



QUARTERLY FINANCIAL REPORT

FY 2021 Second Quarter Ended
12/31/2020

CHRIS KUKULSKI, CITY ADMINISTRATOR

Attached is the second quarter FY 2021 financial report for your review. The fiscal year 2021 is 50% completed, as such, funds should have used approximately 50% of their operating budget. This may not hold true for Debt Service or Capital Project funds, as the expenditures within these fund do not occur evenly throughout the year.

Andy Zoeller

A handwritten signature in blue ink that reads "Andy Zoeller".

FY 2021 Q2

GENERAL FUND

REVENUES

Property taxes were billed, and first half payments have been collected. As of the end of the 2nd quarter, 52% of the billed amount had been collected. This is slightly less than what we normally collect. On average, the City collects 54% of the taxes billed. While this isn't a significant variance, I do think this is worthy of noting and monitoring going forward.

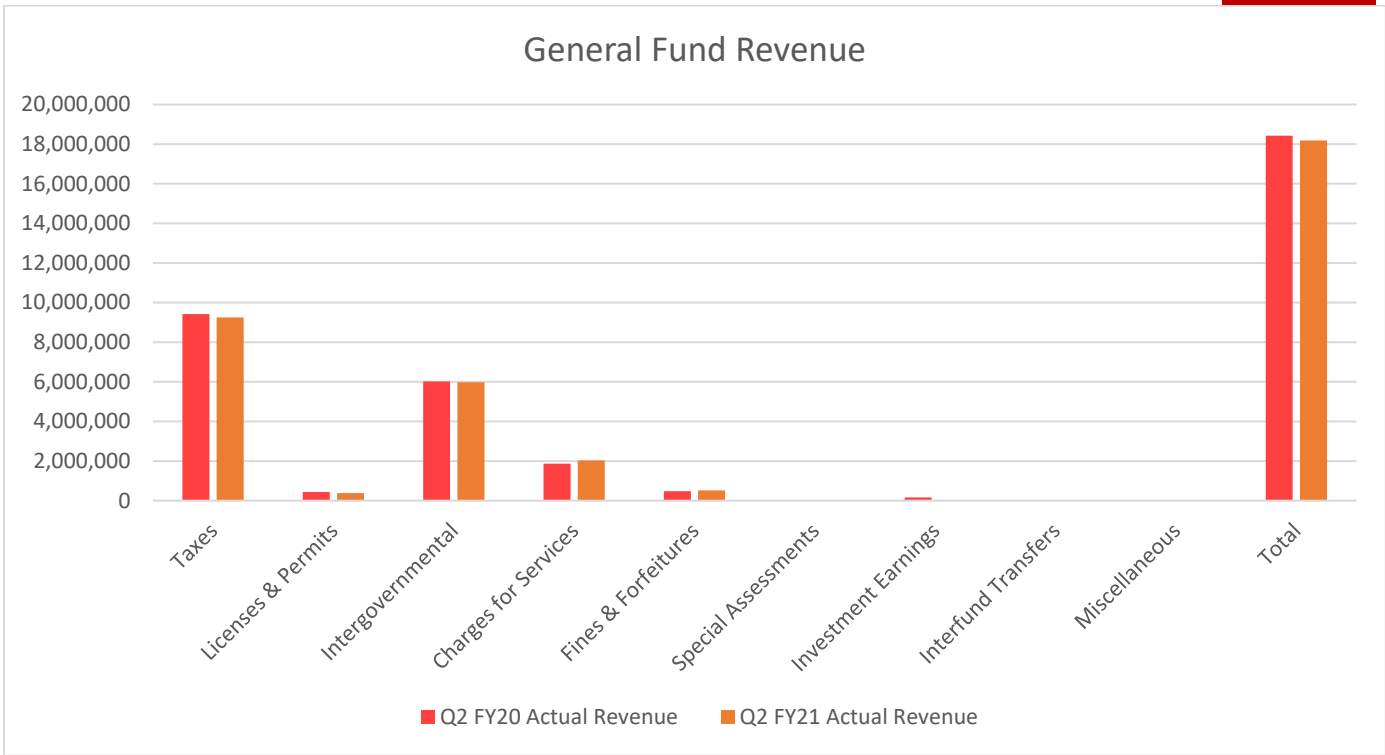
License and permit revenue is collected throughout the year. When compared to the same time in the prior year, there is a decrease of 12.5%, or \$54,820. The total collected is 18% of what was budgeted. This is expected, as the major revenue, Cable Franchise Fee, isn't expected until late January 2021.

