

CITY OF HELENA



Then:

**1875 Silsby Steam Fire
Engine cost \$5,000**

**1946 Pirsch Aerial Ladder Truck
cost \$16,900**



Now:



**2016 Pierce Fire Engine
cost \$501,000**

Comprehensive Annual Financial Report

Fiscal Year 2015

July 1, 2014 - June 30, 2015

Helena, Montana

City of Helena, Montana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DEPARTMENT OF ADMINISTRATIVE SERVICES

*FISCAL YEAR 2015
July 1, 2014 - June 30, 2015*

INTRODUCTORY SECTION

City of Helena, Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2015

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INTRODUCTORY SECTION

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City of Helena

December 14, 2015

To the citizens of the City of Helena, Montana:

CAFR TRANSMITTAL

State law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year. These financial statements must be presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The comprehensive annual financial report (CAFR) of the City of Helena, Montana (the City) for the fiscal year ended June 30, 2015, is hereby submitted.

Management Representation

This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. 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 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.

Independent Auditor

Wipfli, LLP, a firm of licensed certified public accountants has audited the financial statements of the City. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with US GAAP. The independent auditor's report is presented as a component of the financial section of this report.

Federal Single Audit

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. As part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards. Tests are also made to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2015, provided no instances of material weaknesses in the internal control system or violations of applicable laws and regulations.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards and auditor's reports on internal control and compliance with applicable laws and regulations are included in the single audit section of this report.

Transmittal Letter

US GAAP requires that management 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's MD&A can be found immediately following the report of the independent auditors.

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

Helena, the state capital, is located in southern Lewis and Clark County, and situated at the south end of a large mountain valley. The economy is stable because federal, state, county, or city government workers earn approximately 40 percent of total personal income in Lewis and Clark County according to the United States Department of Labor. Helena, with a population estimate of 29,943, 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 70,000. It includes many small, rural communities that rely heavily on Helena for employment, professional services, retail goods, and entertainment.

City Services

The City provides a full range of services. Public safety functions include police and fire protection as well as the municipal court. Public works functions include engineering, street construction and maintenance, water and wastewater utilities, and solid waste disposal among others. The public health function consists of animal control services administered by the police department. Community development functions include planning, zoning and building inspection activities. In addition, the City provides recreational activities (including a City-owned golf course), cultural events and sponsors a demand-driven and fixed-route bus system.

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 of 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. The Helena Parking Commission was a component unit in prior years, but was merged with the City as of July 1, 2014. Therefore, the information shown in the government-wide statements reflects only the transfer of assets to the City.

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 Budget Office in March of each year. The Budget Manager uses these requests 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 proposed budget with the final budget approved and adopted by resolution by the later of the second Monday in August or within 45 calendar days of receiving certified taxable values from the Montana Department of Revenue. Although the legal level of budget appropriations is the fund level, a 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.

Comprehensive Capital Improvement Programs (CCIP)

The City prepares an annual CCIP. The CCIP encompasses all City operations and is the major long range financial planning tool of the City. 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 presented to the City Commission. In their public forum, the City Commission reviews the CCIPs 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.

Budget to Actual Comparisons

The State municipal budget law stipulates that money, other than payments from agency 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 agency 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 2015 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 street funds, comparisons are presented beginning on page B-8 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 D-10. All appropriations lapse at year-end; however, they can be re-appropriated by the City Manager as part of the following year's budget.

FACTORS AFFECTING FINANCIAL CONDITION

To best understand the information presented in the financial statements, the broader perspective of the specific environment within which the City of Helena operates should be considered.

Local Economy

Helena is fortunate to be the State capital and home to many federal agencies including the Fort Harrison army base and veteran's administration hospital. Residential and commercial construction slowed to more historic levels after numerous record years of growth prior to the recession. Two medical facilities, two retail buildings including one major retail chain, an office building, and an assisted living facility were recently completed. Historical information on building permits can be found in the statistical section on page J-25.

Population

Montana experienced a population increase between the 2000 and 2010 census of 9.7 percent. Helena, however, experienced an increase of 9 percent, while Lewis and Clark County (which largely comprises the trade area) experienced growth equal to 13.8 percent. The current population of Helena as of July 1, 2014 is estimated to be 29,943 by the U.S. Census Bureau. This estimate indicates the State of Montana's population increased by 3.5 percent between the 2010 census and July 1, 2014 while Lewis and Clark County increased by 3.9 percent and the City by 6.2 percent.

Unemployment

The unadjusted unemployment rate for the 2014 calendar year for the City of Helena was 3.9 percent. This is down .6 percent from one year ago. For the State of Montana, the current unadjusted unemployment rate is 3.8 percent and the nation is 6.2 percent. The unemployment rate for Helena fell during the first half of 2015 to 3.3 percent for June 2015.

Per Capita Income

According to the Montana Department of Labor, the 2014 average annual wage for Lewis & Clark County, MT is \$41,469.

Transportation Planning

The City Commission and staff continue to work with the Montana Department of Transportation (MDOT) and Lewis & Clark County to plan for and complete all possible upgrades needed for our transportation network. The City is also working to implement the Interstate Corridor Environmental Impact Study to provide a better interstate system that is complimentary to the City.

The City and MDOT are currently working on improving ADA access in the downtown area and completing non-motorized transportation projects with the last allocation of CTEP funding. The City is also working closely with the State and other regional governmental entities to prioritize recommendations for the new MAP 21 funds that are replacing the CTEP program. The new funding will require the City to make recommendations for local transportation projects. The State will then determine which projects are funded throughout the State, allocate the funds, and perform the work.

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 14% of total City budgeted revenues and 53% of General fund budgeted revenues. 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. State entitlements make up approximately 6% of total City budgeted revenues and 21% of the General Fund budgeted revenues. This revenue is set by statutory formula and has grown by approximately the rate of inflation in recent years. Circumstantial revenues such as newly taxable property and building permit fees are primarily driven by the economy or other variables beyond City control. The City has experienced a slowdown in growth since the 2008 recession. In an economic slowdown, City operations such as Fire, Police and Parks & Recreation, which are dependent upon General fund finances, can expect more budgetary constraints.

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 began on January 1, 2014 and was completed on July 1, 2015. New reappraisal values were used for property tax purposes in tax year 2015 (fiscal year 2016). Statewide, commercial property values rose 2.45% while residential property values fell 2.85%. In Lewis and Clark County, reappraisals resulted in property value increases of 8.5% for commercial property, and .16% for residential property. The next reappraisal is anticipated to be complete by the end of 2016 for the State legislature to review during the 2017 legislative session. Any changes made will affect the 2017 tax year.

Discretionary revenues such as special assessments and utility charges make up about 52% 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 9% of total City budgeted revenues. Service charges make up approximately 43% of total City budgeted revenues.

GASB Statement Effects on Net Position

Other Postemployment Benefits – Implied Rate Subsidy Liability:

The City of Helena reports the “implied rate subsidy” liability (OPEB), required under Governmental Accounting Standards Board (GASB) Statement No. 45, in this financial report and the related financial statements. Although the City reported this liability, and related expenses and expenditures, the City does not agree that this represents a legal liability and further believes that the presentation of this activity in the financial statements is misleading to the users of the statements. In this, the seventh year of implementation, the recorded OPEB liability is \$2,793,880. Retirees paid \$2,561,142 in premiums while their claims paid were \$1,687,813 from fiscal year 2006 to 2015, resulting in a net gain of \$873,329. GASB Statement 75 changed from the current method of amortizing the remaining liability over 30 years to recording the entire liability. This change is effective for the City in fiscal year 2018. If implemented for this report, the liability would increase by, and net position would decrease by, an additional \$1,775,430.

The City contracts with the Montana Municipal Interlocal Authority (MMIA) to provide health insurance. MMIA health insurance rates are actuarially set. Rates are adjusted 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 “actual” 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 to MMIA.

The only two options allowed by Statement 45 to avoid recording a liability are to place cash in an irrevocable trust fund equal to the calculated OPEB liability, or charge the retirees a much higher, actuarially determined premium, neither of which is acceptable to the City. City management feels it would be fiscally irresponsible to take an amount equal to the actuarially determined liability and place it in an irrevocable trust fund that would never be used and will most likely increase as the City, and the related number of employees serving it, continues to grow. Retirees can leave the plan at any time and the City would have unwisely used funds collected from its citizens.

Because the City will not be funding this liability, it will likely continue to increase, and the financial statements will reflect the impact of a large OPEB liability that does not have legal substance. Management does not feel it has legal substance as nothing in state law or any contractual agreement requires the City to offer the same or lower rates to retirees, spouses and their dependents as other participants. City management feels offering insurance at the same rate to all participants, or lower to retirees, is the best way to ensure insurance is affordable for all. The City agrees with the standard other than the requirement to record the implied rate subsidy.

Pension Liability – GASB Statement 68:

The City was required to implement GASB Statement 68, Accounting and Financial Reporting for Pensions for fiscal year 2015. This statement decreased net position by \$18,828,071. The City participates in four State of Montana cost-sharing multi-employer pension plans. The State legislature determines the rates all employers and employees pay to participate. Each plan has a different level of net pension liability. GASB Statement 68 requires the City to record its share of the net pension liabilities even though we have made all statutorily required contributions. See Note J for a description of the plans the City participates in.

Major Initiatives

The City is currently exploring the annexation of a number of properties on the west side of town that are wholly surrounded. The City has split the project into four phases. The plan is to annex the first phase by the end of calendar year 2016 which would include approximately 150 properties. The City's plan is to fund the water and wastewater infrastructure upgrades and recover the costs with rebate fees. This process meets the City's Growth Policy as it would help provide the opportunity for infill development, lessen urban sprawl, keep development costs affordable, and increase density where appropriate.

The City is also exploring the creation of a Tax Increment Financing district (TIFD) in an area bordering both sides of a railroad that runs through the middle of Helena. The intent is to revitalize an historic area that was once of major importance to commerce within the City. The TIFD is anticipated to be created in early 2016.

The City has been working with consultants and the State on expanding its bus services from one fixed route to two fixed routes to provide better service to the community. It also provides on-call curbside pickup for those that qualify.

The City is currently working on a complete ADA assessment and transition plan for all its buildings and properties accessed by the public. The assessment was initiated at the request of the United States Department of Justice. Consultants are currently determining what changes need to be made. A plan will then be implemented that will provide funding and time frames to accomplish the changes.

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 comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the twenty-seventh 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 annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the budget and accounting divisions. Each member of these divisions 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.

In closing, without the leadership and support of the City Commission, preparation of this report would not have been possible.

Sincerely,



Ronald J. Alles,
CITY MANAGER



Glenn Jorgenson, CPA
ADMINISTRATIVE SERVICES DIRECTOR



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Helena
Montana**

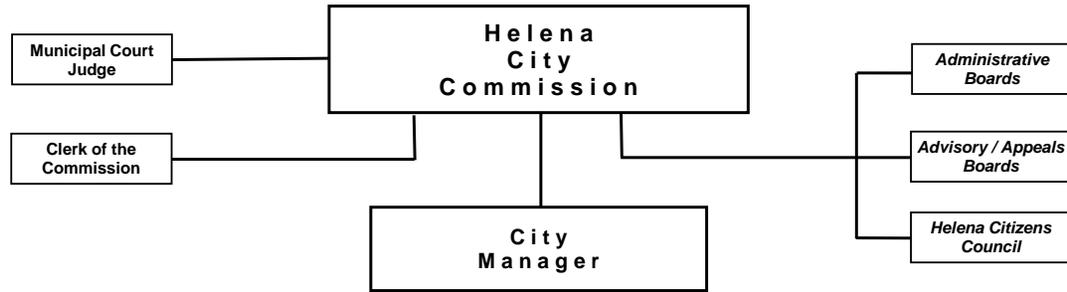
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

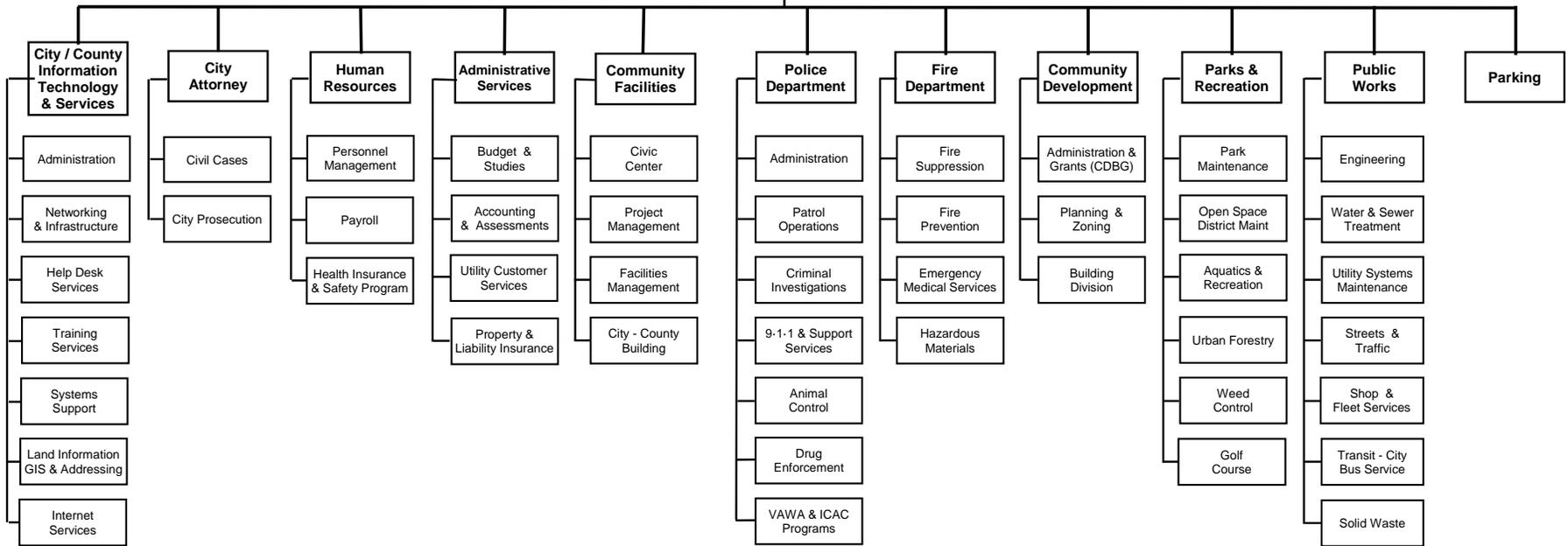
CITY OF HELENA

ORGANIZATION CHART



Internal Service Departments

External Service Departments



City of Helena, Montana

LIST OF PRINCIPAL OFFICIALS

June 30, 2015

ELECTED OFFICIALS

James E. Smith	Mayor
Andres Haladay	Commissioner
Katherine Haque-Hausrath	Commissioner
Dan Ellison	Commissioner
Matt Elsaesser	Commissioner

CITY OFFICIALS

Ronald J. Alles	City Manager
Debbie Havens	Clerk
Randall Camp	Public Works Director
Bob Wood	Municipal Judge
Thomas Jodoin	Attorney
Glenn Jorgenson	Administrative Services Director
Troy McGee	Police Chief
Sean Logan	Fire Chief
Gery Carpenter	Community Facilities Director
Sharon Haugen	Community Development Director
Amy Teegarden	Parks & Recreation Director
James Fehr	Human Resources Director

Section A
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of City Commissioners
City of Helena, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and budgetary comparisons (for general and street funds) of City of Helena, Montana (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and budgetary comparisons (for general and street funds) of the City, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note A to the financial statements, in 2015 the City adopted new accounting guidance, *GASB Statement 68, Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27* and *GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-4 through A-15, Schedule of City's Proportionate Share of Net Pension Liability and Contributions on pages C-1 through C-6, and Other Postemployment Benefits (OPEB) Schedule of Funding Progress on page C-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparisons (other than the general and street funds), capital asset schedules, statistical tables and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements, budgetary comparisons (other than the general and street funds), capital assets schedules, and the Schedule of Expenditures of Federal Awards is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary comparisons (other than general and street funds), capital assets schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Wipfli LLP

Wipfli, LLP

Helena, Montana
December 14, 2015

City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

As management of the City of Helena, Montana (the City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. 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 iv - xi of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30 by \$253,334,398 (*net position*). Of this amount, \$10,329,415 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position increased by \$25,632,552 over the prior fiscal year due to contributed assets of \$13,375,394 from grantors and developers, increases in utility fees, and savings in utility funds for large anticipated capital projects.
- Beginning net position was restated and decreased by \$19,429,965 to comply with GASB Statement 68.
- As of June 30 the City's governmental funds reported combined ending fund balances of \$21,343,263, an increase of \$506,185 over the prior year. Approximately 31% of this amount, \$6,619,522 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 \$6,893,726, or 49 percent of total general fund expenditures.
- The City's total debt decreased by \$991,055 (3.4 percent) during the current fiscal year. Key factors in the change include:
 1. Payment of principal on revenue bonds (\$1,074,000), general obligation bonds (\$670,000), certificates of participation (\$190,000), special assessment bonds (\$65,000), and loans (\$231,410).
 2. Additional borrowing of general obligation bonds (\$845,000) and loans (\$394,355). Proceeds of these general obligation bonds were used to refund \$850,000 of outstanding General Fund Bonds, Series 2005 on August 15, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This 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, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *Statement of Net Position* and the *Statement of Activities* report information about the City as a whole and about its activities in a way that helps answer the question, "Is the City's financial position getting better or worse?"

The *Statement of Net Position* includes all assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equaling *net position*. The *Statement of Activities* presents revenue and expense information showing how the City's net position changed during the year. Over time, increases or decreases to the City's net position serve as a useful indicator of whether the City's financial position is improving or deteriorating.

City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

All changes to net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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, bus, golf course, building, and city-county administration building (CCAB) activities are reported here.
- **Component Units** - the City includes three separate legal entities in its report; the Helena Parking Commission, 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 any fees or assessments charged by each component unit. The Parking Commission was merged into the City effective July 1, 2014 after a new contract was agreed upon between the two entities that we feel made it an enterprise operation of the City (see Note Q for further information). Further information about the City's component units are presented in the notes to the financial statements.

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

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

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

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

The City maintains 21 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General fund and Streets special revenue fund that are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining statements beginning on page D-4.

City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

The City adopts an annual appropriations budget for all funds. Governmental Accounting Standards Board, Statement 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 B-4 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, solid waste, transfer station, parking, bus, golf course, building, and city-county administration building (CCAB) operations. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. 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 B-11 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources 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.

The City has one fiduciary fund categorized as an agency fund. The City uses the State Court Trust agency fund to account for amounts collected on behalf of the State of Montana Supreme Court. The State requires the City to impose additional fees on most fines levied and remit them to the Supreme Court to fund their information technology expenditures.

The basic fiduciary fund financial statement can be found on page B-19.

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 B-20 of this report.

Other Information. All required supplementary information other than GASB Statements 45 and 68, Other Postemployment Benefits (OPEB) and Pensions 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 Pensions liabilities beginning on page C-1.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information section. Combining and individual fund statements and schedules can be found beginning on page D-1 of this report. 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 H-2.

City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$253,334,398 at June 30.

The largest portion of the City's net position (\$230,253,005 or 91%) reflects its investment in capital assets (e.g., land, building, machinery and 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; consequently, these assets are not available for future spending. Although the City of Helena'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.

CITY OF HELENA
Net Position

	Governmental	Governmental	Business-type	Business-type	Total	
	Activities	Activities	Activities	Activities	2015	2014
	2015	2014	2015	2014		
Current and other assets	\$ 23,963,160	\$ 23,451,996	\$ 27,582,577	\$ 21,219,097	\$ 51,545,737	\$ 44,671,093
Capital assets	120,391,200	121,417,174	137,636,828	118,798,041	258,028,028	240,215,215
Total assets	<u>144,354,360</u>	<u>144,869,170</u>	<u>165,219,405</u>	<u>140,017,138</u>	<u>309,573,765</u>	<u>284,886,308</u>
Deferred outflows of resources	1,311,135	-	407,419	-	1,718,554	-
Long-term liabilities outstanding	21,056,125	19,004,889	26,005,565	12,888,527	47,061,690	31,893,416
Other liabilities	2,872,738	3,083,929	4,260,165	2,777,152	7,132,903	5,861,081
Total liabilities	<u>23,928,863</u>	<u>22,088,818</u>	<u>30,265,730</u>	<u>15,665,679</u>	<u>54,194,593</u>	<u>37,754,497</u>
Deferred inflows of resources	2,419,030	-	1,344,298	-	3,763,328	-
Net position:						
Net investment in capital assets	112,997,297	104,044,169	117,255,708	107,502,635	230,253,005	211,546,804
Restricted	9,969,118	10,259,787	2,782,860	1,937,111	12,751,978	12,196,898
Unrestricted	(3,648,813)	8,476,396	13,978,228	14,911,713	10,329,415	23,388,109
Total net position	<u>\$ 119,317,602</u>	<u>\$ 122,780,352</u>	<u>\$ 134,016,796</u>	<u>\$ 124,351,459</u>	<u>\$ 253,334,398</u>	<u>\$ 247,131,811</u>

An additional portion of the City's net position (\$12,751,978 or 5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted (\$10,329,415 or 4%) and may be used to meet the City's ongoing obligations to citizens and creditors.

At June 30, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate business-type activities. GASB 68 requires the City to report pension liabilities and related deferred inflows and outflows beginning this fiscal year. Had these not been reported, unrestricted net position in the governmental activities would also be positive (\$9,068,810) as in prior years.

The City's net position increased during the current fiscal year by \$25,632,552. The increase is attributed to several factors that are discussed on the following pages.

City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

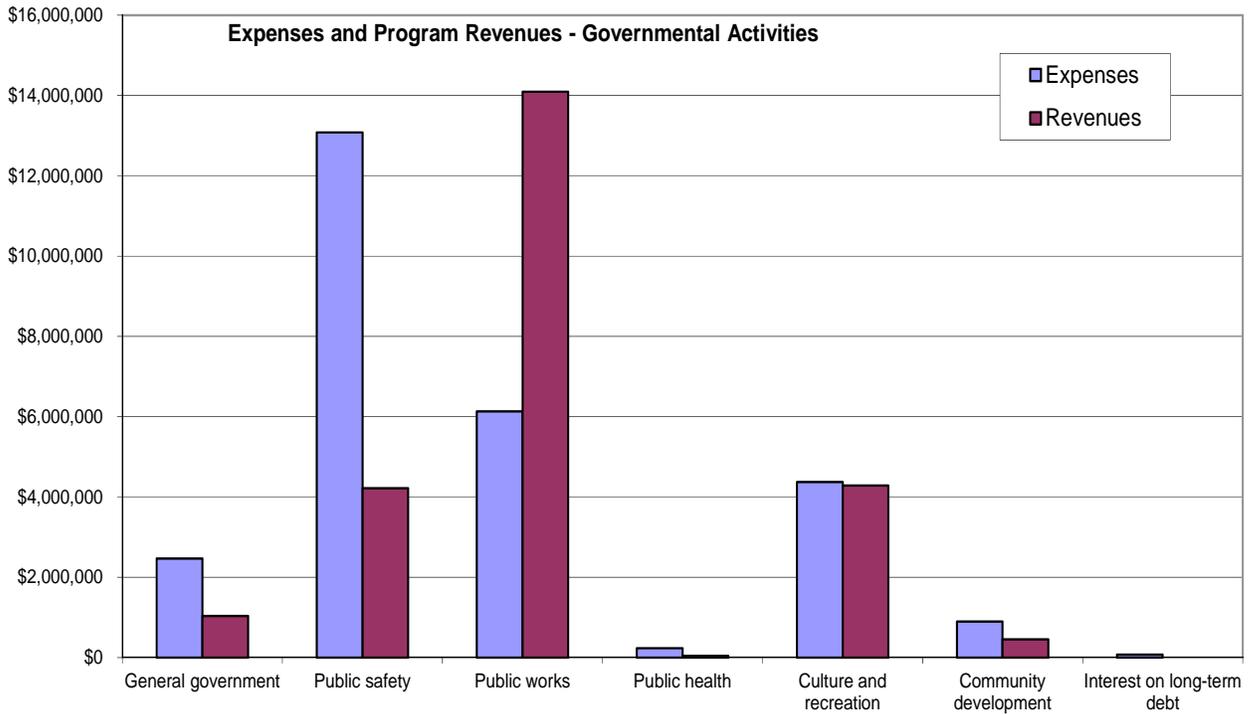
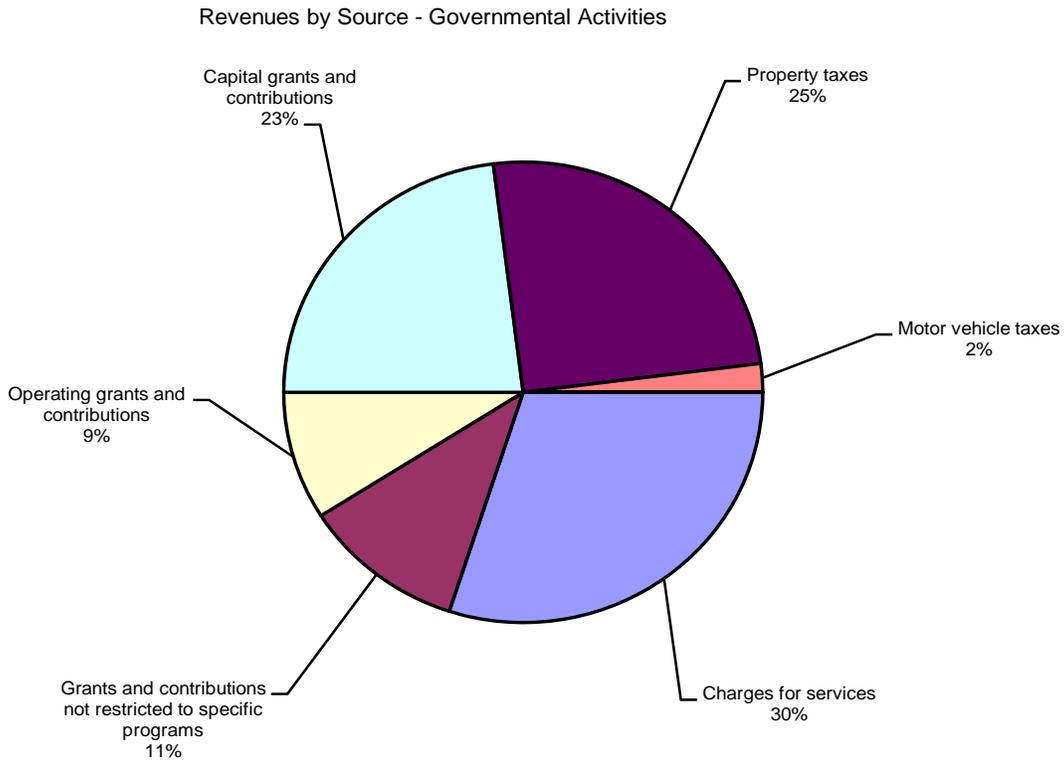
CITY OF HELENA
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 11,486,042	\$ 9,154,703	\$ 22,875,485	\$ 20,654,445	\$ 34,361,527	\$ 29,809,148
Operating grants and contributions	3,593,753	4,336,569	974,042	961,869	4,567,795	5,298,438
Capital grants and contributions	9,033,942	401,840	4,341,452	1,260,497	13,375,394	1,662,337
General revenues:						
Property taxes	9,627,235	9,813,380	-	-	9,627,235	9,813,380
Motor vehicle taxes	774,849	688,338	-	-	774,849	688,338
Grants and contributions not restricted to specific programs	4,132,618	4,622,584	-	-	4,132,618	4,622,584
Other	59,764	47,842	49,503	258,257	109,267	306,099
Total revenues	38,708,203	29,065,256	28,240,482	23,135,068	66,948,685	52,200,324
Expenses:						
General government	2,462,445	2,499,590	-	-	2,462,445	2,499,590
Public safety	13,080,712	13,231,206	-	-	13,080,712	13,231,206
Public works	6,128,853	5,662,887	-	-	6,128,853	5,662,887
Public health	229,590	225,331	-	-	229,590	225,331
Culture and recreation	4,370,730	3,986,908	-	-	4,370,730	3,986,908
Community development	896,997	565,194	-	-	896,997	565,194
Intergovernmental	-	17,620	-	-	-	17,620
Interest on long-term debt	71,187	761,726	-	-	71,187	761,726
Water	-	-	5,682,401	5,845,585	5,682,401	5,845,585
Wastewater	-	-	3,763,125	3,677,766	3,763,125	3,677,766
Solid waste	-	-	2,774,054	3,005,956	2,774,054	3,005,956
Transfer station	-	-	2,884,298	2,795,143	2,884,298	2,795,143
Parking	-	-	1,774,216	-	1,774,216	-
Bus	-	-	1,340,586	1,541,443	1,340,586	1,541,443
Golf course	-	-	1,302,066	2,396,277	1,302,066	2,396,277
Building	-	-	971,308	897,675	971,308	897,675
CCAB	-	-	974,718	935,841	974,718	935,841
Total expenses	27,240,514	26,950,462	21,466,772	21,095,686	48,707,286	48,046,148
Change in net position before transfers	11,467,689	2,114,794	6,773,710	2,039,382	18,241,399	4,154,176
Transfers	(1,775,194)	(364,500)	1,775,194	364,500	-	-
Special item - parking merger	-	-	7,391,153	-	7,391,153	-
Change in net position	9,692,495	1,750,294	15,940,057	2,403,882	25,632,552	4,154,176
Net position - beginning	122,780,352	121,394,203	124,351,459	121,947,577	247,131,811	243,341,780
Restatement	(13,155,245)	(364,145)	(6,274,720)	-	(19,429,965)	(364,145)
Net position - ending	\$ 119,317,602	\$ 122,780,352	\$ 134,016,796	\$ 124,351,459	\$ 253,334,398	\$ 247,131,811

Governmental Activities. Governmental activities in fiscal year 2015 increased the City's net position by \$9,692,495 not including the restatement for GASB 68. The key elements of the increase and variances between years are:

- charges for services increased due to 1 and 3 percent increases in street maintenance and storm water fees, respectively, approved for fiscal year 2015,
- capital grants and contributions due to developers contributing a fully developed park, storm water mains, streets, right-of-way, and easements of \$8,740,787,
- transferring assets and liabilities to the parking fund after the merger, resulting in a net transfer out of \$1,475,194. The City transferred the Certificates of Participation, Series 2008, General Fund Bonds, Series 2005, and Limited General Obligation Refunding Bonds, Series 2015 that the parking fund is responsible for making the debt service payments on, along with the related parking garage assets they maintain for the City, and
- the remaining portion represents normal variations in revenues and expenditures.

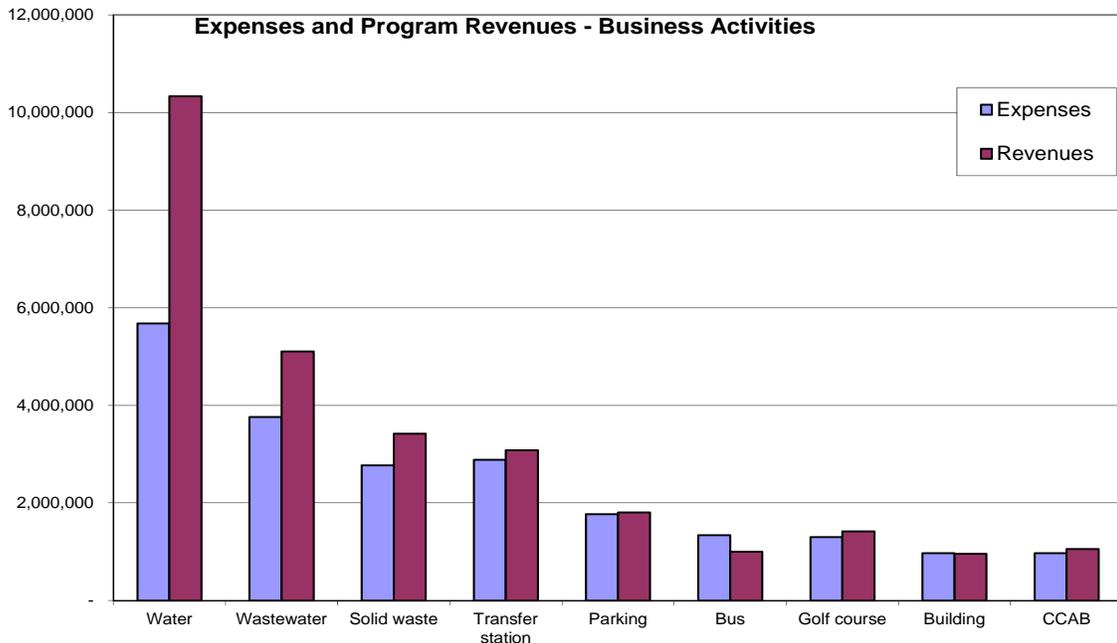
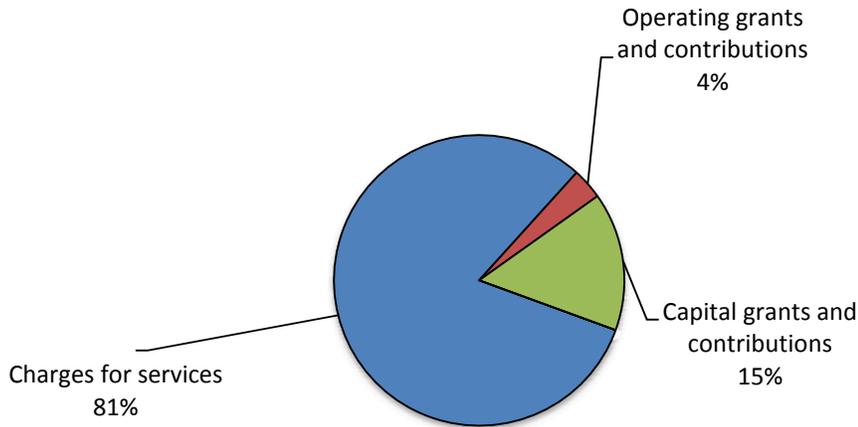
City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015



City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

Business-Type Activities. Business-type activities increased the City's net position by \$15,940,057. Key elements of the increase are: increasing water, wastewater, and transfer station fees 2%, 2.5%, and 1.5%, respectively, to fund future capital projects; recording donated water and wastewater mains and easements for \$3,164,770; merging the Parking Commission component unit net assets of \$7,391,153 with the City; and the remaining portion represents normal variations in revenues versus expenditures.

Revenues by Source - Business Activities



City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

Financial Analysis of the City's Funds

Governmental Funds. The focus of the City of Helena'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 balance 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, the City's governmental funds reported combined fund balances of \$21,343,263, an increase of \$506,185 in comparison with the prior year. Approximately 31% of this amount (\$6,619,522) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$263,739), 2) restricted for particular purposes (\$9,969,118), 3) committed for a particular purpose (\$1,693,857), or 4) assigned for particular purposes (\$2,797,027).

The General fund is the chief operating fund of the City. At June 30 unassigned fund balance was \$6,770,453 while total fund balance was \$7,022,230. 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 48.3 percent of total general fund expenditures, while total fund balance represents approximately 50.1 percent of that same amount.

The fund balance increased \$377,507 during the current fiscal year mainly due to unspent contingency funds, salary savings, and other unspent budget items.

