



City of  
**Helena**



**2022**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JULY 1, 2021 - JUNE 30, 2022**



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

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

**Fiscal Year 2022  
July 1, 2021 – June 30, 2022**



## **INTRODUCTORY SECTION**



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May 30, 2023

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

### **ANNUAL COMPREHENSIVE FINANCIAL REPORT TRANSMITTAL**

The Annual Comprehensive Financial Report for the City of Helena, Montana for the Fiscal Year ended June 30, 2022 is hereby submitted. This report is published annually as the official annual financial report and complies with Montana State law (2-7-503 MCA) requiring annual reports for general purpose local governments to be filed in a timely manner.

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

Generally Accepted Accounting Principles (GAAP) require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Helena's MD&A can be found immediately following the independent auditor's report.

As a recipient of federal financial assistance in excess of \$750,000 the City is required to undergo a Single Audit designed to meet the special needs of federal grantor agencies, in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and Title 2 U.S. Code of



Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards and the auditor's reports on internal controls and compliance is included in the Single Audit Section of this report.

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

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

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

### **City Commission**

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

### **City Manager**

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

### **City Demographics**

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

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

Helena is sustained by a stable base of government employment (30%) as it serves as a major governmental center for federal, state and county activities. It is also a trading and transportation center for nearby livestock, mining and farming enterprises. Helena maintains an interest in mineral production and processing and remains a major telecommunications center. Although Helena's population is about 33,120 it serves a much larger trade area. This area, defined as a "35-mile radius" in and around the City of Helena, encompasses a population of almost 75,000. This area relies on Helena for employment, professional services, retail goods, and entertainment.

### **City Services**

The City provides a full range of services divided into service areas, financial management and control systems. Services provided include: Public safety functions including police and fire protection and prevention, municipal court services, and animal control; Public works, one of the

largest city departments, operates engineering services, water, wastewater, and stormwater utilities, solid waste disposal, and recycling services; Community development including planning, zoning, permitting and building inspection activities; Transportation systems including parking, traffic signal, street, roadway and sidewalk construction and maintenance, and operating a vast public transit system. In addition, the City operates and maintains growing open land, parks and recreation programs including a city-owned golf course, public swimming pool, civic center, tennis & pickleball courts, skateboard park, bike park, and an outdoor skating rink, plus sponsors numerous cultural events throughout the year.

### **Financial Entity**

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

### **Annual Budget**

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City submit budget proposals to the City Finance Department in the spring of each year. During this same time period, the City Manager's office solicits public feedback through various engagement tools. The Finance Department uses these department requests and public feedback as the starting point for the development of the next fiscal year's budget. The City Commissioners are required to hold public hearings on the preliminary budget which is adopted by resolution with an effective date of July 1 and contains the estimated amount to be raised by an ad valorem property tax. The Commission holds a separate public hearing to adopt the final budget no later than the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the Montana State Department of Revenue. The legal level of budget appropriations is at the fund level. Management cannot overspend the budget at the fund level without the approval of the governing body. A budgetary management plan is prepared by fund, department, division and line item. The City maintains budgetary controls whose objectives are to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the City Commission.

The State municipal budget law stipulates that money, other than payments from custodial funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted annual budget is required for all funds, except for custodial funds. The City legally adopts a budget for the required funds. Consistent with past years, the City established the legal spending level at the fund level for the fiscal year 2022 budget. The City Manager may make transfers of appropriations within a fund. Transfers between funds, however, require approval of the City Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the general and streets funds, comparisons are presented beginning on page 25 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 109. All appropriations lapse at year-end; however, they can be re-appropriated by the City Manager as part of the following year's budget in accordance with state law and the adopting budget resolution.

## LONG RANGE FINANCIAL PLANNING

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

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

The CCIP emphasizes:

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

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

## ECONOMIC CONDITION AND OUTLOOK

### **Local Economy**

In April of 2022, Governor Gianforte announced that Montana's economy grew by 6.7% (inflation adjusted) in 2021 and was the seventh largest growth rate in the country, the sharpest growth rate in more than 40 years. Personal income grew 8.5%, faster than the U.S. growth rate of 7.4%, the fastest in 15 years. Real gross domestic product grew 6.7%, well above the U.S. growth rate of 5.7% and Montana's total GDP was \$59.3 billion dollars in 2021<sup>1</sup>

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

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

New residential and commercial construction continues to grow. In December 2020, the Capital Hill Mall Urban Renewal District Plan was approved for urban renewal and redevelopment. This area is considered a gateway into Helena defined by the two one-way couplets of Prospect Avenue and 11<sup>th</sup> Street that provide access to Interstate 15. The area is close in proximity to the

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<sup>1</sup> Montana Department of Labor and Industry: "Montana's Economy 7<sup>th</sup> Strongest in Nation with Robust Growth in 2021" April 25, 2022.

State Capital and includes the old Capitol Hill Mall site (built in 1965 and demolished in 2019), a number of hotel parcels, retail establishments, office buildings, financial institutions, and the Samuel V. Stewart Homes development managed by the Helena Housing Authority. In 2022, three businesses were built and operating in the area and Benefis Health Systems began construction of a freestanding clinic that will offer primary and specialty care services.

The Downtown Urban Renewal district (approved in October 2018 and amended in 2019 to include the Rodney Street area) has also continued to experience large commercial and infrastructure development according to the URD plan. The Rodney Street project is a multi-phase project from Helena Avenue to Division Street. It includes roadway reconstruction, traffic signals, sidewalks, boulevards, drainage, and water and sewer utilities. Phase I of this project was completed in late 2021, which included water, wastewater, storm infrastructure and street reconstruction. Phase II began in the Spring of 2022 and will wrap up in early 2023. The City and the Helena Business Improvement District continue to work on other projects located in the Downtown Urban Renewal area.

The Railroad Urban renewal district was established in 2016 and encompasses the Sixth Ward (the area just east of Montana Avenue and south of the railroad tracks or “historic Railroad District”). In 2022 the Railroad TIF Advisory board approved financing for the demolition and clearing of abandoned Memorial Park Apartments so that the construction of The Bell Hotel LLC (a new boutique hotel) can be completed in the Summer of 2023. The hotel will create jobs, increase tax values, and increase tourism to the business district.

In 2022, two additional phases of the Mountain View Meadows subdivision were annexed into the city and the Westside Major Phased subdivision is a proposal will have 98 new lots and 170 new residential dwelling units on a 58.85-acre site. The area will be annexed into the City limits and will connect to city services.

Our planning and engineering departments have backlogs of new construction, both commercial and residential, planned for the new year.

### **Population**

Montana added nearly 10,000 net in-movers from 2019 to 2020, and nearly 20,000 from 2020 to 2021. Most of the population growth occurred in Flathead, Gallatin, and Yellowstone counties. Population growth is primarily driven by in-migration but also increases naturally (births minus deaths). In 2021, that growth was primarily from in-migration.<sup>2</sup>

Helena area has experienced consistent long-term growth since 2010 and has grown faster than the statewide average (13.0 percent), growing 17.5% from 2010 to 2021, with a current population estimate of 33,120. Montana’s population is currently estimated at of 1,122,867, according to the Montana Department of Labor and Industries market data and U.S. Census Bureau. Lewis and Clark County, (which largely comprises the trade area), experienced similar growth in this time frame of 13.9 percent, currently estimated to be 72,223.

### **Unemployment**

At the end of Fiscal Year 2022, the Montana Department of Labor and Industries posted the unadjusted unemployment rate for Montana at 2.9 percent, as compared to June 2021 which was 3.6 percent. Lewis & Clark County posted similar declines from 5.9 percent at the end of

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<sup>2</sup> Montana Department of Labor and Industries: “Housing affordability in Montana”, Oct. 2022; by Emily Trautman, Senior Economist.



June 2021 to 2.6 percent in June 2022. This is much less than the national unadjusted average of 3.8 percent in June 2022.

### **Per Capita Income**

The US Census Bureau market data as of 2021 posted the per capita income for Lewis and Clark County, Montana as \$38,139 and median household income at \$66,486. Persons living in poverty was 9.0%. Montana's per capita income was \$36,020 and median household income was \$60,560. Persons living in poverty in Montana 11.9%.

### **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 16.3% of total City budgeted revenues and 55.0% of General fund budgeted revenues (excluding interfund transfers). The City is only allowed to increase property taxes on existing property at one-half the CPI-U average rate of inflation for the past three years. The Montana Constitution and state law require periodic reappraisal of property in the interest of equal taxation (15-7-111, MCA). The State of Montana, through the Department of Revenue (DOR), is responsible for valuing all taxable real and personal property. The 2015 legislature changed the reappraisal period from once every six years to once every two years. The DOR is required by state law to conduct a reappraisal of all residential, commercial, industrial, agricultural and forestland property in the state. The most recent reappraisal cycle was completed on January 1, 2020 for legislative review during the 2020 legislative session. New reappraisal values were used for property tax purposes in tax year 2021 (fiscal year 2022).

State shared entitlement revenues make up approximately 5.2% of total City budgeted revenues and 19.3% of the General Fund budgeted revenues. This revenue is set by statutory formula and has grown by population and inflation in recent years. State shared entitlement revenue (born from House Bill 124 passed in 2001 by the Montana State Legislature) consists of motor vehicle taxes, gaming revenues, and alcohol and income taxes intended to provide local governments with a stable source of funding.

Discretionary revenues such as special assessments, licenses, permits, fines, utility and other charges for services make up about 40.7% 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 11.6% of total City budgeted revenues. Service charges make up approximately 26.7% of total City budgeted revenues.

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

## **Major Initiatives**

The City Clerk's office launched its digitization of historical records in 2022. This multi-year project will preserve historic documents and increase transparency of city records. They continue to onboard departments with a digital workflow project. Internal document flow, including digital agreements, are being converted to reduce paper and increase efficiencies.

The City Attorney's office implemented a new software to streamline and improve prosecution and victim services for an eventual paperless criminal justice system. This implementation was launched in the prior year and completed in 2022.

The Community Development office brought the application process and procedures for the Affordable Housing Trust Fund to the Commission which was approved. They plan their first application cycle in early Fiscal Year 2023. With their continued support for affordable housing, the Commission approved building fee waivers and the Community Development office aspires to create an annual local housing assessment to assess needs. The building division processed over 2,700 building and building-related permits and completed over 4,700 building inspections. The planning division moved forward with important updates to Helena's Zoning Regulations, Land Use Tables and Definitions and will continue this effort in 2023. They began work on a new neighborhood plan in the 6<sup>th</sup> Ward / Railroad Urban Renewal District and expect to complete that in 2023.

The City Finance Department completed Phase II of the city-wide ERP replacement software. A needs assessment was completed to identify critical functions. A Request for Proposal from software vendors was launched, a vendor selection was made, and the city signed a contract with Tyler Technologies to begin implementation in January 2023. This result was made possible by the months of staff from every department and consulting time and the support of the City Commission and City Manager.

The Helena Fire Department answered more than 4,700 calls for service, up from 4,200 from the prior year. The new Fire Inspector was instrumental in instituting the Inspection Reports Online program, allowing staff to monitor detection and suppression systems in Helena's commercial and business occupancies. They completed their Master Plan which is being used to implement short-, medium- and long-term work plans for the department. The department is working on an executive summary and recommendations to be brought before the Commission in the coming months.

The Human Resources Department gained the Commissions' support to launch a market-based pay plan to help the city become more competitive with other employers. They also designed a more competitive benefits structure that was implemented in Fiscal Year 2023. They continue to implement creative new ways to recruit employees which has been very challenging for some key positions.

The Municipal Court focused on improving their processes and facilitated nearly 4,000 trials. They implemented a check-in process for defendants struggling to comply with or complete their sentence. Their efforts continue with digitizing court records to provide efficient, effective and impartial services.

Parks, Recreation and Open Lands departments completed several improvement projects including work at the Pedestrian Mall, Kindrick Field and the Memorial Park playground. They completed a massive renovation project at Barney Park which included new tennis and pickleball

courts and a basketball court. The Civic Center made great strides in returning to normal operations by welcoming nearly 75,000 visitors for over 100 events. Urban Forestry staff cut over 40 cords of wood that were donated to Helena's Low Income Energy Assistance Program and assisted the *Growing Friends* with the Benton Avenue tree planting project, lining the path west of Bill Roberts Golf Course. Bill Roberts Golf Course returned to pre-pandemic levels hosting leagues, tournaments, cross-country running meets, cross country skiing and disc golf. They hosted their first free golf clinic for underprivileged kids and continued their support of *Special Olympics* training for athletes wanting to pursue golf. In addition, open lands continued their efforts of forest fuel reductive thinning and treating noxious weeds in open lands.

Sustainability continues to be a priority and the Public Works Department completed the Strategic Plan for waste reduction with significant public involvement. They have created informational videos on recycling and water conservation and participated in the Mayor's Challenge for Water Conservation and ranked the highest out of seven major Montana cities. The City's wastewater treatment plant celebrated its 12<sup>th</sup> consecutive quarterly Whole Effluent Toxicity Test, which marks the longest stretch in facility history.

The Police Department continued their community engagement initiative holding a Citizen Academy. It was so popular they are planning for an advanced academy and will continue holding the Citizen Academy in 2023. They picked up their "Coffee with a Cop" again, the first since pre-pandemic and completed their agreement with Helena School District for the School Resource Officer program. This agreement with the school district improves schools and law enforcement collaboration and provides a safer learning environment for children. The 9-1-1 Center overcame one their biggest staffing challenges ever experienced by the team. With dedicated staff, they and operations managers, they managed the service without degradation and were awarded Team of the Year from the Montana Chapter of the Association of Public Safety Communication Officials.

Finally, the Transportation Services Department led the reconstruction of six blocks of Rodney Street in Phase II of the project, and improved accessibility by installing 56 ADA ramps. The streets division completed over 47,000 miles of mill and overlay work and repaired over 1,650 potholes. Capital Transit took on a new "Demand Response" model and experienced an immediate increase in ridership. The new service was supported by a ride scheduling app, which greatly improved efficiency and is very popular with our residents.

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

## **INDEPENDENT AUDIT**

The State of Montana requires a biennial audit of the basic financial statements of the City by independent certified public accountants selected by the Commission. The City of Helena has elected to have an annual audit performed. An annual audit provides a higher level of financial management and fiscal responsibility. JCCS P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Helena, Montana's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Helena for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirty-fourth consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive, and timely annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

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

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

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

Respectively Submitted,



Sheila Danielson  
Finance Director



Barbara Walsh  
City Controller





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Helena  
Montana**

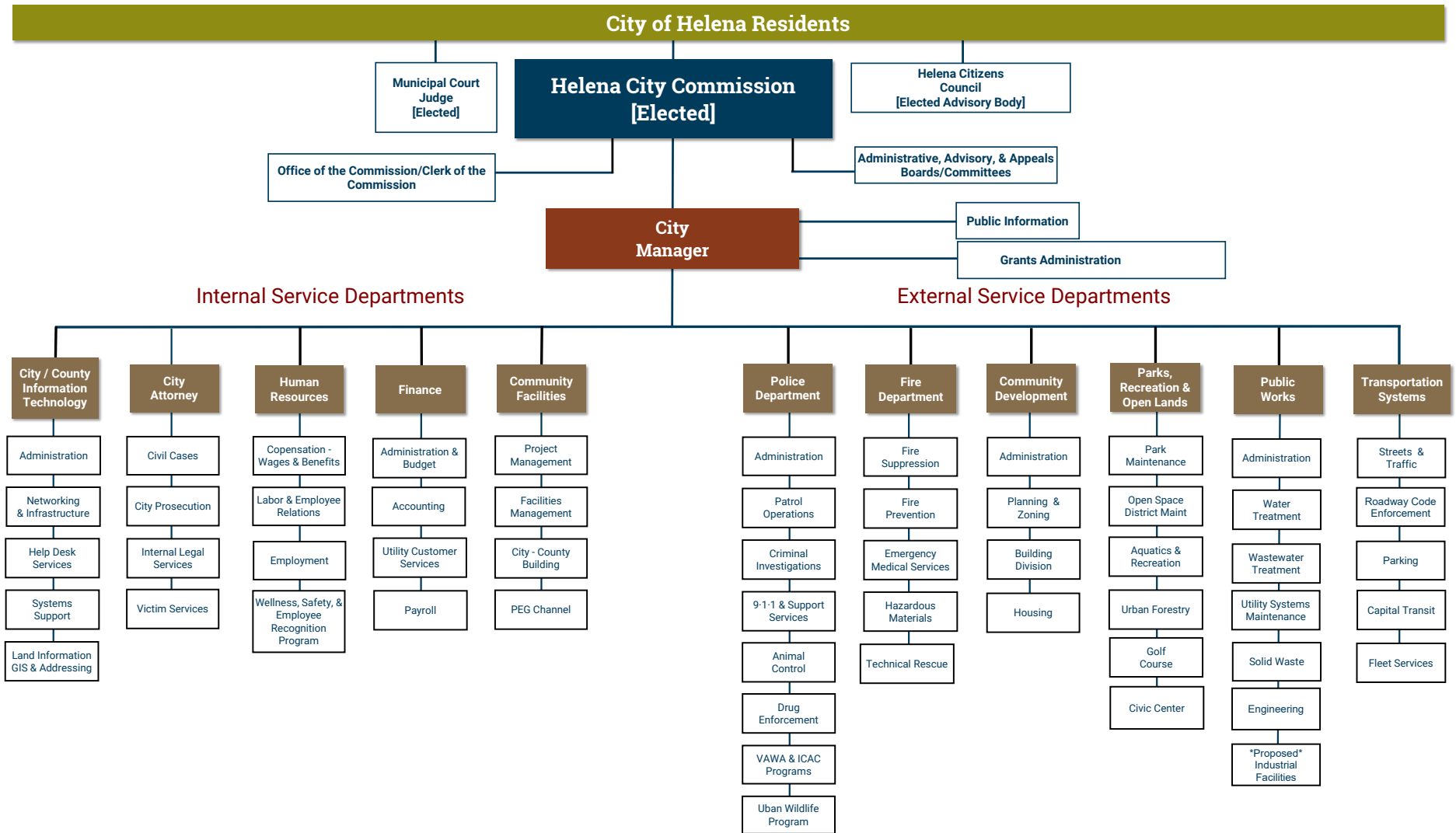
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# CITY OF HELENA - ORGANIZATION CHART



**City of Helena, Montana  
List of Principal Officials  
As of June 30, 2022**

**ELECTED OFFICIALS**

Wilmot J. Collins	Mayor
Eric Feaver	Commissioner
Melinda Reed	Commissioner
Emily Dean	Commissioner
Sean Logan	Commissioner

**CITY OFFICIALS**

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





## **FINANCIAL SECTION**



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

## INDEPENDENT AUDITORS' REPORT

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Helena, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Helena's basic financial statements as listed in the table of contents.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Helena, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Change in Accounting Principle

As discussed in Note U to the financial statements, as of July 1, 2021, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

### Responsibilities of Management 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.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Helena's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Helena's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, Schedule of City's Total Liability and Related Ratios and Schedule of City Contributions for Other Postemployment Benefits (OPEB) on pages 93 and 94, and Schedules of City's Proportionate Share of Net Pension Liability and Contributions on pages 95 through 107 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Helena's, basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2023, on our consideration of the City of Helena'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 of Helena's internal control over financial reporting and compliance.

*Junkermier, Clark, Campanella, Stevens, P.C.*

Helena, Montana  
May 3, 2023

# City of Helena, Montana

## Management Discussion and Analysis

June 30, 2022

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 for the fiscal year ending June 30, 2022. 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 - xv of this report.

### Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at fiscal year end June 30<sup>th</sup> by \$341,180,611 (*net position*). Of this amount, \$0 may be used to meet the government's ongoing obligations to citizens and creditors as unrestricted net position was negative (\$5,865,416) and tied up in restricted net position.
- Total net position increased by \$17,084,950 over the prior fiscal year primarily due to an increase of \$12,262,199 in cash and cash equivalents, a decrease in pension liability of (\$8,426,011), and a decrease in accounts payable of (\$1,453,233). Net pension liability decreased largely due to the change in projected and actual earnings. Cash increased primarily due to receipt of ARPA funds.
- As of June 30, the City's governmental funds reported combined ending fund balances of \$48,074,978, an increase of \$10,755,323 from the prior year. Approximately 27.2 percent of this amount, \$13,058,159 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 \$14,863,629, or 90.8 percent of total general fund expenditures.
- The City's total debt increased \$44,905 during the current fiscal year. No new general obligation debt was issued, however revenue bonds in the utilities increased by \$1,180,484.

### 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
- 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 using the accrual basis of accounting, in a manner similar to a private-sector business.

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion of their costs through user fees and charges (business-type activities).

# City of Helena, Montana

## Management Discussion and Analysis

June 30, 2022

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 two separate legal entities in its report, the Business Improvement District, and Tourism Business Improvement District. Although legally separate, these component units are presented because the City is financially accountable for them, and the boards of these entities are appointed by the City Mayor subject to approval by the City Commission. The City Commission also approves the annual budget and assessments charged by each component unit. Further information about the City's component units is presented in the notes to the financial statements.

The government-wide statements can be found beginning on page 18 of this report.

**Fund Financial Statements.** Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. With the implementation of Governmental Accounting Standards Board (GASB) Statement 34, the focus is on major funds rather than fund types. A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A major fund should generally meet both of the following criteria: 1) total assets, liabilities, revenues, or expenditures/expenses are at least 10 percent of the corresponding total (assets, liabilities, etc.) for that fund type (i.e. *governmental* or *enterprise* funds), and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

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

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

Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Streets special revenue funds that are major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

# City of Helena, Montana

## Management Discussion and Analysis

June 30, 2022

The City adopts an annual appropriations budget for all funds. GASB 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 21 of this report.

**Proprietary Funds.** The City maintains two different types of *proprietary* funds: Enterprise and Internal Service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, solid waste, transfer station, parking, golf course, transit (bus), building, and City-County Building operations. *Internal service funds* are used to account for activities performed for other organizational units within the City. The City uses internal service funds to account for its fleet services, copier revolving, property and liability insurance, and health, dental, and vision 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 29 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for assets that are not for the benefit of the government or its component units. For FY2022 the City has one Fiduciary Fund categorized as "Other Fiduciary Activities" or Custodial Fund.

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

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

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

The Custodial Fund is used to account for and report Municipal Court Bond and Restitution assets.

The basic fiduciary fund financial statements can be found on page 37.

**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 40 of this report.

**Other Information.** All required supplementary information other than GASB Statements 68 and 75, Pensions and Other Postemployment Benefits other than Pensions (OPEB) schedules precedes the basic financial statements or is included in the basic financial statements and accompanying notes. Therefore, the only information presented in the section for required supplementary information is information demonstrating funding of our OPEB implied rate subsidy and Pension's liabilities beginning on page 93.

**City of Helena, Montana**  
**Management Discussion and Analysis**  
*June 30, 2022*

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 147.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position over time may serve as a useful indicator of a government's financial position. The net position for the fiscal year ending June 30, 2022, was \$341,180,611 (assets and deferred outflows exceeded liabilities and deferred inflows), which was an increase of \$17,084,950.

The largest portion of the City's net position, \$279,861,490 or 82.0 percent, 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; accordingly, 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:

	<b>City of Helena</b>					
	<b>Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current and other assets	\$51,528,341	\$45,764,791	\$47,661,869	\$36,309,813	\$99,190,210	\$82,074,603
Capital assets	142,197,622	141,381,118	162,818,052	161,310,488	305,015,674	302,691,607
Total assets	<u>193,725,963</u>	<u>187,145,909</u>	<u>210,479,922</u>	<u>197,620,301</u>	<u>404,205,884</u>	<u>384,766,210</u>
Deferred outflows of resources	5,021,329	7,229,835	1,876,186	2,806,395	6,897,514	10,036,230
Long-term liabilities outstanding	21,485,670	28,947,789	26,715,615	28,672,401	48,201,285	57,620,190
Other liabilities	3,528,485	4,883,791	4,419,411	4,997,823	7,947,896	9,881,614
Total liabilities	<u>25,014,155</u>	<u>33,831,580</u>	<u>31,135,026</u>	<u>33,670,224</u>	<u>56,149,180</u>	<u>67,501,804</u>
Deferred inflows of resources	6,651,426	2,113,200	7,122,182	1,091,774	13,773,607	3,204,974
Net position:						
Net investment in capital assets	138,334,845	137,041,118	141,526,645	143,177,781	279,861,490	280,218,899
Restricted	38,392,081	25,625,200	28,792,457	13,280,856	67,184,538	38,906,055
Unrestricted	(9,645,214)	(4,235,354)	3,779,798	9,206,061	(5,865,416)	4,970,707
Total net position	<u>\$167,081,711</u>	<u>\$158,430,964</u>	<u>\$174,098,900</u>	<u>\$165,664,698</u>	<u>\$341,180,611</u>	<u>\$324,095,662</u>

An additional portion of the City's net position, \$67,184,538 or 19.7 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted, (\$5,865,416) or negative 1.7 percent, which was negative at the end of the fiscal year. This is primarily the result of government activities capital commitments of \$25,983,802 and proprietary capital commitments of \$10,156,817 for a total of \$36,140,619 or 10.6 percent of total net position at the end of the fiscal year.

The City's increase in net position of \$17,084,950, is attributed to several factors that are discussed on the following pages.



**City of Helena, Montana**  
**Management Discussion and Analysis**  
*June 30, 2022*

	City of Helena Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
<u>Program Revenues:</u>						
Charges for Services	\$14,796,641	\$19,447,752	\$30,080,444	\$29,983,390	\$44,877,086	\$49,431,142
Operating Grants and Contribution	14,417,774	12,828,359	1,903,796	1,947,065	16,321,570	14,775,424
Capital Grants and Contributions	49,069	32,000	735,000	-	784,069	32,000
<u>General Revenues</u>						
Property Taxes	13,651,843	13,115,613	-	-	13,651,843	13,115,613
Motor Vehicle Taxes	1,210,782	1,153,193	-	-	1,210,782	1,153,193
Grants and Contributions not restricted to specific programs	4,819,847	4,617,261	-	-	4,819,847	4,617,261
Other	346,808	83,041	552,468	91,067	899,276	174,108
<b>Total Revenues</b>	<b>49,292,765</b>	<b>51,277,218</b>	<b>33,271,709</b>	<b>32,021,522</b>	<b>82,564,473</b>	<b>83,298,740</b>
<b>Expenses:</b>						
General Government	5,283,196	2,079,433	-	-	5,283,196	2,079,433
Public Safety	17,953,590	19,442,038	-	-	17,953,590	19,442,038
Public Works	9,300,006	7,791,635	-	-	9,300,006	7,791,635
Public Health	126,375	100,425	-	-	126,375	100,425
Culture and Recreation	5,868,110	5,614,783	-	-	5,868,110	5,614,783
Community Development	1,201,983	1,239,898	-	-	1,201,983	1,239,898
Intergovernmental	-	-	-	-	-	-
Interest on Long-term Debt	121,253	172,394	-	-	121,253	172,394
Water	-	-	6,670,785	7,237,377	6,670,785	7,237,377
Wastewater	-	-	4,238,054	4,491,872	4,238,054	4,491,872
Solid Waste	-	-	3,471,806	3,848,570	3,471,806	3,848,570
Transfer Station	-	-	3,071,589	3,155,076	3,071,589	3,155,076
Parking	-	-	1,731,661	1,839,104	1,731,661	1,839,104
Golf Course	-	-	2,125,520	2,123,950	2,125,520	2,123,950
Bus	-	-	1,730,348	1,698,131	1,730,348	1,698,131
Building	-	-	1,162,583	1,246,675	1,162,583	1,246,675
City-County Admin Building	-	-	1,422,665	1,428,393	1,422,665	1,428,393
<b>Total Expenses</b>	<b>39,854,512</b>	<b>36,440,607</b>	<b>25,625,012</b>	<b>27,069,148</b>	<b>65,479,524</b>	<b>63,509,755</b>
Change in Net Position Before						
Transfers	9,438,252	14,836,612	7,646,697	4,952,374	17,084,949	19,788,986
Transfers	(787,505)	(737,845)	787,505	737,845	-	-
Change in Net Position Before						
Restatement	8,650,747	14,098,767	8,434,202	5,690,218	17,084,949	19,788,986
Net Position - Beginning	158,430,964	144,600,171	165,664,698	159,970,096	324,095,662	304,570,267
Prior Period Adjustment	-	(267,974)	-	4,383	-	(263,591)
<b>Net Position - Ending</b>	<b>\$167,081,711</b>	<b>\$158,430,964</b>	<b>\$174,098,900</b>	<b>\$165,664,698</b>	<b>\$341,180,611</b>	<b>\$324,095,661</b>

**Governmental Activities.** Governmental activities in Fiscal Year 2022 increased the City's net position by \$8,650,747. The key elements of the increase and variances between years are:

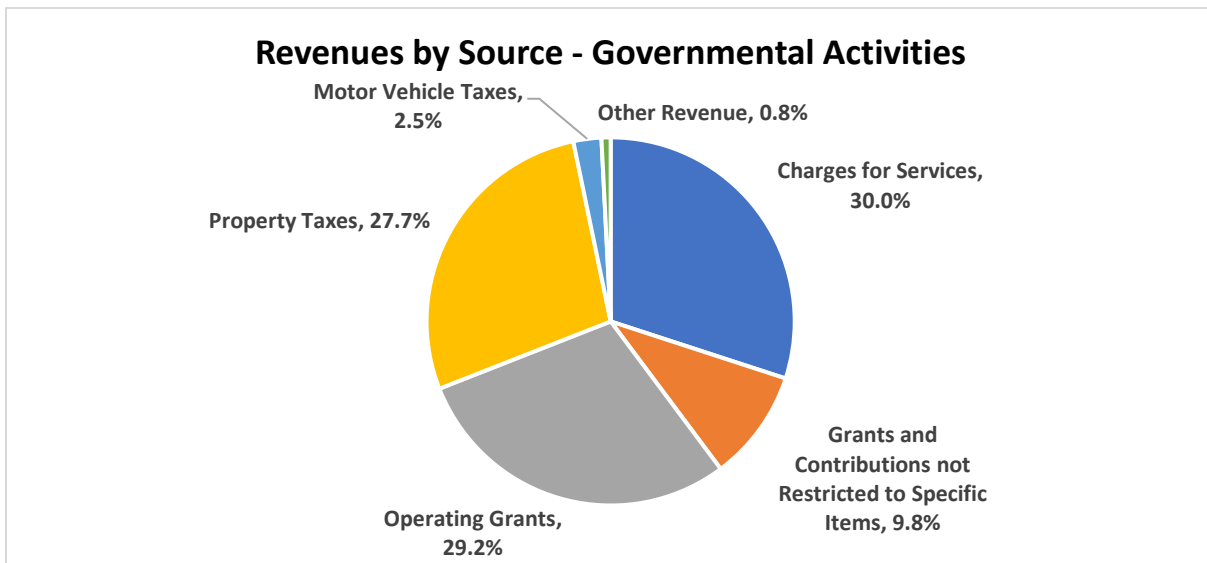
Governmental Revenues:

- Charges for services decreased from the prior year, related to deferred public safety revenue recognized in the prior year of \$4,240,900; however, the city's grant revenue increased by \$1,589,415 or 12.4 percent, with an overall revenue decrease of \$1,984,454 from Fiscal Year 2021. No rate or fee increases were imposed in FY2022.
- The city received \$8,486,600 in Local Government Recovery Funds or American Rescue Plan Act (ARPA) funds. This was unallocated as of the end of the fiscal year.
- HB124 State Entitlement Revenue funds increased by \$95,877 or 2.1 percent from the prior year.

**City of Helena, Montana**  
**Management Discussion and Analysis**  
*June 30, 2022*

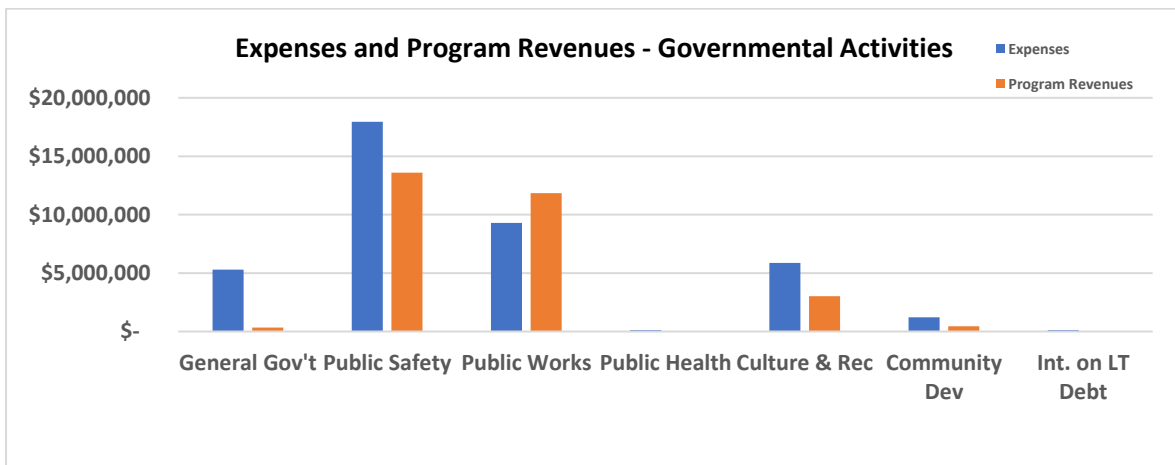
- Property tax revenue increased modestly by \$536,231 or 4.1 percent from the prior year. General property tax levy revenue grows by ½ of the average rate of inflation for the prior three years in addition to new construction. The growth of 4.1 percent is higher than recent trends due to rising taxable values and expanded new construction of commercial and residential buildings.
- Motor vehicle tax state shared revenue increased \$57,589 or 5.0 percent. Montana and Lewis and Clark County are continue seeing an influx of out-of-state relocations registering their vehicles in the state.

The chart below shows the distribution of General Government Revenues by source for Fiscal Year 2022:



Governmental Expenditures:

- General Government Expenditures increased \$3,413,906 from the prior year or 9.4 percent. This was related to normal inflationary adjustments and capital improvements.
- General Government activities revenue and expense by program is displayed in the chart below:



# City of Helena, Montana

## Management Discussion and Analysis

June 30, 2022

**Business-Type Activities.** Business-type activities increased the City's net position by \$8,434,202 or 2.7 percent. Key elements of the increase are:

- The total change in net position of \$8,434,202 was primarily impacted by water and wastewater program revenues over expenses by \$6,490,844. While metered water sales remained stable, sewer service charges increased 64.9 percent over the prior year due to new connections to the system by commercial users.
- Capital assets net of depreciation increased by \$1,507,564 or 0.9 percent. The City has large water and wastewater system projects that were capitalized in FY22, including improvements to the Missouri River Treatment Plant and the Ten Mile Treatment Plant, Groundwater monitoring wells, Hydrant replacements, Wastewater Scum Pump Station improvements, and the Wastewater Digester roof replacement.
- Other proprietary funds outpaced program revenue over expenses by \$603,385.

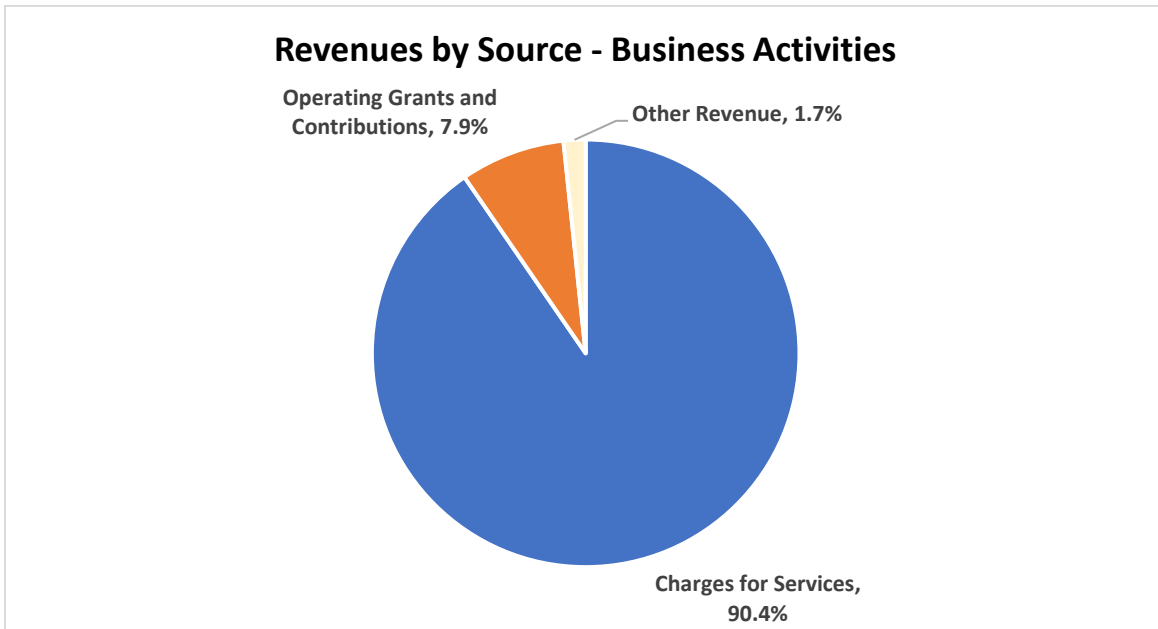
### Business-Type Revenues:

- Water and wastewater charges for services increased modestly by \$500,234 (3.0 percent). There were no rate increases implemented in FY22 for Water and Wastewater services as the City was undergoing a rate study that was not completed or presented to the Commission as of June 30<sup>th</sup>. The water sales increased primarily from another year of drought conditions.
- Transfer station charges for services increased by \$263,775 or 7.5 percent. There were no rate increases in FY22, however the volume of activity saw an increase.
- Golf Course revenues decreased from the prior year by \$119,902 or -7.8 percent from the prior year. The golf course struggled with keeping consistent staff, primarily in the pro-shop and restaurant, which caused intermittent closures.
- After two years of negative impacts from COVID-19, Parking recognized an increase of \$67,795 in revenue or 3.8 percent. Workers increased their onsite presence in the downtown corridor of Helena and shopping and tourism had a great summer season contributing to the parking revenue.
- The City County Buildings receive their funding from rents generated by both the city and the county. In FY22, rental rates increased to both tenants (the City and Lewis & Clark County) which increased revenue by \$328,847 or 21.8 percent. The rental rates needed to be increased primarily to cover capital-related projects in addition to normal inflationary operating expense increases.
- Building permit fees actually decreased from the prior year by (\$158,378) in spite of residential and commercial development continued growth. The prior fiscal year experienced exceptional growth.

