



QUARTERLY FINANCIAL REPORT

FY 2022 Second Quarter Ended 12/31/2021

CHRIS KUKULSKI, CITY ADMINISTRATOR

Attached is the second quarter FY 2022 financial report for your review. The fiscal year 2022 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 funds does not occur evenly throughout the year.

Andy Zoeller

FY 2022 Q2

GENERAL FUND REVENUES

Property taxes were billed, and first half payments have been collected. As of the end of the 2nd quarter, 53% of the billed amount has been collected. This is slightly less than what we normally collect. On average, the City collects 54% of the taxes billed. While this is not a significant variance, I do think this is worthy of noting and monitoring going forward. The total General Fund tax revenue for Q2 is \$9,919,784, an increase of \$668,179 over the same time the prior year. Much of this increase is related to delinquent taxes from a prior year being paid in this year.

License and permit revenue is collected throughout the year. When compared to the same time in the prior year, there is a decrease of 5%, or \$18,880. The total amount received is 17% of what was budgeted. This difference is expected, as the major revenue, Cable Franchise Fee, isn't expected until late January.

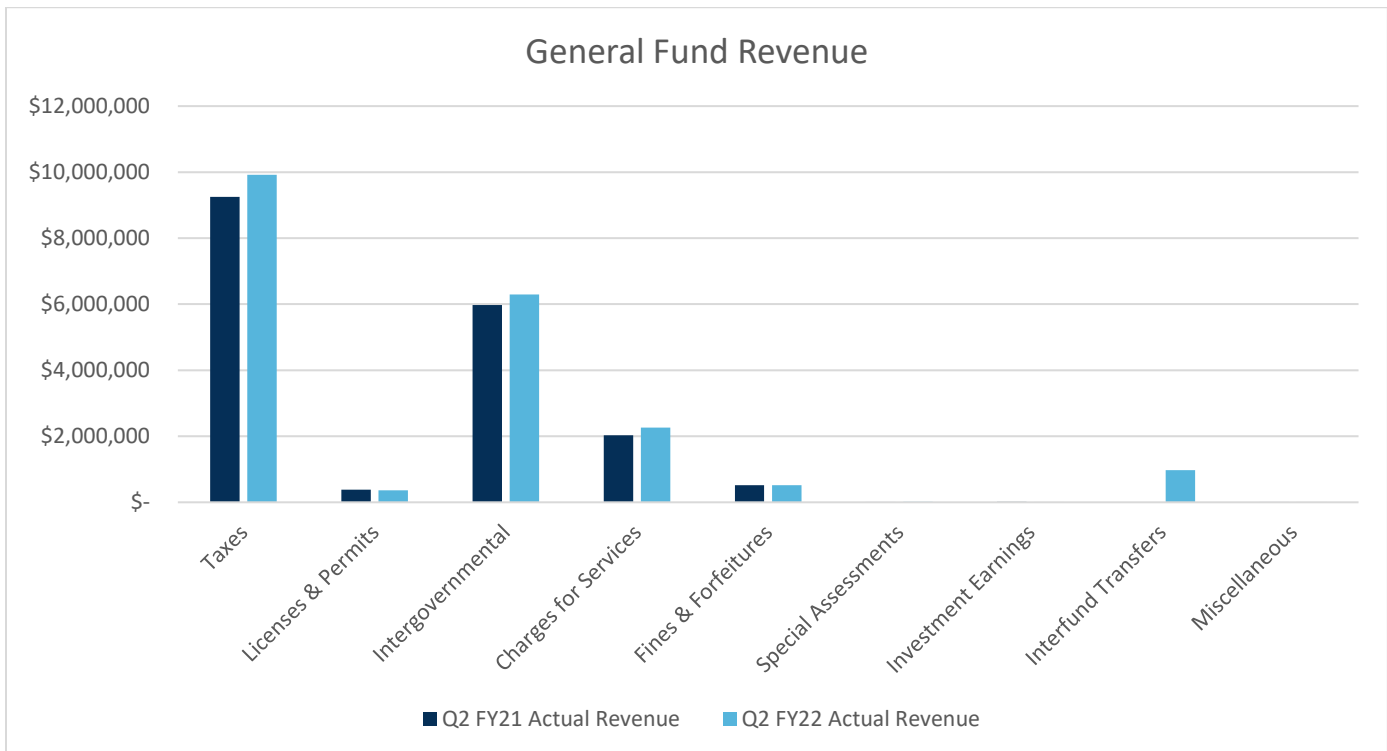
Intergovernmental revenue, which is revenue received from other governments, is up \$321,000 over the same time in the prior year. This increase is because the State of Montana distributed gambling tax revenue of \$232,800 in December, as opposed to January in the prior year. At the end of the second quarter 51% 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 in the second quarter of FY22 is \$2.26 million, or 52% of the budgeted amount. This is \$226,657 more than what was collected in the same time in the prior year. This increase is related to increased methane gas sales at the landfill and revenue from Parks and Recreation programs that occurred after July 1, 2021.