The Streets fund had an ending fund balance of \$4,320,155, an increase of \$230,404 due to capital projects uncompleted at year end, salary and other budget savings, and a 1 percent increase in fee assessments.

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 by fund are:

City's Proprietary Fund Net Position

	Unrestricted Net Position	% of Unrestricted Net Position	Change In Net Position	% Change In Net Position
Water	\$ 8,125,112	58%	\$ 4,607,926	29%
Wastewater	2,754,761	20%	1,344,657	9%
Solid waste	1,864,024	13%	631,058	4%
Transfer station	776,280	6%	183,329	1%
Parking	648,696	5%	8,884,031	56%
Other	(275,526)	(2%)	121,327	1%
Total	<u>\$13,893,347</u>	<u>100%</u>	<u>\$ 15,772,328</u>	<u>100%</u>

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

- the Water, Wastewater, and Transfer Station funds increased rates by 2 percent, 2.5 percent, and 1.5 percent, respectively, during fiscal year 2015 to offset inflation and increase funding levels for capital replacement and maintenance of infrastructure,
- developers contributed \$3,164,770 of water and wastewater mains manholes, and related easements and a wastewater lift station.

City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
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- The parking fund is a former component unit that was merged into the City effective July 1, 2014. \$8,866,347 of net position was due to the merger and transfer of assets and liabilities to the new enterprise fund.

General Fund Budgetary Highlights

Property tax collections were higher than budgeted due to protested taxes of some large telecommunication companies being settled. The protested amounts (\$1,906,837) were paid shortly after the start of the fiscal year. Revenue budgets were adjusted by \$75,837 as the Commission approved acceptance of federal and state grants during the fiscal year totaling this amount. Differences between the original expenditure budget and the final amended budget of \$581,785 (including changes to transfers out) were due to:

- reappropriating unspent budget from the prior fiscal year
 - \$20,778 for incomplete engineering projects,
 - \$2,386 for office furniture,
 - \$63,989 for unspent fire grants,
- appropriating cash reserves
 - \$418,000 to fund future capital expenditures for General fund departments,
 - \$795 for initial interest payment on new sidewalk debt,
- appropriating unanticipated revenues
 - \$75,837 for police and fire grants.

Actual expenditures and transfers out in the General fund were \$1,101,467 less than budgeted. This was due to vacancy savings in most divisions due to staff turnover, and spending less on supplies, services and materials than anticipated. In addition, 78% (\$150,253) of funds budgeted for contingencies were not needed and remained unspent. As noted in previous years, City staff was directed to keep spending to a minimum due to uncertainty regarding the economy.

Capital Asset and Debt Administration

Capital Assets. The City of Helena's net investment in capital assets for its governmental and business-type activities as of June 30 was \$230,253,005. Capital assets include land, buildings, improvements other than buildings, machinery and equipment, construction in progress, and infrastructure.

Major capital asset events during the current fiscal year include the following:

- vehicles (seven police, one water, one building department, one wastewater, and one mail delivery) were purchased for \$368,881 (including equipment & accessories),
- \$126,615 for improvements to four parks,
- trail construction totaling \$1,034,237,
- a golf simulator for \$54,000,
- four four-wheelers for \$64,856,
- improvements to city facilities for \$289,166,
- a flush truck for \$151,111,
- a stationary crane for \$160,250,
- a semi-tractor for \$94,275,
- a traffic signal for \$248,639
- \$69,405 for street reconstruction and extension,
- water and wastewater plant improvements were made in the amounts of \$1,129,863 and \$160,083, respectively,
- water, wastewater, storm water mains, and manholes were replaced in the amounts of \$256,233, \$298,771, and \$273,943, respectively,

City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
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- developers contributed water, wastewater, and storm mains (inclusive of system development fees) related to newly developed subdivisions in the amounts of \$214,795, \$129,219, and \$116,061, respectively, as well as a lift station for \$350,000,
- a fully developed park for \$1,866,246 was donated by a developer,
- developers also contributed streets and alleys valued at \$213,000,
- easements and right of way were added in the amounts of \$4,252,349, and \$4,763,890, respectively, and
- the merger of the Parking component unit including parking structures and equipment valued at \$7,284,094.

City's Capital Assets
(net of accumulated depreciation)

	Governmental Activities	Business-type Activities	Totals
Non-depreciable assets:			
Land	\$ 72,916,275	\$ 40,767,932	\$ 113,684,207
Construction in progress	1,600,704	1,817,512	3,418,216
	<u>74,516,979</u>	<u>42,585,444</u>	<u>117,102,423</u>
Depreciable assets:			
Buildings	3,559,620	26,258,200	29,817,820
Improvements other than buildings	10,545,390	1,760,799	12,306,189
Machinery and equipment	3,707,008	3,592,396	7,299,404
Infrastructure	28,062,203	63,439,989	91,502,192
	<u>45,874,221</u>	<u>95,051,384</u>	<u>140,925,605</u>
Total capital assets	<u>\$ 120,391,200</u>	<u>\$ 137,636,828</u>	<u>\$ 258,028,028</u>

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

Long-Term Debt. As of June 30, the City had total debt outstanding of \$27,785,463. Of this amount, \$8,780,000 comprises debt backed by the full faith and credit of the government; \$1,288,463 is loans payable; \$160,000 is special assessment debt for which the government is partially liable in the event of default by the property owners subject to the assessment; \$8,170,000 is certificates of participation secured solely by the 15th Street Parking Garage; and \$9,387,000 is bonds secured solely by specified revenue sources of the water and wastewater funds.

The City's total debt decreased by \$991,055 (3.4 percent) during the current fiscal year. The City issued refunding bonds that were used to retire the General Fund Bonds, Series 2005 on August 15, 2015, and borrowed \$394,355 from the INTERCAP loan program for improvements to the irrigation system at the golf course.

The City of Helena maintains a "AA" rating from Standard & Poor's on its general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5% of the total assessed value of taxable property. The current debt limitation for the City is \$60,015,434, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on long-term debt can be found in the notes of the basic financial statements (Note H).

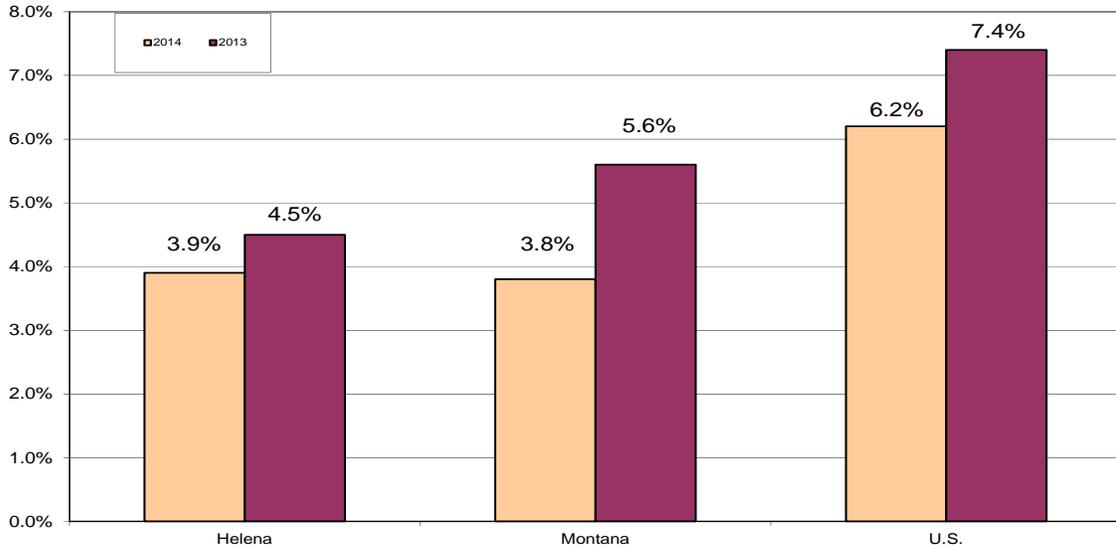
City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

City's Outstanding Debt

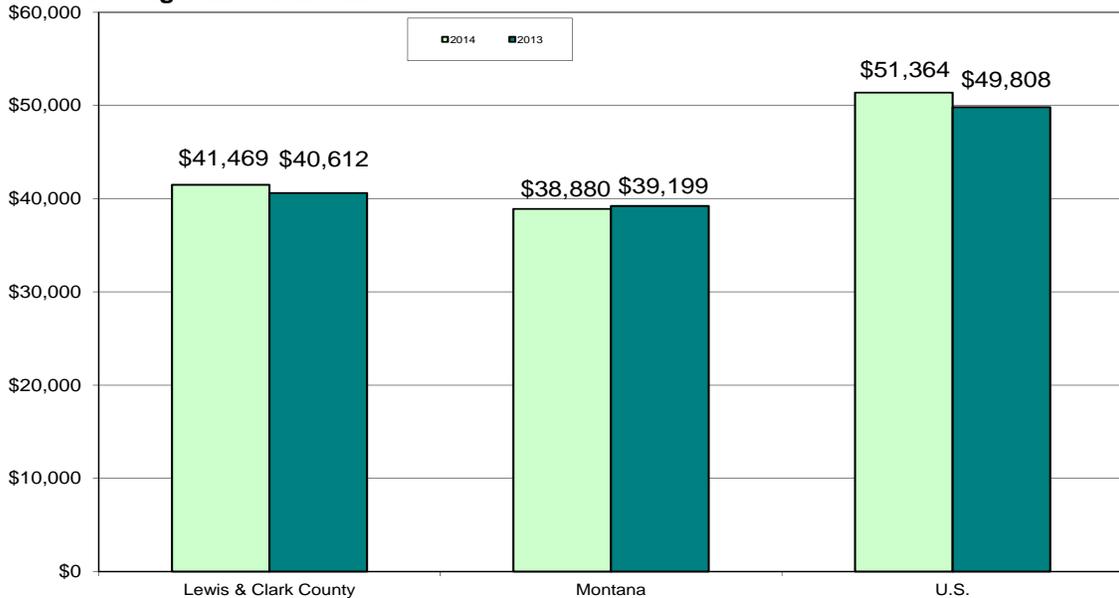
	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 7,085,000	\$ 1,695,000	\$ 8,780,000
Loans payable	148,903	1,139,560	1,288,463
Special assessment debt with government commitment	160,000	-	160,000
Revenue bonds	-	9,387,000	9,387,000
Certificates of participation	-	8,170,000	8,170,000
Total	<u>\$ 7,393,903</u>	<u>\$ 20,391,560</u>	<u>\$ 27,785,463</u>

Economic Factors and Next Year's Budgets and Rates (Some factors for the City are unavailable. In these instances factors for Lewis & Clark County have been used. Source: U.S. Department of Labor and Industry.)

Unemployment Figures



Average Annual Income



City of Helena, Montana
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2015

The City Commission approved rate increases for fiscal year 2016 in several funds to maintain or increase reserves to finance their respective Comprehensive Capital Improvement Programs. The approximate increase for each service is:

	<u>Average Rate Increase</u>
Governmental:	
Streets	3.0 %
Storm water	3.0
Proprietary:	
Water	2.0
Wastewater	2.0

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Helena, Department of Administration, 316 North Park Avenue, Helena, MT 59623.

Section B

BASIC FINANCIAL STATEMENTS

City of Helena, Montana
STATEMENT OF NET POSITION
June 30, 2015

	Component Units					
	Primary Government			Business		
				Type	Governmental Type	
	Governmental Activities	Business-type Activities	Total	Helena Parking Commission	Business Improvement District	Tourism Business Improvement District
ASSETS						
Cash and cash equivalents	\$ 18,946,499	\$ 16,671,683	\$ 35,618,182	\$ -	\$ 144,361	\$ 100,747
Certificates of deposits	2,221,712	2,278,288	4,500,000	-	-	-
Receivables (net of allowance for uncollectibles)	1,150,145	2,594,038	3,744,183	-	14,550	115,881
Loans receivable	776,610	19,131	795,741	-	-	-
Internal balances	(181,420)	181,420	-	-	-	-
Inventories	263,739	870,263	1,134,002	-	-	-
Temporarily restricted assets:						
Cash and cash equivalents	24,918	2,782,860	2,807,778	-	-	-
Cash with fiscal agent	-	1,198,492	1,198,492	-	-	-
Intergovernmental receivable	760,957	986,402	1,747,359	-	-	-
Capital assets (net of accumulated depreciation):						
Nondepreciable	74,516,979	42,585,444	117,102,423	-	-	-
Depreciable	45,874,221	95,051,384	140,925,605	-	-	6,261
Total assets	<u>144,354,360</u>	<u>165,219,405</u>	<u>309,573,765</u>	<u>-</u>	<u>158,911</u>	<u>222,889</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension contributions subsequent to measurement date	1,311,135	407,419	1,718,554	-	48,663	-
Total deferred outflows of resources	<u>1,311,135</u>	<u>407,419</u>	<u>1,718,554</u>	<u>-</u>	<u>48,663</u>	<u>-</u>
LIABILITIES						
Accounts payable and other current liabilities	986,796	1,048,834	2,035,630	-	4,784	2,313
Accrued interest	140,814	318,988	459,802	-	-	-
Noncurrent liabilities:						
Due within one year:						
Compensated absences	1,059,807	415,240	1,475,047	-	643	-
Loans	35,321	211,773	247,094	-	-	-
General obligation bonds	650,000	860,000	1,510,000	-	-	-
Certificates of participation	-	195,000	195,000	-	-	-
Revenue bonds	-	1,097,000	1,097,000	-	-	-
Landfill postclosure costs	-	113,330	113,330	-	-	-
Due in more than one year:						
Compensated absences	867,115	339,741	1,206,856	-	594	-
Loans	113,582	927,787	1,041,369	-	-	-
General obligation bonds	6,435,000	835,000	7,270,000	-	-	-
Special assessment debt with government commitment	160,000	-	160,000	-	-	-
Certificates of participation	-	7,975,000	7,975,000	-	-	-
Revenue bonds	-	8,290,000	8,290,000	-	-	-
Landfill postclosure costs	-	1,541,288	1,541,288	-	-	-
Net pension liability	11,609,728	5,173,569	16,783,297	-	44,963	-
Other postemployment benefits	1,870,700	923,180	2,793,880	-	-	-
Total liabilities	<u>23,928,863</u>	<u>30,265,730</u>	<u>54,194,593</u>	<u>-</u>	<u>50,984</u>	<u>2,313</u>
DEFERRED INFLOWS OF RESOURCES						
Difference between projected and actual earnings	2,409,867	1,336,766	3,746,633	-	19,903	-
Difference between expected and actual experience	9,163	7,532	16,695	-	-	-
Total deferred inflows of resources	<u>2,419,030</u>	<u>1,344,298</u>	<u>3,763,328</u>	<u>-</u>	<u>19,903</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	112,997,297	117,255,708	230,253,005	-	-	6,261
Restricted for:						
General government	4,629	-	4,629	-	-	-
Public safety	291,733	-	291,733	-	-	-
Public works	6,620,364	-	6,620,364	-	-	-
Culture and recreation	57,731	-	57,731	-	-	-
Community development	484,363	-	484,363	-	-	-
Special improvement districts	1,409,493	-	1,409,493	-	-	-
Debt service	1,100,805	2,782,860	3,883,665	-	-	-
Unrestricted	(3,648,813)	13,978,228	10,329,415	-	136,687	214,315
Total net position	<u>\$ 119,317,602</u>	<u>\$ 134,016,796</u>	<u>\$ 253,334,398</u>	<u>\$ -</u>	<u>\$ 136,687</u>	<u>\$ 220,576</u>

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

City of Helena, Montana
STATEMENT OF ACTIVITIES
For the year ended June 30, 2015

(1 of 2)

Functions/Programs	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 2,462,445	\$ 1,011,040	\$ -	\$ 20,750
Public safety	13,080,712	2,424,719	1,786,937	6,700
Public works	6,128,853	5,147,857	1,806,816	7,140,246
Public health	229,590	38,805	-	-
Culture and recreation	4,370,730	2,414,957	-	1,866,246
Community development	896,997	448,664	-	-
Interest on long-term debt	71,187	-	-	-
Total governmental activities	<u>27,240,514</u>	<u>11,486,042</u>	<u>3,593,753</u>	<u>9,033,942</u>
Business-type activities:				
Water	5,682,401	6,848,752	75,303	3,411,374
Wastewater	3,763,125	4,231,987	22,355	853,382
Solid waste	2,774,054	3,407,846	12,890	-
Transfer station	2,884,298	2,999,698	16,155	67,096
Parking	1,774,216	1,794,908	10,866	-
Bus	1,340,586	196,189	805,163	-
Golf course	1,302,066	1,400,988	9,714	9,600
Building	971,308	944,898	14,191	-
City-County administration building	974,718	1,050,219	7,405	-
Total business-type activities	<u>21,466,772</u>	<u>22,875,485</u>	<u>974,042</u>	<u>4,341,452</u>
Total primary government	<u>\$ 48,707,286</u>	<u>\$ 34,361,527</u>	<u>\$ 4,567,795</u>	<u>\$ 13,375,394</u>
Component units				
Helena parking commission	\$ -	\$ -	\$ -	\$ -
Business improvement district	283,830	309,573	-	-
Tourism business improvement district	329,818	277,271	-	-
	<u>\$ 613,648</u>	<u>\$ 586,844</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Property taxes
Motor vehicle taxes
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Gain on the sale of capital assets

Transfers

Special Item: Gain (Loss) on Merger

Total general revenues and transfers

Change in net position

Net position - beginning

Restatement - GASB 68 implementation

Net position - ending

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

(2 of 2)

Net (Expense) Revenue and Changes in Net Position			Component Units		
Primary Government			Business Type	Governmental Type	
Governmental Activities	Business-type Activities	Total	Helena Parking Commission	Business Improvement District	Tourism Business Improvement District
\$ (1,430,655)	\$ -	\$ (1,430,655)			
(8,862,356)	-	(8,862,356)			
7,966,066	-	7,966,066			
(190,785)	-	(190,785)			
(89,527)	-	(89,527)			
(448,333)	-	(448,333)			
(71,187)	-	(71,187)			
<u>(3,126,777)</u>	<u>-</u>	<u>(3,126,777)</u>			
-	4,653,028	4,653,028			
-	1,344,599	1,344,599			
-	646,682	646,682			
-	198,651	198,651			
-	31,558	31,558			
-	(339,234)	(339,234)			
-	118,236	118,236			
-	(12,219)	(12,219)			
-	82,906	82,906			
-	<u>6,724,207</u>	<u>6,724,207</u>			
<u>\$ (3,126,777)</u>	<u>\$ 6,724,207</u>	<u>\$ 3,597,430</u>			
			\$ -	\$ 25,743	\$ -
			-	-	(52,547)
			<u>\$ -</u>	<u>\$ 25,743</u>	<u>\$ (52,547)</u>
\$ 9,627,235	\$ -	\$ 9,627,235	\$ -	\$ -	\$ -
774,849	-	774,849	-	-	-
4,132,618	-	4,132,618	-	-	-
31,507	18,808	50,315	-	192	658
28,257	30,695	58,952	-	-	-
(1,775,194)	1,775,194	-	-	-	-
-	7,391,153	7,391,153	(7,391,153)	-	-
<u>12,819,272</u>	<u>9,215,850</u>	<u>22,035,122</u>	<u>(7,391,153)</u>	<u>192</u>	<u>658</u>
9,692,495	15,940,057	25,632,552	(7,391,153)	25,935	(51,889)
122,780,352	124,351,459	247,131,811	7,391,153	171,938	272,465
(13,155,245)	(6,274,720)	(19,429,965)	-	(61,186)	-
<u>\$ 119,317,602</u>	<u>\$ 134,016,796</u>	<u>\$ 253,334,398</u>	<u>\$ -</u>	<u>\$ 136,687</u>	<u>\$ 220,576</u>

City of Helena, Montana
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Special Revenue	Other Governmental	Total Governmental
		Streets		
ASSETS				
Cash and cash equivalents	\$ 5,662,031	\$ 3,618,284	\$ 8,277,427	\$ 17,557,742
Certificates of deposit	663,071	423,731	972,275	2,059,077
Receivables (net of allowance for uncollectibles):	630,428	92,461	427,256	1,150,145
Loans receivable	-	-	776,610	776,610
Due from other funds	648,730	-	-	648,730
Inventory	14,774	248,965	-	263,739
Advances to other funds	-	-	83,662	83,662
Restricted assets:				
Cash - bond accounts	-	-	24,918	24,918
Intergovernmental receivable	23,770	63,383	673,804	760,957
Total assets	<u>7,642,804</u>	<u>4,446,824</u>	<u>11,235,952</u>	<u>23,325,580</u>
LIABILITIES				
Accounts payable	544,169	89,936	294,930	929,035
Due to other funds	-	-	648,730	648,730
Compensated absences	21,398	-	-	21,398
Total liabilities	<u>565,567</u>	<u>89,936</u>	<u>943,660</u>	<u>1,599,163</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	55,007	36,733	291,414	383,154
Total deferred inflows of resources	<u>55,007</u>	<u>36,733</u>	<u>291,414</u>	<u>383,154</u>
FUND BALANCES (DEFICITS)				
Nonspendable - not in spendable form	14,774	248,965	-	263,739
Restricted	113,730	4,071,190	5,784,198	9,969,118
Committed	117,273	-	1,576,584	1,693,857
Assigned	6,000	-	2,791,027	2,797,027
Unassigned	6,770,453	-	(150,931)	6,619,522
Total fund balances (deficits)	<u>7,022,230</u>	<u>4,320,155</u>	<u>10,000,878</u>	<u>21,343,263</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 7,642,804</u>	<u>\$ 4,446,824</u>	<u>\$ 11,235,952</u>	<u>\$ 23,325,580</u>

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

City of Helena, Montana
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2015

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

Total ending fund balance		\$ 21,343,263
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land and construction in progress	74,516,979	
Buildings, improvements, and equipment (net)	17,796,253	
Infrastructure (net)	<u>28,062,203</u>	
		120,375,435
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		383,154
Internal service funds are used by management to charge the costs of the copier revolving and insurance funds to individual funds. The assets and liabilities of these internal service funds are included in the governmental activities in the statement of net assets.		
		1,244,314
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest	(140,814)	
Loans payable	(148,903)	
Bonds payable	(7,085,000)	
Special assessment debt with government commitment	(160,000)	
Compensated absences	(1,926,922)	
Compensated absences accrued for terminations	21,398	
Other postemployment benefits	(1,870,700)	
Net pension liability	<u>(11,609,728)</u>	
		(22,920,669)
Deferred inflows and outflows related to pension liabilities which are not payable or receivable in the current period, are therefore not reported in the funds.		
Deferred outflows	1,311,135	
Deferred inflows	<u>(2,419,030)</u>	
		(1,107,895)
Net position of governmental activities		<u>\$ 119,317,602</u>

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

City of Helena, Montana
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended June 30, 2015

	General	Special Revenue Streets	Other Governmental	Total Governmental
REVENUES				
Taxes:				
Property	\$ 9,044,393	\$ -	\$ 1,065,498	\$ 10,109,891
Motor vehicle	774,849	-	-	774,849
Penalties and interest	26,307	-	1,828	28,135
Special assessments	-	3,242,294	2,475,939	5,718,233
Licenses and permits	591,445	-	46,882	638,327
Intergovernmental	4,338,945	748,253	3,446,130	8,533,328
Charges for services	593,130	37,572	1,291,524	1,922,226
Fines	650,074	-	-	650,074
Investment earnings	7,671	3,241	20,595	31,507
Contributions and donations	26,343	-	-	26,343
Miscellaneous	55,461	1,044	468,477	524,982
Total revenues	<u>16,108,618</u>	<u>4,032,404</u>	<u>8,816,873</u>	<u>28,957,895</u>
EXPENDITURES				
Current:				
General government	1,519,637	-	823,681	2,343,318
Public safety	9,707,899	-	1,779,615	11,487,514
Public works	139,374	3,491,768	1,554,408	5,185,550
Public health	227,565	-	-	227,565
Culture and recreation	1,974,320	-	1,813,917	3,788,237
Community development	443,179	-	432,448	875,627
Debt service:				
Principal	-	-	719,102	719,102
Interest	-	-	301,260	301,260
Capital outlay	3,050	345,673	1,783,886	2,132,609
Total expenditures	<u>14,015,024</u>	<u>3,837,441</u>	<u>9,208,317</u>	<u>27,060,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,093,594</u>	<u>194,963</u>	<u>(391,444)</u>	<u>1,897,113</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	76,789	35,441	-	112,230
Transfers in	20,968	-	1,537,932	1,558,900
Transfers out	(1,813,844)	-	(1,248,214)	(3,062,058)
Total other financing sources and uses	<u>(1,716,087)</u>	<u>35,441</u>	<u>289,718</u>	<u>(1,390,928)</u>
Net change in fund balances	377,507	230,404	(101,726)	506,185
Fund balances - beginning	6,644,723	4,089,751	10,102,604	20,837,078
Fund balances - ending	<u>\$ 7,022,230</u>	<u>\$ 4,320,155</u>	<u>\$ 10,000,878</u>	<u>\$ 21,343,263</u>

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

City of Helena, Montana
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2015

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

Net change in fund balances - total governmental funds	\$	506,185
<p>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 and reported as depreciation expense. This is the amount by which depreciation and other changes exceeded capital outlays in the current period.</p>		
Capital asset purchases capitalized	2,132,609	
Depreciation expense	(2,240,682)	
Loss on disposal of assets	<u>(83,973)</u>	(192,046)
<p>Donations of capital assets or transfers of capital assets to other funds or other governments affects net assets in the statement of activities, but these transactions do not appear in the governmental funds because they are not financial resources.</p>		
		8,919,348
<p>Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.</p>		
Long-term receivables	(587,469)	
Pension contributions from state	<u>1,390,172</u>	802,703
<p>The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the difference in the treatment of long-term debt.</p>		
Principal payments		719,102
<p>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.</p>		
Compensated absences	(93,611)	
Compensated absences - terminated employees	21,398	
Other postemployment benefits	(224,703)	
Pension accruals	(952,550)	
Accrued interest	<u>230,073</u>	(1,019,393)
<p>Some transfers reported in the statement of activities relate to parking fund capital and long-term debt which are not reported as transfers in governmental funds.</p>		
		(272,036)
<p>Internal service funds are used by management to charge the costs of copier revolving and insurance activities to individual funds.</p>		
		<u>228,632</u>
Change in net position of governmental activities	\$	<u>9,692,495</u>

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

City of Helena, Montana
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGET BASIS)

For the year ended June 30, 2015

(1 of 2)

	General			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 9,227,537	\$ 9,227,537	\$ 10,826,030	\$ 1,598,493
Motor vehicle taxes	697,000	697,000	774,849	77,849
Penalties and interest	20,000	20,000	26,307	6,307
Licenses and permits:				
Alcoholic beverages	48,100	48,100	53,251	5,151
General business	494,100	494,100	498,327	4,227
Animal licenses	34,000	34,000	35,039	1,039
Other permits	4,200	4,200	4,828	628
Intergovernmental:				
Federal grants	138,100	169,770	204,047	34,277
State grants	30,000	74,167	86,919	12,752
State shared revenues	3,898,900	3,898,900	4,044,863	145,963
Other governments	75,050	75,050	77,015	1,965
Local payments in lieu of taxes	-	-	9,490	9,490
Charges for services:				
Public safety	399,800	399,800	380,044	(19,756)
Public works	1,000	1,000	500	(500)
Public health	4,000	4,000	1,275	(2,725)
Culture and recreation	191,040	191,040	203,645	12,605
Community development	5,190	5,190	7,666	2,476
Fines - city court	688,300	688,300	650,074	(38,226)
Investment earnings	10,000	10,000	7,671	(2,329)
Interfund reimbursements	2,900,426	2,900,426	2,900,426	-
Contributions and donations	42,580	42,580	26,343	(16,237)
Miscellaneous	16,500	16,500	55,461	38,961
Total revenues	18,925,823	19,001,660	20,874,070	1,872,410
EXPENDITURES				
Current:				
General government:				
Legislative				
Personal services	254,913	254,913	248,043	6,870
Supplies/services/materials	152,835	152,835	108,099	44,736
Executive				
Personal services	247,279	247,279	245,298	1,981
Supplies/services/materials	296,976	254,956	85,454	169,502
Judicial				
Personal services	411,464	411,464	407,391	4,073
Supplies/services/materials	94,487	94,487	88,112	6,375
Administrative services				
Personal services	289,166	289,166	288,618	548
Supplies/services/materials	122,312	122,312	114,449	7,863
Financial services				
Personal services	548,868	548,868	544,494	4,374
Supplies/services/materials	277,363	277,363	242,845	34,518
Human resources				
Personal services	335,098	335,098	330,628	4,470
Supplies/services/materials	85,570	85,570	74,961	10,609
Legal services				
Personal services	462,339	462,339	419,457	42,882
Supplies/services/materials	128,212	128,212	96,823	31,389
Total general government	\$ 3,706,882	\$ 3,664,862	\$ 3,294,672	\$ 370,190

(2 of 2)

EXPENDITURES, continued	General			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Public safety:				
Law enforcement and judicial				
Personal services	\$ 4,833,001	\$ 4,833,001	\$ 4,966,441	\$ (133,440)
Supplies/services/materials	960,261	963,761	779,485	184,276
Fire protection				
Personal services	3,383,303	3,427,470	3,390,540	36,930
Supplies/services/materials	587,231	682,890	519,372	163,518
Total public safety	<u>9,763,796</u>	<u>9,907,122</u>	<u>9,655,838</u>	<u>251,284</u>
Public works:				
Public works administration				
Personal services	993,996	993,996	910,186	83,810
Supplies/services/materials	201,945	222,723	191,903	30,820
Streets				
Supplies/services/materials	31,340	31,340	29,403	1,937
Total public works	<u>1,227,281</u>	<u>1,248,059</u>	<u>1,131,492</u>	<u>116,567</u>
Public health:				
Animal control				
Personal services	145,244	149,244	149,865	(621)
Supplies/services/materials	92,137	88,137	77,194	10,943
Total public health	<u>237,381</u>	<u>237,381</u>	<u>227,059</u>	<u>10,322</u>
Culture and recreation:				
Parks				
Personal services	1,341,175	1,341,175	1,213,544	127,631
Supplies/services/materials	934,008	936,394	815,171	121,223
Total culture and recreation	<u>2,275,183</u>	<u>2,277,569</u>	<u>2,028,715</u>	<u>248,854</u>
Community development				
Administration and planning				
Personal services	417,301	417,301	351,759	65,542
Supplies/services/materials	121,392	129,912	91,660	38,252
Total community development	<u>538,693</u>	<u>547,213</u>	<u>443,419</u>	<u>103,794</u>
Total expenditures	<u>17,749,216</u>	<u>17,882,206</u>	<u>16,781,195</u>	<u>1,101,011</u>
Revenues over (under) expenditures	<u>1,176,607</u>	<u>1,119,454</u>	<u>4,092,875</u>	<u>2,973,421</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	8,000	8,000	22,680	14,680
Transfers in	18,619	18,619	20,968	2,349
Transfers out	(1,365,505)	(1,814,300)	(1,813,844)	456
Total other financing sources (uses)	<u>(1,338,886)</u>	<u>(1,787,681)</u>	<u>(1,770,196)</u>	<u>17,485</u>
Net change in fund balances	<u>\$ (162,279)</u>	<u>\$ (668,227)</u>	2,322,679	<u>\$ 2,990,906</u>
Fund balances - beginning			4,546,711	
Fund balances - ending			<u>\$ 6,869,390</u>	

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

City of Helena, Montana
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGET BASIS)
For the year ended June 30, 2015

	Streets			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Special assessments	\$ 3,195,000	\$ 3,195,000	\$ 3,284,126	\$ 89,126
Intergovernmental				
State grants	-	130,000	126,766	(3,234)
State shared	554,500	554,500	554,354	(146)
Other governments	-	50,000	67,133	17,133
Charges for services - public works	40,000	40,000	37,572	(2,428)
Investment earnings	4,200	4,200	3,241	(959)
Miscellaneous	5,000	5,000	1,044	(3,956)
Total revenue	<u>3,798,700</u>	<u>3,978,700</u>	<u>4,074,236</u>	<u>95,536</u>
EXPENDITURES				
Current:				
Public works				
Personal services	1,244,307	1,244,307	1,208,580	35,727
Supplies/services/materials	2,168,501	3,075,581	2,281,299	794,282
Capital outlay	547,550	1,610,969	343,968	1,267,001
Total expenditures	<u>3,960,358</u>	<u>5,930,857</u>	<u>3,833,847</u>	<u>2,097,010</u>
Revenues over (under) expenditures	<u>(161,658)</u>	<u>(1,952,157)</u>	<u>240,389</u>	<u>2,192,546</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	55,000	55,000	35,441	(19,559)
Total other financing sources (uses)	<u>55,000</u>	<u>55,000</u>	<u>35,441</u>	<u>(19,559)</u>
Net change in fund balances	<u>\$ (106,658)</u>	<u>\$ (1,897,157)</u>	<u>275,830</u>	<u>\$ 2,172,987</u>
Fund balances - beginning			3,729,717	
Fund balances - ending			<u><u>\$ 4,005,547</u></u>	

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

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City of Helena, Montana
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

(1 of 2)

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,396,005	\$ 3,090,635	\$ 3,505,354
Certificates of deposit	840,774	497,130	410,506
Receivables (net of allowance for uncollectibles)	1,716,691	416,458	197,450
Notes receivable	-	-	-
Inventories	473,038	112,511	74,126
Restricted assets:			
Cash-revenue bond accounts	783,450	1,154,410	-
Cash with fiscal agent	-	-	-
Intergovernmental receivable	862,969	-	-
Total current assets	<u>11,072,927</u>	<u>5,271,144</u>	<u>4,187,436</u>
Noncurrent assets:			
Capital assets:			
Land	21,582,446	15,867,449	37,170
Buildings and system	6,137,395	12,538,787	518,737
Improvements other than buildings	330,656	312,395	-
Machinery and equipment	2,337,812	1,908,343	2,189,611
Infrastructure	120,034,561	56,243,090	-
Construction in progress	1,539,413	127,200	-
Less accumulated depreciation	(83,764,318)	(43,231,518)	(1,739,350)
Total noncurrent assets	<u>68,197,965</u>	<u>43,765,746</u>	<u>1,006,168</u>
Total assets	<u>79,270,892</u>	<u>49,036,890</u>	<u>5,193,604</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	88,658	62,262	33,961
Total deferred outflows of resources	<u>88,658</u>	<u>62,262</u>	<u>33,961</u>
LIABILITIES			
Current liabilities:			
Accounts payable	317,793	94,174	37,276
Customer deposits	95,575	-	-
Accrued interest	53,078	46,690	-
Compensated absences	103,451	85,993	28,469
Loans	-	-	-
General obligation bonds	-	-	-
Certificates of participation	-	-	-
Revenue bonds	418,000	679,000	-
Advances from other funds	-	-	-
Landfill postclosure costs	-	-	113,330
Total current liabilities	<u>987,897</u>	<u>905,857</u>	<u>179,075</u>
Noncurrent liabilities:			
Compensated absences	84,642	70,357	23,292
Loans	-	-	-
General obligation bonds	-	-	-
Certificates of participation	-	-	-
Revenue bonds	4,300,000	3,990,000	-
Advances from other funds	-	-	-
Landfill postclosure costs	-	-	1,541,288
Net pension liability	1,125,810	790,623	431,254
Other postemployment benefits	180,144	130,963	70,407
Total noncurrent liabilities	<u>5,690,596</u>	<u>4,981,943</u>	<u>2,066,241</u>
Total liabilities	<u>6,678,493</u>	<u>5,887,800</u>	<u>2,245,316</u>
DEFERRED INFLOWS OF RESOURCES			
Difference between projected and actual earnings	290,891	204,284	111,429
Difference between expected and actual experience	1,639	1,151	628
Total deferred inflows of resources	<u>292,530</u>	<u>205,435</u>	<u>112,057</u>
NET POSITION			
Net investment in capital assets	63,479,965	39,096,746	1,006,168
Restricted for:			
Revenue bond accounts	783,450	1,154,410	-
Unrestricted	8,125,112	2,754,761	1,864,024
Total net position	<u>\$ 72,388,527</u>	<u>\$ 43,005,917</u>	<u>\$ 2,870,192</u>
Adjustment to reflect the consolidation of fleet services internal service fund activities related to enterprise funds.			
Net position of business-type activities			