Intergovernmental revenue, which is revenue received from other governments, is down \$38,000 over the same time in the prior year. At the end of the second quarter 50% of the amount budgeted has been collected. This is largely comprised of the State Entitlement Share payments made by the State of Montana.

Charge for service revenue for the second quarter of FY21 is \$2.0 million, or 49% of the budgeted amount. This is \$163,000 more than what was collected in the same time in the prior year.

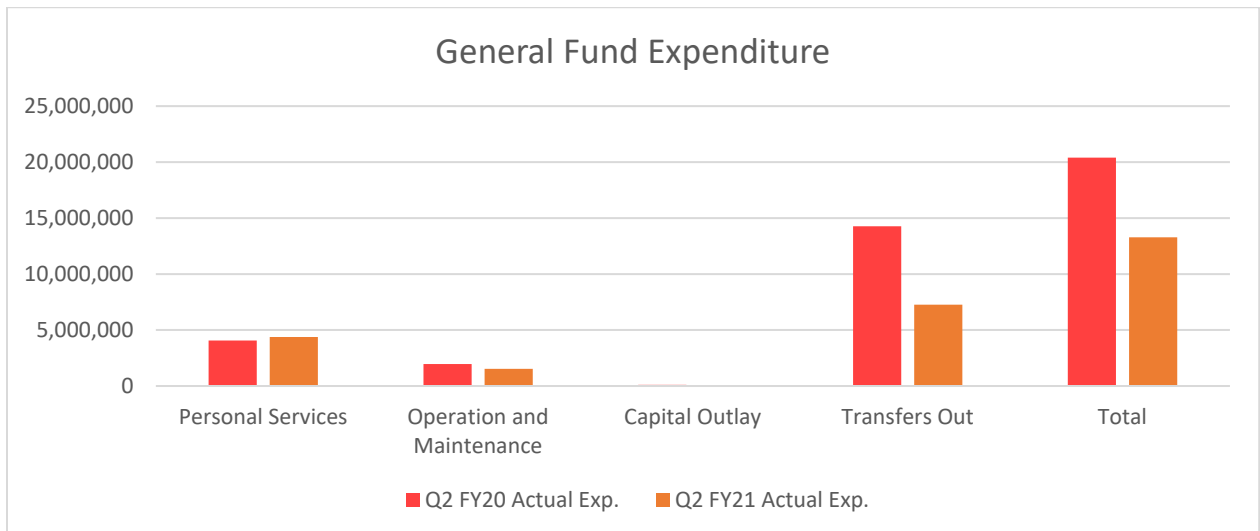
Fines and forfeiture revenue has increased about \$46,000 compared to the same time in the prior fiscal year, but is only 35% of what was budgeted.

Overall revenue in the General Fund is down slightly when compared to the second quarter of FY20. Total revenue collected in the second quarter is 48% of the total amount budgeted for FY21, a decrease of \$238,000 over FY20.



EXPENDITURES

The actual expenses in the General Fund for the second quarter of FY21 were 32% of budget, or \$13.3 million. This is a decrease of \$6.9 million when compared to the same time in the prior fiscal year. The decrease is almost exclusively related to a reduction in the transfer to the Public Safety fund. The reduction is because the State of Montana has reimbursed the City for eligible CAREs Act expenditures in the Public Safety Fund