# City of Helena, Montana Management Discussion and Analysis

June 30, 2022

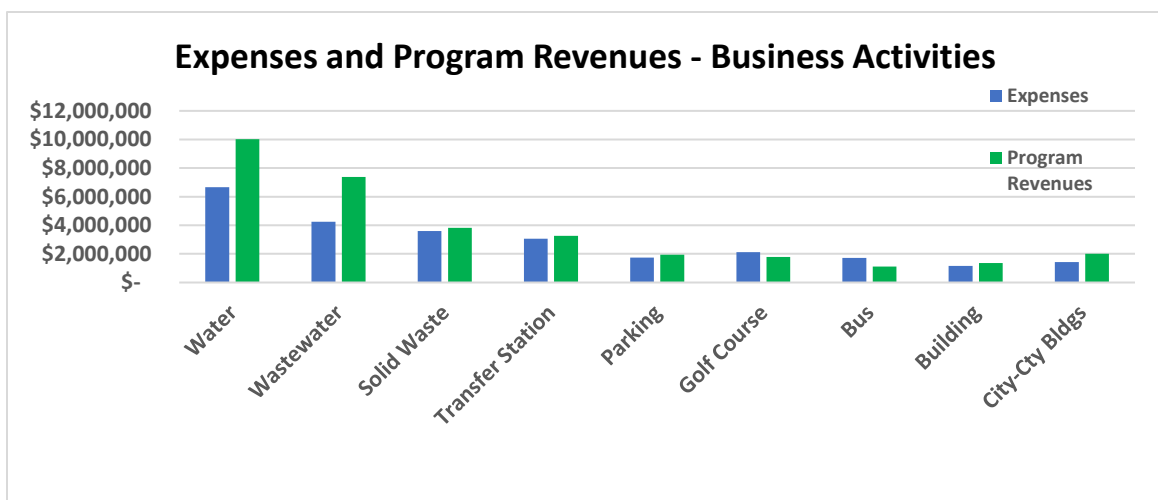
Revenues by source and a comparison of expenses to program revenues are displayed in the charts below:



Business-Type Expenses:

- Total business-like activity program expenses decreased by (\$1,444,137) or negative 5.7 percent which is primarily related to vacancies in staffing. The city has struggled with recruiting and retaining employees. This seems to be a nationwide phenomenon for local governments. The city is making strides to attract employees by enhancing its benefit packages and increasing wages compared to market comparisons.

A chart representing both business type revenues as compared to expenses for FY22 is shown below:



# City of Helena, Montana

## Management Discussion and Analysis

June 30, 2022

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

As of June 30, the City's governmental funds reported combined fund balances of \$48,074,978, an increase of \$10,755,323 in comparison with the prior year. Approximately 27.2 percent of this amount, \$13,058,159, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form, \$1,677,426, 2) restricted for particular purposes, \$4,732,688, 3) committed for a particular purpose, \$8,159,381, or 4) assigned for a particular purpose, \$20,447,324. The primary reason for the increase in fund balance was savings created by claiming American Rescue Act grant funds as revenue loss used for governmental activities. This created General Fund savings over \$8.4 million in public safety expenses and increased cash reserves. The City also experienced extensive staff vacancies in the general fund which created savings that increased cash reserves.

Major changes in fund balance in governmental funds are attributable to:

- The primary reason for the increase in fund balance was savings created by claiming American Rescue Act grant funds as revenue loss used for governmental activities. This created General Fund savings \$8,486,600 million in public safety expenses and increased cash reserves.
- The city experienced extensive staff vacancies in the general fund including engineers, attorneys, finance personnel, community development planners and building officials creating increased cash reserves.

The General fund is the chief operating fund of the City. At June 30, unassigned fund balance was \$13,058,159 while total fund balance was \$16,273,109. 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 90.8 percent of total general fund expenditures, while total fund balance represents approximately 120.6 percent of that same amount. The General fund balance increased \$3,822,696 during the current fiscal year, much of which is related to using ARPA funds as revenue loss for public safety activities.

The Streets fund had an ending fund balance of \$12,955,734, an increase of \$1,884,899 largely due to an increase in capital infrastructure.

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

**City of Helena, Montana**  
**Management Discussion and Analysis**  
*June 30, 2022*

**City's Proprietary Fund Net Position**

	Net Position	% of Net Position	Change in Net Position	% Change in Net Position
Water	\$92,133,849	53.3%	\$3,348,854	40.7%
Wastewater	57,554,340	33.3%	3,561,521	43.3%
Solid Waste	3,179,887	1.8%	106,731	1.3%
Transfer Station	3,869,891	2.2%	435,046	5.3%
Parking	8,562,052	5.0%	231,769	2.8%
Golf Course	401,901	0.2%	(103,053)	-1.3%
Other	7,223,488	4.2%	641,752	7.8%
<b>Total</b>	<b>\$172,925,407</b>	<b>100.0%</b>	<b>\$8,222,619</b>	<b>100.0%</b>

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

- The Water and Wastewater funds increased Total Net Position during FY2022 by 40.7 and 43.3 percent, respectively primarily due to infrastructure improvements and construction in progress increasing Capital Assets.
- Total proprietary operating income added \$4,614,358 to net position of proprietary funds.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget resulted in a net change in fund balance of \$934,900. Revenue budgets were adjusted by \$51,070 as the Commission accepted a state public safety grant. Expenditure budgets were increased by \$588,770 and was comprised of budget carryovers of \$508,770 and an approved transfer to the City/County Fund for tenant improvements of \$80,000. A review of actual expenditures compared to the appropriations in the final budget yields no significant negative variances.

**Capital Asset and Debt Administration**

**Capital Assets.** The City of Helena's investment in capital assets for its governmental and business-type activities as of June 30 was \$305,015,674, which is net of accumulated depreciation. This investment in capital assets include land, intangible assets including leases, buildings, improvements other than buildings, machinery and equipment, construction in progress, and infrastructure. The total increase in the City of Helena's investment in capital assets for the most recent fiscal year was 0.8 percent compared to the prior year.

<b>City's Capital Assets</b> (net of accumulated depreciation)			
	Governmental Activities	Business Type Activities	Totals
Non-depreciable assets:			
Land	\$84,844,395	\$48,264,650	\$133,109,045
Construction in Progress	3,960,653	9,547,867	13,508,520
	<u>88,805,048</u>	<u>57,812,517</u>	<u>146,617,565</u>
Depreciable assets:			
Buildings	3,753,016	25,533,366	29,286,382
Improvements other than buildings	8,376,143	2,032,270	10,408,414
Machinery and equipment	6,967,250	5,465,313	12,432,563
Leased equipment	8,161	35,964	44,126
Infrastructure	34,288,003	71,938,622	106,226,625
	<u>53,392,574</u>	<u>105,005,535</u>	<u>158,398,109</u>
<b>Total Capital Assets</b>	<b><u>\$142,197,622</u></b>	<b><u>\$162,818,052</u></b>	<b><u>\$305,015,674</u></b>

# City of Helena, Montana

## Management Discussion and Analysis

*June 30, 2022*

Major capital asset events during the most recent fiscal year included the reconstruction of streets, water mains, sewer mains and storm drains. Further detail on capital assets is presented in NOTE G beginning on Page 57.

### Long-Term Debt

As of June 30, the City had total debt outstanding of \$22,517,613. Of this amount, \$5,180,000 comprises debt backed by the full faith and credit of the government; \$770,515 for an INTERCAP Loan secured by the General Fund; \$1,644,755 in loans payable; \$6,550,000 in certificates of participation secured solely by the 15<sup>th</sup> Street Parking Garage; and \$6,550,000 in bonds secured solely by specified revenue sources of the water and wastewater funds.

The City's total debt increased by \$44,905 or 0.20 percent, during the current fiscal year. Additional debt was issued for the 2019 Revenue Bonds in Fiscal Year 2022. The water final drawdown was for \$790,490 and the wastewater final drawdown was for \$1,621,934.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5 percent of the total assessed value of taxable property. The current debt limitation for the City is \$107,649,000, 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), beginning on Page 59.

#### City's Outstanding Debt - FYE 6/30/22

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Obligation Bonds	\$3,085,000	\$2,095,000	\$5,180,000
Governmental Commitment	770,515		770,515
Loans Payable		1,644,755	1,644,755
Revenue Bonds		8,372,343	8,372,343
Certificates of Participation		6,550,000	6,550,000
<b>Total</b>	<b>\$3,855,515</b>	<b>\$18,662,098</b>	<b>\$22,517,613</b>

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

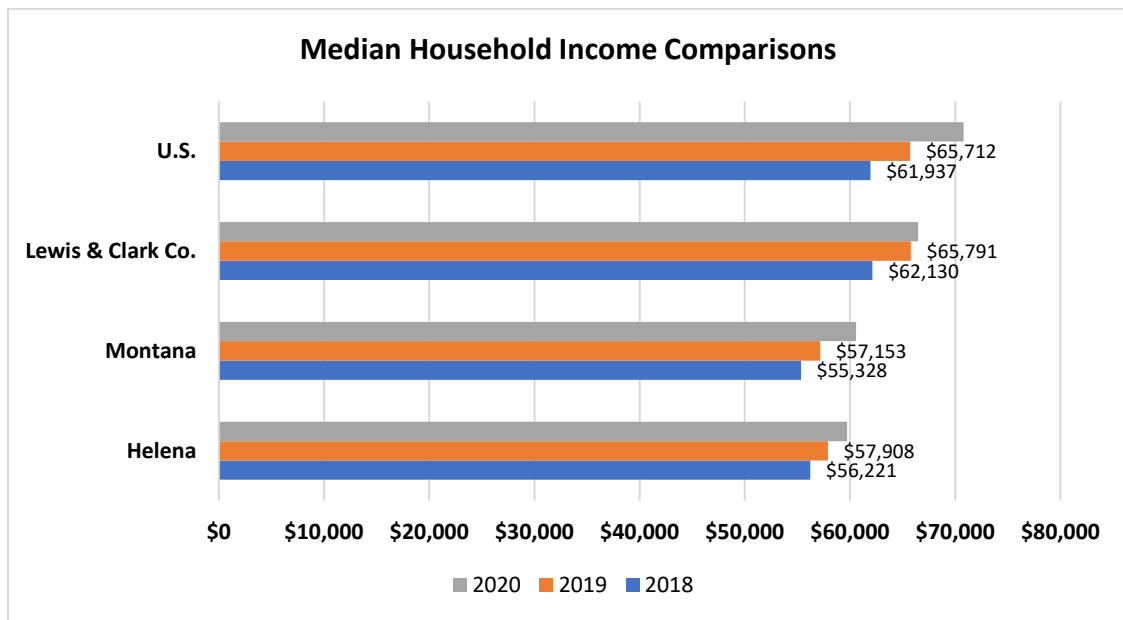
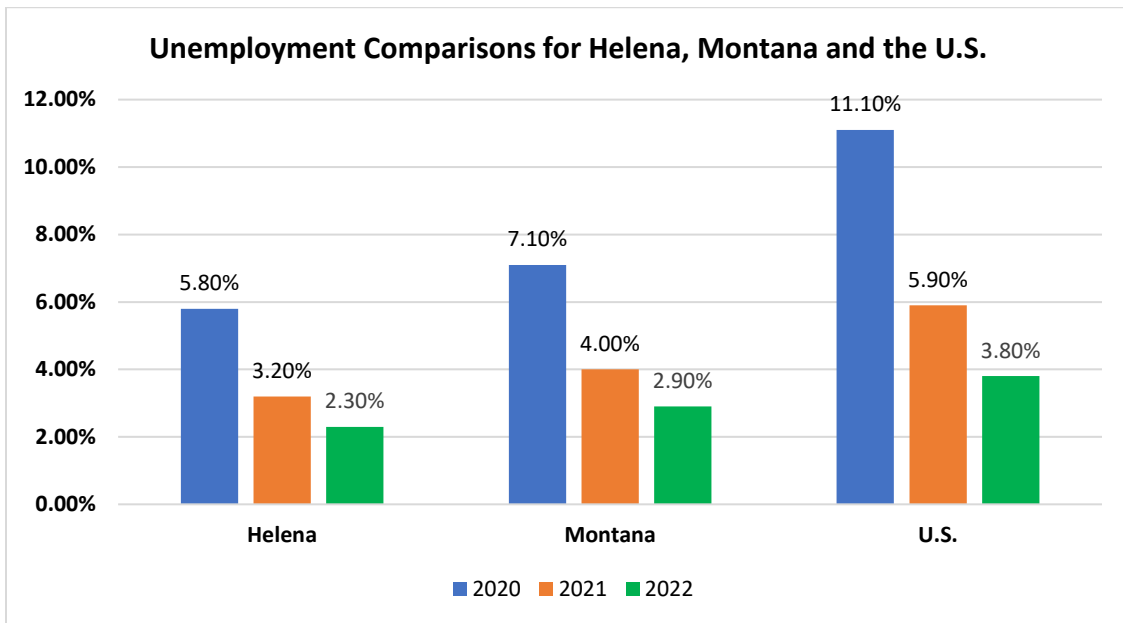
The June 2022 unemployment rate of 2.3 percent for Helena compares favorably to the June 2021 rate of 3.2 percent. Both Helena and the State of Montana were below the national unemployment rate of 3.8 percent in June 2022. The majority of Helena's taxes are generated from real and personal property. Since the State of Montana and the City of Helena do not have sales tax, downturns in the economy have no direct impact on tax revenue.

However, the City of Helena does face future challenges and opportunities including labor shortages fueled in part by the lack of affordable housing, inflationary pressures and the cost-of-living outpacing wages, growth in living wage jobs, homelessness, the shortage of long-term care facilities, and leveraging state and federal funding for needed infrastructure improvements.

# City of Helena, Montana Management Discussion and Analysis

June 30, 2022

Source: MT Dept of Labor and Industries and "DATA USA" and the U.S. Bureau of Labor Statistics.



## Requests for Information

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



## **BASIC FINANCIAL STATEMENTS**

**City of Helena, Montana**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government			Component Units - Governmental Type	
	Governmental	Business-type	Total	Business	Tourism
	Activities	Activities		Improvement	Business
				District	Improvement
				District	District
<b>ASSETS</b>					
Cash and cash equivalents	\$47,490,623	\$35,115,127	\$82,605,750	\$347,058	\$400,540
Receivables (net of allowance for uncollectables)	1,638,283	3,281,758	4,920,041	4,335	68,240
Loans Receivable	1,253,227	4,475,170	5,728,396	-	-
Internal balances	(692,867)	692,867	-	-	-
Inventories	388,861	1,537,271	1,926,132	-	-
<u>Temporarily restricted assets:</u>					
Cash and cash equivalents	1,266,597	1,266,489	2,533,086	-	-
Cash with fiscal agent	-	120	120	-	-
Investments - bond proceeds	-	1,293,067	1,293,067	-	-
Intergovernmental receivable	183,618	-	183,618	-	-
<u>Capital assets (net of accumulated depreciation)</u>					
Nondepreciable	88,805,048	57,812,517	146,617,565	-	-
Depreciable	53,384,412	104,969,571	158,353,984	5,311	1,029
Leases	8,161	35,964	44,126	-	-
Total assets	<u>193,725,963</u>	<u>210,479,922</u>	<u>404,205,884</u>	<u>356,704</u>	<u>469,809</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge - debt refunding	-	478,144	478,144	-	-
<u>Related to other post-employment benefits:</u>					
Changes in assumptions and other inputs	313,627	-	313,627	-	-
<u>Related to pensions:</u>					
Pension contributions subsequent to measurement date	1,732,966	547,352	2,280,319	-	-
Difference between expected and actual experience	385,022	56,066	441,088	-	-
Difference between projected and actual earnings	-	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	103,470	16,457	119,927	-	-
Changes of assumptions	2,486,243	778,166	3,264,409	-	-
Total deferred outflows of resources	<u>5,021,329</u>	<u>1,876,186</u>	<u>6,897,514</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>					
<u>Current liabilities:</u>					
Accounts payable and other current liabilities	1,854,854	2,162,862	4,017,716	4,520	27,353
Accrued interest	50,751	162,038	212,790	-	-
Unearned revenue	-	-	-	-	67,467
<u>Noncurrent liabilities:</u>					
<u>Due within one year:</u>					
Compensated absences	1,080,623	453,935	1,534,558	5,596	6,877
Debt	535,800	1,523,670	2,059,470	-	-
Landfill postclosure costs	-	109,688	109,688	-	-
Lease payable	6,457	7,217	13,674	-	-
<u>Due in more than one year:</u>					
Compensated absences	1,121,371	471,051	1,592,423	3,731	4,585
Debt	3,319,714	17,138,429	20,458,143	-	-
Landfill postclosure costs	-	1,755,011	1,755,011	-	-
Lease payable	806	28,083	28,889	-	-
Net pension liability	12,055,896	5,253,666	17,309,562	-	-
Other postemployment benefits	4,987,882	2,069,374	7,057,257	-	-
Total liabilities	<u>25,014,155</u>	<u>31,135,026</u>	<u>56,149,180</u>	<u>13,847</u>	<u>106,282</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	10,823	4,400,520	4,411,343	-	-
<u>Related to other post-employment benefits:</u>					
Differences between expected and actual experience	1,222,709	513,121	1,735,830	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,609	42,195	90,804	-	-
<u>Related to pensions:</u>					
Difference between expected and actual experience	97,720	38,031	135,751	-	-
Difference between projected and actual earnings	4,932,496	2,128,314	7,060,810	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	339,069	-	339,069	-	-
Total deferred inflows of resources	<u>6,651,426</u>	<u>7,122,182</u>	<u>13,773,607</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	138,334,845	141,526,645	279,861,490	5,311	1,029
<u>Restricted for:</u>					
General government	3,313,420	-	3,313,420	-	-
Public safety	488,088	-	488,088	-	-
Public works	2,321,813	-	2,321,813	-	-
Culture and recreation	2,863,786	-	2,863,786	-	-
Community development	632,197	-	632,197	-	-
Special improvement districts	851,092	-	851,092	-	-
Debt service	1,536,616	19,928,707	21,465,323	-	-
Capital projects	26,385,069	8,863,750	35,248,819	-	-
Unrestricted	(9,645,214)	3,779,798	(5,865,416)	337,546	362,497
Total net position	<u>\$167,081,711</u>	<u>\$174,098,900</u>	<u>\$341,180,611</u>	<u>\$342,857</u>	<u>\$363,527</u>

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

**City of Helena, Montana**  
**STATEMENT OF ACTIVITIES**  
*For the fiscal year ended June 30, 2022*  
(1 of 2)

<b>Program Revenues</b>				
<b>Primary Government</b>				
FUNCTIONS / PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General government	\$5,283,196	\$182,246	\$157,905	\$ -
Public safety	17,953,590	642,810	12,955,802	-
Public works	9,300,006	11,071,671	758,332	-
Public health	126,375	27,827	7,520	-
Culture and recreation	5,868,110	2,478,951	487,559	49,069
Community development	1,201,983	393,137	50,656	-
Intergovernmental	-	-	-	-
Interest on long-term debt	121,253	-	-	-
Total governmental activities	39,854,512	14,796,641	14,417,774	49,069
Business-type activities:				
Water	6,670,785	9,928,870	93,342	-
Waste water	4,238,054	6,579,051	63,420	735,000
Solid waste	3,471,806	3,786,056	41,704	-
Transfer station	3,071,589	2,824,940	445,624	-
Parking	1,731,661	1,922,175	28,066	-
Golf course	2,125,520	1,753,055	36,704	-
Bus	1,730,348	21,528	1,094,935	-
Building	1,162,583	1,315,025	41,498	-
City-county administration building	1,422,665	1,949,743	58,503	-
Total business-type activities	25,625,012	30,080,444	1,903,796	735,000
Total Primary Government	\$65,479,524	\$44,877,086	\$16,321,570	\$784,069
<b>Component Units:</b>				
Business improvement district	\$284,847	\$396,889	\$ -	\$ -
Toursim business improvement dist.	\$495,891	\$247,117	\$ -	\$ -

General Revenues:

Property taxes  
Motor vehicle taxes  
Grants and contributions not restricted to specific programs  
Unrestricted investment earnings  
Gain on sale of capital assets  
Insurance settlements  
Transfers  
Total general revenues and transfers

Change in net position

Net position, beginning of the year

**Net position, end of the year**

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

**City of Helena, Montana**  
**STATEMENT OF ACTIVITIES**  
*For the fiscal year ended June 30, 2022*  
(2 of 2)

<b>Net (Expenses) Revenue and Changes in Net Position</b>				
<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-type activities</b>	<b>Total</b>	<b>Business Improvement District</b>	<b>Tourism Business Improvement District</b>
(\$4,943,045)	\$ -	(\$4,943,045)		
(4,354,978)	-	(4,354,978)		
2,529,997	-	2,529,997		
(91,029)	-	(91,029)		
(2,852,531)	-	(2,852,531)		
(758,190)	-	(758,190)		
-	-	-		
(121,253)	-	(121,253)		
(10,591,028)	-	(10,591,028)		
-	3,351,427	3,351,427		
-	3,139,417	3,139,417		
-	355,954	355,954		
-	198,975	198,975		
-	218,581	218,581		
-	(335,761)	(335,761)		
-	(613,885)	(613,885)		
-	193,940	193,940		
-	585,580	585,580		
-	7,094,229	7,094,229		
(10,591,028)	7,094,229	(\$3,496,799)		
			\$112,042	
				(\$248,774)
\$13,651,843	\$ -	\$13,651,843	\$ -	\$ -
1,210,782	-	1,210,782	-	-
4,819,847	-	4,819,847	-	-
114,415	94,801	209,216	-	-
80,441	72,028	152,469	-	-
151,952	385,639	537,591	-	-
(787,505)	787,505	-	-	-
19,241,775	\$1,339,973	20,581,748	-	-
8,650,747	8,434,202	17,084,949	112,042	(248,774)
158,430,964	165,664,698	324,095,662	230,815	612,301
<b>\$167,081,711</b>	<b>\$174,098,900</b>	<b>\$341,180,611</b>	<b>\$342,857</b>	<b>\$363,527</b>

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

**City of Helena, Montana**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
*June 30, 2022*

	<u>General Fund</u>	<u>Streets Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$16,984,885	\$12,767,272	\$17,726,881	\$47,479,038
Receivables (net of allowance for uncollectables)	643,479	378,146	625,654	1,647,280
Loans Receivable	-	-	1,240,739	1,240,739
Inventories	28,468	360,393	-	388,861
<u>Restricted assets:</u>				
Intergovernmental receivable	183,618	-	-	183,618
Total assets	<u>17,840,449</u>	<u>13,505,811</u>	<u>19,593,274</u>	<u>50,939,535</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	1,419,264	265,322	352,656	2,037,242
Interest Payable	-	8,996	50,725	59,721
Total liabilities	<u>1,419,264</u>	<u>274,318</u>	<u>403,381</u>	<u>2,096,963</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred In-Flow of Resources - Taxes & Assessments	148,076	275,759	343,759	767,593
Total deferred inflows of resources	<u>148,076</u>	<u>275,759</u>	<u>343,759</u>	<u>767,593</u>
<b>FUND BALANCES</b>				
Non spendable	1,317,033	360,393	-	1,677,426
Restricted	92,447	311,435	4,328,806	4,732,688
Committed	1,426,620	5,054,153	1,678,608	8,159,381
Assigned	378,850	7,229,753	12,838,721	20,447,324
Unassigned	13,058,159	-	-	13,058,159
Total fund balances	<u>16,273,109</u>	<u>12,955,734</u>	<u>18,846,135</u>	<u>48,074,978</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b><u>\$17,840,449</u></b>	<b><u>\$13,505,811</u></b>	<b><u>\$19,593,275</u></b>	<b><u>\$50,939,535</u></b>

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, 2022*

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

<b>Total ending fund balance:</b>		\$48,074,978
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land and construction in progress	88,805,048	
Buildings, improvements, and equipment (net)	19,096,409	
Infrastructure (net)	34,288,003	142,189,461
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred in-flow of resources in the funds.		
Deferred in-flow of resources-taxes		767,593
Internal service funds are used by management to charge the costs of the copier revolving and insurance, and fleet services to individual funds. The assets and liabilities of these internal service funds are included in the governmental activities in the statement of net position.		780,164
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds/Loans payable	(3,855,514)	
Leases Payable	(7,263)	
Compensated absences	(2,201,994)	
Other postemployment benefits	(4,987,882)	
Net pension liability	(12,055,896)	(23,108,549)
Deferred inflows and outflows which are not payable or receivable in the current		
Deferred Outflows	5,021,329	
Deferred Inflows	(6,651,426)	(1,630,097)
<b>Net position of governmental activities</b>		<b>\$167,081,711</b>

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**  
**GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2022*

	<u>Special Revenue</u>			<b>Total Governmental</b>
	<u>General</u>	<u>Streets</u>	<u>Other Governmental</u>	
<b>REVENUES</b>				
<u>Taxes:</u>				
Property	\$11,527,047	\$ -	\$2,104,192	\$13,631,239
Motor Vehicle	1,210,782	-	-	1,210,782
Penalties and interest	16,668	-	3,156	19,824
Special Assessments	-	7,124,132	4,352,119	11,476,251
Licenses and permits	574,104	51,088	18,392	643,584
Intergovernmental	5,254,637	611,627	11,095,368	16,961,632
Charges for services	694,415	-	1,470,414	2,164,828
Fines	397,311	1,668	-	398,979
Interest earnings	17,607	31,914	78,881	128,401
Contributions and donations	9,360	-	39,709	49,069
Miscellaneous	23,345	33,471	27,233	84,049
Total Revenues	<u>19,725,275</u>	<u>7,853,899</u>	<u>19,189,464</u>	<u>46,768,638</u>
<b>EXPENDITURES</b>				
<u>Current:</u>				
General government	4,457,974	-	-	4,457,974
Public safety	5,134,670	-	10,315,468	15,450,138
Public works	856,761	4,874,741	1,508,515	7,240,016
Public health	31,267	-	39,299	70,566
Culture and recreation	2,284,486	-	3,244,387	5,528,873
Community development	713,984	-	465,817	1,179,802
<u>Debt service:</u>				
Principal	3,154	-	487,741	490,894
Interest	(365)	8,996	112,595	121,227
Capital outlay	15,085	2,686,893	998,234	3,700,212
Total expenditures	<u>13,497,017</u>	<u>7,570,629</u>	<u>17,172,057</u>	<u>38,239,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,228,258</u>	<u>283,270</u>	<u>2,017,407</u>	<u>8,528,935</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issuance/Settlements	14,950	1,600,000	-	1,614,950
Sale of capital assets	12,753	41,200	43,450	97,403
Insurance settlements	7,326	-	129,676	137,002
Transfers in	1,844,764	9,755	3,576,020	5,430,539
Transfers out	(4,285,356)	(49,326)	(718,825)	(5,053,507)
Total other financing sources (uses)	<u>(2,405,563)</u>	<u>1,601,629</u>	<u>3,030,321</u>	<u>2,226,387</u>
Net change in fund balances	3,822,695	1,884,899	5,047,728	10,755,322
Fund balances - beginning	12,450,414	11,070,836	13,798,407	37,319,657
<b>Fund balances - ending</b>	<b><u>\$16,273,109</u></b>	<b><u>\$12,955,735</u></b>	<b><u>\$18,846,135</u></b>	<b><u>\$48,074,979</u></b>

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 fiscal year ended June 30, 2022*

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

**Net change in fund balances - total governmental funds** \$10,755,322

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 and other changes in the current period.

Capital Asset capitalized	3,700,212	
Depreciation / Amortization expense	(2,946,529)	
Insurance proceeds on disposal of asset	<u>(7,326)</u>	
		746,356

Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.

Long-term receivables	(1,612,488)	
Pension contributions from state	<u>2,275,989</u>	
		663,501

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 position. This amount is the difference in the treatment of long-term debt.

Principal payments	490,894	
Issuance of LT-Debt	<u>-</u>	
		490,894

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.

Accounts/Lease Payable	(1,124,345)	
Compensated absences	(113,722)	
Other post-employment benefits	(418,069)	
Pension accruals	(1,636,611)	
Prepaid Interest/Interest Accrual	<u>(8,996)</u>	
		(3,301,742)

Internal service funds are used by management to charge the costs of copier revolving and insurance activities to individual funds.

(703,584)

**Change in net position of governmental activities**

**\$8,650,747**

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 - GENERAL FUND**  
**BUDGET AND ACTUAL (BUDGET BASIS)**

*For the fiscal year ended June 30, 2022*

(1 of 2)

	General			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<u>Taxes:</u>				
Property	\$11,588,000	\$11,588,000	\$11,527,047	\$60,953
Motor Vehicle	1,082,000	1,082,000	1,210,782	(128,782)
Penalties and interest	18,000	18,000	16,668	1,332
<u>Licenses and permits:</u>				
Alcoholic beverages	48,000	48,000	53,055	(5,055)
General business	528,000	528,000	494,155	33,845
Animal licenses	30,000	30,000	25,869	4,131
Other permits	1,000	1,000	1,025	(25)
<u>Intergovernmental:</u>				
Federal grants	350,000	350,000	427,870	(77,870)
State grants	-	51,070	41,000	10,070
State shared revenues	4,754,100	4,754,100	4,770,902	(16,802)
Other governments	2,000	2,000	6,286	(4,286)
Local payments in lieu of taxes	20,000	20,000	8,579	11,421
<u>Charges for services:</u>				
Public safety	216,700	216,700	497,294	(280,594)
Public works	19,000	19,000	500	18,500
Public health	1,000	1,000	-	1,000
Culture and recreation	186,675	186,675	171,921	14,754
Community development	3,500	3,500	5,700	(2,200)
Intra city	-	-	19,000	(19,000)
Fines - city court	491,000	491,000	397,311	93,689
Investment earnings	20,000	20,000	17,607	2,393
Interfund reimbursements	3,625,990	3,625,990	3,623,574	2,416
Contributions and donations	40,000	40,000	9,360	30,640
Miscellaneous	25,000	25,000	23,345	1,655
<b>Total Revenues</b>	<b>23,049,965</b>	<b>23,101,035</b>	<b>23,348,849</b>	<b>(247,814)</b>
<b>EXPENDITURES</b>				
<u>General government:</u>				
Legislative				
Personal services	307,616	307,616	303,002	4,614
Supplies/services/materials	533,825	942,229	949,253	(7,024)
Executive				
Personal services	593,345	593,345	495,947	97,398
Supplies/services/materials	407,616	257,128	213,583	43,545
Judicial				
Personal services	529,691	528,913	532,551	(3,638)
Supplies/services/materials	134,520	216,986	123,881	93,105
Administrative services				
Personal services	313,143	313,143	317,186	(4,043)
Supplies/services/materials	80,641	119,441	64,471	54,970
Financial services				
Personal services	690,071	690,071	656,271	33,800
Supplies/services/materials	420,469	420,469	459,954	(39,485)
Human Resources				
Personal services	395,721	395,721	389,822	5,899
Supplies/services/materials	163,689	163,689	109,520	54,169
Legal services				
Personal services	858,573	858,573	833,496	25,077
Supplies/services/materials	276,331	276,331	231,823	44,508
Total general government	5,705,251	6,083,655	5,680,759	402,896

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 - GENERAL FUND**  
**BUDGET AND ACTUAL (BUDGET BASIS)**

*For the fiscal year ended June 30, 2022*

(2 of 2)

	General			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>EXPENDITURES, continued</b>				
<u>Public safety:</u>				
Law enforcement and judicial				
Personal services	\$6,098,377	\$6,146,447	\$835,376	\$5,311,071
Supplies/services/materials	1,394,970	1,407,470	1,199,446	208,025
Fire protection				
Personal services	5,044,971	5,044,971	2,394,323	2,650,648
Supplies/services/materials	724,099	843,895	705,526	138,369
Total public safety	<u>13,262,417</u>	<u>13,442,783</u>	<u>5,134,670</u>	<u>8,308,113</u>
<u>Public works:</u>				
Public works administration				
Personal services	1,421,630	1,421,630	1,055,687	365,943
Supplies/services/materials	248,751	248,751	222,806	25,945
Total public works	<u>1,670,381</u>	<u>1,670,381</u>	<u>1,278,493</u>	<u>391,888</u>
<u>Public health:</u>				
Animal Control				
Personal services	184,119	184,119	9,559	174,560
Supplies/services/materials	36,438	36,438	21,707	14,731
Total public health	<u>220,557</u>	<u>220,557</u>	<u>31,267</u>	<u>189,290</u>
<u>Culture and recreation:</u>				
Parks				
Personal services	1,535,975	1,535,975	1,378,303	157,672
Supplies/services/materials	1,070,273	1,070,273	963,569	106,704
Total culture and recreation	<u>2,606,248</u>	<u>2,606,248</u>	<u>2,341,872</u>	<u>264,376</u>
<u>Community development:</u>				
Administration and planning:				
Personal services	565,430	565,430	504,518	60,912
Supplies/services/materials	285,206	315,206	209,467	105,739
Total community development	<u>850,636</u>	<u>880,636</u>	<u>713,984</u>	<u>166,652</u>
<b>Total expenditures</b>	<u>24,315,490</u>	<u>24,904,260</u>	<u>15,181,045</u>	<u>9,723,215</u>
Revenues over (under) expenditures	<u>(1,265,525)</u>	<u>(1,803,225)</u>	<u>8,167,804</u>	<u>(9,971,029)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debit issuance/Settlements	-	-	14,950	(14,950)
Sale of capital assets	10,000	10,000	23,976	(13,976)
Compensation for Loss on Property	-	-	7,326	(7,326)
Transfers in	1,022,598	705,598	1,844,764	(1,139,166)
Transfers out	4,066,651	5,805,196	(4,285,356)	10,090,552
Total other financing sources (uses)	<u>5,099,249</u>	<u>6,520,794</u>	<u>(2,394,340)</u>	<u>8,915,134</u>
Net change in fund balances	<u><b>\$3,833,724</b></u>	<u><b>\$4,717,569</b></u>	<u><b>5,773,464</b></u>	<u><b>(\$1,055,895)</b></u>
Fund balances - beginning			10,649,750	
<b>Fund balances - ending</b>			<u><b>\$16,423,214</b></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 - STREETS FUND**  
**BUDGET AND ACTUAL (BUDGET BASIS)**  
*For the fiscal year ended June 30, 2022*

	Streets			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$7,208,000	\$7,208,000	\$7,124,132	(\$83,868)
Licenses and permits	40,000	40,000	51,088	11,088
Intergovernmental				
State grants	1,256,925	1,256,925	32,354	(1,224,571)
State shared revenues	-	-	580,537	580,537
Other governments	-	-	-	-
Local payments in lieu of taxes	30,495	30,495	31,090	595
Charges for services:	3,500	3,500	1,668	(1,832)
Investment earnings	13,500	13,500	31,914	18,414
Miscellaneous	16,000	16,000	1,117	(14,883)
<b>Total Revenues</b>	<b>8,568,420</b>	<b>8,568,420</b>	<b>7,853,899</b>	<b>(714,521)</b>
<b>EXPENDITURES</b>				
Public works				
Personal services	2,166,931	2,166,931	2,073,536	(93,395)
Supplies/services/materials	4,052,043	5,186,903	2,801,022	(2,385,881)
Capital outlay	7,607,510	12,516,962	2,686,893	(9,830,069)
<b>Total expenditures</b>	<b>13,826,484</b>	<b>19,870,796</b>	<b>7,561,450</b>	<b>(12,309,346)</b>
Revenues over (under) expenditures	(5,258,064)	(11,302,376)	292,449	11,594,825
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issuance	2,900,000	2,900,000	1,600,000	(1,300,000)
Sale of capital assets	-	-	41,200	41,200
Transfers in	9,755	9,755	9,755	-
Transfers out	-	-	(49,326)	(49,326)
Total other financing sources (uses)	2,909,755	2,909,755	1,601,629	(1,308,126)
Net change in fund balances	<b>(\$2,348,309)</b>	<b>(\$8,392,621)</b>	<b>1,894,078</b>	<b>\$10,286,699</b>
Fund balances - beginning			10,794,408	
<b>Fund balances - ending</b>			<b>\$12,688,486</b>	