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

(2 of 2)

<u>Transfer Station</u>	<u>Parking</u>	<u>Other</u>	<u>Totals</u>	<u>Internal Service</u>
\$ 1,492,296	\$ 103,643	\$ 1,833,114	\$ 16,421,047	\$ 1,639,393
174,760	111,094	214,672	2,248,936	191,987
165,995	-	97,444	2,594,038	-
-	19,131	-	19,131	-
-	15,956	148,597	824,228	46,035
-	845,000	-	2,782,860	-
-	1,198,492	-	1,198,492	-
-	-	123,433	986,402	-
<u>1,833,051</u>	<u>2,293,316</u>	<u>2,417,260</u>	<u>27,075,134</u>	<u>1,877,415</u>
-	2,602,825	529,988	40,619,878	148,054
2,359,975	14,852,828	4,871,478	41,279,200	830,638
258,448	150,317	2,369,814	3,421,630	62,831
1,467,106	330,485	1,855,166	10,088,523	130,896
-	-	-	176,277,651	-
112,064	-	38,835	1,817,512	-
<u>(2,229,012)</u>	<u>(1,147,192)</u>	<u>(3,971,872)</u>	<u>(136,083,262)</u>	<u>(940,958)</u>
<u>1,968,581</u>	<u>16,789,263</u>	<u>5,693,409</u>	<u>137,421,132</u>	<u>231,461</u>
<u>3,801,632</u>	<u>19,082,579</u>	<u>8,110,669</u>	<u>164,496,266</u>	<u>2,108,876</u>
44,994	30,262	124,463	384,600	22,819
<u>44,994</u>	<u>30,262</u>	<u>124,463</u>	<u>384,600</u>	<u>22,819</u>
187,609	21,761	151,124	809,737	143,061
-	-	58,222	153,797	-
-	213,821	5,399	318,988	-
54,403	12,122	114,574	399,012	16,228
-	-	211,773	211,773	-
-	860,000	-	860,000	-
-	195,000	-	195,000	-
-	-	-	1,097,000	-
-	-	27,610	27,610	-
-	-	-	113,330	-
<u>242,012</u>	<u>1,302,704</u>	<u>568,702</u>	<u>4,186,247</u>	<u>159,289</u>
44,512	9,918	93,743	326,464	13,277
-	-	927,787	927,787	-
-	835,000	-	835,000	-
-	7,975,000	-	7,975,000	-
-	-	-	8,290,000	-
-	-	56,052	56,052	-
-	-	-	1,541,288	-
571,352	384,281	1,580,482	4,883,802	289,767
95,429	88,128	308,931	874,002	49,178
<u>711,293</u>	<u>9,292,327</u>	<u>2,966,995</u>	<u>25,709,395</u>	<u>352,222</u>
<u>953,305</u>	<u>10,595,031</u>	<u>3,535,697</u>	<u>29,895,642</u>	<u>511,511</u>
147,628	99,292	408,371	1,261,895	74,871
832	559	2,301	7,110	422
<u>148,460</u>	<u>99,851</u>	<u>410,672</u>	<u>1,269,005</u>	<u>75,293</u>
1,968,581	6,924,263	4,564,289	117,040,012	231,461
-	845,000	-	2,782,860	-
776,280	648,696	(275,526)	13,893,347	1,313,430
<u>\$ 2,744,861</u>	<u>\$ 8,417,959</u>	<u>\$ 4,288,763</u>	<u>133,716,219</u>	<u>\$ 1,544,891</u>
			300,577	
			<u>\$ 134,016,796</u>	

City of Helena, Montana
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended June 30, 2015

(1 of 2)

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
OPERATING REVENUES			
Charges for services	\$ 6,848,752	\$ 4,231,987	\$ 3,407,846
Total operating revenues	<u>6,848,752</u>	<u>4,231,987</u>	<u>3,407,846</u>
OPERATING EXPENSES			
Personal services	1,585,524	1,144,825	610,106
Maintenance and operations	2,234,947	1,574,060	1,951,461
Depreciation	1,806,331	976,274	230,230
Total operating expenses	<u>5,626,802</u>	<u>3,695,159</u>	<u>2,791,797</u>
Operating income (loss)	<u>1,221,950</u>	<u>536,828</u>	<u>616,049</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental	75,303	22,355	12,890
Investment earnings	7,760	4,271	2,119
Interest expense	(108,461)	(96,730)	-
Bond issuance costs	-	-	-
Sale of capital assets	-	24,551	-
Total non-operating revenue (expenses)	<u>(25,398)</u>	<u>(45,553)</u>	<u>15,009</u>
Income (loss) before contributions and transfers	1,196,552	491,275	631,058
Capital contributions - grants	862,969	710,380	-
Capital contributions - mains & other	2,548,405	143,002	-
Transfers in	-	-	-
Transfer out	-	-	-
SPECIAL ITEM			
Gain on merger	-	-	-
Change in net position	<u>4,607,926</u>	<u>1,344,657</u>	<u>631,058</u>
Total net position - beginning	69,146,031	42,620,160	2,762,177
Restatement - GASB 68 implementation	(1,365,430)	(958,900)	(523,043)
Total net position - ending	<u>\$ 72,388,527</u>	<u>\$ 43,005,917</u>	<u>\$ 2,870,192</u>

**Amounts reported for business-type activities in the statement
of activities are different because:**

Change in net position - total enterprise funds
Adjustment to reflect the consolidation of fleet services internal
service fund activities related to enterprise funds

Change in net position of business-type activities

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

(2 of 2)

<u>Transfer Station</u>	<u>Parking</u>	<u>Other</u>	<u>Totals</u>	<u>Internal Service</u>
\$ 2,999,698	\$ 1,794,908	\$ 3,592,294	\$ 22,875,485	\$ 5,837,460
<u>2,999,698</u>	<u>1,794,908</u>	<u>3,592,294</u>	<u>22,875,485</u>	<u>5,837,460</u>
857,924	487,423	2,404,374	7,090,176	416,060
1,887,579	557,478	1,829,963	10,035,488	5,050,399
155,183	273,759	380,102	3,821,879	13,764
<u>2,900,686</u>	<u>1,318,660</u>	<u>4,614,439</u>	<u>20,947,543</u>	<u>5,480,223</u>
<u>99,012</u>	<u>476,248</u>	<u>(1,022,145)</u>	<u>1,927,942</u>	<u>357,237</u>
16,155	10,866	836,473	974,042	38,638
1,066	1,926	1,666	18,808	486
-	(442,731)	(10,411)	(658,333)	-
-	(28,625)	-	(28,625)	-
-	-	6,144	30,695	-
<u>17,221</u>	<u>(458,564)</u>	<u>833,872</u>	<u>336,587</u>	<u>39,124</u>
116,233	17,684	(188,273)	2,264,529	396,361
-	-	-	1,573,349	-
67,096	-	9,600	2,768,103	-
-	10,952,228	300,000	11,252,228	-
-	(9,477,034)	-	(9,477,034)	-
-	7,391,153	-	7,391,153	-
<u>183,329</u>	<u>8,884,031</u>	<u>121,327</u>	<u>15,772,328</u>	<u>396,361</u>
3,254,491	-	6,084,310	123,867,169	1,499,972
(692,959)	(466,072)	(1,916,874)	(5,923,278)	(351,442)
<u>\$ 2,744,861</u>	<u>\$ 8,417,959</u>	<u>\$ 4,288,763</u>	<u>\$ 133,716,219</u>	<u>\$ 1,544,891</u>

\$ 15,772,328

167,729

\$ 15,940,057

City of Helena, Montana
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended June 30, 2015

(1 of 4)

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 6,624,371	\$ 4,226,071	\$ 3,394,187
Cash provided by component unit merger	-	-	-
Payments to suppliers	(1,463,210)	(827,425)	(1,705,658)
Payments to employees	(1,572,354)	(1,152,666)	(615,362)
Payment for interfund services used	(807,113)	(725,960)	(429,263)
Net cash provided (used) by operating activities	<u>2,781,694</u>	<u>1,520,020</u>	<u>643,904</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Operating grants	43,470	-	696
Contributions from other governments	31,833	22,355	12,194
Principal payments - advances	-	-	-
Net cash provided (used) by non-capital financing activities	<u>75,303</u>	<u>22,355</u>	<u>12,890</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers from other funds - bond reserves	-	-	-
Proceeds from capital grants / contributions	93,682	142,999	-
Proceeds from capital debt	-	-	-
Refunding bond proceeds	-	-	-
Principal payments - bonds	(408,000)	(666,000)	-
Principal payments - certificates of participation	-	-	-
Principal payments - loans	-	-	-
Interest payments	(113,051)	(103,390)	-
Bond issuance costs	-	-	-
Purchase of capital assets	(1,488,755)	(519,699)	-
Proceeds from disposition of capital assets	99,672	98,033	-
Net cash provided (used) by capital and related financing activities	<u>(1,816,452)</u>	<u>(1,048,057)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in certificates of deposit	(546,338)	(317,916)	(272,960)
Interest received	7,760	4,271	2,119
Net cash provided (used) by investing activities	<u>(538,578)</u>	<u>(313,645)</u>	<u>(270,841)</u>
Net increase (decrease) in cash and cash equivalents	501,967	180,673	385,953
Cash and cash equivalents, beginning	6,677,488	4,064,372	3,119,401
Cash and cash equivalents, ending	<u>\$ 7,179,455</u>	<u>\$ 4,245,045</u>	<u>\$ 3,505,354</u>
Cash and cash equivalents, current	\$ 6,396,005	\$ 3,090,635	\$ 3,505,354
Cash and cash equivalents, noncurrent - restricted	783,450	1,154,410	-
Cash and cash equivalents, ending	<u>\$ 7,179,455</u>	<u>\$ 4,245,045</u>	<u>\$ 3,505,354</u>

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

(2 of 4)

<u>Transfer Station</u>	<u>Parking</u>	<u>Other</u>	<u>Total</u>	<u>Internal Service</u>
\$ 2,988,109	\$ 1,798,039	\$ 3,540,178	\$ 22,570,955	\$ 5,837,460
-	198,207	-	198,207	-
(1,516,938)	(421,221)	(1,212,344)	(7,146,796)	(4,983,438)
(852,105)	(506,871)	(2,401,976)	(7,101,334)	(417,653)
(362,226)	(125,790)	(590,886)	(3,041,238)	(97,652)
<u>256,840</u>	<u>942,364</u>	<u>(665,028)</u>	<u>5,479,794</u>	<u>338,717</u>
-	-	300,000	300,000	-
-	-	893,399	937,565	30,444
16,155	10,866	44,688	138,091	8,194
-	-	(27,337)	(27,337)	-
<u>16,155</u>	<u>10,866</u>	<u>1,210,750</u>	<u>1,348,319</u>	<u>38,638</u>
-	1,198,492	-	1,198,492	-
-	-	-	236,681	-
-	-	394,354	394,354	-
-	845,000	-	845,000	-
-	(50,000)	-	(1,124,000)	-
-	(190,000)	-	(190,000)	-
-	-	(197,308)	(197,308)	-
-	(443,295)	(10,796)	(670,532)	-
-	(28,625)	-	(28,625)	-
(306,332)	(29,859)	(214,204)	(2,558,849)	-
-	1,275	6,144	205,124	-
<u>(306,332)</u>	<u>1,302,988</u>	<u>(21,810)</u>	<u>(1,889,663)</u>	<u>-</u>
(102,995)	(111,009)	(150,387)	(1,501,605)	(130,602)
1,066	1,926	1,666	18,808	486
<u>(101,929)</u>	<u>(109,083)</u>	<u>(148,721)</u>	<u>(1,482,797)</u>	<u>(130,116)</u>
(135,266)	2,147,135	375,191	3,455,653	247,239
1,627,562	-	1,457,923	16,946,746	1,392,154
<u>\$ 1,492,296</u>	<u>\$ 2,147,135</u>	<u>\$ 1,833,114</u>	<u>\$ 20,402,399</u>	<u>\$ 1,639,393</u>
\$ 1,492,296	\$ 103,643	\$ 1,833,114	\$ 16,421,047	\$ 1,639,393
-	2,043,492	-	3,981,352	-
<u>\$ 1,492,296</u>	<u>\$ 2,147,135</u>	<u>\$ 1,833,114</u>	<u>\$ 20,402,399</u>	<u>\$ 1,639,393</u>

City of Helena, Montana
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended June 30, 2015

(3 of 4)

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,221,950	\$ 536,828	\$ 616,049
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	1,806,331	976,274	230,230
Cash provided by component unit merger	-	-	-
(Increase) decrease in accounts receivable	(236,021)	(7,918)	(13,660)
(Increase) decrease in inventories	(84,930)	(18,426)	4,671
Increase (decrease) in deferred outflows of resources	(5,343)	(3,752)	(2,046)
Increase (decrease) in accounts payable	61,576	46,807	(50,989)
Increase (decrease) in customer deposits	9,765	-	-
Increase (decrease) in compensated absences	19,031	(1,619)	(906)
Increase (decrease) in other postemployment benefits	19,740	13,178	7,544
Increase (decrease) in net pensions	(322,935)	(226,787)	(123,704)
Increase (decrease) in deferred inflows of resources	292,530	205,435	112,057
Increase (decrease) in landfill postclosure costs payable	-	-	(135,342)
Total adjustments	1,559,744	983,192	27,855
Net cash provided (used) by operating activities	\$ 2,781,694	\$ 1,520,020	\$ 643,904
 Supplemental disclosure of non-cash activity:			
Basis of property disposed / transferred out	\$ 24,455	\$ 23,479	\$ -
Contribution of capital assets by developers/ other governments:			
Mains	214,795	129,216	-
Other equipment	-	350,000	-
Land and easements	2,239,928	230,831	-

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

(4 of 4)

<u>Transfer Station</u>	<u>Parking</u>	<u>Other</u>	<u>Total</u>	<u>Internal Service</u>
\$ 99,012	\$ 476,248	\$ (1,022,145)	\$ 1,927,942	\$ 357,237
155,183	273,759	380,102	3,821,879	13,764
-	198,207	-	198,207	-
(11,590)	3,131	(59,997)	(326,055)	-
-	1,931	8,534	(88,220)	(2,497)
(2,711)	(1,824)	(7,500)	(23,176)	(1,375)
14,202	5,736	26,843	104,175	(26,296)
-	-	7,797	17,562	-
7,606	(10,691)	11,955	25,376	688
10,568	6,245	32,066	89,341	5,022
(163,890)	(110,229)	(453,355)	(1,400,900)	(83,119)
148,460	99,851	410,672	1,269,005	75,293
-	-	-	(135,342)	-
<u>157,828</u>	<u>466,116</u>	<u>357,117</u>	<u>3,551,852</u>	<u>(18,520)</u>
<u>\$ 256,840</u>	<u>\$ 942,364</u>	<u>\$ (665,028)</u>	<u>\$ 5,479,794</u>	<u>\$ 338,717</u>

\$ 8,000	\$ -	\$ 6,144	\$ 62,078	\$ -
-	-	-	344,011	-
-	-	-	350,000	-
-	-	-	2,470,759	-

City of Helena, Montana
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	<u>Agency</u>
	State Court Trust
ASSETS	
Cash and investments	<u>\$ 27,834</u>
LIABILITIES	
Due to other governments	<u>\$ 27,834</u>

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

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Helena, Montana (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (US 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.

1. Description of Government-wide Financial Statements

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

2. Reporting Entity

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 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.

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 is considered to be financially accountable, or which accumulate resources for the primary government and the government has 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.

Discretely Presented Component Units The Business Improvement District (BID) and Tourism Business Improvement District (TBID) were created pursuant to the provisions of MCA 7-12-1101. 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 consists of one individual governmental fund. The TBID consists of two governmental type funds. In accordance with US GAAP, the City presents combining statements for the TBID with the non-major funds since separate financial statements are not prepared.

The Helena Parking Commission (HPC) was reported as a component unit in prior years. The transfer of its assets to the City as a merger is reported in a separate column again for this fiscal year. The HPC is now shown as an enterprise fund in the City's enterprise fund financial statements. The City and HPC revised its contract so that the entire operation is under control of the City other than the board. The board continues to function as an advisory board and approves rate increases within the district, but has no authority over staff, budgets, assets or any other financial matters (see related discussion in Note Q).

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

2. Reporting Entity, (continued)

Discretely Presented Component Units, (continued)

Both component units are presented discretely in the Statement of Net Position and Statement of Activities.

3. Government-wide and Fund Financial Statements

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities.

Eliminations have been made to minimize the double accounting of internal activities. 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 funds and the business-type funds based on which fund type 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.

These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities are financed primarily through taxes, assessments, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for services provided.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, assessments and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3. Government-wide and Fund Financial Statements, (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating.

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.

The Solid Waste and Transfer Station funds did not meet GASB Statement 34's definition of a major fund for fiscal year 2015. However, they have in past years and were left as major funds for consistency and comparability between years.

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.

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 repair and maintenance, copier equipment and charges, property and liability insurance, and health insurance.

Agency. This fund accounts for monies held on behalf of the State Supreme Court.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide and Proprietary Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, excluding motor vehicle taxes, licenses, and interest on investments are considered to be susceptible to accrual. Property taxes not meeting the revenue recognition criteria at year-end have been reported as unavailable revenue.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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 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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

5. Cash and Investments

The government'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.

Cash resources of the individual funds are combined to form a pool of cash and investments that is managed by the City Administrative Services 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.

The City issues checks in payment of its obligations. Cash balances in all funds are reported net of outstanding checks. Bank overdrafts are reported as a liability.

Investments are recorded at fair value in accordance with GASB Statement 31 with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements.

Cash and Investment Policies

Deposits - 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, 100 percent if less than 6 percent. At June 30 the City was in compliance with this law.

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 5 years. Collateral for overnight repurchase agreements must be U.S. government and U.S. agency obligations.

Investments - 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:

- 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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

6. 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 Statement of Net Position other than any outstanding balances between governmental-type and business-type that are classified as "internal balances".

All trade, taxes and assessment receivables are shown net of an allowance for uncollectibles. 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 uncollectibles incurred in these funds are immaterial and relate to bankruptcy proceedings that are written off immediately after court proceedings are finalized. As such, the balance of the allowance for uncollectibles as of June 30 was \$-0-.

Property taxes are levied and collected by Lewis and Clark County and are payable in two installments due November 30 and May 31. The county assesses penalty and interest after these dates and writes off receivables when uncollectible. Uncollectible taxes result from protested taxes. As of June 30 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.

7. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The General and Streets governmental funds, the Water, Wastewater, Solid Waste, Parking, Golf Course enterprise funds, and Fleet Services internal services fund, have inventories that are expensed as consumed.

8. 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 restricted cash and cash equivalents, 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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

9. 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. Donated capital assets are valued at their estimated fair market 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 a 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 Statement of Activity, but not in the governmental fund statements in accordance with US GAAP. Depreciation of all capital assets, except land, easements, and construction in 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
Infrastructure	50-100

Interest is capitalized on proprietary fund assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds over the same period.

10. Unavailable revenues

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

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

11. 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 are allowed to accumulate and carryover 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. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave. The liability for compensated absences is reported in the government-wide and proprietary Statements of Net Position.

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.

12. Long-Term Obligations

In the Statement of Net Position and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, except for insurance, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. 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.

Management adopted the provisions of the Governmental Accounting Standards Board Statements No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. The Statements establishes new requirements for the City to report a "net pension liability (asset) for the unfunded (overfunded) portion of its pension plans and deferred outflows of resources and deferred inflows of resources related to pension plans.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

14. Postemployment Benefits

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The City allows retirees, their dependents and spouses to pay similar rates for insurance as current employees. Statement 45 states this provides an "implied rate subsidy" since retirees generally have higher health costs and should pay higher premiums. Even though the City has consistently collected more premiums than it has paid in expenses for retiree insurance, the actuary is not allowed to take this into account since our insurance pool is not large enough for their statistical calculations. The City feels this is not a legal liability since nothing in State law or other contracts requires us to provide the same rate and we can change it at any time. Rates are actuarially established for the entire group and therefore the costs are covered. The City will continue to fund this imposed liability on a pay-as-you-go basis as City staff feel it would be irresponsible to set aside taxpayer funds in a irrevocable trust fund that will never be used and probably continue to increase.

15. Net Position/Fund Balance

Net position in the government wide and proprietary fund financial statements show the amount of the capital assets less any outstanding debt issued to fund them as net investment in capital assets. Restricted net positions are those that have constraints placed on them either by external parties or imposed by law or enabling legislation.

GASB Statement 54 requires governmental fund balances to be allocated to categories as follows:

- Nonspendable – funds that are not spendable in form (i.e. Inventory);
- Restricted – externally enforceable legal restrictions exist, such as state law or bond covenants;
- Committed – constraint formally imposed by the City Commission by the end of the reporting period through ordinance or resolution, as both are equally binding;
- Assigned – constraint imposed by the City Commission by a means other than ordinance or resolution, or at a level below the City Commission by the reporting date. The city manager is authorized to appropriate reserve or contingency funds as detailed in the annual budget resolution, and described in Note B(1);
- Unassigned – remaining balance.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. The City considers restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, unless external requirements stipulate otherwise. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

16. 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.

17. 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.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Data

a. General Budget Policies

The State of Montana's budget law stipulates that money, other than payments from agency 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 agency funds. The City legally adopts a budget for the required funds.

b. Budget Process

The City Manager is responsible for preparation of the preliminary annual budget. The City Commission modifies and/or approves his budget. The City Commission must meet prior to the budget adoption for the purpose of holding a public hearing on the final budget. This hearing can be continued until the budget is finally approved and adopted on or before the second Monday in August. The tax levies are set on the later of that date or 45 calendar days after receiving certified taxable values from the State. The total value of property within the City as determined by the County Assessor is the assessed valuation.

For fiscal year 2015, the City levied 168.17 mills including an 90.62 all-purpose mill levy and a 17.79 debt service mill levy for the Open Space/Fire Truck and Park and Recreation debt service funds.

The City Clerk forwards a copy of the final budget to the State Department of Administration no later than October 1st 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. The tax levies and special assessments are forwarded to the County Treasurer for collection.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (continued)

1. Budgetary Data, (continued)

b. Budget Process, (continued)

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 any part of an unencumbered balance of an appropriation to a purpose or object for which the appropriation for the current year is insufficient. The City Commission 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 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. The City Commission authorized transfers of budget authority within funds and increased the overall appropriation for some funds, after public hearing. The 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. No emergency expenditures were authorized during the year.

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.

2. Budgetary/US GAAP Basis Difference

Legally required budgets are adopted on the cash basis of accounting consistent with the budget laws of the State of Montana, which is a basis of accounting not in accordance with US GAAP. Under the budget basis of the City, certain revenues and the related assets are recognized when received rather than when susceptible to accrual or earned, and certain expenditures are recognized when disbursed as determined by the date of the expenditure rather than when the obligation was incurred.

Annual appropriated budgets are legally adopted for all City funds, except agency funds. US 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 Section D of this report.

The City had no violations of budget law for fiscal year 2015, as all expenditures in total by fund are less than the related appropriations, or are transfers of closed funds as allowed by State law.

Accounting principles used in developing data on a budgetary basis differ from those used in preparing financial statements in conformity with US GAAP. The following schedule reconciles the amounts on the basic governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (which is presented on a non-US GAAP budgetary basis) to the amounts on the basic governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance (which is presented on a US GAAP basis) for the major funds.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (continued)

2. Budgetary/US GAAP Basis Difference, (continued)

The following schedule also reconciles the actual amounts for those non-major funds budgeted to the totals shown on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Funds, shown elsewhere in this report.

	Major Funds	
	General	Special Revenue Streets
Fund balances budget basis	\$ 6,869,390	\$ 4,005,547
Basis differences:		
Accrual of accounts receivable	73,853	-
Accrual of tax/assessment revenue	501,568	55,728
Accrual of grant revenue	23,770	63,383
Accrual of expenditures	(439,727)	(53,468)
Accrual of compensated absences	(21,398)	-
Inventory	14,774	248,965
Fund balances modified accrual	\$ 7,022,230	\$ 4,320,155

	Non-major Funds		
	Special Revenue	Debt Service	Capital Projects
Fund balances budget basis	\$ 5,635,720	\$ 1,039,923	\$ 2,339,929
Basis differences:			
Accrual of accounts receivable	2,959	-	-
Notes receivable	457,613	-	-
Accrual of tax/assessment revenue	69,794	60,882	-
Accrual of grant revenue	120,449	-	553,355
Accrual of expenditures	(273,087)	-	(6,659)
Fund balances modified accrual	\$ 6,013,448	\$ 1,100,805	\$ 2,886,625

3. Negative Fund and Net Position Balances

The City had no major funds with negative fund or net position balances. The Special Improvement Districts Construction and CTEP Projects non-major capital projects funds had negative fund balances of \$130,379 and \$20,522, respectively. These balances are due to preliminary expenditures on projects that will be reimbursed at a later date from special assessment and grant revenues. The non-major Building enterprise fund had a negative net position amount of \$12,248 due to recording the net pension liability.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE C - DEPOSITS AND INVESTMENTS

1. June 30th Deposit and Investment Balances

As of June 30, the City had the following cash and investments:

	Governmental & Business		Component Units		Total
	Type	Agency	BID	TBID	
Cash	\$ 2,993,675	\$ 27,834	\$ 144,361	\$ 100,747	\$ 3,266,617
Certificates of deposit	4,500,000	-	-	-	4,500,000
Total carrying amount of deposits	<u>7,493,675</u>	<u>27,834</u>	<u>144,361</u>	<u>100,747</u>	<u>7,766,617</u>
Investments:					
State short-term investment pool	36,630,777	-	-	-	36,630,777
Total deposits and investments	<u>\$ 44,124,452</u>	<u>\$ 27,834</u>	<u>\$ 144,361</u>	<u>\$ 100,747</u>	<u>\$ 44,397,394</u>

2. Deposits

Reconciliation of carrying amount to deposit balances:

	Governmental & Business		Component Units		Total
	Type	Agency	BID	TBID	
Cash - carrying amount	\$ 2,993,675	\$ 27,834	\$ 144,361	\$ 100,747	\$ 3,266,617
Deposits in transit	(1,234,045)	(4,655)	-	-	(1,238,700)
Outstanding checks	1,048,440	55,360	-	-	1,103,800
Certificates of deposits	4,500,000	-	-	-	4,500,000
Deposit balances with financial institutions insured or collateralized with securities held in the City's name	<u>\$ 7,308,070</u>	<u>\$ 78,539</u>	<u>\$ 144,361</u>	<u>\$ 100,747</u>	<u>\$ 7,631,717</u>

At fiscal year-end, the City's carrying amount of cash deposits was \$3,035,341, including \$3,612 and \$10,220 held for the BID and TBID, respectively, and the bank balance was \$2,900,441. The entire cash bank balance was covered by an irrevocable, unconditional and nontransferable Letter of Credit from Federal Home Loan Bank. \$4,500,000 of certificates of deposit are covered by the Federal Depository Insurance Corporation.

3. Restricted Cash and Cash Equivalents

The City held the following restricted cash and cash equivalents at June 30. These amounts are reported within the restricted assets, cash and cash equivalents, account on the respective government-wide Statement of Net Position, governmental funds Balance Sheet and the proprietary Statement of Net Position.

Governmental Activities:

Restricted for bond reserves \$ 24,918

Business Type Activities:

Restricted for bond reserves 2,782,860
Cash with fiscal agent 1,198,492
Total restricted cash \$ 4,006,270

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE C - DEPOSITS AND INVESTMENTS, (continued)

4. Investments

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 – Credit risk is the risk that the other party to an investment will not fulfill its obligations. The City’s investment policies do not specifically address credit risk. However, they do address it indirectly by limiting investments to those described in Note A(5).

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, 3rd Floor, Helena, Montana 59620.

Investments in the pool are reported at fair value. 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 at cost. STIP is classified as a 2A-7 like pool. STIP income is automatically reinvested in additional units. The STIP is not rated by a national rating agency.

Along with limitations placed on investments by state law, the City minimizes custodial credit risk by restrictions set forth in City policy. Custodial credit risk for investments is the risk that in the event of a financial institution failure, the City’s investments may not be returned or the City will not be able to recover the collateral securities in the possession of the outside party. The City’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.

NOTE D - ACCOUNTS/OTHER RECEIVABLES

Other receivables represent services provided and billed as of June 30. The following represents a breakdown by fund type of outstanding balances at fiscal year-end.

Funds:	Taxes	Accounts	Special Assessments	Intergov- ernmental - Restricted	Total
General	\$ 630,428	\$ -	\$ -	\$ 23,770	\$ 654,198
Streets	-	-	92,461	63,383	155,844
Water	-	1,716,691	-	862,969	2,579,660
Wastewater	-	416,458	-	-	416,458
Solid waste	-	133,996	63,454	-	197,450
Transfer station	-	165,995	-	-	165,995
Nonmajor and other funds	66,016	102,613	356,071	797,237	1,321,937
Total receivables	<u>\$ 696,444</u>	<u>\$ 2,535,753</u>	<u>\$ 511,986</u>	<u>\$ 1,747,359</u>	<u>\$ 5,491,542</u>

Discretely presented component unit receivables of \$14,550 and \$115,881 for the BID and TBID, respectively, represent special assessments and other receivables.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE D - ACCOUNTS/OTHER RECEIVABLES, (continued)

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.

At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

Unavailable Revenue Balances:

	Unavailable
Unavailable property taxes - general fund	\$ 55,007
Unavailable property taxes - debt service funds	6,554
Unavailable special assessments - special revenue funds	56,432
Unavailable special assessments - debt service funds	265,161
Total unavailable revenue for governmental funds	\$ 383,154

NOTE E - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of internal balances on the Statement of Net Position is as follows:

Interfund Balances Receivable (Payable):

	Governmental Activities	Business-type
Internal service funds - governmental activities funds	\$ (340,640)	\$ 340,640
Internal service funds - business-type funds	75,558	(75,558)
Interfund advance from capital improvements to golf	83,662	(83,662)
Total interfund balances receivable (payable)	\$ (181,420)	\$ 181,420

The Capital Improvements fund advanced \$138,066 in April, 2013, to the golf course to purchase new golf carts. The loan is for five years at 1% interest.

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.

The composition of interfund balances in the fund financial statements as of June 30 is as follows:

Due from other funds	Due to other funds	
General	Special improvement districts construction	\$ 130,379
	CTEP projects	518,351
		\$ 648,730

This balance is to cover short-term cash shortages until grant reimbursements are received.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, (continued)

Interfund Transfers:

	Transfers Out				Total Transfers Out
	General	Non-major governmental	Parking	Governmental Net Assets	
Transfers In:					
General	\$ -	\$ 20,968	\$ -	\$ -	\$ 20,968
Non-major governmental	1,513,844	24,088	-	-	1,537,932
Parking	-	1,203,158	-	9,749,070	10,952,228
Non-major proprietary	300,000	-	-	-	300,000
Governmental - Net Assets	-	-	9,477,034	-	9,477,034
Total transfers in	<u>\$ 1,813,844</u>	<u>\$ 1,248,214</u>	<u>\$ 9,477,034</u>	<u>\$ 9,749,070</u>	<u>\$ 22,288,162</u>

The general fund transferred \$1,813,844 to: help finance the Civic Center and Facilities Management programs which are part of the Community Facilities fund (\$661,954), fund bus transit services (\$300,000), fund debt service payments for Sidewalk INTERCAP loans (\$1,745), and provide funds for governmental programs capital replacements (\$850,145).

Two parking garages owned by the City and the related debt were accounted for in governmental funds prior to the merger of the Parking Commission. The Parking Commission is responsible for the payment of the debt and the maintenance of the related assets, and therefore the assets and liabilities were transferred to the Parking enterprise fund. Because governmental funds do not report fixed assets or long term debt, transfers in and out will only balance in the Statement of Activities (see Note Q for additional information). The City also transferred the fund balances of the 2009 Certificates of Participation non-major governmental debt service fund. The assets consisted of bond proceeds used to establish an escrow account with the paying agent to cover the principle and interest payments in case of default by the City.

