

FISCAL
YEAR

2022

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT



CITY OF BILLINGS, MONTANA

For The Fiscal Year Ended June 30, 2022

About the Cover

In June 2019, City Council directed Staff to issue an RFP for the purpose of consolidating City offices into a single facility. At the time, downtown City offices were spread throughout five locations and the Facilities Master Plan had identified space deficiencies across several departments. Five submittals were received, and it was determined the best course of action was to enter into negotiations to purchase the former James F. Battin Federal Courthouse, also known as the 'Stillwater Building'. At over 200,000 square feet and located at the edge of the downtown core next to the Yellowstone County courthouse, the building was considered well suited for a New City Hall.

The City successfully negotiated the purchase of the building at \$13.5 Million, and the City took ownership in October 2021 after the completion of appraisals and due diligence. The building was purchased with cash on hand from the City's General Fund.

The Battin building was designed by local firm J. G. Link & Company. Architect John Gustave Link was involved in the design of many other notable buildings in Billings, including: north side of current City Hall, original Parmly Library (now the Western Heritage Center), Montana Power building, Hart-Albin building, Northern Hotel, Masonic building, and St. Patrick's Co-Cathedral.

The building design is an example of the New Formalist style of Modernist Architecture. It features white chipped quartz pre-cast panels above a dark granite cladding giving it a floating appearance. Undulating entrance canopies present a contrast to the strict symmetry of the upper façades. Constructed in the early 1960's, the building followed the General Service Administration's initiative for efficient, economical civic buildings. The building design emphasizes geometric patterns, simple volumes and little ornamentation.

The GSA commissioned artwork by local sculptor Lyndon Fayne Pomeroy. Titled *Phylogenetic Continuum*, 1966, the installation consists of five black iron panels that are welded by acetylene torch and each panel measures 114.5 inches in height by 104 inches in width. Each of the five panels represents a specific era in the history of Montana from prehistoric to contemporary. This artwork remains with the building and will be incorporated into the newly remodeled front lobby.

The City Facilities Division is managing the design and build-out of the building for new City offices. The project is currently in the design development stage with construction drawing completion expected this fall. The build-out should begin at the end of the year and last approximately 12 months before City departments can relocate to their new home. The New City Hall will house all departments from the current City Hall, in addition to Building, Code Enforcement, Community Development, Engineering, PRPL (Parks, Recreation, and Public Lands), and Planning. The New City Hall will also boast two courtrooms, an emergency operations center, a dedicated Council Chambers, and leasable tenant space.

Photo Credit: Billings Gazette and John Caterino

CITY OF BILLINGS, MONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCE DEPARTMENT

ANDREW ZOELLER, CPA
FINANCE DIRECTOR

FISCAL YEAR 2022

July 1, 2021 – June 30, 2022

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INTRODUCTORY SECTION



January 28, 2023

CITY OF
Billings

Honorable Mayor, Members of the
City Council, City Administrator and the Citizens of the City of Billings, Montana:

The Annual Comprehensive Financial Report (ACFR) of the City of Billings, Montana (the City) for Fiscal Year ended June 30, 2022, is hereby submitted. This report was prepared by the Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Office of Management and Budget Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations. 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.

CITY OF BILLINGS PROFILE

The City of Billings was incorporated in 1882 and is located in South Central Montana along Interstate 90. The City of Billings is located in Yellowstone County, the most populous county in Montana. Billings is the largest city in the state with a 2020 Census population of 117,116.

The City of Billings operates under a Home Rule Charter, established in 1976, with a Council-Manager form of government. Policymaking and legislative authority are vested in a 10-member council and mayor (Legislative Branch). The Legislative Branch is responsible for the performance of all duties and obligations imposed on the City by law. Two council members are elected from each of 5 wards for four year terms with a maximum of two consecutive terms. The mayor is elected at large for a four-year term with a maximum of two consecutive terms. The Legislative Branch hires a City Administrator (Manager) to oversee the day-to-day operations of the City.

The City of Billings provides governmental services for public safety, utilities (including water, wastewater, and solid waste), public transportation, construction and maintenance of infrastructure, and general support services to serve the citizens of Billings.

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

Budgets are legally required and are prepared for all the City's funds. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance system as one technique of accomplishing budgetary control. Open encumbrances are reported as reservations of fund balance as of June 30, 2022. Per state law, encumbrances are automatically re-appropriated and added to the following year's adopted budget. This re-appropriation takes place without council action.

ECONOMIC CONDITION AND OUTLOOK

The University of Montana – Missoula, Bureau of Business and Economic Research publishes its Economic Outlook for selected counties in Montana. Following is some information contained in the publication.

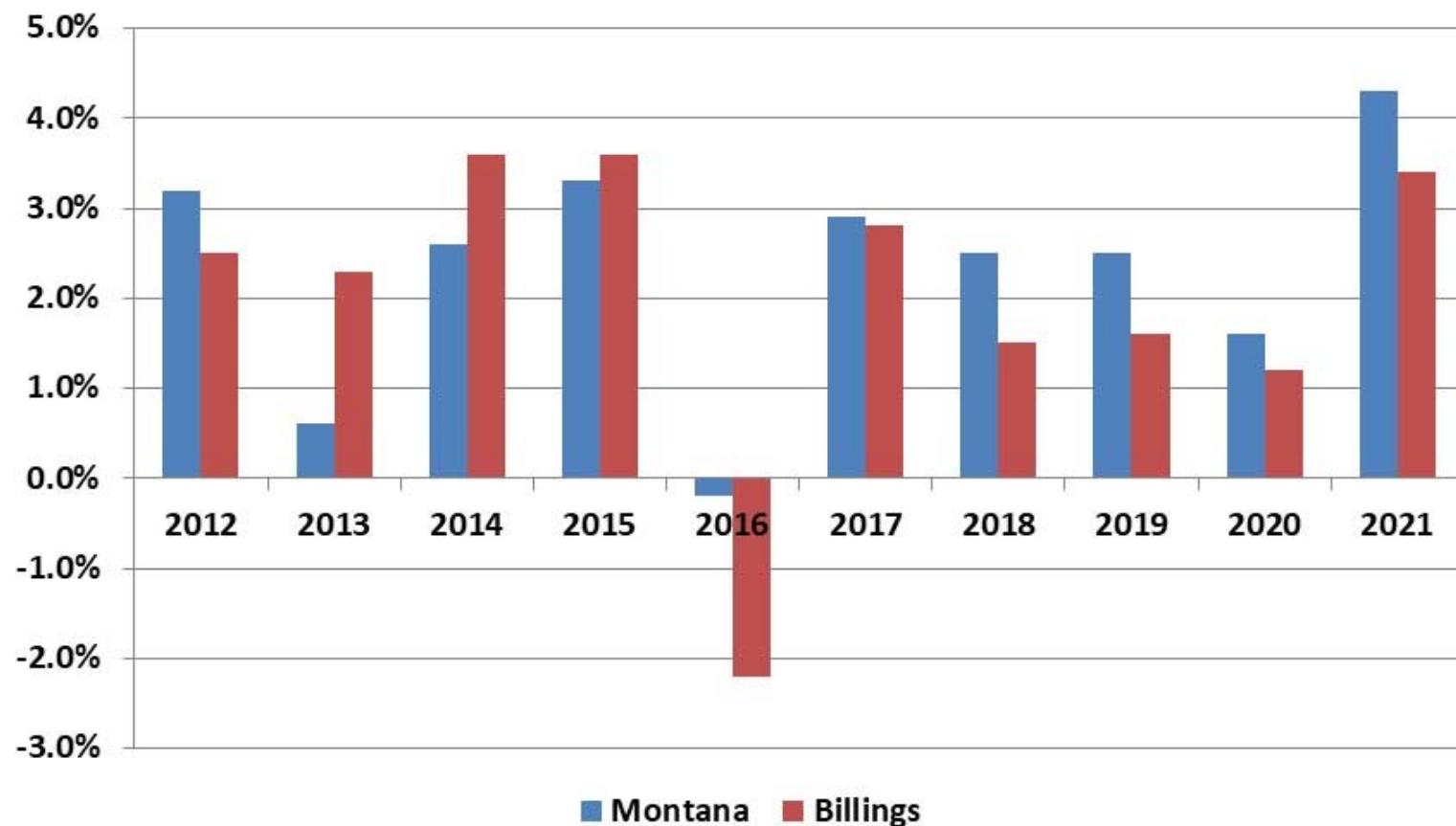
The two months of economic free fall in the spring of 2020 were as intense and frightening in Montana as any other state, but what has followed has been equally amazing. Digging out of a very deep hole, economic growth since midsummer of 2020 has vacillated between torrid and red hot, particularly as measured by wages and income. And with that growth has come some familiar problems, such as the labor shortage, and one new one – inflation.

The fact that the state economy registered growth of 1.6% in inflation corrected nonfarm earnings in the recession year 2020 is testimony to how strongly the economy rebounded in the second half of that year. The Bureau of Business and Economic Research now estimates that growth in 2021 surged to 4.3% as vaccines relaxed health concerns and the services economy reopened. In a sign of the underlying economic strength, Montana general fund revenues grew by a heady \$430.5 million in fiscal year 2021, led by a 23% gain in individual income taxes.

In terms of recent growth, Flathead, Missoula and Yellowstone counties have in common growth of around \$150 million in total wages in the most recent fiscal year, but the drivers of that growth and their economic mix overall are quite different.

Yellowstone County has grown slower than the state average for several years, due to the slowdown in oil and gas production activity and the weakness in the four-state region, which it serves as the economic hub. Like Missoula, its retail trade and health care businesses helped propel faster growth in 2021, even as its mining support and manufacturers (primarily its three oil refineries) turned in subpar performances.

Change in Nonfarm Labor Income



One of the City's largest industries is health care. Presently, the Billings Clinic Health System (approximately 4,000 employees) and Saint Vincent Healthcare (approximately 2,000 employees) employ approximately 6,000 employees. Both healthcare systems have embarked on major expansion programs that will increase the size of their facilities and their employment levels over the next several years.

LONG-TERM FINANCIAL PLANNING

The City of Billings annually completes five-year plans for the General Fund, Public Safety Fund, Library Fund, Airport Fund, Transit Fund and other operating funds. Currently, the Public Safety Fund gets around 45% of its revenue from the General Fund. Historically, the General Fund balance increased slightly through modest increases in expenditures and tax revenue. However, tax revenue increases have not been able to keep pace with the increase in expenses. As a result of this in balance, reserves will need to be used to balance future budgets. In September 2020, the residents of Billings approved a mill levy for funding Public Safety into the future. Additionally, in November of 2021 voters approved to increase property taxes to fund Police, Fire, Legal, Municipal Court, and Code Enforcement expenditures. These will both help with the increases into the future. As a result of continued population growth, the City will need to make many decisions related to expansion of City facilities over the next five years. This information will be used when completing the FY24 budget.

RELEVANT FINANCIAL POLICIES

The Billings City Council adopts three capital plans each budget year. The three plans are for technology equipment, vehicles, and capital improvements (infrastructure, buildings, building improvements, etc.). These three plans guide the City throughout the fiscal year with capital purchases.

The City Council followed the adopted growth policy by only annexing parcels contained within the boundaries of the policy. Following the policy helps to not overextend City services, which in turn cost more money.

The City Council adopted a reserve level policy authorizing the City Administrator to establish fiscally responsible reserve minimums. The City Administrator adopted an Administrative Order with recommended reserve levels for all operating funds.

MAJOR INITIATIVES

City Council adopts annual goals before beginning budget preparations. The Council, with the help of a consultant, adjusted and adopted updated strategic goals in 2019.

- Honest, Responsive Government: Striving to be a principle-centered organization that promotes responsibility, accountability, trust, and open, accessible government.

- Comprehensive Orderly Growth: Careful consideration and management of the process of community growth.
- Transportation: Development of a comprehensive, multi-modal transportation system that supports the Growth Policy.
- Sustainable Economic Development: Economic vitality that fosters community partnerships and ensures a strong and efficient infrastructure.
- Involved, United Community: Community-wide investment in visioning and planning for the future.
- Public Safety: Provide for a safe and secure community.
- Quality of Life: Provide Library patrons with tools to become happy, informed, participating community members.
- City Infrastructure: Provide an understandable program with sustainable funding.

All City departments establish departmental goals and action plans that help to support the Council goals. Some of the major initiatives that were started, or completed, in the budget year are:

- Updated the Capital Improvements Plan.
- Completed multiple road construction projects.

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 City Council. However, the City Council has recommended that an annual audit be performed. An annual audit provides a higher level of financial management and fiscal responsibility. JCCS P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Billings, Montana's financial statements for the year ended June 30, 2022. The independent auditors' report is located at the front of the financial section of this report.

AWARDS

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 Billings, Montana, for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 38th consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and

efficiently organized annual comprehensive 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. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department, with special appreciation extended to our Accountants Jim Hauck, Donna Hjelm, and Sarah Lane. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

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

Andy Zoeller, CPA
Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Billings
Montana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

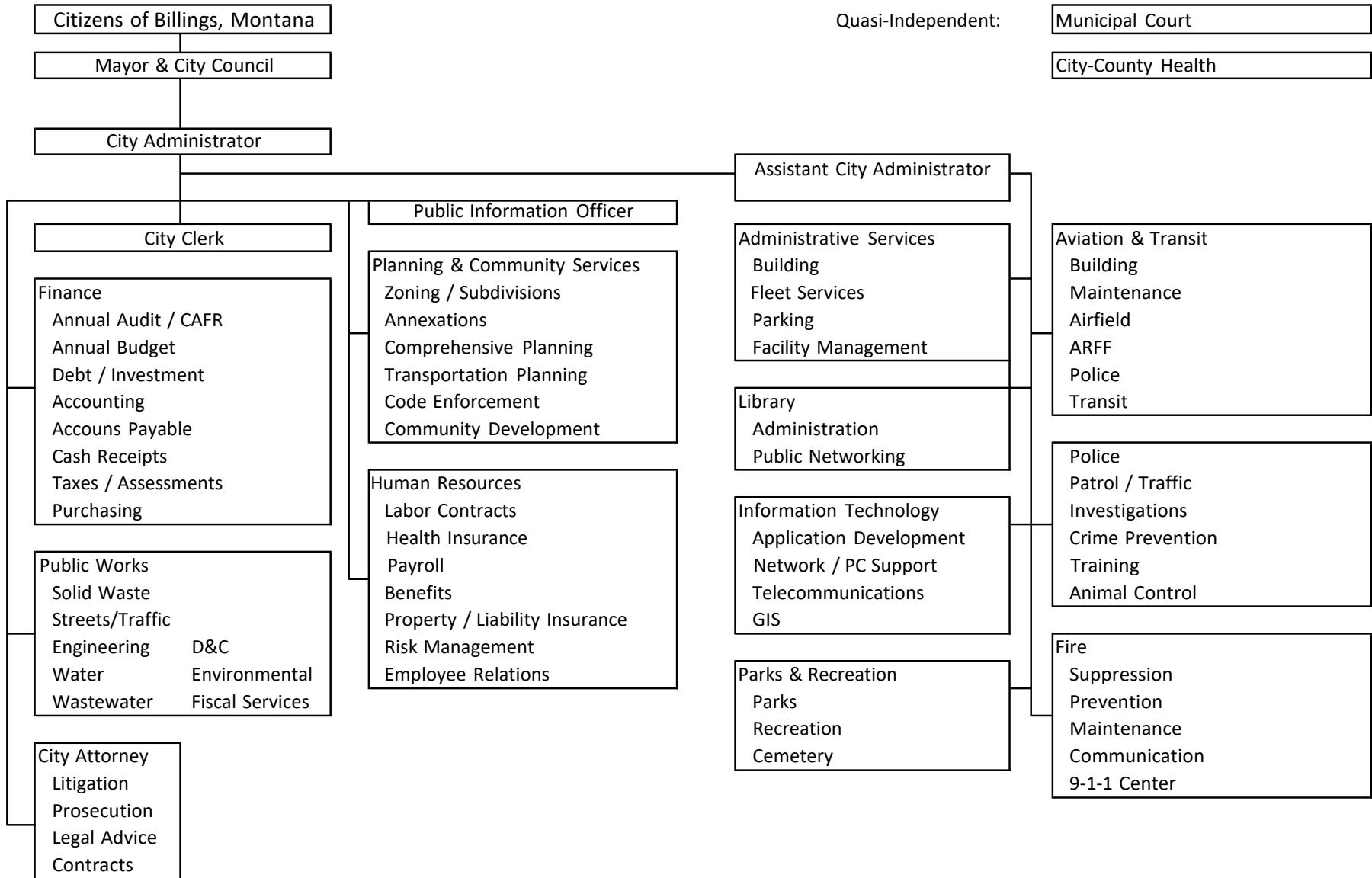
Christopher P. Monell

Executive Director/CEO



City of Billings, Montana

Organizational Chart

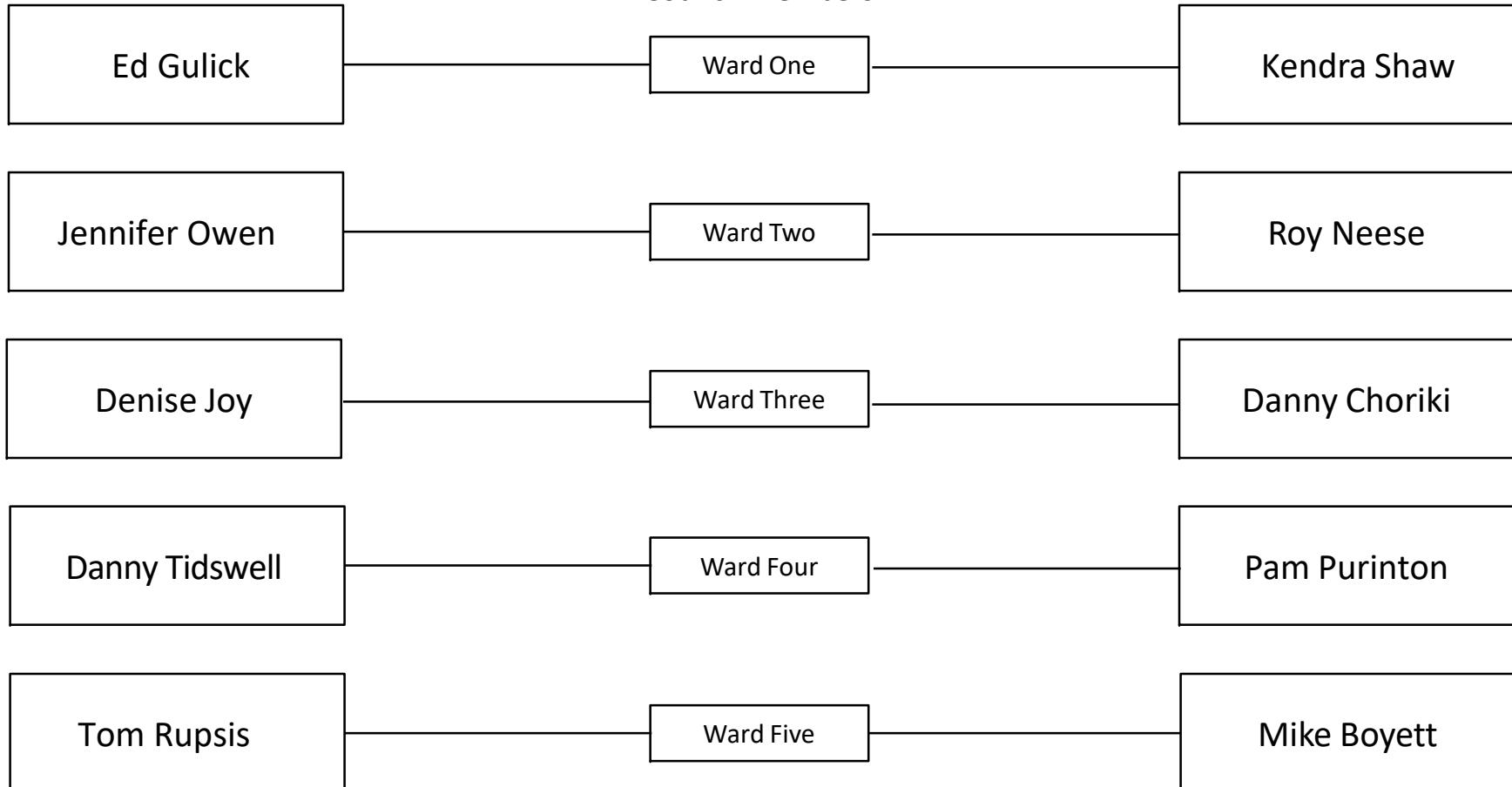




City of Billings, Montana
Official Roster

Mayor
Bill Cole

Council Members



FINANCIAL SECTION

**To the Honorable Mayor, Members of the City Council and City Administrator
City of Billings, Montana**

INDEPENDENT AUDITORS' REPORT

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, other post-employment benefits information, and employee retirement pension benefits information (collectively, the required supplementary information) on pages 3 through 12 and 114 through 135 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Billings, Montana's, basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied

in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2023, on our consideration of the City of Billings, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Billings, Montana's internal control over financial reporting and compliance.

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

Great Falls, Montana
January 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Billings (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. In addition to this overview and analysis based on currently known facts, decisions, and conditions, the City encourages readers to consider the information presented in the City's letter of transmittal and the City's financial statements, which begin on pages i and 13 of this report, respectively.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the fiscal year end by \$920 Million (Net Position).
- The total fiscal year end governmental fund balance was \$111.7 Million as reported in the balance sheet.
- The total general fund and public safety fund balances at the fiscal year end were \$11,579,301 and \$2,044,488, respectively. More information regarding the general fund and public safety fund balances is contained in the Economic Factors and Future Outlook toward the end of the Management Discussion and Analysis (MD&A).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following three components:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

Other supplementary information is also included at the end of the Financial Section.

Government-wide Financial Statements. The government-wide statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

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

The statement of activities presents information reflecting how the City's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, 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 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 governmental activities of the City include general government, public safety – police and fire, public health, culture and recreational services, housing and economic development, and public works. The business-type activities of the City include solid waste, airport, water, wastewater, transit, parking operations, and golf course.

Fund Financial Statements. Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. With the implementation of GASB 34, the focus is now 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% 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 fund are at least 5% 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 of the funds of the City can be divided into two categories: governmental funds and proprietary 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.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Public Safety Fund, and American Rescue Plan Funds. These three funds are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

The City adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-20 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds: enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, airport, water, wastewater, transit, parking operations, and golf course. Internal service funds are used to account for activities and services performed for other organizational units within the City. These costs are allocated internally among the City's various functions. The City uses internal service funds to account for motor pool, postage and copying, information technology, health care benefits, facilities management, telephone services, radio communication services, public works administration, public works engineering, and property and liability insurance. The governmental-type functions use over 50% of these services. As such, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The transit and golf course enterprise funds are considered to be non-major funds and, therefore, are combined into a single, aggregated presentation in the proprietary fund statements. Major fund reporting requirements do not apply to internal service funds; therefore, they are combined into a single, aggregated presentation in the proprietary fund statements.

The basic proprietary fund financial statements can be found on pages 21-25 of this report.

Government-wide Financial Analysis

Net position over time may serve useful as an indicator of a government's financial position. The net position for the fiscal year ending June 30, 2022, was \$918,909,078 (assets and deferred outflows exceeded liabilities and deferred inflows), which was an increase of \$52.9 million. The increase is largely attributable to capital contributions from grants and developers and receipt of federal American Rescue Plan funds. The City continues to make significant investment in capital assets.

The City's largest portion of net position reflects investment in capital assets: land, buildings, improvements other than buildings, equipment and vehicles, and infrastructure. These assets are used to provide services to the citizens of Billings and are not available for future spending. The City's investment in capital assets is reported net of related debt. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following two tables present condensed financial information on the City's Net position and Changes in Net position as of, and for, the fiscal years ended June 30, 2022, and June 30, 2021:

City of Billings, Montana's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 158,002,142	\$ 171,743,961	\$ 162,692,756	\$ 150,398,173	\$ 320,694,898	\$ 322,142,134
Capital assets	323,570,944	298,504,771	586,441,483	557,082,222	910,012,427	855,586,993
Total assets	481,573,086	470,248,732	749,134,239	707,480,395	1,230,707,325	1,177,729,127
Deferred outflows	16,895,006	20,691,413	4,464,049	6,090,117	21,359,055	26,781,530
Long-term liabilities outstanding	121,938,525	152,233,858	135,248,249	147,261,133	257,186,774	299,494,991
Other liabilities	26,741,639	21,204,960	13,580,512	11,948,849	40,322,151	33,153,809
Total liabilities	148,680,164	173,438,818	148,828,761	159,209,982	297,508,925	332,648,800
Deferred inflows	20,500,878	3,747,794	15,147,499	2,101,265	35,648,377	5,849,059
Net position:						
Net investment in capital assets	258,772,732	223,844,149	479,578,198	443,663,389	738,350,930	667,507,538
Restricted	75,216,705	73,990,239	5,256,097	5,256,097	80,472,802	79,246,336
Unrestricted	(4,702,387)	15,919,145	104,787,733	103,339,779	100,085,346	119,258,924
Total net position	\$ 329,287,050	\$ 313,753,533	\$ 589,622,028	\$ 552,259,265	\$ 918,909,078	\$ 866,012,798

The restricted portion of fiscal year 2022 Net Position (8.8%) represents resources that are subject to external restrictions as to how they may be used.

City of Billings, Montana's Changes in Net Position

Revenues:	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 45,054,604	\$ 43,764,747	\$ 89,047,785	\$ 85,049,932	\$ 134,102,389	\$ 128,814,679
Operating grants and contributions	21,155,496	36,640,252	13,744,957	8,381,072	34,900,453	45,021,324
Capital grants and contributions	11,287,526	12,692,465	18,238,194	17,217,441	29,525,720	29,909,906
General revenues:						
Property taxes	49,897,934	45,106,948	2,508,073	2,396,685	52,406,007	47,503,633
Franchise fees	1,238,084	1,480,204	-	-	1,238,084	1,480,204
Business licenses	701,458	758,950	-	-	701,458	758,950
Unrestricted federal/state shared revenue	20,326,320	19,687,053	-	-	20,326,320	19,687,053
Unrestricted investment earnings	(1,540,946)	176,836	(1,737,135)	254,311	(3,278,081)	431,147
Gain/(Loss) on sale of property and equipment	800,907	19,602	(15,947)	26,146	784,960	45,748
Miscellaneous	762,076	4,838,743	976,159	629,189	1,738,235	5,467,932
Total revenues	149,683,459	165,165,800	122,762,086	113,954,776	272,445,545	279,120,576

(Continued)

City of Billings, Montana's Changes in Net Position (Continued)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Expenses:						
General government	13,562,287	12,206,160	-	-	13,562,287	12,206,160
Public safety	59,187,352	63,498,079	-	-	59,187,352	63,498,079
Public works	40,097,110	40,603,024	-	-	40,097,110	40,603,024
Public health	1,124,461	1,412,739	-	-	1,124,461	1,412,739
Culture and recreation	13,513,548	15,224,251	-	-	13,513,548	15,224,251
Housing and economic development	4,121,431	5,200,559	-	-	4,121,431	5,200,559
Interest on long-term debt	1,959,112	3,709,197	-	-	1,959,112	3,709,197
Solid Waste	-	-	20,862,519	16,548,274	20,862,519	16,548,274
Airport	-	-	12,525,700	12,519,061	12,525,700	12,519,061
Water	-	-	22,193,815	21,712,395	22,193,815	21,712,395
Wastewater	-	-	19,689,953	18,895,152	19,689,953	18,895,152
Parking	-	-	2,686,609	2,671,020	2,686,609	2,671,020
Transit	-	-	6,981,643	6,609,857	6,981,643	6,609,857
Golf Course	-	-	520,352	465,035	520,352	465,035
Total expenses	133,565,301	141,854,009	85,460,591	79,420,794	219,025,892	221,274,803
Increase in net position before transfers	16,118,158	23,311,791	37,301,495	34,533,982	53,419,653	57,845,773
Transfers	(199,311)	(269,865)	199,311	269,865	-	-
Change in net position	15,918,847	23,041,926	37,500,806	34,803,847	53,419,653	57,845,773
Net position, beginning of year	313,753,533	290,711,607	552,259,265	518,038,794	866,012,798	808,750,401
Prior period adjustment	(385,330)	-	(138,043)	(583,376)	(523,373)	(583,376)
Net position, end of year	\$ 329,287,050	\$ 313,753,533	\$ 589,622,028	\$ 552,259,265	\$ 918,909,078	\$ 866,012,798

Governmental activities. Net Position in governmental activities increased by \$15,533,517 during fiscal year 2022. Net Position increased due to the combination of increased operating grants and capital grants.

Business-type activities. Net Position in business-type activities increased by \$37,362,763 during fiscal year 2022. Net Position increased due to Airport, Water, Parking, and Wastewater contributed capital of \$18.2 million and increases in revenue related to charges for services.

Financial Analysis of the City's Funds

As noted previously, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City of Billings Public Safety Fund received approximately 45% of its funding from the General Fund. Therefore, both funds are directly related. The combined fund balances for the General and Public Safety funds experienced a large reduction in the current fiscal year. The decrease is related to the City's purchase of a new law and justice/city hall building. The City used excess reserves in the General fund to acquire the building without debt. Future additional capital outlay will occur as remodeling construction begins.

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 in the proprietary funds is \$104,787,733 for fiscal year ended June 30, 2022, an increase of \$1.4 million. The most significant increases in unrestricted net position were related to increased net operating income in Water and Wastewater funds.

The Solid Waste Fund's net position decreased by \$1.4 million due to a net operating loss of \$1.3 million, largely driven by an increase in the landfill closure and post-closure expenses. The Airport Fund's net position increased by \$14.2 million due to capital contributions of \$14.9 million. The Water Fund's net position increased by \$12.2 million due to a net operating income of \$9.7 million and \$1.5 million of contributed capital. The Wastewater Fund's net position increased by \$5.3 million due to a net operating income of \$6.1 million and capital contributions of \$1.6 million. The Parking Fund's net position decreased by \$264,951 due to a net operating loss. Future increases and revenue enhancements are being planned for the Parking Fund.

General Fund Budgetary Highlights

General Fund revenues were nearly the same as amounts budgeted. Variances between the final revenue budget and actual revenues received is a result of charges for services being greater than anticipated due to an increase in participation of recreation activities. Variances between the final expenditure budget and actual expenditures resulted from vacancy savings, and some unused funds

Capital Asset and Debt Administration

Capital Assets. The City of Billings investment in capital and leased assets for its governmental and business-type activities as of June 30, 2022, was \$910 million (net of accumulated depreciation). The investment in capital assets includes land; construction in

improvements other than buildings, equipment and vehicles; infrastructure, and leased assets. The City had construction commitments of \$52 million for the end of the current fiscal year.

City of Billings, Montana's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 46,676,119	\$ 46,676,119	\$ 17,665,489	\$ 17,113,076	\$ 64,341,608	\$ 63,789,195
Buildings	31,624,477	32,655,279	51,144,030	53,147,904	82,768,507	85,803,183
Improvements other than buildings	31,862,042	31,683,274	60,995,793	63,245,992	92,857,835	94,929,266
Machinery and equipment	15,916,998	14,879,201	29,020,879	25,452,646	44,937,877	40,331,847
Infrastructure	162,607,996	161,197,064	351,555,796	354,175,906	514,163,792	515,372,970
Lease Asset	976,052	-	-	-	976,052	-
Construction In progress	33,511,343	11,413,891	76,059,496	43,946,698	109,570,839	55,360,589
Total	\$ 323,175,027	\$ 298,504,828	\$ 586,441,483	\$ 557,082,222	\$ 909,616,510	\$ 855,587,050

Additional information on the City of Billings' capital assets can be found on pages 57-58 of this report.

City of Billings, Montana's Outstanding Debt
Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 13,511,998	\$ 24,259,578	\$ -	\$ -	\$ 13,511,998	\$ 24,259,578
Refunding bonds	-	-	2,740,000	-	2,740,000	-
Special assessment debt with governmental commitment	20,498,598	18,212,836	-	-	20,498,598	18,212,836
Revenue bonds	27,130,733	28,125,376	75,444,688	81,199,082	102,575,421	109,324,458
Notes payable	-	-	26,735,000	30,114,000	26,735,000	30,114,000
Intercap notes payable	2,536,134	2,727,737	-	-	2,536,134	2,727,737
Capital lease payable	711,560	1,182,342	1,943,598	2,105,751	2,655,158	3,288,093
Total	\$ 64,389,023	\$ 74,507,869	\$ 106,863,286	\$ 113,418,833	\$ 171,252,309	\$ 187,926,702

Long-term debt. The City of Billings had total bonded debt and notes outstanding of \$171,252,309 at the end of the current fiscal year. The majority of the debt consists of revenue bonds payable in the amount of \$102,575,421. These bonds are secured by specific

revenue sources consisting mostly of loans for a major Wastewater plant project and Solid Waste Landfill drop-off facility. General Obligation Bonds in the amount of \$13,511,998 of debt is backed by the full faith and credit of the government. The remaining amounts are special assessment debt in the amount of \$20,498,598, which is assessed to benefit property owners, and \$2,655,158 for capital leases.

Under the current State statutes, City general obligation bonded debt issuances are subject to a legal limitation based on 2.50% of assessed market value of the property subject to taxation. As of June 30, 2022, the City's general obligation bonded debt of \$13,511,998 was well below the legal debt limit of \$352,552,685. General obligation net bonded debt per capita equated to \$98.97.

Additional information on the City of Billings long-term debt can be found on pages 64-76 of this report.

Economic Factors and Future Outlook

The City of Billings is the largest city in Montana and serves as Montana's major trade and service center with major employment in health care, business services, and manufacturing. Most of the City's funds are in good financial condition. The funds relying on property tax struggle because of local and state tax limitations, but continue to operate with use of reserves.

Tax growth in the City has averaged slightly less than 3% over the past 10 years. While this growth allows us to keep up with the current level of service provided, it does not allow for much expansion in services. Development and construction continue to occur in Billings, during the fiscal year there was development valued at over \$456 million within the City.

Fund balance for the General Fund is below the minimum recommended reserve level as of June 30, 2022. The recommended reserve of 29% of the annual budget was derived from analyzing 10 years of cash flow needs. These reserves are necessary because property taxes, which are the greatest source of revenue for the General Fund, are paid in two installments, November 30 and May 31. As a result, cash balance in the fund decreases significantly in between tax payments.

In November of 2021, voters approved an increase of 34 mills to fund public safety expenses. The increase in property tax revenue will not be experienced by the City of Billings until FY2023. While the City will not receive this tax until FY2023, the City did begin implementing the strategies to address public safety issues in FY2022. This included hiring of additional staff and purchasing necessary equipment. As a result of this decision, the General Fund balance ending in FY2022 is below the recommended amount, but will return to a positive position in FY2023.

Of the total mills levied within the City of Billings (City, County, School, and State), the City's portion is approximately 25%. The city has seen large growth in both new construction and existing property values. We expect this trend to retract some in the coming years and return to a more modest growth rate in property tax revenue for future fiscal years.

Financial Contact

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 presented in this report or requests for additional information should be sent to the attention of the Finance Director at the following address: P.O. Box 1178, Billings, MT 59103.

