904
Certificates of Participation	-	6,230,000	6,230,000
Lease obligations	806	28,083	28,889
SBITAs	1,012,594	-	1,012,594
	\$ 4,333,114	\$ 18,072,273	\$ 22,405,387

### Economic Factors and Next Year's Budget Rates

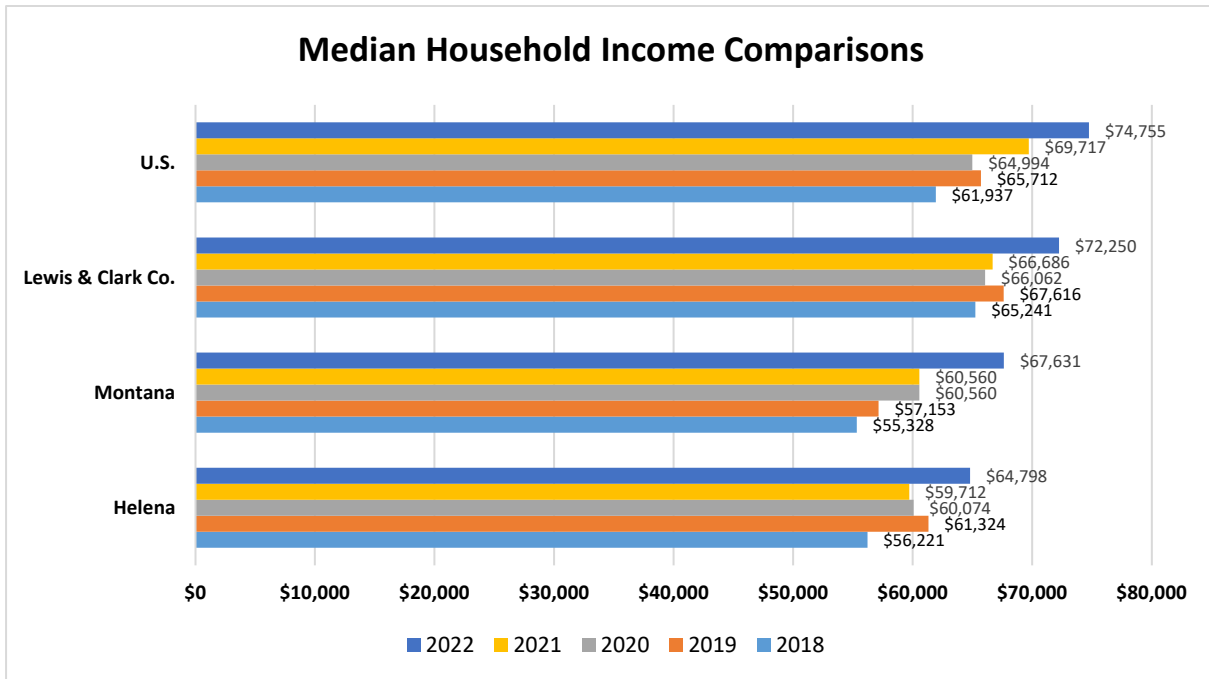
(Some factors for the City are unavailable. In these instances, factors for Lewis & Clark County have been used. Source: MT Dept of Labor and Industries and "DATA USA" and the U.S. Bureau of Labor Statistics.)



# CITY OF HELENA, MONTANA

## Management's Discussion and Analysis

June 30, 2023



### Requests for Information

The City's financial statements are designed to provide users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the attention of the Finance Director at the following address: City of Helena, 316 North Park Avenue, Room 320, Helena, MT 59623.



## **BASIC FINANCIAL STATEMENTS**

**CITY OF HELENA, MONTANA**

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Business Improvement District	Tourism Business Improvement District
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 49,345,904	\$ 40,987,819	\$ 90,333,723	\$ 344,385	\$ 338,447
Cash and cash equivalents - unspent debt proceeds	-	1,328,909	1,328,909	-	-
Cash and cash equivalents - cash with fiscal agent	-	120	120	-	-
Investments - restricted	-	1,266,489	1,266,489	-	-
Receivables, net of allowance for uncollectibles	1,764,173	2,505,055	4,269,228	25,493	51,725
Intergovernmental receivable	81,517	282,822	364,339	-	-
Loans receivable	172,282	42,938	215,220	-	-
Internal balances	(985,385)	985,385	-	-	-
Inventories	335,736	1,446,624	1,782,360	-	-
Prepaid expenses	-	-	-	-	80
Lease receivable	-	223,503	223,503	-	-
<b>Total current assets</b>	<b>50,714,227</b>	<b>49,069,664</b>	<b>99,783,891</b>	<b>369,878</b>	<b>390,252</b>
<b>Noncurrent assets:</b>					
Loans receivable, net of current portion	995,351	431,171	1,426,522	-	-
Lease receivable, net of current portion	-	3,948,399	3,948,399	-	-
Capital assets, net of accumulated depreciation:					
Capital assets not being depreciated	93,571,097	61,932,208	155,503,305	-	-
Capital assets, net of accumulated depreciation	54,000,143	103,714,479	157,714,622	3,437	-
<b>Total noncurrent assets</b>	<b>148,566,591</b>	<b>170,026,257</b>	<b>318,592,848</b>	<b>3,437</b>	<b>-</b>
<b>Total Assets</b>	<b>199,280,818</b>	<b>219,095,921</b>	<b>418,376,739</b>	<b>373,315</b>	<b>390,252</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows of resources for pension	5,074,150	1,507,652	6,581,802	-	-
Deferred charge on debt refunding	-	448,260	448,260	-	-
Deferred outflows of resources for OPEB	541,909	-	541,909	-	-
<b>Total Deferred Outflows of Resources</b>	<b>5,616,059</b>	<b>1,955,912</b>	<b>7,571,971</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable and other current liabilities	1,623,056	1,186,958	2,810,014	200	38,430
Customer deposits	-	448,055	448,055	-	-
Accrued interest	63,174	187,496	250,670	-	-
Unearned revenue	-	-	-	16,386	51,725
Compensated absences	1,202,436	408,592	1,611,028	-	-
Loans payable	77,056	1,046,660	1,123,716	-	-
General obligation bonds	480,000	190,000	670,000	-	-
Certificates of participation	-	325,000	325,000	-	-
SBITA liability	232,331	-	232,331	-	-
Lease payable	806	7,330	8,136	-	-
Landfill post-closure costs	-	117,849	117,849	-	-
<b>Total current liabilities</b>	<b>3,678,859</b>	<b>3,917,940</b>	<b>7,596,799</b>	<b>16,586</b>	<b>90,155</b>
<b>Long-term liabilities:</b>					
Compensated absences, net of current portion	1,242,273	413,144	1,655,417	-	12,966
Loans payable, net of current portion	617,658	8,852,530	9,470,188	-	-
General obligation bonds, net of current portion	2,145,000	1,725,000	3,870,000	-	-
Certificates of participation, net of current portion	-	5,905,000	5,905,000	-	-
SBITA liability, net of current portion	780,263	-	780,263	-	-
Lease payable, net of current portion	-	20,753	20,753	-	-
Landfill post-closure costs, net of current portion	-	1,767,745	1,767,745	-	-
Net pension liability	17,581,935	7,101,536	24,683,471	-	-
Other postemployment benefits	2,230,563	836,917	3,067,480	-	-
<b>Total noncurrent liabilities</b>	<b>24,597,692</b>	<b>26,622,625</b>	<b>51,220,317</b>	<b>-</b>	<b>12,966</b>
<b>Total Liabilities</b>	<b>28,276,551</b>	<b>30,540,565</b>	<b>58,817,116</b>	<b>16,586</b>	<b>103,121</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources for pension	1,161,484	519,898	1,681,382	-	-
Deferred inflows of resources for leases	-	4,149,062	4,149,062	-	-
Deferred inflows of resources for OPEB	4,392,881	1,777,718	6,170,599	-	-
<b>Total Deferred Inflows of Resources</b>	<b>5,554,365</b>	<b>6,446,678</b>	<b>12,001,043</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>					
Net investment in capital assets	143,238,126	149,351,583	292,589,709	3,437	-
Restricted for:					
General government	10,800	-	10,800	-	-
Public safety	117,644	-	117,644	-	-
911 dispatch center	771,039	-	771,039	-	-
Public works	827,771	-	827,771	-	-
Culture and recreation	1,219,583	-	1,219,583	-	-
Community development	401,267	-	401,267	-	-
Debt service	620,410	1,266,489	1,886,899	-	-
Capital projects	4,266,251	-	4,266,251	-	-
Unrestricted	19,593,070	33,446,518	53,039,588	353,292	287,131
<b>Total Net Position</b>	<b>\$ 171,065,961</b>	<b>\$ 184,064,590</b>	<b>\$ 355,130,551</b>	<b>\$ 356,729</b>	<b>\$ 287,131</b>

See accompanying notes to financial statements.

**CITY OF HELENA, MONTANA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Total Governmental Activities	Total Business-Type Activities	Total	Business Improvement District	Tourism Business Improvement District
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 2,328,408	\$ 232,796	\$ 5,054,850	\$ -	\$ 2,959,238	\$ -	\$ 2,959,238	\$ -	\$ -
Public safety	20,342,894	1,132,991	5,930,347	-	(13,279,556)	-	(13,279,556)	-	-
Public works	8,583,419	10,895,229	1,543,554	500,000	4,355,364	-	4,355,364	-	-
Public health	144,666	53,573	2,877	-	(88,216)	-	(88,216)	-	-
Culture and recreation	6,705,086	3,109,200	205,758	-	(3,390,128)	-	(3,390,128)	-	-
Community development	827,314	366,619	65,215	133,196	(262,284)	-	(262,284)	-	-
Debt service - interest expense	156,112	-	-	-	(156,112)	-	(156,112)	-	-
Total governmental activities	<u>39,087,899</u>	<u>15,790,408</u>	<u>12,802,601</u>	<u>633,196</u>	<u>(9,861,694)</u>	<u>-</u>	<u>(9,861,694)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water	\$ 7,209,705	\$ 9,777,838	\$ 60,619	\$ -	\$ -	\$ 2,628,752	\$ 2,628,752		
Waste water	4,653,288	6,462,739	45,526	-	-	1,854,977	1,854,977		
Solid waste	3,709,506	3,719,428	22,255	-	-	32,177	32,177		
Transfer station	3,385,950	2,677,913	448,100	-	-	(259,937)	(259,937)		
Parking	1,758,174	1,963,515	14,076	-	-	219,417	219,417		
Golf course	2,094,635	1,955,121	15,011	-	-	(124,503)	(124,503)		
Building	1,405,102	1,734,430	23,945	-	-	353,273	353,273		
Transit (Bus)	1,858,205	32,385	1,199,702	-	-	(626,118)	(626,118)		
City-County administration building	1,412,374	2,829,076	43,131	-	-	1,459,833	1,459,833		
Total business-type activities	<u>27,486,939</u>	<u>31,152,445</u>	<u>1,872,365</u>	<u>-</u>	<u>-</u>	<u>5,537,871</u>	<u>5,537,871</u>		
<b>Total Primary Government</b>	<u>\$ 66,574,838</u>	<u>\$ 46,942,853</u>	<u>\$ 14,674,966</u>	<u>\$ 633,196</u>	<u>(9,861,694)</u>	<u>5,537,871</u>	<u>(4,323,823)</u>		
<b>Component units:</b>									
Business Improvement District	\$ 315,403	\$ 313,683	\$ -	\$ -				\$ (1,720)	
Tourism Business Improvement District	\$ 605,331	\$ 527,737	\$ -	\$ -					\$ (77,594)
General revenues:									
Taxes:									
Property taxes					13,884,885	-	13,884,885	-	-
Motor vehicle taxes					965,755	-	965,755	-	-
Total taxes					14,850,640	-	14,850,640	-	-
Interest and investment income/(loss)					1,600,932	1,542,746	3,143,678	11,698	325
Gain on sale of capital assets					27,465	19,455	46,920	-	-
Other income					192,755	39,770	232,525	3,894	873
Transfers					(2,825,848)	2,825,848	-	-	-
Total general revenues and transfers					<u>13,845,944</u>	<u>4,427,819</u>	<u>18,273,763</u>	<u>15,592</u>	<u>1,198</u>
<b>Change in Net Position</b>					<u>3,984,250</u>	<u>9,965,690</u>	<u>13,949,940</u>	<u>13,872</u>	<u>(76,396)</u>
Net Position - beginning of year					<u>167,081,711</u>	<u>174,098,900</u>	<u>341,180,611</u>	<u>342,857</u>	<u>363,527</u>
Net position - ending					<u>\$ 171,065,961</u>	<u>\$ 184,064,590</u>	<u>\$ 355,130,551</u>	<u>\$ 356,729</u>	<u>\$ 287,131</u>

See accompanying notes to financial statements.

# CITY OF HELENA, MONTANA

## BALANCE SHEET

### GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 13,107,159	\$ 12,231,630	\$ 22,787,312	\$ 48,126,101
Taxes receivable, net of allowance	827,129	340,538	279,775	1,447,442
Accounts receivable, net of allowance	279,781	794	10,416	290,991
Loans receivable	-	-	1,167,633	1,167,633
Intergovernmental receivables	-	-	81,517	81,517
Inventories	29,143	306,593	-	335,736
<b>Total Assets</b>	<b>\$ 14,243,212</b>	<b>\$ 12,879,555</b>	<b>\$ 24,326,653</b>	<b>\$ 51,449,420</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable and other current liabilities	\$ 885,227	\$ 372,702	\$ 360,731	\$ 1,618,660
Interest payable	-	-	14,884	14,884
<b>Total Liabilities</b>	<b>885,227</b>	<b>372,702</b>	<b>375,615</b>	<b>1,633,544</b>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows - taxes	-	-	13,194	13,194
Deferred inflow - special assessments	156,537	219,988	61,006	437,531
<b>Total Deferred Inflows of Resources</b>	<b>156,537</b>	<b>219,988</b>	<b>74,200</b>	<b>450,725</b>
<b>Fund Balance:</b>				
Nonspendable	29,143	306,593	-	335,736
Restricted:				
General government	10,800	-	-	10,800
Public safety	97,920	-	19,724	117,644
911 dispatch center	-	-	771,039	771,039
Public works	137,928	-	689,843	827,771
Culture and recreation	-	-	1,219,583	1,219,583
Community development	-	-	401,267	401,267
Debt service	-	-	620,410	620,410
Capital projects	-	-	4,266,251	4,266,251
Committed:				
General government	966,597	-	-	966,597
Public works	-	2,344,305	-	2,344,305
Community Development	1,973,000	-	33,170	2,006,170
Capital purchases	-	-	464,491	464,491
Assigned:				
Public safety	36,343	-	2,488,420	2,524,763
Public works	-	3,530,595	5,437,632	8,968,227
Community development	-	-	4,656,878	4,656,878
Capital purchases	-	-	2,854,077	2,854,077
Unassigned	9,949,717	6,105,372	(45,947)	16,009,142
<b>Total Fund Balance</b>	<b>13,201,448</b>	<b>12,286,865</b>	<b>23,876,838</b>	<b>49,365,151</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 14,243,212</b>	<b>\$ 12,879,555</b>	<b>\$ 24,326,653</b>	<b>\$ 51,449,420</b>

See accompanying notes to financial statements.

**CITY OF HELENA, MONTANA**  
**RECONCILIATION OF THE BALANCE SHEET**  
**OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
 JUNE 30, 2023

<b>Total Fund Balance - Governmental Funds</b>		\$ 49,365,151
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets including construction in progress used in governmental activities are not current financial resources and are not reported as assets in governmental funds.</p>		147,564,177
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflow of resources in the governmental funds.</p>		450,725
<p>Internal Service Funds are used by management to charge the costs of the copier revolving and insurance, and fleet services to individual funds. The assets and liabilities of these Internal Service Funds are included in the governmental activities in the statement of net position.</p>		262,825
<p>Deferred outflows and inflows of resources for pension, OPEB, and leases are recorded and amortized in the statement of net position. However, these items are not recorded on the fund financial statements.</p>		61,694
<p>Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>		
	Bonds and loan payable	\$ (3,319,714)
	Lease payable	(806)
	SBITA liability	(1,012,594)
	Accrued interest on debt	(48,290)
	Compensated absences	(2,444,709)
	Net pension liability	(17,581,935)
	Other postemployment benefits	(2,230,563)
		(26,638,611)
<b>Total Net Position - Governmental Activities</b>		<b>\$ 171,065,961</b>

See accompanying notes to financial statements.

# CITY OF HELENA, MONTANA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	General	Streets	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 13,249,180	\$ -	\$ 2,355,859	\$ 15,605,039
Special assessments	66,831	7,101,999	4,430,325	11,599,155
Licenses and permits	566,049	46,584	16,819	629,452
Intergovernmental	5,348,900	1,922,434	2,878,656	10,149,990
Charges for services	907,641	-	1,767,320	2,674,961
Fines and forfeitures	445,381	3,928	-	449,309
Investment earnings	442,254	409,465	749,213	1,600,932
Contributions and donations	67,936	-	38,006	105,942
Miscellaneous	19,637	75,414	28,393	123,444
<b>Total revenues</b>	<b>21,113,809</b>	<b>9,559,824</b>	<b>12,264,591</b>	<b>42,938,224</b>
<b>Expenditures:</b>				
General government	1,942,482	-	45,947	1,988,429
Public safety	13,867,680	-	2,119,931	15,987,611
Public works	73,594	4,710,934	1,523,703	6,308,231
Public health	152,937	-	-	152,937
Culture and recreation	2,378,465	-	3,379,385	5,757,850
Community development	644,561	-	127,930	772,491
Debt service	3,233	-	646,846	650,079
Capital outlay	-	5,506,789	3,076,278	8,583,067
<b>Total expenditures</b>	<b>19,062,952</b>	<b>10,217,723</b>	<b>10,920,020</b>	<b>40,200,695</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>2,050,857</b>	<b>(657,899)</b>	<b>1,344,571</b>	<b>2,737,529</b>
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	27,465	-	-	27,465
Proceeds from insurance settlements	-	-	58,488	58,488
Subscription-based information technology arrangement	-	-	1,012,594	1,012,594
Transfers in	957,350	79,704	3,376,370	4,413,424
Transfers out	(6,107,333)	(90,674)	(761,320)	(6,959,327)
<b>Total other financing sources (uses)</b>	<b>(5,122,518)</b>	<b>(10,970)</b>	<b>3,686,132</b>	<b>(1,447,356)</b>
<b>Net Change in Fund Balance</b>	<b>(3,071,661)</b>	<b>(668,869)</b>	<b>5,030,703</b>	<b>1,290,173</b>
<b>Fund Balance:</b>				
Beginning of year	16,273,109	12,955,734	18,846,135	48,074,978
End of year	<u>\$ 13,201,448</u>	<u>\$ 12,286,865</u>	<u>\$ 23,876,838</u>	<u>\$ 49,365,151</u>

See accompanying notes to financial statements.

# CITY OF HELENA, MONTANA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

**Net Change in Fund Balance - Governmental Funds** \$ 1,290,173

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of change between capital outlays and depreciation expense in the current year:

	Capital outlays	\$ 7,370,844	
	Depreciation expense	<u>(3,206,581)</u>	4,164,263

Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	2,862,997
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The issuance of long-term obligations (e.g., notes and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term obligations and related items.	535,800
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Governmental funds report lease payable and SBITA liability as expenditures when incurred. However, in the statement of activities, the cost of assets is allocated over the life of the lease.	211,399
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	Compensated absences	(242,715)	
	Other postemployment benefits	(135,962)	
	Pension accruals	(4,131,655)	
	Prepaid interest/interest accruals	<u>(48,290)</u>	(4,558,622)

Internal Service Funds are used by management to charge the costs of copier revolving and insurance activities to individual funds.	<u>(521,760)</u>
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**Change in Net Position of Governmental Activities** \$ 3,984,250

See accompanying notes to financial statements.

# CITY OF HELENA, MONTANA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

### GENERAL FUND

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes and special assessments	\$ 13,073,300	\$ 13,073,300	\$ 13,316,011	\$ 242,711
Licenses and permits	574,000	574,000	566,049	(7,951)
Intergovernmental	5,314,581	5,314,581	5,348,900	34,319
Charges for services	876,570	876,570	907,641	31,071
Fines and forfeitures	436,000	436,000	445,381	9,381
Investment earnings	43,598	68,598	442,254	373,656
Contributions and donations	76,000	76,000	67,936	(8,064)
Miscellaneous	40,000	40,000	19,637	(20,363)
Total revenues	<u>20,434,049</u>	<u>20,459,049</u>	<u>21,113,809</u>	<u>654,760</u>
<b>Expenditures:</b>				
Current:				
General government	4,956,668	7,161,200	1,942,482	(5,218,718)
Public safety	14,090,000	14,258,857	13,867,680	(391,177)
Public works	2,080,590	2,080,590	73,594	(2,006,996)
Public health	171,878	171,878	152,937	(18,941)
Culture and recreation	2,709,005	2,709,005	2,378,465	(330,540)
Community development	848,595	851,056	644,561	(206,495)
Debt service	-	-	3,233	3,233
Capital outlay	-	-	-	-
Total expenditures	<u>24,856,736</u>	<u>27,232,586</u>	<u>19,062,952</u>	<u>(8,169,634)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,422,687)</u>	<u>(6,773,537)</u>	<u>2,050,857</u>	<u>8,824,394</u>
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	10,000	10,000	27,465	17,465
Transfers in	952,626	952,626	957,350	4,724
Transfers out	(2,172,613)	(6,260,333)	(6,107,333)	153,000
Total other financing sources (uses)	<u>(1,209,987)</u>	<u>(5,297,707)</u>	<u>(5,122,518)</u>	<u>175,189</u>
<b>Net Change in Fund Balance</b>	<u>\$ (5,632,674)</u>	<u>\$ (12,071,244)</u>	<u>\$ (3,071,661)</u>	<u>\$ 8,999,583</u>

See accompanying notes to financial statements.



# CITY OF HELENA, MONTANA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

### STREETS FUND

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes and special assessments	\$ 7,210,000	\$ 7,210,000	\$ 7,101,999	\$ (108,001)
Licenses and permits	50,000	50,000	46,584	(3,416)
Intergovernmental	1,357,284	1,857,284	1,922,434	65,150
Charges for services	-	-	-	-
Fines	500	500	3,928	3,428
Investment earnings	13,500	13,500	409,465	395,965
Contributions and donations	-	-	-	-
Miscellaneous	53,500	129,250	75,414	(53,836)
Total revenues	<u>8,684,784</u>	<u>9,260,534</u>	<u>9,559,824</u>	<u>299,290</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	6,474,450	7,107,389	4,710,934	(2,396,455)
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service	-	-	-	-
Capital outlay	2,140,774	11,733,795	5,506,789	(6,227,006)
Total expenditures	<u>8,615,224</u>	<u>18,841,184</u>	<u>10,217,723</u>	<u>(8,623,461)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>69,560</u>	<u>(9,580,650)</u>	<u>(657,899)</u>	<u>8,922,751</u>
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	-	-	-	-
Transfers in	4,704	79,704	79,704	-
Transfers out	-	(140,000)	(90,674)	49,326
Total other financing sources (uses)	<u>4,704</u>	<u>(60,296)</u>	<u>(10,970)</u>	<u>49,326</u>
<b>Net Change in Fund Balance</b>	<u>\$ 74,264</u>	<u>\$ (9,640,946)</u>	<u>\$ (668,869)</u>	<u>\$ 8,972,077</u>

See accompanying notes to financial statements.

**CITY OF HELENA, MONTANA**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

JUNE 30, 2023

Assets	Business-type Activities								City-County Administration Building	Total Enterprise Funds	Internal Service
	Water	Wastewater	Solid Waste	Transfer Station	Parking	Golf Course	Building	Transit (Bus)			
<b>Current assets:</b>											
Cash and cash equivalents	\$ 19,144,303	\$ 9,057,422	\$ 4,494,198	\$ 2,452,411	\$ 686,545	\$ 36,731	\$ 1,950,803	\$ 501,914	\$ 2,049,388	\$ 40,373,715	\$ 1,833,907
Cash and cash equivalents - unspent debt proceeds	1,113,561	215,348	-	-	-	-	-	-	-	1,328,909	-
Cash and cash equivalent - cash with fiscal agent	-	-	-	-	120	-	-	-	-	120	-
Investments - restricted	-	1,266,489	-	-	-	-	-	-	-	1,266,489	-
Receivables, net of allowance for uncollectibles	1,163,115	595,415	203,644	128,654	41,893	198	370,995	237	657	2,504,808	25,987
Intergovernmental receivable	-	-	-	-	-	-	-	250,321	32,501	282,822	-
Loans receivable	11,025	31,913	-	-	-	-	-	-	-	42,938	-
Inventories	898,765	121,292	102,540	-	15,275	282,298	-	-	-	1,420,170	26,454
Lease receivable	-	-	-	-	223,503	-	-	-	-	223,503	-
<b>Total current assets</b>	<b>22,330,769</b>	<b>11,287,879</b>	<b>4,800,382</b>	<b>2,581,065</b>	<b>967,336</b>	<b>319,227</b>	<b>2,321,798</b>	<b>752,472</b>	<b>2,082,546</b>	<b>47,443,474</b>	<b>1,886,348</b>
<b>Noncurrent assets:</b>											
Loans receivable, net of current portion	130,864	300,307	-	-	-	-	-	-	-	431,171	-
Lease receivable, net of current portion	-	-	-	-	3,948,399	-	-	-	-	3,948,399	-
Capital assets, net of accumulated depreciation:											
Capital assets not being depreciated	32,954,411	24,193,974	284,356	213,463	2,606,696	83,000	-	446,988	1,062,320	61,845,208	87,000
Capital assets, net of accumulated depreciation	50,680,172	27,905,953	856,622	2,383,682	12,682,055	2,772,786	49,598	2,160,444	4,013,540	103,504,852	216,690
<b>Total noncurrent assets</b>	<b>83,765,447</b>	<b>52,400,234</b>	<b>1,140,978</b>	<b>2,597,145</b>	<b>19,237,150</b>	<b>2,855,786</b>	<b>49,598</b>	<b>2,607,432</b>	<b>5,075,860</b>	<b>169,729,630</b>	<b>303,690</b>
<b>Total Assets</b>	<b>106,096,216</b>	<b>63,688,113</b>	<b>5,941,360</b>	<b>5,178,210</b>	<b>20,204,486</b>	<b>3,175,013</b>	<b>2,371,396</b>	<b>3,359,904</b>	<b>7,158,406</b>	<b>217,173,104</b>	<b>2,190,038</b>
<b>Deferred Outflows of Resources</b>											
Deferred outflows of resources for debt refunding	-	-	-	-	448,260	-	-	-	-	448,260	-
Deferred outflows of resources for pension	312,833	209,331	146,784	158,408	96,529	102,935	164,202	156,169	72,895	1,420,086	87,566
Deferred outflows of resources for OPEB	-	-	-	-	-	-	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>312,833</b>	<b>209,331</b>	<b>146,784</b>	<b>158,408</b>	<b>544,789</b>	<b>102,935</b>	<b>164,202</b>	<b>156,169</b>	<b>72,895</b>	<b>1,868,346</b>	<b>87,566</b>
<b>Liabilities</b>											
<b>Current liabilities:</b>											
Accounts payable and other current liabilities	414,407	209,243	44,609	153,344	28,597	60,452	23,981	22,834	32,527	989,994	201,360
Customer deposits	241,294	416	11,330	-	-	195,015	-	-	-	448,055	-
Accrued interest	73,450	21,110	-	-	53,291	21,513	-	-	18,132	187,496	-
Compensated absences	132,866	37,895	52,182	55,691	10,728	20,018	37,566	26,785	17,021	390,752	17,840
Loans payable	748,000	116,000	-	-	53,048	29,233	-	-	100,379	1,046,660	-
General obligation bonds	-	-	-	-	90,000	100,000	-	-	-	190,000	-
Certificates of participation	-	-	-	-	325,000	-	-	-	-	325,000	-
Lease payable	-	-	-	-	-	-	-	-	7,330	7,330	-
Landfill post-closure costs	-	-	117,849	-	-	-	-	-	-	117,849	-
<b>Total current liabilities</b>	<b>1,610,017</b>	<b>384,664</b>	<b>225,970</b>	<b>209,035</b>	<b>560,664</b>	<b>426,231</b>	<b>61,547</b>	<b>49,619</b>	<b>175,389</b>	<b>3,703,136</b>	<b>219,200</b>
<b>Long-term liabilities:</b>											
Compensated absences	136,883	39,041	45,958	57,375	11,052	20,623	38,702	27,595	17,536	394,765	18,379
Loans payable	5,262,000	2,307,000	-	-	358,293	181,652	-	-	743,585	8,852,530	-
General obligation bonds	-	-	-	-	180,000	1,545,000	-	-	-	1,725,000	-
Certificates of participation	-	-	-	-	5,905,000	-	-	-	-	5,905,000	-
Lease payable	-	-	-	-	-	-	-	-	20,753	20,753	-
Landfill post-closure costs	-	-	1,767,745	-	-	-	-	-	-	1,767,745	-
Net pension liability	1,473,538	986,015	691,395	746,157	454,687	484,862	773,451	735,607	343,362	6,689,074	412,462
Other postemployment benefits	179,378	163,662	30,011	105,860	62,654	60,776	75,944	68,389	30,287	776,961	59,956
<b>Total long-term liabilities</b>	<b>7,051,799</b>	<b>3,495,718</b>	<b>2,535,109</b>	<b>909,392</b>	<b>6,971,686</b>	<b>2,292,913</b>	<b>888,097</b>	<b>831,591</b>	<b>1,155,523</b>	<b>26,131,828</b>	<b>490,797</b>
<b>Total Liabilities</b>	<b>8,661,816</b>	<b>3,880,382</b>	<b>2,761,079</b>	<b>1,118,427</b>	<b>7,532,350</b>	<b>2,719,144</b>	<b>949,644</b>	<b>881,210</b>	<b>1,330,912</b>	<b>29,834,964</b>	<b>709,997</b>
<b>Deferred Inflows of Resources</b>											
Deferred inflows of resources for pension	107,877	72,185	50,617	54,626	33,287	35,496	56,624	53,853	25,137	489,702	30,196
Deferred inflows of resources for leases	-	-	-	-	4,149,062	-	-	-	-	4,149,062	-
Deferred inflows of resources for OPEB	361,525	227,615	158,993	176,403	130,329	126,255	153,528	230,317	117,292	1,682,257	95,461
<b>Total Deferred Inflows of Resources</b>	<b>469,402</b>	<b>299,800</b>	<b>209,610</b>	<b>231,029</b>	<b>4,312,678</b>	<b>161,751</b>	<b>210,152</b>	<b>284,170</b>	<b>142,429</b>	<b>6,321,021</b>	<b>125,657</b>
<b>Net Position</b>											
Net investment in capital assets	78,738,144	49,892,275	1,140,978	2,597,145	8,848,510	999,901	49,598	2,607,432	4,211,143	149,085,126	303,690
Restricted for debt service	-	1,266,489	-	-	-	-	-	-	-	1,266,489	-
Unrestricted	18,539,687	8,558,498	1,976,477	1,390,017	55,737	(602,848)	1,326,204	(256,739)	1,546,817	32,533,850	1,138,260
<b>Total Net Position</b>	<b>\$ 97,277,831</b>	<b>\$ 59,717,262</b>	<b>\$ 3,117,455</b>	<b>\$ 3,987,162</b>	<b>\$ 8,904,247</b>	<b>\$ 397,053</b>	<b>\$ 1,375,802</b>	<b>\$ 2,350,693</b>	<b>\$ 5,757,960</b>	<b>\$ 182,885,465</b>	<b>\$ 1,441,950</b>

See accompanying notes to financial statements.