NOTE F – LOAN RECEIVABLES

Loans receivable at June 30 include the following:

3% Loan receivable from Artisan LLP; due in monthly payments beginning August 1, 2001 through April 2034; secured by real property (a)	\$ 432,613
0% Rehabilitation Loan Program/City Loan receivable from Helena YWCA; due in December 2028; secured by real property (b)	25,000
0% Sidewalk Replacement Loan Program; secured by tax lien on property	318,997
Major Proprietary - Parking:	
5% unsecured loan receivable from Helena Visitor and Commerce Center, due in monthly payments beginning September 1, 1995 through August 2020 (c)	19,131
Total note receivables	<u>\$ 795,741</u>

- (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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE F – LOAN RECEIVABLES, (continued)

- (b) The City loaned \$25,000 to the Young Women’s Christian Association for the purchase of a new boiler in 2009. The loan is a zero percent interest loan with the entire amount due December 2028. The loan is secured by the real property and must be paid back immediately if it is no longer used for housing disadvantaged women. \$10,895 was loaned from City money with the remaining \$14,105 from CDBG Rehabilitation Loan Program funds.
- (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 Parking Commission loaned \$60,000 to the Helena Visitor and Commerce Center, Inc. to assist with the construction of the building both entities occupied in 1995. The loan is a 5% interest loan, due in monthly installments of \$351 through August 2020,

NOTE G - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 65,152,272	\$ 7,765,479	\$ (1,476)	\$ -	\$ 72,916,275
Construction in progress	517,666	1,175,442	(17,308)	(75,096)	1,600,704
Total capital assets not being depreciated	<u>65,669,938</u>	<u>8,940,921</u>	<u>(18,784)</u>	<u>(75,096)</u>	<u>74,516,979</u>
Capital assets being depreciated:					
Buildings	20,283,407	164,888	-	(10,622,503)	9,825,792
Improvements other than buildings	15,265,233	941,135	-	75,096	16,281,464
Machinery and equipment	13,715,332	554,878	(341,770)	(23,000)	13,905,440
Infrastructure	44,006,676	451,635	(50,445)	-	44,407,866
Total capital assets being depreciated	<u>93,270,648</u>	<u>2,112,536</u>	<u>(392,215)</u>	<u>(10,570,407)</u>	<u>84,420,562</u>
Less accumulated depreciation for:					
Buildings	6,971,660	167,947	-	(873,435)	6,266,172
Improvements other than buildings	5,156,714	579,360	-	-	5,736,074
Machinery and equipment	9,614,539	899,790	(292,897)	(23,000)	10,198,432
Infrastructure	15,780,499	597,817	(32,653)	-	16,345,663
Total accumulated depreciation	<u>37,523,412</u>	<u>2,244,914</u>	<u>(325,550)</u>	<u>(896,435)</u>	<u>38,546,341</u>
Total capital assets being depreciated, net	<u>55,747,236</u>	<u>(132,378)</u>	<u>(66,665)</u>	<u>(9,673,972)</u>	<u>45,874,221</u>
Governmental activities capital assets, net	<u>\$ 121,417,174</u>	<u>\$ 8,808,543</u>	<u>\$ (85,449)</u>	<u>\$ (9,749,068)</u>	<u>\$ 120,391,200</u>

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - CAPITAL ASSETS, (continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balances
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 35,694,348	\$ 5,073,584	\$ -	\$ -	\$ 40,767,932
Construction in progress	813,205	1,236,342	-	(232,035)	1,817,512
Total capital assets not being depreciated	<u>36,507,553</u>	<u>6,309,926</u>	<u>-</u>	<u>(232,035)</u>	<u>42,585,444</u>
Capital assets being depreciated:					
Buildings	27,255,343	4,231,992	-	10,622,503	42,109,838
Improvements other than buildings	2,837,767	318,715	-	327,979	3,484,461
Machinery and equipment	9,366,617	1,043,876	(275,420)	23,000	10,158,073
Infrastructure	175,509,773	1,116,343	(252,521)	(95,944)	176,277,651
Total capital assets being depreciated	<u>214,969,500</u>	<u>6,710,926</u>	<u>(527,941)</u>	<u>10,877,538</u>	<u>232,030,023</u>
Less accumulated depreciation for:					
Buildings	13,933,943	1,044,262	-	873,435	15,851,640
Improvements other than buildings	1,587,832	135,769	-	61	1,723,662
Machinery and equipment	6,021,508	779,768	(258,600)	23,000	6,565,676
Infrastructure	111,135,729	1,871,612	(169,619)	(61)	112,837,661
Total accumulated depreciation	<u>132,679,012</u>	<u>3,831,411</u>	<u>(428,219)</u>	<u>896,435</u>	<u>136,978,639</u>
Total capital assets being depreciated, net	<u>82,290,488</u>	<u>2,879,515</u>	<u>(99,722)</u>	<u>9,981,103</u>	<u>95,051,384</u>
Business-type activities capital assets, net	<u>\$ 118,798,041</u>	<u>\$ 9,189,441</u>	<u>\$ (99,722)</u>	<u>\$ 9,749,068</u>	<u>\$ 137,636,828</u>

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

General government	\$ 137,458
Public safety	485,622
Public works	937,073
Culture and recreation	680,529
Copier revolving - internal service fund charged to various functions based on their usage of the assets	4,232
	<u>\$ 2,244,914</u>
Business-type activities:	
Water	\$ 1,806,331
Wastewater	976,274
Solid waste	230,230
Transfer station	155,183
Parking	273,759
Bus	165,839
Golf course	73,779
Building	7,860
City-County administration building	132,624
Fleet services - internal service fund charged to various functions based on their usage of the assets	9,532
	<u>\$ 3,831,411</u>

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES

General Obligation Debt

General Obligation Bonds:

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

Governmental:

2008 General Obligation Parks Bonds, 3.0 - 4.05%, payable in annual installments of \$150,000 to \$590,000, final scheduled payment January 1, 2028.	\$ 5,870,000
2009 General Obligation Refunding Bonds, 3.0 - 4.0%, payable in annual installments of \$220,000 to \$345,000, final scheduled payment July 1, 2018.	1,215,000

Business Type:

2005 General Fund Bonds, 3.3 - 4.0%, payable in annual installments of \$25,000 to \$55,000, final scheduled payment August 15, 2025.	850,000
2015 Limited General Obligation Bonds, 2.4%, payable in annual installments of \$10,000 to \$90,000, final scheduled payment August 15, 2025.	<u>845,000</u>
Total general obligation bonds outstanding	8,780,000
Less current portion	<u>(1,510,000)</u>
Long-term bonds outstanding	<u><u>\$ 7,270,000</u></u>

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 are general obligations of the City and the City's general credit and taxing powers are pledged for the payment of principal and interest thereon.

On April 8, 2009, the City issued \$2,795,000 of General Obligation Refunding Bonds, Series 2009, with a true interest rate of 2.77% to fully refund \$1,401,000 of outstanding 1997 Series bonds with an average interest rate of 4.8%, and advance refund all \$1,280,000 of outstanding 2001 Series bonds with an average interest rate of 4.39%. The City refunded the 1997 Series bonds and advance refunded the 2001 Series bonds to reduce its total debt service payments over the next 10 years by \$338,965 and obtain a present value economic gain of \$285,052. The original Series 1997 and 2001 bonds were issued to purchase a fire truck and open space

In August 2005, the City issued \$1,140,000 of General Fund Bonds, Series 2005. These bonds are considered a general obligation of the City and the general credit of the City is pledged for the payment of principal and interest. However, the bonds are not secured by a pledge of the City's taxing power and the City is not obligated to levy taxes for repayment of the bonds. The purpose of the bonds is to finance improvements in the downtown area, including construction of the Jackson Street parking garage. Although these bonds are general obligation bonds, they are not subject to the statutory debt limitation.

In June 2015, the City issued \$845,000 of General Fund Refunding Bonds, Series 2015 with a true interest rate of 2.4% to refund the General Fund Bonds, Series 2005. The City will achieve \$65,214 of debt service savings over the life of the bonds with a net present value savings of \$58,163. The City refunded the General Fund Bonds, Series 2005 in full August 15, 2015.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

General Obligation Debt, (continued)

General Obligation Bonds (continued):

The City has pledged the revenues of the general fund to repay \$845,000 in refunding bonds issued in June 2015. However, the bonds are expected to be paid solely from parking net revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require approximately 5 percent of general fund net revenues. The total principal and interest remaining to be paid on the bonds after refunding the Series 2005 bonds is \$961,417. Principal and interest paid for the current year on the refunded bonds and the Jackson Street garage permit revenues were \$89,525 and \$117,279, respectively.

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

Fiscal Year Ending June 30	Governmental		Business-type	
	Principal	Interest	Principal	Interest
2016	\$ 650,000	\$ 266,820	\$ 860,000	\$ 32,254
2017	685,000	242,145	75,000	19,135
2018	715,000	214,345	80,000	17,272
2019	630,000	187,845	80,000	15,352
2020	405,000	169,200	80,000	13,432
2021-2025	2,315,000	610,010	430,000	37,163
2026-2028	1,685,000	137,885	90,000	1,071
Total	<u>\$ 7,085,000</u>	<u>\$ 1,828,250</u>	<u>\$ 1,695,000</u>	<u>\$ 135,679</u>

Legal Debt Margin:

At June 30 the general obligation debt issued by the City did not exceed its legal debt margin as demonstrated by the following computation (amounts in thousands):

Total assessed value of taxable property (market value)	\$ 2,400,617
General limitation percentage	2.50%
General limit of indebtedness	<u>60,015</u>
Outstanding general obligation bonds at June 30	8,780
Outstanding loans subject to limitation *	
Sidewalk replacement	149
Total debt subject to limit	<u>8,929</u>
Excess limit over outstanding debt margin	<u>\$ 51,086</u>

* A State of Montana, Board of Investment's attorney gave an opinion that loans issued under 7-5-4306, MCA are subject to the limit of indebtedness. These loans are discussed in this note under the section Loans and Advances.

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. Payments are made using the garage receipts and other downtown parking revenues as necessary. Neither the City's taxing powers nor revenues are obligated to the participants.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

Certificates of Participation, (continued)

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

Fiscal Year Ending June 30	Principal	Interest
2016	\$ 195,000	\$ 397,919
2017	205,000	391,094
2018	210,000	383,919
2019	220,000	375,519
2020	230,000	366,719
2021-2025	1,290,000	1,681,326
2026-2030	1,630,000	1,340,512
2031-2035	2,095,000	880,085
2036-2039	2,095,000	279,240
Total	<u>\$ 8,170,000</u>	<u>\$ 6,096,333</u>

Special Assessment Debt

Special Assessment Debt Bonds:

The City has issued special assessment bonds for the construction of various capital improvements within defined special improvement districts. The bonds are payable from special assessments levied against the properties of the respective districts. The bonds are issued with specified maturity dates, but must be called and repaid earlier, at par value plus accrued interest, if the related special assessments are collected early. The outstanding bonds bear interest rates ranging from 4.8% to 5.5%, and are payable in varying installments until 2021.

The City has a secondary responsibility on the special assessment bonds issued for the various special improvement districts. State law, as interpreted by the judicial system, obligates the City to pay the debt service on these bonds if the assessments on the property owners are in default. State law provides for, and the City uses, a "Special Improvement District Revolving Fund" to accumulate resources for such debt service payments.

Statutes allow for a property tax levy as long as the balance in this fund is less than 10% of total outstanding special assessment debt with government commitment. In the current fiscal year, the City did not levy for this fund. At June 30, the cash and investment balance in the revolving fund was \$102,655 and secured outstanding bonds and warrants in the amount of \$478,998 or 22 percent.

It is legally unclear what additional responsibility the City has if the revolving fund is inadequate to pay the special assessment bonds debt service in any year. The bonded debt of these special improvement districts is shown on the Statement of Net Position as Special Assessment Debt with Government Commitment under governmental activities.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

Special Assessment Debt, (continued)

Special Assessment Debt Bonds (continued):

Special assessment bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental	
	Principal *	Interest
2016	\$ -	\$ 7,310
2017	-	7,310
2018	25,000	6,730
2019	75,000	4,425
2020	60,000	1,350
Total	\$ 160,000	\$ 27,125

* The City has called bonds early for all special improvement districts and has no principal liability for fiscal year 2016. However, the City will most likely call additional bonds using assessments collected and any prepayments of principal.

Business-Type Activities Revenue Bonds:

At June 30 the outstanding business-type activities revenue bonded indebtedness of the City is as follows:

Water System Revenue Bonds, (DNRC Drinking Water Revolving Fund Program), Series 2012 Refunding, due July 1, 2025, 2.25%, payable from the Water fund in semi-annual installments of \$69,000 to \$92,000 beginning January 1, 2013, redeemable on any date with the permission of the State.	\$ 1,719,000
Water System Revenue Bonds, (DNRC Drinking Water Revolving Fund Program), Series 2012 Refunding, 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.	1,802,000
Water System Revenue Bonds, (DNRC Drinking Water Revolving Fund Program), Series 2012 Refunding, 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.	1,197,000
Wastewater System Revenue Bonds, (DNRC Revolving Loan Program) Series 1999 Refunding, due July 1, 2021; 2%, payable from the Wastewater fund in semi-annual installments of \$322,000 to \$383,000 beginning January 1, 2013.	4,669,000
Total revenue bonds outstanding	9,387,000
Less current portion	(1,097,000)
Long-term bonds outstanding	\$ 8,290,000

On December 5, 2012, the City issued \$5,287,268 of Refunding Revenue Bonds through the Montana DNRC Revolving Loan Program, with an interest rate of 2.25% to refund \$5,287,268 of outstanding 2005, 2007, and 2012 Series bonds, all with 3.75% interest rate. These refundings reduced the City's total debt service payments over the next 15 years by \$849,553 and obtain a present value economic gain of \$717,657.

In March 2012 the City committed to borrow \$1,325,000 of DNRC Drinking Water Revolving Loan Program, Series 2012 bonds. The City had borrowed \$465,465 in March 2012 and \$507,803 in July 2012 for a total of \$973,268 outstanding at the time of the refunding. The City borrowed the remaining \$351,732 on March 8, 2013.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

Business-Type Activities Revenue Bonds (continued):

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$4.7 million in water system revenue bonds described above. These bonds are payable solely from water customer net revenues and are payable through 2027. Annual principal and interest payments on the bonds are approximately 17 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,312,731. Principal and interest paid for the current year and total customer net revenues were \$521,051 and \$3,129,723, respectively.

On December 5, 2012, the City issued \$6,310,000 of Refunding Revenue Bonds through the Montana DNRC Pollution Control Revolving Loan Program, with an interest rate of 2% to refund all \$6,383,000 of outstanding 1999 Series bonds with an interest rate of 4%, to reduce its total debt service payments over the next 9 years by \$795,933 and obtain a present value economic gain of \$725,107. The City used \$73,000 of freed up debt reserves to pay additional principal outstanding at closing.

The City has pledged future wastewater customer revenues, net of specified operating expense, to repay \$4.7 million in wastewater system revenue bonds described in the preceding paragraph. These bonds are payable solely from wastewater customer net revenues and are payable through 2021. Annual principal and interest payments on the bonds are expected to require approximately 48 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,002,460. Principal and interest paid for the current year and total customer net revenues were \$769,390 and \$1,684,926, respectively.

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 125%; 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.

The following information is presented to satisfy the requirements of certain revenue bond resolutions. At June 30 the Water and Wastewater funds had net revenues in excess of 125% of the maximum debt service requirement in any succeeding year as computed below.

Direct operating expenses exclude depreciation.

Debt Service Coverage in Thousands:

	<u>Water</u>	<u>Wastewater</u>
Gross revenues	\$ 6,951	\$ 4,404
Direct operating expenses	3,821	2,719
Net revenue	<u>\$ 3,130</u>	<u>\$ 1,685</u>
Maximum debt service	\$ 522	\$ 770
Percent coverage	599.6%	218.8%

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

Business-Type Activities Revenue Bonds (continued):

The balance in each of the respective fund's cash and investment accounts at June 30 is as follows:

	<u>Water</u>	<u>Wastewater</u>
Cash:		
Operating/suplus account	\$ 7,236,779	\$ 3,587,765
Restricted cash - revenue bond account	783,450	1,154,410
Total cash and investments	<u>\$ 8,020,229</u>	<u>\$ 4,742,175</u>

Revenue Bonds Debt Service Requirements to Maturity:

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

Fiscal Year Ending June 30	Business-type	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,097,000	\$ 193,815
2017	1,121,000	170,704
2018	1,143,000	147,099
2019	1,167,000	123,022
2020	1,193,000	98,441
2021-2025	3,351,000	187,764
2026-2027	315,000	7,346
Total	<u>\$ 9,387,000</u>	<u>\$ 928,191</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 at June 30 are as follows:

Governmental Activities Loans:

Sidewalk Replacement, Series 2009

annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date February 6, 2009, with a loan amount of \$326,549, semi-annual payments of varying amounts with a maturity date of February 15, 2019, secured by revenues of the general fund. Current rate - 1.25%.

	\$ 148,903
Less current portion	(35,321)
Long-term loans outstanding	<u>\$ 113,582</u>

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

Business-Type Activities Loans:

Golf INTERCAP Loan, Series 2009 (Driving Range/Clubhouse Improvements)	
INTERCAP Revolving Loan from the Montana Board of Investments; agreement date September 25, 2009 with a loan amount of \$207,000, semi-annual payments of varying amounts with a maturity date of August 15, 2019. Current rate - 1.25%	\$ 100,571
Golf INTERCAP Loan, Series 2014 (irrigation Improvements)	
INTERCAP Revolving Loan from the Montana Board of Investments; agreement date December 5, 2014 with a loan amount of \$500,000, semi-annual payments of varying amounts with a maturity date of February 15, 2030. Current rate - 1.25%	394,355
CCAB Building and Elevator Improvements INTERCAP Loan, Series 2008	
annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date March 14, 2008, with a loan amount of \$977,748, semi-annual payments of varying amounts with a maturity date of August 15, 2018; secured by real property. Current rate - 1.25%.	356,257
CCAB Building INTERCAP Loan, Series 2010	
annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date June 25, 2010, with a loan amount of \$433,100, semi-annual payments of varying amounts with a maturity date of August 15, 2020; secured by real property. Current rate - 1.25%	288,377
Total business-type loans outstanding	1,139,560
Less current portion	(211,773)
Long-term loans outstanding	\$ 927,787

Loan Annual Debt Service Requirements to Maturity:

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

Fiscal Year	Governmental		Business-type	
	Principal	Interest	Principal	Interest
June 30				
2016	\$ 35,321	\$ 1,752	\$ 211,773	\$ 15,518
2017	36,583	1,306	218,481	12,495
2018	37,892	845	220,636	9,381
2019	39,107	367	102,197	6,636
2020	-	-	91,039	4,982
2021-2025	-	-	157,380	13,431
2026-2030	-	-	138,054	2,335
Total	\$ 148,903	\$ 4,270	\$ 1,139,560	\$ 64,778

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

Business-Type Activities Advances:

In April 2013, the City Commission approved an advance from the Capital Improvement governmental fund to the Golf Course enterprise fund to finance the purchase of a new golf cart fleet payable in annual installments for five years beginning April 30, 2014. The Golf Course will be charged one percent for the life of the loan.

Advance from Capital Improvement Fund - Commission approved April 25, 2013

\$138,066 advance payable in annual installments of \$28,448 beginning April 30, 2014, final scheduled payment April 30, 2018. Annual rate - 1%

\$ 83,662

Advance Annual Debt Service Requirements to Maturity:

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

Fiscal Year June 30	Business-type	
	Principal	Interest
2016	\$ 27,610	\$ 837
2017	27,887	560
2018	28,165	282
Total	<u>\$ 83,662</u>	<u>\$ 1,679</u>

Changes in Long-Term Liabilities

Governmental Activities Long-Term Liabilities:

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

	Balance	Additions	Reductions	Balance	One Year
General obligation	\$ 7,705,000	\$ -	\$ 620,000	\$ 7,085,000	\$ 650,000
Loans	183,005	-	34,102	148,903	35,321
Special assessment	225,000	-	65,000	160,000	-
Compensated absences *	1,833,311	1,205,578	1,111,967	1,926,922	1,059,807
Other postemployment benefits	1,645,997	224,927	224	1,870,700	-
Pensions	14,398,633	-	2,788,905	11,609,728	-
Total	<u>\$ 25,990,946</u>	<u>\$ 1,430,505</u>	<u>\$ 4,620,198</u>	<u>\$ 22,801,253</u>	<u>\$ 1,745,128</u>

*The governmental funds that are expected to liquidate the compensated absences liability and other postemployment benefits liability are the General, Streets, Storm Water, Community Facilities, Police Programs, Open Space Maintenance District, Urban Forestry Maintenance District and Weed Control.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES, (continued)

Business-Type Activities Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 900,000	\$ 845,000	\$ 50,000	\$ 1,695,000	\$ 860,000
Loans	942,513	394,355	197,308	1,139,560	211,773
Certificates of participation	8,360,000	-	190,000	8,170,000	195,000
Revenue bonds	10,461,000	-	1,074,000	9,387,000	1,097,000
Compensated absences	696,186	449,983	391,188	754,981	415,240
Other postemployment benefits	746,934	176,363	119	923,180	-
Pensions	6,657,588	-	1,484,019	5,173,569	-
Landfill postclosure	1,789,960	85,721	221,063	1,654,618	113,330
Total	<u>\$ 30,554,181</u>	<u>\$ 1,951,422</u>	<u>\$ 3,607,697</u>	<u>\$ 28,897,908</u>	<u>\$ 2,892,343</u>

The BID had compensated absences payable of \$1,237.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE I – FUND BALANCES

In the basic financial statements, the fund balance classifications are presented in the aggregate. The table presented below further displays the fund balances by major purposes.

	Major Special Revenue			Total
	General	Fund-Streets	Other	
Fund balances:				
Nonspendable:				
Inventory	\$ 14,774	\$ 248,965	\$ -	\$ 263,739
Total nonspendable fund balance	14,774	248,965	-	263,739
Restricted:				
Contract commitments	113,730	-	249,484	363,214
Gas tax projects	-	1,234,110	-	1,234,110
Debt service	-	-	1,041,530	1,041,530
Special assessments	-	2,837,080	3,758,914	6,595,994
Long term receivables	-	-	516,888	516,888
9-1-1 emergency program	-	-	129,716	129,716
Police grants	-	-	90	90
Fire donations	-	-	1,851	1,851
Support services division	-	-	85,725	85,725
Total restricted fund balance	113,730	4,071,190	5,784,198	9,969,118
Committed:				
Centennial trail grant match	42,273	-	-	42,273
Law suit defense	75,000	-	-	75,000
Chamber of commerce building	-	-	15,321	15,321
Neighborhood center	-	-	37,582	37,582
Civic center	-	-	465,014	465,014
Community facilities	-	-	931,467	931,467
Weed control	-	-	127,200	127,200
Total committed fund balance	117,273	-	1,576,584	1,693,857
Assigned:				
Long term receivables	-	-	259,722	259,722
Park projects	-	-	144,235	144,235
Civic center projects	-	-	37,150	37,150
Fire department projects	-	-	7,100	7,100
Projects with no contractual commitment	6,000	-	800,000	806,000
Community development	-	-	2,955	2,955
Police projects	-	-	378,698	378,698
Other capital projects	-	-	1,161,167	1,161,167
Total assigned fund balance	6,000	-	2,791,027	2,797,027
Unassigned:	6,770,453	-	(150,931)	6,619,522
Total fund balances	\$ 7,022,230	\$ 4,320,155	\$ 10,000,878	\$ 21,343,263

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE I – FUND BALANCES, (continued)

The mayor and commission are the city’s highest level of decision-making authority, and must adopt an ordinance or resolution to establish (and modify or rescind) a fund balance commitment. Assigned fund balances include purchase commitments, and funds committed by the commission in the special districts construction funds for those functions.

Assigned fund balances may be modified by request of the department head when approved by the city manager.

The city has not established a policy for its use of unrestricted fund balance amounts, and therefore fund balances are reduced in the following order when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: committed, assigned, and then unassigned.

The city maintains one major special revenue fund, the Street fund. The purpose of this fund is to finance street repair, maintenance, and replacement, as well as traffic safety functions. GASB Statement 54 requires disclosure of revenues for each major special revenue fund. Revenues are as follows:

Special assessments	\$ 3,242,294
State shared revenue - gas tax	554,354
State grant	126,766
Local grant	67,133
Charges for services	37,572
Miscellaneous	1,044
Investment earnings	3,241
Sale of capital assets	35,441
	<u>\$ 4,067,845</u>

NOTE J - EMPLOYEE BENEFIT PLANS

Pension Plans

Substantially all City of Helena 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 comprehensive annual 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 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 Governmental Accounting Standards Board (GASB) statements.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

Contributions to pension plans are as required by state statute. Information about each plan 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 5 years of service are eligible to retire at age 65. Vested (5 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,
- Or if hired on or after July 1, 2011:
 - Age 65, 5 years of membership service, or
 - Age 70, regardless of membership service.

A member's monthly retirement benefit is equal to the membership service factor times the member's highest average compensation times 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:

- 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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

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.

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
- As a result of a permanent injunction issued in the *AMPRE vs State* litigation, the GABA rate in effect is being used in the calculation. Clarification of the GABA rate for members hired on or after July 1, 2013 is pending.

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 maintain the funding of the defined benefit plan. 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 5 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.
- 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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

Municipal Police Officers' Retirement System (MPORS), continued

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.

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 1 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 5 years of membership service. Disability benefits are determined in the same manner as retirement benefits for members having 20 or more years of service.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

Firefighters' Unified Retirement System (FURS), continued

If less than 20 years of membership service, the disability benefit is equal to one-half-of the member's highest average compensation. Death benefits are paid to beneficiaries as follows:

- Active member and less than 20 years of membership service - one-half of highest average compensation.
- Active member and 20 years or more of membership service - monthly survivorship benefits amount to which the member was entitled on the date of death, or if no survivor, a lump-sum payment will be paid to the beneficiary.
- Inactive member with more than 20 years of membership service - monthly survivorship benefits equal benefit amount the member was entitled to on the date of death.
- Retired member - monthly retirement benefit will be paid to survivor, or if none, the designated beneficiary or estate will receive you remaining contributions.

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.

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% on compensation earned during the highest average compensation period.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

Firefighters' Unified Retirement System (FURS), continued

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	7.9%	8.17%	0.10% ¹
MPORS	5.8-9.0%	14.41%	29.37%
FURS-GABA	10.69%	14.36%	32.61%
FURS-NON-GABA	9.5%-10.69%	14.36%	32.61%

	City			State
	2015	2014	2013	2015
PERS	\$ 921,984	\$ 884,207	\$ 751,993	\$ 324,265
MPORS	467,659	441,642	436,994	779,943
FURS	347,791	329,813	329,282	432,250

¹ The State also contributes from the Coal Tax Severance fund.

One hundred percent of required contributions were paid.

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

At June 30, 2015, 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	\$ 11,467,968	\$ 3,589,338	\$ 1,725,991	\$ 16,783,297
State's proportionate share of the net pension liability associated with the City	140,041	7,250,892	3,893,752	11,284,685
Total	<u>\$ 11,608,009</u>	<u>\$ 10,840,230</u>	<u>\$ 5,619,743</u>	<u>\$ 28,067,982</u>

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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.

	<u>PERS</u>	<u>MPORS</u>	<u>FURS</u>
Proportionate share of plan's net pension liability	0.920375%	2.284225%	1.768133%

For the year ended June 30, 2015, the City recognized pension expenses of \$2,653,117 and revenue of \$1,536,459 for support provided by the State. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources				
	<u>PERS</u>	<u>MPORS</u>	<u>FURS</u>	<u>Total</u>
City contributions subsequent to the measurement date	\$ 903,104	\$ 467,659	\$ 347,791	\$ 1,718,554
Deferred Inflows of Resources				
	<u>PERS</u>	<u>MPORS</u>	<u>FURS</u>	<u>Total</u>
Net difference between projected and actual earnings on pension plan investments	\$ 2,963,135	\$ 440,676	\$ 342,822	\$ 3,746,633
Changes in proportion and differences between City Contributions and proportionate share of contributions	16,695	-	-	16,695
Total	<u>\$ 2,979,830</u>	<u>\$ 440,676</u>	<u>\$ 342,822</u>	<u>\$ 3,746,633</u>

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

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

\$1,718,554 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 ended June 30, 2016. 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		PERS	MPORS	FURS	Total
June 30					
2016	\$	(746,348)	\$ (110,169)	\$ (85,705)	\$ (942,222)
2017		(746,348)	(110,169)	(85,706)	(942,223)
2018		(746,349)	(110,169)	(85,705)	(942,223)
2019		(740,785)	(110,169)	(85,706)	(936,660)
Total	\$	<u>(2,979,830)</u>	<u>\$ (440,676)</u>	<u>\$ (342,822)</u>	<u>\$ (3,763,328)</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3% percent
Salary Increases	4% percent, average, including inflation
Investment rate of return	7.75% percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Employee and Annuitant Mortality Tables, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2006 to June 30, 2009. As a result of the 2014 actuarial experience study, the expectation of life after disability was adjusted in the June 30, 2014 actuarial valuation to more closely reflect actual experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash equivalents	2.00%	(0.25%)
Domestic equity	36.00%	4.80%
Foreign equity	18.00%	6.05%
Fixed income	24.00%	1.68%
Private equity	12.00%	8.50%
Real estate	8.00%	4.50%
Total	<u>100.00%</u>	

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Pension Plans, (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.75 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 plan's fiduciary net position was 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 liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following present the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75 percent) or 1 percentage point higher (8.75 percent) than the current rate:

City's proportionate share of the net pension liability	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
PERS	\$ 18,244,353	\$ 11,467,968	\$ 5,752,752
MPORS	5,175,155	3,589,338	2,330,428
FURS	2,772,855	1,725,991	871,525
	<u>\$ 26,192,363</u>	<u>\$ 16,783,297</u>	<u>\$ 8,954,705</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERB financial report.

Postemployment Benefits Other Than Pensions

The City reports the "implied rate subsidy" liability as required by GASB Statement No. 45. As required by state law, 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 plan. To continue coverage, retirees are required to pay the full cost of the benefits. Although state law requires the City to offer insurance to retirees, it does not require the City to offer it at the same rate as all participants. Furthermore, there are no other legal or contractual agreements requiring the City to offer the same rates to retirees as other participants. Rates can be changed or benefits altered at any time to ensure all plans are fiscally sound.

Plan Description. In 2015, the City of Helena provided employee medical insurance through a cost-sharing, multiple-employer plan run by the Montana Municipal Interlocal Authority (MMIA).

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Postemployment Benefits Other Than Pensions (continued)

Funding Policy. The City of Helena provides no direct subsidy to the health insurance premiums for retirees. Retirees pay for the entire cost of the health insurance premium. Eligible retired employees include former fulltime and certain other employees. At June 30, 2015, the City had 61 retired employees, spouses and dependents and no employees under COBRA insurance coverage. In 2015 retirees contributed \$349,720 towards the cost of the City's annual premium, with claims totaling \$353,490. The only way to avoid this liability according to GASB 45 is to establish an irrevocable trust fund or charge retirees an age based premium. The City will not fund an irrevocable trust fund as it would be a waste of taxpayer funds as the liability will most likely continue to grow and the funds would never be used as the City pays its insurance premiums in full monthly and owes nothing further to MMIA. Also, retirees can leave the plan at any time and the City would have unwisely used funds collected from its citizens.

Annual OPEB Cost Obligation. The City's other postemployment benefit (OPEB) expense is calculated based on the projected unit credit cost method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total benefit to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service. Typically, when this method is introduced, there will be an initial liability for benefits credited for service prior to that date, and to the extent that the liability is not covered by assets of the plan, there is an unfunded liability to be funded over a stipulated period in accordance with an amortization schedule.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 is as follows:

	2015	2014	2013
Annual required contribution	\$ 357,800	\$ 438,654	\$ 445,172
Interest on net OPEB obligation	105,165	89,023	72,888
Annual OPEB cost (expense) ^B	462,965	527,677	518,060
Contributions made ^A	(143,556)	(147,868)	(138,420)
Increase in net OPEB obligation	319,409	379,809	379,640
Net OPEB obligation-beginning of year	2,474,471	2,094,662	1,715,022
Net OPEB obligation-end of year	\$ 2,793,880	\$ 2,474,471	\$ 2,094,662
Percentage of annual OPEB cost contributed ^(A/B)	31%	28%	27%

Funded Status and Funding Progress. As of June 30, 2015, the actuarial accrued liability for benefits was \$4,569,310, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$16,743,247, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 27%.

Methods and Assumptions. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE J - EMPLOYEE BENEFIT PLANS, (continued)

Postemployment Benefits Other Than Pensions (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following assumptions were made:

- Mortality is assumed to follow the RP2000 Healthy Combined Mortality Table with no collar adjustment for males and females.
- Disability mortality is assumed to follow the RP2000 Disabled Mortality Table with no collar adjustment for males and females.
- Turnover rates were based on specific gender age data assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.
- Interest and discount rates used were 4.25% and the payroll growth inflation rate was 2.5%.
- Healthcare cost trend rate (HCCTR) was based on projections from historical rates of the City. Assumed rates of increase applied to retiree/surviving spouse and spouse only premiums are as follows:

<u>Plan Year</u>	Prescription			
	<u>Medical</u>	<u>Drugs</u>	<u>Dental</u>	<u>Vision</u>
2014	5.4%	5.4%	0.0%	0.0%
2015	7.5%	7.5%	7.5%	4.0%
2016	7.0%	7.0%	7.0%	4.0%
2017	6.5%	6.5%	6.5%	4.0%
2018	6.0%	6.0%	6.0%	4.0%
2019	5.5%	5.5%	5.5%	4.0%
2020	5.0%	5.0%	5.0%	4.0%
2021+	4.5%	4.5%	4.5%	4.0%

Health insurance premiums for 2013 retirees were used as the basis for calculation of the present value of total benefits to be paid.

Additional information derived from this actuarial valuation follows:

- Actuarial date: July 1, 2014
- Actuarial cost method: Projected unit credit funding method
- Amortization Method: Level percent of pay, open
- Remaining Amortization Period: 30 years

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE K - JOINT VENTURES

Lewis and Clark Library

In 1974, the City entered into an interlocal Library contract with Lewis and Clark County to create the Lewis and Clark Library located within the City of Helena. The five-member Board of Trustees consists of two members appointed by each government and one member appointed jointly. Upon dissolution, the City has a 50% share in the net position of the Library. The most current summary financial information as of, and for, the fiscal year ended June 30 is:

	2015	2014
Cash and investments	\$ 5,049,284	\$ 4,301,697
Other assets	-	2,060,849
Total assets	5,049,284	6,362,546
Liabilities	-	253,645
Net position	5,049,284	6,108,901
Revenues	3,564,310	3,287,301
Expenses	(2,728,568)	(2,923,353)
Change in net position	\$ 835,742	\$ 363,948

In fiscal year 2015, the library changed from a modified accrual basis of accounting to a cash basis, as allowed by the State of Montana. Financial information is available at the Lewis and Clark Library at 120 S. Last Chance Gulch, Helena, Montana, 59601.

NOTE L - RELATED ORGANIZATIONS

The City Commission is responsible for the following board appointments:

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

The City has no further accountability for these organizations.

The City leases a building at 325 North Park Avenue to the Grandstreet Theater board for \$1 a year. This nonprofit board uses it for theater productions and children's events.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE M - COMMITMENTS AND CONTINGENCIES

Construction Commitments

At June 30 there were uncompleted construction contracts as follows:

Project #	Project Title	Balance
SD2904	DNRC Ponds Control Structure	\$ 131,500
SD4905	Front Street Storm Water Main Enlargement	643,721
ST3907	West Main Improvements	1,466,100
ST5907	Front Street Streetscape	246,411
ST5909	Country Club-Joslyn Interchange	134,185
TM4902	TMTP Clearwell Cover	301,014
TM4905	TMTP Sodium Hypochlorite System	271,325
TS4903	Transfer Station Improvements	1,065,606
WM5906	Westside Wastewater Mains	970,914
WU4917	Front Street-800 to 1600 Blocks	495,757
WU5915	Westside Water Mains	1,970,914
WW5907	WWTP Headworks Barscreen/Hypress	217,550
		<u>\$ 7,914,997</u>

Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

NOTE N - 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. The City also contracts with the MMIA to provide health insurance. MMIA provides an environmental damages fund of \$5 million each year for all participants on a first come, first served basis. The City has no coverage for potential losses from environmental damages once the five million is expended.

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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE N - RISK MANAGEMENT, (continued)

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 2015 that are administered by third-party administrators (TPAs), Allegiance, Inc. of Missoula, Montana and Vision Service Plan. The City is a member of MMIA's multiple-employer health insurance plan. All three plans are included in the Health Insurance fund 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 last two fiscal years is as follows:

	Fiscal 2015	Fiscal 2014
Claims payable, July 1	\$ 73,304	\$ 52,702
Claims incurred	225,964	256,158
Claims paid	(241,507)	(235,556)
Claims payable, June 30	\$ 57,761	\$ 73,304

Medical Plan - Effective July 1, 2009, the City joined MMIA's multiple-employer 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.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE O - LANDFILL POSTCLOSURE 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. The accounting treatment for these projected costs is to recognize a portion of the postclosure care costs in each operating period even though actual payouts will occur sometime in the future. The amount recognized each year is based on the landfill capacity used as of the balance sheet date. Consequently, since the landfill closed in a prior fiscal year all expenses associated with closure and postclosure care costs were reflected in the prior years as cost of operations based on information present at that time. During the current year, estimated closure and postclosure costs have been recalculated to include a net decrease of \$135,342. 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 postclosure care requirements over the next 14.6 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. Note that the \$1,654,618 presented on the balance sheet at June 30 is an estimate of the postclosure care costs liability and is subject to changes such as the effect of inflation, revision of laws and other variables.