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



**City of Helena, Montana**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2022*  
(1 of 2)

	Water	Wastewater	Solid Waste	Transfer Station
<b>ASSETS</b>				
<u>Current assets:</u>				
Cash and cash equivalents	\$17,114,266	\$5,865,520	\$4,482,020	\$2,602,136
Receivables (net of allowance for uncollectables)	1,309,988	601,510	192,028	141,145
Lease Receivable	-	-	-	-
Lease Interest Receivable	-	-	-	-
Loans receivable	92,621	210,647	-	-
Inventories	997,345	164,229	81,929	-
<u>Restricted assets:</u>				
Cash-revenue bond accounts	1,107,669	185,398	-	-
Restricted investments	-	1,266,489	-	-
Cash with fiscal agent	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total current assets	<u>20,621,888</u>	<u>8,293,793</u>	<u>4,755,977</u>	<u>2,743,281</u>
<u>Noncurrent assets:</u>				
Lease Receivable	-	-	-	-
<u>Capital assets</u>				
Land	26,232,439	18,775,228	37,170	-
Buildings and system	6,503,210	12,732,852	518,737	3,281,626
Improvements other than buildings	1,513,265	360,031	152,280	382,178
Machinery and equipment	5,080,176	2,870,447	3,660,847	2,362,409
Infrastructure	130,282,250	61,919,217	-	-
Construction in progress	3,635,512	5,076,393	216,023	170,514
Less: accumulated depreciation	(91,962,842)	(49,102,733)	(3,321,299)	(3,868,199)
Intangible Lease Asset	-	-	-	-
Less: accumulated amortization	-	-	-	-
Total noncurrent assets	<u>81,284,010</u>	<u>52,631,433</u>	<u>1,263,759</u>	<u>2,328,529</u>
Total assets	<u>101,905,898</u>	<u>60,925,226</u>	<u>6,019,736</u>	<u>5,071,810</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge - debt refunding	-	-	-	-
<u>Related to pensions:</u>				
Contributions subsequent to measurement date	114,958	78,107	50,315	56,189
Difference between expected and actual experience	11,775	8,001	5,154	5,756
Changes in assumptions	163,434	111,044	71,533	79,884
Change in Prop Contributions vs Share	3,456	2,348	1,513	1,689
Total deferred outflows of resources	<u>293,624</u>	<u>199,500</u>	<u>128,515</u>	<u>143,518</u>
<b>LIABILITIES</b>				
<u>Current Liabilities:</u>				
Accounts payable	735,795	364,149	116,724	196,067
Customer deposits	156,178	303	8,255	-
Accrued interest	76,406	12,338	-	-
Compensated absences	123,068	53,669	52,428	51,311
Lease Payables	-	-	-	-
Loans	-	-	-	-
General obligation bonds	-	-	-	-
Certificates of participation	-	-	-	-
Revenue bonds	732,112	113,000	-	-
Landfill post closure costs	-	-	109,688	-
Total current liabilities	<u>1,823,558</u>	<u>543,459</u>	<u>287,094</u>	<u>247,379</u>
<u>Noncurrent Liabilities:</u>				
Compensated absences	127,709	55,693	54,405	53,246
Loans	-	-	-	-
General obligation bonds	-	-	-	-
Certificates of participation	-	-	-	-
Revenue bonds	6,010,000	1,517,231	-	-
Landfill post closure costs	-	-	1,755,011	-
Net pension liability	1,103,402	749,695	482,943	539,324
Other postemployment benefits	429,770	319,505	141,254	227,214
Lease Payable	-	-	-	-
Total noncurrent liabilities	<u>7,670,881</u>	<u>2,642,124</u>	<u>2,433,613</u>	<u>819,784</u>
Total liabilities	<u>9,494,439</u>	<u>3,185,583</u>	<u>2,720,707</u>	<u>1,067,163</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases-Deferred Inflow of Resources	-	-	-	-
<u>Related to other postemployment benefits:</u>				
Differences between expected and actual experience contributions and proportionate share of contributions	107,402	69,971	44,793	51,674
	8,845	5,696	3,723	4,211
<u>Related to pensions:</u>				
Difference between expected and actual earnings	446,999	303,709	195,645	218,486
Difference between expected and actual experience	7,987	5,427	3,496	3,904
Total deferred inflows of resources	<u>571,234</u>	<u>384,803</u>	<u>247,657</u>	<u>278,275</u>
<b>NET POSITION</b>				
Net investment in capital assets	75,649,567	51,186,600	1,263,759	2,328,529
<u>Restricted for:</u>				
Debt service	-	1,266,489	-	-
Unrestricted	16,484,282	5,101,251	1,916,128	1,541,362
Total net position	<u>\$92,133,849</u>	<u>\$57,554,340</u>	<u>\$3,179,887</u>	<u>\$3,869,891</u>
Adjustment to reflect the consolidation of fleet services internal service fund activities related to enterprise funds				
<b>Net position of business-type activities</b>				

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

**City of Helena, Montana**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2022*  
(2 of 2)

<u>Parking</u>	<u>Golf Course</u>	<u>Other</u>	<u>Total</u>	<u>Internal Service</u>
\$681,506	\$191,397	\$3,464,820	\$34,401,664	\$1,901,645
-	-	156,324	2,400,995	120,395
219,081	-	-	219,081	-
44,093	-	-	44,093	-
-	-	-	303,268	-
16,918	247,419	-	1,507,840	29,431
-	-	-	1,293,067	-
-	-	-	1,266,489	90,000
120	-	-	120	-
-	-	497,194	497,194	-
<u>961,717</u>	<u>438,816</u>	<u>4,118,337</u>	<u>41,933,811</u>	<u>2,141,471</u>
4,171,902	-	-	4,171,902	-
2,602,825	83,000	446,988	48,177,650	87,000
14,852,829	2,135,829	7,638,838	47,663,921	835,638
179,915	2,361,782	511,690	5,461,142	153,925
1,228,373	1,026,964	1,686,195	17,915,411	192,734
-	-	-	192,201,466	-
-	-	449,425	9,547,867	-
(3,456,972)	(2,665,382)	(4,015,676)	(158,393,102)	(1,050,080)
-	-	37,184	37,184	-
-	-	(1,219)	(1,219)	-
<u>19,578,873</u>	<u>2,942,193</u>	<u>6,753,425</u>	<u>166,782,221</u>	<u>219,217</u>
<u>20,540,590</u>	<u>3,381,009</u>	<u>10,871,762</u>	<u>208,716,031</u>	<u>2,360,688</u>
478,144	-	-	478,144	-
34,565	45,204	137,494	516,833	30,519
3,541	4,630	14,084	52,940	3,126
49,141	64,267	195,474	734,777	43,389
1,039	1,359	4,134	15,539	918
<u>566,431</u>	<u>115,460</u>	<u>351,186</u>	<u>1,798,234</u>	<u>77,952</u>
41,794	90,971	231,221	1,776,721	(147,637)
-	161,752	-	326,488	-
48,400	19,362	5,533	162,038	-
11,919	22,115	120,672	435,182	18,752
-	-	7,217	7,217	-
51,302	28,943	98,313	178,558	-
85,000	95,000	-	180,000	-
320,000	-	-	320,000	-
-	-	-	845,112	-
-	-	-	109,688	-
<u>558,415</u>	<u>418,144</u>	<u>462,956</u>	<u>4,341,005</u>	<u>(128,885)</u>
12,369	22,949	125,222	451,592	19,459
411,341	210,885	843,971	1,466,198	-
270,000	1,645,000	-	1,915,000	-
6,230,000	-	-	6,230,000	-
-	-	-	7,527,231	-
-	-	-	1,755,011	-
331,770	433,886	1,319,714	4,960,733	292,933
153,013	149,772	523,358	1,943,888	125,487
-	-	28,083	28,083	-
<u>7,408,493</u>	<u>2,462,492</u>	<u>2,840,349</u>	<u>26,277,735</u>	<u>437,880</u>
<u>7,966,909</u>	<u>2,880,635</u>	<u>3,303,305</u>	<u>30,618,741</u>	<u>308,995</u>
4,400,520	-	-	4,400,520	-
37,639	32,326	140,400	484,206	28,915
3,096	2,694	11,573	39,837	2,358
134,404	175,772	534,630	2,009,644	118,670
2,402	3,141	9,553	35,910	2,121
<u>4,578,060</u>	<u>213,933</u>	<u>696,155</u>	<u>6,970,117</u>	<u>152,064</u>
			141,318,911	
4,116,951	962,364	5,811,141	141,318,911	219,217
3,922,496	-	-	5,188,985	-
522,605	(560,463)	1,412,347	26,417,510	1,758,365
<u>\$8,562,052</u>	<u>\$401,901</u>	<u>\$7,223,488</u>	<u>172,925,407</u>	<u>\$1,977,582</u>
			1,173,493	
			<u>\$174,098,900</u>	

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

**City of Helena, Montana**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(1 of 2)**

	<b>Business-Type Activities Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Transfer Station</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$9,888,632	\$6,578,742	\$3,693,147	\$2,824,626
Other	40,238	310	92,910	314
Total operating revenues	<u>9,928,870</u>	<u>6,579,051</u>	<u>3,786,056</u>	<u>2,824,940</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,935,597	1,293,714	839,053	1,018,467
Maintenance and operations	2,628,960	1,858,201	2,252,777	1,791,948
Depreciation	2,006,471	1,099,348	398,081	285,972
Total operating expenses	<u>6,571,029</u>	<u>4,251,263</u>	<u>3,489,910</u>	<u>3,096,386</u>
Operating Income (loss)	<u>3,357,842</u>	<u>2,327,789</u>	<u>296,146</u>	<u>(271,446)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	93,342	798,420	41,704	445,624
Investment earnings	47,036	17,281	11,669	6,944
Interest expense	(152,593)	(13,440)	-	-
Sale of capital assets	10,375	43,450	-	-
Total nonoperating revenue (expenses)	<u>(1,840)</u>	<u>845,712</u>	<u>53,373</u>	<u>452,568</u>
Income (loss) before contributions and transfers	3,356,001	3,173,500	349,519	181,122
Insurance Settlements	-	379,066	-	-
Transfers in	12,853	8,954	32,212	283,260
Transfers out	(20,000)	-	(275,000)	(29,336)
Change in net position	<u>3,348,854</u>	<u>3,561,521</u>	<u>106,731</u>	<u>435,046</u>
Total net position - beginning	<u>88,784,994</u>	<u>53,992,820</u>	<u>3,073,156</u>	<u>3,434,845</u>
<b>Total net position - ending</b>	<b><u>\$92,133,848</u></b>	<b><u>\$57,554,341</u></b>	<b><u>\$3,179,887</u></b>	<b><u>\$3,869,891</u></b>

**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 funds 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.

**City of Helena, Montana**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(2 of 2)**

<b>Business-Type Activities Enterprise Funds</b>				
<b>Parking</b>	<b>Golf Course</b>	<b>Other</b>	<b>Total</b>	<b>Internal Service</b>
\$1,754,471	\$1,712,975	\$3,286,295	\$29,738,888	\$8,828,182
76,897	40,080	-	250,749	13,689
<u>1,831,368</u>	<u>1,753,055</u>	<u>3,286,295</u>	<u>29,989,637</u>	<u>8,841,871</u>
565,206	819,313	2,397,159	8,868,509	555,014
601,347	1,095,720	1,566,943	11,795,895	7,602,729
358,465	166,136	396,402	4,710,875	31,069
<u>1,525,018</u>	<u>2,081,168</u>	<u>4,360,504</u>	<u>25,375,279</u>	<u>8,188,811</u>
<u>306,350</u>	<u>(328,113)</u>	<u>(1,074,209)</u>	<u>4,614,358</u>	<u>653,060</u>
28,066	36,704	1,194,936	2,638,796	52,765
92,822	631	9,225	185,608	6,535
(222,221)	(53,684)	(16,093)	(458,030)	-
16,722	-	1,481	72,028	-
<u>(84,611)</u>	<u>(16,348)</u>	<u>1,189,549</u>	<u>2,438,402</u>	<u>59,300</u>
221,739	(344,462)	115,340	7,052,760	712,360
6,573	-	-	385,639	-
3,457	241,409	526,412	1,108,557	3,284
-	-	-	(324,336)	(199,522)
<u>231,769</u>	<u>(103,053)</u>	<u>641,752</u>	<u>8,222,620</u>	<u>516,122</u>
<u>8,330,283</u>	<u>504,954</u>	<u>6,581,736</u>	<u>164,702,788</u>	<u>1,461,459</u>
<u><b>\$8,562,052</b></u>	<u><b>\$401,901</b></u>	<u><b>\$7,223,488</b></u>	<u><b>\$172,925,407</b></u>	<u><b>\$1,977,581</b></u>
			8,222,620	
			211,582	
			<u><b>\$8,434,202</b></u>	

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



**City of Helena, Montana**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(1 of 4)**

	<b>Business-Type Activities Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Transfer Station</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$9,598,656	\$6,549,144	\$3,786,056	\$2,805,411
Payments to suppliers	(1,893,714)	(967,925)	(1,711,989)	(1,537,447)
Payments to employees	(1,917,979)	(1,287,209)	(843,796)	(835,983)
Payment for interfund services used	(1,078,317)	(978,887)	(678,320)	(508,538)
Net cash provided (used) by operating activities	<u>4,708,647</u>	<u>3,315,124</u>	<u>551,951</u>	<u>(76,556)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	12,853	8,954	32,212	283,260
Transfers to other funds	(20,000)	-	(275,000)	(29,336)
Operating grants	-	-	850	-
Contributions from other governments	93,342	798,420	40,854	445,624
Net cash provided (used) by non-capital financing activities	<u>86,195</u>	<u>807,374</u>	<u>(201,084)</u>	<u>699,548</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt/Insurance Settlements	790,490	2,001,000	-	-
Principal payments - bonds	(738,000)	(494,000)	-	-
Principal payments - loans	-	-	-	-
Interest payments	(157,788)	(6,124)	-	-
Purchase of capital assets	(2,780,567)	(2,313,200)	(22,168)	(68,359)
Proceeds from disposition of capital assets	10,375	43,450	-	-
Net cash provided (used) by capital and related financing activities	<u>(2,875,490)</u>	<u>(768,874)</u>	<u>(22,168)</u>	<u>(68,359)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	47,036	17,281	11,669	6,944
Net cash provided (used) by investing activities	<u>47,036</u>	<u>17,281</u>	<u>11,669</u>	<u>6,944</u>
Net increase (decrease) in cash and cash equivalents	1,966,387	3,370,905	340,368	561,577
Cash and cash equivalents, beginning	16,255,547	3,946,502	4,141,652	2,040,559
<b>Cash and cash equivalents, ending</b>	<b><u>\$18,221,934</u></b>	<b><u>\$7,317,407</u></b>	<b><u>\$4,482,020</u></b>	<b><u>\$2,602,136</u></b>
Cash and cash equivalents	\$17,114,266	\$5,865,520	\$4,482,020	\$2,602,136
Cash and cash equivalents, restricted	1,107,669	1,451,887	-	-
<b>Cash and cash equivalents, ending</b>	<b><u>\$18,221,935</u></b>	<b><u>\$7,317,407</u></b>	<b><u>\$4,482,020</u></b>	<b><u>\$2,602,136</u></b>

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

**City of Helena, Montana**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2022*  
(2 of 4)

<b>Business-Type Activities Enterprise Funds</b>				
<b>Parking</b>	<b>Golf Course</b>	<b>Other</b>	<b>Total</b>	<b>Internal Service</b>
\$1,831,368	\$1,753,055	\$3,191,379	\$29,515,070	\$8,707,886
(239,611)	(631,176)	(1,068,678)	(8,050,539)	(549,630)
(560,288)	(805,869)	(2,329,209)	(8,580,332)	(1,266,639)
(315,031)	(324,498)	(609,030)	(4,492,620)	(7,057,790)
<u>716,438</u>	<u>(8,487)</u>	<u>(815,538)</u>	<u>8,391,579</u>	<u>(166,173)</u>
3,457	241,409	526,412	1,108,557	(196,238)
-	-	-	(324,336)	-
-	-	659,491	660,340	27,985
<u>28,066</u>	<u>36,704</u>	<u>207,141</u>	<u>1,650,151</u>	<u>24,781</u>
<u>31,523</u>	<u>278,113</u>	<u>1,393,043</u>	<u>3,094,713</u>	<u>(143,473)</u>
6,573	-	-	2,798,063	-
(444,616)	(165,809)	-	(1,842,424)	-
-	-	(82,783)	(82,783)	-
(225,000)	(55,202)	(14,872)	(458,985)	-
(107,142)	(44,173)	(678,854)	(6,014,463)	(5,627)
16,722	-	1,481	72,028	-
<u>(753,463)</u>	<u>(265,183)</u>	<u>(775,028)</u>	<u>(5,528,566)</u>	<u>(5,627)</u>
58,266	631	9,225	151,052	6,535
<u>58,266</u>	<u>631</u>	<u>9,225</u>	<u>151,052</u>	<u>6,535</u>
52,764	5,074	(188,297)	6,108,778	(308,737)
628,861	186,323	3,653,117	30,852,561	2,300,382
<b>\$681,625</b>	<b>\$191,397</b>	<b>\$3,464,820</b>	<b>\$36,961,339</b>	<b>\$1,991,645</b>
\$681,506	\$191,397	\$3,464,820	\$34,401,664	\$1,901,645
120	-	-	2,559,676	90,000
<b>\$681,626</b>	<b>\$191,397</b>	<b>\$3,464,820</b>	<b>\$36,961,340</b>	<b>\$1,991,645</b>

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

**City of Helena, Montana**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(3 of 4)**

	<b>Business-Type Activities Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Transfer Station</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$3,357,842	\$2,327,789	\$296,146	(\$271,446)
Adjustments to reconciled operating income to net cash provided (used) by operating activities:				
Depreciation Expense	2,006,471	1,099,348	398,081	285,972
(Increase) decrease in accounts receivable	330,214	29,907	(31,292)	(31,794)
(Increase) decrease in inventories	(521,600)	(26,606)	(3,384)	-
(Increase) decrease in deferred outflows of resources	(17,830)	132,154	79,409	92,298
Increase (decrease) in accounts payable	(154,315)	(43,526)	49,651	(18,227)
Increase (decrease) in customer deposits	(39,747)	303	8,255	-
Increase (decrease) in compensated absences	15,671	(11,459)	(7,941)	(4,986)
Increase (decrease) in landfill postclosure costs payable	-	-	(135,933)	-
Increase (decrease) in net pensions	(538,451)	(377,449)	(220,857)	(262,746)
Increase (decrease) in other postemployment benefits	(70,768)	(44,595)	(30,278)	(33,031)
Increase (decrease) in deferred inflows of resources	341,159	229,257	151,637	167,404
Total Adjustments	<u>1,350,805</u>	<u>987,335</u>	<u>255,805</u>	<u>194,889</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>\$4,708,647</u></b>	<b><u>\$3,315,123</u></b>	<b><u>\$551,951</u></b>	<b><u>(\$76,557)</u></b>

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

**City of Helena, Montana**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(4 of 4)**

<b>Business-Type Activities Enterprise Funds</b>				
<b>Parking</b>	<b>Golf Course</b>	<b>Other</b>	<b>Total</b>	<b>Internal Service</b>
\$306,350	(\$328,113)	(\$1,074,209)	\$4,614,358	\$653,060
358,465	166,136	396,402	4,710,875	31,069
-	-	(84,644)	212,393	(120,395)
11,609	135,253	-	(404,728)	47,527
88,294	56,683	235,531	666,539	50,952
1,868	(36,674)	1,122	(200,101)	(760,342)
-	37,728	-	6,538	-
5,597	(4,376)	1,489	(6,005)	495
-	-	-	(135,933)	-
(134,083)	(148,721)	(609,649)	(2,291,955)	(140,627)
(24,705)	(22,021)	(92,736)	(318,133)	(18,525)
103,042	135,618	411,156	1,539,273	90,614
410,088	319,626	258,672	3,777,220	(819,233)
<b>\$716,438</b>	<b>(\$8,487)</b>	<b>(\$815,538)</b>	<b>\$8,391,578</b>	<b>(\$166,173)</b>

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

**City of Helena, Montana**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
*June 30, 2022*

	<b>Custodial Fund</b>
<b>ASSETS</b>	
<u>Current assets:</u>	
Cash and cash equivalents	\$20,694
<b>Total assets</b>	<b>20,694</b>
 <b>LIABILITIES</b>	
Accounts payable	2,234
<b>Total liabilities</b>	<b>2,234</b>
 <b>NET POSITION</b>	
<u>Restricted for:</u>	
Individuals, organizations and other governments	18,459
<b>Total net position</b>	<b>\$18,459</b>

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

**City of Helena, Montana**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**

*For the year ended June 30, 2022*

	<b>Custodial Fund</b>
<b>ADDITIONS:</b>	
Collections of funds for other governments:	
Bail Funds	\$34,716
Restitution	51,916
<b>Total Additions</b>	<b>86,633</b>
 <b>DEDUCTIONS:</b>	
Distribution of funds to other governments:	
Bail Funds	41,226
Restitution	52,241
<b>Total liabilities</b>	<b>93,468</b>
Net increase (decrease) in Fiduciary Net Position	(6,835)
<b>Net position, beginning</b>	25,294
<b>Net position, ending</b>	<b>\$18,459</b>

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



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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 (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. 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 are financially accountable, or which accumulate resources for the primary government and the government have access to them. The discretely presented component units are reported in separate columns in the basic financial statements to emphasize they are legally separate from the City. Each discretely presented component unit has a June 30 fiscal 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.

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

2. Basis of Presentation - Government-Wide and Fund Financial Statements

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



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

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

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

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

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

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

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, medical and dental insurance.

The City's policy for internal service elimination is to eliminate amounts related to overhead and indirect expenditures and not services provided. Assets of the internal service funds are allocated to the governmental-type 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.

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

3. Measurement Focus, Basis of Accounting

A. Government-Wide and Governmental Funds

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The city considers property taxes as available if they are collected within 60 days after fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Under the terms of grant agreements and State law, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

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.

**B. Proprietary Funds**

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

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

**4. 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.

Generally, cash resources of the individual funds are combined to form a pool of cash and investments that is managed by the City Controller and Finance Director. Investments of the pooled cash consist primarily of certificates of deposit and investments with the State of Montana short-term investment pool (STIP). Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on the average month-end 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 Statements 31 and 72 with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements.

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; secured at 100 percent if less than 6 percent. As of June 30<sup>th</sup>, 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

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

Cash and Investments (Continued)

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 listed below:

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

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

5. Receivables and Payables

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

All trade, taxes and assessment receivables are shown net of an allowance for uncollectible amounts. Receivables are reviewed prior to year-end and written off if older than 360 days and not secured by real property. Water and wastewater receivables constitute a lien on the property per City ordinance and are passed to the new property owner if necessary. The only uncollectible amounts incurred in these funds are immaterial and relate to bankruptcy proceedings that are written off immediately after court proceedings are finalized. As such, the balance of the allowance for uncollectible receivables 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 penalties 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.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

6. Inventories

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

7. 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.

8. 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 acquisition value on the date donated. The City considers capital assets and infrastructure to be assets with an initial cost greater than or equal to \$5,000 and an estimated life of more than one year.

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

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

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

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

	Years
Buildings	20-75
Improvements other than buildings	20-50
Equipment and vehicles	3-15
Infrastructure	50-100

9. Unavailable Revenue

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

10. Compensated Absences

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

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

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 on June 30.

11. Long-Term Obligations

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

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

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

12. 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, 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 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 establish 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.

13. Postemployment Benefits Other than Pensions (OPEB)

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The City allows retirees, their dependents and spouses to retain health insurance coverage under its plans. As of June 30, 2022, the City provides no explicit OPEB benefits.

14. Deferred Charge on Debt Refunding

A deferred charge on funding reported in the government-wide and proprietary statements of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt. (See Note H for further information on long-term debt including debt refunding).

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.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

Net Position/Fund Balance, (continued)

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

- Non-spendable – net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. (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 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 – balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund. If expenditures incurred for specific purposes exceed restricted, committed, or assigned balances in other funds, a negative unassigned fund balance is reported.

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.

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.



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

18. New Accounting Pronouncements

In Fiscal Year 2022, the city implemented GASB 87, Leases. Under this statement, a lessee is required to recognize a lease liability and an intangible right-of-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The implementation of GASB 87 did not impact how the City is accounting for its existing capital leases at the beginning of the year and did not result in a cumulative impact adjustment to beginning net position.

**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 Custodial (Fiduciary) 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 Fiduciary 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 the budget. The City Commission must meet prior to the budget adoption for the purpose of holding a public hearing and answer questions on the proposed budget. This hearing can be continued until the preliminary budget is adopted by the end of June. The final budget and tax levies are set by the later of the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the Montana State Department of Revenue. The effective date of the final budget resolution is July 1 of the fiscal year. A local government may receive and expend money between July 1 of the fiscal year and the date the final budget resolution is adopted per MCA 7-6-4025. Taxable values are determined by the Department of Revenue and the County Assessor assesses property tax based on these values.

For fiscal year 2022, the City levied 168.87 mills including a 121.13 all-purpose mill levy, a 28.66 group health insurance mill levy, a 11.98 voter approved fire safety mill levy, and a 7.10 debt service mill levy for the Open Space/Fire Truck and Park and Recreation debt service funds.

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

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** *(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 authority to the City Manager any part of an unencumbered balance of an appropriation to a purpose or object for which the appropriation for the current year is insufficient within the same fund. The City Manager may also appropriate any accruing revenue of the municipality not appropriated, and any balance at any time remaining after the purpose of the appropriation has been satisfied or abandoned to other uses that do not conflict with any uses for which specifically the revenue was accrued. A public hearing is required for an overall increase in appropriation within a fund. Transfers of assets of discontinued funds do not require an appropriation.

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

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

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 U.S. 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 Custodial funds. U.S. GAAP require that budget to actual comparisons be presented for all governmental fund types for which annual budgets have been adopted. The general fund and major special revenue funds are presented as part of the basic financial statements while all other governmental funds are shown in the combining statements in Section D of this report.

The City had no violations of budget law for fiscal year 2022, 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 U.S. 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-U.S. 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, 2022*

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

	<b>Major Funds</b>	
		Special Revenue
	General	Streets
Fund balances budget basis	\$ 16,423,214	\$ 12,688,486
<u>Basis differences:</u>		
Accrual of accounts receivable	95,476	(10,342)
Accrual of tax/assessment revenue	643,479	377,781
Accrual of grant revenue	-	-
Deferred In-flows of Resources	(148,076)	(275,759)
Accrual of expenditures	(769,452)	(184,825)
Inventory	28,468	360,393
Fund balances modified accrual	\$ 16,273,109	\$ 12,955,734

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.

2. Budgetary/U.S. GAAP Basis Difference

	<b>Non-Major Funds</b>			
		Special Revenue	Debt Service	Capital Projects
	Fund balances budget basis	\$ 12,086,147	\$ 526,127	\$ 4,812,280
<u>Basis differences:</u>				
Accrual of accounts receivable	29,294	32,400	40,907	
Loans receivable	6,569		577,335	
Accrual of tax/assessment revenue	439,071	-	-	
Accrual of grant revenue	-	-	-	
Deferred In-flows of Resources	(317,290)	(8,920)	(17,549)	
Accrual of expenditures	466,408	43,377	129,980	
Fund balances modified accrual	\$ 12,710,198	\$ 592,984	\$ 5,542,953	

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

3. Negative Fund and Net Position Balances

The City had no major or non-major governmental funds with negative fund balances. The City also reports positive balances in all three categories of net position, both for the City as a whole, as well as for its major proprietary funds of water, wastewater, solid waste, transfer station, and non-major proprietary building and City-County building business-type activities.

The major proprietary golf fund had a negative unrestricted net position of (\$560,463). The golf fund is highly leveraged by debt service, with \$1,673,943 in outstanding debt. The non-major proprietary bus (transit) fund had negative unrestricted net position of (\$343,249). This is due to reporting other postemployment benefits (OPEB) and pension liabilities, and their related deferred inflows and deferred outflows as required by GASB statements 68 and 75. The City has paid all amounts to its health insurance carrier and pension administrators as required.

**NOTE C - DEPOSITS AND INVESTMENTS**

1. June 30<sup>th</sup> Deposit and Investment Balances

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

	Governmental & Business		Component Units		Total
	Type	Fiduciary	BID	TBID	
Cash	\$256,733	\$59,673	\$142,810	\$400,540	\$859,756
Certificates of deposit	-	-	-	-	-
Total carrying amount of deposits	<u>256,733</u>	<u>59,673</u>	<u>142,810</u>	<u>400,540</u>	<u>859,756</u>
Investments:					
State short-term investment pool	86,188,913	-	204,248	-	86,393,161
Total deposits and investments	<u>\$86,445,646</u>	<u>\$59,673</u>	<u>\$347,058</u>	<u>\$400,540</u>	<u>\$87,252,917</u>

2. Deposits

Reconciliation of carrying amount to deposit balances:

	Governmental & Business		Component Units		Total
	Type	Fiduciary	BID	TBID	
Cash - carrying amount	\$256,733	\$59,673	\$142,810	\$400,540	\$859,756
Deposits in transit	(50,333)	(5,074)	-	(773)	(56,180)
Outstanding checks	1,573,612	3,471	-	-	1,577,084
Deposit balances with financial institutions insured or collateralized with securities held in the City's name	<u>\$1,780,012</u>	<u>\$58,071</u>	<u>\$142,810</u>	<u>\$399,767</u>	<u>\$2,380,660</u>

At fiscal year-end, the City's carrying amount of deposits was \$256,733 and the bank balance was \$1,780,012. The entire cash bank balance was covered by an irrevocable, unconditional, and nontransferable Letter of Credit from Federal Home Loan Bank.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE C - DEPOSITS AND INVESTMENTS, (continued)**

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*.

Business Type Activities:	
Restricted for bond reserves	\$3,826,153
Cash with fiscal agent	120
	<b>\$3,826,273</b>

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 (4).

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

Investments in the pool are reported at a Net Asset Value (NAV). The fair value of pooled investments is determined annually and is based on year-end market prices. The NAV at June 30, 2022 is \$1.000089 resulting in an unrealized gain of \$7,671. The unit value of the pool is fixed at \$1 for both participant redemptions and purchases. Investments in STIP are carried and reported at cost. STIP income is automatically reinvested in additional units. The STIP is not rated by a national rating agency.

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.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE D - ACCOUNTS/OTHER RECEIVABLES**

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.

	Accounts Receivable				Total
	Taxes	Accounts	Special Assessments	Intergovernmental - Restricted	
<b>Funds:</b>					
General	\$643,479	\$183,618	\$-	\$-	<b>\$827,097</b>
Streets		365	377,781		<b>378,146</b>
Water		1,309,988			<b>1,309,988</b>
Wastewater		601,510			<b>601,510</b>
Solid Waste		141,150	50,878		<b>192,028</b>
Transfer Station		141,145			<b>141,145</b>
Non-Major & Other	125,543	123,633	376,478	773,913	<b>1,399,567</b>
<b>Total Receivables</b>	<b>\$769,021</b>	<b>\$2,501,409</b>	<b>\$805,138</b>	<b>\$773,913</b>	<b>\$4,849,481</b>

Discretely presented component unit receivables of \$4,335 and \$68,240 for the BID and TBID, respectively, include special assessments and miscellaneous receivables. Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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

<u>Unearned/Unavailable Revenue Balances:</u>	<u>Unearned/Unavailable</u>
General-Property Taxes	\$148,076
Streets-Property Taxes	275,759
Special Revenue Funds-Taxes/Spec. Assessments	317,290
Debt Service Funds-Taxes	8,920
Capital Project Funds-Taxes	17,549
<b>Total Unavailable Revenue for Government Funds</b>	<b>\$767,593</b>

**NOTE E - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

	Internal Service Transfers	
	Governmental Activities	Business-type
Interfund Balances Receivable (Payable):		
Internal service funds - governmental activities funds	(\$1,001,182)	\$1,001,182
Internal service funds - business-type funds	308,315	(308,315)
Total interfund balances receivable (payable)	<b>(\$692,867)</b>	<b>\$692,867</b>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

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

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 undercharged 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*.

**Interfund Transfers:**

	Transfers In									
	General	Streets	Non-Major Governmental	Capital Transfer	Water	Solid Waste	Transfer Station	Prop/Ent	Internal Service	Total Transfers In
<b>Transfers Out:</b>										
General	\$ -	\$ -	\$1,107,688	\$609,371	\$ -	\$ -	\$ -	\$ -	\$111,598	\$1,828,657
Streets		\$49,143							9,755	58,898
Non-Major Governmental	772,196			20,000					17,824	810,020
Capital Transfer	2,766,000								0	2,766,000
Water									12,853	12,853
Wastewater									8,954	8,954
Solid Waste						3,479	27,652		4,560	35,691
Transfer Station						275,000	1,684		6,576	283,260
Parking									3,457	3,457
Golf	235,000								6,409	241,409
Non-Major Proprietary	512,160							257,752	14,252	784,164
Internal Service									3,284	3,284
<b>Total Transfers Out</b>	<b>\$4,285,356</b>	<b>\$49,143</b>	<b>\$1,107,688</b>	<b>\$609,371</b>	<b>\$20,000</b>	<b>\$278,479</b>	<b>\$29,336</b>	<b>\$257,752</b>	<b>\$199,522</b>	<b>\$6,836,646</b>

The general fund transferred \$4,285,356 to help finance the Civic Center and Facilities Management programs which are part of the Community Facilities Fund (\$475,000), fund bus transit services (\$315,000), fund the golf course and its debt (\$235,000), provide additional funding to General Capital Fund (\$2,766,000), fund the affordable housing trust program (\$225,000), fund the solar loan program (\$60,000), provide funds for the new Law and Justice Center for the second-floor build-out (\$197,000), and to provide assistance to the public arts programs (\$12,000).

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE F – LOANS RECEIVABLE**

Loans receivable as of June 30 include the following:

**Non-major Governmental:**

3% Loan receivable from Artisan LLP; due in monthly payments beginning August 1, 2001 through April 2034; secured by real property (a)	\$432,288
0% Alternative Energy Loan Program; secured by tax lien on property (b)	230,930
0% Sidewalk Replacement Loan Program; secured by tax lien on property (c)	577,340
Interfund Loan pre-payment adjustment - Street Fund (d) -balance reported in the Internal balance total	1,600,000

**Major Proprietary - Water**

0% Water Infrastructure Rebate Program; secured by lien on property (e)	9,042
0% Service Line Infrastructure Rebate Program; secured by lien on property (e)	83,579

**Major Proprietary - Wastewater**

0% Wastewater Infrastructure Rebate Program; secured by lien on property (e)	122,699
0% Service Line Infrastructure Rebate Program; secured by lien on property (e)	87,948

<b>Total loans receivable</b>	<b><u><u>\$3,143,826</u></u></b>
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- (a) The City originally loaned \$880,000 of tax increment financing funds to a local developer to help construct major improvements in the downtown Great Northern area. The City Commission agreed to lower the loan amount by \$254,730 for increases in taxable value to the property through fiscal year 2005. The developer made payments through July 2002 when the City Commission approved deferring payments on the loan until April 2020. The City discounted the note to its present value in fiscal year 2008 as interest on the loan was deferred from June 30, 2007 until April 2020. This loan is partially secured with real property currently valued at approximately \$670,000 and is currently being repaid by the borrower in monthly installments.
- (b) The City created an alternative energy loan program to encourage homeowners to invest in this type of upgrades to residences. The property owner hires the work and pays the contractor. The City reimburses them construction costs, which are then repaid over 10 years on their tax bill with zero percent interest. The tax assessments constitute a first lien on the property under State law.
- (c) The City created a sidewalk replacement program to encourage construction of new sidewalks and the replacement of aging, unsafe sidewalks. The City bids the work and pays the contractor to perform the work. The property owner contracts to pay the cost back over 10 years on their tax bill with zero percent interest. The tax assessments constitute a first lien on the property under State law.



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE F – LOANS RECEIVABLE, (continued)**

- (d) This was an interfund advance to the Street Fund from the General Fund. The repayments begin in fiscal year 2023. The balance is not reported in total loans receivable in the government-wide Statement of Net Position, rather in the internal balance total.
- (e) The City created a loan program to assist newly annexed property owners on the west side who are on wells and/or septic systems to connect to the City's water and wastewater systems. The City hires and pays the contractor. The property owner contracts to pay the cost back over 20 years through a monthly charge on their utility or property tax bill. The loans are secured by a lien on the property.

**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 Balance
<b>Government activities:</b>					
Capital assets, not being depreciated:					
Land	\$84,844,395	\$ -	\$ -	\$ -	\$84,844,395
Construction in Progress	1,898,205	2,468,153	-	(405,704)	3,960,653
Total capital assets not being depreciated	<u>86,742,600</u>	<u>2,468,153</u>	<u>-</u>	<u>(405,704)</u>	<u>88,805,048</u>
Capital assets being depreciated:					
Buildings	11,176,961	56,502	-	-	11,233,463
Improvements other than buildings	17,833,688	321,890	-	19,495	18,175,073
Machinery and equipment	21,156,429	928,096	(803,567)	-	21,280,958
Leased equipment	13,671	-	-	-	13,671
Infrastructure	54,715,574	-	-	386,209	55,101,784
Total capital assets being depreciated	<u>104,896,324</u>	<u>1,306,488</u>	<u>(803,567)</u>	<u>405,704</u>	<u>105,804,949</u>
Less accumulated depreciation for:					
Buildings	7,286,921	193,526	-	-	7,480,447
Improvements other than buildings	9,207,769	591,161	-	-	9,798,930
Machinery and equipment	13,852,101	1,244,316	(782,708)	-	14,313,709
Leased equipment	0	5,510	-	-	5,510
Infrastructure	19,897,343	916,437	-	-	20,813,780
Total accumulated depreciation	<u>50,244,134</u>	<u>2,950,949</u>	<u>(782,708)</u>	<u>-</u>	<u>52,412,376</u>
Total capital assets being depreciated, net	<u>54,652,190</u>	<u>(1,644,462)</u>	<u>(20,859)</u>	<u>405,704</u>	<u>53,392,574</u>
Governmental-type activities capital assets, net	<b><u>\$141,394,789</u></b>	<b><u>\$823,691</u></b>	<b><u>(\$20,859)</u></b>	<b><u>\$-</u></b>	<b><u>\$142,197,622</u></b>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE G - CAPITAL ASSETS, (continued)**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$48,264,650	\$ -	\$ -	\$ -	\$48,264,650
Construction in Progress	7,922,897	4,841,073	-	(3,216,103)	9,547,867
Total capital assets not being depreciated	<u>56,187,547</u>	<u>4,841,073</u>	<u>-</u>	<u>(3,216,103)</u>	<u>57,812,517</u>
Capital assets being depreciated:					
Buildings	48,299,784	200,275	-	(500)	48,499,558
Improvements other than buildings	5,518,026	96,541	-	500	5,615,067
Machinery and equipment	18,027,798	356,013	(320,934)	-	18,062,877
Leased Equipment	-	37,183	-	-	37,183
Infrastructure	188,268,353	717,011	-	3,216,103	192,201,466
Total capital assets being depreciated	<u>260,113,960</u>	<u>1,407,023</u>	<u>(320,934)</u>	<u>3,216,103</u>	<u>264,416,152</u>
Less accumulated depreciation for:					
Buildings	21,962,983	1,003,210	-	-	22,966,192
Improvements other than buildings	3,320,956	261,841	-	-	3,582,797
Machinery and equipment	11,452,778	1,462,712	(317,927)	-	12,597,564
Leased Equipment	-	1,219	-	-	1,219
Infrastructure	118,254,302	2,008,543	-	-	120,262,845
Total accumulated depreciation	<u>154,991,019</u>	<u>4,737,524</u>	<u>(317,927)</u>	<u>-</u>	<u>159,410,616</u>
Total capital assets being depreciated, net	<u>105,122,941</u>	<u>(3,330,501)</u>	<u>(3,007)</u>	<u>3,216,103</u>	<u>105,005,535</u>
Business-type activities capital assets, net	<u><b>\$161,310,488</b></u>	<u><b>\$1,510,572</b></u>	<u><b>(\$3,007)</b></u>	<u><b>\$-</b></u>	<u><b>\$162,818,052</b></u>

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

**Governmental activities:**

General Government	\$67,491
Public safety	674,229
Public health	15,470
Public works	1,468,730
Culture and recreation	720,609
Copier Revolving - internal service fund charged to various functions based on their usage of the assets	4,420
	<u><b>\$2,950,949</b></u>

**Business-type activities:**

Water	\$2,002,180
Wastewater	1,099,348
Solid waste	398,081
Transfer station	285,972
Parking	358,465
Golf course	166,136
Bus/Transit	246,697
Building	14,636
City-County administration building	139,360
Fleet services - internal service fund charged to various functions based on their usage of the assets	26,649
	<u><b>\$4,737,524</b></u>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE H - LONG-TERM LIABILITIES**

General Obligation Debt

*General Obligation Bonds:*

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

**Governmental:**

2017 General Obligation Refunding Bonds, 3.0%, payable in annual installments of \$400,000 to \$565,000, final scheduled payment January 1, 2028.	\$3,085,000
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**Business Type:**

2015 Limited General Obligation bonds, 2.4%, payable in annual installments of \$10,000 to \$90,000, final scheduled payment August 15, 2025.	355,000
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2017 Limited General Obligation Bonds, 2.75%, payable in annual installments of \$85,000 to \$140,000, final scheduled payment February 15, 2037.	1,740,000
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Total General Obligation Bonds outstanding	5,180,000
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Less: Current portion	(640,000)
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Long-term bonds outstanding	<b>\$4,540,000</b>
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In November 2007 the electors of the City authorized the Commission to issue \$7,850,000 of general obligation bonds to finance major improvements at Centennial Park, Memorial Park pool, and Kindrick-Legion baseball field. The bonds were issued in April 2008. The 2008 General Obligation Parks bonds were general obligations of the City and the City's general credit and taxing powers were pledged for the payment of principal and interest thereon. These bonds were refunded on February 28, 2017, when the City issued \$5,180,000 of General Obligation Refunding Bonds, Series 2017, with an interest rate of 3 percent to advance refund \$5,525,000 of outstanding 2008 Series bonds with a true interest rate of 3.77 percent to reduce its total debt service payments over the next eleven 11 years by \$318,000 and obtain a present value economic gain of \$289,000.