BASIC FINANCIAL STATEMENTS

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2022
(Page 1 of 2)

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 73,267,682	\$ 64,942,409	\$ 138,210,091
Restricted cash and cash equivalents with fiscal agent	4,881,428	6,363,945	11,245,373
Investments	69,000,014	60,722,585	129,722,599
Receivables	14,241,633	12,166,575	26,408,208
Internal balances	(5,723,856)	5,723,856	-
Inventories	517,511	1,431,663	1,949,174
Prepaid items	14,789	9,383	24,172
Lease Receivable	646,395	7,622,322	8,268,717
Property held for resale	378,825	-	378,825
Restricted assets:			
Temporarily restricted:			
Investments with trustee	-	3,710,018	3,710,018
Permanently restricted:			
Cash and cash equivalents	401,452	-	401,452
Investments	376,269	-	376,269
Capital assets:			
Land and construction in progress	80,187,464	93,724,985	173,912,449
Other capital & lease assets, net of depreciation and amortization	243,383,480	492,716,498	736,099,978
Total capital assets	<u>323,570,944</u>	<u>586,441,483</u>	<u>910,012,427</u>
Total assets	<u>481,573,086</u>	<u>749,134,239</u>	<u>1,230,707,325</u>
<u>Deferred Outflows</u>			
Deferred charge on refunding of debt	784,371	-	784,371
Other post employment benefits	704,647	759,829	1,464,476
Pensions	15,405,988	3,704,220	19,110,208
Total deferred outflows	<u>16,895,006</u>	<u>4,464,049</u>	<u>21,359,055</u>

(continued)

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2022
(Page 2 of 2)

	Governmental Activities	Business-type Activities	Total
<u>Liabilities</u>			
Accounts payable	6,302,266	10,233,354	16,535,620
Accrued wages and benefits	4,003,383	1,338,167	5,341,550
Incurred but not reported health benefits	1,129,000	-	1,129,000
Accrued interest	1,213,624	2,008,991	3,222,615
Unearned Revenue	1,330,052	-	1,330,052
Other liabilities	9,013,314	-	9,013,314
Claims and judgments - due within one year	3,750,000	-	3,750,000
Long-term liabilities:			
Due within one year	12,442,687	10,854,039	23,296,726
Due in more than one year	61,737,310	99,598,469	161,335,779
Other post-employment benefits	6,407,443	3,171,143	9,578,586
Lease Liability	981,076	-	981,076
Net pension liability	40,370,009	14,791,595	55,161,604
Landfill closure and postclosure - due in more than one year	-	6,833,003	6,833,003
Total liabilities	<u>148,680,164</u>	<u>148,828,761</u>	<u>297,508,925</u>
<u>Deferred Inflows</u>			
Other post employment benefits	1,970,091	917,861	2,887,952
Leases	642,011	7,551,423	8,193,434
Pensions	<u>17,888,776</u>	<u>6,678,215</u>	<u>24,566,991</u>
Total deferred inflows	<u>20,500,878</u>	<u>15,147,499</u>	<u>35,648,377</u>
<u>Net Position</u>			
Net investment in capital assets	258,772,732	479,578,198	738,350,930
Restricted for:			
Public works	34,266,553	-	34,266,553
Culture and recreation	4,841,748	-	4,841,748
Housing and economic development	13,206,477	-	13,206,477
Capital projects	15,595,156	-	15,595,156
Debt service	6,528,765	5,256,097	11,784,862
Endowments - nonexpendable	778,006	-	778,006
Unrestricted	<u>(4,702,387)</u>	<u>104,787,733</u>	<u>100,085,346</u>
Total net position	<u>\$ 329,287,050</u>	<u>\$ 589,622,028</u>	<u>\$ 918,909,078</u>

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

CITY OF BILLINGS, MONTANA
Statement of Activities
For The Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Primary government							
Governmental activities:							
General government	\$ 13,562,287	\$ 3,999,533	\$ 8,362,696	\$ 300,000	\$ (900,058)	\$ -	\$ (900,058)
Public safety	59,187,352	7,000,581	9,644,639	159,929	(42,382,203)	-	(42,382,203)
Public works	40,097,110	31,375,892	(533,400)	7,508,538	(1,746,080)	-	(1,746,080)
Public health	1,124,461	39,071	(79,491)	-	(1,164,881)	-	(1,164,881)
Culture and recreation	13,513,548	2,634,527	1,195,158	3,319,059	(6,364,804)	-	(6,364,804)
Housing and economic development	4,121,431	5,000	2,565,894	-	(1,550,537)	-	(1,550,537)
Interest on long-term debt	1,959,112	-	-	-	(1,959,112)	-	(1,959,112)
Total governmental activities	<u>133,565,301</u>	<u>45,054,604</u>	<u>21,155,496</u>	<u>11,287,526</u>	<u>(56,067,675)</u>	<u>-</u>	<u>(56,067,675)</u>
Business-type activities:							
Solid Waste	20,862,519	18,908,832	285,173	-	-	(1,668,514)	(1,668,514)
Airport	12,525,700	11,692,109	374,093	14,917,660	-	14,458,162	14,458,162
Water	22,193,815	31,525,734	2,006,443	1,585,573	-	12,923,935	12,923,935
Wastewater	19,689,953	23,628,438	202,916	1,597,650	-	5,739,051	5,739,051
Parking	2,686,609	2,079,154	41,878	137,311	-	(428,266)	(428,266)
Transit	6,981,643	613,023	10,834,454	-	-	4,465,834	4,465,834
Golf Course	520,352	600,495	-	-	-	80,143	80,143
Total business-type activities	<u>85,460,591</u>	<u>89,047,785</u>	<u>13,744,957</u>	<u>18,238,194</u>	<u>-</u>	<u>35,570,345</u>	<u>35,570,345</u>
Total primary government	<u>\$ 219,025,892</u>	<u>\$ 134,102,389</u>	<u>\$ 34,900,453</u>	<u>\$ 29,525,720</u>	<u>(56,067,675)</u>	<u>35,570,345</u>	<u>(20,497,330)</u>
General revenues:							
Property taxes					49,897,934	2,508,073	52,406,007
Franchise fees					1,238,084	-	1,238,084
Business license tax					701,458	-	701,458
Unrestricted federal/state shared revenue					20,326,320	-	20,326,320
Unrestricted investment earnings					(1,540,946)	(1,737,135)	(3,278,081)
Gain on sale of capital assets					800,907	(15,947)	784,960
Miscellaneous					762,076	976,159	1,738,235
Transfers					(199,311)	199,311	-
Total general revenues and transfers					<u>71,986,522</u>	<u>1,930,461</u>	<u>73,916,983</u>
Change in net position					<u>15,918,847</u>	<u>37,500,806</u>	<u>53,419,653</u>
Net position, beginning of year, as previously stated					<u>313,753,533</u>	<u>552,259,265</u>	<u>866,012,798</u>
Prior period adjustment (Note IV H)					<u>(385,330)</u>	<u>(138,043)</u>	<u>(523,373)</u>
Net position, beginning of year					<u>313,368,203</u>	<u>552,121,222</u>	<u>865,489,425</u>
Net position, end of year					<u>\$ 329,287,050</u>	<u>\$ 589,622,028</u>	<u>\$ 918,909,078</u>

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

CITY OF BILLINGS, MONTANA
Governmental Funds
Balance Sheet
June 30, 2022

Assets	General Fund	Public Safety Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 6,149,585	\$ 2,114,574	\$ 6,923,058	\$ 47,964,084	\$ 63,151,301
Cash with fiscal agent	-	-	-	4,881,428	4,881,428
Investments	5,654,732	2,008,763	6,601,836	45,229,776	59,495,107
Receivables:					
Property taxes	526,406	566,395	-	340,525	1,433,326
Accounts and unbilled usage	44,440	58,050	-	159,447	261,937
Delinquent special assessments	877	-	-	1,031,475	1,032,352
Special assessments receivable	-	-	-	8,955,258	8,955,258
Accrued interest	5,607	925	4,576	33,279	44,387
Notes	-	-	-	1,411,464	1,411,464
Due from other funds	136,741	-	-	809,728	946,469
Due from other governments	-	39,065	-	867,157	906,222
Inventories	-	-	-	161,848	161,848
Property held for resale	-	-	-	378,825	378,825
Total assets	\$ 12,518,388	\$ 4,787,772	\$ 13,529,470	\$ 112,224,294	\$ 143,059,924

Liabilities, Deferred Inflows and Fund Balances

Liabilities:					
Accounts payable	\$ 195,846	\$ 320,695	\$ -	\$ 5,154,063	\$ 5,670,604
Accrued wages & benefits	648,335	2,341,692	-	583,274	3,573,301
Due to other funds	-	-	-	946,468	946,468
Unearned Revenue	-	-	-	1,324,734	1,324,734
Other liabilities	-	-	8,940,314	73,000	9,013,314
Total Liabilities	\$ 844,181	\$ 2,662,387	\$ 8,940,314	\$ 8,081,539	\$ 20,528,421
Deferred inflows:					
Unavailable Revenue	94,906	80,897	-	10,614,116	10,789,919
Fund balances:					
Unspendable	-	-	-	939,854	939,854
Restricted	-	2,044,488	4,589,156	78,087,470	84,721,114
Committed	11,826,034	-	-	15,399,121	27,225,155
Unassigned	(246,733)	-	-	(897,806)	(1,144,539)
Total fund balances	\$ 11,579,301	\$ 2,044,488	\$ 4,589,156	\$ 93,528,639	\$ 111,741,584
Total liabilities, deferred inflows and fund balances	\$ 12,518,388	\$ 4,787,772	\$ 13,529,470	\$ 112,224,294	\$ 143,059,924

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

CITY OF BILLINGS, MONTANA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Total *fund balances* for governmental funds \$ 111,741,584

Total *net position* reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 44,670,735
Buildings and improvements	39,940,715
Improvements other than buildings	53,646,573
Machinery and equipment	42,331,600
Infrastructure	371,720,096
Construction in progress	33,370,513
Less accumulated depreciation	<u>(272,377,384)</u>
	313,302,849

Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:

Govt deferred outflows of resources - unavailable tax revenue	10,789,919
Lease Receivable	594,627
Govt deferred outflows of resources - pensions and OPEB	<u>14,532,190</u>
	25,916,736

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

General obligation bonds payable	(12,285,000)
add: bond premium	(1,226,998)
Tax increment bonds payable	(26,980,000)
less: bond discount	(193,301)
add: bond premium	42,568
Special assessment bonds payable	(11,994,344)
less: bond discount	11,010
add: bond premium	(443,750)
Direct placement debt	(8,071,514)
Notes payable	(2,536,134)
Compensated absences payable	(8,232,426)
Other post-employment benefits	(5,620,560)
Net pension liability	(34,837,504)
Claims and judgments	(3,750,000)
Accrued interest	<u>(1,206,660)</u>
	(117,324,613)

Deferred inflow of resources related to pensions are not available to pay for current period expenditures, and therefore are not recorded in the funds

Deferred charge on refunding	784,371
Deferred inflows of resources - leases	(589,191)
Deferred inflows of resources - pensions & OPEB	<u>(17,110,097)</u>
	(16,914,917)

Internal service funds are used by the City to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position

12,565,411

Total net position of governmental activities

\$ 329,287,050

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

CITY OF BILLINGS, MONTANA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 18,635,569	\$ 18,026,824	\$ -	\$ 10,722,471	\$ 47,384,864
Licenses and permits	1,978,414	34,627	-	3,148,747	5,161,788
Intergovernmental	12,780,222	11,320,327	7,000,000	12,559,104	43,659,653
Charges for services	4,735,126	2,342,940	-	10,444,063	17,522,129
Fines and forfeitures	1,121,823	8,339	-	341,155	1,471,317
Special assessments	12,378	-	-	27,627,693	27,640,071
Other	(205,661)	11,573	(108,215)	1,040,525	738,222
Total revenues	39,057,871	31,744,630	6,891,785	65,883,758	143,578,044
Expenditures:					
Current:					
General government	8,248,464	-	-	3,002,460	11,250,924
Public safety	953,736	53,544,476	-	4,432,153	58,930,365
Public works	-	-	-	24,034,645	24,034,645
Public health	-	926,363	-	-	926,363
Culture and recreation	4,510,544	-	-	6,435,239	10,945,783
Housing and economic development	-	-	-	4,126,422	4,126,422
Capital outlay	149,373	279,369	2,298,750	36,842,290	39,569,782
Debt service:					
Principal	-	170,129	-	12,667,107	12,837,236
Interest and fiscal charges	-	43,948	-	2,483,722	2,527,670
Bond issuance costs	-	-	-	174,777	174,777
Total expenditures	13,862,117	54,964,285	2,298,750	94,198,815	165,323,967
Revenues over (under) expenditures	25,195,754	(23,219,655)	4,593,035	(28,315,057)	(21,745,923)
Other financing sources (uses):					
Transfers in	1,565,491	26,614,077	-	28,718,401	56,897,969
Transfers out	(48,639,224)	(3,159,754)	-	(5,591,278)	(57,390,256)
Special assessment bonds issued	-	-	-	4,000,000	4,000,000
Sale of capital assets	-	40,081	-	36,047	76,128
Total other financing sources (uses)	(47,073,733)	23,494,404	-	27,163,170	3,583,841
Net change in fund balances	(21,877,979)	274,749	4,593,035	(1,151,887)	(18,162,082)
Fund balance, beginning of year	33,457,280	1,769,739	(3,879)	94,680,526	129,903,666
Fund balance, end of year	\$ 11,579,301	\$ 2,044,488	\$ 4,589,156	\$ 93,528,639	\$ 111,741,584

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

CITY OF BILLINGS, MONTANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2022
(Page 1 of 2)

Net change in *fund balances* - total governmental funds \$ (18,162,082)

The change in *net position* reported for governmental activities in the statement of activities is 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 by which capital outlay exceeded depreciation in the current period.

Capital outlay	39,569,782	
Depreciation	<u>(20,711,750)</u>	
		18,858,032

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (85,124)

Donations and developer contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Donations, developer contributions and other noncash increases in capital assets	5,502,643	
Transfer to Enterprise Fund	<u>(137,311)</u>	
		5,365,332

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

Unavailable tax revenue	2,513,049	
Lease receivable	<u>(22,576)</u>	
Deferred outflow of resources - pensions and OPEB	<u>(3,061,510)</u>	(571,037)

Proceeds from debt issues are other financing sources in the funds, but debt issues are long-term liabilities in the statement of net assets.

Special assessment bond issued	(4,000,000)	
--------------------------------	-------------	--

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond premiums	819,815	
Deferred loss on refunding	<u>(63,789)</u>	
Deferred inflow of resources - pensions and opeb	28,012	
Deferred inflow of resources - leases	<u>(14,087,230)</u>	
Bond discounts	<u>(8,987)</u>	(13,312,179)

(continued)

CITY OF BILLINGS, MONTANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2022
(Page 2 of 2)

Repayment of bond principal is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net position.

General obligation debt	9,975,000
Special assessment debt	889,831
Direct placement debt	795,802
Tax increment debt	985,000
Notes payable	191,603
	12,837,236

Internal service funds are used by management to charge the costs of certain activities, such as fleet management,
insurance and telecommunication, to individual funds. The net revenue (expense)
of certain internal service funds is reported with governmental activities.

(1,236,619)

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 governmental funds.

Compensated absences	(318,854)
Other post-employment benefits	626,982
Net Pension Liability	17,610,353
Claims and judgments	(2,450,000)
Interest and amortization expenses	7,511
	15,475,992
Change in net position of governmental activities	\$ 15,918,847

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

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Net Position (Page 1 of 2)
June 30, 2022

	Business-type Activities							Nonmajor Enterprise Funds	Total	Internal Service Funds
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund					
Assets										
Current assets:										
Cash and cash equivalents	\$ 8,667,447	\$ 9,951,226	\$ 26,688,023	\$ 16,087,691	\$ 466,469	\$ 3,081,553	\$ 64,942,409		\$ 10,517,833	
Restricted cash and cash equivalents with fiscal agent	1,170,013	325,891	1,379,221	3,488,820	-	-	6,363,945		-	
Investments	8,119,402	9,325,925	25,165,289	15,140,926	432,583	2,538,460	60,722,585		9,881,176	
Receivables:										
Property taxes	-	-	-	-	-	70,861	70,861		-	
Accounts and unbilled usage	2,285,296	878,647	4,257,395	3,112,270	30,636	44,295	10,608,539		46,942	
Delinquent Special Assessments	-	-	-	-	-	-	-		-	
Accrued interest	9,662	9,096	18,633	12,096	316	1,793	51,596		9,744	
Notes	-	-	-	-	-	-	-		70,000	
Lease Receivable	89,751	7,510,258	22,313	-	-	-	7,622,322		51,768	
Receivables from other governments	-	29,120	-	-	-	1,406,459	1,435,579		-	
Inventories	-	39,996	1,204,523	-	-	187,144	1,431,663		355,663	
Prepaid items	-	-	-	-	-	9,383	9,383		14,789	
Total current assets	20,341,571	28,070,159	58,735,397	37,841,803	930,004	7,339,948	153,258,882		20,947,915	
Noncurrent assets:										
Notes receivable	-	-	-	-	-	-	-		70,000	
Restricted investments with trustee	3,710,018	-	-	-	-	-	3,710,018		-	
Property and equipment:										
Land	493,448	4,764,618	4,347,462	959,585	5,665,085	1,435,291	17,665,489		2,005,383	
Buildings	983,554	34,034,726	25,846,486	18,156,288	36,539,189	10,384,487	125,944,730		9,381,235	
Improvements other than buildings	35,561,274	117,028,016	1,240,465	2,810,810	499,368	879,511	158,019,444		2,767,005	
Equipment and vehicles	21,999,927	17,111,098	18,371,833	15,137,830	861,665	12,240,967	85,723,320		8,422,183	
Infrastructure	-	-	275,518,149	278,598,927	-	-	554,117,076		-	
Construction in progress	285,140	44,340,642	14,574,929	16,769,420	-	89,365	76,059,496		140,833	
Lease asset	-	-	-	-	-	-	-		1,136,499	
Less: accumulated depreciation/amortization	(19,755,663)	(125,259,589)	(142,317,500)	(113,294,765)	(18,112,489)	(12,348,066)	(431,088,072)		(13,585,042)	
Total noncurrent assets	43,277,698	92,019,511	197,581,824	219,138,095	25,452,818	12,681,555	590,151,501		10,338,096	
Total assets	63,619,269	120,089,670	256,317,221	256,979,898	26,382,822	20,021,503	743,410,383		31,286,011	
Deferred Outflows										
Other post employment benefits	164,587	142,840	154,353	116,340	33,562	148,147	759,829		192,919	
Pensions	864,299	750,704	736,169	615,002	126,985	611,061	3,704,220		1,385,490	
Total assets and deferred outflows	\$ 64,648,155	\$ 120,983,214	\$ 257,207,743	\$ 257,711,240	\$ 26,543,369	\$ 20,780,711	\$ 747,874,432		\$ 32,864,420	

(continued)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Net Position (Page 2 of 2)
June 30, 2022

Liabilities	Business-type Activities							Nonmajor Enterprise Funds	Total	Internal Service Funds
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund					
Current liabilities:										
Accounts payable	\$ 340,281	\$ 3,347,991	\$ 2,211,097	\$ 4,192,854	\$ 37,997	\$ 103,134	\$ 10,233,354	\$ 631,662		
Accrued wages and benefits	315,274	252,587	253,119	202,645	40,217	274,325	1,338,167	430,082		
Compensated absences	552,498	697,059	615,112	557,495	51,728	384,955	2,858,847	1,241,648		
Accrued interest payable	-	-	244,221	131,020	64,047	-	439,288	6,966		
Incurred but not reported health benefits	-	-	-	-	-	-	-	-	1,129,000	
Notes payable	-	-	2,285,000	2,845,000	169,457	-	5,299,457	460,000		
Unearned Revenue	-	-	-	-	-	735	735	5,318		
Accrued interest payable from restricted assets	395,012	60,891	-	1,113,800	-	-	1,569,703	-		
Revenue bonds payable from restricted assets	775,000	265,000	-	1,655,000	-	-	2,695,000	-		
Total current liabilities	2,378,065	4,623,528	5,608,549	10,697,814	363,446	763,149	24,434,551	3,904,676		
Noncurrent liabilities:										
Compensated absences	141,010	177,905	156,990	142,285	13,202	98,249	729,641	316,896		
Other post employment benefits	692,759	598,557	657,808	453,342	150,038	618,639	3,171,143	786,883		
Net pension liability	3,451,297	2,997,691	2,939,651	2,455,812	507,072	2,440,072	14,791,595	5,532,507		
Revenue bonds payable	20,925,908	3,373,955	-	3,699,824	-	-	27,999,687	-		
Notes payable	-	-	15,407,000	53,688,000	1,774,141	-	70,869,141	251,563		
Lease liability	-	-	-	-	-	-	-	981,076		
Landfill closure and postclosure-payable from restricted assets	6,833,003	-	-	-	-	-	6,833,003	-		
Total noncurrent liabilities	32,043,977	7,148,108	19,161,449	60,439,263	2,444,453	3,156,960	124,394,210	7,868,925		
Total liabilities	34,422,042	11,771,636	24,769,998	71,137,077	2,807,899	3,920,109	148,828,761	11,773,601		
Deferred Inflows										
Other post employment benefits	201,948	165,952	191,237	139,338	41,378	178,008	917,861	250,911		
Leases	89,542	7,440,080	21,801	-	-	-	7,551,423	52,820		
Pensions	1,558,219	1,353,421	1,327,217	1,108,758	228,937	1,101,663	6,678,215	2,497,859		
Total deferred inflows of resources	1,849,709	8,959,453	1,540,255	1,248,096	270,315	1,279,671	15,147,499	2,801,590		
Net Position										
Net investment in capital assets	17,866,772	88,380,556	179,889,824	157,250,271	23,509,220	12,681,555	479,578,198	9,556,533		
Restricted for:										
Bond and notes payable ordinance reserve	-	2,425,000	1,386,571	1,444,526	-	-	5,256,097	-		
Unrestricted	10,509,632	9,446,569	49,621,095	26,631,270	(44,065)	2,899,376	99,063,877	8,732,696		
Total net position	28,376,404	100,252,125	230,897,490	185,326,067	23,465,155	15,580,931	583,898,172	18,289,229		
Total liabilities, deferred inflows, and net position	\$ 64,648,155	\$ 120,983,214	\$ 257,207,743	\$ 257,711,240	\$ 26,543,369	\$ 20,780,711	5,723,856	\$ 32,864,420		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							Net position of business-type activities			
							\$589,622,028			

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

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

	Business-type Activities						Internal Service Funds
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	
Operating revenues:							
Charges for services	\$ 18,908,832	\$ 9,525,717	\$ 31,525,734	\$ 23,628,438	\$ 2,079,154	\$ 1,213,518	\$ 86,881,393
Operating expenses:							
Salaries and benefits	6,014,192	5,126,522	4,686,408	3,853,610	850,444	4,379,006	24,910,182
Supplies	4,046,332	841,879	3,089,270	1,539,800	112,258	782,578	10,412,117
Contracted services	2,707,842	823,249	3,849,607	2,869,351	554,855	716,602	11,521,506
Utilities	114,977	767,161	1,941,232	1,603,413	91,456	95,942	4,614,181
Other	647,568	196,185	633,740	493,813	100,146	444,506	2,515,958
Depreciation	4,142,330	4,595,500	7,620,471	7,124,663	844,498	995,063	25,322,525
Landfill closure and post-closure	2,580,688	-	-	-	-	-	2,580,688
Total operating expenses	20,253,929	12,350,496	21,820,728	17,484,650	2,553,657	7,413,697	81,877,157
Operating income (loss)	(1,345,097)	(2,824,779)	9,705,006	6,143,788	(474,503)	(6,200,179)	5,004,236
Nonoperating revenue (expenses):							
Taxes	-	-	-	-	-	2,508,073	2,508,073
Intergovernmental	285,173	374,093	2,006,443	202,916	41,898	10,834,454	13,744,977
Interest expense	(722,968)	(117,721)	(503,055)	(2,141,143)	(89,186)	-	(3,574,073)
Interest and investment income	(393,599)	(203,878)	(627,547)	(440,647)	(11,647)	(59,817)	(1,737,135)
Customer Facility Charge	-	669,099	-	-	-	-	669,099
Passenger Facility Charge	-	1,497,293	-	-	-	-	1,497,293
Gain (loss) on sale of capital assets	10,374	(992)	7,192	(38,497)	-	5,976	(15,947)
Other	756,265	107,215	114,639	15,127	1,176	11,931	1,006,353
Total nonoperating revenue (expense)	(64,755)	2,325,109	997,672	(2,402,244)	(57,759)	13,300,617	14,098,640
Income (loss) before capital contributions and transfers	(1,409,852)	(499,670)	10,702,678	3,741,544	(532,262)	7,100,438	19,102,876
Capital contributions	-	14,917,660	1,585,573	1,597,650	137,311	-	18,238,194
Transfers in	-	-	-	8,000	130,000	9,800	147,800
Transfers out	(38,000)	(9,800)	(22,800)	(15,200)	-	-	(85,800)
Change in net position	(1,447,852)	14,408,190	12,265,451	5,331,994	(264,951)	7,110,238	37,403,070
Net position, beginning of year	29,824,256	85,843,935	218,770,082	179,994,073	23,730,106	8,470,693	546,633,145
Prior period adjustment (See Note IV H)	-	-	(138,043)	-	-	-	(138,043)
Net position, end of year	<u>\$ 28,376,404</u>	<u>\$ 100,252,125</u>	<u>\$ 230,897,490</u>	<u>\$ 185,326,067</u>	<u>\$ 23,465,155</u>	<u>\$ 15,580,931</u>	<u>\$ 18,289,229</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						97,736	
Change in net position of business-type activities						<u>\$ 37,500,806</u>	

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

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 1 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:								
Cash received from customers and users	\$ 18,777,769	\$ 13,434,698	\$ 36,284,927	\$ 23,881,963	\$ 2,052,884	\$ 1,196,494	\$ 95,628,735	\$ 966,163
Cash received from interfund services provided	-	-	-	-	-	-	-	27,786,794
Cash received from other sources	756,265	107,215	114,639	15,127	1,176	11,916	1,006,338	302,130
Cash paid to employees for services	(6,180,911)	(5,102,704)	(4,950,269)	(4,105,073)	(869,299)	(4,487,166)	(25,695,422)	(8,209,048)
Cash paid to suppliers and contracted services	(8,045,440)	(3,551,433)	(10,103,562)	(3,126,162)	(860,715)	(1,970,504)	(27,657,816)	(22,088,266)
Net cash provided (used) by operating activities	<u>5,307,683</u>	<u>4,887,776</u>	<u>21,345,735</u>	<u>16,665,855</u>	<u>324,046</u>	<u>(5,249,260)</u>	<u>43,281,835</u>	<u>(1,242,227)</u>
Cash flows from noncapital financing activities:								
Cash received from tax revenues	-	-	-	-	-	2,507,190	2,507,190	-
Cash received from intergovernmental revenues	285,173	374,093	2,006,443	202,916	41,898	10,834,454	13,744,977	-
Transfers from other funds	-	-	-	-	130,000	-	130,000	-
Transfers to other funds	-	-	-	-	-	-	-	95,770
Net cash provided (used) by noncapital financing activities	<u>285,173</u>	<u>374,093</u>	<u>2,006,443</u>	<u>202,916</u>	<u>171,898</u>	<u>13,341,644</u>	<u>16,382,167</u>	<u>95,770</u>
Cash flows from capital and related financing activities:								
Capital grants and contributions	-	14,917,660	-	-	-	729,661	15,647,321	-
Acquisition and construction of capital assets	(1,875,743)	(20,607,496)	(8,965,260)	(13,313,827)	(25,398)	(6,751,060)	(51,538,784)	(418,251)
Proceeds from sales of capital assets	10,374	-	7,192	-	-	5,976	23,542	83,386
Cash paid for interest	(808,749)	(113,856)	(532,081)	(2,546,227)	(93,627)	-	(4,094,540)	(38,577)
Principal paid on bonds, notes and capital leases payable	(735,000)	(260,000)	(2,225,000)	(2,749,001)	(162,153)	-	(6,131,154)	(450,000)
Transfers from other funds	-	-	-	8,000	-	-	8,000	532,057
Transfers to other funds	(38,000)	(9,800)	(22,800)	(15,200)	-	9,800	(76,000)	(6,000)
Facilities charges	-	2,166,392	-	-	-	-	2,166,392	-
Net cash provided (used) by capital and related financing activities	<u>(3,447,118)</u>	<u>(3,907,100)</u>	<u>(11,737,949)</u>	<u>(18,616,255)</u>	<u>(281,178)</u>	<u>(6,005,623)</u>	<u>(43,995,223)</u>	<u>(297,385)</u>
Cash flows from investing activities:								
Cash received from interest	(106,385)	120,498	152,397	134,027	1,998	9,669	312,204	50,586
Sale of investments	93,063,576	107,391,905	284,594,480	175,409,351	4,958,062	28,182,205	693,599,579	114,574,359
Purchase of investments	(94,459,703)	(108,450,142)	(290,841,383)	(175,151,026)	(5,083,679)	(29,324,300)	(703,310,233)	(114,458,083)
Net cash provided (used) by investing activities	<u>(1,502,512)</u>	<u>(937,739)</u>	<u>(6,094,506)</u>	<u>392,352</u>	<u>(123,619)</u>	<u>(1,132,426)</u>	<u>(9,398,450)</u>	<u>166,862</u>
Net increase (decrease) in cash and cash equivalents	643,226	417,030	5,519,723	(1,355,132)	91,147	954,335	6,270,329	(1,276,980)
Cash and cash equivalents, beginning of year	<u>9,194,234</u>	<u>9,860,087</u>	<u>22,547,521</u>	<u>20,931,643</u>	<u>375,322</u>	<u>2,127,218</u>	<u>65,036,025</u>	<u>11,794,813</u>
Cash and cash equivalents, end of year	<u>\$ 9,837,460</u>	<u>\$ 10,277,117</u>	<u>\$ 28,067,244</u>	<u>\$ 19,576,511</u>	<u>\$ 466,469</u>	<u>\$ 3,081,553</u>	<u>\$ 71,306,354</u>	<u>\$ 10,517,833</u>
Cash and cash equivalents consists of:								
Cash and cash equivalents	\$ 8,667,447	\$ 9,951,226	\$ 26,688,023	\$ 16,087,691	\$ 466,469	\$ 3,081,553	\$ 64,942,409	\$ 10,517,833
Restricted cash and cash equivalents with fiscal agent	1,170,013	325,891	1,379,221	3,488,820	-	-	6,363,945	-
Cash and cash equivalents, end of year	<u>\$ 9,837,460</u>	<u>\$ 10,277,117</u>	<u>\$ 28,067,244</u>	<u>\$ 19,576,511</u>	<u>\$ 466,469</u>	<u>\$ 3,081,553</u>	<u>\$ 71,306,354</u>	<u>\$ 10,517,833</u>

(continued)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 2 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)								
\$ (1,345,097)	\$ (2,824,779)	\$ 9,705,006	\$ 6,143,788	\$ (474,503)	\$ (6,200,179)	\$ 5,004,236	\$ (2,096,466)	
756,265	107,215	114,639	15,127	1,176	11,916	1,006,338	723,877	
Other nonoperating income (expense)								
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	4,142,330	4,595,500	7,620,471	7,124,663	844,498	995,063	25,322,525	986,720
Landfill closure and postclosure	2,580,688	-	-	-	-	-	2,580,688	-
(Increase) decrease in receivables	(131,272)	36,580	4,758,681	253,525	(26,270)	(17,024)	4,874,220	1,920
(Increase) decrease in receivables from other governments & other funds	-	3,802,223	-	-	-	-	3,802,223	-
(Increase) decrease in inventories	-	1,738	(121,305)	-	-	2,637	(116,930)	(133,402)
(Increase) decrease in prepaid items	-	-	-	-	-	(1,321)	(1,321)	(487)
Increase (decrease) in accounts payable	(528,512)	(854,519)	(467,896)	3,380,215	(2,000)	67,808	1,595,096	130,810
Increase (decrease) in accrued liabilities	(166,719)	23,818	(263,861)	(251,463)	(18,855)	(108,160)	(785,240)	(855,199)
Net cash provided (used) by operating activities	<u>\$ 5,307,683</u>	<u>\$ 4,887,776</u>	<u>\$ 21,345,735</u>	<u>\$ 16,665,855</u>	<u>\$ 324,046</u>	<u>\$ (5,249,260)</u>	<u>\$ 43,281,835</u>	<u>\$ (1,242,227)</u>
Noncash investing, capital and financing activities:								
Increase (decrease) in investment market value	(275,031)	(328,793)	(786,683)	(440,631)	(13,785)	(70,480)	(1,915,403)	(334,606)
Contribution of capital assets	-	-	1,585,573	1,597,650	137,311	-	3,320,534	-

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

CITY OF BILLINGS, MONTANA
Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

Assets	Total Custodial Funds
Cash and cash equivalents	\$ -
Receivables:	
Delinquent special assessments	99,563
Total Receivables	<u>99,563</u>
Total assets	<u><u>\$ 99,563</u></u>
<hr/>	
Liabilities, Deferred Inflows and Fund Balances	
Liabilities:	
Deferred inflows:	
Unavailable Revenue	\$ 99,563
Net Position:	
Restricted for:	-
Individuals, organizations, and other governments	-
Total Net Position	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 99,563</u></u>

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

CITY OF BILLINGS, MONTANA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Total Custodial Funds
Additions:	
Tax collections for other governments	\$ 6,864
Special Assessments collections for other organizations	<u>2,143,783</u>
Total Additions	<u><u>2,150,647</u></u>
 Deductions:	
Payments made to organizations	2,150,647
Total Deductions	<u>2,150,647</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	-
Net position - ending	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

I. Summary of Significant Accounting Policies

The financial statements of the City of Billings (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's significant accounting policies are described below.

A. Reporting Entity

The City of Billings financial statements include those separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 61. GASB Statement No. 61 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the organization's governing body must be appointed by the City, and either a) the City must be able to impose its will, or b) the City may potentially benefit financially or be financially responsible for the organization. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Data from these units are combined with data of the primary government.

Blended Component Unit – The Par 3 Golf Course (Golf Course) is governed by the City Council. Debt issuance authorizations are approved by the City Council. The Golf Course is reported as an enterprise fund. Complete financial statements for the Golf Course may be obtained at the entity's administrative offices:

Par 3 Golf Course: 19 South 19th Street West, Billings, MT 59102

The City has no discretely presented component units.

The City provides a full range of municipal services. Included are parks and recreation, streets and traffic control, sanitation, public transit, airport, water, wastewater, library, community development, public safety (police and fire protection), and general administrative services.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Related Organization – The City Council is responsible for appointing the members of the governing boards of the Billings Housing Authority. The City Council approves through resolution the Tourism Business Improvement District (TBID) and the Downtown Business Improvement District (DBID) annual budgets. However, the City is not able to impose its will on the three entities. Nor is there a potential for the three entities to provide specific financial benefits to, or impose specific financial burdens on, the City. As a result, the Billings Housing Authority, the TBID, and the DBID are considered related organizations and not component units of the City.

B. Government-wide and Fund Financial Statements

The goal of government-wide financial statements is to present a broad overview of a government's finances. The basic statements that form the government-wide financial statements are the statement of net position and the statement of activities. These two statements report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods and services.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the government's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function or business-type activity and include a) charges for services and b) operating or capital grants and contributions that are restricted to a particular function. Taxes and other items not classified as program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using economic resources measurement focus and accrual basis of accounting. 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenue, charges for service, special assessments, and investment income associated with the current fiscal period are the major revenues that are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund

The General Fund is used to account for resources traditionally associated with the government that are not required legally or by sound financial management to be accounted for in another fund.

Public Safety

The Public Safety Fund accounts for the Police Department operations, including the Animal Control, and the Fire Department operations. Major revenue sources include property taxes, intergovernmental and transfers from the General Fund.

American Rescue Plan

This fund is used to account for the expenditures related to the Federal American Rescue Plan Act.

The City reports the following major proprietary funds:

Solid Waste Fund

The Solid Waste Fund accounts for the operations of the City's garbage collection and landfill activities.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Airport Fund

The Airport Fund accounts for the Billings Logan International Airport operations and for all the resources received and used for acquisition and development of airport capital improvements and equipment.

Water Fund

The Water Fund accounts for the operations of the City's water system.

Wastewater Fund

The Wastewater Fund accounts for the operations of the City's wastewater system.

Parking Fund

The Parking Fund accounts for the operations of the City's public parking, which includes four parking garages and on-street parking in the downtown district.

In addition, the City reports for the following fund types:

Internal Service Funds

The internal service funds account for fleet services, postage and copying, information technology, health care benefits, telephone services, liability and property insurance, radio communication services, facilities management, public works administration, and public works engineering on a cost reimbursement basis.

Fiduciary Funds

The fiduciary funds are used to account for assets held by the City as an agent for private organizations or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City currently has three such funds including the Downtown Business Improvement District, Tourism Business Improvement

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

District, and License Plate Fund. These funds receive money from either Yellowstone County or a trust fund, and the City remits the monies to the appropriate BID or grantee as prescribed by either state law or a grant agreement.

The City has prepared its government-wide and proprietary fund financial statements in accordance with all applicable GASB pronouncements.

As a general rule, the City has eliminated the effect of interfund activity from the government-wide financial statements. Exceptions to this general rule are charges between the government's water, wastewater, and solid waste functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Other interfund activities not eliminated are indirect general and administrative costs that are allocated to other funds. Therefore, certain indirect costs are included in the program expenses reported for individual functions and activities.

Amounts reported as program revenues include: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds report operating revenues and expenses separately from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The Transit fund also receives property tax revenue and operating grants to support its operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Inflows, Liabilities, Deferred Outflows, and Net Position or Equity

1. Cash and Cash Equivalents and Investments

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

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Generally, cash resources of the individual funds are combined to form a pool of cash and investments, which are managed by the City's finance director. Investments and cash equivalents consist primarily of U.S. Treasury and U.S. agency obligations, certificate of deposits, and State of Montana Short-Term Investment Pool (STIP).

Certificates of deposit are reported at cost. Investments are carried at fair value in all funds. The fair value of investments is determined monthly and is based on current market prices. Changes in the fair value of investments are recognized in revenue at the end of each month.

Interest income earned as a result of pooling and changes in the fair value of investments are distributed to the appropriate funds utilizing a formula based on the average book value of cash and investments of each fund.

According to GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools," STIP is considered an external investment pool. The STIP investments are purchased in accordance with the statutorily mandated "Prudent Expert Principle." This pool is managed to preserve principal, while obtaining money market-type returns and 24-hour liquidity. Funds may be invested for one or more days. Although not registered with the Securities and Exchange Commission (SEC) as an investment company, STIP is managed similar to money market funds that are governed by SEC rule 2a7 of the Investment Company Act of 1940. As a 2a7-like pool, the STIP utilizes an amortized cost unit value to report net assets. The portfolio may include asset-backed securities, commercial paper, corporate, U.S. Government direct obligations, U.S. Government agency securities, repurchase agreements, institutional money market funds, certificates of deposit, and variable-rate (floating-rate) instruments. Investments must have a maximum maturity of 397 days or less, unless they are variable rate securities. The portfolio is carried at amortized cost or book value with a constant unit value of \$1.00.

Asset-backed securities represent debt securities collateralized by a pool of mortgage and non-mortgage assets, such as trade and loan receivables, equipment leases, credit cards, etc. Commercial paper is unsecured short-term debt with maturities ranging from 1 to 270 days. U.S. Government direct obligations include U.S. Treasury securities and debt explicitly guaranteed by the U.S. Government. U.S. Government agency securities include U.S. Government and mortgage-backed securities. Repurchase agreements (REPOs) represent an agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and stated time. Variable rate securities pay a variable rate of interest until maturity. The STIP portfolio's variable rate securities reset to LIBOR (London Interbank Offered Rate).

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The City issues warrants in payment of its obligations. When the warrants are presented to the Finance department, the City transfers funds to redeem the warrants. Cash balances are reported net of outstanding warrants.

2. Receivables and Payables

All outstanding balances between funds are reported as "due to/from other funds" (current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

Under its Home Rule Charter, the City is permitted to levy taxes at a maximum rate for payment for general governmental services and payment of principal and interest on long-term general obligation debt. The City is currently levying at the rate of 163.12 mills.

All property within the City limits is assessed on taxable market value. Property taxes are in two installments, due on November 30 and May 31 of each fiscal year. Payments not received on or before these dates are considered delinquent and accrue interest at a monthly compounding rate of 5/6 of 1% per month from and after such delinquency until paid, plus 2% as a penalty. Property taxes are attached as an enforceable lien on the property. Notice of foreclosure is filed with the County Clerk and Recorder five years from the date of delinquency. Property tax revenue is budgeted for the ensuing fiscal year.

Notes receivable are reported net of allowances for amounts deemed uncollectible. Allowances are computed from receivables net of amounts collected in the 60 days subsequent to June 30, 2022. Estimates for uncollectible amounts at June 30, 2022, based on net receivables are as follows: \$40,000 for Downtown Revolving Loans based upon historical experience and 100% of notes receivable that are in default. Personal property tax is exempt from this process because an amount cannot be estimated, as this tax is not levied. There is no allowance calculated for real property taxes, as any uncollected amount results in a lien on the property.

3. Inventories and Prepaid Items

Inventories of supplies are recorded at cost. Inventories that are held for sale in proprietary funds are stated at the lower of cost (average cost method) or market. The cost of inventory is recorded as an expenditure at the time the inventory items are purchased in governmental funds.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Governmental Activities:

A portion of the proceeds from cemetery plot sales are classified as permanently restricted assets. State statutes require that the investment earnings from such permanently restricted assets are used for the care, maintenance, and improvement of such cemetery lots and the grounds, roads, walks, and avenues leading thereto.

Business-type Activities:

Certain proceeds of the City's enterprise funds, notes payable, and closure/post-closure costs for the landfill, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position. They are maintained in either separate bank accounts or a separate fund within the City's pooled cash, and their use is limited by applicable covenants.

In the Airport fund the "revenue bond operations and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the City's operation that could adversely affect debt service payments. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments. The "revenue bond replacement and depreciation" account is used to report resources set aside to meet unexpected contingencies or to fund asset replacements.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The Airport fund's restricted assets consist of amounts restricted by bond covenants and Federal Aviation Administration (FAA) requirements. In Water and Wastewater, the notes payable ordinance reserve account is used to set aside resources from operations for debt service. The following table reports restricted assets:

Series 2020A Revenue Construction Bonds	
Debt service reserve	\$2,000,000
Capital replacement reserve	225,000
Series 2020B Revenue Refunding Bonds	
Debt service reserve	200,000
Solid Waste Closure/Post-Closure	3,710,018
Passenger Facility Charges	2,882,342
Customer Facility Charges	<u>1,662,606</u>
Total Restricted Assets	<u>\$10,679,966</u>

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000 for equipment and vehicles and \$25,000 for construction projects including non-building, building, and infrastructure.

In the case of the initial capitalization of general infrastructure assets (i.e. those reported by governmental activities), the City chose to include assets from 1980 forward to comply with GASB 34. The City estimated historical cost for the initial reporting of these assets through back trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Property and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	5-50
Improvements other than buildings	5-50
Equipment and vehicles	3-30
Infrastructure	10-50

6. Property Held for Resale

Property purchased for Urban Renewal Development is reported at the lower of cost or estimated net realizable value in the Special Improvement Districts Debt Service Fund and nonmajor governmental funds.

7. Compensated Absences

Employees earn vacation leave at the rate of 120 hours per year for the first 10 years. During years 11 to 21, employees earn vacation leave at an increasing rate, reaching 192 hours in year 21. There is no requirement that annual leave be taken, but the maximum permissible accumulation is two times the annual accrual as of the first pay period in January.

Full time employees earn 96 hours of sick leave per year, which may be accumulated without limit. Upon separation, employees are paid 25% of the remaining balance at their current rate of pay.

All accumulated vacation and 25% of accumulated sick leave are accrued when incurred in the government-wide and proprietary financial statements. This liability, which totals \$13,379,459 at June 30, 2022, includes the related FICA, Medicare, and retirement costs. The unrecorded accumulated sick leave benefits total \$11,243,347 at June 30, 2022.

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund type financial statements, long-term debt and other long-term obligations, such as notes payable, are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

the life of the bonds, on a straight-line basis, over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt 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.

9. Pensions

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, and Pension Expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

10. Fund Balance

Governmental funds fund balances can be classified into five categories. The categories are un-spendable, restricted, committed, assigned and unassigned.

The following table displays the City's fund balances by major purpose as displayed on page 16 of the governmental funds balance sheet. GASB Statement 54 requires the disclosure of the purpose of each major fund.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

<u>Major Funds</u>						
	<u>General Fund</u>	<u>Public Safety</u>	<u>American Rescue Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
Unspendable						
Cemetery Perpetual Care	\$ -	\$ -	\$ -	\$ 778,006	\$ 778,006	
Nonspendable form	- -	- -	- -	161,848	161,848	
Restricted						
Building Inspection	- -	- -	- -	4,348,333	4,348,333	
Tax Increment Districts	- -	- -	- -	10,190,039	10,190,039	
Roads and Streets	- -	- -	- -	15,834,458	15,834,458	
Grants	- -	- -	- -	2,661,896	2,661,896	
Cemetery Improvements	- -	- -	- -	243,995	243,995	
Emergency 911	- -	- -	- -	3,970,522	3,970,522	
Public Safety	- -	2,044,488	- -	- -	2,044,488	
Planning	- -	- -	- -	860,197	860,197	
Bike Paths Donations	- -	- -	- -	11,916	11,916	
Library	- -	- -	- -	2,329,831	2,329,831	
Street & Traffic	- -	- -	- -	6,642,964	6,642,964	
Light Maintenance Districts	- -	- -	- -	2,419,169	2,419,169	
Park Maintenance Districts	- -	- -	- -	6,362,940	6,362,940	
Sidewalk Hazard Repair	- -	- -	- -	95,763	95,763	
Debt Service	- -	- -	4,589,156	6,520,291	11,109,447	
Capital Projects	- -	- -	- -	15,595,156	15,595,156	
Committed						
General Government	11,826,034	- -	- -	- -	11,826,034	
Arterial	- -	- -	- -	8,846,692	8,846,692	
Park Programs	- -	- -	- -	2,481,847	2,481,847	
Animal Shelter Donations	- -	- -	- -	39,342	39,342	
Library	- -	- -	- -	2,066,076	2,066,076	
Downtown Revolving Loan	- -	- -	- -	1,408,307	1,408,307	
Ball Field Maintenance	- -	- -	- -	556,857	556,857	
Unassigned						
General Government	(246,733)	- -	- -	- -	(246,733)	
Debt Service	- -	- -	- -	(1,389)	(1,389)	
Grants	- -	- -	- -	(64,240)	(64,240)	
Capital Projects	- -	- -	- -	(832,177)	(832,177)	
Total Fund Balances	<u>\$ 11,579,301</u>	<u>\$ 2,044,488</u>	<u>\$ 4,589,156</u>	<u>\$ 93,528,639</u>	<u>\$ 111,741,584</u>	

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The unspendable category includes balances that cannot be spent, because the balance is not in a spendable form or there are legal or contractual restrictions on the balance.

