



QUARTERLY FINANCIAL REPORT

FY 2021 Fourth Quarter

CHRIS KUKULSKI, CITY ADMINISTRATOR

Attached is the fourth quarter FY 2021 financial report for your review. The fiscal year 2021 is complete, except for payments for orders and construction completed in June.

Andy Zoeller

FY 2021 Q4 SUMMARY

TAX REVENUE

Overall, the tax revenue in FY21 increased \$4.4M compared to FY20. This was driven by successful passage of the 2020 Public Safety Mill Levy, which increased property tax collections for the Public Safety Fund by \$4.2M. Other tax supported funds experienced smaller increases around 2%.

CHARGE FOR SERVICE REVENUE

Charge for service revenue is made up from a variety of sources. These include utility charges, internal charges, parks and recreation fees, and others. For FY21, the City received about 1% more than FY20, or \$987,000. Larger increases were noticed in the General Fund (\$645,000), Wastewater (\$508,000), and Water (\$1,922,000). The City also saw decreases at the Airport (\$957,000) and Street/Traffic (\$1,747,000).

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue is revenue received from other governments. At the City of Billings this is usually the Federal Government or the State of Montana. For FY21, the City received \$54,116,000 from other governments. This is an increase of \$7.2M over FY21. The majority of the increase is a result of the City receiving reimbursement for eligible expenses under the CARES Act. CARES monies were received in many funds at the City, but mainly within our Airport and Public Safety Funds.

Federal grants are not recognized as revenue until all grant requirements have been met. This usually means that the money must be spent on eligible projects before the revenue is recognized. As a result, the intergovernmental revenue number does not include grants that have been awarded, but not yet spent (BUILD Grant, ARPA Funds, unspent CARES Act Grants).

AMERICAN RESCUE PLAN ACT (ARPA)

The City of Billings is eligible for both State and Federal funds under ARPA. Due to different legislation in the State, each source of funds will have specific restrictions. The City has been awarded \$15,940,314 from the Federal ARPA Grant, and has received ½ of that amount, or \$7,970,157.

These funds are being held in a fund separate from all other funds at the City. As discussed above, these funds have not been recognized as revenue, and will not be until they are spent on an eligible project.

FY2021 BUDGETED EXPENSES

All funds at the City finished the year under their budgeted expenses. Major fund detail is provided below.