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 \$65,000 of debt service savings over the life of the bonds with a net present value savings of \$58,000. The City refunded the General Fund Bonds, Series 2005 in full August 15, 2015. The original Series 2005 bonds were issued to finance improvements in the downtown area, including construction of the Jackson Street parking garage. The City has pledged the revenues of the general fund to repay these refunding bonds. However, the bonds are not subject to the City's debt limit as the City is not obligated to levy taxes for repayment. These bonds are expected to be paid solely from parking net revenues and are payable through 2025. The total principal and interest remaining to be paid on the bonds, is \$372,200. Principal paid for the current year on the refunding bonds was \$85,000. The principal and interest from fiscal year 2022 equaled approximately 0.5 percent of the general fund revenues pledged, and 5 percent of the Parking operating revenues used to pay the debt service. These bonds were bank qualified, and all were purchased by a local bank.

In November 2017, the City issued \$2,100,000 of General Fund Bonds, Series 2017 with a true interest rate of 2.75 percent for a major expansion to the City's golf course pro shop and restaurant. The City has pledged the revenues of the general fund to repay these bonds. However, these bonds are expected to be paid solely from golf course net revenues and are payable through 2037. These bonds were bank qualified, and all were purchased by a local bank. Due to economic impacts of COVID, the general fund has subsidized the loan payments in the last three years.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE H - LONG-TERM LIABILITIES, (continued)**

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
2023	\$460,000	\$92,550	\$180,000	\$55,342
2024	480,000	78,750	190,000	50,629
2025	500,000	64,350	190,000	45,730
2026	530,000	49,350	195,000	40,809
2027	550,000	33,450	105,000	36,850
2028-2032	565,000	16,950	575,000	139,013
2033-2037			660,000	55,413
Total	<u>\$3,085,000</u>	<u>\$335,400</u>	<u>\$2,095,000</u>	<u>\$423,786</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)	\$4,513,154
General limitation percentage	<u>2.50%</u>
General limit of indebtedness	<u>\$112,829</u>
Outstanding General Obligation Bonds as of June 30:	
Outstanding loans subject to limitation (1000's)*	<u>\$5,180</u>
Excess limit over outstanding margin	<u>\$107,649</u>

\* A State of Montana, Board of Investment's attorney gave an opinion that loans issued under 7-7-4101, MCA are subject to the limit of indebtedness. These loans are discussed in this note under the section Loans and Advances.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE H - LONG-TERM LIABILITIES, (continued)**

Certificates of Participation

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

On July 26, 2016, the City issued COPs totaling \$8,200,000 with a true interest rate of 2.64 percent to advance refund the 2009 COPs. The City will achieve \$2,440,000 of debt service savings over the life of the certificates with a net present value savings of \$1,961,000.

Payments are made using the garage lease receipts and other downtown parking revenues. The City has pledged the revenues of the general fund to repay the COPs principal and interest, but they are not a general obligation of the City or secured by the full faith and credit or the taxing power of the City. The City expects the bonds to be paid solely from parking net revenues and are payable through June 2039. Annual principal and interest payments on the bonds are expected to require approximately 2.0 percent of general fund net revenues if the Parking Fund cannot make the payments. The principal and interest from Fiscal Year 2022 equaled 30.8 percent of the parking operating revenues used to pay the debt service.

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

Fiscal Year Ending June 30	Principal	Interest
2023	\$320,000	\$171,150
2024	325,000	164,750
2025	330,000	158,250
2026	335,000	151,650
2027	345,000	144,113
2028-2032	1,835,000	599,150
2033-2037	2,130,000	317,250
2038-2039	930,000	38,500
Total	\$6,550,000	\$1,744,813

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE H - LONG-TERM LIABILITIES, (continued)**

*Business-Type Activities Revenue Bonds:*

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

Outstanding business type activities revenue bonded indebtedness as of June 30:

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.	\$617,000
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.	432,000
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.	538,000
Water System Revenue Bonds, (DNRC Drinking Water Revolving Fund Program), Series 2016, due July 1, 2036; 2.50%, payable from the Water fund in semi-annual installments of \$12,666 to \$21,000 beginning January 1, 2017, redeemable on any date with the permission of the State.	511,000
Water System Revenue Bonds, (DNRC Drinking Water Revolving Fund Program), Series 2019, due July 1, 2036; 2.50%, payable from the Water fund in semi-annual installments of \$111,000 to \$163,000 beginning January 1, 2020, redeemable on any date with the permission of the State.	4,644,112
Wastewater System Revenue Bonds, (DNRC Revolving Loan Program), Series 2019 Refunding, due July 1, 2040; 2%, payable from the Wastewater fund in semi-annual installments of \$53,000 to \$84,000 beginning January 1, 2020, redeemable on any date with the permission of the state.	<u>1,630,231</u>
Total revenue bonds outstanding	8,372,343
Less current portion	(845,112)
<b>Long-term bonds outstanding</b>	<b><u>\$7,527,231</u></b>

On December 5, 2012, the City issued \$5,287,000 of Refunding Revenue Bonds through the Montana DNRC Revolving Loan Program, with an interest rate of 2.25 percent to refund \$5,287,000 of outstanding 2005, 2007, and 2012 Series bonds, all with 3.75 percent interest rate. These refunding reduced the City's total debt service payments over the next 15 years by \$850,000 and obtain a present value economic gain of \$718,000.

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 \$465,000 in March 2012 and \$508,000 in July 2012 for a total of \$973,000 outstanding at the time of the refunding. The City borrowed the remaining \$352,000 on March 8, 2013.

On December 29, 2016, the City issued \$661,000 of DNRC Drinking Water Revolving Loan Program, with an interest rate of 2.5 percent to finance improvements to the Tenmile Water Treatment Plant.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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 \$5.9 million in water system revenue bonds described above. These bonds are payable solely from water customer net revenues and are payable through 2037. Annual principal and interest payments on the bonds are approximately 26.1 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,861,000. Principal and interest paid for the current year and total customer net operating revenues were \$897,000, and \$3,426,000, respectively.

On September 9, 2019, the City committed to borrow \$5,700,000 of DNRC Drinking Water Revolving Loan Program, Series 2019 bonds. The City borrowed \$4,421,000 of the amount on September 17, 2019, and a final draw of \$790,500 on April 26, 2022 for a total of \$5,211,100.

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 percent to refund all \$6,383,000 of outstanding 1999 Series bonds with an interest rate of 4 percent, to reduce its total debt service payments over the next 9 years by \$796,000. This debt was retired in Fiscal Year 2022.

On December 15, 2019, the City committed to borrow \$2,754,000 of DNRC Pollution Control, Series 2019 bonds for sewer mains infrastructure on the west side. The City borrowed \$226,000 on December 17, 2019, and \$1,622,000 on February 15, 2022, for a total of \$1,848,000 as of the end of Fiscal Year 2022.

The City has pledged future wastewater customer revenues, net of specified operating expenses, to repay \$1.6 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 2034. Annual principal and interest payments on the bonds are expected to require approximately 2.8 percent of net revenues. Principal and interest paid for the current year and total customer net revenues were \$56,800 and \$2,022,000, 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 110 percent for water and 125 percent for wastewater; and 3) require specific and timely reporting of financial information to bond holders and the registrar. The City complied with these provisions during the current fiscal year.

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 110 percent and 125 percent, respectively, of the maximum debt service requirement in any succeeding year as computed below.

Debt service coverage in thousands:

	<u>Water</u>	<u>Wastewater</u>
Gross revenues	\$9,327	\$6,320
Direct operating expenses	3,611	2,343
Net revenue	<b>\$5,716</b>	<b>\$3,977</b>
Maximum debt service	<b>\$877</b>	<b>\$500</b>
Percent coverage	651.5%	795.9%

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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 cash account	\$17,114,266	\$5,865,520
Restricting cash - revenue bond account	1,107,669	1,451,887
Total cash and investments	<u>\$18,221,935</u>	<u>\$7,317,407</u>

*Revenue Bonds Debt Service Requirements to Maturity:*

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

Fiscal Year Ending <u>June 30</u>	<u>Business-type</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$845,112	\$167,652
2024	864,000	158,894
2025	662,000	140,757
2026	587,000	125,905
2027	507,000	113,847
2028-2032	2,124,000	398,788
2033-2039	2,783,231	209,512
Total	<u>\$8,372,343</u>	<u>\$1,315,355</u>



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE H - LONG-TERM LIABILITIES, (continued)**

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 as of June 30 are as follows:

*Business-Type Activities Loans:*

Golf INTERCAP Loan, Series 2014 (Irrigation Improvements)	
annual adjustable interest rate INTERCAP Revolving Loan from the Montana Board of Investments; agreement date December 5, 2014 with a loan amount of \$433,099, semi-annual payments of varying amounts with a maturity date of February 15, 2030; Current rate - 1.55%	\$239,829
CCAB Cooling System INTERCAP Loan, Series 2020	
annual adjustable rate INTERCAP Revolving loan to the County from the Montana Board of Investments; agreement date June 29, 2020 with a loan amount of \$750,000, semi annual payments of varying amounts with a maturity date of August 15, 2030; Current rate - 1.55%	648,781
Parking Meter Project INTERCAP Loan Series 2020	
annual adjustable rate INTERCAP Revolving loan to the City from the Montana Board of Investments; agreement date November 01, 2019 with a loan amount of \$560,242, semi annual payments of varying amounts with a maturity date of February 15, 2030; Current rate - 1.55%	462,643
City-County Law & Justice Building Loan, Series 2021	
annual adjustable interest rate INTERCAP Revolving Loan to the County from the Montana Board of Investments; agreement date June 24, 2021, with a loan amount of \$650,000 (Full draw down not yet realized by June 30), semi-annual payments of varying amounts with a maturity date of August 15, 2032; secured by real property. Current rate - 1.55%	293,502
	<u>\$1,644,755</u>
Total business-type loans outstanding	<u>\$1,644,755</u>
Less current portion	<u>(178,558)</u>
Long-term loans outstanding	<u>\$1,466,197</u>

The City of Helena and Lewis and Clark County have an interlocal agreement for the maintenance and management of the jointly owned City/County Building and the Law and Justice Center. The city acts as the fiscal agent for the jointly owned facilities, and therefore pays the debt service for debt issued by the County on behalf of the facilities.

*Governmental Activities Loans:*

Fire - Fire Ladder Truck Loan, Series 2021	
annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date June 22, 2021, with a loan amount of \$810,000, semi-annual payments of varying amounts with a maturity date of February 15, 2031; secured by real property. Current rate - 1.55%	770,515
	<u>770,515</u>
Total governmental loans outstanding	<u>770,515</u>
Less current portion	<u>(75,800)</u>
Long-term loans outstanding	<u>\$694,715</u>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE H - LONG-TERM LIABILITIES, (continued)**

Loans and Advances (continued)

*Loan Annual Debt Service Requirements to Maturity:*

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

Fiscal Year Ending June 30	Governmental		Business-type	
	Principal	Interest	Principal	Interest
2023	\$75,800	\$11,648	\$178,558	\$24,802
2024	77,056	16,888	184,255	40,809
2025	78,332	14,954	188,116	35,484
2026	79,630	12,987	192,615	30,029
2027	80,950	10,988	197,250	24,443
2028-2032	378,747	23,810	703,961	40,167
Total	<u>\$770,515</u>	<u>\$91,274</u>	<u>\$1,644,755</u>	<u>\$195,734</u>

*Business-Type Activities Advances:*

In December 2016, the City Commission approved an advance from the Capital Improvement governmental fund to the Golf enterprise fund to finance the purchase of a new mower, payments due in annual installments for five years beginning July 1, 2017, with a final payment scheduled for July 1, 2021 with an annual interest rate of 1%. The final payment of \$42,175 was made in Fiscal Year 2022 and the debt has been retired in the current year.

*Governmental Activities Advances:*

On April 11, 2022, the City Commission approved an operating cash loan from the General Fund to the Streets Fund for the purpose of funding the completion of Phase II of the Rodney Street improvements project. Securing the funds was necessary to seek approval for the bid award. The Streets Fund intends to secure an INTERCAP Loan from the Montana Board of Investments to pay back the General Fund and finance the remaining loan needs. The terms of the loan are as follows:

Advance from General Fund to Streets Fund for \$1,600,000, bearing interest at the current rate of the INTERCAP Loan program (1.55%), to be repaid over five years with payments beginning in July of 2022. Payments with interest are due on July 15<sup>th</sup> and January 15<sup>th</sup> of each year until the loan is satisfied or until the loan can be refinanced with the INTERCAP Loan program. There is no penalty for pre-payment.

Annual Debt Service Requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental	
	Principal	Interest
2023	\$311,434	\$23,598
2024	316,281	18,752
2025	321,202	13,831
2026	326,200	8,833
2027	324,883	3,757
Total	<u>\$1,600,000</u>	<u>\$68,770</u>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE H - LONG-TERM LIABILITIES, (continued)**

Changes in Long-Term Liabilities

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

*Governmental Activities Long-Term Liabilities:*

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$3,530,000	\$ -	\$445,000	\$3,085,000	\$460,000
Loans	810,000	-	39,486	770,514	75,800
Advances	42,175	1,600,000	42,175	1,600,000	311,434
Compensated absences *	2,315,716	1,526,780	1,640,501	2,201,994	1,080,623
Other postemployment benefits*	5,951,671	-	963,788	4,987,883	-
Pensions*	18,049,325	-	5,993,430	12,055,895	-
Lease obligations (see Note Q)	13,671	-	6,409	7,263	6,457
	<b><u>\$30,712,558</u></b>	<b><u>\$3,126,780</u></b>	<b><u>\$9,130,788</u></b>	<b><u>\$24,708,549</u></b>	<b><u>\$1,934,314</u></b>

\*The governmental funds that are expected to liquidate the compensated absences, pension and other postemployment benefit liabilities are the General, Streets, Storm Water, Community Facilities, Police Programs, Open Space Maintenance District and Urban Forestry Maintenance District.

*Business-Type Activities Long-Term Liabilities:*

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$2,275,000	\$ -	\$180,000	\$2,095,000	\$180,000
Loans	1,805,788	-	161,033	1,644,755	179,124
Certificates of participation	6,860,000	-	310,000	6,550,000	320,000
Revenue bonds	7,191,919	2,412,424	1,232,000	8,372,343	845,112
Compensated absences	930,496	665,529	671,039	924,986	453,935
Other postemployment benefits	2,406,032	-	336,658	2,069,374	-
Pensions	7,686,247	-	2,432,581	5,253,666	-
Landfill postclosure	2,002,176	109,688	247,165	1,864,699	109,688
Lease obligations (see Note Q)	-	37,184	1,883	35,301	7,217
	<b><u>\$31,157,658</u></b>	<b><u>\$3,224,825</u></b>	<b><u>\$5,572,359</u></b>	<b><u>\$28,810,123</u></b>	<b><u>\$2,095,076</u></b>

The BID and TBID had compensated absences payable of \$9,327 and \$11,462, respectively.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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.

	<b>General</b>	<b>Streets</b>	<b>Non Major Governmental</b>	<b>Total All Funds</b>
<b>Fund balances:</b>				
<u>Nonspendable:</u>				
Inventory	\$28,468	\$360,393	\$ -	\$388,861
Long-term notes receivable	1,288,565	-	-	1,288,565
Total Nonspendable	<u>1,317,033</u>	<u>360,393</u>	<u>-</u>	<u>1,677,426</u>
<u>Restricted:</u>				
General government	-	-	-	-
Public safety	92,447	-	49,415	141,862
911 dispatch center	-	-	395,641	395,641
Public works projects	-	-	1,338,550	1,338,550
Culture and recreation	-	-	870,194	870,194
Community development	-	-	1,483,289	1,483,289
Interfund Advances	-	311,435	-	311,435
General obligation debt	-	-	549,358	549,358
Special assessment debt	-	-	43,626	43,626
Total restricted	<u>92,447</u>	<u>311,435</u>	<u>4,730,073</u>	<u>5,133,955</u>
<u>Committed:</u>				
General Government	1,426,620	-	-	1,426,620
Public Works	-	5,054,153	-	5,054,153
Culture and Recreation	-	-	1,678,609	1,678,609
Total committed	<u>1,426,620</u>	<u>5,054,153</u>	<u>1,678,609</u>	<u>8,159,382</u>
<u>Assigned:</u>				
General Government	-	-	-	-
Public Safety	168,857	-	1,956,121	2,124,978
Public Works	-	4,607,311	3,557,696	8,165,007
Culture and Recreation	-	-	870,808	870,808
Community Development	2,461	-	2,636,132	2,638,593
General Administration	207,532	-	-	207,532
Other Capital Projects	-	2,622,442	3,416,697	6,039,139
Total assigned	<u>378,850</u>	<u>7,229,753</u>	<u>12,437,453</u>	<u>20,046,057</u>
<u>Unassigned:</u>				
	13,058,159	-	-	13,058,159
<b>Total fund balance</b>	<b><u>\$16,273,109</u></b>	<b><u>\$12,955,734</u></b>	<b><u>\$18,846,134</u></b>	<b><u>\$48,074,978</u></b>

The Mayor and Commission are the City's highest level of decision-making authority and must adopt an ordinance or resolution to establish, 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.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE I – FUND BALANCES, (continued)**

The City maintains one major special revenue fund, the Streets 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	\$7,124,132
Licenses and permits	51,088
State shared revenue - gas tax	580,537
Investment earnings	31,914
Miscellaneous	66,228
Sale of capital assets	41,200
Transfers in	9,755
	<b>\$7,904,854</b>

**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 GASB statements.

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

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE J - EMPLOYEE BENEFIT PLANS, (continued)**

**Pension Plans, (continued)**

Public Employees' Retirement System (PERS), (continued)

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 on July 1, 1945. PERS-DBRP provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and their beneficiaries.

Employees with at least 5 years of service are eligible to retire at ages shown below. 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, with at least 5 years of membership service, or
  - Age 70 and in active service.

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

*Membership Service*

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

The Membership Service Factor is:

Members hired prior to July 1, 2011:

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

Members hired on or after July 1, 2011:

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

*Highest Average Compensation (HAC)*

HAC is a member's highest average monthly compensation:

- during any consecutive 36 months if hired prior to July 1, 2011
- during any consecutive 60 months of membership service if hired on or after July 1, 2011

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE J - EMPLOYEE BENEFIT PLANS, (continued)**

**Pension Plans, (continued)**

Public Employees' Retirement System (PERS), Highest Average Compensation (HAC) (cont'd)

- 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 PERS by the city during any given month. Proportional service credit is awarded unless at least 2080 hours is worked in a year.

*Guaranteed Annual Benefit Adjustment (GABA)*

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007 and before July 1, 2013
- Members hired on or after July 1, 2013
  - 1.5% each year PERS is funded at or above 90%
  - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  - 0% whenever the amortization period for PERS is 40 years or more.

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

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

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

Members are eligible to retire and receive pension benefits when he/she has completed 20 years of membership service, or at age 50 with at least 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.

*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).

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE J - EMPLOYEE BENEFIT PLANS, (continued)**

**Pension Plans, (continued)**

Municipal Police Officers' Retirement System (MPORS), (continued)

*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.

*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.



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE J - EMPLOYEE BENEFIT PLANS, (continued)**

**Pension Plans, (continued)**

Firefighters' Unified Retirement System (FURS), (continued)

- 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% of compensation earned during the highest average compensation period.

*Guaranteed Annual Benefit Adjustment (GABA)*

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

Contribution Rates and Amounts

	Employee	Employer	State	
PERS	7.90%	8.87%	0.10%	1
MPORS	5.8%-9.0%	14.41%	29.37%	
FURS - GABA	10.70%	14.36%	32.61%	
FURS - NON-GABA	9.50%	14.36%	32.61%	

	City				State
	2022	2021	2020	2019	2022
PERS	\$1,257,895	\$1,149,783	\$1,084,186	\$1,042,570	\$1,034,812
MPORS	514,746	512,610	536,769	525,448	1,010,094
FURS	484,499	464,377	417,245	408,385	675,515

<sup>1</sup> The State also contributes from the Coal Tax Severance fund.

One hundred percent of required contributions were paid.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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

At June 30, 2022, 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:

	<u>PERS</u>	<u>MPORS</u>	<u>FURS</u>	<u>Total</u>
City's proportionate share of the net pension liability	\$12,232,594	\$3,573,155	\$1,503,813	\$17,309,562
State's proportionate share of the net pension liability associated with the City	3,603,510	7,262,640	3,413,176	14,279,326
Total	<u>\$15,836,104</u>	<u>\$10,835,795</u>	<u>\$4,916,989</u>	<u>\$31,588,888</u>

The net pension liability was determined by an actuarial valuation as of June 30, 2021, with update procedures to roll forward to the measurement date of June 30, 2022. 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	0.6746%	0.19656%	0.17573%

For the year ended June 30, 2022, the City recognized pension expenses of \$3,985,500 and revenue of \$2,720,421 for support provided by the State. At June 30, 2022, 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>
Differences between expected and actual experience	\$130,544	\$113,645	\$196,899	\$441,088
Projected investment earnings vs. actual investment earnings	-	-	-	-
Changes in assumptions	1,811,875	682,697	769,837	3,264,409
Changes in proportion and differences between City contributions and proportionate share of contributions	38,318	-	81,609	119,927
City contributions subsequent to the measurement date	1,274,451	515,807	490,061	2,280,319
Total	<u>\$3,255,188</u>	<u>\$1,312,149</u>	<u>\$1,538,406</u>	<u>\$6,105,743</u>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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)

Deferred inflows of Resources

	<u>PERS</u>	<u>MPORS</u>	<u>FURS</u>	<u>Total</u>
Differences between expected and actual experience	\$88,551	\$39,018	\$8,182	\$135,751
Projected investment earnings vs. actual investment earnings	4,955,550	1,076,482	1,028,778	7,060,810
Changes in proportion and differences between City contributions and proportionate share of contributions	-	339,069	-	339,069
Total	<b><u>\$5,044,101</u></b>	<b><u>\$1,454,569</u></b>	<b><u>\$1,036,960</u></b>	<b><u>\$7,535,630</u></b>

\$2,280,319 reported as deferred outflows of resources related to pensions from City contributions made after the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>PERS</u>	<u>MPORS</u>	<u>FURS</u>	<u>Total</u>
2022	\$99,636	\$10,476	\$11,731	\$121,843
2023	(384,173)	(84,665)	(9,650)	(478,488)
2024	(1,196,892)	(235,562)	(81,835)	(1,514,289)
2025	(1,581,934)	(348,476)	(165,253)	(2,095,663)
Thereafter	-	-	256,392	256,392
<b>Total</b>	<b><u>(\$3,063,363)</u></b>	<b><u>(\$658,227)</u></b>	<b><u>\$11,385</u></b>	<b><u>(\$3,710,205)</u></b>

*Actuarial Assumptions*

The total pension liabilities (TPL) used to calculate the net pension liabilities was determined by actuarial valuation date of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Actuarial Assumptions

Inflation	2.40%	
Salary increases	3.50%	average, including inflation
Investment of Return	7.06%	net of administrative expense
Administrative expense average percentage of payroll	28.00%	
Merit increases	0%-4.80%	
Guaranteed annual benefit adjustment (GABA)	0%-3.0%	based on hire date and PERS funded percentage

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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 long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 and are summarized in the following table:

Pension Investment Asset Classes

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long Term Expected Real Rate of Return Arithmetic Basis</u>
Cash	3.0%	(0.33%)
Domestic equity	30.0%	5.90%
International equity	17.0%	7.14%
Private investments	15.0%	9.13%
Real assets	5.0%	4.03%
Real estate	9.0%	5.41%
Core fixed income	15.0%	1.14%
Non-core fixed income	6.0%	3.02%
Total	<u>100.0%</u>	

*Discount Rate*

The discount rate used to measure the total pension liabilities remained at 7.06 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions from participating plan members will be made at the current statutorily required rates. Based on those assumptions, the pension plans' fiduciary net position were projected to be adequate to make all the projected future payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities. A municipal bond rate was not incorporated in the discount rate.

*Target Allocations*

The long-term rate of return as of June 30, 2021, was calculated using the average long-term capital market assumptions published in the *Survey of Capital Market Assumptions 2021 Edition* by Horizon Actuarial Service, LLC, yielding a medial real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the *2021 OASDI Trustees Report* used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two yields a nominal return of 7.06%.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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)

*Sensitivity of the City's proportionate share of the net pension liabilities to changes in the discount rate:*

The following present the City's proportionate share of the net pension liabilities calculated using the discount rate of 7.06 percent, as well as what the City's proportionate share of the net pension liabilities would be if it were calculated using a discount rate that is 1 percentage point lower (6.06 percent) or 1 percentage point higher (8.06 percent) than the current rate:

<u>City's proportionate share of the net pension liability</u>	<u>1% Decrease (6.06%)</u>	<u>Current Discount Rate</u>	<u>1% Increase (8.06%)</u>
PERS	\$19,417,335	\$12,232,594	\$6,206,263
MPORS	5,846,117	3,573,155	1,766,319
FURS	3,411,969	1,503,813	(24,469)
	<b><u>\$28,675,421</u></b>	<b><u>\$17,309,562</u></b>	<b><u>\$7,948,113</u></b>

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plans' fiduciary net positions is available in the separately issued PERB financial report.

**Postemployment Benefits Other Than Pensions (OPEB)**

*Plan Description.* In 2022, the City of Helena provided employee medical insurance through a single-employer plan run by the Montana Municipal Interlocal Authority (MMIA). The City also provided dental and vision through single-employer defined benefit plans. As required by state law (2-18-704, MCA), the City provides employees who retire and their spouses and dependents (retirees) the option to continue to participate in the City's group health insurance plans. To continue coverage, retirees are required to pay the full cost of the benefits. Rates are adjusted annually, and benefits altered to ensure the plans remain properly funded.

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

*Employees covered by benefit terms.* At June 30, 2022, the following employees were covered by the benefit terms:

	<u>Health</u>	<u>Dental</u>	<u>Vision</u>
Inactive employees or beneficiaries currently receiving benefit payments	37	89	105
Active employees and dependents	323	350	330

*Contributions.* MMIA health insurance rates are actuarially set annually, and benefits altered to ensure the plans remain properly funded. The City receives a monthly bill that it can allocate to participants as it wishes. The City pays MMIA the monthly premiums and has no further liability for health claims. The City plans to continue funding the employee health insurance plan on a

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE J - EMPLOYEE BENEFIT PLANS, (continued)**

**Postemployment Benefits Other Than Pensions (OPEB), (continued)**

“pay as you go” basis and does not plan to fund this liability since it has paid the full amount due each month.

**OPEB Liabilities, OPEB Expense, and Deferred Inflows of Resources Related to OPEB**

The City’s total OPEB liability of \$7,057,255 was measured as of June 30, 2022.

*Actuarial assumptions and other inputs.* The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.02 percent
Salary increases	2.50 percent
Discount rate	4.02 percent
Medical and dental healthcare cost trend rates	7.0 percent for 2022, decreasing 0.5 percent per year to 2024, then decreasing 0.2 to 0.1 percent per year to an ultimate rate of 3.8 percent for 2078 and later years
Vision healthcare cost trend rates	2.0 percent
Retiree’s share of benefit-related costs	100 percent of projected premiums for retirees

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2020.

*Changes in the Total OPEB Liability.*

		Total OPEB
		<u>Liability</u>
Balance at June 30, 2021		\$8,357,702
<u>Changes for the year:</u>		
Service cost	664,278	
Interest	202,315	
Differences between expected and actual experience	-	
Changes in assumptions or other inputs	(1,946,975)	
Benefit payments	(220,065)	
Net changes	<u>(1,300,447)</u>	
Balance at June 30, 2022		<u><b>\$7,057,255</b></u>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE J - EMPLOYEE BENEFIT PLANS, (continued)**

**Postemployment Benefits Other Than Pensions (OPEB), (continued)**

OPEB Liabilities, OPEB Expense, and Deferred Inflows of Resources Related to OPEB,  
*(continued)*

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.02%) or 1 percentage point higher (5.02%) than the current discount rate:

	(3.02%)	(4.02%)	(5.02%)
Total OPEB Liability	\$8,325,029	\$7,057,255	\$6,054,696

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6% decreasing to 2.8%) or 1 percentage point higher (8% decreasing to 4.8%) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 2.8%)	Healthcare Cost Trend Rates (7% decreasing to 3.8%)	1% Increase (8% decreasing to 4.8%)
Total OPEB Liability	\$5,873,801	\$7,057,255	\$8,602,576

For the year ended June 30, 2022, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,735,830
Changes of assumptions or other inputs	313,627	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	90,804
Total	<b>\$ 313,627</b>	<b>\$ 1,826,634</b>

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

Fiscal Year Ending June 30:	
2023	\$91,550
2024	91,550
2025	91,550
2026	91,550
2027	91,550
Thereafter	1,055,331

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**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 presented on the cash basis of accounting as allowed by the State of Montana, as of, and for, the fiscal year ended June 30 is:

	2022	2021
Cash and investments	\$3,373,407	\$4,588,772
Other assets	-	-
Total assets	\$3,373,407	\$4,588,772
Liabilities	1,488,688	1,846,011
Net position	\$1,884,719	\$2,742,761
Revenues	4,059,000	4,259,793
Expenses	(3,583,062)	(5,641,292)
Change in net position	\$475,938	(\$1,381,499)

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.

**NOTE M - COMMITMENTS AND CONTINGENCIES**

Construction Commitments

As of June 30, there were uncompleted construction contracts as follows:

<b>Project #</b>	<b>Project Title</b>	<b>Balance</b>
AB1906	CCAB N Lot & E Facade	58,461
AS2901	ERP Upgrade/Replacement	84,780
CF1906	LC MV Registration Office	306,649
CF2909	LJC 2nd Flr Remodel	44,702
CF2910	CCAB Security Project	39,613
CO1901	Photovoltaic Project	295
EN2902	Remodel Room 412	7,709



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE M - COMMITMENTS AND CONTINGENCIES, (continued)**

<u>Project #</u>	<u>Project Title</u>	<u>Balance</u>
MR0907	M RTP Raw Influent Valve	105,303
MR8909	M RTP Water Chemical Feed System	158,307
PR2909	Waukesha Well Project	36,064
PR2911	Memorial Playground Replacement	22,402
PR2917	Pool Boiler Replacement	14,446
PR9915	Park Wells Project PH II	95,932
PS8909	Fire Tower Restoration	20,000
SD0907	Harris St Pond & Bypass	404,081
SD8907	Nature Prk/Mchugh Improvement	185,918
ST0917	Rodney St PH1	2,918,113
ST1907	Rodney St PH2	1,101,230
ST1909	Cruse Ave Storm Drains	36,812
ST2907	Knight STreet Sidewalks	17,487
ST2916	Downtown Multi-Modal Stud	70,046
ST2917	Safe Routes to Schools	31,202
ST9911	BRBP-Benton Turn Lanes	14,894
ST9916	Knight Str Sidewalk	101,367
SW0902	Warm Storage Building	124,687
SW0903	Transfer Station Entrance	249,424
SW2903	Solid Waste Master Plan	288
SW2905	Pit Floor Resurfacing	10,258
TM2906	TMTP-PARking Lot Improvement	34,901
TM2907	TMTP-Lagoon Cleaning	98,772
TS1906	Wall Blocks for Glass Store	2,185
WM8909	Westside WW Mains	2,630,868
WM8910	Westside WW Main-City	675,299
WT0911	M RTP Groundwater Wells	343,125
WT2905	M RTP/TMTP-Chemical Feed	53,233
WT9908	Red Mountain Flume	1,874
WT9909	Westside Tank Design	1,138,956
WU2910	Hydrant Replacement Project	175
WU5915	Westside Water Mains-Rebate	587,689
WU5918	Westside Water Mains-City	190,387
WU8912	WWTP Pressure Red Valves	115,563
WW0910	Scum Pump Analysis	3,716
WW1910	Digester Re-Cir Gas Comp	33,070
WW2914	SCADA System/Software	125,339
WW2915	WW Treatment Master Plan	210
WW2917	Standby Generator (Back)	5,713
WW9905	Boiler Replacement	71,561
WW9909	WWTP Digester Roof Replacement	1,135,418
		<b><u>\$13,508,521</u></b>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE M - COMMITMENTS AND CONTINGENCIES, (continued)**

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 City.

**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. MMIA provides environmental damages coverage for all participants on a first come, first served basis of \$10 million each year, with maximum coverage of \$2 million per incident. The City has no coverage for potential losses from environmental damages once the ten million is expended. The City also contracts with the MMIA to provide health insurance.

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

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

The City offers employees health benefits for medical, vision, dental, and life. The City was self-insured for the dental and vision plans during fiscal year 2022 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 health insurance plan. All three plans are included in the Health Insurance funds in the internal service funds combining financial statements elsewhere in this report. The City accrues as liabilities those claims that have been reported within ninety days of the date of the financial statements but were identified by the TPAs as being incurred prior to the date of the financial statements. A brief description of each plan is as follows.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE N - RISK MANAGEMENT, (continued)**

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 Year 2022	Fiscal Year 2021
Claims payable, July 1	\$105,986	\$101,802
Claims incurred	282,822	300,215
Claims paid	(301,223)	(296,031)
Claims payable, June 30	<b>\$87,585</b>	<b>\$105,986</b>

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

**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 or longer when the state determines it is necessary to ensure protection of human health and the environment. The accounting treatment for these projected costs is to recognize a portion of the post closure care costs in each operating period even though actual payouts will occur sometime in the future. The amount recognized each year is based on the landfill capacity used as of the statement of net position date. Since the landfill closed in a prior fiscal year all expenses associated with closure and post closure care costs were reflected in the prior years as cost of operations based on information present at that time. During the current year, estimated closure and post closure costs have been recalculated to include a net decrease of \$137,477. This decrease represents a change in accounting estimate and is therefore accounted for as part of the cost of operations. The City anticipates meeting the closure and post closure care requirements for the next twenty years with special assessments charged to all property owners within the City limits.

The City continues to demonstrate financial viability as required under RCRA Subtitle D and is, therefore, not required to create a trust fund or secure third-party provider instruments such as letters of credit or surety bonds. Note that the \$1,864,699 presented on the statement of net position at June 30 is an estimate of the post closure care costs liability and is subject to changes such as the effect of inflation, revision of laws and other variables.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE P - OPERATING LEASES**

15 Street Parking Garage

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

<u>Minimum Lease Payments</u>		<u>Carrying Amount of 15th St. Garage</u>	
<u>Fiscal Year Ending</u>			
<u>June 30</u>	<u>Amount</u>		
2023	\$306,600	Cost	\$6,992,366
2024	306,600	Accumulated Depreciation	<u>(1,204,560)</u>
2025	306,600	Carrying Amount	<u><u>\$5,787,806</u></u>
2026	306,600		
2027	306,600		
2028-2032	1,533,000		
2033-2037	1,533,000		
2038-2040	919,800		
Total	<u><u>\$5,518,800</u></u>		

Lease payments received were \$316,302 for the year ended June 30, 2022. 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.

Grandstreet Theatre

The City had entered into a ten-year operating lease with Broadwater Productions, Inc. to use the Grandstreet Theatre located at 325 North Park Avenue for the purpose of operating a center for theatrical productions and cultural and educational activities. The lessee paid a one lump sum payment of \$10 in November 2016. The lease expires September 30, 2026. The cost and accumulated depreciation are \$571,753 and \$400,540, respectively.

Neighborhood Center

The City entered into a lease agreement with Rocky Mountain Development Council for the Neighborhood Center located at 200 South Cruse Avenue. After June 30, 2017, this lease became a month-to-month tenancy agreement. The lessee pays \$2,215 per month to occupy this space. The cost and accumulated depreciation of this building are \$760,000 and \$740,742 respectively.

George D. Anderson Commerce Center Building

The City entered into lease agreements with the Helena Area Chamber of Commerce (Chamber) and Montana Business Assistance Connections, Inc. (MBAC) for office space in this building located at 225 Cruse Avenue. The Chamber and MBAC pay monthly rents of \$1,692 and \$1,741, respectively. The City Parking Commission also occupies space in this building. The cost and accumulated depreciation of this building are \$767,226 and \$298,0059, respectively.

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE Q – LEASES – (GASB 87)**

The City implemented GASB 87, *Leases*, for the year ended June 30, 2022. The city had various pre-existing leases that the amount of the existing lease obligations and carrying value of the capital assets are immaterial and the difference in accounting for these existing leases under GASB 87 Statement No. 87, *Leases* was also deemed immaterial to the financial statements. They were excluded from the total calculations for capital leases.

Lessee:

The city had three capital leases that, per GASB Statement No. 87, *Leases*, were long-term (more than twelve months) and the amount of the existing lease obligations and carrying value of the capital assets were material and presented in the financial statements.