**CITY OF HELENA, MONTANA**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2023

	Business-type Activities								City-County Administration Building	Total Enterprise Funds	Internal Service
	Water	Wastewater	Solid Waste	Transfer Station	Parking	Golf Course	Building	Transit (Bus)			
<b>Operating Revenues:</b>											
Charges for services	\$ 9,776,414	\$ 6,462,056	\$ 3,621,141	\$ 2,671,439	\$ 1,819,988	\$ 1,954,332	\$ 1,734,430	\$ 32,385	\$ 2,428,076	\$ 30,500,261	\$ 9,310,640
Contributions	-	-	-	-	-	-	-	-	401,000	401,000	-
Other	1,424	683	98,287	6,474	143,527	789	-	-	-	251,184	1,610
<b>Total operating revenues</b>	<b>9,777,838</b>	<b>6,462,739</b>	<b>3,719,428</b>	<b>2,677,913</b>	<b>1,963,515</b>	<b>1,955,121</b>	<b>1,734,430</b>	<b>32,385</b>	<b>2,829,076</b>	<b>31,152,445</b>	<b>9,312,250</b>
<b>Operating Expenses:</b>											
Personnel services	1,987,860	1,239,156	986,072	1,043,922	602,851	888,076	1,058,386	1,008,337	364,856	9,179,516	630,257
Maintenance and operations	3,008,286	2,171,365	2,560,978	2,079,135	641,186	1,027,937	350,399	567,745	863,866	13,270,897	9,006,287
Depreciation and amortization	2,033,423	1,264,442	167,030	234,999	288,874	151,319	11,212	237,201	149,195	4,537,695	27,056
<b>Total operating expenses</b>	<b>7,029,569</b>	<b>4,674,963</b>	<b>3,714,080</b>	<b>3,358,056</b>	<b>1,532,911</b>	<b>2,067,332</b>	<b>1,419,997</b>	<b>1,813,283</b>	<b>1,377,917</b>	<b>26,988,108</b>	<b>9,663,600</b>
<b>Operating Income (Loss)</b>	<b>2,748,269</b>	<b>1,787,776</b>	<b>5,348</b>	<b>(680,143)</b>	<b>430,604</b>	<b>(112,211)</b>	<b>314,433</b>	<b>(1,780,898)</b>	<b>1,451,159</b>	<b>4,164,337</b>	<b>(351,350)</b>
<b>Nonoperating Revenues (Expenses):</b>											
Intergovernmental	60,619	45,526	22,255	448,100	14,076	15,011	23,945	1,199,702	43,131	1,872,365	39,049
Investment earnings	700,281	332,529	156,883	95,092	112,350	637	68,745	11,971	64,258	1,542,746	55,420
Interest expense	(151,066)	(43,872)	-	-	(220,324)	(53,606)	-	-	(34,400)	(503,268)	-
Sale of capital assets	-	-	-	2,730	4,125	-	-	12,600	-	19,455	-
<b>Total nonoperating revenues (expenses)</b>	<b>609,834</b>	<b>334,183</b>	<b>179,138</b>	<b>545,922</b>	<b>(89,773)</b>	<b>(37,958)</b>	<b>92,690</b>	<b>1,224,273</b>	<b>72,989</b>	<b>2,931,298</b>	<b>94,469</b>
Settlements - insurance	1,597	38,043	130	-	-	-	-	-	-	39,770	-
Transfers in	1,804,283	2,919	27,952	277,367	1,364	145,321	2,098	414,217	470,007	3,145,528	1,195
Transfers out	(20,000)	-	(275,000)	(25,875)	-	-	-	-	-	(320,875)	(279,945)
<b>Change in Net Position</b>	<b>5,143,983</b>	<b>2,162,921</b>	<b>(62,432)</b>	<b>117,271</b>	<b>342,195</b>	<b>(4,848)</b>	<b>409,221</b>	<b>(142,408)</b>	<b>1,994,155</b>	<b>9,960,058</b>	<b>(535,631)</b>
<b>Net Position:</b>											
Beginning of year	92,133,848	57,554,341	3,179,887	3,869,891	8,562,052	401,901	966,581	2,493,101	3,763,805	172,925,407	1,977,581
End of year	\$ 97,277,831	\$ 59,717,262	\$ 3,117,455	\$ 3,987,162	\$ 8,904,247	\$ 397,053	\$ 1,375,802	\$ 2,350,693	\$ 5,757,960	\$ 182,885,465	\$ 1,441,950

See accompanying notes to financial statements.

**CITY OF HELENA, MONTANA**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2023

	Business-type Activities										
	Water	Wastewater	Solid Waste	Transfer Station	Parking	Golf Course	Building	Transit (Bus)	City-County Administration Building	Total Enterprise Funds	Internal Service
<b>Cash Flows From Operating Activities:</b>											
Receipts from customers and users	\$ 9,974,022	\$ 6,390,198	\$ 3,687,202	\$ 2,690,404	\$ 1,967,358	\$ 1,920,044	\$ 1,519,759	\$ 32,148	\$ 2,860,746	\$ 31,041,881	\$ 3,691,966
Receipts from interfund services provided	(1,954,605)	(1,213,024)	(1,769,546)	(1,534,274)	(478,950)	(738,399)	(265,272)	(244,529)	(714,475)	(8,913,074)	(1,560,284)
Payments to suppliers	(1,970,184)	(1,285,939)	(953,872)	(1,012,070)	(594,968)	(970,176)	(953,775)	(936,965)	(471,480)	(9,149,429)	(614,272)
Payment for interfund services used	(1,289,953)	(1,113,134)	(839,577)	(587,584)	(175,433)	(286,794)	(110,529)	(377,680)	(221,405)	(5,002,089)	(7,094,028)
Net cash provided by (used in) operating activities	4,759,280	2,778,101	124,207	(443,524)	718,007	(75,325)	190,183	(1,527,026)	1,453,386	7,977,289	138,073
<b>Cash Flows From Non-Capital Financing Activities:</b>											
Transfers from other funds	1,804,283	2,919	27,952	277,367	1,364	145,321	2,098	414,217	470,007	3,145,528	1,195
Transfers to other funds	(20,000)	-	(275,000)	(25,875)	-	-	-	-	-	(320,875)	(279,945)
Operating grants	-	-	850	-	-	-	-	1,290,973	-	1,291,823	-
Contributions from other governments	60,619	45,526	21,405	448,100	14,076	15,011	23,945	123,273	10,630	762,585	39,049
Net cash provided by (used in) non-capital financing activities	1,844,902	48,445	(224,793)	699,592	15,440	160,332	26,043	1,828,463	480,637	4,879,061	(239,701)
<b>Cash Flows From Capital and Related Financing Activities:</b>											
Proceeds from capital debt/insurance settlements	1,597	943,812	130	-	-	-	-	-	-	945,539	-
Principal payments - bonds	(732,112)	(113,000)	-	-	(426,418)	-	-	-	-	(1,271,530)	-
Principal payments - loans	-	-	-	-	-	(123,943)	-	-	(98,320)	(222,263)	-
Principal payments - leases	-	-	-	-	-	-	-	-	(7,218)	(7,218)	-
Interest payments	(154,022)	(35,100)	-	-	(215,433)	(51,455)	-	-	(21,801)	(477,811)	-
Acquisition and construction of capital assets	(4,383,996)	(732,935)	(44,249)	(503,615)	(170,654)	(64,912)	(35,740)	(8,283)	(1,333,049)	(7,277,432)	(111,530)
Lease receivable	-	-	-	-	(32,377)	-	-	(67,564)	-	(99,941)	-
Proceeds from sale of capital assets	-	-	-	2,730	4,125	-	-	12,600	-	19,455	-
Net cash provided by (used in) capital and related financing activities	(5,268,533)	62,777	(44,119)	(500,885)	(840,757)	(240,310)	(35,740)	(63,247)	(1,460,388)	(8,391,202)	(111,530)
<b>Cash Flows From Investing Activities:</b>											
Interest received	700,281	332,529	156,883	95,092	112,350	637	68,745	11,971	64,258	1,542,746	55,420
Net cash provided by (used in) investing activities	700,281	332,529	156,883	95,092	112,350	637	68,745	11,971	64,258	1,542,746	55,420
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	2,035,930	3,221,852	12,178	(149,725)	5,040	(154,666)	249,231	250,161	537,893	6,007,894	(157,738)
<b>Cash and Cash Equivalents:</b>											
Beginning of year	18,221,934	7,317,407	4,482,020	2,602,136	681,625	191,397	1,701,572	251,753	1,511,495	36,961,339	1,991,645
End of year	\$ 20,257,864	\$ 10,539,259	\$ 4,494,198	\$ 2,452,411	\$ 686,665	\$ 36,731	\$ 1,950,803	\$ 501,914	\$ 2,049,388	\$ 42,969,233	\$ 1,833,907
Consists of:											
Cash and cash equivalents	\$ 19,144,303	\$ 9,057,422	\$ 4,494,198	\$ 2,452,411	\$ 686,545	\$ 36,731	\$ 1,950,803	\$ 501,914	\$ 2,049,388	\$ 40,373,715	\$ 1,833,907
Cash and cash equivalents - unspent debt proceeds	1,113,561	215,348	-	-	-	-	-	-	-	1,328,909	-
Cash and cash equivalent - cash with fiscal agent	-	-	-	-	120	-	-	-	-	120	-
Investments - restricted	-	1,266,489	-	-	-	-	-	-	-	1,266,489	-
	\$ 20,257,864	\$ 10,539,259	\$ 4,494,198	\$ 2,452,411	\$ 686,665	\$ 36,731	\$ 1,950,803	\$ 501,914	\$ 2,049,388	\$ 42,969,233	\$ 1,833,907
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>											
Operating income (loss)	\$ 2,748,269	\$ 1,787,776	\$ 5,348	\$ (680,143)	\$ 430,604	\$ (112,211)	\$ 314,433	\$ (1,780,898)	\$ 1,451,159	\$ 4,164,337	\$ (351,350)
Adjustments to reconciled operating income to net cash provided by (used in) operating activities:											
Depreciation and amortization	2,033,423	1,264,442	167,030	234,999	288,874	151,319	11,212	237,201	149,195	4,537,695	27,056
Change in:											
Receivables	97,604	(115,478)	(11,615)	12,491	2,200	(198)	(214,671)	(237)	31,670	(198,234)	94,408
Inventories	98,580	42,937	(20,611)	-	1,643	(34,879)	-	-	-	87,670	2,976
Pension and OPEB related deferred outflows of resources	(19,209)	(9,831)	(18,269)	(14,890)	(8,242)	12,525	(33,662)	(17,862)	9,445	(99,995)	(9,614)
Accounts payable and other current liabilities	(321,388)	(154,906)	(72,115)	(42,723)	(13,197)	(30,519)	(25,402)	(54,464)	(72,014)	(786,728)	348,998
Customer deposits	85,116	113	3,075	-	33,263	-	-	-	-	121,567	-
Compensated absences	18,972	(32,426)	(8,693)	8,509	(2,508)	(4,423)	(1,803)	(36,202)	(42,684)	(101,258)	(1,992)
Landfill post-closure costs payable	-	-	20,895	-	-	-	-	-	-	20,895	-
Net pension liability	370,136	236,320	208,452	206,833	122,917	50,976	282,897	215,871	33,937	1,728,339	119,529
Other postemployment benefits	(250,392)	(155,843)	(111,243)	(121,354)	(90,359)	(88,996)	(106,186)	(160,293)	(82,260)	(1,166,926)	(65,531)
Pension and OPEB related deferred inflows of resources	(101,831)	(85,003)	(38,047)	(47,246)	(13,925)	(52,182)	(36,635)	69,858	(25,062)	(330,073)	(26,407)
Total adjustments	2,011,011	990,325	118,859	236,619	287,403	36,886	(124,250)	253,872	2,227	3,812,952	489,423
Net cash provided by (used in) operating activities	\$ 4,759,280	\$ 2,778,101	\$ 124,207	\$ (443,524)	\$ 718,007	\$ (75,325)	\$ 190,183	\$ (1,527,026)	\$ 1,453,386	\$ 7,977,289	\$ 138,073

See accompanying notes to financial statements.

# CITY OF HELENA, MONTANA

## STATEMENT OF FIDUCIARY NET POSITION

### CUSTODIAL FUND

JUNE 30, 2023

	<u>Custodial Funds</u>
<b>Assets</b>	
<hr/>	
Cash and cash equivalents	\$ 22,573
<b>Total Assets</b>	<u>22,573</u>
<b>Liabilities</b>	
<hr/>	
Escrow liability:	
Bail funds	7,891
Restitution	<u>14,682</u>
<b>Total Liabilities</b>	<u>22,573</u>
<b>Net Position</b>	
<hr/>	
<b>Net Position Restricted for individuals, organizations, and other governments</b>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

# CITY OF HELENA, MONTANA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### CUSTODIAL FUND

YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
<b>Additions:</b>	
<hr/>	
Contributions:	
Bail funds	\$ 40,260
Restitution	67,668
	<hr/>
Total contributions	107,928
	<hr/>
<b>Deductions:</b>	
<hr/>	
Distributions of funds to other governments:	
Bail funds	51,997
Restitution	74,390
	<hr/>
Total deductions	126,387
	<hr/>
<b>Increase (Decrease) in Fiduciary Net Position</b>	<b>(18,459)</b>
<b>Net Position:</b>	
<hr/>	
Beginning of year	18,459
	<hr/>
End of year	\$ -
	<hr/> <hr/>

See accompanying notes to financial statements.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### 1. Summary of Significant Accounting Policies

The financial statements of the City of Helena, Montana (City) have been prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### Reporting Entity

The City was incorporated March 7, 1881. On March 2, 1953, by lawful authority, the City established a Commission/Manager form of government. The voters approved a self-government charter in 1976. This charter allows the City to exercise powers not specifically prohibited by state law. The City is governed by a city commission, composed of four commissioners and a mayor, elected at large by the voters of the City.

#### Component Units

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by GASB. These financials present the City and its component units, entities for which the government are financially accountable, or which accumulate resources for the primary government and the government have access to them. The discretely presented component units are reported in separate columns in the basic financial statements to emphasize they are legally separate from the City. Each discretely presented component unit has a June 30 year-end.

The following separately administered organizations meet the criteria for inclusion in the City's reporting entity as discretely presented component units:

The Business Improvement District (BID) and Tourism Business Improvement District (TBID) were created under State Law. The BID's purpose is promoting private investment and business expansion within its district boundaries, and the TBID's purpose is promoting tourism within its district's boundaries. The Boards of Trustees of the BID and TBID are appointed by the Mayor and subject to the approval of the Commission. The City is able to impose its will on the BID and TBID as it is authorized to levy assessments to support their activities and approve their annual budgets. Neither the BID nor TBID separately present financial information for their entity. The entire financial reporting structure of the BID

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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consists of one individual governmental fund. The TBID consists of two governmental type funds. In accordance with U.S. GAAP, the City presents combining statements for the TBID with the non-major funds since separate financial statements are not prepared.

### Related Organizations

The following are organizations that have the majority of their governing Board appointed by the City Commission, without the City being financially accountable for the organization:

- Helena Housing Authority – The City Commission appoints 100% of the Board.
- Helena Regional Airport Authority – The City and County Commissions each appoint three members. One is appointed jointly.

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a government function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City's policy is to allocate indirect costs to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of the interfund activity has been eliminated for the government-wide financial statements.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial

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# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has elected to report all enterprise funds as major.

The City reports the following major governmental funds:

*General.* This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Streets.* This special revenue fund is used to account for the receipt of street maintenance assessments, state gas tax distributions and the corresponding expenditures for striping, signing, and other traffic safety functions, as well as street surface repair and replacement, sealing and cleaning, snow and ice control, and other street maintenance functions.

The City reports the following major enterprise funds:

*Water.* This fund accounts for the receipt of revenue and related expenses to provide water service to City residents.

*Wastewater.* This fund accounts for the receipt of revenue and related expenses to provide wastewater service to City residents.

*Solid Waste.* This fund is used to account for the activities of the City's residential and commercial solid waste collection system and the post-closure expenses of the City's landfill.

*Transfer Station.* This fund is used to account for the activities of the City's transfer station operation and recycling programs. All residential and commercial solid waste is taken to the transfer station, loaded onto semi-trucks, and hauled to a Lewis and Clark County landfill.

*Parking.* This fund is used to account for the activities of the City's five parking garages, ten lots, meters, and permit parking areas, including administration, enforcement, and maintenance.

*Golf Course.* This fund is used to account for the revenues and expenditures related to the operation and maintenance of the City's 18-hole golf course, pro shop, and

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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clubhouse. The fund is also used to account for course-related construction projects and the corresponding debt.

*Building.* This fund is used to account for funds received and expended attributable to the City's building code enforcement program.

*Transit (Bus).* This fund is used to account for the activities of the City's transit system, which provides transportation to the citizens of Helena and East Helena in two ways: 1) a fixed route system and 2) an ADA paratransit origin to destination demand system for qualified disabled citizens. Qualified ADA riders may call the Helena Transit office and arrange for pickup and delivery within the transit service area.

*City-County Administration Building.* This fund is used to account for the rental income and expenses of the City-County Building and Law and Justice Center that are jointly owned by the City and Lewis and Clark County (County). The building holds the main administrative offices of the City and County governments, Lewis and Clark County Sheriff's office, Helena Police Department, City's Municipal Court, and various City and County administrative offices for law and justice services. The City-County Buildings are jointly administered by City and County officials. The City acts as the fiscal agent.

Additionally, the City reports the following fund types:

*Internal Service.* These funds account for the financing of goods and services provided by one department or agency to other departments or agencies on a cost reimbursement basis. These funds account for the City's fleet services, copier revolving, property and liability insurance, and health insurance.

The City's policy for internal service elimination is to eliminate amounts related to overhead and indirect expenditures and not services provided. Assets of the internal service funds are allocated to the governmental-type activities and the business-type activities based on which activities benefits the most from its services.

Accordingly, the Copier Revolving, Property and Liability Insurance, and Health Insurance funds' assets are included with the governmental activities, and the Fleet Services fund's assets are included in the business-type activities in the government-wide statements.

*Fiduciary.* These funds are used to account for assets held in trust for others. The City has one fiduciary fund to account for Municipal Court bonds and restitution held in trust pending a court decision of individual cases.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

#### *Government-Wide and Governmental Funds*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the proprietary funds, fiduciary funds, and the component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers property taxes as available if they are collected within 60 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease and SBITA liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right-to-use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Under the terms of grant agreements and State law, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues. In accordance with provisions of Montana statutes, the City

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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finances both capital improvements and certain services deemed to benefit specific properties by levying special assessments against the benefited properties. Special assessments are levied against property in a manner similar to ad valorem property taxes.

Unearned revenues arise when resources are received by the City before it has legal claim to them, such as when intergovernmental funds are received prior to the occurrence of qualifying expenditures. During subsequent periods, when the City has a legal claim to the resources, the unearned revenue is removed as a liability and the revenue is recognized.

### *Proprietary Funds*

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

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

### Cash

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Generally, cash resources of the individual funds are combined to form a pool of cash and investments that is managed by the City Controller and Finance Director. Investments of the pooled cash consist primarily of certificates of deposit and investments with the State of Montana short-term investment pool (STIP). Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on the average daily balance of cash in each fund. Bank overdrafts are reported as a liability.

State law requires bank balances to be secured at 50 percent if the banking institution has a net worth to total assets ratio of 6 percent or more; secured at 100 percent if less than 6 percent.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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The City's current banking contract requires deposits and overnight repurchase agreements to be 103 percent secured by collateral. Overnight repurchase agreement collateral cannot have a maturity date greater than five years. Collateral for overnight repurchase agreements must be U.S. government and U.S. agency obligations.

There were no deposit transactions during the year that were in violation of either the statutes or the policy of the City.

### Investments

Investments for the government are stated at fair value based on current market prices.

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; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Under the City's investment policy and as authorized by Montana law, the City is restricted to investing funds in specific types of investment instruments listed below:

- U.S. government and U.S. agency obligations,
- interest-bearing savings accounts, certificates of deposits and time deposits insured by the Federal Deposit Insurance Corporation or which are fully collateralized,
- short-term discount obligations of the Federal National Mortgage Association or in shares of savings and loan associations insured by the Federal Savings and Loan Insurance Corporation and its successor,
- State of Montana Short-term Investment Pool and repurchase agreements where there is a master repurchase agreement.

The City's investment policy limits investment maturities to no greater than one year from the date of purchase unless tied to a specific cash flow. Investments are made on a competitive basis after receiving three bids from qualified investment companies.

There were no investment transactions during the year that were in violation of either the statutes or the policy of the City.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Outstanding receivables and payables are classified as "due to\from other funds" or "advances to\from other funds" on the fund balance sheets. All amounts are eliminated in the government-wide statement of net position other than any outstanding balances between governmental-type and business-type activities that are classified as "internal balances."

All trade, taxes, and assessment receivables are shown net of an allowance for uncollectible amounts. Receivables are reviewed prior to year-end and written off if older than 360 days and not secured by real property. Water and wastewater receivables constitute a lien on the property per City ordinance and are passed to the new property owner if necessary. The only uncollectible amounts incurred in these funds are immaterial and relate to bankruptcy proceedings that are written off immediately after court proceedings are finalized. As such, there is no allowance for uncollectible accounts as of June 30, 2023.

Property taxes are levied and collected by the County and are payable in two installments due November 30 and May 31. The County assesses penalties and interest after these dates and writes off receivables when uncollectible. Uncollectible taxes result from protested taxes. As of June 30, 2023, there were no taxes receivable considered uncollectible.

Decisions by the tax appeal board on protested taxes are generally made prior to fiscal year-end for that year's taxes. Protesters may appeal to the State courts if they do not agree with the tax appeal board. All remaining receivables constitute a lien on the property and are eventually collected.

### Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary. Inventories in proprietary funds are valued by using the first-in/first-out (FIFO) method.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### Restricted Assets

Certain proceeds of bonds and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The cash equivalents, unspent debt proceeds, and cash with fiscal agent on the statement of net position, are used to segregate resources set aside to make the next principal and interest payments or make up potential future deficiencies in debt service accounts. The restricted intergovernmental receivable is restricted to grantor specified uses.

The City's policy for using restricted or unrestricted cash reflects the bond covenant restrictions or grant requirements. Amounts set aside for the payment of principal and interest is used when payments are made on the related bonds. Other long-term reserves are invested as allowed and are not used for any type of expenditure except as allowed by the covenants.

### Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets used in governmental fund types are recorded as expenditures in the governmental funds and capitalized in the statement of net position. Capital assets of the proprietary funds are capitalized in the fund in which they are used.

All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available (except for the intangible right-to-use lease assets, the measurement of which is discussed under Leases below). Donated capital assets are valued at acquisition value on the date donated. The City considers capital assets and infrastructure to be assets with an initial cost greater than or equal to \$5,000 and an estimated life of more than one year.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of all governmental fund capital assets, except land, easements, and construction in progress, is charged as an expense to the proper function in the government-wide statement of activities, but not in the governmental fund statements in accordance with U.S. GAAP. Depreciation of all capital assets, except land, easements, and construction in

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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progress, used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary funds' statement of net position. However, it is shown net of the asset's installed cost on the statement of net position for all fund types presented.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Buildings	20-75
Improvements other than buildings	20-50
Equipment and vehicles	3-15
Right-to-use lease equipment	3-20
Infrastructure	50-100

### Unavailable Revenue

Unavailable revenue results when asset recognition criteria have been met and when revenue recognition criteria have not been met. Revenue recognition criteria are met when the receivable is collected within 60 days after the end of the fiscal year. These pertain to the net uncollected property tax and special assessment receivables and are classified as unavailable revenue on the balance sheet of the governmental funds.

### Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused leave benefits, which will be paid to employees upon separation from City service or when used. Employees earn vacation leave at the rate of 120 hours per year for the first 10 years. During years 11-21, employees earn leave at an increasing rate, reaching 192 hours in year 21. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation. Any excess over the maximum must be used by 90 days into the new calendar year. State law and City policy allows excess vacation hours to be carried until the end of the calendar year under certain circumstances.

There is no restriction on the amount of sick leave that may be accumulated. Full-time employees earn 96 hours per year. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave.



# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Compensated absences liability and expense are reported in the governmental funds only if they have matured. This would occur if an employee had terminated their employment with the City and there was unused reimbursable leave unpaid at June 30, 2023.

### Long-Term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt, and other long-term obligations, such as notes payable, are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds, on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses, while bond premiums are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

### Pensions

The City participates in three cost-sharing defined benefit pension plans administered by the Public Employees Retirement Board (PERB). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS), Municipal Police Officers Retirement System (MPORS), Firefighters Unified Retirement System (FURS), and additions to/deductions from PERB's fiduciary net position have been determined on the same basis as they are reported by PERB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City also participates in a defined contribution plan offered by PERB. There is no liability associated with this type of pension plan unless the City fails to pay the required contributions. The City has paid all required contributions.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### Postemployment Benefits Other Than Pensions (OPEB)

The City accounts for postemployment benefit obligations in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The City allows retirees, their dependents, and spouses to retain health insurance coverage under its plans. As of June 30, 2023, the City provides no explicit OPEB benefits.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets and/or fund balance that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets and/or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

### Leases

#### *Lessor*

The City is a lessor for two noncancellable leases for land and parking areas. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### *Lessee*

The City is a lessee for various noncancellable leases. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary statements of net position. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets, and lease liabilities as a lease payable on the statement of net position.

Short-term leases, or leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months or less, including any options to extend, regardless of their probability of being exercised, are not recognized as a lease liability and lease asset on the statement of net position. Short-term lease payments are recognized as expenditures based on the payment provisions of the lease contract. An asset is recognized if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period.

### SBITA Liabilities

The City is a lessee for a noncancellable software subscriptions. The City recognizes a liability and an intangible right-to use subscription asset (subscription asset) as part of capital assets, net of accumulated depreciation on the Statement of Net Position. At the commencement of a subscription, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on the straight-line basis over its useful life.

Key estimates and judgements related to SBITA liabilities include how the City determines (1) the discount rate it uses to discount the expected contract payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription contracts.
- The subscription term includes the noncancellable period of the subscription. If a subscription automatically renews after the initial term, the City uses a period of 3 years to record the SBITA liability for automatic renewals. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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The City monitors changes in circumstances that would require remeasurement of its SBITA liability and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. Subscription assets are reported with capital assets and SBITA liabilities are reported as a current and non-current liability on the Statement of Net Position.

### Refunding Transactions

A deferred charge on funding reported in the government-wide and proprietary statements of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.

### Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes inventories.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the City’s highest level of decision-making authority. Since the City Commission is the highest level of decision-making authority for the City, they can make such commitment through a resolution prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the City Commission.
- Assigned – This category represents intentions of the City to use the funds for specific purposes but do not meet the criteria to be classified as committed. The City Commission, has, by resolution, authorized the City Manager to assign fund balance.
- Unassigned – This category includes balances that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the General Fund. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed restricted, committed, or assigned balances in other funds, a negative unassigned fund balance is reported.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

The City's policy is to use funds in the order of the most restrictive to the least restrictive. When the components of unassigned fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is applied last.

### Net Position

Accounting standards require the classification of net position into these components – net investment in capital assets; restricted; and unrestricted. These classifications are defined below:

- Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

Net investment in capital assets is calculated as follows:

	Governmental Activities	Business-Type Activities
Capital assets:	\$ 202,948,503	\$ 329,500,117
Less: accumulated depreciation/amortization	(55,377,263)	(163,853,430)
Less: outstanding principal of capital-related borrowings	(4,333,114)	(18,072,273)
Plus: capital-related deferred inflows	-	448,260
Plus: unspent proceeds on capital-related borrowings	-	1,328,909
	<u>\$ 143,238,126</u>	<u>\$ 149,351,583</u>

- Restricted – the restricted component of net position consist of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Two categories are used to further describe restricted net position:

- Expendable – can be expended in compliance with the external restriction
- Nonexpendable – net position that is required to be retained in perpetuity
- Unrestricted – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

### Grant Revenue

The City recognizes grant income on government-mandated and voluntary non-exchange transactions when all eligibility requirements have been met. Cash or other assets provided in advance are reported as unearned grant revenue until all eligibility requirements have been met.

### Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used are reported as transfers.

Transactions occurring between the City (primary government) and its discretely presented component units are recorded as revenues and expenses.

### Budgets and Budgetary Accounting

The State of Montana's budget law stipulates that money, other than payments from Custodial funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted budget is required for all funds, with the exception of Custodial funds. The City legally adopts a budget for the required funds.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Manager is responsible for preparation of the preliminary annual budget. The City Commission modifies and/or approves the budget. The City Commission must meet prior to the budget adoption for the purpose of holding a public hearing and answer questions on the proposed budget. This hearing can be continued until the preliminary budget is adopted by the end of June. The final budget and tax levies are set by the later of the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the Montana State Department of Revenue. The effective date of the final budget resolution is July 1 of the fiscal year. A local government may receive and expend money between July 1 of the fiscal year and the date the final budget resolution is adopted per state law. Taxable values are determined by the Department of Revenue and the County Assessor assesses property tax based on these values.

For fiscal year 2023, the City levied 173.87 mills including a 126.93 all-purpose mill levy, a 27.35 group health insurance mill levy, a 12.59 voter approved fire safety mill levy, and a 7.00 debt service mill levy for the Open Space/Fire Truck and Park and Recreation debt service funds.

The City forwards a copy of the final budget to the State Department of Administration no later than October 1<sup>st</sup> of each year. A copy of the final budget is available for review in the City Clerk's office located at 316 North Park Avenue, Helena, Montana and at the City's website at [www.helenamt.gov](http://www.helenamt.gov). The tax levies and special assessments are forwarded to the County Treasurer for collection.

The appropriated budget is prepared by fund, department, and division. City departments may spend up to the appropriation limit within each division. Although the legal level of budget appropriation is the fund level, a management plan is prepared by fund, department, division, and line item. The City maintains budgetary controls whose objective is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission.

State law permits the City Commission to transfer authority to the City Manager any part of an unencumbered balance of an appropriation to a purpose or object for which the appropriation for the current year is insufficient within the same fund. The City Manager may also appropriate any accruing revenue of the municipality not appropriated, and any balance at any time remaining after the purpose of the appropriation has been satisfied or abandoned to other uses that do not conflict with any uses for which specifically the revenue



# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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was accrued. A public hearing is required for an overall increase in appropriation within a fund. Transfers of assets of discontinued funds do not require an appropriation.

State law also allows for emergency expenditures to be charged to an emergency budget appropriation adopted by a three-fourths majority of the Commission members present.

All appropriations lapse at the end of the year but can be re-appropriated in the subsequent fiscal year if approved by the City Manager and presented to the City Commission in a public meeting.

Annual appropriated budgets are legally adopted for all City funds, except Custodial funds. U.S. GAAP require that budget to actual comparisons be presented for all governmental fund types for which annual budgets have been adopted. The General Fund and major special revenue funds are presented as part of the basic financial statements while all other governmental funds are shown in the combining statements in the Supplementary Information.

The City had no violations of budget law for fiscal year 2023, as all expenditures in total by fund are less than the related appropriations or are transfers of closed funds as allowed by State law.

### Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Adopted Pronouncements

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*," provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users and requires recognition of certain subscription assets and liabilities based on the contract provisions. The effects of this adoption were not material to beginning net position balances.

The following GASB Statements were also adopted for the year ended June 30, 2023: Statement Nos. 91 (Conduit Debt Obligations) and 94 (Public-Private and Public-Public

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Partnerships and Availability Payment Arrangements). These statements had no significant impact on the City's financial statements for the year ended June 30, 2023.

### Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 100 (Accounting Changes and Error Corrections) and 101 (Compensated Absences). Management has not yet determined the impact of these statements on the financial statements.

## 2. Deposits and Investments

As of June 30, 2023, the deposits and investments of the City had the following bank balances:

Primary government	\$ 94,691,485
Component units:	
BID	267,563
TBID	398,953
	<u>95,358,001</u>
	<u>\$ 95,358,001</u>

As of June 30, 2023, the entire cash balance was covered by an irrevocable, unconditional, and nontransferable Letter of Credit from Federal Home Loan Bank.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Along with limitations placed on investments by state law, the City minimizes custodial credit risk by restrictions set forth in City policy. The City's administrative services department maintains a listing of financial institutions and securities dealers, not affiliated with a bank, which are approved for investment purposes. City policy requires that specific safeguards against risk of loss be evidenced when the City does not physically hold securities.

*Interest Rate Risk* – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value.

*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The City's investment policies do not specifically address

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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credit risk. However, they do address it indirectly by limiting investments to those described in Note 1.

The City invests in the Short-Term Investment Pool (STIP) managed by the State of Montana, Board of Investments. The pool invests in short-term, highly liquid investments and, as such, the City has reported these investments as cash equivalents. Amounts invested by the City in STIP may be redeemed at any date at the carrying value on that date. Audited financial statements for the State of Montana's Board of Investments are available at 2401 Colonial Drive, 3<sup>rd</sup> Floor, Helena, Montana 59620.