The restricted category contains balances that are restricted for specific purposes by enabling legislation, external resource providers such as creditors or grantors, or laws or regulations of other governments.

The committed category contains balances pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The Billings City Council is that authority that makes these commitments by passing an ordinance or resolution.

Resolution number 10-18914 was passed by City Council designating committed fund balances:

“Exhibit A

“Recommended Fund and Working Capital Balances Policy

“Recommended Fund and Working Capital Balances policy statement:

“The City shall use recommended Fund and Working Balances for certain funds as a best practice. Fund Balance (“Assigned”) and Working Capital Balance (“Assigned”) will be the designations for accounting purposes.

“Recommended balances purpose:

“The policy is necessary to provide sufficient cash flow for daily financial needs, secure and maintain investment grade bond ratings, offset revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.

“Recommended balances implementation authority:

“Upon adoption of this Statement of Policy, the City of Billings Council authorizes the City Administrator to establish recommended balance procedures which may be necessary to support

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

the policy statement and adopt such documents by Administrative Order. The City Administrator will review the procedures with the City Council at a work session every five years or as deemed necessary prior to the five years.

“The balance in the General Fund column represents a minimum fund balance per Administrative Order Number 112. The minimum balance is necessary because of how property taxes get billed. The City needs five months of reserves to cover payroll and operating expenses due to the timing of tax receipt collection.

“Pursuant to this Administrative Order, I hereby establish the following procedures regarding City of Billings recommended fund and working capital balances.

“City Council adopted by resolution on February 22, 2010, establishing a policy for recommended balances authorizing the City Administrator to adopt procedures by Administrative Order.

“Minimum recommended balance expressed as a percent to total budget less capital is as follows:

<u>"FUND DESCRIPTION</u>	<u>% of Budget (less capital)</u>
FUND BALANCE	
Billed on Taxes	
General Operating	29%
Public Safety	0%
City County Planning	13%
City County Library	25%
Street Maintenance	42%
Street Lights Maintenance	42%
Park Maintenance Districts	70%
Other Revenues	
Building Inspection	25%
Street/Traffic Operating	4%"

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The assigned category is for balances constrained by an official who the governing body has delegated the authority to assign amounts to be used for specific purposes. The City Administrator is the official that would assign amounts for specific purposes per the City Charter.

The unassigned category is the residual classification for the General Fund. A negative unassigned fund balance occurs when expenditures exceed amounts that are unspendable, restricted, and committed fund balances.

The Library Fund has amounts in the restricted and committed categories. The restricted portion is the part of fund balance that voters approved through specific mills. The committed portion of fund balance is part of the City's general mills that City Council has authorized to go to the Library. There is no distinction between the two regarding expenditures as they both are available for operations.

The General Fund has amounts in the committed and unassigned categories. The flow assumption for the General Fund is that the unassigned balance is used for expenditures first.

The Public Safety Fund has amounts restricted for Police, Fire, and Animal control purposes.

In accordance with GASB 54, fund balances are classified as unspendable, restricted, committed, and unassigned. When expenditures are incurred, the City will determine, on a case-by-case basis, which classification of funds are to be used, taking into account any requirements of grant agreements, contracts, business circumstances, and other constraints. If no restrictions exist, the order of spending of resources will be unassigned, committed, and lastly, restricted.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

11. Net Investment in capital assets

At June 30, 2022 net investment in capital assets of the primary government consisted of the following amounts:

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Net property, plant, and equipment	\$ 323,570,944	\$ 586,441,483
Less:		
General obligation bonds, net	(13,511,998)	-
Revenue bonds payable, net	(27,130,733)	(30,694,687)
Notes payable and other long-term debt	(24,939,852)	(76,168,598)
Deferred charge on refunding debt	784,371	
Amount of unspent debt proceeds	-	-
Total net investment in capital assets	<u>\$ 258,772,732</u>	<u>\$ 479,578,198</u>

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred amount related to pensions, and the deferred amount related to other post-employment benefits, as a result of the adoption of GASB 75. These are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded, or refunding, debt.

In addition to liabilities, the statement of net position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report deferred revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

amounts become available. The items, *pensions and OPEB*, are reported only on the accrual statements, and are a result of the City's adoption of GASB 68 and GASB 75.

The changes in net pension liability are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and difference between expected or actual experience), are amortized over the weighted-average, remaining service life of all participants in the respective pension plan, and are recorded as a component of pension expense beginning with the period in which they are incurred.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed five-year period of recognition.

E. New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 87 "Leases." The provisions for this statement are effective for the current reporting period.

Statement No. 92, "Omnibus 2020" The provisions for this statement are effective for the current reporting period.

Statement No. 93, "Replacement of Interbank Offered Rates" The provisions for this statement are effective for the current reporting period.

Statement No. 97, " Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." The provisions for this statement are effective for the current reporting period.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Equity

Funds with deficit fund balances at June 30, 2022, are listed below. The deficit fund balances do not represent any type of legal violation.

<u>Fund</u>	<u>Deficit</u>
Nonmajor Special Revenue Funds:	
Attorney Grants	\$ 7,754
Municipal Court Grant	56,486
Nonmajor Capital Projects Funds	
Sidewalk and Curb Districts	832,177
Nonmajor Debt Service Funds	
Series 2010 Park	1,389
Internal Service Funds	
Information Technology	1,149,386
Public Works Administration	629,886
Public Works Engineering	2,016,199

A transfer will eliminate the Attorney Grants, Sidewalk and Curb District and the Series 2010 Park funds. The internal service funds deficit net position will likely not be removed, as it is largely a result of the net pension and other post-employment benefits liabilities.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

III. Detailed Notes on All Funds

A. Cash and Cash Equivalents and Investments

Cash and investments as of June 30, 2022, consist of the following:

Deposits in local banks	\$ 38,599,837
Outstanding checks and reconciling items	(2,656,706)
Montana State Short Term Investment Pool (STIP)	<u>102,668,412</u>
	<u><u>\$ 138,611,543</u></u>

Investments:

US Government and US Agency Obligations	\$ 130,930,877
Certificates of deposits	<u>2,878,009</u>
	<u><u>\$ 133,808,886</u></u>

Cash and investments as of June 30, 2022, are classified in the statement of net position as follows:

Cash and cash equivalents	\$ 138,210,091
Cash and cash equivalents, permanently restricted	<u>401,452</u>
	<u><u>\$ 138,611,543</u></u>

Investments	\$ 129,722,599
Investments, temporarily restricted	3,710,018
Investments, permanently restricted	<u>376,269</u>
	<u><u>\$ 133,808,886</u></u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Investments Authorized by the Montana Code and the City's Investment Policy

Under the City's investment policy and in accordance with Montana law, the City is restricted to investing funds in specific types of investment instruments. The following are the types of permitted instruments:

- U.S. government and U.S. agency obligations.
- Interest-bearing savings accounts, certificates of deposit, and time deposits insured by the Federal Deposit Insurance Corporation of which are at least 50% collateralized.
- State of Montana Short Term Investment Pool (STIP).
- U.S. Government security money market mutual funds.
- Short-term discount obligations of the Federal National Mortgage Association.
- Repurchase agreements where there is a master repurchase agreement and collateral held by a third party.

Fair Value

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 are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2022:

U.S. Treasury securities of \$128,030,797 using quoted market prices (Level 1 inputs)

The remainder of the City's investments are not required to be measured at fair value.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity its fair value will be to changes in market interest rates.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The City's investments are not highly sensitive to interest rate fluctuations. The City employs a "buy and hold" investment strategy whereby investments are held to maturity at which time the investment is redeemed at par.

One way the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities, so a portion of the portfolio is maturing or coming close to maturity evenly, over time, as necessary to provide the cash flow and liquidity needed for operations.

Investment Type	Totals	12 Months or Less	13 to 24 Months	25 to 60 Months	Over 60 Months
US Treasury Notes	\$ 2,900,080	\$ 434,710	\$ 93,969	\$ 2,371,401	\$ -
US Government Agency Securities	128,030,797	27,446,112	86,349,949	14,234,736	-
Certificates of Deposit	2,878,009	2,878,009	-	-	-
	<u>\$ 133,808,886</u>	<u>\$ 30,758,831</u>	<u>\$ 86,443,918</u>	<u>\$ 16,606,137</u>	<u>\$ -</u>

Credit Risk

Under the City's investment policy, safety of principal is the foremost objective of the City of Billings. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value.

The investment portfolio for the City shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the government's investment risk constraints and the cash flow characteristics of the portfolio.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2022, the City's investments in U.S. Government Agency Securities were rated AAA by Moody's Investors Service or by Standard and Poor. Of those not rated, there was an implied AAA rating. Although the Montana Short Term Investment Pool (STIP) investments have been rated by investments security type, STIP, as an external investment pool, has not been rated by the

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Nationally Recognized Statistical Rating Organizations. More information on STIP is available at the Montana Department of Commerce Board of Investments website at <http://www.investmentmt.com/Programs/STIP>.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer that represent 5% or more of the total City's investments are as follows (other than STIP):

<u>Issuer</u>	<u>Investment Type</u>	<u>Total</u>	
Federal Farm Credit	Federal agency securities	41,644,161	31.12%
Federal Home Loan Bank	Federal agency securities	57,940,962	43.30%
Federal Home Loan Mortgage Corp.	Federal agency securities	23,056,721	17.23%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2022, the City had some exposure to custodial credit risk, but within compliance with Montana Code Annotated 7-6-207.

City policy requires that the City obtain securities for the uninsured portion of the deposits as follows:

- 1) Securities equal 50% of such deposits if the institution in which the deposits are made has a net worth to total assets ratio of 6% or more, or
- 2) Securities equal to 100% of the uninsured deposits if the institution in which the deposits are made has a net worth to total assets ratio of less than 6%.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. City policy requires investments to be collateralized by the actual security held in safekeeping by the primary

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

agent. As of June 30, 2022, none of the City's investments are exposed to custodial credit risk because all counterparties provide insurance in excess of the investments held.

Restricted Cash and Cash Equivalents with Fiscal Agent

Cash of \$14,955,391 is restricted by bond covenants or for specific purposes as follows:

Current debt service:

Nonmajor government funds	\$ 4,881,428
Water fund	1,379,221
Airport fund	325,891
Wastewater fund	3,488,820
Solid Waste	4,880,031
Total	<u>\$14,955,391</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

B. Receivables

Receivables as of year-end for the City's individual major funds, nonmajor funds, and internal service funds in the aggregate are presented below. See footnote I, D, 2 regarding the collectability of accounts receivable.

	General Fund	Public Safety Fund	American Rescue Plan	Non-Major Governmental Funds	Internal Service Funds	Governmental Activities	Total
Taxes	\$ 526,406	\$ 566,395	\$ -	\$ 340,525	\$ -	\$ 1,433,326	
Accounts	44,440	58,050	-	159,447	46,942	308,879	
Special assessments	877	-	-	9,986,733	-	9,987,610	
Accrued interest	5,607	925	4,576	33,279	9,744	54,131	
Notes	-	-	-	1,411,464	140,000	1,551,464	
From other governments	-	39,065	-	867,157	-	906,222	
TOTAL	\$ 577,330	\$ 664,435	\$ 4,576	\$12,798,605	\$ 196,686	\$ 14,241,632	

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Non-Major Enterprise Funds	Business-type Activities
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,861	\$ 70,861
Accounts	2,285,296	878,647	4,257,395	3,112,270	30,636	44,295	10,608,539
Accrued interest	9,662	9,096	18,633	12,096	316	1,793	51,596
From other governments	-	29,120	-	-	-	1,406,459	1,435,579
TOTAL	\$ 2,294,958	\$ 916,863	\$ 4,276,028	\$ 3,124,366	\$ 30,952	\$ 1,523,408	\$ 12,166,575

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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

	Unavailable
Delinquent property taxes receivable:	
General fund	\$ 85,767
Public safety fund	80,898
Nonmajor governmental funds	53,099
Special assessments not yet due:	
General fund	9,139
Nonmajor governmental funds	9,149,552
Notes receivable not yet due:	
Nonmajor governmental funds	<u>1,411,464</u>
Total	<u>\$ 10,789,919</u>

C. Operating Lease Receivable and GASB 87 Leases

Regulated Leases:

The City's Airport leases a portion of its property to commercial airlines, commercial air freight haulers, car rental companies, concessionaires, fixed base operators who service the aviation industry, private hangar owners, Federal and State governmental agencies whose main function is wildland fire suppression, and the Transportation Security Agency. Lease agreements with the Airlines and certain U.S. Government agencies are cancelable, all other leases are non-cancelable. The Airport's leases consist of the following:

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Cancelable:

- Operating lease agreements with the airlines for landing fees and terminal building rentals are adjusted annually based on compensatory and residual formulas, which are defined in the lease agreement. The terminal building rents are calculated using a compensatory formula to recover certain operating, capital and debt services costs. The landing fee rates are calculated based on a residual methodology by which landing fees plus terminal rents plus non-airline revenues cover all of the Airport's costs. Thus, keeping the Airport fiscally whole each year. The airline lease terms are for the period of July 1, 2013 through June 30, 2022 and allows the lessee to terminate with 180 days written notice. Fiscal year 2022 revenues for landing fees and terminal building rents totaled \$1,031,407 and \$1,234,346 respectively.
- Operating lease agreements with two U.S. Government agencies consist of leases for ground and building space. Each agreement allows the lessee to terminate with 60 days written notice. Each lease's term is for a ten year period, ending August 31, 2022 and November 30, 2026. Fiscal year 2022 payments totaled \$170,586.

Non-cancelable:

- Annual rentals with annual increases based on CPI-U.
- Agreements under which the Airport receives revenue from the operation of concessions located on Airport property which provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. Payments contingent on gross receipts that are associated with these non-cancelable leases totaled \$3,193,834 for the fiscal year ended June 30, 2022.

The acquisition costs and accumulated depreciation for the above described leased property follows:

	<u>Acquisition Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 90,768	\$ -
Buildings	22,900,477	17,584,703
Non-Building Improvements	5,976,538	2,950,867
Equipment	2,977,644	1,898,409
Total	<u>\$ 31,945,427</u>	<u>\$22,433,979</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

At June 30, 2022, minimum future rents and fees to be received under the non-cancelable leases or concession agreements for each fiscal year are as follows:

<u>Year Ending June 30:</u>	
2023	3,183,959
2024	3,063,324
2025	3,009,088
2026	2,939,733
2027	2,828,568
2028-2032	2,592,731
2033-2037	1,589,787
2038-2042	617,395
2043-2048	470,910
Total	\$ 20,295,495

GASB 87 Leases

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City leases a nonfinancial asset in the form of a building. The related obligation is presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide *Statement of Net Position*.

The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of June 30, 2022, the City had minimum principal and interest payment requirements for its leasing activities with a remaining term in excess of one year as follows:

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Governmental Activities	<u>Liability</u>		<u>Total</u>	<u>Total</u>	<u>Liability</u>
	<u>Beginning</u>	<u>Principal</u>			
	<u>Balance</u>				<u>Ending</u>
Fiscal year ending June 30:					
2022	\$ 1,136,499	\$ 155,423	\$ 4,988	\$ 160,411	\$ 981,076
2023	\$ 981,076	\$ 158,950	\$ 4,669	\$ 163,619	\$ 822,126
2024	822,126	160,038	3,849	163,887	662,088
2025	662,088	160,862	3,025	163,887	501,226
2026	501,226	161,691	2,196	163,887	339,535
2027	339,535	162,524	1,363	163,887	177,011
2028	177,011	163,362	525	163,887	13,649
2029	13,649	13,649	6	13,655	-
			<u>\$ 981,076</u>		

Additionally as the lessor, the City leases City-owned properties such as land and buildings. The related receivables are presented in the Statement of Net Position for the amounts equal to the present value of lease payments expected to be received during the lease term.

The City's variable payments clause within its lease arrangements as the lessor, is similar to the arrangements made as lessee. The City did not incur revenue related to residual value guarantees or lease termination penalties. It also does not currently have agreements that include sale-leaseback and lease-leaseback transactions.

As of June 30, 2022, the City had minimum principal and interest lease receivable payments for its leasing activities with a remaining term in excess of one year as follows:

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

	<u>Receivable</u> <u>Beginning</u> <u>Balance</u>	<u>Total</u> <u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>Payment</u>	<u>Receivable</u> <u>Ending</u> <u>Balance</u>
Business-type Activities					
Fiscal year ending June 30:					
2022	\$ 10,332,936	\$ 2,855,874	\$ 73,770	\$ 2,929,644	\$ 7,477,062
2023	\$ 7,477,062	\$ 2,720,129	\$ 64,025	\$ 2,784,154	\$ 4,756,933
2024	4,756,933	2,612,252	39,090	2,651,342	2,144,681
2025	2,144,681	1,445,194	17,143	1,462,337	699,487
2026	699,487	386,597	9,643	396,240	312,890
2027	312,890	295,155	5,087	300,242	17,735
2028-2049	17,735	<u>17,735</u>	4,667	22,402	-
			<u>\$ 7,477,062</u>		
Governmental Activities					
Fiscal year ending June 30:					
2022	\$ 674,581	\$ 28,185	\$ 9,359	\$ 37,544	\$ 646,396
2023	\$ 646,396	\$ 25,874	\$ 11,975	\$ 37,849	\$ 620,522
2024	620,522	26,661	11,498	38,159	593,861
2025	593,861	27,472	11,006	38,478	566,389
2026	566,389	28,306	10,497	38,803	538,083
2027	538,083	29,164	9,971	39,135	508,919
2028-2049	508,919	<u>508,919</u>	84,787	593,706	-
			<u>\$ 646,396</u>		

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

D. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

Governmental activities:	<u>Balance</u> <u>June 30, 2021</u>	<u>Prior Period</u> <u>Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer In/Out</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets not being depreciated:						
Land	\$ 46,676,119	\$ -	\$ -	\$ -	\$ -	\$ 46,676,119
Construction in Progress	11,413,891	- -	36,708,340	- -	(14,610,888)	33,511,343
Total capital assets, not being depreciated	58,090,010	- -	36,708,340	- -	(14,610,888)	80,187,462
Capital assets being depreciated/amortized:						
Buildings	49,115,341	- -	187,099	- -	19,510	49,321,950
Improvements other than Buildings	54,330,123	- -	778,713	- -	1,304,742	56,413,578
Equipment	48,257,536	(385,330)	2,172,513	938,384	1,647,451	50,753,786
Infrastructure	354,874,442	- -	5,502,643	- -	11,343,011	371,720,096
Lease Asset	- -	- -	1,136,499	- -	- -	1,136,499
Total capital assets, being depreciated/amortized	506,577,442	(385,330)	9,777,467	938,384	14,314,714	529,345,909
Less accumulated depreciation/amortization for:						
Buildings	16,460,062	- -	1,237,411	- -	- -	17,697,473
Improvements other than Buildings	22,646,849	- -	1,904,687	- -	- -	24,551,536
Equipment	33,378,335	(327,832)	2,961,152	1,274,716	(296,174)	34,440,765
Infrastructure	193,677,378	- -	15,434,722	- -	- -	209,112,100
Lease Asset	- -	- -	160,447	- -	- -	160,447
Total accumulated depreciation	266,162,624	(327,832)	21,698,419	1,274,716	(296,174)	285,962,321
Total capital assets, being depreciated/amortized, net	240,414,818	(57,498)	(11,920,952)	(336,332)	14,610,888	243,383,588
Governmental activities capital assets, net	\$ 298,504,828	\$ (57,498)	\$ 24,787,388	\$ (336,332)	\$ -	\$ 323,571,050

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Business-type activities:	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer In/Out</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets not being depreciated:					
Land	\$ 17,113,076	\$ 552,413	\$ -	\$ -	\$ 17,665,489
Construction in Progress	43,946,698	40,751,188	138,042	(8,500,348)	76,059,496
Total capital assets, not being depreciated	<u>61,059,774</u>	<u>41,303,601</u>	<u>138,042</u>	<u>(8,500,348)</u>	<u>93,724,985</u>
Capital assets being depreciated:					
Buildings	124,800,707	813,139	126,177	457,061	125,944,730
Improvements other than Buildings	155,650,689	1,372,153	126,244	1,122,846	158,019,444
Equipment	81,293,962	8,155,872	4,483,198	756,684	85,723,320
Infrastructure	544,593,622	3,183,223	119,700	6,459,931	554,117,076
Total capital assets, being depreciated	<u>906,338,980</u>	<u>13,524,387</u>	<u>4,855,319</u>	<u>8,796,522</u>	<u>923,804,570</u>
Less accumulated depreciation for:					
Buildings	71,652,803	3,269,725	121,828	-	74,800,700
Improvements other than Buildings	92,404,697	4,745,198	126,244	-	97,023,651
Equipment	55,841,316	5,044,338	4,479,387	296,174	56,702,441
Infrastructure	190,417,716	12,263,264	119,700	-	202,561,280
Total accumulated depreciation	<u>410,316,532</u>	<u>25,322,525</u>	<u>4,847,159</u>	<u>296,174</u>	<u>431,088,072</u>
Total capital assets, being depreciated, net	<u>496,022,448</u>	<u>(11,798,138)</u>	<u>8,160</u>	<u>8,500,348</u>	<u>492,716,498</u>
Business-type activities capital assets, net	<u>\$ 557,082,222</u>	<u>\$ 29,505,463</u>	<u>\$ 146,202</u>	<u>\$ -</u>	<u>\$ 586,441,483</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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

Governmental activities:

General Government	\$ 74,102
Public Safety	1,361,703
Public Works	16,596,026
Public Health	186,499
Culture & recreation	2,579,466
Housing and community development	74,401
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>826,222</u>
Total depreciation expense - governmental activities	<u>\$ 21,698,419</u>

Business-type activities:

Solid Waste	\$ 4,142,330
Airport	4,595,500
Water	7,620,471
Wastewater	7,124,663
Parking	844,498
Transit	934,090
Golf Course	<u>60,973</u>
Total depreciation expense - business-type activities	<u>\$ 25,322,525</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Construction Commitments

The City has active construction projects as of June 30, 2022. At year-end, the City's commitments with the contractors, rounded to the nearest thousand, are as follows:

General Fund	\$ 143
Public Safety Fund	1,361
Solid Waste Fund	3,767
Airport Fund	5,510
Water Fund	10,109
Wastewater Fund	8,126
Nonmajor Enterprise Funds	18,790
Nonmajor Governmental Funds	110
Nonmajor Internal Services Funds	<u>4,370</u>
	<u><u>\$52,286</u></u>

Gas Tax, Storm Sewer assessments, and Arterial Fee assessments fund infrastructure. User fees and bonds finance Water, Wastewater, and Solid Waste projects. Grants, passenger facility charges, and charges for service fund Airport projects.

Other Commitments

At June 30, 2022, the Water fund had commitments of \$3.1 million for the West End Water Treatment Plant.

At June 30, 2022, the Airport fund had commitments of over \$5.5 million for the continued Airport Terminal Expansion.

At June 30, 2022, the Solid Waste fund had commitments of \$1.5 million for improvements to the landfill.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

E. Interfund Receivables, Payables, and Transfers

The composition of inter-fund balances as of June 30, 2022, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 136,741
Nonmajor Governmental Funds	Nonmajor Governmental Funds	809,728
Totals		<u>\$946,469</u>

During the course of its operation, the City has numerous transactions between funds to finance operations, reimbursable grants, debt service, and capital outlay in advance of loan proceeds.

Interfund transfers:

	Transfers in:						
	General Fund	Public Safety Fund	Nonmajor Governmental Funds	Parking Fund	Nonmajor Enterprise Fund	Internal Service	Total
Transfers Out:							
General	\$ -	\$ 26,400,000	\$ 22,159,415	\$ -	\$ -	\$ 79,809	\$ 48,639,224
Public Safety	-	-	3,010,778	-	-	148,976	3,159,754
Nonmajor Governmental Funds	1,565,491	214,077	3,474,208	130,000	-	207,502	5,591,278
Solid Waste Fund	-	-	38,000	-	-	-	38,000
Airport Fund	-	-	-	-	9,800	-	9,800
Water Fund	-	-	22,800	-	-	-	22,800
Wastewater Fund	-	-	7,200	-	-	-	7,200
Subtotal	<u>1,565,491</u>	<u>26,614,077</u>	<u>28,712,401</u>	<u>130,000</u>	<u>9,800</u>	<u>436,287</u>	<u>57,468,056</u>
Internal Service Funds	-	-	6,000	-	-	95,770	101,770
Total	<u>\$ 1,565,491</u>	<u>\$ 26,614,077</u>	<u>\$ 28,718,401</u>	<u>\$ 130,000</u>	<u>\$ 9,800</u>	<u>\$ 532,057</u>	<u>\$ 57,569,826</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Transfers are made for funding projects, meeting debt service requirements, grant matches, and distributing interest earnings between funds. Public Safety receives funding from the General Fund by a transfer.

F. Capital Lease Obligations

Governmental Activities:

Capital Lease Payable – Billings Operation Center – On March 1, 2003, the City entered into a capital lease to partially finance the construction of the Billings Operation Center. In 2013, the City paid in full this obligation and issued Certificates of Participation to refinance the Billings Operation Center. The term of the lease ends September 2023.

Business-Type Activities:

Capital Lease Payable – Park II (Business-Type Activities) – On September 1, 2006, the City signed a capital lease obligation to finance the construction of an expansion of the Park II Parking Garage which is a six level parking structure located in the heart of downtown Billings. In September 2012, Park 4 Garage was sold and the proceeds of the sale were applied to reduce the debt of the Park II loan. This reduced the remaining capital lease obligation from \$4,756,651 to \$2,640,384 and reduced interest expense by \$780,057 over the life of the lease.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets:		
Buildings	\$ 6,600,000	\$ 5,930,000
Accumulated Depreciation	<u>(2,376,000)</u>	<u>(2,932,055)</u>
Total	<u>\$ 4,224,000</u>	<u>\$ 2,997,945</u>

The following is a schedule, by year, of the future minimum lease payments at June 30, 2022:

<u>Year ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2023	473,200	201,961
2024	213,150	201,961
2025	-	201,961
2026	-	201,961
2027	-	201,961
2028-2032	-	1,009,803
2033	-	201,959
Total minimum lease payments	686,350	2,221,567
Less: Amount representing interest	(16,350)	(494,468)
Present value of minimum lease payments	\$ 670,000	\$ 1,727,099

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

G. Long-Term Debt

Governmental Activities:

General Obligation Bonds Payable – The City issued general obligation bonds to provide funds for governmental activities for the acquisition and construction of major capital improvements. General obligation bonds are the direct obligations and pledge the full faith and credit of the City. At June 30, 2022, the outstanding general obligation bonded indebtedness of the City, serviced by the City's debt service funds, was as follows:

General Obligation Bonds Series 2004A, issued in the total aggregate amount of \$3,460,000 and interest rate is 3.00%, due July 1, 2024, payable in annual installments of \$245,000 to \$345,000, callable on or after July 1, 2021.	\$ 995,000
General Obligation Bonds Series 2015, issued in the total aggregate amount of \$6,270,000 and interest ranging from 2.00%-3.50%, due July 1, 2027. These bonds were issued to refund General Obligation Bonds Series 2007A on July 1, 2018.	3,980,000
General Obligation Refunding Bonds Series 2021, issued in the total aggregate amount of \$7,310,000 and interest ranging from 1.00%-5.00%, due July 1, 2032, payable in annual installments of \$530,000 to \$765,000, callable on or after July 1, 2030.	<u>7,310,000</u>
	<u>\$12,285,000</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Tax Increment Bonds Payable – At June 30, 2022, the outstanding tax increment bonds indebtedness of the City was as follows:

Tax Increment Revenue Bonds Series 2013, issued in the total aggregate amount of \$13,210,000 and interest ranging from 2.50%-6.50%, due July 1, 2038, payable in annual installments of \$387,813 to \$967,750. The City issued tax increment bonds to provide funds for the construction of the Empire Parking Garage and retail space.

\$ 10,765,000

Tax Increment Refunding Bonds Series 2015, issued in the total aggregate amount of \$5,170,000 and interest ranging from 2.00%-4.38%, due July 1, 2039, payable in annual installments of \$125,000 to \$330,000. These bonds were issued to retire the debt for the Special Improvement District 1385 bonds.

4,260,000

Tax Increment Revenue Bonds Series 2015, issued in the total aggregate amount of \$3,165,000 and interest ranging from 2.00%-4.65%, due July 1, 2039, payable in annual installments of \$85,000 to \$200,000. The bond proceeds were used for improvements in the East Billings Urban Renewal District.

2,590,000

Tax Increment Revenue Bonds Series 2016, issued in the total aggregate amount of \$4,935,000 and interest ranging from 2.00% to 3.75%, due July 1, 2040, payable in annual installments of \$150,000 to \$295,000. The bonds were issued for reconstruct and sewer improvements in the South Billings Urban Renewal District.

4,160,000

Tax Increment Revenue Bonds Series 2018, issued in the total aggregate amount of \$3,405,000 and interest ranging from 3.00% to 5.00%, due July 2038, payable in installments of \$105,000 to \$237,000. The bonds were issued for storm sewer, sidewalk, lighting, and landscaping improvements in the East Billings Urban Renewal District.

3,100,000

Tax Increment Revenue Bonds Series 2020, issued in the total aggregate amount of \$2,165,000 and interest ranging from 2.00%-4.00% due July 2044, payable in annual installments of \$101,000 to \$108,000. The bonds were issued for a two way street conversion and installation of parking garage controls and pay stations.

2,105,000

\$26,980,000

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Special Assessment Debt With Government Commitment – Special assessment bonds are payable from the collection of special assessments levied against benefited property owners within the special improvement district. State Law states, “To the extent that such special assessment collections are not sufficient to make the required debt service payments, the City is obligated to levy and collect a general property tax on all taxable property in the City to provide additional funding for the debt service payments.” However, since the City of Billings is governed by its Charter, the voters must approve all levy increases. The cash reserve balance in the special improvement districts funds must equal at least 10% of the principal amount of bonds outstanding. The bonds are issued with specified maturity dates, but must be called and repaid earlier, at par value plus accrued interest, if the related special assessments are collected.

The City's outstanding Special Assessment Debt from direct borrowing and direct placements related to governmental activities of \$20,065,858 secured by the revolving fund. In the event there is no money or insufficient money in the appropriate district fund with which to pay the special improvement district or sidewalk bonds the City shall annually or more often if necessary issue an order authorizing a loan or advance from the Revolving Fund for an amount sufficient to make good on any deficiency.

The various bonds outstanding at June 30, 2022, are as follows:

Special improvement districts, issued in the total aggregate amount of \$7,709,000 and interest ranging from 2.80%-6.00%, payable from the special improvement districts fund in varying installments to 2036.	\$ 6,750,858
Sidewalk and curb districts, issued in the total aggregate amount of \$4,613,000 and interest ranging from 3.25%-5.00%, payable from the sidewalk and curb districts fund in varying installments to 2034.	2,955,000
Storm Sewer Revenue Bonds Series 2013, issued in the total aggregate amount of \$4,270,000 and interest ranging from 3.00%-5.00%, payable from the storm sewer fund in varying installments to 2033, callable on or after July 1, 2023.	2,945,000
Storm Sewer Revenue Bonds Series 2015, issued in the total aggregate amount of \$9,615,000 and interest ranging from 2.00%-5.00%, payable from the Storm Sewer fund in varying installments to 2035, callable on or after July 1, 2025.	<u>7,415,000</u>
	<u>\$ 20,065,858</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Business-Type Activities:

Notes Payable – The Montana Department of Natural Resources and Conservation (DNRC) authorized the issuance of notes payable for various construction and rehabilitation projects related to the water and wastewater systems as noted in the following table. All notes are due in semi-annual installments with terms of 20 years. The covenants of both the water and wastewater notes require that funds be set aside in reserve for the delinquency of the debt. The required reserve is the highest amount of principal and interest for any annual debt service over the 20-year note payable for Wastewater, and half of the highest annual debt service payment for Water. The amounts reserved as of June 30, 2022, are \$1,444,526 for Wastewater and \$1,386,571 for Water.

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Wastewater:			
Headworks Building	\$ 4,515,000	2.25%	July 1, 2025
Briarwood Sewer	\$ 7,400,000	3.00%	July 1, 2028
Ultra-violet System	\$ 2,900,000	3.00%	July 1, 2030
Ultra-violet System	\$ 816,000	3.00%	July 1, 2030
Wastewater Replacement Lines	\$ 5,387,000	3.00%	July 1, 2029
Wastewater Replacement Lines	\$ 359,300	1.75%	July 1, 2029
5 Mile Lift Station	\$ 3,100,000	3.00%	July 1, 2033
Water:			
Filter Building	\$17,300,000	2.25%	July 1, 2025
Water Replacement Lines	\$ 2,750,000	3.00%	July 1, 2029
Water Replacement Lines	\$ 333,700	1.75%	July 1, 2029
Zone 4 Water Lines	\$ 7,412,000	3.00%	July 1, 2029
2010 Water Replacement Lines	\$ 2,800,000	3.00%	July 1, 2030
Zone 3 Water Lines	\$ 3,100,000	3.00%	July 1, 2032
Zone 3 Chapple Reservoir	\$ 6,100,000	3.00%	July 1, 2034
Briarwood Reservoir	\$ 3,700,000	2.50%	July 1, 2035

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The amounts outstanding as of June 30, 2022, are as follows:

	<u>Due within one year</u>	<u>Due after one year</u>	<u>Total</u>
Wastewater	<u>\$ 1,188,000</u>	<u>\$ 7,855,000</u>	<u>\$ 9,043,000</u>
Water	<u>\$ 2,285,000</u>	<u>\$15,407,000</u>	<u>\$17,692,000</u>

Revenue Bonds Payable – At June 30, 2022, the outstanding revenue bonded indebtedness of the City was as follows:

2020A Airport Revenue Construction Bonds, yet to be issued up to the total aggregate amount of \$30,000,000 and interest ranging from 2.65% the first three years, 4.17% the next 11 years, 3.60% the remaining 10 years, due July 1, 2044, payable in semi-annual installments of principal plus interest. Interest only payments are for the first three years of issued debt.

The Series 2020A bonds shall be subject to redemption at any time, at the option of the city, in whole or in part, at a Redemption Price equal to the principal amount thereof to be redeemed plus interest to, but excluding, the Redemption Date, without premium; provided, however, that if the Series 2020A bonds are redeemed with proceeds of refunding bonds or other debt obligations of the City during the periods below, the Series 2020A Bonds shall be subject to a prepayment penalty on the principal amount so redeemed equal to the following:

<u>Redemption Date</u>	<u>Prepayment Premium % of Outstanding Principal Amount to be Prepaid</u>
On or before January 20, 2024	0%
From January 21, 2024 to and including January 20, 2028	5%
From January 21, 2028 to and including January 20, 2031	4%
From January 21, 2031 to and including January 20, 2034	3%
On or after January 21, 2034	0%

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Outstanding balance 2020A bond	\$898,955
Less current portion	0
Total	<u>\$898,955</u>

The 2020A bonds are secured by Airport Net Revenues, which are the Airport's "Gross Revenues" remaining after a provision for payment of maintenance and operating expenses. "Gross Revenues" do not include bond proceeds; Airport Improvement Plan (AIP) grants; Customer Facility Charges (CFCs) and Passenger Facility Charges (PFCs) and interest thereon; and proceeds from the sale of Airport assets.

2020B Airport Revenue Refunding Bonds issued in aggregate amount of \$3,000,000, and interest of 3.60% due July 1, 2030, payable in annual installments of \$260,000 to 350,000.

The Series 2020B Bonds shall be subject to redemption at any time, at the option of the City, in whole or in part, at a Redemption Price equal to the principal amount thereof to be redeemed plus interest to, but excluding, the Redemption Date, without premium; provided, however, that if the Series 2020B Bonds are redeemed with proceeds of refunding bonds or other debt obligations of the City during the periods below, the Series 2020B Bonds shall be subject to a prepayment penalty on the principal amount so redeemed equal to the following:

<u>Redemption Date</u>	<u>Prepayment Premium % of Outstanding Principal Amount to be Prepaid</u>
On or before January 20, 2024	0%
From July 20, 2020 to and including July 20, 2022	3%
From July 21, 2022 to and including July 20, 2024	2%
From July 21, 2024 to and including July 20, 2025	1%
On or after July 21, 2025	0%

Outstanding balance 2020B bond	\$2,740,000
Less current portion	<u>\$(265,000)</u>
Total	<u>\$2,475,000</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The 2020A and 2020B bonds are special, limited obligations of the City, and the owners may not look to the general or any other fund of the City for payment of the principal, premium, or interest thereof.

The revenue bond ordinance restrictions are as follows:

Revenue bond ordinances include various restrictive covenants. The 2020A and 2020B bond covenants require that revenues and CFC collections equal at least 125% of the debt service requirement for each fiscal year. The more significant reserve covenants require reserves for debt service, facilities and equipment replacement. The City is in compliance with all covenants as of June 30, 2022.

	<u>Airport Fund</u>
2020A Debt Service	\$ 2,000,000
2020B Debt Service	200,000
Replacement and depreciation	225,000
Operations and Maintenance	0
	<u><u>\$ 2,425,000</u></u>

Series 2020B revenue bonds were issued to refund the car wash facility bonds (2010B) and Series 2020A revenue bonds were issued to remodel the terminal building. The Airport Fund accounts for all airport activities, which include CFC collections and expenses, PFC collections (\$1,497,293) and expenses, AIP grants, and all other Airport Operations. However, investors in the Series 2020B revenue bonds rely on the revenue generated by CFC collections (\$669,099) and investors in the 2020A revenue bonds rely on airport operating revenues net of AIP grants and CFC and PFC collections.

2017 Sewer System Revenue Bonds, issued in the aggregate amount of \$56,505,000 and interest ranging from 2.00% - 5.00%, due July 1, 2036, payable in annual installments of \$1,430,000 to \$5,125,000, callable on or after July 1, 2027.

Less current portion	\$ 47,490,000
	<u>(1,655,000)</u>
Total	<u><u>\$ 45,835,000</u></u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The City will covenant to impose sewer charges on all customers of the system to provide revenues sufficient to pay the principal and interest on the bonds. A surety bond, together with the balance in the reserve account, will satisfy the reserve requirement.

2019 Solid Waste System Revenue Bonds, issued in the aggregate amount of \$21,990,000 and interest ranging from 3.00% to 5.00%, due July 1, 2039, payable in annual installments of \$1,536,425 to \$1,547,825 callable on or after July 1, 2028.	\$ 20,555,000
Less current portion	<u>(775,000)</u>
Total	<u>\$ 19,780,000</u>

The City will covenant to impose rates, fees, charges, and rentals for all services and facilities furnished to provide revenues sufficient to pay the principal and interest on the bonds. An amount equal to the maximum principal and interest payment has been placed in a reserve account.