A general description of the leasing arrangements of the leases are summarized as follows:

<u>Lease</u>	<u>Lessor</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Lease Term</u>	<u>Maturity Date</u>	<u>Payment Amount</u>
Copier Machine	Xerox Corp.	7/1/2021	1.55%	28 Mos.	10/3/2023	\$269
Copier Machine	Xerox Corp.	7/1/2021	1.55%	32 Mos.	2/14/2024	\$3,233
Mail Equipment	Pitney Bowes	5/22/2022	1.55%	61 Mos.	5/22/2027	\$1,931

The table below summarizes the total amount of lease assets, related accumulated amortization and lease liabilities related to lessee leasing arrangements as of June 30, 2022:

<u>Lease assets</u>	<u>Beginning of year</u>	<u>Additions</u>	<u>Modifications &amp; remeasurements</u>	<u>Subtractions</u>	<u>End of year</u>	<u>Amounts due within one year</u>
Copy Machines	\$13,512	\$-	\$-	\$-	\$13,512	
Equipment	-	37,184	-	-	37,184	
	13,512	37,184	-	-	50,695	
<b>Less: Accumulated Amortization</b>						
Copy Machines	-	(5,450)	-	-	(5,450)	
Equipment	-	(1,219)	-	-	(1,219)	
	-	(6,669)	-	-	(6,669)	
<b>Total lease assets, net</b>	<b>\$13,512</b>	<b>\$30,514</b>	<b>-</b>	<b>\$0</b>	<b>\$44,026</b>	
<b>Lease liabilities</b>	<b>\$13,512</b>	<b>\$37,184</b>	<b>-</b>	<b>(\$8,212)</b>	<b>\$42,484</b>	<b>\$13,594</b>

The table below details amortization by class, total interest on lease liabilities, and variable lease expense for the year ended June 30, 2022:

<u>Lease expense</u>	<u>Year ending June 30, 2022</u>
Amortization expense by class of underlying asset:	
Copy Machines	\$5,450
Equipment	1,219
Total amortization expense	6,669
Interest on lease liabilities	256
Variable lease expense	-
<b>Total</b>	<b>\$6,926</b>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE Q – LEASES – (GASB 87), (continued)**

Principal and interest requirements to maturity as of June 30, 2022 are as follows:

<b>Maturity analysis</b>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
Year ending June 30, 2023	\$13,594	\$595	\$14,189
Year ending June 30, 2024	8,136	395	8,532
Year ending June 30, 2025	7,445	279	7,723
Year ending June 30, 2026	7,561	163	7,723
Year ending June 30, 2027	5,748	45	5,793
<b>Total Future Payments</b>	<b>\$42,484</b>	<b>\$1,477</b>	<b>\$43,960</b>

Lessor:

The City entered into a lease purchase agreement with US Bank NA and the City issued 2009 Certificates of Participation (COPs) to build a parking garage, in addition to securing a long-term lease agreement with the Montana Board of Investments (BOI) to purchase 350 parking permits, per year, for the life of the lease purchase agreement. The lease purchase agreement with US Bank NA matures in June 2039, for a total term of 222 months at a discount rate of 2.0 percent. The BOI pays the city annually for permits. In 2022, the payment was \$307,710.

The below table details the total amount of inflows of resources recognized during the year ended June 30, 2022:

<b>Lease-related revenue</b>	<u>Year ending June 30, 2022</u>
Lease revenue:	
Land	\$1,665
Building	251,458
Total lease revenue	253,123
Interest revenue	90,988
Variable and other revenue	-
<b>Total</b>	<b>\$344,111</b>

Total future receipts related to leases with unrelated parties as of June 30, 2022 are as follows:

<b>Maturity analysis</b>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
Year ending June 30, 2023	\$220,796	\$88,796	\$309,593
Year ending June 30, 2024	225,245	84,347	309,593
Year ending June 30, 2025	229,784	79,809	309,593
Year ending June 30, 2026	234,413	75,179	309,593
Year ending June 30, 2027	239,137	70,456	309,593
Five years ending June 30, 2032	1,262,225	278,208	1,540,433
Five years ending June 30, 2037	1,392,809	145,741	1,538,550
Five years ending June 30, 2039	597,276	18,144	615,420
<b>Total Future Payments</b>	<b>\$4,401,685</b>	<b>\$840,680</b>	<b>\$5,242,365</b>

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE R – TAX ABATEMENTS**

The City enters into property tax abatement agreements with local businesses as allowed by state laws. Under 15-24-1402, MCA, localities may grant property tax abatements to new or expanding industries. In the first 5 years, qualifying expansions must be taxed at 50 percent of their taxable value. Each year thereafter, the percentage must be increased by equal percentages until the full taxable value is attained in the 10<sup>th</sup> year. In subsequent years, the property must be taxed at 100 percent of its taxable value. Property taxes abated by this section are subject to recapture if the ownership does not add at least \$50,000 worth of qualifying improvements or modernized processes within the first two years in which these benefits are provided. For the fiscal year ended June 30, 2022, the City abated property taxes totaling \$13,397 under this program as follows:

<u>Company</u>	<u>Amount</u>
The Boeing Company	\$3,355
Pioneer Aerostructures	10,042
	<u>\$13,397</u>

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

**NOTE S – TAX INCREMENT FINANCING**

On September 14, 2015, with Resolution 20215, the City of Helena Commission declared the existence of blight in the Railroad Urban Renewal Area. The City created a Tax Increment Financing district (TIF) in 2016 to revitalize this historic area bordering both sides of the railroad as it runs through Helena. The base taxable value was established as of January 1, 2017. The Railroad Urban Renewal Area Tax Increment Advisory Board was created with Resolution No. 20374 and makes recommendations to the City Commission for potential projects to be funded. The work plan recommended by the committee was adopted by the City Commission on August 13, 2018. In Fiscal Year 2022, Tax Increment generated \$305,099 in Real and Personal Property taxes and expended \$145,000 for demolition costs of abandoned property to make way for the construction of a new boutique hotel. FY22 TIF valuation information is as follows:

Tax Year	Base	Taxable Value	Increment	Mill Levy	Actual Revenue
2021	\$2,334,837	\$2,738,607	\$403,770	838.44	\$305,099

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

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE S – TAX INCREMENT FINANCING, (continued)**

In Fiscal Year 2022, Tax Increment generated \$182,545 in Real and Personal Property taxes and expended \$273,991 for various improvement projects in the urban renewal area including landscaping, sidewalk and parking improvements. FY22 TIF valuation information is as follows:

Tax Year	Base	Taxable Value	Increment	Mill Levy	Actual Revenue
2021	\$6,100,262	\$6,338,498	\$238,236	838.44	\$182,545

On August 24, 2020, with Resolution 20618, the City of Helena Commission declared the existence of blight in the Capital Hill Mall Area. On December 7, 2020 the Helena City Commission adopted Ordinance 3285 that created the Capital Hill Urban Renewal District and the Capital Hill Urban Renewal District Plan, including the tax increment provision to revitalize this area generally described as one block north of Prospect Avenue, extending one block south of 11<sup>th</sup> Street, bounded to the west by North Dakota Street and to the east by I-15, including a number of hotel parcels around the highway interchange and a housing development managed by the Helena Housing Authority. The base taxable value was established as of January 1, 2020. Currently, there is no advisory board established for this urban renewal area. In Fiscal Year 2022, Tax Increment generated \$138,099 in Real and Personal Property taxes. No expenditures were approved for this district by the City Commission. FY22 TIF valuation information is as follows:

Tax Year	Base	Taxable Value	Increment	Mill Levy	Actual Revenue
2021	\$1,988,913	\$2,175,238	\$186,325	838.44	\$138,039

**NOTE T – SUBSEQUENT EVENTS**

In June 2022, the City unexpectedly lost one of its Commissioners, Eric Feaver. The City commission subsequently appointed Commissioner Andy Shirliff to carry out the remainder of the late Commissioner Feavers’ term on August 29, 2022.

On September 12, 2022, the City Commission approved several lease space agreements in city owned facilities with Rocky Mountain Development Council, Montana Business Assistance Connections, and Helena Area Chamber of Commerce. Each agreement holds a one year lease term.

On September 12, 2022, the City of Helena and Lewis and Clark County entered an interlocal agreement to create a Board to oversee jointly owned facilities. This agreement establishes the rights, duties, obligations, and responsibilities of each party with respect to the City-County Administration Building and the Law & Justice Center. Its purpose is to evaluate and make recommendations on short-term and long-term maintenance needs for the facilities and to recommend funding methods.

In November 2020 the City Commission adopted Resolution No. 20630, which established the Helena Affordable Housing Trust Fund (HAHTF). On September 26, 2022, the Commission adopted the Program Guidelines and Application process documents to guide disbursement of the Affordable Housing Trust Fund. The first round of solicitations for program funds was in November and did not result in any qualified applicants. That fund currently has over two



**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE T – SUBSEQUENT EVENTS, (continued)**

million in reserves and has an ongoing funding mechanism from property sales and an annual transfer of one hundred thousand dollars from the General Fund.

The City of Helena received approximately \$8.4 million in American Rescue Plan Act (ARPA) Local Relief Funds that it claimed as revenue loss for general government activities under the APRA Act guidelines. The Commission has thoughtfully allocated any general fund savings created by this to internal capital projects and water infrastructure projects and is contemplating allocating \$2.7 million to community projects.

**NOTE U – RECENT ACCOUNTING PRONOUNCEMENTS**

The City implemented GASB Statement No. 84, Fiduciary Activities in Fiscal Year 2021. The Statement was originally effective in fiscal year 2020, however the effective date was postponed to fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The City implemented GASB Statement No. 87, Leases, in this reporting period, Fiscal Year 2022. The objective of this statement is to improve accounting and financial reporting for leases and enhance the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 91, Conduit Debt Obligations which was originally effective for fiscal year 2022 has been delayed for reporting in fiscal year 2023. The primary purpose of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement achieves these objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability to the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. As of fiscal year-end 2022, the city does not have any conduit debt.

GASB Statement No. 93, Replacement of Interbank Offered Rates (IBORS). The removal of LIBOR as an appropriate benchmark interest rate became effective for reporting periods ending after December 31, 2021. For the City of Helena, this statement was implemented this reporting period - Fiscal Year 2022. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. As of June 30, 2022, the City of Helena is not using LIBOR as a benchmark for interest rates in any of its financial instruments (including overnight financing rates and leases).

GASB 94 – Public-Private/Public-Public Partnerships (PPP). The primary objective of this Statement is to improve the financial reporting by addressing issues related to public-private and public-public partnership arrangements. It also provides guidance for accounting and financial reporting for Availability Payment Arrangements. This statement was effective for fiscal reporting periods beginning after June 15, 2021. For the City of Helena, GASB Statement No. 94 is effective for this reporting period ending June 30, 2022. As of Fiscal Year End June 30, 2022, the City has no PPPs or APAs to report.

GASB 96 – Subscription based information technology arrangements (SBITAs). The objective of this statement is to provide uniform reporting by establishing the capitalization criteria for implementation costs, requiring the government to report a subscription as an asset and a liability and to disclose essential information about the arrangement. This will allow users to understand

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE U – RECENT ACCOUNTING PRONOUNCEMENTS, (continued)**

the scale and importance aspects of the government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. This statement was effective for fiscal reporting periods beginning after June 15, 2021. For the City of Helena, GASB Statement No. 96 is effective for this reporting period ending June 30, 2022. As of Fiscal Year End June 30, 2022, this statement has no impact to the City of Helena's financial reporting. In Fiscal Year 2023, the City expects to report a SBITA for a new ERP system.

*GASB Statement No. 97, Certain Component Unit Criteria, and Accounting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary purpose of this statement is to promote more consistent financial reporting of defined contribution plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting for those plans. It is also slated to enhance the relevance, consistency, and comparability of information related to Section 457 plans that meet the definition of a pension plans and the benefits provided through those plans. This statement was effective for fiscal reporting periods beginning after June 15, 2021. For the City of Helena, GASB Statement No. 97 is effective for this reporting period ending June 30, 2022. As of Fiscal Year End June 30, 2022, this statement has no impact to the City of Helena's financial reporting.

The City implemented *GASB 98, The Annual Comprehensive Financial Report* in Fiscal Year 2021. This statement established the term annual comprehensive financial report and its acronym ACFR that replaced the term and acronym comprehensive annual financial report. The effective date of this statement was for fiscal reporting years ending after December 15, 2021.

The Government Accounting Standards Board (GASB) issued *GASB Statement No. 99, Omnibus 2022* on May 9, 2022. The objective of this statement is to enhance comparability in accounting and financial reporting and improving the consistency of authoritative literature by addressing practice issues that have been identified in previous GASB Statements and adding guidance on accounting and financial reporting for exchange and exchange-like financial guarantees. The requirements of this Statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

*GASB 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this statement is to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute these changes. The requirements of this Statement are effective for fiscal years beginning June 15, 2023. The City of Helena will implement this statement for Fiscal Year 2024.

*GASB 101, Compensated Absences.* The objective of this Statement is to update the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previous

**City of Helena, Montana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**NOTE U – RECENT ACCOUNTING PRONOUNCEMENTS, (continued)**

required disclosures. The effective date of this Statement is for fiscal years beginning after December 15, 2023. The City of Helena will implement this statement for Fiscal Year 2024.

The City has not fully assessed the impact of Statements 94, 96, 99, 100 and 101 on its financial position and results of operations.

**NOTE V – PRIOR PERIOD ADJUSTMENTS**

The City had no prior period adjustments to report in Fiscal Year 2022.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Helena, Montana**  
**SCHEDULE OF THE CITY'S TOTAL LIABILITY**  
**OTHER POST EMPLOYMENT BENEFITS**  
June 30, 2022

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

**Notes to the schedule:**

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.  
The following are the discount rates used in each period:

2016	4.25%
2017	3.82%
2018	3.87%
2019	3.50%
2021	2.27%
2022	4.02%

Governmental Accounting Standards Board, Statement 75, requires this information to be provided for 10 years.  
Because this is year number six of implementation, 10 years is unavailable.

**City of Helena, Montana**  
**SCHEDULE OF THE CITY CONTRIBUTIONS**  
**OTHER POST EMPLOYMENT BENEFITS**  
June 30, 2022

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

Governmental Accounting Standards Board, Statement 75, requires this information to be provided for 10 years. Because this is year number six of implementation, 10 years is unavailable.

**City of Helena, Montana**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.674633%	0.675145%	0.668162%	0.677700%	0.861400%	0.896172%	0.922511%	0.920375%
City's proportionate share of the net pension liability (asset)	\$12,232,594	\$17,811,746	\$13,966,667	\$14,143,693	\$16,776,937	\$15,264,917	\$12,895,525	\$11,467,968
State's proportionate share of the net pension liability (asset) associated with the City	\$3,603,510	\$5,607,543	\$4,543,235	\$4,729,895	\$216,680	\$186,520	\$158,400	\$140,041
<b>Total</b>	<u>\$15,836,104</u>	<u>\$23,419,289</u>	<u>\$18,509,902</u>	<u>\$18,873,588</u>	<u>\$16,993,617</u>	<u>\$15,451,437</u>	<u>\$13,053,925</u>	<u>\$11,608,009</u>
City's covered payroll	\$12,957,584	\$12,408,205	\$12,066,691	\$12,032,833	\$11,583,283	\$11,444,023	\$11,338,734	\$10,956,702
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	94.4%	143.5%	115.7%	117.5%	144.8%	133.4%	113.7%	104.7%
Plan fiduciary net position as a percentage of the total pension liability	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

Governmental Accounting Standards Board, Statement 68, requires this information to be provided for 10 years. Because this is year number eight of implementation, 10 years is unavailable.

**City of Helena, Montana**  
**SCHEDULE OF THE CITY CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$1,107,204	\$1,136,993	\$1,075,792	\$1,034,116	\$1,019,181	\$969,521	\$946,424	\$926,312
Contributions in relation to the contractually required contribution	(1,107,204)	(1,136,993)	(1,075,792)	(1,034,116)	(1,019,181)	(969,521)	(946,424)	(926,312)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$14,020,446	\$12,957,584	\$12,408,205	\$12,066,691	\$12,032,833	\$11,583,283	\$11,444,023	\$11,338,734
Contributions as a percentage of covered payroll	7.90%	8.77%	8.67%	8.59%	8.47%	8.37%	8.27%	8.17%

Governmental Accounting Standards Board, Statement 68, requires this information to be provided for 10 years. Because this is year number eight of implementation, 10 years is unavailable.



**City of Helena, Montana**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**MONTANA POLICE OFFICERS' RETIREMENT SYSTEM**  
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	1.965600%	2.174900%	2.213400%	2.221800%	2.155700%	2.349374%	2.344892%	2.284225%
City's proportionate share of the net pension liability (asset)	\$3,573,155	\$5,319,390	\$4,405,672	\$3,804,931	\$3,835,219	\$4,229,192	\$3,878,937	\$3,589,338
State's proportionate share of the net pension liability (asset) associated with the City	7,262,640	10,728,671	8,971,489	7,775,004	7,816,822	8,395,130	7,859,095	7,250,892
<b>Total</b>	<u><u>\$10,835,795</u></u>	<u><u>\$16,048,061</u></u>	<u><u>\$13,377,161</u></u>	<u><u>\$11,579,935</u></u>	<u><u>\$11,652,041</u></u>	<u><u>\$12,624,322</u></u>	<u><u>\$11,738,033</u></u>	<u><u>\$10,840,230</u></u>
City's covered payroll	\$3,557,324	\$3,724,980	\$3,646,415	\$3,508,791	\$3,233,415	\$3,316,542	\$3,245,374	\$3,064,830
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	100.4%	142.8%	120.8%	108.4%	118.6%	127.5%	119.5%	117.1%
Plan fiduciary net position as a percentage of the total pension liability	75.76%	68.84%	68.84%	70.95%	68.34%	65.62%	66.90%	67.01%

Governmental Accounting Standards Board, Statement 68, requires this information to be provided for 10 years. Because this is year number eight of implementation, 10 years is unavailable.

**City of Helena, Montana**  
**SCHEDULE OF THE CITY CONTRIBUTIONS**  
**MONTANA POLICE OFFICERS' RETIREMENT SYSTEM**  
June 30, 2022

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

Governmental Accounting Standards Board, Statement 68, requires this information to be provided for 10 years. Because this is year number eight of implementation, 10 years is unavailable.

**City of Helena, Montana**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM**  
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	1.757300%	1.664400%	1.640000%	1.610500%	1.640400%	1.741105%	1.802239%	1.768133%
City's proportionate share of the net pension liability (asset)	\$1,503,813	\$2,604,437	\$1,881,303	\$1,854,894	\$1,854,259	\$1,988,576	\$1,843,275	\$1,725,991
State's proportionate share of the net pension liability (asset) associated with the City	3,413,176	5,871,283	4,549,940	4,241,313	4,210,822	4,505,486	4,105,464	3,893,752
<b>Total</b>	<u>\$4,916,989</u>	<u>\$8,475,720</u>	<u>\$6,431,243</u>	<u>\$6,096,207</u>	<u>\$6,065,081</u>	<u>\$6,494,062</u>	<u>\$5,948,739</u>	<u>\$5,619,743</u>
City's covered payroll	\$3,233,824	\$2,905,533	\$2,843,908	\$2,536,527	\$2,536,513	\$2,451,788	\$2,421,941	\$2,296,751
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	46.5%	89.6%	66.2%	73.1%	73.1%	81.1%	76.1%	75.1%
Plan fiduciary net position as a percentage of the total pension liability	87.72%	75.34%	80.08%	79.03%	77.77%	75.48%	76.90%	76.71%

Governmental Accounting Standards Board, Statement 68, requires this information to be provided for 10 years. Because this is year number eight of implementation, 10 years is unavailable.

**City of Helena, Montana**  
**SCHEDULE OF THE CITY CONTRIBUTIONS**  
**FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM**  
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$484,499	\$462,627	\$427,669	\$391,924	\$373,335	\$352,156	\$350,540	\$354,559
Contributions in relation to the contractually required contribution	(484,499)	(462,627)	(427,669)	(391,924)	(373,335)	(352,156)	(350,540)	(354,559)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$3,376,776	\$3,233,824	\$2,905,533	\$2,843,908	\$2,536,513	\$2,449,938	\$2,451,788	\$2,421,941
Contributions as a percentage of covered payroll	14.3%	14.3%	14.7%	13.8%	14.7%	14.4%	14.3%	14.6%

Governmental Accounting Standards Board, Statement 68, requires this information to be provided for 10 years. Because this is year number eight of implementation, 10 years is unavailable.

**City of Helena, Montana**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*June 30, 2022*

## **PENSIONS**

### **Changes of benefit terms**

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

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

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

Second Retirement Benefit

- 1) Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
  - Refund of member's contributions from second employment plus regular interest (currently 0.25%);
  - No service credit for second employment;
  - Start same benefit amount the month following termination; and
  - GABA starts again in the January immediately following second retirement.
- 2) For members who retire before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:
  - Member receives a recalculated retirement benefit based on laws in effect at second retirement; and
  - GABA starts in the January after receiving recalculated benefit for 12 months.
- 3) For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:
  - Refund of member's contributions from second employment plus regular interest (currently 0.25%);
  - No service credit for second employment.
  - Start same benefit amount the month following termination; and
  - GABA starts again in the January immediately following second retirement.
- 4) For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate five or more years of service credit before retiring again:
  - Member receives same retirement benefit as prior to return to service;
  - Members receives second retirement benefit for second period of service based on laws in effect at second retirement; and
  - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

Revised DC Funding Laws – House Bill 107, effective July 1, 2015

Employer Contributions and the Defined Contribution Plan – for PERS

The PCR was paid off effective March 2016 and the contributions of 2.37%, .47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution member's account.

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

General Revisions – House Bill 101, effective July 1, 2017

Working Retiree Limitations

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

Terminating Employers – Recovery of actuary costs

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

**City of Helena, Montana**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*June 30, 2022*

**PENSIONS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**2017 Legislative Changes: (continued)**

Refunds

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

Family Law Orders

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

Lump Sum Payouts

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

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who become disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

PERS – Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2020 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.40%
Merit salary increase	0% to 8.47%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry age Normal
Amortization	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table Projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as a % of payroll	0.28%

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

**City of Helena, Montana**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*June 30, 2022*

**PENSIONS**, (continued)

**Public Employees Retirement System (PERS)**, (continued)

PERS Statutory Appropriation – House Bill 648, effective July 1, 2017

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

1. FY2018 - \$31.386 million
2. FY2019 - \$31.958 million
3. Beginning July 1, 2019 through at least June 30, 2025, 101% of the contribution from the previous year from the general fund to the PERS defined benefit trust fund, as follows:
  - a. FY2020 - \$32.277 million
  - b. FY2021 - \$32.600 million
  - c. FY2022 - \$32.926 million
  - d. FY2023 - \$33.255 million
  - e. FY2024 - \$33.588 million
  - f. FY2025 - \$33.924 million

**Montana Police Officers Retirement (MPORS)**

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

**2015 Legislative Changes:**

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

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

**Montana Police Officers Retirement (MPORS)**

**2017 Legislative Changes:**

General Revisions – House Bill 101, effective July 1, 2017

Working Retiree Limitations

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

Second Retirement Benefit

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.

**City of Helena, Montana**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*June 30, 2022*

**PENSIONS**, (continued)

**Montana Police Officers Retirement (MPORS)**, (continued)

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

**Terminating Employers – Recovery of actuary costs**

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

**Refunds**

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

**Interest credited to member accounts**

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

**Lump-sum payouts**

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

**Family Law Orders**

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



**City of Helena, Montana**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*June 30, 2022*

**PENSIONS**, (continued)

**Montana Police Officers Retirement (MPORS)**, (continued)

MPORS – Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2020 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.60%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry age Normal
Amortization	Level percentage of payroll, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table Projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as a % of payroll	0.18%

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

**Firefighters Unified Retirement (FURS)**

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

**2015 Legislative Changes:**

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

- If a PERS member transfers employment to a FURS covered position and fails to elect FURS membership within 90 days, the default is PERS membership.

**2017 Legislative Changes:**

General Revisions – House Bill 101, effective July 1, 2017

Working Retiree Limitations

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

**City of Helena, Montana**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*June 30, 2022*

**PENSIONS**, (continued)

**Firefighters Unified Retirement (FURS)**, (continued)

- 4) Employee, employer and state contributions, if any, apply as follows:
  - a. Employer contributions and state contributions (if any) must be paid on all working retirees; and
  - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
  - a. Is not awarded service credit for the period of reemployment;
  - b. Is refunded the accumulated contributions associated with the period of reemployment;
  - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
  - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA in January immediately following the second retirement.
- 3) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
  - a. Is awarded service credit for the period of reemployment;
  - b. Starting the first month following termination of service, receives:
    - i. The same retirement benefits previously paid to the member, and
    - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
  - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    - i. On the initial retirement benefit in January immediately following second retirement, and
    - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

Refunds

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

Interest credited to member accounts

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

Lump-sum payouts

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

**City of Helena, Montana**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*June 30, 2022*

**PENSIONS**, (continued)

**Firefighters Unified Retirement (FURS)**, (continued)

FURS – Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2020 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.30%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry age Normal
Amortization	Level percentage of payroll, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table Projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as a % of payroll	0.17%

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



## **NON-MAJOR GOVERNMENTAL FUNDS**

**City of Helena, Montana**  
**June 30, 2022**

**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), Home Investments Partnerships (HOME), Affordable Housing, Public Art, as well as other community development grants and planning activities.

Community Facilities - Used to account for the receipts and expenditures related to maintenance and other activities in buildings owned by the City 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 9-1-1 and emergency and communication system; the joint City/County operation of the dispatch and record keeping functions; and miscellaneous grant funding.

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

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

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

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

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

**City of Helena, Montana**  
**June 30, 2022**

**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.

2017 Park and Recreation General Obligation Refunding – Used to account for funds to pay the periodic payment of interest and principal on the bonds issued to refund the 2008 general obligation bonds that were used to finance improvements to Centennial Park, Memorial Park pool and Kindrick Legion field approved by the citizens.

Sidewalk 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, 2022**

**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 capital projects for general fund departments as well as funds specifically 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.

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

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

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



**City of Helena, Montana**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
*June 30, 2022*

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$12,168,642	\$615,780	\$4,942,460	\$17,726,881
Receivables (net of allowance for uncollectables)	552,353	32,395	40,907	625,654
Loans Receivable	663,399	5	577,335	1,240,739
<b>Total Assets</b>	<u>13,384,393</u>	<u>648,179</u>	<u>5,560,702</u>	<u>19,593,274</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	352,456	-	200	352,656
Interest Payable	4,450	46,275	-	50,725
Total liabilities	<u>356,906</u>	<u>46,275</u>	<u>200</u>	<u>403,381</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow revenue-special assessments	317,290	8,920	17,549	343,759
Total deferred inflows of resources	<u>317,290</u>	<u>8,920</u>	<u>17,549</u>	<u>343,759</u>
<b>FUND BALANCES</b>				
Non spendable	-	-	-	-
Restricted	2,345,400	592,984	1,428,427	4,366,811
Committed	1,678,608	-	-	1,678,608
Assigned	8,686,189	-	4,114,527	12,800,716
Total fund balances	<u>12,710,198</u>	<u>592,984</u>	<u>5,542,953</u>	<u>18,846,135</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u><b>\$13,384,394</b></u>	<u><b>\$648,179</b></u>	<u><b>\$5,560,702</b></u>	<u><b>\$19,593,275</b></u>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON MAJOR GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2022*

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental
<b>REVENUES</b>				
Taxes	\$921,761	\$546,377	\$639,210	\$2,107,348
Special Assessments	4,351,158	785	175	4,352,119
Licenses and permits	9,770	-	8,622	18,392
Intergovernmental	11,047,664	-	47,705	11,095,368
Charges for services	1,370,582	-	99,832	1,470,414
Investment earnings	62,846	1,221	14,813	78,881
Contributions and donations	30,181	-	9,528	39,709
Miscellaneous	27,084	-	149	27,233
Total Revenues	17,821,046	548,383	820,035	19,189,464
<b>EXPENDITURES</b>				
<u>Current:</u>				
Public safety	10,315,468	-	-	10,315,468
Public works	1,413,370	175	94,970	1,508,515
Public health	39,299	-	-	39,299
Culture and recreation	3,200,566	1,100	42,721	3,244,387
Community development	46,826	-	418,991	465,817
<u>Debt service:</u>				
Principal	42,741	445,000	-	487,741
Interest	13,370	99,225	-	112,595
Capital outlay	389,064	-	609,171	998,234
Total expenditures	15,460,704	545,500	1,165,853	17,172,057
Excess (deficiency) of revenues over (under) expenditures	2,360,342	2,883	(345,818)	2,017,407
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain on sale of capital assets	43,450	-	-	43,450
Proceeds insurance/Settlements	0	-	129,676	129,676
Transfers in	810,020	-	2,766,000	3,576,020
Transfers out	(718,625)	-	(200)	(718,825)
Total other financing sources (uses)	134,845	-	2,895,476	3,030,321
Net change in fund balances	2,495,187	2,883	2,549,658	5,047,728
Fund balances - beginning	10,215,010	590,101	2,993,296	13,798,407
<b>Fund balances - ending</b>	<b>\$12,710,197</b>	<b>\$592,984</b>	<b>\$5,542,954</b>	<b>\$18,846,135</b>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
*June 30, 2022*  
**(1 of 2)**

	<b>Storm Water</b>	<b>Community Development</b>	<b>Community Facilities</b>	<b>Police Programs</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$3,679,251	\$2,202,835	\$2,092,578	\$1,809,222
Receivables (net of allowance for uncollectables)	286,008	1,081	-	6,725
Loans Receivable	-	663,219	-	-
Total assets	<u>3,965,259</u>	<u>2,867,135</u>	<u>2,092,578</u>	<u>1,815,948</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	24,310	72	61,059	93,753
Interest Payable	-	-	-	-
Total liabilities	<u>24,310</u>	<u>72</u>	<u>61,059</u>	<u>93,753</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue-special assessments	248,254	-	-	-
Total deferred inflows of resources	<u>248,254</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	135,000	230,930	352,911	407,261
Committed	-	-	1,678,608	-
Assigned	3,557,696	2,636,133	-	1,314,934
Total fund balances	<u>3,692,696</u>	<u>2,867,063</u>	<u>2,031,519</u>	<u>1,722,195</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u><u>\$3,965,259</u></u>	<u><u>\$2,867,135</u></u>	<u><u>\$2,092,578</u></u>	<u><u>\$1,815,948</u></u>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
*June 30, 2022*  
**(2 of 2)**

<b>Fire Programs</b>	<b>Open Space District Maintenance</b>	<b>Urban Forestry Maintenance District</b>	<b>CARES / ARPA</b>	<b>Light Maintenance Districts</b>	<b>Total Non-Major Special Revenue</b>
\$589,387	\$561,136	\$474,968	\$18,272	\$740,992	\$12,168,642
52,291	170,715	14,657	-	20,875	552,353
-	180	-	-	-	663,399
<u>641,678</u>	<u>732,031</u>	<u>489,625</u>	<u>18,272</u>	<u>761,867</u>	<u>13,384,393</u>
-	17,477	24,556	-	131,229	352,456
4,450	-	-	-	-	4,450
<u>4,450</u>	<u>17,477</u>	<u>24,556</u>	<u>-</u>	<u>131,229</u>	<u>356,906</u>
12,671	45,945	5,997	-	4,423	317,290
<u>12,671</u>	<u>45,945</u>	<u>5,997</u>	<u>-</u>	<u>4,423</u>	<u>317,290</u>
75,800	58,212	459,071	-	626,215	2,345,400
-	-	-	-	-	1,678,608
548,757	610,398	-	18,272	-	8,686,189
<u>624,557</u>	<u>668,610</u>	<u>459,071</u>	<u>18,272</u>	<u>626,215</u>	<u>12,710,198</u>
<b><u>\$641,678</u></b>	<b><u>\$732,031</u></b>	<b><u>\$489,625</u></b>	<b><u>\$18,272</u></b>	<b><u>\$761,867</u></b>	<b><u>\$13,384,394</u></b>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON MAJOR SPECIAL REVENUE FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(1 of 2)**

	<u>Storm Water</u>	<u>Community Development</u>	<u>Community Facilities</u>	<u>Police Programs</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,366,418	-	-	-
Licenses and permits	-	-	-	9,770
Intergovernmental	18,572	24,000	-	2,141,969
Charges for services	-	-	1,296,340	65,343
Investment earnings	8,511	19,931	6,589	4,682
Contributions and donations	-	-	400	-
Miscellaneous	-	-	25,310	1,275
Total Revenues	<u>2,393,501</u>	<u>43,931</u>	<u>1,328,638</u>	<u>2,223,038</u>
<b>EXPENDITURES</b>				
<u>Current:</u>				
Public safety	-	-	-	1,863,168
Public works	611,857	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	1,891,581	-
Community development	-	46,826	-	-
<u>Debt service:</u>				
Principal	-	-	-	3,255
Interest	-	-	-	59
Capital outlay	191,934	-	18,750	-
Total expenditures	<u>803,791</u>	<u>46,826</u>	<u>1,910,331</u>	<u>1,866,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,589,710</u>	<u>(2,895)</u>	<u>(581,693)</u>	<u>356,557</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	43,450	-	-	-
Transfers in	2,035	297,000	479,212	9,706
Transfers out	-	(15,000)	-	(30,483)
Total other financing sources (uses)	<u>45,485</u>	<u>282,000</u>	<u>479,212</u>	<u>(20,777)</u>
Net change in fund balances	<u>1,635,195</u>	<u>279,105</u>	<u>(102,481)</u>	<u>335,780</u>
Fund balances - beginning	<u>2,057,501</u>	<u>2,587,958</u>	<u>2,134,000</u>	<u>1,386,415</u>
<b>Fund balances - ending</b>	<b><u>\$3,692,696</u></b>	<b><u>\$2,867,063</u></b>	<b><u>\$2,031,519</u></b>	<b><u>\$1,722,195</u></b>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON MAJOR SPECIAL REVENUE FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(2 of 2)**

Fire Programs	Open Space Maintenance District	Urban Forestry Maintenance District	CARES / ARPA	Light Maintenance Districts	Total Non-Major Governmental
\$921,761	\$ -	\$ -	\$ -	\$ -	\$921,761
-	556,501	478,973	-	949,266	4,351,158
-	-	-	-	-	9,770
-	365,333	11,170	8,486,620	-	11,047,664
413	8,487	-	-	-	1,370,582
2,004	1,682	1,175	18,272	-	62,846
-	29,781	-	-	-	30,181
-	500	-	-	-	27,084
<u>924,177</u>	<u>962,283</u>	<u>491,318</u>	<u>8,504,893</u>	<u>949,266</u>	<u>17,821,046</u>
4,979	-	-	8,447,321	-	10,315,468
-	-	-	-	801,513	1,413,370
-	-	-	39,299	-	39,299
-	842,882	466,103	-	-	3,200,566
-	-	-	-	-	46,826
39,486	-	-	-	-	42,741
13,311	-	-	-	-	13,370
92,368	16,900	69,112	-	-	389,064
<u>150,144</u>	<u>859,782</u>	<u>535,215</u>	<u>8,486,620</u>	<u>801,513</u>	<u>15,460,704</u>
<u>774,033</u>	<u>102,501</u>	<u>(43,897)</u>	<u>18,272</u>	<u>147,754</u>	<u>2,360,342</u>
-	-	-	-	-	43,450
-	20,965	1,102	-	-	810,020
(671,477)	(1,665)	-	-	-	(718,625)
(671,477)	19,300	1,102	-	-	134,845
102,556	121,801	(42,795)	18,272	147,754	2,495,187
522,001	546,809	501,866	-	478,461	10,215,011
<u>\$624,557</u>	<u>\$668,610</u>	<u>\$459,071</u>	<u>\$18,272</u>	<u>\$626,215</u>	<u>\$12,710,198</u>

See independent auditor's report

City of Helena, Montana  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR SPECIAL REVENUE FUNDS**  
*For the fiscal year ended June 30, 2022*  
(1 of 5)

	Storm Water				Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	2,403,300	2,403,300	2,366,418	(36,882)	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
<u>Intergovernmental:</u>								
Federal Grants	-	-	-	-	-	33,000	24,000	(9,000)
State Shared Revenues/Grants	-	-	-	-	-	-	-	-
Other Governments	-	-	-	-	-	-	-	-
Local Payments in lieu of taxes	9,455	9,455	18,572	9,117	-	-	-	-
<u>Charges for Services:</u>								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Investment earnings	4,500	4,500	8,511	4,011	-	-	19,931	19,931
Contributions and donations	-	-	-	-	-	9,000	-	(9,000)
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>2,417,255</b>	<b>2,417,255</b>	<b>2,393,501</b>	<b>(23,754)</b>	<b>-</b>	<b>42,000</b>	<b>43,931</b>	<b>1,931</b>
<b>EXPENDITURES</b>								
<u>Current:</u>								
General government								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Public safety								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Public works								
Personnel Services	265,042	265,042	251,716	13,326	-	-	-	-
Supplies/services/materials	421,860	435,910	360,141	75,769	-	-	-	-
Culture and recreation								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Community development								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	12,000	68,000	46,826	21,174
<u>Debt service:</u>								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<u>Capital outlay:</u>								
Public Safety	-	-	-	-	-	-	-	-
Public Works	1,891,360	2,564,607	-	2,564,607	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,578,262</b>	<b>3,265,559</b>	<b>611,857</b>	<b>2,653,702</b>	<b>12,000</b>	<b>68,000</b>	<b>46,826</b>	<b>21,174</b>
Excess (deficiency) of revenues over (under) expenditures	(161,007)	(848,304)	1,781,644	(2,677,457)	(12,000)	(26,000)	(2,895)	(19,243)
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of capital assets	-	-	43,450	-	-	-	-	-
Transfers in	2,035	2,035	2,035	-	297,000	297,000	297,000	-
Transfers out	-	-	-	-	-	(15,000)	(15,000)	-
Total other financing sources (uses)	<u>2,035</u>	<u>2,035</u>	<u>45,485</u>	<u>-</u>	<u>297,000</u>	<u>282,000</u>	<u>282,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>(\$158,972)</b>	<b>(\$846,269)</b>	<b>1,827,129</b>	<b>\$2,673,398</b>	<b>\$285,000</b>	<b>\$256,000</b>	<b>279,105</b>	<b>\$23,105</b>
Fund balances - beginning			2,176,880				2,073,982	
<b>Fund balances - ending</b>			<b>\$4,004,009</b>				<b>\$2,353,087</b>	

See independent auditor's report

City of Helena, Montana  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR SPECIAL REVENUE FUNDS**  
*For the fiscal year ended June 30, 2022*  
(2 of 5)