Investments in the pool are reported at a Net Asset Value (NAV). The fair value of pooled investments is determined annually and is based on year-end market prices. The unit value of the pool is fixed at \$1 for both participant redemptions and purchases. Investments in STIP are carried and reported at cost. STIP income is automatically reinvested in additional units. The STIP is not rated by a national rating agency.

### **3. Accounts/Other Receivables**

Receivables represent services provided and billed as of June 30, 2023. The following represents a breakdown by fund type of outstanding balances as of June 30, 2023.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Funds	Accounts Receivable				Total
	Taxes	Accounts	Special Assessments	Intergovernmental	
Governmental funds:					
General	\$ 827,129	\$ 279,781	\$ -	\$ -	\$ 1,106,910
Streets	-	794	340,538	-	341,332
Nonmajor governmental	153,493	10,144	126,282	81,789	371,708
Proprietary funds:					
Water	-	1,163,115	-	-	1,163,115
Wastewater	-	595,415	-	-	595,415
Solid waste	-	149,689	53,955	-	203,644
Transfer Station	-	128,654	-	-	128,654
Parking	-	41,893	-	-	41,893
Golf Course	-	198	-	-	198
Building	-	370,995	-	-	370,995
Transit (Bus)	-	237	-	250,321	250,558
City-County					
Administration Building	-	657	-	32,501	33,158
Internal service	-	25,987	-	-	25,987
	\$ 980,622	\$ 2,767,559	\$ 520,775	\$ 364,611	\$ 4,633,567

Discretely presented component unit receivables of \$25,493 and \$51,725 for the BID and TBID, respectively, include special assessments and miscellaneous receivables. Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

### 4. Interfund Receivables, Payables, and Transfers

The composition of internal balances on the statements of revenues, expenditures, and changes in fund balances/net position is as follows:

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General	\$ 957,350	\$ 6,107,333
Streets	79,704	90,674
Other governmental funds	<u>3,376,370</u>	<u>761,320</u>
Total governmental funds	<u>4,413,424</u>	<u>6,959,327</u>
Proprietary Funds:		
Water	1,804,283	20,000
Wastewater	2,919	-
Solid Waste	27,952	275,000
Transfer Station	277,367	25,875
Parking	1,364	-
Golf Course	145,321	-
Building	2,098	-
Transit (Bus)	414,217	-
City-County Administration Building	470,007	-
Internal Service	<u>1,195</u>	<u>279,945</u>
Total proprietary funds	<u>3,146,723</u>	<u>600,820</u>
	<u>\$ 7,560,147</u>	<u>\$ 7,560,147</u>

The General Fund transferred a total of \$6,107,333 to other funds as of June 30, 2023. The City's General Fund was in the position of having excess cash reserves generated from receiving ARPA funds and claiming them as supporting law enforcement and fire suppression services in prior years. Of this excess, the Commission agreed by Resolutions to transfer \$75,000 to the Streets Fund for a study to build a pedestrian crossing over Henderson street, \$469,000 to the City/County Building Funds for capital improvements, \$750,000 to the 9-1-1/SSD fund to support a new CAD / RMS system conversion for the 9-1-1 call center and records management, \$47,000 to the Fire Levy Fund to support the replacement of a Wildfire vehicle, and \$1,800,000 to the Water Fund to support a Water Treatment Plant Improvement project.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Regular fiscal year transfers included \$1,844,147 to the General Capital Fund for an ERP system conversion, Police vehicles and equipment and parks improvement projects. \$142,850 to the Golf Fund to support debt service payments, \$412,000 to the Transit (Bus) Fund as the City's match on transit operations, \$12,000 to provide assistance with the public arts program, \$100,000 to the affordable housing fund, and \$360,000 to support Civic Center Operations.

Internal service fund receivable/(payable) balances as of June 30, 2023 are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Internal service funds - governmental activities funds	\$ (1,142,504)	\$ 1,142,504
Internal services funds - business-type funds	<u>157,119</u>	<u>(157,119)</u>
	<u>\$ (985,385)</u>	<u>\$ 985,385</u>

The City uses internal service type funds to account for functions that serve other City departments. Any balances of net position in these funds indicate that the user funds were either over or under-charged for the services provided. The City's charges to each fund and function using the services are reduced according to their usage and are offset by an internal balance in the statement of net position.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### 5. Loans Receivable

Loans receivable as of June 30, 2023 include the following:

Governmental activities:

3% Loan receivable from Artisan LLP; due in monthly payments beginning August 1, 2001 through April 2034; secured by real property (a) \$ 401,267

0% Alternative Energy Loan Program; secured by tax lien on property (b) 271,353

0% Sidewalk Replacement Loan Program; secured by tax lien on property (c) 495,013

Business-Type activities:

0% Water Infrastructure Rebate Program; secured by lien on property (d) 8,354

0% Service Line Infrastructure Rebate Program; secured by lien on property (d) 133,535

0% Wastewater Infrastructure Rebate Program; secured by lien on property (d) 115,340

0% Service Line Infrastructure Rebate Program; secured by lien on property (d) 216,880

\$ 1,641,742

- (a) The City originally loaned \$880,000 of tax increment financing funds to a local developer to help construct major improvements in the downtown Great Northern area. The City Commission agreed to lower the loan amount by \$254,730 for increases in taxable value to the property through fiscal year 2005. The developer made payments through July 2002 when the City Commission approved deferring payments on the loan until April 2020. The City discounted the note to its present value in fiscal year 2008 as interest on the loan was deferred from June 30, 2007 until April 2020. This loan is partially secured with real property currently valued at approximately \$670,000 and is currently being repaid by the borrower in monthly installments.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

- (b) The City created an alternative energy loan program to encourage homeowners to invest in this type of upgrades to residences. The property owner hires the work and pays the contractor. The City reimburses them construction costs, which are then repaid over 10 years on their tax bill with zero percent interest. The tax assessments constitute a first lien on the property under State law.
- (c) The City created a sidewalk replacement program to encourage construction of new sidewalks and the replacement of aging, unsafe sidewalks. The City bids the work and pays the contractor to perform the work. The property owner contracts to pay the cost back over 10 years on their tax bill with zero percent interest. The tax assessments constitute a first lien on the property under State law.
- (d) The City created a loan program to assist newly annexed property owners on the west side who are on wells and/or septic systems to connect to the City's water and wastewater systems. The City hires and pays the contractor. The property owner contracts to pay the cost back over 20 years through a monthly charge on their utility or property tax bill. The loans are secured by a lien on the property.

The schedule of future payments to be received for the loans is as follows:

Year Ending June 30,	Governmental Funds		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 172,282	\$ 11,601	\$ 42,938	\$ -
2025	157,372	10,629	42,844	-
2026	139,670	9,627	42,844	-
2027	112,974	8,594	42,844	-
2028	106,985	7,531	42,844	-
2029-2033	434,011	20,437	159,316	-
2034-2038	65,302	541	14,767	-
2039-2040	1,200	-	2,239	-
Deferred *	-	-	83,490	-
	<u>\$ 1,189,796</u>	<u>\$ 68,960</u>	<u>\$ 474,126</u>	<u>\$ -</u>

\* Deferred loans include loans that are expected to be repaid in full upon the sale of the property



# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

### 6. Capital Assets

Capital asset activity for the year ended June 30, 2023 for the primary government was as follows:

	Beginning Balance at July 1, 2022	Additions	Deletions	Ending Balance at June 30, 2023
<b>Governmental Activities:</b>				
Capital assets, not being depreciated/amortized:				
Land	\$ 84,844,395	\$ -	\$ -	\$ 84,844,395
Construction in progress	3,960,653	5,351,177	(585,128)	8,726,702
	<u>88,805,048</u>	<u>5,351,177</u>	<u>(585,128)</u>	<u>93,571,097</u>
Total capital assets, not being depreciated/amortized				
Capital assets, being depreciated/amortized:				
Buildings	11,233,463	60,754	-	11,294,217
Improvements other than buildings	18,175,073	104,276	-	18,279,349
Machinery and equipment	21,280,958	3,151,756	(246,114)	24,186,600
Right-to-use lease equipment	13,671	-	-	13,671
Infrastructure	55,101,784	501,785	-	55,603,569
	<u>105,804,949</u>	<u>3,818,571</u>	<u>(246,114)</u>	<u>109,377,406</u>
Total capital assets, being depreciated/amortized				
Less accumulated depreciation/amortization:				
Buildings	(7,480,447)	(214,867)	-	(7,695,314)
Improvements other than buildings	(9,798,930)	(542,868)	-	(10,341,798)
Machinery and equipment	(14,313,709)	(1,515,120)	246,114	(15,582,715)
Right-to-use lease equipment	(5,510)	(5,510)	-	(11,020)
Infrastructure	(20,813,780)	(932,636)	-	(21,746,416)
	<u>(52,412,376)</u>	<u>(3,211,001)</u>	<u>246,114</u>	<u>(55,377,263)</u>
Total accumulated depreciation/ amortization				
Total capital assets, being depreciated/ amortized, net				
	<u>53,392,573</u>	<u>607,570</u>	<u>-</u>	<u>54,000,143</u>
Governmental activities capital assets, net				
	<u>\$ 142,197,621</u>	<u>\$ 5,958,747</u>	<u>\$ (585,128)</u>	<u>\$ 147,571,240</u>

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

	Beginning Balance at July 1, 2022	Additions	Deletions	Ending Balance at June 30, 2023
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated/amortized:				
Land	\$ 48,264,650	\$ -	\$ -	\$ 48,264,650
Construction in progress	9,547,867	4,945,983	(826,292)	13,667,558
	57,812,517	4,945,983	(826,292)	61,932,208
Capital assets, being depreciated/amortized:				
Buildings	48,499,558	570,382	-	49,069,940
Improvements other than buildings	5,615,067	264,767	-	5,879,834
Machinery and equipment	18,062,877	1,220,424	(124,834)	19,158,467
Right-to-use lease equipment	37,183	-	-	37,183
Infrastructure	192,201,466	1,221,019	-	193,422,485
	264,416,151	3,276,592	(124,834)	267,567,909
Less accumulated depreciation/amortization:				
Buildings	(22,966,192)	(1,002,892)	-	(23,969,084)
Improvements other than buildings	(3,582,797)	(259,791)	-	(3,842,588)
Machinery and equipment	(12,597,564)	(1,047,194)	124,834	(13,519,924)
Right-to-use lease equipment	(1,219)	(7,315)	-	(8,534)
Infrastructure	(120,262,845)	(2,250,455)	-	(122,513,300)
	(159,410,617)	(4,567,647)	124,834	(163,853,430)
Total capital assets, being depreciated/ amortized, net	105,005,534	(1,291,055)	-	103,714,479
Business-type activities capital assets, net	\$ 162,818,051	\$ 3,654,928	\$ (826,292)	\$ 165,646,687

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

**Governmental activities:**

General government	\$	101,220
Public safety		842,787
Public works		3,523
Public health		1,501,100
Culture and recreation		757,951
Internal service funds *		4,420
Total depreciation expense - governmental activities	\$	<u>3,211,001</u>

\*Depreciation and amortization of capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets.

## 7. Long-Term Liabilities

### General Obligation Bonds

As of June 30, 2023, the outstanding general obligation indebtedness of the City was as follows:

**Governmental:**

2017 General Obligation Refunding Bonds, 3.0% payable in annual installments of \$400,000 to \$565,000, final scheduled payment January 1, 2028. \$ 2,625,000

**Business-Type:**

2015 Limited General Obligation Bonds, 2.4% payable in annual installments of \$10,000 to \$90,000, final scheduled payment August 15, 2025. 270,000

2017 Limited General Obligation Bonds, 2.75% payable in annual installments of \$85,000 to \$140,000, final scheduled payment February 15, 2037. 1,645,000

Total general obligation bond outstanding 4,540,000  
Less: current portion (670,000)  
\$ 3,870,000

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# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

In November 2007, the electors of the City authorized the Commission to issue \$7,850,000 of general obligation bonds to finance major improvements at Centennial Park, Memorial Park pool, and Kindrick-Legion baseball field. The bonds were issued in April 2008. The 2008 General Obligation Parks bonds were general obligations of the City and the City's general credit and taxing powers were pledged for the payment of principal and interest thereon. These bonds were refunded on February 28, 2017, when the City issued \$5,180,000 of General Obligation Refunding Bonds, Series 2017, with an interest rate of 3.0 percent to advance refund \$5,525,000 of outstanding 2008 Series bonds with a true interest rate of 3.77 percent. Principal and interest paid for the current year on the refunding bonds was \$552,550.

In June 2015, the City issued \$845,000 of General Refunding Bonds, Series 2015 with an interest rate of 2.4 percent to refund the General Fund Bonds, Series 2005. The original Series 2005 bonds were issued to finance improvements in the downtown area, including construction of the Jackson Street parking garage. The City has pledged the revenues of the General Fund to repay these refunding bonds. However, the bonds are not subject to the City's debt limit, as the City is not obligated to levy taxes for repayment. These bonds are expected to be paid solely from parking net revenues and are payable through 2025. Principal and interest paid for the current year on the refunding bonds was \$91,480.

In November 2017, the City issued \$2,100,000 of General Bonds, Series 2017 with an interest rate of 2.75 percent for a major expansion to the City's golf course pro shop and restaurant. The City has pledged the revenues of the General Fund to repay these bonds. However, these bonds are expected to be paid solely from golf course net revenues and are payable through 2037. These bonds were bank qualified, and all were purchased by a local bank. Principal and interest paid for the current year on the refunding bonds was \$141,595.

Year Ending June 30,	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2024	\$ 480,000	\$ 78,750	\$ 190,000	\$ 50,630
2025	500,000	64,350	190,000	45,731
2026	530,000	49,350	195,000	40,810
2027	550,000	33,450	105,000	36,850
2028	565,000	16,950	110,000	33,963
2029-2033	-	-	590,000	123,201
2034-2037	-	-	535,000	37,264
	<u>\$ 2,625,000</u>	<u>\$ 242,850</u>	<u>\$ 1,915,000</u>	<u>\$ 368,449</u>

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### Certificates of Participation

In 2008, the City entered into a partnership with the State of Montana, Board of Investments (BOI), the Montana State Fund (worker's compensation), and the Helena Parking Commission to build a new 350-space parking garage in the downtown Great Northern Area. In February 2009, the City entered into a Lease Purchase Agreement with US Bank NA, and the City issued 2009 Certificates of Participation (COPs) totaling \$8,900,000 to finance construction. The BOI has guaranteed the purchase of 350 parking permits, per year, for the life of the lease purchase agreement. This garage will help provide necessary parking capacity throughout the entire downtown parking system.

On July 26, 2016, the City issued COPs totaling \$8,200,000 with a true interest rate of 2.64 percent to advance refund the 2009 COPs.

Payments are made using the garage lease receipts and other downtown parking revenues. The City has pledged the revenues of the General Fund to repay the COPs principal and interest, but they are not a general obligation of the City or secured by the full faith and credit or the taxing power of the City. However, the City expects the bonds to be paid solely from parking net revenues and are payable through June 2039. Annual principal and interest payments on the bonds are expected to require approximately 2.0 percent of General Fund net revenues if the Parking Fund cannot make the payments.

Annual debt service requirements to maturity for COPs are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 325,000	\$ 164,750
2025	330,000	158,250
2026	335,000	151,650
2027	345,000	144,113
2028	350,000	136,350
2029-2033	1,890,000	551,150
2034-2038	2,185,000	254,475
2039	470,000	12,925
	<u>\$ 6,230,000</u>	<u>\$ 1,573,663</u>

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### Business-Type Activities:

As of June 30, 2023, the outstanding business-type activities revenue indebtedness of the City is as follows:

The City participates in the DNRC and has obtained loans from the state through that program as noted below. Loans are collateralized by business-type activity revenues.

Series 2012 Refunding, in the amount of \$2,072,000, due July 1, 2025; 2.25%, payable from the Water Fund in semi-annual installments of \$69,000 to \$92,000 beginning January 1, 2021, redeemable on any date with the permission of the State. \$ 446,000

Series 2012 Refunding, in the amount of \$2,242,000, due January 1, 2024; 2.25%, payable from the Water Fund in semi-annual installments of \$86,000 to \$109,000 beginning January 1, 2013, redeemable on any date with the permission of the State. 218,000

Series 2012 Refunding, in the amount of \$1,325,000, due January 1, 2027; 2.25%, payable from the Water Fund in semi-annual installments of \$42,000 to \$57,000 beginning January 1, 2013, redeemable on any date with the permission of the State. 435,000

Series 2016, in the amount of \$660,666 due July 1, 2036; 2.50%, payable from the Water Fund in semi-annual installments of \$12,666 to \$21,000 beginning January 1, 2017, redeemable on any date with the permission of the State. 481,000

Series 2019, in the amount of \$5,211,112, due July 1, 2036; 2.50%, payable from the Water Fund in semi-annual installments of \$111,000 to \$163,000 beginning January 1, 2020, redeemable on any date with the permission of the State. 4,430,000

Series 2019 Refunding, in the amount of \$2,754,000, due July 1, 2040; 2.00%, payable from the Wastewater Fund in semi-annual installments of \$53,000 to \$84,000 beginning January 1, 2020, redeemable on any date with the permission of the State. 2,423,000

Total outstanding 8,433,000  
Less: current portion (864,000)

\$ 7,569,000

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# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Revenue bond resolutions include various restrictive covenants. The most significant covenants 1) require that cash be restricted and reserved for operations, construction, debt service, and replacement and depreciation of facilities; 2) specify minimum required operating income over debt service requirements of 110 percent for water and 125 percent for wastewater; and 3) require specific and timely reporting of financial information to bond holders and the registrar. The City complied with these provisions during the current fiscal year.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 864,000	\$ 166,300
2025	662,000	152,141
2026	587,000	137,894
2027	507,000	126,456
2028	404,000	116,413
2029-2033	2,178,000	427,911
2034-2038	2,411,000	217,098
2039-2040	820,000	18,235
	<u>\$ 8,433,000</u>	<u>\$ 1,362,448</u>

### Loans and Advances

The City borrows money from the State of Montana, Board of Investments INTERCAP loan program. The loans bear interest at a variable rate based on the State's annual cost of borrowing. Loans payable and the current rate as of June 30, 2023 are as follows:

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Governmental:

Fire - New Fire Ladder Truck Loan, Series 2021: annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date June 22, 2021, with a loan amount of \$810,000, semi-annual payments of varying amounts with a maturity date of February 15, 2031; secured by real property. Current rate - 5.75%	<u>\$ 694,714</u>
Less: current portion	<u>(77,056)</u>
	<u>\$ 617,658</u>

Business-Type:

Golf INTERCAP Loan, Series 2014 (Irrigation Improvements): annual adjustable interest rate INTERCAP Revolving Loan from the Montana Board of Investments; agreement date December 5, 2014 with a loan amount of \$600,000, semi-annual payments of varying amounts with a maturity date of February 15, 2030; Current rate - 5.75%	\$ 210,885
CCAB Cooling System INTERCAP Loan, Series 2020: annual adjustable rate INTERCAP Revolving loan to the City from the Montana Board of Investments; agreement date June 29, 2020 with a loan amount of 750,000, semi-annual payments of varying amounts with a maturity date of August 15, 2030; Current rate - 5.75%	579,335
Parking Meter Project INTERCAP Loan Series 2020: annual adjustable rate INTERCAP Revolving loan to the City from the Montana Board of Investments: agreement date November 1, 2019 with a loan amount of 560,242, semi-annual payments of varying amounts with a maturity date of February 15, 2030; Current rate - 5.75%	411,341
City-County Law & Justice Building Loan, Series 2021: annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date June 24, 2021, with a loan amount of \$650,000, semi-annual payments of varying amounts with a maturity date of August 15, 2032; secured by real property. Current rate - 5.75%	<u>264,629</u>
	1,466,190
Less: current portion	<u>(182,660)</u>
	<u>\$ 1,283,530</u>

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# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Annual debt service requirements to maturity for loans are as follows:

Year Ending June 30,	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2024	\$ 77,056	\$ 38,833	\$ 182,660	\$ 81,660
2025	78,332	23,926	187,188	49,529
2026	79,631	20,780	191,681	41,987
2027	80,950	17,582	196,293	34,265
2028	82,291	14,330	201,028	26,357
2029-2032	296,454	23,767	507,340	31,203
	<u>\$ 694,714</u>	<u>\$ 139,218</u>	<u>\$ 1,466,190</u>	<u>\$ 265,001</u>

### Subscription Based Information Technology Agreement (SBITA)

During the year ended June 30, 2023, the City entered into an agreement with a vendor to allow the City to use their cloud based enterprise resource planning software system. This agreement qualifies as a SBITA under GASB Statement No. 96, which was adopted in the current period as described in Note 1. The agreement is for a term of five years beginning January 2023, with payments made on a quarterly basis through December 2023 and a yearly basis beginning January 2024. The agreement has an assumed interest rate of 5.75%. As of June 30, 2023, the value of the subscription asset was \$1,212,223 and had accumulated amortization of \$0.

The future principal and interest payments required under the SBITA are as follows:

Year Ending June 30,	Governmental	
	Principal	Interest
2024	\$ 232,331	\$ 58,224
2025	245,690	44,865
2026	259,817	30,738
2027	274,756	15,798
	<u>\$ 1,012,594</u>	<u>\$ 149,625</u>

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

### Changes in Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2023:

<b>Governmental Activities</b>	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
General obligation bonds	\$ 3,085,000	\$ -	\$ (460,000)	\$ 2,625,000	\$ 480,000
Loans	770,514	-	(75,800)	694,714	77,056
Advances	1,600,000	-	(1,600,000)	-	-
Compensated absences *	2,201,994	1,323,338	(1,080,623)	2,444,709	1,202,436
Other postemployment benefits *	4,987,883	-	(2,757,320)	2,230,563	-
Pension *	12,055,896	5,526,039	-	17,581,935	-
Lease obligations	7,263	-	(6,457)	806	806
SBITAs	-	1,012,594	-	1,012,594	232,331
Long-term liabilities	<u>\$ 24,708,550</u>	<u>\$ 7,861,971</u>	<u>\$ (5,980,200)</u>	<u>\$ 26,590,321</u>	<u>\$ 1,992,629</u>
<b>Business-Type Activities</b>					
General obligation bonds	\$ 2,095,000	\$ -	\$ (180,000)	\$ 1,915,000	\$ 190,000
Loans	1,644,755	-	(178,565)	1,466,190	182,660
Certificates of participation	6,550,000	-	(320,000)	6,230,000	325,000
Revenue indebtedness	8,372,343	905,769	(845,112)	8,433,000	864,000
Deferred charge on refunding	478,144	-	(29,884)	448,260	-
Compensated absences *	924,986	331,932	(435,182)	821,736	408,592
Other postemployment benefits *	2,069,374	-	(1,284,058)	785,316	-
Pension *	5,253,666	1,910,524	-	7,164,190	-
Landfill post-closure	1,864,699	130,583	(109,688)	1,885,594	117,849
Lease obligations	35,301	-	(7,218)	28,083	7,330
	<u>\$ 29,288,268</u>	<u>\$ 3,278,808</u>	<u>\$ (3,389,707)</u>	<u>\$ 29,177,369</u>	<u>\$ 2,095,431</u>

\*The liability for compensated absences, other postemployment benefits, and pension is liquidated from the governmental and business-type funds where the corresponding payroll costs for the respective employees are allocated. This includes the General, Streets, Storm Water, Community Facilities, Police Programs, Open Space Maintenance District, and Urban Forestry Maintenance District funds. The liability for landfill post-closure costs is liquidated from the Solid Waste Fund.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### Legal Debt Margin

The City is subject to a debt limit that is 250 percent of the three-year average of the full valuation of taxable real property. At June 30, 2023, the general obligation debt issued by the City did not exceed its legal debt margin as demonstrated by the following computation:

Total assessed value of taxable property (market value)	\$ 4,513,153,545
General limitation percentage	<u>2.50%</u>
General limit of indebtedness	<u>112,828,839</u>
Outstanding General Obligation bonds as of June 30:	
Outstanding loans subject to limitation *	<u>4,540,000</u>
Excess limit over outstanding margin	<u>\$ 108,288,839</u>
Total Net Debt applicable to the limit as a percentage of debt limit	4.0%

(\*) A State of Montana Board of Investment's attorney gave an opinion that loans issued under 7-7-4101, MCA are subject to the limit of indebtedness.

## 8. Employee Benefit Plans

### Pension Plans

Substantially all City full-time employees participate in one of four statewide, cost-sharing multiple-employer retirement benefit plans. All plans are administered by the Public Employees' Retirement Board (PERB). The authority to establish or amend contribution requirements for all plans and provide cost of living adjustments for defined benefits plans is assigned to the State legislature. PERB issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for these plans. It is available from the Montana Public Employees' Retirement Administration (MPERA) at 100 North Park Avenue, Suite 200, P.O. Box 200131, Helena, Montana, 59620-0131 or at their website, <http://mpera.mt.gov>.

The Montana Public Employees 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,

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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and 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 GASB statements.

Contributions to pension plans are as required by state statute. Information about each plan is as follows:

Public Employees' Retirement System (PERS) - All eligible new hires are initially members of the PERS-DBRP (Defined Benefit Retirement Plan). New hires have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP (Defined Contribution Retirement Plan) by filing an irrevocable election. Both plans are governed by Title 19, Chapters 2 and 3, Montana Code Annotated (MCA). PERS plans cover eligible state, local government, school district, and university system employees.

PERS-DBRP is a multiple-employer, cost-sharing plan established July 1, 1945. PERS-DBRP provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and their beneficiaries.

Employees with at least five years of service are eligible to retire at ages shown below. Vested (five years of service) employees are eligible for disability benefits. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits generally equal the balance in the member's vested account or continuing payments under an annuity contract.

### *Benefit Calculation*

To be eligible for service retirement, a member must meet one of the following requirements:

- If hired prior to July 1, 2011:
  - Age 60, 5 years of membership service,
  - Age 65, regardless of membership service, or
  - Any age, 30 years of membership service,

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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- Or if hired on or after July 1, 2011:
  - Age 65, with at least 5 years of membership service, or
  - Age 70 and in active service.

A member's monthly retirement benefit is equal to the membership service factor times the member's highest average compensation times the member's service credit. After completing 12 full months of retirement, the member will receive a guaranteed annual benefit adjustment (GABA) of 0% to 3% depending on their hire date and the amortization period of the plan.

### *Membership Service*

Members earn a full month of membership service for any month in which he/she is reported to PERB by the City. Membership service is used to determine the membership service factor and vesting. One hour reported in a month will result in one month of membership service.

The Membership Service Factor is:

Members hired prior to July 1, 2011:

- 1.7857% for members with less than 25 years of membership service
- 2.0% for members with 25 or more years of membership service, or

Members hired on or after July 1, 2011:

- 1.5% for members with less than 10 years of membership service
- 1.7857% for members with 10 or more but less than 30 years of membership service
- 2.0% for members with 30 or more years of membership service.

### *Highest Average Compensation (HAC)*

HAC is a member's highest average monthly compensation:

- during any consecutive 36 months if hired prior to July 1, 2011
- during any consecutive 60 months of membership service if hired on or after July 1, 2011
- If hired on or after July 1, 2013, a 110% annual cap on compensation earned during each year of the HAC period.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### *Service Credit*

A full month of service credit is earned when 160 hours or more is reported to PERB by the city during any given month. Proportional service credit is awarded unless at least 2080 hours is worked in a year.

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

- 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
  - 1.5% each year PERS is funded at or above 90%
  - 1.5% is reduced by 0.1% for each 2% 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 each January, inclusive of other adjustments to the member's benefit.

PERS-DCRP is a multiple-employer plan established July 1, 2002. A percentage of employer contributions are used to fund various PERS member education programs and a long-term disability plan fund. PERS-DCRP provides for retirement, disability, and death benefits to plan members and their beneficiaries based on the balance in the member's account.

Municipal Police Officers' Retirement System (MPORS) - MPORS, established in 1974 and governed by Title 19, chapters 2 and 9, MCA, covers all municipal police officers of cities covered by the plan. MPORS is a mandatory multiple-employer, cost-sharing defined benefit plan. It offers retirement, disability, and death benefits to plan members and their beneficiaries.

Members are eligible to retire and receive pension benefits when he/she has completed 20 years of membership service, or at age 50 with at least five years of membership service. Disability benefits are determined in the same manner as retirement benefits for members having 20 or more years of service. If less than 20 years of membership service, the disability benefit is equal to one-half of the member's final average compensation. Death benefits are paid to beneficiaries as follows:

- Active Member and less than 20 years of membership service - one-half of final average compensation.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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- Active member and 20 years or more of membership service - 2.5% of final average compensation for each year of service credit.
- Inactive member - refund of accumulated contributions.
- Retired member - benefit is paid to surviving spouse or dependent children. If no survivors as previously mentioned, the designated beneficiary or estate will receive the remaining amount of accumulated contributions.

### *Benefit Calculation*

To be eligible for service retirement, a member must meet one of the following requirements:

- 20 years of membership service at any age, or
- 5 years of membership service and 50 years of age.

A member's monthly retirement benefit is equal to the service credit times 2.5% times final average compensation (FAC).

### *Service Credit*

A full month of service credit is earned when at least 160 hours is worked. Proportional service credit is awarded for less than 160 hours.

### *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 - average monthly compensation for last consecutive 36 months of service.
- This is capped at 110% of compensation in the previous year for members hired after July 1, 2013. Also, bonuses paid on or after July 1, 2013, are not considered when calculating FAC.

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

Police officers who were active members before July 1, 1997, could choose to be covered under GABA. Officers hired on or after July 1, 1997, all receive GABA retirement benefit increases. GABA insures an increase of 3% over the previous year's benefit. Members not covered under GABA must receive a minimum benefit adjustment that may not be less than one-half of the base salary paid in the current fiscal year to a newly confirmed police officer in the city that last employed the retired member.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### *Deferred Retirement Option Plan (DROP)*

DROP provides members who have at least 20 years of membership service with an additional retirement option. Once participation is elected, it is irrevocable. DROP allows a member to begin accumulating their retirement benefit without terminating employment for one to 60 months. While participating in DROP, monthly benefit payments accumulate in the MPORS trust fund in a separate DROP account. DROP participants and their employers continue to pay regular contributions. When employment is terminated, the DROP benefit is paid to the participant in addition to retirement benefits.

Firefighters' Unified Retirement System (FURS) - FURS, established in 1981 and governed by Title 19, Chapters 2 and 13, MCA, is a mandatory multiple-employer, cost-sharing defined benefit plan offering retirement, disability, and death benefits to plan members and their beneficiaries.

Members are eligible to retire and receive pension benefits when he/she has completed 20 years of membership service, or at age 50 with at least five years of membership service. Disability benefits are determined in the same manner as retirement benefits for members having 20 or more years of service.

### *Benefit Calculation*

A member's basic monthly retirement benefit is equal to 2.5% times years of service credit times highest average compensation (HAC). If a member was hired before July 1, 1981 and did not elect to be covered under GABA, their monthly benefit will be the greater of the benefit calculated using the basic formula above; or

- For members with less than 20 years of membership service: 2% of highest monthly compensation (HMC) for each year of service credit
- For members with 20 or more years of membership service: 50% of HMC plus 2% of HMC for each year of service credit over 20 years.

### *Service Credit*

A full month of service credit is earned when at least 160 hours is worked. Proportional service credit is awarded for less than 160 hours.



# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

### *Highest Average Compensation (HAC)*

HAC is the average of the member's highest consecutive 36 months of compensation. For members hired on or after July 1, 2013, HAC is capped at 110% of compensation earned during the highest average compensation period.

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

Firefighters who were active members before July 1, 1997, could choose to be covered under GABA. All members hired on or after that date are automatically eligible for GABA. GABA increases the monthly retirement benefit 3% each year. Non-GABA members with at least ten years of service will receive a minimum retirement not less than one-half of the current base salary paid to a newly confirmed active firefighter in the city where last employed as a firefighter.

### Contribution Rates and Amounts

	Employee	Employer	State
PERS	4.90%	8.97%	0.10%
MPORS	5.80-9.00%	14.41%	29.37%
FURS - GABA	10.70%	14.36%	32.61%
FURS - NON-GABA	9.50%	14.36%	32.61%

	City				State
	2023	2022	2021	2020	2023
PERS	\$ 1,443,683	\$ 1,257,895	\$ 1,149,783	\$ 1,084,186	\$ 538,175
MPORS	563,758	514,746	512,610	536,769	1,576,169
FURS	529,104	484,499	464,377	417,245	1,285,374

The State also contributes from the Coal Tax Severance Fund.