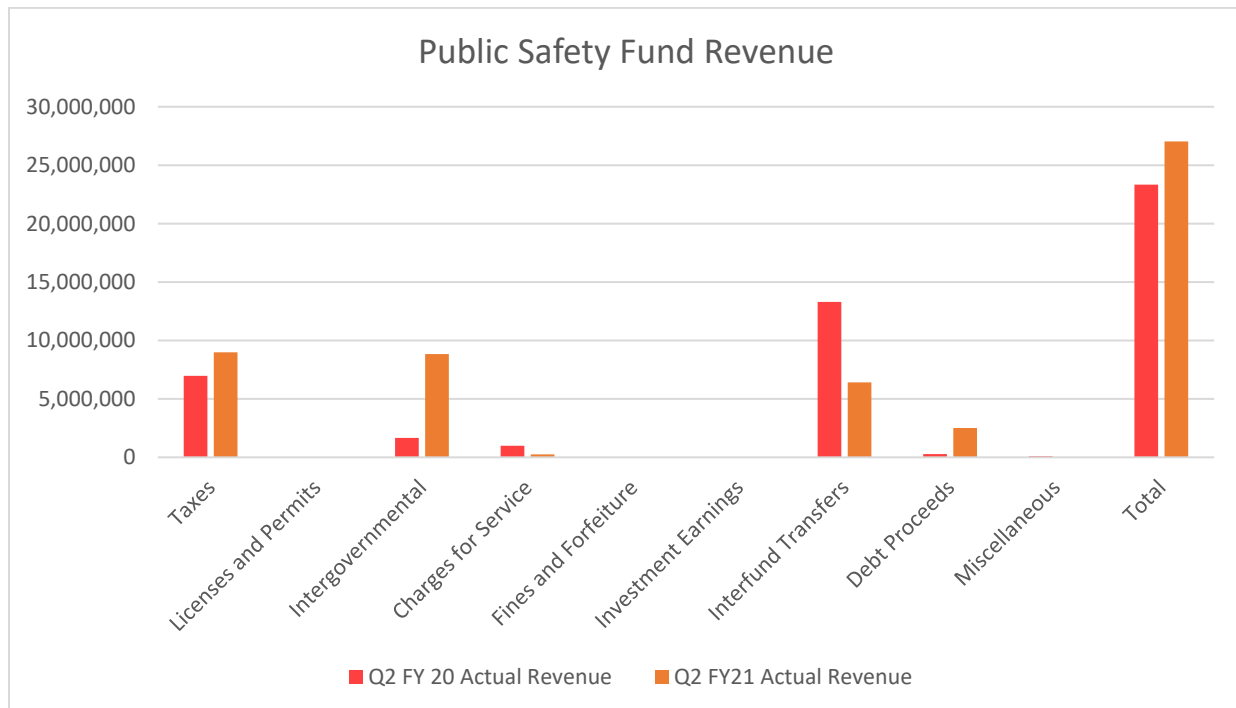


PUBLIC SAFETY FUND

REVENUE

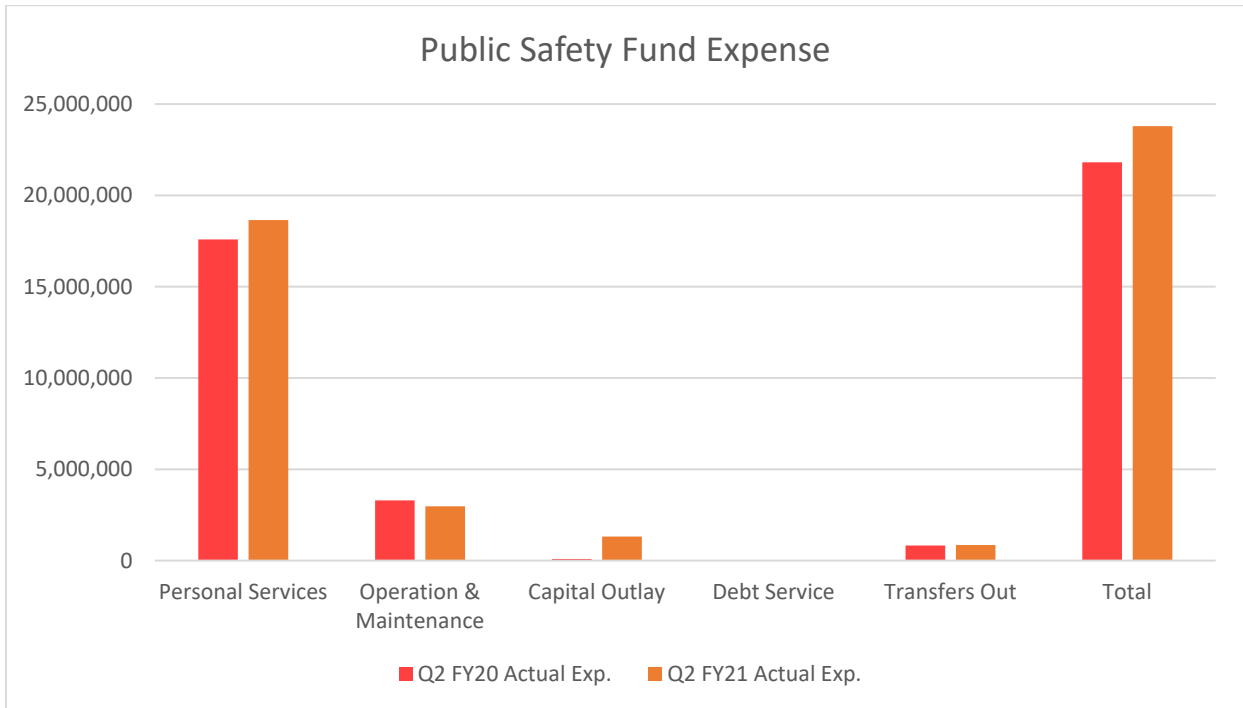
The Public Safety Fund tax revenue is 57% of the total budgeted amount, an increase of \$3.7 million over the prior year. Total tax revenue in the Public Safety Fund for FY21 is \$2.0 million more than what was collected in the prior year. This increase is related to the successful passage of the Public Safety Mill Levy in 2020. Charges for Services revenue has decreased \$748,000 over the prior year. This is related to the BUFSA contract amount that was being renegotiated between the City and the County. As of the writing of this memo, the County has paid the first half charge in the amount of \$823,305.

Overall Public Safety Fund revenue increased by 15.8% over the same time in FY20, or \$3,686,462. The major contributing factors are the increase in tax revenue related to the new Public Safety Mill Levy, the reimbursement from the State of Montana for eligible CAREs Act expenditures, and an increase in debt proceeds related to the Police Evidence Building expansion.



EXPENDITURE

Expenditures in the Public Safety Fund are up 10%, or \$2,247,441, over the same time in FY20. The increase is related to the Police Evidence Building expansion and an increase in personal services. Total expenditures are 50% of the total annual amount budgeted. If only operating budgets are examined, the Public Safety fund is operating as expected at 48% of budgeted expenditures being utilized.



Detailed fund reporting is available below.

| City of Billings | | | | | | |