Community Facilities				Police Programs			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	17,000	17,000	9,770	(7,230)
351,623	351,623	-	-	33,000	120,409	88,674	(31,735)
-	-	-	-	502,846	502,846	459,188	(43,658)
-	-	-	-	2,022,762	2,022,762	1,594,106	(428,656)
-	-	-	-	-	-	-	-
736,519	736,519	-	(736,519)	-	-	-	-
-	-	-	-	77,000	77,000	65,343	(11,657)
590,500	590,500	662,401	71,901	-	-	-	-
4,160	4,160	6,589	2,429	520	520	4,682	4,162
-	-	400	400	-	-	-	-
500	5,750	25,310	19,560	1,660	1,660	1,275	(385)
<u>1,683,302</u>	<u>1,688,552</u>	<u>694,699</u>	<u>(642,230)</u>	<u>2,654,788</u>	<u>2,742,197</u>	<u>2,223,038</u>	<u>(519,159)</u>
247,717	247,717	-	247,717	-	-	-	-
605,528	622,671	-	622,671	-	-	-	-
-	-	-	-	1,613,265	1,613,265	1,417,656	195,609
-	-	-	-	829,781	876,962	445,512	431,450
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
475,261	475,261	628,781	(153,520)	-	-	-	-
584,699	585,000	1,262,800	(677,800)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	502,846	502,846	-	502,846
7,000	7,000	-	7,000	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,920,205</u>	<u>1,937,649</u>	<u>1,891,581</u>	<u>46,068</u>	<u>2,945,892</u>	<u>2,993,073</u>	<u>1,863,168</u>	<u>1,129,905</u>
<u>(236,903)</u>	<u>(249,097)</u>	<u>(1,196,882)</u>	<u>(688,298)</u>	<u>(291,104)</u>	<u>(250,876)</u>	<u>359,871</u>	<u>(1,649,064)</u>
-	-	-	-	-	-	-	-
457,667	479,212	479,212	-	9,706	9,706	9,706	-
-	-	-	-	(15,000)	(15,000)	(30,483)	15,483
<u>457,667</u>	<u>479,212</u>	<u>479,212</u>	<u>-</u>	<u>(5,294)</u>	<u>(5,294)</u>	<u>(20,777)</u>	<u>15,483</u>
<u>\$220,764</u>	<u>\$821,888</u>	<u>(717,670)</u>	<u>(\$1,539,558)</u>	<u>(\$296,398)</u>	<u>(\$256,170)</u>	<u>339,094</u>	<u>\$595,264</u>
		1,756,562				834,797	
		<u>\$1,038,892</u>				<u>\$1,173,891</u>	

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City of Helena, Montana  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR SPECIAL REVENUE FUNDS**  
*For the fiscal year ended June 30, 2022*  
(3 of 5)

	Fire Programs				Open Space Maintenance District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$935,500	\$935,500	\$921,761	(\$13,739)	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	550,750	550,750	556,501	5,751
Licenses and permits	-	-	-	-	-	-	-	-
<u>Intergovernmental:</u>								
Federal Grants	-	-	-	-	-	-	361,595	361,595
State Shared Revenues	-	-	-	-	-	-	-	-
Other Governments	-	-	-	-	-	-	-	-
Local Payments in lieu of taxes	-	-	-	-	1,900	1,900	3,738	1,838
<u>Charges for Services:</u>								
General Government	-	-	-	-	-	-	-	-
Public Safety	317,000	317,000	413	(316,587)	-	-	-	-
Culture and Recreation	-	-	-	-	2,200	2,200	8,487	6,287
Investment earnings	-	-	2,004	2,004	500	500	1,682	1,182
Contributions and donations	-	-	-	-	-	-	29,781	29,781
Miscellaneous	-	-	-	-	-	-	500	500
Total Revenues	<u>1,252,500</u>	<u>1,252,500</u>	<u>924,177</u>	<u>(328,323)</u>	<u>555,350</u>	<u>555,350</u>	<u>962,283</u>	<u>406,933</u>
<b>EXPENDITURES</b>								
<u>Current:</u>								
General government								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Public safety								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	85,100	85,100	4,979	80,121	-	-	-	-
Public works								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
Culture and recreation								
Personnel Services	-	-	-	-	248,287	248,287	242,019	6,268
Supplies/services/materials	-	-	-	-	484,967	484,967	600,863	(115,896)
Community development								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	-	-	-	-
<u>Debt service:</u>								
Principal	-	-	39,486	(39,486)	-	-	-	-
Interest	-	-	13,311	(13,311)	-	-	-	-
<u>Capital outlay:</u>								
Public Safety	191,000	246,000	-	246,000	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	59,500	59,500	-	59,500
Total expenditures	<u>276,100</u>	<u>331,100</u>	<u>57,776</u>	<u>273,324</u>	<u>792,754</u>	<u>792,754</u>	<u>842,882</u>	<u>(50,128)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>976,400</u>	<u>921,400</u>	<u>866,401</u>	<u>(601,646)</u>	<u>(237,404)</u>	<u>(237,404)</u>	<u>119,401</u>	<u>457,062</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	20,965	20,965	20,965	-
Transfers out	(911,000)	(594,000)	(671,477)	77,477	-	-	(1,665)	1,665
Total other financing sources (uses)	<u>(911,000)</u>	<u>(594,000)</u>	<u>(671,477)</u>	<u>77,477</u>	<u>20,965</u>	<u>20,965</u>	<u>19,300</u>	<u>1,665</u>
Net change in fund balances	<u>\$65,400</u>	<u>\$327,400</u>	<u>194,924</u>	<u>(\$132,476)</u>	<u>(\$216,439)</u>	<u>(\$216,439)</u>	<u>138,701</u>	<u>\$355,140</u>
Fund balances - beginning			1,062,675				664,908	
<b>Fund balances - ending</b>			<u>\$1,257,599</u>				<u>\$803,609</u>	

See independent auditor's report

City of Helena, Montana  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR SPECIAL REVENUE FUNDS**  
For the year ended June 30, 2022  
(4 of 5)

Urban Forestry Maintenance District				CARES / ARPA			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
430,500	430,500	478,973	48,473	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,248,586	4,248,586	8,486,620	4,238,034
-	-	10,000	10,000	-	-	-	-
-	-	-	-	-	-	-	-
630	630	1,170	540	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,000	1,000	1,175	175	-	-	18,272	18,272
-	-	-	-	-	-	-	-
9,000	9,000	-	(9,000)	-	-	-	-
<u>441,130</u>	<u>441,130</u>	<u>491,318</u>	<u>50,188</u>	<u>4,248,586</u>	<u>4,248,586</u>	<u>8,504,893</u>	<u>4,256,307</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	8,468,620	39,299	8,429,321
-	-	-	-	-	-	-	-
-	-	-	-	-	4,240,000	-	4,240,000
330,281	330,281	314,032	16,249	-	-	-	-
150,651	150,780	152,071	(1,291)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	69,113	-	69,113	-	-	-	-
<u>480,932</u>	<u>550,174</u>	<u>466,103</u>	<u>84,071</u>	<u>-</u>	<u>12,708,620</u>	<u>39,299</u>	<u>12,669,321</u>
<u>(39,802)</u>	<u>(109,044)</u>	<u>25,215</u>	<u>(33,883)</u>	<u>4,248,586</u>	<u>(8,460,034)</u>	<u>8,465,593</u>	<u>(8,413,014)</u>
-	-	-	-	-	-	-	-
1,102	1,102	1,102	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,102</u>	<u>1,102</u>	<u>1,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(\$38,700)</u>	<u>(\$107,942)</u>	<u>26,317</u>	<u>\$134,259</u>	<u>\$-</u>	<u>\$-</u>	<u>8,465,593</u>	<u>\$ 8,465,593</u>
		565,778				95,457	
		<u>\$592,095</u>				<u>\$8,561,050</u>	

See independent auditor's report

City of Helena, Montana  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR SPECIAL REVENUE FUNDS**  
*For the year ended June 30, 2022*  
(5 of 5)

	Light Maintenance Districts				Total			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$935,500	\$935,500	\$921,761	(\$13,739)
Special Assessments	931,010	931,010	949,266	18,256	4,315,560	4,315,560	4,351,158	35,598
Licenses and permits	-	-	-	-	17,000	17,000	9,770	(7,230)
<u>Intergovernmental:</u>								
Federal Grants	-	-	-	-	4,633,209	4,753,618	8,960,890	4,207,272
State Shared Revenues	-	-	-	-	502,846	502,846	469,188	(33,658)
Other Governments	-	-	-	-	2,022,762	2,022,762	1,594,106	(428,656)
Local Payments in lieu of taxes	-	-	-	-	11,985	11,985	23,479	11,494
<u>Charges for Services:</u>								
General Government	-	-	-	-	736,519	736,519	-	(736,519)
Public Safety	-	-	-	-	394,000	394,000	65,756	(328,244)
Culture and Recreation	-	-	-	-	592,700	592,700	670,887	78,187
Investment earnings	-	-	-	-	10,680	10,680	62,846	52,166
Contributions and donations	-	-	-	-	-	9,000	30,181	21,181
Miscellaneous	-	-	-	-	11,160	16,410	27,084	10,674
Total Revenues	<u>931,010</u>	<u>931,010</u>	<u>949,266</u>	<u>18,256</u>	<u>14,183,921</u>	<u>14,318,580</u>	<u>17,187,107</u>	<u>2,868,527</u>
<b>EXPENDITURES</b>								
<u>Current:</u>								
General government								
Personnel Services	-	-	-	-	247,717	247,717	-	247,717
Supplies/services/materials	-	-	-	-	605,528	622,671	-	622,671
Public safety								
Personnel Services	-	-	-	-	1,613,265	10,081,885	1,456,955	8,624,930
Supplies/services/materials	-	-	-	-	914,881	962,062	450,491	511,571
Public works								
Personnel Services	-	-	-	-	265,042	265,042	251,716	13,326
Supplies/services/materials	971,122	971,122	801,513	169,609	1,392,982	5,647,032	1,161,654	4,485,378
Culture and recreation								
Personnel Services	-	-	-	-	1,053,829	1,053,829	1,184,831	(131,002)
Supplies/services/materials	-	-	-	-	1,220,317	1,220,747	2,015,735	(794,988)
Community development								
Personnel Services	-	-	-	-	-	-	-	-
Supplies/services/materials	-	-	-	-	12,000	68,000	46,826	21,174
<u>Debt service:</u>								
Principal	-	-	-	-	-	-	39,486	(39,486)
Interest	-	-	-	-	-	-	13,311	(13,311)
<u>Capital outlay:</u>								
Public Safety	-	-	-	-	693,846	748,846	-	748,846
Public Works	-	-	-	-	1,898,360	2,571,607	-	2,571,607
Culture and recreation	-	-	-	-	59,500	128,613	-	128,613
Total expenditures	<u>971,122</u>	<u>971,122</u>	<u>801,513</u>	<u>169,609</u>	<u>9,977,267</u>	<u>23,618,051</u>	<u>6,621,005</u>	<u>16,997,046</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,112)</u>	<u>(40,112)</u>	<u>147,754</u>	<u>(151,353)</u>	<u>4,206,654</u>	<u>(9,299,471)</u>	<u>10,566,102</u>	<u>(14,128,519)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of capital assets	-	-	-	-	-	-	43,450	43,450
Transfers in	-	-	-	-	788,475	810,020	810,020	-
Transfers out	-	-	-	-	(926,000)	(624,000)	(718,625)	94,625
Total other financing sources (uses)	-	-	-	-	(137,525)	186,020	134,845	138,075
Net change in fund balances	<u>(\$40,112)</u>	<u>(\$40,112)</u>	<u>147,754</u>	<u>\$187,866</u>	<u>\$4,069,129</u>	<u>(\$9,113,451)</u>	<u>10,700,947</u>	<u>\$19,814,398</u>
Fund balances - beginning			644,700				9,870,991	
<b>Fund balances - ending</b>			<u>\$792,454</u>				<u>\$20,571,938</u>	

See independent auditor's report

**City of Helena, Montana**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR DEBT SERVICE FUNDS**  
*For the Year ended June 30, 2022*

	Special Improvement Districts	Special Improvement Districts Revolving	Park and Recreation General Obligation Refunding	Sidewalk Loans	Total Non-Major Debt Service
<b>ASSETS</b>					
Cash and cash equivalents	\$9	\$40,993	\$572,159	\$2,619	\$615,780
Receivables (net of allowance for uncollectables)	-	50	32,344	-	32,395
Loans Receivable	-	5	0	-	5
Total assets	<u>9</u>	<u>41,048</u>	<u>604,503</u>	<u>2,619</u>	<u>648,179</u>
<b>LIABILITIES</b>					
Interest Payable	-	-	46,275	-	46,275
Total liabilities	<u>-</u>	<u>-</u>	<u>46,275</u>	<u>-</u>	<u>46,275</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-special assessments	-	50	8,870	-	8,920
Total deferred inflows of resources	<u>-</u>	<u>50</u>	<u>8,870</u>	<u>-</u>	<u>8,920</u>
<b>FUND BALANCES</b>					
Restricted	9	40,998	549,358	2,619	592,984
Total fund balances	<u>9</u>	<u>40,998</u>	<u>549,358</u>	<u>2,619</u>	<u>592,984</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u><b>\$9</b></u>	<u><b>\$41,048</b></u>	<u><b>\$604,503</b></u>	<u><b>\$2,619</b></u>	<u><b>\$648,179</b></u>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON MAJOR DEBT SERVICE FUNDS**  
*For the fiscal year ended June 30, 2022*

	Special Improvement Districts	Special Improvement Districts Revolving	Park and Recreation General Obligation Refunding	Sidewalk Loans	Total Non-Major Debt Service
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$546,377	\$ -	\$546,377
Penalties and interest	-	-	781	-	781
Special assessments	-	5	0	-	5
Investment earnings	-	(68)	1,289	-	1,221
Total Revenues	-	(64)	548,447	-	548,383
<b>EXPENDITURES</b>					
Public Works	-	175	-	-	175
Culture and Recreation	-	-	1,100	-	1,100
<u>Debt service:</u>					
Principal	-	-	445,000	-	445,000
Interest	-	-	99,225	-	99,225
Total expenditures	-	175	545,325	-	545,500
Excess (deficiency) of revenues over (under) expenditures	-	(239)	3,122	-	2,883
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	(239)	3,122	-	2,883
Fund balances - beginning	9	41,237	546,236	2,619	590,101
<b>Fund balances - ending</b>	<b>\$9</b>	<b>\$40,998</b>	<b>\$549,358</b>	<b>\$2,619</b>	<b>\$592,984</b>

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**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR DEBT SERVICE FUNDS**  
*For the year ended June 30, 2022*  
**(1 of 3)**

	Special Improvement Districts				Special Improvement Districts Revolving			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties and Interest	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	5	5
Investment earnings	-	-	-	-	25	25	(68)	(93)
Total Revenues	-	-	-	-	25	25	(64)	(89)
<b>EXPENDITURES</b>								
General government	-	-	-	-	176	176	176	-
<u>Debt Service:</u>								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	176	176	176	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(151)	(151)	(240)	(89)
Net change in fund balances	-	-	-	-	(151)	(151)	(240)	(89)
Fund balances - beginning	-	-	10	(10)	-	-	40,999	(40,999)
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$10</b>	<b>(\$10)</b>	<b>(\$151)</b>	<b>(\$151)</b>	<b>\$40,759</b>	<b>(\$41,088)</b>

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**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR DEBT SERVICE FUNDS**  
*For the year ended June 30, 2022*  
**(2 of 3)**

	Park and Recreation General Obligation Refunding				Sidewalk Loans			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$585,000	\$585,000	\$530,267	(\$54,733)	\$ -	\$ -	\$ -	\$ -
Penalties and Interest	750	750	781	31	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Investment earnings	2,000	2,000	1,289	(711)	-	-	-	-
Total Revenues	587,750	587,750	532,337	(55,413)	-	-	-	-
<b>EXPENDITURES</b>								
General government	-	-	-	-	-	-	-	-
<u>Debt Service:</u>								
Principal	445,000	445,000	445,000	-	-	-	-	-
Interest	106,300	106,300	107,000	(700)	-	-	-	-
Total expenditures	551,300	551,300	552,000	(700)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	36,450	36,450	(19,663)	(54,713)	-	-	-	-
Net change in fund balances	36,450	36,450	(19,663)	(56,113)	-	-	-	-
Fund balances - beginning	-	-	502,402	(502,402)	-	-	2,619	(2,619)
<b>Fund balances - ending</b>	<b>\$36,450</b>	<b>\$10</b>	<b>\$482,739</b>	<b>(\$558,515)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$2,619</b>	<b>(\$2,619)</b>

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**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR DEBT SERVICE FUNDS**  
*For the year ended June 30, 2022*  
**(3 of 3)**

	<b>Total</b>			<b>Variance Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$585,000	\$585,000	\$530,267	(\$54,733)
Penalties and Interest	750	750	781	31
Special Assessments	-	-	5	5
Investment earnings	2,025	2,025	1,221	(804)
Total Revenues	<u>587,775</u>	<u>587,775</u>	<u>532,273</u>	<u>(55,502)</u>
<b>EXPENDITURES</b>				
General government	176	176	176	-
<u>Debt Service:</u>				
Principal	445,000	445,000	445,000	-
Interest	106,300	106,300	107,000	(700)
Total expenditures	<u>551,476</u>	<u>551,476</u>	<u>552,176</u>	<u>(700)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,299</u>	<u>36,299</u>	<u>(19,903)</u>	<u>(54,802)</u>
Net change in fund balances	36,299	36,299	(19,903)	(56,202)
Fund balances - beginning	-	-	546,030	(546,030)
<b>Fund balances - ending</b>	<u>\$36,299</u>	<u>\$36,299</u>	<u>\$526,127</u>	<u>(\$602,232)</u>

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**City of Helena, Montana**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECT FUNDS**  
*June 30, 2022*

	Capital Improvements	Special Improvement Districts Construction	TIF Railroad District	TIF Downtown District	TIF Capital Mall District	Total Non-Major Capital
<b>ASSETS</b>						
Cash and cash equivalents	\$4,114,727	\$ -	\$479,711	\$200,066	\$147,956	\$4,942,460
Receivables (net of allowance for uncollectables)	-	-	29,149	4,240	7,518	40,907
Loans Receivable	577,335	-	-	-	-	577,335
Total assets	<u>4,692,061</u>	<u>-</u>	<u>508,860</u>	<u>204,306</u>	<u>155,475</u>	<u>5,560,702</u>
<b>LIABILITIES</b>						
Accounts payable & Other current liabilities	200	-	-	-	-	200
Total liabilities	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflow of Revenue	-	-	14,406	578	2,565	17,549
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>14,406</u>	<u>578</u>	<u>2,565</u>	<u>17,549</u>
<b>FUND BALANCES</b>						
Restricted	577,335	-	494,455	203,728	152,909	1,428,427
Assigned	4,114,527	-	-	-	-	4,114,527
Total fund balances	<u>4,691,861</u>	<u>-</u>	<u>494,455</u>	<u>203,728</u>	<u>152,909</u>	<u>5,542,953</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u><b>\$4,692,061</b></u>	<u><b>\$-</b></u>	<u><b>\$508,860</b></u>	<u><b>\$204,306</b></u>	<u><b>\$155,475</b></u>	<u><b>\$5,560,702</b></u>

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**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON MAJOR CAPITAL PROJECTS FUNDS**  
*For the fiscal year ended June 30, 2022*

	Capital Improvements	Special Improvement Districts Construction	TIF Railroad District	TIF Downtown District	TIF Capital Mall District	Total Non-Major Capital Project Funds
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$312,525	\$184,123	\$142,561	\$639,210
Special Assessments	175	-	-	-	-	175
Licenses and permits	8,622	-	-	-	-	8,622
Intergovernmental	-	-	8,335	29,294	10,076	47,705
Charges for services	99,832	-	-	-	-	99,832
Investment earnings	12,245	-	1,326	970	272	14,813
Settlements/Loan Proceeds	-	129,676	-	-	-	129,676
Miscellaneous	149	-	-	-	-	149
Total Revenues	<u>121,024</u>	<u>129,676</u>	<u>322,187</u>	<u>214,387</u>	<u>152,909</u>	<u>940,182</u>
<b>EXPENDITURES</b>						
<u>Current:</u>						
Public works	-	94,970	-	-	-	94,970
Culture and recreation	42,721	-	-	-	-	42,721
Community development	-	-	145,000	273,991	-	418,991
Capital outlay	609,171	-	-	-	-	609,171
Total expenditures	<u>651,891</u>	<u>94,970</u>	<u>145,000</u>	<u>273,991</u>	<u>-</u>	<u>1,165,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(530,868)</u>	<u>34,706</u>	<u>177,187</u>	<u>(59,605)</u>	<u>152,909</u>	<u>(225,671)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Contributions	9,528	-	-	-	-	9,528
Transfers in	2,766,000	-	-	-	-	2,766,000
Transfers out	(200)	-	-	-	-	(200)
Total other financing sources (uses)	<u>2,775,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,775,328</u>
Net change in fund balances	2,244,460	34,706	177,187	(59,605)	152,909	2,549,657
Fund balances - beginning	2,447,401	(34,706)	317,268	263,333	-	2,993,296
<b>Fund balances - ending</b>	<b><u>\$4,691,861</u></b>	<b><u>\$ -</u></b>	<b><u>\$494,455</u></b>	<b><u>\$203,728</u></b>	<b><u>\$152,909</u></b>	<b><u>\$5,542,953</u></b>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR CAPITAL PROJECTS FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(1 of 3)**

	Capital Improvements				Special Improvement Districts Construction			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	175	175	-	-	-	-
Licenses and permits	10,000	10,000	8,622	(1,378)	-	-	-	-
Charges for Services	15,000	15,000	99,832	84,832	-	-	-	-
Investment earnings	3,840	3,840	11,824	7,984	-	-	-	-
Contributions and Donations	15,500	15,500	9,528	(5,972)	-	-	-	-
Settlements/Loan Proceeds	-	-	422	422	-	-	(73,273)	(73,273)
Miscellaneous	-	-	149	149	-	-	-	-
<b>Total Revenues</b>	<b>44,340</b>	<b>44,340</b>	<b>130,551</b>	<b>86,211</b>	<b>-</b>	<b>-</b>	<b>(73,273)</b>	<b>(73,273)</b>
<b>EXPENDITURES</b>								
<u>Current:</u>								
Public works	-	-	-	-	-	-	94,970	94,970
Culture and recreation	111,500	111,500	35,915	75,585	-	-	-	-
Community development	-	-	-	-	-	-	-	-
<u>Capital outlay:</u>								
General government	1,520,000	1,540,000	112,186	1,427,814	-	-	-	-
Public Safety	398,680	518,680	402,527	116,153	-	-	-	-
Public Works	40,000	374,671	7,709	366,962	-	-	-	-
Culture and recreation	561,240	820,390	93,555	726,835	-	-	-	-
<b>Total expenditures</b>	<b>2,631,420</b>	<b>3,365,241</b>	<b>651,891</b>	<b>2,713,350</b>	<b>-</b>	<b>-</b>	<b>94,970</b>	<b>94,970</b>
Excess (deficiency) of revenues over (under) expenditures	(2,587,080)	(3,320,901)	(521,340)	(2,627,138)	-	-	(168,243)	(168,243)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	2,766,000	2,766,000	2,766,000	-	-	-	-	-
Transfers out	-	-	(200)	200	-	-	-	-
Total other financing sources (uses)	2,766,000	2,766,000	2,765,800	200	-	-	-	-
<b>Net change in fund balances</b>	<b>\$178,920</b>	<b>(\$554,901)</b>	<b>2,244,460</b>	<b>(\$2,626,938)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(168,243)</b>	<b>(\$168,243)</b>
Fund balances - beginning			2,447,407				32,429	
<b>Fund balances - ending</b>			<b>\$4,691,867</b>				<b>(\$135,814)</b>	

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City of Helena, Montana  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR CAPITAL PROJECTS FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(2 of 3)**

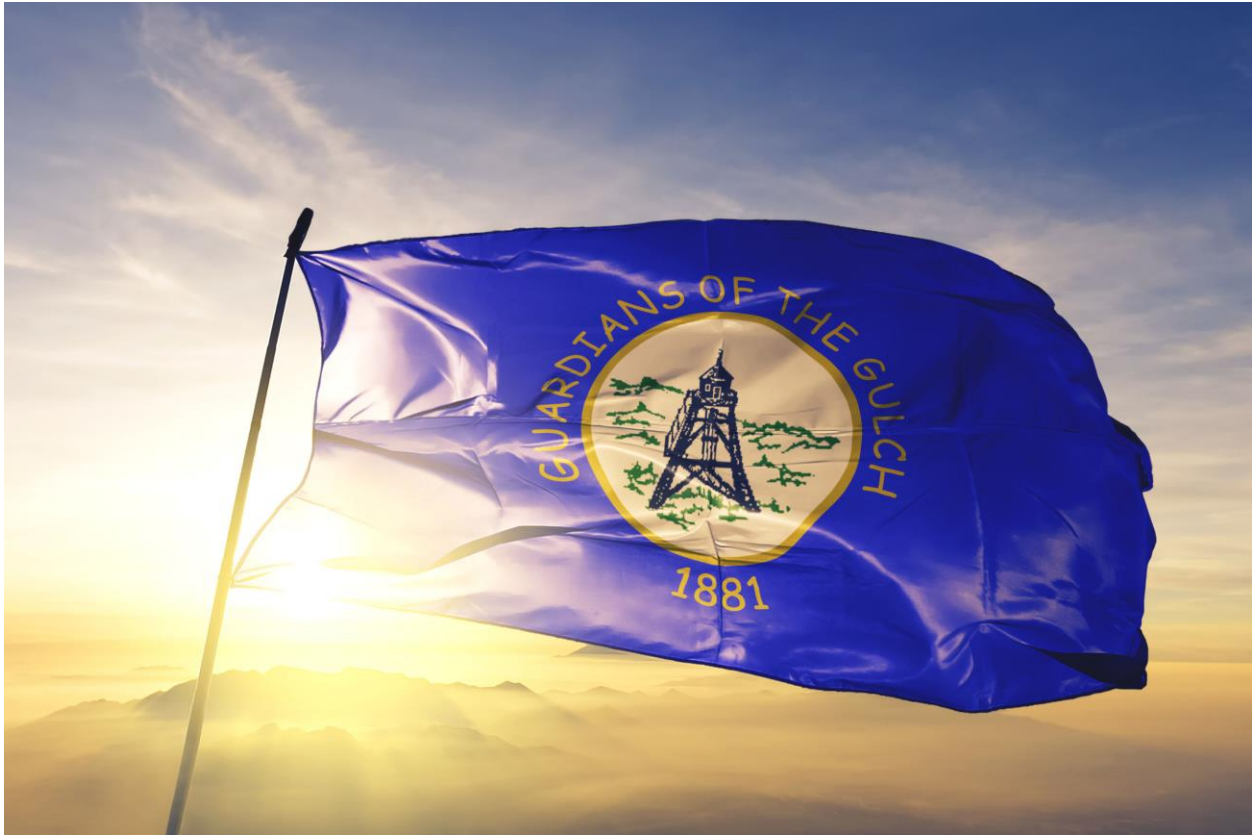
	TIF Railroad District				TIF Downtown District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$185,600	\$185,600	\$315,145	\$129,545	\$242,300	\$242,300	\$211,345	(\$30,955)
Special Assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Investment earnings	400	400	1,326	926	50	50	970	920
Contributions and Donations	-	-	-	-	-	-	-	-
Settlements/Loan Proceeds	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>186,000</b>	<b>186,000</b>	<b>316,471</b>	<b>130,471</b>	<b>242,350</b>	<b>242,350</b>	<b>212,315</b>	<b>(30,035)</b>
<b>EXPENDITURES</b>								
<u>Current:</u>								
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	185,600	360,600	145,000	(215,600)	242,300	275,300	273,991	(1,309)
<u>Capital outlay:</u>								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>185,600</b>	<b>360,600</b>	<b>145,000</b>	<b>(215,600)</b>	<b>242,300</b>	<b>275,300</b>	<b>273,991</b>	<b>(1,309)</b>
Excess (deficiency) of revenues over (under) expenditures	400	(174,600)	171,471	346,071	50	(32,950)	(61,676)	(28,726)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$400</b>	<b>(\$174,600)</b>	<b>171,471</b>	<b>\$346,071</b>	<b>\$50</b>	<b>(\$32,950)</b>	<b>(61,676)</b>	<b>(\$28,726)</b>
Fund balances - beginning			329,812				227,748	
<b>Fund balances - ending</b>			<b>\$501,283</b>				<b>\$166,072</b>	

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**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Budget Basis)**  
**NON MAJOR CAPITAL PROJECTS FUNDS**  
*For the fiscal year ended June 30, 2022*  
**(3 of 3)**

	TIF Capital Mall District				Total			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$147,684	\$147,684	\$427,900	\$427,900	\$674,174	\$246,274
Special Assessments	-	-	-	-	-	-	175	175
Licenses and permits	-	-	-	-	10,000	10,000	8,622	(1,378)
Charges for Services	-	-	-	-	15,000	15,000	99,832	84,832
Investment earnings	-	-	272	272	4,290	4,290	14,392	10,102
Contributions and Donations	-	-	-	-	15,500	15,500	9,528	(5,972)
Settlements/Loan Proceeds	-	-	-	-	-	-	(72,851)	(72,851)
Miscellaneous	-	-	-	-	-	-	149	149
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>147,956</b>	<b>147,956</b>	<b>472,690</b>	<b>472,690</b>	<b>734,021</b>	<b>261,331</b>
<b>EXPENDITURES</b>								
<u>Current:</u>								
Public works	-	-	-	-	-	-	94,970	94,970
Culture and recreation	-	-	-	-	111,500	111,500	35,915	75,585
Community development	-	-	-	-	427,900	635,900	418,991	(216,909)
<u>Capital outlay:</u>								
General government	-	-	-	-	1,520,000	1,540,000	112,186	1,427,814
Public Safety	-	-	-	-	398,680	518,680	402,527	116,153
Public Works	-	-	-	-	40,000	374,671	7,709	366,962
Culture and recreation	-	-	-	-	561,240	820,390	93,555	726,835
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,059,320</b>	<b>4,001,141</b>	<b>1,165,853</b>	<b>2,591,411</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	147,956	147,956	(2,586,630)	(3,528,451)	(431,832)	(2,330,080)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	2,766,000	2,766,000	2,766,000	-
Transfers out	-	-	-	-	-	-	(200)	200
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,766,000</b>	<b>2,766,000</b>	<b>2,765,800</b>	<b>200</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>147,956</b>	<b>\$147,956</b>	<b>\$179,370</b>	<b>(\$762,451)</b>	<b>2,333,968</b>	<b>\$3,096,419</b>
Fund balances - beginning			227,748				3,087,482	
<b>Fund balances - ending</b>			<b>\$375,704</b>				<b>\$5,421,450</b>	

See independent auditor's report



## **NON MAJOR ENTERPRISE FUNDS**

**City of Helena, Montana**  
**June 30, 2022**

**ENTERPRISE FUNDS**

Enterprise Funds are self-supporting business type funds that may be used to report for operations and activities that render services for which a fee is charged to external users for goods and services. They are designed to highlight the extent to which fees and charges are sufficient to cover the cost of providing goods and services. These funds may also be used voluntarily for subsidized activities to highlight the cost of the subsidy.

**Non-Major Funds:**

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

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

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



**City of Helena, Montana**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
*June 30, 2022*

	Transit (Bus)	Building	City-County Buildings	Total
<b>ASSETS</b>				
<u>Current assets:</u>				
Cash and cash equivalents	\$251,753	\$1,701,572	\$1,511,495	\$3,464,820
Receivables (net of allowance for uncollectables)	-	156,324	-	156,324
Intergovernmental receivable	464,867	-	32,327	497,194
Total current assets	<u>716,620</u>	<u>1,857,896</u>	<u>1,543,822</u>	<u>4,118,337</u>
<u>Noncurrent assets:</u>				
Capital assets				
Land	446,988	-	-	446,988
Buildings and system	3,014,720	-	4,624,118	7,638,838
Improvements other than buildings	155,366	-	356,324	511,690
Machinery and equipment	1,480,979	136,716	68,499	1,686,195
Construction in progress	-	-	449,425	449,425
Intangible Lease	-	-	37,184	37,184
Less: accumulated depreciation	(2,261,703)	(111,646)	(1,642,326)	(4,015,676)
Less: accumulated amortization	-	-	(1,219)	(1,219)
Total noncurrent assets	<u>2,836,350</u>	<u>25,070</u>	<u>3,892,005</u>	<u>6,753,425</u>
Total assets	<u>3,552,970</u>	<u>1,882,966</u>	<u>5,435,826</u>	<u>10,871,762</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
<u>Related to pensions:</u>				
Contributions subsequent to measurement date	54,149	51,108	32,237	137,494
Difference between expected and actual experience	5,547	5,235	3,302	14,084
Changes in assumptions	76,983	72,660	45,832	195,474
Change in Prop Contributions vs Share	1,628	1,537	969	4,134
Total deferred outflows of resources	<u>138,306</u>	<u>130,540</u>	<u>82,340</u>	<u>351,186</u>
<b>LIABILITIES</b>				
<u>Current Liabilities:</u>				
Accounts payable	77,298	49,383	104,540	231,221
Lease Payable	-	-	7,217	7,217
Accrued interest	-	-	5,533	5,533
Compensated absences	44,453	38,313	37,906	120,672
Loans	-	-	98,313	98,313
Total current liabilities	<u>121,751</u>	<u>87,697</u>	<u>253,509</u>	<u>462,956</u>
<u>Noncurrent Liabilities:</u>				
Compensated absences	46,129	39,758	39,335	125,222
Loans	-	-	843,971	843,971
Lease Payable	-	-	28,083	28,083
Net pension liability	519,736	490,554	309,425	1,319,714
Other postemployment benefits	228,682	182,130	112,547	523,358
Total noncurrent liabilities	<u>794,547</u>	<u>712,441</u>	<u>1,333,361</u>	<u>2,840,349</u>
Total liabilities	<u>916,297</u>	<u>800,138</u>	<u>1,586,870</u>	<u>3,303,305</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<u>Related to other postemployment benefits:</u>				
Differences between expected and actual experience	62,434	41,161	36,805	140,400
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,130	3,347	3,095	11,573
<u>Related to pensions:</u>				
Difference between expected and actual earnings	210,550	198,728	125,351	534,630
Difference between expected and actual experience	3,762	3,551	2,240	9,553
Total deferred inflows of resources	<u>281,877</u>	<u>246,787</u>	<u>167,491</u>	<u>696,155</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,836,350	25,070	2,949,721	5,811,141
<u>Restricted for:</u>				
Unrestricted	(343,249)	941,511	814,084	1,412,347
Total net position	<u>\$2,493,101</u>	<u>\$966,581</u>	<u>\$3,763,805</u>	<u>\$7,223,488</u>

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

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
*For the fiscal year ended June 30, 2022*

	<u>Transit (Bus)</u>	<u>Building</u>	<u>City-County Buildings</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for Services	\$21,528	\$1,315,025	\$1,949,743	\$3,286,295
Total operating revenues	<u>21,528</u>	<u>1,315,025</u>	<u>1,949,743</u>	<u>3,286,295</u>
<b>OPERATING EXPENSES</b>				
Personnel services	954,406	870,703	572,051	2,397,159
Maintenance and operations	555,692	296,352	714,899	1,566,943
Depreciation/Amortization	246,697	14,636	135,069	396,402
Total operating expenses	<u>1,756,795</u>	<u>1,181,691</u>	<u>1,422,019</u>	<u>4,360,504</u>
Operating Income (loss)	<u>(1,735,267)</u>	<u>133,334</u>	<u>527,724</u>	<u>(1,074,209)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	1,094,935	41,498	58,503	1,194,936
Investment earnings	778	5,014	3,434	9,225
Interest expense	-	-	(16,093)	(16,093)
Sale of capital assets	-	-	1,481	1,481
Total nonoperating revenue (expenses)	<u>1,095,713</u>	<u>46,512</u>	<u>47,324</u>	<u>1,189,549</u>
Income (loss) before contributions and transfers	<u>(639,554)</u>	<u>179,846</u>	<u>575,048</u>	<u>115,340</u>
Transfers in	320,539	5,629	200,244	526,412
Change in net position	<u>(319,015)</u>	<u>185,475</u>	<u>775,292</u>	<u>641,752</u>
Total net position - beginning	<u>2,812,116</u>	<u>781,106</u>	<u>2,988,513</u>	<u>6,581,736</u>
<b>Total net position - ending</b>	<b><u>\$2,493,101</u></b>	<b><u>\$966,581</u></b>	<b><u>\$3,763,805</u></b>	<b><u>\$7,223,488</u></b>

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

**City of Helena, Montana**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON MAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2022**

	Transit	Building	City-County Administration Building	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$21,528	\$1,220,108	\$1,949,743	\$3,191,379
Cash paid to suppliers	(202,245)	(194,604)	(671,829)	(1,068,678)
Cash paid to employees	(945,136)	(863,630)	(520,442)	(2,329,209)
Cash paid for interfund services provided	(353,742)	(146,067)	(109,222)	(609,030)
Net cash provided(used) by operating activities	<u>(1,479,595)</u>	<u>15,808</u>	<u>648,250</u>	<u>(815,538)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	320,539	5,629	200,244	526,412
Operating grants	659,491	-	-	659,491
Contributions from other governments	139,467	41,498	26,176	207,141
Net cash provided(used) by non-capital and related financing activities	<u>1,119,496</u>	<u>47,127</u>	<u>226,420</u>	<u>1,393,043</u>
<b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>				
Principal on debt	-	-	(82,783)	(82,783)
Interest paid on debt	-	-	(14,872)	(14,872)
Purchases/acquisition/construction of capital assets	(37,279)	-	(641,576)	(678,854)
Proceeds from sale of capital assets	-	-	1,481	1,481
Net cash provided(used) by capital and related financing activities	<u>(37,279)</u>	<u>-</u>	<u>(737,750)</u>	<u>(775,028)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earnings	778	5,014	3,434	9,225
Net cash provided(used) by investing activities	<u>778</u>	<u>5,014</u>	<u>3,434</u>	<u>9,225</u>
Net increase(decrease) in cash and cash equivalents	(396,599)	67,949	140,353	(188,297)
Cash and equivalents, beginning	648,353	1,633,624	1,371,141	3,653,117
<b>Cash and equivalents, ending</b>	<b><u>251,753</u></b>	<b><u>1,701,572</u></b>	<b><u>1,511,494</u></b>	<b><u>3,464,820</u></b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating Income	(1,735,267)	133,334	527,724	(1,074,209)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation/Amortization expense	246,697	14,636	135,069	396,402
(Increase) decrease in accounts receivable	7,825	(94,917)	2,448	(84,644)
(Increase) decrease in deferred outflows of resources	96,244	86,460	52,827	235,531
Increase (decrease) in accounts payable/Lease	21,557	3,980	(24,415)	1,122
Increase (decrease) in compensated absences payable	(1,934)	9,282	(5,859)	1,489
Increase (decrease) in net pensions	(237,864)	(258,656)	(113,130)	(609,649)
Increase (decrease) in other postemployment benefits	(40,878)	(26,149)	(25,709)	(92,736)
Increase (decrease) in deferred inflows of resources	164,025	147,837	99,294	411,156
Total adjustments	<u>255,672</u>	<u>(117,526)</u>	<u>120,526</u>	<u>258,672</u>
Net cash provided (used) by operating activities	<b><u>(\$1,479,595)</u></b>	<b><u>\$15,808</u></b>	<b><u>\$648,250</u></b>	<b><u>(\$815,538)</u></b>