Fines and forfeiture revenue has decreased about \$5,000 compared to the same time in the prior fiscal year. However, the fines and forfeiture revenue is currently only 40% of the budgeted amount. Total fine & forfeiture revenue through the end of Q2 is \$516,807.

In FY22 the City budgeted a one-time transfer from the SID Revolving Fund into the General Fund of \$2.1 million. This is based upon the MCA requirement that excess cash within the revolving fund must be transferred to the General Fund. At the end of Q2, \$935,000 had been transferred into the General Fund.

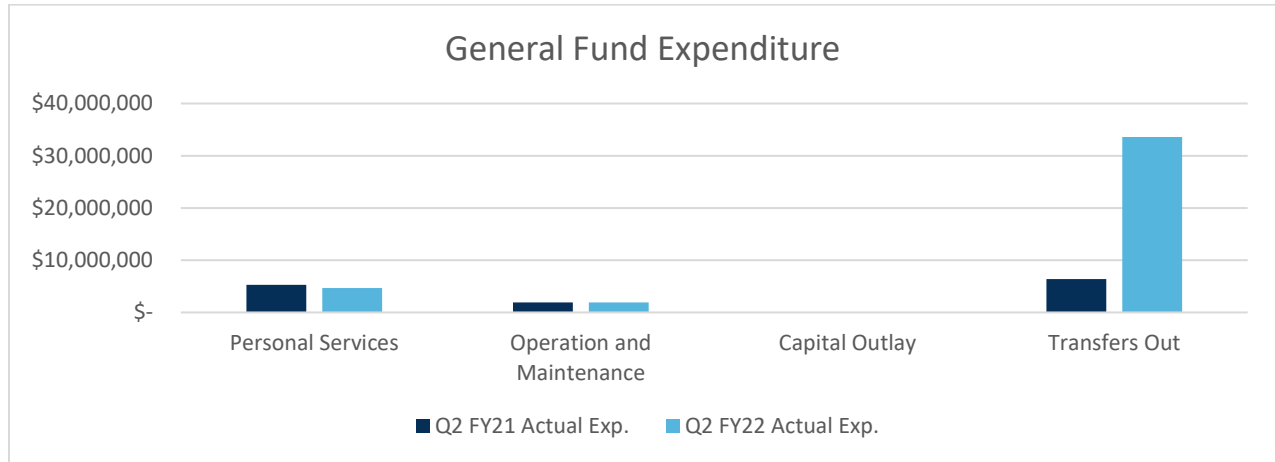
Overall revenue in the General Fund has increased compared to the second quarter of FY21. Total revenue collected in the second quarter is 51% of the total amount budgeted for FY22, an increase of \$2,447,826 over FY21. Total revenue in the General Fund for Q2 is \$20,633,849.