|-------------------------------------|--|----------------------------|-----------------------------|------------------------|-----------|----------------------------|
| GENERAL FUND OPERATING | | | | | | |
| For fiscal year 2021, Periods 1 - 6 | | | | | | |
| | Total 2021 Amended Budget | YTD 2021 Actual | 2021 Encumbrance | Variance | % | YTD 2020 Actual |
| Revenues: | | | | | | |
| TAXES | \$17,644,369 | \$ 9,251,604 | \$ - | \$ (8,392,765) | 52 | \$ 9,418,724 |
| LICENSES & PERMITS | 2,088,038 | 384,702 | - | (1,703,336) | 18 | 439,521 |
| INTER-GOVERNMENTAL | 12,065,752 | 5,977,367 | - | (6,088,385) | 50 | 6,015,682 |
| CHARGES FOR SERVICES | 4,133,225 | 2,032,141 | - | (2,101,084) | 49 | 1,868,838 |
| FINES & FORFEITS | 1,511,877 | 521,889 | - | (989,988) | 35 | 476,089 |
| SPECIAL ASSESSMENTS | - | 2,069 | - | 2,069 | - | 2,078 |
| INVESTMENT EARNINGS | 233,000 | 13,709 | - | (219,291) | 6 | 166,059 |
| INTERFUND TRANSFERS | 9,600 | - | - | (9,600) | - | 18,245 |
| MISCELLANEOUS | - | 2,543 | - | 2,543 | - | 19,122 |
| Total Revenues | \$37,685,861 | \$18,186,023 | \$ - | \$ (19,499,838) | 48 | \$18,424,359 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 9,287,492 | \$ 4,377,675 | \$ - | \$ 4,909,817 | 47 | \$ 4,061,507 |
| OPERATIONS & MAINT | 3,321,427 | 1,539,790 | 109,702 | 1,671,935 | 50 | 1,851,375 |
| CAPITAL | 6,766 | 90,500 | - | (83,734) | 1,338 | 47,829 |
| INTERFUND TRANSFERS | 29,805,165 | 7,269,963 | - | 22,535,202 | 24 | 14,301,123 |
| Total Expenditures | \$42,420,850 | \$13,277,928 | \$ 109,702 | \$ 29,033,221 | 32 | \$20,261,835 |