Defeased Debt – In prior years, the City defeased certain revenue and special assessment bonds by the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2022, there were no bonds.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Summary of Debt Maturities – Annual debt service principal and interest payments required on all outstanding debt at June 30, 2022, are as follows:

GOVERNMENTAL ACTIVITIES

Year ending June 30	General Obligation Bonds		Tax Increment		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	1,660,000	424,135	1,030,000	1,163,919	665,892	447,182
2024	1,480,000	364,385	1,065,000	1,224,247	807,010	419,951
2025	1,540,000	301,835	1,115,000	1,080,884	776,442	394,303
2026	1,260,000	235,285	1,165,000	1,033,654	795,000	367,940
2027	1,320,000	177,885	1,200,000	982,954	955,000	336,048
2028-2032	4,260,000	277,373	6,850,000	4,028,393	4,610,000	1,094,973
2033-2037	765,000	4,590	8,700,000	2,335,347	3,385,000	220,022
2038-2042	-	-	4,915,000	488,256	-	-
2043-2047	-	-	940,000	94,000	-	-
	<u>\$ 12,285,000</u>	<u>\$ 1,785,488</u>	<u>\$ 26,980,000</u>	<u>\$ 12,431,654</u>	<u>\$ 11,994,344</u>	<u>\$ 3,280,419</u>
Special Assessment						
Bonds-Direct Placement		Intercap Notes Payable		Capital Lease Payable-BOC		
Principal	Interest	Principal	Interest	Principal	Interest	
2023	275,647	317,921	174,551	38,630	460,000	13,200
2024	610,995	299,966	179,089	35,907	210,000	3,150
2025	664,177	274,923	183,742	33,207	-	-
2026	693,806	247,273	188,525	30,247	-	-
2027	724,685	218,423	193,430	27,306	-	-
2028-2032	3,237,647	652,834	1,045,353	89,727	-	-
2033-2037	1,864,557	150,673	571,444	13,344	-	-
2038-2042	-	-	-	-	-	-
	<u>\$ 8,071,514</u>	<u>\$ 2,162,013</u>	<u>\$ 2,536,134</u>	<u>\$ 268,368</u>	<u>\$ 670,000</u>	<u>\$ 16,350</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

BUSINESS TYPE ACTIVITIES

Year ending

June 30	Revenue Bonds-Airport		Capital Lease Payable-Parking		Capital Lease Payable-Park II	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	265,000	60,957	44,351	9,467	125,105	76,856
2024	275,000	107,972	46,419	7,401	130,672	71,289
2025	322,807	110,140	48,581	5,238	136,487	65,474
2026	332,807	98,125	50,845	2,975	142,560	59,400
2027	347,807	85,659	26,304	605	148,904	53,056
2028-2032	1,539,037	233,490	-	-	850,014	159,790
2033-2037	214,037	87,606	-	-	193,356	8,604
2038-2042	214,037	42,379	-	-	-	-
2043-2047	128,423	6,935	-	-	-	-
	<u>\$ 3,638,955</u>	<u>\$ 833,263</u>	<u>\$ 216,500</u>	<u>\$ 25,686</u>	<u>\$ 1,727,098</u>	<u>\$ 494,468</u>
 Notes Payable-Water						
	Principal	Interest	Principal	Interest		
2023	2,285,000	473,720	1,188,000	253,591		
2024	2,346,000	413,670	1,223,000	219,762		
2025	2,406,000	351,975	1,256,000	185,008		
2026	1,904,000	288,695	1,144,000	149,313		
2027	1,387,000	243,839	1,030,000	117,542		
2028-2032	5,657,000	644,373	2,915,000	207,880		
2033-2037	1,707,000	74,078	287,000	8,655		
2038-2043	-	-	-	-		
	<u>\$ 17,692,000</u>	<u>\$ 2,490,350</u>	<u>\$ 9,043,000</u>	<u>\$ 1,141,751</u>		
 Revenue Bonds-Wastewater						
	Principal	Interest	Principal	Interest		
2023	1,655,000	2,186,225	775,000	770,650		
2024	1,740,000	2,101,350	815,000	730,900		
2025	1,825,000	2,012,225	855,000	689,150		
2026	1,920,000	1,918,600	895,000	645,400		
2027	2,165,000	1,816,475	940,000	599,525		
2028-2032	15,050,000	7,114,500	5,435,000	1,729,300		
2033-2037	23,135,000	2,503,375	6,455,000	1,267,469		
2038-2043	-	-	4,385,000	229,031		
	<u>\$ 47,490,000</u>	<u>\$19,652,750</u>	<u>\$20,555,000</u>	<u>\$ 6,661,425</u>		

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Changes in Long-Term Obligations – During the year ended June 30, 2022, the following changes occurred in liabilities reported in the long-term obligations:

	Balance June 30, 2021	Issued/ Accrued	Refunded/ Redeemed/ Matured	Balance June 30, 2022	Due within one year
Governmental Activities:					
General obligation bonds:					
Series 2004A Streets	\$ 1,305,000	\$ -	\$ 310,000	\$ 995,000	\$ 320,000
Add: premium received	76,453		19,112	57,341	
Series 2015 Refunding	4,570,000		590,000	3,980,000	605,000
Add: premium received	290,667		48,444	242,223	
Series 2012 Library	9,075,000		9,075,000	-	
Add: premium received	612,281		612,281	-	
Series 2021 Refunding Library	7,310,000		-	7,310,000	735,000
Add: premium received	1,020,177		92,743	927,434	
Tax Increment 2013	11,135,000		370,000	10,765,000	390,000
Add: premium received	27,844		3,481	24,363	
Less: bond discount	(1,291)		(162)	(1,129)	
Tax Increment 2015	4,425,000		165,000	4,260,000	170,000
Less: bond discount	(18,700)		(1,039)	(17,661)	
Tax Increment 2015-EBURD	2,690,000		100,000	2,590,000	105,000
Less: bond discount	(25,149)		(1,397)	(23,752)	
Tax Increment 2016	4,320,000		160,000	4,160,000	165,000
Less: bond discount	(28)		(2)	(26)	
Tax Increment 2018-East	3,230,000		130,000	3,100,000	135,000
Add: premium received	85,831		4,768	81,063	
Tax Increment 2020-27th	2,165,000		60,000	2,105,000	65,000
Add: premium received	91,869		3,994	87,875	
Special assessment debt with governmental commitment	12,884,175		889,831	11,994,344	665,892
Less: bond discounts	(17,397)		(6,387)	(11,010)	
Add: premium received	478,742		34,992	443,750	
Direct Placement	4,867,316	4,000,000	795,802	8,071,514	275,647
Intercap notes payable	2,727,737		191,603	2,536,134	174,551
Capital lease payable	1,120,000		450,000	670,000	460,000
Add: premium received	62,342		20,782	41,560	
Compensated absences	9,358,643	9,065,361	8,633,034	9,790,970	8,194,596
Total governmental activities	<u>\$ 83,866,512</u>	<u>\$ 13,065,361</u>	<u>\$ 22,751,880</u>	<u>\$ 74,179,993</u>	<u>\$ 12,460,686</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

	Balance June 30, 2021	Issued/ Accrued	Refunded/ Redeemed/ Matured	Balance June 30, 2022	Due within one year
Business Activities:					
Notes Payable					
Water from DNRC	\$ 4,797,000	\$ -	\$ 1,024,000	\$ 3,773,000	\$ 1,048,000
Water from DNRC-ARRA Part B	158,000		18,000	140,000	18,000
Water from DNRC-Rehab	1,382,000		145,000	1,237,000	149,000
Water from DNRC-Zone 4	3,360,000		353,000	3,007,000	363,000
Water from DNRC-Waterlines	1,224,000		113,000	1,111,000	117,000
Wastewater from DNRC-Briarwood	2,913,000		352,000	2,561,000	365,000
Wastewater from DNRC	1,252,000		267,000	985,000	274,000
Wastewater from DNRC	167,000		18,000	149,000	18,000
Wastewater from DNRC	2,069,000		217,000	1,852,000	224,000
Wastewater from DNRC-UV	1,305,000		121,000	1,184,000	125,000
Wastewater from DNRC-UV	451,000		42,000	409,000	43,000
Wastewater from DNRC-5 Mile	2,040,000		137,000	1,903,000	141,000
Water from DNRC-Zone 3	1,883,000		139,000	1,744,000	143,000
Water from DNRC-Zone 3 Chapple	4,500,000		274,000	4,226,000	284,000
Water from DNRC-Briarwood	2,613,000		159,000	2,454,000	163,000
Sewer System Revenue	49,085,000		1,595,000	47,490,000	1,655,000
Add: premium received	5,711,812		356,988	5,354,824	
Solid Waste Revenue	21,290,000		735,000	20,555,000	775,000
Add: premium received	1,213,315		67,406	1,145,909	
Capital lease payable - Park II	1,846,873		119,775	1,727,098	125,105
Capital lease payable - Parking	258,878		42,378	216,500	44,352
Airport Series 2020A	898,955			898,955	
Airport Series 2020B	3,000,000		260,000	2,740,000	265,000
Compensated absences	3,464,544	3,188,660	3,064,716	3,588,488	2,858,844
Total business type activities	<u>\$ 116,883,377</u>	<u>\$ 3,188,660</u>	<u>\$ 9,620,263</u>	<u>\$ 110,451,774</u>	<u>\$ 9,198,301</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Governmental activities include internal service fund liabilities for capital lease payable, compensated absences, and intercap notes payable. Internal service fund compensated absences totaled \$1,445,071 and \$1,558,545 at June 30, 2021 and 2022, respectively and are generally liquidated by the related internal service fund. Compensated absences for the remaining governmental activities are generally liquidated by the general fund and other governmental funds.

Arbitrage – The Tax Reform Act of 1986 (ACT) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt and now requires the City to calculate and remit rebateable arbitrage earnings to the Internal Revenue Service. Certain City debt and interest earned on the proceeds thereof are subject to the requirements of the Act. At June 30, 2022, the City had no arbitrage rebate liability for its governmental and business-type activities.

H. Post-Employment Healthcare Benefits

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 75, the City recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the full liability occurred in fiscal year 2017, the year that GASB 75 was implemented. A separate postemployment benefit plan report is not prepared for the health insurance plan.

Plan Measurement Date. June 30, 2022

Plan Description. The City provides continuous medical insurance coverage for eligible participants enrolled in the City sponsored plan, a single-employer plan, called the City of Billings Employee Benefit Plan (the Plan). Total plan contributions paid by the City in 2022 were 10.0% of total payroll and benefits. The retiree benefits are provided in the form of an implicit rate subsidy where pre 65 retirees and a closed group of post 65 retirees receive health insurance coverage by paying a combined retiree/active rate. Dental and life insurance benefits are also provided on a fully contributory basis. The Plan does not prepare separate financial statements, but is included in the City's ACFR and reported as an internal service fund as City Health Insurance Fund. A Plan Document describing the Plan in its entirety, including contribution rates, eligibility, etc., can be obtained from the Human Resources Department of the City of Billings.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Retirement eligibility is determined based upon the employee's retirement system and is as follows:

Police and Fire employees:

Must complete a minimum of 20 years of membership service and be actively employed and covered by the City's medical plan prior to retirement.

All Other Employees:

Must complete a minimum of 25 years of membership service at any age OR complete a minimum of 5 years of membership service at a minimum age of 50, plus the employee must be actively employed and covered by the City's medical plan prior to retirement.

Eligible retirees receive pre 65 health care coverage through one of two self-insured medical plans: Plan C and Plan D. A closed group of retirees age 65 and older is enrolled in one of the plans.

The number of participants as of July 1, 2022, the effective date of the biennial OPEB valuation, follows. There have been no significant changes in the number covered or the type of coverage since that date.

Active employees	902
Retired employees	<u>90</u>
Total	<u>992</u>

Funding Policy. The City currently pays for post-employment healthcare benefits on a pay-as-you-go basis. Although the City has studied the establishment of trusts that would be used to accumulate and invest assets necessary to pay for any accumulated liability on an actuarial basis, these financial statements assume that pay-as-you-go funding will continue. The amount of covered payroll related to the plan for the year ending June 30, 2022, is \$69,340,000. The ratio of the FY 2022 net OPEB liability to annual covered payroll is 0.14.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Annual OPEB Cost and Net OPEB Liability. The City's other post-employment benefit (OPEB) cost (expense) is calculated based on the Entry Age Normal cost method based on a level percentage of projected salary, in accordance with the parameters of GASB Statement 75. The following table shows sources of changes in the net OPEB liability for the City:

Changes in Net OPEB Liability		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Total OPEB Liability – Start of Year		\$10,615,886	\$ -	\$10,615,886
Changes for the year				
Service cost	594,195	-	594,195	
Interest cost	237,355	-	237,355	
Changes of benefit term	-	-	-	
Differences between expected and actual experience	-	-	-	
Changes in assumptions or other inputs	(1,425,964)	-	(1,425,964)	
(Other changes, separately identified if significant)	-	-	-	
Contributions – employer	-	-	-	
Net Investment Income	-	-	-	
Benefit payments	(442,885)	-	(442,885)	
Admin Expense	-	-	-	
Net change in total OPEB liability	<u>\$1,037,299</u>	<u>—</u>	<u>—</u>	<u>\$1,037,299</u>
Total OPEB Liability – End of Year		<u>\$9,578,587</u>	<u>—</u>	<u>\$9,578,587</u>

The annual OPEB expense recognized in fiscal year 2022 is as follows:

Service Cost	\$ 594,195
Interest Cost	237,355
Changes of benefit terms	-
Current recognized deferred outflows/(inflows)	
Difference between expected and actual experience	(\$362,498)
Changes in assumptions or other inputs	237,638
(Other changes, separately identified, if significant)	-
Total Expense	<u>\$706,690</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Recognition of the deferred outflows and inflows occur in future periods and, therefore, are reported on the Statement of Net Position as required by GASB Statement 75. The detailed schedule of deferred outflows and inflows related to the OPEB liability is as follows:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between actual and expected experience	\$ 166,161	(\$ 1,165,517)
Changes of assumptions	<u>1,298,314</u>	<u>(1,722,437)</u>
Total	<u>\$ 1,464,475</u>	<u>(\$ 2,887,954)</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources:

For Fiscal Year End:		
	2023	\$ (124,859)
	2024	(297,593)
	2025	(407,144)
	2026	(299,670)
	2027	(31,565)
	Thereafter	\$ (262,648)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of employer contributions to the health insurance plan, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. The City has elected not to fund this liability.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

In the June 30, 2022, actuarial valuation, the liabilities were computed using the entry age normal based on level percentage of projected salary. The actuarial assumptions utilized a 3.54% discount rate. Because the plan is unfunded, the discount rate is based on the index rate for 20-year, tax-exempt, general obligation bonds with an average rating of AA or higher. The valuation assumes a 6.5% healthcare cost trend increase for fiscal year 2021-2022, reduced each year until an ultimate health care cost trend rate of 4.0% is reached.

The contribution to the Plan by the City is determined annually by the City's Health Insurance Committee, with the aid of a consultant, and subsequently approved and adopted through the City's budget process.

The Health Insurance Committee may modify the Plan.

Sensitivity Analysis. Sensitivity measurements of the net OPEB liability based on health care cost trends and discount rates:

Healthcare cost trend sensitivity analysis

	Net OPEB Liability	% Difference
1% Decrease	\$ 8,501,000	-11%
Current Trend	\$9,579,000	N/A
1% Increase	\$11,148,000	16%

Discount Rate trend sensitivity analysis

	Net OPEB Liability	% Difference
1% Increase 4.54%	\$ 8,761,000	-9%
Current Trend 3.54%	\$9,579,000	N/A
1% Decrease 2.54%	\$10,771,000	12%

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

IV. Other Notes

A. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical insurance costs of employees; pollution liability; and natural disasters.

For general liability and injuries to employees, the City has elected to participate in the Montana Municipal Interlocal Authority – Liability Coverage (MMIA – Liability Program) and the Montana Municipal Interlocal Authority – Workers’ Compensation (MMIA – Workers’ Compensation) programs. These entities are public entity risk pools currently operating as common risk management and coverage programs, pursuant to their formation by Interlocal Agreements under the Interlocal Cooperation Act. The City pays annual assessments to the MMIA – Liability Program and the MMIA – Workers’ Compensation for its general liability and workers’ compensation coverage. There have been no significant changes to levels of coverage from the previous year.

The MMIA – Liability coverage has specific exclusions for airfield operations; subsequently the City’s airport fund annually purchases a separate general liability insurance policy to provide liability coverage for the airport’s operations. This policy is provided through a private insurance company. It provides coverage up to \$100 million per occurrence.

For damage to and destruction of buildings and facilities, the City has elected to insure its buildings and facilities with insurance purchased from a private carrier. Such insurance has a deductible of \$250,000 per occurrence. The rateable exposure limit is \$746,813,038 (inclusive of Business Income Coverage) with a blanket policy limit of \$500 million, underwritten by Affiliated FM Insurance Company. There have been no significant changes to levels of insurance from the previous year, and settlement payments have not exceeded insurance coverage during the current year or the two previous fiscal years.

In addition, the City also elected to purchase, at various limits, Crime Coverage. The Crime Coverage protects against loss in the event of employee theft, computer fraud, computer program data restoration, funds transfer fraud, claim expense, and faithful performance of duty.

The City has established a medical self-insurance fund to pay medical claims of the City’s employees and their covered dependents. Revenues to the plan from the various funds and employee contributions are recorded as a charge for service in the City health insurance fund, an internal service fund. Medical claims over \$250,000 per individual per calendar year are covered through a private insurance carrier. The fund records health care costs as expenses when claims are incurred;

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

including incurred but not reported (IBNR) claims. The fund establishes claims liabilities, including IBNR, based on the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that modify past experience. Claims liabilities include only specific, incremental claim adjustment expenses. Estimated recoveries on claims are evaluated in terms of their estimated, realizable value and deducted from the liability for unpaid claims.

Following is a summary of the changes in the balances of health insurance claim liabilities, which are included in accrued liabilities in the Combined Balance Sheet, during fiscal years 2020, 2021 and 2022:

	<u>Beginning-of-fiscal-year liability</u>	<u>Incurred claims and claim administrative expenses</u>	<u>Payments of claims and claim administrative expenses</u>	<u>End-of-fiscal-year liability</u>
2019-2020	767,796	12,464,861	12,102,660	1,129,997
2020-2021	1,129,997	11,409,304	11,338,963	1,200,338
2021-2022	1,200,338	13,075,668	13,147,006	1,129,000

Retired employees may continue their health care coverage through the City's group health plan until the month end of their 65th birthday. In compliance with COBRA, the City also allows terminated employees to continue their health care coverage for 18 months past the date of termination.

Approximately 91 retired and terminated employees participated in the City's health plan. Claims paid in excess of premiums received for these participants totaled approximately \$ 1,039,612 for the fiscal year ended June 30, 2022. There have been no material changes in health insurance coverage from the previous year. The City has a two-tiered health insurance plan. The amount of employee contributions is based on the level of coverage chosen from the two tiers. Beginning January 1, 2012, the City implemented a two-tiered health insurance plan and will have only one area hospital in-network. These changes were completed using the RFP process and were approved and implemented by the Health Insurance Committee in order to reduce health care costs and avoid increases in premiums for both the City and employees.

All risk management activities are accounted for in the internal service funds. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. Coverage limits and the deductibles on the commercial policies have not changed materially from the previous year.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

B. Pollution Remediation

Effective July 1, 2008, the City implemented the provisions of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. The City has determined that the implementation of GASB 49 had no material effect on prior year financial statements.

C. Subsequent Events

Management has evaluated subsequent events through January 28th, 2023, the date on which the financial statements were available to be issued. There are no subsequent events to report.

D. Claims and Judgments

The City is involved with numerous other lawsuits from other claimants. Based on past claims history and management's best estimates, the City expects to pay approximately \$3,750,000 for insurance deductibles and amounts not covered by insurance.

Changes in Claims and Judgments:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year</u>	<u>Changes in the Estimate for Claims of Prior Periods</u>	<u>Claims Incurred During Year</u>	<u>Payments of Claims</u>	<u>End of Fiscal Year</u>	<u>Amount Due Within One Year</u>
2020	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,300,000	\$ 1,300,000
2021	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,300,000	\$ 1,300,000
2022	\$ 1,300,000	\$ (2,450,000)	\$ -	\$ -	\$ 3,750,000	\$ 3,750,000

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

E. Contingent Liabilities

1. Landfill Closure and Post-closure

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for many years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on the estimate of landfill capacity used as of each balance sheet date. The \$6,833,003 reported as landfill closure and post-closure care liability at June 30, 2022, represents the cumulative amount reported to date based on the use of approximately 57% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$3.1 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2022. Revised closure costs were completed during fiscal year 2021. During fiscal year 2022, additional post-closure costs were estimated to be \$4,732,800. The City expects to close the landfill in 45 years, in the year 2067. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has established an irrevocable solid waste management financial assurance trust. The City is required to make payments into the trust over the life of the landfill to provide funds for closure and post-closure care. In fiscal year 2022, \$181,707 was funded into the trust. However, the overall trust value declined by \$16,797 due to a weaker market. The cumulative amount of payments of \$3,710,018 is reported as restricted investments at June 30, 2022.

	Balance June 30, 2021	Accrual Amount	Balance June 30, 2022
Net change in Landfill Liability	<u>\$ 4,252,315</u>	<u>\$ 2,580,688</u>	<u>\$ 6,833,003</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

2. Lawsuits

The City is involved with lawsuits, from other claimants, which arise out of the normal course of operations by the City. Management has accrued for any material deductibles and amounts not covered by the City insurance carriers.

The City of Billings is being sued by a group of citizens. Plaintiffs filed a class action complaint on May 16, 2018 asserting that the franchise fees assessed by the City were illegal sales taxes. The City has filed an answer denying the substance of the Plaintiffs' claims. The District Court stayed further litigation in this case pending resolution of the City's appeal of the Class Certification Order. Although the City is vigorously defending this claim, the City has estimated that a judgment could result in up to \$3,000,000.

3. Grants

The City has federal and state grants for specific purposes that are subject to annual audits and other periodic reviews by grantor agencies. Such reviews could result in requests for reimbursement by grantor agencies for costs, which may be disallowed as appropriate expenses under the grant terms. Management of the City believes disallowances, if any, will not be material.

F. **Conduit Debt**

The City has authorized the issuance of certain bonds in its name to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying government-wide financial statements. The only requirement for this type of issue is to request the amount needed for City approval; and when completely paid or called, they must notify the City in this event.

To further promote the general welfare of the City and its residents, the City of Billings has issued two bonds that will improve a higher education facility. The 2004 note is secured by certain land, land improvements, buildings and accounts receivable

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

and the note 2011 is secured by equipment. The notes are not a general obligation or indebtedness of the City. As of June 30, 2022, the bonds have an aggregate outstanding principal amount payable of \$6,769,723.00.

G. Pension Plans

The City of Billings contributes to four separate pension plans which cover substantially all full-time employees. They are the Public Employees' Retirement System-defined benefit retirement plan (PERS-DBRP), Public Employees' Retirement System-defined contribution plan (PERS-DCRP), Firefighters' Unified Retirement System (FURS), and the Municipal Police Officers' Retirement System (MPORS). The PERS-DCRP is a defined contribution plan, and the other plans are defined benefit pension systems. All plans are administered by the Public Employment Retirement Board (PERB). The City's financial statements include on-behalf contributions made by the State of Montana as described in the following plan descriptions. The City's aggregate net pension expense for all plans in FY 2022 was \$6,780,811.

**CITY OF BILLINGS
PERS-DEFINED BENEFIT
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2021 (*MEASUREMENT DATE*)
JUNE 30, 2022 (*REPORTING DATE*)**

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2021, measurement date for the 2022 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2022.

Summary of Significant Accounting Policies - 79

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. 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 in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

General Information about the Pension Plan – 76a, 76b, 76c

Plan Description – 76a: The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA) is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Benefits provided – 76b: The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement:

- 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.
- Hired on or after July 1, 2011:
 - Age 65, 5 years of membership service;

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- Age 70, regardless of membership service.

Early Retirement:

- Hired prior to July 1, 2011:
 - Age 50, 5 years of membership service; or
 - Any age, 25 years of membership service.
- Hired on or after July 1, 2011:
 - Age 55, 5 years of membership service.

Second Retirement (requires returning to PERS-covered employer or PERS service):

- Retire before January 1, 2016, and accumulate less than 2 years of additional service credit or retire on or after January 1, 2016, and accumulate less than 5 years' additional service credit:
 - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - No service credit for second employment;
 - Start the same benefit amount the month following termination; and
 - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retire before January 1, 2016, and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retire on or after January 1, 2016, and accumulate 5 years or more years of service credit:
 - The same retirement as prior to the return to service;
 - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

- Hired prior to July 1, 2011 highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months;

Compensation Cap

- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's highest average compensation.

Monthly benefit formula

- Members hired prior to July 1, 2011

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011
 - Less than 10 years of membership service: 1.5% of HAC per year of service credit;
 - 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
 - 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3.0% for members hired **prior to** July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

Contributions – 76c: The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding: The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as *special funding*. Those employers who received *special funding* are all participating employers.

Not Special Funding: Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are *not* accounted for as special funding for state agencies and universities but are reported as employer contributions.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		State & Universities		Local Government		School Districts	
	Hired <7/01/11	Hired >7/01/11	Employer	Employer	State	Employer	State	
2022	7.9%	7.9%	8.890%	8.870%	0.10%	8.60%	0.370%	
2021	7.9%	7.9%	8.870%	8.770%	0.10%	8.50%	0.370%	
2020	7.9%	7.9%	8.770%	8.670%	0.10%	8.40%	0.370%	
2019	7.9%	7.9%	8.670%	8.570%	0.10%	8.30%	0.370%	
2018	7.9%	7.9%	8.570%	8.470%	0.10%	8.20%	0.370%	
2017	7.9%	7.9%	8.470%	8.370%	0.10%	8.10%	0.370%	
2016	7.9%	7.9%	8.370%	8.270%	0.10%	8.00%	0.370%	
2015	7.9%	7.9%	8.270%	8.170%	0.10%	7.90%	0.370%	
2014	7.9%	7.9%	8.170%	8.070%	0.10%	7.80%	0.370%	
2012-2013	6.9%	7.9%	7.170%	7.070%	0.10%	6.80%	0.370%	
2010-2011	6.9%		7.170%	7.070%	0.10%	6.80%	0.370%	
2008-2009	6.9%		7.035%	6.935%	0.10%	6.80%	0.235%	
2000-2007	6.9%		6.900%	6.800%	0.10%	6.80%	0.100%	

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
- c. The portion of employer contributions allocated to the PCR are included in the employers reporting. The PCR was paid off effective March 2016 and contributions previously directed to the PCR are now directed to member accounts.

3. Non-Employer Contributions

- a. Special Funding
 - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
 - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
 - iii. The State contributed a Statutory Appropriation from the General Fund of \$34,290,660.

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2021 was determined by taking the results of the June 30, 2020 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2021, and 2020, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The employer recorded a liability of \$36,767,047 and the employer's proportionate share was 2.027719 percent.

	Net Pension Liability as of 6/30/2021	Net Pension Liability as of 6/30/2020	Percent of Collective NPL as of 6/30/2021	Percent of Collective NPL as of 6/30/2020	Change in Percent of Collective NPL
City of Billings' Proportionate Share	\$ 36,767,047	\$ 56,156,143	2.027719%	2.128569%	(0.100850)%
State of Montana Proportionate Share associated with the Employer	10,850,534	17,704,446	0.598412%	0.671078%	(0.072666)%
Total	\$ 47,617,581	\$ 73,860,589	2.626131%	2.799647%	(0.173516)%

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

- The discount rate was lowered from 7.34% to 7.06%
- The investment rate of return was lowered from 7.34% to 7.06%

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

Pension Expense - At June 30, 2021, the employer recognized a Pension Expense of \$ 724,912 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$3,037,981 for the support provided by the State of Montana for the proportionate share of the Pension Expense associated with the employer. (*Two years of pension expense are documented in the below table but are not necessary for the employer's disclosures.*)

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

	Pension Expense as of 6/30/2021	Pension Expense as of 6/30/2020
City of Billings' Proportionate Share of PERS	\$ 724,912	\$ 7,921,250
State of Montana Proportionate Share associated with the Employer	3,037,981	2,895,420
Total	\$3,762,893	\$10,816,670

Recognition of Deferred Inflows and Outflows - At June 30, 2021, the employer recognized its proportionate share of Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 392,372	\$ 266,155
Projected Investment Earnings vs. Actual Investment Earnings	-	14,894,710
Changes in Assumptions	5,445,884	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	1,439,011
Employer Contributions subsequent to the measurement date	3,369,217	-
Total	\$ 9,207,473	\$ 16,599,876

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Measurement Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2022	\$ (506,589)
2023	(1,902,817)
2024	(3,597,455)
2025	(4,754,760)
Thereafter	\$ -

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial evaluation was determined using the following actuarial assumptions:

Investment Return (net of admin expense)	7.06%
Admin Expense as % of Payroll	0.28%
General Wage Growth*	3.50%
*includes Inflation at	2.40%
Merit Increases	0 to 4.8%
Postretirement Benefit Increases	

Guaranteed Annual Benefit Adjustment (GABA)

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

3% for members hired prior to July 1, 2007

1.5% for members hired between July 1, 2007 and June 30, 2013

Members hired on or after July 1, 2013

- a. 1.5% for each year PERS is funded at or above 90%;
- b. 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
- c. 0% whenever the amortization period for PERS is 40 years or more.

Mortality assumptions among contributing members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Mortality Tables with no projections.

Discount Rate – 78a, 78b, 78d, 78e: The discount rate used to measure the TPL was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2126. Therefore, the long-term

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations - The long-term rate of return as of June 30, 2021, was calculated using the average long-term capital market assumptions published in the Survey of Capital Market Assumptions 2021 Edition by Horizon Actuarial Service, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the 2021 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, are summarized in the table below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100%	

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Sensitivity Analysis

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.06%, as well as what the NPL would be if it were calculated using a discount rate of 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.06%)	Current Discount Rate	1.0% Increase (8.06%)
Employer's Net Pension Liability	\$58,361,954	\$36,767,047	\$18,653,933

PERS Disclosure for the defined contribution plan

CITY OF BILLINGS contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

At the plan level for the measurement period ended June 30, 2021, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 329 employers that have participants in the PERS-DCRP totaled \$1,103,889.

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report* and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

CITY OF BILLINGS
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2021 (MEASUREMENT DATE)
JUNE 30, 2022 (REPORTING DATE)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Firefighters' Unified Retirement System (the Plan). Employers are required to record and report their proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. This report provides information for employers who are using a June 30, 2021, measurement date for the 2022 reporting.

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the NPL; Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. 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.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

General Information about the Pension Plan

Plan Description - The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This system provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature.

Benefits provided – The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement and monthly benefit formula:

- Hired on or after July 1, 1981, or has elected to be covered by GABA:
 - 20 years of membership service, regardless of age
 - 2.5% of HAC x years of service credit
- Hired prior to July 1, 1981, and who had not elected to be covered by GABA, the greater of above, or:
 - If membership service is less than 20 years:
 - 2% of the highest monthly compensation (HMC) x years of service credit or
 - If membership services is greater or equal to 20 years:
 - 50% of HMC + 2% of HMC x years of service credit in excess of 20
- Early retirement: Age 50 with 5 years of membership service – Normal retirement benefit calculated using HAC and service credit

Second retirement:

Applies to retirement system members re-employed in a FURS position on or after July 1, 2017;

- 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:

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- Is not awarded service credit for the period of re-employment;
- Is refunded the accumulated contributions associated with the period of re-employment;
- Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
- Does not accrue post-retirement benefit adjustments during the term of re-employment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 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:
 - Is awarded service credit for the period of re-employment;
 - Starting the first month following termination of service, receives:
 - The same retirement benefit previously paid to the member; and
 - A second retirement benefit for the period of re-employment calculated based on the laws in effect as of the members' rehire date, and
 - Does not accrue post-retirement benefit adjustments during the term of re-employment but receives a GABA:
 - On the initial retirement benefit in January immediately following second retirement, and
 - On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Member's compensation period used in benefit calculation

- Hired prior to July 1, 1981 and not electing GABA: highest monthly compensation (HMC);
- Hired on or after June 30, 1981 and those electing GABA: highest average compensation (HAC) during any consecutive 36 months (or shorter period of total service).
- Part-time firefighter: 15% of regular compensation of a newly confirmed full-time firefighter.

Compensation Cap

- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA – and has been retired for at least 12 months - the member's benefit increases by 3% each January.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Minimum Benefit Adjustment (non-GABA)

A member with 10 or more years of membership service who has not elected to be covered under GABA – the minimum benefit provided may not be less than 50% of the monthly compensation paid to a newly confirmed active firefighter of the employer that last employed the member as a firefighter in the current fiscal year.

Contributions – The State Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contributions rates are specified by the Montana Statute and are a percentage of the members' compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding - MCA 19-13-604 requires the State of Montana to contribute a percentage of the total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below:

Fiscal Year	Member			
	Non-GABA	GABA	Employer	State
1998 - 2022	9.50%	10.70%	14.36%	32.61%
1997	7.80%		14.36%	32.61%

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2021 was determined by taking the results of the June 30, 2020 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2021, and 2020, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government's collective NPL that is associated with the non-state employer. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The employer recorded a liability of \$ 5,291,540 and the employer's proportionate share was 6.1835 percent.

	Net Pension Liability as of 6/30/2021	Net Pension Liability as of 6/30/2020	Percent of Collective NPL as of 6/30/2021	Percent of Collective NPL as of 6/30/2020	Change in Percent of Collective NPL
City of Billings' Proportionate Share	\$ 5,291,540	\$ 9,758,061	6.1835%	6.2361%	(0.0526%)
State of Montana Proportionate Share associated with the Employer	12,010,105	21,997,963	14.0345%	14.0583%	(0.0238%)
Total	\$ 17,301,645	\$ 31,756,024	20.2180%	20.2944%	(0.0764%)

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

- The discount rate was lowered from 7.34% to 7.06%
- The investment rate of return was lowered from 7.34% to 7.06%

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

Pension Expense: At June 30, 2021 measurement date, the employer recognized its proportionate share of the Plan's pension expense of \$972,520. The employer also recognized grant revenue of \$2,279,643 for the support provided by the state of Montana for the proportionate share of the pension expense that is associated with the employer. (Two years of pension expense are documented in the table below but are not necessary for the employer's disclosures.)

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

	Pension Expense as of 6/30/2021	Pension Expense as of 6/30/2020
City of Billings' Proportionate Share of FURS	\$ 972,520	\$ 1,875,420
Employer Grant Revenue - State of Montana Proportionate Share for the Employer	2,279,643	4,248,108
Total	\$ 3,252,162	\$ 6,123,528

Recognition of deferred inflows and outflows

At June 30, 2021, the employer reported its proportionate share of FURS' deferred outflows of resources and deferred inflows of resources relate to FURS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 692,840	\$ 28,790
Projected Investment Earnings vs. Actual Investment Earnings	-	3,620,013
Changes in Assumptions	2,708,862	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	71,628
Employer Contributions Subsequent to the Measurement Date	1,642,872	-
Total	\$ 5,044,574	\$ 3,720,431

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Measurement Year ended <u>June 30</u> :	Amount of deferred outflows and deferred inflows recognized in future years as an <u>increase or (decrease) to Pension Expense</u>
2022	\$ (961)
2023	(126,177)
2024	(386,838)
2025	(617,445)
Thereafter	\$ 812,691

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Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial evaluation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.06%
Admin Expense as % of Payroll	0.17%
General Wage Growth*	3.50%
*includes Inflation at	2.40%
Merit Increases	0% to 6.30%
Post Retirement Increases	
1. Guaranteed Annual Benefit Adjustment (GABA) each January	
• Members hired on or after July 1, 1997 or those electing GABA	3.00%
• Requires 12 full months of retirement before GABA will be made	
2. Minimum Benefit Adjustment (non-GABA)	
• Members with 10 or more years of membership service and member did not elect GABA	The minimum benefit provided should not be less than 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter
Mortality:	
• Contributing members, Service Retired Members & beneficiaries	RP-2000 Combined Employee and Annuitant Mortality Tables project to 2020 with scale BB, set back one year for males
• Disabled Members	PR-2000 Combined Mortality Table with no projections

Discount Rate – 78a, 78b, 78d, 78e: The discount rate used to measure the TPL was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 32.61% of the salaries paid by

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

employers. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2133. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations – 78c and 78f: The long-term rate of return as of June 30, 2021, was calculated using the average long-term capital market assumptions published in the Survey of Capital Market Assumptions 2021 Edition by Horizon Actuarial Service, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the 2021 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, are summarized in the below table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	3.0%	(0.33)%
Domestic Equity	30.0%	5.90%
Foreign Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change to the liability. The NPL was calculated using the discount rate of 7.06%, as well as what the NPL would be if it were calculated using a discount rate 1.0% lower or 1.0% higher than the current rate.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

As of measurement date	1.0% Decrease (6.06%)	Current Discount Rate	1.0% Increase (8.06%)
CITY OF BILLINGS Net Pension Liability	\$12,005,862	\$5,291,540	\$(86,733)

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report* and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

CITY OF BILLINGS
MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2021 (MEASUREMENT DATE)
JUNE 30, 2022 (REPORTING DATE)

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Municipal Police Officers' Retirement System (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using June 30, 2021 measurement date for 2022 reporting.

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. 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

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

General Information about the Pension Plan

Plan Description: The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1974 and governed by Title 19, chapters 2 & 9, Montana Code Annotated (MCA). This plan provides retirement benefits to all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature.

Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may only participate in the DROP once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

Benefits provided: MPORS provides, retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights are vested after five years of service.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Service retirement:

- 20 years of membership service, regardless of age
- Age 50 with 5 years of membership service
- 2.5% of FAC x years of service credit.

Second retirement:

Re-calculated using specific criteria for members who return to covered MPORS employment prior to July 1, 2017.

- Less than 20 years of membership service, upon re-employment, repay benefits and subsequent retirement is based on total MPORS service.
- More than 20 years of membership service, upon re-employment, receives initial benefit and a new retirement benefit based on additional service credit and FAC after re-employment.

Applies to retirement system members re-employed in a MPORS position on or after July 1, 2017.

- 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:
 - Is not awarded service credit for the period of re-employment;
 - Is refunded the accumulated contributions associated with the period of reemployment;
 - Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - Does not accrue post-retirement benefit adjustments during the term of reemployment, but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 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:
 - Is awarded service credit for the period of reemployment;
 - Starting the first month following termination of service, receives:
 - The same retirement benefit previously paid to the member, and
 - A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - On the initial retirement benefit in January immediately following second retirement, and
 - On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Member's 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 – final average compensation (FAC) for last consecutive 36 months.

Compensation Cap

- Hired on or after July 1 2013 – 110% annual cap on compensation considered as a part of a member's FAC.

Guaranteed Annual Benefit Adjustment (GABA)

- Hired on or after July 1, 1997, or those electing GABA and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.

Minimum benefit adjustment (non-GABA)

- The minimum benefit provided may not be less than 50% of the compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer in the current fiscal year.

Contributions – The State Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding – MCA 19-9-702 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below.

Fiscal Year	Member						
	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired >6/30/97	GABA	Employer	State
2000-2022	5.80%	7.00%	8.50%	9.00%		14.41%	29.37%
1998-1999	7.80%	9.00%	10.50%	11.00%		14.41%	29.37%
1997	7.80%	9.00%	10.50%			14.36%	29.37%

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2021 was determined by taking the results of the June 30, 2020 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2021, and 2020, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government's collective NPL that is associated with the non-state employer. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid. The employer recorded a liability of \$13,102,992 and employer's proportionate share was 7.2078 percent.

	Net Pension Liability as of 6/30/2021	Net Pension Liability as of 6/30/2020	Percent of Collective NPL as of 6/30/2021	Percent of Collective NPL as of 6/30/2020	Change in Percent of Collective NPL
City of Billings' Proportionate Share	\$ 13,102,992	\$ 17,962,668	7.2078%	7.3441%	(0.1363)%
State of Montana Proportionate Share associated with the Employer	26,632,527	36,228,917	14.6503%	14.8123%	(0.1620)%
Total	\$ 39,735,519	\$ 54,191,585	21.8581%	22.1564%	(0.2983)%

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

- The discount rate was lowered from 7.34% to 7.06%
- The investment rate of return was lowered from 7.34% to 7.06%

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension. If there were changes that are expected to have an impact on the net pension liability, the employer

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

Pension Expense: At June 30, 2021 measurement date, the employer recognized its proportionate share of the Plan's pension expense of \$2,226,880. The employer also recognized grant revenue of \$4,515,010 for the support provided by the State of Montana for the proportionate share of the pension expense that is associated with the employer. (*Two years of pension expense are documented in the above table, but are not necessary for the employer's disclosures.*

As of measurement date	Pension Expense as of 6/30/2021	Pension Expense as of 6/30/2020
City of Billings' Proportionate Share of MPORS	\$ 2,226,880	\$ 3,376,526
State of Montana Proportionate Share associated with the Employer	4,515,010	6,905,358
Total	\$ 6,741,890	\$ 10,281,884

Recognition of Deferred Inflows and Outflows – At June 30, 2021, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 416,743	\$ 143,082
Projected Investment Earnings vs. Actual Investment Earnings	-	3,947,528
Changes in Assumptions	2,503,495-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	156,073
Employer Contributions subsequent to the measurement date	1,937,917	-
Total	\$ 4,858,155	4,246,683

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

For the Measurement Year ended <u>June 30:</u>	Amount of deferred outflows and deferred inflows recognized in future years as an <u>increase or (decrease) to Pension Expense</u>
2022	\$ 421,431
2023	87,953
2024	(557,947)
2025	(1,277,884)
Thereafter	\$ -

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.06%
Admin Expense as % of Payroll	0.18%
General Wage Growth*	3.50%
*includes Inflation at	2.40%
Merit Increases	0% to 6.60%
Post Retirement Increases	
1. Guaranteed Annual Benefit Adjustment (GABA) each January	
• Members hired on or after July 1, 1997, or those electing GABA	3.00%
• Requires 12 full months of retirement before GABA will be made	
2. Minimum Benefit Adjustment (non-GABA)	
• Benefit for a retired member or member's survivor and member did not elect GABA	The minimum benefit provided should not be less than 50% of the monthly compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer
Mortality:	
• Contributing members, Service Retired Members & beneficiaries	RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, set back one year for males
• Disabled Retirees	PR-2000 Combined Mortality Table with no projections

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Target Allocations – 78c and 78f: The long-term rate of return as of June 30, 2021, was calculated using the average long-term capital market assumptions published in the Survey of Capital Market Assumptions 2021 Edition by Horizon Actuarial Service, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the 2021 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, are summarized in the below table.