EXPENDITURES

The actual expenses in the General Fund for the second quarter of FY22 were 75% of budget, or \$40.2 million. This is an increase of \$26.9 million when compared to the same time in the prior fiscal year. This is largely related to the purchase of the Stillwater Building for \$13.5 million, which is represented with a transfer from the General Fund. The funds were transferred into a capital fund which will be used to accumulate all funds and track expenses related to the purchase and construction of the Stillwater

Building. Operating expenses (Personnel and O&M) in the General Fund total \$6.6 million, or 47.5% of the total budgeted amount.



PUBLIC SAFETY FUND

REVENUE

The Public Safety Fund tax revenue collected so far is 54% of the total budgeted amount, an increase of \$715,000 over the prior year. In 2020 the citizens of Billings approved a change to the 2008 Public Safety Levy that allowed it to grow with taxable value, rather than being capped at a maximum dollar amount. Total budgeted tax revenue in the Public Safety Fund for FY22 is \$18 million. This does not include tax revenue associated with the Public Safety Mill Levy that was passed in November of 2021. Funds from that levy will not be received until December of 2022.

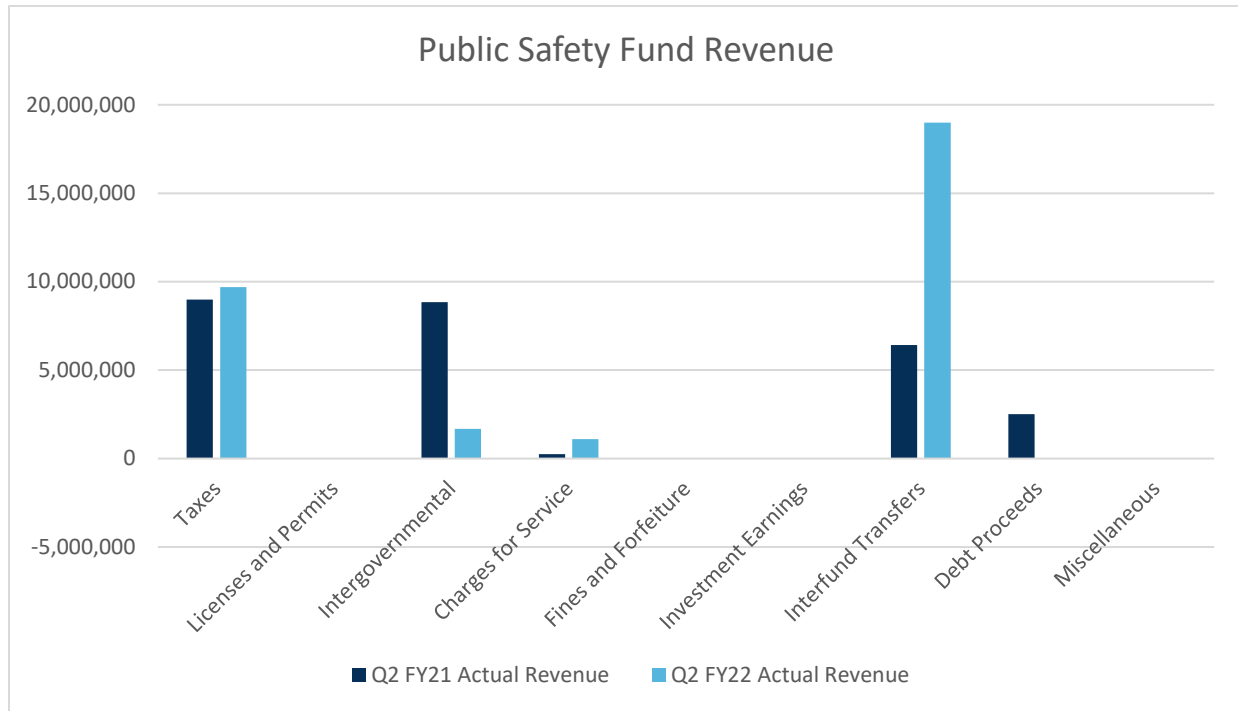
Charges for Services revenue has increased \$855,000 over the prior year. The increase in revenue is related to the payment from the County for the BUFSA charge, which was received a month earlier than last year.