NOTE P - OPERATING LEASES

In August 2008, the City entered into a thirty-year operating lease for 350 parking spaces in the 15th Street parking garage with the Montana Board of Investments (MBOI). Payments are due annually from MBOI on December 31st for the next calendar year. The future minimum lease payments, cost and accumulated depreciation are as follows:

<u>Minimum Lease Payments</u>		<u>Carrying Amount of 15th St. Garage</u>	
Fiscal Year Ending	Amount		
June 30			
2016	\$ 289,800	Cost	\$ 6,992,366
2017	289,800	Accumulated Depreciation	(551,940)
2018	289,800	Carrying Amount	<u>\$ 6,440,426</u>
2019	289,800		
2020	289,800		
2021-2025	1,449,000		
2026-2030	1,449,000		
2031-2035	1,449,000		
2036-2039	1,159,200		
Total	<u>\$ 6,955,200</u>		

Lease payments received were \$279,595 for the year ended June 30, 2015. The minimum lease payments will increase with changes in the fees set by the Helena Parking Commission. These minimum lease payments are offset by permits sold to other parties at that garage.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE Q – GOVERNMENT MERGER

The City attorney's office has determined that an amendment made to the Parking Management Agreement made them a department of the City of Helena effective July 1, 2014. Prior to the amendment and reorganization, the Parking Commission was reported as a discretely presented component unit of the City. This amendment and combination were done to provide more effective management oversight, human resources services, and liability and property insurance coverage by the City. Because the principle revenues of the newly created parking department are from fees for services, it has been classified as a business-type fund. Governmental long-term debt totaling \$9,260,000 and the related capital assets (\$9,749,070), net of accumulated depreciation of the City for the Jackson Street and 15th Street garages have been transferred to the Parking proprietary fund. Debt service funds used to make these debt payments were closed and all assets were transferred to the Parking fund (\$1,203,158). The City has provided accounting services for the life of the Parking Commission including accounting for capital assets and their accumulated depreciation. Assets and liabilities were entered into the City's accounts at the carrying value of the Parking Commission as they were determined to be representative of current market values.

Amounts recognized as of effective transfer date of July 1, 2014, are:

ASSETS

Cash and cash equivalents	\$ 196,277
Notes receivable	22,262
Inventories	17,887
Capital assets:	
Nondepreciable	2,602,825
Depreciable	4,682,544
Total assets	<u>7,521,795</u>

LIABILITIES

Current liabilities	
Accounts payable	16,028
Compensated absences (current portion)	17,020
Long-term liabilities	
Compensated absences	15,711
Other postemployment benefits	81,883
Total liabilities	<u>130,642</u>

NET POSITION

Net investment in capital assets	7,285,369
Unrestricted	105,784
Total net position	<u>\$ 7,391,153</u>

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE R – SUBSEQUENT EVENTS

The City borrowed \$394,355 from the State of Montana, Board of Investments, INTERCAP loan program on December 5, 2014, and \$38,745 on September 25, 2015. The loan funded improvements made to the City's golf course related to new irrigation controls, pumps, and the main irrigation pipe. The loan will be secured by the General fund's revenues, but will be accounted for in the Golf Course fund as it is expected to make the loan payments.

On June 15, 2015, the City issued \$845,000 of General Fund Refunding Bonds, Series 2015, with a true interest rate of 2.4%. These bonds were used to refund outstanding 2005 Series bonds with a true interest rate of 4.64% on August 15, 2015. This refunding reduced total debt service payments over the next ten years by \$64,714 and obtained a present value economic gain of \$59,843. 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 been approved to borrow \$3,177,000 from the State of Montana, Department of Natural Resources, Drinking Water Program. The loan will fund three projects at the Ten Mile Water Treatment Plant. The loan will consist of Loan A for \$500,000 that will be forgiven upon satisfactory completion of the projects, and Loan B for \$2,677,000 for a term of 20 years at an interest rate of 3% per annum. The closing date will be set once all three projects are bid and the final cost is known. The City anticipates closing the loan in calendar year 2016.

NOTE S – PRIOR PERIOD ADJUSTMENT

The City implemented GASB Statement 68 and Statement 71 for the year ending June 30, 2015. This statement requires the City to recognize pension liabilities, and the related deferred inflows and outflows for its proportionate share of actuarially determined unfunded liabilities of cost sharing defined benefit retirement plans the City participates in (See Note K). Amounts that would have been reported as pension expense in prior periods are reported as a restatement as required.

NOTE T – RECENT ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued Statement No. 72, Fair Value Measurement and Applications, which is effective for the City beginning in Fiscal Year 2016. This statement addresses accounting and financial reporting issues related to fair value measurements, and provide guidance for determining a fair value measurement for financial reporting purposes, and for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB has issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, which is effective for the City beginning in Fiscal Year 2016. The requirements of this statement that pertain to the city clarify the application of certain provisions of Statements 67 and 68 with regard to notes to required supplementary information.

GASB has issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), and Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which are effective for the City beginning in Fiscal Year 2018. The objective of these statements is to improve the usefulness of information about OPEB included in the financial reports of state and local governments for making decisions and assessing accountability.

GASB has issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which is effective for the City beginning in Fiscal Year 2016. The objective of this statement is to identify the hierarchy of generally accepted accounting principles.

City of Helena, Montana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE T – RECENT ACCOUNTING PRONOUNCEMENTS, (continued)

GASB has issued Statement No. 77, Tax Abatement Disclosures, which is effective for the City beginning in Fiscal Year 2017. The objective of this statement is to improve the transparency and consistency in reporting of tax abatements.

The City does not believe the adoption of Statement 72 will have any effect on its basic financial statements. The City has not fully assessed the impact of Statements 73, 74, 76, and 77 on its financial position and results of operations, but does not believe the adoption of these statements will have a material effect on its basic financial statements. However, The City believes Statement 75 will have a material impact on its financial statements . If implemented for this financial report, the reported OPEB liability would be significantly larger (\$4,569,310).

Section C

REQUIRED SUPPLEMENTARY INFORMATION

City of Helena, Montana
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2015

	2015
City's proportion of the net pension liability (asset)	0.920375%
City's proportionate share of the net pension liability (asset)	\$11,467,968
State's proportionate share of the net pension liability (asset) associated with the City	140,041
Total	\$11,608,009
City's covered-employee payroll	\$11,488,338
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	100%
Plan fiduciary net position as a percentage of the total pension liability	79.9%

Governmental Accounting Standards Board, Statement 68 requires this information to be provided for 10 years. Because this is the first year of implementation, 10 years is not available.

See independent auditor's report.

City of Helena, Montana
SCHEDULE OF CITY CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2015

	<u>2015</u>
Contractually required contribution	\$ 926,942
Contributions in relation to the contractually required contribution	(926,942)
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 11,488,338
Contributions as a percentage of covered-employee payroll	8.07%

Governmental Accounting Standards Board, Statement 68 requires this information to be provided for 10 years. Because this is the first year of implementation, 10 years is not available.

See independent auditor's report.

City of Helena, Montana
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
MONTANA POLICE OFFICERS RETIREMENT SYSTEM
June 30, 2015

	2015
City's proportion of the net pension liability (asset)	2.284225%
City's proportionate share of the net pension liability (asset)	\$ 3,589,338
State's proportionate share of the net pension liability (asset) associated with the City	7,250,892
Total	\$10,840,230
City's covered-employee payroll	\$ 3,651,250
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	98%
Plan fiduciary net position as a percentage of the total pension liability	67%

Governmental Accounting Standards Board, Statement 68 requires this information to be provided for 10 years. Because this is the first year of implementation, 10 years is not available.

See independent auditor's report.

City of Helena, Montana
SCHEDULE OF CITY CONTRIBUTIONS
MONTANA POLICE OFFICERS RETIREMENT SYSTEM
June 30, 2015

	<u>2015</u>
Contractually required contribution	\$ 467,659
Contributions in relation to the contractually required contribution	(467,659)
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$3,651,250
Contributions as a percentage of covered-employee payroll	12.81%

Governmental Accounting Standards Board, Statement 68 requires this information to be provided for 10 years. Because this is the first year of implementation, 10 years is not available.

See independent auditor's report.

City of Helena, Montana
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FIREFIGHTERS UNIFIED RETIREMENT SYSTEM
June 30, 2015

	2015
City's proportion of the net pension liability (asset)	1.768133%
City's proportionate share of the net pension liability (asset)	\$1,725,991
State's proportionate share of the net pension liability (asset) associated with the City	3,893,752
Total	\$5,619,743
City's covered-employee payroll	\$2,517,083
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69%
Plan fiduciary net position as a percentage of the total pension liability	76.7%

Governmental Accounting Standards Board, Statement 68 requires this information to be provided for 10 years. Because this is the first year of implementation, 10 years is not available.

See independent auditor's report.

City of Helena, Montana
SCHEDULE OF CITY CONTRIBUTIONS
FIREFIGHTERS UNIFIED RETIREMENT SYSTEM
June 30, 2015

	<u>2015</u>
Contractually required contribution	\$ 347,791
Contributions in relation to the contractually required contribution	(347,791)
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$2,517,083
Contributions as a percentage of covered-employee payroll	13.82%

Governmental Accounting Standards Board, Statement 68 requires this information to be provided for 10 years. Because this is the first year of implementation, 10 years is not available.

See independent auditor's report

City of Helena, Montana
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
June 30, 2015

<u>Actuarial Valuation Date</u>	Actuarial Value of <u>Assets</u> (a)	Actuarial Accrued Liability <u>(AAL)</u> (b)	Unfunded AAL <u>(UAAL)</u> (b-a)	Funded Ratio <u>Percentage</u> (a/b)	Annual Covered <u>Payroll</u> (c)	UAAL as a Percentage of Covered <u>Payroll</u> (b-a/c)
June 30, 2009	\$ -	\$ 7,131,232	\$ 7,131,232	0.00%	\$ 14,192,457	50.25%
June 30, 2011	\$ -	\$ 6,592,982	\$ 6,592,982	0.00%	\$ 14,772,241	44.63%
June 30, 2013	\$ -	\$ 5,204,235	\$ 5,204,235	0.00%	\$ 15,878,902	32.77%
June 30, 2015	\$ -	\$ 4,569,310	\$ 4,569,310	0.00%	\$ 16,743,247	27.29%

See independent auditor's report

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Section D

NON-MAJOR GOVERNMENTAL FUNDS

City of Helena, Montana
June 30, 2015

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.

Non-Major Funds:

Storm Water - Used to account for the receipt of assessments from each property owner within the 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) funds.

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

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 911 and E911 emergency telephone system; the joint City/County operation of the dispatch and record keeping function; and miscellaneous grant funding.

Fire Programs - Used to account for the receipt and expenditure of funds related to various fire department related programs. Programs include restricted private donations, grants, and activities related to the smoke alarm program.

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.

Weed Control - Used to account for receipts and expenditures related to the control of noxious and nuisance weeds within the City.

Light Maintenance Districts - Used to account for the receipt of assessments from property owners in 52 street lighting districts who are assessed for electricity for the lights in their district and for administrative charges.

City of Helena, Montana
June 30, 2015

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.

Non-Major Funds:

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.

General Fund Bonds – Used to account for funds to pay the periodic payment of interest and principal on debt issued for improvements in the downtown area. This fund was closed as of July 1, 2014 and the residual equity transferred to the Parking proprietary fund.

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

2009 Certificates of Participation – Used to account for funds to pay the periodic payment of interest and principal on debt issued to finance the construction of the 15th Street parking garage. This fund was closed as of July 1, 2014 and the residual equity transferred to the Parking proprietary fund.

2009 Open Space and Fire Truck General Obligation Refunding – Used to account for the funds to pay the periodic payment of interest and principal on the debt issued to refund the 1997 and 2001 general obligation bonds.

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

City of Helena, Montana

June 30, 2015

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.

Non-Major Funds:

Capital Improvements - Used to account for one-time and special capital projects as well as funds earmarked for the development of parks.

Special Improvement Districts Construction - 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.

CTEP Projects - Used to account for the receipt and expenditure of Community Transportation Enhancement Program (CTEP) grant funds and the required matching funds. Funds are available for bike paths, sidewalks, or exterior renovating of historic structures in close proximity to transportation routes.

City of Helena, Montana
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue	Debt Service	Capital Projects	Total Non-major Governmental
ASSETS				
Cash and cash equivalents	\$ 5,056,534	\$ 852,930	\$ 2,367,963	\$ 8,277,427
Certificate of deposits	592,164	102,803	277,308	972,275
Receivables (net of allowance for uncollectibles)	94,662	332,594	-	427,256
Loans receivable	457,613	59,275	259,722	776,610
Advances to other funds	-	-	83,662	83,662
Restricted assets:				
Cash - bond account	-	24,918	-	24,918
Intergovernmental receivable	120,449	-	553,355	673,804
Total assets	<u>\$ 6,321,422</u>	<u>\$ 1,372,520</u>	<u>\$ 3,542,010</u>	<u>\$ 11,235,952</u>
LIABILITIES				
Accounts payable	\$ 288,275	\$ -	\$ 6,655	\$ 294,930
Due to other funds	-	-	648,730	648,730
Total liabilities	<u>288,275</u>	<u>-</u>	<u>655,385</u>	<u>943,660</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	19,699	271,715	-	291,414
Total deferred inflows of resources	<u>19,699</u>	<u>271,715</u>	<u>-</u>	<u>291,414</u>
FUND BALANCES (DEFICITS)				
Restricted	4,433,909	1,100,805	249,484	5,784,198
Committed	1,576,584	-	-	1,576,584
Assigned	2,955	-	2,788,072	2,791,027
Unassigned	-	-	(150,931)	(150,931)
Total fund balances (deficits)	<u>6,013,448</u>	<u>1,100,805</u>	<u>2,886,625</u>	<u>10,000,878</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 6,321,422</u>	<u>\$ 1,372,520</u>	<u>\$ 3,542,010</u>	<u>\$ 11,235,952</u>

City of Helena, Montana
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2015

	Special Revenue	Debt Service	Capital Projects	Total Non-major Governmental
REVENUES				
Taxes	\$ -	\$ 1,067,326	\$ -	\$ 1,067,326
Special assessments	2,389,084	86,741	114	2,475,939
Licenses and permits	16,481	-	30,401	46,882
Intergovernmental	2,300,755	-	1,145,375	3,446,130
Charges for services	1,273,819	-	17,705	1,291,524
Investment earnings	16,294	930	3,371	20,595
Miscellaneous	215,872	-	252,605	468,477
Total revenues	<u>6,212,305</u>	<u>1,154,997</u>	<u>1,449,571</u>	<u>8,816,873</u>
EXPENDITURES				
Current:				
General government	808,730	14,951	-	823,681
Public safety	1,761,709	-	17,906	1,779,615
Public works	1,398,584	-	155,824	1,554,408
Culture and recreation	1,754,109	-	59,808	1,813,917
Community development	432,448	-	-	432,448
Debt service:				
Principal	-	719,102	-	719,102
Interest	-	301,260	-	301,260
Capital outlay	334,004	-	1,449,882	1,783,886
Total expenditures	<u>6,489,584</u>	<u>1,035,313</u>	<u>1,683,420</u>	<u>9,208,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(277,279)</u>	<u>119,684</u>	<u>(233,849)</u>	<u>(391,444)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	661,954	3,962	872,016	1,537,932
Transfers out	(31,578)	(1,205,375)	(11,261)	(1,248,214)
Total other financing sources and uses	<u>630,376</u>	<u>(1,201,413)</u>	<u>860,755</u>	<u>289,718</u>
Net change in fund balances	353,097	(1,081,729)	626,906	(101,726)
Fund balances - beginning	5,660,351	2,182,534	2,259,719	10,102,604
Fund balances - ending	<u>\$ 6,013,448</u>	<u>\$ 1,100,805</u>	<u>\$ 2,886,625</u>	<u>\$ 10,000,878</u>

City of Helena, Montana
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2015

(1 of 2)

	<u>Storm Water</u>	<u>Community Development</u>	<u>Community Facilities</u>	<u>Police Programs</u>
ASSETS				
Cash and cash equivalents	\$ 2,098,585	\$ 2,645	\$ 1,328,295	\$ 212,868
Certificates of deposit	245,762	310	155,554	24,929
Receivables (net of allowance for uncollectibles):				
Special assessments	30,831	-	-	-
Other	-	-	-	5,169
Restricted assets:				
Intergovernmental receivable	-	-	-	12,938
Loans receivable	-	457,613	-	-
Total assets	<u>\$ 2,375,178</u>	<u>\$ 460,568</u>	<u>\$ 1,483,849</u>	<u>\$ 255,904</u>
LIABILITIES				
Accounts payable	\$ 13,397	\$ -	\$ 34,465	\$ 40,373
Total liabilities	<u>13,397</u>	<u>-</u>	<u>34,465</u>	<u>40,373</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	12,360	-	-	-
Total deferred inflows of resources	<u>12,360</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	2,349,421	457,613	-	215,531
Committed	-	-	1,449,384	-
Assigned	-	2,955	-	-
Total fund balances (deficits)	<u>2,349,421</u>	<u>460,568</u>	<u>1,449,384</u>	<u>215,531</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,375,178</u>	<u>\$ 460,568</u>	<u>\$ 1,483,849</u>	<u>\$ 255,904</u>

(2 of 2)

<u>Fire Programs</u>	<u>Open Space District Maintenance</u>	<u>Urban Forestry Maintenance District</u>	<u>Weed Control</u>	<u>Light Maintenance Districts</u>	<u>Total</u>
\$ 1,657	\$ 422,627	\$ 310,948	\$ 116,656	\$ 562,253	\$ 5,056,534
194	49,493	36,415	13,662	65,845	592,164
-	11,231	8,219	-	39,212	89,493
-	-	-	-	-	5,169
-	107,511	-	-	-	120,449
-	-	-	-	-	457,613
<u>\$ 1,851</u>	<u>\$ 590,862</u>	<u>\$ 355,582</u>	<u>\$ 130,318</u>	<u>\$ 667,310</u>	<u>\$ 6,321,422</u>
<u>\$ -</u>	<u>\$ 91,579</u>	<u>\$ 6,211</u>	<u>\$ 3,118</u>	<u>\$ 99,132</u>	<u>\$ 288,275</u>
<u>-</u>	<u>91,579</u>	<u>6,211</u>	<u>3,118</u>	<u>99,132</u>	<u>288,275</u>
<u>-</u>	<u>3,500</u>	<u>2,119</u>	<u>-</u>	<u>1,720</u>	<u>19,699</u>
<u>-</u>	<u>3,500</u>	<u>2,119</u>	<u>-</u>	<u>1,720</u>	<u>19,699</u>
1,851	495,783	347,252	-	566,458	4,433,909
-	-	-	127,200	-	1,576,584
-	-	-	-	-	2,955
<u>1,851</u>	<u>495,783</u>	<u>347,252</u>	<u>127,200</u>	<u>566,458</u>	<u>6,013,448</u>
<u>\$ 1,851</u>	<u>\$ 590,862</u>	<u>\$ 355,582</u>	<u>\$ 130,318</u>	<u>\$ 667,310</u>	<u>\$ 6,321,422</u>

City of Helena, Montana
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2015

(1 of 2)

	Storm Water	Community Development	Community Facilities	Police Programs
REVENUES				
Special assessments	\$ 984,543	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	16,481
Intergovernmental	7,562	430,889	-	1,667,529
Charges for services	-	-	1,121,091	52,533
Investment earnings	2,075	12,770	1,012	68
Miscellaneous	-	1,364	76,908	45,898
	<u>994,180</u>	<u>445,023</u>	<u>1,199,011</u>	<u>1,782,509</u>
EXPENDITURES				
Current:				
General government	-	-	808,730	-
Public safety	-	-	-	1,761,709
Public works	466,017	-	-	-
Culture and recreation	-	-	907,514	-
Community development	-	432,448	-	-
Capital outlay	246,103	-	5,228	33,114
Total expenditures	<u>712,120</u>	<u>432,448</u>	<u>1,721,472</u>	<u>1,794,823</u>
Revenues over (under) expenditures	<u>282,060</u>	<u>12,575</u>	<u>(522,461)</u>	<u>(12,314)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	661,954	-
Transfers out	-	(1,000)	(10,610)	(19,968)
Total other financing sources (uses)	<u>-</u>	<u>(1,000)</u>	<u>651,344</u>	<u>(19,968)</u>
Net change in fund balances	282,060	11,575	128,883	(32,282)
Fund balances - beginning	2,067,361	448,993	1,320,501	247,813
Fund balances - ending	<u>\$ 2,349,421</u>	<u>\$ 460,568</u>	<u>\$ 1,449,384</u>	<u>\$ 215,531</u>

(2 of 2)

<u>Fire Programs</u>	<u>Open Space District Maintenance</u>	<u>Urban Forestry Maintenance District</u>	<u>Weed Control</u>	<u>Light Maintenance Districts</u>	<u>Total</u>
\$ -	\$ 345,342	\$ 245,299	\$ -	\$ 813,900	\$ 2,389,084
-	-	-	-	-	16,481
-	193,935	600	240	-	2,300,755
-	-	-	100,195	-	1,273,819
-	369	-	-	-	16,294
500	91,202	-	-	-	215,872
<u>500</u>	<u>630,848</u>	<u>245,899</u>	<u>100,435</u>	<u>813,900</u>	<u>6,212,305</u>
-	-	-	-	-	808,730
-	-	-	-	-	1,761,709
-	-	-	-	932,567	1,398,584
-	538,862	208,207	99,526	-	1,754,109
-	-	-	-	-	432,448
-	49,559	-	-	-	334,004
<u>-</u>	<u>588,421</u>	<u>208,207</u>	<u>99,526</u>	<u>932,567</u>	<u>6,489,584</u>
<u>500</u>	<u>42,427</u>	<u>37,692</u>	<u>909</u>	<u>(118,667)</u>	<u>(277,279)</u>
-	-	-	-	-	661,954
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,578)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,376</u>
500	42,427	37,692	909	(118,667)	353,097
1,351	453,356	309,560	126,291	685,125	5,660,351
<u>\$ 1,851</u>	<u>\$ 495,783</u>	<u>\$ 347,252</u>	<u>\$ 127,200</u>	<u>\$ 566,458</u>	<u>\$ 6,013,448</u>

City of Helena, Montana
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (Budget Basis)
NON-MAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2015

(1 of 4)

	Storm Water				Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES								
Special assessments	\$ 948,500	\$ 948,500	\$ 993,963	\$ 45,463	\$ -	\$ -	\$ -	\$ -
Licenses and permits - other	-	-	-	-	-	-	-	-
Intergovernmental								
Federal grants	-	-	-	-	-	778,784	430,889	(347,895)
State shared revenues	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-
Local payments in lieu of taxes	-	-	7,562	7,562	-	-	-	-
Charges for services								
Public safety	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Investment earnings	3,000	3,000	2,075	(925)	-	-	-	-
Miscellaneous	-	-	-	-	1,900	1,900	1,364	(536)
Total revenue	<u>951,500</u>	<u>951,500</u>	<u>1,003,600</u>	<u>52,100</u>	<u>1,900</u>	<u>780,684</u>	<u>432,253</u>	<u>(348,431)</u>
EXPENDITURES								
Current:								
General government								
Personal services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Public safety								
Personal services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Public works								
Personal services	179,044	179,044	174,034	5,010	-	-	-	-
Supplies/services/materials	433,739	326,996	301,321	25,675	-	-	-	-
Culture and recreation								
Personal services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Community development								
Supplies/services/materials	-	-	-	-	1,740	780,524	432,448	348,076
Capital outlay								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	156,855	1,771,804	290,044	1,481,760	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	<u>769,638</u>	<u>2,277,844</u>	<u>765,399</u>	<u>1,512,445</u>	<u>1,740</u>	<u>780,524</u>	<u>432,448</u>	<u>348,076</u>
Revenues over (under) expenditures	<u>181,862</u>	<u>(1,326,344)</u>	<u>238,201</u>	<u>1,564,545</u>	<u>160</u>	<u>160</u>	<u>(195)</u>	<u>(355)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,000)	(1,000)	(1,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 181,862</u>	<u>\$ (1,326,344)</u>	<u>238,201</u>	<u>\$1,564,545</u>	<u>\$ (840)</u>	<u>\$ (840)</u>	<u>(1,195)</u>	<u>\$ (355)</u>
Fund balances - beginning			2,104,608				4,150	
Fund balances - ending			<u>\$2,342,809</u>				<u>\$ 2,955</u>	

(2 of 4)

Community Facilities				Police Programs				Fire Programs			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	10,000	10,000	16,481	6,481	-	-	-	-
-	-	-	-	35,619	57,900	45,855	(12,045)	-	-	-	-
-	-	-	-	672,700	672,700	429,341	(243,359)	-	-	-	-
-	-	-	-	1,181,000	1,181,000	1,182,125	1,125	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	72,810	72,810	57,584	(15,226)	-	-	-	-
860,190	1,079,960	1,121,091	41,131	-	-	-	-	-	-	-	-
1,270	1,270	1,012	(258)	50	50	68	18	-	-	-	-
72,100	72,100	76,908	4,808	1,360	1,360	45,898	44,538	-	-	500	500
<u>933,560</u>	<u>1,153,330</u>	<u>1,199,011</u>	<u>45,681</u>	<u>1,973,539</u>	<u>1,995,820</u>	<u>1,777,352</u>	<u>(218,468)</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
198,122	198,122	191,190	6,932	-	-	-	-	-	-	-	-
664,870	665,870	614,578	51,292	-	-	-	-	-	-	-	-
-	-	-	-	1,252,287	1,252,287	1,239,988	12,299	-	-	-	-
-	-	-	-	569,828	589,760	515,540	74,220	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
372,656	385,273	370,082	15,191	-	-	-	-	-	-	-	-
343,638	539,763	526,485	13,278	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	38,000	34,835	3,165	-	-	-	-	-	-	-	-
-	-	-	-	50,000	50,000	33,114	16,886	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>1,579,286</u>	<u>1,827,028</u>	<u>1,737,170</u>	<u>89,858</u>	<u>1,872,115</u>	<u>1,892,047</u>	<u>1,788,642</u>	<u>103,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(645,726)</u>	<u>(673,698)</u>	<u>(538,159)</u>	<u>135,539</u>	<u>101,424</u>	<u>103,773</u>	<u>(11,290)</u>	<u>(115,063)</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
661,954	661,954	661,954	-	52,286	52,286	52,286	-	-	-	-	-
(10,610)	(10,610)	(10,610)	-	(69,905)	(72,254)	(72,254)	-	-	-	-	-
651,344	651,344	651,344	-	(17,619)	(19,968)	(19,968)	-	-	-	-	-
<u>\$ 5,618</u>	<u>\$ (22,354)</u>	113,185	<u>\$ 135,539</u>	<u>\$ 83,805</u>	<u>\$ 83,805</u>	(31,258)	<u>\$ (115,063)</u>	<u>\$ -</u>	<u>\$ -</u>	500	<u>\$ 500</u>
		1,365,806				266,622				1,352	
		<u>\$1,478,991</u>				<u>\$ 235,364</u>				<u>\$ 1,852</u>	

City of Helena, Montana
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (Budget Basis)
NON-MAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2015

(3 of 4)

	Open Space District Maintenance				Urban Forestry Maintenance District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES								
Special assessments	\$ 343,500	\$ 343,500	\$ 347,704	\$ 4,204	\$ 230,000	\$ 230,000	\$ 246,686	\$ 16,686
Licenses and permits - other	-	-	-	-	-	-	-	-
Intergovernmental								
Federal grants	386,787	510,247	103,355	(406,892)	-	-	-	-
State shared revenues	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-
Local payments in lieu of taxes	-	-	1,669	1,669	-	-	600	600
Charges for services								
Public safety	-	-	-	-	-	-	-	-
Culture and recreation	1,572	1,572	-	(1,572)	-	-	-	-
Investment earnings	300	300	369	69	-	-	-	-
Miscellaneous	-	-	91,202	91,202	-	-	-	-
Total revenue	<u>732,159</u>	<u>855,619</u>	<u>544,299</u>	<u>(311,320)</u>	<u>230,000</u>	<u>230,000</u>	<u>247,286</u>	<u>17,286</u>
EXPENDITURES								
Current:								
General government								
Personal services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Public safety								
Personal services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Public works								
Personal services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Culture and recreation								
Personal services	113,804	113,804	100,198	13,606	142,729	142,729	128,176	14,553
Supplies/services/materials	710,660	792,627	407,227	385,400	86,986	86,986	82,221	4,765
Community development								
Supplies/services/materials	-	-	-	-	-	-	-	-
Capital outlay								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	61,000	101,838	-	101,838	-	-	-	-
Total expenditures	<u>885,464</u>	<u>1,008,269</u>	<u>507,425</u>	<u>500,844</u>	<u>229,715</u>	<u>229,715</u>	<u>210,397</u>	<u>19,318</u>
Revenues over (under) expenditures	<u>(153,305)</u>	<u>(152,650)</u>	<u>36,874</u>	<u>189,524</u>	<u>285</u>	<u>285</u>	<u>36,889</u>	<u>36,604</u>
OTHER FINANCING SOURCES (USES)								
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>
Net change in fund balances	<u>\$ (153,305)</u>	<u>\$ (152,650)</u>	<u>36,874</u>	<u>\$ 189,524</u>	<u>\$ 285</u>	<u>\$ 285</u>	<u>36,889</u>	<u>\$ 36,604</u>
Fund balances - beginning			433,833				308,686	
Fund balances - ending			<u>\$ 470,707</u>				<u>\$ 345,575</u>	

Weed Control				Light Maintenance Districts				Total			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 811,319	\$ 811,319	\$ 801,444	\$ (9,875)	\$ 2,333,319	\$ 2,333,319	\$ 2,389,797	\$ 56,478
-	-	-	-	-	-	-	-	10,000	10,000	16,481	6,481
-	-	-	-	-	-	-	-	422,406	1,346,931	580,099	(766,832)
-	-	-	-	-	-	-	-	672,700	672,700	429,341	(243,359)
-	-	240	240	-	-	-	-	1,181,000	1,181,000	1,182,365	1,365
-	-	-	-	-	-	-	-	-	-	9,831	9,831
-	-	-	-	-	-	-	-	72,810	72,810	57,584	(15,226)
100,000	100,000	100,195	195	-	-	-	-	961,762	1,181,532	1,221,286	39,754
-	-	-	-	-	-	-	-	4,620	4,620	3,524	(1,096)
-	-	-	-	-	-	-	-	75,360	75,360	215,872	140,512
<u>100,000</u>	<u>100,000</u>	<u>100,435</u>	<u>435</u>	<u>811,319</u>	<u>811,319</u>	<u>801,444</u>	<u>(9,875)</u>	<u>5,733,977</u>	<u>6,878,272</u>	<u>6,106,180</u>	<u>(772,092)</u>
-	-	-	-	-	-	-	-	198,122	198,122	191,190	6,932
-	-	-	-	-	-	-	-	664,870	665,870	614,578	51,292
-	-	-	-	-	-	-	-	1,252,287	1,252,287	1,239,988	12,299
-	-	-	-	-	-	-	-	569,828	589,760	515,540	74,220
-	-	-	-	-	-	-	-	179,044	179,044	174,034	5,010
-	-	-	-	850,105	850,105	833,435	16,670	1,283,844	1,177,101	1,134,756	42,345
72,792	72,792	72,143	649	-	-	-	-	701,981	714,598	670,599	43,999
45,195	45,195	35,735	9,460	-	-	-	-	1,186,479	1,464,571	1,051,668	412,903
-	-	-	-	-	-	-	-	1,740	780,524	432,448	348,076
-	-	-	-	-	-	-	-	-	38,000	34,835	3,165
-	-	-	-	-	-	-	-	50,000	50,000	33,114	16,886
-	-	-	-	-	-	-	-	156,855	1,771,804	290,044	1,481,760
-	-	-	-	-	-	-	-	61,000	101,838	-	101,838
<u>117,987</u>	<u>117,987</u>	<u>107,878</u>	<u>10,109</u>	<u>850,105</u>	<u>850,105</u>	<u>833,435</u>	<u>16,670</u>	<u>6,306,050</u>	<u>8,983,519</u>	<u>6,382,794</u>	<u>2,600,725</u>
<u>(17,987)</u>	<u>(17,987)</u>	<u>(7,443)</u>	<u>10,544</u>	<u>(38,786)</u>	<u>(38,786)</u>	<u>(31,991)</u>	<u>6,795</u>	<u>(572,073)</u>	<u>(2,105,247)</u>	<u>(276,614)</u>	<u>1,828,633</u>
-	-	-	-	-	-	-	-	714,240	714,240	714,240	-
-	-	-	-	-	-	-	-	(81,515)	(83,864)	(83,864)	-
-	-	-	-	-	-	-	-	632,725	630,376	630,376	-
<u>\$ (17,987)</u>	<u>\$ (17,987)</u>	<u>(7,443)</u>	<u>\$ 10,544</u>	<u>\$ (38,786)</u>	<u>\$ (38,786)</u>	<u>(31,991)</u>	<u>\$ 6,795</u>	<u>\$ 60,652</u>	<u>\$(1,474,871)</u>	<u>353,762</u>	<u>\$1,828,633</u>
		136,812				660,089				5,281,958	
		<u>\$ 129,369</u>				<u>\$ 628,098</u>				<u>\$ 5,635,720</u>	

City of Helena, Montana
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
June 30, 2015

(1 of 2)

	Special Improvement Districts	Special Improvement Districts Revolving	General Fund Bonds
ASSETS			
Cash and cash equivalents	\$ 31,667	\$ 13,914	\$ -
Certificates of deposit	3,708	4,548	-
Receivables (net of allowance for uncollectibles):			
Property taxes	-	-	-
Special assessments	146,312	3,073	-
Loans receivable	-	59,275	-
Restricted:			
Cash - bond accounts	-	24,918	-
Total assets	\$ 181,687	\$ 105,728	\$ -
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	\$ 146,150	\$ 3,073	\$ -
Total deferred inflows of resources	146,150	3,073	-
FUND BALANCES (DEFICITS)			
Restricted	35,537	102,655	-
Total fund balances (deficits)	35,537	102,655	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 181,687	\$ 105,728	\$ -

2008 Park and Recreation General Obligation	2009 Certificates of Participation	2009 Open Space and Fire Truck General Obligation Refunding	Sidewalk Loans	Total
\$ 438,218	\$ -	\$ 341,472	\$ 27,659	\$ 852,930
51,319	-	39,989	3,239	102,803
41,988	-	24,028	-	66,016
-	-	-	117,193	266,578
-	-	-	-	59,275
-	-	-	-	24,918
<u>\$ 531,525</u>	<u>\$ -</u>	<u>\$ 405,489</u>	<u>\$ 148,091</u>	<u>\$ 1,372,520</u>
\$ 4,132	\$ -	\$ 2,422	\$ 115,938	\$ 271,715
4,132	-	2,422	115,938	271,715
527,393	-	403,067	32,153	1,100,805
527,393	-	403,067	32,153	1,100,805
<u>\$ 531,525</u>	<u>\$ -</u>	<u>\$ 405,489</u>	<u>\$ 148,091</u>	<u>\$ 1,372,520</u>

