

CITY OF HELENA
Audit Committee
March 14, 2025 – 1:30pm
Zoom Online Meeting: <https://us06web.zoom.us/j/86762067241>
316 N Park Ave., Room 326, Helena, MT 59623

Call to Order and Roll Call

Minutes

- A. 1-10-2024 Meeting Minutes Draft

Regular Items

A. Consider:

1. Acceptance of City of Helena Audited Annual Comprehensive Financial Report
2. Acceptance of Audit Communication Letter
3. Acceptance of Audit Management Letter

B. Motion:

1. Motion: Recommendation to have the City of Helena Commission accept the FY 2024 Audited Annual Comprehensive Financial Report.

Member Communications/Proposals for Next Agenda

Public Communications

Announcements

Adjournment

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

Persons with disabilities requiring accommodations to participate in the City's meetings, services, programs, or activities should contact the City's ADA Coordinator, Ellie Ray, as soon as possible to allow sufficient time to arrange for the requested accommodation, at any of the following:

Phone: (406) 447- 8490

TTY Relay Service 1-800-253-4091 or 711 Email: citycommunitydevelopment@helenamt.gov

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

City of Helena Boards Decorum Statement:

Good evening and welcome to a City of Helena Board Meeting

We appreciate your attendance and participation. To ensure our meetings are productive and respectful, we ask everyone to adhere to the following guidelines:

1. Decorum and Expectations:

- Maintain respect towards the Board, panelists, and all participants. Use of profanity or hostile language is warranted and continued disruptions may result in necessary action by the Board.

2. Zoom Participation Decorum:

- Please keep your microphone muted unless you are speaking to minimize background noise.
- Use the “Raise Hand” feature if you wish to speak and wait to be recognized by the chair.
- If available to you, please ensure your video is on if you are speaking, to maintain transparency and engagement.
- Participants joining by telephone may raise their hand by pressing *9 and mute/unmute themselves using *6.

3. Public Comment:

- Public comments will be recognized only during designated periods by the presiding officer.
- State your name for the record when recognized to speak.
- Each speaker has a maximum of three minutes. Comments should be respectful, concise, and non-repetitive.
- Each individual may speak once per agenda item and during the general comment period at the end of the meeting.
- Comments from those present in the room will be addressed first, followed by electronic participants.
- Online participants may use the Q&A feature to submit written comments.
- Questions posed during public comments will be recorded but not debated. Directing questions to staff is not permitted.
- Members of the Board may ask clarifying questions during the comment period.
- All comments will be recorded in the permanent record. Formal statements can be submitted via the General Public Comment form on the City’s website. Comments on public engagement pages and media are public records under MCA 2-6-1003.

4. Montana’s Right to Participate and Right to Know Laws:

- In accordance with Montana’s right to participate law (MCA 2-3-103), the public is encouraged to engage in the decision-making process.
- The right to know law (MCA Article II Section 10) ensures that all meetings are open to the public and that records are accessible. We strive to maintain transparency and accountability in all our proceedings.

5. Public Meetings and Recordings:

- Please be aware that all public meetings and recordings are considered public records. These records are accessible to the public at any time.
- By participating in this meeting, you acknowledge that your comments and participation will be part of the public record.

Thank you for your cooperation and for contributing to a respectful and effective meeting.



City of Helena
Audit Committee
January 10, 2024 - 2:00 PM
Zoom Online Meeting; <https://zoom.us/j/81919254463>
City County Building, Room 326

Call to Order and Roll Call

(00:00:08) The following responded present, either via zoom or in person:

Commissioner Logan	Auditor Croft
Commissioner Reed	Auditor Morgus
Finance Director Danielson	

Updates from City Staff

(00:00:55) Director Danielson introduced Auditors and explained the reason for this meeting.

Regular Items

A. FY2023 Annual Audit Update

- (00:02:00)** Director Danielson, Auditor Croft, and Auditor Morgus presented item A.
- (00:12:23)** Commissioner Logan asked about budget availability for staffing.
- (00:20:07)** Commissioner Logan asked about compensated liability.
- (00:27:04)** Commissioner Reed asked about the average amount of petty cash per department and if a policy exists.
- (00:29:57)** Commissioner Logan asked about communicating recommendations with staff.
- (00:33:05)** John Dendy discussed Business Improvement District considerations.
- (00:34:10)** Commissioner Logan asked about the action to be taken and next steps.
- (00:35:38)** **Commissioner Reed made a motion to accept the audit.**
Commissioner Logan seconded the motion.



(00:36:08) Commissioner Logan called for a vote. Votes were cast as follows:

Commissioner Reed **Aye**

Commissioner Logan **Aye**

The motion carried 2:0.

Member Communications

(00:36:22) Commissioner Logan asked Director Danielson to provide a summary at the next public meeting.

Public Comment

(00:36:55) There were no further comments or questions by the Board and/or public.

Announcements

(00:37:09) There were no further comments or questions by the Board and/or public.

Adjournment

(00:37:37) There being no further business before the Board, the meeting adjourned at 2:37pm.



2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

HELENA, MONTANA

JULY 1, 2023 - JUNE 30, 2024



CITY OF HELENA, MONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCE DEPARTMENT
Sheila Danielson, Finance Director

FISCAL YEAR 2024
July 1, 2023 – June 30, 2024

CITY OF HELENA, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
Introductory Section:	
List of Principal Officials	I – 1
Letter of Transmittal	I – 2
GFOA Certification of Achievement	I – 13
Organizational Chart	I - 14
 Financial Section:	
 Independent Auditors' Report	 II – 1
 Required Supplementary Information	
Management's Discussion and Analysis	II – 5
 Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	III – 1
Statement of Activities	III – 2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	III – 3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	III – 4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	III – 5

CITY OF HELENA, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

(Continued)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	III – 6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund	III – 7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Streets Fund	III – 8
Statement of Net Position – Proprietary Funds	III – 9
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	III – 10
Statement of Cash Flows – Proprietary Funds	III – 11
Statement of Fiduciary Net Position – Custodial Fund	III – 12
Statement of Changes in Fiduciary Net Position – Custodial Fund	III – 13
Notes to Financial Statements	III – 14

Required Supplementary Information:

Schedule of Changes in Total OPEB Liability and Related Ratios	IV – 1
Schedule of OPEB Contributions	IV – 2
Schedule of the City's and State's Proportionate Share of the Net Pension Liability and Schedule of City's Contributions to the Pension Plan – Public Employees' Retirement System	IV – 3
Schedule of the City's and State's Proportionate Share of the Net Pension Liability and Schedule of City's Contributions to the Pension Plan – Montana Police Officers' Retirement System	IV – 4

CITY OF HELENA, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

(Continued)

Schedule of the City's and State's Proportionate Share of the Net Pension Liability and Schedule of City's Contributions to the Pension Plan – Firefighters' Unified Retirement System	IV – 5
Notes to Required Supplementary Information	IV – 6

Supplementary Information:

Combining and Individual Fund Statements

Description of Other Governmental Funds	V – 1
Combining Balance Sheet – Other Governmental Funds	V – 4
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds	V – 6
Description of Internal Service Funds	V – 8
Combining Statement of Net Position – Internal Service Funds	V – 9
Combining Statement of Revenues, Expenditures, and Changes in Net Position – Internal Service Funds	V – 10
Combining Statement of Cash Flows – Internal Service Funds	V – 11
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Non-major Special Revenue Funds	V – 12
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Non-major Debt Service Funds	V – 17
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Non-major Capital Projects Funds	V – 20
Description of Component Units	V – 23

CITY OF HELENA, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

(Continued)

Combining Balance Sheet – Component Unit (Helena Tourism Business Improvement District)	V – 24
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Component Unit (Helena Tourism Business Improvement District)	V – 25
Schedule of Expenditures of Federal Awards	V – 26
Notes to Schedule of Expenditures of Federal Awards	V – 27
Statistical Section	VI - 1
Financial Trends:	
Net Position by Component – Last Ten Years	VI – 3
Changes in Net Position – Last Ten Years	VI – 4
Fund Balances, Governmental Funds – Last Ten Years	VI – 5
Changes in Fund Balances, Governmental Funds – Last Ten Years	VI – 6
Revenue Capacity:	
Market Value of Taxable Property	VI – 7
Direct and Overlapping Property Tax Rates – Last Ten Years	VI – 8
Principal Property Taxpayers	VI – 9
Property Tax Levies and Collections	VI – 10
Debt Capacity:	
Ratio of Outstanding Debt by Type – Last Ten Years	VI – 11

CITY OF HELENA, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

(Continued)

Ratios of General Bonded Debt Outstanding – Last Ten Years	VI – 12
Direct and Overlapping Governmental Activities Debt	VI – 13
Legal Debt Margin Information – Last Ten Years	VI – 14
Pledged-Revenue Coverage Last Ten Years	VI – 15
Demographic and Economic Information:	
Demographic and Economic Statistics – Last Ten Years	VI – 16
Top Twenty Employers in Lewis and Clark County	VI – 17
Operating Information:	
Full-Time Equivalent City Government Employees by Function/Program	VI – 18
Operating Indicators by Function/Program – Last Ten Years	VI – 19
Capital Asset Statistics by Function/Program – Last Ten Years	VI – 20
Miscellaneous Statistics:	
The Water System	VI – 21
The Wastewater System	VI – 22
Special Improvement Districts Revolving Fund Statement of Changes In Fund Balance	VI – 23
Special Improvement Districts Revolving Fund Cash Balance and Outstanding Bonds Secured Thereby	VI – 24
Railroad Tax Increment Financing District Property Tax Levies and Collections	VI – 25

CITY OF HELENA, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

(Continued)

Downtown Tax Increment Financing District Property Tax Levies and Collections	VI – 26
---	---------

Capital Hill Tax Increment Financing District Property Tax Levies and Collections	VI – 27
---	---------

Independent Auditor’s Reports Required by the Uniform Guidance:

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	VII - 1
---	---------

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	VII – 3
--	---------

Schedule of Findings and Questioned Costs	VII – 6
---	---------

Summary Schedule of Prior Audit Findings	VII – 7
--	---------

INTRODUCTORY SECTION

**City of Helena, Montana
List of Principal Officials
As of June 30, 2024**

ELECTED OFFICIALS

Wilmot J. Collins	Mayor
Andrew Shirtliff	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
Rebeca Dockter	City Attorney
Sheila Danielson	Finance Director
Brett Petty	Police Chief
Jon Campbell	Fire Chief
Christopher Brink	Community Development Director
Douglas Smith	Parks and Recreation Director
Renee McMahon	Human Resources Director



February 21, 2025

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, 2024, 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 34,464 it serves a much larger trade area. This area, defined as a "35-mile radius" in and around the City of Helena, encompasses a population of almost 75,000. This area relies on Helena for employment, professional services, retail goods, and entertainment.

City Services

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

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

Financial Entity

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

Annual Budget

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

The State municipal budget law stipulates that money, other than payments from custodial funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted annual budget is required for all funds, except for custodial funds. The City legally adopts a budget for the required funds. Consistent with past years, the City established the legal spending level at the fund level for the fiscal year 2024 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 III - 7 as part of the basic financial statements for the governmental funds. For other governmental funds, this comparison is presented in the governmental fund subsection of this report, starting on V - 1. All appropriations lapse at year-end; however, they can be re-appropriated by the City Manager as part of the following year's budget in accordance with state law and the adopting budget resolution.

LONG RANGE FINANCIAL PLANNING

Comprehensive Capital Improvement Programs (CCIP)

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

The CCIP emphasizes:

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

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

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Montana's economic output (GDP) grew by 2.2 percent in 2023, consistent with long-term historic growth. Nearly 2,000 new professional service businesses were started in Montana during 2023. With the professional services industry expansion of high-tech jobs, Montana ranks 1st in the country for GDP growth in 2024. Secretary of State, Christi Jacobsen, announced in early 2024 that 59,420 new businesses registered in 2023, surpassing the old record set in 2022 with roughly 54,000. Those new businesses include industries such as construction, farming and ranching, retail, insurance, and others.¹

Montana also ranks 3rd in the nation for self-employment with 30% running their own businesses. Since 2020, personal income has grown 7.5%, from 4.7% annually prior 2020, ranking Montana as the 4th fastest in the nation during that period.²

The metro area of Helena boasts over 2,500 businesses and over 41,000 employees. Tourism, hospitality, and recreation industries have exceeded pre-pandemic levels, and it is expected to continue in that fashion in the foreseeable future.

As with other cities in Montana, Helena continues to experience population growth as more people are inspired to move from large metropolitan areas and relocate to Montana. The acceleration in growth began in 2020. The inventory of homes has not kept up with demand. Helena has roughly

¹ Montana Secretary of State – Media Center, January 10, 2024 – Official Secretary of State Website (sosmt.gov)

² Montana Department of Labor and Industries, Workforce Services Division: “Montana Labor Day Report 2024”; Primary Author: Amy Watson, State Economist. (lmi.mt.gov)

16,574 housing units with a median cost of approximately \$355,100. 54% are listed as owner-occupied. The average cost of a home is \$470,000, a rise of 4.7% from 2023, compared to a 5% nationwide average. Housing prices are a main component of inflation, but the pace of housing prices is showing some signs of slowing. The housing units in Helena are categorized into single-family units (58%), multi-family units (38%) and mobile homes (3%).³ Some Montanans benefit from the increased home values, but the rising costs pose a threat to first time homebuyers trying to acquire homes.

New luxury apartments boasting 133 units, with four floors, “Summerville Flats”, with studio apartments starting at \$1,365, and 3-bedroom 2-bath units starting at \$2,750 is slated to begin occupancy in early 2025. This complex enjoys a fitness center, sports court, rooftop patio, community room and a pet program. A second complex, next door, is planned to begin construction in 2025.

In 2024, the City annexed two parcels of the amended plat of Craftsman Village Phase 6, Phase 8 of Craftsman Village, and Portions of the Peaks Phase I as extensions of the Mountain View Meadows subdivision phased development for single and multi-family structures creating several new living units to the housing inventory for Helena.

Governor Gianforte reformed the state’s tax code to promote business and job creation in tandem with Secretary Jacobsen cutting registration fees in half for new Montana businesses. Her office also eliminated several other fees and waived the filing fee for 2024 Annual Reports if filed by April 15th deadline. These tactics have been successful in bringing new businesses to the state.⁴

New commercial construction is also doing well in the Helena area. In 2024, construction started on several businesses such as Sierra Trading Post, Chipotle, Panera Bread, Town Pump in East Helena, Maverick Gas Station in the Helena South Hills area, and several new bank buildings including new branches for Opportunity Bank and Stockman bank.⁵

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 11th Street that provide access to Interstate 15. The area is close in proximity to the State Capital and includes the old Capitol Hill Mall site (built in 1965 and demolished in 2019), a number of hotel parcels, retail establishments, office buildings, financial institutions, and the Samuel V. Stewart Homes development managed by the Helena Housing Authority. In 2023/2024, four businesses opened in this area including Benefis Health Systems, a freestanding clinic that offers primary and specialty care services, Opportunity Bank conference and administrative center, Panera Bread, and Starbucks. Stockman bank is under construction and slated to open in 2025.

The Downtown Urban Renewal district (approved in October 2018 and amended in 2019 to include the Rodney Street area) continues to experience large commercial and infrastructure development according to the URD plan. The urban renewal board recommended, and the City Commission approved several distributions in 2023/2024 to businesses and property owners located in the Downtown Urban Renewal area for improvements. Those projects included sidewalk repairs for Atlas Rentals, LLC and the Myrna Loy and YWCA Façade Improvements on their aging building.

³ Census Reporter, (data.census.gov); Helena, MT – Profile data

⁴ Montana Secretary of State – Media Center, January 10, 2024 – Official Secretary of State Website (sosmt.gov)

⁵ Census Reporter, (data.census.gov); Helena, MT – Profile data

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 2024 distributions were approved by the City Commission for ADA ramps and landscaping at the Hustad Center, accessible parking, and ingress improvements at the Larson Building, and for exterior accessibility and façade improvements to Patter Housing Holdings, LLC.

Population

From 2010 to 2020, Montana’s population grew by 96,481, a 9.74% increase, and during that same period the rate of growth was around 7.18% in the United States. After the COVID19 pandemic and between years 2020 and 2023, Montana’s population increased by 45,601, a 4.19% rise in population giving Montana an overall population of 1,132,812 in 2023.⁶ Meanwhile, the United States rate of growth during that same period was 1.02%. Most of the population growth occurred in the western portion of the state since the pandemic. Over the past year, Gallatin County has had the largest migration with 4,161 while Lewis and Clark County came in second with 829, and Flathead County with an increase of 652 over that time.⁷

From 2013 to 2023, the Helena area grew in population by 4,393 with the population being the highest during 2023 with 34,464, and lowest during 2014 with the population count of 30,422. Over the last decade, the population has had an average growth rate of 1.38%. Between 2000 and 2023, the overall population grew by 31.37% in Helena. During that same time period, the population of Helena grew year by year for 21 years and declined for only 2 years. These numbers suggest that the Helena continues to show a trend of growth and has not reached its peak yet.⁸

Unemployment

In June of 2024, the Montana unemployment rate was 3.1%, as compared to the United States unemployment rate of 3.9%. Rapid economic growth has led to an increase in demand for workers among Montana businesses. The Montana labor force reached a record high of 580,000 people with about 560,000 employed midway through 2024. Job demand averaged 33,000 monthly openings in April 2024, which has moderated a bit in relation to 2022, when there were over 40,000 job openings. Even with the unemployment rate at 3.1%, there are still nearly two job openings for every one unemployed person in Montana. Increased retirements have driven declines in labor force participation. Of the 900,000+ Montanans that are old enough to participate in the workforce, only about 63% do. A total of 330,000 Montanans are currently not employed or actively seeking work and 61% of these individuals are retired. Average retirements in 2023 were 200,000 people. Labor force participation usually starts to decline when a person is between 55 and 64 years old.

Healthcare added the largest number of jobs in 2023. In-migration coupled with an aging population increased the demand for these services. Healthcare is projected to add the most jobs over the next ten years, or 1,310 jobs per year. Leisure jobs came in at adding over 2,000 jobs in 2023, a 3.1% growth, and professional services grew by 4.1%, adding 1,120 jobs. Employment losses were centered around banking and real estate and financial activities, manufacturing and transportation jobs were experienced slower growth compared to historical averages.⁹

⁶ Quick Facts, Montana – US Census Bureau (www.census.gov)

⁷ Montana Department of Labor and Industries: Data dashboards/Labor Force Participation (dli.mt.gov)

⁸ Helena Population update: www.neilsburg.com

⁹ Montana Department of Labor and Industries, Workforce Services Division: “Montana Labor Day Report 2024”; Primary Author: Amy Watson, State Economist. (lmi.mt.gov)

With these labor shortages, both governmental and private businesses are not able to meet demand in an efficient manner. The City is not immune to the workforce shortage experiencing high vacancy rates in almost every department.

A significant impact to labor participation is the lack of available and affordable daycare. Helena is self-declared as a “daycare desert.” In Lewis and Clark County, childcare capacity as a percent of demand is about 64 percent. This prevents some parents from fully participating in the workforce.

Per Capita Income

Although Montana ranks 30th in the nation, the per capita personal income rose to \$64,989 in 2023 and has been steadily growing over recent years. It is still lower than the national average but since 2020, per capita income has grown by 6.7% per year from 4% a decade prior. Montanans earn income from sources including wages, business income, capital gains and government payments with the large portion of income coming from wages at 39%. Investment income was 24%, transfers at 18%, and business income at 10%. Between income from business activity and self-employment, Montanans received slightly more of their income from these two sources relative to the national average. Overall, Montana ranks 6th in the nation for fastest personal income growth in 2023.¹⁰

The US Census Bureau market data as of 2023 states that per capita income for Lewis and Clark County is \$43,263 with a median household income of \$74,543. Montana’s median household income is \$69,922. People living in poverty is 9.1% for Lewis & Clark County, as compared to 11.7% for the state of Montana. Overall, Helena is doing quite well in comparison to how the rest of the state is doing according to the statistics displayed.

Revenue Growth and Reform

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

Revenues such as property taxes and State entitlements are subject to statutory or other limitations. Property taxes make up approximately 15.6% of total City budgeted revenues and 54.3% of General Fund budgeted revenues (excluding interfund transfers). The City is only allowed to increase property taxes on existing property at one-half the CPI-U average rate of inflation for the past three years. The Montana Constitution and state law require periodic reappraisal of property in the interest of equal taxation (15-7-111, MCA). The State of Montana, through the Department of Revenue (DOR), is responsible for valuing all taxable real and personal property. The 2015 legislature changed the reappraisal period from once every six years to once every two years. The DOR is required by state law to conduct a reappraisal of all residential, commercial, industrial, agricultural and forestland property in the state. The most recent reappraisal cycle was completed on January 1, 2023, for legislative review during the 2023 legislative session. New reappraisal values were used for property tax purposes in tax year 2023 (fiscal year 2024). Within the City limits of Helena, appraised values went up over 30%.

State shared entitlement revenues make up approximately 4.3% of total City budgeted revenues and 18.4% 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

¹⁰ Montana Department of Labor and Industries, Workforce Services Division: “Montana Labor Day Report 2024”; Primary Author: Amy Watson, State Economist. (lmi.mt.gov)

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 39.1% of budgeted City revenues and allow the City to set rates to cover costs. Such revenue is secured by the ability to attach property liens and/or do utility shut offs in case of non-payment. Special assessments make up approximately 10.8% of total City budgeted revenues. Service charges make up approximately 25.9% 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

In 2024, the City Commission adopted a new strategic plan. In December 2023, they held a retreat led by the Local Government Center at Montana State University. The framework for the strategic plan established core values, goals, strategies, and action plans. Core values were identified as Accessibility, Sustainability, Community Engagement and Service. Strategic goals were identified to Maintain and Improve City Services to residents, Support Holistic Commercial and Residential Development, Maintain and Improve City Infrastructure and to be the Employer of Choice. Strategies were outlined to achieve the above goals and action plans were adopted by the Commission in late 2024.

The City was accepted into the National League of Cities Racial Equity and Leadership Institute. The Mayor, City Attorney and Human Resources Director represented Helena as one of ten cohort teams to participate in the inaugural REAL institute. Participants learned how to focus on leading for racial equity, communicate effectively about race, visualize a racially equitable future, and bring systems change by building racial equity infrastructure for organizational change. The team is working on action plans for the City departments to implement.

Highlights of Department accomplishments are as follows:

- The City Manager's office led a transition for the city to move to a new hosted website, which improved the community's ability to access information and engage with the City.
- Along with the City Attorney's office, the City Clerk's office implemented electronic workflows for contracts and resolutions. This replaced our "paper" based documents with electronic documents which are stored in an accessible media platform for public transparency.
- The Clerk's office successfully completed an Administrative and Governance Policy Boards project, which redefines how the City and City Commission interact with citizen advisory bodies. The project created consistency in administrative processes and standardization of governance practices, allowing for more fair and open citizen engagement.
- The Community Development Department sponsored the City's first Affordable Housing Trust Fund Project providing \$1 million out of the Housing Trust Fund to support 70 affordable housing units. In addition, this department supported \$750,000 in CDBG grants

to assist in funding the Helena Foodshare's new food resource center. Finally, they are leading a new Land Use Plan in conjunction with implementing the Montana Land Use Planning Act and went live with a new online permitting software in June.

- The Community Facilities Department continued with upgrading facilities with LED lighting and upgraded our public conference and meeting areas with new audio/visual technology to allow for better hybrid public meetings. They are also working on upgrading several boilers at the Law & Justice Center, City maintenance shop and the main Fire station to more energy efficient models.
- The Finance department led a city-wide effort to upgrade our enterprise resource planning system. The City went live with our core finance, budget and accounting platform in April of 2024 and went live with payroll and a new time and attendance software in September. The final phase of implementing a new utility software started and is slated to go-live in August 2025.
- The Fire Department completed its master plan and successfully led a ballot initiative to build a third fire station to support the growing community in Helena. Plans for building the new station are slated in 2025. The Fire Department also launched a new records management system which handles scheduling, fire inspections, incident pre-planning and dispatch integration. They are continuing their efforts to promote the initiatives outlined in their master plan.
- The Municipal Court completed implementation and training of a new court software system and with implementation of status hearings as a mechanism for checking in with defendants to follow up with compliance.
- The Human Resources Department led a market analysis wage study in efforts to improve employee recruitment and retention. They are continuing this effort to reconfigure our wage matrix and a market-based pay plan policy to bring to the Commission for approval. In addition, the Department is working on implementing the Human Capital Management modules of the ERP system and recently launched the recruitment module.
- Parks, Recreation and Open Lands accomplished many projects that enhance the lives of the community. Their focus has been on improving facilities and parks, providing affordable recreation activities for families, maintaining our vast open lands, trails, and urban forestry, and providing positive experiences to our community. This is evident in resulting statistics of over 200 booked events in our Civic Center, hosting over 20,000 visitors at the Last Chance Splash & Pool and over 5,000 people at the Memorial Park Ice Rink in addition to providing summer programming for over 80 kids. The Bill Roberts Golf Course had over 70 participants in the Junior program and supported events such as Special Olympics, the Disabled American Veterans Golf Tournament and partnered with the Last Chance Nordic Ski Club to provide cross-country skiing for the public.
- The Helena Police Department is committed to increasing its public information sharing and community outreach. They launched a software implementation to completely overhaul their CAD/Record Management System with tentative go live date in early 2025. They partnered with the Helena School District to donate 18 AED machines and to implement the Handle with Care Program, which has been overwhelmingly successful. In addition, they implemented the Leave Behind Program for Narcan allowing officers to leave doses of Narcan at locations where opioid use is suspected. Animal Control launched a successful Trap, Neuter, Return Program for feral cats. Finally, the Helena Police Department carried on the tradition of their annual Curt Stinson Memorial Blood Drive which had its highest number of attendees so far.
- Public works made substantial progress on facility improvements that impact all aspects of water, wastewater, and solid waste services. The water treatment division made improvements to the Ten Mile Treatment facility that resulted in more efficiency and less

chemical usage. They received a \$147,000 grant to install a new piece of equipment at the Wastewater Treatment plant that will save approximately \$38,000 of energy costs per year. New automated entrance gates were installed at the Transfer Station that promote safety. Finally, they installed 2 electric vehicle charging stations, completed an in-depth analysis of water use in the City, and started a monthly sustainability newsletter.

- The Transportation Systems Department led the transition of Helena, Lewis & Clark County, and the City of East Helena to a Metropolitan Planning Organization. They are working with partner agencies to successfully implement this transition. They coordinated 15 households in bringing their sidewalks up to ADA/PROWAG standards through the sidewalk loan program. The department contracted with a company to complete a LIDAR scan of all City Streets' assets, which provides the City with an interactive system to better manage transportation assets. Finally, this department put into service the City's first 100% electric sweeper with the assistance of a grant from Montana Department of Transportation.

The City is committed to continuing our collaboration with Lewis and Clark County, the State of Montana, City of East Helena, Helena Regional Airport, and local non-profits to meet the demands of the growing community. The adopted strategic plan will be the guiding document to focus City resources to ensure Helena remains a vibrant place to live, play and work.

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

INDEPENDENT AUDIT

The State of Montana requires a biennial audit of the basic financial statements of the City by independent certified public accountants selected by the Commission. The City of Helena has elected to have an annual audit performed. An annual audit provides a higher level of financial management and fiscal responsibility. Maher Duessel, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Helena, Montana's financial statements for the fiscal year ended June 30, 2024. 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, 2023. This was the thirty-sixth 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 anticipate that the current annual comprehensive financial report will continue to meet the requirements that evidence the spirit of transparency and full disclosure to be understandable,

reliable, relevant, consistent, timely, and comparable. We will submit our fiscal year 2024 report to the GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report represents the culmination of months of collaborative teamwork of the entire staff in the Finance Department. Each member of the Finance Department has our sincere appreciation for the contributions made in the preparation of this report. A special thank you is extended to Kammi McClain, Accountant, for her contributions to the preparation of this report. We also wish to thank all City departments for their assistance in providing the data necessary to complete 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Helena
Montana**

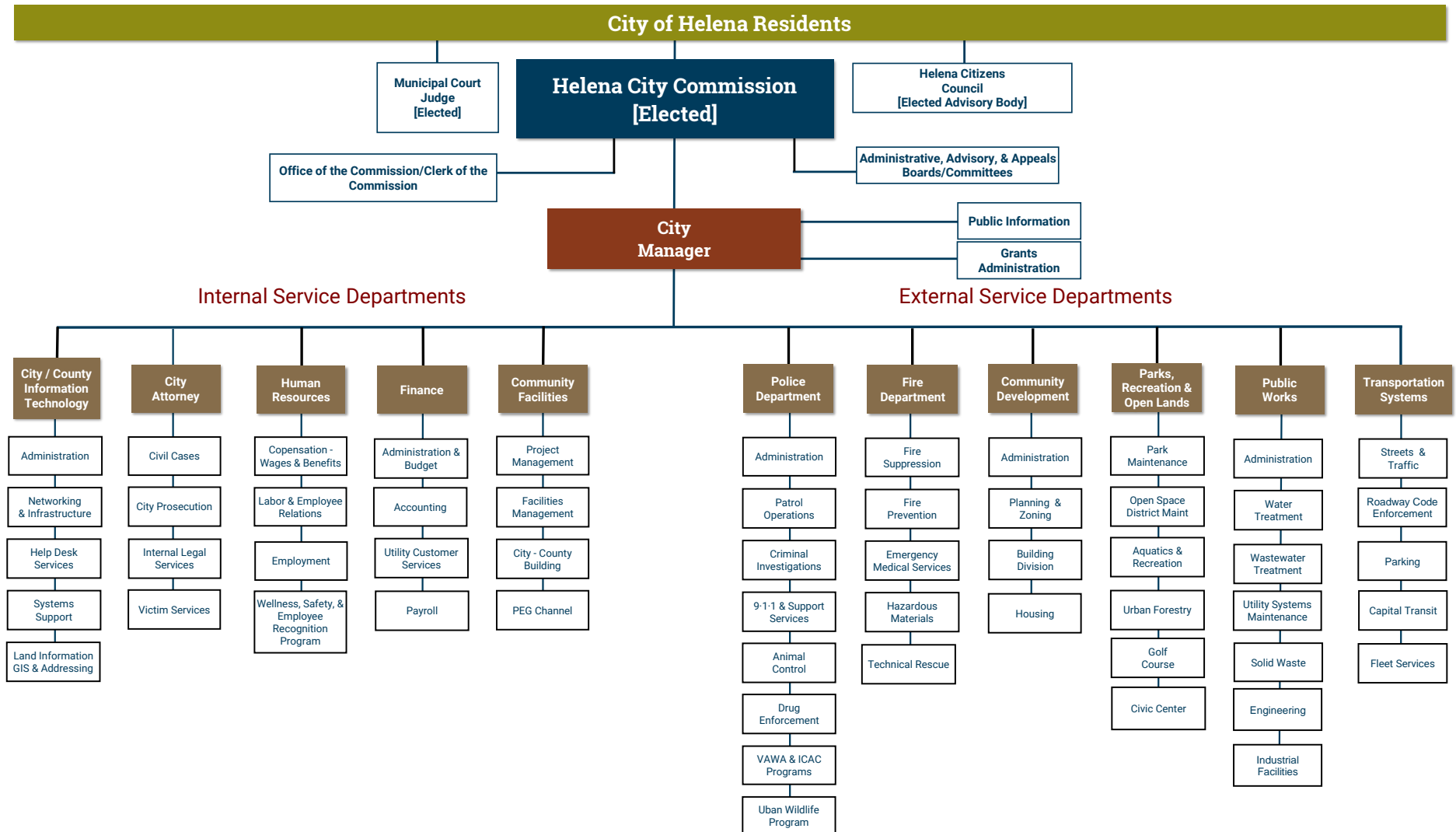
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF HELENA - ORGANIZATION CHART



FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Helena, Montana (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Streets Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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 February 21, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mahe Duessel

Pittsburgh, Pennsylvania
February 21, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

As management of the City of Helena, Montana (City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages I-2 through I-12 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at fiscal year end June 30, 2024, by \$370,653,668 (*net position*). Of this amount, \$59,144,190 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased by \$15,523,117 over the prior fiscal year primarily due to capital asset acquisitions of \$7,196,493 and an increase of \$10,095,439 in cash and cash equivalents, offset by increased pension liability of \$1,817,031 and other liabilities and deferred outflows.
- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$56,109,398, an increase of \$6,744,247 from the prior year. Approximately, 11.93 percent of this amount, \$6,694,981 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 \$11,215,127, or 50.67 percent of total General Fund expenditures.
- The City's total debt decreased by \$96,265 (0.43 percent) during the current fiscal year. Key factors in the change include:
 1. Golf INTERCAP Loan in the amount of \$184,195.
 2. Water Revenue Loan principal payments of \$748,000 decreased the total water revenue bond debt service outstanding. No new water revenue bonds issues were taken out in fiscal year 2024.
 3. Wastewater Revenue Loan principal payments of \$116,000 decreased the total wastewater revenue bond debt services outstanding. Wastewater revenue bonds in the amount of \$848,581 were issued in fiscal year 2024.
 3. General obligation bond principal payments of \$670,000, other loan principal payments, offset by SBITAs issued in the amount of \$1,017,199 for cloud-based enterprise resource planning software represent the balance and additional loans issued totaling \$1,374,233.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

This report also contains required supplementary information and 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, deferred outflows, liabilities, and deferred inflows. The difference between total assets and deferred outflows minus liabilities and deferred inflows is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the City's financial position is improving or deteriorating.

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

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

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

The *Statement of Net Position* and the *Statement of Activities* distinguishes between the following activities:

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

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

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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 five percent of the corresponding total for all governmental and enterprise funds combined.

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

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

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

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

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

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

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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 insurance services.

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

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

Fiduciary Funds. Fiduciary funds are used to account for assets that are not for the benefit of the government or its component units. For fiscal year 2024, the City has one Fiduciary Fund categorized as "Other Fiduciary Activities" or Custodial Fund.

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

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page III-14 of this report.

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. The net position for the fiscal year ending June 30, 2024 was \$370,653,668 (assets and deferred outflows exceeded liabilities and deferred inflows), which was an increase of \$15,523,117.