One hundred percent of required contributions were paid.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

	PERS	MPORS	FURS	Total
City's proportionate share of the net pension liability	\$ 17,383,754	\$ 4,523,209	\$ 2,776,508	\$ 24,683,471
State's proportionate share of the net pension liability associated with the City	5,192,198	9,193,255	6,281,722	20,667,175
Total	\$ 22,575,952	\$ 13,716,464	\$ 9,058,230	\$ 45,350,646

The net pension liability was determined by an actuarial valuation as of June 30, 2022, with update procedures to roll forward to the measurement date of June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, including the State, actuarially determined.

	PERS	MPORS	FURS
Proportionate share of plan's net pension liability	0.7311%	1.9149%	1.7479%

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023, the City recognized pension expenses of \$6,871,309 and revenue of \$3,399,718 for support provided by the State. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources				
	PERS	MPORS	FURS	Total
Differences between expected and actual experience	\$ 221,608	\$ 20,117	\$ 242,154	\$ 483,879
Net difference between projected and actual investment earnings	510,902	164,752	174,380	850,034
Changes in assumptions	647,824	399,172	721,548	1,768,544
Changes in proportion and difference between City contributions and proportionate share of contributions	851,216	-	75,736	926,952
City contributions subsequent to the measurement date	1,459,014	563,758	529,621	2,552,393
Total	\$ 3,690,564	\$ 1,147,799	\$ 1,743,439	\$ 6,581,802

Deferred Inflows of Resources				
	PERS	MPORS	FURS	Total
Differences between expected and actual experience	\$ -	\$ 23,699	\$ 5,425	\$ 29,124
Net difference between projected and actual investment earnings	-	-	-	-
Changes in assumptions	1,272,651	86,819	-	1,359,470
Changes in proportion and difference between City contributions and proportionate share of contributions	-	292,788	-	292,788
City contributions subsequent to the measurement date	-	-	-	-
Total	\$ 1,272,651	\$ 403,306	\$ 5,425	\$ 1,681,382

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

\$2,552,393 reported as deferred outflows of resources related to pensions from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	PERS	MPORS	FURS	Total
2024	\$ 613,866	\$ 112,160	\$ 280,584	\$ 1,006,610
2025	(267,150)	(34,410)	208,813	(92,747)
2026	(551,032)	(141,818)	125,817	(567,033)
2027	1,163,215	244,804	455,888	1,863,907
Thereafter	—	—	137,289	137,289
	<u>\$ 958,899</u>	<u>\$ 180,736</u>	<u>\$ 1,208,391</u>	<u>\$ 2,348,026</u>

### *Actuarial Assumptions*

The total pension liabilities (TPL) used to calculate the net pension liabilities was determined by actuarial valuation date of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

#### Actuarial assumptions:

Investment rate of return	7.65%
Projected salary increases	3.50%
Underlying inflation rate	2.75%
Administrative expense average percentage of payroll	29.00%
Merit increases	0.00%-8.47%
Guaranteed annual benefit adjustment (GABA)	0.00%-3.00%

*Long-Term Expected Rate of Return* – 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

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 and are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	3.00%	-0.33%
Domestic equity	30.00%	5.90%
International equity	17.00%	7.14%
Private investments	15.00%	9.13%
Real assets	5.00%	4.03%
Real estate	9.00%	5.41%
Core fixed income	15.00%	1.14%
Non-core fixed income	6.00%	3.02%
	<u>100%</u>	

*Discount Rate* – The discount rate used to measure the total pension liabilities remained at 7.30 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current statutorily required rates. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. 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 liabilities. A municipal bond rate was not incorporated in the discount rate.

*Target Allocations* – The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the plan about every five years. The long-term rate of return as of June 30, 2022, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate* – The following presents the City’s sensitivity of the net pension liability to the discount rate in the table below. 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 7.30 percent, as well as what the NPL would be if it were calculated using a discount rate 1.00 percent lower or 1.00 percent higher than the current rate.

	1% Decrease (6.30%)	Current Discount Rate	1% Increase (8.30%)
PERS	\$ 25,059,492	\$ 17,383,754	\$ 10,943,902
MPORS	6,815,843	4,523,209	2,702,403
FURS	4,812,137	2,776,508	1,151,069
Total	<u>\$ 36,687,472</u>	<u>\$ 24,683,471</u>	<u>\$ 14,797,374</u>

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plans’ fiduciary net positions is available in the separately issued PERB financial report.

### 9. Postemployment Benefits Other Than Pensions (OPEB)

*Plan Description.* In 2023, the City provided employee medical insurance through a single-employer plan run by the Montana Municipal Interlocal Authority (MMIA). The City also provided dental and vision through single-employer defined benefit plans. As required by state law (2-18-704, MCA), the City provides employees who retire and their spouses and dependents (retirees) the option to continue to participate in the City’s group health insurance plans. To continue coverage, retirees are required to pay the full cost of the benefits. Rates are adjusted annually, and benefits altered to ensure the plans remain properly funded. The plan is not administered through a trust and assets are not accumulated in a trust to pay related benefits.

*Benefits Provided.* The City's plans provide healthcare, dental, and vision benefits for retirees and their dependents. Retirees pay the full cost of coverages selected.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

*Employees covered by benefit terms.* At June 30, 2023, the following employees were covered by the benefit terms:

	<u>Health</u>	<u>Dental</u>	<u>Vision</u>
Inactive plan members or beneficiaries			
currently receiving benefits	30	86	101
Active plan members	<u>334</u>	<u>339</u>	<u>339</u>
Total plan members	<u><u>364</u></u>	<u><u>425</u></u>	<u><u>440</u></u>

*Contributions.* MMIA health insurance rates are actuarially set annually, and benefits altered to ensure the plans remain properly funded. The City receives a monthly bill that it can allocate to participants as it wishes. The City pays MMIA the monthly premiums and has no further liability for health claims. The City plans to continue funding the employee health insurance plan on a "pay as you go" basis and does not plan to fund this liability since it has paid the full amount due each month.

### OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$3,067,480 was measured as of June 30, 2023.

*Actuarial assumptions and other inputs.* The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.11%
Projected salary increases	3.50%
Medical healthcare trend rates	9.80% for 2023, decreasing 4.60% in 2026, then decreasing 0.40 to 4.80% in 2040, then decreasing to an ultimate rate of 3.90% for 2074 and later years
Vision & Dental healthcare cost trend rates	2.00%
Retiree's share of benefit-related costs	100% of projected premiums for retirees

The discount rate was based on the current 20-year municipal bond index.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Mortality rates were based on the RP-2000 Healthy Combined Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2020. The City will be required to have another full valuation with the fiscal year ending June 30, 2025.

### Changes in the OPEB Liability

The changes in the net OPEB liability of the City for the year ended June 30, 2023 were as follows:

Balances at June 30, 2022	\$	7,057,255
Changes for the year:		
Service cost		477,718
Interest		298,043
Differences between expected and actual experience		(4,224,391)
Changes in assumption		(296,778)
Benefit payments, including refunds		<u>(244,367)</u>
Net changes		<u>(3,989,775)</u>
Balances at June 30, 2023	\$	<u>3,067,480</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.11%) or 1 percentage point higher (5.11%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(3.11%)</u>	<u>Discount Rate</u>	<u>(5.11%)</u>
Total OPEB Liability	\$ 3,396,950	\$ 3,067,480	\$ 2,778,184

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:



# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

	<u>1% Decrease</u>	Healthcare Cost <u>Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,704,730	\$ 3,067,480	\$ 3,499,840

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,510,873
Changes in assumptions	<u>541,909</u>	<u>659,726</u>
Total	<u>\$ 541,909</u>	<u>\$ 6,170,599</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2024	\$ 405,560
2025	405,560
2026	405,560
2027	405,560
2028	405,560
Thereafter	<u>3,600,891</u>
Total	<u>\$ 5,628,691</u>

### 10. Joint Ventures

#### Lewis and Clark Library

In 1974, the City entered into an interlocal library contract with the County to create the Lewis and Clark Library (Library) located within the City of Helena. The five-member Board of Trustees consists of two members appointed by each government and one member

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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appointed jointly. Upon dissolution, the City has a 50% share in the net position of the Library. The most current summary financial information presented on the cash basis of accounting as allowed by the State of Montana, as of, and for, the fiscal year ended June 30, 2023 is:

Cash and investments	\$ 3,912,107
Other assets	<u>2,557</u>
Total assets	<u>3,914,664</u>
Liabilities	<u>1,074,340</u>
Net position	<u>\$ 2,840,324</u>
Revenues	\$ 4,408,531
Expenses	<u>(3,792,925)</u>
Change in net position	<u>\$ 615,606</u>

Financial information is available at the Lewis and Clark Library at 120 S. Last Chance Gulch, Helena, Montana, 59601.

### 11. Commitments and Contingencies

Revenues provided to the City by the state and federal governments are subject to audit by respective grantor agencies. Potential reimbursements may be required as a result of such audits. No provision has been made for potential reimbursements in the financial statements, as material amounts are considered to be unlikely.

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three years; and there have been no significant reductions in insurance coverage.

The City is also involved in contracts related to various construction projects. Contract commitments outstanding related to projects as of June 30, 2023 totaled approximately \$21.2 million.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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There are also various other matters of pending litigation in which the City is involved; however, City Commission believes that it is unlikely such matters would significantly affect the financial position of the City.

### **12. Risk Management**

The City faces a considerable number of risks of loss, including damage to and loss of property and contents, employee torts, professional liability (i.e., errors and omission), environmental damage, workers' compensation, and medical insurance costs of employees. A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risk of loss except for relatively small deductible amounts, are purchased for commercial property and boiler insurance. The City participates in a statewide public risk pool operated by the Montana Municipal Interlocal Authority (MMIA) for property and contents, business auto, contractors' equipment, bonding of public officials, workers' compensation, and tort liability coverage. MMIA provides environmental damages coverage for all participants on a first-come, first-served basis of \$10 million each year, with maximum coverage of \$2 million per incident. The City has no coverage for potential losses from environmental damages once the ten million is expended. The City also contracts with the MMIA to provide health insurance.

Coverage limits and the deductibles in the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are allocated between the City's property and liability Insurance fund (internal service) and other funds based upon the insurance needs of the funds. Settled claims resulting from these risks did not exceed commercial insurance coverage for each of the past three years.

In 1986, the City joined together with other Montana cities to form the Montana Municipal Interlocal Authority, which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort action are \$750,000 per individual and \$1.5 million per occurrence with an \$11,250 deductible per incident. The City pays an annual premium for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member premiums.

The City offers employees health benefits for medical, vision, dental, and life. The City was self-insured for the dental and vision plans during fiscal year 2023 that are administered by third-party administrators (TPAs), Allegiance, Inc. of Missoula, Montana and Vision Service

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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Plan. The City is a member of MMIA's health insurance plan. All three plans are included in the Health Insurance funds in the internal service funds combining financial statements elsewhere in this report. The City accrues as liabilities those claims that have been reported within ninety days of the date of the financial statements but were identified by the TPAs as being incurred prior to the date of the financial statements. A brief description of each plan is as follows.

Vision Plan - Effective July 1, 1997, the City established a self-insured vision plan. The purpose of the plan is to pay vision care claims of City employees and other enrolled family members and minimize the total cost of annual vision insurance to the municipality. Rates are determined in consultation with the administrator for the coming year.

Dental Plan - Effective August 1, 1989, the City implemented a self-insured dental benefits plan for all employees. The City is the named fiduciary and plan administrator. The supervisor of the plan is Allegiance, Inc. Life insurance of \$25,000 is attached to the dental plan for employees only. A reconciliation of dental claims payable for the years ended June 30, 2023:

	<u>2023</u>
Claims payable, July 1	\$ 87,585
Claims incurred/claim adjustments	351,545
Claims paid/claim adjustments	<u>(346,564)</u>
Claims payable, June 30	<u>\$ 92,566</u>

Medical Plan - Effective July 1, 2009, the City joined MMIA's health insurance plan. MMIA provides four plans with varying rates, benefits, and deductibles participants can select from. The purpose of these plans is to pay medical claims of the City employees, retirees, and other enrolled family members. Rates are actuarially determined and approved by MMIA's board each spring for the next fiscal year. The City pays a monthly premium in advance.

### 13. Landfill Post-closure Care Costs

In November of 1993, the City discontinued using their landfill operation. Final closure status was granted to this facility in January 2000. State and Federal laws require the City to monitor the site for thirty subsequent years or longer when the state determines it is necessary to ensure protection of human health and the environment. The accounting

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# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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treatment for these projected costs is to recognize a portion of the post-closure care costs in each operating period even though actual payouts will occur in the future. The amount recognized each year is based on the landfill capacity used as of the statement of net position date. Since the landfill closed in a prior fiscal year, all expenses associated with closure and post-closure care costs were reflected in the prior years as cost of operations based on information present at that time. During fiscal year 2023, estimated closure and post-closure costs have been recalculated to include a net decrease of \$81,872. This decrease represents a change in accounting estimate and is therefore accounted for as part of the cost of operations. The City anticipates meeting the closure and post-closure care requirements for the next twenty years with special assessments charged to all property owners within the City limits.

The City continues to demonstrate financial viability as required under RCRA Subtitle D and is, therefore, not required to create a trust fund or secure third-party provider instruments such as letters of credit or surety bonds. The \$1,885,594 presented on the statement of net position at June 30, 2023 is an estimate of the post-closure care costs liability and is subject to changes such as the effect of inflation, revision of laws, and other variables.

### **14. Lease Receivable**

#### 15 Street Parking Garage

In August 2008, the City entered into a thirty-year lease for 350 parking spaces in the 15<sup>th</sup> Street parking garage with the Montana Board of Investments (MBOI). Payments are due annually from MBOI on December 31<sup>st</sup> for the next calendar year. The City receives a fixed annual payment of \$307,710 with variable adjustments with changes in the fees set by the City Commission. These minimum lease payments are offset by permits sold to other parties at that garage. The City recognized \$221,281 in lease revenue and \$86,429 in interest revenue during 2023 related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$4,171,902. The City also has a deferred inflow of resources associated with this lease that will be recognized over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$4,149,062.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

### Future minimum lease payments

Future minimum lease payments on the leases are as follows:

Year	Principal	Interest	Total
2024	\$ 223,503	\$ 81,963	\$ 305,466
2025	228,014	77,406	305,420
2026	232,616	72,758	305,374
2027	237,312	68,015	305,327
2028	242,102	63,177	305,279
2029-2033	1,285,811	239,827	1,525,638
2034-2038	1,420,922	103,359	1,524,281
2039-2042	301,622	3,059	304,681
	\$ 4,171,902	\$ 709,564	\$ 4,881,466

## 15. Tax Abatements

The City enters into property tax abatement agreements with local businesses as allowed by state laws. Under 15-24-1402, MCA, localities may grant property tax abatements to new or expanding industries. In the first five years, qualifying expansions must be taxed at 50 percent of their taxable value. Each year thereafter, the percentage must be increased by equal percentages until the full taxable value is attained in the 10<sup>th</sup> year. In subsequent years, the property must be taxed at 100 percent of its taxable value. Property taxes abated by this section are subject to recapture if the ownership does not add at least \$50,000 worth of qualifying improvements or modernized processes within the first two years in which these benefits are provided. For the fiscal year ended June 30, 2023, the City abated the following property taxes:

Abatements	Tax Dollars
Pioneer Structures	\$ 5,042

In November of 2022, the City Commission granted Prickly Pear Development, LLC a 50-percent tax abatement for a new building valued as approximately \$4,046,836, and Five Star Leasing Company a 50-percent tax abatement for equipment valued at approximately \$2,736,149. These abatements will not be realized until Tax Year 2024.

# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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### 16. Tax Increment Financing

On September 14, 2015, with Resolution 20215, the City Commission declared the existence of blight in the Railroad Urban Renewal Area. The City created a Tax Increment Financing District (TIF Railroad District) in 2016 to revitalize this historic area bordering both sides of the railroad as it runs through Helena. The base taxable value was established as of January 1, 2017. The Railroad Urban Renewal Area Tax Increment Advisory Board was created with Resolution No. 20374 and makes recommendations to the City Commission for potential projects to be funded. The most recent work plan recommended by the committee was adopted by the City Commission on August 22, 2022.

In fiscal year 2023, Tax Increment generated \$308,060 in Real and Personal Property taxes and expended \$30,000 for asbestos abatement costs of abandoned property to make way for the construction of a new boutique hotel. TIF Railroad District valuation information as of June 30, 2023 is as follows:

<u>Tax Year</u>	<u>Base</u>	<u>Taxable Value</u>	<u>Increment</u>	<u>Mill Levy</u>	<u>Actual Revenue</u>
2022	\$ 2,334,837	\$ 2,712,845	\$ 378,008	851.64	\$ 308,060

The City Commission adopted Ordinance 3242 creating the Downtown Urban Renewal District and the Downtown Urban Renewal Plan (TIF Downtown District), including a tax increment provision on September 10, 2018. The base taxable value was established as of January 1, 2019. With Ordinance 3275, this district was amended to include the portion of Rodney Street that borders downtown on November 18, 2019. In November 2019, the amended base taxable value was established as of January 1, 2020. The Downtown Urban Renewal District Tax Increment Financing Advisory Board was created with Resolution No. 20580 and makes recommendations to the City Commission for potential projects to be funded.

In fiscal year 2023, Tax Increment generated \$331,240 in Real and Personal Property taxes and expended \$17,567 for Electrical and Landscaping improvements on the Penwell Building. TIF Downtown District valuation information as of June 30, 2023 is as follows:

<u>Tax Year</u>	<u>Base</u>	<u>Taxable Value</u>	<u>Increment</u>	<u>Mill Levy</u>	<u>Actual Revenue</u>
2022	\$ 6,100,262	\$ 6,460,713	\$ 360,451	851.64	\$ 331,240

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# CITY OF HELENA, MONTANA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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On August 24, 2020, with Resolution 20618, the City of Helena Commission declared the existence of blight in the Capital Hill Mall Area. On December 7, 2020, the Helena City Commission adopted Ordinance 3285 that created the Capital Hill Urban Renewal District and the Capital Hill Urban Renewal District Plan (TIF Capital Mall District), including the tax increment provision to revitalize this area generally described as one block north of Prospect Avenue, extending one block south of 11<sup>th</sup> Street, bounded to the west by North Dakota Street and to the east by I-15, including a number of hotel parcels around the highway interchange and a housing development managed by the Helena Housing Authority. The base taxable value was established as of January 1, 2020. Currently, there is no advisory board established for this urban renewal area.

In fiscal year 2023, Tax Increment generated \$192,487 in Real and Personal Property taxes. No expenditures were approved for this district by the City Commission in fiscal year 2023. TIF Capital Mall District valuation information as of June 30, 2023 is as follows:

<u>Tax Year</u>	<u>Base</u>	<u>Taxable Value</u>	<u>Increment</u>	<u>Mill Levy</u>	<u>Actual Revenue</u>
2022	\$ 1,988,913	\$ 2,221,567	\$ 232,654	851.64	\$ 192,487

### 17. Subsequent Events

In December 2023, the City issued a \$860,000 Wastewater System Revenue Loan from the DNRC Water Pollution Control State Revolving Loan Fund Program. This is a twenty-year loan with payments beginning January 1, 2024 with an annual debt serve rate of 2.50 percent. The project is for the design, engineering, and construction to the City's wastewater collection system, including rehabilitating old sewer pipes with cured-in-place pipes at multiple locations throughout the city.

On August 21, 2023, the City Commission entered into several short-term lease agreements for leasing city property. Lessees included the Rocky Mountain Development Council for the Neighborhood Center property, Montana Business Assistance Connections for a portion of the George D. Anderson Commerce Center, and the Helena Area Chamber of Commerce for the George D. Anderson Commerce Center.



## **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF HELENA, MONTANA

### SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TEN YEARS\*

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>							
Service cost	\$ 477,718	\$ 664,278	\$ 621,017	\$ 494,525	\$ 305,180	\$ 323,195	\$ 349,927
Interest	298,043	202,315	279,163	280,803	205,052	213,451	212,050
Differences between expected and actual experience	(4,224,391)	-	(1,766,524)	-	15,687	-	(390,128)
Changes of assumptions	(296,778)	(1,946,975)	(1,108,664)	2,076,199	1,828,444	(45,567)	(23,468)
Benefit payments	(244,367)	(220,065)	(159,803)	(136,828)	(129,987)	(129,987)	(157,165)
<b>Net Changes in Total OPEB Liability</b>	(3,989,775)	(1,300,447)	(2,134,811)	2,714,699	2,224,376	361,092	(8,784)
<b>Total OPEB Liability - Beginning</b>	7,057,255	8,357,702	10,492,513	7,777,814	5,553,438	5,192,346	5,201,130
<b>Total OPEB Liability - Ending</b>	<u>\$ 3,067,480</u>	<u>\$ 7,057,255</u>	<u>\$ 8,357,702</u>	<u>\$ 10,492,513</u>	<u>\$ 7,777,814</u>	<u>\$ 5,553,438</u>	<u>\$ 5,192,346</u>

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

Notes to the Schedule:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2016	4.25%
2017	3.82%
2018	3.87%
2019	3.50%
2020	3.50%
2021	2.53%
2022	2.27%
2023	4.11%

See accompanying notes to required supplementary information.

# CITY OF HELENA, MONTANA

## SCHEDULE OF OPEB CONTRIBUTIONS

LAST TEN YEARS\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 4,672,984	\$ 4,191,917	\$ 3,937,108	\$ 3,574,506	\$ 3,259,869	\$ 3,095,913	\$ 2,967,400
Contributions in relation to the contractually required contribution	<u>4,672,984</u>	<u>4,191,917</u>	<u>3,937,108</u>	<u>3,574,506</u>	<u>3,259,869</u>	<u>3,095,913</u>	<u>2,967,400</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary information.

**CITY OF HELENA, MONTANA**

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Last 10 Fiscal Years<sup>1</sup>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability/(asset)	0.73%	0.67%	0.68%	0.67%	0.68%	0.86%	0.90%	0.92%	0.92%
City's proportionate share of net pension liability/(asset)	\$ 17,383,754	\$ 12,232,594	\$ 17,811,746	\$ 13,966,667	\$ 14,143,693	\$ 16,776,937	\$ 15,264,917	\$ 12,895,525	\$ 11,467,968
State's proportionate share of the net pension liability/(asset) associated with the City	<u>5,192,198</u>	<u>3,603,510</u>	<u>5,607,543</u>	<u>4,543,235</u>	<u>4,729,895</u>	<u>216,680</u>	<u>186,520</u>	<u>158,400</u>	<u>140,041</u>
Total	<u>\$ 22,575,952</u>	<u>\$ 15,836,104</u>	<u>\$ 23,419,289</u>	<u>\$ 18,509,902</u>	<u>\$ 18,873,588</u>	<u>\$ 16,993,617</u>	<u>\$ 15,451,437</u>	<u>\$ 13,053,925</u>	<u>\$ 11,608,009</u>
City's covered payroll	\$ 14,020,466	\$ 12,957,584	\$ 12,408,205	\$ 12,066,691	\$ 12,032,833	\$ 11,583,283	\$ 11,444,023	\$ 11,338,734	\$ 10,956,702
City's proportionate share of net pension liability/(asset) as a percentage of its covered payroll	123.99%	94.40%	143.55%	115.75%	117.54%	144.84%	133.39%	113.73%	104.67%
Plan fiduciary net position as a percentage of the total pension liability	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

<sup>1</sup> The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years only for which information is available.

CITY'S CONTRIBUTIONS TO THE PENSION PLAN

Last 10 Fiscal Years<sup>2</sup>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,443,683	\$ 1,107,204	\$ 1,136,993	\$ 1,075,792	\$ 1,034,116	\$ 1,019,181	\$ 969,521	\$ 946,424	\$ 926,312
Contributions in relation to the contractually required contribution	<u>1,443,683</u>	<u>1,107,204</u>	<u>1,136,993</u>	<u>1,075,792</u>	<u>1,034,116</u>	<u>1,019,181</u>	<u>969,521</u>	<u>946,424</u>	<u>926,312</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 16,091,216	\$ 14,020,446	\$ 12,957,584	\$ 12,408,205	\$ 12,066,691	\$ 12,032,833	\$ 11,583,283	\$ 11,444,023	\$ 11,338,734
Contributions as a percentage of covered payroll	8.97%	7.90%	8.77%	8.67%	8.57%	8.47%	8.37%	8.27%	8.17%

<sup>2</sup> The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

**CITY OF HELENA, MONTANA**

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MONTANA POLICE OFFICERS' RETIREMENT SYSTEM

Last 10 Fiscal Years<sup>1</sup>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability/(asset)	1.91%	1.97%	2.17%	2.21%	2.22%	2.16%	2.35%	2.34%	2.28%
City's proportionate share of net pension liability/(asset)	\$ 4,523,209	\$ 3,573,155	\$ 5,319,390	\$ 4,405,672	\$ 3,804,931	\$ 3,835,219	\$ 4,229,192	\$ 3,878,937	\$ 3,589,338
State's proportionate share of the net pension liability/(asset) associated with the City	<u>9,193,255</u>	<u>7,262,640</u>	<u>10,728,671</u>	<u>8,971,489</u>	<u>7,775,004</u>	<u>7,816,822</u>	<u>8,395,130</u>	<u>7,859,095</u>	<u>7,250,892</u>
Total	<u>\$ 13,716,464</u>	<u>\$ 10,835,795</u>	<u>\$ 16,048,061</u>	<u>\$ 13,377,161</u>	<u>\$ 11,579,935</u>	<u>\$ 11,652,041</u>	<u>\$ 12,624,322</u>	<u>\$ 11,738,032</u>	<u>\$ 10,840,230</u>
City's covered payroll	\$ 3,572,144	\$ 3,557,324	\$ 3,724,980	\$ 3,646,415	\$ 3,508,791	\$ 3,233,415	\$ 3,316,542	\$ 3,245,374	\$ 3,064,830
City's proportionate share of net pension liability/(asset) as a percentage of its covered payroll	126.62%	100.45%	142.80%	120.82%	108.44%	118.61%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percentage of the total pension liability	69.67%	75.76%	68.84%	68.84%	70.95%	68.34%	65.62%	66.90%	67.01%

<sup>1</sup> The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years only for which information is available.

CITY'S CONTRIBUTIONS TO THE PENSION PLAN

Last 10 Fiscal Years<sup>2</sup>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 563,758	\$ 514,746	\$ 512,610	\$ 536,769	\$ 525,448	\$ 505,616	\$ 465,935	\$ 477,914	\$ 467,659
Contributions in relation to the contractually required contribution	<u>563,758</u>	<u>514,746</u>	<u>512,610</u>	<u>536,769</u>	<u>525,448</u>	<u>505,616</u>	<u>465,935</u>	<u>477,914</u>	<u>467,659</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,912,264	\$ 3,557,324	\$ 3,960,577	\$ 3,724,980	\$ 3,646,415	\$ 3,508,791	\$ 3,233,415	\$ 3,316,542	\$ 3,245,374
Contributions as a percentage of covered payroll	14.41%	14.47%	12.94%	14.41%	14.41%	14.41%	14.41%	14.41%	14.41%

<sup>2</sup> The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

**CITY OF HELENA, MONTANA**

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM

Last 10 Fiscal Years<sup>1</sup>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability/(asset)	1.75%	1.76%	1.66%	1.64%	1.61%	1.64%	1.74%	1.80%	1.77%
City's proportionate share of net pension liability/(asset)	\$ 2,776,508	\$ 1,503,813	\$ 2,604,437	\$ 1,881,303	\$ 1,854,894	\$ 1,854,259	\$ 1,988,576	\$ 1,843,275	\$ 1,725,991
State's proportionate share of the net pension liability/(asset) associated with the City	<u>6,281,722</u>	<u>3,413,176</u>	<u>5,871,283</u>	<u>4,549,940</u>	<u>4,241,313</u>	<u>4,210,822</u>	<u>4,505,486</u>	<u>4,105,464</u>	<u>3,893,752</u>
Total	<u>\$ 9,058,230</u>	<u>\$ 4,916,989</u>	<u>\$ 8,475,720</u>	<u>\$ 6,431,243</u>	<u>\$ 6,096,207</u>	<u>\$ 6,065,081</u>	<u>\$ 6,494,062</u>	<u>\$ 5,948,739</u>	<u>\$ 5,619,743</u>
City's covered payroll	\$ 3,386,852	\$ 3,233,824	\$ 2,905,533	\$ 2,843,908	\$ 2,536,527	\$ 2,536,513	\$ 2,451,788	\$ 2,421,941	\$ 2,296,751
City's proportionate share of net pension liability/(asset) as a percentage of its covered payroll	81.98%	46.50%	89.64%	66.15%	73.13%	73.10%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percentage of the total pension liability	78.76%	87.72%	75.34%	80.08%	79.03%	77.77%	75.48%	76.90%	76.71%

<sup>1</sup> The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years only for which information is available.

CITY'S CONTRIBUTIONS TO THE PENSION PLAN

Last 10 Fiscal Years<sup>2</sup>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 529,104	\$ 484,499	\$ 462,627	\$ 427,669	\$ 391,924	\$ 373,335	\$ 352,156	\$ 350,540	\$ 354,559
Contributions in relation to the contractually required contribution	<u>529,104</u>	<u>484,499</u>	<u>462,627</u>	<u>427,669</u>	<u>391,924</u>	<u>373,335</u>	<u>352,156</u>	<u>350,540</u>	<u>354,559</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,684,570	\$ 3,376,776	\$ 3,233,824	\$ 2,905,533	\$ 2,843,908	\$ 2,536,513	\$ 2,449,938	\$ 2,451,788	\$ 2,421,941
Contributions as a percentage of covered payroll	14.36%	14.35%	14.31%	14.72%	13.78%	14.72%	14.37%	14.30%	14.64%

<sup>2</sup> The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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### Changes of Benefit Terms

**Public Employees Retirement System (PERS)**. The following changes to the plan provisions were made as identified:

#### **2015 Legislative Changes:**

General Revisions - House Bill 101, effective January 1, 2016 Second Retirement Benefit

- 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 two 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 five 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;

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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- Members 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

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 member's account.

### **2017 Legislative Changes:**

General Revisions - House Bill 101, effective July 1, 2017 Working Retiree Limitations

If a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Terminating Employers - Recovery of actuary costs

Employers who terminate participation in PERS must pay the actuarial liability associated with that termination. Starting July 1, 2017, the terminating employers must also pay for the cost of the actuarial study used to determine that liability.

### Refunds

- 1) Terminating members eligible to retire may be, in lieu of receiving a monthly retirement benefit, refunded their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

### Family Law Orders

If a Family Law Order (FLO) is silent regarding the apportionment of post-retirement benefit adjustments such as the Guaranteed Annual Benefit Adjustment (GABA), the FLO is presumed to

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# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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require apportionment of the post-retirement benefit adjustment in the same percentage as the monthly retirement benefit is apportioned.

### Lump Sum Payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of member's benefit.

### Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who become disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same five-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

### PERS - Changes in Actuarial Assumptions and Methods

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

The following Actuarial Assumptions were adopted from the June 30, 2019 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 8.47%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry Age Normal
Amortization	Level percentage of payroll; open
Remaining amortization period	30 years
Mortality (Health Members)	For males and females: RP 2000 Combined Employee and Annuitant Mortality Tale Project to 2020 using Scale BB, males set back 1 year
Mortality (Disabled Members)	For males and females: RP 2000 combined Mortality Table with no projections
Admin expense as a % of payroll	0.29%

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the system. This amount varies from year to year based on prior year's actual administrative expenses. The actuarial assumptions and methods utilized in the June 30, 2021 valuation were developed in the six-year experience study for the period ending June 30, 2016.

### PERS Statutory Appropriation - House Bill 648, effective July 1, 2017

Revenue from coal severance taxes and interest income from the coal severance tax permanent funds previously statutorily appropriated to the PERS defined benefit trust fund will be replaced with the following statutory appropriations:

1. Fiscal Year 2018 - \$31.386 million
2. Fiscal Year 2019 - \$31.958 million
3. Beginning July 1, 2019 through at least June 30, 2025, 101% of the contribution from the previous year from the general fund to the PERS defined benefit trust fund, as follows:
  - a. Fiscal Year 2020 - \$32.277 Million
  - b. Fiscal Year 2021 - \$32.600 Million
  - c. Fiscal Year 2022 - \$32.926Million
  - d. Fiscal Year 2023 - \$33.255 Million
  - e. Fiscal Year 2024 - \$33.588 Million
  - f. Fiscal Year 2025 - \$33.924 Million

### **Montana Police Officers Retirement (MPORS)**

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

#### **2015 Legislative Changes:**

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

MPORS DROP Survivor Benefits - Allow statutory beneficiary (spouse or dependent child) of a deceased DROP participant to receive a DROP benefit and a survivorship benefit rather than accumulated contributions or a lump sum payment. 19-9-1206(1), MCA.