| City of Billings | | | | | | |
|--------------------------------------|--|----------------------------|-----------------------------|----------------------|-----------|----------------------------|
| GENERAL FUND-BY DEPT DIVISION | | | | | | |
| For fiscal year 2021, Periods 1 - 6 | | | | | | |
| | Total 2021 Amended Budget | YTD 2021 Actual | 2021 Encumbrance | Variance | % | YTD 2020 Actual |
| Expenditures: | | | | | | |
| By Department/Division | | | | | | |
| MAYOR & COUNCIL | \$ 264,919 | \$ 119,933 | \$ - | \$ 144,986 | 45 | \$ 125,771 |
| CITY ADMINISTRATOR | 1,028,702 | 501,538 | 104,131 | 423,033 | 59 | 374,979 |
| HUMAN RESOURCES | 838,529 | 375,279 | 2,073 | 461,178 | 45 | 345,932 |
| CITY ATTORNEY | 2,092,530 | 1,027,098 | - | 1,065,432 | 49 | 941,496 |
| MUNICIPAL COURT | 1,479,095 | 665,419 | - | 813,676 | 45 | 646,922 |
| FINANCE | 1,552,632 | 747,487 | 8 | 805,136 | 48 | 756,679 |
| CODE ENFORCEMENT | 575,602 | 249,438 | - | 326,164 | 43 | 209,164 |
| PARKS & RECREATION | 4,521,545 | 2,191,799 | 2,040 | 2,327,706 | 49 | 2,634,816 |
| NON-DEPARTMENTAL | 30,067,296 | 7,399,937 | 1,450 | 22,665,909 | 25 | 14,226,077 |
| Total Expenditures | \$ 42,420,850 | \$ 13,277,928 | \$ 109,702 | \$ 29,033,221 | 32 | \$ 20,261,835 |

| City of Billings | | | | | | |
|-------------------------------------|--|----------------------------|-----------------------------|------------------------|-----------|----------------------------|
| PUBLIC SAFETY FUND | | | | | | |
| For fiscal year 2021, Periods 1 - 6 | | | | | | |
| | Total 2021 Amended Budget | YTD 2021 Actual | 2021 Encumbrance | Variance | % | YTD 2020 Actual |
| Revenues: | | | | | | |
| TAXES | \$ 13,143,856 | \$ 8,985,747 | \$ - | \$ (4,158,109) | 68 | \$ 6,976,811 |
| LICENSES & PERMITS | 35,450 | 18,159 | - | (17,292) | 51 | 1,595 |
| INTER-GOVERNMENTAL | 3,263,382 | 8,836,993 | - | 5,573,611 | 271 | 1,667,832 |
| CHARGES FOR SERVICES | 2,301,727 | 244,911 | - | (2,056,816) | 11 | 992,961 |
| FINES & FORFEITS | 2,400 | 1,200 | - | (1,200) | 50 | 1,200 |
| INVESTMENT EARNINGS | 12,800 | 1,479 | - | (11,321) | 12 | 9,409 |
| INTERFUND TRANSFERS | 28,418,949 | 6,410,701 | - | (22,008,248) | 23 | 13,302,225 |
| DEBT PROCEEDS | - | 2,514,612 | - | 2,514,612 | | 285,388 |
| MISCELLANEOUS | 50,700 | 13,520 | - | (37,180) | 27 | 103,437 |
| Total Revenues | \$ 47,229,264 | \$ 27,027,321 | \$ - | \$ (20,201,943) | 57 | \$ 23,340,859 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 39,005,353 | \$ 18,644,604 | \$ - | \$ 20,360,749 | 48 | \$ 17,579,893 |
| OPERATIONS & MAINT | 6,418,794 | 2,972,243 | 250,471 | 3,196,080 | 50 | 3,043,470 |
| CAPITAL | 1,425,666 | 1,315,603 | 318,851 | (208,788) | 115 | 94,065 |
| DEBT SERVICE | 250,000 | 9,158 | - | 240,842 | 4 | - |
| INTERFUND TRANSFERS | 1,555,621 | 852,299 | - | 703,323 | 55 | 829,040 |
| Total Expenditures | \$ 48,655,434 | \$ 23,793,907 | \$ 569,322 | \$ 24,292,205 | 50 | \$ 21,546,467 |
| By Department/Division | | | | | | |
| POLICE | \$ 27,116,109 | \$ 13,539,718 | \$ 218,290 | \$ 13,358,101 | 51 | \$ 11,789,779 |
| FIRE | 21,539,325 | 10,254,190 | 351,031 | 10,934,104 | 49 | 9,756,688 |
| Total Expenditures | \$ 48,655,434 | \$ 23,793,907 | \$ 569,322 | \$ 24,292,205 | 50 | \$ 21,546,467 |