FY 2021 Q4

GENERAL FUND

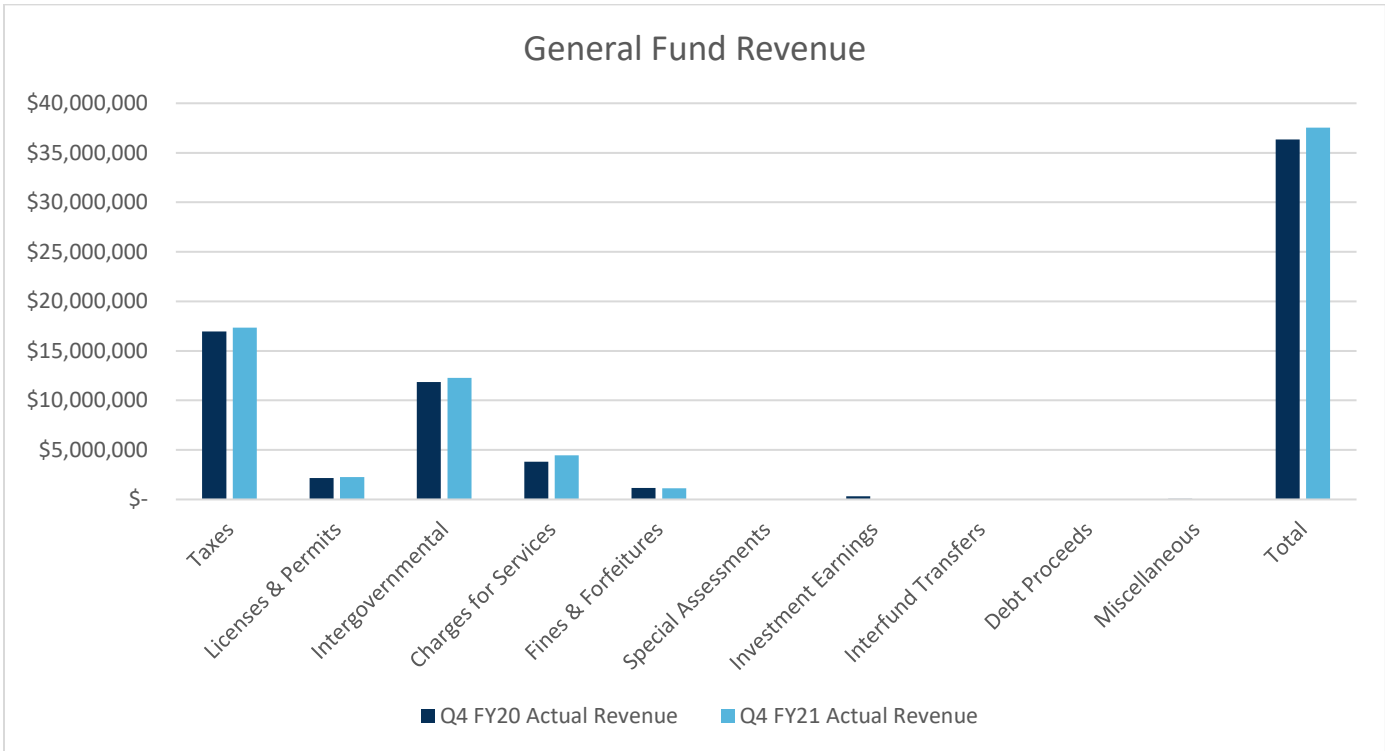
REVENUES

For FY21, the City budgeted \$37.7M, but collected \$37.5M, or 99.6% of the budgeted amount. For FY21, tax revenue in the General Fund is \$17.4M, which is an increase of 2.3% over 2020. This growth is consistent with what has been historically received at the City. Overall revenue in the General Fund increased 3.3%. The two leading revenue sources in the General Fund for FY21 were our Intergovernmental Revenue and Charges for Services, which saw a 3.6% and 17.0% increase over the prior year, totaling \$1.0M more than FY20. The major increase in Charges for Services is a result of increased revenue in the Parks and Recreation programs and swimming pool fees. Additionally, the City received increased revenue from methane gas sales at the landfill, which are deposited into the General Fund.

License and permit revenue is collected throughout the year. When compared to the prior year, there has been an increase of \$95,663. This is largely a result of the cable franchise fee which had been declining in recent years, but that trend recently changed and the City collected a franchise fee of \$1,480,204, an increase of \$180,000 over the prior year. Business license revenue is down \$27,000 over the prior year. Below is a chart showing business license activity for the year, compared to FY20.