Intergovernmental revenue is money received from other governments. At the end of Q2 the City had received 51% of the amount budgeted. However, the amount received in FY22 will, be significantly less than what was received in the prior fiscal year. In FY21, the City received significant funding from the State of Montana for reimbursement of Public Safety expenses through the CARES Act.

Over 50% of the funding for the Public Safety Fund comes from the General Fund on an annual basis. Because tax payments are received at the City in

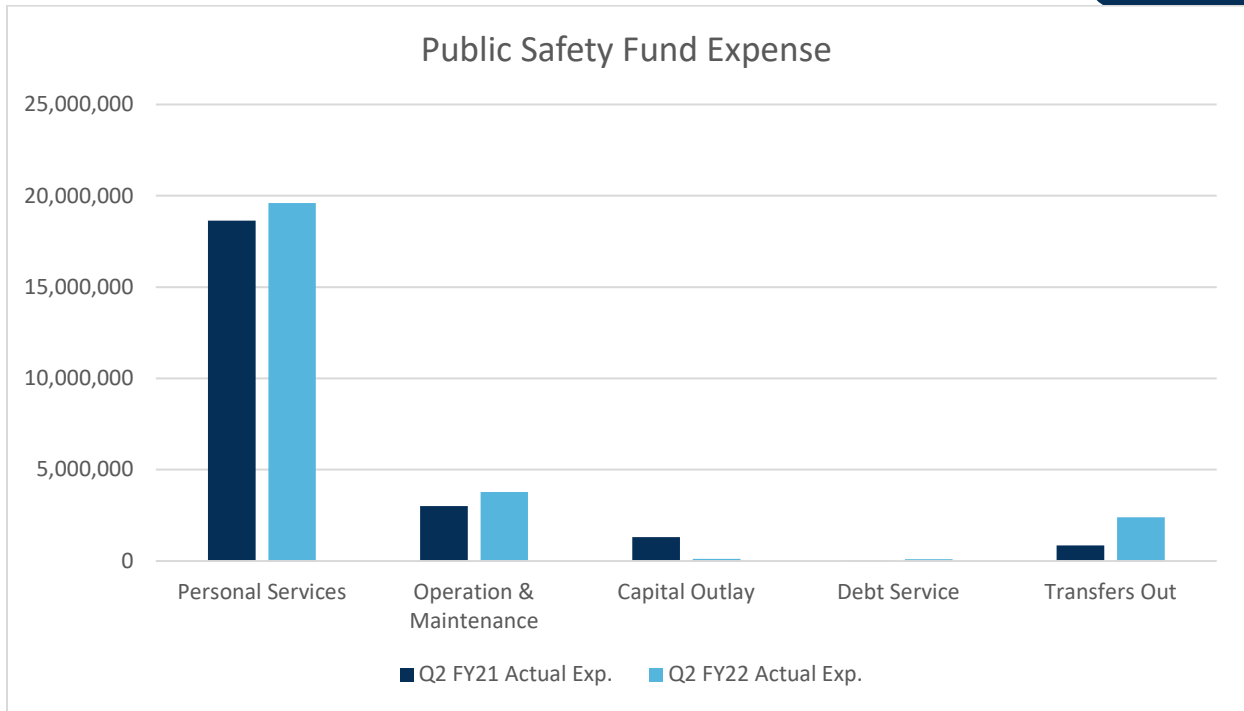
December and June of each year, much of that transfer occurs in the first half of the fiscal year. At the end of Q2, 71% of the budgeted transfer in revenue had been moved into the Public Safety Fund.

Total Public Safety Fund revenue at the end of Q2 is \$31.5 million, which is 62% of the budgeted amount.