| City of Billings | | | | | | |
|-------------------------------------|----------------------------------|------------------------|-------------------------|------------------------|-----------|------------------------|
| AIRPORT OPERATING FUND | | | | | | |
| For fiscal year 2021, Periods 1 - 6 | | | | | | |
| | Total 2021 Amended Budget | YTD 2021 Actual | 2021 Encumbrance | Variance | % | YTD 2020 Actual |
| Revenues: | | | | | | |
| INTER-GOVERNMENTAL | \$ 5,925,400 | \$ 7,266,927 | \$ - | \$ 1,341,527 | \$ 123 | \$ 3,026,047 |
| CHARGES FOR SERVICES | 10,678,938 | 4,451,352 | - | (6,227,586) | 42 | 5,994,419 |
| INVESTMENT EARNINGS | 216,152 | 18,063 | - | (198,089) | 8 | 120,822 |
| DEBT PROCEEDS | 25,000,000 | 60,000 | - | (24,940,000) | 0 | - |
| MISCELLANEOUS | 36,128 | 29,016 | - | (7,112) | 80 | 47,091 |
| Total Revenues | \$ 41,856,618 | \$ 11,825,358 | \$ - | \$ (30,031,260) | 28 | \$ 9,188,379 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 4,659,668 | \$ 2,063,882 | \$ - | \$ 2,595,786 | 44 | \$ 2,089,563 |
| OPERATIONS & MAINT | 3,605,950 | 1,262,927 | 159,361 | 2,183,663 | 39 | 1,564,590 |
| CAPITAL | 35,505,684 | 6,205,105 | 3,922,441 | 25,378,137 | 29 | 4,943,503 |
| DEBT SERVICE | 1,048,234 | 420,078 | - | 628,156 | 40 | 125,570 |
| Total Expenditures | \$ 44,819,536 | \$ 9,951,992 | \$ 4,081,802 | \$ 30,785,742 | 31 | \$ 8,723,227 |

| City of Billings | | | | | | |
|-------------------------------------|----------------------------------|------------------------|-------------------------|------------------------|-----------|------------------------|
| PUBLIC WORKS-WASTEWATER FUND | | | | | | |
| For fiscal year 2021, Periods 1 - 6 | | | | | | |
| | Total 2021 Amended Budget | YTD 2021 Actual | 2021 Encumbrance | Variance | % | YTD 2020 Actual |
| Revenues: | | | | | | |
| INTER-GOVERNMENTAL | \$ - | \$ 269 | \$ - | \$ 269 | - | \$ - |
| CHARGES FOR SERVICES | 21,770,290 | 9,462,507 | - | (12,307,783) | 43 | 9,296,084 |
| INVESTMENT EARNINGS | 425,000 | 55,868 | - | (369,132) | 13 | 394,173 |
| MISCELLANEOUS | - | 108,071 | - | 108,071 | - | 175,057 |
| Total Revenues | \$ 22,195,290 | \$ 9,626,715 | \$ - | \$ (12,568,575) | 43 | \$ 9,865,314 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 4,123,310 | \$ 1,850,814 | \$ - | \$ 2,272,496 | 45 | \$ 1,803,711 |
| OPERATIONS & MAINT | 7,197,944 | 2,794,706 | 356,256 | 4,046,982 | 44 | 2,637,344 |
| CAPITAL | 18,496,170 | 5,746,927 | 3,215,888 | 9,533,355 | 48 | 4,830,623 |
| DEBT SERVICE | 5,329,100 | - | - | 5,329,100 | - | - |
| Total Expenditures | \$ 35,146,523 | \$ 10,392,446 | \$ 3,572,144 | \$ 21,181,933 | 40 | \$ 9,271,678 |