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis
Cash	3.0%	(0.33%)
Domestic Equity	30%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100.0%	

Discount Rate – The discount rate used to measure the PPL was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 29.37% of the salaries paid by the employers. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2134. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change to the liability. The NPL was calculated using the discount rate of 7.06%, as well as what the NPL would be if it was calculated using a discount rate 1.0% lower and 1.0% higher than the current rate.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

	1.0% Decrease (6.06%)	Current Discount Rate	1.0% Increase (8.06%)
City of Billings' Net Pension Liability	\$21,438,093	\$13,102,992	\$6,477,206

Pension plan fiduciary net position – The stand-alone financial statements of the Montana Public Employees Retirement (PERB) Comprehensive Annual Financial Report and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, 406-444-3154 or both are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports..>

H. Prior Period Adjustment

A prior period adjustment of \$406,964 was made to decrease the governmental-type activities' beginning net position. The adjustment was made to the Public Safety Fund which had previously disposed of assets that should have been recognized as a period expense in a prior year. Also, an adjustment of \$21,634 was made to increase the governmental type beginning net position. The adjustment was made to the Street & Traffic Fund which had added cost to equipment assets that should have been recognized as a period expense in a prior year. Total changes to governmental-type assets equal \$(385,330).

Governmental-type Activities

Net Position at July 1, 2021, as previously stated	\$ 313,753,533
Public Safety Fund adjustment	(406,964)
Street & Traffic Fund adjustment	<u>21,634</u>
Net Position at July 1, 2021, as restated	<u>\$ 313,368,203</u>

A prior period adjustment of \$138,043 was made to decrease the business-type activities' beginning net position. The adjustment was made to the Water Fund which had previously capitalized construction expenses that should have been recognized as a period expense in a prior year.

Business-type Activities

Net Position at July 1, 2021, as previously stated	\$ 552,259,265
Water Fund adjustment	<u>(138,043)</u>
Net Position at July 1, 2021, as restated	<u>\$ 552,121,222</u>

REQUIRED SUPPLEMENTAL INFORMATION

Required Supplemental Information

CITY OF BILLINGS, MONTANA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual

For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 18,476,303	\$ 18,476,303	\$ 18,635,569	\$ (159,266)
Licenses and permits	2,199,128	2,199,128	1,978,414	220,714
Intergovernmental	12,243,879	12,243,879	12,780,222	(536,343)
Charges for services	4,373,346	4,373,346	4,735,126	(361,780)
Fines and forfeitures	1,294,046	1,294,046	1,121,823	172,223
Special assessments	-	-	12,378	(12,378)
Other	70,901	70,901	(205,661)	276,562
Total revenues	38,657,603	38,657,603	39,057,871	(400,268)
Expenditures:				
Current:				
General government	\$ 8,764,121	\$ 9,138,757	\$ 8,248,464	\$ 890,293
Public safety	708,912	1,035,980	953,736	82,244
Culture and recreation	4,317,158	4,315,580	4,510,544	(194,964)
Capital outlay	60,000	227,612	149,373	78,239
Total expenditures	13,850,191	14,717,929	13,862,117	855,812
Revenues over (under) expenditures	24,807,412	23,939,674	25,195,754	(1,256,080)
Other financing sources (uses):				
Transfers in	2,110,100	2,110,100	1,565,491	544,609
Transfers out	(39,969,783)	(50,468,515)	(48,639,224)	(1,829,291)
Total other financing sources (uses)	(37,859,683)	(48,358,415)	(47,073,733)	(1,284,682)
Net change in fund balances	\$(13,052,271)	\$(24,418,741)	(21,877,979)	\$ (2,540,762)
Fund balance, beginning of year			33,457,280	
Fund balance, end of year			\$ 11,579,301	

Required Supplemental Information

CITY OF BILLINGS, MONTANA				
Major Special Revenue Fund - Public Safety				
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual				
For the Fiscal Year Ended June 30, 2022				
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 18,031,970	\$ 18,031,970	\$ 18,026,824	\$ 5,146
Licenses and permits	38,700	38,700	34,627	4,073
Intergovernmental	3,257,298	3,257,298	3,639,740	(382,442)
Charges for services	2,350,702	2,350,702	2,342,940	7,762
Fines and forfeitures	2,400	2,400	8,339	(5,939)
Other	40,285	40,285	11,573	28,712
				0
Total revenues	<u>23,721,355</u>	<u>23,721,355</u>	<u>24,064,043</u>	<u>(342,688)</u>
Expenditures:				
Current:				
Public safety	45,643,742	46,684,225	45,863,889	820,336
Public health	1,105,401	1,105,401	926,363	179,038
Capital outlay	2,088,296	1,626,307	279,369	1,346,938
Debt service:				
Principal	172,000	172,000	170,129	1,871
Interest and fiscal charges	70,000	70,000	43,948	26,052
Total expenditures	<u>49,079,439</u>	<u>49,657,933</u>	<u>47,283,698</u>	<u>2,374,235</u>
Revenues over (under) expenditures	<u>(25,358,084)</u>	<u>(25,936,578)</u>	<u>(23,219,655)</u>	<u>(2,716,923)</u>
Other financing sources (uses):				
Transfers in	26,759,838	28,501,060	26,614,077	1,886,983
Transfers out	(1,651,754)	(3,151,754)	(3,159,754)	8,000
Sale of capital assets	-	-	40,081	(40,081)
Total other financing sources (uses)	<u>25,108,084</u>	<u>25,349,306</u>	<u>23,494,404</u>	<u>1,854,902</u>
Net change in fund balances	<u>\$ (250,000)</u>	<u>\$ (587,272)</u>	<u>274,749</u>	<u>\$ (862,021)</u>
Fund balance, beginning of year			1,769,739	
Fund balance, end of year			<u>\$ 2,044,488</u>	

Required Supplemental Information

CITY OF BILLINGS, MONTANA
Major Special Revenue Fund - American Rescue Plan Act Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual

For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 7,000,000	\$ (7,000,000)
Other	- -	- -	(108,215)	108,215
Total revenues	- -	- -	6,891,785	(6,891,785)
Expenditures:				
Capital Outlay	- -	7,000,000	2,298,750	4,701,250
Total expenditures	- -	7,000,000	2,298,750	4,701,250
Revenues over (under) expenditures	- -	(7,000,000)	4,593,035	(11,593,035)
Net change in fund balances	\$ - -	\$ (7,000,000)	\$ 4,593,035	\$ (11,593,035)
Fund balance, beginning of year			(3,879)	
Fund balance, end of year			\$ 4,589,156	

Required Supplemental Information

A. Budgetary Information

Budgets are legally required and are prepared for all the City's governmental funds. Except for on-behalf payments by the State of Montana for pension plan contributions, these budgets are prepared on the same basis and use the same accounting practices as are used to account for and prepare financial reports for the governmental funds, consistent with accounting principles generally accepted in the United States of America.

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

- 1) On or before June 1st, all departments and agencies of the City submit requests for appropriations to the city administrator so that a budget may be prepared.
- 2) Before June 10th, the proposed budget and tax levy must be submitted to the city clerk and then is presented to the city council for review and approval.
- 3) The council holds public hearings and a final budget and tax levy must be prepared, adopted, and submitted to the county auditor, no later than the first Thursday in September or within 30 calendar days of receiving certified taxable values from the Montana Department of Revenue.

The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The city council may amend the budget at the fund level by reducing appropriations when (1) a shortfall is anticipated and budgeted revenues occur resulting in expenditures for the year exceeding actual revenues and available cash balances or, (2) savings result from unanticipated adjustments in projected expenditures. Amended appropriations are made at the total expenditure, or fund level, and public hearings are required.

Annual appropriated budgets are adopted for all the City's funds, and all annual appropriations lapse at fiscal yearend. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end will be re-appropriated and honored during the subsequent year. The annual appropriated budget was amended during the year. The major fund amendments were for the General Fund and American Rescue Plan Fund.

Management can transfer appropriations between and among expenditure classes of salaries and benefits, operations and maintenance, capital outlay, interest and debt redemption, or miscellaneous without city council approval or a public hearing.

Required Supplemental Information

Spending control is established by the total amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels. Individual fund budgets are the same as the appropriation amounts.

B. Reconciliation of Budgetary Revenues and Expenditures and GAAP Revenues and Expenditures

		<u>Public Safety Fund</u>
<u>Revenues</u>		
Actual amounts (budgetary basis) "Total revenues" from the budget		\$ 24,064,043
Differences-budget to GAAP:		
On-behalf payments by the State of Montana for pension plan contributions are not a budgetary resource but are revenues for financial reporting purposes		<u>7,680,587</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds		<u>\$ 31,744,630</u>
<u>Expenditures</u>		
Actual amounts (budgetary basis) "Total expenditures" from the budget		\$ 47,283,698
Differences-budget to GAAP:		
On-behalf payments by the State of Montana for pension plan contributions are not a budgetary outflow but are expenditures for financial reporting purposes		<u>7,680,587</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds		<u>\$ 54,964,285</u>

C. Other Post-Employment Benefits Liability

Actuarial Assumptions and Methods

Valuation Date June 30, 2021

Measurement Date June 30, 2022

Discount Rate 3.54% per annum

For unfunded plans: Discount rate is based on index rate for 20-year tax-exempt general obligation bonds with an average rating of AA/Aa or higher [Bond Buyer 20-Bond GO Index]. For fully funded plans: Discount rate is based on expected long-term rate of return on plan investments where assets are projected to cover all future benefit payments.

Salary Increase Rate 3.0% per annum

Inflation Rate 3.0% per annum

Census Data The census was provided by the City as of June 30, 2021.

Marriage Rate The assumed number of eligible spouses is based on the current information proportions of single and family contracts in census provided.

Spouse Age Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.

Medicare Eligibility All current and future retirees are assumed to be eligible for Medicare at age 65.

Actuarial Cost Method Entry Age Normal based on level percentage of projected salary.

Amortization Method

Experience gains and losses are amortized over a closed period of 8.1 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).

Mortality Rates

Pub-2010 mortality table with generational scale MP-2020.

Required Supplemental Information

Plan Participation Percentage

It is assumed that 100% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time, irrevocable election to participate is made at retirement.

Health Care Cost Trend Rate

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced at 0.25% each year until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Pre-Medicare Medical and Rx Benefits	6.5%	4.0%
Stop Loss Fees	7.0%	4.0%
Administration Fees	4.5%	4.5%

Per Capita Health Claim Cost

Expected retiree claim costs were developed using 24 months of historical claim experience through March 2021. An underwriting adjustment to the claims paid during 2020 were made to account for the underestimated costs due to Covid-19. The annual age 60 and 70 claim costs for retirees and their spouses are as follows:

Per Capita Cost	Age 60
Plan C – Standard Plan	\$ 9,376
Plan D – HDHP	\$ 8,651

Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee. Expenses as of January 1, 2018, are provided in the table below.

Expense Type	Per Retiree per Month
Specific Stop Loss Premium – Single	\$28.52
Specific Stop Loss Premium – Family	\$72.33
Benefit Plan Management Fee	\$23.33

Required Supplemental Information

Plan Election Percentage

Based on current retiree plan elections, future retirees are assumed to elect plan coverage at the following rates. The percentages are based on current retiree election data.

Plan Name	% Election
Standard Plan	85%
HDHP Plan	15%

Age Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study, with sample rates shown below:

Sample Age	Male	Female
45	4.6%	1.6%
50	6.2%	4.2%
55	5.4%	2.4%
60	4.7%	3.6%
65	1.7%	2.4%
70	1.8%	2.0%
75	1.2%	1.3%
80	0.8%	1.1%

Required Supplemental Information

Retirement Age

Sample retirement ages and associated probabilities are provided in the table below. These values are based on the 2018 Actuarial Valuations of the Public Employees' Retirement System of the State of Montana, the Municipal Police Officers' Retirement System of the State of Montana, and the Firefighters' Unified Retirement System of the State of Montana.

Age	<30 YOS	>30 years or Age 60 and 25 Years YOS	Police 20+ YOS	Fire 20+ YOS
<45	0%	10%	12%	5%
50-54	3%	10%	15%	10%
55	3%	25%	20%	25%
56	4%	15%	20%	25%
57	5%	15%	20%	25%
58	5%	15%	20%	25%
59	6%	15%	20%	25%
60	8%	15%	20%	50%
61	15%	15%	20%	50%
62	25%	25%	100%	50%
63-64	15%	15%	100%	100%
65-66	30%	30%	100%	100%
67-69	25%	25%	100%	100%
70	100%	100%	100%	100%

Required Supplemental Information

Termination

The rate of withdrawal is based on the withdrawal assumption used in the 2020 Actuarial Valuations of the Public Employees' Retirement System of the State of Montana, the Municipal Police Officers' Retirement System of the State of Montana, and the Firefighters' Unified Retirement System of the State of Montana. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service. Sample rates are provided below:

Years of Service	Police	Fire	Other
0	16%	4.3%	30%
1	13%	4.3%	22.5%
2	11%	4.3%	15%
3	9%	4.3%	12.5%
4-5	7%	3%	10%
6	7%	3%	8%
7	7%	2%	6%
8-9	5%	2%	6%
10	2%	2%	6%
11-14	2%	1%	4%
15+	2%	1%	2%

Required Supplemental Information

Required Supplemental OPEB Information
Other Post Employment Benefits Liability

Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Present Value of Future Benefits						
Actives	\$ 12,984	\$ 13,457	\$ 10,046	\$ 11,843	\$ 13,948	\$ 10,992
Retirees	2,797	2,350	2,470	2,255	2,993	2,459
Total	\$ 15,781	\$ 15,807	\$ 12,516	\$ 14,098	\$ 16,941	\$ 13,451
Total OPEB Liability						
Actives	\$ 7,665	\$ 7,964	\$ 6,047	\$ 7,245	\$ 7,623	\$ 7,120
Retirees	2,797	2,907	2,470	2,255	2,993	2,459
Total OPEB Liability (TOL)	10,462	10,871	8,517	9,500	10,616	9,579
Fiduciary Net Position (FNP)	-	-	-	-	-	-
Net OPEB Liability (NOL)	\$ 10,462	\$ 10,871	\$ 8,517	\$ 9,500	\$ 10,616	\$ 9,579
Covered-employee payroll	49,636	51,621	54,617	56,529	66,995	69,340
NOL as a % of covered-employee payroll	21.1%	21.1%	15.6%	16.8%	15.8%	13.8%
Total OPEB Expense						
Service cost	\$ 556	\$ 577	\$ 600	\$ 621	\$ 486	\$ 594
Interest cost	320	416	435	312	217	237
Current recognized deferred outflows/(inflows)						
Difference between actual and expected experience	(123)	(123)	(390)	(390)	(362)	(363)
Changes in assumptions or other inputs	406	405	279	344	414	238
Total Expense	\$ 1,159	\$ 1,275	\$ 924	\$ 887	\$ 755	\$ 706

¹ In FY2017, The City of Billings adopted GASB 75.

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

Required Supplemental Information

Required Supplemental OPEB Information

Changes in Net OPEB Liability

Last Ten Fiscal Years¹

(Dollar amounts in Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability - Start of Year	\$ 7,960,611	\$10,461,920	\$10,871,015	\$8,517,106	\$ 9,500,481	\$10,615,885
Changes for the year						
Service cost	\$ 555,749	\$ 577,256	\$ 599,538	\$ 620,522	\$ 485,890	\$ 594,195
Interest cost	319,718	416,118	435,068	311,943	216,552	237,355
Differences between expected and actual experience	(908,269)	-	(2,062,008)	-	220,640	-
Changes in assumptions or other inputs	3,000,891	(10,723)	(972,358)	500,850	567,606	(1,425,964)
Benefit payments	<u>(466,780)</u>	<u>(573,556)</u>	<u>(354,149)</u>	<u>(449,940)</u>	<u>(375,284)</u>	<u>(442,885)</u>
Net change in OPEB liability	<u>\$ 2,501,309</u>	<u>\$ 409,095</u>	<u>\$ (2,353,909)</u>	<u>\$ 983,375</u>	<u>\$ 1,115,404</u>	<u>\$ (1,037,299)</u>
Total OPEB Liability - End of Year	\$10,461,920	\$10,871,015	\$ 8,517,106	\$9,500,481	\$10,615,885	\$ 9,578,586

¹ In FY2017, The City of Billings adopted GASB 75.

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

Required Supplemental Information

D. Schedules of the City's Proportionate Share of the Net Pension Liability

Schedule of the City's Proportionate Share of the Net Pension Liability
Public Employees Retirement System (PERS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)

As of measurement date	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	36,767	56,156	44,239	43,207	51,226	41,741	34,676	30,549
Employer's proportion of the net pension liability (percentage)	2.03%	2.13%	2.12%	2.07%	2.63%	2.45%	2.48%	2.45%
State's net pension liability	10,850	17,704	14,409	14,470	682	510	426	373
Total	47,617	73,860	58,648	57,677	51,908	42,251	35,102	30,922
Employer's covered payroll	35,795	35,734	34,920	34,044	32,627	29,353	28,950	27,980
Employer's proportionate share as a percent of covered payroll	102.71%	157.15%	126.69%	126.91%	157.01%	142.20%	119.78%	110.07%
Plan fiduciary net position as a percent of total pension liability	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.90%

¹ In FY2015, The City of Billings adopted GASB 68.

Schedule of the City's Proportionate Share of the Net Pension Liability
Firefighters' Unified Retirement System (FURS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)

As of measurement date	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	5,292	9,758	6,904	7,280	7,218	7,367	6,829	6,450
Employer's proportion of the net pension liability (percentage)	6.18%	6.23%	6.02%	6.32%	6.39%	6.45%	6.68%	6.61%
State's net pension liability	12,010	21,998	16,697	16,645	16,391	16,690	15,210	14,551
Total	17,302	31,756	23,601	23,925	23,609	24,057	22,039	21,001
Employer's covered payroll	11,379	10,941	10,436	9,955	9,546	9,083	8,973	8,583
Employer's proportionate share as a percent of covered payroll	46.50%	89.19%	66.15%	73.13%	75.61%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percent of total pension liability	87.72%	75.34%	80.08%	79.03%	77.77%	75.48%	76.90%	76.70%

¹ In FY2015, The City of Billings adopted GASB 68.

Required Supplemental Information

Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Police Officers' Retirement System (MPORS)
Last Ten Fiscal Years¹
(Dollar amounts in Thousands)

As of measurement date	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	13,103	17,962	14,478	12,573	12,567	12,571	11,661	11,275
Employer's proportion of the net pension liability (percentage)	7.21%	7.34%	7.27%	7.34%	7.06%	6.98%	7.05%	7.18%
State's net pension liability	26,633	36,229	29,482	25,694	25,613	24,955	23,627	22,778
Total	39,736	54,191	43,960	38,267	38,180	37,526	35,288	34,053
Employer's covered payroll	13,045	12,581	11,988	11,585	10,538	9,859	9,757	9,628
Employer's proportionate share as a percent of covered payroll	100.45%	142.78%	120.77%	108.53%	119.25%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percent of total pension liability	75.76%	64.84%	68.84%	70.95%	68.34%	65.62%	66.90%	67.00%

¹ In FY2015, The City of Billings adopted GASB 68.

E. Schedules of the City's Contributions

Schedule of the City's Contributions
Public Employees Retirement System (PERS)
Last Ten Fiscal Years¹
(Dollar amounts in Thousands)

As of most recent FYE (reporting date)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required DB contributions	3,369	3,174	3,129	3,003	2,884	2,731	2,453	2,386
Plan choice rate required contributions	-	-	-	-	-	-	83	125
Contributions in relation to the contractually required contributions	3,369	3,174	3,129	3,003	2,884	2,731	2,536	2,510
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Employer's covered payroll	37,984	35,795	35,734	34,920	34,044	32,627	29,353	28,950
Contributions of covered payroll (as a percentage)	8.87%	8.87%	8.76%	8.60%	8.47%	8.37%	8.64%	8.67%

¹ In FY2015, The City of Billings adopted GASB 68.

Required Supplemental Information

Schedule of the City's Contributions
Firefighters' Unified Retirement System (FURS)
Last Ten Fiscal Years¹
(Dollar amounts in Thousands)

As of most recent FYE (reporting date)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	1,643	1,628	1,602	1,438	1,465	1,371	1,299	1,314
Contributions in relation to the contractually required contributions	1,643	1,628	1,602	1,438	1,465	1,371	1,299	1,314
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Employer's covered payroll	11,441	11,379	10,941	10,436	9,955	9,546	9,083	8,973
Contributions as a percent of covered payroll	14.36%	14.31%	14.64%	13.78%	14.72%	14.36%	14.30%	14.64%

¹ In FY2015, The City of Billings adopted GASB 68.

Schedule of the City's Contributions
Municipal Police Officers' Retirement System (MPORS)
Last Ten Fiscal Years¹
(Dollar amounts in Thousands)

As of most recent FYE (reporting date)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	1,938	1,877	1,833	1,734	1,733	1,522	1,444	1,414
Contributions in relation to the contractually required contributions	1,938	1,877	1,833	1,734	1,733	1,522	1,444	1,414
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Employer's covered payroll	13,448	13,045	12,581	11,988	11,585	10,538	9,859	9,757
Contributions as a percent of covered payroll	14.41%	14.39%	14.57%	14.46%	14.96%	14.44%	14.65%	14.50%

¹ In FY2015, The City of Billings adopted GASB 68.

**Notes to Required Supplementary Information
for the year ended June 30, 2021 (as of Measurement Date)**

Changes of Benefit Terms

The following changes to the PERS plan provisions were made as identified:

2017:

Working Retiree Limitations – for PERS

Effective July 1, 2017, 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.

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

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

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 the member's benefit.

Disabled PERS Defined Contribution (DC) Members

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions.

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

Required Supplemental Information

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 8.47%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of payroll	0.28%

Administrative expense 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 the prior year's actual administrative expenses.

Changes of Benefit Terms

The following changes to the MPORS plan provisions were made as identified:

2017:

Working Retiree Limitations – For MPORS

- 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;
 - 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 – for MPORS

- 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 Guaranteed Annual Benefit Adjustment (GABA) in January immediately following 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 benefit 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

- 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.

Required Supplemental Information

Changes in Actuarial Assumptions and Methods

Method and Actuarial Assumptions were adopted from the June 30, 2020 actuarial valuation:

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.60%
Asset Valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.18%

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

Changes of Benefit Terms

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

2017:

Working Retiree Limitations – for FURS

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:

Required Supplemental Information

- a. Employer contributions and state contributions (if any) must be paid on all working retirees;
- 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 – for FURS

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 Guaranteed Annual Benefit adjustment (GABA) in January immediately following 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 benefit 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

- 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 the member's benefit.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

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

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.3%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.17%

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

SUPPLEMENTAL INFORMATION

MAJOR FUNDS

BUDGET AND ACTUAL SCHEDULES

CITY OF BILLINGS, MONTANA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual

For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 18,476,303	\$ 18,476,303	\$ 18,635,569	\$ (159,266)
Licenses and permits	2,199,128	2,199,128	1,978,414	220,714
Intergovernmental	12,243,879	12,243,879	12,780,222	(536,343)
Charges for services	4,373,346	4,373,346	4,735,126	(361,780)
Fines and forfeitures	1,294,046	1,294,046	1,121,823	172,223
Special assessments	-	-	12,378	(12,378)
Other	70,901	70,901	(205,661)	276,562
Total revenues	38,657,603	38,657,603	39,057,871	(400,268)
Expenditures:				
Current:				
Salaries and benefits	9,969,814	10,075,574	9,735,903	339,671
Operations and maintenance	3,820,377	4,414,743	3,976,842	437,901
Capital outlay	60,000	227,612	149,373	78,239
Total expenditures	13,850,191	14,717,929	13,862,118	855,811
Revenues over (under) expenditures	24,807,412	23,939,674	25,195,753	(1,256,079)
Other financing sources (uses):				
Transfers in	2,110,100	2,110,100	1,565,491	544,609
Transfers out	(39,969,783)	(50,468,515)	(48,639,223)	(1,829,292)
Total other financing sources (uses)	(37,859,683)	(48,358,415)	(47,073,732)	(1,284,683)
Net change in fund balances	\$(13,052,271)	\$(24,418,741)	\$(21,877,979)	\$(2,540,762)
Fund balance, beginning of year			33,457,280	
Fund balance, end of year			\$ 11,579,301	

CITY OF BILLINGS, MONTANA
Major Special Revenue Fund - Public Safety
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 18,031,970	\$ 18,031,970	\$ 18,026,824	\$ 5,146
Licenses and permits	38,700	38,700	34,627	4,073
Intergovernmental	3,257,298	3,257,298	3,639,740	(382,442)
Charges for services	2,350,702	2,350,702	2,342,940	7,762
Fines and forfeitures	2,400	2,400	8,339	(5,939)
Other	40,285	40,285	11,573	28,712
Total revenues	23,721,355	23,721,355	24,064,043	(342,688)
Expenditures:				
Current:				
Salaries and benefits	39,841,722	40,097,143	39,828,969	268,174
Operations and maintenance	6,907,421	7,692,483	6,961,283	731,200
Capital outlay	2,088,296	1,626,307	279,369	1,346,938
Debt service:				
Principal	172,000	172,000	170,129	1,871
Interest and fiscal charges	70,000	70,000	43,948	26,052
Total expenditures	49,079,439	49,657,933	47,283,698	2,374,235
Revenues over (under) expenditures	(25,358,084)	(25,936,578)	(23,219,655)	(2,716,923)
Other financing sources (uses):				
Transfers in	26,759,838	28,501,060	26,614,077	1,886,983
Transfers out	(1,651,754)	(3,151,754)	(3,159,754)	8,000
Sale of capital assets	-	-	40,081	(40,081)
Total other financing sources (uses)	25,108,084	25,349,306	23,494,404	1,854,902
Net change in fund balances	\$ (250,000)	\$ (587,272)	274,749	\$ (862,021)
Fund balance, beginning of year			1,769,739	
Fund balance, end of year			\$ 2,044,488	

CITY OF BILLINGS, MONTANA
Major Special Revenue Fund - American Rescue Plan Act Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual

For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 7,000,000	\$ (7,000,000)
Other	- -	- -	(108,215)	108,215
Total revenues	- -	- -	6,891,785	(6,891,785)
Expenditures:				
Capital Outlay	- -	7,000,000	2,298,750	4,701,250
Total expenditures	- -	7,000,000	2,298,750	4,701,250
Revenues over (under) expenditures	- -	(7,000,000)	4,593,035	(11,593,035)
Net change in fund balances	\$ - -	\$ (7,000,000)	\$ 4,593,035	\$ (11,593,035)
Fund balance, beginning of year			(3,879)	
Fund balance, end of year			\$ 4,589,156	

NONMAJOR GOVERNMENT FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources that are administratively or legally restricted to expenditures for specified purposes.

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for, and payment of, interest, principal and related costs on bonded general long-term debt.

NONMAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds) and the construction of public improvements that are financed through assessments to individual property owners.

NONMAJOR PERMANENT FUND

The Permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

CITY OF BILLINGS, MONTANA
Nonmajor Government Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 37,978,244	\$ 1,585,052	\$ 7,999,336	\$ 401,452	\$ 47,964,084
Cash with fiscal agent	1,621,498	3,259,930	-	-	4,881,428
Investments	35,722,084	1,478,071	7,653,352	376,269	45,229,776
Receivables:					
Property taxes	281,553	58,972	-	-	340,525
Accounts and unbilled usage	159,447	-	-	-	159,447
Delinquent special assessments	962,654	68,821	-	-	1,031,475
Special assessments receivable	-	8,955,258	-	-	8,955,258
Accrued interest	26,732	1,491	4,771	285	33,279
Notes	1,411,464	-	-	-	1,411,464
Due from other funds	809,728	-	-	-	809,728
Due from other governments	867,157	-	-	-	867,157
Inventories	161,848	-	-	-	161,848
Property held for resale	35,000	155,997	187,828	-	378,825
Total assets	\$ 80,037,409	\$ 15,563,592	\$ 15,845,287	\$ 778,006	\$112,224,294
Liabilities, Deferred Inflows and Fund Balances					
Liabilities:					
Accounts payable	\$ 4,881,482	\$ -	\$ 272,581	\$ -	\$ 5,154,063
Accrued wages & benefits	583,274	-	-	-	583,274
Unearned Revenue	1,324,734	-	-	-	1,324,734
Other liabilities	-	73,000	-	-	73,000
Due to other funds	136,741	-	809,727	-	946,468
Total liabilities	\$ 6,926,231	\$ 73,000	\$ 1,082,308	\$ -	\$ 8,081,539
Deferred inflows:					
Unavailable Revenue	1,642,426	8,971,690	-	-	10,614,116
Fund balance:					
Unspendable	161,848	-	-	778,006	939,854
Restricted	55,972,023	6,520,291	15,595,156	-	78,087,470
Committed	15,399,121	-	-	-	15,399,121
Unassigned	(64,240)	(1,389)	(832,177)	-	(897,806)
Total fund balances	\$ 71,468,752	\$ 6,518,902	\$ 14,762,979	\$ 778,006	\$ 93,528,639
Total liabilities, deferred inflows and fund balances	\$ 80,037,409	\$ 15,563,592	\$ 15,845,287	\$ 778,006	\$112,224,294

CITY OF BILLINGS, MONTANA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 8,954,497	\$ 1,767,974	\$ -	\$ -	\$ 10,722,471
Licenses and permits	3,148,747	-	-	-	3,148,747
Intergovernmental	12,559,104	-	-	-	12,559,104
Charges for services	10,418,531	-	-	25,532	10,444,063
Fines and forfeitures	341,155	-	-	-	341,155
Special assessments	25,958,125	1,669,568	-	-	27,627,693
Other	489,004	251,185	311,308	(10,972)	1,040,525
Total revenues	61,869,163	3,688,727	311,308	14,560	65,883,758
Expenditures:					
Current:					
General government	2,852,546	20,183	129,731	-	3,002,460
Public safety	4,430,845	-	1,308	-	4,432,153
Public works	23,724,494	16,320	293,831	-	24,034,645
Culture and recreation	6,435,239	-	-	-	6,435,239
Housing and economic development	4,116,750	-	9,672	-	4,126,422
Capital outlay	17,227,665	-	19,614,625	-	36,842,290
Debt service:					
Principal	985,000	11,682,107	-	-	12,667,107
Interest and fiscal charges	1,203,334	1,280,388	-	-	2,483,722
Bond issuance costs	-	-	174,777	-	174,777
Total expenditures	60,975,873	12,998,998	20,223,944	-	94,198,815
Revenues over (under) expenditures	893,290	(9,310,271)	(19,912,636)	14,560	(28,315,057)
Other financing sources (uses):					
Transfers in	3,701,130	1,296,555	23,720,716	-	28,718,401
Transfers out	(3,787,752)	(1,749,319)	(52,235)	(1,972)	(5,591,278)
Special assessment bonds issued	-	-	4,000,000	-	4,000,000
Sale of capital assets	25,241	-	10,806	-	36,047
Total other financing sources (uses)	(61,381)	(452,764)	27,679,287	(1,972)	27,163,170
Net change in fund balances	831,909	(9,763,035)	7,766,651	12,588	(1,151,887)
Fund balance, beginning of year	70,636,843	16,281,937	6,996,328	765,418	94,680,526
Fund balance, end of year	\$ 71,468,752	\$ 6,518,902	\$ 14,762,979	\$ 778,006	\$ 93,528,639

NONMAJOR SPECIAL REVENUE FUNDS

The City's non-major special revenue funds and their purposes are:

- The Gas Tax Fund accounts for revenues received from the State of Montana gasoline tax.
- The EOC 911 Fund accounts for monies received from the State of Montana 911 program.
- The Animal Shelter Donations Fund accounts for donations to the Animal Shelter for specific purposes.
- The Development Services Grants Fund accounts for revenues from the Federal government for community and housing related programs.
- The Library Fund accounts for operations of the Billings Library.
- The Cemetery Improvements Fund accounts for expansion projects at the cemetery.
- The Street Maintenance Districts Fund accounts for various street programs.
- The Road Maintenance District Fund accounts for special assessments that support maintenance for an emergency route in and out of Briarwood Subdivision.
- The Light Maintenance Districts Fund accounts for the maintenance of street lighting systems within several such districts in the City.
- The Park Maintenance Districts Fund accounts for revenues and expenditures which are related to parks maintenance within the various districts of the City.
- The Storm Sewer Fund accounts for the operation and maintenance of the storm sewer system.
- The North 27th Street Tax Increment Operating Fund accounts for revenues from property tax levies on increased taxable values in the North 27th Street Tax Increment District. Amounts collected are used for the benefit of the tax increment district from which collections were assessed. Major revenue sources include property tax and revenue bond proceeds.

- The South Tax Increment Operating Fund accounts for revenues from property tax levies in the South Tax Increment District, not including the Miller Crossing properties, on increased values. Amounts collected are used for the benefit of the tax increment district from which collections were assessed.
- The East Tax Increment Operating Fund accounts for revenues from property tax levies on increased taxable values in the East Tax Increment District. Amounts collected are used for the benefit of the tax increment district from which collections were assessed.
- The Parks Program Fund accounts for revenues and expenditures related to park acquisitions and park improvements.
- The Police Programs Fund accounts for the following programs: Montana Board of Crime Control, Justice Assistant Grants, High Intensity Drug Traffic Area, Technology Grants, Homeland Security Grants, Internet Crimes Against Children, Highway Traffic Safety Grants, Community Police Officer, and other law enforcement related programs.
- The Amend Park Fund accounts for funds designated for the maintenance of Amend Park.
- The Sidewalk Hazard Repair fund was established to repair sidewalk defects. Repairs are completed without bond financing and are charged to the real property owner.
- The City-County Planning Fund, through an inter-local agreement, accounts for the operation of the Planning Department, which promotes the health, safety, convenience, and welfare of the Community.
- The Building Inspection Fund accounts for building permits and inspections for private construction in the City.
- The Street & Traffic Fund accounts for street cleaning, snow removal, minor street repairs, signage, street striping, forestry, and traffic signal maintenance.
- The City Attorney Grants Fund accounts for grants from the Montana Board of Crime Control that includes the Victim/Witness Grant and Domestic Violence Unit Grant to supplement the City Attorney's efforts.
- The Fire Programs Fund accounts for the Regional HazMat Team, grants, donations, and other fire related programs.
- The Municipal Court Grants Fund is funded by grants.
- The Downtown Revolving Loan Program Fund accounts for low-interest loans to qualified property owners located in downtown Billings. Loans are funded by local banks and the City of Billings.

- Baseball Field/Stadium Donations for Capital Maintenance Fund accounts for donations to fund future capital maintenance for the new baseball field/stadium.
- The Arterial Fees Fund complements other funds in the construction of arterial streets within the City.
- The Ballpark Repair Fund accounts for minor repairs at the ballpark facility.
- The Bike Path/Trail Donation Fund accounts for the funds accumulated for trails development.
- The Park District 1 Fund accounts for the city-wide park assessment, maintenance, and improvements.