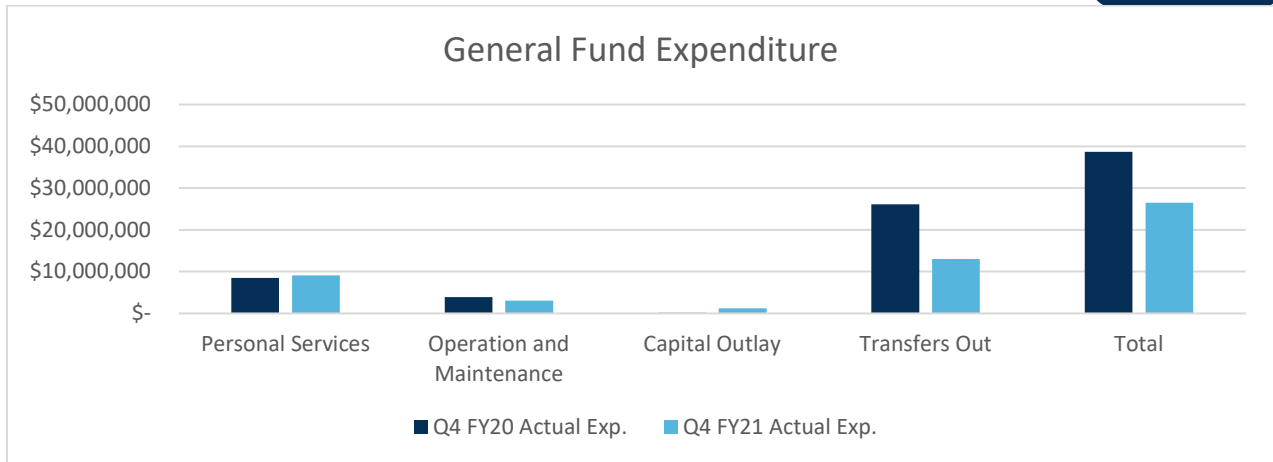
Fiscal Year	2021	2020
New Business License	883	977
Business Lic. Renewals	5,344	5,431

Fines and forfeiture revenue has decreased \$12,500 compared to the prior fiscal year, or 1.1%.



EXPENDITURES

The actual expenses in the General Fund for the fourth quarter of FY21 were 63% of budget, or \$26.5 million. This is a decrease of \$12.1 million when compared to the prior fiscal year. The decrease is partially a result of a reduction in Operation and Maintenance costs, but is mostly associated with reduced transfers out. The reduction in transfers is a result of the reduced transfer to the Public Safety Fund. The Public Safety Fund received significant CARES Act Funds, which reduced the amount transferred from the General Fund.