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

## **INTERNAL SERVICE FUNDS**

**City of Helena, Montana**  
**June 30, 2022**

**NON-MAJOR INTERNAL SERVICE FUNDS**

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

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

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

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

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

**City of Helena, Montana**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
*June 30, 2022*

	Business Type		Governmental Activities		
	Activities				
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	Total Internal Service
<b>ASSETS</b>					
<u>Current Assets:</u>					
Cash and cash equivalents	\$713,463	\$70,916	\$400,281	\$716,985	\$1,901,645
Accounts receivable	120,395	-	-	-	120,395
Inventories	29,431	-	-	-	29,431
Restricted Cash	-	-	90,000	-	90,000
Total current assets	863,290	70,916	490,281	716,985	2,141,471
<u>Non-current Assets:</u>					
Capital assets:					
Land	87,000	-	-	-	87,000
Buildings and system	835,638	-	-	-	835,638
Improvements other than buildings	153,925	-	-	-	153,925
Machinery and equipment	147,466	45,268	-	-	192,734
Less accumulated depreciation	(1,016,295)	(33,785)	-	-	(1,050,080)
Total capital assets (net of accumulated depreciation)	207,734	11,483	-	-	219,217
Total non-current assets	207,734	11,483	-	-	219,217
Total assets	1,071,023	82,400	490,281	716,985	2,360,688
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions:					
Contributions subsequent to measurement date	30,519	-	-	-	30,519
Difference between expected and actual experience	3,126	-	-	-	3,126
Changes in assumptions	43,389	-	-	-	43,389
Changes in proportion and differences between employer contributions and proportionate share of contributions	918	-	-	-	918
Total deferred outflows of resources	77,952	-	-	-	77,952
<b>LIABILITIES</b>					
<u>Current Liabilities:</u>					
Accounts payable	59,653	948	-	(208,238)	(147,637)
Compensated absences	18,752	-	-	-	18,752
Total current liabilities	78,405	948	-	(208,238)	(128,885)
<u>Non-current Liabilities:</u>					
Compensated absences	19,459	-	-	-	19,459
Net pension liability	292,933	-	-	-	292,933
Other post employment benefits	125,487	-	-	-	125,487
Total non-current liabilities	437,880	-	-	-	437,880
Total liabilities	516,285	948	-	(208,238)	308,995
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to other postemployment benefits:					
Difference between expected and actual experience	28,915	-	-	-	28,915
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,358	-	-	-	2,358
Related to pensions:					
Difference between expected and actual earnings	118,670	-	-	-	118,670
Difference between expected and actual experience	2,121	-	-	-	2,121
Total deferred inflows of resources	152,064	-	-	-	152,064
<b>NET POSITION</b>					
Net investment in capital assets	207,734	11,483	-	-	219,217
Assigned	272,893	69,969	490,281	925,223	1,758,365
Total Net Position	\$480,626	\$81,452	\$490,281	\$925,223	\$1,977,582

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
*For the fiscal year ended June 30, 2022*

	Business-type		Governmental Activities		Total Internal Service Funds
	Activities				
	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	
<b>OPERATING REVENUES</b>					
Charges for services	\$1,885,732	\$32,331	\$988,632	\$5,921,486	\$8,828,182
Miscellaneous	13,589	-	100	-	13,689
Total Operating Revenues	<u>1,899,322</u>	<u>32,331</u>	<u>988,732</u>	<u>5,921,486</u>	<u>8,841,871</u>
<b>OPERATING EXPENSES</b>					
Personal services	555,014	-	-	-	555,014
Supplies/Purchase Services	1,054,229	1,680	-	-	1,055,910
Purchased services	167,656	6,979	-	58,640	233,274
Maintenance and operations	6,005	-	-	-	6,005
Fixed charges	136,388	4,837	1,052,316	5,114,000	6,307,540
Depreciation	26,649	4,420	-	-	31,069
Total operating expenses	<u>1,945,940</u>	<u>17,915</u>	<u>1,052,316</u>	<u>5,172,640</u>	<u>8,188,811</u>
Operating income (loss)	<u>(46,618)</u>	<u>14,416</u>	<u>(63,584)</u>	<u>748,846</u>	<u>653,060</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>					
Intergovernmental operating grants	52,765	-	-	-	52,765
Investment earnings	2,528	238	2,595	1,174	6,535
Total non-operating revenue (expenses)	<u>55,294</u>	<u>238</u>	<u>2,595</u>	<u>1,174</u>	<u>59,300</u>
Income (loss) before contributions and transfers	8,675	14,654	(60,989)	750,020	712,360
Transfers in (out)	3,284	-	(199,522)	-	(196,238)
Change in net position	<u>11,959</u>	<u>14,654</u>	<u>(260,511)</u>	<u>750,020</u>	<u>516,122</u>
Total net position - beginning	468,666	66,798	750,792	175,203	1,461,459
<b>Total net position - ending</b>	<u>\$480,625</u>	<u>\$81,452</u>	<u>\$490,281</u>	<u>\$925,223</u>	<u>\$1,977,581</u>

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
*For the fiscal year ended June 30, 2022*

	Business Type		Governmental Activities		Total Internal Service
	Activities		Property and Liability Insurance	Health Insurance	
	Fleet Services	Copier Revolving			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from interfund services provided	\$1,046,076	\$32,331	\$987,408	\$5,921,486	\$7,987,301
Cash received from customers	719,261	-	1,324	-	720,585
Cash paid to employees	(549,630)	-	-	-	(549,630)
Cash paid to suppliers	(1,200,122)	(7,877)	-	(58,640)	(1,266,639)
Cash paid for interfund services provided	(142,392)	(4,837)	(1,053,401)	(5,857,161)	(7,057,790)
Net cash provided(used) by operating activities	<u>(126,808)</u>	<u>19,618</u>	<u>(64,669)</u>	<u>5,686</u>	<u>(166,173)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers from (to) other funds	3,284	-	(199,522)	-	(196,238)
Subsidies from taxes and other governments	27,985	-	-	-	27,985
Subsidies from taxes and other governments	24,781	-	-	-	24,781
Net cash provided(used) by non-capital and related financing activities	<u>56,049</u>	<u>-</u>	<u>(199,522)</u>	<u>-</u>	<u>(143,473)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases/acquisition/construction of capital assets	(5,627)	-	-	-	(5,627)
Net cash provided(used) by capital and related financing activities	<u>(5,627)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,627)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest earnings	2,528	238	2,595	1,174	6,535
Net cash provided(used) by investing activities	<u>2,528</u>	<u>238</u>	<u>2,595</u>	<u>1,174</u>	<u>6,535</u>
Net increase(decrease) in cash and cash equivalents	(73,857)	19,856	(261,596)	6,859	(308,737)
Cash and equivalents, beginning	787,319	51,061	751,877	710,125	2,300,382
<b>Cash and equivalents, ending</b>	<b><u>\$713,463</u></b>	<b><u>\$70,917</u></b>	<b><u>\$490,281</u></b>	<b><u>\$716,984</u></b>	<b><u>\$1,991,645</u></b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating Income	(46,618)	14,416	(63,584)	748,846	653,060
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	26,649	4,420	-	-	31,069
(Increase) decrease in accounts receivable	(120,395)	-	-	-	(120,395)
(Increase) decrease in deferred outflows of resources	50,952	-	-	-	50,952
(Increase) decrease in inventories	47,527	-	-	-	47,527
Increase (decrease) in accounts payable	(16,879)	782	(1,085)	(743,161)	(760,342)
Increase (decrease) in compensated absences pay	495	-	-	-	495
Increase (decrease) in net pensions	(140,627)	-	-	-	(140,627)
Increase (decrease) in other postemployment benefits	(18,525)	-	-	-	(18,525)
Increase (decrease) in deferred inflows of resources	90,614	-	-	-	90,614
Total adjustments	<u>(80,190)</u>	<u>5,202</u>	<u>(1,085)</u>	<u>(743,161)</u>	<u>(819,233)</u>
Net cash provided (used) by operating activities	<b><u>(\$126,808)</u></b>	<b><u>\$19,618</u></b>	<b><u>(\$64,669)</u></b>	<b><u>\$5,686</u></b>	<b><u>(\$166,173)</u></b>

See independent auditor's report



## COMPONENT UNITS

**City of Helena, Montana**  
**June 30, 2022**

**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 (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, 2022*

	<u>Special Revenue</u>		<u>Total</u>
	<u>General</u>	<u>Tourism Alliance</u>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$381,128	\$19,412	\$400,540
Receivables (net of allowance for uncollectables)	68,240	-	68,240
Total current assets	<u>449,368</u>	<u>19,412</u>	<u>468,780</u>
 Total assets	<u>449,368</u>	<u>19,412</u>	<u>468,780</u>
<b>LIABILITIES</b>			
Accounts payable	17,250	-	17,250
Payroll liabilities	(43)	3,218	3,175
Other liabilities	6,928	-	6,928
Total liabilities	<u>24,135</u>	<u>3,218</u>	<u>27,353</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-special assessments	67,467	-	67,467
Total deferred inflows of resources	<u>67,467</u>	<u>-</u>	<u>67,467</u>
<b>FUND BALANCES</b>			
Unassigned	357,766	16,194	373,959
<b>Total fund balances</b>	<u><b>\$357,766</b></u>	<u><b>\$16,194</b></u>	<u><b>\$373,959</b></u>

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

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

Ending fund balance	373,959
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,029
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(11,462)
Net position of governmental activities	<u><u><b>\$363,527</b></u></u>

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

See independent auditor's report

**City of Helena, Montana**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**HELENA TOURISM BUSINESS IMPROVEMENT DISTRICT**  
*For the fiscal year ended June 30, 2022*

	<u>Special Revenue</u>		<b>Total Governmental</b>
	<u>General</u>	<u>Tourism Alliance</u>	
<b>REVENUES</b>			
Special Assessments	\$236,392	\$ -	\$236,392
Contributions	-	9,823	9,823
Charges for services	607	291	898
Investment earnings	4	-	4
Total operating revenues	<u>237,003</u>	<u>10,114</u>	<u>247,117</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	299,210	191,729	490,939
Total expenditures	<u>299,210.31</u>	<u>191,729</u>	<u>490,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,208)</u>	<u>(181,615)</u>	<u>(243,823)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	(160,000)	160,000	-
Total other financing sources and uses	<u>(160,000)</u>	<u>160,000</u>	<u>-</u>
Net change in fund balances	(222,208)	(21,615)	(243,823)
Fund balances - beginning	596,139	21,643	617,782
<b>Fund balances - ending</b>	<b><u>\$373,931</u></b>	<b><u>\$28</u></b>	<b><u>\$373,959</u></b>

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

Net Change in fund balances - total governmental funds	(\$243,823)
Governmental funds report capital outlays as expenditures as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives reported as depreciation expense. This is the amount by which depreciation and other changes exceeded capital outlays in the current period	
Depreciation expense	(1,286)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the government funds.	
Compensated absences	(3,666)
Change in net position of governmental activities	<u><b>(\$248,774)</b></u>

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

See independent auditor's report

**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\***

*June 30, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>Governmental Funds Capital Assets:</b>		
Land	\$84,844,395	\$84,844,395
Buildings and systems	11,233,463	11,176,961
Improvements other than buildings	18,175,073	17,833,688
Machinery and equipment	21,235,690	21,111,161
Infrastructure	55,101,784	54,715,574
Leased equipment	13,671	-
Construction in progress	3,960,653	1,898,205
Total	<u><b>194,564,729</b></u>	<u><b>191,579,985</b></u>
<b>Investment in Governmental Funds Capital Assets by Source:</b>		
General	3,254,283	3,043,885
Special revenue	162,349,174	159,747,789
Capital projects	28,961,272	28,788,311
Total	<u><b>\$194,564,729</b></u>	<u><b>\$191,579,985</b></u>

\*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.

See independent auditor's report

**City of Helena, Montana**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY\***  
*For the fiscal year ended June 30, 2022*

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<b>General Government:</b>							
Finance and administration	55,878	2,362,500	577,942	89,191	\$ -	85,075	3,170,586
Community facilities	130,500	3,025,051	506,289	392,345	-	-	4,054,185
Total	<u>186,378</u>	<u>5,387,551</u>	<u>1,084,231</u>	<u>481,536</u>	<u>-</u>	<u>85,075</u>	<u>7,224,771</u>
<b>Public safety:</b>							
Law enforcement and judicial	-	-	41,154	4,560,513	-	-	4,601,667
Fire protection	46,000	1,062,680	27,994	5,327,610	-	-	6,464,284
Total	<u>46,000</u>	<u>1,062,680</u>	<u>69,148</u>	<u>9,888,123</u>	<u>-</u>	<u>-</u>	<u>11,065,951</u>
<b>Public works:</b>							
Public works administration	-	-	-	22,626	-	-	22,626
Undistributed engineering	-	-	-	191,969	-	7,709	199,677
Streets	39,938,934	104,274	651,083	5,163,717	41,620,638	3,082,294	90,560,940
Storm water	34,782,122	338,960	23,511	754,007	13,481,146	596,732	49,976,478
Total	<u>74,721,056</u>	<u>443,234</u>	<u>674,594</u>	<u>6,132,319</u>	<u>55,101,784</u>	<u>3,686,735</u>	<u>140,759,721</u>
<b>Public health</b>	-	-	-	42,279	-	-	42,279
<b>Culture and recreation</b>	9,890,961	4,339,998	16,347,100	4,690,145	-	188,844	35,457,048
<b>Community development</b>	-	-	-	14,960	-	-	14,960
<b>Total general capital assets</b>	<u>84,844,395</u>	<u>11,233,463</u>	<u>18,175,073</u>	<u>21,249,362</u>	<u>55,101,784</u>	<u>3,960,653</u>	<u>194,564,730</u>

\*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.

See independent auditor's report

**City of Helena, Montana**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY\***

*For the fiscal year ended June 30, 2022*

FUNCTION AND ACTIVITY	Beginning Balance	Additions	Deletions	Transfers In (Out)	Capital Contributions	Ending Balance
<b>General Government:</b>						
Finance and administration	2,996,320	127,271	\$ -	\$ -	11,400	3,134,991
Community facilities	3,254,566	-	-	-	-	3,254,566
Total general government	<u>6,250,886</u>	<u>127,271</u>	<u>-</u>	<u>-</u>	<u>11,400</u>	<u>6,389,557</u>
<b>Public safety:</b>						
Law enforcement and judicial	4,386,700	416,198	(165,637)	-	-	4,637,261
Fire protection	6,451,842	92,368	(79,926)	-	-	6,464,284
Total	<u>10,838,542</u>	<u>508,566</u>	<u>(245,563)</u>	<u>-</u>	<u>-</u>	<u>11,101,545</u>
<b>Public works:</b>						
Public works administration	22,626	-	-	-	-	22,626
Undistributed engineering	191,969	7,709	-	-	-	199,677
Streets	88,159,496	2,686,893	(347,559)	-	62,112	90,560,940
Storm water	49,994,272	191,934	(210,445)	-	717	49,976,478
Total	<u>138,368,362</u>	<u>2,886,535</u>	<u>(558,004)</u>	<u>-</u>	<u>62,829</u>	<u>140,759,722</u>
<b>Public health</b>	42,279	-	-	-	-	42,279
<b>Culture and recreation</b>	36,064,957	191,511	-	-	199	36,256,666
<b>Community development</b>	14,960	-	-	-	-	14,960
<b>Total general capital assets</b>	<u>\$191,579,986</u>	<u>\$3,713,883</u>	<u>(\$803,567)</u>	<u>\$ -</u>	<u>\$74,428</u>	<u>\$194,564,729</u>

\*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.

See independent auditor's report



**STATISTICAL SECTION**  
**(Unaudited)**

## 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

These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

### Debt Capacity

These schedules represent information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

### Additional Information

These schedules are 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.

## STATISTICAL SECTION *(continued)*

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

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

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

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

**City of Helena, Montana**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
*Unaudited (Accrual Basis of Accounting)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$104,225,402	\$104,044,169	\$112,997,297	\$126,448,587	\$127,387,996	\$129,370,594	\$130,768,106	\$139,254,305	\$137,041,118	\$138,334,845
Restricted	9,665,803	10,259,787	9,969,118	12,000,238	11,521,903	10,179,868	11,140,729	17,323,027	25,625,200	38,392,081
Unrestricted	7,502,998	8,476,396	(3,648,813)	(5,301,510)	(5,071,175)	(4,888,987)	(4,849,462)	(11,977,161)	(4,235,354)	(9,645,214)
<b>Total governmental activities net position</b>	<b>\$121,394,203</b>	<b>\$122,780,352</b>	<b>\$119,317,602</b>	<b>\$133,147,315</b>	<b>\$133,838,724</b>	<b>\$134,661,475</b>	<b>\$137,059,373</b>	<b>\$144,600,171</b>	<b>\$158,430,964</b>	<b>\$167,081,711</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$107,292,882	\$107,502,635	\$117,255,708	\$125,294,720	\$125,406,279	\$129,901,321	\$138,938,912	\$137,151,058	\$143,177,781	\$141,526,645
Restricted	1,894,240	1,937,111	2,782,860	2,773,367	1,828,652	1,718,447	1,719,012	3,274,243	13,280,856	28,792,457
Unrestricted	12,760,455	14,911,713	13,978,228	15,392,015	19,577,629	17,933,829	14,951,125	19,544,795	9,206,061	3,779,798
<b>Total business-type activities net position</b>	<b>\$121,947,577</b>	<b>\$124,351,459</b>	<b>\$134,016,796</b>	<b>\$143,460,102</b>	<b>\$146,812,560</b>	<b>\$149,553,597</b>	<b>\$155,609,049</b>	<b>\$159,970,096</b>	<b>\$165,664,698</b>	<b>\$174,098,900</b>
<b>Primary government</b>										
Net investment in capital assets	\$211,518,284	\$211,546,804	\$230,253,005	\$251,743,307	\$252,794,275	\$259,271,915	\$269,707,018	\$276,405,363	\$280,218,899	\$279,861,490
Restricted	11,560,043	12,196,898	12,751,978	14,773,605	13,350,555	11,898,315	12,859,741	20,597,270	38,906,055	67,184,538
Unrestricted	20,263,453	23,388,109	10,329,415	10,090,505	14,506,454	13,044,842	10,101,663	7,567,634	4,970,707	(5,865,416)
<b>Total primary government net position</b>	<b>\$243,341,780</b>	<b>\$247,131,811</b>	<b>\$253,334,398</b>	<b>\$276,607,417</b>	<b>\$280,651,284</b>	<b>\$284,215,072</b>	<b>\$292,668,422</b>	<b>\$304,570,267</b>	<b>\$324,095,662</b>	<b>\$341,180,611</b>

**City of Helena, Montana**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
*Unaudited (Accrual Basis of Accounting)*  
 (Page 1 of 4)

	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities:				
General government	\$2,497,674	\$2,499,590	\$2,462,445	\$2,312,861
Public safety	13,119,756	13,231,206	13,080,712	13,509,042
Public works	5,069,500	5,662,887	6,128,853	5,589,151
Public health	231,304	225,331	229,590	235,321
Culture and recreation	3,863,269	3,986,908	4,370,730	4,360,431
Community development	831,931	565,194	896,997	927,252
Intergovernmental	-	17,620	-	-
Interest on long-term debt	791,312	761,726	71,187	261,594
<b>Total governmental activities</b>	<b>26,404,746</b>	<b>26,950,462</b>	<b>27,240,514</b>	<b>27,195,652</b>
Business-type activities:				
Water	5,493,070	5,845,585	5,682,401	5,948,722
Wastewater	3,669,373	3,677,766	3,763,125	3,840,425
Solid waste	3,010,304	3,005,956	2,774,054	2,804,327
Transfer station	2,764,029	2,795,143	2,884,298	2,804,491
Parking	-	-	1,774,216	1,616,030
Golf course	1,223,553	2,396,277	1,302,066	1,346,433
Bus	1,568,545	1,541,443	1,340,586	1,340,154
Other activities	1,843,623	1,833,516	1,946,026	1,943,910
<b>Total business-type activities</b>	<b>19,572,497</b>	<b>21,095,686</b>	<b>21,466,772</b>	<b>21,644,492</b>
<b>Total primary government</b>	<b>45,977,243</b>	<b>48,046,148</b>	<b>48,707,286</b>	<b>48,840,144</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	1,039,118	910,160	1,011,040	933,136
Public safety	1,020,115	1,250,499	2,424,719	2,438,728
Public works	4,979,302	4,972,860	5,147,857	5,374,585
Public health	38,900	39,092	38,805	42,505
Culture and recreation	2,453,413	1,907,827	2,414,957	2,544,201
Community development	341,058	74,265	448,664	414,227
Operating grants and contributions	4,044,625	4,336,569	3,593,753	2,600,111
Capital grants and contributions	5,972,108	401,840	9,033,942	11,960,203
<b>Total governmental activities</b>	<b>19,888,639</b>	<b>13,893,112</b>	<b>24,113,737</b>	<b>26,307,696</b>
Business-type activities:				
Charges for services:				
Water	6,430,648	6,583,279	6,848,752	6,857,902
Wastewater	4,167,237	4,221,124	4,231,987	4,422,625
Solid waste	3,261,745	3,348,161	3,407,846	3,471,427
Transfer station	2,931,689	3,002,835	2,999,698	2,636,743
Parking	-	-	1,794,908	1,763,047
Golf course	1,276,740	1,281,362	1,400,988	1,379,110
Bus	326,669	307,593	196,189	146,952
Other activities	1,816,338	1,910,091	1,995,117	2,149,382
Operating grants and contributions	895,375	961,869	974,042	1,267,118
Capital grants and contributions	3,038,239	1,260,497	4,341,452	6,519,156
<b>Total business-type activities</b>	<b>24,144,680</b>	<b>22,876,811</b>	<b>28,190,979</b>	<b>30,613,462</b>
<b>Total primary government</b>	<b>\$44,033,319</b>	<b>\$36,769,923</b>	<b>\$52,304,716</b>	<b>\$56,921,158</b>

**City of Helena, Montana**  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years  
*Unaudited (Accrual Basis of Accounting)*  
(Page 2 of 4)

2017	2018	2019	2020	2021	2022
\$2,784,547	\$3,036,845	\$2,473,932	\$3,151,905	\$2,079,433	\$5,283,196
13,858,480	14,930,310	15,625,931	16,980,222	19,442,038	17,953,590
6,227,931	6,517,871	7,466,323	7,822,691	7,791,635	9,300,006
230,818	188,800	108,097	91,084	100,425	126,375
4,760,319	4,641,148	4,978,638	4,659,172	5,614,783	5,868,110
560,099	799,505	1,653,385	994,638	1,239,898	1,201,983
11,849	-	13,919	-	-	-
187,449	162,792	138,732	131,100	172,394	121,253
<b>28,621,492</b>	<b>30,277,271</b>	<b>32,458,957</b>	<b>33,830,813</b>	<b>36,440,607</b>	<b>39,854,512</b>
6,527,186	6,353,763	6,262,263	6,948,747	7,237,377	6,670,785
3,832,496	3,905,694	4,281,630	4,216,097	4,491,872	4,238,054
2,527,796	3,914,718	3,217,794	3,363,018	3,848,570	3,471,806
2,999,596	2,898,935	2,911,765	3,086,794	3,155,076	3,071,589
1,615,543	1,854,018	1,787,009	1,967,777	1,839,104	1,731,661
1,378,934	1,437,446	2,170,807	1,677,501	2,123,950	2,125,520
1,707,372	1,742,719	1,733,548	1,586,514	1,698,131	1,730,348
1,974,257	2,082,131	2,294,153	2,458,884	2,675,069	2,585,248
<b>22,563,180</b>	<b>24,189,424</b>	<b>24,658,969</b>	<b>25,305,333</b>	<b>27,069,148</b>	<b>25,625,012</b>
<b>51,184,672</b>	<b>54,466,695</b>	<b>57,117,926</b>	<b>59,136,145</b>	<b>63,509,755</b>	<b>65,479,524</b>
930,972	776,923	850,363	653,762	569,782	182,246
2,519,299	2,827,107	2,995,632	4,135,574	5,830,676	642,810
5,820,802	6,488,305	7,819,308	10,511,471	11,009,061	11,071,671
37,906	38,685	34,038	34,805	29,497	27,827
2,058,972	2,042,207	2,672,516	3,066,355	1,878,259	2,478,951
33,589	255,309	1,078,322	582,748	130,478	393,137
2,938,264	2,636,652	3,344,495	6,951,335	12,828,359	14,417,774
1,194,086	146,862	342,062	-	32,000	49,069
<b>15,533,890</b>	<b>15,212,050</b>	<b>19,136,736</b>	<b>25,936,049</b>	<b>32,308,111</b>	<b>29,263,484</b>
6,869,273	8,001,154	8,329,202	8,452,071	9,937,707	9,928,870
4,646,670	4,684,320	5,643,905	6,147,366	6,819,087	6,579,051
3,296,934	3,296,827	3,428,248	3,432,181	3,526,899	3,786,056
2,568,365	2,480,033	2,428,905	2,676,681	2,807,142	2,824,940
1,738,246	1,615,268	1,764,326	1,793,831	1,858,461	1,922,175
1,308,364	1,318,807	1,746,898	1,530,191	1,879,666	1,753,055
224,606	181,262	142,751	65,017	20,461	21,528
2,251,768	2,340,183	2,243,111	2,520,874	3,133,969	3,264,768
1,311,418	1,081,538	1,702,931	1,739,535	1,947,065	1,903,796
1,677,932	1,074,948	726,328	10,376	-	735,000
<b>25,893,576</b>	<b>26,074,340</b>	<b>28,156,605</b>	<b>28,368,122</b>	<b>31,930,455</b>	<b>32,719,241</b>
<b>\$41,427,466</b>	<b>\$41,286,390</b>	<b>\$47,293,341</b>	<b>\$54,304,171</b>	<b>\$64,238,566</b>	<b>\$61,982,725</b>

**City of Helena, Montana**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
*Unaudited (Accrual Basis of Accounting)*  
 (Page 3 of 4)

	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>				
Governmental activities	(\$6,516,107)	(\$13,057,350)	(\$3,126,777)	(\$887,956)
Business-type activities	4,572,183	1,781,125	6,724,207	8,968,970
Total primary government	<u>(1,943,924)</u>	<u>(11,276,225)</u>	<u>3,597,430</u>	<u>8,081,014</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	9,244,244	9,813,380	9,627,235	9,939,895
Motor vehicle taxes	684,194	688,338	774,849	826,785
Unrestricted grants and contributions	4,472,786	4,622,584	4,132,618	4,259,548
Investment earnings	50,171	34,930	31,507	91,441
Gain on the sale of capital assets	124,083	12,912	28,257	-
Insurance settlements	-	-	-	-
Transfers	(415,061)	(364,500)	(1,775,194)	(375,000)
Special item	-	-	-	(25,000)
Total governmental activities	<u>14,160,417</u>	<u>14,807,644</u>	<u>12,819,272</u>	<u>14,717,669</u>
Business-type activities:				
Investment earnings	34,011	18,257	18,808	81,993
Gain on the sale of capital assets	-	240,000	30,695	17,343
Insurance settlements	-	-	-	-
Transfers	415,061	364,500	1,775,194	375,000
Special item	-	-	7,391,153	-
Total business-type activities	<u>449,072</u>	<u>622,757</u>	<u>9,215,850</u>	<u>474,336</u>
Total primary government	<u>14,609,489</u>	<u>15,430,401</u>	<u>22,035,122</u>	<u>15,192,005</u>
<b>Change in Net Position<sup>1</sup></b>				
Governmental activities	7,644,310	1,750,294	9,692,495	13,829,713
Business-type activities	5,021,255	2,403,882	15,940,057	9,443,306
Total primary government	<u>\$12,665,565</u>	<u>\$4,154,176</u>	<u>\$25,632,552</u>	<u>\$23,273,019</u>

<sup>1</sup> Does not include restatements of net position.

**City of Helena, Montana**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
*Unaudited (Accrual Basis of Accounting)*  
 (Page 4 of 4)

2017	2018	2019	2020	2021	2022
(\$13,087,602)	(\$15,065,221)	(\$13,322,220)	(\$7,894,763)	(\$4,132,496)	(\$10,591,028)
3,330,396	1,884,916	3,497,636	3,062,789	4,861,307	7,094,229
(9,757,206)	(13,180,305)	(9,824,585)	(4,831,975)	728,812	(3,496,799)
10,329,375	10,797,141	11,620,191	10,514,624	13,115,613	13,651,843
853,548	891,652	1,028,710	1,054,649	1,153,193	1,210,782
4,310,367	4,334,645	4,409,295	4,525,417	4,617,261	4,819,847
157,354	291,269	463,553	314,922	40,479	114,415
58,539	20,157	2,850	132,464	42,562	80,441
-	-	-	-	-	151,952
(407,904)	(446,892)	(1,804,481)	(848,659)	(737,845)	(787,505)
-	-	-	-	-	-
15,301,279	15,887,972	15,720,118	15,693,418	18,231,263	19,241,775
188,875	396,725	617,860	449,598	56,084	94,801
6,925	12,504	135,475	-	34,983	72,028
-	-	-	-	-	385,639
407,904	446,892	1,804,481	848,659	737,845	787,505
-	-	-	-	-	-
603,704	856,121	2,557,816	1,298,258	828,912	1,339,973
15,904,983	16,744,093	18,277,934	16,991,676	19,060,175	20,581,748
2,213,677	822,751	2,397,898	7,798,654	14,098,767	8,650,747
3,934,100	2,741,037	6,055,452	4,361,047	5,690,219	8,434,202
<b>\$6,147,777</b>	<b>\$3,563,788</b>	<b>\$8,453,350</b>	<b>\$12,159,702</b>	<b>\$19,788,987</b>	<b>\$17,084,949</b>



**City of Helena, Montana**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 Unaudited (Modified Accrual Basis of Accounting)  
 (1 of 2)

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Fund</b>				
Nonspendable	\$19,983	\$19,264	\$14,774	\$12,663
Restricted	179,182	64,044	113,730	62,473
Committed	-	-	117,273	42,273
Assigned	34,985	2,386	6,000	5,000
Unassigned	4,331,115	6,559,029	6,770,453	5,436,164
<b>Total general fund</b>	<b>\$4,565,265</b>	<b>\$6,644,723</b>	<b>\$7,022,230</b>	<b>\$5,558,573</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$295,458	\$295,288	\$248,965	\$394,047
Restricted	9,486,622	10,195,743	9,855,388	11,937,765
Committed	1,387,877	1,446,792	1,576,584	1,553,024
Assigned	1,759,532	2,401,501	2,791,027	2,544,285
Unassigned	(165,368)	(146,969)	(150,931)	(281,618)
<b>Total all other governmental funds</b>	<b>\$12,764,121</b>	<b>\$14,192,355</b>	<b>\$14,321,033</b>	<b>\$16,147,503</b>

**City of Helena, Montana**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 Unaudited (Modified Accrual Basis of Accounting)  
 (2 of 2)

2017	2018	2019	2020	2021	2022
\$16,902	\$7,697	\$9,780	\$6,287	\$124,494	\$1,317,033
73,800	67,937	144,235	132,814	86,789	92,447
-	-	-	-	17,000	1,426,620
32,596	824,027	163,852	47,934	444,000	378,850
5,376,401	4,609,737	6,426,782	10,300,640	11,778,130	13,058,159
<u>\$5,499,699</u>	<u>\$5,509,398</u>	<u>\$6,744,649</u>	<u>\$10,487,675</u>	<u>\$12,450,413</u>	<u>\$16,273,109</u>
\$387,233	\$280,299	\$286,611	\$965,972	\$5,585,036	\$360,393
12,711,213	11,142,220	12,487,883	7,661,558	10,800,937	4,640,241
1,488,727	1,781,734	1,807,477	2,931,907	4,215,205	6,732,761
3,119,020	4,138,428	2,420,721	5,598,507	4,796,737	20,068,474
(51,433)	(50,485)	(68,957)	(44,075)	(528,674)	-
<u>\$17,654,760</u>	<u>\$17,292,196</u>	<u>\$16,933,735</u>	<u>\$17,113,869</u>	<u>\$24,869,242</u>	<u>\$31,801,869</u>

**City of Helena, Montana**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

*Unaudited (Modified Accrual Basis of Accounting)*

(1 of 2)

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Revenues</b>				
Taxes:				
Property taxes	\$8,883,694	\$11,376,883	\$10,138,026	\$9,940,730
Motor vehicle taxes	684,194	688,338	774,849	826,785
Special assessments	5,605,367	5,677,012	5,718,233	5,911,386
Licenses and permits	611,813	737,162	638,327	638,250
Intergovernmental	9,606,039	9,238,030	8,533,328	7,961,957
Charges for services	1,995,504	1,820,517	1,922,226	2,063,152
Fines	611,103	713,420	650,074	585,401
Investment earnings	50,171	34,930	31,507	91,441
Miscellaneous	570,002	283,980	551,325	727,425
Total revenue	<u>28,617,887</u>	<u>30,570,272</u>	<u>28,957,895</u>	<u>28,746,527</u>
<b>Expenditures</b>				
General government	1,971,882	2,192,450	2,343,318	2,150,391
Public safety	12,336,834	12,524,881	11,487,514	11,722,710
Public works	4,193,099	4,746,026	5,185,550	4,583,452
Public health	226,779	222,301	227,565	236,745
Culture and recreation	3,313,713	3,331,804	3,788,237	3,655,584
Community development	829,295	556,037	875,627	934,609
Intergovernmental	-	17,620	-	-
Debt service:				
Principal	1,058,311	924,831	719,102	735,321
Interest	806,001	775,737	301,260	274,926
Debt issuance costs	-	-	-	-
Capital outlay	2,951,998	1,565,281	2,132,609	3,678,117
Total expenditures	<u>27,687,912</u>	<u>26,856,968</u>	<u>27,060,782</u>	<u>27,971,855</u>
Excess of revenues over (under) expenditures	<u>929,975</u>	<u>3,713,304</u>	<u>1,897,113</u>	<u>774,672</u>
<b>Other Financing Sources (Uses)</b>				
Debt issued	53,371	145,976	-	-
Debt issuance premium	-	-	-	-
Contributions	-	-	-	-
Payments to bond escrow agent	-	-	-	-
Sale of capital assets	124,083	12,912	112,230	(11,859)
Insurance settlements	-	-	-	-
Transfers in	1,670,630	1,633,835	1,558,900	3,889,055
Transfers out	(1,895,404)	(1,998,335)	(3,062,058)	(4,264,055)
Total other financing sources (uses)	<u>(47,320)</u>	<u>(205,612)</u>	<u>(1,390,928)</u>	<u>(386,859)</u>
<b>Special item</b>	-	-	-	(25,000)
<b>Net change in fund balances <sup>1</sup></b>	<u><b>\$882,655</b></u>	<u><b>\$3,507,692</b></u>	<u><b>\$506,185</b></u>	<u><b>\$362,813</b></u>
Debt service as a percentage of noncapital expenditures	7.54%	6.72%	4.09%	4.16%

<sup>1</sup> Does not include prior period adjustments.

**City of Helena, Montana**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
*Unaudited (Modified Accrual Basis of Accounting)*  
 (2 of 2)

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$10,386,161	\$10,799,382	\$11,518,252	\$12,608,166	\$13,091,139	\$13,651,063
853,548	891,652	1,028,710	1,054,649	1,153,193	1,210,782
6,409,137	7,021,904	8,345,193	11,141,122	11,211,778	11,476,251
633,332	545,630	688,404	665,401	681,073	643,584
7,658,087	7,357,020	9,147,355	11,550,618	13,972,271	16,961,632
1,632,309	1,779,690	2,091,774	1,952,050	2,474,136	2,164,828
535,033	523,678	540,899	571,191	444,690	398,979
157,354	291,269	479,082	314,922	60,546	128,401
415,052	372,789	305,423	353,426	516,602	133,118
<b>28,680,013</b>	<b>29,583,014</b>	<b>34,145,092</b>	<b>40,211,545</b>	<b>43,605,429</b>	<b>46,768,638</b>
2,467,576	2,785,665	2,324,298	2,880,223	2,270,942	4,457,974
11,786,301	12,631,086	13,381,503	14,108,886	14,738,531	15,450,138
5,192,118	5,307,073	5,551,877	5,979,935	6,349,554	7,240,016
232,168	173,517	146,113	83,813	83,318	70,566
3,800,002	3,691,666	4,158,847	3,954,455	4,030,122	5,528,873
556,388	773,214	1,653,251	973,675	1,202,462	1,179,802
11,849	-	13,919	-	-	-
771,583	832,892	699,107	415,000	425,000	490,894
248,064	151,233	149,273	131,100	172,394	121,227
96,440	-	-	-	-	-
2,072,624	3,545,993	3,805,289	7,256,776	5,187,380	3,700,212
<b>27,235,113</b>	<b>29,892,339</b>	<b>31,883,477</b>	<b>35,783,863</b>	<b>34,459,703</b>	<b>38,239,703</b>
1,444,900	(309,325)	2,261,615	4,427,682	9,145,726	8,528,935
5,180,000	-	-	-	810,000	1,614,950
308,748	-	-	-	-	-
-	-	-	11,674	-	-
(5,390,156)	-	-	-	-	-
58,539	20,157	2,850	132,464	42,562	97,403
-	-	-	-	6,032	137,002
2,473,448	1,868,584	1,574,633	1,498,242	5,102,238	5,430,539
(2,627,096)	(1,932,281)	(2,962,308)	(2,146,903)	(5,388,445)	(5,053,507)
3,483	(43,540)	(1,384,825)	(504,523)	572,388	2,226,387
-	-	-	-	-	-
<b>\$1,448,383</b>	<b>(\$352,865)</b>	<b>\$876,790</b>	<b>\$3,923,159</b>	<b>\$9,718,114</b>	<b>\$10,755,322</b>
4.05%	3.74%	3.02%	1.91%	2.04%	1.77%

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

Fiscal Year	Real Taxable Value <sup>1</sup>	Personal Taxable Value <sup>1</sup>	Less Tax Increment	Net Taxable Valuation	Total Direct Tax Rate	Estimated Market Value	Taxable Value as a Percentage of Market Value
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%
2016	58,044	2,320	-	60,364	164.76	3,623,976	1.67%
2017	59,539	2,578	-	62,117	167.32	3,710,432	1.67%
2018	63,280	2,547	160	65,667	163.86	4,167,551	1.58%
2019	64,975	3,061	-	68,036	169.73	4,362,418	1.56%
2020	63,785	3,390	-	67,176	169.08	4,389,878	1.53%
2021	70,135	3,335	-	73,470	174.80	4,771,310	1.54%
2022	74,799	2,820	-	77,620	168.87	5,112,116	1.52%

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.