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022
(Page 1 of 4)

	Gas Tax Fund	EOC 911 Fund	Animal Shelter Donations Fund	Development Services Grants Fund	Library Fund	Cemetery Improvements Fund	Street Maintenance Districts Fund	Road Maintenance District 6 Fund
Assets								
Cash and cash equivalents	\$ 4,799,969	\$ 2,065,357	\$ 20,088	\$ 394,748	\$ 2,300,351	\$ 125,690	\$ 2,140,139	\$ 9,712
Cash with fiscal agent	-	-	-	-	-	-	-	-
Investments	4,532,011	1,912,251	19,239	366,324	2,161,690	118,216	1,995,918	9,172
Receivables:								
Property taxes	-	-	-	-	34,491	-	-	-
Accounts and unbilled usage	-	-	-	-	-	-	-	-
Delinquent special assessments	-	-	-	-	-	-	352,646	111
Accrued interest	2,704	1,437	15	651	1,470	89	2,370	6
Notes	-	-	-	165,195	-	-	-	-
Due from other funds	809,728	-	-	-	-	-	-	-
Due from other governments	-	-	-	211,254	105,502	-	-	-
Inventories	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	35,000	-	-	-	-
Total assets	<u>\$ 10,144,412</u>	<u>\$ 3,979,045</u>	<u>\$ 39,342</u>	<u>\$ 1,173,172</u>	<u>\$ 4,603,504</u>	<u>\$ 243,995</u>	<u>\$ 4,491,073</u>	<u>\$ 19,001</u>
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	\$ 1,382,864	\$ 354	\$ -	\$ (3,127)	\$ 87,708	\$ -	\$ -	\$ -
Accrued wages & benefits	4,519	8,169	-	23,447	115,375	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned Revenue	1,324,734	-	-	-	-	-	-	-
Total liabilities	<u>2,712,117</u>	<u>8,523</u>	<u>-</u>	<u>20,320</u>	<u>203,083</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:								
Unavailable Revenue	-	-	-	165,195	4,514	-	67,418	28
Fund balances:								
Unspendable	-	-	-	-	-	-	-	-
Restricted	7,432,295	3,970,522	-	987,657	2,329,831	243,995	4,423,655	18,973
Committed	-	-	39,342	-	2,066,076	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>7,432,295</u>	<u>3,970,522</u>	<u>39,342</u>	<u>987,657</u>	<u>4,395,907</u>	<u>243,995</u>	<u>4,423,655</u>	<u>18,973</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 10,144,412</u>	<u>\$ 3,979,045</u>	<u>\$ 39,342</u>	<u>\$ 1,173,172</u>	<u>\$ 4,603,504</u>	<u>\$ 243,995</u>	<u>\$ 4,491,073</u>	<u>\$ 19,001</u>

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022
(Page 2 of 4)

	Light Maintenance Districts Fund	Park Maintenance Districts Fund	Storm Sewer Fund	North 27th Street Tax Increment Operating Fund	South Tax Increment Operating Fund	East Tax Increment Operating Fund	Parks Program Fund
Assets							
Cash and cash equivalents	\$ 1,271,571	\$ 902,082	\$ 2,073,081	\$ 1,356,609	\$ 2,957,043	\$ 745,174	\$ 1,189,285
Cash with fiscal agent	-	-	-	774,293	492,272	354,933	-
Investments	1,200,172	855,117	1,948,449	1,261,028	2,761,644	708,067	1,113,318
Receivables:							
Property taxes	-	-	-	85,204	122,220	39,638	-
Accounts and unbilled usage	-	-	-	-	-	-	-
Delinquent special assessments	101,668	37,344	191,316	-	-	-	-
Accrued interest	871	691	1,606	1,013	2,058	536	859
Notes	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	\$ 2,574,282	\$ 1,795,234	\$ 4,214,452	\$ 3,478,147	\$ 6,335,237	\$ 1,848,348	\$ 2,303,462
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	\$ 137,481	\$ 10,902	\$ 211,325	\$ 95,375	\$ 1,301,220	\$ 34,985	\$ 53,284
Accrued wages & benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total liabilities	137,481	10,902	211,325	95,375	1,301,220	34,985	53,284
Deferred inflows:							
Unavailable Revenue	17,632	6,231	43,592	18,761	14,414	6,938	-
Fund balances:							
Unspendable	-	-	-	-	-	-	-
Restricted	2,419,169	1,778,101	3,959,535	3,364,011	5,019,603	1,806,425	-
Committed	-	-	-	-	-	-	2,250,178
Unassigned	-	-	-	-	-	-	-
Total fund balances	2,419,169	1,778,101	3,959,535	3,364,011	5,019,603	1,806,425	2,250,178
Total liabilities, deferred inflows and fund balances	\$ 2,574,282	\$ 1,795,234	\$ 4,214,452	\$ 3,478,147	\$ 6,335,237	\$ 1,848,348	\$ 2,303,462

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022
(Page 3 of 4)

	Police Programs Fund	Amend Park Fund	Sidewalk Hazard Repair Fund	City-County Planning Fund	Building Inspection Fund	Street & Traffic Fund	City Attorney Grants Fund	Fire Programs Fund
Assets								
Cash and cash equivalents	\$ 735,536	\$ 119,557	\$ 48,442	\$ 335,167	\$ 2,236,164	\$ 3,611,183	\$ 3,436	\$ 136,400
Cash with fiscal agent	-	-	-	-	-	-	-	-
Investments	687,141	112,027	45,486	318,986	2,102,696	3,427,557	2,954	127,858
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Accounts and unbilled usage	78,606	-	1,464	-	79,377	-	-	-
Delinquent special assessments	-	-	337	-	-	-	-	-
Accrued interest	996	85	34	252	1,582	1,240	16	94
Notes	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	197,871	-	-	298,752	-	-	19,289	-
Inventories	-	-	-	-	-	161,848	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	\$ 1,700,150	\$ 231,669	\$ 95,763	\$ 953,157	\$ 4,419,819	\$ 7,201,828	\$ 25,695	\$ 264,352
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	\$ 274,279	\$ -	\$ -	\$ 26,783	\$ 3,764	\$ 178,609	\$ 5,358	\$ 245
Accrued wages & benefits	15,739	-	-	66,177	67,722	218,407	28,091	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total liabilities	290,018	-	-	92,960	71,486	397,016	33,449	245
Deferred inflows:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Fund balances:								
Unspendable	-	-	-	-	-	161,848	-	-
Restricted	1,410,132	-	95,763	860,197	4,348,333	6,642,964	-	264,107
Committed	-	231,669	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(7,754)	-
Total fund balances	1,410,132	231,669	95,763	860,197	4,348,333	6,804,812	(7,754)	264,107
Total liabilities, deferred inflows and fund balances	\$ 1,700,150	\$ 231,669	\$ 95,763	\$ 953,157	\$ 4,419,819	\$ 7,201,828	\$ 25,695	\$ 264,352

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022
(Page 4 of 4)

	Municipal Court Grant Fund	Downtown Revolving Loan Fund	Baseball Field/Stadium Donations for Capital Maintenance Fund	Arterial Fees Fund	Ballpark Repair Fund	Bike Path/Trail Donation Fund	Park District 1 Fund	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 32,231	\$ 727,150	\$ 218,897	\$ 4,795,667	\$ 68,102	\$ 13,360	\$ 2,546,053	\$ 37,978,244
Cash with fiscal agent	-	-	-	-	-	-	-	1,621,498
Investments	31,382	681,157	205,655	4,546,419	63,998	12,380	2,393,772	35,722,084
Receivables:								
Property taxes	-	-	-	-	-	-	-	281,553
Accounts and unbilled usage	-	-	-	-	-	-	-	159,447
Delinquent special assessments	-	-	-	180,576	-	-	98,656	962,654
Accrued interest	(17)	-	155	4,207	50	9	1,653	26,732
Notes	-	1,246,269	-	-	-	-	-	1,411,464
Due from other funds	-	-	-	-	-	-	-	809,728
Due from other governments	34,489	-	-	-	-	-	-	867,157
Inventories	-	-	-	-	-	-	-	161,848
Property held for resale	-	-	-	-	-	-	-	35,000
Total assets	\$ 98,085	\$ 2,654,576	\$ 424,707	\$ 9,526,869	\$ 132,150	\$ 25,749	\$ 5,040,134	\$ 80,037,409
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	\$ 9,414	\$ -	\$ -	\$ 642,679	\$ -	\$ 13,833	\$ 414,147	\$ 4,881,482
Accrued wages & benefits	8,416	-	-	-	-	-	27,212	583,274
Due to other funds	136,741	-	-	-	-	-	-	136,741
Unearned Revenue	-	-	-	-	-	-	-	1,324,734
Total liabilities	154,571	-	-	642,679	-	13,833	441,359	6,926,231
Deferred inflows:								
Unavailable Revenue	-	1,246,269	-	37,498	-	-	13,936	1,642,426
Fund balances:								
Unspendable	-	-	-	-	-	-	-	161,848
Restricted	(56,486)	-	-	-	-	11,916	4,584,839	55,915,537
Committed	-	1,408,307	424,707	8,846,692	132,150	-	-	15,399,121
Unassigned	-	-	-	-	-	-	-	(7,754)
Total fund balances	(56,486)	1,408,307	424,707	8,846,692	132,150	11,916	4,584,839	71,468,752
Total liabilities, deferred inflows and fund balances	\$ 98,085	\$ 2,654,576	\$ 424,707	\$ 9,526,869	\$ 132,150	\$ 25,749	\$ 5,040,134	\$ 80,037,409

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
(Page 1 of 4)

	Gas Tax Fund	EOC 911 Fund	Animal Shelter Donations Fund	Development Services Grants Fund	Library Fund	Cemetery Improvements Fund	Street Maintenance Districts Fund	Road Maintenance District 6 Fund
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,256,371	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	4,033,449	1,026,691	-	1,921,489	1,734,255	-	-	-
Charges for services	-	-	-	5,000	12,884	32,742	-	-
Fines and forfeitures	-	-	-	-	12,589	-	-	-
Special assessments	-	-	-	-	-	-	9,625,744	2,823
Other	(91,523)	(54,505)	(554)	-	56,964	(3,289)	(73,626)	(252)
Total revenues	3,941,926	972,186	(554)	1,926,489	3,073,063	29,453	9,552,118	2,571
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	760,067	-	-	-	-	-	417
Public works	3,549,991	-	-	-	-	-	8,000,346	-
Culture and recreation	-	-	-	-	3,768,638	-	-	-
Housing and economic development	-	-	-	1,618,378	-	-	-	-
Capital outlay	3,293,479	-	-	4,968	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	6,843,470	760,067	-	1,623,346	3,768,638	-	8,000,346	417
Revenues over (under) expenditures	(2,901,544)	212,119	(554)	303,143	(695,575)	29,453	1,551,772	2,154
Other financing sources (uses):								
Transfers in	1,745,000	-	-	65,000	1,127,532	-	-	-
Transfers out	-	-	-	-	(36,869)	-	(1,760,000)	-
Sale of capital assets	-	-	-	25,241	-	-	-	-
Total other financing sources (uses)	1,745,000	-	-	90,241	1,090,663	-	(1,760,000)	-
Net change in fund balances	(1,156,544)	212,119	(554)	393,384	395,088	29,453	(208,228)	2,154
Fund balance, beginning of year	8,588,839	3,758,403	39,896	594,273	4,000,819	214,542	4,631,883	16,819
Fund balance, end of year	\$ 7,432,295	\$ 3,970,522	\$ 39,342	\$ 987,657	\$ 4,395,907	\$ 243,995	\$ 4,423,655	\$ 18,973

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
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	Light Maintenance Districts Fund	Park Maintenance Districts Fund	Storm Sewer Fund	North 27th Street Tax Increment Operating Fund	South Tax Increment Operating Fund	East Tax Increment Operating Fund	Parks Program Fund
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ 2,686,874	\$ 3,678,969	\$ 776,384	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	259,373	287,861	171,479	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Special assessments	2,377,577	1,157,470	4,912,574	-	-	-	-
Other	(16,832)	(22,403)	(246)	(42,717)	(84,711)	(20,809)	139,161
Total revenues	2,360,745	1,135,067	4,912,328	2,903,530	3,882,119	927,054	139,161
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	2,186,961	-	2,015,987	-	-	-	-
Culture and recreation	-	966,872	-	-	-	-	13,188
Housing and economic development	-	-	-	1,634,748	366,376	364,735	-
Capital outlay	-	-	1,107,535	172,507	4,759,701	-	22,270
Debt service:							
Principal	-	-	-	430,000	325,000	230,000	-
Interest and fiscal charges	-	-	-	649,949	319,369	234,016	-
Total expenditures	2,186,961	966,872	3,123,522	2,887,204	5,770,446	828,751	35,458
Revenues over (under) expenditures	173,784	168,195	1,788,806	16,326	(1,888,327)	98,303	103,703
Other financing sources (uses):							
Transfers in	-	-	-	179,373	-	-	342
Transfers out	-	-	(1,020,000)	(309,373)	(214,077)	-	(121,000)
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(1,020,000)	(130,000)	(214,077)	-	(120,658)
Net change in fund balances	173,784	168,195	768,806	(113,674)	(2,102,404)	98,303	(16,955)
Fund balance, beginning of year	2,245,385	1,609,906	3,190,729	3,477,685	7,122,007	1,708,122	2,267,133
Fund balance, end of year	\$ 2,419,169	\$ 1,778,101	\$ 3,959,535	\$ 3,364,011	\$ 5,019,603	\$ 1,806,425	\$ 2,250,178

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
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	Police Programs Fund	Amend Park Fund	Sidewalk Hazard Repair Fund	City-County Planning Fund	Building Inspection Fund	Street & Traffic Fund	City Attorney Grants Fund	Fire Programs Fund
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 555,899	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	83,637	3,065,110	-	-	-
Intergovernmental	661,000	-	-	1,036,321	-	760,485	143,149	70,708
Charges for services	167,301	15,845	(520)	487,745	-	9,696,506	-	-
Fines and forfeitures	275,482	-	-	-	-	-	53,084	-
Special assessments	-	-	1,844	-	-	-	-	-
Other	87,433	(3,295)	(1,296)	(5,884)	(19,092)	(41,870)	(183)	39,216
Total revenues	1,191,216	12,550	28	2,157,718	3,046,018	10,415,121	196,050	109,924
Expenditures:								
Current:								
General government	-	-	-	1,998,432	-	-	531,706	-
Public safety	1,392,861	-	-	-	2,156,727	-	-	120,773
Public works	-	-	(89)	-	-	7,611,791	-	-
Culture and recreation	-	30,646	-	-	-	-	-	-
Housing and economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	47,212	1,196,377	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,392,861	30,646	(89)	1,998,432	2,203,939	8,808,168	531,706	120,773
Revenues over (under) expenditures	(201,645)	(18,096)	117	159,286	842,079	1,606,953	(335,656)	(10,849)
Other financing sources (uses):								
Transfers in	-	-	15,000	-	-	82,000	335,883	-
Transfers out	-	(607)	-	(3,712)	-	(207,502)	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(607)	15,000	(3,712)	-	(125,502)	335,883	-
Net change in fund balances	(201,645)	(18,703)	15,117	155,574	842,079	1,481,451	227	(10,849)
Fund balance, beginning of year	1,611,777	250,372	80,646	704,623	3,506,254	5,323,361	(7,981)	274,956
Fund balance, end of year	\$ 1,410,132	\$ 231,669	\$ 95,763	\$ 860,197	\$ 4,348,333	\$ 6,804,812	\$ (7,754)	\$ 264,107

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

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	Municipal Court Grant Fund	Downtown Revolving Loan Fund	Baseball Field/Stadium Donations for Capital Maintenance Fund	Arterial Fees Fund	Ballpark Repair Fund	Bike Path/Trail Donation Fund	Park District 1 Fund	Total Nonmajor Special Revenue Funds
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,954,497
Licenses and permits	-	-	-	-	-	-	-	3,148,747
Intergovernmental	254,341	-	-	-	-	-	198,503	12,559,104
Charges for services	1,028	-	-	-	-	-	-	10,418,531
Fines and forfeitures	-	-	-	-	-	-	-	341,155
Special assessments	-	-	-	4,759,537	-	-	3,120,556	25,958,125
Other	26	625,595	61,708	(109,577)	(2,037)	84,496	(10,894)	489,004
Total revenues	255,395	625,595	61,708	4,649,960	(2,037)	84,496	3,308,165	61,869,163
Expenditures:								
Current:								
General government	322,408	-	-	-	-	-	-	2,852,546
Public safety	-	-	-	-	-	-	-	4,430,845
Public works	-	-	-	359,507	-	-	-	23,724,494
Culture and recreation	-	-	9,309	-	15,073	-	1,631,513	6,435,239
Housing and economic development	-	132,513	-	-	-	-	-	4,116,750
Capital outlay	-	-	-	4,630,372	-	72,580	1,920,664	17,227,665
Debt service:								
Principal	-	-	-	-	-	-	-	985,000
Interest and fiscal charges	-	-	-	-	-	-	-	1,203,334
Total expenditures	322,408	132,513	9,309	4,989,879	15,073	72,580	3,552,177	60,975,873
Revenues over (under) expenditures	(67,013)	493,082	52,399	(339,919)	(17,110)	11,916	(244,012)	893,290
Other financing sources (uses):								
Transfers in	-	-	-	-	30,000	-	121,000	3,701,130
Transfers out	(37,912)	-	-	-	-	-	(76,700)	(3,787,752)
Sale of capital assets	-	-	-	-	-	-	-	25,241
Total other financing sources (uses)	(37,912)	-	-	-	30,000	-	44,300	(61,381)
Net change in fund balances	(104,925)	493,082	52,399	(339,919)	12,890	11,916	(199,712)	831,909
Fund balance, beginning of year	48,439	915,225	372,308	9,186,611	119,260	-	4,784,551	70,636,843
Fund balance, end of year	\$ (56,486)	\$ 1,408,307	\$ 424,707	\$ 8,846,692	\$ 132,150	\$ 11,916	\$ 4,584,839	\$ 71,468,752

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Gas Tax Fund				EOC 911 Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,829,659	3,829,659	4,033,449	(203,790)	1,034,662	1,034,662	1,026,691	7,971
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	50,000	50,000	(91,523)	141,523	14,748	14,748	(54,505)	69,253
Total revenues	3,879,659	3,879,659	3,941,926	(62,267)	1,049,410	1,049,410	972,186	77,224
Expenditures:								
Current:								
Salaries and benefits	89,369	90,082	87,944	2,138	175,420	176,704	236,338	(59,634)
Operations and maintenance	315,315	361,303	3,462,047	(3,100,744)	960,497	960,497	523,729	436,768
Capital outlay	7,410,000	12,485,039	3,293,479	9,191,560	-	2,195,000	-	2,195,000
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	7,814,684	12,936,424	6,843,470	6,092,954	1,135,917	3,332,201	760,067	2,572,134
Revenues over (under) expenditures	(3,935,025)	(9,056,765)	(2,901,544)	(6,155,221)	(86,507)	(2,282,791)	212,119	(2,494,910)
Other financing sources (uses):								
Transfers in	1,760,000	1,760,000	1,745,000	15,000	-	-	-	-
Transfers out	(85,000)	(85,000)	-	(85,000)	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,675,000	1,675,000	1,745,000	(70,000)	-	-	-	-
Net change in fund balances	\$ (2,260,025)	\$ (7,381,765)	(1,156,544)	\$ (6,225,221)	\$ (86,507)	\$ (2,282,791)	212,119	\$ (2,494,910)
Fund balance, beginning of year			8,588,839				3,758,403	
Fund balance, end of year			\$ 7,432,295				\$ 3,970,522	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Animal Shelter Donation Fund				Development Services Grant Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,048,773	3,260,094	1,921,489	1,338,605
Charges for services	-	-	-	-	15,000	15,000	5,000	10,000
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	156	156	(554)	710	202,355	202,355	-	202,355
Total revenues	156	156	(554)	710	2,266,128	3,477,449	1,926,489	1,550,960
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	478,259	492,298	451,212	41,086
Operations and maintenance	-	-	-	-	1,650,514	3,803,369	1,167,165	2,636,204
Capital outlay	-	-	-	-	-	1,023,000	4,968	1,018,032
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	2,128,773	5,318,667	1,623,345	3,695,322
Revenues over (under) expenditures	156	156	(554)	710	137,355	(1,841,218)	303,144	(2,144,362)
Other financing sources (uses):								
Transfers in	-	-	-	-	65,000	65,000	65,000	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	25,241	(25,241)
Total other financing sources (uses)	-	-	-	-	65,000	65,000	90,241	(25,241)
Net change in fund balances	\$ 156	\$ 156	(554)	\$ 710	\$ 202,355	\$ (1,776,218)	393,385	\$ (2,169,603)
Fund balance, beginning of year			39,896				594,273	
Fund balance, end of year			\$ 39,342				\$ 987,658	

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CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Library Fund				Cemetery Improvements Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 1,246,655	\$ 1,246,655	\$ 1,256,370	\$ (9,715)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,630,704	1,630,704	1,734,255	(103,551)	-	-	-	-
Charges for services	14,075	14,075	12,884	1,191	14,000	14,000	32,742	(18,742)
Fines and forfeitures	59,000	59,000	12,589	46,411	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	109,803	109,803	56,965	52,838	752	752	(3,289)	4,041
Total revenues	3,060,237	3,060,237	3,073,063	(12,826)	14,752	14,752	29,453	(14,701)
Expenditures:								
Current:								
Salaries and benefits	2,494,924	2,515,035	2,412,504	102,531	-	-	-	-
Operations and maintenance	1,433,431	1,619,193	1,356,134	263,059	57,000	57,000	-	57,000
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	3,928,355	4,134,228	3,768,638	365,590	57,000	57,000	29,453	57,000
Revenues over (under) expenditures	(868,118)	(1,073,991)	(695,575)	(378,416)	(42,248)	(42,248)	29,453	(71,701)
Other financing sources (uses):								
Transfers in	1,121,989	1,121,989	1,127,532	(5,543)	-	-	-	-
Transfers out	(36,869)	(36,869)	(36,869)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,085,120	1,085,120	1,090,663	(5,543)	-	-	-	-
Net change in fund balances	\$ 217,002	\$ 11,129	395,088	\$ (383,959)	\$ (42,248)	\$ (42,248)	29,453	\$ (71,701)
Fund balance, beginning of year			4,000,819				214,542	
Fund balance, end of year			\$ 4,395,907				\$ 243,995	

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CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Street Maintenance Districts Fund				Road Maintenance Dist. 6 Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	9,391,000	9,391,000	9,625,744	(234,744)	2,875	2,875	2,823	52
Other	35,800	35,800	(73,626)	109,426	56	56	(252)	308
Total revenues	9,426,800	9,426,800	9,552,118	(125,318)	2,931	2,931	2,571	360
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	7,999,345	7,999,345	8,000,346	(1,001)	417	417	417	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	7,999,345	7,999,345	8,000,346	(1,001)	417	417	417	-
Revenues over (under) expenditures	1,427,455	1,427,455	1,551,772	(124,317)	2,514	2,514	2,154	360
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,760,000)	(1,760,000)	(1,760,000)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,760,000)	(1,760,000)	(1,760,000)	-	-	-	-	-
Net change in fund balances	\$ (332,545)	\$ (332,545)	(208,228)	\$ (124,317)	\$ 2,514	\$ 2,514	2,154	\$ 360
Fund balance, beginning of year			4,631,883				16,819	
Fund balance, end of year			\$4,423,655				\$ 18,973	

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CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Light Maintenance Districts Fund				Park Maintenance Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	2,500,000	2,500,000	2,377,577	122,423	1,137,200	1,137,200	1,157,470	(20,270)
Other	30,000	30,000	(16,832)	46,832	4,046	4,046	(22,403)	26,449
Total revenues	2,530,000	2,530,000	2,360,745	169,255	1,141,246	1,141,246	1,135,067	6,179
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	2,918,989	2,971,929	2,186,961	784,968	1,043,400	1,043,485	966,872	76,613
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	2,918,989	2,971,929	2,186,961	784,968	1,043,400	1,043,485	966,872	76,613
Revenues over (under) expenditures	(388,989)	(441,929)	173,784	(615,713)	97,846	97,761	168,195	(70,434)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (388,989)	\$ (441,929)	173,784	\$ (615,713)	\$ 97,846	\$ 97,761	168,195	\$ (70,434)
Fund balance, beginning of year			2,245,385				1,609,906	
Fund balance, end of year			\$ 2,419,169				\$ 1,778,101	

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CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Storm Sewer Fund				North 27th Street Tax Increment Operating Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,626,000	\$ 2,626,000	\$ 2,686,874	\$ (60,874)
Licenses and permits	3,000	3,000	-	3,000	-	-	-	-
Intergovernmental	-	-	-	-	211,821	211,821	259,373	(47,552)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	4,700,000	4,700,000	4,912,574	(212,574)	-	-	-	-
Other	47,252	47,252	(246)	47,498	14,458	14,458	(42,717)	57,175
Total revenues	4,750,252	4,750,252	4,912,328	(162,076)	2,852,279	2,852,279	2,903,530	(51,251)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	1,959,798	2,536,514	2,015,987	520,527	2,237,648	2,556,574	1,634,748	921,826
Capital outlay	2,090,000	4,078,474	1,107,535	2,970,939	-	33,846	172,507	(138,661)
Debt service:								
Principal	-	-	-	-	430,000	430,000	430,000	-
Interest and fiscal charges	-	-	-	-	651,107	651,107	649,949	1,158
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	4,049,798	6,614,988	3,123,522	3,491,466	3,318,755	3,671,527	2,887,204	784,323
Revenues over (under) expenditures	700,454	(1,864,736)	1,788,806	(3,653,542)	(466,476)	(819,248)	16,326	(835,574)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	179,373	(179,373)
Transfers out	(1,015,000)	(1,015,000)	(1,020,000)	5,000	(130,000)	(130,000)	(309,373)	179,373
Issuance of debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,015,000)	(1,015,000)	(1,020,000)	5,000	(130,000)	(130,000)	(130,000)	-
Net change in fund balances	\$ (314,546)	\$ (2,879,736)	768,806	\$ (3,648,542)	\$ (596,476)	\$ (949,248)	(113,674)	\$ (835,574)
Fund balance, beginning of year			3,190,729				3,477,685	
Fund balance, end of year			\$ 3,959,535				\$ 3,364,011	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	South Tax Increment Operating Fund				East Tax Increment Operating Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 3,611,000	\$ 3,611,000	\$ 3,678,969	\$ (67,969)	\$ 768,000	\$ 768,000	\$ 776,384	\$ (8,384)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	256,218	256,218	287,861	(31,643)	146,654	146,654	171,479	(24,825)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	22,104	22,104	(84,711)	106,815	3,444	3,444	(20,809)	24,253
Total revenues	3,889,322	3,889,322	3,882,119	7,203	918,098	918,098	927,054	(8,956)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	2,002,687	2,002,687	366,376	1,636,311	342,403	387,333	364,735	22,598
Capital outlay	4,430,948	7,114,614	4,759,701	2,354,913	-	-	-	-
Debt service:								
Principal	325,000	325,000	325,000	-	230,000	230,000	230,000	-
Interest and fiscal charges	319,319	319,319	319,369	(50)	234,014	234,014	234,016	(2)
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	7,077,954	9,761,620	5,770,446	3,991,174	806,417	851,347	828,751	22,596
Revenues over (under) expenditures	(3,188,632)	(5,872,298)	(1,888,327)	(3,983,971)	111,681	66,751	98,303	(31,552)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(250,000)	(250,000)	(214,077)	(35,923)	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(250,000)	(250,000)	(214,077)	(35,923)	-	-	-	-
Net change in fund balances	\$3,438,632	\$6,122,298	(2,102,404)	\$4,019,894	\$ 111,681	\$ 66,751	98,303	\$ (31,552)
Fund balance, beginning of year			7,122,007				1,708,122	
Fund balance, end of year			\$ 5,019,603				\$ 1,806,425	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Park Program Fund				Police Program Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	750	750	-	750	529,439	529,439	661,000	(131,561)
Charges for services	-	-	-	-	178,486	178,486	167,301	11,185
Fines and forfeitures	-	-	-	-	100,450	100,450	275,482	(175,032)
Special assessments	-	-	-	-	-	-	-	-
Other	123,842	123,842	139,161	(15,319)	87,507	87,507	87,433	74
Total revenues	124,592	124,592	139,161	(14,569)	895,882	895,882	1,191,216	(295,334)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	353,666	354,287	314,171	40,116
Operations and maintenance	50,076	53,926	13,188	40,738	620,711	1,442,482	1,078,690	363,792
Capital outlay	-	20,861	22,270	(1,409)	60,000	60,000	-	60,000
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-
Total expenditures	50,076	74,787	35,458	39,329	1,034,377	1,856,769	1,392,861	463,908
Revenues over (under) expenditures	74,516	49,805	103,703	(53,898)	(138,495)	(960,887)	(201,645)	(759,242)
Other financing sources (uses):								
Transfers in	5,000	5,000	342	4,658	-	-	-	-
Transfers out	-	(121,000)	(121,000)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,000	(116,000)	(120,658)	4,658	-	-	-	-
Net change in fund balances	\$ 79,516	\$ (66,195)	(16,955)	\$ (49,240)	\$ (138,495)	\$ (960,887)	(201,645)	\$ (759,242)
Fund balance, beginning of year			2,267,133				1,611,777	
Fund balance, end of year			\$2,250,178					\$1,410,132

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Amend Park Fund				Sidewalk Hazard Repair Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	20,000	20,000	15,845	4,155	12,000	12,000	(520)	12,520
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	60,000	60,000	1,844	58,156
Other	1,011	1,011	(3,295)	4,306	200	200	(1,296)	1,496
Total revenues	<u>21,011</u>	<u>21,011</u>	<u>12,550</u>	<u>8,461</u>	<u>72,200</u>	<u>72,200</u>	<u>28</u>	<u>72,172</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	35,976	35,976	30,646	5,330	182,000	199,600	(89)	199,689
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>35,976</u>	<u>35,976</u>	<u>30,646</u>	<u>5,330</u>	<u>182,000</u>	<u>199,600</u>	<u>(89)</u>	<u>199,689</u>
Revenues over (under) expenditures	<u>(14,965)</u>	<u>(14,965)</u>	<u>(18,096)</u>	<u>3,131</u>	<u>(109,800)</u>	<u>(127,400)</u>	<u>117</u>	<u>(127,517)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	85,000	85,000	15,000	70,000
Transfers out	(4,500)	(4,500)	(607)	(3,893)	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(4,500)</u>	<u>(4,500)</u>	<u>(607)</u>	<u>(3,893)</u>	<u>85,000</u>	<u>85,000</u>	<u>15,000</u>	<u>70,000</u>
Net change in fund balances	<u>\$ (19,465)</u>	<u>\$ (19,465)</u>	<u>(18,703)</u>	<u>\$ (762)</u>	<u>\$ (24,800)</u>	<u>\$ (42,400)</u>	<u>15,117</u>	<u>\$ (57,517)</u>
Fund balance, beginning of year			250,372				80,646	
Fund balance, end of year			<u>\$ 231,669</u>				<u>\$ 95,763</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	City-County Planning Fund				Building Inspection Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 523,000	\$ 523,000	\$ 555,899	\$ (32,899)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	50,275	50,275	83,637	(33,362)	1,974,600	1,974,600	3,065,110	(1,090,510)
Intergovernmental	969,969	969,969	1,036,321	(66,352)	-	-	-	-
Charges for services	303,493	303,493	487,745	(184,252)	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	1,730	1,730	(5,884)	7,614	20,500	20,500	(19,092)	39,592
Total revenues	1,848,467	1,848,467	2,157,718	(309,251)	1,995,100	1,995,100	3,046,018	(1,050,918)
Expenditures:								
Current:								
Salaries and benefits	1,292,276	1,303,257	1,292,871	10,386	1,369,829	1,381,233	1,380,499	734
Operations and maintenance	762,407	900,655	705,561	195,094	682,273	682,273	776,228	(93,955)
Capital outlay	-	-	-	-	385,000	439,316	47,212	392,104
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	2,054,683	2,203,912	1,998,432	205,480	2,437,102	2,502,822	2,203,939	298,883
Revenues over (under) expenditures	(206,216)	(355,445)	159,286	(514,731)	(442,002)	(507,722)	842,079	(1,349,801)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(3,712)	(3,712)	(3,712)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(3,712)	(3,712)	(3,712)	-	-	-	-	-
Net change in fund balances	\$ (209,928)	\$ (359,157)	155,574	\$ (514,731)	\$ (442,002)	\$ (507,722)	842,079	\$ (1,349,801)
Fund balance, beginning of year			704,623				3,506,254	
Fund balance, end of year			\$ 860,197					\$4,348,333

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Street & Traffic Fund				City Attorney Grants Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	751,000	751,000	760,485	(9,485)	185,000	185,000	143,149	41,851
Charges for services	9,506,500	9,506,500	9,696,506	(190,006)	-	-	-	-
Fines and forfeitures	-	-	-	-	45,000	45,000	53,084	(8,084)
Special assessments	-	-	-	-	-	-	-	-
Other	35,000	35,000	(41,870)	76,870	-	-	(183)	183
Total revenues	10,292,500	10,292,500	10,415,121	(122,621)	230,000	230,000	196,050	33,950
Expenditures:								
Current:								
Salaries and benefits	4,448,141	4,480,861	4,005,182	475,679	548,377	553,136	515,484	37,652
Operations and maintenance	4,074,608	4,306,499	3,606,609	699,890	-	-	16,222	(16,222)
Capital outlay	909,265	1,903,548	1,196,377	707,171	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	9,432,014	10,690,908	8,808,168	1,882,740	548,377	553,136	531,706	21,430
Revenues over (under) expenditures	860,486	(398,408)	1,606,953	(2,005,361)	(318,377)	(323,136)	(335,656)	12,520
Other financing sources (uses):								
Transfers in	-	-	82,000	(82,000)	315,000	315,000	335,883	(20,883)
Transfers out	(207,502)	(207,502)	(207,502)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(207,502)	(207,502)	(125,502)	(82,000)	315,000	315,000	335,883	(20,883)
Net change in fund balances	\$ 652,984	\$ (605,910)	1,481,451	\$ (2,087,361)	\$ (3,377)	\$ (8,136)	227	\$ (8,363)
Fund balance, beginning of year			5,323,361				(7,981)	
Fund balance, end of year			\$ 6,804,812				\$ (7,754)	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Fire Program Fund				Municipal Court Grant Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	685,000	685,000	70,708	614,292	524,867	524,867	254,341	270,526
Charges for services	-	-	-	-	-	-	1,028	(1,028)
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	21,916	21,916	39,216	(17,300)	147	147	26	121
Total revenues	706,916	706,916	109,924	596,992	525,014	525,014	255,395	269,619
Expenditures:								
Current:								
Salaries and benefits	7,040	7,040	-	7,040	158,726	159,943	161,835	(1,892)
Operations and maintenance	769,550	769,550	120,773	648,777	368,595	368,595	160,573	208,022
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	776,590	776,590	120,773	655,817	527,321	528,538	322,408	206,130
Revenues over (under) expenditures	(69,674)	(69,674)	(10,849)	(58,825)	(2,307)	(3,524)	(67,013)	63,489
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(37,912)	37,912
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(37,912)	37,912
Net change in fund balances	\$ (69,674)	\$ (69,674)	(10,849)	\$ (58,825)	\$ (2,307)	\$ (3,524)	(104,925)	\$ 101,401
Fund balance, beginning of year			274,956				48,439	
Fund balance, end of year			<u>\$ 264,107</u>				<u>\$ (56,486)</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Downtown Revolving Loan Fund				Baseball Field / Stadium Donation For Capital Maintenance Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	226,000	226,000	625,595	(399,595)	61,370	61,370	61,708	(338)
Total revenues	<u>226,000</u>	<u>226,000</u>	<u>625,595</u>	<u>(399,595)</u>	<u>61,370</u>	<u>61,370</u>	<u>61,708</u>	<u>(338)</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	428,827	428,827	132,513	296,314	686	10,346	9,309	1,037
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>428,827</u>	<u>428,827</u>	<u>132,513</u>	<u>296,314</u>	<u>686</u>	<u>10,346</u>	<u>9,309</u>	<u>1,037</u>
Revenues over (under) expenditures	<u>(202,827)</u>	<u>(202,827)</u>	<u>493,082</u>	<u>(695,909)</u>	<u>60,684</u>	<u>51,024</u>	<u>52,399</u>	<u>(1,375)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (202,827)</u>	<u>\$ (202,827)</u>	<u>493,082</u>	<u>\$ (695,909)</u>	<u>\$ 60,684</u>	<u>\$ 51,024</u>	<u>52,399</u>	<u>\$ (1,375)</u>
Fund balance, beginning of year			915,225				372,308	
Fund balance, end of year			<u>\$ 1,408,307</u>				<u>\$ 424,707</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
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	Arterial Fees Fund				Ballpark Repair Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	7,620,385	7,620,385	-	7,620,385	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	4,600,000	4,600,000	4,759,537	(159,537)	-	-	-	-
Other	40,000	40,000	(109,577)	149,577	361	361	(2,037)	2,398
Total revenues	12,260,385	12,260,385	4,649,960	7,610,425	361	361	(2,037)	2,398
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	168,968	168,968	359,507	(190,539)	30,368	30,368	15,073	15,295
Capital outlay	13,817,000	18,440,272	4,630,372	13,809,900	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	13,985,968	18,609,240	4,989,879	13,619,361	30,368	30,368	15,073	15,295
Revenues over (under) expenditures	(1,725,583)	(6,348,855)	(339,919)	(6,008,936)	(30,007)	(30,007)	(17,110)	(12,897)
Other financing sources (uses):								
Transfers in	-	-	-	-	30,000	30,000	30,000	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	30,000	30,000	30,000	-
Net change in fund balances	\$(1,725,583)	\$(6,348,855)	(339,919)	\$(6,008,936)	\$ (7)	\$ (7)	12,890	\$ (12,897)
Fund balance, beginning of year			9,186,611				119,260	
Fund balance, end of year			\$8,846,692				\$ 132,150	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
(Page 15 of 16)

	Park District 1 Fund				Bike Path/Trail Donation			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	198,503	(198,503)	4,036,380	4,036,380	-	4,036,380
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	3,061,515	3,061,515	3,120,556	(59,041)	-	-	-	-
Other	15,561	15,561	(10,894)	26,455	85,000	85,000	84,496	504
Total revenues	<u>3,077,076</u>	<u>3,077,076</u>	<u>3,308,165</u>	<u>(231,089)</u>	<u>4,121,380</u>	<u>4,121,380</u>	<u>84,496</u>	<u>4,036,884</u>
Expenditures:								
Current:								
Salaries and benefits	350,626	352,674	335,151	17,523	-	-	-	-
Operations and maintenance	1,332,517	1,344,937	1,296,362	48,575	-	-	-	-
Capital outlay	2,140,665	2,345,899	1,920,664	425,235	4,121,380	4,121,380	72,580	4,048,800
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>3,823,808</u>	<u>4,043,510</u>	<u>3,552,177</u>	<u>491,333</u>	<u>4,121,380</u>	<u>4,121,380</u>	<u>72,580</u>	<u>4,048,800</u>
Revenues over (under) expenditures	<u>(746,732)</u>	<u>(966,434)</u>	<u>(244,012)</u>	<u>(722,422)</u>	<u>-</u>	<u>-</u>	<u>11,916</u>	<u>(11,916)</u>
Other financing sources (uses):								
Transfers in	-	121,000	121,000	-	-	-	-	-
Transfers out	(76,700)	(76,700)	(76,700)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(76,700)</u>	<u>44,300</u>	<u>44,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (823,432)</u>	<u>\$ (922,134)</u>	<u>(199,712)</u>	<u>\$ (722,422)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,916</u>	<u>\$ (11,916)</u>
Fund balance, beginning of year			4,784,551					
Fund balance, end of year			<u>\$ 4,584,839</u>				<u>\$ 11,916</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
(Page 16 of 16)

	Total Nonmajor Special Revenue Funds			
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 8,774,655	\$ 8,774,655	\$ 8,954,496	\$ (179,841)
Licenses and permits	2,027,875	2,027,875	3,148,747	(1,120,872)
Intergovernmental	24,461,281	25,672,602	11,635,506	14,037,096
Charges for services	10,063,554	10,063,554	10,418,531	(354,977)
Fines and forfeitures	204,450	204,450	341,155	(136,705)
Special assessments	25,452,590	25,452,590	25,958,125	(505,535)
Other	1,255,119	1,255,119	1,437,843	(182,724)
Total revenues	72,239,524	73,450,845	61,894,403	11,556,442
Expenditures:				
Current:				
Salaries and benefits	11,766,653	11,866,550	11,193,191	673,359
Operations and maintenance	32,429,006	37,042,648	30,366,682	6,675,966
Capital outlay	35,364,258	54,261,249	17,227,665	37,033,584
Debt service:				
Principal	985,000	985,000	985,000	-
Interest and fiscal charges	1,204,440	1,204,440	1,203,334	1,106
Bond issuance costs	-	-	-	-
Total expenditures	81,749,357	105,359,887	60,975,872	44,384,015
Revenues over (under) expenditures	(9,509,833)	(31,909,042)	918,531	(32,827,573)
Other financing sources (uses):				
Transfers in	3,381,989	3,502,989	3,973,130	(470,141)
Transfers out	(3,569,283)	(3,690,283)	(4,059,752)	369,469
Issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	(187,294)	(187,294)	(86,622)	(100,672)
Net change in fund balances	\$ (9,697,127)	\$ (32,096,336)	831,909	\$ (32,928,245)
Fund balance, beginning of year			70,636,843	
Fund balance, end of year			\$ 71,468,752	

NONMAJOR DEBT SERVICE FUNDS

The City's non-major debt service funds are their purposes are:

- The Series 2012 Library Fund accounts for the payment of debt issued for the construction of the new library building.
- The Storm Sewer Fund accounts for the payment of debt used for the construction of storm sewers.
- The Series 2010 Parks Fund accounts for payment of debt used for City-wide park improvements.
- The Series 2004A Street Improvements Fund accounts for payment of debt used for City-wide street improvements.
- The Series 2015 GO Refunding Fund accounts for the payment of the 2007A Baseball Field & Stadium Fund. A crossover refunding was done in 2015 to retire the debt on 7/1/2017.
- The Special Improvement Districts Fund accounts for the accumulation for and payment of special assessment debt used for the construction of projects within special improvement districts.
- The Sidewalk and Curb Districts Fund accounts for the accumulation for and payment of special assessment debt used for the construction of sidewalks and curbs.