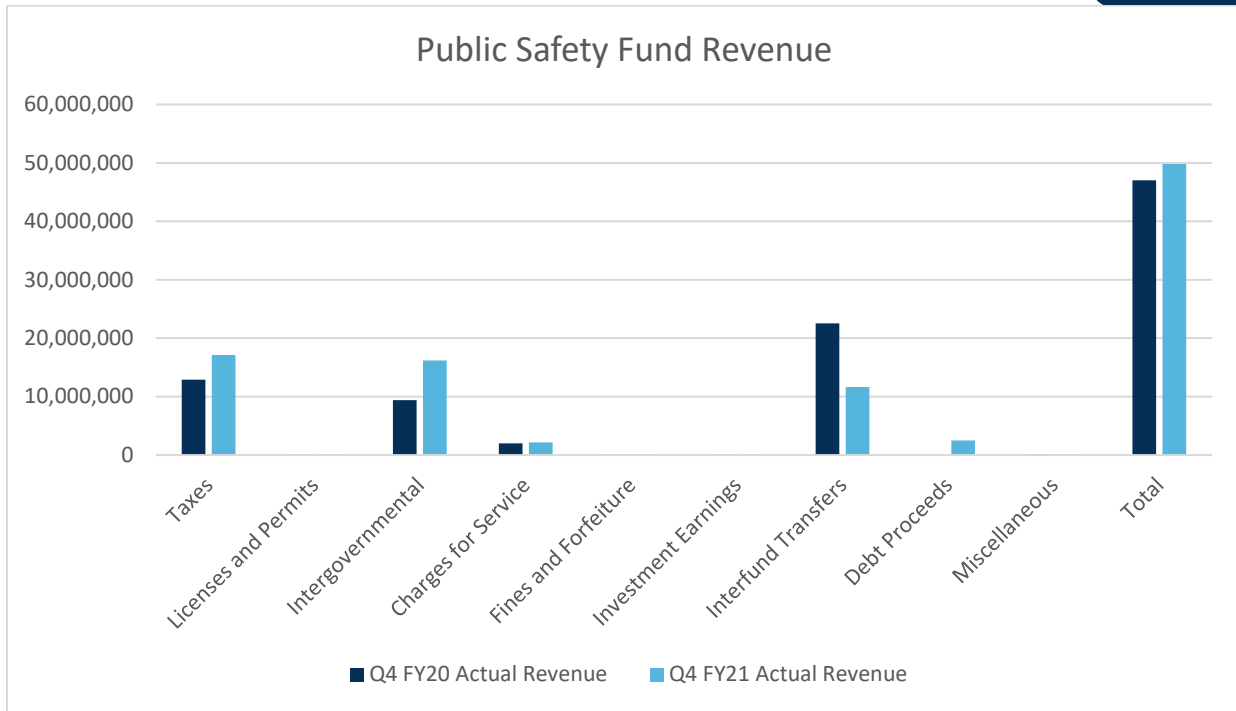


PUBLIC SAFETY FUND

REVENUE

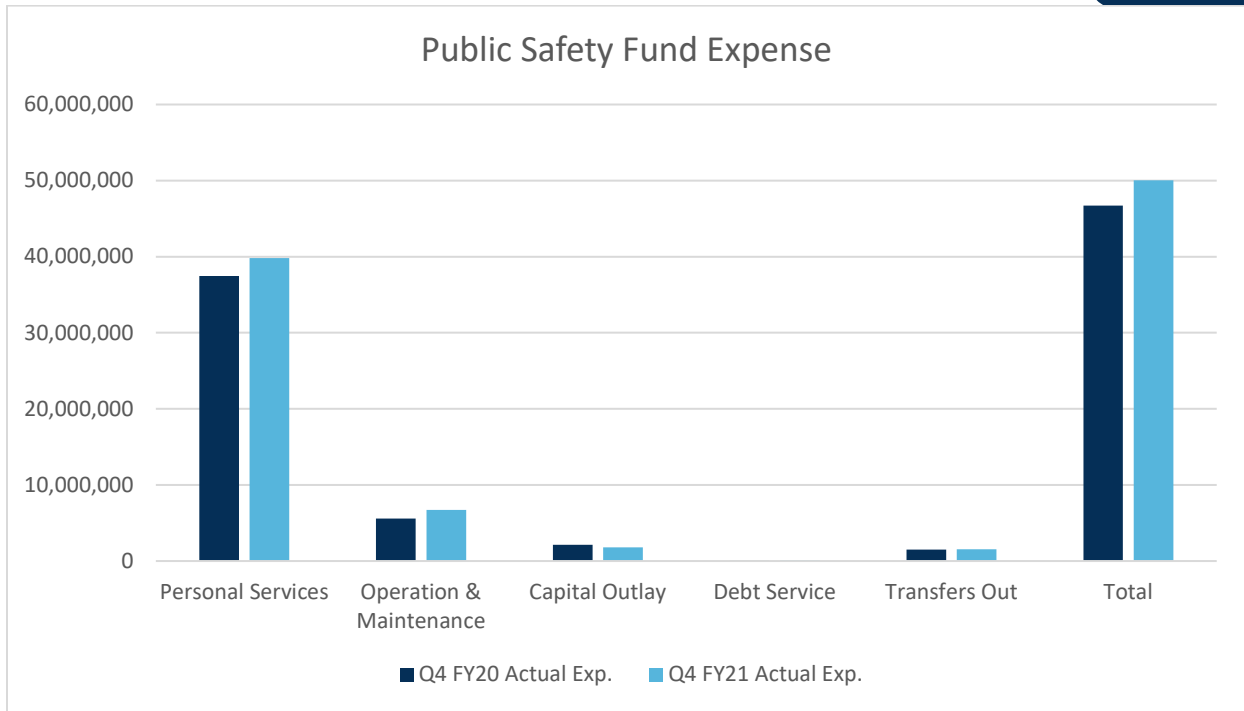
The Public Safety Fund tax revenue collected through the end of the fourth quarter is 130%, or \$17.1 million, of the total budgeted amount. Total tax revenue budgeted in the Public Safety Fund for FY21 is \$13.1 million. This did not include any amounts for the Public Safety Mill Levy that was approved by voters in September of 2020. Passage of that levy will increase tax revenue by approximately \$4.2M over what was budgeted.