EXPENDITURE

Expenditures in the Public Safety Fund are up 9.2%, or \$2,190,092, over the same time in FY21. Personal Services expenses for salaries and wages is up 5.2%, or \$964,000 over the prior year and Operation and Maintenance is up \$769,000 over the prior year. Total expenditures are 52% of the total annual amount budgeted. Both Fire and Police are aware of their budget vs actual position and are monitoring expenses through the second half of the year.





FY 2022 Q2 Unaudited Major Fund Financial Reports

City of Billings

GENERAL FUND OPERATING

For fiscal year 2022, Periods 1 - 6

	Total 2022 Amended Budget	YTD 2022 Actual	2022 Encumbrance	Variance	%	YTD 2021 Actual
Revenues:						
TAXES	\$ 18,476,303	\$ 9,919,784	\$ -	\$ (8,556,519)	54	\$ 9,251,604
LICENSES & PERMITS	2,199,128	365,821	-	(1,833,307)	17	384,702
INTER-GOVERNMENTAL	12,243,879	6,298,355	-	(5,945,524)	51	5,977,367
CHARGES FOR SERVICES	4,373,346	2,258,798	-	(2,114,548)	52	2,032,141
FINES & FORFEITS	1,294,046	516,807	-	(777,239)	40	521,889
SPECIAL ASSESSMENTS	-	11,609	-	11,609	-	2,069
INVESTMENT EARNINGS	70,301	7,690	-	(62,611)	11	13,709
INTERFUND TRANSFERS	2,110,100	972,726	-	(1,137,375)	46	-
MISCELLANEOUS	600	324	-	(276)	54	2,543
Total Revenues	<u>\$ 40,767,703</u>	<u>\$ 20,633,849</u>	<u>\$ -</u>	<u>\$ (20,415,790)</u>	<u>51</u>	<u>\$ 18,186,023</u>
Expenditures:						
By Category						
PERSONAL SERVICES	\$ 9,969,814	\$ 4,690,849	\$ -	\$ 5,278,965	47	\$ 4,377,675
OPERATIONS & MAINT	3,871,650	1,887,126	41,684	1,942,840	50	1,564,098
CAPITAL	175,744	40,400	78,584	56,760	68	90,500
INTERFUND TRANSFERS	39,976,733	33,569,470	-	6,407,263	84	7,269,963
Total Expenditures	<u>\$ 53,993,940</u>	<u>\$ 40,187,844</u>	<u>\$ 120,267</u>	<u>\$ 13,685,829</u>	<u>75</u>	<u>\$ 13,302,236</u>



City of Billings

GENERAL FUND-BY DEPT DIVISION

For fiscal year 2022, Periods 1 - 6

	Total 2022 Amended Budget	YTD 2022 Actual	2022 Encumbrance	Variance	%	YTD 2021 Actual
Expenditures:						
By Department/Division						
MAYOR & COUNCIL	\$ 295,932	\$ 124,288	\$ 282	\$ 171,362	42	\$ 122,166
CITY ADMINISTRATOR	1,067,701	446,522	32,399	588,780	45	505,447
HUMAN RESOURCES	917,577	382,256	-	535,320	42	377,307
CITY ATTORNEY	2,422,611	1,119,373	-	1,303,238	46	1,031,235
MUNICIPAL COURT	1,539,731	663,785	-	875,946	43	672,752
FINANCE	1,718,569	831,539	1,928	885,102	49	750,996
CODE ENFORCEMENT	725,384	275,241	2,875	447,268	38	249,438
PARKS & RECREATION	4,816,183	2,504,928	78,584	2,232,671	54	2,192,959
NON-DEPARTMENTAL	40,465,253	33,839,912	4,200	6,621,141	84	7,399,937
COUNCIL CONTINGENCY	25,000	-	-	25,000	-	-
Total Expenditures	\$ 53,993,940	\$ 40,187,844	\$ 120,267	\$ 13,685,829	75	\$ 13,302,236