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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### Montana Police Officers Retirement (MPORS)

#### **2017 Legislative Changes:**

#### General Revisions - House Bill 101, effective July 1, 2017 Working Retiree Limitations

- 1) Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.
- 2) Members who return for less than 480 hours in a calendar year:
  - a. May not become an active member in the system; and
  - b. Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- 3) Members who return for 480 or more hours in a calendar year:
  - a. Must become an active member of the system;
  - b. Will stop receiving a retirement benefit from the system; and
  - c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- 4) Employee, employer and state contributions, if any, apply as follows:
  - a. Employer contributions and state contributions (if any) must be paid on all working retirees; and
  - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

#### Second Retirement Benefit

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
  - 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
    - a. Is not awarded service credit for the period of reemployment;
    - b. Is refunded the accumulated contributions associated with the period of reemployment;
    - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
    - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA in January immediately following the second retirement.
  - 3) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
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# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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- a. Is awarded service credit for the period of reemployment;
  - b. Starting the first month following termination of service, receives:
    - i. The same retirement benefits previously paid to the member, and
    - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
  - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    - i. On the initial retirement benefit in January immediately following second retirement, and
    - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

### Terminating Employers - Recovery of actuary costs

Employers who terminate participation in MPORS or FURS must pay the actuarial liability associated with that termination. Starting July 1, 2017, the terminating employers must also pay for the cost of the actuarial study used to determine that liability.

### Refunds

- 1) Terminating members eligible to retire may be, in lieu of receiving a monthly retirement benefit, refunded their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

### Interest credited to member accounts

- 1) Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

### Lump-sum payouts

- 1) Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of member's benefit.

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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### Family Law Orders

- 1) If a Family Law Order (FLO) is silent regarding the apportionment of post-retirement benefit adjustments such as the Guaranteed Annual Benefit Adjustment (GABA), the FLO is presumed to require apportionment of the post-retirement benefit adjustment in the same percentage as the monthly retirement benefit is apportioned.

### MPERS - Changes in Actuarial Assumptions and Methods

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

The following Actuarial Assumptions were adopted from the June 30, 2019 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	1.00% to 6.40%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry Age Normal
Amortization	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Health Members)	For males and females: RP 2000 combined employee and annuitant mortality table 2020 using Scale BB, males set back 1 year
Mortality (Disabled Members)	For males and females: RP 2000 combined Mortality Table with no projections
Admin expense as a % of payroll	0.17%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the system. This amount varies from year to year based on prior year's actual administrative expenses.

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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### **Firefighters Unified Retirement (FURS)**

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

#### **2017 Legislative Changes:**

##### General Revisions - House Bill 101, effective July 1, 2017 Working Retiree Limitations

- 1) Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.
- 2) Members who return for less than 480 hours in a calendar year:
  - a. May not become an active member in the system; and
  - b. Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- 3) Members who return for 480 or more hours in a calendar year:
  - a. Must become an active member of the system;
  - b. Will stop receiving a retirement benefit from the system; and
  - c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- 4) Employee, employer and state contributions, if any, apply as follows:
  - a. Employer contributions and state contributions (if any) must be paid on all working retirees; and
  - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

##### Second Retirement Benefit

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
  - a. Is not awarded service credit for the period of reemployment;
  - b. Is refunded the accumulated contributions associated with the period of reemployment;
  - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
  - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA in January immediately following the second retirement.

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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- 3) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
  - a. Is awarded service credit for the period of reemployment;
  - b. Starting the first month following termination of service, receives:
    - i. The same retirement benefits previously paid to the member, and
    - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
  - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    - i. On the initial retirement benefit in January immediately following second retirement, and
    - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

### Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

### Interest credited to member accounts

- 1) Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

### Lump-sum payouts

- 2) Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of member's benefit.

# CITY OF HELENA, MONTANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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### FURS - Changes in Actuarial Assumptions and Methods

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

The following Actuarial Assumptions were adopted from the June 30, 2019 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.30%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry Age Normal
Amortization	Level percentage of payroll; open
Remaining amortization period	30 years
Mortality (Health Members)	For males and females: RP 2000 combined employee and annuitant mortality table 2020 using Scale BB, males set back 1 year
Mortality (Disabled Members)	For males and females: RP 2000 combined Mortality Table with no projections
Admin expense as a % of payroll	0.13%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the system. This amount varies from year to year based on prior year's actual administrative expenses.



## **SUPPLEMENTARY INFORMATION**

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted, committed, or assigned to expenditures for specified purposes.

Storm Water - Used to account for the receipt of assessments from each property owner within the City of Helena (City) limits. These assessments help finance the storm water drainage operation, maintenance, and capital improvements.

Community Development - Used to account for the receipt and expenditure of funds related to Community Development Block Grant (CDBG), Home Investments Partnerships (HOME), Affordable Housing, Public Art, as well as other community development grants and planning activities.

Community Facilities - Used to account for the receipts and expenditures related to maintenance and other activities in buildings owned by the City.

Police Programs - Used to account for the receipt and expenditure of funds related to various police department related programs. Programs include officer overtime that is fully reimbursed by businesses, schools, etc., requiring police security; the operation of 9-1-1 and emergency and communication system; the joint City/County operation of the dispatch and record-keeping functions; and miscellaneous grant funding.

Fire Programs - Used to account for the receipt and transfer of funds related to the voter-approved fire safety levy and federal grants for firefighter wages and capital needs.

Open Space District Maintenance - Used to account for the receipt and expenditure of assessments from each property owner within the City limits and grant funds received to be used to maintain open space land owned by the City.

Urban Forestry Maintenance District - Used to account for the receipt of assessments from each property owner within the City limits. The assessments are used to plant, protect, maintain, preserve, and care for trees in public parks, City right-of-way and on open space land.

CARES / ARPA - Used to account for the receipt of Federal CARES Act and ARPA (American Rescue Plan Act - State and Local Government Fiscal Recovery Funds) Grants and eligible expenditures to address the COVID-19 pandemic and its economic impacts.

Light Maintenance Districts - Used to account for the receipt of assessments from property owners in 53 street lighting districts who are assessed for electricity for the lights in their district and for administrative charges.

## **Debt Service Funds**

Debt Service Funds account for the accumulation of property taxes and other revenue for the periodic payment of interest and principal on general obligation and special improvement district bonds and related authorized costs.

Special Improvement Districts - Used to account for the receipt and expenditure of assessments from property owners covering such improvements as sidewalk and street construction or reconstruction. These funds are used to pay the interest and principal on bonds or warrants issued to pay for construction costs.

Special Improvement Districts Revolving - This fund is required to maintain a balance no less than five percent of outstanding special improvement district (SID) bonds. This fund secures prompt payment of any SID bonds issued in payment of improvements and the interest thereon as it becomes due. These funds were received over a period of years from developers that are required to deposit five percent of the amount of the bonds issued for the development of new districts.

Park and Recreation General Obligation Refunding - Used to account for funds to pay the periodic payment of interest and principal on the bonds issued to refund the 2008 general obligation bonds that were used to finance improvements to Centennial Park, Memorial Park pool, and Kindrick Legion field approved by the citizens.

Sidewalk Loans - Used to account for funds to pay the periodic payment of interest and principal on debt issued to finance sidewalk repairs for citizens.

## **Capital Projects Funds**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of equipment or major capital facilities other than those financed in the proprietary fund types.

Capital Improvements - Used to account for capital projects for General Fund departments as well as funds specifically earmarked for the development of parks.

Special Improvement Districts Constructions - Used to account for the expenditure of special warrant or loan proceeds intended to construct (or reconstruct) sidewalks for property owners and the receipt and expenditure of SID bond proceeds intended to pave streets and finance other similar improvements for property owners.

TIF Railroad District - Used to account for revenues from property tax levies on increased taxable values in the district. Amounts collected are available to revitalize an historic area of Helena bordering both sides of the railroad that runs through the center of town. The district was created with Ordinance 3214 in December 2015.

TIF Downtown District - Used to account for revenues from property tax levies on increased taxable values in the district. Amounts collected are available for rehabilitation and redevelopment in a blighted historic area of downtown Helena. The district was created with Ordinance 3242 in October 2018.

TIF Capital Mall District – Used to account for revenues from property tax levies on increased taxable values in the district. Amounts collected are available for rehabilitation and redevelopment in a blighted area known as the Capital Hill Urban Renewal District in Helena. The district was created with Ordinance 3285 in November 2020.

**CITY OF HELENA, MONTANA**

COMBINING BALANCE SHEET

OTHER GOVERNMENTAL FUNDS

JUNE 30, 2023

	Special Revenue Funds									
	Storm Water	Community Development	Community Facilities	Police Programs	Fire Programs	Open Space District Maintenance	Urban Forestry Maintenance District	CARES/ARPA	Light Maintenance Districts	Total Special Revenue
<b>Assets</b>										
Cash and cash equivalents	\$ 5,451,821	\$ 2,453,607	\$ 1,974,615	\$ 2,691,620	\$ 691,406	\$ 775,635	\$ 413,735	\$ 30,191	\$ 683,581	\$ 15,166,211
Taxes receivable, net of allowance	70,230	-	-	-	65,951	18,917	16,410	-	20,726	192,234
Accounts receivable	-	1,010	469	8,548	-	189	-	-	-	10,216
Loans receivable	-	672,620	-	-	-	-	-	-	-	672,620
Intergovernmental receivable	-	22,163	-	19,724	-	39,630	-	-	-	81,517
Inventories	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,522,051</b>	<b>\$ 3,149,400</b>	<b>\$ 1,975,084</b>	<b>\$ 2,719,892</b>	<b>\$ 757,357</b>	<b>\$ 834,371</b>	<b>\$ 430,145</b>	<b>\$ 30,191</b>	<b>\$ 704,307</b>	<b>\$ 16,122,798</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>										
<b>Liabilities:</b>										
Accounts payable and other liabilities	\$ 5,620	\$ -	\$ 33,169	\$ 52,070	\$ 36,506	\$ 9,495	\$ 21,312	\$ -	\$ 66,170	\$ 224,342
Interest payable	-	-	-	-	14,884	-	-	-	-	14,884
<b>Total Liabilities</b>	<b>5,620</b>	<b>-</b>	<b>\$33,169</b>	<b>52,070</b>	<b>51,390</b>	<b>9,495</b>	<b>21,312</b>	<b>-</b>	<b>66,170</b>	<b>239,226</b>
<b>Deferred Inflows of Resources:</b>										
Deferred inflows - taxes	-	-	-	-	-	-	-	-	-	-
Deferred inflow - special assessments	28,343	-	-	-	11,235	7,622	6,504	-	(1,250)	52,454
<b>Total Deferred Inflows of Resources</b>	<b>28,343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,235</b>	<b>7,622</b>	<b>6,504</b>	<b>-</b>	<b>(1,250)</b>	<b>52,454</b>
<b>Fund Balance:</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	19,724	-	-	-	-	-	19,724
911 dispatch center	-	-	-	771,039	-	-	-	-	-	771,039
Public works	50,456	-	-	-	-	-	-	-	639,387	689,843
Culture and recreation	-	-	-	-	-	817,254	402,329	-	-	1,219,583
Community development	-	401,267	-	-	-	-	-	-	-	401,267
Debt service	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	113,562	-	-	-	-	113,562
Committed:										
General government	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Community development	-	-	33,170	-	-	-	-	-	-	33,170
Capital purchases	-	-	-	-	-	-	-	-	-	-
Assigned:										
Public safety	-	-	-	1,877,059	581,170	-	-	30,191	-	2,488,420
Public works	5,437,632	-	-	-	-	-	-	-	-	5,437,632
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Community development	-	2,748,133	1,908,745	-	-	-	-	-	-	4,656,878
Capital purchases	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>5,488,088</b>	<b>3,149,400</b>	<b>1,941,915</b>	<b>2,667,822</b>	<b>694,732</b>	<b>817,254</b>	<b>402,329</b>	<b>30,191</b>	<b>639,387</b>	<b>15,831,118</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 5,522,051</b>	<b>\$ 3,149,400</b>	<b>\$ 1,975,084</b>	<b>\$ 2,719,892</b>	<b>\$ 757,357</b>	<b>\$ 834,371</b>	<b>\$ 430,145</b>	<b>\$ 30,191</b>	<b>\$ 704,307</b>	<b>\$ 16,122,798</b>

(Continued)

**CITY OF HELENA, MONTANA**

COMBINING BALANCE SHEET

OTHER GOVERNMENTAL FUNDS

JUNE 30, 2023  
(Continued)

	Debt Service Funds					Capital Project Funds					Total Other Governmental Funds	
	Special Improvements Districts	Special Improvements Districts Revolving	Park and Recreation General Obligation Refunding	Sidewalk Loans	Total Debt Service	Capital Improvements	Special Improvements Districts Constructions	TIF Railroad District	TIF Downtown District	TIF Capital Mall District		Total Capital Project Funds
<b>Assets</b>												
Cash and cash equivalents	\$ 9	\$ 40,948	\$ 585,828	\$ 2,619	\$ 629,404	\$ 5,334,767	\$ -	\$ 780,391	\$ 527,125	\$ 349,414	\$ 6,991,697	\$ 22,787,312
Taxes receivable, net of allowance	-	-	38,933	-	38,933	-	-	17,006	19,479	12,123	48,608	279,775
Accounts receivable, net of allowance	-	-	-	-	-	200	-	-	-	-	200	10,416
Loans receivable	-	-	-	-	-	495,013	-	-	-	-	495,013	1,167,633
Intergovernmental receivable	-	-	-	-	-	-	-	-	-	-	-	81,517
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 9</b>	<b>\$ 40,948</b>	<b>\$ 624,761</b>	<b>\$ 2,619</b>	<b>\$ 668,337</b>	<b>\$ 5,829,980</b>	<b>\$ -</b>	<b>\$ 797,397</b>	<b>\$ 546,604</b>	<b>\$ 361,537</b>	<b>\$ 7,535,518</b>	<b>\$ 24,326,653</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>												
<b>Liabilities:</b>												
Accounts payable and other liabilities	\$ -	\$ -	\$ 39,375	\$ -	\$ 39,375	\$ 33,294	\$ 45,947	\$ 17,773	\$ -	\$ -	\$ 97,014	\$ 360,731
Interest payable	-	-	-	-	-	-	-	-	-	-	-	14,884
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>39,375</b>	<b>-</b>	<b>39,375</b>	<b>33,294</b>	<b>45,947</b>	<b>17,773</b>	<b>-</b>	<b>-</b>	<b>97,014</b>	<b>375,615</b>
<b>Deferred Inflows of Resources:</b>												
Deferred inflows - taxes	-	-	-	-	-	-	-	4,601	2,779	5,814	13,194	13,194
Deferred inflow - special assessments	-	50	8,502	-	8,552	-	-	-	-	-	-	61,006
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>50</b>	<b>8,502</b>	<b>-</b>	<b>8,552</b>	<b>-</b>	<b>-</b>	<b>4,601</b>	<b>2,779</b>	<b>5,814</b>	<b>13,194</b>	<b>74,200</b>
<b>Fund Balance:</b>												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	19,724
911 dispatch center	-	-	-	-	-	-	-	-	-	-	-	771,039
Public works	-	-	-	-	-	-	-	-	-	-	-	689,843
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	1,219,583
Community development	-	-	-	-	-	-	-	-	-	-	-	401,267
Debt service	9	40,898	576,884	2,619	620,410	-	-	-	-	-	-	620,410
Capital projects	-	-	-	-	-	2,478,118	-	775,023	543,825	355,723	4,152,689	4,266,251
Committed:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	33,170
Capital purchases	-	-	-	-	-	464,491	-	-	-	-	464,491	464,491
Assigned:												
Public safety	-	-	-	-	-	-	-	-	-	-	-	2,488,420
Public works	-	-	-	-	-	-	-	-	-	-	-	5,437,632
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	4,656,878
Capital purchases	-	-	-	-	-	2,854,077	-	-	-	-	2,854,077	2,854,077
Unassigned	-	-	-	-	-	-	(45,947)	-	-	-	(45,947)	(45,947)
<b>Total Fund Balance</b>	<b>9</b>	<b>40,898</b>	<b>576,884</b>	<b>2,619</b>	<b>620,410</b>	<b>5,796,686</b>	<b>(45,947)</b>	<b>775,023</b>	<b>543,825</b>	<b>355,723</b>	<b>7,425,310</b>	<b>23,876,838</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 9</b>	<b>\$ 40,948</b>	<b>\$ 624,761</b>	<b>\$ 2,619</b>	<b>\$ 668,337</b>	<b>\$ 5,829,980</b>	<b>\$ -</b>	<b>\$ 797,397</b>	<b>\$ 546,604</b>	<b>\$ 361,537</b>	<b>\$ 7,535,518</b>	<b>\$ 24,326,653</b>

(Concluded)

**CITY OF HELENA, MONTANA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

OTHER GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds									
	Storm Water	Community Development	Community Facilities	Police Programs	Fire Programs	Open Space District Maintenance	Urban Forestry Maintenance District	CARES/ARPA	Light Maintenance Districts	Total Special Revenue
<b>Revenues:</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,002,197	\$ -	\$ -	\$ -	\$ -	\$ 1,002,197
Special assessments	2,392,486	-	-	-	-	643,315	481,773	-	912,602	4,430,176
Licenses and permits	-	-	-	9,030	-	-	-	-	-	9,030
Intergovernmental	18,572	133,196	-	2,634,637	-	43,368	1,170	-	-	2,830,943
Charges for services	-	-	1,602,392	21,693	-	7,180	-	-	-	1,631,265
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment earnings	158,719	99,531	75,001	82,415	35,412	22,463	13,672	11,919	-	499,132
Contributions and donations	-	-	-	-	-	37,800	-	-	-	37,800
Miscellaneous	8	200	26,881	1,304	-	-	-	-	-	28,393
<b>Total revenues</b>	<b>2,569,785</b>	<b>232,927</b>	<b>1,704,274</b>	<b>2,749,079</b>	<b>1,037,609</b>	<b>754,126</b>	<b>496,615</b>	<b>11,919</b>	<b>912,602</b>	<b>10,468,936</b>
<b>Expenditures:</b>										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	2,119,931	-	-	-	-	-	2,119,931
Public works	624,171	-	-	-	-	-	-	-	899,430	1,523,601
Public health	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	2,142,020	-	-	586,564	500,180	-	-	3,228,764
Community development	-	62,590	-	-	-	-	-	-	-	62,590
Debt service	-	-	-	3,314	97,882	-	-	-	-	101,196
Capital outlay	150,819	-	109,255	414,337	282,820	39,500	53,970	-	-	1,050,701
<b>Total expenditures</b>	<b>774,990</b>	<b>62,590</b>	<b>2,251,275</b>	<b>2,537,582</b>	<b>380,702</b>	<b>626,064</b>	<b>554,150</b>	<b>-</b>	<b>899,430</b>	<b>8,086,783</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,794,795</b>	<b>170,337</b>	<b>(547,001)</b>	<b>211,497</b>	<b>656,907</b>	<b>128,062</b>	<b>(57,535)</b>	<b>11,919</b>	<b>13,172</b>	<b>2,382,153</b>
<b>Other Financing Sources (Uses):</b>										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	58,488	-	-	-	-	58,488
Subscription-based information technology arrangement	-	-	-	-	-	-	-	-	-	-
Transfers in	597	112,000	457,397	753,854	47,000	20,582	793	-	-	1,392,223
Transfers out	-	-	-	(19,724)	(692,220)	-	-	-	-	(711,944)
<b>Total other financing sources (uses)</b>	<b>597</b>	<b>112,000</b>	<b>457,397</b>	<b>734,130</b>	<b>(586,732)</b>	<b>20,582</b>	<b>793</b>	<b>-</b>	<b>-</b>	<b>738,767</b>
<b>Net Change in Fund Balance</b>	<b>1,795,392</b>	<b>282,337</b>	<b>(89,604)</b>	<b>945,627</b>	<b>70,175</b>	<b>148,644</b>	<b>(56,742)</b>	<b>11,919</b>	<b>13,172</b>	<b>3,120,920</b>
<b>Fund Balance:</b>										
Beginning of year	3,692,696	2,867,063	2,031,519	1,722,195	624,557	668,610	459,071	18,272	626,215	12,710,198
End of year	\$ 5,488,088	\$ 3,149,400	\$ 1,941,915	\$ 2,667,822	\$ 694,732	\$ 817,254	\$ 402,329	\$ 30,191	\$ 639,387	\$ 15,831,118

(Continued)

**CITY OF HELENA, MONTANA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

OTHER GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	Debt Service Funds					Capital Project Funds					Total Other Governmental Funds	
	Special Improvements Districts	Special Improvements Districts Revolving	Park and Recreation General Obligation Refunding	Sidewalk Loans	Total Debt Service	Capital Improvements	Special Improvements Districts Constructions	TIF Railroad District	TIF Downtown District	TIF Capital Mall District		Total Capital Projects
<b>Revenues:</b>												
Taxes	\$ -	\$ -	\$ 557,531	\$ -	\$ 557,531	\$ -	\$ -	\$ 297,387	\$ 314,979	\$ 183,765	\$ 796,131	\$ 2,355,859
Special assessments	-	2	-	-	2	147	-	-	-	-	147	4,430,325
Licenses and permits	-	-	-	-	-	7,789	-	-	-	-	7,789	16,819
Intergovernmental	-	-	-	-	-	-	-	8,335	29,300	10,078	47,713	2,878,656
Charges for services	-	-	-	-	-	136,055	-	-	-	-	136,055	1,767,320
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	16,045	-	16,045	189,061	-	22,619	13,385	8,971	234,036	749,213
Contributions and donations	-	-	-	-	-	206	-	-	-	-	206	38,006
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	28,393
<b>Total revenues</b>	<b>-</b>	<b>2</b>	<b>573,576</b>	<b>-</b>	<b>573,578</b>	<b>333,258</b>	<b>-</b>	<b>328,341</b>	<b>357,664</b>	<b>202,814</b>	<b>1,222,077</b>	<b>12,264,591</b>
<b>Expenditures:</b>												
General government	-	-	-	-	-	-	45,947	-	-	-	45,947	45,947
Public safety	-	-	-	-	-	-	-	-	-	-	-	2,119,931
Public works	-	102	-	-	102	-	-	-	-	-	-	1,523,703
Public health	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	400	-	400	150,221	-	-	-	-	150,221	3,379,385
Community development	-	-	-	-	-	-	47,773	17,567	-	-	65,340	127,930
Debt service	-	-	545,650	-	545,650	-	-	-	-	-	-	646,846
Capital outlay	-	-	-	-	-	2,025,577	-	-	-	-	2,025,577	3,076,278
<b>Total expenditures</b>	<b>-</b>	<b>102</b>	<b>546,050</b>	<b>-</b>	<b>546,152</b>	<b>2,175,798</b>	<b>45,947</b>	<b>47,773</b>	<b>17,567</b>	<b>-</b>	<b>2,287,085</b>	<b>10,920,020</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(100)</b>	<b>27,526</b>	<b>-</b>	<b>27,426</b>	<b>(1,842,540)</b>	<b>(45,947)</b>	<b>280,568</b>	<b>340,097</b>	<b>202,814</b>	<b>(1,065,008)</b>	<b>1,344,571</b>
<b>Other Financing Sources (Uses):</b>												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-	-	-	-	58,488
Subscription-based information technology arrangement	-	-	-	-	-	1,012,594	-	-	-	-	1,012,594	1,012,594
Transfers in	-	-	-	-	-	1,984,147	-	-	-	-	1,984,147	3,376,370
Transfers out	-	-	-	-	-	(49,376)	-	-	-	-	(49,376)	(761,320)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,947,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,947,365</b>	<b>3,686,132</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(100)</b>	<b>27,526</b>	<b>-</b>	<b>27,426</b>	<b>1,104,825</b>	<b>(45,947)</b>	<b>280,568</b>	<b>340,097</b>	<b>202,814</b>	<b>1,882,357</b>	<b>5,030,703</b>
<b>Fund Balance:</b>												
Beginning of year	9	40,998	549,358	2,619	592,984	4,691,861	-	494,455	203,728	152,909	5,542,953	18,846,135
End of year	<u>9</u>	<u>40,898</u>	<u>576,884</u>	<u>2,619</u>	<u>620,410</u>	<u>5,796,686</u>	<u>(45,947)</u>	<u>775,023</u>	<u>543,825</u>	<u>355,723</u>	<u>7,425,310</u>	<u>23,876,838</u>

(Concluded)



## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

Fleet Services - Used to account for the expenses incurred for the maintenance of all City vehicles and the charges to each department for its respective share.

Copier Revolving - Used to account for the purchase, maintenance and supplies for copiers for several City departments. Each department is charged for its respective use to recover operating costs.

Property and Liability Insurance - Used to account for the receipt of funds from all applicable departments and expenditure of insurance premium charges and deductibles attributed to the City's general insurance coverage.

Health Insurance - Used to account for the receipt of funds from other departments and entities, on a per employee basis, for medical, dental, and vision insurance coverage and the related claims and administrative fees.

**CITY OF HELENA, MONTANA**  
**COMBINING STATEMENT OF NET POSITION**

**INTERNAL SERVICE FUNDS**

JUNE 30, 2023

	Business-Type Activities		Governmental Activities		Total
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	
	Assets				
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 614,104	\$ 86,728	\$ 665,352	\$ 467,723	\$ 1,833,907
Cash and cash equivalents - unspent debt proceeds	-	-	-	-	-
Cash and cash equivalents - cash with fiscal agent	-	-	-	-	-
Investments - restricted	-	-	-	-	-
Receivables, net of allowance for uncollectibles	247	-	-	25,740	25,987
Intergovernmental receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Inventories	26,454	-	-	-	26,454
Lease receivable	-	-	-	-	-
<b>Total current assets</b>	<b>640,805</b>	<b>86,728</b>	<b>665,352</b>	<b>493,463</b>	<b>1,886,348</b>
Noncurrent assets:					
Loans receivable, net of current portion	-	-	-	-	-
Lease receivable, net of current portion	-	-	-	-	-
Capital assets, net of accumulated depreciation:					
Capital assets not being depreciated	87,000	-	-	-	87,000
Capital assets, net of accumulated depreciation	209,627	7,063	-	-	216,690
<b>Total noncurrent assets</b>	<b>296,627</b>	<b>7,063</b>	<b>-</b>	<b>-</b>	<b>303,690</b>
<b>Total Assets</b>	<b>937,432</b>	<b>93,791</b>	<b>665,352</b>	<b>493,463</b>	<b>2,190,038</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows of resources for debt refunding	-	-	-	-	-
Deferred outflows of resources for pension	87,566	-	-	-	87,566
Deferred outflows of resources for OPEB	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>87,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,566</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and other current liabilities	196,964	489	3,907	-	201,360
Customer deposits	-	-	-	-	-
Accrued interest	-	-	-	-	-
Compensated absences	17,840	-	-	-	17,840
Loans payable	-	-	-	-	-
General obligation bonds	-	-	-	-	-
Certificates of obligation	-	-	-	-	-
Lease payable	-	-	-	-	-
Landfill post-closure costs	-	-	-	-	-
<b>Total current liabilities</b>	<b>214,804</b>	<b>489</b>	<b>3,907</b>	<b>-</b>	<b>219,200</b>
Long-term liabilities:					
Compensated absences	18,379	-	-	-	18,379
Loans payable	-	-	-	-	-
General obligation bonds	-	-	-	-	-
Certificates of obligation	-	-	-	-	-
Lease payable	-	-	-	-	-
Landfill post-closure costs	-	-	-	-	-
Net pension liability	412,462	-	-	-	412,462
Other postemployment benefits	59,956	-	-	-	59,956
<b>Total long-term liabilities</b>	<b>490,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>490,797</b>
<b>Total Liabilities</b>	<b>705,601</b>	<b>489</b>	<b>3,907</b>	<b>-</b>	<b>709,997</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources for pension	30,196	-	-	-	30,196
Deferred inflows of resources for leases	-	-	-	-	-
Deferred inflows of resources for OPEB	95,461	-	-	-	95,461
<b>Total Deferred Inflows of Resources</b>	<b>125,657</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,657</b>
<b>Net Position</b>					
Net investment in capital assets	296,627	7,063	-	-	303,690
Restricted for debt service	-	-	-	-	-
Unrestricted	(102,887)	86,239	661,445	493,463	1,138,260
<b>Total Net Position</b>	<b>\$ 193,740</b>	<b>\$ 93,302</b>	<b>\$ 661,445</b>	<b>\$ 493,463</b>	<b>\$ 1,441,950</b>

# CITY OF HELENA, MONTANA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

### INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2023

	Business-Type Activities		Governmental Activities		Total
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	
<b>Operating Revenues:</b>					
Charges for services	\$ 1,954,106	\$ 25,400	\$ 1,234,196	\$ 6,096,938	\$ 9,310,640
Contributions	-	-	-	-	-
Other	1,610	-	-	-	1,610
<b>Total operating revenues</b>	<b>1,955,716</b>	<b>25,400</b>	<b>1,234,196</b>	<b>6,096,938</b>	<b>9,312,250</b>
<b>Operating Expenses:</b>					
Personnel services	630,257	-	-	-	630,257
Maintenance and operations:					
Supplies/purchase services	1,242,331	1,115	-	-	1,243,446
Purchased services	234,674	11,040	-	61,456	307,170
Maintenance and operations	149,497	-	-	-	149,497
Fixed charges	24,953	-	1,007,822	6,273,399	7,306,174
Depreciation	22,636	4,420	-	-	27,056
<b>Total operating expenses</b>	<b>2,304,348</b>	<b>16,575</b>	<b>1,007,822</b>	<b>6,334,855</b>	<b>9,663,600</b>
<b>Operating Income (Loss)</b>	<b>(348,632)</b>	<b>8,825</b>	<b>226,374</b>	<b>(237,917)</b>	<b>(351,350)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental	39,049	-	-	-	39,049
Investment earnings	21,503	3,025	24,735	6,157	55,420
Interest expense	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>60,552</b>	<b>3,025</b>	<b>24,735</b>	<b>6,157</b>	<b>94,469</b>
Settlements - insurance	-	-	-	-	-
Transfers in	1,195	-	-	-	1,195
Transfers out	-	-	(79,945)	(200,000)	(279,945)
<b>Change in Net Position</b>	<b>(286,885)</b>	<b>11,850</b>	<b>171,164</b>	<b>(431,760)</b>	<b>(535,631)</b>
<b>Net Position:</b>					
Beginning of year	480,625	81,452	490,281	925,223	1,977,581
End of year	<u>\$ 193,740</u>	<u>\$ 93,302</u>	<u>\$ 661,445</u>	<u>\$ 493,463</u>	<u>\$ 1,441,950</u>