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2022

	Series 2012	Storm Sewer	Series	Series 2004A	Series 2015	Special	Sidewalk	Total
	Library Fund	Fund	2010 Parks	Street Improvements	G.O. Refunding		Curb Districts	Nonmajor
Assets						Districts Fund	Fund	Funds
Cash and cash equivalents	\$ 160,848	\$ 519,434	\$ 57	\$ 6,239	\$ 61,925	\$ 693,732	\$ 142,817	\$ 1,585,052
Cash with fiscal agent	873,593	812,372	-	334,925	679,675	441,671	117,694	3,259,930
Investments	140,882	501,129	(1,565)	2,573	59,569	637,947	137,536	1,478,071
Receivables:								
Property taxes	24,911	-	16	10,782	23,263	-	-	58,972
Delinquent special assessments	-	-	-	-	-	36,329	32,492	68,821
Special assessments receivable	-	-	-	-	-	6,314,717	2,640,541	8,955,258
Accrued interest	183	362	119	29	351	449	(2)	1,491
Property held for resale	-	-	-	-	-	155,997	-	155,997
Total assets	\$ 1,200,417	\$ 1,833,297	\$ (1,373)	\$ 354,548	\$ 824,783	\$ 8,280,842	\$ 3,071,078	\$ 15,563,592
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,000	\$ 10,000	\$ 73,000
Total liabilities	-	-	-	-	-	63,000	10,000	73,000
Deferred Inflows:								
Unavailable Revenue	3,626	-	16	1,556	3,276	6,319,535	2,643,681	8,971,690
Fund balances:								
Restricted	1,196,791	1,833,297	-	352,992	821,507	1,898,307	417,397	6,520,291
Unassigned	-	-	(1,389)	-	-	-	-	(1,389)
Total fund balances	1,196,791	1,833,297	(1,389)	352,992	821,507	1,898,307	417,397	6,518,902
Total liabilities, deferred inflows and fund balances	\$ 1,200,417	\$ 1,833,297	\$ (1,373)	\$ 354,548	\$ 824,783	\$ 8,280,842	\$ 3,071,078	\$ 15,563,592

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Series 2012 Library Fund	Storm Sewer Fund	Series 2010 Parks Fund	Series 2004A Street Improvements Fund	Series 2015 G.O. Refunding Fund	Special Improvement Districts Fund	Sidewalk and Curb Districts Fund	Total Nonmajor Debt Service Funds
Revenues:								
Taxes	\$ 746,535	\$ -	\$ 93	\$ 323,427	\$ 697,919	\$ -	\$ -	\$ 1,767,974
Special assessments	-	-	-	-	-	1,140,897	528,671	1,669,568
Other	287,717	(987)	-	(2,996)	(5,819)	(25,040)	(1,690)	251,185
Total revenues	1,034,252	(987)	93	320,431	692,100	1,115,857	526,981	3,688,727
Expenditures:								
Current:								
General government	9,642	4,204	-	150	6,187	-	-	20,183
Public works	-	-	-	-	-	5,980	10,340	16,320
Debt service:								
Principal	9,075,000	590,000	-	310,000	590,000	773,107	344,000	11,682,107
Interest and fiscal charges	336,040	409,198	-	39,218	158,550	233,237	104,145	1,280,388
Total expenditures	9,420,682	1,003,402	-	349,368	754,737	1,012,324	458,485	12,998,998
Revenues over (under) expenditures	(8,386,430)	(1,004,389)	93	(28,937)	(62,637)	103,533	68,496	(9,310,271)
Other financing sources:								
Transfers in	-	1,020,000	-	-	-	276,555	-	1,296,555
Transfers out	-	-	-	-	-	(1,735,847)	(13,472)	(1,749,319)
Total other financing sources (uses)	-	1,020,000	-	-	-	(1,459,292)	(13,472)	(452,764)
Net change in fund balances	(8,386,430)	15,611	93	(28,937)	(62,637)	(1,355,759)	55,024	(9,763,035)
Fund balance, beginning of year	9,583,221	1,817,686	(1,482)	381,929	884,144	3,254,066	362,373	16,281,937
Fund balance, end of year	\$ 1,196,791	\$ 1,833,297	\$ (1,389)	\$ 352,992	\$ 821,507	\$ 1,898,307	\$ 417,397	\$ 6,518,902

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022

(Page 1 of 4)

	Series 2012 Library Fund				Storm Sewer Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 1,101,750	\$ 1,101,750	\$ 746,535	\$ 355,215	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Other	301,556	301,556	287,717	13,839	4,200	4,200	(987)	5,187
Total revenues	<u>1,403,306</u>	<u>1,403,306</u>	<u>1,034,252</u>	<u>369,054</u>	<u>4,200</u>	<u>4,200</u>	<u>(987)</u>	<u>5,187</u>
Expenditures:								
Current:								
Operations and maintenance	10,793	10,793	9,642	1,151	11,943	11,943	7,108	4,835
Debt service:								
Principal	8,215,000	9,075,000	9,075,000	-	590,000	590,000	590,000	-
Interest and fiscal charges	212,000	337,650	336,040	1,610	406,294	406,294	406,294	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>8,437,793</u>	<u>9,423,443</u>	<u>9,420,682</u>	<u>2,761</u>	<u>1,008,237</u>	<u>1,008,237</u>	<u>1,003,402</u>	<u>4,835</u>
Revenues over (under) expenditures	<u>(7,034,487)</u>	<u>(8,020,137)</u>	<u>(8,386,430)</u>	<u>366,293</u>	<u>(1,004,037)</u>	<u>(1,004,037)</u>	<u>(1,004,389)</u>	<u>352</u>
Other financing sources:								
Transfers in	-	-	-	-	1,015,000	1,015,000	1,020,000	(5,000)
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,020,000</u>	<u>(5,000)</u>
Net change in fund balances	<u>\$ (7,034,487)</u>	<u>\$ (8,020,137)</u>	<u>(8,386,430)</u>	<u>\$ 366,293</u>	<u>\$ 10,963</u>	<u>\$ 10,963</u>	<u>15,611</u>	<u>\$ (4,648)</u>
Fund balance, beginning of year			9,583,221				1,817,686	
Fund balance, end of year			<u>\$ 1,196,791</u>				<u>\$ 1,833,297</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022

(Page 2 of 4)

	Series 2010 Parks Fund				Series 2004A Street Improvements Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ 93	\$ (93)	\$ 326,050	\$ 326,050	\$ 323,427	\$ 2,623
Special assessments	-	-	-	-	-	-	-	-
Other	-	-	-	-	405	405	(2,996)	3,401
Total revenues	<u>-</u>	<u>-</u>	<u>93</u>	<u>(93)</u>	<u>326,455</u>	<u>326,455</u>	<u>320,431</u>	<u>6,024</u>
Expenditures:								
Current:								
Operations and maintenance	-	-	-	-	7,964	7,964	4,518	3,446
Debt service:								
Principal	-	-	-	-	310,000	310,000	310,000	-
Interest and fiscal charges	-	-	-	-	34,850	34,850	34,850	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>352,814</u>	<u>352,814</u>	<u>349,368</u>	<u>3,446</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>93</u>	<u>(93)</u>	<u>(26,359)</u>	<u>(26,359)</u>	<u>(28,937)</u>	<u>2,578</u>
Other financing sources:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>93</u>	<u>\$ (93)</u>	<u>\$ (26,359)</u>	<u>\$ (26,359)</u>	<u>(28,937)</u>	<u>\$ 2,578</u>
Fund balance, beginning of year							381,929	
Fund balance, end of year							<u>\$ 352,992</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022

(Page 3 of 4)

	Series 2015 G.O. Refunding Fund				Special Improvement Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 701,113	\$ 701,113	\$ 697,919	\$ 3,194	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	752,000	752,000	1,140,897	(388,897)
Other	819	819	(5,819)	6,638	9,976	9,976	(25,040)	35,016
Total revenues	<u>701,932</u>	<u>701,932</u>	<u>692,100</u>	<u>9,832</u>	<u>761,976</u>	<u>761,976</u>	<u>1,115,857</u>	<u>(353,881)</u>
Expenditures:								
Current:								
Operations and maintenance	9,500	9,500	6,187	3,313	95,200	95,200	10,445	84,755
Debt service:								
Principal	590,000	590,000	590,000	-	525,000	525,000	773,107	(248,107)
Interest and fiscal charges	158,550	158,550	158,550	-	172,800	172,800	228,772	(55,972)
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>758,050</u>	<u>758,050</u>	<u>754,737</u>	<u>3,313</u>	<u>793,000</u>	<u>793,000</u>	<u>1,012,324</u>	<u>(219,324)</u>
Revenues over (under) expenditures	<u>(56,118)</u>	<u>(56,118)</u>	<u>(62,637)</u>	<u>6,519</u>	<u>(31,024)</u>	<u>(31,024)</u>	<u>103,533</u>	<u>(134,557)</u>
Other financing sources:								
Transfers in	-	-	-	-	-	-	276,555	(276,555)
Transfers out	-	-	-	-	(2,100,000)	(2,100,000)	(1,735,847)	(364,153)
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	(2,100,000)	(2,100,000)	(1,459,292)	(640,708)
Net change in fund balances	<u>\$ (56,118)</u>	<u>\$ (56,118)</u>	<u>(62,637)</u>	<u>\$ 6,519</u>	<u>\$ (2,131,024)</u>	<u>\$ (2,131,024)</u>	<u>(1,355,759)</u>	<u>\$ (775,265)</u>
Fund balance, beginning of year			884,144				3,254,066	
Fund balance, end of year			<u>\$ 821,507</u>				<u>\$ 1,898,307</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
(Page 4 of 4)

	Sidewalk and Curb Districts Fund				Total Nonmajor Debt Service Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,128,913	\$ 2,128,913	\$ 1,767,974	\$ 360,939
Special assessments	500,000	500,000	528,671	(28,671)	1,252,000	1,252,000	1,669,568	(417,568)
Other	500	500	(1,690)	2,190	317,456	317,456	251,185	66,271
Total revenues	500,500	500,500	526,981	(26,481)	3,698,369	3,698,369	3,688,727	9,642
Expenditures:								
Current:								
Operations and maintenance	18,600	18,600	10,340	8,260	154,000	154,000	48,240	105,760
Debt service:								
Principal	375,000	375,000	344,000	31,000	10,605,000	11,465,000	11,682,107	(217,107)
Interest and fiscal charges	121,400	121,400	104,145	17,255	1,105,894	1,231,544	1,268,651	(37,107)
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	515,000	515,000	458,485	56,515	11,864,894	12,850,544	12,998,998	(148,454)
Revenues over (under) expenditures	(14,500)	(14,500)	68,496	(82,996)	(8,166,525)	(9,152,175)	(9,310,271)	158,096
Other financing sources:								
Transfers in	-	-	-	-	1,015,000	1,015,000	1,296,555	(281,555)
Transfers out	-	-	(13,472)	13,472	(2,100,000)	(2,100,000)	(1,749,319)	(350,681)
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Total other financing sources	-	-	(13,472)	13,472	(1,085,000)	(1,085,000)	(452,764)	(632,236)
Net change in fund balances	\$ (14,500)	\$ (14,500)	55,024	\$ (69,524)	\$ (9,251,525)	\$ (10,237,175)	\$ (9,763,035)	\$ 790,332
Fund balance, beginning of year			362,373				16,281,937	
Fund balance, end of year			\$ 417,397				\$ 6,518,902	

NONMAJOR CAPITAL PROJECTS FUNDS

The City's non-major capital projects funds and their purposes are:

- The Urban Renewal Property Acquisition Fund is used to account for the local urban renewal projects.
- The Sidewalk and Curb Districts Fund accounts for the construction of sidewalks and curbs.
- The Special Improvement Districts Fund accounts for the construction of streets, water, and wastewater trunk lines.
- The Capital Replacement Fund is used for capital replacement for governmental funds.
- The Park Construction Fund is used for the construction of parks.
- The Fire Station Construction Fund accounts for the costs of the construction of Fire Station #8.
- The City Hall Construction Fund accounts for the costs to relocate City Hall to the Stillwater Building.
- The Dog Park Construction Fund accounts for the construction of the new dog parks in Billings.

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2022

	Urban Renewal									
	Property Acquisition Fund	Sidewalk and Curb Districts Fund	Special Improvements Districts Fund	Capital Replacement Fund	Park Construction Fund	Fire Station Construction Fund	City Hall Construction Fund	Dog Park Construction Fund	Total Nonmajor Capital Projects Funds	
Assets										
Cash and cash equivalents	\$ 13,263	\$ 70,322	\$ 223,655	\$ 3,552,852	\$ 33,261	\$ 761,556	\$ 3,341,907	\$ 2,520	\$ 7,999,336	
Cash with fiscal agent										
Investments	12,501	64,254	202,026	3,363,940	37,211	715,669	3,255,294	2,457	7,653,352	
Receivables:										
Accrued interest	9	52	133	2,400	20	541	1,614	2	4,771	
Property held for resale	187,828	-	-	-	-	-	-	-	187,828	
Total assets	\$ 213,601	\$ 134,628	\$ 425,814	\$ 6,919,192	\$ 70,492	\$ 1,477,766	\$ 6,598,815	\$ 4,979	\$ 15,845,287	
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ -	\$ 159,299	\$ 77,614	\$ -	\$ -	\$ -	\$ 35,668	\$ -	\$ 272,581	
Due to other funds	-	807,506	2,221	-	-	-	-	-	809,727	
Total Liabilities	-	966,805	79,835	-	-	-	35,668	-	1,082,308	
Fund balance (deficit)										
Restricted	213,601	-	345,979	6,919,192	70,492	1,477,766	6,563,147	4,979	15,595,156	
Unassigned	-	(832,177)	-	-	-	-	-	-	(832,177)	
Total fund balance (deficit)	213,601	(832,177)	345,979	6,919,192	70,492	1,477,766	6,563,147	4,979	14,762,979	
Total liabilities and fund balances	\$ 213,601	\$ 134,628	\$ 425,814	\$ 6,919,192	\$ 70,492	\$ 1,477,766	\$ 6,598,815	\$ 4,979	\$ 15,845,287	

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Urban Renewal Property Acquisition Fund	Sidewalk and Curb Districts Fund	Special Improvements Districts Fund	Capital Replacement Fund	Park Construction Fund	Fire Station Construction Fund	City Hall Construction Fund	Dog Park Construction Fund	Total Nonmajor Capital Projects Funds
Revenues:									
Other	\$ (409)	\$ 390,588	\$ (9,437)	\$ (83,951)	\$ 1,414	\$ (22,234)	\$ 35,331	\$ 6	\$ 311,308
Total revenues	<u>(409)</u>	<u>390,588</u>	<u>(9,437)</u>	<u>(83,951)</u>	<u>1,414</u>	<u>(22,234)</u>	<u>35,331</u>	<u>6</u>	<u>311,308</u>
Expenditures:									
Current:									
General government	-	-	-	1,956	1,912	-	125,863	-	129,731
Public safety	-	-	-	1,308	-	-	-	-	1,308
Public works	-	-	293,831	-	-	-	-	-	293,831
Housing and economic development	9,672	-	-	-	-	-	-	-	9,672
Capital outlay	-	1,680,306	2,487,315	1,671,426	78,697	-	13,696,881	-	19,614,625
Debt service:									
Bond issuance costs	-	15,000	159,777	-	-	-	-	-	174,777
Total expenditures	9,672	1,695,306	2,940,923	1,674,690	80,609	-	13,822,744	-	20,223,944
Revenues over (under) expenditures	<u>(10,081)</u>	<u>(1,304,718)</u>	<u>(2,950,360)</u>	<u>(1,758,641)</u>	<u>(79,195)</u>	<u>(22,234)</u>	<u>(13,787,413)</u>	<u>6</u>	<u>(19,912,636)</u>
Other financing sources (uses):									
Transfers in	-	-	-	1,870,156	-	1,500,000	20,350,560	-	23,720,716
Transfers out	-	-	(52,235)	-	-	-	-	-	(52,235)
Special assessment bonds issued	-	960,000	3,040,000	-	-	-	-	-	4,000,000
Sale of capital assets	-	-	-	10,806	-	-	-	-	10,806
Total other financing sources (uses)	-	960,000	2,987,765	1,880,962	-	1,500,000	20,350,560	-	27,679,287
Net change in fund balances	<u>(10,081)</u>	<u>(344,718)</u>	<u>37,405</u>	<u>122,321</u>	<u>(79,195)</u>	<u>1,477,766</u>	<u>6,563,147</u>	<u>6</u>	<u>7,766,651</u>
Fund balance (deficit), beginning of year	223,682	(487,459)	308,574	6,796,871	149,687	-	-	4,973	6,996,328
Fund balance (deficit), end of year	<u>\$ 213,601</u>	<u>\$ (832,177)</u>	<u>\$ 345,979</u>	<u>\$ 6,919,192</u>	<u>\$ 70,492</u>	<u>\$ 1,477,766</u>	<u>\$ 6,563,147</u>	<u>\$ 4,979</u>	<u>\$ 14,762,979</u>

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022

(Page 1 of 5)

	Urban Renewal Property Acquisition Fund				Sidewalk and Curb Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	\$ 186	\$ 186	\$ (409)	\$ 595	\$1,570,600	\$1,570,600	\$1,350,588	\$ 220,012
Total revenues	<u>186</u>	<u>186</u>	<u>(409)</u>	<u>595</u>	<u>1,570,600</u>	<u>1,570,600</u>	<u>1,350,588</u>	<u>220,012</u>
Expenditures:								
Current:								
Operations and maintenance	12,570	12,570	9,672	2,898	-	-	-	-
Capital outlay	50,000	50,000	-	50,000	1,547,000	3,339,169	1,680,306	1,658,863
Debt service:								
Bond issuance costs	-	-	-	-	23,600	23,600	15,000	8,600
Total expenditures	<u>62,570</u>	<u>62,570</u>	<u>9,672</u>	<u>52,898</u>	<u>1,570,600</u>	<u>3,362,769</u>	<u>1,695,306</u>	<u>1,667,463</u>
Revenues over (under) expenditures	<u>(62,384)</u>	<u>(62,384)</u>	<u>(10,081)</u>	<u>(52,303)</u>	<u>-</u>	<u>(1,792,169)</u>	<u>(344,718)</u>	<u>(1,447,451)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (62,384)</u>	<u>\$ (62,384)</u>	<u>(10,081)</u>	<u>\$ (52,303)</u>	<u>\$ -</u>	<u>\$ (1,792,169)</u>	<u>(344,718)</u>	<u>\$ (1,447,451)</u>
Fund balance (deficit), beginning of year			223,682				(487,459)	
Fund balance (deficit), end of year			<u>\$ 213,601</u>				<u>\$ (832,177)</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
(Page 2 of 5)

	Special Improvement Districts Fund				Capital Replacement Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	\$2,815,200	\$2,815,200	\$3,030,563	\$ (215,363)	\$ 29,585	\$ 29,585	\$ (73,145)	\$ 102,730
Total revenues	<u>2,815,200</u>	<u>2,815,200</u>	<u>3,030,563</u>	<u>(215,363)</u>	<u>29,585</u>	<u>29,585</u>	<u>(73,145)</u>	<u>102,730</u>
Expenditures:								
Current:								
Operations and maintenance	-	-	34,494	(34,494)	3,255	3,255	3,264	(9)
Capital outlay	2,767,200	5,776,118	2,746,652	3,029,466	1,790,072	3,010,029	1,671,426	1,338,603
Debt service:								
Bond issuance costs	48,000	48,000	159,777	(111,777)	-	-	-	-
Total expenditures	<u>2,815,200</u>	<u>5,824,118</u>	<u>2,940,923</u>	<u>2,883,195</u>	<u>1,793,327</u>	<u>3,013,284</u>	<u>1,674,690</u>	<u>1,338,594</u>
Revenues over (under) expenditures	<u>-</u>	<u>(3,008,918)</u>	<u>89,640</u>	<u>(3,098,558)</u>	<u>(1,763,742)</u>	<u>(2,983,699)</u>	<u>(1,747,835)</u>	<u>(1,235,864)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	1,863,206	1,863,206	1,870,156	(6,950)
Transfers out	-	-	(52,236)	52,236	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(52,236)</u>	<u>52,236</u>	<u>1,863,206</u>	<u>1,863,206</u>	<u>1,870,156</u>	<u>(6,950)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (3,008,918)</u>	<u>37,404</u>	<u>\$ (3,046,322)</u>	<u>\$ 99,464</u>	<u>\$ (1,120,493)</u>	<u>122,321</u>	<u>\$ (1,242,814)</u>
Fund balance (deficit), beginning of year			308,574				6,796,871	
Fund balance (deficit), end of year			<u>\$ 345,978</u>				<u>\$ 6,919,192</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022

(Page 3 of 5)

Park Construction Fund **Fire Station Construction Fund**

	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	\$ -	\$ -	\$ 1,414	\$ (1,414)	\$ -	\$ -	\$ (22,234)	\$ 22,234
Total revenues	-	-	1,414	(1,414)	-	-	(22,234)	22,234
Expenditures:								
Current:								
Operations and maintenance	- -	1,913	1,913	-	- -	- -	- -	- -
Capital outlay	- -	78,697	78,696	1	- -	- -	- -	- -
Debt service:								
Bond issuance costs	- -	- -	- -	- -	- -	- -	- -	- -
Total expenditures	- -	80,610	80,609	1	- -	- -	- -	- -
Revenues over (under) expenditures	- -	(80,610)	(79,195)	(1,415)	- -	- -	(22,234)	22,234
Other financing sources (uses):								
Transfers in							1,500,000	(1,500,000)
Transfers out	- -	- -	- -	- -	- -	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -	- -	- -	- -	1,500,000	(1,500,000)
Net change in fund balances	\$ -	\$ (80,610)	(79,195)	\$ (1,415)	\$ -	\$ -	1,477,766	\$(1,477,766)
Fund balance (deficit), beginning of year			149,687				-	
Fund balance (deficit), end of year			<u>\$ 70,492</u>				<u>\$1,477,766</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022

(Page 4 of 5)

	City Hall Construction Fund				Dog Park Construction Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	\$ -	\$ -	\$ 35,331	\$ (35,331)	\$ 10,000	\$ 10,000	\$ 6	\$ 9,994
Total revenues	<u>-</u>	<u>-</u>	<u>35,331</u>	<u>(35,331)</u>	<u>10,000</u>	<u>10,000</u>	<u>6</u>	<u>9,994</u>
Expenditures:								
Current:								
Operations and maintenance	-	-	125,863	(125,863)	-	-	-	-
Capital outlay	11,600,000	20,350,560	13,696,881	6,653,679	10,000	10,000	-	10,000
Debt service:								
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>11,600,000</u>	<u>20,350,560</u>	<u>13,822,744</u>	<u>6,527,816</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Revenues over (under) expenditures	<u>(11,600,000)</u>	<u>(20,350,560)</u>	<u>(13,787,413)</u>	<u>(6,563,147)</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>(6)</u>
Other financing sources (uses):								
Transfers in	11,600,000	20,350,560	20,350,560	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>11,600,000</u>	<u>20,350,560</u>	<u>20,350,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>6,563,147</u>	<u>\$ (6,563,147)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>6</u>	<u>\$ (6)</u>
Fund balance (deficit), beginning of year			-				4,973	
Fund balance (deficit), end of year			<u>\$ 6,563,147</u>				<u>\$ 4,979</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2022
(Page 5 of 5)

	Total Nonmajor Capital Project Funds			
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Other	\$4,425,571	\$4,425,571	\$ 4,322,114	\$ 103,457
Total revenues	<u>4,425,571</u>	<u>4,425,571</u>	<u>4,322,114</u>	<u>103,457</u>
Expenditures:				
Current:				
Operations and maintenance	15,825	17,738	175,206	(157,468)
Capital outlay	17,764,272	32,614,573	19,873,961	12,740,612
Debt service:				
Bond issuance costs	71,600	71,600	174,777	(103,177)
Total expenditures	<u>17,851,697</u>	<u>32,703,911</u>	<u>20,223,944</u>	<u>12,479,967</u>
Revenues over (under) expenditures	<u>(13,426,126)</u>	<u>(28,278,340)</u>	<u>(15,901,830)</u>	<u>(12,376,510)</u>
Other financing sources (uses):				
Transfers in	13,463,206	22,213,766	23,720,716	(1,506,950)
Transfers out	-	-	(52,236)	52,236
Total other financing sources (uses)	<u>13,463,206</u>	<u>22,213,766</u>	<u>23,668,480</u>	<u>(1,454,714)</u>
Net change in fund balances	<u>\$ 37,080</u>	<u>\$(6,064,574)</u>	<u>7,766,650</u>	<u>\$(13,831,224)</u>
Fund balance (deficit), beginning of year			6,996,328	
Fund balance (deficit), end of year			<u>\$14,762,978</u>	

NONMAJOR PERMANENT FUND

The City's non-major permanent fund is:

- The Cemetery Perpetual Care Fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the City's cemeteries.

CITY OF BILLINGS, MONTANA

Nonmajor Permanent Fund

Balance Sheet

June 30, 2022

	Cemetery Perpetual Care Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 401,452
Investments	376,269
Accrued interest receivable	285
Total assets	<u>\$ 778,006</u>
<hr/>	
Fund Balance	
Liabilities:	-
Total liabilities	<u>-</u>
Fund balance:	
Unspendable	\$ 778,006
Total fund balance	<u>\$ 778,006</u>

CITY OF BILLINGS, MONTANA
Nonmajor Permanent Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	\$ 14,750	\$ 14,750	\$ 25,532	\$ 10,782
Other	2,985	2,985	(10,972)	(13,957)
Total revenues	<u>17,735</u>	<u>17,735</u>	<u>14,560</u>	<u>(3,175)</u>
Expenditures:				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	<u>17,735</u>	<u>17,735</u>	<u>14,560</u>	<u>(3,175)</u>
Other financing sources (uses):				
Transfers out	(5,600)	(5,600)	(1,972)	3,628
Total other financing sources (uses)	<u>(5,600)</u>	<u>(5,600)</u>	<u>(1,972)</u>	<u>3,628</u>
Net change in fund balances	<u>\$ 12,135</u>	<u>\$ 12,135</u>	<u>\$ 12,588</u>	<u>\$ 453</u>
Fund balance, beginning of year			765,418	
Fund balance, end of year			<u>\$ 778,006</u>	

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government’s council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government’s council has decided that periodic determination of net income is appropriate for accountability purposes. The City’s nonmajor enterprise funds and their purposes are:

- The Transit Fund accounts for the operation of the City’s public transportation system.
- The Golf Course Fund accounts for the operation of the Par-3 Golf Course.

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Net Position

June 30, 2022

(Page 1 of 2)

Assets	Transit Fund	Golf Course	Total
Current assets:			
Cash and cash equivalents	\$ 2,690,513	\$ 391,040	\$ 3,081,553
Investments	2,538,460	-	2,538,460
Receivables:			
Property taxes	70,861	-	70,861
Accounts and unbilled usage	44,295	-	44,295
Accrued interest	1,793	-	1,793
Receivables from other governments	1,406,459	-	1,406,459
Inventories	186,484	660	187,144
Prepaid items	-	9,383	9,383
Total current assets	6,938,865	401,083	7,339,948
Noncurrent assets:			
Property and equipment:			
Land	1,435,291	-	1,435,291
Buildings	8,642,862	1,741,625	10,384,487
Improvements other than buildings	879,511	-	879,511
Equipment and vehicles	12,240,967	-	12,240,967
Construction in progress	89,365	-	89,365
Less: accumulated depreciation/amortization	(11,103,621)	(1,244,445)	(12,348,066)
Total noncurrent assets	12,184,375	497,180	12,681,555
Total assets	19,123,240	898,263	20,021,503
Deferred Outflows			
Other post employment benefits	611,061	-	611,061
Pensions	148,147	-	148,147
Total assets and deferred outflows	\$ 19,882,448	\$ 898,263	\$ 20,780,711

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Net Position

June 30, 2022

(Page 2 of 2)

	Transit Fund	Golf Course	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 90,150	\$ 12,984	\$ 103,134
Accrued wages and benefits	212,106	62,219	274,325
Compensated absences	384,955	-	384,955
Unearned Revenue	735	-	735
Total current liabilities	687,946	75,203	763,149
Noncurrent liabilities:			
Compensated absences	98,249	-	98,249
Other post employment benefits	618,639	-	618,639
Net pension liability	2,440,072	-	2,440,072
Total noncurrent liabilities	3,156,960	-	3,156,960
Total liabilities	3,844,906	75,203	3,920,109
Deferred Inflows			
Other post employment benefits	1,101,663	-	1,101,663
Pensions	178,008	-	178,008
Total deferred inflows of resources	1,279,671	-	1,279,671
Net Position			
Net investment in capital assets	12,184,375	497,180	12,681,555
Restricted for:			
Unrestricted	2,573,496	325,880	2,899,376
Total net position	14,757,871	823,060	15,580,931
Total liabilities, deferred inflows, and net position	\$ 19,882,448	\$ 898,263	\$ 20,780,711

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Fund
Operating revenues:			
Charges for services and use of facilities	\$ 613,023	\$ 600,495	\$ 1,213,518
Operating expenses:			
Salaries and benefits	4,138,393	240,613	4,379,006
Supplies	725,793	56,785	782,578
Contracted services	694,460	22,142	716,602
Utilities	66,167	29,775	95,942
Other	334,442	110,064	444,506
Depreciation	934,090	60,973	995,063
Total operating expenses	6,893,345	520,352	7,413,697
Operating income (loss)	(6,280,322)	80,143	(6,200,179)
Nonoperating revenues (expenses):			
Taxes	2,508,073	-	2,508,073
Intergovernmental	10,834,454	-	10,834,454
Interest and investment income	(59,817)	-	(59,817)
Gain (loss) on sale of capital assets	471	5,505	5,976
Other	11,916	15	11,931
Total nonoperating revenue (expense)	13,295,097	5,520	13,300,617
Income (loss) before capital contributions and transfers	7,014,775	85,663	7,100,438
Transfers in	9,800	-	9,800
Transfers out	-	-	-
Change in net position	7,024,575	85,663	7,110,238
Net position, beginning of year	7,733,296	737,397	8,470,693
Net position, end of year	\$14,757,871	\$ 823,060	\$15,580,931

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 1 of 2)

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers and users	\$ 595,999	\$ 600,495	\$ 1,196,494
Cash received from other sources	11,916	-	11,916
Cash paid to employees for services	(4,264,980)	(222,186)	(4,487,166)
Cash paid to suppliers and contracted services	(1,758,074)	(212,430)	(1,970,504)
Net cash provided (used) by operating activities	<u>(5,415,139)</u>	<u>165,879</u>	<u>(5,249,260)</u>
Cash flows from noncapital financing activities:			
Cash received from tax revenues	2,507,190	-	2,507,190
Cash received from intergovernmental revenues	<u>10,834,454</u>	<u>-</u>	<u>10,834,454</u>
Net cash provided (used) by noncapital financing activities	<u>13,341,644</u>	<u>-</u>	<u>13,341,644</u>
Cash flows from capital and related financing activities:			
Capital grants and contributions	729,661	-	729,661
Acquisition and construction of capital assets	(6,531,027)	(220,033)	(6,751,060)
Proceeds from sales of capital assets	471	5,505	5,976
Transfers From Other Funds	<u>9,800</u>	<u>-</u>	<u>9,800</u>
Net cash provided (used) by capital and related financing activities	<u>(5,791,095)</u>	<u>(214,528)</u>	<u>(6,005,623)</u>
Cash flows from investing activities:			
Cash received from interest	9,654	15	9,669
Sale of investments	28,182,205	-	28,182,205
Purchase of investments	<u>(29,324,300)</u>	<u>-</u>	<u>(29,324,300)</u>
Net cash provided (used) by investing activities	<u>(1,132,441)</u>	<u>15</u>	<u>(1,132,426)</u>
Net increase (decrease) in cash and cash equivalents	1,002,969	(48,634)	954,335
Cash and cash equivalents, beginning of year			
Cash and cash equivalents, end of year	<u>\$ 2,690,513</u>	<u>\$ 391,040</u>	<u>\$ 3,081,553</u>
Cash and cash equivalents consists of:			
Cash and cash equivalents	\$ 2,690,513	\$ 391,040	\$ 3,081,553
Cash and cash equivalents, end of year	<u>\$ 2,690,513</u>	<u>\$ 391,040</u>	<u>\$ 3,081,553</u>

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 2 of 2)

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)			
	\$ (6,280,322)	\$ 80,143	\$ (6,200,179)
Other nonoperating income (expense)	11,916	-	11,916
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	934,090	60,973	995,063
(Increase) decrease in receivables	(17,024)	-	(17,024)
(Increase) decrease in inventories	2,637	-	2,637
(Increase) decrease in prepaid items	-	(1,321)	(1,321)
Increase (decrease) in accounts payable	60,151	7,657	67,808
Increase (decrease) in accrued liabilities	(126,587)	18,427	(108,160)
Net cash provided (used) by operating activities	<u><u>\$ (5,415,139)</u></u>	<u><u>\$ 165,879</u></u>	<u><u>\$ (5,249,260)</u></u>
Noncash investing, capital and financing activities:			
Increase (decrease) in investment market value	(70,480)	-	(70,480)

INTERNAL SERVICE FUNDS

The City's internal service funds and their purposes are:

- The Fleet Services Fund accounts for the maintenance and repair of vehicles used in the operation of City services.
- The Central Services Fund accounts for postage and copying services used in the operation of the City services.
- The Information Technology Fund accounts for technology services used in the operation of the City services.
- The City Health Insurance Fund accounts for the accumulation and allocation of costs associated with health benefits of City employees, enrolled dependents, and retired employees under 66 years of age.
- The Central Telephone Services Fund accounts for the maintenance and operation of the City-wide telephone system.
- The Property Insurance Fund accounts for property and liability insurance costs.
- The Radio Communications Fund accounts for the maintenance and operation of the City-wide 800 MHz radio system.
- The Facilities Management Fund accounts for amounts received for paying facility management costs.
- The Public Works Administration Fund provides administration services to the Public Works operational divisions.
- The Public Works Engineering Fund provides engineering services to the Public Works projects.

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2022
(Page 1 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 833,605	\$ 120,536	\$ 570,896	\$ 5,151,043	\$ 166,522	\$ 333,939
Investments	779,130	113,265	538,053	4,846,014	156,479	314,325
Receivables:						
Property taxes						
Accounts and unbilled usage	-	-	-	1,128	-	-
Accrued interest	582	86	406	5,738	117	237
Notes	70,000	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-
Inventories	355,663	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total current assets	2,038,980	233,887	1,109,355	10,003,923	323,118	648,501
Noncurrent assets:						
Notes receivable	70,000	-	-	-	-	-
Property and equipment:						
Land	-	-	-	-	-	-
Buildings	32,091	-	-	-	-	-
Improvements other than buildings	-	-	87,575	-	-	-
Equipment and vehicles	1,032,947	134,792	1,952,098	-	831,465	-
Construction in progress	-	-	-	-	-	-
Lease asset	-	-	-	-	-	-
Less: accumulated depreciation/amortization	(1,003,477)	(106,689)	(1,792,279)	-	(495,747)	-
Total noncurrent assets	131,561	28,103	247,394	-	335,718	-
Total assets	2,170,541	261,990	1,356,749	10,003,923	658,836	648,501
Deferred Outflows						
Other post employment benefits	218,617	-	346,661	-	27,896	19,956
Pensions	48,100	-	46,042	-	2,626	2,564
Total assets and deferred outflows	\$2,437,258	\$ 261,990	\$ 1,749,452	\$10,003,923	\$ 689,358	\$ 671,021

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2022
(Page 2 of 4)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 353,490	\$ 2,039,648	\$ 593,604	\$ 354,550	\$ 10,517,833
Investments	330,569	1,905,538	559,585	338,218	9,881,176
Receivables:					
Accounts and unbilled usage	-	245	-	40,202	41,575
Accrued interest	240	1,715	421	202	9,744
Delinquent Special Assessments	-	-	-	5,367	5,367
Notes	-	-	-	-	70,000
Lease Receivable	-	-	51,768	-	51,768
Inventories	-	-	-	-	355,663
Prepaid items	-	-	-	14,789	14,789
Total current assets	684,299	3,947,146	1,205,378	753,328	20,947,915
Noncurrent assets:					
Notes receivable	-	-	-	-	70,000
Property and equipment:					
Land	-	2,005,383	-	-	2,005,383
Buildings	385,655	8,963,489	-	-	9,381,235
Improvements other than buildings	19,691	2,659,739	-	-	2,767,005
Equipment and vehicles	3,395,791	526,051	85,522	434,967	8,393,633
Construction in progress	125,000	15,833	-	-	140,833
Lease asset	-	-	-	1,136,499	1,136,499
Less: accumulated depreciation/amortization	(3,968,196)	(5,613,870)	(57,373)	(518,861)	(13,556,492)
Total noncurrent assets	(42,059)	8,556,625	28,149	1,052,605	10,338,096
Total assets	642,240	12,503,771	1,233,527	1,805,933	31,286,011
Deferred Outflows					
Other post employment benefits	-	85,484	275,018	411,858	1,385,490
Pensions	-	15,802	23,425	54,360	192,919
Total assets and deferred outflows	\$ 642,240	\$ 12,605,057	\$ 1,531,970	\$ 2,272,151	\$32,864,420

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2022
(Page 3 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Liabilities						
Current liabilities:						
Accounts payable	\$ 188,448	\$ 7,096	\$ 175,765	\$ 86,560	\$ 5,130	\$ 44,567
Accrued wages and benefits	77,210	-	98,904	2,481	8,136	5,666
Compensated absences	261,702	-	286,108	-	15,454	27,726
Accrued interest payable	-	-	-	-	-	-
Incurred but not reported health benefits	-	-	-	1,129,000	-	-
Notes payable	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Total current liabilities	527,360	7,096	560,777	1,218,041	28,720	77,959
Noncurrent liabilities:						
Compensated absences	66,793	-	73,021	-	3,944	7,076
Other post employment benefits	191,944	-	193,311	-	12,653	11,137
Net pension liability	872,974	-	1,384,280	-	111,395	79,687
Notes payable	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-
Total noncurrent liabilities	1,131,711	-	1,650,612	-	127,992	97,900
Total liabilities	1,659,071	7,096	2,211,389	1,218,041	156,712	175,859
Deferred Inflows						
Other post employment benefits	394,137	-	624,986	-	50,293	35,977
Leases	-	-	-	-	-	-
Pensions	56,311	-	62,463	-	3,852	3,238
Total deferred inflows of resources	450,448	-	687,449	-	54,145	39,215
Net Position						
Net investment in capital assets	61,561	28,103	247,394	-	335,718	-
Restricted for:						
Unrestricted	266,178	226,791	(1,396,780)	8,785,882	142,783	455,947
Total net position	327,739	254,894	(1,149,386)	8,785,882	478,501	455,947
Total liabilities, deferred inflows, and net position	\$ 2,437,258	\$ 261,990	\$ 1,749,452	\$ 10,003,923	\$ 689,358	\$ 671,021

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2022
(Page 4 of 4)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Liabilities					
Current liabilities:					
Accounts payable	\$ 1,486	\$ 69,804	\$ 36,891	\$ 15,915	\$ 631,662
Accrued wages and benefits	-	23,168	83,907	130,610	430,082
Compensated absences	-	59,526	209,548	381,584	1,241,648
Accrued interest payable	-	6,966	-	-	6,966
Incurred but not reported health benefits	-	-	-	-	1,129,000
Notes payable	-	460,000	-	-	460,000
Unearned Revenue	-	-	-	5,318	5,318
Total current liabilities	1,486	619,464	330,346	533,427	3,904,676
Noncurrent liabilities:					
Compensated absences	-	15,192	53,481	97,389	316,896
Other post employment benefits	-	62,657	95,118	220,063	786,883
Net pension liability	-	341,354	1,098,196	1,644,621	5,532,507
Notes payable	-	251,563	-	-	251,563
Lease liability	-	-	-	981,076	981,076
Total noncurrent liabilities	-	670,766	1,246,795	2,943,149	7,868,925
Total liabilities	1,486	1,290,230	1,577,141	3,476,576	11,773,601
Deferred Inflows					
Other post employment benefits	-	19,727	36,073	69,247	250,911
Leases	-	-	52,820	-	52,820
Pensions	-	154,117	495,822	742,527	2,497,859
Total deferred inflows of resources	-	173,844	584,715	811,774	2,801,590
Net Position					
Net investment in capital assets	(42,059)	7,845,062	28,149	1,052,605	9,556,533
Restricted for:					
Unrestricted	682,813	3,295,921	(658,035)	(3,068,804)	8,732,696
Total net position	640,754	11,140,983	(629,886)	(2,016,199)	18,289,229
Total liabilities, deferred inflows, and net position	\$ 642,240	\$ 12,605,057	\$ 1,531,970	\$ 2,272,151	\$ 32,864,420

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

(Page 1 of 2)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Operating revenues:						
Charges for services and use of facilities	<u>\$ 1,868,748</u>	<u>\$ 104,776</u>	<u>\$ 2,809,960</u>	<u>\$13,577,572</u>	<u>\$ 424,486</u>	<u>\$ 2,523,228</u>
Operating expenses:						
Salaries and benefits	1,251,179	-	1,992,919	484,400	150,915	112,000
Supplies	85,127	7,225	580,504	-	3,704	20
Contracted services	182,127	75,509	220,071	13,649,257	18,653	26,196
Utilities	7,010	-	33,270	-	227,276	-
Other	49,151	-	11,237	73,135	717	2,660,184
Depreciation	7,452	11,357	81,989	-	82,043	-
Total operating expenses	<u>1,582,046</u>	<u>94,091</u>	<u>2,919,990</u>	<u>14,206,792</u>	<u>483,308</u>	<u>2,798,400</u>
Operating income (loss)	<u>286,702</u>	<u>10,685</u>	<u>(110,030)</u>	<u>(629,220)</u>	<u>(58,822)</u>	<u>(275,172)</u>
Nonoperating revenues (expenses):						
Taxes	-	-	-	-	-	-
Intergovernmental	72,132	-	114,380	-	9,204	6,584
Interest expense	-	-	-	-	-	-
Interest and investment income	(19,764)	(3,277)	(12,732)	(135,142)	(4,857)	(13,588)
Gain (loss) on sale of capital assets	4,195	-	-	-	-	-
Other	26,378	-	-	7	-	469
Total nonoperating revenue (expense)	<u>82,941</u>	<u>(3,277)</u>	<u>101,648</u>	<u>(135,135)</u>	<u>4,347</u>	<u>(6,535)</u>
Income (loss) before capital contributions and transfers	<u>369,643</u>	<u>7,408</u>	<u>(8,382)</u>	<u>(764,355)</u>	<u>(54,475)</u>	<u>(281,707)</u>
Transfers in	-	-	-	-	-	-
Transfers out	(95,770)	-	-	-	-	-
Change in net position	<u>273,873</u>	<u>7,408</u>	<u>(8,382)</u>	<u>(764,355)</u>	<u>(54,475)</u>	<u>(281,707)</u>
Net position, beginning of year	<u>53,866</u>	<u>247,486</u>	<u>(1,141,004)</u>	<u>9,550,237</u>	<u>532,976</u>	<u>737,654</u>
Net position, end of year	<u>\$ 327,739</u>	<u>\$ 254,894</u>	<u><u>\$(1,149,386)</u></u>	<u>\$ 8,785,882</u>	<u>\$ 478,501</u>	<u>\$ 455,947</u>

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022
(Page 2 of 2)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Operating revenues:					
Charges for services and use of facilities	\$ 302,568	\$ 1,534,662	\$ 2,793,357	\$ 3,112,732	\$29,052,089
Operating expenses:					
Salaries and benefits	-	650,805	1,612,923	2,386,123	8,641,264
Supplies	201	47,100	24,482	39,700	788,063
Contracted services	218,021	1,355,238	807,933	501,264	17,054,269
Utilities	16,352	477,892	10,557	36,661	809,018
Other	-	32,152	17,656	24,989	2,869,221
Depreciation	260,654	354,361	7,715	181,149	986,720
Total operating expenses	495,228	2,917,548	2,481,266	3,169,886	31,148,555
Operating income (loss)	(192,660)	(1,382,886)	312,091	(57,154)	(2,096,466)
Nonoperating revenues (expenses):					
Taxes	-	-	-	60,979	60,979
Intergovernmental	-	28,205	90,741	135,981	457,227
Interest expense	-	(3,318)	-	(9,977)	(13,295)
Interest and investment income	(11,359)	(62,431)	(13,651)	(3,727)	(280,528)
Gain (loss) on sale of capital assets	-	7,644	-	1,547	13,386
Other	350	261,053	328	909	289,494
Total nonoperating revenue (expense)	(11,009)	231,153	77,418	185,712	527,263
Income (loss) before capital contributions and transfers	(203,669)	(1,151,733)	389,509	128,558	(1,569,203)
Transfers in	-	532,057	-	-	532,057
Transfers out	-	(6,000)	-	-	(101,770)
Change in net position	(203,669)	(625,676)	389,509	128,558	(1,138,916)
Net position, beginning of year	844,423	11,766,659	(1,019,395)	(2,144,757)	19,428,145
Net position, end of year	\$ 640,754	\$ 11,140,983	\$ (629,886)	\$ (2,016,199)	\$18,289,229