City of Billings

PUBLIC SAFETY FUND

For fiscal year 2022, Periods 1 - 6

	Total 2022 Amended Budget	YTD 2022 Actual	2022 Encumbrance	Variance	%	YTD 2021 Actual
Revenues:						
TAXES	\$ 18,031,970	\$ 9,700,362	\$ -	\$ (8,331,608)	54	\$ 8,985,747
LICENSES & PERMITS	38,700	17,623	-	(21,077)	46	18,159
INTER-GOVERNMENTAL	3,257,298	1,675,703	-	(1,581,595)	51	8,836,993
CHARGES FOR SERVICES	2,350,702	1,099,869	-	(1,250,833)	47	244,911
FINES & FORFEITS	2,400	5,276	-	2,876	220	1,200
INVESTMENT EARNINGS	2,985	(5,868)	-	(8,853)	-	1,479
INTERFUND TRANSFERS	26,759,838	19,000,000	-	(7,759,838)	71	6,410,701
DEBT PROCEEDS	-	-	-	-	-	2,514,612
MISCELLANEOUS	37,300	31,699	-	(5,601)	85	13,520
Total Revenues	\$ 50,481,193	\$ 31,524,664	\$ -	\$ (18,956,529)	62	\$ 27,027,321

Expenditures:

By Category

PERSONAL SERVICES	\$ 39,841,722	\$ 19,596,789	\$ -	\$ 20,244,933	49	\$ 18,632,772
OPERATIONS & MAINT	7,186,386	3,780,550	297,912	3,107,924	57	3,011,449
CAPITAL	646,603	126,726	16,393	503,484	22	1,315,603
DEBT SERVICE	242,000	106,944	-	135,056	44	9,158
INTERFUND TRANSFERS	3,151,754	2,400,365	-	751,389	76	852,299
Total Expenditures	\$ 51,068,464	\$ 26,011,373	\$ 314,304	\$ 24,742,787	52	\$ 23,821,281

By Department/Division

POLICE	\$ 27,087,291	\$ 13,397,504	\$ 97,927	\$ 13,591,860	50	\$ 13,566,185
FIRE	23,981,173	12,613,869	216,378	11,150,927	54	10,255,096
Total Expenditures	\$ 51,068,464	\$ 26,011,373	\$ 314,304	\$ 24,742,787	52	\$ 23,821,281

AIRPORT OPERATING FUND

For fiscal year 2022, Periods 1 - 6

	Total 2022 Amended Budget	YTD 2022 Actual	2022 Encumbrance	Variance	%	YTD 2021 Actual
Revenues:						
INTER-GOVERNMENTAL	\$ 9,523,603	\$ 9,335,109	\$ -	\$ (188,494)	98	\$ 7,266,927
CHARGES FOR SERVICES	10,219,845	5,525,017	-	(4,694,828)	54	4,451,352
INVESTMENT EARNINGS	70,736	(11,965)	-	(82,701)	(17)	18,063
DEBT PROCEEDS	8,000,000	-	-	(8,000,000)	-	60,000
MISCELLANEOUS	44,200	72,841	-	28,641	165	29,016
Total Revenues	\$ 27,858,384	\$ 14,921,002	\$ -	\$ (12,937,382)	54	\$ 11,825,358

Expenditures:

By Category

PERSONAL SERVICES	\$ 4,970,178	\$ 2,341,718	\$ -	\$ 2,628,460	47	\$ 2,063,882
OPERATIONS & MAINT	3,584,127	1,198,063	164,956	2,221,108	38	1,288,915
CAPITAL	24,874,251	12,352,927	8,869,727	3,651,597	85	6,202,022
DEBT SERVICE	603,640	54,348	-	549,292	9	420,078
Total Expenditures	\$ 34,032,196	\$ 15,947,056	\$ 9,034,683	\$ 9,050,457	73	\$ 9,974,897