The largest portion of the City's net position, \$299,612,374 or 80.83 percent, reflects its investment in capital assets (e.g., land, building, machinery and equipment, right-of-use lease equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A summary of net position is shown in the following table:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 58,522,275	\$ 51,709,578	\$ 56,662,272	\$ 53,449,234	\$115,184,547	\$105,158,812
Capital assets	150,423,797	147,571,240	169,990,623	165,646,687	320,414,420	313,217,927
Total assets	208,946,072	199,280,818	226,652,895	219,095,921	435,598,967	418,376,739
Deferred outflows of resources	5,030,144	5,616,059	1,999,823	1,955,912	7,029,967	7,571,971
Long-term liabilities	28,108,097	26,590,321	29,398,918	28,600,207	57,507,015	55,190,528
Other liabilities	1,316,017	1,686,230	2,581,294	1,940,358	3,897,311	3,626,588
Total liabilities	29,424,114	28,276,551	31,980,212	30,540,565	61,404,326	58,817,116
Deferred inflows of resources	4,804,927	5,554,365	5,766,013	6,446,678	10,570,940	12,001,043
Net investment in capital assets	145,991,970	143,238,126	153,620,404	149,351,583	299,612,374	292,589,709
Restricted	9,541,915	8,234,765	2,355,189	1,266,489	11,897,104	9,501,254
Unrestricted	24,213,290	19,593,070	34,930,900	33,446,518	59,144,190	53,039,588
Total net position	\$179,747,175	\$171,065,961	\$190,906,493	\$184,064,590	\$370,653,668	\$355,130,551

As of June 30, 2024 the City can report positive balances in all three categories of net position. The Parking, Golf Course and Transit (Bus) proprietary funds' negative unrestricted net position is because GASB 68 and 75 require the City's estimated portion of the State's pension liability and other postemployment

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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

The City's increase in net position by \$15,523,117 is attributed to several factors that are discussed on the following pages.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 14,244,300	\$ 15,790,408	\$ 30,764,362	\$ 31,152,445	\$ 45,008,662	\$ 46,942,853
Operating grants and contributions	15,268,036	12,802,601	2,026,894	1,872,365	17,294,930	14,674,966
Capital grants and contributions	168,229	633,196	351,964	-	520,193	633,196
General revenues:						
Property taxes	17,325,226	13,884,885	-	-	17,325,226	13,884,885
Motor vehicle taxes	1,735,424	965,755	-	-	1,735,424	965,755
Other	3,116,611	1,821,152	2,523,870	1,601,971	5,640,481	3,423,123
Total revenues	<u>51,857,826</u>	<u>45,897,997</u>	<u>35,667,090</u>	<u>34,626,781</u>	<u>87,524,916</u>	<u>80,524,778</u>
Expenses:						
General government	3,706,174	2,328,408	-	-	3,706,174	2,328,408
Public safety	22,357,259	20,342,894	-	-	22,357,259	20,342,894
Public works	8,784,647	8,583,419	-	-	8,784,647	8,583,419
Public health	176,771	144,666	-	-	176,771	144,666
Culture and recreation	5,888,861	6,705,086	-	-	5,888,861	6,705,086
Community development	1,349,909	827,314	-	-	1,349,909	827,314
Interest on long-term debt	180,689	156,112	-	-	180,689	156,112
Water	-	-	7,761,776	7,209,705	7,761,776	7,209,705
Wastewater	-	-	4,878,776	4,653,288	4,878,776	4,653,288
Solid Waste	-	-	3,806,991	3,709,506	3,806,991	3,709,506
Transfer Station	-	-	3,309,925	3,385,950	3,309,925	3,385,950
Parking	-	-	1,971,092	1,758,174	1,971,092	1,758,174
Golf Course	-	-	2,681,967	2,094,635	2,681,967	2,094,635
Building	-	-	1,530,055	1,405,102	1,530,055	1,405,102
Transit (Bus)	-	-	1,961,267	1,858,205	1,961,267	1,858,205
City-County Administration Building	-	-	1,655,640	1,412,374	1,655,640	1,412,374
Total expenses	<u>42,444,310</u>	<u>39,087,899</u>	<u>29,557,489</u>	<u>27,486,939</u>	<u>72,001,799</u>	<u>66,574,838</u>
Changes in Net Position before transfers	9,413,516	6,810,098	6,109,601	7,139,842	15,523,117	13,949,940
Transfers	(732,302)	(2,825,848)	732,302	2,825,848	-	-
Change in net position	8,681,214	3,984,250	6,841,903	9,965,690	15,523,117	13,949,940
Net Position - beginning of year	<u>171,065,961</u>	<u>167,081,711</u>	<u>184,064,590</u>	<u>174,098,900</u>	<u>355,130,551</u>	<u>341,180,611</u>
Net position - end of year	<u>\$179,747,175</u>	<u>\$171,065,961</u>	<u>\$190,906,493</u>	<u>\$184,064,590</u>	<u>\$370,653,668</u>	<u>\$355,130,551</u>

Governmental Activities. Governmental activities in fiscal year 2024 increased the City's net position by \$8,681,214, or 5.07 percent. The key elements of the increase and variances between years are:

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

Governmental Revenues:

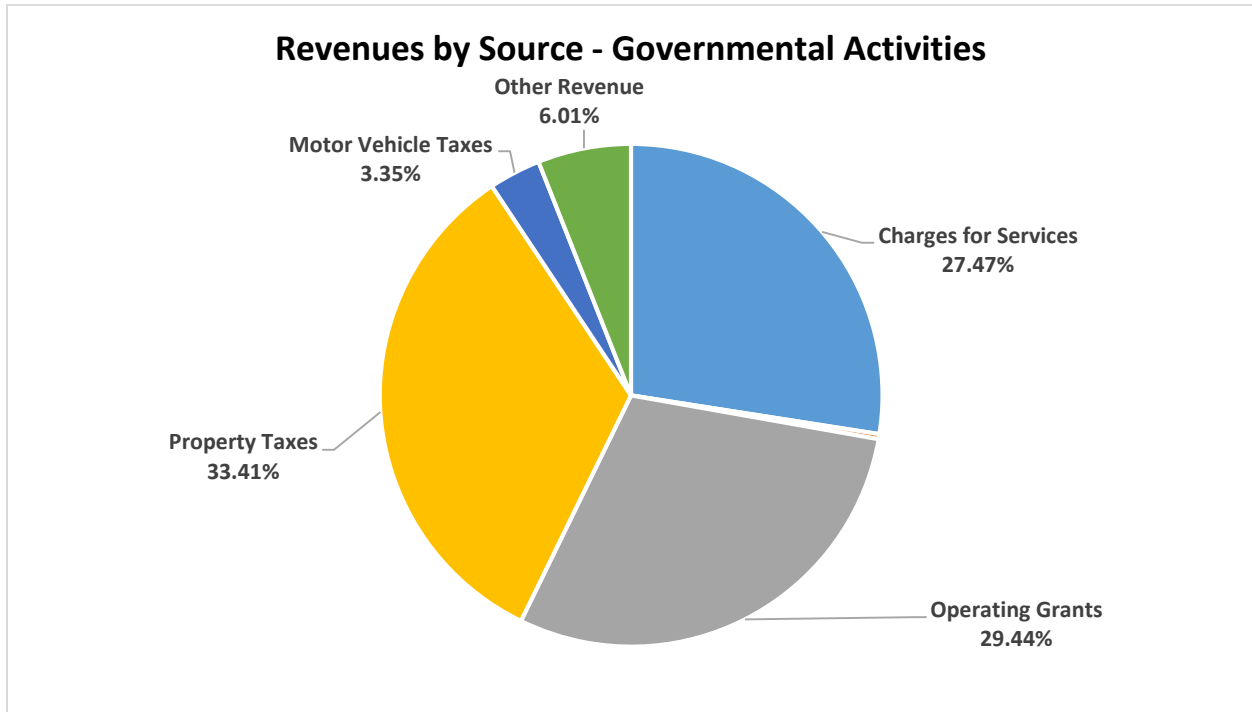
- Charges for services decreased by \$1,546,108 or 9.80 percent. The City lost the service contract with Fort Harrison to provide Fire and Emergency response to that area. This was a loss of about \$200,000 to the General Fund for that service. Streets Maintenance assessments were more than \$500,000 less than the prior year due to protested street maintenance assessments; the protests were based on the methodology the City uses to calculate the charges. These protests were settled in Fiscal Year 2025 which will carry over to lost revenue in the new fiscal year. The Transportation Systems Department is reviewing the rate structure methodology for potential changes in Fiscal Year 2026.
- Total Operating Grants and Contributions of \$15,268,036 increased by \$2,465,435, or 19.26 percent from the prior year. Lewis and Clark County contributed \$750,000 to the 9-1-1 Center for its proportionate share of the new Records Management/CAD computer software system. East Helena also contributed \$50,000 to this project. In Fiscal Year 2024, the City received over \$50,000 in opioid abatement funds that have not been disbursed according to the restriction on the purpose of the funds. The City received a \$50,000 contribution for renewable energy projects and an \$80,113 private donation for historic preservation projects. The balance of the change in grants and contributions from the prior year is largely due to health insurance contributions. Fiscal Year 2024 was the first full impact year of our change in health care premiums where the City picked up more of the proportionate share in premiums for families. These amounts paid by both the city and the employees are included in the contribution revenue.
- Property tax revenue increased \$3,440,341 or 24.78 percent from the prior year. General property tax levy revenue grows by 1/2 of the average rate of inflation for the prior three years in addition to new construction. Fiscal Year 2024 represented an appraisal year which raised the value of properties. The appraisals are performed by the Montana Department of Revenue every other year. In addition, the City's growth of new construction continues to be unprecedented as compared to the previous decade.
- Motor vehicle tax state shared revenue increased \$769,669 or 79.70 percent. This tax is collected by the Montana Department of Justice, Motor Vehicle Division. Because Montana does not have a sales tax on vehicle sales, this tax helps pay for transportation infrastructure. The method of collecting this tax is based on vehicle age, MRSP and vehicle type. Lewis and Clark County continues to experience higher than usual vehicle registrations which is the primary reason for the increase.

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

The chart below shows the distribution of General Government Revenues by source for fiscal year 2024:



Governmental Expenses:

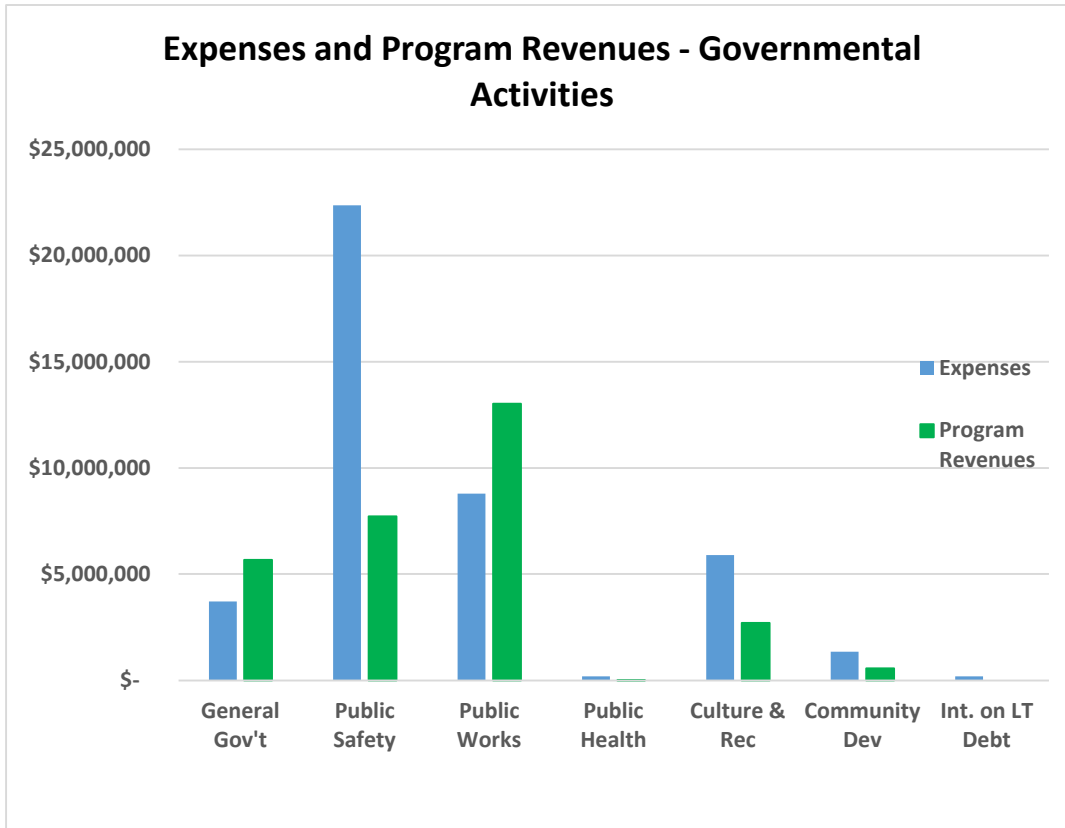
- General Government Expenses increased \$3,356,411 from the prior year or (8.59 percent). This is primarily related to the following:
 - Staff received a cost-of-living adjustment (cola) of 4.0 percent in Fiscal Year 2024. This cola, along with scheduled step increase had an impact of \$2,200,000 to general government salaries and wages.
 - A new subscription-based technology arrangement was entered into in Fiscal Year 2024, adding \$168,901 in lease amortization expense and \$420,552 in Lease Principal and Interest Expense.
 - The City spent \$590,110 in donations to local non-profit organizations. Receiving American Rescue Plan Act funds in Fiscal Year 2022 and 2023 resulted in an increase in cash reserves in the General Fund. The City Commission approved appropriations from the reserves to fund several projects from non-profits that went through an application process. The Commission held several public meetings to deliberate and approve the funding. Some appropriations were approved in fiscal year 2024 but were carried forward in Fiscal Year 2025.
 - The increase in general government expenses was offset by a decrease in pension expense by \$943,172 from Fiscal Year 2023. OPEB Expense stayed relatively the same.

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

General Government activities revenue and expense by program is displayed in the chart below:



Business-Type Activities. Business-type activities increased the City's net position by \$6,841,903 or 3.72 percent. Key elements of the increase are:

- The total change in net position of \$6,841,903 was primarily impacted by water and wastewater operating revenues over expenses by \$3,767,265 as the result of capital asset acquisitions increasing by \$4,343,936 or 2.62 percent.
- The Golf Fund had a successful year with total operating revenues increasing of approximately \$446,000 from the prior year. This was not enough to keep pace with expenditures to run the course. The clubhouse or MUNIS Restaurant had operating expenses exceed operating revenue by \$221,138. Offering the services the clubhouse is popular to the golfers and the general public but running a restaurant is difficult to break even. Finding and paying service personnel is challenging. Prices set for golf course use were increased by over 2 percent, however, not enough to offset the losses from the clubhouse. As a public golf course, the City desires to keep rates at a level where if someone wants to play golf, they can play. This strikes a delicate balance of breaking even in the entire fund, while not outpricing the course use for general public use.
- The residential solid waste assessments were increased by 10.20 percent to afford new debt service for solid waste trucks and equipment. The loan was not secured until Fiscal Year 2025 due to supply chain delays in delivering the equipment and vehicles to the city, thus resulting in more

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

revenue than anticipated expense. Operating revenues exceeded operating expenses by more than \$232,000.

- The Transit system is also difficult to break even. The system is funded primarily by Federal and State Grants with a match coming from the General Fund. The General Fund increased its match to up to \$447,000 in Fiscal Year 2024, up \$35,000 from the prior year or 8.5 percent. Ridership fares make up only 6.3 percent of operating revenue. The costs of operating the system continue to outpace revenue, especially with hiring drivers. To be competitive and fill vacancies, the City needs to compete with other agencies, resulting in increasing wages. The shortfall lands with the General Fund to increase its match funding to maintain sustainability of the services.

Business-Type Revenues:

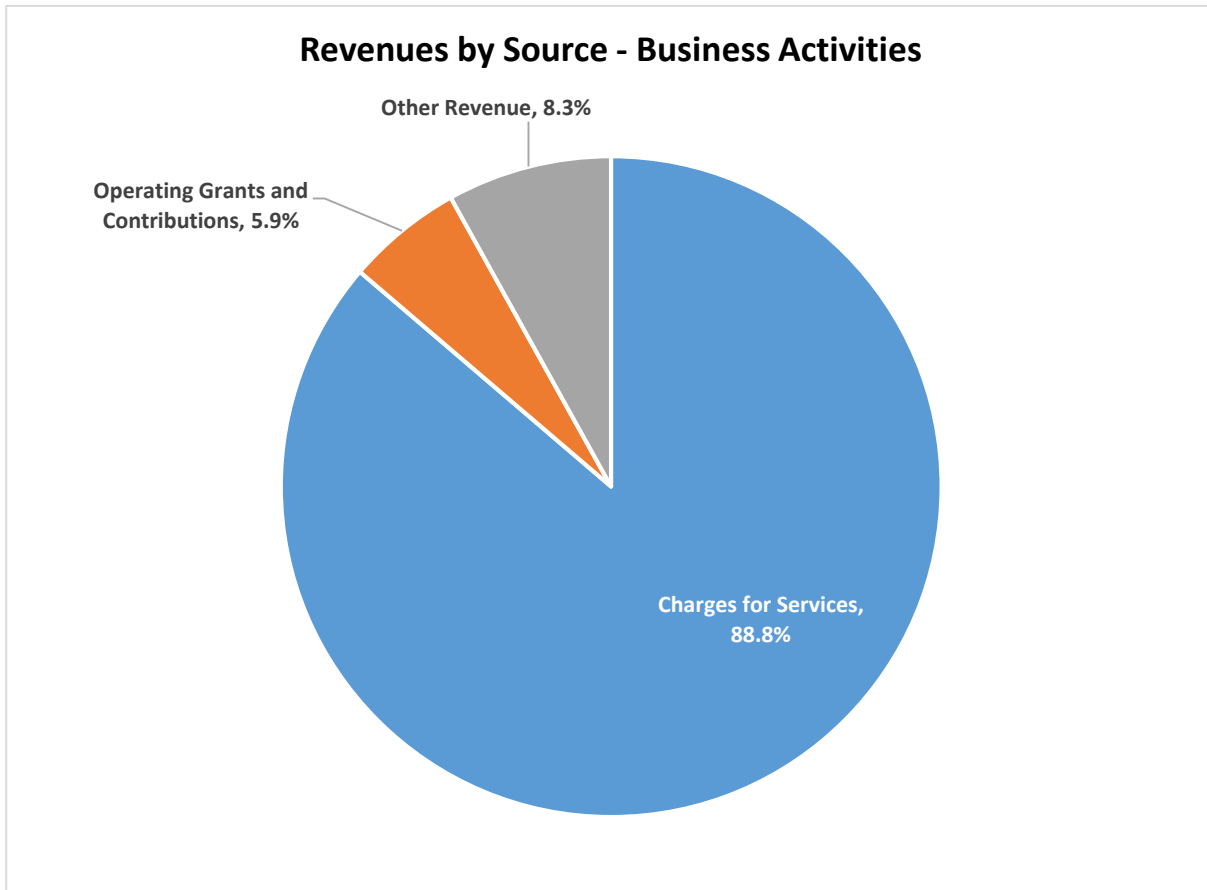
- Water and wastewater charges for services decreased by \$4,822 (0.05 percent) and \$32,402 (0.50 percent), respectively.
- Transfer station charges for services decreased by \$146,620 or 5.48 percent. Recent years saw higher usage at the transfer station during the pandemic. The utilization has tapered off to averages consistent with pre-pandemic services. The County contributed \$100,000 more than Fiscal Year 2023 for tipping services, and commercial tipping usage increase by \$193,500; however, these were offset by a decrease in residential tipping revenue of \$301,800.
- Golf Course charges for services increased from the prior year by \$446,277 or 22.83 percent from the prior year. Broken down, golf passes and lessons increased over \$308,000, and the club house (MUNI'S Restaurant) brought in an increase of \$129,000 or 28.7% more revenue than the prior year. The course is enjoyed all year round with golf players and in the winter, cross country skiing. Achieving consistent hours at the restaurant has helped with garnering more interest in eating, drinking craft beer and wine, playing the simulator, and booking small parties.
- Parking revenues increased 2.79 percent from the prior year. No increase in the fee structure was passed. On street (kiosk) parking revenue decreased by \$138,500 as a result of initiative 1st hour free parking in the downtown area; off-street parking revenues increased by \$210,800. Off-street parking is utilized primarily by businesses in parking garages and lots.
- Building permit fees decreased from the prior year by \$256,203, or 14.77 percent. The building department continued to be busy, however high dollar commercial permits in Fiscal Year 2024 declined as compared to the prior year.

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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



Business-Type Expenses:

- Total business-type activity program expenses increased by \$2,070,550 or 7.53 percent, which represents inflationary costs for supplies and materials, and a 4.0 percent cost of living adjustment for personnel. In Fiscal Year 2023, the Commission approved an enhanced employee package for health insurance benefits, where the employer is picking up a larger proportional share of the premiums. The average decrease for an employee on the family plan went from paying an out-of-pocket cost of \$750 per month to \$350 per month. Fiscal Year 2024 saw more employees choosing family plans than in the prior year, likely due to spouse's coverages on other plans drop to come onto the city's plan. Comparative analysis reveals that the city's package is very competitive to the State of Montana and Lewis and Clark County. This was an intentional decision by the Commission to continue its efforts to promote the City as an employer of choice.
- For most of the business-type funds, program revenues exceed program expenses with the exception of the Golf Course, Building fund, and combined Solid Waste funds. The Commission made a deliberate decision to promote sustainability to continue subsidizing the rising costs of curb-side recycling. This contracted service picks up recycling materials at the curbside for city

CITY OF HELENA, MONTANA

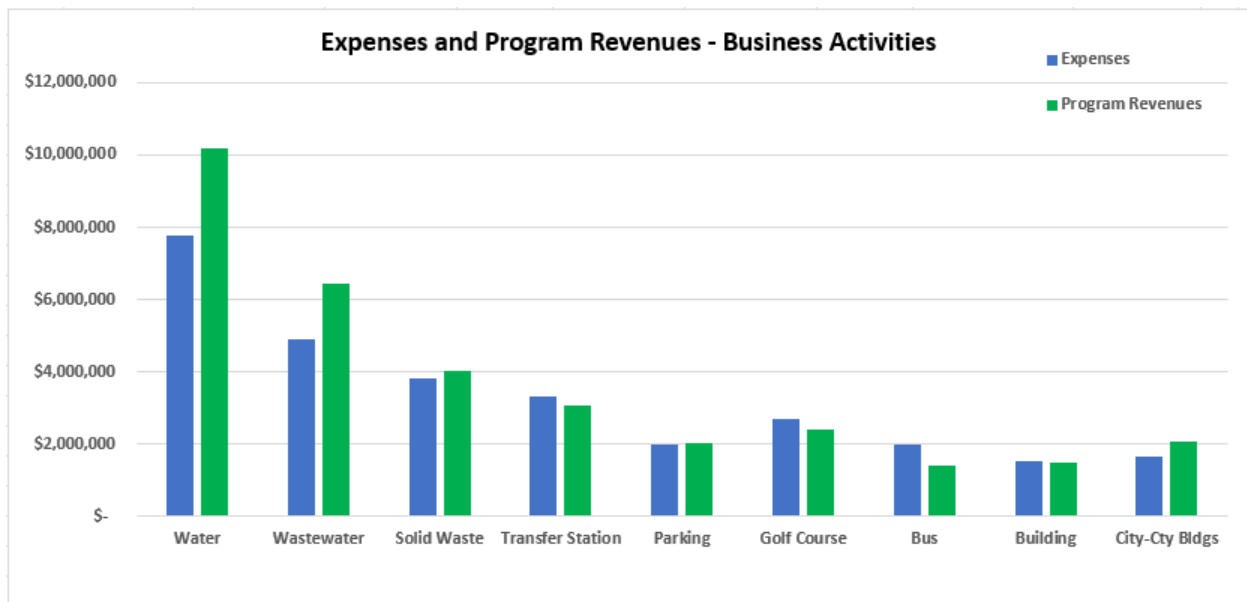
Management's Discussion and Analysis

June 30, 2024

residents. Customers pay \$8.00 per month and the city pays \$7.00 per month taken from the residential solid-waste assessments. As the service expands, the impact to the residential solid waste fund increases. To date, the subsidy is nearing \$1,000,000 over the course of five years.

- The Golf Course fund took on new debt to replace their golf cart fleet, adding \$11,448 to their annual debt service payments. Cart rental rates were increased to help cover the cost of the new debt service. Muni's Restaurant struggles to break even with high staffing costs.
- Depreciation expense in the business-type funds increased \$396,600, or over 8.7 percent, primarily in the water and wastewater funds as result of moving construction in progress into service.
- Building Fund salaries and wages increased over \$100,000 due to receiving a cost-of-Living increase of 4 percent. No new staff were added to this division. Maintenance and operating costs remained relatively unchanged from the prior year. Additionally, permit revenue decreased by \$358,000.

A chart representing both business type revenues as compared to expenses for fiscal year 2024 is shown below:



Financial Analysis of the City's Funds

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use of particular purposes by the City Commission.

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

As of June 30, 2024, the City's governmental funds reported combined fund balances of \$56,109,398, an increase of \$6,744,247 in comparison with the prior year. Approximately 11.93 percent of this amount, \$6,694,981, 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, \$1,384,235, 2) restricted for particular purposes, \$9,541,915, 3) committed for a particular purpose, \$8,440,968, or 4) assigned for a particular purpose, \$30,047,299.

The General Fund is the chief operating fund of the City. At June 30, 2024, unassigned fund balance was \$6,694,981 while total fund balance was \$11,938,038. 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 30.25 percent of total General Fund expenditures, while total fund balance represents approximately 53.93 percent of that same amount. The General Fund balance decreased \$1,263,410 during the current fiscal year, primarily due to spending down cash reserves on capital and community aide.

The Streets Fund had an ending fund balance of \$15,320,185, an increase of \$3,033,320 primarily due to capital outlay spending of over \$2,000,000 less than the prior year. In Fiscal Year 2024, the Streets Fund focused their capital outlay on mill and overlay and ADA compliance projects rather than total reconstruction costs in the prior year on Rodney Street. In addition, in Fiscal Year 2023, the Streets Fund received a \$500,000 grant that was not realized in the current year.

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

City's Proprietary Fund Net Position				
	Unrestricted Net Position	Percent of Unrestricted Net Position	Change in Net Position	Percent Change in Net Position
Water	\$ 18,064,284	51.60%	\$ 3,511,281	51.94%
Wastewater	10,721,188	30.63%	2,196,971	32.50%
Solid Waste	1,583,636	4.52%	198,860	2.94%
Transfer Station	1,135,462	3.24%	131,483	1.94%
Parking	(106,445)	-0.31%	177,043	2.63%
Golf Course	(723,662)	-2.07%	(159,636)	-2.36%
Building	1,425,172	4.07%	88,642	1.31%
Transit (Bus)	(40,258)	-0.11%	(27,822)	-0.41%
City-County				
Administration Building	1,946,514	5.56%	758,540	11.22%
Internal service	1,001,952	2.86%	(115,261)	-1.71%
Total	<u>\$ 35,007,843</u>	<u>100.00%</u>	<u>\$ 6,760,101</u>	<u>100.00%</u>

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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

- The Water and Wastewater funds increased Total Net Position for Proprietary funds by 51.94 and 32.50 percent, respectively, during fiscal year 2024 primarily due to infrastructure improvements and construction in progress increasing Capital Assets.
- Total proprietary operating income added \$1,773,978 (not including internal service activities) to net position of proprietary funds, of which \$2,156,154 and \$1,611,111 was for Water and Wastewater services, respectively.
- The Solid Waste, Parking, and City-County Buildings had operating gains of \$220,417, \$269,765, and \$438,435, respectively. Parking revenue increases were recognized primarily in off-street and lot sales. The Transfer Station experienced more activity in commercial tipping and less in residential tipping services, which is generally more expensive to the consumer, and the City-County Buildings generated an increase income by more than \$80,000 rental rate increases. Several budgeted capital projects were also delayed to Fiscal Year 2025. Both the City and County made contributions in the amount of \$403,000 Fiscal Year 2024 to cover these projects.
- These operating gains were offset by operating losses in the Transfer station of \$(770,309), Golf Course of \$(221,138), Building \$(51,386), and the Transit (Bus) fund by \$(1,879,071). As noted earlier in this analysis, the Transfer station has seen a significant increase in subsidizing curbside recycling per the Commission's direction. Both the Golf Course Fund and Transit Fund continue to maintain a balance in raising rates and keeping services affordable. As a result, the General Fund is relied on to subsidize these funds.

General Fund Budgetary Highlights

Revenue budgets were adjusted by \$6,760 for a contribution to the Police Department. No other changes were made to General Fund revenue budgets.

General Fund budgeted expenditures were increased in total by \$2,200,403. This was comprised primarily of fiscal year 2023 budget carryovers and other adjustments as follows:

- Non-Departmental:
 - \$2,120,500 – Carryover appropriations for unexpended community aid contributions
- Legislative:
 - \$7,000 – Increase for joint records management study with Lewis and Clark County
 - \$89,000 – Carryover for sidewalk and parks capital programs
- Accounting Services:
 - \$10,800 – Carryover for Accounting Audit Contract
- Public Safety - Law Enforcement:
 - \$6,740 – Training Supplies increase with contribution received
- Public Safety - Fire:
 - \$36,343 - HAZMAT Grant Balance

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

- Community Development:
 - \$2,461 – Housing Trust Fund Procedure Development Contract

Total actual General Fund expenditures were \$7,334,636 less than the final budget. Almost \$4 million of the comparison is due to internal allocations. The budget is prepared on a modified-accrual basis. In modified accrual, the general expenses are reduced (along with the revenue) by internal services allocated to/from other funds.

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

- \$2,268,000 in Community Aide grants were appropriated but not distributed.
- \$562,600 savings resulting from staffing vacancies; primarily in the police, finance and engineering departments. The Parks Recreation and Swimming Pool also did not utilize the full estimate for their seasonal staff.
- \$74,000 savings resulted in unspent appropriated contracted services, of which most will be carried over to the new fiscal year.
- Various miscellaneous unspent appropriations throughout the general fund accounted for the remainder of the variance.

Capital Asset and Debt Administration

Capital Assets. The City's net investment in capital assets (net of related debt) for its governmental and business-type activities as of June 30, 2024 was \$299,612,374. Capital assets include land, buildings, improvements other than buildings, machinery and equipment, construction in progress, right-of-use lease equipment, and infrastructure.

CITY OF HELENA, MONTANA
Management's Discussion and Analysis
June 30, 2024

City's Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 84,844,395	\$ 48,571,704	\$ 133,416,099
Construction in Progress	2,613,439	13,906,058	16,519,497
	<u>87,457,834</u>	<u>62,477,762</u>	<u>149,935,596</u>
Depreciable assets:			
Buildings	3,559,886	24,185,011	27,744,897
Improvements other than buildings	7,809,292	2,043,060	9,852,352
Machinery and equipment	9,431,620	6,293,627	15,725,247
Right-of-use lease equipment	-	21,334	21,334
Subscription-based information technology arrangement	2,385,677	-	2,385,677
Infrastructure	39,779,488	74,969,829	114,749,317
	<u>62,965,963</u>	<u>107,512,861</u>	<u>170,478,824</u>
Net Capital Assets	<u><u>\$ 150,423,797</u></u>	<u><u>\$ 169,990,623</u></u>	<u><u>\$ 320,414,420</u></u>

Total acquisitions amounted to \$16,420,449. Major capital asset events during the current fiscal year include the following:

Streets/Stormwater:

- \$ 878,168– Pavement preservation and mill and overlay projects
- \$ 636,270 – Rodney Street reconstruction – Phase II
- \$ 416,714 – Vehicle and equipment replacements
- \$ 183,870 – 11th Street Improvements
- \$ 164,590– Multi Modal projects
- \$ 32,748 – GPS Building Remodel

General Administration:

- \$ 569,106 - New ERP Financial Software implementation costs
- \$ 235,195 – Vehicle / equipment purchases
- \$ 219,698 – ERP Subscription-based Information Technology Arrangement
- \$ 142,911 – City Parks Renovations

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

- \$ 100,490 – Sustainability Audit Study
- \$ 86,536 - Human Resources office remodel
- \$ 82,887 – Solar Energy Project
- \$ 30,623 – Electric Vehicle Charging Stations

Facilities:

- \$ 696,770 – Law and Justice Center Renovations
- \$ 344, 495 – City-County Building remodels and LED lighting upgrades
- \$ 64,302 – City-County Building audio/visual conference room upgrades
- \$ 41,600 – Grandstreet Theatre Roof Replacement
- \$12,000 – Equipment replacements

Water / Wastewater:

- \$ 1,448,836– Eureka/Ground Water Wells Rehabilitation
- \$ 1,067,528 – Water/Sewer Main replacements
- \$ 811,562 – Sewer CIPP project
- \$ 751,791 – Ten Mile Treatment plant improvements
- \$ 536,180 – Crosstown Connector replacements
- \$ 393,257 – Hydrant replacements
- \$ 307,054 – Land purchase for well project
- \$ 178,773 – Generator Project
- \$ 173,343 – Wastewater master plan
- \$ 160,158 – Vehicle/Equipment replacements
- \$ 139,580 – Bio-reactor basin blowers
- \$ 89,201 - Gas line replacement with Northwestern Energy
- \$ 48,794 - Ten Mile Diversion project
- \$ 83,054 – Digester Ring Blower upgrades
- \$ 58,500 – Chessman Dam improvements
- \$ 58,097 – Hale/Halben main connection project
- \$ 52,304 – Red Mountain Flume rehabilitation project
- \$ 52,157 – SCADA Systems upgrades for water treatment facilities
- \$ 49,900 - Cold storage Building
- \$ 43,664 - GPS Building Remodel
- \$ 42,095 – water Station Pumps
- \$ 37,581 – Water Treatment master plan
- \$ 21,762 – MRTP Heater BFP/Chemical Feed

Solid Waste:

- \$ 766,093 – Vehicle/Equipment purchases
- \$ 189 275 – Solid Waste Master Plan
- \$ 201,281 – Transfer Station Building/Gate Improvements
- \$ 41,056 – Landfill monitoring gas extraction blower
- \$ 25,015 – Solid Waste shop remodel

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

- \$ 21,120 – Recycling Entry Terminal improvements

Public Safety Services:

- \$ 653,006 – 9-1-1 Center CAD/RMS Subscription-based Information Technology Arrangement
- \$ 577,230 Police vehicle/equipment purchases
- \$ 520,104 – Wildland Firefighting vehicle & radios
- \$ 219,893 – Police radios
- \$ 161,983 – 9-1-1 Center CAD/Records Management implementation costs
- \$ 57,330 - Fire station #1 – New air compressor
- \$ 49,861 – Police taser replacements
- \$ 27,875 – Fire Station #1 and #2 improvements
- \$ 27,262 – 9-1-1 Center Desk Console replacements
- \$ 26,276 – 9-1-1 Center Security upgrades
- \$11,666 – Fire radios for new apparatus

Parking:

- \$ 59,636 – Surface Lot repairs

Golf:

- \$ 184,195 – Golf cart fleet replacement
- \$ 6,892 – Equipment replacement

Parks/Open Space/Trails:

- \$ 151,442 – Vehicle/Equipment purchases

Fleet Services (Internal Services):

- \$ 32,601 – Vehicle/Equipment purchases
- \$11,800 – Building improvements

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

Long-Term Debt

As of June 30, 2024, the City had total debt outstanding of \$22,309,122. Of this amount, \$3,870,000 comprises debt backed by the full faith and credit of the government; \$618,914 for an INTERCAP Loan secured by the General Fund; \$1,808,960 is loans payable; \$5,905,000 is certificates of participation secured solely by the 15th Street Parking Garage; and \$8,417,581 is bonds secured solely by specified revenue sources of the water and wastewater funds.