**CITY OF HELENA, MONTANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Business-Type Activities	Governmental Activities			Total
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers and users	\$ 1,609	\$ -	\$ 2,082	\$ -	\$ 3,691
Receipts from interfund services provided	2,074,254	25,400	1,232,114	6,071,198	9,402,966
Payments to suppliers	(1,486,214)	(12,614)	-	(61,456)	(1,560,284)
Payments to employees	(614,272)	-	-	-	(614,272)
Payments for interfund services used	(24,953)	-	(1,003,915)	(6,065,160)	(7,094,028)
Net cash provided by (used in) operating activities	(49,576)	12,786	230,281	(55,418)	138,073
<b>Cash Flows From Non-Capital Financing Activities:</b>					
Transfers from other funds	1,195	-	-	-	1,195
Transfers to other funds	-	-	(79,945)	(200,000)	(279,945)
Operating grants	-	-	-	-	-
Contributions from other governments	39,049	-	-	-	39,049
Net cash provided by (used in) non-capital financing activities	40,244	-	(79,945)	(200,000)	(239,701)
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from capital debt/insurance settlements	-	-	-	-	-
Principal payments - bonds	-	-	-	-	-
Principal payments - loans	-	-	-	-	-
Principal payments - leases	-	-	-	-	-
Interest payments	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Acquisition and construction of capital assets	(111,530)	-	-	-	(111,530)
Proceeds from leases receivable	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(111,530)	-	-	-	(111,530)
<b>Cash Flows From Investing Activities:</b>					
Interest received	21,503	3,025	24,735	6,157	55,420
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>21,503</b>	<b>3,025</b>	<b>24,735</b>	<b>6,157</b>	<b>55,420</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(99,359)</b>	<b>15,811</b>	<b>175,071</b>	<b>(249,261)</b>	<b>(157,738)</b>
<b>Cash and Cash Equivalents:</b>					
Beginning of year	713,463	70,917	490,281	716,984	1,991,645
End of year	\$ 614,104	\$ 86,728	\$ 665,352	\$ 467,723	\$ 1,833,907
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating income (loss)	\$ (348,632)	\$ 8,825	\$ 226,374	\$ (237,917)	\$ (351,350)
Adjustments to reconciled operating income to net cash provided by (used in) operating activities:					
Depreciation expense	22,636	4,420	-	-	27,056
Change in:					
Receivables	120,148	-	-	(25,740)	94,408
Inventories	2,976	-	-	-	2,976
Deferred outflows of resources	(9,614)	-	-	-	(9,614)
Accounts payable and other current liabilities	137,311	(459)	3,907	208,239	348,998
Customer deposits	-	-	-	-	-
Compensated absences	(1,992)	-	-	-	(1,992)
Long-term debt	-	-	-	-	-
Landfill post-closure costs payable	-	-	-	-	-
Net pension liability	119,529	-	-	-	119,529
Other postemployment benefits	(65,531)	-	-	-	(65,531)
Deferred inflows of resources	(26,407)	-	-	-	(26,407)
Net cash provided by (used in) operating activities	\$ (49,576)	\$ 12,786	\$ 230,281	\$ (55,418)	\$ 138,073

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2023

	Storm Water				Community Development			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	2,370,765	2,370,765	2,392,486	21,721	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	18,572	18,572	18,572	-	-	133,196	133,196	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	4,500	4,500	158,719	154,219	4,500	4,500	99,531	95,031
Contributions and donations	-	-	-	-	15,000	15,000	-	(15,000)
Miscellaneous	-	-	8	8	-	-	200	200
<b>Total revenues</b>	<b>2,393,837</b>	<b>2,393,837</b>	<b>2,569,785</b>	<b>175,948</b>	<b>19,500</b>	<b>19,500</b>	<b>232,927</b>	<b>213,427</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	744,753	744,753	624,171	120,582	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	61,000	66,000	62,590	3,410
Debt service	-	-	-	-	-	-	-	-
Capital outlay	1,475,410	3,773,081	150,819	3,622,262	-	-	-	-
<b>Total expenditures</b>	<b>2,220,163</b>	<b>4,517,834</b>	<b>774,990</b>	<b>3,742,844</b>	<b>61,000</b>	<b>66,000</b>	<b>62,590</b>	<b>3,410</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>173,674</b>	<b>(2,123,997)</b>	<b>1,794,795</b>	<b>(3,566,896)</b>	<b>(41,500)</b>	<b>(46,500)</b>	<b>170,337</b>	<b>210,017</b>
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	597	597	597	-	112,000	112,000	112,000	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>597</b>	<b>597</b>	<b>597</b>	<b>-</b>	<b>112,000</b>	<b>112,000</b>	<b>112,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 174,271</b>	<b>\$ (2,123,400)</b>	<b>\$ 1,795,392</b>	<b>\$ (3,566,896)</b>	<b>\$ 70,500</b>	<b>\$ 65,500</b>	<b>\$ 282,337</b>	<b>\$ 210,017</b>

(Continued)

# CITY OF HELENA, MONTANA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

### NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	Community Facilities				Police Programs			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	9,500	9,500	9,030	(470)
Intergovernmental	-	-	-	-	2,584,098	2,584,098	2,634,637	50,539
Charges for services	1,589,427	1,589,427	1,602,392	12,965	20,000	20,000	21,693	1,693
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	5,150	5,150	75,001	69,851	3,000	3,000	82,415	79,415
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	5,050	5,050	26,881	21,831	1,360	1,360	1,304	(56)
Total revenues	<u>1,599,627</u>	<u>1,599,627</u>	<u>1,704,274</u>	<u>104,647</u>	<u>2,617,958</u>	<u>2,617,958</u>	<u>2,749,079</u>	<u>131,121</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	2,287,732	2,437,469	2,119,931	317,538
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	2,518,985	2,518,985	2,142,020	376,965	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	3,314	(3,314)
Capital outlay	673,900	767,900	109,255	658,645	469,000	1,664,000	414,337	1,249,663
Total expenditures	<u>3,192,885</u>	<u>3,286,885</u>	<u>2,251,275</u>	<u>1,035,610</u>	<u>2,756,732</u>	<u>4,101,469</u>	<u>2,537,582</u>	<u>1,563,887</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,593,258)</u>	<u>(1,687,258)</u>	<u>(547,001)</u>	<u>(930,963)</u>	<u>(138,774)</u>	<u>(1,483,511)</u>	<u>211,497</u>	<u>(1,432,766)</u>
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	363,397	457,397	457,397	-	3,854	753,854	753,854	-
Transfers out	-	-	-	-	(15,000)	(15,000)	(19,724)	4,724
Total other financing sources (uses)	<u>363,397</u>	<u>457,397</u>	<u>457,397</u>	<u>-</u>	<u>(11,146)</u>	<u>738,854</u>	<u>734,130</u>	<u>4,724</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,229,861)</u>	<u>\$ (1,229,861)</u>	<u>\$ (89,604)</u>	<u>\$ (930,963)</u>	<u>\$ (149,920)</u>	<u>\$ (744,657)</u>	<u>\$ 945,627</u>	<u>\$ (1,428,042)</u>

(Continued)

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	Fire Programs				Open Space Maintenance District			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ 1,009,292	\$ 1,009,292	\$ 1,002,197	\$ (7,095)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	550,750	550,750	643,315	92,565
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	593,400	593,400	-	(593,400)	3,738	77,088	43,368	(33,720)
Charges for services	-	-	-	-	4,000	4,000	7,180	3,180
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	1,500	1,500	35,412	33,912	1,100	1,100	22,463	21,363
Contributions and donations	-	-	-	-	-	-	37,800	37,800
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>1,604,192</u>	<u>1,604,192</u>	<u>1,037,609</u>	<u>(566,583)</u>	<u>559,588</u>	<u>632,938</u>	<u>754,126</u>	<u>121,188</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	625,612	698,962	586,564	112,398
Community development	-	-	-	-	-	-	-	-
Debt service	98,261	98,261	97,882	379	-	-	-	-
Capital outlay	731,020	941,920	282,820	659,100	-	40,000	39,500	500
Total expenditures	<u>829,281</u>	<u>1,040,181</u>	<u>380,702</u>	<u>659,479</u>	<u>625,612</u>	<u>738,962</u>	<u>626,064</u>	<u>112,898</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>774,911</u>	<u>564,011</u>	<u>656,907</u>	<u>(1,226,062)</u>	<u>(66,024)</u>	<u>(106,024)</u>	<u>128,062</u>	<u>8,290</u>
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	58,488	58,488	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	-	47,000	47,000	-	-	-	20,582	20,582
Transfers out	(692,220)	(692,220)	(692,220)	-	(19,468)	(19,468)	-	(19,468)
Total other financing sources (uses)	<u>(692,220)</u>	<u>(645,220)</u>	<u>(586,732)</u>	<u>58,488</u>	<u>(19,468)</u>	<u>(19,468)</u>	<u>20,582</u>	<u>1,114</u>
<b>Net Change in Fund Balance</b>	<u>\$ 82,691</u>	<u>\$ (81,209)</u>	<u>\$ 70,175</u>	<u>\$ (1,167,574)</u>	<u>\$ (85,492)</u>	<u>\$ (125,492)</u>	<u>\$ 148,644</u>	<u>\$ 9,404</u>

(Continued)

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	Urban Forestry Maintenance District				CARES/ARPA			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	480,500	480,500	481,773	1,273	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,170	1,170	1,170	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	1,000	1,000	13,672	12,672	15,000	15,000	11,919	(3,081)
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	9,000	9,000	-	(9,000)	-	-	-	-
Total revenues	491,670	491,670	496,615	4,945	15,000	15,000	11,919	(3,081)
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	6,704,893	6,704,893	-	6,704,893
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	510,738	505,959	500,180	5,779	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	50,000	54,779	53,970	809	-	-	-	-
Total expenditures	560,738	560,738	554,150	6,588	6,704,893	6,704,893	-	6,704,893
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(69,068)	(69,068)	(57,535)	(1,643)	(6,689,893)	(6,689,893)	11,919	(6,707,974)
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	793	793	793	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	793	793	793	-	-	-	-	-
<b>Net Change in Fund Balance</b>	\$ (68,275)	\$ (68,275)	\$ (56,742)	\$ (1,643)	\$ (6,689,893)	\$ (6,689,893)	\$ 11,919	\$ (6,707,974)

(Continued)



**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	Light Maintenance Districts				Total			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,009,292	\$ 1,009,292	\$ 1,002,197	\$ (7,095)
Special assessments	1,002,494	1,002,494	912,602	(89,892)	4,404,509	4,404,509	4,430,176	25,667
Licenses and permits	-	-	-	-	9,500	9,500	9,030	(470)
Intergovernmental	-	-	-	-	3,200,978	3,274,328	2,830,943	(443,385)
Charges for services	-	-	-	-	1,613,427	1,613,427	1,631,265	17,838
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	35,750	35,750	499,132	463,382
Contributions and donations	-	-	-	-	15,000	15,000	37,800	22,800
Miscellaneous	-	-	-	-	15,410	15,410	28,393	12,983
Total revenues	1,002,494	1,002,494	912,602	(89,892)	10,303,866	10,377,216	10,468,936	91,720
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	8,992,625	9,142,362	2,119,931	7,022,431
Public works	1,016,872	1,016,872	899,430	117,442	1,761,625	1,761,625	1,523,601	238,024
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	3,655,335	3,723,906	3,228,764	495,142
Community development	-	-	-	-	61,000	66,000	62,590	3,410
Debt service	-	-	-	-	98,261	98,261	101,196	(2,935)
Capital outlay	-	-	-	-	3,399,330	7,241,680	1,050,701	6,190,979
Total expenditures	1,016,872	1,016,872	899,430	117,442	17,968,176	22,033,834	8,086,783	13,947,051
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(14,378)	(14,378)	13,172	(207,334)	(7,664,310)	(11,656,618)	2,382,153	(13,855,331)
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	58,488	58,488
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	480,641	1,371,641	1,392,223	20,582
Transfers out	-	-	-	-	(726,688)	(726,688)	(711,944)	(14,744)
Total other financing sources (uses)	-	-	-	-	(246,047)	644,953	738,767	64,326
<b>Net Change in Fund Balance</b>	\$ (14,378)	\$ (14,378)	\$ 13,172	\$ (207,334)	\$ (7,910,357)	\$ (11,011,665)	\$ 3,120,920	\$ (13,791,005)

(Concluded)

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR DEBT SERVICE FUNDS

YEAR ENDED JUNE 30, 2023

	Special Improvement Districts Revolving				Park and Recreation General Obligation Refunding			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 555,750	\$ 555,750	\$ 557,531	\$ 1,781
Special assessments	-	-	2	2	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	1,000	1,000	16,045	15,045
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	-	2	2	556,750	556,750	573,576	16,826
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	102	102	102	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	400	(400)
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	552,900	552,900	545,650	7,250
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	102	102	102	-	552,900	552,900	546,050	6,850
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(102)	(102)	(100)	2	3,850	3,850	27,526	9,976
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ (102)</u>	<u>\$ (102)</u>	<u>\$ (100)</u>	<u>\$ 2</u>	<u>\$ 3,850</u>	<u>\$ 3,850</u>	<u>\$ 27,526</u>	<u>\$ 9,976</u>

(Continued)

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR DEBT SERVICE FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	Total			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 555,750	\$ 555,750	\$ 557,531	\$ 1,781
Special assessments	-	-	2	2
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	1,000	1,000	16,045	15,045
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>556,750</u>	<u>556,750</u>	<u>573,578</u>	<u>16,828</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	102	102	102	-
Public health	-	-	-	-
Culture and recreation	-	-	400	(400)
Community development	-	-	-	-
Debt service	552,900	552,900	545,650	7,250
Capital outlay	-	-	-	-
Total expenditures	<u>553,002</u>	<u>553,002</u>	<u>546,152</u>	<u>6,850</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,748</u>	<u>3,748</u>	<u>27,426</u>	<u>9,978</u>
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	-	-	-	-
Proceeds from insurance settlements	-	-	-	-
Subscription-based information technology agreements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 3,748</u>	<u>\$ 3,748</u>	<u>\$ 27,426</u>	<u>\$ 9,978</u>

(Concluded)

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2023

	Capital Improvements				Special Improvements Districts Construction			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	147	147	-	-	-	-
Licenses and permits	8,622	8,622	7,789	(833)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	66,500	66,500	136,055	69,555	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	5,500	5,500	189,061	183,561	-	-	-	-
Contributions and donations	700	700	206	(494)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	81,322	81,322	333,258	251,936	-	-	-	-
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	45,947	(45,947)
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	220,380	460,614	150,221	310,393	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	774,893	3,784,997	2,025,577	1,759,420	-	-	-	-
Total expenditures	995,273	4,245,611	2,175,798	2,069,813	-	-	45,947	(45,947)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(913,951)	(4,164,289)	(1,842,540)	(1,817,877)	-	-	(45,947)	45,947
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	1,012,594	1,012,594	-	-	-	-
Transfers in	744,427	1,844,147	1,984,147	140,000	-	-	-	-
Transfers out	(350,000)	(889,520)	(49,376)	(840,144)	-	-	-	-
Total other financing sources (uses)	394,427	954,627	2,947,365	312,450	-	-	-	-
<b>Net Change in Fund Balance</b>	\$ (519,524)	\$ (3,209,662)	\$ 1,104,825	\$ (1,505,427)	\$ -	\$ -	\$ (45,947)	\$ 45,947

(Continued)

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	TIF Railroad Districts				TIF Downtown District			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ 323,848	\$ 323,848	\$ 297,387	\$ (26,461)	\$ 181,300	\$ 181,300	\$ 314,979	\$ 133,679
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	8,335	8,335	-	-	29,300	29,300
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	500	500	22,619	22,119	500	500	13,385	12,885
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>324,348</u>	<u>324,348</u>	<u>328,341</u>	<u>3,993</u>	<u>181,800</u>	<u>181,800</u>	<u>357,664</u>	<u>175,864</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	227,000	227,000	47,773	179,227	180,000	180,000	17,567	162,433
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>227,000</u>	<u>227,000</u>	<u>47,773</u>	<u>179,227</u>	<u>180,000</u>	<u>180,000</u>	<u>17,567</u>	<u>162,433</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>97,348</u>	<u>97,348</u>	<u>280,568</u>	<u>(175,234)</u>	<u>1,800</u>	<u>1,800</u>	<u>340,097</u>	<u>13,431</u>
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 97,348</u>	<u>\$ 97,348</u>	<u>\$ 280,568</u>	<u>\$ (175,234)</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 340,097</u>	<u>\$ 13,431</u>

(Continued)

**CITY OF HELENA, MONTANA**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

NON-MAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2023  
(Continued)

	TIF Capital Mall District				Total			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ 141,600	\$ 141,600	\$ 183,765	\$ 42,165	\$ 646,748	\$ 646,748	\$ 796,131	\$ 149,383
Special assessments	-	-	-	-	-	-	147	147
Licenses and permits	-	-	-	-	8,622	8,622	7,789	(833)
Intergovernmental	-	-	10,078	10,078	-	-	47,713	47,713
Charges for services	-	-	-	-	66,500	66,500	136,055	69,555
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	150	150	8,971	8,821	6,650	6,650	234,036	227,386
Contributions and donations	-	-	-	-	700	700	206	(494)
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	141,750	141,750	202,814	61,064	729,220	729,220	1,222,077	492,857
<b>Expenditures:</b>								
General government	200,000	200,000	-	200,000	200,000	200,000	45,947	154,053
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	220,380	460,614	150,221	310,393
Community development	-	-	-	-	407,000	407,000	65,340	341,660
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	774,893	3,784,997	2,025,577	1,759,420
Total expenditures	200,000	200,000	-	200,000	1,602,273	4,852,611	2,287,085	2,565,526
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(58,250)	(58,250)	202,814	(138,936)	(873,053)	(4,123,391)	(1,065,008)	(2,072,669)
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	1,012,594	1,012,594
Transfers in	-	-	-	-	744,427	1,844,147	1,984,147	140,000
Transfers out	-	-	-	-	(350,000)	(889,520)	(49,376)	(840,144)
Total other financing sources (uses)	-	-	-	-	394,427	954,627	2,947,365	312,450
<b>Net Change in Fund Balance</b>	\$ (58,250)	\$ (58,250)	\$ 202,814	\$ (138,936)	\$ (478,626)	\$ (3,168,764)	\$ 1,882,357	\$ (1,760,219)

(Concluded)

## **COMPONENT UNITS**

The Helena Tourism Business Improvement District (TBID) is a component unit of the City. The TBID does not issue a separate financial report. Accounting principles generally accepted in the United States (U.S. GAAP) require the City to present combining fund statements if the component units do not present separate financial statements. The TBID is made up of two governmental funds. Combining statements are reported here as required by U.S. GAAP.

# CITY OF HELENA, MONTANA

## COMBINING BALANCE SHEET GOVERNMENTAL FUNDS

### HELENA TOURISM BUSINESS IMPROVEMENT DISTRICT

JUNE 30, 2023

	General	Special Revenue Tourism Alliance	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 323,261	\$ 15,186	\$ 338,447
Taxes receivable, net of allowance for uncollectibles	51,725	-	51,725
Prepaid expenses	80	-	80
Internal balances	16,165	(16,165)	-
<b>Total Assets</b>	<b>391,231</b>	<b>(979)</b>	<b>390,252</b>
<b>Liabilities</b>			
Accounts payable	29,500	-	29,500
Payroll liabilities	-	5,544	5,544
Other liabilities	3,386	-	3,386
<b>Total Liabilities</b>	<b>32,886</b>	<b>5,544</b>	<b>38,430</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflow - special assessments	51,725	-	51,725
<b>Total Deferred Inflows of Resources</b>	<b>51,725</b>	<b>-</b>	<b>51,725</b>
<b>Fund Balances</b>			
Unassigned	306,620	(6,523)	300,097
<b>Total Fund Balances</b>	<b>306,620</b>	<b>(6,523)</b>	<b>300,097</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 391,231</b>	<b>\$ (979)</b>	<b>\$ 390,252</b>

Reconciliation to the balance sheet of governmental funds to the statement of net position

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

Ending fund balance	\$ 300,097		
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Compensated absences	(12,966)		
Net position of governmental activities	\$ 287,131		



# CITY OF HELENA, MONTANA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### HELENA TOURISM BUSINESS IMPROVEMENT DISTRICT

YEAR ENDED JUNE 30, 2023

	General	Special Revenue Tourism Alliance	Total
<b>Revenues:</b>			
Special assessments	\$ 527,737	\$ -	\$ 527,737
Contributions	-	-	-
Charges for services	-	-	-
Investment earnings	325	-	325
Other income	724	149	873
Total revenues	528,786	149	528,935
<b>Expenditures:</b>			
Community development	413,497	189,300	602,797
Total expenditures	413,497	189,300	602,797
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>115,289</b>	<b>(189,151)</b>	<b>(73,862)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	182,600	182,600
Transfers out	(182,600)	-	(182,600)
Total other financing sources (uses)	(182,600)	182,600	-
<b>Net Change in Fund Balance</b>	<b>(67,311)</b>	<b>(6,551)</b>	<b>(73,862)</b>
<b>Fund Balance:</b>			
Beginning of year	373,931	28	373,959
End of year	\$ 306,620	\$ (6,523)	\$ 300,097

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities

Net change in fund balance - total governmental funds \$ (73,862)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives reported as depreciation expense. This is the amount by which depreciation and other changes exceeded capital outlays in the current period.

Depreciation expense (1,030)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the government funds.

Compensated absences (1,504)

Change in net position of governmental activities \$ (76,396)

**CITY OF HELENA, MONTANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2023

<u>Federal Grantor / Pass-Through Grantor / Project Title</u>	<u>Federal ALN</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b><u>U.S. Department of Agriculture</u></b>				
Passed Through the Montana Department of Natural Resources and Conservation: Cooperative Forestry Assistance	10.664	20-DG-11010000-024	\$ 31,730	\$ -
Total U.S. Department of Agriculture			<u>31,730</u>	<u>-</u>
<b><u>U.S. Department of the Interior</u></b>				
Secure Rural Schools and Community Self-Determination	15.234	22-CS-11011500-030	7,900	-
Total U.S. Department of the Interior			<u>7,900</u>	<u>-</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>				
Passed Through the Montana Department of Commerce: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	MT-CDBG-PG-19-07	20,000	20,000
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	MT-CDBG-19HSP-02	21,772	21,772
COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	MT-CDBG-CV-22-06	27,616	27,616
Total U.S. Department of Housing and Urban Development			<u>69,388</u>	<u>69,388</u>
<b><u>U.S. Department of Justice:</u></b>				
Bulletproof Vest Partnership Program	16.607	FY22 BVP Funds	4,837	-
Passed Through the Montana Board of Crime Control: Crime Victim Assistance (VOCA)	16.575	23-V01-1375	67,965	-
Violence Against Women Formula Grants (VAWA)	16.588	23-W02-1485	52,748	-
Passed Through Lewis & Clark County: Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02631-JAGX	19,724	19,724
Passed Through Gallatin County: Edward Byrne Memorial Justice Assistance Grant Program	16.738	23-G01-1345	49,787	49,787
Subtotal 16.738			<u>69,511</u>	<u>69,511</u>
Total U.S. Department of Justice			<u>195,061</u>	<u>69,511</u>
<b><u>U.S. Department of Transportation:</u></b>				
Passed Through Montana Department of Transportation: Formula Grants for Rural Areas and Tribal Transit Program	20.509	5311-111297	1,042,897	-
Highway Safety Cluster: National Priority Safety Programs	20.616	112343	32,814	-
Total Highway Safety Cluster			<u>32,814</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,075,711</u>	<u>-</u>
<b><u>U.S. Executive Office of the President:</u></b>				
Passed Through Lewis & Clark County: High Intensity Drug Trafficking Areas Program	95.001	G20RM0036A	8,178	-
Total U.S. Executive Office of the President			<u>8,178</u>	<u>-</u>
<b><u>U.S. Department of Homeland Security:</u></b>				
Passed Through Montana Department of Military Affairs, Disaster and Emergency Services: Homeland Security Grant Program	97.067	EMW-2021-SS-00042	17,971	-
Homeland Security Grant Program	97.067	EMW-2020-SS-00078	115,235	-
Homeland Security Grant Program	97.067	EMW-2020-SS-00018	64,828	-
Passed Through Billings Fire Department: Homeland Security Grant Program	97.067	EMW-2020-SS-00018	6,000	-
Total Department of Homeland Security			<u>204,034</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,592,002</u>	<u>\$ 138,899</u>

See accompanying notes to schedule of expenditures of federal awards.

# CITY OF HELENA, MONTANA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

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### **1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Helena (City) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). 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.

### **2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the 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. The City has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## **STATISTICAL SECTION**

# STATISTICAL SECTION

This part of the City of Helena's (City) annual comprehensive 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.

<b>Contents</b>	<b>Page</b>
<u>Financial Trends</u>	
These schedules contain trend information to improve the reader's understanding of how the City's financial performance and well-being have changed over time.	VI – 3
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the City's most significant local revenue source: property taxes.	VI – 6
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	VI – 11
<u>Demographic and Economic Information</u>	
These schedules offer demographic and economic indicators to improve the reader's understanding of the environment in which the City's financial activities take place.	VI – 16
<u>Operating Information</u>	
These schedules contain service and infrastructure data to improve the reader's understanding of how the information in the City's financial report relates to the services the government provides and the activities it performs.	VI – 17
<u>Miscellaneous Statistics</u>	
These schedules are intended to present other information the City feels is necessary for its users.	VI – 21
<u>The Water System</u> - presents information about the City's water system as required in bond covenants.	
<u>The Wastewater System</u> - presents information about the City's wastewater system as required in bond covenants.	
<u>Special Improvement Districts (SID) Revolving Fund/Statement of Changes in Fund Balance</u> -presents information about the City's SID Revolving Fund as is required in bond covenants.	

Special Improvement Districts Revolving Fund/Cash Balance and Outstanding Bonds Secured Thereby - presents information about bonds secured by the City's SID Revolving Fund and the amount of cash securing them.

Special Improvement District Bond/Special Assessment Billings and Collections - presents information about assessment revenues billed, owing, and collected for payment of these bonds.

Railroad Tax Increment Financing District/Property Tax Levies and Collections - presents information regarding the amount of property taxes levied and collected to support the district.

Downtown Tax Increment Financing District/Property Tax Levies and Collections - presents information regarding the amount of property taxes levied and collected to support the district.

**CITY OF HELENA, MONTANA**

NET POSITION BY COMPONENT - LAST TEN YEARS

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 143,238,126	\$ 138,334,845	\$ 137,041,118	\$ 139,254,305	\$ 130,768,106	\$ 129,370,594	\$ 127,387,996	\$ 126,448,587	\$ 112,997,297	\$ 104,044,169
Restricted	8,234,765	38,392,080	25,625,200	17,323,027	11,140,729	10,179,868	11,521,903	12,000,238	9,969,118	10,259,787
Unrestricted	19,593,070	(9,645,214)	(4,235,354)	(11,977,161)	(4,849,462)	(4,888,987)	(5,071,175)	(5,301,510)	(3,648,813)	8,476,396
<b>Total governmental activities net position</b>	<b>\$ 171,065,961</b>	<b>\$ 167,081,711</b>	<b>\$ 158,430,964</b>	<b>\$ 144,600,171</b>	<b>\$ 137,059,373</b>	<b>\$ 134,661,475</b>	<b>\$ 133,838,724</b>	<b>\$ 133,147,315</b>	<b>\$ 119,317,602</b>	<b>\$ 122,780,352</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 149,351,583	\$ 141,526,645	\$ 143,177,781	\$ 137,151,058	\$ 138,938,912	\$ 129,901,321	\$ 125,406,279	\$ 125,294,720	\$ 117,255,708	\$ 107,502,635
Restricted	1,266,489	28,792,457	13,280,856	3,274,243	1,719,012	1,718,447	1,828,652	2,773,367	2,782,860	1,937,111
Unrestricted	33,446,518	3,779,798	9,206,061	19,544,795	14,951,125	17,933,829	19,577,629	15,392,015	13,978,228	14,911,713
<b>Total business-type activities net position</b>	<b>\$ 184,064,590</b>	<b>\$ 174,098,900</b>	<b>\$ 165,664,698</b>	<b>\$ 159,970,096</b>	<b>\$ 155,609,049</b>	<b>\$ 149,553,597</b>	<b>\$ 146,812,560</b>	<b>\$ 143,460,102</b>	<b>\$ 134,016,796</b>	<b>\$ 124,351,459</b>
<b>Primary government:</b>										
Net investment in capital assets	\$ 292,589,709	\$ 279,861,490	\$ 280,218,899	\$ 276,405,363	\$ 269,707,018	\$ 259,271,915	\$ 252,794,275	\$ 251,743,307	\$ 230,253,005	\$ 211,546,804
Restricted	9,501,254	67,184,537	38,906,055	20,597,270	12,859,741	11,898,315	13,350,555	14,773,605	12,751,978	12,196,898
Unrestricted	53,039,588	(5,865,416)	4,970,707	7,567,634	10,101,663	13,044,842	14,506,454	10,090,505	10,329,415	23,388,109
<b>Total primary government net position</b>	<b>\$ 355,130,551</b>	<b>\$ 341,180,611</b>	<b>\$ 324,095,661</b>	<b>\$ 304,570,267</b>	<b>\$ 292,668,422</b>	<b>\$ 284,215,072</b>	<b>\$ 280,651,284</b>	<b>\$ 276,607,417</b>	<b>\$ 253,334,398</b>	<b>\$ 247,131,811</b>