City of Billings

PUBLIC WORKS-SOLID WASTE FUND

For fiscal year 2022, Periods 1 - 6

	Total 2022		2022			YTD 2021	
	Amended Budget	YTD 2022 Actual	Encumbrance	Variance	%	YTD 2021 Actual	
Revenues:							
CHARGES FOR SERVICES	\$ 17,148,000	\$ 8,600,957	\$ -	\$ (8,547,043)	50	\$ 8,033,096	
INVESTMENT EARNINGS	162,000	8,954	-	(153,046)	6	34,773	
MISCELLANEOUS	-	3,439	-	3,439	-	1,445	
Total Revenues	17,310,000	8,613,351	-	(8,696,649)	50	8,070,508	
Expenditures:							
By Category							
PERSONAL SERVICES	\$ 6,124,263	\$ 2,931,690	\$ -	\$ 3,192,573	48	\$ 2,673,301	
OPERATIONS & MAINT	6,269,385	2,978,143	1,565,537	1,725,705	72	2,706,469	
CAPITAL	13,251,833	1,538,264	1,768,572	9,944,997	25	6,116,270	
DEBT SERVICE	1,565,025	-	-	1,565,025	-	-	
Total Expenditures	\$ 27,210,506	\$ 7,448,097	\$ 3,334,108	\$ 16,428,301	40	\$ 11,496,039	

City of Billings

PUBLIC WORKS-WASTEWATER FUND

For fiscal year 2022, Periods 1 - 6

	Total 2022		2022			YTD 2021	
	Amended Budget	YTD 2022 Actual	Encumbrance	Variance	%	YTD 2021 Actual	
Revenues:							
CHARGES FOR SERVICES	\$ 22,088,520	\$ 9,721,166	\$ -	\$ (12,367,354)	44	\$ 9,462,507	
INVESTMENT EARNINGS	280,000	1,210	-	(278,790)	-	55,868	
MISCELLANEOUS	-	3,812	-	3,812	-	108,071	
Total Revenues	\$ 22,368,520	\$ 9,726,188	\$ -	\$ (12,642,332)	43	\$ 9,626,715	
Expenditures:							
By Category							
PERSONAL SERVICES	\$ 4,246,390	\$ 1,899,524	\$ -	\$ 2,346,866	45	\$ 1,850,814	
OPERATIONS & MAINT	7,191,698	3,263,144	501,766	3,426,787	52	2,795,004	
CAPITAL	25,115,493	3,747,451	9,780,931	11,587,110	54	5,746,927	
DEBT SERVICE	5,374,653	-	-	5,374,653	-	-	
Total Expenditures	\$ 41,928,234	\$ 8,910,120	\$ 10,282,698	\$ 22,735,417	46	\$ 10,392,745	



City of Billings

PUBLIC WORKS-WATER FUND

For fiscal year 2022, Periods 1 - 6

	Total 2022 Amended Budget	YTD 2022 Actual	2022 Encumbrance	Variance	%	YTD 2021 Actual
Revenues:						
CHARGES FOR SERVICES	\$ 29,907,700	\$ 16,663,829	\$ -	\$ (13,243,871)	56	\$ 15,581,329
INVESTMENT EARNINGS	307,000	410,885	-	103,885	134	299,602
DEBT PROCEEDS	72,000,000	-	-	(72,000,000)	-	-
MISCELLANEOUS	7,200	98,779	-	91,579	1,372	299,912
Total Revenues	\$ 102,221,900	\$ 17,173,492	\$ -	\$ (85,048,408)	17	\$ 16,181,618
Expenditures:						
By Category						
PERSONAL SERVICES	\$ 5,148,819	\$ 2,351,467	\$ -	\$ 2,797,352	46	\$ 2,206,306
OPERATIONS & MAINT	9,172,252	4,759,963	887,115	3,525,174	62	3,859,481
CAPITAL	103,997,732	5,790,547	6,445,214	91,761,971	12	3,483,372
DEBT SERVICE	5,770,000	-	-	5,770,000	-	-
Total Expenditures	\$ 124,088,803	\$ 12,901,977	\$ 7,332,329	\$ 103,854,497	16	\$ 9,549,159