City of Helena, Montana
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR DEBT SERVICE FUNDS
For the year ended June 30, 2015

(1 of 2)

	Special Improvement Districts	Special Improvement Districts Revolving	General Fund Bonds
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Penalties and interest	-	-	-
Special assessments	57,332	5,981	-
Investment earnings	13	477	-
Total revenues	57,345	6,458	-
EXPENDITURES			
General government	700	12,801	-
Debt service:			
Principal	65,000	-	-
Interest	9,245	-	-
Total expenditures	74,945	12,801	-
Revenue over (under) expenditures	(17,600)	(6,343)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,217	-
Transfers out	(2,217)	-	(2,015)
Total other financing sources (uses)	(2,217)	2,217	(2,015)
Net change in fund balances	(19,817)	(4,126)	(2,015)
Fund balances - beginning	55,354	106,781	2,015
Fund balances - ending	\$ 35,537	\$ 102,655	\$ -

2008 Park and Recreation General Obligation	2009 Certificates of Participation	2009 Open Space and Fire Truck General Obligation Refunding		Sidewalk Loans	Total
\$ 680,406	\$ -	\$ 385,092	\$ -	\$ -	\$ 1,065,498
1,185	-	643	-	-	1,828
-	-	-	23,428	-	86,741
253	-	164	23	-	930
<u>681,844</u>	<u>-</u>	<u>385,899</u>	<u>23,451</u>	<u>-</u>	<u>1,154,997</u>
1,100	-	350	-	-	14,951
330,000	-	290,000	34,102	-	719,102
235,870	-	54,400	1,745	-	301,260
<u>566,970</u>	<u>-</u>	<u>344,750</u>	<u>35,847</u>	<u>-</u>	<u>1,035,313</u>
<u>114,874</u>	<u>-</u>	<u>41,149</u>	<u>(12,396)</u>	<u>-</u>	<u>119,684</u>
-	-	-	1,745	-	3,962
-	(1,201,143)	-	-	-	(1,205,375)
-	(1,201,143)	-	1,745	-	(1,201,413)
114,874	(1,201,143)	41,149	(10,651)	-	(1,081,729)
412,519	1,201,143	361,918	42,804	-	2,182,534
<u>\$ 527,393</u>	<u>\$ -</u>	<u>\$ 403,067</u>	<u>\$ 32,153</u>	<u>\$ -</u>	<u>\$ 1,100,805</u>

City of Helena, Montana
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (Budget Basis)
NON-MAJOR DEBT SERVICE FUNDS
For the year ended June 30, 2015

(1 of 4)

	Special Improvement Districts				Special Improvement Districts Revolving			
	Original	Final	Actual	Variance Positive (Negative)	Original	Final	Actual	Variance Positive (Negative)
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties and interest	-	-	-	-	-	-	-	-
Special assessments	57,259	57,259	57,310	51	5,753	5,753	5,979	226
Investment earnings	-	-	13	13	2,351	2,351	477	(1,874)
Total revenues	<u>57,259</u>	<u>57,259</u>	<u>57,323</u>	<u>64</u>	<u>8,104</u>	<u>8,104</u>	<u>6,456</u>	<u>(1,648)</u>
EXPENDITURES								
General government	1,000	1,000	700	300	21,003	21,003	12,801	8,202
Debt service:								
Principal	65,000	65,000	65,000	-	-	-	-	-
Interest	10,270	10,270	9,245	1,025	-	-	-	-
Total expenditures	<u>76,270</u>	<u>76,270</u>	<u>74,945</u>	<u>1,325</u>	<u>21,003</u>	<u>21,003</u>	<u>12,801</u>	<u>8,202</u>
Revenue over (under) expenditures	<u>(19,011)</u>	<u>(19,011)</u>	<u>(17,622)</u>	<u>1,389</u>	<u>(12,899)</u>	<u>(12,899)</u>	<u>(6,345)</u>	<u>6,554</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	2,217	2,217
Transfers out	-	-	(2,217)	(2,217)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,217)</u>	<u>(2,217)</u>	<u>-</u>	<u>-</u>	<u>2,217</u>	<u>2,217</u>
Net change in fund balances	<u>\$ (19,011)</u>	<u>\$ (19,011)</u>	<u>(19,839)</u>	<u>\$ (828)</u>	<u>\$ (12,899)</u>	<u>\$ (12,899)</u>	<u>(4,128)</u>	<u>\$ 8,771</u>
Fund balances - beginning			55,215				106,780	
Fund balances - ending			<u>\$ 35,376</u>				<u>\$ 102,652</u>	

(2 of 4)

General Fund Bonds				2008 Park and Recreation General Obligation			
Original	Final	Actual	Variance Positive (Negative)	Original	Final	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 670,000	\$ 670,000	\$ 829,814	\$ 159,814
-	-	-	-	1,800	1,800	1,185	(615)
-	-	-	-	-	-	-	-
-	-	-	-	100	100	253	153
-	-	-	-	671,900	671,900	831,252	159,352
-	-	-	-	1,350	1,350	1,100	250
-	-	-	-	330,000	330,000	330,000	-
-	-	-	-	235,870	235,870	235,870	-
-	-	-	-	567,220	567,220	566,970	250
-	-	-	-	104,680	104,680	264,282	159,602
-	-	-	-	-	-	-	-
-	-	(2,015)	(2,015)	-	-	-	-
-	-	(2,015)	(2,015)	-	-	-	-
\$ -	\$ -	(2,015)	\$ (2,015)	\$104,680	\$104,680	264,282	\$ 159,602
		2,015				225,254	
		\$ -				\$ 489,536	

City of Helena, Montana
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (Budget Basis)
NON-MAJOR DEBT SERVICE FUNDS
For the year ended June 30, 2015

(3 of 4)

	2009 Certificates of Participation				2009 Open Space and Fire Truck General Obligation Refunding			
	Original	Final	Actual	Variance Positive (Negative)	Original	Final	Actual	Variance Positive (Negative)
	REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 383,000	\$ 383,000	\$ 460,416	\$ 77,416
Penalties and interest	-	-	-	-	1,000	1,000	643	(357)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	10	10	164	154
Total revenues	-	-	-	-	384,010	384,010	461,223	77,213
EXPENDITURES								
General government	-	-	-	-	350	350	350	-
Debt service:								
Principal	-	-	-	-	290,000	290,000	290,000	-
Interest	-	-	-	-	54,400	54,400	54,400	-
Total expenditures	-	-	-	-	344,750	344,750	344,750	-
Revenue over (under) expenditures	-	-	-	-	39,260	39,260	116,473	77,213
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,201,142)	(1,201,142)	-	-	-	-
Total other financing sources (uses)	-	-	(1,201,142)	(1,201,142)	-	-	-	-
Net change in fund balances	\$ -	\$ -	(1,201,142)	\$(1,201,142)	\$ 39,260	\$ 39,260	116,473	\$ 77,213
Fund balances - beginning			1,201,142				264,988	
Fund balances - ending			\$ -				\$ 381,461	

(4 of 4)

Sidewalk Loans				Total Non-major Debt Service			
Original	Final	Actual	Variance Positive (Negative)	Original	Final	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 1,053,000	\$ 1,053,000	\$ 1,290,230	\$ 237,230
-	-	-	-	2,800	2,800	1,828	(972)
55,529	32,115	23,318	(8,797)	118,541	95,127	86,607	(8,520)
-	-	23	23	2,461	2,461	930	(1,531)
<u>55,529</u>	<u>32,115</u>	<u>23,341</u>	<u>(8,774)</u>	<u>1,176,802</u>	<u>1,153,388</u>	<u>1,379,595</u>	<u>226,207</u>
-	-	-	-	23,703	23,703	14,951	8,752
34,105	34,105	34,102	3	719,105	719,105	719,102	3
2,190	2,190	1,745	445	302,730	302,730	301,260	1,470
<u>36,295</u>	<u>36,295</u>	<u>35,847</u>	<u>448</u>	<u>1,045,538</u>	<u>1,045,538</u>	<u>1,035,313</u>	<u>10,225</u>
<u>19,234</u>	<u>(4,180)</u>	<u>(12,506)</u>	<u>(8,326)</u>	<u>131,264</u>	<u>107,850</u>	<u>344,282</u>	<u>236,432</u>
2,200	2,200	1,745	(455)	2,200	2,200	3,962	1,762
-	-	-	-	-	-	(1,205,374)	(1,205,374)
<u>2,200</u>	<u>2,200</u>	<u>1,745</u>	<u>(455)</u>	<u>2,200</u>	<u>2,200</u>	<u>(1,201,412)</u>	<u>(1,203,612)</u>
<u>\$ 21,434</u>	<u>\$ (1,980)</u>	<u>(10,761)</u>	<u>\$ (8,781)</u>	<u>\$ 133,464</u>	<u>\$ 110,050</u>	<u>(857,130)</u>	<u>\$ (967,180)</u>
		41,659				1,897,053	
		<u>\$ 30,898</u>				<u>\$ 1,039,923</u>	

City of Helena, Montana
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2015

	Special Improvement			Total
	Capital Improvements	Districts Construction	CTEP Projects	
ASSETS				
Cash and cash equivalents	\$ 2,367,963	\$ -	\$ -	\$ 2,367,963
Certificates of deposit	277,308	-	-	277,308
Advances to other funds	83,662	-	-	83,662
Loans receivable	259,722	-	-	259,722
Restricted assets:				
Intergovernmental receivable	48,901	-	504,454	553,355
Total assets	\$ 3,037,556	\$ -	\$ 504,454	\$ 3,542,010
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 6,655	\$ 6,655
Due to other funds	-	130,379	518,351	648,730
Total liabilities	-	130,379	525,006	655,385
FUND BALANCES (DEFICITS)				
Restricted	249,484	-	-	249,484
Assigned	2,788,072	-	-	2,788,072
Unassigned	-	(130,379)	(20,552)	(150,931)
Total fund balances (deficits)	3,037,556	(130,379)	(20,552)	2,886,625
Total liabilities and fund balances (deficits)	\$ 3,037,556	\$ -	\$ 504,454	\$ 3,542,010

City of Helena, Montana
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR CAPITAL PROJECTS FUNDS
For the year ended June 30, 2015

	Capital Improvements	Special Improvement Districts Construction	CTEP Projects	Total
REVENUES				
Special assessments	\$ 114	\$ -	\$ -	\$ 114
Licenses and permits	30,401	-	-	30,401
Intergovernmental	94,374	-	1,051,001	1,145,375
Charges for services	17,705	-	-	17,705
Investment earnings	3,371	-	-	3,371
Miscellaneous	84,255	163,103	5,247	252,605
Total revenues	<u>230,220</u>	<u>163,103</u>	<u>1,056,248</u>	<u>1,449,571</u>
EXPENDITURES				
Current:				
Public safety	17,906	-	-	17,906
Public works	-	155,824	-	155,824
Culture and recreation	14,072	-	45,736	59,808
Capital outlay	439,390	-	1,010,492	1,449,882
Total expenditures	<u>471,368</u>	<u>155,824</u>	<u>1,056,228</u>	<u>1,683,420</u>
Revenues over (under) expenditures	<u>(241,148)</u>	<u>7,279</u>	<u>20</u>	<u>(233,849)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	872,016	-	-	872,016
Transfers out	-	(11,261)	-	(11,261)
Total other financing sources (uses)	<u>872,016</u>	<u>(11,261)</u>	<u>-</u>	<u>860,755</u>
Net change in fund balances	630,868	(3,982)	20	626,906
Fund balances - beginning	2,406,688	(126,397)	(20,572)	2,259,719
Fund balances - ending	<u>\$ 3,037,556</u>	<u>\$ (130,379)</u>	<u>\$ (20,552)</u>	<u>\$ 2,886,625</u>

City of Helena, Montana
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (Budget Basis)
NON-MAJOR CAPITAL PROJECTS FUNDS
For the year ended June 30, 2015

(1 of 3)

	Capital Improvements			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
Special assessments	\$ -	\$ -	\$ 114	\$ 114
Licenses and permits	28,000	28,000	30,404	2,404
Intergovernmental				
Federal	-	104,400	56,796	(47,604)
Charges for services	6,000	10,480	17,705	7,225
Investment earnings	3,310	3,310	3,371	61
Miscellaneous	2,350	42,812	84,255	41,443
Total revenues	<u>39,660</u>	<u>189,002</u>	<u>192,645</u>	<u>3,643</u>
EXPENDITURES				
Current:				
Public safety	-	15,920	7,284	8,636
Public works	-	-	-	-
Culture and recreation	17,350	17,350	14,025	3,325
Capital outlay:				
General government	-	11,000	-	11,000
Public safety	374,860	563,040	255,135	307,905
Public works	-	-	-	-
Culture and recreation	244,224	390,241	218,954	171,287
Total expenditures	<u>636,434</u>	<u>997,551</u>	<u>495,398</u>	<u>502,153</u>
Revenue over (under) expenditures	<u>(596,774)</u>	<u>(808,549)</u>	<u>(302,753)</u>	<u>505,796</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	411,961	867,331	860,755	(6,576)
Total other financing sources (uses)	411,961	867,331	860,755	(6,576)
Net change in fund balances	<u>\$ (184,813)</u>	<u>\$ 58,782</u>	558,002	<u>\$ 499,220</u>
Fund balances - beginning			2,419,395	
Fund balances - ending			<u>\$ 2,977,397</u>	

Special Improvement Districts Construction				CTEP Projects			
Original	Final	Actual	Variance Positive (Negative)	Original	Final	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	1,424,221	546,691	(877,530)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
150,000	216,000	163,103	(52,897)	-	71,915	5,247	(66,668)
150,000	216,000	163,103	(52,897)	-	1,496,136	551,938	(944,198)
-	-	-	-	-	-	-	-
150,000	216,000	159,535	56,465	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,496,112	1,070,268	425,844
-	-	-	-	-	-	-	-
150,000	216,000	159,535	56,465	-	1,496,112	1,070,268	425,844
-	-	3,568	3,568	-	24	(518,330)	(518,354)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	3,568	\$ 3,568	\$ -	\$ 24	(518,330)	\$ (518,354)
		(122,686)				(20)	
		<u>\$ (119,118)</u>				<u>\$ (518,350)</u>	

City of Helena, Montana
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (Budget Basis)
NON-MAJOR CAPITAL PROJECTS FUNDS
For the year ended June 30, 2015

(3 of 3)

	Total Non-major Capital Projects			
	Original	Final	Actual	Variance Positive (Negative)
REVENUES				
Special assessments	\$ -	\$ -	\$ 114	\$ 114
Licenses and permits	28,000	28,000	30,404	2,404
Intergovernmental				
Federal	-	1,528,621	603,487	(925,134)
Charges for services	6,000	10,480	17,705	7,225
Investment earnings	3,310	3,310	3,371	61
Miscellaneous	152,350	330,727	252,605	(78,122)
Total revenues	189,660	1,901,138	907,686	(993,452)
EXPENDITURES				
Current:				
Public safety	-	15,920	7,284	8,636
Public works	150,000	216,000	159,535	56,465
Culture and recreation	17,350	17,350	14,025	3,325
Capital outlay:				
General government	-	11,000	-	11,000
Public safety	374,860	563,040	255,135	307,905
Public works	-	1,496,112	1,070,268	425,844
Culture and recreation	244,224	390,241	218,954	171,287
Total expenditures	786,434	2,709,663	1,725,201	984,462
Revenue over (under) expenditures	(596,774)	(808,525)	(817,515)	(8,990)
OTHER FINANCING SOURCES (USES)				
Transfers in	411,961	867,331	860,755	(6,576)
Total other financing sources (uses)	411,961	867,331	860,755	(6,576)
Net change in fund balances	\$(184,813)	\$ 58,806	43,240	\$ (15,566)
Fund balances - beginning			2,296,689	
Fund balances - ending			\$2,339,929	

Section E

NON-MAJOR ENTERPRISE FUNDS

City of Helena, Montana

June 30, 2015

ENTERPRISE FUNDS

Enterprise Funds account for operations and activities that render services on a user charge basis to the general public.

Non-Major Funds:

Helena Bus - This fund is used to account for the activities of the City's bus system, which provides transportation to the citizens of Helena and East Helena through a demand response system. A rider may call the Helena Bus office and arrange for pickup and delivery within the bus service area. A fixed route system is also available.

Golf Course - Used to account for the revenues and expenses related to the operation and maintenance of the City's 18-hole golf course. The fund is also used to account for course-related construction projects and the corresponding debt.

Building - Used to account for funds received and expended attributable to the City's building code enforcement program.

City-County Administration Building – Used to account for the rental income and expenses of a building that is jointly owned by the City and Lewis and Clark County. The building holds the main administrative offices of the City and County governments, along with numerous other City and County department offices. The department is jointly administered by City and County officials.

City of Helena, Montana
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2015

	Bus	Golf Course	Building	City - County Administration Building	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 473,744	\$ 522,990	\$ 549,356	\$ 287,024	\$ 1,833,114
Certificates of deposit	55,479	61,246	64,334	33,613	214,672
Accounts receivable	6,272	-	91,172	-	97,444
Inventories	-	148,597	-	-	148,597
Restricted assets:					
Intergovernmental receivable	123,433	-	-	-	123,433
Total current assets	658,928	732,833	704,862	320,637	2,417,260
Capital assets:					
Land	446,988	83,000	-	-	529,988
Buildings and system	3,014,720	307,330	-	1,549,428	4,871,478
Improvements other than buildings	18,250	2,140,078	-	211,486	2,369,814
Machinery and equipment	1,018,216	702,135	100,640	34,175	1,855,166
Construction in progress	16,184	22,651	-	-	38,835
Less accumulated depreciation	(1,250,768)	(1,902,725)	(65,296)	(753,083)	(3,971,872)
Total non-current assets	3,263,590	1,352,469	35,344	1,042,006	5,693,409
Total assets	3,922,518	2,085,302	740,206	1,362,643	8,110,669
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions subsequent to measurement date	37,260	27,055	39,523	20,625	124,463
Total deferred outflows of resources	37,260	27,055	39,523	20,625	124,463
LIABILITIES					
Current liabilities:					
Accounts payable	28,753	71,420	29,348	21,603	151,124
Customer deposits	-	58,222	-	-	58,222
Accrued interest	-	2,372	-	3,027	5,399
Compensated absences	38,040	34,831	23,691	18,012	114,574
Loans	-	45,812	-	165,961	211,773
Advances from other funds	-	27,610	-	-	27,610
Total current liabilities	66,793	240,267	53,039	208,603	568,702
Noncurrent liabilities:					
Compensated absences	31,124	28,498	19,384	14,737	93,743
Loans	-	449,114	-	478,673	927,787
Advances from other funds	-	56,052	-	-	56,052
Net pension liability	473,143	343,558	501,880	261,901	1,580,482
Other postemployment benefits	110,537	54,632	87,265	56,497	308,931
Total noncurrent liabilities	614,804	931,854	608,529	811,808	2,966,995
Total liabilities	681,597	1,172,121	661,568	1,020,411	3,535,697
DEFERRED INFLOWS OF RESOURCES					
Difference between projected and actual earnings	122,252	88,770	129,678	67,671	408,371
Difference between expected and actual experience	689	500	731	381	2,301
Total deferred inflows of resources	122,941	89,270	130,409	68,052	410,672
NET POSITION					
Net investment in capital assets	3,263,590	773,881	35,344	491,474	4,564,289
Unrestricted	(108,350)	77,085	(47,592)	(196,669)	(275,526)
Total net position	\$ 3,155,240	\$ 850,966	\$ (12,248)	\$ 294,805	\$ 4,288,763

City of Helena, Montana
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the year ended June 30, 2015

	<u>Bus</u>	<u>Golf Course</u>	<u>Building</u>	<u>City - County Administration Building</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 196,189	\$ 1,400,988	\$ 944,898	\$ 1,050,219	\$ 3,592,294
Total operating revenues	<u>196,189</u>	<u>1,400,988</u>	<u>944,898</u>	<u>1,050,219</u>	<u>3,592,294</u>
OPERATING EXPENSES					
Personal services	721,696	576,377	718,017	388,284	2,404,374
Maintenance and operations	470,885	654,602	253,362	451,114	1,829,963
Depreciation	165,839	73,779	7,860	132,624	380,102
Total operating expenses	<u>1,358,420</u>	<u>1,304,758</u>	<u>979,239</u>	<u>972,022</u>	<u>4,614,439</u>
Operating income (loss)	<u>(1,162,231)</u>	<u>96,230</u>	<u>(34,341)</u>	<u>78,197</u>	<u>(1,022,145)</u>
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental operating grants	805,163	9,714	14,191	7,405	836,473
Investment earnings	423	295	594	354	1,666
Interest expense	-	(3,727)	-	(6,684)	(10,411)
Sale of capital assets	2,070	-	4,074	-	6,144
Total non-operating revenue (expenses)	<u>807,656</u>	<u>6,282</u>	<u>18,859</u>	<u>1,075</u>	<u>833,872</u>
Income (loss) before contributions and transfers	<u>(354,575)</u>	<u>102,512</u>	<u>(15,482)</u>	<u>79,272</u>	<u>(188,273)</u>
Capital contributions - mains & other	-	9,600	-	-	9,600
Transfers in	300,000	-	-	-	300,000
Change in net assets	(54,575)	112,112	(15,482)	79,272	121,327
Total net position - beginning	3,783,662	1,155,535	611,936	533,177	6,084,310
Restatement - GASB 68 implementation	(573,847)	(416,681)	(608,702)	(317,644)	(1,916,874)
Total net position - ending	<u>\$ 3,155,240</u>	<u>\$ 850,966</u>	<u>\$ (12,248)</u>	<u>\$ 294,805</u>	<u>\$ 4,288,763</u>

City of Helena, Montana
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the year ended June 30, 2015

	Bus	Golf Course	Building	City-County Administration Building	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 197,349	\$ 1,408,785	\$ 883,825	\$ 1,050,219	\$ 3,540,178
Payments to suppliers	(110,954)	(506,257)	(168,249)	(426,884)	(1,212,344)
Payments to employees	(718,479)	(576,032)	(718,727)	(388,738)	(2,401,976)
Payment for interfund services used	(359,522)	(130,769)	(80,782)	(19,813)	(590,886)
Net cash provided (used) by operating activities	<u>(991,606)</u>	<u>195,727</u>	<u>(83,933)</u>	<u>214,784</u>	<u>(665,028)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers from other funds	300,000	-	-	-	300,000
Operating grants	893,399	-	-	-	893,399
Contributions from other governments	13,378	9,714	14,191	7,405	44,688
Principal payments - advances	-	(27,337)	-	-	(27,337)
Net cash provided (used) by non-capital financing activities	<u>1,206,777</u>	<u>(17,623)</u>	<u>14,191</u>	<u>7,405</u>	<u>1,210,750</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from capital debt	-	394,354	-	-	394,354
Principal payments - loans	-	(27,713)	-	(169,595)	(197,308)
Interest payments	-	(3,101)	-	(7,695)	(10,796)
Purchase of capital assets	(16,184)	(114,097)	(23,980)	(59,943)	(214,204)
Proceeds from disposition of capital assets	2,070	-	4,074	-	6,144
Net cash provided (used) by capital and related financing activities	<u>(14,114)</u>	<u>249,443</u>	<u>(19,906)</u>	<u>(237,233)</u>	<u>(21,810)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in certificates of deposit	(41,638)	(54,641)	(34,656)	(19,452)	(150,387)
Interest received	423	295	594	354	1,666
Net cash provided (used) by investing activities	<u>(41,215)</u>	<u>(54,346)</u>	<u>(34,062)</u>	<u>(19,098)</u>	<u>(148,721)</u>
Net increase (decrease) in cash and cash equivalents	159,842	373,201	(123,710)	(34,142)	375,191
Cash and cash equivalents, beginning	313,902	149,789	673,066	321,166	1,457,923
Cash and cash equivalents, ending	<u>\$ 473,744</u>	<u>\$ 522,990</u>	<u>\$ 549,356</u>	<u>\$ 287,024</u>	<u>\$ 1,833,114</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ (1,162,231)	\$ 96,230	\$ (34,341)	\$ 78,197	\$(1,022,145)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	165,839	73,779	7,860	132,624	380,102
(Increase) decrease in accounts receivable	1,160	-	(61,157)	-	(59,997)
(Increase) decrease in inventories	-	8,534	-	-	8,534
(Increase) decrease in deferred outflows of resources	(2,245)	(1,630)	(2,382)	(1,243)	(7,500)
Increase (decrease) in accounts payable	2,880	9,613	8,261	6,089	26,843
Increase (decrease) in customer deposits	-	7,797	-	-	7,797
Increase (decrease) in compensated absences	5,467	3,127	2,892	469	11,955
Increase (decrease) in other postemployment benefits	10,302	7,555	8,488	5,721	32,066
Increase (decrease) in net pensions	(135,719)	(98,548)	(143,963)	(75,125)	(453,355)
Increase (decrease) in deferred inflow of resources	122,941	89,270	130,409	68,052	410,672
Total adjustments	<u>170,625</u>	<u>99,497</u>	<u>(49,592)</u>	<u>136,587</u>	<u>357,117</u>
Net cash provided (used) by operating activities	<u>\$ (991,606)</u>	<u>\$ 195,727</u>	<u>\$ (83,933)</u>	<u>\$ 214,784</u>	<u>\$ (665,028)</u>
Supplemental disclosure of non-cash activity:					
Basis of property disposed / transferred out	\$ 2,070	\$ -	\$ 4,074	\$ -	\$ 6,144

Section F

INTERNAL SERVICE FUNDS

City of Helena, Montana

June 30, 2015

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 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, 2015

	Business-type		Governmental Activities			Total
	Activities					
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 250,636	\$ 39,681	\$ 794,164	\$ 554,912		\$ 1,639,393
Certificates of deposit	29,352	4,647	93,003	64,985		191,987
Inventories	46,035	-	-	-		46,035
Total current assets	<u>326,023</u>	<u>44,328</u>	<u>887,167</u>	<u>619,897</u>		<u>1,877,415</u>
Noncurrent assets:						
Capital assets:						
Land	148,054	-	-	-		148,054
Buildings and system	830,638	-	-	-		830,638
Improvements other than buildings	62,831	-	-	-		62,831
Machinery and equipment	92,552	38,344	-	-		130,896
Accumulated depreciation	(918,379)	(22,579)	-	-		(940,958)
Total noncurrent assets	<u>215,696</u>	<u>15,765</u>	<u>-</u>	<u>-</u>		<u>231,461</u>
Total assets	<u>541,719</u>	<u>60,093</u>	<u>887,167</u>	<u>619,897</u>		<u>2,108,876</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension contributions subsequent to measurement date	22,819	-	-	-		22,819
Total deferred outflows of resources	<u>22,819</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>22,819</u>
LIABILITIES						
Current liabilities:						
Accounts payable	85,300	-	-	57,761		143,061
Compensated absences	16,228	-	-	-		16,228
Total current liabilities	<u>101,528</u>	<u>-</u>	<u>-</u>	<u>57,761</u>		<u>159,289</u>
Noncurrent liabilities:						
Compensated absences	13,277	-	-	-		13,277
Net pension liability	289,767	-	-	-		289,767
Other postemployment benefits	49,178	-	-	-		49,178
Total noncurrent liabilities	<u>352,222</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>352,222</u>
Total liabilities	<u>453,750</u>	<u>-</u>	<u>-</u>	<u>57,761</u>		<u>511,511</u>
DEFERRED INFLOWS OF RESOURCES						
Difference between projected and actual earnings	74,871	-	-	-		74,871
Difference between expected and actual experience	422	-	-	-		422
Total deferred inflows of resources	<u>75,293</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>75,293</u>
NET POSITION						
Net investment in capital assets	215,696	15,765	-	-		231,461
Unrestricted	(180,201)	44,328	887,167	562,136		1,313,430
Total net position	<u>\$ 35,495</u>	<u>\$ 60,093</u>	<u>\$ 887,167</u>	<u>\$ 562,136</u>		<u>\$ 1,544,891</u>

City of Helena, Montana
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the year ended June 30, 2015

	Business-type		Governmental Activities		
	Activities				
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	Total
OPERATING REVENUES					
Charges for services	\$ 1,559,696	\$ 17,463	\$ 811,490	\$ 3,448,811	\$ 5,837,460
Total operating revenues	<u>1,559,696</u>	<u>17,463</u>	<u>811,490</u>	<u>3,448,811</u>	<u>5,837,460</u>
OPERATING EXPENSES					
Personal services	416,060	-	-	-	416,060
Maintenance and operations	1,109,330	15,728	516,876	3,408,465	5,050,399
Depreciation	9,532	4,232	-	-	13,764
Total operating expenses	<u>1,534,922</u>	<u>19,960</u>	<u>516,876</u>	<u>3,408,465</u>	<u>5,480,223</u>
Operating income (loss)	<u>24,774</u>	<u>(2,497)</u>	<u>294,614</u>	<u>40,346</u>	<u>357,237</u>
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental revenues	34,638	-	-	4,000	38,638
Interest income	-	-	-	486	486
Total non-operating revenues (expenses)	<u>34,638</u>	<u>-</u>	<u>-</u>	<u>4,486</u>	<u>39,124</u>
Change in net position	59,412	(2,497)	294,614	44,832	396,361
Total net position - beginning	327,525	62,590	592,553	517,304	1,499,972
Restatement - GASB 68 implementation	(351,442)	-	-	-	(351,442)
Total net position - ending	<u>\$ 35,495</u>	<u>\$ 60,093</u>	<u>\$ 887,167</u>	<u>\$ 562,136</u>	<u>\$ 1,544,891</u>

City of Helena, Montana
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended June 30, 2015

	Business-type				Total
	Activities	Governmental Activities			
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,559,696	\$ 17,463	\$ 811,490	\$ 3,448,811	\$ 5,837,460
Payments to suppliers	(1,026,826)	(15,728)	(516,876)	(3,424,008)	(4,983,438)
Payments to employees	(417,653)	-	-	-	(417,653)
Payment for interfund services used	(97,652)	-	-	-	(97,652)
Net cash provided (used) by operating activities	17,565	1,735	294,614	24,803	338,717
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Operating grants	26,444	-	-	4,000	30,444
Contributions from other governments	8,194	-	-	-	8,194
Net cash provided (used) by non-capital financing activities	34,638	-	-	4,000	38,638
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in certificates of deposit	(19,732)	(2,848)	(67,979)	(40,043)	(130,602)
Interest received	-	-	-	486	486
Net cash provided (used) by investing activities	(19,732)	(2,848)	(67,979)	(39,557)	(130,116)
Net increase (decrease) in cash and cash equivalents	32,471	(1,113)	226,635	(10,754)	247,239
Cash and cash equivalents, beginning	218,165	40,794	567,529	565,666	1,392,154
Cash and cash equivalents, ending	\$ 250,636	\$ 39,681	\$ 794,164	\$ 554,912	\$ 1,639,393
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 24,774	\$ (2,497)	\$ 294,614	\$ 40,346	\$ 357,237
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	9,532	4,232	-	-	13,764
(Increase) decrease in inventories	(2,497)	-	-	-	(2,497)
Increase (decrease) in deferred outflows of resources	(1,375)	-	-	-	(1,375)
Increase (decrease) in accounts payable	(10,753)	-	-	(15,543)	(26,296)
Increase (decrease) in compensated absences	688	-	-	-	688
Increase (decrease) in other postemployment benefits	5,022	-	-	-	5,022
Increase (decrease) in net pensions	(83,119)	-	-	-	(83,119)
Increase (decrease) in deferred outflows of resources	75,293	-	-	-	75,293
Total adjustments	(7,209)	4,232	-	(15,543)	(18,520)
Net cash provided by operating activities	\$ 17,565	\$ 1,735	\$ 294,614	\$ 24,803	\$ 338,717

Section G
FIDUCIARY FUNDS

City of Helena, Montana

June 30, 2015

FIDUCIARY FUNDS

Fiduciary funds include agency funds that account for assets held by the City as an agent for an individual, private organization, or other governmental units.

Agency Fund:

State Court Trust - The Municipal Court is required to collect certain charges on behalf of the State of Montana. This fund accumulates those charges for later remittance.

City of Helena, Montana
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUND
FIDUCIARY FUND
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>STATE COURT TRUST</u>				
Assets				
Cash and cash equivalents	\$ 27,151	\$ 1,124,353	\$ 1,123,670	\$ 27,834
Liabilities				
Due to other governments	\$ 27,151	\$ 1,124,353	\$ 1,123,670	\$ 27,834

Section H

COMPONENT UNIT

City of Helena, Montana

June 30, 2015

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 of America (US 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 US GAAP.

City of Helena, Montana
COMBINING BALANCE SHEET
HELENA TOURISM BUSINESS IMPROVEMENT DISTRICT
June 30, 2015

	General	Special Revenue Tourism Alliance	Total Governmental
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 97,138	\$ 3,609	\$ 100,747
Receivables (net of allowance for uncollectibles)	115,881	-	115,881
Total assets	213,019	3,609	216,628
LIABILITIES			
Current liabilities:			
Accounts payable	70	480	550
Payroll liabilities	-	1,763	1,763
Total current liabilities	70	2,243	2,313
FUND BALANCE			
Unrestricted	212,949	1,366	214,315
Total fund balance	\$212,949	\$ 1,366	\$ 214,315

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

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

Total ending fund balance	\$ 214,315
---------------------------	------------

Capital assets, net of accumulated depreciation	6,261
Net position of governmental activities	\$ 220,576

Note: Combining statements are presented for the Helena Tourism Business Improvement District since they do not prepare a separate financial report.

City of Helena, Montana
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HELENA TOURISM BUSINESS IMPROVEMENT DISTRICT
June 30, 2015

	General	Special Revenue Tourism Alliance	Total Governmental
REVENUES			
Special assessments	\$ 287,330	\$ -	\$ 287,330
Miscellaneous income	308	-	308
Investment earnings	640	18	658
Total operating revenues	288,278	18	288,296
EXPENDITURES			
Current:			
Community development	200,354	119,992	320,346
Total expenditures	200,354	119,992	320,346
Excess (deficiency) of revenues over (under) expenditures	87,924	(119,974)	(32,050)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(100,000)	100,000	-
Total other financing sources and uses	(100,000)	100,000	-
Net change in fund balances	(12,076)	(19,974)	(32,050)
Fund balances - beginning	225,025	21,340	246,365
Fund balances - ending	\$ 212,949	\$ 1,366	\$ 214,315

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

Net change in fund balances - total governmental funds	\$ (32,050)
Prior year revenues in the statement of activities that provide current financial resources and are reported as revenues in the funds	
Assessments receivable	(10,367)
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other changes in the current period.	
Depreciation expense	(9,472)
Change in net position of governmental activities	\$ (51,889)

Note: Combining statements are presented for the Helena Tourism Business Improvement District since they do not prepare a separate financial report.