The City's total debt decreased by \$96,265 (0.43 percent) during the current fiscal year. Additional debt was issued for loans in the amount of \$1,374,233. The City also recognized a new Subscription-Based Technology Arrangement liability in the amount of \$1,017,199.

CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.50 percent of the total assessed value of taxable property. The current debt limitation for the City is \$152,450,835, which is significantly in excess of the City's outstanding general obligation debt.

City's Outstanding Debt

	Governmental Activities	Business-Type Activities	Total
General obligations Bonds	\$ 2,145,000	\$ 1,725,000	\$ 3,870,000
Loans Payable	618,914	10,226,541	10,845,455
Certificates of Participation	-	5,905,000	5,905,000
Lease obligations	-	20,754	20,754
SBITAs	1,667,913	-	1,667,913
	<u>\$ 4,431,827</u>	<u>\$ 17,877,295</u>	<u>\$ 22,309,122</u>

Additional information long-term debt can be found in the notes to the basic financial statements (Note 7).

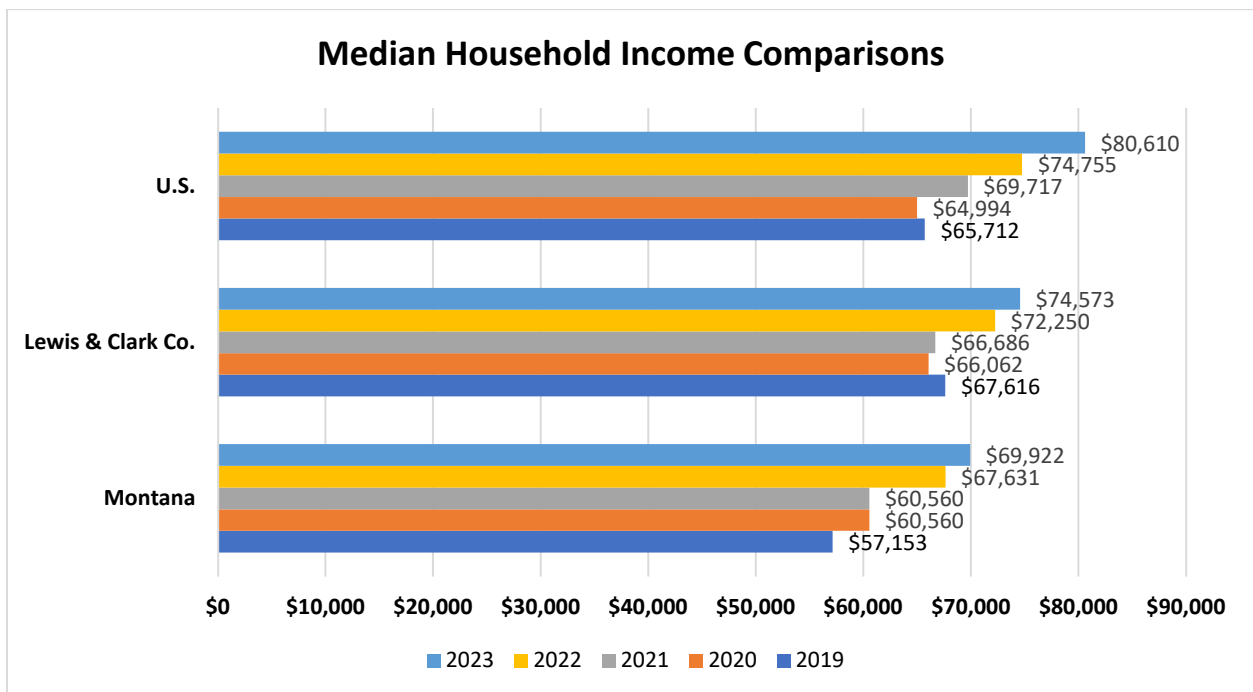
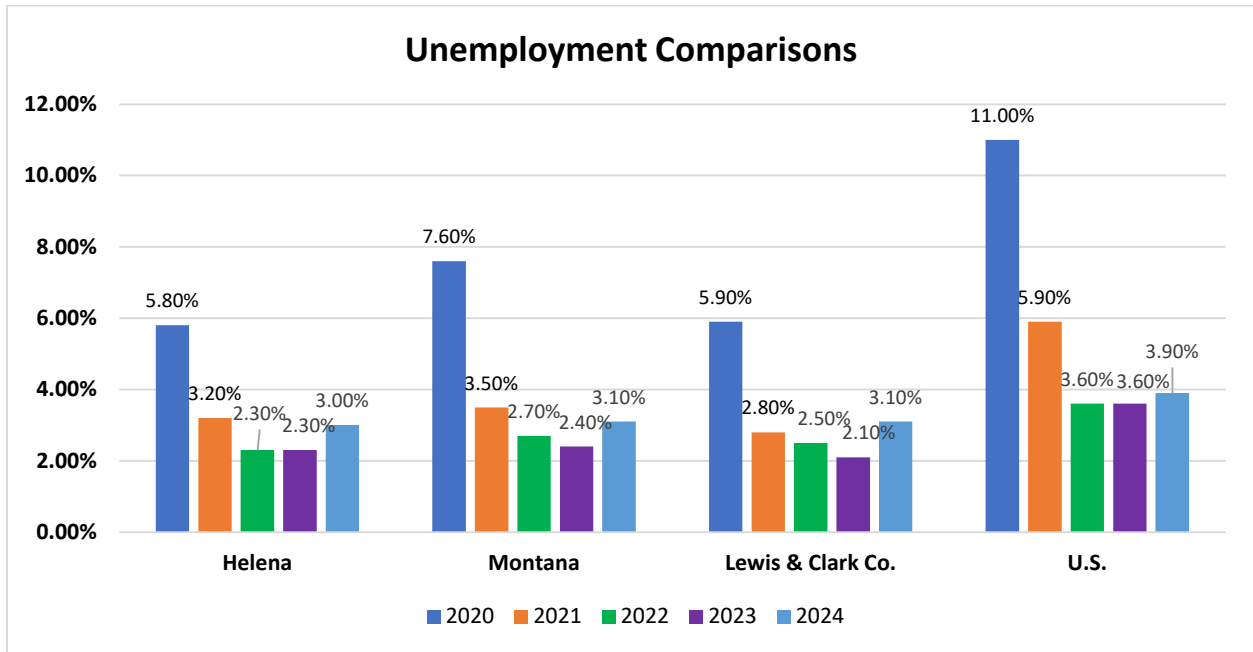
CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

Economic Factors and Next Year's Budget Rates

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



CITY OF HELENA, MONTANA

Management's Discussion and Analysis

June 30, 2024

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, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Business Improvement District	Tourism Business Improvement District
Assets					
Current assets:					
Cash and cash equivalents	\$ 55,898,524	\$ 44,770,847	\$ 100,669,371	\$ 328,294	\$ 387,384
Cash and cash equivalents - unspent debt proceeds	-	1,088,700	1,088,700	-	-
Cash and cash equivalents - cash with fiscal agent	-	120	120	-	-
Investments - restricted	-	1,266,489	1,266,489	-	-
Receivables, net of allowance for uncollectibles	2,092,810	2,401,684	4,494,494	125,668	103,688
Intergovernmental receivable	12,812	288,228	301,040	-	-
Loans receivable	177,456	53,399	230,855	-	-
Internal balances	(1,043,562)	1,043,562	-	-	-
Inventories	370,725	1,217,393	1,588,118	-	-
Lease receivable	-	228,014	228,014	-	-
Total current assets	57,508,765	52,358,436	109,867,201	453,962	491,072
Noncurrent assets:					
Loans receivable, net of current portion	1,013,510	543,802	1,557,312	-	-
Lease receivable, net of current portion	-	3,760,034	3,760,034	-	-
Capital assets, net of accumulated depreciation:					
Capital assets not being depreciated	87,457,834	62,477,762	149,935,596	-	-
Capital assets, net of accumulated depreciation	62,965,963	107,512,861	170,478,824	54,451	5,240
Total noncurrent assets	151,437,307	174,294,459	325,731,766	54,451	5,240
Total Assets	208,946,072	226,652,895	435,598,967	508,413	496,312
Deferred Outflows of Resources					
Deferred outflows of resources for pension	4,538,034	1,581,447	6,119,481	-	-
Deferred charge on debt refunding	-	418,376	418,376	-	-
Deferred outflows of resources for OPEB	492,110	-	492,110	-	-
Total Deferred Outflows of Resources	5,030,144	1,999,823	7,029,967	-	-
Liabilities					
Current liabilities:					
Accounts payable and other current liabilities	1,270,547	2,071,787	3,342,334	50	26,346
Customer deposits	-	195,229	195,229	-	-
Accrued interest	45,470	187,463	232,933	-	-
Unearned revenue	-	-	-	10,619	103,688
Compensated absences	1,612,704	478,684	2,091,388	-	-
Loans payable	78,332	934,336	1,012,668	-	-
General obligation bonds	500,000	190,000	690,000	-	-
Certificates of participation	-	330,000	330,000	-	-
SBITA liability	382,688	-	382,688	-	-
Lease payable	-	7,445	7,445	20,800	-
Landfill post-closure costs	-	126,815	126,815	-	-
Total current liabilities	3,889,741	4,521,759	8,411,500	31,469	130,034
Long-term liabilities:					
Compensated absences, net of current portion	1,232,712	381,310	1,614,022	1,610	9,882
Loans payable, net of current portion	540,582	9,292,205	9,832,787	-	-
General obligation bonds, net of current portion	1,645,000	1,535,000	3,180,000	-	-
Certificates of participation, net of current portion	-	5,575,000	5,575,000	-	-
SBITA liability, net of current portion	1,285,225	-	1,285,225	-	-
Lease payable, net of current portion	-	13,309	13,309	29,192	-
Landfill post-closure costs, net of current portion	-	1,775,410	1,775,410	-	-
Net pension liability	18,494,098	8,006,404	26,500,502	-	-
Other postemployment benefits	2,336,756	879,815	3,216,571	-	-
Total noncurrent liabilities	25,534,373	27,458,453	52,992,826	30,802	9,882
Total Liabilities	29,424,114	31,980,212	61,404,326	62,271	139,916
Deferred Inflows of Resources					
Deferred inflows of resources for pension	589,771	285,570	875,341	-	-
Deferred inflows of resources for leases	-	3,897,604	3,897,604	-	-
Deferred inflows of resources for OPEB	4,215,156	1,582,839	5,797,995	-	-
Total Deferred Inflows of Resources	4,804,927	5,766,013	10,570,940	-	-
Net Position					
Net investment in capital assets	145,991,970	153,620,404	299,612,374	54,451	5,240
Restricted for:					
General government	764,848	-	764,848	-	-
Public safety	1,163,479	-	1,163,479	-	-
911 dispatch center	-	-	-	-	-
Public health	76,948	-	76,948	-	-
Public works	699,639	-	699,639	-	-
Culture and recreation	1,243,749	-	1,243,749	-	-
Community development	302,935	-	302,935	-	-
Debt service	630,011	2,355,189	2,985,200	-	-
Capital projects	4,660,306	-	4,660,306	-	-
Unrestricted	24,213,290	34,930,900	59,144,190	391,691	351,156
Total Net Position	\$ 179,747,175	\$ 190,906,493	\$ 370,653,668	\$ 446,142	\$ 356,396

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Total Governmental Activities	Total Business-Type Activities	Total	Business Improvement District	Tourism Business Improvement District
Primary government:									
Governmental activities:									
General government	\$ 3,706,174	\$ 306,353	\$ 5,368,167	\$ -	\$ 1,968,346	\$ -	\$ 1,968,346	\$ -	\$ -
Public safety	22,357,259	883,801	6,835,476	-	(14,637,982)	-	(14,637,982)	-	-
Public works	8,784,647	10,379,035	2,645,962	-	4,240,350	-	4,240,350	-	-
Public health	176,771	-	1,951	-	(174,820)	-	(174,820)	-	-
Culture and recreation	5,888,861	2,312,704	291,948	93,130	(3,191,079)	-	(3,191,079)	-	-
Community development	1,349,909	362,407	124,532	75,099	(787,871)	-	(787,871)	-	-
Debt service - interest expense	180,689	-	-	-	(180,689)	-	(180,689)	-	-
Total governmental activities	42,444,310	14,244,300	15,268,036	168,229	(12,763,745)	-	(12,763,745)	-	-
Business-type activities:									
Water	\$ 7,761,776	\$ 9,773,016	\$ 43,109	\$ 351,964	\$ -	\$ 2,406,313	\$ 2,406,313		
Waste water	4,878,776	6,430,337	27,157	-	-	1,578,718	1,578,718		
Solid waste	3,806,991	4,017,675	21,444	-	-	232,128	232,128		
Transfer station	3,309,925	2,531,293	545,853	-	-	(232,779)	(232,779)		
Parking	1,971,092	2,018,391	14,265	-	-	61,564	61,564		
Golf course	2,681,967	2,401,398	14,076	-	-	(266,493)	(266,493)		
Building	1,530,055	1,478,227	21,874	-	-	(29,954)	(29,954)		
Transit (Bus)	1,961,267	70,827	1,328,936	-	-	(561,504)	(561,504)		
City-County administration building	1,655,640	2,043,198	10,180	-	-	397,738	397,738		
Total business-type activities	29,557,489	30,764,362	2,026,894	351,964	-	3,585,731	3,585,731		
Total Primary Government	\$ 72,001,799	\$ 45,008,662	\$ 17,294,930	\$ 520,193	(12,763,745)	3,585,731	(9,178,014)		
Component units:									
Business Improvement District	\$ 281,440	\$ 351,294	\$ -	\$ -				\$ 69,854	
Tourism Business Improvement District	\$ 578,182	\$ 635,275	\$ -	\$ -					\$ 57,093
General revenues:									
Taxes:									
Property taxes					17,325,226	-	17,325,226	-	-
Motor vehicle taxes					1,735,424	-	1,735,424	-	-
Total taxes					19,060,650	-	19,060,650	-	-
Interest and investment income/(loss)					2,524,169	2,481,160	5,005,329	14,029	601
Gain on sale of capital assets					31,476	42,710	74,186	-	-
Other income					560,966	-	560,966	5,530	11,571
Transfers					(732,302)	732,302	-	-	-
Total general revenues and transfers					21,444,959	3,256,172	24,701,131	19,559	12,172
Change in Net Position					8,681,214	6,841,903	15,523,117	89,413	69,265
Net Position - beginning of year					171,065,961	184,064,590	355,130,551	356,729	287,131
Net position - ending					\$ 179,747,175	\$ 190,906,493	\$ 370,653,668	\$ 446,142	\$ 356,396

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,170,127	\$ 14,912,622	\$ 27,639,199	\$ 54,721,948
Taxes and special assessments receivable, net of allowance	830,287	655,634	377,324	1,863,245
Accounts receivable, net of allowance	170,374	14,239	10,579	195,192
Loans receivable	-	-	1,190,966	1,190,966
Intergovernmental receivable	-	-	12,812	12,812
Inventories	56,753	313,972	-	370,725
Total Assets	\$ 13,227,541	\$ 15,896,467	\$ 29,230,880	\$ 58,354,888
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable and other current liabilities	\$ 973,195	\$ 71,217	\$ 221,739	\$ 1,266,151
Total Liabilities	973,195	71,217	221,739	1,266,151
Deferred Inflows of Resources:				
Unavailable revenue - taxes	316,308	-	50,958	367,266
Unavailable revenue - special assessments	-	505,065	107,008	612,073
Total Deferred Inflows of Resources	316,308	505,065	157,966	979,339
Fund Balance:				
Nonspendable	56,753	313,972	1,013,510	1,384,235
Restricted:				
General government	-	-	764,848	764,848
Public safety	269,858	-	893,621	1,163,479
911 dispatch center	-	-	-	-
Public health	76,948	-	-	76,948
Public works	-	-	699,639	699,639
Culture and recreation	24,167	-	1,219,582	1,243,749
Community development	295,185	-	7,750	302,935
Debt service	-	-	630,011	630,011
Capital projects	-	-	4,660,306	4,660,306
Committed:				
General government	2,576,938	-	-	2,576,938
Public works	-	3,406,362	-	3,406,362
Community Development	1,930,000	-	477,668	2,407,668
Capital purchases	-	-	50,000	50,000
Assigned:				
Public safety	13,208	-	2,830,531	2,843,739
Public works	-	11,599,851	7,518,513	19,118,364
Culture and recreation	-	-	961,892	961,892
Community development	-	-	4,023,752	4,023,752
Capital purchases	-	-	3,099,552	3,099,552
Unassigned	6,694,981	-	-	6,694,981
Total Fund Balance	11,938,038	15,320,185	28,851,175	56,109,398
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,227,541	\$ 15,896,467	\$ 29,230,880	\$ 58,354,888

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

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

JUNE 30, 2024

Total Fund Balance - Governmental Funds \$ 56,109,398

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

Capital assets including construction in progress used in governmental activities are not current financial resources and are not reported as assets in governmental funds. 150,423,797

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflow of resources in the governmental funds. 979,339

Internal Service Funds are used by management to charge the costs of the copier revolving and insurance to individual funds. The assets and liabilities of these Internal Service Funds are included in the governmental activities in the statement of net position. 162,991

Deferred outflows and inflows of resources for pension and OPEB are recorded and amortized in the statement of net position. However, these items are not recorded on the fund financial statements. 225,217

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds and loan payable	\$ (2,763,914)	
SBITA liability	(1,667,913)	
Accrued interest on debt	(45,470)	
Compensated absences	(2,845,416)	
Net pension liability	(18,494,098)	
Other postemployment benefits	(2,336,756)	(28,153,567)

Total Net Position - Governmental Activities \$ 179,747,175

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	General	Streets	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 14,706,333	\$ -	\$ 4,000,245	\$ 18,706,578
Special assessments	-	6,773,943	4,506,453	11,280,396
Licenses and permits	544,194	61,411	16,453	622,058
Intergovernmental	5,943,961	2,485,535	3,391,655	11,821,151
Charges for services	633,852	-	1,073,534	1,707,386
Fines and forfeitures	457,182	2,736	-	459,918
Investment earnings	579,180	689,075	1,255,913	2,524,168
Contributions and donations	73,667	40,985	175,084	289,736
Miscellaneous	99,519	22,290	109,702	231,511
Total revenues	23,037,888	10,075,975	14,529,039	47,642,902
Expenditures:				
General government	2,844,273	-	-	2,844,273
Public safety	15,313,139	-	2,254,771	17,567,910
Public works	374,728	4,662,509	1,676,092	6,713,329
Public health	171,793	-	-	171,793
Culture and recreation	2,438,039	-	2,425,705	4,863,744
Community development	801,118	-	463,958	1,265,076
Debt service	-	-	623,402	623,402
Capital outlay	191,527	2,637,229	4,712,877	7,541,633
Total expenditures	22,134,617	7,299,738	12,156,805	41,591,160
Excess (Deficiency) of Revenues over Expenditures	903,271	2,776,237	2,372,234	6,051,742
Other Financing Sources (Uses):				
Sale of capital assets	-	31,476	-	31,476
Proceeds from insurance settlements	6,645	241,659	81,151	329,455
Subscription-based information technology arrangement	-	-	1,017,199	1,017,199
Transfers in	740,682	122,948	2,649,622	3,513,252
Transfers out	(2,914,008)	(139,000)	(1,145,869)	(4,198,877)
Total other financing sources (uses)	(2,166,681)	257,083	2,602,103	692,505
Net Change in Fund Balance	(1,263,410)	3,033,320	4,974,337	6,744,247
Fund Balance:				
Beginning of year	13,201,448	12,286,865	23,876,838	49,365,151
End of year	\$ 11,938,038	\$ 15,320,185	\$ 28,851,175	\$ 56,109,398

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

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

YEAR ENDED JUNE 30, 2024

Net Change in Fund Balance - Governmental Funds	\$ 6,744,247
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlays	\$ 7,088,807	
Depreciation expense	<u>(4,249,886)</u>	2,838,921

Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	3,853,993
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The issuance of long-term obligations (e.g., notes, bonds, leases, and SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

(98,713)

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

Compensated absences	(400,707)	
Other postemployment benefits	21,733	
Pension accruals	(4,201,945)	
Prepaid interest/interest accruals	<u>2,820</u>	(4,578,099)

Internal Service Funds are used by management to charge the costs of copier revolving and insurance activities to individual funds.	<u>(79,135)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 8,681,214</u></u>
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See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

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

GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes and special assessments	\$ 14,618,429	\$ 14,618,429	\$ 14,706,333	\$ 87,904
Licenses and permits	575,000	575,000	544,194	(30,806)
Intergovernmental	5,791,370	5,791,370	5,943,961	152,591
Charges for services	666,386	666,386	633,852	(32,534)
Fines and forfeitures	438,500	438,500	457,182	18,682
Investment earnings	425,000	425,000	579,180	154,180
Contributions and donations	154,000	160,760	73,667	(87,093)
Miscellaneous	90,200	90,200	99,519	9,319
Total revenues	22,758,885	22,765,645	23,037,888	272,243
Expenditures:				
Current:				
General government	5,873,049	8,011,349	2,844,273	(5,167,076)
Public safety	15,204,084	15,247,187	15,313,139	65,952
Public works	2,138,940	2,138,940	374,728	(1,764,212)
Public health	191,422	191,422	171,793	(19,629)
Culture and recreation	2,920,312	2,939,312	2,438,039	(501,273)
Community development	941,043	941,043	801,118	(139,925)
Debt service	-	-	-	-
Capital outlay	-	-	191,527	191,527
Total expenditures	27,268,850	29,469,253	22,134,617	(7,334,636)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,509,965)	(6,703,608)	903,271	7,606,879
Other Financing Sources (Uses):				
Sale of capital assets	10,000	10,000	-	(10,000)
Proceeds from insurance settlements	-	-	6,645	6,645
Transfers in	703,585	722,585	740,682	18,097
Transfers out	(2,705,008)	(2,794,008)	(2,914,008)	(120,000)
Total other financing sources (uses)	(1,991,423)	(2,061,423)	(2,166,681)	(105,258)
Net Change in Fund Balance	<u>\$ (6,501,388)</u>	<u>\$ (8,765,031)</u>	<u>\$ (1,263,410)</u>	<u>\$ 7,501,621</u>

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

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

STREETS FUND

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes and special assessments	\$ 7,310,000	\$ 7,310,000	\$ 6,773,943	\$ (536,057)
Licenses and permits	60,000	60,000	61,411	1,411
Intergovernmental	1,367,573	2,167,573	2,485,535	317,962
Charges for services	-	-	-	-
Fines and forfeitures	1,500	1,500	2,736	1,236
Investment earnings	120,000	120,000	689,075	569,075
Contributions and donations	(31,000)	31,000	40,985	9,985
Miscellaneous	4,500	4,500	22,290	17,790
Total revenues	8,832,573	9,694,573	10,075,975	381,402
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	5,698,582	6,422,804	4,662,509	(1,760,295)
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service	-	-	-	-
Capital outlay	2,923,273	9,057,254	2,637,229	(6,420,025)
Total expenditures	8,621,855	15,480,058	7,299,738	(8,180,320)
Excess (Deficiency) of Revenues Over (Under) Expenditures	210,718	(5,785,485)	2,776,237	8,561,722
Other Financing Sources (Uses):				
Sale of capital assets	-	-	31,476	31,476
Proceeds from insurance settlements	-	236,206	241,659	5,453
Transfers in	2,948	2,948	122,948	120,000
Transfers out	19,000	(19,000)	(139,000)	(120,000)
Total other financing sources (uses)	21,948	220,154	257,083	36,929
Net Change in Fund Balance	\$ 232,666	\$ (5,565,331)	\$ 3,033,320	\$ 8,598,651

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2024

	Business-type Activities								City-County Administration Building	Total Enterprise Funds	Internal Service
	Water	Wastewater	Solid Waste	Transfer Station	Parking	Golf Course	Building	Transit (Bus)			
Assets											
Current assets:											
Cash and cash equivalents	\$ 19,879,111	\$ 11,544,417	\$ 4,211,462	\$ 2,163,088	\$ 650,522	\$ 91,039	\$ 2,422,496	\$ 745,103	\$ 2,528,150	\$ 44,235,388	\$ 1,712,035
Cash and cash equivalents - unspent debt proceeds	811,355	277,345	-	-	-	-	-	-	-	1,088,700	-
Cash and cash equivalent - cash with fiscal agent	-	-	-	-	120	-	-	-	-	120	-
Investments - restricted	-	1,266,489	-	-	-	-	-	-	-	1,266,489	-
Receivables, net of allowance for uncollectibles	1,473,602	547,205	197,452	118,408	-	198	63,915	-	657	2,401,437	34,620
Intergovernmental receivable	-	-	-	-	-	-	-	288,228	-	288,228	-
Loans receivable	12,111	41,288	-	-	-	-	-	-	-	53,399	-
Inventories	717,805	132,133	133,032	-	31,068	182,355	-	-	-	1,196,393	21,000
Lease receivable	-	-	-	-	228,014	-	-	-	-	228,014	-
Total current assets	22,893,984	13,808,877	4,541,946	2,281,496	909,724	273,592	2,486,411	1,033,331	2,528,807	50,758,168	1,767,655
Noncurrent assets:											
Loans receivable, net of current portion	158,147	385,655	-	-	-	-	-	-	-	543,802	-
Lease receivable, net of current portion	-	-	-	-	3,760,034	-	-	-	-	3,760,034	-
Capital assets, net of accumulated depreciation:											
Capital assets not being depreciated	34,453,454	22,281,870	205,873	512,028	2,705,717	83,000	-	446,988	1,701,832	62,390,762	87,000
Capital assets, net of accumulated depreciation	51,910,664	30,245,577	1,526,806	2,471,155	12,416,494	2,788,926	39,272	1,916,141	3,973,725	107,288,760	237,737
Total noncurrent assets	86,522,265	52,913,102	1,732,679	2,983,183	18,882,245	2,871,926	39,272	2,363,129	5,675,557	173,983,358	324,737
Total Assets	109,416,249	66,721,979	6,274,625	5,264,679	19,791,969	3,145,518	2,525,683	3,396,460	8,204,364	224,741,526	2,092,392
Deferred Outflows of Resources											
Deferred outflows of resources for pension	328,593	207,005	163,457	155,108	108,734	107,295	166,730	174,358	77,600	1,488,880	92,567
Deferred outflows of resources for debt refunding	-	-	-	-	418,376	-	-	-	-	418,376	-
Deferred outflows of resources for OPEB	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	328,593	207,005	163,457	155,108	527,110	107,295	166,730	174,358	77,600	1,907,256	92,567
Liabilities											
Current liabilities:											
Accounts payable and other current liabilities	1,125,237	287,419	84,874	142,380	87,192	76,448	29,712	33,861	61,732	1,928,855	142,932
Customer deposits	-	416	6,172	-	-	188,641	-	-	-	195,229	-
Accrued interest	54,499	37,044	-	-	48,679	23,865	-	-	23,376	187,463	-
Compensated absences	142,801	50,845	53,592	64,846	7,487	29,104	55,418	29,910	19,457	453,460	25,224
Loans payable	543,000	152,581	-	-	54,847	43,613	-	-	140,295	934,336	-
General obligation bonds	-	-	-	-	90,000	100,000	-	-	-	190,000	-
Certificates of participation	-	-	-	-	330,000	-	-	-	-	330,000	-
Lease payable	-	-	-	-	-	-	-	-	7,445	7,445	-
Landfill post-closure costs	-	-	126,815	-	-	-	-	-	-	126,815	-
Total current liabilities	1,865,537	528,305	271,453	207,226	618,205	461,671	85,130	63,771	252,305	4,353,603	168,156
Long-term liabilities:											
Compensated absences	126,948	38,865	36,976	49,567	5,723	22,247	42,360	24,471	14,873	362,030	19,280
Loans payable	4,719,000	3,003,000	-	-	303,449	322,234	-	-	944,522	9,292,205	-
General obligation bonds	-	-	-	-	90,000	1,445,000	-	-	-	1,535,000	-
Certificates of participation	-	-	-	-	5,575,000	-	-	-	-	5,575,000	-
Lease payable	-	-	-	-	-	-	-	-	13,309	13,309	-
Landfill post-closure costs	-	-	1,775,410	-	-	-	-	-	-	1,775,410	-
Net pension liability	1,663,573	1,048,008	827,538	785,270	550,482	543,202	844,106	882,722	392,866	7,537,767	468,637
Other postemployment benefits	188,415	168,720	34,042	109,052	65,681	64,604	79,922	73,016	33,040	816,492	63,323
Total long-term liabilities	6,697,936	4,258,593	2,673,966	943,889	6,590,335	2,397,287	966,388	980,209	1,398,610	26,907,213	551,240
Total Liabilities	8,563,473	4,786,898	2,945,419	1,151,115	7,208,540	2,858,958	1,051,518	1,043,980	1,650,915	31,260,816	719,396
Deferred Inflows of Resources											
Deferred inflows of resources for pension	59,336	37,380	29,516	28,009	19,634	19,375	30,107	31,485	14,013	268,855	16,715
Deferred inflows of resources for leases	-	-	-	-	3,897,604	-	-	-	-	3,897,604	-
Deferred inflows of resources for OPEB	332,921	190,473	146,832	122,018	112,011	137,063	146,344	172,482	100,536	1,460,680	122,159
Total Deferred Inflows of Resources	392,257	227,853	176,348	150,027	4,029,249	156,438	176,451	203,967	114,549	5,627,139	138,874
Net Position											
Net investment in capital assets	81,913,473	49,649,211	1,732,679	2,983,183	9,187,735	961,079	39,272	2,363,129	4,569,986	153,399,747	324,737
Restricted for debt service	811,355	1,543,834	-	-	-	-	-	-	-	2,355,189	-
Unrestricted	18,064,284	10,721,188	1,583,636	1,135,462	(106,445)	(723,662)	1,425,172	(40,258)	1,946,514	34,005,891	1,001,952
Total Net Position	\$ 100,789,112	\$ 61,914,233	\$ 3,316,315	\$ 4,118,645	\$ 9,081,290	\$ 237,417	\$ 1,464,444	\$ 2,322,871	\$ 6,516,500	\$ 189,760,827	\$ 1,326,689
Adjustment to reflect the consolidation of fleet service internal service fund activities related to enterprise funds										1,145,666	
Net position of business-type activities										\$ 190,906,493	

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	Business-type Activities										
	Water	Wastewater	Solid Waste	Transfer Station	Parking	Golf Course	Building	Transit (Bus)	City-County Administration Building	Total Enterprise Funds	Internal Service
Operating Revenues:											
Charges for services	\$ 9,747,495	\$ 6,428,434	\$ 3,919,268	\$ 2,523,568	\$ 1,892,229	\$ 2,393,570	\$ 1,478,227	\$ 70,699	\$ 1,816,865	\$ 30,270,355	\$ 10,135,656
Contributions	-	-	-	-	-	-	-	-	201,500	201,500	-
Other	25,521	1,903	98,407	7,725	126,162	7,828	-	128	24,833	292,507	135,967
Total operating revenues	9,773,016	6,430,337	4,017,675	2,531,293	2,018,391	2,401,398	1,478,227	70,827	2,043,198	30,764,362	10,271,623
Operating Expenses:											
Personnel services	2,234,465	1,358,009	1,119,698	995,159	747,786	1,179,093	1,161,718	1,118,313	463,388	10,377,629	742,067
Maintenance and operations	3,189,764	2,119,425	2,490,940	2,039,923	714,159	1,268,493	357,569	587,282	910,847	13,678,402	9,647,737
Depreciation and amortization	2,192,633	1,341,792	186,620	266,520	286,681	174,950	10,326	244,303	230,528	4,934,353	37,095
Total operating expenses	7,616,862	4,819,226	3,797,258	3,301,602	1,748,626	2,622,536	1,529,613	1,949,898	1,604,763	28,990,384	10,426,899
Operating Income (Loss)	2,156,154	1,611,111	220,417	(770,309)	269,765	(221,138)	(51,386)	(1,879,071)	438,435	1,773,978	(155,276)
Nonoperating Revenues (Expenses):											
Intergovernmental	395,073	27,157	21,444	545,853	14,265	14,076	21,874	1,328,936	10,180	2,378,858	38,993
Investment earnings	1,142,094	631,795	209,377	110,091	114,687	(1,293)	116,838	31,227	126,344	2,481,160	42,155
Interest expense	(143,150)	(55,950)	-	-	(222,545)	(59,765)	-	-	(51,519)	(532,929)	-
Sale of capital assets	-	-	-	-	-	-	-	42,710	-	42,710	4,827
Total nonoperating revenues (expenses)	1,394,017	603,002	230,821	655,944	(93,593)	(46,982)	138,712	1,402,873	85,005	4,369,799	85,975
Settlements - insurance	-	-	-	-	-	-	-	-	-	-	-
Transfers in	2,601	1,663	27,189	276,289	871	108,484	1,316	448,376	235,100	1,101,889	717
Transfers out	(41,491)	(18,805)	(279,567)	(30,441)	-	-	-	-	-	(370,304)	(46,677)
Change in Net Position	3,511,281	2,196,971	198,860	131,483	177,043	(159,636)	88,642	(27,822)	758,540	6,875,362	(115,261)
Net Position:											
Beginning of year	97,277,831	59,717,262	3,117,455	3,987,162	8,904,247	397,053	1,375,802	2,350,693	5,757,960	182,885,465	1,441,950
End of year	<u>\$ 100,789,112</u>	<u>\$ 61,914,233</u>	<u>\$ 3,316,315</u>	<u>\$ 4,118,645</u>	<u>\$ 9,081,290</u>	<u>\$ 237,417</u>	<u>\$ 1,464,444</u>	<u>\$ 2,322,871</u>	<u>\$ 6,516,500</u>	<u>\$ 189,760,827</u>	<u>\$ 1,326,689</u>