Overall Public Safety Fund revenue increased by 5.9% over FY20, or \$2.8 million. 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 (\$12,785,470 in FY21), and an increase in debt proceeds related to the Police Evidence Building expansion (\$2,514,612).



EXPENDITURE

Expenditures in the Public Safety Fund were up 7.1%, or \$3,307,215, over FY20. Personal Services expenses for salaries and wages is up 6.2%, \$2.3M over the prior year and Operation and Maintenance is up \$1.1M over the prior year. Total expenditures are 100% of the total annual amount budgeted. Both departments saw increased overtime and capital expenses over the amount that was originally budgeted. COVID overtime was reimbursed by the State of Montana CARES funds through December 2020.





FY 2021 Q4 Unaudited Major Fund Financial Reports

City of Billings

GENERAL FUND OPERATING

For fiscal year 2021, Periods 1 - 12

	Total 2021 Amended Budget	YTD 2021 Actual	2021 Encumbrance	Variance	%	YTD 2020 Actual
Revenues:						
TAXES	\$ 17,644,369	\$ 17,352,076	\$ -	\$ (292,293)	98	\$ 16,959,084
LICENSES & PERMITS	2,088,038	2,261,849	-	173,811	108	2,166,186
INTER-GOVERNMENTAL	12,065,752	12,259,902	-	194,150	102	11,838,745
CHARGES FOR SERVICES	4,133,225	4,453,803	-	320,578	108	3,808,157
FINES & FORFEITS	1,511,877	1,132,756	-	(379,121)	75	1,145,294
SPECIAL ASSESSMENTS	-	26,267	-	26,267	-	4,157
INVESTMENT EARNINGS	233,000	33,905	-	(199,095)	15	314,773
INTERFUND TRANSFERS	9,600	-	-	(9,600)	-	42,257
MISCELLANEOUS	-	5,253	-	5,253	-	54,848
Total Revenues	\$ 37,685,861	\$ 37,525,811	\$ -	\$ (160,050)	100	\$ 36,333,501
Expenditures:						
By Category						
PERSONAL SERVICES	\$ 9,290,762	\$ 9,126,949	\$ -	\$ 163,813	98	\$ 8,478,105
OPERATIONS & MAINT	3,412,557	3,091,721	58,223	262,613	92	3,918,122
CAPITAL	97,266	1,262,817	336,773	(1,502,324)	1,645	132,568
INTERFUND TRANSFERS	29,805,165	13,050,055	-	16,755,110	44	26,147,990
Total Expenditures	\$ 42,605,750	\$ 26,531,543	\$ 394,996	\$15,679,212	63	\$ 38,676,785



City of Billings

GENERAL FUND-BY DEPT DIVISION

For fiscal year 2021, Periods 1 - 12

	Total 2021 Amended Budget	YTD 2021 Actual	2021 Encumbrance	Variance	%	YTD 2020 Actual
Expenditures:						
By Department/Division						
MAYOR & COUNCIL	\$ 267,019	\$ 223,868	\$ -	\$ 43,151	84	\$ 222,787
CITY ADMINISTRATOR	1,068,302	1,048,374	46,867	(26,939)	103	861,052
HUMAN RESOURCES	842,729	823,157	1,483	18,089	98	791,672
CITY ATTORNEY	2,184,330	2,123,860	1,626	58,844	97	2,058,944
MUNICIPAL COURT	1,494,995	1,400,740	-	94,255	94	1,369,689
FINANCE	1,567,532	1,524,419	-	43,114	97	1,553,637
CODE ENFORCEMENT	578,202	556,350	1,425	20,426	96	507,961
PARKS & RECREATION	4,534,945	4,552,604	342,145	(359,804)	108	5,160,445
NON-DEPARTMENTAL	30,067,696	14,278,172	1,450	15,788,074	47	26,150,597
Total Expenditures	\$ 42,605,750	\$ 26,531,543	\$ 394,996	\$ 15,679,212	63	\$ 38,676,785