Section I

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

City of Helena, Montana
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE ¹
June 30, 2015 and 2014

	2015	2014
Governmental Fund's Capital Assets:		
Land	\$ 72,916,276	\$ 65,152,272
Buildings and systems	9,825,792	20,283,407
Improvements other than buildings	16,281,464	15,265,233
Machinery and equipment	13,867,096	13,676,988
Infrastructure	44,407,866	44,006,676
Construction in progress	1,600,704	517,666
	\$ 158,899,198	\$ 158,902,242
 Investment in Governmental Fund's Capital Assets by Source:		
General	\$ 22,626	\$ 53,452
Special revenue	123,636,629	126,627,786
Capital projects	35,239,943	32,221,004
	\$ 158,899,198	\$ 158,902,242

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of the copier revolving internal service fund are included as governmental activities in the statement of net position.

City of Helena, Montana
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY ¹
For the year ended June 30, 2015

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government:							
Finance and administration	\$ 55,878	\$ 2,362,500	\$ 577,941	\$ -	\$ -	\$ -	\$ 2,996,319
Community facilities	70,500	2,155,584	506,289	149,214	-	-	2,881,587
Total general government	<u>126,378</u>	<u>4,518,084</u>	<u>1,084,230</u>	<u>149,214</u>	<u>-</u>	<u>-</u>	<u>5,877,906</u>
Public safety:							
Law enforcement and judicial	-	279,711	41,154	3,795,510	-	-	4,116,375
Fire protection	46,000	932,282	27,994	2,620,962	-	6,487	3,633,725
Total public safety	<u>46,000</u>	<u>1,211,993</u>	<u>69,148</u>	<u>6,416,472</u>	<u>-</u>	<u>6,487</u>	<u>7,750,100</u>
Public works:							
Public works administration	-	-	-	22,626	-	-	22,626
Undistributed engineering	-	-	-	150,966	-	-	150,966
Streets	40,139,832	104,274	323,735	3,160,453	36,369,988	170,814	80,269,096
Storm water	24,170,441	242,294	11,491	528,879	8,037,878	247,063	33,238,046
Total public works	<u>64,310,273</u>	<u>346,568</u>	<u>335,226</u>	<u>3,862,924</u>	<u>44,407,866</u>	<u>417,877</u>	<u>113,680,734</u>
Public health	-	-	-	6,110	-	-	6,110
Culture and recreation	8,433,625	3,749,147	14,792,860	3,417,416	-	1,176,340	31,569,388
Community development	-	-	-	14,960	-	-	14,960
Total general capital assets	<u>\$ 72,916,276</u>	<u>\$ 9,825,792</u>	<u>\$ 16,281,464</u>	<u>\$ 13,867,096</u>	<u>\$ 44,407,866</u>	<u>\$ 1,600,704</u>	<u>\$ 158,899,198</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of the copier revolving internal service fund are included as governmental activities in the statement of net position.

City of Helena, Montana
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY ¹
For the year ended June 30, 2015

FUNCTION AND ACTIVITY	Balance Beginning	Additions	Deletions	Transfers In (Out)	Capital Contributions	Balance Ending
General government:						
Finance and administration	\$ 2,997,796	\$ -	\$ 1,477	\$ -	\$ -	\$ 2,996,319
Community facilities	13,478,113	5,228	-	(10,622,503)	20,749	2,881,587
Total general government	<u>16,475,909</u>	<u>5,228</u>	<u>1,477</u>	<u>(10,622,503)</u>	<u>20,749</u>	<u>5,877,906</u>
Public safety:						
Law enforcement and judicial	4,094,654	251,044	236,023	-	6,700	4,116,375
Fire protection	3,627,223	15,447	8,945	-	-	3,633,725
Total public safety	<u>7,721,877</u>	<u>266,491</u>	<u>244,968</u>	<u>-</u>	<u>6,700</u>	<u>7,750,100</u>
Public works:						
Public works administration	22,626	-	-	-	-	22,626
Undistributed engineering	150,966	-	-	-	-	150,966
Streets	74,948,940	345,673	130,518	(23,000)	5,128,001	80,269,096
Storm water	31,117,147	246,104	22,857	-	1,897,652	33,238,046
Total public works	<u>106,239,679</u>	<u>591,777</u>	<u>153,375</u>	<u>(23,000)</u>	<u>7,025,653</u>	<u>113,680,734</u>
Public health	6,110	-	-	-	-	6,110
Culture and recreation	28,443,707	1,270,613	11,178	-	1,866,246	31,569,388
Community development	14,960	-	-	-	-	14,960
Total general capital assets	<u>\$ 158,902,242</u>	<u>\$ 2,134,109 ²</u>	<u>\$ 410,998</u>	<u>\$ (10,645,503)</u>	<u>\$ 8,919,348</u>	<u>\$ 158,899,198</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of the copier revolving internal service fund are included as governmental activities in the statement of net position.

² Additions includes \$1500 trade in value and therefore does not agree to capital additions in the Statement of Revenues and Changes in Fund Balance - Governmental Funds.

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Section J

STATISTICAL INFORMATION

STATISTICAL SECTION

The objectives of the statistical section are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

Governmental Accounting Standards Board's (GASB) Statement 44 requires the City present information in the first five categories shown below. The "Additional Information" category is information the City presents to satisfy certain bond covenants and state requirements.

Financial Trends Information - this category is intended to assist users in understanding and assessing how a government's financial position has changed over time.

Net Position by Component – presents historical information regarding the three components of net position: net investment in capital assets, restricted, and unrestricted separately for governmental activities, business-type activities and the total primary government.

Changes in Net Position – presents historical information detailing changes in net position from the Statement of Activities for both governmental and business-type activities.

Fund Balances, Governmental Funds – presents historical information from the governmental Balance Sheet about fund balances.

Changes in Fund Balances, Governmental Funds – presents historical information detailing changes in fund balance from the governmental Statement of Revenues, Expenditures and Changes in Fund Balance.

Revenue Capacity Information – this category is intended to assist users in understanding and assessing the government's most significant local revenue source, property taxes.

Market Value of Taxable Property – presents information about the makeup of taxable property within the City.

Direct and Overlapping Property Tax Rates – presents information about the tax rates levied by the City and other taxing jurisdictions on City residents.

Principal Property Taxpayers – presents information regarding the top taxpayers during the current year and nine years ago.

Property Tax Levies and Collections – presents information regarding the amount of property taxes levied by the City and amounts collected.

Debt Capacity Information – this category is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

Ratios of Outstanding Debt by Type – presents information detailing the amount of each type of debt outstanding for governmental and business-type activities, and calculations of the (1) debt as a percent of personal income and (2) per capita ratio of outstanding debt.

Ratios of General Bonded Debt Outstanding – presents information about the amount of general obligation debt, or other bonded debt, financed with any general governmental resources.

Direct and Overlapping Governmental Activities Debt – presents information about governmental debt of the City and other taxing entities, other than the State of Montana, that are paid from resources provided by City taxpayers.

City of Helena, Montana

June 30, 2015

Debt Capacity Information (continued) –

Legal Debt Margin Information – presents information about the amount of general obligation debt the City can issue, and amounts issued.

Pledged-Revenue Coverage – presents information about pledged-revenue coverage for non-general obligation debt that is secured by a pledge of a specific revenue stream.

Demographic and Economic Information – this category is intended (1) to assist users in understanding the socioeconomic environment within which the City operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Demographic and Economic Statistics – presents information about demographic and economic indicators such as population, total personal income, per capita personal income and the unemployment rate.

Top Ten Employers – presents information about the top ten employers in the City of Helena during the current year and seven years ago. US GAAP requires information be presented on the number of employees for the current year and nine years ago. However, that information is considered confidential by the State of Montana and is not available. The information presented is based on telephone surveys by City staff. Staff will continue requesting the information by phone surveys and will present information from 9 years ago when available.

Operating Information – this category is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

Full-Time Equivalent City Government Employees by Function/Program – presents information regarding the number of full-time equivalent employees in each City function or program.

Operating Indicators by Function/Program – presents indicators of demand or level of service of City functions or programs.

Capital Assets Statistics by Function/Program – presents information of the volume, usage, or nature of capital assets for City functions or programs.

Additional Information – this category is intended to present other information the City feels is necessary for its users.

The Water System – presents information about the City's water system as required in bond covenants.

The Wastewater System – presents information about the City's wastewater system as required in bond covenants.

Special Improvement Districts (SID) Revolving Fund/Statement of Changes in Fund Balance – 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.

Bureau of Census Supplemental Schedules – presents information required by the Bureau of Census that cannot be easily located in the financial statements.

City of Helena, Montana
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 49,962,342	\$ 58,666,167	\$ 63,786,471	\$ 72,144,806	\$ 88,499,411	\$ 91,429,209	\$ 97,546,860	\$ 104,225,402	\$ 104,044,169	\$ 112,997,297
Restricted	2,727,026	2,191,666	2,658,602	2,165,593	8,263,953	9,029,049	8,684,750	9,665,803	10,259,787	9,969,118
Unrestricted	15,921,870	14,854,053	12,011,231	12,541,775	7,003,205	6,751,747	7,518,283	7,502,998	8,476,396	(3,648,813)
Total governmental activities net position	\$ 68,611,238	\$ 75,711,886	\$ 78,456,304	\$ 86,852,174	\$ 103,766,569	\$ 107,210,005	\$ 113,749,893	\$ 121,394,203	\$ 122,780,352	\$ 119,317,602
Business-type activities										
Net investment in capital assets	\$ 36,687,613	\$ 39,509,749	\$ 46,137,396	\$ 54,561,224	\$ 83,268,903	\$ 95,768,724	\$ 105,318,904	\$ 107,292,882	\$ 107,502,635	\$ 117,255,708
Restricted	2,757,738	2,732,134	2,890,094	3,069,393	3,090,553	3,009,229	2,372,783	1,894,240	1,937,111	2,782,860
Unrestricted	7,025,801	9,362,733	9,108,860	8,554,112	7,969,397	8,751,838	9,234,635	12,760,455	14,911,713	13,978,228
Total business-type activities net position	\$ 46,471,152	\$ 51,604,616	\$ 58,136,350	\$ 66,184,729	\$ 94,328,853	\$ 107,529,791	\$ 116,926,322	\$ 121,947,577	\$ 124,351,459	\$ 134,016,796
Primary government										
Net investment in capital assets	\$ 86,649,955	\$ 98,175,916	\$ 109,923,867	\$ 126,706,030	\$ 171,768,314	\$ 187,197,933	\$ 202,865,764	\$ 211,518,284	\$ 211,546,804	\$ 230,253,005
Restricted	5,484,764	4,923,800	5,548,696	5,234,986	11,354,506	12,038,278	11,057,533	11,560,043	12,196,898	12,751,978
Unrestricted	22,947,671	24,216,786	21,120,091	21,095,887	14,972,602	15,503,585	16,752,918	20,263,453	23,388,109	10,329,415
Total primary government net position	\$ 115,082,390	\$ 127,316,502	\$ 136,592,654	\$ 153,036,903	\$ 198,095,422	\$ 214,739,796	\$ 230,676,215	\$ 243,341,780	\$ 247,131,811	\$ 253,334,398

City of Helena, Montana
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

(1 of 4)

	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 1,786,075	\$ 1,748,393	\$ 2,103,615	\$ 2,403,466
Public safety	9,582,271	9,989,599	10,705,356	11,798,150
Public works	3,255,363	3,638,044	4,061,181	4,539,902
Public health	130,539	115,896	170,663	225,261
Culture and recreation	2,787,375	2,697,109	2,817,695	3,084,434
Community development	722,112	494,018	868,209	881,310
Intergovernmental	-	-	-	-
Interest on long-term debt	345,521	326,931	347,314	649,810
Total governmental activities	<u>18,609,256</u>	<u>19,009,990</u>	<u>21,074,033</u>	<u>23,582,333</u>
Business-type activities:				
Water	3,667,092	4,049,531	4,658,420	4,727,870
Wastewater	3,599,905	3,199,613	3,328,910	3,558,351
Solid waste	2,375,587	2,383,914	2,546,152	2,490,284
Transfer station	2,290,400	2,286,627	2,385,755	2,393,957
Parking	-	-	-	-
Bus	769,009	1,045,055	1,269,931	1,400,629
Golf course	929,409	982,124	994,463	1,078,623
Building	613,062	714,325	853,723	965,393
Municipal utility	95,000	-	-	-
City-County administration building	-	-	956,195	938,323
Total business-type activities	<u>14,339,464</u>	<u>14,661,189</u>	<u>16,993,549</u>	<u>17,553,430</u>
Total primary government	<u>\$ 32,948,720</u>	<u>\$ 33,671,179</u>	<u>\$ 38,067,582</u>	<u>\$ 41,135,763</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 472,298	\$ 724,140	\$ 616,160	\$ 687,888
Public safety	1,018,225	980,039	996,560	940,060
Public works	2,911,689	3,495,771	3,742,266	4,117,969
Public health	28,911	27,970	30,830	37,273
Culture and recreation	1,342,167	1,147,814	1,377,461	1,313,472
Community development	37,070	39,177	18,347	9,524
Operating grants and contributions	3,507,088	3,424,279	4,102,598	4,272,848
Capital grants and contributions	804,459	1,706,805	2,681,258	8,905,991
Total governmental activities	<u>10,121,907</u>	<u>11,545,995</u>	<u>13,565,480</u>	<u>20,285,025</u>
Business-type activities:				
Charges for services:				
Water	4,883,727	5,356,882	5,353,794	5,485,370
Wastewater	3,118,129	3,251,149	3,341,782	3,404,115
Solid waste	2,558,849	2,648,487	2,789,155	2,832,948
Transfer station	2,367,990	2,441,628	2,573,287	2,487,209
Parking	-	-	-	-
Bus	185,215	297,843	306,442	349,182
Other activities	1,934,039	2,140,316	2,889,906	3,125,423
Operating grants and contributions	377,733	436,887	844,432	636,140
Capital grants and contributions	739,770	2,301,923	4,495,413	6,525,476
Total business-type activities	<u>16,165,452</u>	<u>18,875,115</u>	<u>22,594,211</u>	<u>24,845,863</u>
Total primary government	<u>\$ 26,287,359</u>	<u>\$ 30,421,110</u>	<u>\$ 36,159,691</u>	<u>\$ 45,130,888</u>

(2 of 4)

2010	2011	2012	2013	2014	2015
\$ 2,341,247	\$ 2,122,007	\$ 2,210,331	\$ 2,497,674	\$ 2,499,590	\$ 2,462,445
12,033,150	11,647,121	12,466,013	13,119,756	13,231,206	13,080,712
4,492,223	4,702,680	5,097,267	5,069,500	5,662,887	6,128,853
222,719	194,381	219,228	231,304	225,331	229,590
3,304,719	3,499,303	3,784,245	3,863,269	3,986,908	4,370,730
511,469	562,266	593,250	831,931	565,194	896,997
-	26,499	458,718	-	17,620	-
894,424	859,461	825,675	791,312	761,726	71,187
<u>23,799,951</u>	<u>23,613,718</u>	<u>25,654,727</u>	<u>26,404,746</u>	<u>26,950,462</u>	<u>27,240,514</u>
5,023,674	5,037,410	5,445,042	5,493,070	5,845,585	5,682,401
3,703,159	3,505,533	3,766,832	3,669,373	3,677,766	3,763,125
2,767,387	2,906,025	2,795,077	3,010,304	3,005,956	2,774,054
2,562,623	2,539,746	2,861,301	2,764,029	2,795,143	2,884,298
-	-	-	-	-	1,774,216
1,440,940	1,388,995	1,474,071	1,568,545	1,541,443	1,340,586
1,064,199	1,101,612	1,112,447	1,223,553	2,396,277	1,302,066
1,039,813	965,311	912,228	920,713	897,675	971,308
-	-	-	-	-	-
883,909	878,052	954,077	922,910	935,841	974,718
<u>18,485,704</u>	<u>18,322,684</u>	<u>19,321,075</u>	<u>19,572,497</u>	<u>21,095,686</u>	<u>21,466,772</u>
<u>\$ 42,285,655</u>	<u>\$ 41,936,402</u>	<u>\$ 44,975,802</u>	<u>\$ 45,977,243</u>	<u>\$ 48,046,148</u>	<u>\$ 48,707,286</u>
\$ 728,815	\$ 621,880	\$ 820,821	\$ 1,039,118	\$ 910,160	\$ 1,011,040
865,764	915,513	933,754	1,020,115	1,250,499	2,424,719
4,318,800	4,555,591	4,722,092	4,979,302	4,972,860	5,147,857
36,861	38,110	41,033	38,900	39,092	38,805
1,697,189	1,733,457	2,079,828	2,453,413	1,907,827	2,414,957
12,256	8,314	38,756	341,058	74,265	448,664
4,202,610	4,440,645	4,146,897	4,044,625	4,336,569	3,593,753
15,492,460	2,233,281	5,637,153	5,972,108	401,840	9,033,942
<u>27,354,755</u>	<u>14,546,791</u>	<u>18,420,334</u>	<u>19,888,639</u>	<u>13,893,112</u>	<u>24,113,737</u>
5,199,612	5,434,260	6,340,503	6,430,648	6,583,279	6,848,752
3,561,086	3,789,551	3,973,033	4,167,237	4,221,124	4,231,987
2,868,498	3,066,451	3,141,575	3,261,745	3,348,161	3,407,846
2,623,029	2,919,604	2,996,545	2,931,689	3,002,835	2,999,698
-	-	-	-	-	1,794,908
377,842	310,174	305,902	326,669	307,593	196,189
2,931,918	2,859,286	3,052,027	3,093,078	3,191,453	3,396,105
662,373	625,476	908,295	895,375	961,869	974,042
27,997,172	11,759,010	8,095,586	3,038,239	1,260,497	4,341,452
<u>46,221,530</u>	<u>30,763,812</u>	<u>28,813,466</u>	<u>24,144,680</u>	<u>22,876,811</u>	<u>28,190,979</u>
<u>\$ 73,576,285</u>	<u>\$ 45,310,603</u>	<u>\$ 47,233,800</u>	<u>\$ 44,033,319</u>	<u>\$ 36,769,923</u>	<u>\$ 52,304,716</u>

City of Helena, Montana
CHANGES IN NET POSITION (CONTINUED)
 Last Ten Fiscal Years
(accrual basis of accounting)
 (Unaudited)

(3 of 4)

	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental activities	\$ (8,487,349)	\$ (7,463,995)	\$ (7,508,553)	\$ (3,297,308)
Business-type activities	1,825,988	4,213,926	5,600,662	7,292,433
Total primary government	<u>\$ (6,661,361)</u>	<u>\$ (3,250,069)</u>	<u>\$ (1,907,891)</u>	<u>\$ 3,995,125</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 5,912,446	\$ 6,131,182	\$ 6,319,687	\$ 7,837,489
Motor vehicle taxes	598,145	628,170	623,868	598,700
Unrestricted grants and contributions	3,013,361	3,141,160	3,185,955	3,308,744
Investment earnings	628,791	603,594	498,046	303,664
Gain on the sale of capital assets	81,657	39,847	59,387	15,232
Transfers	(205,953)	(330,953)	(285,953)	(370,651)
Special item: loan forgiveness	-	-	(148,019)	-
Total governmental activities	<u>10,028,447</u>	<u>10,213,000</u>	<u>10,252,971</u>	<u>11,693,178</u>
Business-type activities:				
Investment earnings	386,922	583,020	516,687	201,874
Gain on sale of capital assets	853	5,565	128,432	183,421
Transfers	205,953	330,953	285,953	370,651
Special item	-	-	-	-
Total business-type activities	<u>593,728</u>	<u>919,538</u>	<u>931,072</u>	<u>755,946</u>
Total primary government	<u>\$ 10,622,175</u>	<u>\$ 11,132,538</u>	<u>\$ 11,184,043</u>	<u>\$ 12,449,124</u>
Change in Net Position¹				
Governmental activities	\$ 1,541,098	\$ 2,749,005	\$ 2,744,418	\$ 8,395,870
Business-type activities	2,419,716	5,133,464	6,531,734	8,048,379
Total primary government	<u>\$ 3,960,814</u>	<u>\$ 7,882,469</u>	<u>\$ 9,276,152</u>	<u>\$ 16,444,249</u>

¹ Does not include restatements of net position.

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 3,554,804	\$ (9,066,927)	\$ (7,234,393)	\$ (6,516,107)	\$ (13,057,350)	\$ (3,126,777)
27,735,826	12,441,128	9,492,391	4,572,183	1,781,125	6,724,207
<u>\$ 31,290,630</u>	<u>\$ 3,374,201</u>	<u>\$ 2,257,998</u>	<u>\$ (1,943,924)</u>	<u>\$ (11,276,225)</u>	<u>\$ 3,597,430</u>
\$ 9,357,361	\$ 8,422,755	\$ 9,074,313	\$ 9,244,244	\$ 9,813,380	\$ 9,627,235
716,205	679,341	698,952	684,194	688,338	774,849
3,460,650	3,930,680	4,147,426	4,472,786	4,622,584	4,132,618
117,280	77,221	70,644	50,171	34,930	31,507
-	-	47,596	124,083	12,912	28,257
(291,905)	(363,634)	(264,650)	(415,061)	(364,500)	(1,775,194)
-	(236,000)	-	-	-	-
<u>13,359,591</u>	<u>12,510,363</u>	<u>13,774,281</u>	<u>14,160,417</u>	<u>14,807,644</u>	<u>12,819,272</u>
66,777	44,592	39,805	34,011	18,257	18,808
49,616	115,584	(400,315)	-	240,000	30,695
291,905	363,634	264,650	415,061	364,500	1,775,194
-	236,000	-	-	-	7,391,153
<u>408,298</u>	<u>759,810</u>	<u>(95,860)</u>	<u>449,072</u>	<u>622,757</u>	<u>9,215,850</u>
<u>\$ 13,767,889</u>	<u>\$ 13,270,173</u>	<u>\$ 13,678,421</u>	<u>\$ 14,609,489</u>	<u>\$ 15,430,401</u>	<u>\$ 22,035,122</u>
\$ 16,914,395	\$ 3,443,436	\$ 6,539,888	\$ 7,644,310	\$ 1,750,294	\$ 9,692,495
28,144,124	13,200,938	9,396,531	5,021,255	2,403,882	15,940,057
<u>\$ 45,058,519</u>	<u>\$ 16,644,374</u>	<u>\$ 15,936,419</u>	<u>\$ 12,665,565</u>	<u>\$ 4,154,176</u>	<u>\$ 25,632,552</u>

City of Helena, Montana
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
(modified accrual basis of accounting)
 (Unaudited)

(1 of 2)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$ 239,901	\$ 248,436	\$ 248,224	\$ 245,402
Restricted	2,059	3,500	43,913	109,360
Committed	1,563,100	1,820,955	1,237,940	622,647
Assigned	63,518	12,823	213,751	155,192
Unassigned	2,920,340	2,915,076	2,960,571	2,745,998
Total general fund	<u>\$ 4,788,918</u>	<u>\$ 5,000,790</u>	<u>\$ 4,704,399</u>	<u>\$ 3,878,599</u>
All Other Governmental Funds				
Nonspendable	\$ 769,388	\$ 789,581	\$ 657,899	\$ 684,291
Restricted	10,502,429	8,188,189	14,892,691	17,140,709
Committed	90,434	56,022	11,261	326,570
Assigned	657,611	831,571	1,247,474	1,154,916
Unassigned	(234,848)	(132,710)	(102,900)	(76,395)
Total all other governmental funds	<u>\$ 11,785,014</u>	<u>\$ 9,732,653</u>	<u>\$ 16,706,425</u>	<u>\$ 19,230,091</u>

(2 of 2)

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 253,654	\$ 25,634	\$ 29,738	\$ 19,983	\$ 19,264	\$ 14,774
122,358	69,812	62,452	179,182	64,044	113,730
345,841	387,051	21,829	-	-	117,273
3,977	25,600	69,024	34,985	2,386	6,000
2,901,422	4,150,675	3,945,453	4,331,115	6,559,029	6,770,453
<u>\$ 3,627,252</u>	<u>\$ 4,658,772</u>	<u>\$ 4,128,496</u>	<u>\$ 4,565,265</u>	<u>\$ 6,644,723</u>	<u>\$ 7,022,230</u>
\$ 764,210	\$ 273,911	\$ 185,956	\$ 295,458	\$ 295,288	\$ 248,965
12,794,658	10,906,112	8,762,619	9,486,622	10,195,743	9,855,388
97,653	1,446,093	1,800,616	1,387,877	1,446,792	1,576,584
859,949	107,676	1,594,153	1,759,532	2,401,501	2,791,027
(161,513)	(67,547)	(25,109)	(165,368)	(146,969)	(150,931)
<u>\$ 14,354,957</u>	<u>\$ 12,666,245</u>	<u>\$ 12,318,235</u>	<u>\$ 12,764,121</u>	<u>\$ 14,192,355</u>	<u>\$ 14,321,033</u>

City of Helena, Montana
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

(1 of 2)

	2006	2007	2008	2009	2010
Revenues					
Taxes:					
Property taxes	\$ 5,912,446	\$ 6,143,544	\$ 6,182,314	\$ 7,837,489	\$ 7,853,994
Motor vehicle taxes	598,145	628,170	623,868	598,700	716,205
Special assessments	3,559,444	3,899,780	4,329,900	4,682,422	4,918,167
Licenses and permits	361,367	511,857	460,948	509,405	513,500
Intergovernmental	6,552,133	6,597,455	7,272,051	7,636,031	8,040,706
Charges for services	1,567,451	1,304,416	1,411,566	1,277,505	1,460,571
Fines	730,005	721,722	656,388	543,163	507,054
Investment earnings	628,791	603,594	498,046	303,664	117,280
Miscellaneous	275,735	308,439	221,057	278,094	292,111
Total revenue	<u>20,185,517</u>	<u>20,718,977</u>	<u>21,656,138</u>	<u>23,666,473</u>	<u>24,419,588</u>
Expenditures					
General government	1,656,754	1,607,133	1,796,231	2,121,907	1,957,731
Public safety	9,112,711	9,737,203	10,153,619	11,150,250	11,251,927
Public works	2,949,036	3,134,083	3,423,593	3,861,772	3,714,314
Public health	129,107	116,416	148,211	219,001	215,472
Culture and recreation	2,230,351	2,241,754	2,389,064	2,655,304	2,733,957
Community development	706,602	488,268	847,649	854,583	496,937
Intergovernmental	-	-	-	-	-
Debt service:					
Principal	1,573,974	711,611	688,657	1,031,032	953,848
Interest	358,536	343,327	303,065	484,478	819,949
Debt issuance costs	-	-	137,600	320,247	-
Capital outlay	4,674,845	3,876,743	2,830,519	8,162,824	7,119,681
Total expenditures	<u>23,391,916</u>	<u>22,256,538</u>	<u>22,718,208</u>	<u>30,861,398</u>	<u>29,263,816</u>
Excess of revenues over (under) expenditures	<u>(3,206,399)</u>	<u>(1,537,561)</u>	<u>(1,062,070)</u>	<u>(7,194,925)</u>	<u>(4,844,228)</u>
Other Financing Sources (Uses)					
Debt issued	1,161,974	575	8,066,892	12,021,549	-
Debt issuance premium	-	-	47,144	153,576	-
Debt issuance discount	-	-	-	(54,868)	-
Payments to bond escrow agent	-	-	-	(2,872,047)	-
Sale of capital assets	119,685	27,450	59,387	15,232	9,652
Transfers in	1,107,328	1,416,184	1,713,509	2,019,370	2,451,696
Transfers out	(1,313,281)	(1,747,137)	(1,999,462)	(2,390,021)	(2,743,601)
Total other financing sources (uses)	<u>1,075,706</u>	<u>(302,928)</u>	<u>7,887,470</u>	<u>8,892,791</u>	<u>(282,253)</u>
Special item - loan forgiveness	-	-	(148,019)	-	-
Net change in fund balances ¹	<u>\$ (2,130,693)</u>	<u>\$ (1,840,489)</u>	<u>\$ 6,677,381</u>	<u>\$ 1,697,866</u>	<u>\$ (5,126,481)</u>
Debt service as a percentage of noncapital expenditures	10.32%	5.74%	4.99%	6.68%	8.01%

¹ Does not include prior period adjustments.

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 8,915,516	\$ 8,529,266	\$ 8,883,694	\$ 11,376,883	\$ 10,138,026
679,341	698,952	684,194	688,338	774,849
5,139,199	5,444,818	5,605,367	5,677,012	5,718,233
449,979	558,201	611,813	737,162	638,327
8,491,242	9,119,595	9,606,039	9,238,030	8,533,328
1,618,479	1,698,420	1,995,504	1,820,517	1,922,226
560,042	585,612	611,103	713,420	650,074
77,221	70,644	50,171	34,930	31,507
251,615	319,341	570,002	283,980	551,325
<u>26,182,634</u>	<u>27,024,849</u>	<u>28,617,887</u>	<u>30,570,272</u>	<u>28,957,895</u>
1,814,742	1,799,358	1,971,882	2,192,450	2,343,318
11,193,009	11,790,650	12,336,834	12,524,881	11,487,514
3,928,499	4,315,554	4,193,099	4,746,026	5,185,550
194,574	214,404	226,779	222,301	227,565
2,974,842	3,235,172	3,313,713	3,331,804	3,788,237
561,150	579,757	829,295	556,037	875,627
26,499	458,718	-	17,620	-
1,140,745	1,086,133	1,058,311	924,831	719,102
872,396	842,027	806,001	775,737	301,260
-	-	-	-	-
3,998,412	3,391,834	2,951,998	1,565,281	2,132,609
<u>26,704,868</u>	<u>27,713,607</u>	<u>27,687,912</u>	<u>26,856,968</u>	<u>27,060,782</u>
<u>(522,234)</u>	<u>(688,758)</u>	<u>929,975</u>	<u>3,713,304</u>	<u>1,897,113</u>
232,281	34,776	53,371	145,976	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
79,435	47,596	124,083	12,912	112,230
2,130,980	2,498,421	1,670,630	1,633,835	1,558,900
(2,341,654)	(2,770,321)	(1,895,404)	(1,998,335)	(3,062,058)
<u>101,042</u>	<u>(189,528)</u>	<u>(47,320)</u>	<u>(205,612)</u>	<u>(1,390,928)</u>
(236,000)	-	-	-	-
<u>\$ (657,192)</u>	<u>\$ (878,286)</u>	<u>\$ 882,655</u>	<u>\$ 3,507,692</u>	<u>\$ 506,185</u>

8.87%

7.93%

7.54%

6.72%

4.09%

City of Helena, Montana
MARKET VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years
(in thousands of dollars)
 (Unaudited)

Fiscal Year	Real Taxable Value ¹	Personal Taxable Value ¹	Total Taxable Valuation	Total Direct Tax Rate	Estimated Market Value	Taxable Value as a Percentage of Market Value
2006	\$ 43,380	\$ 2,539	\$ 45,919	\$ 131.77	\$ 1,403,568	3.27%
2007	44,711	2,518	47,229	134.45	1,466,193	3.22%
2008	48,125	2,689	50,814	135.01	1,573,019	3.23%
2009	48,978	2,652	51,630	149.29	1,641,983	3.14%
2010	51,317	2,511	53,827	150.69	1,758,840	3.06%
2011	55,360	2,368	57,728	155.82	1,925,099	3.00%
2012	58,853	1,962	60,815	157.01	2,059,141	2.95%
2013	57,664	1,613	59,277	159.20	2,147,505	2.76%
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%

Source: Lewis & Clark County

NOTE: 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.

Class 4		
<u>Exemption Percentages</u>		
<u>Tax Year</u>	<u>Residential</u>	<u>Commercial</u>
2008 and after	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 shown on J-14.

City of Helena, Montana
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years
(per \$1,000 of taxable value)
 (Unaudited)

Fiscal Year	City of Helena						Overlapping Rates ¹			
	General Purpose	Medical Insurance	Planning	GO Bond		Total Direct	Schools			Lewis and Clark County
				Debt Service	Other Levies		Helena Elementary	East Helena Elementary ²	Helena High	
2006	76.99	14.08	8.84	8.89	22.97	131.77	164.47	-	100.78	206.07
2007	79.98	14.38	9.97	7.40	22.72	134.45	159.07	-	96.52	206.89
2008	78.20	15.72	9.72	7.98	23.39	135.01	157.71	-	91.14	213.80
2009	82.46	17.66	10.29	15.04	23.84	149.29	166.95	-	92.64	214.27
2010	83.43	19.32	9.71	14.61	23.62	150.69	161.09	182.41	92.11	212.68
2011	87.12	18.93	8.75	18.34	22.68	155.82	163.67	181.66	91.28	224.87
2012	85.69	20.29	8.54	18.06	24.43	157.01	161.27	183.40	88.48	216.95
2013	86.01	21.30	8.70	18.40	24.79	159.20	154.87	156.84	85.02	220.91
2014	87.36	22.34	8.58	16.73	24.09	159.10	160.16	160.80	86.19	235.04
2015	90.62	25.16	9.44	17.79	25.16	168.17	166.31	157.69	87.06	226.20

Source: City of Helena and Lewis & Clark County

Note: The city 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 less than 1% 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 Prior to 2010, no city properties were located within the East Helena Elementary School area.

City of Helena, Montana
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

	2015			2006		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Northwestern Corporation	\$ 5,868,880	1	9.92%	\$ 4,769,452	1	10.10%
Verizon Wireless	3,017,351	2	5.10%	-	-	-
Centurylink Inc.	1,256,230	3	2.12%	-	-	-
The Boeing Company	1,166,445	4	1.97%	-	-	-
Bresnan Communications	740,998	5	1.25%	-	-	-
Helena Federal Office Complex, LLC	472,877	6	0.80%	407,885	3	0.86%
Wal Mart Stores Inc	430,816	7	0.73%	341,078	5	0.72%
Touchmark on Saddle Drive (formerly Waterford)	343,533	8	0.58%	300,352	6	0.64%
Costco Wholesale	289,316	9	0.49%	-	-	-
Helena Professional Center LLC	272,072	10	0.46%	-	-	-
Qwest Corporation	-	-	-	1,785,633	2	3.78%
Cellular Inc. Network Corporation	-	-	-	394,820	4	0.84%
AT&T Communications	-	-	-	265,439	7	0.56%
Sky West Airlines	-	-	-	258,272	8	0.55%
Federal Reserve Bank of Minneapolis	-	-	-	233,984	9	0.50%
Capital Hill Shopping Center	-	-	-	227,295	10	0.48%
	<u>\$ 13,858,518</u>		<u>23.42%</u>	<u>\$ 8,984,210</u>		<u>19.03%</u>
Total City Taxable Assessed Value	\$ 59,186,122 ¹			\$ 47,229,449		

Source: Lewis & Clark County

¹ Certified taxable value per Montana Department of Revenue

City of Helena, Montana
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal 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 Levy
2006	\$ 6,050,202	\$ 5,109,640	84.45%	\$ 935,862	\$ 6,045,502	99.92%
2007	6,345,452	5,683,871	89.57%	661,579	6,345,450	100.00%
2008	6,921,557	5,903,491	85.29%	1,017,439	6,920,930	99.99%
2009	7,678,357	5,252,505	68.41% ¹	2,424,998	7,677,503	99.99%
2010	8,008,553	7,501,053	93.66%	506,479	8,007,532	99.99%
2011	8,744,371	6,066,850	69.38% ²	2,677,032	8,743,882	99.99%
2012	8,842,634	8,773,371	99.22%	61,835	8,835,206	99.92%
2013	9,164,884	8,172,294	89.17%	982,362	9,154,656	99.89%
2014	9,274,048	9,033,110	97.40%	235,816	9,268,926	99.94%
2015	9,951,300	9,400,597	94.47%	-	9,400,597	94.47%

Source: Lewis & Clark County

¹ Lewis & Clark County did not remit to the City taxes collected in June before June 30, 2008 as in past years due to implementation of a new tax system. The additional amount the County normally would have remitted the City by June 30 was \$934,335. This amount was received July 7, 2008 and would have resulted in a 95.07% "Current Collections as a Percent of Levy" for tax year 2008 if remitted by June 30 as in past years. The County was also unable to bill personal property taxes normally billed in April or May until July 2008. This resulted in \$324,120 in property taxes budgeted for fiscal year 2008, and the related revenue, that was not reflected until fiscal year 2009.