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

Change in net position - total enterprise funds	6,875,362
Adjustment to reflect the consolidation of fleet services internal service funds activities related to enterprise funds	(33,459)
Change in net position of business-type activities	<u>\$ 6,841,903</u>

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2024

	Business-type Activities										
	Water	Wastewater	Solid Waste	Transfer Station	Parking	Golf Course	Building	Transit (Bus)	City-County Administration Building	Total Enterprise Funds	Internal Service
Cash Flows From Operating Activities:											
Receipts from customers and users	\$ 9,615,120	\$ 6,372,983	\$ 3,993,375	\$ 2,541,539	\$ 1,793,033	\$ 2,501,341	\$ 1,785,307	\$ 71,064	\$ 2,043,198	\$ 30,716,960	\$ 135,967
Receipts from interfund services provided	-	-	-	-	-	-	-	-	-	-	10,127,023
Payments to suppliers	(1,487,175)	(984,778)	(1,702,963)	(1,393,581)	(491,488)	(953,608)	(222,408)	(218,957)	(644,365)	(8,099,323)	(1,648,281)
Payments to employees	(2,128,298)	(1,347,805)	(1,037,031)	(1,029,209)	(701,710)	(1,115,888)	(1,101,804)	(1,064,962)	(443,943)	(9,970,650)	(666,024)
Payment for interfund services used	(1,233,053)	(1,056,471)	(736,239)	(657,306)	(164,076)	(305,263)	(129,430)	(357,298)	(237,277)	(4,876,413)	(8,052,430)
Net cash provided by (used in) operating activities	4,766,594	2,983,929	517,142	(538,557)	435,759	126,582	331,665	(1,570,153)	717,613	7,770,574	(103,745)
Cash Flows From Non-Capital Financing Activities:											
Transfers from other funds	2,601	1,663	27,189	276,289	871	108,484	1,316	448,376	235,100	1,101,889	717
Transfers to other funds	(41,491)	(18,805)	(279,567)	(30,441)	-	-	-	-	-	(370,304)	(46,677)
Operating grants	-	-	-	-	-	-	-	1,291,029	-	1,291,029	-
Contributions from other governments	395,073	27,157	21,444	545,853	14,265	14,076	21,874	-	42,681	1,082,423	38,993
Net cash provided by (used in) non-capital financing activities	356,183	10,015	(230,934)	791,701	15,136	122,560	23,190	1,739,405	277,781	3,105,037	(6,967)
Cash Flows From Capital and Related Financing Activities:											
Proceeds from capital debt/insurance settlements	-	848,581	-	-	-	184,195	-	-	341,457	1,374,233	-
Principal payments - bonds	(748,000)	(116,000)	-	-	(438,161)	-	-	-	-	(1,302,161)	-
Principal payments - loans	-	-	-	-	-	(129,233)	-	-	(100,604)	(229,837)	-
Principal payments - leases	-	-	-	-	-	-	-	-	(7,329)	(7,329)	-
Interest payments	(162,101)	(40,016)	-	-	(227,157)	(57,413)	-	-	(46,275)	(532,962)	-
Acquisition and construction of capital assets	(4,922,168)	(1,769,312)	(778,321)	(652,558)	(120,141)	(191,090)	-	-	(830,225)	(9,263,815)	(58,142)
Lease receivable	-	-	-	-	183,854	-	-	-	-	183,854	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	42,710	-	42,710	4,827
Net cash provided by (used in) capital and related financing activities	(5,832,269)	(1,076,747)	(778,321)	(652,558)	(601,605)	(193,541)	-	42,710	(642,976)	(9,735,307)	(53,315)
Cash Flows From Investing Activities:											
Interest received	1,142,094	631,795	209,377	110,091	114,687	(1,293)	116,838	31,227	126,344	2,481,160	42,155
Net cash provided by (used in) investing activities	1,142,094	631,795	209,377	110,091	114,687	(1,293)	116,838	31,227	126,344	2,481,160	42,155
Net increase/(decrease) in Cash and Cash Equivalents	432,602	2,548,992	(282,736)	(289,323)	(36,023)	54,308	471,693	243,189	478,762	3,621,464	(121,872)
Cash and Cash Equivalents:											
Beginning of year	20,257,864	10,539,259	4,494,198	2,452,411	686,665	36,731	1,950,803	501,914	2,049,388	42,969,233	1,833,907
End of year	\$ 20,690,466	\$ 13,088,251	\$ 4,211,462	\$ 2,163,088	\$ 650,642	\$ 91,039	\$ 2,422,496	\$ 745,103	\$ 2,528,150	\$ 46,590,697	\$ 1,712,035
Consists of:											
Cash and cash equivalents	\$ 19,879,111	\$ 11,544,417	\$ 4,211,462	\$ 2,163,088	\$ 650,522	\$ 91,039	\$ 2,422,496	\$ 745,103	\$ 2,528,150	\$ 44,235,388	\$ 1,712,035
Cash and cash equivalents - unspent debt proceeds	811,355	277,345	-	-	-	-	-	-	-	1,088,700	-
Cash and cash equivalent - cash with fiscal agent	-	-	-	-	120	-	-	-	-	120	-
Investments - restricted	-	1,266,489	-	-	-	-	-	-	-	1,266,489	-
	\$ 20,690,466	\$ 13,088,251	\$ 4,211,462	\$ 2,163,088	\$ 650,642	\$ 91,039	\$ 2,422,496	\$ 745,103	\$ 2,528,150	\$ 46,590,697	\$ 1,712,035
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:											
Operating income (loss)	\$ 2,156,154	\$ 1,611,111	\$ 220,417	\$ (770,309)	\$ 269,765	\$ (221,138)	\$ (51,386)	\$ (1,879,071)	\$ 438,435	\$ 1,773,978	\$ (155,276)
Adjustments to reconciled operating income to net cash provided by (used in) operating activities:											
Depreciation and amortization	2,192,633	1,341,792	186,620	266,520	286,681	174,950	10,326	244,303	230,528	4,934,353	37,095
Change in:											
Receivables	(338,856)	(46,513)	6,192	10,246	41,893	-	307,080	237	-	(19,721)	(8,633)
Inventories	180,960	(10,841)	(30,492)	-	(15,793)	99,943	-	-	-	223,777	5,454
Lease receivable	-	-	-	-	(251,458)	-	-	-	-	(251,458)	-
Pension and OPEB related deferred outflows of resources	(15,760)	2,326	(16,673)	3,300	(12,205)	(4,360)	(2,528)	(18,189)	(4,705)	(68,794)	(5,001)
Accounts payable and other current liabilities	710,830	78,176	40,265	(10,964)	58,595	15,996	5,731	11,027	29,205	938,861	(58,428)
Customer deposits	(241,294)	-	(5,158)	-	-	(6,374)	-	-	-	(252,826)	-
Compensated absences	-	12,774	(7,572)	1,347	(8,570)	10,710	21,510	1	(227)	29,973	8,285
Landfill post-closure costs payable	-	-	16,631	-	-	-	-	-	-	16,631	-
Net pension liability	190,035	61,993	136,143	39,113	95,795	58,340	70,655	147,115	49,504	848,693	56,175
Other postemployment benefits	9,037	5,058	4,031	3,192	3,027	3,828	3,978	4,627	2,753	39,531	3,367
Pension and OPEB related deferred inflows of resources	(77,145)	(71,947)	(33,262)	(81,002)	(31,971)	(5,313)	(33,701)	(80,203)	(27,880)	(442,424)	13,217
Total adjustments	2,610,440	1,372,818	296,725	231,752	165,994	347,720	383,051	308,918	279,178	5,996,596	51,531
Net cash provided by (used in) operating activities	\$ 4,766,594	\$ 2,983,929	\$ 517,142	\$ (538,557)	\$ 435,759	\$ 126,582	\$ 331,665	\$ (1,570,153)	\$ 717,613	\$ 7,770,574	\$ (103,745)

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUND

JUNE 30, 2024

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 15,985
Total Assets	15,985
Liabilities	
Accounts payable	750
Total Liabilities	750
Net Position	
Net Position Restricted for individuals, organizations, and other governments	\$ 15,235

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

CUSTODIAL FUND

YEAR ENDED JUNE 30, 2024

	Custodial Funds
Additions:	
Contributions:	
Bail funds	\$ 50,081
Restitution	73,746
Total contributions	123,827
Deductions:	
Distributions of funds to other governments:	
Bail funds	45,334
Restitution	63,258
Total deductions	108,592
Increase (Decrease) in Fiduciary Net Position	15,235
Net Position:	
Beginning of year	-
End of year	\$ 15,235

See accompanying notes to financial statements.

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

Component Units

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

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

Related Organizations

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

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

Government-Wide and Fund Financial Statements

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

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

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

funds and internal service funds, while the business-type activities incorporate data from the City's enterprise funds. 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 has elected to report all enterprise funds as major.

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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.

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

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

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

Additionally, the City reports the following fund types:

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

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide and Governmental Funds

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

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

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

revenue items are considered to be measurable and available only when cash is received by the City.

Under the terms of grant agreements and State law, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues. In accordance with provisions of Montana statutes, the City finances both capital improvements and certain services deemed to benefit specific properties by levying special assessments against the benefited properties. Special assessments are levied against property in a manner similar to ad valorem property taxes.

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

Proprietary Funds

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

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

Cash

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

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

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

Investments

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

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

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

- U.S. government and U.S. agency obligations,
- interest-bearing savings accounts, certificates of deposits and time deposits insured by the Federal Deposit Insurance Corporation or which are fully collateralized,
- short-term discount obligations of the Federal National Mortgage Association or in shares of savings and loan associations insured by the Federal Savings and Loan Insurance Corporation and its successor,

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

- State of Montana Short-term Investment Pool and repurchase agreements where there is a master repurchase agreement.

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

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

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 statements. All amounts are eliminated in the government-wide statement of net position other than any outstanding balances between governmental-type and business-type activities that are classified as "internal balances."

All trade, taxes, and assessment receivables are shown net of an allowance for uncollectible amounts. Receivables are reviewed prior to year-end and written off if older than 360 days and not secured by real property. Water and wastewater receivables constitute a lien on the property per City ordinance and are passed to the new property owner if necessary. The only uncollectible amounts incurred in these funds are immaterial and relate to bankruptcy proceedings that are written off immediately after court proceedings are finalized. As such, there is no allowance for uncollectible accounts as of June 30, 2024.

Property taxes are levied and collected by the County and are payable in two installments due November 30 and May 31. The County assesses penalties and interest after these dates and writes off receivables when uncollectible. Uncollectible taxes result from protested taxes. As of June 30, 2024, 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 FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Inventories

Inventories 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.

Restricted Assets

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

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

Capital Assets

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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.

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

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

Unavailable Revenue

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

Compensated Absences

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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 at June 30, 2024.

Long-Term Obligations

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

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

Pensions

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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.

Postemployment Benefits Other Than Pensions (OPEB)

The City accounts for postemployment benefit obligations in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The City allows retirees, their dependents, and spouses to retain health insurance coverage under its plans. As of June 30, 2024, the City provides no explicit OPEB benefits.

Deferred Outflows/Inflows of Resources

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

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

Leases

Lessor

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and any extensions that are deemed reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Lessee

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

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

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

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

Subscription-Based Information Technology Arrangements (SBITA)

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

Refunding Transactions

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

Fund Balance

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

- Nonspendable – This category represents funds that are not in spendable form and includes inventories and the non-current portion of loans receivable.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the City's highest level of decision-making authority. Since the City Commission is the highest level of decision-making authority for the City, they can make such a commitment through a resolution prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the City Commission.

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

- Assigned – This category represents intentions of the City to use the funds for specific purposes but do not meet the criteria to be classified as committed. The City Commission has, by resolution, authorized the City Manager to assign fund balance.
- Unassigned – This category includes balances that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the General Fund. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed restricted, committed, or assigned balances in other funds, a negative unassigned fund balance is reported.

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

Net Position

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Net investment in capital assets is calculated as follows:

	Governmental Activities	Business-Type Activities
Capital assets:	\$ 209,058,161	\$ 338,576,436
Less: accumulated depreciation/amortization	(58,634,364)	(168,585,813)
Less: outstanding principal of capital-related borrowings	(4,431,827)	(17,877,295)
Plus: capital-related deferred outflows	-	418,376
Plus: unspent proceeds on capital-related borrowings	-	1,088,700
	<u>\$ 145,991,970</u>	<u>\$ 153,620,404</u>

- Restricted – the restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Two categories are used to further describe restricted net position:
 - Expendable – can be expended in compliance with the external restriction
 - Nonexpendable – net position that is required to be retained in perpetuity
- Unrestricted – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

Grant Revenue

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

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

Budgets and Budgetary Accounting

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

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

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

For fiscal year 2024, the City levied 148.77 mills including a 105.70 all-purpose mill levy, a 27.51 group health insurance mill levy, a 9.98 voter approved fire safety mill levy, and a 5.58 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 1st of each year. A copy of the final budget is available for review in the City Clerk's office located at 316 North Park Avenue, Helena, Montana and at the City's

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

website at www.helenamt.gov. The tax levies and special assessments are forwarded to the County Treasurer for collection.

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

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

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

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

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

The City had no violations of budget law for fiscal year 2024. During fiscal year 2024, the City experienced a budget deficit in the CARES/ARPA, Light Maintenance Districts, Special Improvement Districts Revolving, and Sidewalk Loans funds. The deficits arose primarily due to transfers between funds, or a decrease in special assessments charged in the Light Maintenance Districts fund. The budget deficits are offset by the City's General Fund unassigned fund balance.

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Estimates

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

Adopted Pronouncements

The following GASB Statement was adopted for the year ended June 30, 2024: Statement No. 100 (Accounting Changes and Error Corrections). This statement had no significant impact on the City's financial statements for the year ended June 30, 2024.

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 101 (Compensated Absences), 102 (Certain Risk Disclosures), 103 (Financial Reporting Model Improvements), and 104 (Disclosure of Certain Capital Assets). Management has not yet determined the impact of these statements on the financial statements.

2. Deposits and Investments

As of June 30, 2024, the deposits and investments of the City had the following bank balances:

Primary government	\$ 105,698,199
Component units:	
BID	330,609
TBID	418,588
	<hr/>
	\$ 106,447,396

As of June 30, 2024, the entire cash balance was covered by an irrevocable, unconditional, and nontransferable Letter of Credit from Federal Home Loan Bank.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Along with limitations placed on investments by

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

state law, the City minimizes custodial credit risk by restrictions set forth in City policy. The City's administrative services department maintains a listing of financial institutions and securities dealers, not affiliated with a bank, which are approved for investment purposes. City policy requires that specific safeguards against risk of loss be evidenced when the City does not physically hold securities.

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

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The City's investment policies do not specifically address credit risk. However, they do address it indirectly by limiting investments to those described in Note 1.

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

3. Accounts/Other Receivables

Receivables represent services provided and billed as of June 30, 2024. The following represents a breakdown by fund type of outstanding balances as of June 30, 2024.

Funds	Accounts Receivable				
	Taxes	Accounts	Special Assessments	Intergovernmental	Total
Governmental funds:					
General	\$ 830,287	\$ 170,374	\$ -	\$ -	\$ 1,000,661
Streets	-	14,239	655,634	-	669,873
Nonmajor governmental	234,989	10,579	142,335	12,812	400,715
Proprietary funds:					
Water	-	1,472,290	1,312	-	1,473,602
Wastewater	-	543,795	3,410	-	547,205
Solid waste	-	148,657	48,795	-	197,452
Transfer Station	-	118,408	-	-	118,408
Golf Course	-	198	-	-	198
Building	-	63,915	-	-	63,915
Transit (Bus)	-	-	-	288,228	288,228
City-County Administration	-	-	-	-	-
Building	-	657	-	-	657
Internal service	-	34,620	-	-	34,620
	<u>\$ 1,065,276</u>	<u>\$ 2,577,732</u>	<u>\$ 851,486</u>	<u>\$ 301,040</u>	<u>\$ 4,795,534</u>

Discretely presented component unit receivables of \$125,668 and \$103,688 for the BID and TBID, respectively, include special assessments and miscellaneous receivables. Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

4. Interfund Receivables, Payables, and Transfers

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

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General	\$ 740,682	\$ 2,914,008
Streets	122,948	139,000
Nonmajor governmental	<u>2,649,622</u>	<u>1,145,869</u>
Total governmental funds	<u>3,513,252</u>	<u>4,198,877</u>
Proprietary Funds:		
Water	2,601	41,491
Wastewater	1,663	18,805
Solid Waste	27,189	279,567
Transfer Station	276,289	30,441
Parking	871	-
Golf Course	108,484	-
Building	1,316	-
Transit (Bus)	448,376	-
City-County Administration Building	235,100	-
Internal Service	<u>717</u>	<u>46,677</u>
Total proprietary funds	<u>1,102,606</u>	<u>416,981</u>
	<u>\$ 4,615,858</u>	<u>\$ 4,615,858</u>

The General Fund transferred a total of \$2,914,008 to other funds as of June 30, 2024. Of this, \$827,098 was transferred to the General Capital Fund for annual capital items for facilities, parks and police; \$218,000 was transferred to the Parks Capital Fund to support a public restroom project in the downtown area and a long-term recreation plan study; \$240,000 was transferred to General Capital Fund to support renewable energy projects; \$150,000 was transferred to support the sidewalk loan program; \$360,900 was transferred to the City/County Buildings and Facilities Fund for building improvement projects; \$447,000 was transferred to the Transit (Bus) Fund for matching operating dollars; \$360,000 transferred to the Civic Center to support maintenance of the building; \$100,000 was transferred to the Affordable Housing Trust Fund (annual transfer); \$80,000 was transferred for the renewable energy loan program; \$13,000 was transferred for public arts projects;

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

\$10,910 was transferred for Public Education capital and operations; and \$107,100 was transferred to the Golf Course Fund to support debt service.

Each year, the General Liability Fund transfers a discount from the insurer back to the funds that participate in the program. In Fiscal Year 2024, the total amount transferred to other funds was \$46,677.

In addition, the Solid Waste fund transfers tipping fees to the Transfer Station, which totaled \$276,289.

Internal service fund receivable/(payable) balances as of June 30, 2024 are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Internal service funds - governmental activities funds	\$ (1,151,818)	\$ 1,151,818
Internal services funds - business-type funds	<u>108,256</u>	<u>(108,256)</u>
	<u>\$ (1,043,562)</u>	<u>\$ 1,043,562</u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

5. Loans Receivable

Loans receivable as of June 30, 2024 include the following:

Governmental activities:

3% Loan receivable from Artisan LLP; due in monthly payments beginning August 1, 2001 through April 2034; secured by real property (a)	\$	369,302
0% Alternative Energy Loan Program; secured by tax lien on property (b)		337,313
0% Sidewalk Replacement Loan Program; secured by tax lien on property (c)		484,351

Business-Type activities:

0% Water Infrastructure Rebate Program; secured by lien on property (d)		7,666
0% Service Line Infrastructure Rebate Program; secured by lien on property (d)		162,592
0% Wastewater Infrastructure Rebate Program; secured by lien on property (d)		102,583
0% Service Line Infrastructure Rebate Program; secured by lien on property (d)		<u>324,360</u>
	\$	<u><u>1,788,167</u></u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

years on their tax bill with zero percent interest. The tax assessments constitute a first lien on the property under State law.

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

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

Year Ending June 30,	Governmental Funds		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 177,456	\$ 10,629	\$ 53,399	\$ -
2026	160,132	9,627	53,399	-
2027	134,189	8,594	53,399	-
2028	127,447	7,531	53,399	-
2029	81,097	6,435	53,399	-
2030-2034	508,924	14,543	174,076	-
2035-2039	1,721	-	6,434	-
Deferred *	-	-	149,696	-
	<u>\$ 1,190,966</u>	<u>\$ 57,359</u>	<u>\$ 597,201</u>	<u>\$ -</u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

6. Capital Assets

Capital asset activity for the year ended June 30, 2024 for the primary government was as follows:

	Beginning Balance at July 1, 2023	Additions	Deletions	Ending Balance at June 30, 2024
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 84,844,395	\$ -	\$ -	\$ 84,844,395
Construction in progress	8,726,702	2,693,816	(8,807,079)	2,613,439
Total capital assets, not being depreciated/amortized	93,571,097	2,693,816	(8,807,079)	87,457,834
Capital assets, being depreciated/amortized:				
Buildings	11,294,217	178,832	-	11,473,049
Improvements other than buildings	18,279,349	386,889	-	18,666,238
Machinery and equipment	24,186,600	2,717,122	(979,241)	25,924,481
Right-of-use lease equipment	13,671	-	(13,671)	-
Subscription-based information technology arrangement	-	2,982,097	-	2,982,097
Infrastructure	55,603,569	6,950,893	-	62,554,462
Total capital assets, being depreciated/amortized	109,377,406	13,215,833	(992,912)	121,600,327
Less accumulated depreciation/amortization:				
Buildings	(7,695,314)	(217,849)	-	(7,913,163)
Improvements other than buildings	(10,341,798)	(515,148)	-	(10,856,946)
Machinery and equipment	(15,582,715)	(1,889,260)	979,114	(16,492,861)
Right-of-use lease equipment	(11,020)	(2,651)	13,671	-
Subscription-based information technology arrangement	-	(596,420)	-	(596,420)
Infrastructure	(21,746,416)	(1,028,558)	-	(22,774,974)
Total accumulated depreciation/ amortization	(55,377,263)	(4,249,886)	992,785	(58,634,364)
Total capital assets, being depreciated/ amortized, net	54,000,143	8,965,947	(127)	62,965,963
Governmental activities capital assets, net	\$ 147,571,240	\$ 11,659,763	\$ (8,807,206)	\$ 150,423,797

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

	Beginning Balance at July 1, 2023	Additions	Deletions	Ending Balance at June 30, 2024
Business-Type Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 48,264,650	\$ 307,054	\$ -	\$ 48,571,704
Construction in progress	13,667,558	6,696,331	(6,457,831)	13,906,058
Total capital assets, not being depreciated/amortized	61,932,208	7,003,385	(6,457,831)	62,477,762
Capital assets, being depreciated/amortized:				
Building	49,069,940	112,378	-	49,182,318
Improvements other than buildings	5,879,834	306,077	-	6,185,911
Machinery and equipment	19,158,467	1,911,952	(241,560)	20,828,859
Right-of-use lease equipment	37,183	-	-	37,183
Infrastructure	193,422,485	6,441,918	-	199,864,403
Total capital assets, being depreciated/amortized	267,567,909	8,772,325	(241,560)	276,098,674
Less accumulated depreciation/amortization				
Building	(23,969,084)	(1,028,223)	-	(24,997,307)
Improvements other than buildings	(3,842,588)	(300,263)	-	(4,142,851)
Machinery and equipment	(13,519,924)	(1,254,373)	239,065	(14,535,232)
Right-of-use lease equipment	(8,534)	(7,315)	-	(15,849)
Infrastructure	(122,513,300)	(2,381,274)	-	(124,894,574)
Total accumulated depreciation/amortization	(163,853,430)	(4,971,448)	239,065	(168,585,813)
Total capital assets, being depreciated/ amortized, net	103,714,479	3,800,877	(2,495)	107,512,861
Business-type activities capital assets, net	\$165,646,687	\$ 10,804,262	\$ (6,460,326)	\$169,990,623

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

Governmental activities:

General government	\$ 548,144
Public safety	1,176,674
Public works	1,710,174
Public health	748
Culture and recreation	806,978
Internal service funds *	<u>7,168</u>
Total depreciation and amortization expense - governmental activities	<u><u>\$ 4,249,886</u></u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

7. Long-Term Liabilities

General Obligation Bonds

As of June 30, 2024, the outstanding general obligation indebtedness of the City was as follows:

Governmental:

2017 General Obligation Refunding Bonds, 3.0% interest payable in annual installments of \$400,000 to \$565,000, final scheduled payment January 1, 2028.	\$ 2,145,000
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Business-Type:

2015 Limited General Obligation Bonds, 2.4% interest payable in annual installments of \$10,000 to \$90,000, final scheduled payment August 15, 2025.	180,000
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2017 Limited General Obligation Bonds, 2.75% interest payable in annual installments of \$85,000 to \$140,000, final scheduled payment February 15, 2037.	1,545,000
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Total general obligation bonds outstanding	3,870,000
Less: current portion	(690,000)
	<u>\$ 3,180,000</u>

In November 2007, the electors of the City authorized the Commission to issue \$7,850,000 of general obligation bonds to finance major improvements at Centennial Park, Memorial Park pool, and Kindrick-Legion baseball field. The bonds were issued in April 2008. The 2008 General Obligation Parks bonds were general obligations of the City and the City's general credit and taxing powers were pledged for the payment of principal and interest thereon. These bonds were refunded on February 28, 2017, when the City issued \$5,180,000 of General Obligation Refunding Bonds, Series 2017, with an interest rate of 3.0 percent to advance refund \$5,525,000 of outstanding 2008 Series bonds with a true interest rate of 3.77 percent. Principal and interest paid for the current year on the refunding bonds was \$558,780.

In June 2015, the City issued \$845,000 of General Refunding Bonds, Series 2015 with an interest rate of 2.4 percent to refund the General Fund Bonds, Series 2005. The original Series 2005 bonds were issued to finance improvements in the downtown area, including construction of the Jackson Street parking garage. The City has pledged the revenues of the General Fund to repay these refunding bonds. However, the bonds are not subject to the City's debt limit, as the City is not obligated to levy taxes for repayment. These bonds are

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

expected to be paid solely from parking net revenues and are payable through 2025. Principal and interest paid for the current year on the refunding bonds was \$91,071.

In November 2017, the City issued \$2,100,000 of General Bonds, Series 2017 with an interest rate of 2.75 percent for a major expansion to the City's golf course pro shop and restaurant. The City has pledged the revenues of the General Fund to repay these bonds. However, these bonds are expected to be paid solely from golf course net revenues and are payable through 2037. These bonds were bank qualified, and all were purchased by a local bank. Principal and interest paid for the current year on the refunding bonds was \$145,238.

Year Ending June 30,	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2025	\$ 500,000	\$ 64,350	\$ 190,000	\$ 45,731
2026	530,000	49,350	195,000	40,810
2027	550,000	33,450	105,000	36,850
2028	565,000	16,950	110,000	33,963
2029	-	-	110,000	30,938
2030-2034	-	-	610,000	106,976
2035-2037	-	-	405,000	22,551
	<u>\$ 2,145,000</u>	<u>\$ 164,100</u>	<u>\$ 1,725,000</u>	<u>\$ 317,819</u>

Certificates of Participation

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

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

Payments are made using the garage lease receipts and other downtown parking revenues. The City has pledged the revenues of the General Fund to repay the COPs principal and

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 330,000	\$ 158,250
2026	335,000	151,650
2027	345,000	144,113
2028	350,000	136,350
2029	355,000	129,350
2030-2034	1,950,000	498,000
2035-2039	<u>2,240,000</u>	<u>191,200</u>
	<u>\$ 5,905,000</u>	<u>\$ 1,408,913</u>

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Revenue Indebtedness (Loans):

As of June 30, 2024, the outstanding business-type activities revenue indebtedness of the City is as follows:

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

Series 2012 Refunding, in the amount of \$2,072,000, due July 1, 2025; 2.25% interest, 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.	\$ 271,000
Series 2012 Refunding, in the amount of \$1,325,000, due January 1, 2027; 2.25% interest, 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.	330,000
Series 2016, in the amount of \$660,666 due July 1, 2036; 2.50% interest, 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.	451,000
Series 2019, in the amount of \$5,211,112, due July 1, 2036; 2.50% interest, 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.	4,210,000
Series 2019 Refunding, in the amount of \$2,754,000, due July 1, 2040; 2.00% interest, payable from the Wastewater Fund in semi-annual installments of \$53,000 to \$84,000 beginning January 1, 2020, redeemable on any date with the permission of the State.	2,307,000
Series 2023 Refunding, in the amount of \$848,841, due July 1, 2044; 2.50% interest, payable from the Wastewater Fund in remaining semi-annual installments of \$17,000 to \$26,000 beginning July 1, 2024, redeemable on any date with permission of the State.	<u>848,581</u>
Total outstanding	\$ 8,417,581
Less: current portion	<u>(695,581)</u>
	<u><u>\$ 7,722,000</u></u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

operating income over debt service requirements of 110 percent for water and 125 percent for wastewater; and 3) require specific and timely reporting of financial information to bond holders and the registrar. The City complied with these provisions during the current fiscal year.

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

Year Ending June 30,	Principal	Interest
2025	\$ 695,581	\$ 205,427
2026	621,000	188,596
2027	542,000	155,215
2028	440,000	143,343
2029	450,000	133,145
2030-2034	2,433,000	478,551
2035-2039	2,652,000	208,986
2040-2044	584,000	16,798
	<u>\$ 8,417,581</u>	<u>\$ 1,530,061</u>

Loans

The City borrows money from the State of Montana, Board of Investments INTERCAP loan program. The loans bear interest at a variable rate based on the State's annual cost of borrowing. Loans payable and the current rate as of June 30, 2024 are as follows:

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Governmental:

Fire - New Fire Ladder Truck Loan, Series 2021: annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date June 22, 2021, with a loan amount of \$810,000, semi-annual payments of varying amounts with a maturity date of February 15, 2031; secured by real property. Current rate - 5.75%

\$	618,914
	(78,332)
\$	<u>540,582</u>

Less: current portion

Business-Type:

Golf INTERCAP Loan, Series 2014 (Irrigation Improvements): annual adjustable interest rate INTERCAP Revolving Loan from the Montana Board of Investments; agreement dated December 5, 2014 with a loan amount of \$600,000, semi-annual payments of varying amounts with a maturity date of February 15, 2030; Current rate - 5.75%

\$ 181,652

CCAB Cooling System INTERCAP Loan, Series 2020: annual adjustable rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date June 29, 2020 with a loan amount of \$750,000, semi-annual payments of varying amounts with a maturity date of August 15, 2030; Current rate - 5.75%

508,044

Parking Meter Project INTERCAP Loan Series 2020: annual adjustable rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement dated November 1, 2019 with a loan amount of \$560,242, semi-annual payments of varying amounts with a maturity date of February 15, 2030; Current rate - 5.75%

358,296

City-County Law & Justice Building Loan, Series 2021: annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement date June 24, 2021, with a loan amount of \$650,000, semi-annual payments of varying amounts with a maturity date of August 15, 2032; secured by real property. Current rate - 5.75%

576,773

Golf INTERCAP Loan, Series 2024 (Golf Carts): annual adjustable interest rate INTERCAP Revolving Loan to the City from the Montana Board of Investments; agreement dated November 3, 2023, with a loan amount of \$184,195, semi-annual payments of varying amounts with a maturity date of February 15, 2034; Current rate - 5.75%

184,195

Total outstanding
Less: current portion

1,808,960
(238,755)

\$ 1,570,205

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

Year Ending June 30,	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2025	\$ 78,332	\$ 29,234	\$ 238,755	\$ 92,712
2026	79,631	20,780	246,338	62,907
2027	80,950	17,582	254,134	52,741
2028	82,291	14,330	262,239	42,245
2029	83,654	11,025	270,613	31,410
2030-2034	214,056	12,742	536,881	37,275
	<u>\$ 618,914</u>	<u>\$ 105,693</u>	<u>\$ 1,808,960</u>	<u>\$ 319,290</u>

Subscription Based Information Technology Agreement (SBITA)

During the year ended June 30, 2023, the City entered into an agreement with a vendor to allow the City to use their cloud based enterprise resource planning software system. This agreement qualifies as a SBITA under GASB Statement No. 96. The agreement is for a term of five years beginning January 2023, with payments made on a quarterly basis through December 2023 and a yearly basis beginning January 2024. The agreement has an assumed interest rate of 5.75%. As of June 30, 2024, the value of the subscription asset was \$2,137,440 and had accumulated amortization of \$427,519.

During the year ended June 30, 2024, the City entered into an agreement with a vendor to allow the City to use their cloud based records management software system. This agreement qualifies as a SBITA under GASB Statement No. 96. The agreement is for a term of five years beginning September 2023, with payments made on an annual basis through September 2028. The agreement has an assumed interest rate of 5.75%. As of June 30, 2024, the value of the subscription asset was \$844,657 and had accumulated amortization of \$168,901.