City of Billings

PUBLIC SAFETY FUND

For fiscal year 2021, Periods 1 - 12

	Total 2021 Amended Budget	YTD 2021 Actual	2021 Encumbrance	Variance	%	YTD 2020 Actual
Revenues:						
TAXES	\$ 13,143,856	\$ 17,122,225	\$ -	\$ 3,978,369	130	\$ 12,923,063
LICENSES & PERMITS	35,450	33,743	-	(1,707)	95	40,535
INTER-GOVERNMENTAL	3,263,382	16,180,093	-	12,916,711	496	9,386,915
CHARGES FOR SERVICES	2,301,727	2,191,837	-	(109,890)	95	1,980,077
FINES & FORFEITS	2,400	3,506	-	1,106	146	2,503
INVESTMENT EARNINGS	12,800	2,574	-	(10,226)	20	15,475
INTERFUND TRANSFERS	28,418,949	11,660,471	-	(16,758,478)	41	22,554,927
DEBT PROCEEDS	-	2,514,612	-	2,514,612	-	-
MISCELLANEOUS	50,700	113,641	-	62,941	224	122,872
Total Revenues	\$ 47,229,264	\$ 49,822,702	\$ -	\$ 2,593,438	105	\$ 47,026,367

Expenditures:

By Category

PERSONAL SERVICES	\$ 39,337,092	\$ 39,787,703	\$ -	\$ (450,611)	101	\$ 37,479,886
OPERATIONS & MAINT	7,358,494	6,725,649	258,499	374,346	95	5,580,350
CAPITAL	1,508,491	1,810,419	58,307	(360,235)	124	2,144,237
DEBT SERVICE	250,000	127,985	-	122,015	51	1,871
INTERFUND TRANSFERS	1,555,621	1,555,621	-	-	100	1,509,103
Total Expenditures	\$ 50,009,698	\$ 50,007,377	\$ 316,805	\$ (314,485)	101	\$ 46,715,447

By Department/Division

POLICE	\$ 28,058,477	\$ 28,043,735	\$ 76,274	\$ (61,533)	100	\$ 26,078,339
FIRE	21,951,221	21,963,642	240,531	(252,952)	101	20,637,108
Total Expenditures	\$ 50,009,698	\$ 50,007,377	\$ 316,805	\$ (314,485)	101	\$ 46,715,447



City of Billings

AIRPORT OPERATING FUND

For fiscal year 2021, Periods 1 - 12

	Total 2021		2021			YTD 2020	
	Amended Budget	YTD 2021 Actual	Encumbrance	Variance	%	YTD 2020 Actual	
Revenues:							
INTER-GOVERNMENTAL	\$ 5,925,400	\$ 12,646,996	\$ -	\$ 6,721,596	213	\$ 9,175,700	
CHARGES FOR SERVICES	10,678,938	9,207,154	-	(1,471,784)	86	11,037,266	
INVESTMENT EARNINGS	216,152	31,555	-	(184,597)	15	253,108	
DEBT PROCEEDS	25,000,000	898,955	-	(24,101,045)	4	-	
MISCELLANEOUS	36,128	70,691	-	34,563	196	72,853	
Total Revenues	\$ 41,856,618	\$ 22,855,350	\$ -	\$ (19,001,268)	55	\$ 20,538,927	
Expenditures:							
By Category							
PERSONAL SERVICES	\$ 4,659,668	\$ 4,513,352	\$ -	\$ 146,316	97	\$ 4,440,799	
OPERATIONS & MAINT	3,605,950	2,387,569	110,739	1,107,642	69	2,877,832	
CAPITAL	35,505,684	15,850,099	8,265,951	11,389,633	68	10,627,990	
DEBT SERVICE	1,048,234	473,654	-	574,580	45	250,243	
Total Expenditures	\$ 44,819,536	\$ 23,224,674	\$ 8,376,690	\$ 13,218,171	71	\$ 18,196,864	