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

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

**City of Helena, Montana**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
 Last Ten Fiscal Years  
*(Per \$1,000 of Taxable Value)*

Fiscal Year	City of Helena							Overlapping Rates <sup>1</sup>			Lewis and Clark County
	General Purpose	Medical Insurance	Fire Safety <sup>2</sup>	GO Bond Debt Service	Tax Increment Financing	Other Levies <sup>4</sup>	Total Direct	Helena Elementary	East Helena <sup>3</sup>	Helena High	
2013	94.71	21.30	-	18.40	-	24.79	159.20	154.87	156.84	85.02	220.91
2014	95.94	22.34	-	16.73	-	24.09	159.10	160.16	160.80	86.19	235.04
2015	100.06	25.16	-	17.79	-	25.16	168.17	166.31	157.69	87.06	226.20
2016	99.13	25.84	-	14.35	-	25.44	164.76	155.76	158.59	85.71	218.04
2017	102.52	27.16	-	13.15	-	24.49	167.32	159.96	166.56	80.22	225.30
2018	99.47	27.75	-	11.75	0.30	24.59	163.86	201.19	195.45	82.95	218.22
2019	101.75	28.08	7.25	7.94	0.07	24.64	169.73	221.34	232.45	91.99	235.94
2020	121.60	30.17	9.26	7.14	0.91	-	169.08	215.75	375.60	88.75	243.49
2021	123.73	30.89	12.56	7.07	0.55	-	174.80	218.96	242.83	85.92	236.25
2022	119.84	28.66	11.98	7.10	1.29	-	168.87	206.13	226.45	81.04	232.40

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.

<sup>1</sup>

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

<sup>2</sup>

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

<sup>3</sup>

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

<sup>4</sup>

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

**City of Helena, Montana**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Ten Years Ago

	2022			2012		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Northwestern Corporation	\$8,039,446	1	10.05%	\$3,158,654	1	7.37%
The Boeing Company	2,252,550	2	2.82%	-	-	-
Verizon Wireless	2,606,202	3	3.26%	-	-	0.00%
Lumen Technologies LLC (Formerly Centurylink)	600,673	4	0.75%	-	-	-
Helena Federal Office Complex, LLC	533,144	5	0.67%	267,657	6	0.62%
Health Care Service Corporation	471,144	6	0.59%	-	-	-
Charter Communications Inc.	436,536	7	0.55%	-	-	-
TRC Remington LLC	391,214	8	0.49%	-	-	0.00%
Skyway Regional Shopping Center LLC	380,098	9	0.48%	-	-	-
Touchmark Living Centers LLC (formerly Waterford)	330,976	10	0.41%	289,641	5	0.68%
Qwest Corporation	-	-	-	633,516	2	1.48%
Wal Mart Stores Inc	-	-	-	405,163	3	0.95%
Federal Reserve Bank of Minneapolis	-	-	-	323,494	4	0.76%
WHC820 LLC	-	-	-	266,004	7	0.62%
Helena Montana Associates LLC	-	-	-	253,089	8	0.59%
Capital Hill Shopping Center	-	-	-	240,945	9	0.56%
Montana Rail Link Inc	-	-	-	226,239	10	0.53%
	<b>\$16,041,983</b>		<b>20.07%</b>	<b>\$6,064,402</b>		<b>14.16%</b>
Total City Taxable Assessed Value <sup>1</sup>	\$79,993,046			\$42,839,486		

Source: Lewis & Clark County

<sup>1</sup> Certified taxable value per Montana Department of Revenue.

**City of Helena, Montana**  
**PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup>**  
 Last Ten Fiscal Years

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
2013	9,161,968	9,033,110	98.59%	120,754	9,153,864	99.91%
2014	9,272,954	8,964,557	96.67%	308,124	9,272,681	100.00%
2015	9,968,710	9,400,597	94.30%	568,012	9,968,610	100.00%
2016	9,944,618	9,658,179	97.12%	285,739	9,943,918	99.99%
2017	10,356,135	9,853,992	95.15%	501,727	10,355,718	100.00%
2018	10,882,574	10,282,203	94.48%	599,898	10,882,101	100.00%
2019	9,378,242	8,685,574	92.61%	691,937	9,377,511	99.99%
2020	11,326,037	10,723,897	94.68%	600,964	11,324,861	99.99%
2021	12,791,198	11,794,044	92.20%	988,554	12,782,598	99.93%
2022	12,988,465	12,303,363	94.73%	-	12,303,363	94.73%

Source: Lewis & Clark County

<sup>1</sup> This schedule does not include the Railroad, Downtown, or Capital Hill Tax Increment Districts



**City of Helena, Montana**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	Percent of Personal Income <sup>1</sup>	Total Debt Per Capita <sup>1</sup>
	General Obligation Bonds	Loans	Special Assessment Bonds	General Obligation Bonds	Certificates of Participation	Revenue Bonds	Loans	Special Assessment Bonds			
2013	9,245,000	215,931	270,000	-	8,545,000 <sup>2</sup>	11,472,000	1,150,385	15,000	30,913,316	2.34%	1,061
2014	8,605,000	183,005	225,000	-	8,360,000 <sup>2</sup>	10,461,000	942,513	-	28,776,518	2.31%	972
2015	7,085,000	148,903	160,000	1,695,000 <sup>3</sup>	8,170,000	9,387,000	1,139,560	-	27,785,463	2.10%	928
2016	6,435,000	113,582	110,000	835,000	7,975,000	8,290,000	965,257	-	24,723,839	1.81%	808
2017	5,765,000	76,999	60,000	760,000	8,045,000	7,817,000	744,307	-	23,268,306	1.63%	747
2018	5,010,000	39,107	20,000	2,780,000 <sup>4</sup>	7,760,000	6,648,000	521,171	-	22,778,278	1.53%	725
2019	4,370,000	-	-	2,615,000	7,465,000	5,455,000	416,442	-	20,321,442	1.31%	629
2020	3,955,000	-	-	2,445,000	7,165,000	8,769,919	1,633,082	-	23,968,001	1.44%	724
2021	3,530,000	810,000 <sup>5</sup>	-	2,275,000	6,860,000	7,191,919	1,806,075	-	22,472,994	1.19%	679
2022	3,085,000	770,514	-	2,095,000	6,550,000	8,372,343	1,644,755	-	22,517,612	1.20%	680

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

<sup>1</sup> See page S-21 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>2</sup> 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.

<sup>3</sup> 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.

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

**City of Helena, Montana**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
*Last Ten Fiscal Years*

Fiscal Year	General Obligation Bonds	General Fund Bonds 2005 <sup>1</sup>	Limited General Fund Refunding Bonds 2015 <sup>1</sup>	Limited General Fund Bonds 2017	Less Amounts Restricted to Repaying Principal	Total Primary Government	Percent of Estimated Actual Taxable Value <sup>2</sup>	Per Capita <sup>3</sup>
2013	8,310,000 <sup>4</sup>	935,000	-	-	(323,402)	8,921,602	14.77%	306.23
2014	7,705,000 <sup>4</sup>	900,000	-	-	(639,052)	7,965,952	13.48%	269.16
2015	7,085,000	850,000	845,000	-	(1,510,000)	7,270,000	12.04%	242.79
2016	6,435,000	-	835,000	-	(743,507)	6,526,493	10.51%	213.42
2017	5,765,000	-	760,000	-	(1,081,954)	5,443,046	8.29%	174.63
2018	5,010,000	-	680,000	2,100,000	(870,177)	6,919,823	10.54%	220.17
2019	4,370,000	-	600,000	2,015,000	(585,000)	6,400,000	9.41%	198.05
2020	3,955,000	-	520,000	1,925,000	(595,000)	5,805,000	8.64%	175.25
2021	3,530,000	-	440,000	1,835,000	(595,000)	5,210,000	7.09%	162.35
2022	3,085,000	-	355,000	1,740,000	(625,000)	4,555,000	5.87%	137.5302

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

<sup>1</sup> 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.

<sup>2</sup> See page J-12 for property value data.

<sup>3</sup> See page J-21 for population data.

<sup>4</sup> 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, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Helena School District No. 1 Elementary	\$52,770,000	72.54%	\$38,279,358
East Helena School District No. 9 K-12	35,355,000	11.55%	4,083,503
Lewis & Clark County Bonds	9,273,000	77.36%	7,173,593
Total overlapping debt			49,536,454
<b>City direct debt</b>	<u>\$4,340,000</u>	<u>100.00%</u>	<u>\$4,340,000</u>
<b>Total direct and overlapping debt</b>			<u><b>\$53,876,454</b></u>

**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.

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.

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

**City of Helena, Montana**  
**LEGAL DEBT MARGIN INFORMATION** <sup>1</sup>  
 Last Ten Fiscal Years  
*(dollars in thousands)*

Assessed value <sup>2</sup>	\$4,513,154
Debt limit (2.5% of assessed value) <sup>3</sup>	112,829
Debt applicable to limit:	
General obligation bonds	5,180
Legal debt margin	\$ 107,649

Fiscal year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$49,190	\$58,069	\$60,015	\$84,952	\$85,464	\$91,884	\$ 94,136	\$ 103,196	\$ 103,196	\$ 112,829
Total net debt applicable to limit	7,826 <sup>4</sup>	7,411 <sup>4</sup>	6,969	6,513	5,899	7,184	6,396	5,880	5,805	5,180
Legal debt margin	\$41,364	\$50,658	\$53,046	\$78,439	\$79,565	\$84,700	\$ 87,740	\$ 97,316	\$ 97,391	\$ 107,649
Total net debt applicable to the limit as a percentage of debt limit	15.91%	12.76%	11.61%	7.67%	6.90%	7.82%	6.79%	5.70%	5.63%	4.59%

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

<sup>1</sup> Details regarding the City's outstanding debt can be found in Note H to the financial statements.

<sup>2</sup> The City uses the "certified" Estimated Market Value provided by the State of Montana, Department of Revenue to calculate the legal debt margin in accordance with State law. This represents the 2021 Market Value used for assessing properties in 2022.

<sup>3</sup> 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).

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

**City of Helena, Montana**  
**PLEGGED-REVENUE COVERAGE**  
 Last Ten Fiscal Years  
*(dollars in thousands)*

Fiscal Year	Water Revenue Bonds						Wastewater Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year			Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		
				Principal	Interest	Coverage				Principal	Interest	Coverage
2013	6,534	3,642	2,892	468	54	554.0%	4,297	2,569	1,728	736	34	224.4%
2014	6,658	3,944	2,714	468	54	519.9%	4,328	2,642	1,686	736	34	219.0%
2015	6,951	3,821	3,130	468	54	599.6%	4,404	2,719	1,685	736	34	218.8%
2016	6,974	4,026	2,948	468	54	564.8%	4,567	2,759	1,808	736	34	234.8%
2017	7,047	4,481	2,566	496	132	408.6%	4,831	2,719	2,112	736	34	274.3%
2018	8,151	4,058	4,093	507	57	725.8%	4,781	2,703	2,078	736	34	269.9%
2019	7,915	4,267	3,648	485	79	646.8%	5,311	3,093	2,219	736	34	288.2%
2020	8,143	4,780	3,363	825	71	375.3%	5,489	3,164	2,325	877	62	247.6%
2021	8,652	4,723	3,929	693	140	471.6%	5,799	3,254	2,545	750	24	328.9%
2022	10,738	5,113	5,625	758	140	626.3%	6,327	3,232	3,095	496	32	586.3%

Fiscal Year	Parking Certificates of Participation <sup>1</sup>					
	Parking Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		
				Principal	Interest	Coverage
2013	1,686	1,783	(97)	192	409	-16.1%
2014	1,569	1,813	(244)	197	404	-40.6%
2015	1,795	745	1,050	290	401	152.0%
2016	1,763	928	835	370	410	107.1%
2017	1,744	960	784	470	147	127.1%
2018	1,538	1,297	242	470	201	36.0%
2019	1,683	1,110	573	470	195	86.1%
2020	1,754	1,224	530	470	189	80.3%
2021	1,797	1,181	616	470	183	94.3%
2022	1,811	1,103	708	470	177	109.3%

Source: City financial statements.

<sup>1</sup> Prior to July 2014, the Parking Commission was a component unit of the City of Helena. There is no coverage requirement with the certificates of participation.

**City of Helena, Montana**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Calendar Years

<u>Calendar Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Estimated Per Capita Personal Income</u> <sup>1</sup>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2011	28,592	\$1,329,071	\$46,484	41.00	8,304	5.3%
2012	29,134	1,321,926	45,374	41.00	8,331	4.9%
2013	29,596	1,246,288	42,110	41.00	8,300	4.5%
2014	29,943	1,323,481	44,200	41.00	8,290	3.9%
2015	30,581	1,368,561	44,752	41.00	8,294	3.1%
2016	31,169	1,423,488	45,670	42.00	8,332	3.0%
2017	31,429	1,489,169	47,382	40.00	9,512	3.3%
2018	32,315	1,551,896 <sup>1</sup>	48,024	40.00	9,601 <sup>1</sup>	3.1%
2019	33,124	1,660,605 <sup>1</sup>	50,133	40.00	9,738 <sup>1</sup>	3.0%
2020	32,091 <sup>2</sup>	1,744,595 <sup>3</sup>	54,364	41.00 <sup>1</sup>	10,649 <sup>1</sup>	3.2%
2021	33,120	1,880,918	56,791	41.00 <sup>1</sup>	10,659 <sup>1</sup>	2.3%

Sources: U. S. Census Bureau and Montana Census and Economic Information Center: Population and Per Capita Personal Income  
 State of Montana, Department of Labor; US Bureau of Economic Analysis: Unemployment Rate, Per Capita Income  
 Lewis and Clark Superintendent of Schools: School Enrollment

<sup>1</sup> Lewis and Clark County information is reported as City of Helena information is not available.

<sup>2</sup> Updated Decennial census information - population decline from prior year.

<sup>3</sup> State of Montana, Department of Labor & Industry

**City of Helena, Montana**  
**TOP TWENTY PRIVATE EMPLOYERS IN LEWIS AND CLARK COUNTY**  
Year Ended June 30, 2022

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

Sources: Montana Dept of Labor and Industries - Labor Market Information; Data USA - Most recent data is 2021

1 Governmental Accounting Standards Board, Statement 44 requires this statistic include the top ten employers in the current year and nine years ago for comparison.

The State of Montana, Department of Labor only reports the top 20 private employers in each county and does not rank them or provide the number of employees as they consider it confidential information.

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

<b>FUNCTION/PROGRAM</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>GENERAL GOVERNMENT</b>										
Legislative	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.50
Executive	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.00	5.50
Judicial	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	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	7.00	7.00	8.00	8.00	8.00	8.00	9.00
Human resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Legal	4.65	4.75	4.75	5.00	6.00	7.16	7.00	8.00	8.00	9.00
Facilities administration	2.17	2.17	2.17	2.17	2.17	2.17	2.08	2.24	2.24	3.16
<b>PUBLIC SAFETY</b>										
Law enforcement	70.67	71.50	72.50	73.50	71.50	75.00	76.00	78.55	79.05	80.65
Fire protection	36.00	36.00	36.46	37.00	37.00	37.00	42.00	41.00	42.00	43.00
<b>PUBLIC WORKS</b>										
Public works administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	5.00	5.00	3.00
Engineering	7.90	7.90	8.65	8.90	8.50	8.50	8.50	8.50	8.50	12.00
Road and street	15.51	15.01	15.01	15.01	15.01	15.13	15.12	23.31	23.31	24.09
Storm water	2.19	2.27	2.27	2.33	2.56	2.56	3.81	3.81	3.81	3.33
<b>PUBLIC HEALTH</b>										
Animal control	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.50
<b>CULTURE AND RECREATION</b>										
Park and recreation	22.08	21.60	21.60	21.60	22.50	23.75	25.67	27.75	27.75	26.25
Civic center	5.44	5.44	5.44	5.44	5.44	5.94	5.98	5.93	5.93	6.00
<b>COMMUNITY DEVELOPMENT</b>										
Community development and planning	5.13	5.13	5.13	5.13	5.13	5.13	5.13	5.38	5.63	6.00
Building	8.50	8.50	9.50	9.50	9.50	9.75	9.50	9.75	10.00	10.00
<b>Water</b>	20.54	21.28	21.28	22.26	21.95	21.45	24.45	25.73	25.73	25.71
<b>Wastewater</b>	14.79	15.23	15.23	15.91	15.99	15.49	16.74	16.84	16.84	16.36
<b>Solid waste</b>	8.60	8.30	8.30	8.30	8.30	8.40	8.40	10.40	10.40	13.20
<b>Transfer station</b>	10.40	10.70	10.70	10.70	11.70	11.60	11.60	11.60	11.60	9.80
<b>Bus</b>	13.26	13.08	10.95	11.27	13.37	13.25	12.98	13.10	13.10	14.88
<b>Parking</b>	10.28	10.63	9.80	7.65	7.65	7.65	8.65	8.80	8.80	9.14
<b>City-County building administration</b>	6.37	6.37	6.37	6.37	6.37	6.37	8.41	9.30	9.30	9.31
<b>Fleet services</b>	5.50	5.50	5.50	6.50	6.50	6.50	6.50	6.80	6.80	6.75
<b>Total</b>	<b>303.86</b>	<b>305.24</b>	<b>306.49</b>	<b>308.42</b>	<b>311.02</b>	<b>317.68</b>	<b>332.40</b>	<b>354.17</b>	<b>357.17</b>	<b>368.13</b>

Source: City of Helena, Finance Budget Department

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



**City of Helena, Montana**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Calendar Years  
 (1 of 2)

FUNCTION/PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>GENERAL GOVERNMENT</b>										
Judicial										
Trials by judge	3,120	3,311	5,685	4,525	2,832	3,005	3,147	3,534	3,987	3,741
Trials by jury	11	7	7	11	8	7	8	8	3	7
Citations filed	7,096	8,201	7,068	5,921	5,067	5,691	5,094	5,206	4,225	3,242
<b>PUBLIC SAFETY ACTIVITIES</b>										
Police										
Total calls	27,566	30,678	30,583	29,205	27,871	29,432	31,368	30,806	28,309	25,494
Arrests	2,373	2,251	2,128	1,976	1,780	2,050	2,168	1,897	1,581	1,381
Warrants served	996	1,014	1,192	1,726	1,276	1,351	1,034	1,376	1,312	899
Traffic citations	4,718	5,271	4,620	2,205	2,244	2,686	2,366	2,417	1,939	1,745
Fire										
Incidents	3,493	3,575	3,807	4,120	4,385	4,014	3,743	4,210	3,993	4,268
Inspections	429	366	617	1,048	812	476	375	556	636	296
Medical calls	2,539	2,573	2,748	3,044	3,208	2,820	2,608	2,933	2,806	3,076
<b>PUBLIC WORKS</b>										
Streets										
Chip seal (miles)	8.6	8.6	8.9	8.7	9.2	13.4	19.0	19.3	30.9	19.7
Crack seal (miles)	8.6	8.6	8.9	8.7	9.2	13.4	19.0	19.3	-	-
Re-surface	N/A	N/A	N/A	N/A	1.2	2.4	1.5	1.4	-	4.2
Water										
Average daily consumption (millions of gallons)	6.0	5.5	5.6	5.6	5.2	5.9	5.3	5.1	5.5	5.9
Peak demand (millions of gallons)	14.0	14.2	15.0	13.2	13.1	15.1	15.2	12.0	14.8	13.6
Number of customers	10,908	10,989	11,159	11,441	11,526	11,569	11,569	12,079	12,719	12,801
Wastewater										
Average daily wastewater treated (millions of gallons)	2.9	2.7	2.8	2.8	2.5	2.7	3.2	3.2	3.3	3.0
Solid waste										
Refuse collected (tons per day)	101	102	101	104	104	100	101	112	116	117
Recyclables collected (tons per day)	17	17	18	17	18	18	21	20	19	24
Bus										
Total passengers <sup>1</sup>	80,973	76,097	79,252	97,189	81,787	95,789	82,488	97,589	30,657	32,712
Parking <sup>2</sup>										
Number of spaces in garages	N/A	N/A	1,383	1,383	1,383	1,383	1,383	1,389	1,389	1,389
Monthly rate	N/A	N/A	\$57-\$67	\$59-\$69	\$63-\$73	\$63-\$73	\$63-\$73	\$65-\$75	\$65-\$75	\$75
Hourly rate	N/A	N/A	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$1.00
Garage revenues	N/A	N/A	\$1,127,000	\$1,125,661	\$1,053,540	\$1,045,100	\$1,093,614	\$1,429,321	\$714,199	\$981,998
Number of spaces in paid lots	N/A	N/A	656	656	656	656	656	656	656	656
Monthly rate	N/A	N/A	\$47-72	\$49-\$74	\$53-\$80	\$53-\$80	\$53-\$80	\$55-\$60	\$55-\$60	\$55-\$60
Hourly rate	N/A	N/A	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$1.00
Lot revenues	N/A	N/A	\$319,163	\$328,388	\$329,890	\$349,079	\$350,107	\$312,310	\$307,679	\$267,521
On-Street monthly permit rate:										
Commercial areas	N/A	N/A	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$51
Residential areas	N/A	N/A	\$5-\$10	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20
Permit revenues	N/A	N/A	\$212,520	\$217,650	\$211,731	\$185,768	\$201,218	\$208,013	\$185,567	\$148,324
Parking Meter rate	N/A	N/A	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50 - \$1.00
Meter revenues	N/A	N/A	\$12,549	\$18,931	\$22,042	\$17,327	\$38,444	\$189,037	\$211,483	\$278,463

**City of Helena, Montana**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Calendar Years  
 (2 of 2)

FUNCTION/PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>PUBLIC HEALTH ACTIVITIES</b>										
Animal control										
Total incidents	2,393	2,645	2,521	2,453	2,541	2,115	1,730	1,639	1,688	1,757
Citations	316	310	347	288	332	254	141	100	109	71
<b>CULTURE AND RECREATION</b>										
Swimming pool										
Swimming Pool Attendance <sup>1</sup>	25,728	26,053	24,386	24,001	19,950	24,739	24,090	21,579	6,001	24,010
Civic Center										
Events <sup>1</sup>	220	172	71	73	79	68	80	140	58	91
Number of days used	N/A	N/A	N/A	N/A	170	131	150	218	87	143
Tickets sold	5,543	11,532	48,586	53,784	55,055	48,379	58,603	85,703	19,010	10,500
<b>COMMUNITY DEVELOPMENT</b>										
Building										
Residential permits, new construction	112	87	80	118	80	142	90	94	106	101
Number of units	172	132	339	386	175	258	188	204	244	223
Value of permits (in thousands)	\$25,109	\$23,243	\$37,670	\$48,294	\$46,820	\$21,724	\$32,922	\$34,387	\$44,082	\$44,367
Residential permits, addition/remodel	54	116	122	169	184	126	119	99	107	124
Value of permits (in thousands)	\$1,719	\$2,579	\$4,180	\$3,386	\$3,820	\$2,982	\$3,804	\$2,831	\$2,922	\$5,518
Commercial permits, new construction	26	30	13	39	19	15	18	14	22	14
Value of permits (in thousands)	\$30,918	\$23,740	\$14,623	\$54,372	\$26,565	\$15,206	\$45,014	\$10,968	\$2,054	\$57,742
Commercial permits, addition/remodel	96	105	169	211	177	127	145	118	120	117
Value of permits (in thousands)	\$15,382	\$14,417	\$18,675	\$17,930	\$32,444	\$21,950	\$32,324	\$31,716	\$31,482	\$55,829
Planning										
Annexations	1	3	4	1	7	5	2	3	1	4
Annexed properties	2	26	4	10	31	145	2	2	1	5
Major subdivisions	-	1	-	2	-	2	2	2	1	3
Lots created	-	26	-	32	-	50	26	-	-	75
Minor subdivisions	3	1	1	1	1	2	-	1	-	-
Lots created	9	2	3	4	3	5	-	-	-	-

Source: City of Helena

Bus, Civic Center and pool attendance affected by COVID

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

<b>FUNCTION/PROGRAM</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>PUBLIC SAFETY ACTIVITIES</b>										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	38	36	37	35	28	30	31	31	32	32
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire response trucks	17	17	16	16	16	17	18	19	20	20
<b>PUBLIC WORKS</b>										
Streets (miles)	267	269	271	271	272	272	268	268	261	261
Lights <sup>1</sup>	3,625	3,674	3,691	3,689	3,689	3,697	3,408	3,406	3,458	3,483
Stormwater mains (miles)	103	106	68 <sup>2</sup>	71	71	71	72	71	72	72
Water										
Water mains (miles)	228	230	236	244	244	247	248	248	252	252
Fire hydrants	1,658	1,666	1,678	1,785	1,704	1,733	1,763	1,787	1,812	1,812
Storage capacity (in millions of gallons)	23	23	23	23	23	23	23	22	23	23
Wastewater mains (miles)	186	187	188	188	188	190	192	183	185	185
Solid waste - collection trucks	20	19	18	17	18	19	19	18	18	16
Bus - buses	19	19	19	18	19	15	13	12	14	14
Parking <sup>3</sup>										
Garages	-	-	5	5	5	5	5	5	5	5
Parking lots	-	-	10	10	11	11	11	11	11	11
Curbside meters	-	-	280	280	264	264	264	196	196	196
On-Street rental spaces <sup>4</sup>	-	-	-	-	-	-	-	320	739	739
<b>CULTURE AND RECREATION</b>										
Number of city parks	47	47	47	47	47	47	47	47	46	44
City park acreage	258	258	258	258	263	263	263	263	263	236
Open space acreage	1,845	1,845	1,999	1,999	1,999	1,999	1,999	1,999	1,999	2,134

Source: City of Helena

<sup>1</sup> 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.

<sup>2</sup> In the past, this number included open ditches. Beginning in 2015, this number more accurately only includes mains.

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

<sup>4</sup> The Parking Program began a kiosk program in fiscal year 2020.

**City of Helena, Montana**

**THE WATER SYSTEM <sup>1</sup>**

June 30, 2022

<b>Historical Water System Connections Last Five Fiscal Years</b>
---

Fiscal Year	Residential Customers	Commercial Customers	Total Customers
2018	8,562	3,007	11,569
2019	8,672	3,407	12,079
2020	8,728	3,991	12,719
2021	8,784	4,017	12,801
2022	8,853	3,994	12,847

<b>Water System Rate Structure</b>
------------------------------------

	Residential (Single Family Residence)	Commerical and Multi-Family
Base Rate (based on meter size)	\$9.26-\$49.20	\$9.26-\$694.20
Per 100 Cubic feet Water	\$3.39 - \$3.86	\$3.39 - \$3.92

<b>Major Water System Users</b>
---------------------------------

User	Water Charges	Percent of Total Water Revenues <sup>2</sup>
State of Montana	\$406,957	4.12 %
City of Helena	280,372	2.84
St. Peter's Hospital	191,035	1.93
Military Affairs	152,526	1.54
Helena School District #1	150,654	1.52
Helena Housing Authority	150,175	1.52
Fort Harrison VA Medical Center	62,677	0.63
Carroll College	59,443	0.60
Guardian Apartments	43,997	0.44
Helena Colonial, LLC	37,710	0.38
	<b>\$1,535,546</b>	<b>15.52 %</b>

Source: The City of Helena

<sup>1</sup> This schedule is included to comply with requirements of our water bonds.

<sup>2</sup> Water revenue equals total operating revenue of the Water fund.

**City of Helena, Montana**  
**THE WASTEWATER SYSTEM** <sup>1</sup>  
June 30, 2022

<b>Historical Wastewater System Connections Last Five Fiscal Years</b>
--

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial Customers</u>	<u>Total Customers</u>
2018	8,362	2,711	11,073
2019	8,491	2,762	11,253
2020	8,511	2,784	11,295
2021	8,642	2,827	11,469
2022	8,677	2,876	11,553

<b>Wastewater System Rate Structure</b>
---

	<u>Basic Monthly Rates</u>
Base Rate	\$9.73
Per 100 Cubic feet Water:	
Residential	\$9.73
Commercial	\$4.49

<b>Major Wastewater System Users</b>
--------------------------------------

<u>User</u>	<u>Wastewater Charges</u>	<u>Percent of Total Wastewater Revenues</u> <sup>2</sup>
St. Peter's Hospital	\$170,956	2.60 %
State of Montana	151,424	2.30
McHugh Mobile Home Park	107,878	1.64
Helena School District #1	88,889	1.35
Helena Housing Authority	83,026	1.26
Mobile City Home Park	72,988	1.11
Carroll College	59,443	0.90
Fort Harrison VA Medical Center	48,461	0.74
Guardian Apartments	39,856	0.61
Helena Colonial, LLC	39,001	0.59
	<b>\$861,922</b>	<b>12.51 %</b>

Source: The City of Helena

<sup>1</sup> This schedule is included to comply with requirements of our wastewater bonds.

<sup>2</sup> 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 <sup>1</sup>**  
*Last Five Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Beginning balance - July 1	\$56,501	\$52,576	\$51,605	\$47,437	\$41,237
Receipts over disbursements <sup>2</sup>	(3,925)	(971)	(4,168)	(6,201)	(240)
Ending balance - June 30	<u>\$52,576</u>	<u>\$51,605</u>	<u>\$47,437</u>	<u>\$41,236</u>	<u>\$40,997</u>
<b>Assets:</b>					
Cash	\$20,211	\$28,962	\$33,393	\$35,776	\$40,993
Certificates of deposit	1,295	-	-	-	-
Assessments receivable	31	206	189	52	50
Warrants	31,070	22,643	14,045	5,459	5
Total assets	<u>52,607</u>	<u>51,811</u>	<u>47,627</u>	<u>41,287</u>	<u>41,048</u>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	31	206	189	50	50
Total liabilities	<u>31</u>	<u>206</u>	<u>189</u>	<u>50</u>	<u>50</u>
<b>Fund balances:</b>					
Restricted	52,576	51,605	47,437	41,187	40,998
Unassigned	-	-	-	50	-
Total fund balance	<u>52,576</u>	<u>51,605</u>	<u>47,437</u>	<u>41,237</u>	<u>40,998</u>
Total liabilities and fund balances	<u><b>\$52,607</b></u>	<u><b>\$51,811</b></u>	<u><b>\$47,626</b></u>	<u><b>\$41,287</b></u>	<u><b>\$41,048</b></u>

Source: The City of Helena

<sup>1</sup> This information is provided to satisfy reporting requirements for our special improvement district bonds.

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

**City of Helena, Montana**  
**SPECIAL IMPROVEMENT DISTRICTS REVOLVING FUND <sup>1</sup>**  
**CASH BALANCE AND OUTSTANDING BONDS SECURED THEREBY**  
*Last Ten Fiscal Years*

Fiscal Year	Revolving Fund Ending Cash and Investment Balances	Principal Amount of Bonds and Warrants	Percentage
2013	\$122,997	\$377,937	32.54%
2014	106,781	442,008	24.16%
2015	102,655	160,000	64.16%
2016	59,877	110,000	54.43%
2017	56,501	60,000	94.17%
2018	52,337	20,000	261.69%
2019	51,811	-	
2020	47,437	-	
2021	41,236	-	
2022	40,997	-	

<sup>1</sup> This schedule is included to comply with requirements of our special improvement district bonds. There are currently none outstanding.

Source: City of Helena

**City of Helena, Montana**  
**RAILROAD TAX INCREMENT FINANCING DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Five Fiscal Years

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
2018	\$42,998	\$10,229	23.79%	\$31,770	\$41,999	97.68%
2019	73,924	23,910	32.34%	50,010	73,920	99.99%
2020	174,819	164,429	94.06%	10,320	174,749	99.96%
2021	187,512	169,887	90.60%	17,554	187,441	99.96%
2022	312,728	293,770	93.94%	-	293,770	93.94%

Source: Lewis & Clark County

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



**City of Helena, Montana**  
**DOWNTOWN TAX INCREMENT FINANCING DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Two Fiscal Years

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
2021	\$63,857	\$59,954	93.89%	\$3,745	\$63,699	99.75%
2022	34,167	30,095	88.08%	-	30,095	88.08%

Source: Lewis & Clark County

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

**City of Helena, Montana**  
**CAPITAL HILL TAX INCREMENT FINANCING DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Fiscal Year

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
2022	\$34,167	\$30,095	88.08%	-	\$30,095	88.08%

Source: Lewis & Clark County

This schedule is intended to show the last ten fiscal years. Because this is a new district, only one year is available.

## **SINGLE AUDIT SECTION**



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

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

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, each major fund, and the aggregate remaining fund information of the City of Helena as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Helena's basic financial statements and have issued our report thereon dated May 3, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Junkermier, Clark, Campanella, Stevens, P.C.*

Helena, Montana  
May 3, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Helena's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Helena's major federal programs for the year ended June 30, 2022. The City of Helena's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Helena 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, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Helena and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Helena's compliance with the compliance requirements referred to above.

***Responsibilities Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Helena's federal programs.

## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Helena's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Helena's compliance with those requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Helena's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Helena's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Helena's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

***Junkermier, Clark, Campanella, Stevens, P.C.***

Helena, Montana  
May 3, 2023



**CITY OF HELENA, MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022**

**Financial Statements**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No
Non-compliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Audit findings that are required to be reported in accordance with the Uniform Guidance Section 200.516 in Part III are reported in this schedule.	No
Identification of major programs:	
Schools and Roads - Grants to States - CFDA 10.665 American Rescue Plan Act - CFDA 21.027	
Dollar threshold used to distinguish between Type A and Type B	\$750,000
Auditee qualified as low-risk auditee?	No

**CITY OF HELENA, MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022**

FINDINGS - NONE

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2021**

FINDINGS - NONE

For the fiscal year ended June 30, 2022  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the fiscal year ended June 30, 2022

Federal CFDA Number	Grantor Program Title	Grant/Contract Number	Passed through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
10.665	Schools and Roads - Grants to States	16-PA-11011500-039		208,841
	<b>Total Forest Service School Road Closure Cluster</b>		-	208,841
	<b>Total U.S. Department of Agriculture</b>		-	<b>208,841</b>
<b><u>U.S. Department of Justice</u></b>				
16.607	Bulletproof Vest Partnership Program	BVP Funds		4,665
<b>Passed through Montana Department of Justice</b>				
16.034	Helena Coronavirus Emergency Response	2020-BVD-BX-0473		46,588
<b>Passed through Montana Board of Crime Control</b>				
16.575	Crime Victim Assistance (VOCA)	20-V01-92554		60,972
16.588	Violence Against Women Formula Grant(VAWA)	W02-756		48,520
16.590	High Risk Team (VAWA)	2020-WE-AX-0014		2,637
<b>Passed through Lewis &amp; Clark County</b>				
16.738	Edward Byrne Memorial Justice Assistance Grant	15PBJA-21-GG-01631-JAGX	41,421 <sup>1</sup>	41,421
<b>Passed through Gallatin County</b>				
16.738	Edward Byrne Memorial Justice Assistance Grant	2020-DJ-BX-0047	31,365 <sup>2</sup>	31,365
	<b>Total Catalog of Federal Domestic Assistance</b>		72,786	72,786
	<b>Total U.S. Department of Justice</b>		<b>72,786</b>	<b>236,168</b>
<b><u>U.S. Department of Transportation</u></b>				
<b>Passed through Montana Department of Transportation</b>				
20.509	Formula Grants for Rural Areas	5311-111297		895,806
<b>Passed through Montana Department of Transportation</b>				
<b>Highway Safety Cluster:</b>				
20.600/20.616	State and Community Highway Safety/National Priority Safety Program	60278447		62,438
20.600/20.616	State and Community Highway Safety/Minimum Penalties for Repeat Offenders for Driving While Intoxicated	111901		80,362
	<b>Total Highway Safety Cluster</b>		-	142,800
	<b>Total U.S. Department of Transportation</b>		-	<b>1,038,606</b>
<b><u>U.S. Executive Office of the President</u></b>				
<b>Passed through Lewis and Clark County</b>				
95.001	High Intensity Drug Trafficking Areas Program	G20RM0036A		8,302
	<b>Total U.S. Executive Office of the President</b>		-	<b>8,302</b>
<b><u>U.S. Department of Homeland Security</u></b>				
<b>Passed through Montana Department of Military Affairs, Disaster and Emergency Services</b>				
97.067	Homeland Security Grant Program	EMW-2021-SS-00042		86,783
97.067	Homeland Security Grant Program	EMW-2020-SS-00018		57,327
	<b>Total U.S. Department of Homeland Security</b>		-	<b>144,110</b>
<b><u>U.S. Department of the Treasury</u></b>				
<b>Local Government passed through State of Montana</b>				
21.027	American Rescue Plan Act	MT2502		8,486,620
	<b>Total U.S. Department of the Treasury</b>		-	<b>8,486,620</b>
	<b>Total All Grants</b>		<b>\$ 72,786</b>	<b>\$ 10,122,647</b>

1Lewis and Clark County

2Gallatan County

See Accompanying Notes to Schedule.

**City of Helena, Montana**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2022**

**NOTE 1 - BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Helena under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of OMB Code of Federal *Regulations*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 CFR 200 (Uniform Guidance).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE 3 - INDIRECT COST RATES**

The City of Helena has elected to use the ten percent de Minimus indirect cost rate as allowed under the Uniform Guidance. This election has been approved by the Montana Department of Transportation who is our cognizant agency.