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Year Ending June 30,	Governmental	
	Principal	Interest
2025	\$ 382,688	\$ 95,905
2026	404,693	73,900
2027	427,962	50,631
2028	452,570	26,022
	<u>\$ 1,667,913</u>	<u>\$ 246,458</u>

Changes in Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2024:

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024	Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 2,625,000	\$ -	\$ (480,000)	\$ 2,145,000	\$ 500,000
Loans	694,714	-	(75,800)	618,914	78,332
Advances	-	-	-	-	-
Compensated absences *	2,444,709	1,603,143	(1,202,436)	2,845,416	1,612,704
Other postemployment benefits *	2,230,563	106,193	-	2,336,756	-
Pension *	17,581,935	912,163	-	18,494,098	-
Lease obligations	806	-	(806)	-	-
SBITAs	1,012,594	1,017,199	(361,880)	1,667,913	382,688
Long-term liabilities	<u>\$ 26,590,321</u>	<u>\$ 3,638,698</u>	<u>\$ (2,120,922)</u>	<u>\$ 28,108,097</u>	<u>\$ 2,573,724</u>
<u>Business-Type Activities</u>					
General obligation bonds	\$ 1,915,000	\$ -	\$ (190,000)	\$ 1,725,000	\$ 190,000
Loans	1,466,190	525,652	(182,882)	1,808,960	238,755
Certificates of participation	6,230,000	-	(325,000)	5,905,000	330,000
Revenue indebtedness	8,433,000	848,581	(864,000)	8,417,581	695,581
Compensated absences *	821,736	446,850	(408,592)	859,994	478,684
Other postemployment benefits *	836,917	42,898	-	879,815	-
Pension *	7,164,190	842,214	-	8,006,404	-
Landfill post-closure	1,885,594	134,480	(117,849)	1,902,225	126,815
Lease obligations	28,083	-	(7,329)	20,754	7,445
	<u>\$ 28,780,710</u>	<u>\$ 2,840,675</u>	<u>\$ (2,095,652)</u>	<u>\$ 29,525,733</u>	<u>\$ 2,067,280</u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Forestry Maintenance District funds. The liability for landfill post-closure costs is liquidated from the Solid Waste Fund.

Legal Debt Margin

The City is subject to a debt limit that is 250 percent of the three-year average of the full valuation of taxable real property. At June 30, 2024, the general obligation debt issued by the City did not exceed its legal debt margin as demonstrated by the following computation:

Total assessed value of taxable property (market value)	\$ 6,098,033,385
General limitation percentage	<u>2.50%</u>
General limit of indebtedness	<u>\$ 152,450,835</u>
Outstanding General Obligation bonds as of June 30:	
Outstanding loans subject to limitation *	<u>3,870,000</u>
Excess limit over outstanding margin	<u><u>\$ 148,580,835</u></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.

8. Employee Benefit Plans

Pension Plans

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

The Montana Public Employees Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred inflows of resources and deferred outflows of resources related to

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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 is as follows:

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

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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 PERB by the City. Membership service is used to determine the membership service factor and vesting. One hour reported in a month will result in one month of membership service.

The Membership Service Factor is:

Members hired prior to July 1, 2011:

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

Members hired on or after July 1, 2011:

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Highest Average Compensation (HAC)

HAC is a member's highest average monthly compensation:

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

Service Credit

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

Guaranteed Annual Benefit Adjustment (GABA)

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

Benefit Calculation

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

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

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

Service Credit

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

Final Average Compensation (FAC)

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

- 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 one to 60 months. While participating in DROP, monthly benefit payments accumulate in the MPORS trust fund in a separate DROP account. DROP participants and their employers continue to pay regular contributions. When employment is terminated, the DROP benefit is paid to the participant in addition to retirement benefits.

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Benefit Calculation

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

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

Service Credit

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

Highest Average Compensation (HAC)

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Contribution Rates and Amounts

	<u>Employee</u>	<u>Employer</u>	<u>State</u>
PERS	7.90%	9.07%	0.10%
MPORS	5.80-9.00%	14.41%	29.37%
FURS - GABA	10.70%	14.36%	32.61%
FURS - NON-GABA	9.50%	14.36%	32.61%

	<u>City</u>					<u>State</u>
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2024</u>
PERS	\$ 2,755,391	\$ 1,443,683	\$ 1,257,895	\$ 1,149,783	\$ 1,084,186	\$ 503,323
MPORS	645,544	563,758	514,746	512,610	536,769	1,564,304
FURS	655,030	529,104	484,499	464,377	417,245	1,465,224

The State also contributes from the Coal Tax Severance Fund.

One hundred percent of required contributions were paid.

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

At June 30, 2024, 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	\$19,419,439	\$ 4,495,707	\$ 2,585,356	\$26,500,502
State's proportionate share of the net pension liability associated with the City	<u>5,365,071</u>	<u>9,073,305</u>	<u>5,867,829</u>	<u>20,306,205</u>
Total	<u>\$24,784,510</u>	<u>\$13,569,012</u>	<u>\$ 8,453,185</u>	<u>\$46,806,707</u>

The net pension liability was determined by an actuarial valuation as of June 30, 2023, with update procedures to roll forward to the measurement date of June 30, 2024. 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	0.7958%	1.9391%	1.7124%

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

For the year ended June 30, 2024, the City recognized pension expenses of \$7,588,816 and revenue of \$3,532,851 for support provided by the State. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources				
	PERS	MPORS	FURS	Total
Differences between expected and actual experience	\$ 773,443	\$ 58,787	\$ 239,215	\$ 1,071,445
Net difference between projected and actual investment earnings	49,271	63,111	67,937	180,319
Changes in assumptions	-	134,940	552,874	687,814
Changes in proportion and difference between City contributions and proportionate share of contributions	1,447,262	-	35,376	1,482,638
City contributions subsequent to the measurement date	1,565,807	598,095	533,363	2,697,265
Total	<u>\$ 3,835,783</u>	<u>\$ 854,933</u>	<u>\$ 1,428,765</u>	<u>\$ 6,119,481</u>

Deferred Inflows of Resources				
	PERS	MPORS	FURS	Total
Differences between expected and actual experience	\$ -	\$ 9,504	\$ 2,658	\$ 12,162
Net difference between projected and actual investment earnings	-	-	-	-
Changes in assumptions	692,645	58,613	-	751,258
Changes in proportion and difference between City contributions and proportionate share of contributions	-	111,921	-	111,921
City contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 692,645</u>	<u>\$ 180,038</u>	<u>\$ 2,658</u>	<u>\$ 875,341</u>

\$2,697,265 reported as deferred outflows of resources related to pensions from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Year Ending June 30,	PERS	MPORS	FURS	Total
2025	\$ 409,034	\$ (24,919)	\$ 197,646	\$ 581,761
2026	137,864	(134,963)	116,242	119,143
2027	1,148,301	256,243	439,612	1,844,156
2028	(117,868)	(19,561)	127,416	(10,013)
2029	-	-	11,828	11,828
	<u>\$ 1,577,331</u>	<u>\$ 76,800</u>	<u>\$ 892,744</u>	<u>\$ 2,546,875</u>

Actuarial Assumptions

The total pension liabilities (TPL) used to calculate the net pension liabilities was determined by actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Actuarial assumptions:

Investment rate of return	7.30%
Projected salary increases	3.50%
Underlying inflation rate	2.75%
Administrative expense average percentage of payroll	29.00%
Merit increases	0.00%-6.40%
Guaranteed annual benefit adjustment (GABA)	0.00%-3.00%

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and 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, 2024 and are summarized in the following table:

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

Target Allocations – The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

	1% Decrease (6.30%)	Current Discount Rate	1% Increase (8.30%)
PERS	\$ 28,051,308	\$ 19,419,439	\$ 12,178,072
MPORS	6,937,751	4,495,707	2,556,744
FURS	4,715,103	2,585,356	885,537
Total	<u>\$ 39,704,162</u>	<u>\$ 26,500,502</u>	<u>\$ 15,620,353</u>

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

9. Postemployment Benefits Other Than Pensions (OPEB)

Plan Description. In 2024, the City provided employee medical insurance through a single-employer plan run by the Montana Municipal Interlocal Authority (MMIA). The City also provided dental and vision through single-employer defined benefit plans. As required by state law (2-18-704, MCA), the City provides employees who retire and their spouses and dependents (retirees) the option to continue to participate in the City's group health insurance plans. To continue coverage, retirees are required to pay the full cost of the benefits. Rates are adjusted annually, and benefits altered to ensure the plans remain properly funded. The plan is not administered through a trust and assets are not accumulated in a trust to pay related benefits.

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Employees covered by benefit terms. At June 30, 2024, the following employees were covered by the benefit terms:

	Health	Dental	Vision
Inactive plan members or beneficiaries			
currently receiving benefits	16	83	96
Active plan members	333	334	333
Total plan members	349	417	429

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

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

The City's total OPEB liability of \$3,216,571 was measured as of June 30, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.34%
Projected salary increases	3.50%
Medical healthcare trend rates	9.80% for 2023, decreasing 4.60% in 2026, then decreasing 0.40 to 4.80% in 2040, then decreasing to an ultimate rate of 3.90% for 2074 and later years
Vision healthcare cost trend rate	2.00%
Dental healthcare cost trend rate	3.50%
Retiree's share of benefit-related costs	100% of projected premiums for retirees

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

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

Changes in the OPEB Liability

The changes in the net OPEB liability of the City for the year ended June 30, 2024 were as follows:

Balances at June 30, 2023	\$ 3,067,480
Changes for the year:	
Service cost	258,405
Interest	133,570
Changes in assumption	(89,310)
Benefit payments, including refunds	<u>(153,574)</u>
Net changes	<u>149,091</u>
Balances at June 30, 2024	<u>\$ 3,216,571</u>

Changes in Actuarial Assumptions. The interest rate for the measurement period ending June 30, 2024 was increased from 4.11% to 4.34%.

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 (3.34%) or 1 percentage point higher (5.34%) than the current discount rate:

	1% Decrease (3.34%)	Current Discount Rate	1% Increase (5.34%)
Total OPEB Liability	<u>\$ 3,562,156</u>	<u>\$ 3,216,571</u>	<u>\$ 2,913,243</u>

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 2,805,999</u>	<u>\$ 3,216,571</u>	<u>\$ 3,706,632</u>

At June 30, 2024, the City reported deferred outflows of resources 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	\$ -	\$ 5,354,926
Changes in assumptions	<u>492,110</u>	<u>443,069</u>
Total	<u>\$ 492,110</u>	<u>\$ 5,797,995</u>

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

Year Ending June 30,	
2025	\$ (412,115)
2026	(412,115)
2027	(412,115)
2028	(412,115)
2029	(412,115)
Thereafter	<u>(3,245,310)</u>
	<u>\$ (5,305,885)</u>

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

10. Joint Ventures

Lewis and Clark Library

In 1974, the City entered into an interlocal library contract with the County to create the Lewis and Clark Library (Library) located within the City of Helena. The five-member Board of Trustees consists of two members appointed by each government and one member 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, 2024 is:

Cash and investments	<u>\$ 5,037,595</u>
Total assets	5,037,595
Liabilities	<u>1,955,548</u>
Net position	<u>\$ 3,082,047</u>
Revenues	\$ 5,804,233
Expenses	<u>(4,219,595)</u>
Change in net position	<u>\$ 1,584,638</u>

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

11. Commitments and Contingencies

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

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

The City is also involved in contracts related to various construction projects. Contract commitments outstanding related to projects as of June 30, 2024 totaled approximately \$41.6 million.

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

12. Risk Management

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

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

In 1986, the City joined together with other Montana cities to form the Montana Municipal Interlocal Authority, which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort action are \$750,000 per individual and \$1.5 million per occurrence with an \$11,250

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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 2024 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.

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 year ended June 30, 2024:

Claims payable, July 1	\$ 92,566
Claims incurred/claim adjustments	370,493
Claims paid/claim adjustments	<u>(370,817)</u>
Claims payable, June 30	<u>\$ 92,242</u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

13. Landfill Post-closure Care Costs

In November of 1993, the City discontinued using their landfill operation. Final closure status was granted to this facility in January 2000. State and Federal laws require the City to monitor the site for thirty subsequent years or longer when the state determines it is necessary to ensure protection of human health and the environment. The accounting treatment for these projected costs is to recognize a portion of the post-closure care costs in each operating period even though actual payouts will occur in the future. The amount recognized each year is based on the landfill capacity used as of the statement of net position date. Since the landfill closed in a prior fiscal year, all expenses associated with closure and post-closure care costs were reflected in the prior years as cost of operations based on information present at that time. During fiscal year 2024, estimated closure and post-closure costs have been recalculated to include a net decrease of \$16,631. This decrease represents a change in accounting estimate and is therefore accounted for as part of the cost of operations. The City anticipates meeting the closure and post-closure care requirements for the next twenty years with special assessments charged to all property owners within the City limits.

The City continues to demonstrate financial viability as required under RCRA Subtitle D and is, therefore, not required to create a trust fund or secure third-party provider instruments such as letters of credit or surety bonds. The \$1,902,225 presented on the statement of net position at June 30, 2024 is an estimate of the post-closure care costs liability and is subject to changes such as the effect of inflation, revision of laws, and other variables.

14. Lease Receivable

In August 2008, the City entered into a thirty-year lease for 350 parking spaces in the 15th Street parking garage with the Montana Board of Investments (MBOI). Payments are due annually from MBOI on December 31st for the next calendar year through 2029. The City receives a fixed annual payment of \$307,710 with variable adjustments with changes in the fees set by the City Commission. These minimum lease payments are offset by permits sold to other parties at that garage. The City recognized \$251,458 in lease revenue and \$81,963 in interest revenue during 2024 related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$3,988,048. The City also has a deferred inflow of resources associated with this lease that will be recognized over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$3,897,604.

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Future minimum lease payments on the leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 228,014	\$ 77,406	\$ 305,420
2026	232,616	72,758	305,374
2027	237,312	68,015	305,327
2028	242,102	63,177	305,279
2029	246,988	58,242	305,230
2030-2034	1,311,764	213,613	1,525,377
2035-2039	1,489,252	74,391	1,563,643
	<u>\$ 3,988,048</u>	<u>\$ 627,602</u>	<u>\$ 4,615,650</u>

15. Tax Abatements

The City enters into property tax abatement agreements with local businesses as allowed by state laws. Under 15-24-1402, MCA, localities may grant property tax abatements to new or expanding industries. In the first five years, qualifying expansions must be taxed at 50 percent of their taxable value. Each year thereafter, the percentage must be increased by equal percentages until the full taxable value is attained in the 10th 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, 2024, the City abated the following property taxes:

Abatements	Tax Dollars
Pioneer Structures	<u>\$ 2,383</u>

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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

16. Tax Increment Financing

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

In fiscal year 2024, Tax Increment generated \$711,995 in Real and Personal Property taxes. No expenditures were approved for this district by the City Commission in fiscal year 2024. TIF Railroad District valuation information as of June 30, 2024 is as follows:

<u>Tax Year</u>	<u>Base</u>	<u>Taxable Value</u>	<u>Increment</u>	<u>Mill Levy</u>	<u>Actual Revenue</u>
2023	<u>\$ 2,334,837</u>	<u>\$ 3,363,065</u>	<u>\$ 1,028,228</u>	753.99	<u>\$ 711,995</u>

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

In fiscal year 2024, Tax Increment generated \$1,234,914 in Real and Personal Property taxes and expended \$133,378 for board recommended projects within the district. TIF Downtown District valuation information as of June 30, 2024 is as follows:

<u>Tax Year</u>	<u>Base</u>	<u>Taxable Value</u>	<u>Increment</u>	<u>Mill Levy</u>	<u>Actual Revenue</u>
2023	<u>\$ 6,100,262</u>	<u>\$ 7,720,793</u>	<u>\$ 1,620,531</u>	753.99	<u>\$ 1,234,914</u>

On August 24, 2020, with Resolution No. 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

CITY OF HELENA, MONTANA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

and the Capital Hill Urban Renewal District Plan (TIF Capital Mall District), including the tax increment provision to revitalize this area generally described as one block north of Prospect Avenue, extending one block south of 11th 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 2024, Tax Increment generated \$588,889 in Real and Personal Property taxes. No expenditures were approved for this district by the City Commission in fiscal year 2024. TIF Capital Mall District valuation information as of June 30, 2024 is as follows:

<u>Tax Year</u>	<u>Base</u>	<u>Taxable Value</u>	<u>Increment</u>	<u>Mill Levy</u>	<u>Actual Revenue</u>
2023	<u>\$ 1,988,913</u>	<u>\$ 2,899,282</u>	<u>\$ 910,369</u>	753.99	<u>\$ 588,889</u>

17. Subsequent Events

In August 2024, the City issued Limited Tax General Obligation Bond, Series 2024A (Bond), in the amount of \$1,033,000 to fund capital improvements. The Bond is set to mature in fiscal year 2040 and has an interest rate of 3.75% with semi-annual payments of approximately \$50,000 beginning August 2025.

In December 2024, the City entered into a settlement agreement for payback of excess assessment fees collected by the Street Maintenance District in the amount of \$193,126 dating back to 2021. The amount of this settlement has been reflected in these financial statements.

In February 2025, the City issued a Solid Waste System Revenue Bond, Series 2025 (Bond), in the amount of \$1,350,530, from the State INTERCAP program. As of February 2025, \$479,385 of this loan has been drawn. This is a ten-year loan with a variable interest rate. Semi-annual payments are to begin in August 2025.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HELENA, MONTANA

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TEN YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service cost	\$ 258,405	\$ 477,718	\$ 664,278	\$ 621,017	\$ 494,525	\$ 305,180	\$ 323,195	\$ 349,927
Interest	133,570	298,043	202,315	279,163	280,803	205,052	213,451	212,050
Differences between expected and actual experience	-	(4,224,391)	-	(1,766,524)	-	15,687	-	(390,128)
Changes of assumptions	(89,310)	(296,778)	(1,946,975)	(1,108,664)	2,076,199	1,828,444	(45,567)	(23,468)
Benefit payments	(153,574)	(244,367)	(220,065)	(159,803)	(136,828)	(129,987)	(129,987)	(157,165)
Net Changes in Total OPEB Liability	149,091	(3,989,775)	(1,300,447)	(2,134,811)	2,714,699	2,224,376	361,092	(8,784)
Total OPEB Liability - Beginning	3,067,480	7,057,255	8,357,702	10,492,513	7,777,814	5,553,438	5,192,346	5,201,130
Total OPEB Liability - Ending	<u>\$ 3,216,571</u>	<u>\$ 3,067,480</u>	<u>\$ 7,057,255</u>	<u>\$ 8,357,702</u>	<u>\$ 10,492,513</u>	<u>\$ 7,777,814</u>	<u>\$ 5,553,438</u>	<u>\$ 5,192,346</u>

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

Notes to the Schedule:

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

The following are the discount rates used in each period:

2016	4.25%
2017	3.82%
2018	3.87%
2019	3.50%
2020	3.50%
2021	2.53%
2022	2.27%
2023	4.11%
2024	4.34%

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

See accompanying notes to required supplementary information.

CITY OF HELENA, MONTANA

SCHEDULE OF OPEB CONTRIBUTIONS

LAST TEN YEARS*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 5,305,010	\$ 4,481,811	\$ 4,191,917	\$ 3,937,108	\$ 3,574,506	\$ 3,259,869	\$ 3,095,913	\$ 2,967,400
Contributions in relation to the contractually required contribution	<u>5,305,010</u>	<u>4,481,811</u>	<u>4,191,917</u>	<u>3,937,108</u>	<u>3,574,506</u>	<u>3,259,869</u>	<u>3,095,913</u>	<u>2,967,400</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

See accompanying notes to required supplementary information.

CITY OF HELENA, MONTANA

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

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of net pension liability/(asset)	0.80%	0.73%	0.67%	0.68%	0.67%	0.68%	0.86%	0.90%	0.92%	0.92%
City's proportionate share of net pension liability/(asset)	\$ 19,419,439	\$ 17,383,754	\$ 12,232,594	\$ 17,811,746	\$ 13,966,667	\$ 14,143,693	\$ 16,776,937	\$ 15,264,917	\$ 12,895,525	\$ 11,467,968
State's proportionate share of the net pension liability/(asset) associated with the City	5,365,071	5,192,198	3,603,510	5,607,543	4,543,235	4,729,895	216,680	186,520	158,400	140,041
Total	<u>\$ 24,784,510</u>	<u>\$ 22,575,952</u>	<u>\$ 15,836,104</u>	<u>\$ 23,419,289</u>	<u>\$ 18,509,902</u>	<u>\$ 18,873,588</u>	<u>\$ 16,993,617</u>	<u>\$ 15,451,437</u>	<u>\$ 13,053,925</u>	<u>\$ 11,608,009</u>
City's covered payroll	\$ 14,629,295	\$ 12,678,213	\$ 11,770,756	\$ 11,327,809	\$ 11,024,574	\$ 11,148,092	\$ 10,684,955	\$ 10,734,576	\$ 10,765,891	\$ 10,457,868
City's proportionate share of net pension liability/(asset) as a percentage of its covered payroll	132.74%	137.12%	103.92%	157.24%	126.69%	126.87%	157.01%	142.20%	119.78%	109.66%
Plan fiduciary net position as a percentage of the total pension liability	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

CITY'S CONTRIBUTIONS TO THE PENSION PLAN

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,555,721	\$ 1,338,139	\$ 1,142,612	\$ 1,056,038	\$ 992,467	\$ 948,189	\$ 943,936	\$ 894,415	\$ 912,348	\$ 906,902
Contributions in relation to the contractually required contribution	1,555,721	1,338,139	1,142,612	1,056,038	992,467	948,189	943,936	894,415	912,348	906,902
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 17,149,846	\$ 14,629,295	\$ 12,678,213	\$ 11,770,756	\$ 11,327,809	\$ 11,024,574	\$ 11,148,092	\$ 10,684,955	\$ 10,734,576	\$ 10,765,891
Contributions as a percentage of covered payroll	9.07%	9.15%	9.01%	8.97%	8.76%	8.60%	8.47%	8.37%	8.50%	8.42%

See accompanying notes to required supplementary information.

CITY OF HELENA, MONTANA

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

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of net pension liability/(asset)	1.94%	1.91%	1.97%	2.17%	2.21%	2.22%	2.16%	2.35%	2.34%	2.28%
City's proportionate share of net pension liability/(asset)	\$ 4,495,707	\$ 4,523,209	\$ 3,573,155	\$ 5,319,390	\$ 4,405,672	\$ 3,804,931	\$ 3,835,219	\$ 4,229,192	\$ 3,878,937	\$ 3,589,338
State's proportionate share of the net pension liability/(asset) associated with the City	9,073,305	9,193,255	7,262,640	10,728,671	8,971,489	7,775,004	7,816,822	8,395,130	7,859,095	7,250,892
Total	<u>\$ 13,569,012</u>	<u>\$ 13,716,464</u>	<u>\$ 10,835,795</u>	<u>\$ 16,048,061</u>	<u>\$ 13,377,161</u>	<u>\$ 11,579,935</u>	<u>\$ 11,652,041</u>	<u>\$ 12,624,322</u>	<u>\$ 11,738,032</u>	<u>\$ 10,840,230</u>
City's covered payroll	\$ 3,910,006	\$ 3,572,144	\$ 3,557,324	\$ 3,725,564	\$ 3,647,960	\$ 3,506,897	\$ 3,233,935	\$ 3,316,542	\$ 3,245,374	\$ 3,064,830
City's proportionate share of net pension liability/(asset) as a percentage of its covered payroll	114.98%	126.62%	100.45%	142.78%	120.77%	108.50%	118.59%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percentage of the total pension liability	71.65%	69.67%	75.76%	68.84%	68.84%	70.95%	68.34%	65.62%	66.90%	67.01%

CITY'S CONTRIBUTIONS TO THE PENSION PLAN

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 596,642	\$ 569,111	\$ 518,533	\$ 511,925	\$ 542,795	\$ 527,763	\$ 524,517	\$ 464,527	\$ 485,830	\$ 470,450
Contributions in relation to the contractually required contribution	596,642	569,111	518,533	511,925	542,795	527,763	524,517	464,527	485,830	470,450
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,143,452	\$ 3,910,006	\$ 3,572,144	\$ 3,557,324	\$ 3,725,564	\$ 3,647,960	\$ 3,506,897	\$ 3,223,935	\$ 3,316,542	\$ 3,245,374
Contributions as a percentage of covered payroll	14.40%	14.56%	14.52%	14.39%	14.57%	14.47%	14.96%	14.41%	14.65%	14.50%

See accompanying notes to required supplementary information.

CITY OF HELENA, MONTANA

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

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of net pension liability/(asset)	1.71%	1.75%	1.76%	1.66%	1.64%	1.61%	1.64%	1.74%	1.80%	1.77%
City's proportionate share of net pension liability/(asset)	\$ 2,585,356	\$ 2,776,508	\$ 1,503,813	\$ 2,604,437	\$ 1,881,303	\$ 1,854,894	\$ 1,854,259	\$ 1,988,576	\$ 1,843,275	\$ 1,725,991
State's proportionate share of the net pension liability/(asset) associated with the City	5,867,829	6,281,722	3,413,176	5,871,283	4,549,940	4,241,313	4,210,822	4,505,486	4,105,464	3,893,752
Total	<u>\$ 8,453,185</u>	<u>\$ 9,058,230</u>	<u>\$ 4,916,989</u>	<u>\$ 8,475,720</u>	<u>\$ 6,431,243</u>	<u>\$ 6,096,207</u>	<u>\$ 6,065,081</u>	<u>\$ 6,494,062</u>	<u>\$ 5,948,739</u>	<u>\$ 5,619,743</u>
City's covered payroll	\$ 3,688,621	\$ 3,386,852	\$ 3,233,824	\$ 2,905,533	\$ 2,843,908	\$ 2,536,513	\$ 2,449,938	\$ 2,451,788	\$ 2,421,941	\$ 2,296,751
City's proportionate share of net pension liability/(asset) as a percentage of its covered payroll	70.09%	81.98%	46.50%	89.64%	66.15%	73.13%	75.69%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percentage of the total pension liability	81.00%	78.76%	87.72%	75.34%	80.08%	79.03%	77.77%	75.48%	76.90%	76.71%

CITY'S CONTRIBUTIONS TO THE PENSION PLAN

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 519,721	\$ 530,535	\$ 489,873	\$ 462,627	\$ 427,669	\$ 391,924	\$ 373,335	\$ 352,156	\$ 350,540	\$ 354,559
Contributions in relation to the contractually required contribution	519,721	530,535	489,873	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>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,619,223	\$ 3,688,621	\$ 3,386,852	\$ 3,233,824	\$ 2,905,533	\$ 2,843,908	\$ 2,536,513	\$ 2,449,938	\$ 2,451,788	\$ 2,421,941
Contributions as a percentage of covered payroll	14.36%	14.38%	14.46%	14.31%	14.72%	13.78%	14.72%	14.37%	14.30%	14.64%

See accompanying notes to required supplementary information.

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms

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

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 actuarial costs

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

Refunds

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

Family Law Orders

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

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

Disabled PERS Defined Contribution (DC) Members

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

PERS - Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return *	7.30%
*includes inflation at	2.75%
Merit salary increase	0% to 4.80%
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 (Active Members)	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generally using MP-2021.
Mortality (Disabled Members)	PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.
Mortality (Conteigent Survivors)	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
Mortality (Healthy Members)	PUB-2010 Safety Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjsuted 104% for males and 103% for females. Projected generationally using MP-2021.
Admin expense as a % of payroll	0.29%

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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

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.
-

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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.

Terminating Employers - Recovery of actuarial 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.

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

- 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 REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%
*Includes inflation at	2.75%
Merit salary increase	1.00% to 6.40%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry Age Normal
Amortization	Level percentage of payroll, open
Remaining amortization period	30 years
	PUB-2010 Safety Amount Weighted Healthy
	Retiree Mortality projected to 2021 for males
	and females. Projected generationally using MP-
Mortality (Health Members)	2021.
	PUB-2010 Safety Amount Weighted Employee
	Mortality Table projected to 2021, set forward
	one year for males and adjusted 105% for males
	and 100% for females. Projected generationally
Mortality (Health Members)	using MP-2021.
	PUB-2010 Safety Amount Weighted Disabled
	Retiree Mortality Projected to 2021, set forward
Mortality (Disabled Members)	one year for males.
	PUB-2010 Safety Amount Weighted Contingent
	Survivor Mortality Projected to 2021, set
	forward one year for males. Projected
Mortality (Contingent Survivor)	generationally using MP-2021.
Admin expense as a % of payroll	0.17%

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

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

Firefighters Unified Retirement (FURS)

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

2017 Legislative Changes:

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

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

Second Retirement Benefit

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

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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

Refunds

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

Interest credited to member accounts

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

Lump-sum payouts

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

CITY OF HELENA, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investments and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	1.00% to 6.40%
Asset valuation method	Four-year smoothed market
Actuarial; cost method	Entry Age Normal
Amortization	Level percentage of payroll; open
Remaining amortization period	30 years
Mortality (Active Members)	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
Mortality (Health Members)	PUB-2010 Safety Amount Weighted Employee Mortality Table projected to 2021, set forward one year for males and adjusted 105% for males and 100% for females. Projected generationally using MP-2021.
Mortality (Disabled Members)	PUB-2010 Safety Amount Weighted Disabled Retiree Mortality Projected to 2021, set forward one year for males.
Mortality (Contingent Survivor)	PUB-2010 Safety Amount Weighted Contingent Survivor Mortality Projected to 2021, set forward one year for males. Projected generationally using MP-2021.
Admin expense as a % of payroll	0.13%

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

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plans.

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

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

CITY OF HELENA, MONTANA

COMBINING BALANCE SHEET

OTHER GOVERNMENTAL FUNDS

JUNE 30, 2024

	Special Revenue Funds									
	Storm Water	Community Development	Community Facilities	Police Programs	Fire Programs	Open Space District Maintenance	Urban Forestry Maintenance District	CARES/ARPA	Light Maintenance Districts	Total Special Revenue
Assets										
Cash and cash equivalents	\$ 7,608,271	\$ 2,701,458	\$ 1,760,737	\$ 3,367,210	\$ 333,151	\$ 839,588	\$ 523,625	\$ -	\$ 666,625	\$ 17,800,665
Taxes and special assessments receivable, net of allowance	89,900	-	-	-	60,654	22,303	14,639	-	15,493	202,989
Accounts receivable	-	1,731	469	8,204	-	175	-	-	-	10,579
Loans receivable	-	706,615	-	-	-	-	-	-	-	706,615
Intergovernmental receivable	-	-	-	12,812	-	-	-	-	-	12,812
Inventories	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 7,698,171	\$ 3,409,804	\$ 1,761,206	\$ 3,388,226	\$ 393,805	\$ 862,066	\$ 538,264	\$ -	\$ 682,118	\$ 18,733,660
Liabilities, Deferred Inflows of Resources, and Fund Balance										
Liabilities:										
Accounts payable and other liabilities	\$ 8,915	\$ 110	\$ 39,831	\$ 48,502	\$ -	\$ 9,725	\$ 8,174	\$ -	\$ 106,482	\$ 221,739
Total Liabilities	8,915	110	39,831	48,502	-	9,725	8,174	-	106,482	\$221,739
Deferred Inflows of Resources:										
Unavailable revenue - taxes	-	-	-	-	-	-	-	-	-	-
Unavailable revenue - special assessments	41,614	-	-	-	22,502	14,830	7,989	-	5,126	92,061
Total Deferred Inflows of Resources	41,614	-	-	-	22,502	14,830	7,989	-	5,126	92,061
Fund Balance:										
Nonspendable	-	621,899	-	-	-	-	-	-	-	621,899
Restricted:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	763,723	116,773	13,125	-	-	-	893,621
911 dispatch center	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Public works	129,134	-	-	-	-	-	-	-	570,505	699,639
Culture and recreation	-	-	-	-	-	817,253	402,329	-	-	1,219,582
Community development	-	7,750	-	-	-	-	-	-	-	7,750
Debt service	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Committed:										
General government	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Community development	-	-	477,668	-	-	-	-	-	-	477,668
Capital purchases	-	-	-	-	-	-	-	-	-	-
Assigned:										
Public safety	-	-	-	2,576,001	254,530	-	-	-	-	2,830,531
Public works	7,518,508	-	-	-	-	-	-	-	5	7,518,513
Culture and recreation	-	-	-	-	-	7,133	119,772	-	-	126,905
Community development	-	2,780,045	1,243,707	-	-	-	-	-	-	4,023,752
Capital purchases	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	7,647,642	3,409,694	1,721,375	3,339,724	371,303	837,511	522,101	-	570,510	18,419,860
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 7,698,171	\$ 3,409,804	\$ 1,761,206	\$ 3,388,226	\$ 393,805	\$ 862,066	\$ 538,264	\$ -	\$ 682,118	\$ 18,733,660

(Continued)

CITY OF HELENA, MONTANA

COMBINING BALANCE SHEET

OTHER GOVERNMENTAL FUNDS

JUNE 30, 2024
(Continued)

	Debt Service Funds					Capital Project Funds							Total Other Governmental Funds
	Special Improvements Districts	Special Improvements Districts Revolving	Park and Recreation General Obligation Refunding	Sidewalk Loans	Total Debt Service	Capital Improvements	Special Improvements Districts Constructions	TIF Railroad District	TIF Downtown District	TIF Capital Mall District	Total Capital Project Funds		
Assets													
Cash and cash equivalents	\$ 9	\$ -	\$ 608,667	\$ -	\$ 608,676	\$ 5,145,358	\$ 73,822	\$ 1,414,238	\$ 1,619,476	\$ 976,964	\$ 9,229,858	\$ 27,639,199	
Taxes and special assessments receivable, net of allowance	-	-	36,282	-	36,282	-	-	32,549	46,804	58,700	138,053	377,324	
Accounts receivable, net of allowance	-	-	-	-	-	-	-	-	-	-	-	10,579	
Loans receivable	-	-	-	-	-	393,317	91,034	-	-	-	484,351	1,190,966	
Intergovernmental receivable	-	-	-	-	-	-	-	-	-	-	-	12,812	
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	
Total Assets	\$ 9	\$ -	\$ 644,949	\$ -	\$ 644,958	\$ 5,538,675	\$ 164,856	\$ 1,446,787	\$ 1,666,280	\$ 1,035,664	\$ 9,852,262	\$ 29,230,880	
Liabilities, Deferred Inflows of Resources, and Fund Balance													
Liabilities:													
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,739	
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	221,739	
Deferred Inflows of Resources:													
Unavailable revenue - taxes	-	-	-	-	-	-	-	13,683	16,317	20,958	50,958	50,958	
Unavailable revenue - special assessments	-	-	14,947	-	14,947	-	-	-	-	-	-	107,008	
Total Deferred Inflows of Resources	-	-	14,947	-	14,947	-	-	13,683	16,317	20,958	50,958	157,966	
Fund Balance:													
Nonspendable	-	-	-	-	-	309,680	81,931	-	-	-	391,611	1,013,510	
Restricted:													
General government	-	-	-	-	-	764,848	-	-	-	-	764,848	764,848	
Public safety	-	-	-	-	-	-	-	-	-	-	-	893,621	
911 dispatch center	-	-	-	-	-	-	-	-	-	-	-	-	
Public health	-	-	-	-	-	-	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	-	-	-	-	-	699,639	
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	1,219,582	
Community development	-	-	-	-	-	-	-	-	-	-	-	7,750	
Debt service	9	-	630,002	-	630,011	-	-	-	-	-	-	630,011	
Capital projects	-	-	-	-	-	479,608	82,925	1,433,104	1,649,963	1,014,706	4,660,306	4,660,306	
Committed:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	-	-	-	-	-	-	
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	
Community development	-	-	-	-	-	-	-	-	-	-	-	477,668	
Capital purchases	-	-	-	-	-	50,000	-	-	-	-	50,000	50,000	
Assigned:													
Public safety	-	-	-	-	-	-	-	-	-	-	-	2,830,531	
Public works	-	-	-	-	-	-	-	-	-	-	-	7,518,513	
Culture and recreation	-	-	-	-	-	834,987	-	-	-	-	834,987	961,892	
Community development	-	-	-	-	-	-	-	-	-	-	-	4,023,752	
Capital purchases	-	-	-	-	-	3,099,552	-	-	-	-	3,099,552	3,099,552	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	
Total Fund Balance	9	-	630,002	-	630,011	5,538,675	164,856	1,433,104	1,649,963	1,014,706	9,801,304	28,851,175	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 9	\$ -	\$ 644,949	\$ -	\$ 644,958	\$ 5,538,675	\$ 164,856	\$ 1,446,787	\$ 1,666,280	\$ 1,035,664	9,852,262	29,230,880	