CITY OF HELENA, MONTANA

CHANGES IN NET POSITION - LAST TEN YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 2,328,408	\$ 5,283,196	\$ 2,079,433	\$ 3,151,905	\$ 2,473,932	\$ 3,036,845	\$ 2,784,547	\$ 2,312,861	\$ 2,462,445	\$ 2,499,590
Public safety	20,071,239	17,953,590	19,442,038	16,980,222	15,625,931	14,930,310	13,858,480	13,509,042	13,080,712	13,231,206
Public works	8,855,074	9,300,006	7,791,635	7,822,691	7,466,323	6,517,871	6,227,931	5,589,151	6,128,853	5,662,887
Public health	144,666	126,375	100,425	91,084	108,097	188,800	230,818	235,321	229,590	225,331
Culture and recreation	6,705,086	5,868,110	5,614,783	4,659,172	4,978,638	4,641,148	4,760,319	4,360,431	4,370,730	3,986,908
Community development	827,314	1,201,983	1,239,898	994,638	1,653,385	799,505	560,099	927,252	896,997	565,194
Intergovernmental	-	-	-	-	13,919	-	11,849	-	-	17,620
Interest on long-term debt	156,112	121,253	172,394	131,100	138,732	162,792	187,449	261,594	71,187	761,726
Total governmental activities expenses	39,087,899	39,854,513	36,440,606	33,830,812	32,458,957	30,277,271	28,621,492	27,195,652	27,240,514	26,950,462
<b>Business-type activities:</b>										
Water	7,209,705	6,670,785	7,237,377	6,948,747	6,262,623	6,353,763	6,527,186	5,948,722	5,682,401	5,845,585
Waste water	4,653,288	4,238,054	4,491,872	4,216,097	4,281,630	3,905,694	3,832,496	3,840,425	3,763,125	3,677,766
Solid waste	3,709,506	3,471,806	3,848,570	3,363,018	3,217,794	3,914,718	2,527,796	2,804,327	2,774,054	3,005,956
Transfer station	3,385,590	3,071,589	3,155,076	3,086,794	2,917,765	2,898,935	2,999,596	2,804,491	2,884,298	2,795,143
Parking	1,758,174	1,731,661	1,839,104	1,967,777	1,787,009	1,854,018	1,615,543	1,616,030	1,774,216	-
Golf course	2,094,635	2,125,520	2,123,950	1,677,501	2,170,807	1,437,446	1,378,934	1,346,433	1,302,066	2,396,277
Bus	1,858,205	1,730,348	1,698,131	1,586,514	1,733,548	1,742,719	1,707,372	1,340,154	1,340,586	1,541,443
Other activities	2,817,476	2,585,248	2,675,069	2,458,884	2,294,153	2,082,131	1,974,257	1,943,910	1,946,026	1,833,516
Total business-type activities expenses	27,486,939	25,625,011	27,069,149	25,305,332	24,658,969	24,189,424	22,563,180	21,644,492	21,466,772	21,095,686
Total primary government expenses	\$ 66,574,838	\$ 65,479,524	\$ 63,509,755	\$ 59,136,144	\$ 57,117,926	\$ 54,466,695	\$ 51,184,672	\$ 48,840,144	\$ 48,707,286	\$ 48,046,148
<b>Program Revenues:</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 232,796	\$ 182,246	\$ 569,782	\$ 653,762	\$ 850,363	\$ 776,923	\$ 930,972	\$ 933,136	\$ 1,011,040	\$ 910,160
Public safety	1,132,991	642,810	5,806,676	4,135,574	2,995,632	2,827,107	2,519,299	2,438,728	2,424,719	1,250,499
Public works	10,895,229	11,071,671	11,009,061	10,511,471	7,819,308	6,488,305	5,820,802	5,374,585	5,147,857	4,972,860
Public health	53,573	27,827	29,497	34,805	34,038	38,685	37,906	42,505	38,805	39,092
Culture and recreation	3,109,200	2,478,951	1,878,259	3,066,355	2,672,516	2,042,207	2,058,972	2,544,201	2,414,957	1,907,827
Community development	366,619	393,137	130,478	582,748	1,078,322	255,309	33,589	414,227	448,664	74,265
Operating grants and contributions	12,802,601	14,417,774	12,828,359	6,951,335	3,344,495	2,636,652	2,938,264	2,600,111	3,593,753	4,336,569
Capital grants and contributions	633,196	49,069	32,000	-	342,062	146,862	1,194,086	11,960,203	9,033,942	401,840
Total governmental activities program revenues	29,226,205	29,263,485	32,308,112	25,936,050	19,136,736	15,212,050	15,533,890	26,307,696	24,113,737	13,893,112
<b>Business-type activities:</b>										
Water	\$ 9,777,838	9,928,870	9,937,707	8,452,071	8,329,202	8,001,154	8,689,273	6,857,902	6,848,752	6,583,279
Waste water	6,462,739	6,579,051	6,819,087	6,147,366	5,643,905	4,684,320	4,646,670	4,422,625	4,231,987	4,221,124
Solid waste	3,719,428	3,786,056	3,526,899	3,432,181	3,428,248	3,296,827	3,296,934	3,471,427	3,407,846	3,348,161
Transfer station	2,677,913	2,824,940	2,807,142	2,676,681	2,428,905	2,480,033	2,568,365	2,636,743	2,999,698	3,002,835
Parking	1,953,515	1,922,175	1,858,461	1,793,831	1,759,326	1,615,268	1,738,246	1,763,047	1,794,908	-
Golf course	1,955,121	1,753,055	1,879,666	1,530,191	1,746,898	1,318,807	1,308,364	1,379,110	1,400,988	1,281,362
Bus	32,385	21,528	20,461	65,017	142,751	181,262	224,606	146,952	196,189	307,593
Other activities	4,563,506	3,264,769	3,133,969	2,520,874	2,243,111	2,340,183	2,251,768	2,149,382	1,995,117	1,910,091
Operating grants and contributions	1,872,365	1,903,796	1,947,065	1,739,535	1,702,931	1,081,538	1,311,418	1,267,118	974,042	961,869
Capital grants and contributions	-	735,000	-	10,376	726,328	1,074,948	1,677,932	1,659,156	4,341,452	1,260,497
Total business-type activities revenues	33,024,810	32,719,240	31,930,457	28,368,123	28,156,605	26,074,340	25,893,576	30,613,462	28,190,979	22,876,811
Total primary government revenues	\$ 62,251,015	\$ 61,982,725	\$ 64,238,569	\$ 54,304,173	\$ 47,293,341	\$ 41,286,390	\$ 41,427,466	\$ 56,921,158	\$ 52,304,716	\$ 36,769,923
<b>Net (Expenses)/Revenues:</b>										
Governmental activities	\$ (9,861,694)	\$ (10,591,028)	\$ (4,132,494)	\$ (7,894,762)	\$ (13,322,221)	\$ (15,065,221)	\$ (13,087,602)	\$ (887,956)	\$ (3,126,777)	\$ (13,057,350)
Business-type activities	5,537,871	7,094,229	4,861,308	3,062,791	3,497,636	1,884,916	3,330,396	8,968,970	6,724,207	1,781,125
Total primary government net (expenses) revenues	\$ (4,323,823)	\$ (3,496,799)	\$ 728,814	\$ (4,831,971)	\$ (9,824,585)	\$ (13,180,305)	\$ (9,757,206)	\$ 8,081,014	\$ 3,597,430	\$ (11,276,225)
<b>General Revenues and other Changes in Net Position:</b>										
<b>Governmental activities:</b>										
Property taxes	\$ 13,884,885	\$ 13,651,843	\$ 13,115,613	\$ 10,514,624	\$ 11,620,191	\$ 10,797,141	\$ 10,329,375	\$ 9,939,895	\$ 9,627,235	\$ 9,813,380
Motor vehicle taxes	965,755	1,210,782	1,153,193	1,054,649	1,028,710	891,652	853,548	826,785	774,849	688,338
Unrestricted grants and contributions	-	4,819,847	4,617,261	4,525,417	4,409,295	4,334,645	4,210,367	4,259,548	4,132,618	4,622,584
Investment earnings	1,600,932	114,415	40,479	314,922	463,553	291,269	157,354	91,441	31,507	34,930
Gain on the sale of capital assets	27,465	80,441	42,562	132,464	2,850	20,157	58,539	-	28,257	12,912
Miscellaneous	134,267	-	-	-	-	-	-	-	-	-
Transfers	(2,825,848)	(787,505)	(737,845)	(848,659)	(1,804,481)	(446,892)	(407,904)	(375,000)	(1,775,194)	(364,500)
Insurance settlements	58,488	151,952	-	-	-	-	-	-	-	-
Special item	-	-	-	-	-	-	-	(25,000)	-	-
Total governmental activities	13,845,944	19,241,775	18,231,263	15,693,417	15,720,118	15,887,972	15,301,279	14,717,669	12,819,272	14,807,644
<b>Business-type activities:</b>										
Investment earnings	1,542,746	94,801	56,084	449,598	617,860	396,725	188,875	81,993	18,808	18,257
Gain on sale of capital assets	19,455	72,028	34,983	-	135,475	12,504	5,925	17,343	30,695	240,000
Miscellaneous	39,770	-	-	-	-	-	-	-	-	-
Transfers	2,825,848	787,505	737,845	848,659	1,804,481	446,892	407,904	375,000	1,775,194	364,500
Special item	-	385,639	-	-	-	-	-	-	7,391,153	-
Total business-type activities	4,427,819	1,339,973	828,912	1,298,257	2,557,816	856,121	602,704	474,336	9,215,850	622,757
Total primary government	\$ 18,273,763	\$ 20,581,748	\$ 19,060,175	\$ 16,991,674	\$ 18,277,934	\$ 16,744,093	\$ 15,903,983	\$ 15,192,005	\$ 22,035,122	\$ 15,430,401
<b>Change in Net Position:</b>										
Governmental activities	\$ 3,984,250	\$ 8,650,747	\$ 14,098,769	\$ 7,798,655	\$ 2,397,897	\$ 822,751	\$ 2,213,677	\$ 13,829,713	\$ 9,692,495	\$ 1,750,294
Business-type activities	9,965,690	8,434,202	5,690,220	4,361,048	6,055,452	2,741,037	3,933,100	9,443,306	15,940,057	2,403,882
Total primary government change in net position	\$ 13,949,940	\$ 17,084,949	\$ 19,788,989	\$ 12,159,703	\$ 8,453,349	\$ 3,563,788	\$ 6,146,777	\$ 23,273,019	\$ 25,632,552	\$ 4,154,176



## CITY OF HELENA, MONTANA

### FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Fund:</b>										
Nonspendable	\$ 29,143	\$ 1,317,033	\$ 124,494	\$ 6,287	\$ 9,780	\$ 7,697	\$ 16,902	\$ 13,663	\$ 14,774	\$ 19,264
Restricted	246,648	92,447	86,789	132,814	144,235	67,937	73,800	62,473	113,730	64,044
Committed	2,939,597	1,426,620	17,000	-	-	-	-	42,273	117,273	-
Assigned	36,343	378,850	444,000	47,934	163,852	824,027	32,596	5,000	6,000	2,386
Unassigned	9,949,717	13,058,159	11,778,130	10,300,640	6,426,782	4,609,737	5,376,401	5,436,164	6,770,453	6,559,029
<b>Total General Fund</b>	<b>\$ 13,201,448</b>	<b>\$ 16,273,109</b>	<b>\$ 12,450,413</b>	<b>\$ 10,487,675</b>	<b>\$ 6,744,649</b>	<b>\$ 5,509,398</b>	<b>\$ 5,499,699</b>	<b>\$ 5,559,573</b>	<b>\$ 7,022,230</b>	<b>\$ 6,644,723</b>
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ 306,593	\$ 360,393	\$ 5,585,036	\$ 965,972	\$ 286,611	\$ 280,299	\$ 387,233	\$ 394,047	\$ 248,965	\$ 295,288
Restricted	7,988,117	4,640,241	10,800,937	7,661,558	12,487,883	11,142,220	12,711,213	11,937,765	9,855,388	10,195,743
Committed	2,841,966	6,732,761	4,215,205	2,931,907	1,807,477	1,781,734	1,488,727	1,553,024	1,576,584	1,446,792
Assigned	18,967,602	20,068,474	4,796,737	5,598,507	2,420,721	4,138,428	3,119,020	2,544,285	2,791,027	2,401,501
Unassigned	6,059,425	-	(528,674)	(44,075)	(68,957)	(50,485)	(51,433)	(281,618)	(150,931)	(146,969)
<b>Total all Other Governmental Funds</b>	<b>\$ 36,163,703</b>	<b>\$ 31,801,869</b>	<b>\$ 24,869,241</b>	<b>\$ 17,113,869</b>	<b>\$ 16,933,735</b>	<b>\$ 17,292,196</b>	<b>\$ 17,654,760</b>	<b>\$ 16,147,503</b>	<b>\$ 14,321,033</b>	<b>\$ 14,192,355</b>

# CITY OF HELENA, MONTANA

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Property taxes	\$ 14,639,284	\$ 13,651,063	\$ 13,091,139	\$ 12,608,166	\$ 11,518,252	\$ 10,799,382	\$ 10,386,161	\$ 9,940,730	\$ 10,138,026	\$ 11,376,883
Motor vehicle taxes	965,755	1,210,782	1,153,193	1,054,649	1,028,710	891,652	853,548	826,785	774,849	688,338
Special assessments	11,599,155	11,476,251	11,211,778	11,141,122	8,345,193	7,021,904	6,409,137	5,911,386	5,718,233	5,677,012
Licenses and permits	629,452	643,584	681,073	665,401	688,404	545,630	633,332	638,250	638,327	737,162
Intergovernmental	9,649,990	16,961,632	13,972,271	11,550,618	9,147,355	7,357,020	7,658,087	7,961,957	8,533,328	9,238,030
Charges for services	2,674,961	2,164,828	2,474,136	1,952,050	2,091,774	1,779,690	1,632,309	2,063,152	1,922,226	1,820,517
Fines	449,309	398,979	444,690	571,191	540,899	523,678	535,033	585,401	650,074	713,420
Investment earnings	1,600,932	128,401	60,546	314,922	479,082	291,269	157,354	91,441	31,507	34,930
Miscellaneous	729,386	133,118	516,602	353,426	305,423	372,789	415,052	727,425	551,325	283,980
<b>Total revenues</b>	<b>42,938,224</b>	<b>46,768,638</b>	<b>43,605,428</b>	<b>40,211,545</b>	<b>34,145,092</b>	<b>29,583,014</b>	<b>28,680,013</b>	<b>28,746,527</b>	<b>28,957,895</b>	<b>30,570,272</b>
<b>Expenditures:</b>										
General government	1,988,429	4,457,975	2,270,942	2,880,223	2,324,298	2,785,665	2,467,576	2,150,391	2,343,318	2,192,450
Public safety	15,987,611	15,450,138	14,738,531	14,108,886	13,381,503	12,631,086	11,786,301	11,722,710	11,487,514	12,524,881
Public works	6,308,231	7,240,016	6,349,554	5,979,935	5,551,877	5,307,073	5,192,118	4,583,452	5,185,550	4,746,026
Public health	152,937	70,566	83,318	83,813	146,113	173,517	232,168	236,745	227,565	222,301
Culture and recreation	5,757,850	5,528,873	4,030,122	3,954,455	4,158,847	3,691,666	3,800,002	3,655,584	3,788,237	3,331,804
Community development	772,491	1,179,802	1,202,462	973,675	1,653,251	773,214	556,388	934,609	875,627	556,037
Intergovernmental	-	-	-	-	13,919	-	11,849	-	-	17,620
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	493,967	490,894	425,000	415,000	699,107	832,892	771,583	735,321	719,102	924,831
Interest	156,112	121,227	172,394	131,100	149,273	151,233	248,064	274,926	301,260	775,737
Debt issuance costs	-	-	-	-	-	-	96,440	-	-	-
Capital outlay	8,583,067	3,700,212	5,187,380	7,256,776	3,805,289	3,545,993	2,072,624	3,678,117	2,132,609	1,565,281
<b>Total expenditures</b>	<b>40,200,695</b>	<b>38,239,703</b>	<b>34,459,703</b>	<b>35,783,863</b>	<b>31,883,477</b>	<b>29,892,339</b>	<b>27,235,113</b>	<b>27,971,855</b>	<b>27,060,782</b>	<b>26,856,968</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,737,529</b>	<b>8,528,935</b>	<b>9,145,725</b>	<b>4,427,682</b>	<b>2,261,615</b>	<b>(309,325)</b>	<b>1,444,900</b>	<b>774,672</b>	<b>1,897,113</b>	<b>3,713,304</b>
<b>Other Financing Sources (Uses):</b>										
Debt issued	-	1,614,950	810,000	-	-	-	5,180,000	-	-	145,976
Debt issuance premium	-	-	-	-	-	-	308,748	-	-	-
Contributions	-	-	-	11,674	-	-	-	-	-	-
Payments to bond escrow agency	-	-	-	-	-	-	(5,390,156)	-	-	-
Sale of capital assets	27,465	97,403	42,562	132,464	2,850	20,157	58,539	(11,859)	112,230	12,912
Insurance settlements	58,488	137,002	6,032	-	-	-	-	-	-	-
Subscription-based information technology arrangement	1,012,594	-	-	-	-	-	-	-	-	-
Transfers in	4,413,424	5,430,539	5,102,238	1,498,242	1,574,633	1,868,584	2,473,448	3,889,055	1,558,900	1,633,835
Transfers out	(6,959,327)	(5,053,507)	(5,388,445)	(2,146,903)	(2,962,308)	(1,932,281)	(2,627,096)	(4,264,055)	(3,062,058)	(1,998,335)
<b>Total other financing sources (uses)</b>	<b>(1,447,356)</b>	<b>2,226,387</b>	<b>572,387</b>	<b>(504,523)</b>	<b>(1,384,825)</b>	<b>(43,540)</b>	<b>3,483</b>	<b>(386,859)</b>	<b>(1,390,928)</b>	<b>(205,612)</b>
Special Item	-	-	-	-	-	-	-	(25,000)	-	-
<b>Net change in fund balance</b>	<b>\$ 1,290,173</b>	<b>\$ 10,755,322</b>	<b>\$ 9,718,112</b>	<b>\$ 3,923,159</b>	<b>\$ 876,790</b>	<b>\$ (352,865)</b>	<b>\$ 1,448,383</b>	<b>\$ 387,813</b>	<b>\$ 506,185</b>	<b>\$ 3,507,692</b>
Debt service as a percentage of noncapital expenditures	2.06%	1.77%	2.04%	1.91%	3.02%	3.74%	4.05%	4.16%	4.09%	6.72%

# CITY OF HELENA, MONTANA

## MARKET VALUE OF TAXABLE PROPERTY

LAST TEN YEARS 2014-2023  
(Unaudited)

Fiscal Year	Real Taxable Value (1)	Personal Taxable Value (1)	Less Tax Increment	Net Taxable Valuation	Total Direct Tax Rate	Estimated Market Value	Taxable Value as a Percentage of Market Value
2014	\$ 58,142	\$ 2,245	\$ -	\$ 60,387	159.10	\$ 2,341,312	2.58%
2015	57,074	2,035	-	59,109	168.17	2,384,469	2.48%
2016	58,044	2,320	-	60,364	164.76	3,623,976	1.67%
2017	59,539	2,578	-	62,117	167.32	3,710,432	1.67%
2018	63,280	2,547	160	65,667	163.86	4,167,551	1.58%
2019	64,975	3,061	-	68,036	169.73	4,362,418	1.56%
2020	63,785	3,390	-	67,175	169.08	4,389,878	1.53%
2021	70,135	3,335	-	73,470	174.80	4,771,310	1.54%
2022	74,799	2,820	-	77,619	168.87	5,112,116	1.52%
2023	80,543	3,809	-	84,352	173.87	5,223,980	1.61%

Sources: Lewis & Clark County

**NOTES:** The State of Montana reappraises the Estimated Market Value each year with the exception of property tax classes 3, 4, and 10 which are reappraised on a cyclical basis. There are currently eleven classes of property assigned by the Montana Department of Revenue.

The Estimated Market Value of residential and commercial property is "partially exempted" from taxation by the percentages shown in the table below. This "partially exempted" market value is referred to as the Taxable Market Value. The Taxable Market Value is multiplied by the Taxable Valuation Rate to arrive at the Taxable Value. The Taxable Valuation Rate is set for each class of property assigned by the Montana Department of Revenue. The Taxable Valuation Rates for residential and commercial property is shown in the table below. Centrally assessed property percentages vary from 3 to 12% depending on the type of utility.

Tax Year	Class 3 and 4 Taxable Valuation Rate	Class 4 Exemption Percentages	
		Residential	Commerical
2008 and after	3.01%	34.00%	15.00%

(1) Real property taxable valuations include personal property that is "attached" to the property. Personal property valuations includes only "non-attached" personal property such as movable equipment. It is not possible to separate the market value of attached personal property from the real property using any information available to the city. These amounts reflect taxable value of properties billed, and include adjustments not reflected in the certified taxable value.

# CITY OF HELENA, MONTANA

## DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN YEARS

(Per \$1,000 of Taxable Value)

2014-2023

(Unaudited)

	City of Helena						Overlapping Rates (1)				
	General Purpose	Medical Insurance	Fire Safety (2)	GO Bonds Debt Service	Tax Increment Financing	Other Levies (4)	Total Direct	Helena Elementary	East Helena K-12 (3)	Helena High	Lewis and Clark County
2014	95.94	22.34	-	16.73	-	24.09	159.10	160.16	160.80	86.19	235.04
2015	100.06	25.16	-	17.79	-	25.16	168.17	166.31	157.69	87.06	226.20
2016	99.13	25.84	-	14.35	-	25.44	164.76	155.76	158.59	85.71	218.04
2017	102.52	27.16	-	13.15	-	24.49	167.32	159.96	166.56	80.22	225.30
2018	99.47	27.75	-	11.75	0.30	24.59	163.86	201.19	195.45	82.95	218.22
2019	101.75	28.08	7.25	7.94	0.07	24.64	169.73	221.34	232.45	91.99	235.94
2020	121.60	30.17	9.26	7.14	0.91	-	169.08	215.75	375.60	88.75	243.49
2021	123.73	30.89	12.56	7.07	0.55	-	174.80	218.96	242.83	85.92	236.25
2022	119.84	28.66	11.98	7.10	1.29	-	168.87	206.13	226.45	81.04	232.40
2023	125.21	27.35	12.59	7.00	1.72	-	173.87	205.45	228.42	80.48	241.84

Source: City of Helena and Lewis & Clark County

Note: The City of Helena is allowed to increase property tax revenue each year on existing property at one-half the CPI-U average rate of inflation for the past three years, plus new growth.

1. Overlapping rates are those of local and county governments that apply to property owners within the City of Helena. Not all overlapping rates apply to all Helena property owners. Although the county and high school property tax rates apply to all city property owners, elementary do not. East Helena Elementary School District rates apply to approximately 2% of city property owners whose property is located within that district's geographic boundaries. All other city property is located within the Helena Elementary school district boundaries and those rates apply.

2. The voters approved a fire safety levy in June 2018 for six additional firefighters and capital equipment needs.

3. The voters of East Helena approved becoming a K-12 district and began transitioning their high school students from the Helena High School District in fiscal year 2020.

4. In fiscal year 2020, the Other Levies, which included Comprehensive Insurance, PERS, Police and Firefighter retirement, were rolled up to the General Purpose Mill Levy total.

**CITY OF HELENA, MONTANA**

**PRINCIPAL PROPERTY TAXPAYERS**

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Taxpayer	June 30, 2023			June 30, 2014		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Northwestern Corporation	\$ 8,834,532	1	11.04%	\$ 4,660,394	2	7.66%
Verizon Wireless	2,321,494	2	2.90%	5,500,594	1	9.04%
The Boeing Company	1,848,853	3	2.31%	356,241	7	0.59%
Health Care Service Corporation	940,922	4	1.18%	-	-	-
Charter Communications, Inc.	648,324	5	0.81%	-	-	-
Lumen Technologies, LLC (formerly Centurylink)	577,225	6	0.72%	-	-	-
Helena Federal Office Complex, LLC	533,144	7	0.67%	458,294	5	0.75%
TRC Remington, LLC	391,214	8	0.49%	-	-	-
Skyway Regional Shopping Center, LLC	380,098	9	0.48%	-	-	-
Montana Childrens Home & Hospital	369,247	10	0.46%	-	-	-
Touchmark Living Centers, LLC (formerly Waterford)	-	-	-	325,276	8	0.53%
Qwest Corporation	-	-	-	1,455,806	3	2.39%
Walmart Stores, Inc.	-	-	-	397,297	6	0.65%
Bresnan Communications	-	-	-	1,069,395	4	1.76%
Costco	-	-	-	314,053	9	0.52%
	-	0	0.00%	283,469	10	0.47%
	<u>\$ 16,845,053</u>		<u>21.06%</u>	<u>\$ 14,820,819</u>		<u>24.36%</u>
Year-End Total Taxable Assessed Valuation (1)	<u>\$ 79,993,046</u>			<u>\$ 60,815,412</u>		

**SOURCE:**

Lewis & Clark County

(1) Certified taxable value per Montana Department of Revenue.

# CITY OF HELENA, MONTANA

## PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS 2014-2023  
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2014	\$ 9,272,954	\$ 8,964,557	96.67%	\$ 308,124	\$ 9,272,681	100.00%
2015	9,968,710	9,400,597	94.30%	568,113	9,968,710	100.00%
2016	9,944,618	9,658,179	97.12%	285,967	9,944,146	100.00%
2017	10,356,135	9,853,992	95.15%	502,070	10,356,062	100.00%
2018	10,882,574	10,282,203	94.48%	600,240	10,882,443	100.00%
2019	9,378,242	8,685,574	92.61%	692,330	9,377,904	100.00%
2020	11,326,037	10,723,897	94.68%	601,708	11,325,605	100.00%
2021	12,791,198	11,794,044	92.20%	996,174	12,790,218	99.99%
2022	12,988,465	12,303,363	94.73%	683,746	12,987,109	99.99%
2023	13,829,575	13,540,021	97.91%	-	13,540,021	97.91%

**NOTES:**

This schedule does not include the Railroad, Downtown, or Capital Hill Tax Increment Districts.

**SOURCES:**

Lewis & Clark County

**CITY OF HELENA, MONTANA**  
**RATIO OF OUTSTANDING DEBT BY TYPE - LAST TEN YEARS**

2014-2023  
(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	(1) Percentage of Personal Income	(1) Debt Per Capita	
	General Obligation Bonds	Loans	Special Assessment Bonds	Lease / SBITA Liabilities	General Obligation Bonds	Certificates of Participation	Revenue Bonds	Lease / SBITA Liabilities				
2014	\$ 8,605,000	\$ 183,005	\$ 225,000	\$ -	\$ -	\$ 8,360,000 (2)	\$ 10,461,000	\$ 942,513	\$ -	\$ 28,776,518	2.31%	972
2015	7,085,000	148,903	160,000	-	1,695,000 (3)	8,170,000	9,387,000	1,139,560	-	27,785,463	2.10%	928
2016	6,435,000	113,582	110,000	-	835,000	7,975,000	8,290,000	965,257	-	24,723,839	1.81%	808
2017	5,765,000	76,999	60,000	-	760,000	8,045,000	7,817,000	744,307	-	23,268,306	1.63%	747
2018	5,010,000	39,107	20,000	-	2,780,000 (4)	7,760,000	6,648,000	521,171	-	22,778,278	1.53%	725
2019	4,370,000	-	-	-	2,615,000	7,465,000	5,455,000	416,442	-	20,321,442	1.31%	629
2020	3,955,000	-	-	-	2,445,000	7,165,000	8,769,919	1,633,082	-	23,968,001	1.44%	724
2021	3,530,000	810,000 (5)	-	-	2,275,000	6,860,000	7,191,919	1,806,075	-	22,472,994	1.19%	679
2022	3,085,000	770,514	-	7,263	2,095,000	6,550,000	8,372,343	1,644,755	35,300	22,560,175	1.20%	681
2023	2,625,000	694,714	-	1,013,400	1,915,000	6,230,000	8,433,000	1,466,190	28,083	22,405,387	1.06%	631

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See page VI-16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Per GASB Statement 65, debt issuance costs other than those related to prepaid insurance costs are now expensed in the period incurred. Therefore, these balances were restated.

(3) General obligation debt that financed parking activities was transferred to the parking proprietary fund July 1, 2014 as a result of merging the Parking component unit into the City.

(4) \$2.1 million in bonds were issued to finance a significant expansion to the pro shop and clubhouse at the municipal golf course.

(5) Intercap Loan to acquire a new fire truck.

# CITY OF HELENA, MONTANA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING - LAST TEN YEARS

2014-2023  
(Unaudited)

Fiscal Year	General Obligation Bonds	General Fund Bonds 2015 (1)	Limited General Fund Refunding Bonds 2015 (1)	Limited General Fund Refunding Bonds 2017	Less Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value (2)	Per Capita (3)
2014	\$ 7,705,000 (4)	\$ 900,000	\$ -	\$ -	\$ (639,052)	\$ 7,965,948	13.48%	269.16
2015	7,085,000	850,000	845,000	-	(1,510,000)	7,270,000	12.04%	242.79
2016	6,435,000	-	835,000	-	(743,507)	6,526,493	10.51%	213.42
2017	5,765,000	-	760,000	-	(1,081,954)	5,443,046	8.29%	174.63
2018	5,010,000	-	680,000	2,100,000	(870,177)	6,919,823	10.54%	220.17
2019	4,370,000	-	600,000	2,015,000	(585,000)	6,400,000	9.41%	198.05
2020	3,955,000	-	520,000	1,925,000	(595,000)	5,805,000	8.64%	175.25
2021	3,530,000	-	440,000	1,835,000	(595,000)	5,210,000	7.09%	162.35
2022	3,085,000	-	355,000	1,740,000	(625,000)	4,555,000	5.87%	137.53
2023	2,625,000	-	270,000	1,645,000	(640,000)	3,900,000	4.62%	115.10

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) The General Fund Bonds, Series 2005, and General Fund Refunding Bonds, Series 2015, are a general obligation of the City. However, they are not taken into account when calculating the City's debt limit and the City is not obligated to levy taxes for the payment of principal or interest. Effective July 1, 2014, the City acquired the Parking Component Unit, which is now maintained as an enterprise fund, and these bonds are being paid for and accounted for in that proprietary fund.

(2) See page VI-7 for property value data.

(3) See page VI-16 for population data.

(4) Per GASB Statement 65, debt issuance costs other than those related to prepaid insurance costs are now expensed in the period incurred. Therefore, these balances were restated.



**CITY OF HELENA, MONTANA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

AS OF JUNE 30, 2023  
(Unaudited)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>(1) Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Helena School District No. 1 Elementary	\$ 52,680,000	72.25%	\$ 38,061,300
East Helena School District No. 9 K-12	33,750,000	12.16%	4,104,000
Lewis & Clark County Bonds	11,037,813	77.04%	8,503,531
<b>Subtotal, Overlapping Debt</b>			<b>\$ 50,668,831</b>
<b>City direct debt</b>	<b>\$ 4,333,114</b>	<b>100.00%</b>	<b>4,333,114</b>
<b>Total direct and overlapping debt</b>			<b>\$ 55,001,945</b>

Source: Assessed value data used to estimate applicable percentages was provided by the State of Montana, Department of Revenue. Debt outstanding data was provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Helena. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

## CITY OF HELENA, MONTANA

### LEGAL DEBT MARGIN INFORMATION - LAST TEN YEARS (1)

2014-2023  
(Unaudited)

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 58,069	\$ 60,015	\$ 84,952	\$ 85,464	\$ 91,884	\$ 94,136	\$ 103,196	\$ 103,196	\$ 112,829	\$ 152,451
Total net debt applicable to limit	7,411 (4)	6,969	6,513	5,899	7,184	6,396	5,880	5,805	5,180	4,540
Legal debt margin	<u>\$ 50,658</u>	<u>\$ 53,046</u>	<u>\$ 78,439</u>	<u>\$ 79,565</u>	<u>\$ 84,700</u>	<u>\$ 87,740</u>	<u>\$ 97,316</u>	<u>\$ 97,391</u>	<u>\$ 107,649</u>	<u>\$ 147,911</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.76%	11.61%	7.67%	6.90%	7.82%	6.79%	5.70%	5.63%	4.59%	2.98%
Assessed value (2)	\$ 6,098,033									
Debt limit (2.5% of assessed value) (3)	152,451									
Debt applicable to limit:										
General obligation bonds	<u>4,540</u>									
Legal debt margin	<u>\$ 147,911</u>									

Source: Assessed value provided by the State of Montana Department of Revenue, other information from City records.

(1) Details regarding the City's outstanding debt can be found in Note 7 to the financial statements.

(2) The City uses the "certified" Estimated Market Value provided by the State of Montana, Department of Revenue to calculate the legal debt margin in accordance with State law. This represents the 2021 Market Value used for assessing properties in 2023.

(3) Under State finance law, the City's outstanding general obligation debt should not exceed 2.5% of the total assessed value of taxable property (market value).

(4) Per GASB Statement 65, debt issuance costs other than those related to prepaid insurance costs are now expensed in the period incurred. Therefore, these balances were restated.

# CITY OF HELENA, MONTANA

## PLEGGED-REVENUE COVERAGE LAST TEN YEARS

2014-2023  
(Unaudited)

### Water Revenues Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2014	\$ 6,658	\$ 3,944	\$ 2,714	\$ 468	\$ 54	519.90%
2015	6,951	3,821	3,130	468	54	599.60%
2016	6,974	4,026	2,948	468	54	564.80%
2017	7,047	4,481	2,566	496	132	408.60%
2018	8,151	4,058	4,093	507	57	725.80%
2019	7,915	4,267	3,648	485	79	646.80%
2020	8,143	4,780	3,363	825	71	375.30%
2021	8,652	4,723	3,929	693	140	471.60%
2022	10,738	5,113	5,625	758	140	626.30%
2023	9,667	5,014	4,653	855	132	471.30%

### Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2014	\$ 4,328	\$ 2,642	\$ 1,686	\$ 736	\$ 34	219.00%
2015	4,404	2,719	1,685	736	34	218.80%
2016	4,567	2,759	1,808	736	34	234.80%
2017	4,831	2,719	2,112	736	34	274.30%
2018	4,781	2,703	2,078	736	34	269.90%
2019	5,311	3,093	2,218	736	34	288.20%
2020	5,489	3,164	2,325	877	62	247.60%
2021	5,799	3,254	2,545	750	24	328.90%
2022	6,327	3,232	3,095	496	32	586.30%
2023	6,353	3,441	2,912	170	31	1451.90%

### Parking Certificate of Participation

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2014	\$ 1,569	\$ 1,813	\$ (244)	\$ 197	\$ 404	-40.60%
2015	1,795	745	1,050	290	401	152.00%
2016	1,763	928	835	370	410	107.10%
2017	1,744	960	784	470	147	127.10%
2018	1,538	1,297	241	470	201	36.00%
2019	1,683	1,110	573	470	195	86.10%
2020	1,754	1,224	530	470	189	80.30%
2021	1,797	1,181	616	470	183	94.30%
2022	1,811	1,103	708	470	177	109.30%
2023	1,934	1,245	689	470	171	107.60%

Source: City financial statements.

# CITY OF HELENA, MONTANA

## DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

2014-2023  
(Unaudited)

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Income (\$)	Median Age	School Enrollment	Unemployment Rate
2013	29,596	\$ 1,246,288	\$ 42,110	41.0	8,300	4.5%
2014	29,943	1,323,481	44,200	41.0	8,290	3.9%
2015	30,581	1,368,561	44,752	41.0	8,294	3.1%
2016	31,169	1,423,488	45,670	42.0	8,332	3.0%
2017	31,429	1,489,169	47,382	40.0	9,512	3.3%
2018	32,315	1,551,896 (1)	48,024	40.0	9,601 (1)	3.1%
2019	33,124	1,660,605 (1)	50,133	40.0	9,738 (1)	3.0%
2020	32,091 (2)	1,744,595 (3)	54,364	41.0 (1)	10,649 (1)	3.2%
2021	33,120	1,880,918	56,791	41.0 (1)	10,659 (1)	2.3%
2022	33,885	2,023,341	59,712	40.0 (1)	10,009 (1)	2.4%

### SOURCES:

U.S. Census Bureau and Montana Census and Economic Information Center: Population

State of Montana, Department of Labor, U.S. Bureau of Economic Analysis:

Unemployment Rate, Personal Income, Per Capita Personal Income

Lewis and Clark Superintendent of Schools: School Enrollment

(1) Lewis and Clark County information is reported as City of Helena information is not available.