City of Billings

PUBLIC WORKS-SOLID WASTE FUND

For fiscal year 2021, Periods 1 - 12

	Total 2021		2021			YTD 2020	
	Amended Budget	YTD 2021 Actual	Encumbrance	Variance	%	YTD 2020 Actual	
Revenues:							
INTER-GOVERNMENTAL	\$ -	\$ 1,329	\$ -	\$ 1,329	-	\$ -	
CHARGES FOR SERVICES	16,498,000	17,236,452	-	738,452	104	16,470,068	
INVESTMENT EARNINGS	225,000	67,025	-	(157,975)	30	591,616	
MISCELLANEOUS	-	14,770	-	14,770	-	1,705	
Total Revenues	\$ 16,723,000	\$ 17,319,576	\$ -	\$ 596,576	104	\$ 17,063,388	
Expenditures:							
By Category							
PERSONAL SERVICES	\$ 5,843,090	\$ 5,670,177	\$ -	\$ 172,913	97	\$ 5,511,740	
OPERATIONS & MAINT	6,017,784	5,422,870	396,301	198,613	97	5,368,233	
CAPITAL	15,572,358	11,295,629	2,040,845	2,235,884	86	17,980,196	
DEBT SERVICE	1,561,775	413,738	-	1,148,038	26	432,738	
Total Expenditures	\$ 28,995,007	\$ 22,802,414	\$ 2,437,146	\$ 3,755,447	87	\$ 29,292,907	



City of Billings

PUBLIC WORKS-WATER FUND

For fiscal year 2021, Periods 1 - 12

	Total 2021 Amended Budget	YTD 2021 Actual	2021 Encumbrance	Variance	%	YTD 2020 Actual
Revenues:						
INTER-GOVERNMENTAL CHARGES FOR SERVICES	\$ -	\$ 1,714	\$ -	\$ 1,714		\$ 369
INVESTMENT EARNINGS	29,289,200	28,396,226	-	(892,974)	97	24,961,120
MISCELLANEOUS	534,500	731,054	-	196,554	137	1,161,913
	7,200	314,173	-	306,973	4,364	236,918
Total Revenues	\$ 29,830,900	\$ 29,443,167	\$ -	\$ (387,733)	99	\$ 26,360,320
Expenditures:						
By Category						
PERSONAL SERVICES	\$ 5,010,787	\$ 4,688,065	\$ -	\$ 322,722	94	\$ 4,618,350
OPERATIONS & MAINT	8,531,893	7,924,763	769,476	(162,347)	102	8,282,137
CAPITAL	21,653,658	10,049,804	10,655,300	948,554	96	16,776,686
DEBT SERVICE	2,770,000	287,476	-	2,482,524	10	315,390
Total Expenditures	\$ 37,966,338	\$ 22,950,108	\$ 11,424,776	\$ 3,591,454	91	\$ 29,992,563