(Concluded)

CITY OF HELENA, MONTANA

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

OTHER GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	Special Revenue Funds									
	Storm Water	Community Development	Community Facilities	Police Programs	Fire Programs	Open Space District Maintenance	Urban Forestry Maintenance District	CARES/ARPA	Light Maintenance Districts	Total Special Revenue
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 972,067	\$ -	\$ -	\$ -	\$ -	\$ 972,067
Special assessments	2,409,360	-	-	-	-	642,362	508,348	-	946,177	4,506,247
Licenses and permits	-	-	-	9,510	-	-	-	-	-	9,510
Intergovernmental	-	75,099	-	3,082,335	-	104,223	10,000	-	-	3,271,657
Charges for services	-	-	948,899	74,816	5	3,338	-	-	-	1,027,058
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment earnings	335,725	146,257	94,046	157,537	27,338	34,627	21,475	-	-	817,005
Contributions and donations	24,554	7,750	-	-	-	4,942	1,547	-	-	38,793
Miscellaneous	-	-	152	2,897	-	247	11,446	-	-	14,742
Total revenues	2,769,639	229,106	1,043,097	3,327,095	999,410	789,739	552,816	-	946,177	10,657,079
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	2,250,961	3,810	-	-	-	-	2,254,771
Public works	583,322	-	-	-	-	-	-	-	1,015,054	1,598,376
Public health	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	1,285,373	-	-	637,490	433,505	-	-	2,356,368
Community development	-	161,812	-	-	-	-	-	-	-	161,812
Debt service	-	-	-	808	102,820	-	-	-	-	103,628
Capital outlay	22,818	-	116,715	1,203,060	632,002	152,443	-	-	-	2,127,038
Total expenditures	606,140	161,812	1,402,088	3,454,829	738,632	789,933	433,505	-	1,015,054	8,601,993
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,163,499	67,294	(358,991)	(127,734)	260,778	(194)	119,311	-	(68,877)	2,055,086
Other Financing Sources (Uses):										
Proceeds from insurance settlements	-	-	-	-	81,151	-	-	-	-	81,151
Subscription-based information technology arrangement	-	-	-	797,501	-	-	-	-	-	797,501
Transfers in	353	193,000	540,836	2,135	-	20,451	461	-	-	757,236
Transfers out	(4,298)	-	(402,385)	-	(665,358)	-	-	(30,191)	-	(1,102,232)
Total other financing sources (uses)	(3,945)	193,000	138,451	799,636	(584,207)	20,451	461	(30,191)	-	533,656
Net Change in Fund Balance	2,159,554	260,294	(220,540)	671,902	(323,429)	20,257	119,772	(30,191)	(68,877)	2,588,742
Fund Balance:										
Beginning of year	5,488,088	3,149,400	1,941,915	2,667,822	694,732	817,254	402,329	30,191	639,387	15,831,118
End of year	\$ 7,647,642	\$ 3,409,694	\$ 1,721,375	\$ 3,339,724	\$ 371,303	\$ 837,511	\$ 522,101	\$ -	\$ 570,510	\$ 18,419,860

(Continued)

CITY OF HELENA, MONTANA

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

OTHER GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

(Continued)

	Debt Service Funds					Capital Project Funds					Total	
	Special	Special	Park and		Total	Capital	Special	TIF Railroad	TIF Downtown	TIF Capital Mall	Total	Total
	Improvements	Improvements	Recreation	Sidewalk	Debt Service	Improvements	Improvements	District	District	District	Capital	Other
	Districts	Districts	General Obligation	Loans			Constructions				Projects	Governmental
		Revolving	Refunding									Funds
Revenues:												
Taxes	\$ -	\$ -	\$ 543,578	\$ 120	\$ 543,698	\$ -	\$ -	\$ 697,862	\$ 1,178,282	\$ 608,336	\$ 2,484,480	\$ 4,000,245
Special assessments	-	-	-	-	-	206	-	-	-	-	206	4,506,453
Licenses and permits	-	-	-	-	-	6,943	-	-	-	-	6,943	16,453
Intergovernmental	-	-	-	-	-	17,000	-	20,593	64,109	18,296	119,998	3,391,655
Charges for services	-	-	-	-	-	46,476	-	-	-	-	46,476	1,073,534
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	29,314	-	29,314	271,724	-	55,229	50,290	32,351	409,594	1,255,913
Contributions and donations	-	-	-	-	-	136,291	-	-	-	-	136,291	175,084
Miscellaneous	-	-	-	-	-	-	94,960	-	-	-	94,960	109,702
Total revenues	-	-	572,892	120	573,012	478,640	94,960	773,684	1,292,681	658,983	3,298,948	14,529,039
Expenditures:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	2,254,771
Public works	-	-	-	-	-	-	77,716	-	-	-	77,716	1,676,092
Public health	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	69,337	-	-	-	-	69,337	2,425,705
Community development	-	-	-	-	-	-	-	115,603	186,543	-	302,146	463,958
Debt service	-	-	519,774	-	519,774	-	-	-	-	-	-	623,402
Capital outlay	-	-	-	-	-	2,585,839	-	-	-	-	2,585,839	4,712,877
Total expenditures	-	-	519,774	-	519,774	2,655,176	77,716	115,603	186,543	-	3,035,038	12,156,805
Excess (Deficiency) of Revenues					-							
Over (Under) Expenditures	-	-	53,118	120	53,238	(2,176,536)	17,244	658,081	1,106,138	658,983	263,910	2,372,234
Other Financing Sources (Uses):												
Proceeds from insurance settlements	-	-	-	-	-	-	-	-	-	-	-	81,151
Subscription-based information technology arrangement	-	-	-	-	-	219,698	-	-	-	-	219,698	1,017,199
Transfers in	-	-	-	-	-	1,698,827	193,559	-	-	-	1,892,386	2,649,622
Transfers out	-	(40,898)	-	(2,739)	(43,637)	-	-	-	-	-	-	(1,145,869)
Total other financing sources (uses)	-	(40,898)	-	(2,739)	(43,637)	1,918,525	193,559	-	-	-	2,112,084	2,602,103
Net Change in Fund Balance	-	(40,898)	53,118	(2,619)	9,601	(258,011)	210,803	658,081	1,106,138	658,983	2,375,994	4,974,337
Fund Balance:												
Beginning of year	9	40,898	576,884	2,619	620,410	5,796,686	(45,947)	775,023	543,825	355,723	7,425,310	23,876,838
End of year	\$ 9	\$ -	\$ 630,002	\$ -	\$ 630,011	\$ 5,538,675	\$ 164,856	\$ 1,433,104	\$ 1,649,963	\$ 1,014,706	\$ 9,801,304	\$ 28,851,175

(Concluded)

INTERNAL SERVICE FUNDS

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

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

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

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

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

CITY OF HELENA, MONTANA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 535,459	\$ 86,861	\$ 645,703	\$ 444,012	\$ 1,712,035
Cash and cash equivalents - unspent debt proceeds	-	-	-	-	-
Cash and cash equivalents - cash with fiscal agent	-	-	-	-	-
Investments - restricted	-	-	-	-	-
Receivables, net of allowance for uncollectibles	247	-	-	34,373	34,620
Intergovernmental receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Inventories	21,000	-	-	-	21,000
Lease receivable	-	-	-	-	-
Total current assets	556,706	86,861	645,703	478,385	1,767,655
Noncurrent assets:					
Loans receivable, net of current portion	-	-	-	-	-
Lease receivable, net of current portion	-	-	-	-	-
Capital assets, net of accumulated depreciation:					
Capital assets not being depreciated	87,000	-	-	-	87,000
Capital assets, net of accumulated depreciation	224,101	13,636	-	-	237,737
Total noncurrent assets	311,101	13,636	-	-	324,737
Total Assets	867,807	100,497	645,703	478,385	2,092,392
Deferred Outflows of Resources					
Deferred outflows of resources for debt refunding	-	-	-	-	-
Deferred outflows of resources for pension	92,567	-	-	-	92,567
Deferred outflows of resources for OPEB	-	-	-	-	-
Total Deferred Outflows of Resources	92,567	-	-	-	92,567
Liabilities					
Current liabilities:					
Accounts payable and other current liabilities	142,932	-	-	-	142,932
Customer deposits	-	-	-	-	-
Accrued interest	-	-	-	-	-
Compensated absences	25,224	-	-	-	25,224
Loans payable	-	-	-	-	-
General obligation bonds	-	-	-	-	-
Certificates of obligation	-	-	-	-	-
Lease payable	-	-	-	-	-
Landfill post-closure costs	-	-	-	-	-
Total current liabilities	168,156	-	-	-	168,156
Long-term liabilities:					
Compensated absences	19,280	-	-	-	19,280
Loans payable	-	-	-	-	-
General obligation bonds	-	-	-	-	-
Certificates of obligation	-	-	-	-	-
Lease payable	-	-	-	-	-
Landfill post-closure costs	-	-	-	-	-
Net pension liability	468,637	-	-	-	468,637
Other postemployment benefits	63,323	-	-	-	63,323
Total long-term liabilities	551,240	-	-	-	551,240
Total Liabilities	719,396	-	-	-	719,396
Deferred Inflows of Resources					
Deferred inflows of resources for pension	16,715	-	-	-	16,715
Deferred inflows of resources for leases	-	-	-	-	-
Deferred inflows of resources for OPEB	122,159	-	-	-	122,159
Total Deferred Inflows of Resources	138,874	-	-	-	138,874
Net Position					
Net investment in capital assets	311,101	13,636	-	-	324,737
Restricted for debt service	-	-	-	-	-
Unrestricted	(208,997)	86,861	645,703	478,385	1,001,952
Total Net Position	\$ 102,104	\$ 100,497	\$ 645,703	\$ 478,385	\$ 1,326,689

CITY OF HELENA, MONTANA

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

INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2024

	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	Total
Operating Revenues:					
Charges for services	\$ 2,021,649	\$ 22,197	\$ 1,183,248	\$ 6,908,562	\$ 10,135,656
Contributions	-	-	-	-	-
Other	1,845	-	-	134,122	135,967
Total operating revenues	2,023,494	22,197	1,183,248	7,042,684	10,271,623
Operating Expenses:					
Personnel services	742,067	-	-	-	742,067
Maintenance and operations:					
Supplies/purchase services	1,199,356	1,537	-	-	1,200,893
Purchased services	146,806	10,820	-	177,358	334,984
Other maintenance and operations	63,337	-	-	-	63,337
Fixed charges	-	-	1,162,675	6,885,848	8,048,523
Depreciation	29,927	7,168	-	-	37,095
Total operating expenses	2,181,493	19,525	1,162,675	7,063,206	10,426,899
Operating Income (Loss)	(157,999)	2,672	20,573	(20,522)	(155,276)
Nonoperating Revenues (Expenses):					
Intergovernmental	38,993	-	-	-	38,993
Investment earnings	21,826	4,523	10,362	5,444	42,155
Interest expense	-	-	-	-	-
Sale of capital assets	4,827	-	-	-	4,827
Total nonoperating revenues (expenses)	65,646	4,523	10,362	5,444	85,975
Settlements - insurance	-	-	-	-	-
Transfers in	717	-	-	-	717
Transfers out	-	-	(46,677)	-	(46,677)
Change in Net Position	(91,636)	7,195	(15,742)	(15,078)	(115,261)
Net Position:					
Beginning of year	193,740	93,302	661,445	493,463	1,441,950
End of year	\$ 102,104	\$ 100,497	\$ 645,703	\$ 478,385	\$ 1,326,689

CITY OF HELENA, MONTANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024

	Fleet Services	Copier Revolving	Property and Liability Insurance	Health Insurance	Total
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 1,845	\$ -	\$ -	\$ 134,122	\$ 135,967
Receipts from interfund services provided	2,021,649	22,197	1,183,248	6,899,929	10,127,023
Payments to suppliers	(1,458,077)	(12,846)	-	(177,358)	(1,648,281)
Payments to employees	(666,024)	-	-	-	(666,024)
Payments for interfund services used	-	-	(1,166,582)	(6,885,848)	(8,052,430)
Net cash provided by (used in) operating activities	(100,607)	9,351	16,666	(29,155)	(103,745)
Cash Flows From Non-Capital Financing Activities:					
Transfers from other funds	717	-	-	-	717
Transfers to other funds	-	-	(46,677)	-	(46,677)
Operating grants	-	-	-	-	-
Contributions from other governments	38,993	-	-	-	38,993
Net cash provided by (used in) non-capital financing activities	39,710	-	(46,677)	-	(6,967)
Cash Flows From Capital and Related Financing Activities:					
Proceeds from capital debt/insurance settlements	-	-	-	-	-
Principal payments - bonds	-	-	-	-	-
Principal payments - loans	-	-	-	-	-
Principal payments - leases	-	-	-	-	-
Interest payments	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Acquisition and construction of capital assets	(44,401)	(13,741)	-	-	(58,142)
Proceeds from leases receivable	-	-	-	-	-
Proceeds from sale of capital assets	4,827	-	-	-	4,827
Net cash provided by (used in) capital and related financing activities	(39,574)	(13,741)	-	-	(53,315)
Cash Flows From Investing Activities:					
Interest received	21,826	4,523	10,362	5,444	42,155
Net increase/(decrease) in Cash and Cash Equivalents	21,826	4,523	10,362	5,444	42,155
Net Increase in Cash and Cash Equivalents	(78,645)	133	(19,649)	(23,711)	(121,872)
Cash and Cash Equivalents:					
Beginning of year	614,104	86,728	665,352	467,723	1,833,907
End of year	\$ 535,459	\$ 86,861	\$ 645,703	\$ 444,012	\$ 1,712,035
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (157,999)	\$ 2,672	\$ 20,573	\$ (20,522)	\$ (155,276)
Adjustments to reconciled operating income to net cash provided by (used in) operating activities:					
Depreciation expense	29,927	7,168	-	-	37,095
Change in:					
Receivables	-	-	-	(8,633)	(8,633)
Inventories	5,454	-	-	-	5,454
Deferred outflows of resources	(5,001)	-	-	-	(5,001)
Accounts payable and other current liabilities	(54,032)	(489)	(3,907)	-	(58,428)
Customer deposits	-	-	-	-	-
Compensated absences	8,285	-	-	-	8,285
Long-term debt	-	-	-	-	-
Landfill post-closure costs payable	-	-	-	-	-
Net pension liability	56,175	-	-	-	56,175
Other postemployment benefits	3,367	-	-	-	3,367
Deferred inflows of resources	13,217	-	-	-	13,217
Net cash provided by (used in) operating activities	\$ (100,607)	\$ 9,351	\$ 16,666	\$ (29,155)	\$ (103,745)

CITY OF HELENA, MONTANA

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

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2024

	Storm Water				Community Development			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	2,358,365	2,358,365	2,409,360	50,995	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,407,437	1,407,437	75,099	(1,332,338)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	30,000	30,000	335,725	305,725	35,021	35,021	146,257	111,236
Contributions and donations	18,572	18,572	24,554	5,982	7,500	7,500	7,750	250
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	2,406,937	2,406,937	2,769,639	362,702	1,449,958	1,449,958	229,106	(1,220,852)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	1,329,172	1,329,172	583,322	(745,850)	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	2,907,593	2,935,605	161,812	(2,773,793)
Debt service	-	-	-	-	-	-	-	-
Capital outlay	54,500	70,850	22,818	(48,032)	-	-	-	-
Total expenditures	1,383,672	1,400,022	606,140	(793,882)	2,907,593	2,935,605	161,812	(2,773,793)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,023,265	1,006,915	2,163,499	1,156,584	(1,457,635)	(1,485,647)	67,294	1,552,941
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	353	353	353	-	113,000	193,000	193,000	-
Transfers out	(886,617)	(2,715,460)	(4,298)	2,711,162	-	-	-	-
Total other financing sources (uses)	(886,264)	(2,715,107)	(3,945)	2,711,162	113,000	193,000	193,000	-
Net Change in Fund Balance	\$ 137,001	\$ (1,708,192)	\$ 2,159,554	\$ 3,867,746	\$ (1,344,635)	\$ (1,292,647)	\$ 260,294	\$ 1,552,941

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2024
(Continued)

	Community Facilities				Police Programs			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	7,000	7,000	9,510	2,510
Intergovernmental	-	-	-	-	1,835,383	1,875,383	3,082,335	1,206,952
Charges for services	1,052,641	1,052,641	948,899	(103,742)	23,000	23,000	74,816	51,816
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	30,900	30,900	94,046	63,146	27,000	27,000	157,537	130,537
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	5,000	5,000	152	(4,848)	59,547	59,547	2,897	(56,650)
Total revenues	1,088,541	1,088,541	1,043,097	(45,444)	1,951,930	1,991,930	3,327,095	1,335,165
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	2,320,946	2,320,946	2,250,961	(69,985)
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	2,036,980	2,660,775	1,285,373	(1,375,402)	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	808	808
Capital outlay	-	-	116,715	116,715	98,495	919,158	1,203,060	283,902
Total expenditures	2,036,980	2,660,775	1,402,088	(1,258,687)	2,419,441	3,240,104	3,454,829	214,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	(948,439)	(1,572,234)	(358,991)	1,213,243	(467,511)	(1,248,174)	(127,734)	1,120,440
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	797,501	797,501
Transfers in	540,833	540,833	540,836	3	2,048	2,048	2,135	87
Transfers out	-	-	(402,385)	(402,385)	(31,818)	(31,818)	-	31,818
Total other financing sources (uses)	540,833	540,833	138,451	(402,382)	(29,770)	(29,770)	799,636	829,406
Net Change in Fund Balance	\$ (407,606)	\$ (1,031,401)	\$ (220,540)	\$ 810,861	\$ (497,281)	\$ (1,277,944)	\$ 671,902	\$ 1,949,846

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2024
(Continued)

	Fire Programs				Open Space Maintenance District			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 1,031,000	\$ 1,031,000	\$ 972,067	\$ (58,933)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	646,750	646,750	642,362	(4,388)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	82,278	104,223	21,945
Charges for services	45,000	45,000	5	(44,995)	4,000	4,000	3,338	(662)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	10,500	10,500	27,338	16,838	8,250	8,250	34,627	26,377
Contributions and donations	-	-	-	-	38,738	38,738	4,942	(33,796)
Miscellaneous	-	-	-	-	-	-	247	247
Total revenues	1,086,500	1,086,500	999,410	(87,090)	697,738	780,016	789,739	9,723
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	58,391	58,391	3,810	(54,581)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	730,396	812,674	637,490	(175,184)
Community development	-	-	-	-	-	-	-	-
Debt service	98,261	98,261	102,820	4,559	-	-	-	-
Capital outlay	538,000	713,053	632,002	(81,051)	160,000	160,000	152,443	(7,557)
Total expenditures	694,652	869,705	738,632	(131,073)	890,396	972,674	789,933	(182,741)
Excess (Deficiency) of Revenues Over (Under) Expenditures	391,848	216,795	260,778	43,983	(192,658)	(192,658)	(194)	192,464
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	81,151	81,151	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	87	87	-	(87)	20,375	20,375	20,451	76
Transfers out	(665,358)	(665,358)	(665,358)	-	-	-	-	-
Total other financing sources (uses)	(665,271)	(665,271)	(584,207)	81,064	20,375	20,375	20,451	76
Net Change in Fund Balance	\$ (273,423)	\$ (448,476)	\$ (323,429)	\$ 125,047	\$ (172,283)	\$ (172,283)	\$ 20,257	\$ 192,540

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2024
Continued)

	Urban Forestry Maintenance District				CARES/ARPA			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	480,750	480,750	508,348	27,598	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	10,000	10,000	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	4,500	4,500	21,475	16,975	-	-	-	-
Contributions and donations	1,170	1,170	1,547	377	-	-	-	-
Miscellaneous	-	-	11,446	11,446	-	-	-	-
Total revenues	486,420	486,420	552,816	66,396	-	-	-	-
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	556,815	556,815	433,505	(123,310)	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	556,815	556,815	433,505	(123,310)	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,395)	(70,395)	119,311	189,706	-	-	-	-
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	461	461	461	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(30,191)	(30,191)
Total other financing sources (uses)	461	461	461	-	-	-	(30,191)	(30,191)
Net Change in Fund Balance	\$ (69,934)	\$ (69,934)	\$ 119,772	\$ 189,706	\$ -	\$ -	\$ (30,191)	\$ (30,191)

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2024
(Continued)

	Light Maintenance Districts				Total			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,031,000	\$ 1,031,000	\$ 972,067	\$ (58,933)
Special assessments	1,061,285	1,061,285	946,177	(115,108)	4,547,150	4,547,150	4,506,247	(40,903)
Licenses and permits	-	-	-	-	7,000	7,000	9,510	2,510
Intergovernmental	-	-	-	-	3,242,820	3,365,098	3,271,657	(93,441)
Charges for services	-	-	-	-	1,124,641	1,124,641	1,027,058	(97,583)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	146,171	146,171	817,005	670,834
Contributions and donations	-	-	-	-	65,980	65,980	38,793	(27,187)
Miscellaneous	-	-	-	-	64,547	64,547	14,742	(49,805)
Total revenues	1,061,285	1,061,285	946,177	(115,108)	10,229,309	10,351,587	10,657,079	305,492
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	2,379,337	2,379,337	2,254,771	(124,566)
Public works	1,114,985	1,114,985	1,015,054	(99,931)	2,444,157	2,444,157	1,598,376	(845,781)
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	3,324,191	4,030,264	2,356,368	(1,673,896)
Community development	-	-	-	-	2,907,593	2,935,605	161,812	(2,773,793)
Debt service	-	-	-	-	98,261	98,261	103,628	5,367
Capital outlay	-	-	-	-	850,995	1,863,061	2,127,038	263,977
Total expenditures	1,114,985	1,114,985	1,015,054	(99,931)	12,004,534	13,750,685	8,601,993	(5,148,692)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,700)	(53,700)	(68,877)	(15,177)	(1,775,225)	(3,399,098)	2,055,086	5,454,184
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	81,151	81,151
Subscription-based information technology agreements	-	-	-	-	-	-	797,501	797,501
Transfers in	-	-	-	-	677,157	757,157	757,236	79
Transfers out	-	-	-	-	(1,583,793)	(3,412,636)	(1,102,232)	2,310,404
Total other financing sources (uses)	-	-	-	-	(906,636)	(2,655,479)	533,656	3,189,135
Net Change in Fund Balance	\$ (53,700)	\$ (53,700)	\$ (68,877)	\$ (15,177)	\$ (2,681,861)	\$ (6,054,577)	\$ 2,588,742	\$ 8,643,319

(Concluded)

CITY OF HELENA, MONTANA

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

NON-MAJOR DEBT SERVICE FUNDS

YEAR ENDED JUNE 30, 2024

	Special Improvement Districts				Special Improvement Districts Revolving			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(40,898)	(40,898)
Total other financing sources (uses)	-	-	-	-	-	-	(40,898)	(40,898)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,898)</u>	<u>\$ (40,898)</u>

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR DEBT SERVICE FUNDS

YEAR ENDED JUNE 30, 2024
(Continued)

	Park and Recreation General Obligation Refunding				Sidewalk Loans			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 551,750	\$ 551,750	\$ 543,578	\$ (8,172)	\$ -	\$ -	\$ 120	\$ 120
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	8,000	8,000	29,314	21,314	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	559,750	559,750	572,892	13,142	-	-	120	120
Expenditures:								
General government	-	-	-	-	56	56	-	(56)
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	560,250	560,250	519,774	(40,476)	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	560,250	560,250	519,774	(40,476)	56	56	-	(56)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(500)	53,118	53,618	(56)	(56)	120	176
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(2,739)	(2,739)
Total other financing sources (uses)	-	-	-	-	-	-	(2,739)	(2,739)
Net Change in Fund Balance	\$ (500)	\$ (500)	\$ 53,118	\$ 53,618	\$ (56)	\$ (56)	\$ (2,619)	\$ (2,563)

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR DEBT SERVICE FUNDS

YEAR ENDED JUNE 30, 2024
(Continued)

	Total			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 551,750	\$ 551,750	\$ 543,698	\$ (8,052)
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	8,000	8,000	29,314	21,314
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	559,750	559,750	573,012	13,262
Expenditures:				
General government	56	56	-	(56)
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service	560,250	560,250	519,774	(40,476)
Capital outlay	-	-	-	-
Total expenditures	560,306	560,306	519,774	(40,532)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556)	(556)	53,238	53,794
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	-
Proceeds from insurance settlements	-	-	-	-
Subscription-based information technology agreements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(43,637)	(43,637)
Total other financing sources (uses)	-	-	(43,637)	(43,637)
Net Change in Fund Balance	\$ (556)	\$ (556)	\$ 9,601	\$ 10,157

(Concluded)

CITY OF HELENA, MONTANA

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

NON-MAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2024

	Capital Improvements				Special Improvements Districts Construction			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	206	206	-	-	-	-
Licenses and permits	8,000	8,000	6,943	(1,057)	-	-	-	-
Intergovernmental	-	-	17,000	17,000	-	-	-	-
Charges for services	80,000	80,000	46,476	(33,524)	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	77,500	77,500	271,724	194,224	-	-	-	-
Contributions and donations	700	700	136,291	135,591	-	-	-	-
Miscellaneous	74,650	74,650	-	(74,650)	-	-	94,960	94,960
Total revenues	240,850	240,850	478,640	237,790	-	-	94,960	94,960
Expenditures:								
General government	53,990	11,000	-	(11,000)	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	150,000	150,000	77,716	(72,284)
Public health	-	-	-	-	-	-	-	-
Culture and recreation	2,500	78,380	69,337	(9,043)	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	1,635,150	5,549,974	2,585,839	(2,964,135)	-	-	-	-
Total expenditures	1,691,640	5,639,354	2,655,176	(2,984,178)	150,000	150,000	77,716	(72,284)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,450,790)	(5,398,504)	(2,176,536)	3,221,968	(150,000)	(150,000)	17,244	167,244
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	219,698	219,698	-	-	-	-
Transfers in	1,550,490	1,559,490	1,698,827	139,337	150,000	150,000	193,559	43,559
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,550,490	1,559,490	1,918,525	359,035	150,000	150,000	193,559	43,559
Net Change in Fund Balance	\$ 99,700	\$ (3,839,014)	\$ (258,011)	\$ 3,581,003	\$ -	\$ -	\$ 210,803	\$ 210,803

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2024
(Continued)

	TIF Railroad Districts				TIF Downtown District			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 327,258	\$ 327,258	\$ 697,862	\$ 370,604	\$ 318,500	\$ 318,500	\$ 1,178,282	\$ 859,782
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	8,500	8,500	20,593	12,093	16,000	16,000	64,109	48,109
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	8,500	8,500	55,229	46,729	4,000	4,000	50,290	46,290
Contributions and donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	344,258	344,258	773,684	429,426	338,500	338,500	1,292,681	954,181
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	350,000	350,000	115,603	(234,397)	350,000	350,000	186,543	(163,457)
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	350,000	350,000	115,603	(234,397)	350,000	350,000	186,543	(163,457)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,742)	(5,742)	658,081	663,823	(11,500)	(11,500)	1,106,138	1,117,638
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ (5,742)	\$ (5,742)	\$ 658,081	\$ 663,823	\$ (11,500)	\$ (11,500)	\$ 1,106,138	\$ 1,117,638

(Continued)

CITY OF HELENA, MONTANA

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

NON-MAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2024
(Continued)

	TIF Capital Mall District				Total			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 209,700	\$ 209,700	\$ 608,336	\$ 398,636	\$ 855,458	\$ 855,458	\$ 2,484,480	\$ 1,629,022
Special assessments	-	-	-	-	-	-	206	206
Licenses and permits	-	-	-	-	8,000	8,000	6,943	(1,057)
Intergovernmental	5,100	5,100	18,296	13,196	29,600	29,600	119,998	90,398
Charges for services	-	-	-	-	80,000	80,000	46,476	(33,524)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	2,750	2,750	32,351	29,601	92,750	92,750	409,594	316,844
Contributions and donations	-	-	-	-	700	700	136,291	135,591
Miscellaneous	-	-	-	-	74,650	74,650	94,960	20,310
Total revenues	217,550	217,550	658,983	441,433	1,141,158	1,141,158	3,298,948	2,157,790
Expenditures:								
General government	-	-	-	-	53,990	11,000	-	(11,000)
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	150,000	150,000	77,716	(72,284)
Public health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	2,500	78,380	69,337	(9,043)
Community development	200,000	200,000	-	(200,000)	900,000	900,000	302,146	(597,854)
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,635,150	5,549,974	2,585,839	(2,964,135)
Total expenditures	200,000	200,000	-	(200,000)	2,741,640	6,689,354	3,035,038	(3,654,316)
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,550	17,550	658,983	641,433	(1,600,482)	(5,548,196)	263,910	5,812,106
Other Financing Sources (Uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	-
Subscription-based information technology agreements	-	-	-	-	-	-	219,698	219,698
Transfers in	-	-	-	-	1,700,490	1,709,490	1,892,386	182,896
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,700,490	1,709,490	2,112,084	402,594
Net Change in Fund Balance	\$ 17,550	\$ 17,550	\$ 658,983	\$ 641,433	\$ 100,008	\$ (3,838,706)	\$ 2,375,994	\$ 6,214,700

(Concluded)

COMPONENT UNITS

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

CITY OF HELENA, MONTANA

COMBINING BALANCE SHEET GOVERNMENTAL FUNDS

HELENA TOURISM BUSINESS IMPROVEMENT DISTRICT

JUNE 30, 2024

	General	Special Revenue Tourism Alliance	Total
Assets			
Cash and cash equivalents	\$ 374,543	\$ 12,841	\$ 387,384
Taxes receivable, net of allowance for uncollectibles	103,688	-	103,688
Prepaid expenses	-	-	-
Internal balances	16,165	(16,165)	-
Total Assets	494,396	(3,324)	491,072
Liabilities			
Accounts payable	20,250	-	20,250
Payroll liabilities	-	2,368	2,368
Unearned revenue	103,688	-	103,688
Other liabilities	3,728	-	3,728
Total Liabilities	127,666	2,368	130,034
Fund Balances			
Unassigned	366,730	(5,692)	361,038
Total Fund Balances	366,730	(5,692)	361,038
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 494,396	\$ (3,324)	\$ 491,072

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

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

Ending fund balance \$ 361,038

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

5,240

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 (9,882)

Net position of governmental activities \$ 356,396

CITY OF HELENA, MONTANA

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

HELENA TOURISM BUSINESS IMPROVEMENT DISTRICT

YEAR ENDED JUNE 30, 2024

	General	Special Revenue Tourism Alliance	Total
Revenues:			
Special assessments	\$ 635,275	\$ -	\$ 635,275
Contributions	-	-	-
Charges for services	-	-	-
Investment earnings	601	-	601
Other income	11,214	357	11,571
Total revenues	647,090	357	647,447
Expenditures:			
Community development	406,980	179,526	586,506
Total expenditures	406,980	179,526	586,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	240,110	(179,169)	60,941
Other Financing Sources (Uses):			
Transfers in	-	180,000	180,000
Transfers out	(180,000)	-	(180,000)
Total other financing sources (uses)	(180,000)	180,000	-
Net Change in Fund Balance	60,110	831	60,941
Fund Balance:			
Beginning of year	306,620	(6,523)	300,097
End of year	\$ 366,730	\$ (5,692)	\$ 361,038

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

Net change in fund balance - total governmental funds \$ 60,941

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

Capital assets purchased	6,171
Depreciation expense	(931)

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	3,084
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Change in net position of governmental activities \$ 69,265

CITY OF HELENA, MONTANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass-Through Grantor / Project Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed Through the Montana Department of Natural Resources and Conservation:				
Cooperative Forestry Assistance	10.664	20-DG-11010000-024	\$ 20,070	\$ -
State & Private Forestry Hazardous Fuel Reduction Program	10.697	20-DG-11010000-014	16,018	-
Total U.S. Department of Agriculture			36,088	-
<u>U.S. Department of the Interior</u>				
Secure Rural Schools and Community Self-Determination	15.234	22-CS-11011500-030	39,250	-
Total U.S. Department of the Interior			39,250	-
<u>U.S. Department of Housing and Urban Development:</u>				
Passed Through the Montana Department of Commerce:				
Community Development Block Grants/State's Program				
and Non-Entitlement Grants in Hawaii	14.228	MT-CDBG-19HSP-02	88,771	88,771
COVID-19 - Community Development Block Grants/State's Program				
and Non-Entitlement Grants in Hawaii	14.228	MT-CDBG-CV-22-06	11,097	11,097
Total U.S. Department of Housing and Urban Development			99,868	99,868
<u>U.S. Department of Justice:</u>				
Bulletproof Vest Partnership Program	16.607	FY23 BVP Funds	3,086	-
Passed Through the Montana Board of Crime Control:				
Crime Victim Assistance (VOCA)	16.575	23-V01-1375	95,424	-
Violence Against Women Formula Grants (VAWA)	16.588	23-W02-1485	2,695	-
Violence Against Women Formula Grants (VAWA)	16.588	23-W02-1799	55,205	-
Subtotal 16.588			57,900	-
Passed Through Lewis & Clark County:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02631-JAGX	49,990	19,724
Passed Through Gallatin County:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	24-G01-1663	38,452	-
Subtotal 16.738			88,442	19,724
Total U.S. Department of Justice			244,852	19,724
<u>U.S. Department of Transportation:</u>				
Passed Through Montana Department of Fish and Wildlife and Parks:				
Recreational Trails Program	20.219	RTP2312	38,885	-
Passed Through Montana Department of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	5311-111297	1,059,479	-
Highway Safety Cluster:				
National Priority Safety Programs	20.616	112343	5,653	-
National Priority Safety Programs	20.616	112833	38,858	-
Total Highway Safety Cluster			44,511	-
Total U.S. Department of Transportation			1,142,875	-
<u>U.S. Executive Office of the President:</u>				
Passed Through Lewis & Clark County:				
High Intensity Drug Trafficking Areas Program	95.001	G20RM0036A	3,054	-
Total U.S. Executive Office of the President			3,054	-
<u>U.S. Department of Homeland Security:</u>				
Passed Through Montana Department of Military Affairs, Disaster and Emergency Services:				
Homeland Security Grant Program	97.067	EMW-2022-SS-00078	18,273	-
Homeland Security Grant Program	97.067	EMW-2023-SS-00059	147,349	-
Homeland Security Grant Program	97.067	EMW-2019-SS-00010	2,687	-
Homeland Security Grant Program	97.067	EMW-2021-SS-00042	18,144	-
Total Department of Homeland Security			186,453	-
<u>U.S. Department of Treasury:</u>				
Passed Through the Montana Department of Natural Resources and Conservation:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	AC-22-0026	67,049	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	AM-22-0030	284,916	-
Total U.S. Department of Treasury			351,965	-
Total Expenditures of Federal Awards			\$ 2,104,405	\$ 119,592

See accompanying notes to schedule of expenditures of federal awards.