| City of Billings | | | | | | |
|--------------------------------------|----------------------------------|------------------------|-------------------------|-----------------------|-----------|------------------------|
| PUBLIC WORKS-SOLID WASTE FUND | | | | | | |
| For fiscal year 2021, Periods 1 - 6 | | | | | | |
| | Total 2021 Amended Budget | YTD 2021 Actual | 2021 Encumbrance | Variance | % | YTD 2020 Actual |
| Revenues: | | | | | | |
| INTER-GOVERNMENTAL | \$ - | \$ 1,193 | \$ - | \$ 1,193 | - | \$ - |
| CHARGES FOR SERVICES | 16,498,000 | 8,033,096 | - | (8,464,904) | 49 | 7,994,994 |
| INVESTMENT EARNINGS | 225,000 | 34,773 | - | (190,227) | 15 | 144,233 |
| MISCELLANEOUS | - | 1,445 | - | 1,445 | - | 1,061 |
| Total Revenues | \$ 16,723,000 | \$ 8,070,508 | \$ - | \$ (8,652,492) | 48 | \$ 8,140,289 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 5,843,090 | \$ 2,673,301 | \$ - | \$ 3,169,789 | 46 | \$ 2,637,978 |
| OPERATIONS & MAINT | 6,016,384 | 2,679,149 | 252,455 | 3,084,780 | 49 | 2,825,217 |
| CAPITAL | 12,877,361 | 6,116,270 | 6,106,740 | 654,352 | 95 | 8,120,015 |
| DEBT SERVICE | 1,561,775 | - | - | 1,561,775 | - | - |
| Total Expenditures | \$ 26,298,610 | \$ 11,468,719 | \$ 6,359,195 | \$ 8,470,696 | 68 | \$ 13,583,210 |

| City of Billings | | | | | | |
|-------------------------------------|----------------------------------|------------------------|-------------------------|-----------------------|-----------|------------------------|
| PUBLIC WORKS-WATER FUND | | | | | | |
| For fiscal year 2021, Periods 1 - 6 | | | | | | |
| | Total 2021 Amended Budget | YTD 2021 Actual | 2021 Encumbrance | Variance | % | YTD 2020 Actual |
| Revenues: | | | | | | |
| INTER-GOVERNMENTAL | \$ - | \$ 776 | \$ - | \$ 776 | - | \$ - |
| CHARGES FOR SERVICES | 29,289,200 | 15,581,329 | - | (13,707,871) | 53 | 13,070,000 |
| INVESTMENT EARNINGS | 534,500 | 299,602 | - | (234,898) | 56 | 724,637 |
| MISCELLANEOUS | 7,200 | 299,912 | - | 292,712 | - | 212,458 |
| Total Revenues | \$ 29,830,900 | \$ 16,181,618 | \$ - | \$(13,649,282) | 54 | \$ 14,007,095 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 5,009,012 | \$ 2,206,306 | \$ - | \$ 2,802,706 | 44 | \$ 2,156,791 |
| OPERATIONS & MAINT | 8,530,268 | 3,859,512 | 408,236 | 4,262,520 | 50 | 4,291,868 |
| CAPITAL | 20,221,340 | 3,483,372 | 7,296,312 | 9,441,656 | 53 | 8,336,227 |
| DEBT SERVICE | 2,770,000 | - | - | 2,770,000 | - | - |
| Total Expenditures | \$ 36,530,620 | \$ 9,549,190 | \$ 7,704,548 | \$ 19,276,882 | 47 | \$ 14,784,886 |