City of Billings

PUBLIC WORKS-WASTEWATER FUND

For fiscal year 2021, Periods 1 - 12

	Total 2021 Amended Budget	YTD 2021 Actual	2021 Encumbrance	Variance	%	YTD 2020 Actual
Revenues:						
INTER-GOVERNMENTAL CHARGES FOR SERVICES	\$ -	\$ 5,268	\$ -	\$ 5,268	-	\$ -
INVESTMENT EARNINGS	21,770,290	21,584,152	-	(186,138)	99	20,278,411
MISCELLANEOUS	425,000	106,924	-	(318,076)	25	746,345
	-	110,586	-	110,586	-	179,539
Total Revenues	\$ 22,195,290	\$ 21,806,929	\$ -	\$ (388,361)	98	\$ 21,204,295
Expenditures:						
By Category						
PERSONAL SERVICES	\$ 4,123,310	\$ 3,889,861	\$ -	\$ 233,449	94	\$ 3,876,163
OPERATIONS & MAINT	7,188,387	5,459,669	1,151,916	576,802	92	5,274,587
CAPITAL	25,023,526	7,800,351	8,294,868	8,928,307	64	17,835,756
DEBT SERVICE	5,329,100	1,301,179	-	4,027,921	24	1,347,300
Total Expenditures	\$ 41,664,323	\$ 18,451,060	\$ 9,446,784	\$ 13,766,479	67	\$ 28,333,806



Fund Name	FY21 Amended Budget	FY21 Expenses Thru 6-30-21	Percent of Budget Utilized
Governmental			
2015 Ballpark G.O. Refunding	763,033	759,742	100%
Amend Park	60,214	10,222	17%
Arterial Streets	7,305,575	1,998,267	27%
Ballpark Donations	118,385	20,509	17%
Ballpark Repair Fund	30,292	3,144	10%
Building Inspection	2,469,626	2,003,143	81%
Capital Replacement	2,930,660	2,143,937	73%
CDBG	2,816,552	1,656,233	59%
Cemetery Improvements	48,000	0	0%
Cemetery Perpetual Trust	5,600	0	0%
City Attorney Grants	315,285	341,133	108%
City County Planning	2,126,426	1,825,152	86%
Dog Park Construction	45,000	44,085	98%
Downtown Revolving Loan	226,247	25,451	11%
EOC 911	1,186,996	848,268	71%
Fire Grants	340,950	44,154	13%
Gas Tax	9,274,901	4,157,783	45%
Library Fund	4,173,765	3,734,851	89%
Library GO Debt	1,295,772	1,295,417	100%
Light Maintenance	3,009,639	2,179,790	72%
Municipal Court Grants	684,410	293,255	43%
Park District 1	3,847,931	2,692,609	70%
Parks Maintenance	979,408	951,633	97%
Parks Programs	191,212	156,384	82%
Parks Series 2000 GO Debt	123,826	123,757	100%
Police Programs	1,711,776	1,482,924	87%
Road Maintenance Dist.	365	360	99%
Rose Park Pool	112,952	22,947	20%
Series 2004A Street Imp	351,807	348,622	99%
SID Construction	5,504,819	2,063,311	37%
SID Fund	861,500	858,378	100%
Sidewalk Construction	2,927,718	791,694	27%
Sidewalk Debt Svc	501,500	496,958	99%
Sidewalk Hazard Repair	236,258	36,923	16%
Storm Sewer	6,462,777	3,668,302	57%
Storm Sewer Debt Svc	1,013,595	1,008,635	100%
Street Maintenance Dist	9,355,498	7,345,330	79%
Street/Traffic Oper	11,221,162	8,973,746	80%
Tax Increment East	870,827	808,296	93%
Tax Increment N 27th	6,407,757	5,241,550	82%
Tax Increment South	7,483,718	3,905,146	52%
Urban Renewal Prop	62,809	11,423	18%



Fund Name	FY21 Amended Budget	FY21 Expenses Thru 6-30-21	Percent of Budget Utilized
Proprietary			
Central Svcs	95,149	85,064	89.4%
City Health Ins Fund	14,543,439	12,483,954	85.8%
Engineering	3,175,554	2,967,574	93.5%
Facilities Management	2,087,356	1,678,765	80.4%
Information Resources	2,782,304	2,584,067	92.9%
Motor pool	2,158,204	2,017,857	93.5%
P.W. Admin	2,934,041	2,673,649	91.1%
Parking	1,980,278	1,654,796	83.6%
Property Ins	2,580,827	2,569,834	99.6%
Radio	279,534	209,721	75.0%
Telephone System	553,888	503,426	90.9%
Transit	13,592,157	7,673,965	56.5%