CITY OF HELENA, MONTANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Helena (City) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Helena's (City) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
<u>Financial Trends</u>	
These schedules contain trend information to improve the reader's understanding of how the City's financial performance and well-being have changed over time.	VI – 3
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the City's most significant local revenue source: property taxes.	VI – 7
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	VI – 11
<u>Demographic and Economic Information</u>	
These schedules offer demographic and economic indicators to improve the reader's understanding of the environment in which the City's financial activities take place.	VI – 16
<u>Operating Information</u>	
These schedules contain service and infrastructure data to improve the reader's understanding of how the information in the City's financial report relates to the services the government provides and the activities it performs.	VI – 18
<u>Miscellaneous Statistics</u>	
These schedules are intended to present other information the City feels is necessary for its users.	VI – 21

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.

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

CITY OF HELENA, MONTANA

NET POSITION BY COMPONENT - LAST TEN YEARS

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Net investment in capital assets	\$ 145,991,970	\$ 143,238,126	\$ 138,334,845	\$ 137,041,118	\$ 139,254,305	\$ 130,768,106	\$ 129,370,594	\$ 127,387,996	\$ 126,448,587	\$ 112,997,297
Restricted	9,541,915	8,234,765	38,392,080	25,625,200	17,323,027	11,140,729	10,179,868	11,521,903	12,000,238	9,969,118
Unrestricted	<u>24,213,290</u>	<u>19,593,070</u>	<u>(9,645,214)</u>	<u>(4,235,354)</u>	<u>(11,977,161)</u>	<u>(4,849,462)</u>	<u>(4,888,987)</u>	<u>(5,071,175)</u>	<u>(5,301,510)</u>	<u>(3,648,813)</u>
Total governmental activities net position	<u>\$ 179,747,175</u>	<u>\$ 171,065,961</u>	<u>\$ 167,081,711</u>	<u>\$ 158,430,964</u>	<u>\$ 144,600,171</u>	<u>\$ 137,059,373</u>	<u>\$ 134,661,475</u>	<u>\$ 133,838,724</u>	<u>\$ 133,147,315</u>	<u>\$ 119,317,602</u>
Business-type activities:										
Net investment in capital assets	\$ 153,620,404	\$ 149,351,583	\$ 141,526,645	\$ 143,177,781	\$ 137,151,058	\$ 138,938,912	\$ 129,901,321	\$ 125,406,279	\$ 125,294,720	\$ 117,255,708
Restricted	2,355,189	1,266,489	28,792,457	13,280,856	3,274,243	1,719,012	1,718,447	1,828,652	2,773,367	2,782,860
Unrestricted	<u>34,930,900</u>	<u>33,446,518</u>	<u>3,779,798</u>	<u>9,206,061</u>	<u>19,544,795</u>	<u>14,951,125</u>	<u>17,933,829</u>	<u>19,577,629</u>	<u>15,392,015</u>	<u>13,978,228</u>
Total business-type activities net position	<u>\$ 190,906,493</u>	<u>\$ 184,064,590</u>	<u>\$ 174,098,900</u>	<u>\$ 165,664,698</u>	<u>\$ 159,970,096</u>	<u>\$ 155,609,049</u>	<u>\$ 149,553,597</u>	<u>\$ 146,812,560</u>	<u>\$ 143,460,102</u>	<u>\$ 134,016,796</u>
Primary government:										
Net investment in capital assets	\$ 299,612,374	\$ 292,589,709	\$ 279,861,490	\$ 280,218,899	\$ 276,405,363	\$ 269,707,018	\$ 259,271,915	\$ 252,794,275	\$ 251,743,307	\$ 230,253,005
Restricted	11,897,104	9,501,254	67,184,537	38,906,055	20,597,270	12,859,741	11,898,315	13,350,555	14,773,605	12,751,978
Unrestricted	<u>59,144,190</u>	<u>53,039,588</u>	<u>(5,865,416)</u>	<u>4,970,707</u>	<u>7,567,634</u>	<u>10,101,663</u>	<u>13,044,842</u>	<u>14,506,454</u>	<u>10,090,505</u>	<u>10,329,415</u>
Total primary government net position	<u>\$ 370,653,668</u>	<u>\$ 355,130,551</u>	<u>\$ 341,180,611</u>	<u>\$ 324,095,661</u>	<u>\$ 304,570,267</u>	<u>\$ 292,668,422</u>	<u>\$ 284,215,072</u>	<u>\$ 280,651,284</u>	<u>\$ 276,607,417</u>	<u>\$ 253,334,398</u>

CITY OF HELENA, MONTANA

CHANGES IN NET POSITION - LAST TEN YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental activities:										
General government	\$ 3,706,174	\$ 2,328,408	\$ 5,283,196	\$ 2,079,433	\$ 3,151,905	\$ 2,473,932	\$ 3,036,845	\$ 2,784,547	\$ 2,312,861	\$ 2,462,445
Public safety	22,357,259	20,071,239	17,953,590	19,442,038	16,980,222	15,625,931	14,930,310	13,858,480	13,509,042	13,080,712
Public works	8,784,647	8,855,074	9,300,006	7,791,635	7,822,691	7,466,323	6,517,871	6,227,931	5,589,151	6,128,853
Public health	176,771	144,666	126,375	100,425	91,084	108,097	188,800	230,618	235,321	229,590
Culture and recreation	5,888,861	6,705,086	5,868,110	5,614,783	4,659,172	4,978,638	4,641,148	4,760,319	4,360,431	4,370,730
Community development	1,349,909	827,314	1,201,983	1,239,898	994,638	1,653,385	799,505	560,099	927,252	896,997
Intergovernmental	-	-	-	-	-	13,919	-	11,849	-	-
Interest on long-term debt	180,689	156,112	121,253	172,394	131,100	138,732	162,792	187,449	261,594	71,187
Total governmental activities expenses	<u>42,444,310</u>	<u>39,087,899</u>	<u>39,854,513</u>	<u>36,440,606</u>	<u>33,830,812</u>	<u>32,458,957</u>	<u>30,277,271</u>	<u>28,621,492</u>	<u>27,195,652</u>	<u>27,240,514</u>
Business-type activities:										
Water	7,761,776	7,209,705	6,670,785	7,237,377	6,948,747	6,262,263	6,353,763	6,527,186	5,948,722	5,682,401
Waste water	4,878,776	4,653,288	4,238,054	4,491,872	4,216,097	4,281,630	3,905,694	3,832,496	3,840,425	3,763,125
Solid waste	3,806,991	3,709,506	3,471,806	3,848,570	3,363,018	3,217,794	3,914,718	2,527,796	2,804,327	2,774,054
Transfer station	3,309,925	3,385,950	3,071,589	3,155,076	3,086,794	2,911,765	2,898,935	2,999,596	2,804,491	2,884,298
Parking	1,971,092	1,758,174	1,731,661	1,839,104	1,967,777	1,787,009	1,854,018	1,615,543	1,616,030	1,774,216
Golf course	2,681,967	2,094,635	2,125,520	2,123,950	1,677,501	2,170,807	1,437,446	1,378,934	1,346,433	1,302,066
Bus	1,961,267	1,858,205	1,730,348	1,698,131	1,586,514	1,733,548	1,742,719	1,707,372	1,340,154	1,340,586
Other activities	<u>3,185,695</u>	<u>2,817,476</u>	<u>2,585,248</u>	<u>2,675,069</u>	<u>2,458,884</u>	<u>2,294,153</u>	<u>2,082,131</u>	<u>1,974,257</u>	<u>1,943,910</u>	<u>1,946,026</u>
Total business-type activities expenses	<u>29,557,489</u>	<u>27,486,939</u>	<u>25,625,011</u>	<u>27,069,149</u>	<u>25,305,332</u>	<u>24,658,969</u>	<u>24,189,424</u>	<u>22,563,180</u>	<u>21,644,492</u>	<u>21,466,772</u>
Total primary government expenses	<u>\$ 72,001,799</u>	<u>\$ 66,574,838</u>	<u>\$ 65,479,524</u>	<u>\$ 63,509,755</u>	<u>\$ 59,136,144</u>	<u>\$ 57,117,926</u>	<u>\$ 54,466,695</u>	<u>\$ 51,184,672</u>	<u>\$ 48,840,144</u>	<u>\$ 48,707,286</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 306,353	\$ 232,796	\$ 182,246	\$ 569,782	\$ 653,762	\$ 850,363	\$ 776,923	\$ 930,972	\$ 933,136	\$ 1,011,040
Public safety	883,801	1,132,991	642,810	5,830,676	4,135,574	2,995,632	2,827,107	2,519,299	2,438,728	2,424,719
Public works	10,379,035	10,895,229	11,071,671	11,009,061	10,511,471	7,819,308	6,488,305	5,820,802	5,374,585	5,147,857
Public health	-	53,573	27,827	29,497	34,805	34,038	38,685	37,906	42,505	38,805
Culture and recreation	2,312,704	3,109,200	2,478,951	1,878,259	3,066,355	2,672,516	2,042,207	2,058,972	2,544,201	2,414,957
Community development	362,407	366,619	393,137	130,478	582,748	1,078,322	255,309	33,589	414,227	448,664
Operating grants and contributions	15,268,036	12,802,601	14,417,774	12,828,359	6,951,335	3,344,495	2,636,652	2,938,264	2,600,111	3,593,753
Capital grants and contributions	168,229	633,196	49,069	32,000	-	342,062	146,862	1,194,086	11,960,203	9,033,942
Total governmental activities program revenues	<u>29,680,565</u>	<u>29,226,205</u>	<u>29,263,485</u>	<u>32,308,112</u>	<u>25,936,050</u>	<u>19,136,736</u>	<u>15,212,050</u>	<u>15,533,890</u>	<u>26,307,696</u>	<u>24,113,737</u>
Business-type activities:										
Water	9,773,016	9,777,838	9,928,870	9,937,707	8,452,071	8,329,202	8,001,154	6,869,273	6,857,902	6,848,752
Waste water	6,430,337	6,462,739	6,579,051	6,819,087	6,147,366	5,643,905	4,684,320	4,646,670	4,422,625	4,231,987
Solid waste	4,017,675	3,719,428	3,786,056	3,526,899	3,432,181	3,428,248	3,296,827	3,296,934	3,471,427	3,407,846
Transfer station	2,531,293	2,677,913	2,824,940	2,807,142	2,676,681	2,428,905	2,480,033	2,568,365	2,636,743	2,999,698
Parking	2,018,391	1,963,515	1,922,175	1,858,461	1,793,831	1,764,326	1,615,268	1,738,246	1,763,047	1,794,908
Golf course	2,401,398	1,955,121	1,753,055	1,879,666	1,530,191	1,746,898	1,318,807	1,308,364	1,379,110	1,400,988
Bus	70,827	32,385	21,528	20,461	65,017	142,751	181,262	224,606	146,952	196,189
Other activities	3,521,425	4,563,506	3,264,769	3,133,969	2,520,874	2,243,111	2,340,183	2,251,768	2,149,382	1,995,117
Operating grants and contributions	2,026,894	1,872,365	1,903,796	1,947,065	1,739,535	1,702,931	1,081,538	1,311,418	1,267,118	974,042
Capital grants and contributions	351,964	-	735,000	-	10,376	726,328	1,074,948	1,677,932	6,519,156	4,341,452
Total business-type activities revenues	<u>33,143,220</u>	<u>33,024,810</u>	<u>32,719,240</u>	<u>31,930,457</u>	<u>28,368,123</u>	<u>28,156,605</u>	<u>26,074,340</u>	<u>25,893,576</u>	<u>30,613,462</u>	<u>28,190,979</u>
Total primary government revenues	<u>\$ 62,823,785</u>	<u>\$ 62,251,015</u>	<u>\$ 61,982,725</u>	<u>\$ 64,238,569</u>	<u>\$ 54,304,173</u>	<u>\$ 47,293,341</u>	<u>\$ 41,286,390</u>	<u>\$ 41,427,466</u>	<u>\$ 56,921,158</u>	<u>\$ 52,304,716</u>
Net (Expenses)/Revenues:										
Governmental activities	\$ (12,763,745)	\$ (9,861,694)	\$ (10,591,028)	\$ (4,132,494)	\$ (7,894,762)	\$ (13,322,221)	\$ (15,065,221)	\$ (13,087,602)	\$ (887,956)	\$ (3,126,777)
Business-type activities	3,585,731	5,537,871	7,094,229	4,861,308	3,062,791	3,497,636	1,884,916	3,330,396	8,968,970	6,724,207
Total primary government net (expenses) revenues	<u>\$ (9,178,014)</u>	<u>\$ (4,323,823)</u>	<u>\$ (3,496,799)</u>	<u>\$ 728,814</u>	<u>\$ (4,831,971)</u>	<u>\$ (9,824,585)</u>	<u>\$ (13,180,305)</u>	<u>\$ (9,757,206)</u>	<u>\$ 8,081,014</u>	<u>\$ 3,597,430</u>
General Revenues and other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 17,325,226	\$ 13,884,885	\$ 13,651,843	\$ 13,115,613	\$ 10,514,624	\$ 11,620,191	\$ 10,797,141	\$ 10,329,375	\$ 9,939,895	\$ 9,627,235
Motor vehicle taxes	1,735,424	965,755	1,210,782	1,153,193	1,054,649	1,028,710	891,652	853,548	826,785	774,849
Unrestricted grants and contributions	-	-	4,819,847	4,617,261	4,525,417	4,409,295	4,334,645	4,310,367	4,259,548	4,132,618
Investment earnings	2,524,169	1,600,932	114,415	40,479	314,922	463,553	291,269	157,354	91,441	31,507
Gain on the sale of capital assets	31,476	27,465	80,441	42,562	132,464	2,850	20,157	58,539	-	28,257
Miscellaneous	231,511	134,267	-	-	-	-	-	-	-	-
Transfers	(732,302)	(2,825,848)	(787,505)	(737,845)	(848,659)	(1,804,481)	(446,892)	(407,904)	(375,000)	(1,775,194)
Insurance settlements	329,455	58,488	151,952	-	-	-	-	-	-	-
Special item	-	-	-	-	-	-	-	-	(25,000)	-
Total governmental activities	<u>21,444,959</u>	<u>13,845,944</u>	<u>19,241,775</u>	<u>18,231,263</u>	<u>15,693,417</u>	<u>15,720,118</u>	<u>15,887,972</u>	<u>15,301,279</u>	<u>14,717,669</u>	<u>12,819,272</u>
Business-type activities:										
Investment earnings	2,481,160	1,542,746	94,801	56,084	449,598	617,860	396,725	188,875	81,993	18,808
Gain on sale of capital assets	42,710	19,455	72,028	34,983	-	135,475	12,504	5,925	17,343	30,695
Miscellaneous	-	39,770	-	-	-	-	-	-	-	-
Transfers	732,302	2,825,848	787,505	737,845	848,659	1,804,481	446,892	407,904	375,000	1,775,194
Special item	-	-	385,639	-	-	-	-	-	-	7,391,153
Total business-type activities	<u>3,256,172</u>	<u>4,427,819</u>	<u>1,339,973</u>	<u>828,912</u>	<u>1,298,257</u>	<u>2,557,816</u>	<u>856,121</u>	<u>602,704</u>	<u>474,336</u>	<u>9,215,850</u>
Total primary government	<u>\$ 24,701,131</u>	<u>\$ 18,273,763</u>	<u>\$ 20,581,748</u>	<u>\$ 19,060,175</u>	<u>\$ 16,991,674</u>	<u>\$ 18,277,934</u>	<u>\$ 16,744,093</u>	<u>\$ 15,903,983</u>	<u>\$ 15,192,005</u>	<u>\$ 22,035,122</u>
Change in Net Position:										
Governmental activities	\$ 8,681,214	\$ 3,984,250	\$ 8,650,747	\$ 14,098,769	\$ 7,798,655	\$ 2,397,897	\$ 822,751	\$ 2,213,677	\$ 13,829,713	\$ 9,692,495
Business-type activities	6,841,903	9,965,690	8,434,202	5,690,220	4,361,048	6,055,452	2,741,037	3,933,100	9,443,306	15,940,057
Total primary government change in net position	<u>\$ 15,523,117</u>	<u>\$ 13,949,940</u>	<u>\$ 17,084,949</u>	<u>\$ 19,788,989</u>	<u>\$ 12,159,703</u>	<u>\$ 8,453,349</u>	<u>\$ 3,563,788</u>	<u>\$ 6,146,777</u>	<u>\$ 23,273,019</u>	<u>\$ 25,632,552</u>

CITY OF HELENA, MONTANA

FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ 56,753	\$ 29,143	\$ 1,317,033	\$ 124,494	\$ 6,287	\$ 9,780	\$ 7,697	\$ 16,902	\$ 13,663	\$ 14,774
Restricted	666,158	246,648	92,447	86,789	132,814	144,235	67,937	73,800	62,473	113,730
Committed	4,506,938	2,939,597	1,426,620	17,000	-	-	-	-	42,273	117,273
Assigned	13,208	36,343	378,850	444,000	47,934	163,852	824,027	32,596	5,000	6,000
Unassigned	6,694,981	9,949,717	13,058,159	11,778,130	10,300,640	6,426,782	4,609,737	5,376,401	5,436,164	6,770,453
Total General Fund	<u>\$ 11,938,038</u>	<u>\$ 13,201,448</u>	<u>\$ 16,273,109</u>	<u>\$ 12,450,413</u>	<u>\$ 10,487,675</u>	<u>\$ 6,744,649</u>	<u>\$ 5,509,398</u>	<u>\$ 5,499,699</u>	<u>\$ 5,559,573</u>	<u>\$ 7,022,230</u>
All Other Governmental Funds:										
Nonspendable	\$ 1,327,482	\$ 306,593	\$ 360,393	\$ 5,585,036	\$ 965,972	\$ 286,611	\$ 280,299	\$ 387,233	\$ 394,047	\$ 248,965
Restricted	8,875,757	7,988,117	4,640,241	10,800,937	7,661,558	12,487,883	11,142,220	12,711,213	11,937,765	9,855,388
Committed	3,934,030	2,841,966	6,732,761	4,215,205	2,931,907	1,807,477	1,781,734	1,488,727	1,553,024	1,576,584
Assigned	30,034,091	25,027,027	20,068,474	4,796,737	5,598,507	2,420,721	4,138,428	3,119,020	2,544,285	2,791,027
Unassigned	-	-	-	(528,674)	(44,075)	(68,957)	(50,485)	(51,433)	(281,618)	(150,931)
Total all Other Governmental Funds	<u>\$ 44,171,360</u>	<u>\$ 36,163,703</u>	<u>\$ 31,801,869</u>	<u>\$ 24,869,241</u>	<u>\$ 17,113,869</u>	<u>\$ 16,933,735</u>	<u>\$ 17,292,196</u>	<u>\$ 17,654,760</u>	<u>\$ 16,147,503</u>	<u>\$ 14,321,033</u>

CITY OF HELENA, MONTANA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Property taxes	\$ 16,971,154	\$ 14,639,284	\$ 13,651,063	\$ 13,091,139	\$ 12,608,166	\$ 11,518,252	\$ 10,799,382	\$ 10,386,161	\$ 9,940,730	\$ 10,138,026
Motor vehicle taxes	1,735,424	965,755	1,210,782	1,153,193	1,054,649	1,028,710	891,652	853,548	826,785	774,849
Special assessments	11,280,396	11,599,155	11,476,251	11,211,778	11,141,122	8,345,193	7,021,904	6,409,137	5,911,386	5,718,233
Licenses and permits	622,058	629,452	643,584	681,073	665,401	688,404	545,630	633,332	638,250	638,327
Intergovernmental	11,821,151	9,649,990	16,961,632	13,972,271	11,550,618	9,147,355	7,357,020	7,658,087	7,961,957	8,533,328
Charges for services	1,707,386	2,674,961	2,164,828	2,474,136	1,952,050	2,091,774	1,779,690	1,632,309	2,063,152	1,922,226
Fines	459,918	449,309	398,979	444,690	571,191	540,899	523,678	535,033	585,401	650,074
Investment earnings	2,524,168	1,600,932	128,401	60,546	314,922	479,082	291,269	157,354	91,441	31,507
Miscellaneous	521,247	729,386	133,118	516,602	353,426	305,423	372,789	415,052	727,425	551,325
Total revenues	47,642,902	42,938,224	46,768,638	43,605,428	40,211,545	34,145,092	29,583,014	28,680,013	28,746,527	28,957,895
Expenditures:										
General government	2,844,273	1,988,429	4,457,975	2,270,942	2,880,223	2,324,298	2,785,665	2,467,576	2,150,391	2,343,318
Public safety	17,567,910	15,987,611	15,450,138	14,738,531	14,108,886	13,381,503	12,631,086	11,786,301	11,722,710	11,487,514
Public works	6,713,329	6,308,231	7,240,016	6,349,554	5,979,935	5,551,877	5,307,073	5,192,118	4,583,452	5,185,550
Public health	171,793	152,937	70,566	83,318	83,813	146,113	173,517	232,168	236,745	227,565
Culture and recreation	4,863,744	5,757,850	5,528,873	4,030,122	3,954,455	4,158,847	3,691,666	3,800,002	3,655,584	3,788,237
Community development	1,265,076	772,491	1,179,802	1,202,462	973,675	1,653,251	773,214	556,388	934,609	875,627
Intergovernmental	-	-	-	-	-	13,919	-	11,849	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	442,713	493,967	490,894	425,000	415,000	699,107	832,892	771,583	735,321	719,102
Interest	180,689	156,112	121,227	172,394	131,100	149,273	151,233	248,064	274,926	301,260
Debt issuance costs	-	-	-	-	-	-	-	96,440	-	-
Capital outlay	7,541,633	8,583,067	3,700,212	5,187,380	7,256,776	3,805,289	3,545,993	2,072,624	3,678,117	2,132,609
Total expenditures	41,591,160	40,200,695	38,239,703	34,459,703	35,783,863	31,883,477	29,892,339	27,235,113	27,971,855	27,060,782
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,051,742	2,737,529	8,528,935	9,145,725	4,427,682	2,261,615	(309,325)	1,444,900	774,672	1,897,113
Other Financing Sources (Uses):										
Debt issued	-	-	1,614,950	810,000	-	-	-	5,180,000	-	-
Debt issuance premium	-	-	-	-	-	-	-	308,748	-	-
Contributions	-	-	-	-	11,674	-	-	-	-	-
Payments to bond escrow agency	-	-	-	-	-	-	-	(5,390,156)	-	-
Sale of capital assets	31,476	27,465	97,403	42,562	132,464	2,850	20,157	58,539	(11,859)	112,230
Insurance settlements	329,455	58,488	137,002	6,032	-	-	-	-	-	-
Subscription-based information technology arrangement	1,017,199	1,012,594	-	-	-	-	-	-	-	-
Transfers in	3,513,252	4,413,424	5,430,539	5,102,238	1,498,242	1,574,633	1,868,584	2,473,448	3,889,055	1,558,900
Transfers out	(4,198,877)	(6,959,327)	(5,053,507)	(5,388,445)	(2,146,903)	(2,962,308)	(1,932,281)	(2,627,096)	(4,264,055)	(3,062,058)
Total other financing sources (uses)	692,505	(1,447,356)	2,226,387	572,387	(504,523)	(1,384,825)	(43,540)	3,483	(386,859)	(1,390,928)
Special Item	-	-	-	-	-	-	-	-	(25,000)	-
Net change in fund balance	\$ 6,744,247	\$ 1,290,173	\$ 10,755,322	\$ 9,718,112	\$ 3,923,159	\$ 876,790	\$ (352,865)	\$ 1,448,383	\$ 362,813	\$ 506,185
 Debt service as a percentage of noncapital expenditures	 1.81%	 1.98%	 1.77%	 2.04%	 1.91%	 3.02%	 3.74%	 4.05%	 4.16%	 4.09%

CITY OF HELENA, MONTANA

MARKET VALUE OF TAXABLE PROPERTY

LAST TEN YEARS 2015-2024

(Unaudited)

Fiscal Year	Real Taxable Value (1)	Personal Taxable Value (1)	Less Tax Increment	Net Taxable Valuation	Total Direct Tax Rate	Estimated Market Value	Taxable Value as a Percentage of Market Value
2015	\$ 57,074	\$ 2,035	\$ -	\$ 59,109	168.17	\$ 2,384,469	2.48%
2016	58,044	2,320	-	60,364	164.76	3,623,976	1.67%
2017	59,539	2,578	-	62,117	167.32	3,710,432	1.67%
2018	63,280	2,547	160	65,667	163.86	4,167,551	1.58%
2019	64,975	3,061	-	68,036	169.73	4,362,418	1.56%
2020	63,785	3,390	-	67,175	169.08	4,389,878	1.53%
2021	70,135	3,335	-	73,470	174.80	4,771,310	1.54%
2022	74,799	2,820	-	77,619	168.87	5,112,116	1.52%
2023	76,733	3,809	-	80,542	173.87	5,223,980	1.61%
2024	97,962	3,629	-	101,591	148.77	6,912,901	1.47%

Sources: Lewis & Clark County

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

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

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

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

CITY OF HELENA, MONTANA

DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN YEARS

(Per \$1,000 of Taxable Value)

2015-2024

(Unaudited)

	City of Helena							Overlapping Rates (1)			
	General Purpose	Medical Insurance	Fire Safety (2)	GO Bonds Debt Service	Tax Increment Financing	Other Levies (4)	Total Direct	Helena Elementary	East Helena K-12 (3)	Helena High	Lewis and Clark County
2015	100.06	25.16	-	17.79	-	25.16	168.17	166.31	157.69	87.06	226.20
2016	99.13	25.84	-	14.35	-	25.44	164.76	155.76	158.59	85.71	218.04
2017	102.52	27.16	-	13.15	-	24.49	167.32	159.96	166.56	80.22	225.30
2018	99.47	27.75	-	11.75	0.30	24.59	163.86	201.19	195.45	82.95	218.22
2019	101.75	28.08	7.25	7.94	0.07	24.64	169.73	221.34	232.45	91.99	235.94
2020	121.60	30.17	9.26	7.14	0.91	-	169.08	215.75	375.60	88.75	243.49
2021	123.73	30.89	12.56	7.07	0.55	-	174.80	218.96	242.83	85.92	236.25
2022	119.84	28.66	11.98	7.10	1.29	-	168.87	206.13	226.45	81.04	232.40
2023	125.21	27.35	12.59	7.00	1.72	-	173.87	205.45	228.42	80.48	241.84
2024	101.88	27.51	9.98	5.58	3.82	-	148.77	184.54	185.57	68.26	202.42

Source: City of Helena and Lewis & Clark County

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

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

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

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

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

CITY OF HELENA, MONTANA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Taxpayer	June 30, 2024			June 30, 2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Northwestern Corporation	\$ 8,090,022	1	7.91%	\$ 5,449,974	1	8.86%
The Boeing Company	2,389,314	2	2.34%	1,757,014	3	2.86%
Verizon Wireless	1,729,876	3	1.69%	3,933,335	2	6.39%
Charter Communications, Inc.	621,674	4	0.61%	-	-	-
Lumen Technologies, LLC (formerly Centurylink)	614,106	5	0.60%	-	-	-
Health Care Service Corporation	561,604	6	0.55%	-	-	-
TRC Remington, LLC	508,573	7	0.50%	-	-	-
Pioneer Aerostructures LLC	428,812	8	0.42%	-	-	-
Skyway Regional Shopping Center, LLC	428,077	9	0.42%	-	-	-
Touchmark Living Centers, LLC (formerly Waterford)	406,607	10	0.40%	364,162	8	0.59%
Helena Federal Office Complex LLC	-	-	-	479,912	5	0.78%
Qwest Corporation	-	-	-	1,522,585	4	2.47%
Walmart Stores, Inc.	-	-	-	401,390	6	0.65%
Bresnan Communications	-	-	-	476,325	6	0.77%
Costco	-	-	-	298,407	9	0.48%
Lowe's HIW Inc	-	-	-	226,442	10	0.37%
	<u>\$ 15,778,665</u>		<u>15.44%</u>	<u>\$ 14,909,546</u>		<u>24.22%</u>
Year-End Total Taxable Assessed Valuation (1)	<u>\$ 102,223,173</u>			<u>\$ 61,531,129</u>		

SOURCE:

Lewis & Clark County

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

CITY OF HELENA, MONTANA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS 2015-2024
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2015	\$ 9,968,710	\$ 9,400,597	94.30%	\$ 568,113	\$ 9,968,710	100.00%
2016	9,944,618	9,658,179	97.12%	285,967	9,944,146	100.00%
2017	10,356,135	9,853,992	95.15%	502,070	10,356,062	100.00%
2018	10,882,574	10,282,203	94.48%	600,240	10,882,443	100.00%
2019	9,378,242	8,685,574	92.61%	692,330	9,377,904	100.00%
2020	11,326,037	10,723,897	94.68%	601,708	11,325,605	100.00%
2021	12,791,198	11,794,044	92.20%	996,174	12,790,218	99.99%
2022	12,988,465	12,303,363	94.73%	683,746	12,987,109	99.99%
2023	13,829,575	13,412,748	96.99%	402,639	13,815,387	99.90%
2024	14,654,852	14,390,985	98.20%	-	14,390,985	98.20%

NOTES:

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

SOURCES:

Lewis & Clark County

CITY OF HELENA, MONTANA

RATIO OF OUTSTANDING DEBT BY TYPE - LAST TEN YEARS

2015-2024

(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities						(1)	(1)
	General		Special		General	Certificates				Total	Percentage	
	Obligation		Assessment	Lease / SBITA	Obligation	of	Revenue		Lease / SBITA	Primary	of	Debt Per
	Bonds	Loans	Bonds	Liabilities	Bonds	Participation	Bonds	Loans	Liabilities	Government	Personal	Capita
2015	\$ 7,085,000	\$ 148,903	\$ 160,000	\$ -	\$ 1,695,000	(2) \$ 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	(3) 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 (4)	-	-	2,275,000	6,860,000	7,191,919	1,806,075	-	22,472,994	1.19%	679
2022	3,085,000	770,514	-	7,263	2,095,000	6,550,000	8,372,343	1,644,755	35,300	22,560,175	1.20%	681
2023	2,625,000	694,714	-	1,013,400 (5)	1,915,000	6,230,000	8,433,000	1,466,190	28,083	22,405,387	1.06%	631
2024	2,145,000	618,914	-	1,667,913	1,725,000	5,905,000	8,417,581	1,808,960	20,754	22,309,122	0.99%	641

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

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

(2) 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.

(3) \$2.1 million in bonds were issued to finance a significant expansion to the pro shop and clubhouse at the municipal golf course.