| Fund Name | Original budget | Actual balance 12/31/2020 |
|--|-----------------|---------------------------|
| 2015 Refunding Baseball Field & Stadium Fund | 763,033.00 | 672,651.00 |
| Amend Park | 60,214.00 | 1,335.40 |
| Arterial Streets | 4,211,925.00 | 1,191,988.69 |
| Ballpark Donations | 100,885.00 | 19,592.61 |
| Ballpark Repair Fund | 30,292.00 | 1,587.68 |
| Building Inspection | 2,298,026.00 | 1,000,926.96 |
| Capital Replacement | 2,227,554.00 | 1,345,397.65 |
| CDBG | 1,453,351.00 | 793,508.80 |
| Cemetery Improvements | 48,000.00 | 0.00 |
| Cemetery Perpetual Trust | 5,600.00 | 0.00 |
| City Attorney Grants | 315,285.00 | 158,970.86 |
| City County Planning | 1,872,809.00 | 885,720.36 |
| Dog Park Construction | 10,000.00 | 0.00 |
| Downtown Revolving Loan | 226,247.00 | 12,799.00 |
| EOC 911 | 1,127,522.00 | 212,377.90 |
| Fire Grants | 340,950.00 | 13,437.50 |
| Gas Tax | 4,723,100.00 | 2,872,901.67 |
| Library Fund | 3,959,113.00 | 1,865,796.24 |
| Library GO Debt | 1,186,456.00 | 1,021,540.00 |
| Light Maintenance | 2,988,232.00 | 851,613.02 |
| Municipal Court Grants | 684,410.00 | 146,715.57 |
| Park District 1 | 3,055,120.00 | 1,491,107.15 |
| Parks Maintenance | 855,923.00 | 633,694.43 |
| Parks Programs | 49,221.00 | 88,821.48 |
| Parks Series 2000 GO Debt | 123,551.00 | 122,121.00 |
| Police Programs | 1,306,481.00 | 579,748.61 |
| Road Maintenance Dist. | 365.00 | 180.00 |
| Rose Park Pool | 0.00 | 11,694.40 |
| Series 2004A Street Imp | 351,807.00 | 326,791.00 |
| SID Construction | 2,480,000.00 | 1,494,651.13 |
| SID Fund | 857,500.00 | 557,851.54 |
| Sidewalk Construction | 1,210,000.00 | 165,411.42 |
| Sidewalk Debt Svc | 462,900.00 | 360,761.51 |
| Sidewalk Hazard Repair | 182,000.00 | 83,301.18 |
| Storm Sewer | 5,783,632.00 | 1,768,862.12 |
| Storm Sewer Debt Svc | 1,013,595.00 | 796,304.88 |
| Street Maintenance Dist | 9,355,498.00 | 2,455,127.00 |
| Street/Traffic Oper | 9,956,669.00 | 4,949,917.58 |
| Tax Increment East | 792,720.00 | 459,079.43 |
| Tax Increment N 27th | 3,318,592.00 | 2,727,337.92 |
| Tax Increment South | 3,903,620.00 | 2,915,579.87 |
| Urban Renewal Prop | 62,809.00 | 2,359.00 |
| Proprietary | | |
| Central Svcs | 63,949.00 | 36,194.34 |
| City Health Ins Fund | 14,533,439.00 | 6,097,759.11 |
| Engineering | 3,174,954.00 | 1,377,401.76 |
| Facilities Management | 1,926,877.00 | 652,128.93 |
| Information Resources | 2,702,706.00 | 1,166,296.41 |
| Motor pool | 2,131,649.00 | 1,011,752.21 |
| P.W. Admin | 2,918,636.00 | 1,281,031.56 |
| Parking | 1,955,379.00 | 762,125.78 |
| Property Ins | 2,580,827.00 | 2,170,678.23 |
| Radio | 279,534.00 | 7,438.78 |
| Telephone System | 501,543.00 | 270,333.52 |
| Transit | 10,592,188.00 | 3,490,876.67 |