(2) Updated Decennial census information - population decline from prior year.

(3) State of Montana, Department of Labor & Industry

# CITY OF HELENA, MONTANA

## TOP TWENTY EMPLOYERS IN LEWIS AND CLARK COUNTY

AS OF JUNE 30, 2023

(Unaudited)

<b>Employer (1):</b>	<b>Product or Service</b>
Albertsons	Retail
American Chemet	Metal-based Chemical Manufacturer
Blue Cross/Blue Shield of Montana	Health Services
Boeing	Manufacturer
Carroll College	Higher Education
Costco	Wholesale
Home Depot	Retail
Intermountain Children's Home	Health Services
Lowes Home Center	Retail
Montana Independence Living Project	Health Services
Shodair Hospital	Health Services
SoFi	Financial Services
Spring Meadow Resources	Assisted Living
St. Peter's Hospital	Health Services
Touchmark	Assisted Living
Town Pump, Inc.	Auto Services
UPS	Delivery Services
Valley Bank	Financial Services
Wal-Mart	Retail
West Mont	Health Services

### Sources:

Montana Department of Labor and Industries - Labor Market Information; Data USA  
Most Recent Data is 2021

(1) Governmental Accounting Standards Board, Statement 44 requires this statistic include the top ten employers in the current year and nine years ago for comparison. The State of Montana, Department of Labor only reports the top 20 private employers in each county and does not rank them or provide the number of employees as they consider it confidential information.

# CITY OF HELENA, MONTANA

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN YEARS  
(Unaudited)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Government:</b>										
Legislative	8.50	7.50	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38
Executive	4.00	5.50	4.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Judicial	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00
Administrative	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Financial	12.00	9.00	8.00	8.00	8.00	8.00	7.00	7.00	8.00	8.00
Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Legal	9.00	9.00	8.00	8.00	7.00	7.16	6.00	5.00	4.75	4.75
Facilities Administration	4.17	3.16	2.24	2.24	2.08	2.17	2.17	2.17	2.17	2.17
<b>General Government Sub-total</b>	<b>50.67</b>	<b>47.16</b>	<b>42.62</b>	<b>41.62</b>	<b>39.46</b>	<b>39.71</b>	<b>37.55</b>	<b>36.55</b>	<b>37.30</b>	<b>36.30</b>
<b>Public Safety:</b>										
Law enforcement	80.65	80.65	79.05	78.55	76.00	75.00	71.50	73.50	72.50	71.50
Fire protection	43.00	43.00	42.00	41.00	42.00	37.00	37.00	37.00	36.46	36.00
<b>Public Safety Sub-total</b>	<b>123.65</b>	<b>123.65</b>	<b>121.05</b>	<b>119.55</b>	<b>118.00</b>	<b>112.00</b>	<b>108.50</b>	<b>110.50</b>	<b>108.96</b>	<b>107.50</b>
<b>Public Works:</b>										
Public Works administration	3.50	3.00	5.00	5.00	2.50	2.50	2.50	2.50	2.50	2.50
Engineering	13.00	12.00	8.50	8.50	8.50	8.50	8.50	8.90	8.65	7.90
Industrial facilities	3.00	-	-	-	-	-	-	-	-	-
Road and street	25.05	24.09	23.31	23.31	15.12	15.13	15.01	15.01	15.01	15.01
Storm water	3.33	3.33	3.81	3.81	3.81	2.56	2.56	2.33	2.27	2.27
<b>Public Works Sub-total</b>	<b>47.88</b>	<b>42.42</b>	<b>40.62</b>	<b>40.62</b>	<b>29.93</b>	<b>28.69</b>	<b>28.57</b>	<b>28.74</b>	<b>28.43</b>	<b>27.68</b>
<b>Public Health:</b>										
Animal control	1.50	1.50	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
<b>Public Health Sub-total</b>	<b>1.50</b>	<b>1.50</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Culture and Recreation:</b>										
Park and recreation	28.00	26.25	27.75	27.75	25.67	23.75	22.50	21.60	21.60	21.60
Civic center	6.00	6.00	5.93	5.93	5.98	5.94	5.44	5.44	5.44	5.44
<b>Culture and Recreation Sub-total</b>	<b>34.00</b>	<b>32.25</b>	<b>33.68</b>	<b>33.68</b>	<b>31.65</b>	<b>29.69</b>	<b>27.94</b>	<b>27.04</b>	<b>27.04</b>	<b>27.04</b>
<b>Community Development:</b>										
Community development and planning	6.50	6.00	5.63	5.38	5.13	5.13	5.13	5.13	5.13	5.13
Building	10.50	10.00	10.00	9.75	9.50	9.75	9.50	9.50	9.50	8.50
<b>Conservation and Development Sub-total</b>	<b>17.00</b>	<b>16.00</b>	<b>15.63</b>	<b>15.13</b>	<b>14.63</b>	<b>14.88</b>	<b>14.63</b>	<b>14.63</b>	<b>14.63</b>	<b>13.63</b>
<b>Water</b>	<b>24.76</b>	<b>25.71</b>	<b>25.73</b>	<b>25.73</b>	<b>24.45</b>	<b>21.45</b>	<b>21.95</b>	<b>22.26</b>	<b>21.28</b>	<b>21.28</b>
<b>Wastewater</b>	<b>15.41</b>	<b>16.36</b>	<b>16.84</b>	<b>16.84</b>	<b>16.74</b>	<b>15.49</b>	<b>15.99</b>	<b>15.91</b>	<b>15.23</b>	<b>15.23</b>
<b>Solid waste</b>	<b>11.00</b>	<b>13.20</b>	<b>10.40</b>	<b>10.40</b>	<b>8.40</b>	<b>8.40</b>	<b>8.30</b>	<b>8.30</b>	<b>8.30</b>	<b>8.30</b>
<b>Transfer station</b>	<b>12.00</b>	<b>9.80</b>	<b>11.60</b>	<b>11.60</b>	<b>11.60</b>	<b>11.60</b>	<b>11.70</b>	<b>10.70</b>	<b>10.70</b>	<b>10.70</b>
<b>Bus</b>	<b>15.35</b>	<b>14.88</b>	<b>13.10</b>	<b>13.10</b>	<b>12.98</b>	<b>13.25</b>	<b>13.37</b>	<b>11.27</b>	<b>10.95</b>	<b>13.08</b>
<b>Parking</b>	<b>9.09</b>	<b>9.14</b>	<b>8.80</b>	<b>8.80</b>	<b>8.65</b>	<b>7.65</b>	<b>7.65</b>	<b>7.65</b>	<b>9.80</b>	<b>10.63</b>
<b>City-County building administration</b>	<b>8.31</b>	<b>9.31</b>	<b>9.30</b>	<b>9.30</b>	<b>8.41</b>	<b>6.37</b>	<b>6.37</b>	<b>6.37</b>	<b>6.37</b>	<b>6.37</b>
<b>Fleet services</b>	<b>6.48</b>	<b>6.75</b>	<b>6.80</b>	<b>6.80</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>5.50</b>	<b>5.50</b>
<b>TOTAL</b>	<b>377.10</b>	<b>368.13</b>	<b>357.17</b>	<b>354.17</b>	<b>332.40</b>	<b>317.68</b>	<b>311.02</b>	<b>308.42</b>	<b>306.49</b>	<b>305.24</b>

Source: City of Helena, Finance Budget Department

NOTE: This schedule only includes permanent full and part-time employees and does not include seasonal or temporary employees.

**CITY OF HELENA, MONTANA**

OPERATING INDICATORS BY FUNCTION/PROGRAM - LAST TEN YEARS

(Unaudited)

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General Government - Administration:</b>										
Judicial:										
Trials by judge	4,285	3,741	3,987	3,534	3,147	3,005	2,832	4,525	5,685	3,311
Trials by jury	4	7	3	8	8	7	8	11	7	7
Citations filed	3,663	3,242	4,225	5,206	5,094	5,691	5,067	5,921	7,068	8,201
<b>Public Safety Activities:</b>										
Police:										
Total calls	29,832	25,494	28,309	30,806	31,368	29,432	27,871	29,205	30,583	30,678
Arrests	1,623	1,381	1,581	1,897	2,168	2,050	1,780	1,976	2,128	2,251
Warrants served	1,591	899	1,312	1,376	1,034	1,351	1,276	1,726	1,192	1,014
Traffic citations	2,029	1,745	1,939	2,417	2,366	2,686	2,244	2,205	4,620	5,271
Fire:										
Alarms	4,851	4,268	3,993	4,210	3,743	4,014	4,385	4,120	3,807	3,575
Inspections	897	296	636	556	375	476	812	1,048	617	366
Medical calls	3,550	3,076	2,806	2,933	2,608	2,820	3,208	3,044	2,748	2,573
<b>Public Works:</b>										
Streets:										
Chip seals (miles)	23.70	19.70	30.90	19.30	19.00	13.40	9.20	8.70	8.90	8.60
Fog Seal (miles)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.60
Crack seal (miles)	0.00	0.00	0.00	19.30	19.00	13.40	9.20	8.70	8.90	8.90
Re-surface	2.80	4.20	0.00	1.40	1.50	2.40	1.20	N/A	N/A	N/A
Water:										
Average daily consumption (millions of gallons)	4.40	5.90	5.50	5.10	5.30	5.90	5.20	5.60	5.60	5.50
Peak demand (millions of gallons)	12.60	13.60	14.80	12.00	15.20	15.10	13.10	13.20	15.00	14.20
Number of customers	11,600	12,801	12,719	12,079	11,569	11,569	11,526	11,441	11,159	11,159
Wastewater:										
Average daily wastewater treated (millions of gallons)	3.00	3.00	3.30	3.20	3.20	2.70	2.50	2.80	2.80	2.70
Solid waste:										
Refuse collected (tons per day)	117	117	116	112	101	100	104	104	101	102
Recyclables collected (tons per day)	11	24	19	20	21	18	18	17	18	17
Bus:										
Total passengers (1)	47,806	32,712	30,657	97,589	82,488	95,789	81,787	97,189	79,252	76,097
Parking:										
Number of spaces in garages	1,389	1,389	1,389	1,389	1,383	1,383	1,383	1,383	1,383	N/A
Monthly rates	75	75	\$65-\$75	\$65-\$75	\$63-\$73	\$63-\$73	\$63-\$73	\$59-\$69	\$57-\$67	N/A
Hourly rates	\$ 1.00	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	N/A
Garage revenues	\$ 758,899	\$ 981,998	\$ 714,199	\$ 1,429,321	\$ 1,093,614	\$ 1,045,100	\$ 1,053,540	\$ 1,125,661	\$ 1,127,000	N/A
Number of spaces in paid lots	656	656	656	656	656	656	656	656	656	N/A
Number of spaces in paid lots - monthly rate	\$55-\$60	\$55-\$60	\$55-\$60	\$55-\$60	\$53-\$80	\$53-\$80	\$53-\$80	\$49-\$74	\$47-\$72	N/A
Number of spaces in paid lots - hourly rate	\$ 1.00	\$ 1.00	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	N/A
Number of spaces in paid lots - lot revenues	\$ 336,181	\$ 267,521	\$ 307,679	\$ 312,310	\$ 350,107	\$ 349,079	\$ 329,890	\$ 328,388	\$ 319,163	N/A
On-street monthly permit rate:										
Commercial areas	51	\$51	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	N/A
Residential areas	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$10	N/A
Permit revenues	\$ 154,923	\$ 148,324	\$ 185,567	\$ 208,013	\$ 201,218	\$ 185,768	\$ 211,731	\$ 217,650	\$ 212,520	N/A
Parking meter rate	\$50-\$1.00	\$50-\$1.00	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	N/A
Parking meter rate - meter revenues	\$ 189,978	\$ 278,463	\$ 211,483	\$ 189,037	\$ 38,444	\$ 17,327	\$ 22,042	\$ 18,931	\$ 12,549	N/A
<b>Public Health Activities:</b>										
Animal control:										
Total incidents	3,377	1,757	1,688	1,639	1,730	2,115	2,541	2,453	2,521	2,645
Citations	24	71	109	100	141	254	332	288	347	310
<b>Culture and Recreation:</b>										
Swimming pool attendance (1)	32,252	24,010	6,001	21,579	24,090	24,739	19,950	24,001	24,386	26,053
Civic center:										
Events (1)	99	91	58	140	80	68	79	73	71	172
Number of days used	172	143	87	218	150	131	170	N/A	N/A	N/A
Tickets sold	13,265	10,500	19,010	85,703	58,603	48,379	55,055	53,784	48,586	11,532
<b>Community Development:</b>										
Building:										
Residential permits, new construction	76	101	106	94	90	142	80	118	80	87
Residential permits, new construction - number of units	88	223	244	204	188	258	175	386	339	132
Residential permits, new construction - value of permits (in thousands)	\$ 25,959	\$ 44,367	\$ 44,082	\$ 34,387	\$ 32,922	\$ 21,724	\$ 46,820	\$ 48,294	\$ 37,670	\$ 23,243
Residential permits, addition/remodel	459	124	107	99	119	126	184	169	122	116
Residential permits, addition/remodel - value of permits (in thousands)	\$ 11,006	\$ 5,518	\$ 2,922	\$ 2,831	\$ 3,804	\$ 2,982	\$ 3,820	\$ 3,386	\$ 4,180	\$ 2,579
Commercial permits, new construction	17	14	22	14	18	15	19	39	13	30
Commercial permits, new construction - value of permits (in thousands)	\$ 64,531	\$ 57,742	\$ 2,054	\$ 10,968	\$ 45,014	\$ 15,206	\$ 26,565	\$ 54,372	\$ 14,623	\$ 23,740
Commercial permits, addition/remodel	155	117	120	118	145	127	177	211	169	105
Commercial permits, addition/remodel - value of permits (in thousands)	\$ 36,629	\$ 55,829	\$ 31,482	\$ 31,716	\$ 32,324	\$ 21,950	\$ 32,444	\$ 17,930	\$ 18,675	\$ 14,417
Planning:										
Annexations	2	4	1	3	2	5	7	1	4	3
Annexed properties	3	5	1	2	2	145	31	10	4	26
Major subdivisions	2	3	1	2	2	2	-	2	-	1
Major subdivisions - lots created	45	75	-	-	26	50	-	32	-	26
Minor subdivisions	3	-	-	1	-	2	1	1	1	1
Minor subdivisions - lots created	8	-	-	-	-	5	3	4	3	2

Source: City of Helena  
 (1) Bus, Civic Center and pool attendance affected by COVID

# CITY OF HELENA, MONTANA

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM - LAST TEN YEARS

(Unaudited)

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Public Safety Activities:</b>										
<b>Police:</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	32	32	31	31	30	28	35	37	36
<b>Fire stations:</b>										
Number of stations	2	2	2	2	2	2	2	2	2	2
Fire response trucks	20	20	20	19	18	17	16	16	16	17
<b>Public Works:</b>										
Streets (miles)	263	261	261	268	268	272	272	271	271	269
Street lights (1)	3,489	3,483	3,458	3,406	3,408	3,697	3,689	3,689	3,691	3,674
Stormwater mains (miles)	73	72	72	71	72	71	71	71	68 (2)	106
<b>Water:</b>										
Water mains (miles)	248	252	252	248	248	247	244	244	236	230
Fire hydrants	1,817	1,812	1,812	1,787	1,763	1,733	1,704	1,785	1,678	1,666
Storage capacity (in millions of gallons)	23	23	23	22	23	23	23	23	23	23
Wastewater mains (miles)	158	185	185	183	192	190	188	188	188	187
Solid waste - collection trucks	10	16	18	18	19	19	18	17	18	19
Buses	14	14	14	12	13	15	19	18	19	19
<b>Parking (3):</b>										
Garages	5	5	5	5	5	5	5	5	5	N/A
Parking lots	11	11	11	11	11	11	11	10	10	N/A
Curbside meters	196	196	196	196	264	264	264	280	280	N/A
On-street rental spaces (4)	739	739	739	320	-	-	-	-	-	-
<b>Culture and Recreation:</b>										
Number of city parks	44	44	46	47	47	47	47	47	47	47
City park acreage	236	236	263	263	263	263	263	258	258	258
Open space acreage	2,300	2,134	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,845

Source: City of Helena

(1) Street lights are not the property of the City. All lights within the City are owned by NorthWestern Energy. Each light district is charged the full cost of electricity plus an annual maintenance charge to cover the cost and replacement of the lights.

(2) In the past, this number included open ditches. Beginning in 2015, this number more accurately only includes mains.

(3) The Parking Commission component unit was merged with the City of Helena effective July 1, 2014. This information is not available for prior years.

(4) The Parking Program began a kiosk program in fiscal year 2020.



# CITY OF HELENA, MONTANA

## THE WATER SYSTEM (1)

JUNE 30, 2023

Historical Water System Connections Last Five Fiscal Years
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Fiscal Year	Residential Customers	Commercial Customers	Total Customers
2019	8,672	3,407	12,079
2020	8,728	3,991	12,719
2021	8,784	4,017	12,801
2022	8,853	3,994	12,847
2023	10,246	1,432	11,678

Water System Rate Structure
-----------------------------

	Residential (Single Family Residence)	Commercial and Multi-Family
Base rate (based on meter size)	\$9.26-\$49.20	\$9.26-\$694.20
Per 100 Cubic Feet Water	\$3.39-\$3.86	\$3.39-\$4.02

Major Water System Users
--------------------------

User	Water Charges	Percent of Total Water Revenues (2)
State of Montana	\$ 478,012	4.94%
City of Helena	286,924	2.97%
St. Peter's Hospital	222,068	2.30%
Military Affairs	144,580	1.50%
Helena School District #1	195,351	2.02%
Helena Housing Authority	150,175	1.55%
Fort Harrison VA Medical Center	60,828	0.63%
Carroll College	65,817	0.68%
Guardian Apartments	39,943	0.41%
Helena Colonial, LLC	38,018	0.39%
	\$ 1,681,716	17.39%

Source: The City of Helena

- (1) This schedule is included to comply with requirements of our water bonds.  
 (2) Water revenue equals total operating revenue of the Water fund.

# CITY OF HELENA, MONTANA

## THE WASTEWATER SYSTEM (1)

JUNE 30, 2023

Historical Water System Connections Last Five Fiscal Years
---

Fiscal Year	Residential Customers	Commercial Customers	Total Customers
2019	8,491	2,762	11,253
2020	8,511	2,784	11,295
2021	8,642	2,827	11,469
2022	8,677	2,876	11,553
2023	10,101	1,389	11,490

Water System Rate Structure
-----------------------------

	Base Monthly Rates
Base rate	\$ 9.73
Per 100 Cubic Feet Water:	
Residential	\$ 9.73
Commercial	\$ 4.49

Major Water System Users
--------------------------

User	Wastewater Charges	Percent of Total Water Revenues (2)
St. Peter's Hospital	\$ 170,956	2.69%
State of Montana	151,424	2.38%
McHugh Mobile Home Park	107,878	1.70%
Helena School District #1	88,889	1.40%
Helena Housing Authority	83,026	1.31%
Mobile City Home Park	72,988	1.15%
Carroll College	59,443	0.94%
Fort Harrison VA Medical Center	48,461	0.76%
Guardian Apartments	39,856	0.63%
Helena Colonial, LLC.	39,001	0.61%
	\$ 861,922	13.57%

Source: The City of Helena

(1) This schedule is included to comply with requirements of our wastewater bonds.

(2) Water revenue equals total operating revenue of the Wastewater fund.

# CITY OF HELENA, MONTANA

## SPECIAL IMPROVEMENT DISTRICTS REVOLVING FUND STATEMENT OF CHANGES IN FUND BALANCE (1)

LAST FIVE FISCAL YEARS

	Fiscal Year				
	2019	2020	2021	2022	2023
Beginning balance - July 1	\$ 52,576	\$ 51,605	\$ 47,437	\$ 41,237	\$ 40,998
Receipts over disbursements (2)	(971)	(4,168)	(6,200)	(239)	(100)
Ending balance - June 30	<u>\$ 51,605</u>	<u>\$ 47,437</u>	<u>\$ 41,237</u>	<u>\$ 40,998</u>	<u>\$ 40,898</u>
<b>Assets:</b>					
Cash	\$ 28,962	\$ 33,393	\$ 35,776	\$ 40,993	\$ 40,948
Assessments receivable	206	189	52	50	-
Warrants	22,643	14,044	5,459	5	-
<b>Total Assets</b>	<u>\$ 51,811</u>	<u>\$ 47,626</u>	<u>\$ 41,287</u>	<u>\$ 41,048</u>	<u>\$ 40,948</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	\$ 206	\$ 189	\$ 50	\$ 50	\$ 50
Total deferred inflows of resources	<u>206</u>	<u>189</u>	<u>50</u>	<u>50</u>	<u>50</u>
<b>Fund Balances:</b>					
Restricted	51,605	47,437	41,187	40,998	40,948
Unassigned	-	-	50	-	-
Total fund balances	<u>51,605</u>	<u>47,437</u>	<u>41,237</u>	<u>40,998</u>	<u>40,948</u>
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 51,811</u>	<u>\$ 47,626</u>	<u>\$ 41,287</u>	<u>\$ 41,048</u>	<u>\$ 40,998</u>

Source: The City of Helena

(1) This information is provided to satisfy reporting requirements for our special improvement district bonds.

(2) The negative change in fund balance is due to the City using cash reserves in excess of bond requirements to provide capital replacement funds for governmental functions.

# CITY OF HELENA, MONTANA

## SPECIAL IMPROVEMENT DISTRICTS REVOLVING FUND (1) CASH BALANCE AND OUTSTANDING BONDS SECURED THEREBY

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Revolving Fund Ending Cash and Investment Balances</u>	<u>Principal Amount of Bonds and Warrants</u>	<u>Percentage</u>
2014	\$ 106,781	\$ 442,008	24.16%
2015	102,655	160,000	64.16%
2016	59,877	110,000	54.43%
2017	56,501	60,000	94.17%
2018	52,337	20,000	261.69%
2019	28,962	-	n/a
2020	33,393	-	n/a
2021	35,776	-	n/a
2022	40,993	-	n/a
2023	40,948	-	n/a

Source: City of Helena

(1) This schedule is included to comply with requirements of our special improvement district bonds. There are currently none outstanding.

n/a - not applicable

## CITY OF HELENA, MONTANA

### RAILROAD TAX INCREMENT FINANCING DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS\*  
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2017	\$ 9,054	\$ -	0.00%	\$ 9,054	\$ 9,054	100.00%
2018	42,998	10,229	23.79%	31,770	41,999	97.68%
2019	73,924	23,910	32.34%	50,010	73,920	99.99%
2020	174,819	164,429	94.06%	10,320	174,749	99.96%
2021	187,512	169,887	90.60%	17,554	187,441	99.96%
2022	312,728	293,770	93.94%	7,134	300,904	96.22%
2023	296,489	283,495	95.62%	-	283,495	95.62%

\* This schedule is intended to show the last ten fiscal years. Because this is a new district, only seven years are available.

SOURCES:

Lewis & Clark County

# CITY OF HELENA, MONTANA

## DOWNTOWN TAX INCREMENT FINANCING DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS\*  
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2021	\$ 63,857	\$ 59,954	93.89%	\$ 3,900	\$ 63,854	100.00%
2022	34,167	30,095	88.08%	2,184	32,279	94.47%
2023	316,778	303,091	95.68%	-	303,091	95.68%

\* This schedule is intended to show the last ten fiscal years. Because this is a new district, only three years are available.

**SOURCES:**

Lewis & Clark County

# **City of Helena, Montana**

Independent Auditor's Reports  
Required by the Uniform Guidance

Year Ended June 30, 2023

**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**

**To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, 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 the City of Helena, Montana (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 22, 2023.

**Report on 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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters

### **Report on 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 financial statements. 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*.

### **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.

*Maher Duessel*

Pittsburgh, Pennsylvania  
December 22, 2023

## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana

### Report on Compliance for Each Major Federal Program

#### Opinion on Each Major Federal Program

We have audited the City of Helena, Montana's (City) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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 each of its major federal programs for the year ended June 30, 2023.

#### Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana  
Independent Auditor's Report on Compliance for Each Major  
Program and on Internal Control over Compliance

requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana  
Independent Auditor's Report on Compliance for Each Major  
Program and on Internal Control over Compliance

## Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
December 22, 2023

# CITY OF HELENA, MONTANA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

### I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles.

2. Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiencies identified that are not considered to be material weakness(es)?  yes  none reported

3. Noncompliance material to financial statements noted?  yes  no

4. Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiencies identified that are not considered to be material weakness(es)?  yes  none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?  yes  no

7. Major Programs:

Federal ALN(s)

20.509

Name of Federal Program or Cluster

Formula Grants for Rural Areas and Tribal Transit Programs

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee?  yes  no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

**No matters were reported.**

III. Findings and questioned costs for federal awards.

**No matters were reported.**

# **CITY OF HELENA, MONTANA**

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2023**

**NONE**

**To the Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Helena (City) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our conversation with a member of the Audit Committee about planning matters on October 13, 2023. Professional standards also require that we communicate to you the following information related to our audit.

**[Our Responsibilities under Auditing Standards Generally Accepted in the United States of America, \*Government Auditing Standards\*, and the Uniform Guidance](#)**

As stated in our engagement letter dated June 9, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City's system of internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable

basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

### Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023, except as described in Note 1 to the financial statements, which describes how the City changed accounting policies related to Subscription-Based Information Technology Arrangements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, Subscription-Based Information Technology Arrangements, in 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We noted no sensitive estimates affecting the financial statements.

### Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.



### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. There was one uncorrected misstatement related to recording budget revenues and expenditures. Management has determined that its effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2023.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

Matters involving internal controls and the City's operations are detailed in a separately issued management letter.

### *Required Supplementary Information*

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### *Supplementary Information*

We were engaged to report on the supplementary information, as described in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### *Other Information*

We were not engaged to report on the other information, which accompanies the financial statements but is not supplementary information. Such information has 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 it.

Honorable Mayor, Members of the City Commissioners, and  
The City Manager  
City of Helena, Montana  
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This information is intended solely for the information and use of the Honorable Mayor, Members of the City Commissioners and City Manager, and management of the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Mahe Duessel*

Pittsburgh, Pennsylvania  
December 22, 2023

**To the Honorable Mayor, Members of the City Commissioners. and  
The City Manager  
City of Helena, Montana**

We have audited the financial statements of the City of Helena, Montana (City) as of and for the year ended June 30, 2023. We reported on the City's system of 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* in our report dated December 22, 2023. We also reported on the City's compliance for each major program and on internal control over compliance required by the Uniform Guidance in our report dated December 22, 2023. However, during our audit, we noted certain matters involving internal control and operational matters that are presented for your consideration. This letter does not affect our report dated December 22, 2023 on the City's financial statements.

Our comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control, or result in other operating efficiencies.

### **Segregation of Duties – Civic Center**

Strong internal controls require that the responsibilities for the custody, accounting, and control of assets be segregated. In regard to controls over the cash receipt process, the same individual receives cash, maintains the documentation to support receipts, prepares the deposits, and records transactions to the general ledger system. Mitigating controls do exist, including that monthly bank reconciliations are prepared by someone independent of the cash receipts process.

The small staff size at the Civic Center makes it impractical to fully segregate duties related to certain cash receipt activities. Nonetheless, management needs to appreciate that an absence of segregation can allow errors or fraud to occur and not be detected. In order to reduce the risk associated with this situation, the responsibility for making bank deposits, recording of cash receipts, and performing bank reconciliations should be segregated as much as possible.

### **Municipal Court Fund**

In March 2023, the Court went through software conversion. As a result of the conversion, reports generated from the system do include all adjustments posted to the prior software resulting in the beginning liability and current year activity showing inaccurately. During the audit, we were able to determine the activity through the year as the ending balance on the

liability report materially agrees to the bank statement. However, we recommend processes be documented for the timely monitoring of the Court reports and all differences be reconciled.

### Parking Pass Sales

During review of parking pass sales, we noted the City does not have a process in place to reconcile physical passes available to passes available per the system. We recommend the City create and implement procedures to reconcile parking passes sold per the system to physical passes available and cash received.

### Transportation Office

During review of bus pass sales, we noted the City does not have a process in place to reconcile physical passes sold to cash received. Additionally, we noted only one individual is responsible for handling cash received at the office and farebox receipts. We recommend the City create and implement procedures to reconcile passes sold to cash received and more than one individual be involved in processes surrounding cash.

### Journal Entry Review

During review of the journal entry process, we noted that although journal entries are reviewed and authorized prior to posting, they are not being reviewed once posted. We recommend the City ensure that an independent review of posted journal entries is performed monthly to ensure accuracy and reasonableness of the entries being posted and this review be formally documented.

### Petty Cash Reconciliation

During review of the petty cash process, we noted that although petty cash is being reconciled on a monthly basis, it is being reconciled by an individual with access to the cash. We recommend petty cash be reconciled by someone independent of the petty cash process.

### Loan Agreements

During review of the sidewalk loan agreements, we noted the agreements state there is a 10% contingency buffer, whereas if the actual cost exceeds the contract cost by less than 10%, the current agreement applies; if the actual cost exceeds the contracted cost by more than 10%, a subsequent agreement must be signed by the property owners. We noted five of the fourteen loan agreements reviewed exceeded the contracted cost by more than 10% and subsequent

agreements were not signed. We recommend that the City comply with the requirements set forth in the agreements and obtain subsequent signed agreements from the property owners.

## Information Technology

### *Data Retention*

We noted that although the City has a data retention policy, it is not followed. We recommend the City review and follow their data retention policy and ensure this policy includes items such as electronic files and voicemail, back-up procedures, archiving documents, and regular check-ups of the reliability of the system.

### *Disaster Recovery*

We noted that although an informal disaster recovery plan does exist, there are no formally documented policy and procedures. Additionally, there is no testing of the plan. An information technology disaster recovery plan describes the procedures necessary to recover from an abnormal disruption in computerized operations such as an equipment failure, or effects of hacking attempts. The objectives of disaster recovery are to:

- Ensure that the City personnel are sufficiently prepared and trained in the event of a disaster;
- Minimize the effects upon the City's other operations; and,
- Establish an alternative means of restoring normal information technology operations within a short period of time.

The scope of the plan should cover the following issues:

- Identification of critical information technology systems relevant to the daily operations of the City.
- An assessment of the vulnerability and security of each critical information technology system.
- Declaration and notification procedures and assignment of responsibilities to personnel.
- Procedures for restoration of critical information technology systems.
- Any required testing of the plan's disaster recovery procedures to ensure that the plan will function as intended.
- An inventory of all critical information technology assets.
- A list of employee and vendor contracts.

We recommend the City develop a written disaster recovery plan that covers all information systems under the City's control and that this plan be tested annually.

### *User Access Levels*

During review of user access levels, we noted the user access levels to network folders was set up by the Information Technology Department, and although it was reviewed during the current fiscal year, is not reviewed annually. We recommend user access levels be reviewed annually by each department head and the Information Technology Department to ensure that only those individuals requiring access to City information are permitted access.

### Tourism Business Improvement District – Bank Reconciliations

During review of the cash disbursement process, we noted that although bank statements and reconciliations are reviewed by someone independent of the cash disbursements process, the original bank statement is not reviewed. We recommend original bank statements be reviewed by someone independent of the cash disbursements process, including a review of cancelled check images and transfers, and that this review be documented.

### Business Improvement District (BID)

#### *Segregation of Duties*

Strong internal controls require that the responsibilities for the custody, accounting, and control of assets be segregated. In regard to controls over the cash receipt process, the same individual receives cash, maintains the documentation to support receipts, prepares the deposits, and takes the deposit to the bank. Mitigating controls do exist, including that someone independent of the cash receipts process prepares the monthly bank reconciliations and posts to the general ledger.

The small staff size at the BID makes it impractical to fully segregate duties related to certain cash receipt activities. Nonetheless, management needs to appreciate that an absence of segregation can allow errors or fraud to occur and not be detected. In order to reduce the risk associated with this situation, the responsibility for making bank deposits, recording of cash receipts, and performing bank reconciliations should be segregated as much as possible.

### *Journal Entries*

During review of the journal entry process, we noted that although journal entries are reviewed and authorized prior to posting, they are not being reviewed once posted. We recommend the BID ensure that an independent review of posted journal entries is performed monthly to ensure accuracy and reasonableness of the entries being posted and this review be formally documented.

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This communication is intended solely for the information and use of the Mayor, Members of the City Commissioners and City Manager, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
December 22, 2023