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

(5) Recognition of two SBITA Agreements

CITY OF HELENA, MONTANA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING - LAST TEN YEARS

2015-2024
(Unaudited)

Fiscal Year	General Obligation Bonds	General Fund Bonds 2015 (1)	Limited General Fund Refunding Bonds 2015 (1)	Limited General Fund Refunding Bonds 2017	Less Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value (2)	Per Capita (3)
2015	\$ 7,085,000	\$ 850,000	\$ 845,000	\$ -	\$ (1,510,000)	\$ 7,270,000	12.04%	242.79
2016	6,435,000	-	835,000	-	(743,507)	6,526,493	10.51%	213.42
2017	5,765,000	-	760,000	-	(1,081,954)	5,443,046	8.29%	174.63
2018	5,010,000	-	680,000	2,100,000	(870,177)	6,919,823	10.54%	220.17
2019	4,370,000	-	600,000	2,015,000	(585,000)	6,400,000	9.41%	198.05
2020	3,955,000	-	520,000	1,925,000	(595,000)	5,805,000	8.64%	175.25
2021	3,530,000	-	440,000	1,835,000	(595,000)	5,210,000	7.09%	162.35
2022	3,085,000	-	355,000	1,740,000	(625,000)	4,555,000	5.87%	137.53
2023	2,625,000	-	270,000	1,645,000	(640,000)	3,900,000	4.62%	115.10
2024	2,145,000	-	180,000	1,545,000	(670,000)	3,200,000	3.15%	92.85

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

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

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

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

CITY OF HELENA, MONTANA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2024
(Unaudited)

Governmental Unit	Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Helena School District No. 1 Elementary	\$ 50,165,000	70.87%	\$ 35,551,936
East Helena School District No. 9 K-12	32,070,000	13.06%	4,188,342
Lewis & Clark County Bonds	9,835,000	77.01%	<u>7,573,934</u>
Subtotal, Overlapping Debt			47,314,212
City direct debt	\$ 4,333,114	100.00%	<u>4,333,114</u>
Total direct and overlapping debt			<u><u>\$ 51,647,326</u></u>

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

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

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

CITY OF HELENA, MONTANA

LEGAL DEBT MARGIN INFORMATION - LAST TEN YEARS (1)

2015-2024
(Unaudited)

Fiscal Year	2024	2023 (4)	2022 (4)	2021	2020	2019	2018	2017	2016	2015
Debt limit	\$ 152,451	\$ 112,829	\$ 111,380	\$ 103,196	\$ 103,196	\$ 94,136	\$ 91,884	\$ 85,464	\$ 84,952	\$ 60,015
Total net debt applicable to limit	<u>3,870</u>	<u>3,870</u>	<u>5,180</u>	<u>5,805</u>	<u>5,880</u>	<u>6,396</u>	<u>7,184</u>	<u>5,899</u>	<u>6,513</u>	<u>6,969</u>
Legal debt margin	<u>\$ 148,581</u>	<u>\$ 108,959</u>	<u>\$ 106,200</u>	<u>\$ 97,391</u>	<u>\$ 97,316</u>	<u>\$ 87,740</u>	<u>\$ 84,700</u>	<u>\$ 79,565</u>	<u>\$ 78,439</u>	<u>\$ 53,046</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.54%	3.43%	4.65%	5.63%	5.70%	6.79%	7.82%	6.90%	7.67%	11.61%
Assessed value (2)	<u>\$ 6,098,033</u>									
Debt limit (2.5% of assessed value) (3)	\$ 152,451									
Debt applicable to limit:										
General obligation bonds	<u>3,870</u>									
Legal debt margin	<u>\$ 148,581</u>									

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

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

(2) The City uses the "certified" Estimated Market Value provided by the State of Montana, Department of Revenue to calculate the legal debt margin in accordance with State law. This represents the 2023 Market Value used for assessing properties in 2024.

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

(4) Calculations updated using revised assessed values. Assessed values in Fiscal Year 2023 and Fiscal Year 2022 updated to use tax year 2022 and 2021, respectively, for the assessed values.

CITY OF HELENA, MONTANA

PLEDGED-REVENUE COVERAGE LAST TEN YEARS

2015-2024
(Unaudited)

Water Revenues Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2015	\$ 6,951	\$ 3,821	\$ 3,130	\$ 468	\$ 54	599.60%
2016	6,974	4,026	2,948	468	54	564.80%
2017	7,047	4,481	2,566	496	132	408.60%
2018	8,151	4,058	4,093	507	57	725.80%
2019	7,915	4,267	3,648	485	79	646.80%
2020	8,143	4,780	3,363	825	71	375.30%
2021	8,652	4,723	3,929	693	140	471.60%
2022	10,738	5,113	5,625	758	140	626.30%
2023	9,667	5,014	4,653	855	132	471.30%
2024	9,746	5,219	4,527	748	143	507.90%

Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2015	\$ 4,404	\$ 2,719	\$ 1,685	\$ 736	\$ 34	218.80%
2016	4,567	2,759	1,808	736	34	234.80%
2017	4,831	2,719	2,112	736	34	274.30%
2018	4,781	2,703	2,078	736	34	269.90%
2019	5,311	3,093	2,218	736	34	288.20%
2020	5,489	3,164	2,325	877	62	247.60%
2021	5,799	3,254	2,545	750	24	328.90%
2022	6,327	3,232	3,095	496	32	586.30%
2023	6,353	3,441	2,912	170	31	1451.90%
2024	6,428	3,497	2,931	218	79	988.60%

Parking Certificate of Participation

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Maximum Debt Service in Any Fiscal Year		Coverage
				Principal	Interest	
2015	\$ 1,795	\$ 745	\$ 1,050	\$ 290	\$ 401	152.00%
2016	1,763	928	835	370	410	107.10%
2017	1,744	960	784	470	147	127.10%
2018	1,538	1,297	241	470	201	36.00%
2019	1,683	1,110	573	470	195	86.10%
2020	1,754	1,224	530	470	189	80.30%
2021	1,797	1,181	616	470	183	94.30%
2022	1,811	1,103	708	470	177	109.30%
2023	1,934	1,245	689	470	171	107.60%
2024	1,641	1,500	141	470	165	22.10%

Source: City financial statements.

CITY OF HELENA, MONTANA

DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

2015-2024
(Unaudited)

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Income (\$)	Median Age	School Enrollment	Unemployment Rate
2015	29,943	\$ 1,323,481	\$ 44,200	41.0	8,290	3.9%
2016	30,581	1,368,561	44,752	41.0	8,294	3.1%
2017	31,169	1,423,488	45,670	42.0	8,332	3.0%
2018	31,429	1,489,169	47,382	40.0	9,512	3.3%
2019	32,315	1,551,896 (1)	48,024	40.0	9,601 (1)	3.1%
2020	33,124	1,660,605 (1)	50,133	40.0	9,738 (1)	3.0%
2021	32,091 (2)	1,744,595 (3)	54,364	41.0 (1)	10,649 (1)	3.2%
2022	33,120	1,880,918	56,791	41.0 (1)	10,659 (1)	2.3%
2023	33,885	2,023,341	59,712	40.0 (1)	10,009 (1)	2.4%
2024	34,464	2,239,781	64,989	39.9 (1)	9,886 (1)	2.6%

SOURCES:

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

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

Unemployment Rate, Personal Income, Per Capita Personal Income

Lewis and Clark Superintendent of Schools: School Enrollment

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

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

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

CITY OF HELENA, MONTANA

TOP TWENTY EMPLOYERS IN LEWIS AND CLARK COUNTY

AS OF JUNE 30, 2024

(Unaudited)

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

Sources:

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

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

CITY OF HELENA, MONTANA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN YEARS
(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Legislative	8.50	8.50	7.50	7.38	7.38	7.38	7.38	7.38	7.38	7.38
Executive	4.00	4.00	5.50	4.00	3.00	2.00	2.00	2.00	2.00	2.00
Judicial	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Administrative	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Financial	9.00	12.00	9.00	8.00	8.00	8.00	8.00	7.00	7.00	8.00
Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Legal	9.00	9.00	9.00	8.00	8.00	7.00	7.16	6.00	5.00	4.75
Facilities Administration	4.17	4.17	3.16	2.24	2.24	2.08	2.17	2.17	2.17	2.17
General Government Sub-total	48.67	50.67	47.16	42.62	41.62	39.46	39.71	37.55	36.55	37.30
Public Safety:										
Law enforcement	83.65	80.65	80.65	79.05	78.55	76.00	75.00	71.50	73.50	72.50
Fire protection	43.00	43.00	43.00	42.00	41.00	42.00	37.00	37.00	37.00	36.46
Public Safety Sub-total	126.65	123.65	123.65	121.05	119.55	118.00	112.00	108.50	110.50	108.96
Public Works:										
Public Works administration	3.50	3.50	3.00	5.00	5.00	2.50	2.50	2.50	2.50	2.50
Engineering	9.50	13.00	12.00	8.50	8.50	8.50	8.50	8.50	8.90	8.65
Industrial facilities	4.00	3.00	-	-	-	-	-	-	-	-
Road and street	27.91	25.05	24.09	23.31	23.31	15.12	15.13	15.01	15.01	15.01
Storm water	3.33	3.33	3.33	3.81	3.81	3.81	2.56	2.56	2.33	2.27
Public Works Sub-total	48.24	47.88	42.42	40.62	40.62	29.93	28.69	28.57	28.74	28.43
Public Health:										
Animal control	1.00	1.50	1.50	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Public Health Sub-total	1.00	1.50	1.50	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Culture and Recreation:										
Park and recreation	28.00	28.00	26.25	27.75	27.75	25.67	23.75	22.50	21.60	21.60
Civic center	6.00	6.00	6.00	5.93	5.93	5.98	5.94	5.44	5.44	5.44
Culture and Recreation Sub-total	34.00	34.00	32.25	33.68	33.68	31.65	29.69	27.94	27.04	27.04
Community Development:										
Community development and planning	7.00	6.50	6.00	5.63	5.38	5.13	5.13	5.13	5.13	5.13
Building	10.50	10.50	10.00	10.00	9.75	9.50	9.75	9.50	9.50	9.50
Conservation and Development Sub-total	17.50	17.00	16.00	15.63	15.13	14.63	14.88	14.63	14.63	14.63
Water	24.76	24.76	25.71	25.73	25.73	24.45	21.45	21.95	22.26	21.28
Wastewater	15.41	15.41	16.36	16.84	16.84	16.74	15.49	15.99	15.91	15.23
Solid waste	11.00	11.00	13.20	10.40	10.40	8.40	8.40	8.30	8.30	8.30
Transfer station	12.00	12.00	9.80	11.60	11.60	11.60	11.60	11.70	10.70	10.70
Bus	15.40	15.35	14.88	13.10	13.10	12.98	13.25	13.37	11.27	10.95
Parking	9.27	9.09	9.14	8.80	8.80	8.65	7.65	7.65	7.65	9.80
City-County building administration	8.31	8.31	9.31	9.30	9.30	8.41	6.37	6.37	6.37	6.37
Fleet services	6.53	6.48	6.75	6.80	6.80	6.50	6.50	6.50	6.50	5.50
TOTAL	378.74	377.10	368.13	357.17	354.17	332.40	317.68	311.02	308.42	306.49

Source: City of Helena, Finance Budget Department

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

CITY OF HELENA, MONTANA

OPERATING INDICATORS BY FUNCTION/PROGRAM - LAST TEN YEARS (Unaudited)

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government - Administration:										
Judicial:										
Trials by judge	5,198	4,285	3,741	3,987	3,534	3,147	3,005	2,832	4,525	5,685
Trials by jury	6	4	7	3	8	8	7	8	11	7
Citations filed	3,985	3,663	3,242	4,225	5,206	5,094	5,691	5,067	5,921	7,068
Public Safety Activities:										
Police:										
Total calls	29,809	29,832	25,494	28,309	30,806	31,368	29,432	27,871	29,205	30,583
Arrests	2,797	1,623	1,381	1,581	1,897	2,168	2,050	1,780	1,976	2,128
Warrants served	1,611	1,591	899	1,312	1,376	1,034	1,351	1,276	1,726	1,192
Traffic citations	2,964	2,029	1,745	1,939	2,417	2,366	2,686	2,244	2,205	4,620
Fire:										
Alarms	4,887	4,851	4,268	3,993	4,210	3,743	4,014	4,385	4,120	3,807
Inspections	1,230	897	296	636	556	375	476	812	1,048	617
Medical calls	3,515	3,550	3,076	2,806	2,933	2,608	2,820	3,208	3,044	2,748
Public Works:										
Streets:										
Chip seals (miles)	11.00	23.70	19.70	30.90	19.30	19.00	13.40	9.20	8.70	8.90
Fog Seal (miles)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crack seal (miles)	0.00	0.00	0.00	0.00	19.30	19.00	13.40	9.20	8.70	8.90
Re-surface	8.00	2.80	4.20	0.00	1.40	1.50	2.40	1.20	N/A	N/A
Water:										
Average daily consumption (millions of gallons)	5.50	4.40	5.90	5.50	5.10	5.30	5.90	5.20	5.60	5.60
Peak demand (millions of gallons)	12.60	12.60	13.60	14.80	12.00	15.20	15.10	13.10	13.20	15.00
Number of customers	11,678	11,600	12,801	12,719	12,079	11,569	11,569	11,526	11,441	11,159
Wastewater:										
Average daily wastewater treated (millions of gallons)	3.10	3.00	3.00	3.30	3.20	3.20	2.70	2.50	2.80	2.80
Solid waste:										
Refuse collected (tons per day)	106	117	117	116	112	101	100	104	104	101
Recyclables collected (tons per day)	25	11	24	19	20	21	18	18	17	18
Bus:										
Total passengers (1)	55,305	47,806	32,712	30,657	97,589	82,488	95,789	81,787	97,189	79,252
Parking:										
Number of spaces in garages	1,389	1,389	1,389	1,389	1,389	1,383	1,383	1,383	1,383	1,383
Monthly rates	75	75	75	\$65-\$75	\$65-\$75	\$63-\$73	\$63-\$73	\$63-\$73	\$59-\$69	\$57-\$67
Hourly rates	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75
Garage revenues	\$ 1,285,846	\$ 758,899	\$ 981,998	\$ 714,199	\$ 1,429,321	\$ 1,093,614	\$ 1,045,100	\$ 1,053,540	\$ 1,125,661	\$ 1,127,000
Number of spaces in paid lots	656	656	656	656	656	656	656	656	656	656
Number of spaces in paid lots - monthly rate	\$60	\$55-\$60	\$55-\$60	\$55-\$60	\$53-\$80	\$53-\$80	\$53-\$80	\$49-\$74	\$47-\$72	\$47-\$72
Number of spaces in paid lots - hourly rate	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Number of spaces in paid lots - lot revenues	\$ 424,524	\$ 336,181	\$ 267,521	\$ 307,679	\$ 312,310	\$ 350,107	\$ 349,079	\$ 329,890	\$ 328,388	\$ 319,163
On-street monthly permit rate:										
Commercial areas	51	51	51	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43	\$21-\$43
Residential areas	\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$20	\$5-\$10
Permit revenues	\$ 209,332	\$ 154,923	\$ 148,324	\$ 185,567	\$ 208,013	\$ 201,218	\$ 185,768	\$ 211,731	\$ 217,650	\$ 212,520
Parking meter rate	\$1.00	\$50-\$1.00	\$50-\$1.00	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Parking meter rate - meter revenues	\$ 579,042	\$ 189,978	\$ 278,463	\$ 211,483	\$ 189,037	\$ 38,444	\$ 17,327	\$ 22,042	\$ 18,931	\$ 12,549
Public Health Activities:										
Animal control:										
Total incidents	3,304	3,377	1,757	1,688	1,639	1,730	2,115	2,541	2,453	2,521
Citations	31	24	71	109	100	141	254	332	288	347
Culture and Recreation:										
Swimming pool attendance (1)	32,002	32,252	24,010	6,001	21,579	24,090	24,739	19,950	24,001	24,386
Civic center:										
Events (1)	107	99	91	58	140	80	68	79	73	71
Number of days used	130	172	143	87	218	150	131	170	N/A	N/A
Tickets sold	10,530	13,265	10,500	19,010	85,703	58,603	48,379	55,055	53,784	48,586
Community Development:										
Building:										
Residential permits, new construction	115	76	101	106	94	90	142	80	118	80
Residential permits, new construction - number of units	103	88	223	244	204	188	258	175	386	339
Residential permits, new construction - value of permits (in thousands)	\$ 58,305	\$ 25,959	\$ 44,367	\$ 44,082	\$ 34,387	\$ 32,922	\$ 21,724	\$ 46,820	\$ 48,294	\$ 37,670
Residential permits, addition/remodel	595	459	124	107	99	119	126	184	169	122
Residential permits, addition/remodel - value of permits (in thousands)	\$ 15,027	\$ 11,006	\$ 5,518	\$ 2,922	\$ 2,831	\$ 3,804	\$ 2,982	\$ 3,820	\$ 3,386	\$ 4,180
Commercial permits, new construction	15	17	14	22	14	18	15	19	39	13
Commercial permits, new construction - value of permits (in thousands)	\$ 34,480	\$ 64,531	\$ 57,742	\$ 2,054	\$ 10,968	\$ 45,014	\$ 15,206	\$ 26,565	\$ 54,372	\$ 14,623
Commercial permits, addition/remodel	134	155	117	120	118	145	127	177	211	169
Commercial permits, addition/remodel - value of permits (in thousands)	\$ 58,006	\$ 36,629	\$ 55,829	\$ 31,482	\$ 31,716	\$ 32,324	\$ 21,950	\$ 32,444	\$ 17,930	\$ 18,675
Planning:										
Annexations	2	2	4	1	3	2	5	7	1	4
Annexed properties	3	3	5	1	2	2	145	31	10	4
Major subdivisions	-	2	3	1	2	2	2	-	2	-
Major subdivisions - lots created	-	45	75	-	-	26	50	-	32	-
Minor subdivisions	2	3	-	-	1	-	2	1	1	1
Minor subdivisions - lots created	5	8	-	-	-	-	5	3	4	3

Source: City of Helena

(1) Bus, Civic Center and pool attendance affected by COVID

CITY OF HELENA, MONTANA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM - LAST TEN YEARS

(Unaudited)

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety Activities:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	32	32	32	31	31	30	28	35	37
Fire stations:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Fire response trucks	20	20	20	20	19	18	17	16	16	16
Public Works:										
Streets (miles)	266	263	261	261	268	268	272	272	271	271
Street lights (1)	3,486	3,489	3,483	3,458	3,406	3,408	3,697	3,689	3,689	3,691
Stormwater mains (miles)	55	73	72	72	71	72	71	71	71	68
Water:										
Water mains (miles)	259	248	252	252	248	248	247	244	244	236
Fire hydrants	1,996	1,817	1,812	1,812	1,787	1,763	1,733	1,704	1,785	1,678
Storage capacity (in millions of gallons)	23	23	23	23	22	23	23	23	23	23
Wastewater mains (miles)	192	158	185	185	183	192	190	188	188	188
Solid waste - collection trucks	10	10	16	18	18	19	19	18	17	18
Buses	13	14	14	14	12	13	15	19	18	19
Parking:										
Garages	5	5	5	5	5	5	5	5	5	5
Parking lots	11	11	11	11	11	11	11	11	10	10
Curbside meters	196	196	196	196	196	264	264	264	280	280
On-street rental spaces (2)	739	739	739	739	320	-	-	-	-	-
Culture and Recreation:										
Number of city parks	44	44	44	46	47	47	47	47	47	47
City park acreage	236	236	236	263	263	263	263	263	258	258
Open space acreage	2,300	2,300	2,134	1,999	1,999	1,999	1,999	1,999	1,999	1,999

Source: City of Helena

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

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

CITY OF HELENA, MONTANA

THE WATER SYSTEM (1)

JUNE 30, 2024
(unaudited)

<p>Historical Water System Connections Last Five Fiscal Years</p>

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial Customers</u>	<u>Total Customers</u>
2020	8,728	3,991	12,719
2021	8,784	4,017	12,801
2022	8,853	3,994	12,847
2023	10,246	1,432	11,678
2024	10,394	1,870	12,264

<p>Water System Rate Structure</p>

	<u>Residential (Single Family Residence)</u>	<u>Commercial and Multi-Family</u>
Base rate (based on meter size)	\$9.26-\$49.20	\$9.26-\$694.20
Per 100 Cubic Feet Water	\$3.39-\$3.86	\$3.39-\$4.09

<p>Major Water System Users</p>

<u>User</u>	<u>Water Charges</u>	<u>Percent of Total Water Revenues (2)</u>
State of Montana	\$ 308,239	3.16%
City of Helena	228,444	2.34%
St. Peter's Hospital	155,214	1.59%
Military Affairs	116,085	1.19%
Helena School District #1	159,913	1.64%
Helena Housing Authority	142,019	1.46%
Fort Harrison VA Medical Center	58,572	0.60%
Carroll College	54,842	0.56%
Guardian Apartments	38,610	0.40%
Helena Colonial, LLC	38,018	0.39%
	<u>\$ 1,299,956</u>	<u>13.33%</u>

Source: The City of Helena

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

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

CITY OF HELENA, MONTANA

THE WASTEWATER SYSTEM (1)

JUNE 30, 2024
(unaudited)

Historical Water System Connections Last Five Fiscal Years

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial Customers</u>	<u>Total Customers</u>
2020	8,511	2,784	11,295
2021	8,642	2,827	11,469
2022	8,677	2,876	11,553
2023	10,101	1,389	11,490
2024	8,767	2,817	11,584

Water System Rate Structure

	<u>Base Monthly Rates</u>
Base rate	\$ 10.12
Per 100 Cubic Feet Water:	
Residential	\$ 3.47
Commercial	\$ 4.67

Major Water System Users

<u>User</u>	<u>Wastewater Charges</u>	<u>Percent of Total Water Revenues (2)</u>
St. Peter's Hospital	\$ 122,990	1.91%
State of Montana	98,394	1.53%
McHugh Mobile Home Park	105,819	1.65%
Helena School District #1	85,809	1.33%
Helena Housing Authority	61,889	0.96%
Mobile City Home Park	48,999	0.76%
Carroll College	34,560	0.54%
Fort Harrison VA Medical Center	39,365	0.61%
Guardian Apartments	7,920	0.12%
Helena Colonial, LLC.	87,552	1.36%
	<u>\$ 693,297</u>	<u>10.77%</u>

Source: The City of Helena

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

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

CITY OF HELENA, MONTANA

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

LAST FIVE FISCAL YEARS
(unaudited)

	Fiscal Year				
	2020	2021	2022	2023	2024
Beginning balance - July 1	\$ 51,605	\$ 47,437	\$ 41,237	\$ 40,998	\$ 40,940
Receipts over disbursements (2)	(4,168)	(6,200)	(239)	(58)	(40,940)
Ending balance - June 30	<u>\$ 47,437</u>	<u>\$ 41,237</u>	<u>\$ 40,998</u>	<u>\$ 40,940</u>	<u>\$ -</u>
Assets:					
Cash	\$ 33,393	\$ 35,776	\$ 40,993	\$ 40,940	\$ -
Assessments receivable	189	52	50	50	-
Warrants	14,044	5,459	5	-	-
Total Assets	<u>\$ 47,626</u>	<u>\$ 41,287</u>	<u>\$ 41,048</u>	<u>\$ 40,990</u>	<u>\$ -</u>
Deferred Inflows of Resources:					
Unavailable revenue	\$ 189	\$ 50	\$ 50	\$ 50	\$ -
Total deferred inflows of resources	<u>189</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
Fund Balances:					
Restricted	47,437	41,187	40,998	40,940	-
Unassigned	-	50	-	-	-
Total fund balances	<u>47,437</u>	<u>41,237</u>	<u>40,998</u>	<u>40,940</u>	<u>-</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 47,626</u>	<u>\$ 41,287</u>	<u>\$ 41,048</u>	<u>\$ 40,990</u>	<u>\$ -</u>

Source: The City of Helena

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

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

CITY OF HELENA, MONTANA

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

LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Revolving Fund Ending Cash and Investment Balances	Principal Amount of Bonds and Warrants	Percentage
2015	\$ 102,655	\$ 160,000	64.16%
2016	59,877	110,000	54.43%
2017	56,501	60,000	94.17%
2018	52,337	20,000	261.69%
2019	28,962	-	n/a
2020	33,393	-	n/a
2021	35,776	-	n/a
2022	40,993	-	n/a
2023	40,948	-	n/a
2024	-	-	n/a

Source: City of Helena

(1) This schedule is included to comply with requirements of our special improvement district bonds.
There are currently none outstanding.
n/a - not applicable

CITY OF HELENA, MONTANA

RAILROAD TAX INCREMENT FINANCING DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS*
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2017	\$ 9,054	\$ -	0.00%	\$ 9,054	\$ 9,054	100.00%
2018	42,998	10,229	23.79%	31,770	41,999	97.68%
2019	73,924	23,910	32.34%	50,010	73,920	99.99%
2020	174,819	164,429	94.06%	10,320	174,749	99.96%
2021	187,512	169,887	90.60%	17,554	187,441	99.96%
2022	312,728	293,770	93.94%	18,986	312,756	100.01%
2023	296,489	283,495	95.62%	12,730	296,225	99.91%
2024	706,756	704,775	99.72%	-	704,775	99.72%

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

SOURCES:

Lewis & Clark County

CITY OF HELENA, MONTANA

DOWNTOWN TAX INCREMENT FINANCING DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS*
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2021	\$ 63,857	\$ 59,954	93.89%	\$ 3,900	\$ 63,854	100.00%
2022	34,167	30,095	88.08%	154,060	184,155	100.00%
2023	316,778	303,091	95.68%	13,372	316,463	99.90%
2024	1,195,412	1,193,100	99.81%	-	1,193,100	99.81%

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

SOURCES:

Lewis & Clark County

CITY OF HELENA, MONTANA

CAPITAL HILL TAX INCREMENT FINANCING DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS*
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2022	\$ 144,628	\$ 30,095	20.81%	\$ 114,533	\$ 144,628	100.00%
2023	183,297	159,224	86.87%	23,936	183,160	99.93%
2024	622,287	603,777	97.03%	-	603,777	97.03%

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

SOURCES:

Lewis & Clark County

City of Helena, Montana

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended June 30, 2024

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Helena, Montana (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 21, 2025.

Report on Internal Control over Financial Reporting

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

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

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

To the Honorable Mayor, Members of the City Commission, and
The City Manager
City of Helena, Montana
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
February 21, 2025

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Helena, Montana's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

To the Honorable Mayor, Members of the City Commission, and
The City Manager
City of Helena, Montana
Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Honorable Mayor, Members of the City Commission, and
The City Manager
City of Helena, Montana
Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Maher Duessel

Pittsburgh, Pennsylvania
February 21, 2025

CITY OF HELENA, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles.

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

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

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ☐ yes ☒ no

7. Major Programs:

Federal ALN(s)

20.509

Name of Federal Program or Cluster

Formula Grants for Rural Areas and Tribal Transit Programs

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? ☐ yes ☒ no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

CITY OF HELENA, MONTANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

NONE

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Helena (City) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our conversation with a member of the Audit Committee about planning matters on February 3, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under Auditing Standards Generally Accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance

As stated in our engagement letter dated June 9, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City's system of internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We noted no sensitive estimates affecting the financial statements.

Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, except as noted below. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. There was one uncorrected misstatement related to the basis on which budgeted revenues and expenditures are recorded. Management has determined that its effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 21, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Matters involving internal controls and the City's operations are detailed in a separately issued management letter.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge

we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information

We were not engaged to report on the other information, which accompanies the financial statements but is not supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

This information is intended solely for the information and use of the Honorable Mayor, Members of the City Commissioners and City Manager, and management of the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maher Duessel

Pittsburgh, Pennsylvania
February 21, 2025

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

We have audited the financial statements of the City of Helena, Montana (City) as of and for the year ended June 30, 2024. We reported on the City's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* in our report dated February 21, 2025. We also reported on the City's compliance for each major program and on internal control over compliance required by the Uniform Guidance in our report dated February 21, 2025. However, during our audit, we noted certain matters involving internal control and operational matters that are presented for your consideration. This letter does not affect our report dated February 21, 2025 on the City's financial statements.

Our comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control, or result in other operating efficiencies. Items noted with an asterisk "*" were included in the June 30, 2023 management letter and continue for this fiscal year.

Financial Reporting

During the audit, adjustments were identified that were necessary to properly record revenue and receivables relating to grants (including federal grant programs), record revenue and receivables for the Tourism Business Improvement District and Business Improvement District, roll fund balance, and adjust SBITAs. All entries were made with assistance and supporting details from the City. We recommend that management of the City ensure all entries are timely reflected in the general ledger and ensure grant revenues are being properly tracked as state or federal as the total amount of federal dollars could have an impact on the financial audit and reporting.

Bank Reconciliations

Due to the system conversion, bank reconciliations were not performed for April and May 2024. Through discussion with management, we noted all receivables for the fourth quarter of the fiscal year were posted to June 2024 in the new accounting system. As such, the City was unable to perform bank reconciliations for the months noted. However, we noted a year-end bank reconciliation was accurately prepared as of June 30, 2024, and was reviewed in accordance with City policies and procedures. An integral part of the effective operation of a system of internal control includes the timely monitoring of accounting processes. We recommend that the City reconcile bank statements on a monthly basis.

Segregation of Duties – Golf Course

Strong internal controls require that the responsibilities for the custody, accounting, and control of assets be segregated. In regard to controls over the cash receipt process, the same individual receives cash, maintains the documentation to support receipts, prepares the deposits, and takes deposits to the bank. Certain mitigating controls exist, including that monthly bank reconciliations and general ledger entries are prepared by someone independent of the cash receipts process.

The small staff size at the Golf Course makes it impractical to fully segregate duties related to certain cash receipt activities. Nonetheless, management needs to appreciate that an absence of segregation can allow errors or fraud to occur and not be detected. In order to reduce the risk associated with this situation, the responsibility for making bank deposits, recording of cash receipts, and performing bank reconciliations should be segregated as much as possible.

Cybersecurity Training (Tourism Business Improvement District and Business Improvement District)

In recent years, there has been an increase in the number of social engineering attacks across many industries, including governments. The attacks range from email phishing to ransomware attacks and can cost organizations significant resources. We recommend that vulnerabilities to social engineering schemes and other cybersecurity threats be assessed. Additionally, training should be provided to all personnel regarding the identification of the various types of social engineering attacks and how to avoid the attacks.

Segregation of Duties – Civic Center *

Strong internal controls require that the responsibilities for the custody, accounting, and control of assets be segregated. In regard to controls over the cash receipt process, the same individual has the ability to receive cash, maintains the documentation to support receipts, prepares the deposits, and records transactions to the general ledger system. Some mitigating controls exist, including that monthly bank reconciliations are prepared by someone independent of the cash receipts process.

The small staff size at the Civic Center makes it impractical to fully segregate duties related to certain cash receipt activities. Nonetheless, management needs to appreciate that an absence of segregation can allow errors or fraud to occur and not be detected. In order to reduce the risk associated with this situation, the responsibility for making bank deposits, recording of cash receipts, and performing bank reconciliations should be segregated as much as possible.

Parking Pass Sales *

During review of parking pass sales, we noted the City does not have a process in place to reconcile physical passes available to passes available per the system. We recommend the City create and implement procedures to reconcile parking passes sold per the system to physical passes available and cash received.

Transportation Office *

During review of bus pass sales, we noted the City does not have a process in place to reconcile physical passes sold to cash received. Additionally, we noted only one individual is responsible for handling cash received at the office and farebox receipts. We recommend the City create and implement procedures to reconcile passes sold to cash received and more than one individual be involved in processes surrounding cash.

Journal Entry Review *

During review of the journal entry process, we noted that although journal entries are reviewed and authorized prior to posting, there is no proof of review once posted. We recommend the City ensure that an independent review of posted journal entries is performed monthly to ensure accuracy and reasonableness of the entries being posted and this review be formally documented.

Petty Cash Reconciliation *

During review of the petty cash process, we noted that although petty cash is being reconciled on a monthly basis, it is being reconciled by an individual with access to the cash. We recommend petty cash be reconciled by someone independent of the petty cash process.

Information Technology (includes Tourism Business Improvement District and Business Improvement District) *

Data Retention

We noted that although the City has a data retention policy, it is not followed. We recommend the City review and follow their data retention policy and ensure this policy includes items such as electronic files and voicemail, back-up procedures, archiving documents, and regular check-ups of the reliability of the system.

Disaster Recovery

We noted that although an informal disaster recovery plan does exist, there are no formally documented policy and procedures. Additionally, there is no testing of the plan. An information technology disaster recovery plan describes the procedures necessary to recover from an abnormal disruption in computerized operations such as an equipment failure, or effects of hacking attempts. The objectives of disaster recovery are to:

- Ensure that the City personnel are sufficiently prepared and trained in the event of a disaster;
- Minimize the effects upon the City's other operations; and,
- Establish an alternative means of restoring normal information technology operations within a short period of time.

The scope of the plan should cover the following issues:

- Identification of critical information technology systems relevant to the daily operations of the City.
- An assessment of the vulnerability and security of each critical information technology system.
- Declaration and notification procedures and assignment of responsibilities to personnel.
- Procedures for restoration of critical information technology systems.
- Any required testing of the plan's disaster recovery procedures to ensure that the plan will function as intended.
- An inventory of all critical information technology assets.
- A list of employee and vendor contracts.

We recommend the City develop a written disaster recovery plan that covers all information systems under the City's control and that this plan be tested annually.

User Access Levels

During review of user access levels, we noted the user access levels to network folders was set up by the Information Technology Department, and although it was reviewed during the current fiscal year, is not reviewed annually. We recommend user access levels be reviewed annually by each department head and the Information Technology Department to ensure that only those individuals requiring access to City information are permitted access.

Tourism Business Improvement District – Bank Reconciliations *

During review of the cash disbursement process, we noted that although bank statements and reconciliations are reviewed by someone independent of the cash disbursements process, the original bank statement is not reviewed. We recommend the individual reviewing bank statements and reconciliations review the original statement, including a review of cancelled check images and transfers, and that this review be documented.

Business Improvement District (BID)

Bank Reconciliations

It is BID's policy that all bank reconciliations be independently reviewed by the Executive Director. During our review of bank reconciliations, we noted the May 2024 reconciliation was not signed off as reviewed by the Executive Director as per internal policy. Lack of bank reconciliation review increases the risk that material errors, irregularities, or fraud could go undetected. We recommend that BID follow their internal policy for bank reconciliations throughout the year, including performing bank reconciliations timely and obtaining the required independent review and approval.

Cancelled Checks

During review of cancelled check images, we noted one check for a sponsorship payment cleared the bank that did not contain a signature. Through discussion with management, we noted that the Board reviews financial statements and budget to actual statements at monthly meetings which would identify any large fluctuations of unapproved expenses. Additionally, all sponsorship payments are approved by the Board prior to payment. We viewed the April 2024 Board minutes noting this payment was approved by the Board. BID should ensure that all checks have the required signatures.

Segregation of Duties *

Strong internal controls require that the responsibilities for the custody, accounting, and control of assets be segregated. In regard to controls over the cash receipt process, the same individual receives cash, maintains the documentation to support receipts, prepares the deposits, and takes the deposit to the bank. Some mitigating controls exist, including that someone independent of the cash receipts process prepares the monthly bank reconciliations and posts to the general ledger.

The small staff size at the BID makes it impractical to fully segregate duties related to certain cash receipt activities. Nonetheless, management needs to appreciate that an absence of segregation can allow errors or fraud to occur and not be detected. In order to reduce the risk associated with this situation, the responsibility for making bank deposits, recording of cash receipts, and performing bank reconciliations should be segregated as much as possible.

*Journal Entries **

During review of the journal entry process, we noted that although journal entries are reviewed and authorized prior to posting, they are not being reviewed once posted. We recommend the BID ensure that an independent review of posted journal entries is performed monthly to ensure accuracy and reasonableness of the entries being posted and this review be formally documented.

This communication is intended solely for the information and use of the Mayor, Members of the City Commission and City Manager, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mahe Duessel

Pittsburgh, Pennsylvania
February 21, 2025