² Montana Department of Revenue reappraised all real property in the state for tax year 2009 as required by state law. A much higher than normal amount of taxes were paid under protest due to this reappraisal. At June 30, protested taxes totalled \$1,402,428. In addition, personal property taxes were not billed until June 22. This resulted in \$338,842 in property taxes budgeted for fiscal year 2010, and the related revenue, that was not reflected until fiscal year 2011.

City of Helena, Montana
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	Percent of Personal Income ¹	Total Debt Per Capita ¹
	General Obligation Bonds	Loans	Special Assessment Bonds	General Obligation Bonds	Certificates of Participation	Revenue Bonds	Loans	Special Assessment Bonds			
2006	\$ 4,790,000	\$ 955,205	\$1,728,669	\$ -	\$ -	\$ 20,851,342	\$ 534,384	\$506,331	\$ 29,365,931	3.32%	\$ 1,072
2007	4,530,000	834,263	1,413,183	-	-	19,955,588	407,331	441,815	27,582,180	2.94%	989
2008	12,105,000 ²	590,655	1,234,536	-	-	20,283,565	776,210	374,301	35,364,269	3.63%	1,231
2009	11,540,000 ²	805,969	997,837	-	8,900,000 ²	18,858,520	1,185,606	265,000	42,552,936	3.95%	1,450
2010	11,015,000 ²	672,840	711,837	-	8,900,000 ²	17,279,991	1,688,861	195,000	40,463,533	3.58%	1,352
2011	10,450,000 ²	525,057	525,000	-	8,900,000 ²	14,850,854	1,546,387	125,000	36,922,302	3.38%	1,310
2012	9,855,000 ²	372,605	370,000	-	8,725,000 ²	12,015,465	1,351,583	65,000	32,754,657	2.93%	1,146
2013	9,245,000 ²	215,931	270,000	-	8,545,000 ²	11,472,000	1,150,385	15,000	30,913,320	2.62%	1,061
2014	8,605,000 ²	183,005	225,000	-	8,360,000 ²	10,461,000	942,513	-	28,776,522	2.39%	972
2015	7,085,000 ³	148,903	160,000	1,695,000 ³	8,170,000	9,387,000	1,139,560	-	27,785,469	2.24%	928

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

¹ See page J-21 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.

City of Helena, Montana
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	General Fund Bonds ¹	Limited General Fund Refunding Bonds 2015 ¹	Less Amounts Restricted to Repaying Principal	Total Primary Government	Percent of Estimated Actual Taxable Value ²	Per Capita ³
2006	\$ 3,650,000	\$ 1,140,000	\$ -	\$ (304,083)	\$ 4,485,917	9.77%	\$ 163.82
2007	3,415,000	1,115,000	-	(266,793)	4,263,207	9.03%	152.89
2008	11,015,000 ^{4, 5}	1,090,000	-	(175,149)	11,929,851	23.48%	415.30
2009	10,475,000 ⁵	1,065,000	-	(234,316)	11,305,689	21.90%	385.19
2010	9,980,000 ⁵	1,035,000	-	(255,699)	10,759,306	19.99%	359.37
2011	9,445,000 ⁵	1,005,000	-	(419,250)	10,030,755	17.38%	355.83
2012	8,885,000 ⁵	970,000	-	(330,228)	9,524,777	15.66%	333.13
2013	8,310,000 ⁵	935,000	-	(289,027)	8,955,978	15.11%	307.41
2014	7,705,000 ⁵	900,000	-	(717,924)	7,887,081	13.06%	266.49
2015	7,085,000	850,000	845,000	(1,593,942)	7,186,058	12.16%	239.99

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 J-12 for property value data.

³ See page J-21 for population data.

⁴ The City issued \$7.85 million of General Obligation Parks Bonds, Series 2008

⁵ 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
June 30, 2015
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Helena School District No. 1 High School	\$ 1,305,000	53.38%	\$ 696,611
Helena School District No. 1 Elementary	49,000	66.20%	32,436
East Helena School District No. 9 Elementary	1,108,000	2.89%	31,998
Lewis & Clark County Bonds	3,305,000	50.66%	1,674,310
Subtotal overlapping debt			2,435,355
City direct debt	\$ 7,393,903	100.00%	7,393,903
Total direct and overlapping debt			\$ 9,829,258

Sources: 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. See page J-16 for the City's total outstanding debt.

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 INFORMATION¹
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Assessed value	\$ 2,400,617 ³
Debt limit (2.5% of assessed value) ²	60,015
Debt applicable to limit:	
General obligation bonds	8,780
Sidewalk replacement	149
Total debt subject to limit	<u>8,929</u>
Legal debt margin	<u>\$ 51,086</u>

Fiscal year	2006	2007	2008 ⁴	2009	2010	2011	2012	2013	2014	2015
Debt limit	<u>\$ 21,200</u>	<u>\$ 22,309</u>	<u>\$ 37,035</u>	<u>\$ 38,507</u>	<u>\$ 41,295</u>	<u>\$ 45,619</u>	<u>\$ 46,787</u>	<u>\$ 49,190</u>	<u>\$ 58,069</u>	<u>\$ 60,015</u>
Total net debt applicable to limit	<u>3,948</u>	<u>3,664</u>	<u>12,304</u>	<u>12,014</u> ⁵	<u>11,432</u> ⁵	<u>10,813</u> ⁵	<u>10,164</u> ⁵	<u>9,495</u> ⁵	<u>8,797</u> ⁵	<u>8,929</u>
Legal debt margin	<u>\$ 17,252</u>	<u>\$ 18,645</u>	<u>\$ 25,821</u>	<u>\$ 26,586</u>	<u>\$ 29,953</u>	<u>\$ 34,892</u>	<u>\$ 36,705</u>	<u>\$ 39,772</u>	<u>\$ 49,272</u>	<u>\$ 51,086</u>
Total net debt applicable to the limit as a percentage of debt limit	18.62%	16.42%	30.28%	30.96%	27.47%	23.51%	21.55%	19.15%	15.15%	14.88%

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 H to the financial statements.

² 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). Prior to fiscal year 2008 general obligation debt could not exceed 1.51% of the total assessed value of taxable property.

³ 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. It does not agree to amounts shown on J-12 as that schedule uses amounts after adjustments and protested tax changes are made.

⁴ The City issued \$7,850,000 of general obligation bonds during fiscal year 2008.

⁵ 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
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Water Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2006	\$ 5,146	\$ 2,344	\$ 2,802	\$ 1,333	\$ 309	170.7%
2007	5,712	2,667	3,045	1,431	232	183.1%
2008	5,662	3,228	2,434	1,431	232	146.4%
2009	5,648	2,943	2,705	1,431	232	162.7%
2010	5,346	3,171	2,175	1,431	232	130.8%
2011	5,533	3,168	2,365	1,431	232	142.2%
2012	6,435	3,501	2,934	306	94	733.5%
2013	6,534	3,642	2,892	468	54	554.0%
2014	6,658	3,944	2,714	468	54	519.9%
2015	6,951	3,821	3,130	468	54	599.6%

Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2006	\$ 3,380	\$ 1,927	\$ 1,453	\$ 721	\$ 132	170.3%
2007	3,566	2,050	1,516	721	132	177.7%
2008	3,594	2,125	1,469	721	132	172.2%
2009	3,551	2,325	1,226	721	132	143.7%
2010	3,734	2,387	1,347	721	132	157.9%
2011	4,026	2,225	1,801	721	132	211.1%
2012	4,096	2,511	1,585	721	132	185.8%
2013	4,297	2,569	1,728	736	34	224.4%
2014	4,328	2,642	1,686	736	34	219.0%
2015	4,404	2,719	1,685	736	34	218.8%

Special Improvement Districts

Special Assessment Collections ¹	Debt Service		Coverage	
	Principal	Interest		
2006	\$ 476	\$ 403	\$ 123	90.5%
2007	554	395	106	110.6%
2008	433	373	87	94.1%
2009	522	351	64	125.8%
2010	251	296	44	73.8%
2011	205	196	32	89.9%
2012	173	160	24	94.0%
2013	94	105	16	77.7%
2014	75	51	13	117.2%
2015	57	65	9	77.0%

Source: City financial statements.

¹ Special Assessment Collections include special assessments, interest income, and bond funds in excess of construction costs used for debt service. There are no special improvement district (SID) bond requirements related to debt service coverage and the City only shows this information as it appears required by GASB Statement 44. The City is required to call bonds semi-annually using any cash available in the debt service funds. The City has consistently called bonds in advance for each separately issued series of SID bonds.

City of Helena, Montana
DEMOGRAPHICS AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	School Enrollment
2005	27,383	\$ 883,293	\$ 32,257	3.8%	7,919
2006	27,885	938,693	33,663	3.1%	8,013
2007	28,726	972,921	33,869	2.7%	7,910
2008	29,351	1,078,532	36,746	3.7%	8,055
2009	29,939	1,302,673	37,799	4.7%	8,154
2010	28,190	1,317,853	38,764	5.5%	8,304
2011	28,592	1,353,368	39,052	5.3%	8,331
2012	29,134	1,421,329	40,456	4.9%	8,300
2013	29,596	1,440,450	40,612	4.5%	8,290
2014	29,943	1,476,228	41,469	3.9%	8,294

Sources: State of Montana, Department of Commerce: Population, Personal Income,
State of Montana, Department of Labor: Unemployment Rate
Lewis and Clark Superintendent of Schools: School Enrollment
US Department of Labor: Per Capita Personal Income

City of Helena, Montana
TOP TEN EMPLOYERS
Current Year and Seven Years Ago¹
(Unaudited)

Company Name	Product or Service	2015			2008		
		Estimated Number of Employees	Rank	Percentage of Total Employment	Estimated Number of Employees	Rank	Percentage of Total Employment
State of Montana	Government	6,688	1	39.10%	6,704	1	40.26%
US Government	Government	1,921	2	11.23%	1,908	2	11.46%
St. Peter's Hospital	Health Services	1,002	3	5.86%	1,000	3	6.01%
Helena School District No. 1	Education	946	4	5.53%	847	4	5.09%
Blue Cross/Blue Shield	Health Services	444	5	2.60%	600	5	3.60%
Wal-Mart	Retail	380	6	2.22%	430	7	2.58%
Military	Military	330	7	1.93%	374	8	2.25%
Lewis & Clark County	Government	321	8	1.88%	450	6	2.70%
Shodair Children's Hospital	Health Services	320	9	1.87%	300	9	1.80%
City of Helena	Government	283	10	1.65%	283	10	1.70%
		12,635		73.87%	12,896		77.45%
Total Employment		17,105			16,651		

Sources: Montana Dept of Labor and telephone survey by City staff.

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. The City called each employer on the list as well as public employers to provide the information. Information prior to 2008 is not available.

City of Helena, Montana
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Legislative	7.50	7.00	7.00	7.00	7.00	7.00	7.50	7.50	7.50	7.50
Executive	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Judicial	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Administrative	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Financial	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Human resources	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Legal	4.54	4.54	4.54	4.50	4.50	4.50	4.50	4.75	4.75	5.00
Facilities administration	2.02	2.02	2.02	2.11	2.17	2.17	2.17	2.67	1.67	2.17
PUBLIC SAFETY										
Law enforcement	69.00	69.00	69.00	72.00	70.00	71.50	71.50	72.46	78.46	72.46
Fire protection	37.00	37.00	37.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
PUBLIC WORKS										
Public work administration	3.00	2.00	2.50	2.50	2.50	2.50	2.50	1.50	2.50	2.50
Engineering	7.25	7.25	6.75	6.90	6.90	6.90	7.90	7.90	5.90	8.90
Road and street	15.50	15.50	15.50	15.51	15.50	15.51	15.51	15.01	15.00	15.00
Storm water	1.43	2.03	2.03	2.03	2.03	2.18	2.18	2.18	2.24	2.33
PUBLIC HEALTH										
Animal control	1.00	1.00	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CULTURE AND RECREATION										
Park and recreation	15.14	16.07	16.79	19.60	20.35	19.35	19.60	21.60	16.60	18.18
Civic center	4.98	4.98	4.98	5.44	5.44	5.44	5.44	4.94	4.94	5.44
COMMUNITY DEVELOPMENT										
Community development and planning	5.29	5.29	5.29	5.29	5.29	5.13	5.13	5.13	5.13	4.13
Building	7.84	8.34	11.84	10.34	10.34	10.50	8.50	8.50	9.25	9.25
Water	18.95	18.10	18.10	18.10	17.89	19.79	18.79	20.79	20.28	21.76
Wastewater	14.08	14.33	14.33	13.33	14.33	14.79	13.79	14.04	15.23	14.41
Solid waste	8.45	8.45	8.45	8.45	8.45	7.15	8.60	8.30	8.30	8.30
Transfer station	10.05	10.05	10.87	10.05	10.05	10.35	10.40	10.70	10.70	11.20
Bus	9.60	16.10	18.20	15.72	15.23	12.43	12.26	12.76	11.18	11.18
Parking	9.75	10.80	9.80	9.80	8.80	10.05	10.05	9.60	9.01	6.55
City-County building administration	-	-	-	6.32	6.26	6.26	6.26	6.26	6.26	6.26
Fleet services	5.60	5.50	5.25	5.40	5.40	5.40	5.50	5.50	5.50	5.50
Total	278.97	286.35	292.74	300.39	298.43	298.90	298.08	302.09	300.40	298.02

City of Helena, Montana
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Calendar Years
(Unaudited)

(1 of 2)

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Judicial										
Trials by judge	1,827	1,699	1,673	2,201	2,232	2,137	2,141	3,120	3,311	5,685
Trials by jury	8	13	11	15	17	12	15	11	7	7
Citations filed	10,321	7,724	8,888	8,605	7,646	7,541	7,243	7,096	8,201	7,068
PUBLIC SAFETY ACTIVITIES										
Police										
Total calls	26,380	23,823	26,317	27,778	27,232	26,454	26,849	27,566	30,678	30,583
Arrests	2,798	2,288	2,642	2,529	2,369	2,258	2,320	2,373	2,251	2,128
Warrants served	282	264	302	314	403	419	430	996	1,014	1,192
Traffic citations	13,216	7,756	9,105	5,647	5,739	5,458	5,271	4,718	5,271	4,620
Fire										
Alarms	2,680	2,925	3,045	3,284	3,149	3,253	3,286	3,493	3,575	3,807
Inspections	111	512	1,164	592	547	688	474	429	366	617
Medical calls	1,825	2,094	2,277	2,511	2,239	2,340	2,371	2,539	2,573	2,748
PUBLIC WORKS										
Streets										
Chip seal (miles)	11.0	8.5	9.0	8.6	9.0	8.9	9.5	8.6	8.6	8.9
Crack seal (miles)	11.0	6.5	6.8	7.0	8.0	9.0	9.5	8.6	8.6	8.9
Water										
Average daily consumption (millions of gallons)	5.5	5.5	5.4	5.2	4.9	4.6	5.0	6.0	5.5	5.6
Peak demand (millions of gallons)	12.6	14.5	13.6	12.7	12.1	11.6	12.5	14.0	14.2	15.0
Number of customers	9,740	9,955	10,100	10,256	10,521	10,655	10,775	10,908	10,989	11,159
Wastewater										
Average daily wastewater treated (millions of gallons)	2.8	2.8	2.7	2.9	2.7	2.7	3.0	2.9	2.7	2.8
Solid waste										
Refuse collected (tons per day)	121	124	133	118	114	109	105	101	102	101
Recyclables collected (tons per day)	15	16	15	16	18	18	18	17	17	18
Bus										
Total passengers ¹	59,765	93,842	122,000	120,980	131,790	107,105	95,857	75,116	76,097	94,763
Parking ²										
Number of spaces in garages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,359
Monthly rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$57-\$67
Hourly rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.75
Number of spaces in paid lots	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	656
Monthly rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$47-\$72
Hourly rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.50
On-Street monthly permit rate:										
Commercial areas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$21-\$43
Residential areas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5-\$10
Parking Meter rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.50

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City of Helena, Montana
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Calendar Years
(Unaudited)

(2 of 2)

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PUBLIC HEALTH ACTIVITIES										
Animal control										
Total incidents	1,915	1,901	1,778	2,262	2,214	2,230	2,259	2,393	2,645	2,521
Citations	314	280	217	433	479	432	348	316	310	347
CULTURE AND RECREATION										
Swimming pool										
Swimming pool attendance	20,549	17,099	19,161	19,924	25,983	21,370	22,843	25,728	26,053	24,386
Civic Center										
Events	171	172	188	177	148	169	166	220	172	71
Tickets sold	8,682	6,994	6,790	7,342	3,205	3,514	2,081	5,543	11,532	48,586
COMMUNITY DEVELOPMENT										
Building										
Residential permits, new construction	111	122	84	58	91	114	112	112	87	80
Number of units	168	183	143	80	107	176	172	172	132	339
Value of permits (in thousands)	\$ 24,246	\$ 32,698	\$ 27,831	\$ 17,571	\$ 18,405	\$ 26,546	\$ 24,598	\$ 25,109	\$ 23,243	\$ 37,670
Residential permits, addition/remodel	66	54	95	93	102	103	72	54	116	122
Value of permits (in thousands)	\$ 1,178	\$ 2,070	\$ 3,338	\$ 2,866	\$ 2,260	\$ 2,390	\$ 1,836	\$ 1,719	\$ 2,579	\$ 4,180
Commercial permits, new construction	24	30	24	26	19	26	14	26	30	13
Value of permits (in thousands)	\$ 14,643	\$ 37,996	\$ 22,834	\$ 23,509	\$ 44,747	\$ 30,256	\$ 19,597	\$ 30,918	\$ 23,740	\$ 14,623
Commercial permits, addition/remodel	101	116	122	99	129	145	128	96	105	169
Value of permits (in thousands)	\$ 42,368	\$ 21,232	\$ 17,914	\$ 27,248	\$ 16,968	\$ 21,568	\$ 19,594	\$ 15,382	\$ 14,417	\$ 18,675
Planning										
Conditional use permits	19	17	12	8	1	1	4	5	1	4
Zone changes	9	11	8	5	6	3	3	7	5	5
Zoning ordinance amendments	2	-	-	4	1	-	-	-	-	1
Annexation and pre-zoning	14	11	10	85	3	4	4	5	8	6
Major subdivision	16	8	9	4	4	4	3	2	1	2
Minor subdivision	7	11	8	3	2	3	2	1	1	3
Amended plat	21	23	19	25	20	14	11	21	14	24
Board of adjustment variances	-	32	32	19	19	9	7	7	2	15

Source: City of Helena

¹ A downtown trolley route was operated during 2006-2009, and a commuter route during 2009. Both these routes have been discontinued.

² Prior to 2014, parking was a separate legal entity, and a component unit of the city. Prior information is not available.

City of Helena, Montana
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY ACTIVITIES										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	34	34	37	39	38	38	38	36	37
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire response trucks	17	17	18	19	19	18	19	17	17	16
PUBLIC WORKS										
Streets (miles)	203.3	207.4	233.5	245.4	253.8	264.8	266.7	267.3	268.6	270.9
Lights ¹	2,937	2,993	3,058	3,401	3,401	3,478	3,592	3,625	3,674	3,691
Stormwater mains (miles)	36.1	48.9	89.2	92.0	96.0	98.8	100.7	103.4	106.2	68.0 ⁴
Water										
Water mains (miles)	206.5	210.3	212.5	219.0	222.5	223.7	227.6	227.8	230.1	235.7
Fire hydrants	1,376	1,501	1,568	1,576	1,638	1,649	1,650	1,658	1,666	1,678
Storage capacity (in millions of gallons)	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Wastewater mains (miles)	157.5	171.2	175.7	175.3	175.6	180.7	185.2	185.8	186.6	187.6
Solid waste - collection trucks	19	20	20	20	20	20	20	20	19	18
Bus - buses	8	17 ²	17	18	20	18	17	19	19	19
Parking ⁵										
Garages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Parking lots	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10
Curbside meters	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	280
CULTURE AND RECREATION										
Number of city parks	57	57	58	58	63	63	63	89 ³	89 ³	47 ⁶
City park acreage	2,179	2,179	2,187	2,334	2,349	2,349	2,399	2,320 ³	2,320 ³	258 ⁶
Open space acreage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,846 ⁶

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 The increase is due to the use of six buses that belong to Rocky Mountain Development Council for Head Start and one bus owned by the Rocky Mountain Development Council. The City took over these bus services as the State of Montana wanted to centralize bus service programs.

³ The Parks Department is working on a project to identify all city owned park land. As this project progresses, numbers will fluctuate as they become more accurate.

⁴ In the past, this number included open ditches. Beginning in 2015, this number more accurately only includes mains.

⁵ The Parking Commission component unit was merged with the City of Helena effective July 1, 2014. This information is not available for prior years.

⁶ In 2015, the Parks department began accounting for city parks separately from open space. This information is not available for prior years.

City of Helena, Montana
THE WATER SYSTEM ¹
June 30, 2015
(Unaudited)

Historical Water System Connections Last Five Fiscal Years

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial Customers</u>	<u>Total Customers</u>
2011	8,042	2,613	10,655
2012	8,139	2,636	10,775
2013	8,237	2,671	10,908
2014	8,291	2,698	10,989
2015	8,384	2,775	11,159

Water System Rate Structure

	<u>Residential (Single Family Residence)</u>	<u>Commerical (Commercial and Multi-Family)</u>
Base Rate	\$ 2.57	\$ 4.14
Per 100 Cubic feet Water	2.91	2.91

Major Water System Users

<u>User</u>	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u> ²
State of Montana	\$319,718	4.67 %
City of Helena	311,193	4.54
St. Peter's Hospital	101,523	1.48
Helena Housing Authority	97,176	1.42
Helena School District #1	95,718	1.40
Carroll College	48,205	0.70
Fort Harrison Vets Center	42,972	0.63
Helena Colonial, LLC	32,820	0.48
Costco	31,972	0.47
Lifestyle Mobile Home Court	29,934	0.44
	<u>\$1,111,231</u>	<u>16.23 %</u>

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, 2015
(Unaudited)

Historical Wastewater System Connections Last Five Fiscal Years
--

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial Customers</u>	<u>Total Customers</u>
2011	7,830	2,384	10,214
2012	8,013	2,465	10,478
2013	8,110	2,512	10,622
2014	8,178	2,549	10,727
2015	8,218	2,524	10,742

Wastewater System Rate Structure

	<u>Basic Monthly Rates</u>	<u>Surcharge Rates</u>
Base Rate	\$ 5.08	\$ 1.50
Per 100 Cubic feet Water	2.26	0.42

Major Wastewater System Users

<u>User</u>	<u>Wastewater Charges</u>	<u>Percent of Total Wastewater Revenues</u> ²
State of Montana	\$118,632	2.80 %
St. Peter's Hospital	67,448	1.59
Helena Housing Authority	59,069	1.40
McHugh Mobile Home Park	53,682	1.27
Helena School District #1	49,171	1.16
Fort Harrison VA Medical Center	47,798	1.13
Carroll College	44,555	1.05
Lee Reynold's Mobile Home Park	36,676	0.87
Helena Colonial, LLC	25,118	0.59
Crichton Properties LLC	20,992	0.50
	<u>\$523,141</u>	<u>12.36 %</u>

Source: The City of Helena

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

² Wastewater 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
(Unaudited)

	2011	2012	2013	2014	2015
Beginning balance - July 1	\$ 836,948	\$ 583,916	\$ 358,734	\$ 122,997	\$ 106,781
Receipts over disbursements ²	(253,032)	(225,182)	(235,737)	(16,216)	(4,126)
Ending balance - June 30	<u>\$ 583,916</u>	<u>\$ 358,734</u>	<u>\$ 122,997</u>	<u>\$ 106,781</u>	<u>\$ 102,655</u>
Assets:					
Cash	\$ 484,766	\$ 264,020	\$ 26,295	\$ 27,249	\$ 38,832
Certificates of deposit	74,042	43,512	3,765	1,201	4,548
Assessments receivable	1,308	-	-	-	3,073
Warrants	25,108	51,202	92,937	78,331	59,275
Total assets	<u>585,224</u>	<u>358,734</u>	<u>122,997</u>	<u>106,781</u>	<u>105,728</u>
Liabilities:					
Deferred revenues	1,308	-	-	-	3,073
Total liabilities	<u>1,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,073</u>
Fund balances:					
Restricted	583,916	358,734	122,997	106,781	102,655
Total fund balance	<u>583,916</u>	<u>358,734</u>	<u>122,997</u>	<u>106,781</u>	<u>102,655</u>
Total liabilities and fund balances	<u>\$ 585,224</u>	<u>\$ 358,734</u>	<u>\$ 122,997</u>	<u>\$ 106,781</u>	<u>\$ 105,728</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 for many years.

City of Helena, Montana
SPECIAL IMPROVEMENT DISTRICTS REVOLVING FUND ¹
CASH BALANCE AND OUTSTANDING BONDS SECURED THEREBY
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Revolving Fund Ending Cash and Investment Balances	Principal Amount of Bonds and Warrants	Percentage
2006	\$ 1,634,711	\$ 2,317,557	70.54%
2007	1,388,360	1,922,949	72.20%
2008	1,190,703	1,766,607	67.40%
2009	1,095,607	1,306,509	83.86%
2010	782,026	940,790	83.12%
2011	558,808	675,108	82.77%
2012	307,532	486,202	63.25%
2013	122,997	377,937	32.54%
2014	106,781	442,008	24.16%
2015	105,728	478,998	22.07%

¹ This schedule is included to comply with requirements of our special improvement district bonds.

Source: City of Helena

City of Helena, Montana
BUREAU OF CENSUS SUPPLEMENTAL SCHEDULE
Fiscal Year Ended June 30, 2015
(Unaudited)

Intergovernmental expenditures made to governments on a cost-sharing basis

<u>Purpose</u>	<u>Amount</u>
Information technology	\$ 827,880

Gross wages paid \$ 18,173,722

Debt outstanding

Long-term debt outstanding, issued and retired

<u>Purpose</u>	<u>Bonds Outstanding</u>			<u>Outstanding as of June 30, 2015</u>	
	<u>July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>General Obligation</u>	<u>Revenue bonds</u>
Water utility	\$ 5,126,000	\$ -	\$ 408,000	\$ -	\$ 4,718,000
Sewer utility	5,335,000	-	666,000	-	4,669,000
All other	8,605,000	845,000	670,000	8,780,000	-
	<u>\$ 19,066,000</u>	<u>\$ 845,000</u>	<u>\$ 1,744,000</u>	<u>\$ 8,780,000</u>	<u>\$ 9,387,000</u>

Other long-term debt

<u>Type</u>	<u>July 1, 2014</u>	<u>June 30, 2015</u>
Special improvement district bonds	\$ 225,000	\$ 160,000
Certificates of Participation	8,360,000	8,170,000
Loans payable	1,125,518	1,288,463
	<u>\$ 9,710,518</u>	<u>\$ 9,618,463</u>

Cash balances by fund type

<u>Type of funds</u>	<u>Amount</u>
General	\$ 6,325,102
Special revenue	9,690,713
Debt service	980,651
Capital project	2,645,271
Enterprise	22,648,335
Internal services	1,831,380
Trust and agency	27,834
	<u>\$ 44,149,286</u>

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Section K
SINGLE AUDIT SECTION

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

To the Board of City Commissioners
City of Helena, Montana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and budgetary comparisons (for general and street funds) of the City of Helena, Montana (the City) as of and for the year ended June 30, 2015, 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 14, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli, LLP

Helena, Montana
December 14, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of City Commissioners
City of Helena, Montana

Report on Compliance for Each Major Federal Program

We have audited the City of Helena's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 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, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Wipfli, LLP

Helena, Montana
December 14, 2015

City of Helena, Montana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Is any noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major program compliance:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, <i>Audits of State, Local Governments, and Non-Profit Organizations</i> , Section .510(a)?	___ Yes	_X_ No

Identification of major programs:

CFDA Number and Name of Federal Program or Cluster

20.205/20.219 66.468	Transportation Cluster Capitalization Grants for Drinking Water State Revolving Funds
-----------------------------	--

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>300,000</u>
Is the auditee qualified as a low-risk auditee?	_X_ Yes ___ No

City of Helena, Montana
SUMMARY OF AUDIT FINDINGS AND PRIOR AUDIT FINDINGS
Year Ended June 30, 2015

Section II: Financial Statement Findings

There were no findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Section III: Federal Award Findings

There were no findings related to federal awards that are required to be reported in accordance with *Government Auditing Standards*.

Section IV: Current Status of Prior Year Findings

There were no prior year findings required to be reported in accordance with *Government Auditing Standards*.

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City of Helena, Montana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2015

(1 of 2)

Federal CFDA Number	Grantor Program Title	Grant/Contract Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Montana Department of Natural Resources and Conservation			
10.664	Cooperative Forestry Assistance	13-DG-11010000-002	\$ 6,000
10.680	Forest Health Protection	11-DG-11010000-014	31,900
	Total U.S. Department of Agriculture		<u>37,900</u>
U.S. Department of Housing and Urban Development			
Passed through Montana Department of Commerce			
14.228	Community Development Block Grants/State's program	MT-CDBG-11PF-03	67,787
14.228	Community Development Block Grants/State's program	MT-CDBG-12HR-01	250,241
14.228	Community Development Block Grants/State's program	MT-CDBG-12PL-08	28,500
14.239	Home Investments Partnerships Program	M12-SG3001-24	84,361
	Total U.S. Department of Housing and Urban Development		<u>430,889</u>
U.S. Department of Interior			
15.916	Outdoor Recreation Acquisition, Development and Planning	30-00732	42,414
U.S. Department of Justice			
16.607	Bulletproof Vest Partnership Program	OMB# 1121-0235	1,734
16.607	Bulletproof Vest Partnership Program	OMB# 1121-0235	4,001
16.738	Edward Byrne Memorial Justice Assistance Grant	14-DJ-BX-1048	26,592
Passed through Gallatin County			
16.738	Edward Byrne Memorial Justice Assistance Grant	13-G01-91728	31,869
Passed through City of Billings			
16.543	Internet Crimes Against Children	2013-MC-FX-K025	4,058
Passed through Montana Board of Crime Control			
16.588	Violence Against Women Formula Grant	14-W02-91680	49,573
	Total U.S. Department of Justice		<u>117,827</u>
U.S. Department of Transportation			
Passed through Montana Department of Transportation			
Highway Planning and Construction Cluster:			
20.205	Highway Planning and Construction	STPE 599 (41)	33,836
20.205	Highway Planning and Construction	STPE 5899(54)	61,419
20.205	Highway Planning and Construction	STPE 5899(39) & STPE5899(40)	929,371
20.205	Highway Planning and Construction	08696-056-00	348
20.205	Highway Planning and Construction		126,766
20.205	Highway Planning and Construction	UPN 6774	151,111
Passed through Montana Fish, Wildlife & Parks			
20.219	Recreational Trails Program	RTP 2011-16	26,500
20.219	Recreational Trails Program	2013-16	19,272
	Total Highway Planning and Construction Cluster:		<u>1,348,623</u>
Passed through Montana Department of Transportation			
20.509	Formula Grants for Other Than Urbanized Areas	107717	636,232
	Total Other Montana Department of Transportation		<u>636,232</u>
Transit Services Program Cluster:			
20.521	New Freedom Program	107374	30,846
	Total Transit Services Program Cluster		<u>30,846</u>
Highway Safety Cluster:			
20.600	State and Community Highway Safety	107276	7,369
20.600	State and Community Highway Safety	107362	2,977
20.600/20.601/20.602	Occupant Protection Incentive Grant	107707	7,276
	Total Highway Safety Cluster		<u>17,622</u>
	Total U.S. Department of Transportation		<u>2,033,323</u>

See Accompanying Notes to Schedule

City of Helena, Montana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the fiscal year ended June 30, 2015

(2 of 2)

Federal CFDA Number	Grantor Program Title	Grant/Contract Number	Federal Expenditures
U.S Environmental Protection Agency			
Passed through Montana Department of Natural Resources and Conservation			
Drinking Water State Revolving Fund Cluster:			
66.468	Capitalization Grants for Drinking Water State Revolving Funds		500,000
66.468	Capitalization Grants for Drinking Water State Revolving Funds		293,338
	Total Drinking Water State Revolving Fund Cluster		<u>793,338</u>
	Total U.S. Environmental Protection Agency		<u>793,338</u>
U. S. Department of Health and Human Services			
Passed through Rocky Mountain HIDTA			
93.276	Drug-Free Communities Support Program	G13RM0036/G14RM0036A	31,978
	Total U.S. Department of Health and Human Services		<u>31,978</u>
U.S. Department of Homeland Security			
Passed through Montana Department of Military Affairs, Disaster and Emergency Services			
97.039	Hazard Mitigation Grant	DR-1996-MT-P-28-R	960
97.047	Pre-Disaster Mitigation	DR-1767-P-2-R	54,855
97.047	Pre-Disaster Mitigation	PDMC-PJ-08-MT-2010-010	76,478
97.067	Homeland Security Grant Program	EMW-2014-SS-00019-S01	35,680
97.067	Homeland Security Grant Program	EMW-2013-SS-00064	59,692
97.067	Homeland Security Grant Program	EMW-2014-SS-0019-S01	6,487
97.067	Homeland Security Grant Program	EMW-2014-SS-0019-S01	11,849
97.067	Homeland Security Grant Program	EMW-2014-SS-0019-S01	23,846
97.067	Homeland Security Grant Program	EMW-2014-SS-0019-S01	43,470
	Total U.S. Department of Homeland Security		<u>313,317</u>
	Total All Grants		<u>\$ 3,800,986</u>

OF THE FEDERAL EXPENDITURES PRESENTED IN THE SCHEDULE, THE CITY OF HELENA PROVIDED FEDERAL AWARDS TO SUBRECIPIENTS AS FOLLOWS:

Federal CFDA Number	Grantor Program Title	Subrecipient	Amount Provided to Subrecipients
14.228	Community Development Block Grants/State's program	Intermountain Children's Home	\$ 67,787
14.228	Community Development Block Grants/State's program	WestMont	250,241
14.228	Community Development Block Grants/State's program	Rocky Mountain Development Council	28,500
14.239	Home Investments Partnerships Program	WestMont	84,361
20.521	New Freedom Program	Rocky Mountain Development Council	30,846
			<u>\$ 461,735</u>

City of Helena, Montana
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

NOTE 1 - BASIS OF ACCOUNTING

The accompanying schedule is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than US GAAP and is a different basis of accounting than the general-purpose financial statements. Accordingly, expenditures are recognized when disbursed. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - RESTATEMENTS

The prior year schedule overstated expenditures by \$126 and \$138 for CFDA number 20.205 and 93.276, respectively, and understated expenditures by \$7,728 for CFDA number 20.219.