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 1 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Cash flows from operating activities:						
Cash received from customers and users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash received from interfund services provided	1,568,748	104,776	2,809,960	13,577,269	424,486	2,523,228
Cash received from other sources	10,809	-	-	7	-	469
Cash paid to employees for services	(1,101,963)	-	(1,980,774)	-	(161,459)	(112,828)
Cash paid to suppliers and contracted services	(371,847)	(81,911)	(740,509)	(14,306,881)	(248,307)	(2,673,883)
Net cash provided (used) by operating activities	<u>105,747</u>	<u>22,865</u>	<u>88,677</u>	<u>(729,605)</u>	<u>14,720</u>	<u>(263,014)</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	95,770	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>95,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(26,200)	(22,410)	(31,914)	-	-	-
Proceeds from sales of capital assets	74,195	-	-	-	-	-
Cash paid for interest	-	-	-	-	-	-
Principal paid on notes payable and capital lease payable	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>47,995</u>	<u>(22,410)</u>	<u>(31,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Cash received from interest	3,719	602	2,390	23,860	927	2,158
Sale of investments	8,815,257	1,306,811	6,175,611	56,196,361	1,799,860	3,743,557
Purchase of investments	(9,084,812)	(1,313,626)	(6,221,751)	(56,137,166)	(1,814,790)	(3,639,342)
Net cash provided (used) by investing activities	<u>(265,836)</u>	<u>(6,213)</u>	<u>(43,750)</u>	<u>83,055</u>	<u>(14,003)</u>	<u>106,373</u>
Net increase (decrease) in cash and cash equivalents	<u>(16,324)</u>	<u>(5,758)</u>	<u>13,013</u>	<u>(646,550)</u>	<u>717</u>	<u>(156,641)</u>
Cash and cash equivalents, beginning of year	849,929	126,294	557,883	5,797,593	165,805	490,580
Cash and cash equivalents, end of year	\$ 833,605	\$ 120,536	\$ 570,896	\$ 5,151,043	\$ 166,522	\$ 333,939

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 2 of 4)

	Radio Communica- tions Fund	Facilities Manage- ment Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Cash flows from operating activities:					
Cash received from customers and users	\$ -	\$ 882,682	\$ -	\$ 83,481	\$ 966,163
Cash received from interfund services provided	302,568	674,670	2,793,357	3,007,732	27,786,794
Cash received from other sources	350	289,258	328	909	302,130
Cash paid to employees for services	-	(729,092)	(1,794,346)	(2,328,586)	(8,209,048)
Cash paid to suppliers and contracted services	(245,949)	(1,926,529)	(880,629)	(611,821)	(22,088,266)
Net cash provided (used) by operating activities	56,969	(809,011)	118,710	151,715	(1,242,227)
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	95,770
Net cash provided (used) by noncapital financing activities	-	-	-	-	95,770
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(125,000)	(167,367)	(12,598)	(32,762)	(418,251)
Proceeds from sales of capital assets	-	7,644	-	1,547	83,386
Cash paid for interest	-	(28,600)	-	(9,977)	(38,577)
Principal paid on notes payable and capital lease payable	-	(450,000)	-	-	(450,000)
Transfers to other funds	-	(6,000)	-	-	(6,000)
Transfers from other funds	-	532,057	-	-	532,057
Net cash provided (used) by capital and related financing activities	(125,000)	(112,266)	(12,598)	(41,192)	(297,385)
Cash flows from investing activities:					
Cash received from interest	2,024	11,457	2,446	1,003	50,586
Sale of investments	3,870,727	22,467,954	6,456,810	3,741,411	114,574,359
Purchase of investments	(3,852,404)	(22,061,012)	(6,469,221)	(3,863,959)	(114,458,083)
Net cash provided by investing activities	20,347	418,399	(9,965)	(121,545)	166,862
Net increase (decrease) in cash and cash equivalents	(47,684)	(502,878)	96,147	(11,022)	(1,276,980)
Cash and cash equivalents, beginning of year					
Cash and cash equivalents, end of year	\$ 353,490	\$ 2,039,648	\$ 593,604	\$ 354,550	\$ 10,517,833

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 3 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 286,702	\$ 10,685	\$ (110,030)	\$ (629,220)	\$ (58,822)	\$ (275,172)
Other nonoperating income (expense)	82,941	-	101,648	7	4,347	(6,535)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	7,452	11,357	81,989	-	82,043	-
(Increase) decrease in leases and receivables	-	-	-	(303)	-	-
(Increase) decrease in receivables from other governments & other funds	-	-	-	-	-	-
(Increase) decrease in inventories	(133,402)	-	-	-	-	-
(Increase) decrease in prepaid items and deposits	-	-	-	-	-	-
Increase (decrease) in accounts payable	84,970	823	104,573	(31,232)	2,043	12,517
Increase (decrease) in accrued liabilities	(222,916)	-	(89,503)	(68,857)	(14,891)	6,176
Net cash provided (used) by operating activities	<u>\$ 105,747</u>	<u>\$ 22,865</u>	<u>\$ 88,677</u>	<u>\$ (729,605)</u>	<u>\$ 14,720</u>	<u>\$ (263,014)</u>
Noncash investing, capital and financing activities:						
Increase (decrease) in investment market value	(23,633)	(3,900)	(15,232)	(161,641)	(5,815)	(15,701)
increase (decrease) in GASB 87 Leased asset	-	-	-	-	-	-

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2022
(Page 4 of 4)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)					
	\$ (192,660)	\$ (1,382,886)	\$ 312,091	\$ (57,154)	\$ (2,096,466)
Other nonoperating income (expense)	(11,009)	289,258	77,418	185,802	723,877
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	260,654	354,361	7,715	181,149	986,720
(Increase) decrease in leases and receivables	-	22,690	1,052	(21,519)	1,920
(Increase) decrease in receivables from other governments & other funds	-	-	-	-	-
(Increase) decrease in inventories	-	-	-	-	(133,402)
(Increase) decrease in prepaid items and deposits	-	-	-	(487)	(487)
Increase (decrease) in accounts payable	(16)	(14,147)	(20,001)	(8,720)	130,810
Increase (decrease) in accrued liabilities	-	(78,287)	(259,565)	(127,356)	(855,199)
Net cash provided (used) by operating activities	<u>\$ 56,969</u>	<u>\$ (809,011)</u>	<u>\$ 118,710</u>	<u>\$ 151,715</u>	<u>\$ (1,242,227)</u>
Noncash investing, capital and financing activities:					
Increase (decrease) in investment market value	(13,406)	(74,239)	(16,271)	(4,768)	(334,606)
Increase (decrease) in GASB 87 leased asset	-	-	-	1,136,499	1,136,499

CUSTODIAL FUNDS

The City's Custodial Funds and their purposes are:

- The Downtown Business Improvement District Fund accounts for amounts the City receives from Yellowstone County for Billings Business Improvement District (BID) assessments and remits the same to the BID as required by State Statutes.
- The Tourism Business Improvement District Fund accounts for amounts the City receives from Yellowstone County for Billings Tourism Business Improvement District (TBID) assessments and remits the same to the TBID as required by State Statutes.
- The License Plate Fund accounts for amounts the City receives from Yellowstone County for license plate assessments and remits the same to the License Plate Fund as required by State Statutes.

CITY OF BILLINGS, MONTANA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Downtown Business Improvement District	Tourism Business Improvement District	License Plate Fund	Total Custodial Funds
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Delinquent special assessments	18,161	81,402	-	99,563
Total Receivables	<u>18,161</u>	<u>81,402</u>	<u>-</u>	<u>99,563</u>
Total assets	<u><u>\$ 18,161</u></u>	<u><u>\$ 81,402</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 99,563</u></u>
Liabilities, Deferred Inflows and Fund Balances				
Liabilities:				
Deferred inflows:				
Unavailable Revenue	\$ 18,161	\$ 81,402	\$ -	\$ 99,563
Net Position:				
Restricted for:	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 18,161</u></u>	<u><u>\$ 81,402</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 99,563</u></u>

CITY OF BILLINGS, MONTANA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Downtown Business Improvement District	Tourism Business Improvement District	License Plate Fund	Total Custodial Funds
Additions:				
Tax collections for other governments	\$ -	\$ -	\$ 6,864	\$ 6,864
Special Assessments collections for other organizations	434,668	1,709,115	-	2,143,783
Total Additions	434,668	1,709,115	6,864	2,150,647
Deductions:				
Payments made to organizations	434,668	1,709,115	6,864	2,150,647
Total Deductions	434,668	1,709,115	6,864	2,150,647
Net increase (decrease) in fiduciary net position	-	-	-	-
Net position - beginning	-	-	-	-
Net position - ending	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION (UNAUDITED)

This part of the City of Billings' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	197-205
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	206-209
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	210-219
<i>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.</i>	
Demographic and Economic Information	220-221
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within the City of Billings.</i>	
Operating Information	222-226
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF BILLINGS, MONTANA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net invested in capital assets	\$ 197,845	\$ 196,250	\$ 173,274	\$ 201,511	\$ 208,499	\$ 213,236	\$ 219,975	\$ 226,975	\$ 223,844	\$ 258,020
Restricted	67,391	71,418	61,917	62,749	53,672	64,435	57,055	60,518	73,990	75,217
Unrestricted	21,213	24,885	25,416	5,297	11,293	1,067	2,785	3,218	15,919	(2,252)
Total governmental activities net position	<u>\$ 286,449</u>	<u>\$ 292,553</u>	<u>\$ 260,607</u>	<u>\$ 269,557</u>	<u>\$ 273,464</u>	<u>\$ 278,738</u>	<u>\$ 279,815</u>	<u>\$ 290,711</u>	<u>\$ 313,753</u>	<u>\$ 330,985</u>
Business-type activities										
Net invested in capital assets	\$ 304,407	\$ 321,736	\$ 337,910	\$ 353,451	\$ 309,890	\$ 325,091	\$ 372,952	\$ 414,790	\$ 443,663	\$ 479,578
Restricted	6,142	9,667	7,412	4,930	55,101	28,198	26,771	15,154	5,256	5,256
Unrestricted	60,613	70,894	60,588	73,261	87,687	117,362	90,415	88,095	103,340	104,642
Total business-type activities net position	<u>\$ 371,162</u>	<u>\$ 402,297</u>	<u>\$ 405,910</u>	<u>\$ 431,642</u>	<u>\$ 452,678</u>	<u>\$ 470,651</u>	<u>\$ 490,138</u>	<u>\$ 518,039</u>	<u>\$ 552,259</u>	<u>\$ 589,476</u>
Primary government										
Net invested in capital assets	\$ 502,252	\$ 517,986	\$ 511,184	\$ 554,962	\$ 518,389	\$ 538,327	\$ 592,927	\$ 641,765	\$ 667,507	\$ 737,598
Restricted	73,533	81,085	69,329	67,679	108,773	92,633	83,826	75,672	79,246	80,473
Unrestricted	81,826	95,779	86,004	78,558	98,980	118,429	93,200	91,313	119,259	102,390
Total primary government net position	<u>\$ 657,611</u>	<u>\$ 694,850</u>	<u>\$ 666,517</u>	<u>\$ 701,199</u>	<u>\$ 726,142</u>	<u>\$ 749,389</u>	<u>\$ 769,953</u>	<u>\$ 808,750</u>	<u>\$ 866,012</u>	<u>\$ 920,461</u>

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 1 of 3)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 7,249	\$ 8,319	\$ 9,533	\$ 8,166	\$ 8,801	\$ 9,167	\$ 8,679	\$ 10,597	\$ 12,206	\$ 11,115
Public safety	47,884	43,124	43,085	43,855	45,516	52,599	39,965	55,230	63,498	59,187
Public works	26,939	30,322	31,320	32,695	38,203	37,156	40,942	42,401	40,603	40,097
Public health	871	905	1,059	957	1,002	1,038	1,449	1,188	1,413	1,124
Culture and recreation	8,799	9,577	11,212	10,867	11,269	11,458	17,397	11,924	15,224	13,514
Housing and economic development	3,212	3,475	4,612	4,475	5,890	5,338	4,984	4,068	5,201	4,121
Interest on long-term debt	2,083	2,602	2,779	2,939	2,775	2,830	2,560	2,514	3,709	1,959
Total governmental activities expenses	97,037	98,324	103,600	103,954	113,456	119,586	115,976	127,922	141,854	131,117
Business-type activities:										
Solid waste	10,482	11,314	11,823	11,988	12,117	13,753	14,163	15,117	16,548	20,863
Airport	12,763	12,711	12,616	12,538	12,907	14,067	13,088	12,930	12,519	12,526
Water	17,876	17,497	17,652	18,534	19,534	20,673	20,096	21,138	21,712	22,194
Wastewater	12,291	12,232	12,314	12,953	14,750	14,975	15,751	16,550	18,895	19,690
Parking	2,057	2,095	2,538	2,425	2,401	2,503	2,431	2,371	2,671	2,687
Transit	6,021	6,264	6,170	5,715	5,667	5,993	6,146	6,263	6,610	6,982
Golf course	453	443	436	450	478	435	466	407	465	520
Total business-type activities expenses	61,943	62,556	63,549	64,603	67,854	72,399	72,141	74,776	79,420	85,462
Total primary government expenses	\$ 158,980	\$ 160,880	\$ 167,149	\$ 168,557	\$ 181,310	\$ 191,985	\$ 188,117	\$ 202,698	\$ 221,274	\$ 216,579

(continued)

CITY OF BILLINGS, MONTANA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 2 of 3)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,611	\$ 2,463	\$ 2,855	\$ 3,286	\$ 3,414	\$ 3,560	\$ 3,439	\$ 3,046	\$ 3,668	\$ 4,000
Public safety	5,847	4,900	5,857	5,627	5,200	5,166	5,362	5,917	6,488	7,001
Public works	21,433	22,427	23,271	24,763	25,476	27,892	29,006	30,012	31,006	31,376
Culture and recreation	36	59	42	50	48	56	48	46	40	39
Other activities	1,948	2,074	2,326	2,472	2,411	2,301	2,492	2,378	2,563	2,640
Operating grants and contributions	12,503	13,648	16,554	11,713	12,034	18,856	7,914	21,723	36,640	21,155
Capital grants and contributions	28,524	13,626	7,884	9,568	11,036	7,118	6,060	11,358	12,692	11,348
Total governmental activities program revenues	<u>72,902</u>	<u>59,197</u>	<u>58,789</u>	<u>57,479</u>	<u>59,619</u>	<u>64,949</u>	<u>54,321</u>	<u>74,480</u>	<u>93,097</u>	<u>77,559</u>
Business-type activities:										
Charges for services:										
Solid waste	10,161	11,024	13,925	13,888	14,715	15,407	15,474	16,791	17,679	18,909
Airport	9,841	9,046	9,536	9,915	10,078	12,356	12,887	11,153	10,269	11,547
Water	25,904	22,928	24,740	25,914	24,686	27,995	25,326	26,201	31,512	31,525
Wastewater	16,123	18,054	18,469	18,915	19,798	19,518	23,970	20,971	22,716	23,628
Other activities	3,071	2,758	2,752	2,496	2,675	2,856	3,002	2,669	2,872	3,293
Operating grants and contributions	2,533	2,815	2,195	3,894	4,024	3,721	1,462	7,003	8,381	13,745
Capital grants and contributions	8,426	15,274	4,366	12,326	9,163	3,745	3,170	12,143	17,216	18,237
Total business-type activities program revenues	<u>76,059</u>	<u>81,899</u>	<u>75,983</u>	<u>87,348</u>	<u>85,139</u>	<u>85,598</u>	<u>85,291</u>	<u>96,931</u>	<u>110,645</u>	<u>120,884</u>
Total primary government program revenues	<u>\$ 148,961</u>	<u>\$ 141,096</u>	<u>\$ 134,772</u>	<u>\$ 144,827</u>	<u>\$ 144,758</u>	<u>\$ 150,547</u>	<u>\$ 139,612</u>	<u>\$ 171,411</u>	<u>\$ 203,742</u>	<u>\$ 198,443</u>
Net (expense)/revenue										
Governmental activities	\$ (24,135)	\$ (39,127)	\$ (45,165)	\$ (55,977)	\$ (53,837)	\$ (54,637)	\$ (61,655)	\$ (53,442)	\$ (48,757)	\$ (53,558)
Business-type activities	14,116	19,343	11,380	19,494	17,285	13,199	13,150	22,155	31,225	35,422
Total primary government	<u>\$ (10,019)</u>	<u>\$ (19,784)</u>	<u>\$ (33,785)</u>	<u>\$ (36,483)</u>	<u>\$ (36,552)</u>	<u>\$ (41,438)</u>	<u>\$ (48,505)</u>	<u>\$ (31,287)</u>	<u>\$ (17,532)</u>	<u>\$ (18,136)</u>

(continued)

CITY OF BILLINGS, MONTANA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 3 of 3)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 32,686	\$ 36,507	\$ 32,198	\$ 36,636	\$ 37,269	\$ 38,684	\$ 39,670	\$ 41,000	\$ 45,107	\$ 49,898
Franchise fees	3,598	2,770	3,808	3,946	3,833	3,852	1,458	1,300	1,480	1,238
Business license tax	701	740	759	755	763	762	766	786	759	701
Unrestricted federal/state shared revenue	14,023	15,117	15,550	15,878	16,408	17,139	18,109	19,198	19,688	20,327
Unrestricted investment earnings	77	151	196	332	228	428	2,314	1,725	177	(1,541)
Gain on sale of property and equipment	465	411	949	(2,212)	267	140	58	242	20	(9)
Miscellaneous	78	(201)	221	194	144	(783)	441	372	4,839	762
Transfers	(4,409)	(9,046)	(4,144)	(101)	(502)	(309)	(85)	(282)	(270)	(199)
Total governmental activities	<u>47,219</u>	<u>46,449</u>	<u>49,537</u>	<u>55,428</u>	<u>58,410</u>	<u>59,913</u>	<u>62,731</u>	<u>64,341</u>	<u>71,800</u>	<u>71,177</u>
Business-type activities:										
Property taxes	1,864	1,992	1,865	1,981	2,054	2,230	2,264	2,351	2,397	2,508
Unrestricted federal/state shared revenue	341	-	421	-	-	-	-	-	-	-
Unrestricted investment earnings	226	400	445	752	657	1,498	3,596	2,537	254	(1,815)
Gain on sale of property and equipment	468	285	61	-	28	24	170	19	26	(16)
Miscellaneous	200	273	353	153	835	711	219	556	629	1,191
Transfers	4,409	9,046	4,144	101	502	309	85	282	270	62
Total business-type activities	<u>7,508</u>	<u>11,996</u>	<u>7,289</u>	<u>2,987</u>	<u>4,076</u>	<u>4,772</u>	<u>6,334</u>	<u>5,745</u>	<u>3,576</u>	<u>1,930</u>
Total primary government	<u>\$ 54,727</u>	<u>\$ 58,445</u>	<u>\$ 56,826</u>	<u>\$ 58,415</u>	<u>\$ 62,486</u>	<u>\$ 64,685</u>	<u>\$ 69,065</u>	<u>\$ 70,086</u>	<u>\$ 75,376</u>	<u>\$ 73,107</u>
Change in Net Position										
Governmental activities	\$ 23,084	\$ 7,322	\$ (6,440)	\$ 1,591	\$ 3,773	\$ (1,742)	\$ 9,289	\$ 10,899	\$ 23,043	\$ 17,619
Business-type activities	21,624	31,339	26,783	20,272	17,275	17,922	28,489	27,900	34,801	37,352
Total primary government net position	<u>\$ 44,708</u>	<u>\$ 38,661</u>	<u>\$ 20,343</u>	<u>\$ 21,863</u>	<u>\$ 21,048</u>	<u>\$ 16,180</u>	<u>\$ 37,778</u>	<u>\$ 38,799</u>	<u>\$ 57,844</u>	<u>\$ 54,971</u>

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Business		Total
	Property Tax	License Tax	
2013	32,686	701	33,387
2014	36,507	739	37,246
2015	32,198	759	32,957
2016	36,636	755	37,391
2017	37,269	763	38,032
2018	38,684	762	39,446
2019	39,670	766	40,436
2020	41,000	786	41,786
2021	45,107	759	45,866
2022	49,898	701	50,599

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Unspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	8,603	9,890	9,952	10,638	11,651	11,858	12,723	12,289	12,198	11,826
Unassigned	11,612	13,245	14,928	16,553	16,621	15,860	9,676	10,108	21,259	(247)
Total	\$ 20,215	\$ 23,135	\$ 24,880	\$ 27,191	\$ 28,272	\$ 27,718	\$ 22,399	\$ 22,397	\$ 33,457	\$ 11,579
All other governmental funds										
Unspendable	\$ 637	\$ 751	\$ 760	\$ 800	\$ 808	\$ 859	\$ 906	\$ 902	\$ 897	\$ 940
Restricted	64,363	56,291	72,549	71,238	72,033	63,728	63,182	67,110	81,019	84,665
Committed	8,681	7,842	10,817	10,258	9,022	10,709	9,242	11,532	15,031	15,399
Unassigned	(470)	(376)	(396)	(275)	(118)	(23)	(246)	(267)	(501)	(841)
Total	\$ 73,211	\$ 64,508	\$ 83,730	\$ 82,021	\$ 81,745	\$ 75,273	\$ 73,084	\$ 79,277	\$ 96,446	\$ 100,163

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 1 of 2)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 32,131	\$ 36,457	\$ 33,763	\$ 37,286	\$ 37,213	\$ 38,619	\$ 39,787	\$ 41,210	\$ 45,944	\$ 47,385
Licenses and permits	6,513	5,489	6,984	6,879	6,596	6,456	4,074	4,507	4,743	5,162
Intergovernmental	25,518	27,768	28,279	30,061	28,991	30,225	32,132	39,945	47,680	43,660
Charges for services	10,782	11,512	11,966	13,144	13,565	14,613	15,654	15,436	16,853	17,522
Fines and forfeitures	2,393	2,064	2,079	1,964	1,754	1,838	1,751	1,471	1,782	1,471
Special assessments	21,394	21,548	22,303	22,515	22,921	24,319	24,874	25,246	26,899	27,640
Other	2,337	3,394	3,247	3,569	4,200	4,097	4,308	3,526	3,256	738
Total revenues	<u>101,068</u>	<u>108,232</u>	<u>108,621</u>	<u>115,418</u>	<u>115,240</u>	<u>120,167</u>	<u>122,580</u>	<u>131,341</u>	<u>147,157</u>	<u>143,578</u>
Expenditures										
Current:										
General government	7,335	8,288	7,869	8,074	8,331	8,859	9,499	9,705	10,052	11,251
Public safety	43,716	42,386	43,924	45,669	47,106	50,111	53,168	54,248	57,627	58,930
Public works	16,415	18,861	18,472	19,059	21,862	21,926	23,207	24,213	22,267	24,035
Public health	787	814	843	856	821	854	964	931	965	926
Culture and recreation	7,633	8,163	8,374	8,920	8,201	8,911	10,384	9,526	10,452	10,946
Housing and economic development	3,129	3,407	4,423	4,418	5,718	5,217	4,582	3,975	4,841	4,126
Capital outlay	21,874	30,294	18,893	25,726	14,445	17,818	26,544	16,531	19,673	39,570
Debt service:										
Principal	13,153	4,811	9,157	4,322	4,801	11,481	3,896	4,028	4,461	12,837
Interest and fiscal charges	2,688	2,349	2,492	2,551	2,734	2,951	2,530	2,541	2,520	2,528
Bond issuance costs	769	133	464	136	69	28	75	15	176	175
Total expenditures	<u>117,499</u>	<u>119,506</u>	<u>114,911</u>	<u>119,731</u>	<u>114,088</u>	<u>128,156</u>	<u>134,849</u>	<u>125,713</u>	<u>133,034</u>	<u>165,324</u>
Excess of revenues over (under) expenditures	<u><u>\$(16,431)</u></u>	<u><u>\$(11,274)</u></u>	<u><u>\$ (6,290)</u></u>	<u><u>\$ (4,313)</u></u>	<u><u>\$ 1,152</u></u>	<u><u>\$ (7,989)</u></u>	<u><u>\$ (12,269)</u></u>	<u><u>\$ 5,628</u></u>	<u><u>\$ 14,123</u></u>	<u><u>\$ (21,746)</u></u>

(continued)

CITY OF BILLINGS, MONTANA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 2 of 2)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other financing sources (uses)										
Transfers in	\$ 26,535	\$ 24,086	\$ 28,504	\$ 26,615	\$ 28,252	\$ 34,501	\$ 33,474	\$ 27,990	\$ 17,514	\$ 56,898
Transfers out	(28,260)	(24,773)	(29,094)	(27,194)	(29,023)	(35,098)	(33,950)	(28,812)	(18,014)	(57,390)
Issuance of debt	33,055	-	6,270	-	-	-	3,465	285	2,516	4,000
Special assessment bonds issued	6,120	4,820	18,655	5,375	226	1,415	1,625	857	10,925	76
Premium on bonds issued	1,435	233	1,130	-	-	-	95	-	1,112	-
Bond discounts	(2)	-	(61)	-	-	-	-	-	-	-
Sale of capital assets	468	124	1,852	119	267	140	58	243	55	-
Total other financing sources (uses)	<u>39,351</u>	<u>4,490</u>	<u>27,256</u>	<u>4,915</u>	<u>(278)</u>	<u>958</u>	<u>4,767</u>	<u>563</u>	<u>14,108</u>	<u>3,584</u>
Net change in fund balances	<u>\$ 22,920</u>	<u>\$ (6,784)</u>	<u>\$ 20,966</u>	<u>\$ 602</u>	<u>\$ 874</u>	<u>\$ (7,031)</u>	<u>\$ (7,502)</u>	<u>\$ 6,191</u>	<u>\$ 28,231</u>	<u>\$ (18,162)</u>
Debt service as a percentage of noncapital expenditures	16.6%	8.0%	12.1%	7.3%	7.6%	13.1%	5.9%	6.0%	6.2%	12.2%

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
General Government Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Property	Business		Total
	Tax	License	Tax	
2013	32,131		701	32,832
2014	36,457		740	37,197
2015	33,763		759	34,522
2016	37,286		755	38,041
2017	37,213		763	37,976
2018	38,684		762	39,446
2019	39,787		766	40,553
2020	41,210		786	41,996
2021	45,944		759	46,703
2022	47,385		701	48,086

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Taxable and Estimated Market Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property ^{3,4}		Personal Property		Total		Direct Tax Rate	Ratio of Taxable Value to Estimated Market
	Estimated Market Value	Taxable Value	Estimated Market Value	Taxable Value	Estimated Market Value ¹	Taxable Value ²		
2013	5,578,809,490	159,681,901	257,791,168	5,720,433	5,836,600,658	165,402,334	174.58	2.8%
2014	5,867,349,504	161,755,976	272,813,412	6,008,199	6,140,162,916	167,764,175	178.70	2.7%
2015	6,141,298,543	163,095,567	209,710,048	3,762,699	6,351,008,591	166,858,266	168.12	2.6%
2016	11,372,527,592 ⁵	187,958,670	254,824,924	4,087,311	11,627,352,516	192,045,981	158.84	1.7%
2017	11,491,184,706	191,197,155	252,088,832	3,979,017	11,743,273,538	195,176,172	160.40	1.7%
2018	12,191,541,683	199,511,334	279,769,621	4,331,658	12,471,311,304	203,842,992	159.00	1.6%
2019	12,273,523,077	200,187,216	282,104,998	4,354,464	12,555,628,075	204,541,680	163.12	1.6%
2020	12,976,135,665	210,145,002	293,702,841	4,593,206	13,269,838,506	214,738,208	160.02	1.6%
2021	13,101,213,404	213,024,539	298,179,913	4,666,927	13,399,393,317	217,691,466	179.48	1.6%
2022	13,805,565,763	223,987,417	296,854,773	4,647,822	14,102,420,536	228,635,239	177.30	1.6%

¹ State of Montana Department of Revenue (both real and personal property).

² Yellowstone County, Montana, Assessors Office (both real and personal property).

³ Market value and taxable value includes Utilities category.

⁴ Breakdown of commercial and residential property values is not available.

⁵ The 6 year appraisal cycle was done by the State, going forward it will be every 2 years.

CITY OF BILLINGS, MONTANA
Property Tax Rates – Direct and Overlapping Governments
(Per \$1000 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Fiscal	City							Big Sky				Total	
	General				Obligation			School	School	Development	Economic	Direct and	Overlapping
	Year	General ³	Library ³	Public	Safety	Transit ³	Bonds	Total ²	County	Education ¹	District	Authority	State
2013	74.00	5.00	71.11	10.00	14.47 ⁴		174.58	117.19	102.50	204.53	3.09	52.09	653.98
2014	74.00	5.00	74.36	10.00	15.34		178.70	118.33	102.50	215.54	3.09	49.36	667.52
2015	74.00	5.00	64.59	10.00	14.53		168.12	117.10	102.50	249.75	3.09	46.10	686.66
2016	67.64	4.57	64.41	9.17	13.05		158.84	109.58	102.50	253.28	2.87	42.95	670.02
2017	70.61	4.77	64.30	9.54	11.18		160.40	113.71	102.50	255.52	2.95	50.61	685.69
2018	70.61	5.00	62.40	10.00	10.99		159.00	112.09	102.50	263.96	3.17	51.64	692.36
2019	74.00	5.00	62.88	10.00	11.24		163.12	124.76	102.50	272.73	3.29	47.87	714.27
2020	74.00	5.00	60.17	10.00	10.85		160.02	123.03	102.50	269.06	3.24	42.94	700.79
2021	74.00	5.00	80.00 ⁵	10.00	10.48		179.48	124.16	102.50	272.91	3.28	49.98	732.31
2022	74.00	5.00	80.00	10.00	8.30		177.30	124.32	102.50	251.61	3.29	40.36	699.38

Source: Yellowstone County, Montana, Treasurer

¹ Includes School Equalization Levy and other Education Levies.

² Under State Law, voter approval is required for additional tax rate increases.

³ General mills are fixed by charter, increases require an amendment to the charter.

⁴ General Obligation Library Bond for 6.12 mills was issued.

⁵ Voters approved 60 mills for PS II no longer at the cap of 8.2 million

CITY OF BILLINGS, MONTANA
Principal Property Taxpayers
June 30, 2022 and Ten Years Ago
(Unaudited)

Taxpayer	Tax Year 2021			Tax Year 2012		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Northwestern Energy	\$ 10,595,572	1	4.6%	\$ 7,404,380	1	4.5%
Montana Dakota Utilities	4,627,019	2	2.0%	2,208,617	4	1.3%
Charter Communications	3,534,405	3	1.5%	-	-	0.0%
Verizon Wireless	1,799,648	4	0.8%	1,015,142	5	0.6%
Lumen Technologies	1,191,234	6	0.5%	-	-	0.0%
AT&T Mobility	1,019,070	5	0.4%	926,439	6	0.6%
Wal-Mart/Sam's Real Estate	929,036	7	0.4%	812,083	7	0.5%
Rimrock Owner LP	835,977	8	0.4%	639,078	8	0.4%
AT&T Communications	613,565	9	0.3%	-	-	0.0%
Scheels All Sports Inc	572,821	10	0.3%	-	-	0.0%
Wells Fargo Corporate Prop.	-	-	0.0%	454,479	10	0.3%
Qwest Corp	-	-	0.0%	3,243,259	3	2.0%
Macerich Rimrock Limited Partner	-	-	0.0%	471,309	9	0.3%
Bresnan Broadband	-	-	0.0%	4,373,411	2	2.6%
Total	\$ 25,718,347		11.2%	\$ 21,548,197		13.0%
Total taxable value	\$ 228,635,239			\$ 165,402,334		

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Property Tax Levies and Collections ¹
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy¹ for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Delinquent
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2013	26,886,158	25,426,270	94.6%	642,009	26,068,279	97.0%	1,459,888
2014	27,818,662	26,310,736	94.6%	658,806	26,969,542	96.9%	1,507,926
2015	26,391,143	25,590,811	97.0%	4,894,272	30,485,083	115.5%	800,332
2016	28,231,663	27,220,145	96.4%	1,041,105	28,261,250	100.1%	1,011,518
2017	28,795,414	27,087,538	94.1%	770,715	27,858,253	96.7%	1,707,876
2018	30,101,821	28,340,613	94.1%	1,644,651	29,985,264	99.6%	1,761,208
2019	31,249,233	29,999,888	96.0%	1,699,576	31,699,464	101.4%	1,249,345
2020	31,902,292	30,755,958	96.4%	1,229,472	31,985,430	100.3%	1,146,334
2021	36,501,009	35,308,395	96.7%	1,154,970	36,463,365	99.9%	1,192,614
2022	37,715,911	36,430,761	96.6%	1,250,966	37,681,727	99.9%	1,285,150

Source: City of Billings, Montana

¹ The total tax levy, collections and outstanding delinquent taxes are net of tax increment amounts.

CITY OF BILLINGS, MONTANA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
 (amounts expressed in thousands, except per capita amount)
 (Unaudited)

Fiscal Year	Governmental Activities								
	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Intercap Notes Payable	Notes Payable	Capital Leases Payable			
2013	30,557	13,263	16,156	64	2,287	4,100			
2014	28,717	13,260	17,645	59	1,732	4,128			
2015	26,921	20,376	22,737	54	1,153	3,737			
2016	32,094	26,032	21,363	48	712	3,362			
2017	30,109	25,516	19,585	43	249	2,935			
2018	21,669	24,810	18,767	38	-	2,515			
2019	19,797	27,640	18,954	32	-	2,084			
2020	17,885	26,779	18,405	312	-	1,638			
2021	24,260	28,125	18,213	2,727	-	1,182			
2022	13,512	27,131	20,499	2,536		712			
Business-Type Activities									
Fiscal Year	Rev Bonds/ Revenue Bonds Airport		Rev Bonds/ Revenue Bonds Wastewater		Revenue Notes Payable Wastewater	Capital Lease Notes Payable Parking	Capital Lease Notes Payable Parking		
2013	12,540	-	23,214	16,458	-	3,177	1,258	123,074	2.77%
2014	11,382	-	24,510	17,470	-	3,061	1,191	123,155	2.66%
2015	10,437	-	28,446	16,514	-	2,942	1,120	134,437	2.90%
2016	9,559	-	30,049	15,506	-	2,818	1,045	142,588	2.81%
2017	8,473	63,305	28,264	14,503	-	2,687	968	196,637	3.78%
2018	7,348	59,980	28,257	13,470	-	2,551	886	180,291	3.30%
2019	6,184	58,532	24,199	12,408	23,338	2,409	799	196,376	3.45%
2020	4,977	56,684	22,085	11,318	23,271	2,261	709	186,324	3.15%
2021	3,899	54,797	19,917	10,197	22,503	2,106	614	179,052	3.03%
2022	3,639	52,845	17,692	9,043	21,701	1,944	-	171,254	3.90%

Source: City of Billings, Montana

Beginning in 2014, amounts are recorded as net of adjustments.

CITY OF BILLINGS, MONTANA
Ratio of General Obligation Bonded Debt Outstanding
To Taxable Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ¹	Taxable Value ²	General Obligation Bonds ³	Less: Amounts Available in Debt		Actual Taxable Value of Property	Percentage of Estimated Actual Taxable Value of Property	Net Bonded Debt Per Capita
				Service Funds ⁴	Net			
2013	106,954	165,402,334	30,556,896	2,465,881	28,091,015	17.0%	262.65	
2014	109,059	167,764,175	28,716,650	2,310,101	26,406,549	15.7%	242.13	
2015	108,869	166,858,266	26,921,315	2,653,784	24,267,531	14.5%	222.91	
2016	110,263	181,997,580	32,093,610	2,852,317	29,241,293	16.1%	265.20	
2017	110,323	185,589,273	30,109,235	2,505,033	27,604,202	14.9%	250.21	
2018	109,642	193,797,788	21,668,610	2,392,468	19,276,142	9.9%	175.81	
2019	109,544	195,708,313	19,797,206	2,468,288	17,328,918	8.9%	158.19	
2020	109,431	204,149,357	17,885,802	2,429,945	15,455,857	7.6%	141.24	
2021	117,116	207,822,943	24,259,578	10,236,650	14,022,928	6.7%	119.74	
2022	117,445	217,874,388	13,511,998	1,888,193	11,623,805	5.3%	98.97	

Sources and other information:

¹ Census taken every ten years. Actual census figures given for 2021.

All other years are estimated by City/County Planning, Yellowstone County, Montana.

² Yellowstone County, Montana, Assessors Office (these amounts do not include the incremental increases to the Tax Increment District).

³ Amount does not include Special Assessment, tax increment or revenue bonds. In 2013, 2014, 2015 and 2016 recorded net of adjustments

⁴ Amount does not include Special Assessment, tax increment debt service funds

CITY OF BILLINGS, MONTANA
Direct and Overlapping General Obligation Bonded Debt
June 30, 2022
(Unaudited)

Governmental Unit	Debt Outstanding	Percent Applicable to City²	Estimated Share of Overlapping Debt
Overlapping:			
Yellowstone County	\$ 8,312,578¹	54.95%	\$ 4,567,762
School Districts			
School District #2	\$ 126,464,569 ¹	43.57%	\$ 55,100,613
Elder Grove SD #4	16,220,000 ¹	0.13%	\$ 21,086
Elysian SD #23	6,220,000 ¹	5.29%	\$ 329,038
Canyon Creek SD #44	- ¹	0.35%	\$ -
Independent SD #52	1,635,000 ¹	0.31%	\$ 5,069
Total School Districts	150,539,569		55,455,805
Total Overlapping Debt	\$ 158,852,147		\$ 60,023,567
Direct:			
City of Billings			
General Obligation	\$ 13,511,998		
Tax Increment	27,130,733		
Special Assesment	20,498,598		
Intercap Notes	2,536,134		
Capital Lease	711,560		
Total Direct Debt	\$ 64,389,023	100.0%	\$ 64,389,023
Total Direct and Overlapping Debt	\$ 223,241,170		\$ 124,412,590

Source and other information:

¹ Finance Department, Yellowstone County, Montana.

² The percentage of overlapping debt applicable to the City is estimated using taxable property values.

Applicable percentages were estimated by determining the portion of the other government's taxable value that is within the City's boundaries and dividing it by the other government total taxable value.

CITY OF BILLINGS, MONTANA
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in 000's)
(Unaudited)

	Fiscal Year										
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Debt limit	\$ 145,915	\$ 153,504	\$ 158,762	\$ 289,112	\$ 291,981	\$ 311,783	\$ 313,872	\$ 331,727	\$ 334,985	\$ 352,553	
Total net debt applicable to limit	27,875	26,407	23,326	27,260	32,622	23,758	21,887	20,014	23,865	11,624	
Legal debt margin	<u>\$ 118,040</u>	<u>\$ 127,098</u>	<u>\$ 135,436</u>	<u>\$ 261,852</u>	<u>\$ 259,360</u>	<u>\$ 288,024</u>	<u>\$ 291,985</u>	<u>\$ 311,713</u>	<u>\$ 311,119</u>	<u>\$ 340,929</u>	
Total net debt applicable to the limit as a percentage of debt limit	19.10%	17.20%	14.69%	9.43%	11.17%	7.62%	6.97%	6.03%	7.12%	3.30%	

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed market value:	
Real property	\$ 13,445,517,190
Personal property	296,541,633
Utilities	<u>360,048,573</u>
Total assessed value	<u>\$ 14,102,107,396</u>
Debt amount limited to 2.5% of total assessed value	\$352,552,685
Less:	
General obligation bonded debt outstanding	13,511,998
Total net debt applicable to limit	13,511,998
Plus:	
Amount set aside for repayment of GO debt	<u>1,888,193</u>
Total net debt applicable to limit	<u>15,400,191</u>
Legal debt margin	<u>\$340,928,880</u>

Source: City of Billings, Montana

Note: Under state law, the City of Billings, Montana's outstanding general obligation debt was not to exceed 1.51% prior to FY 08 and 2.50% starting in FY 08 of total assessed market value.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Water and Wastewater Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenue ¹	Less: Operating Expense ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 41,905,740	\$ 19,526,272	\$ 22,379,468	\$ 2,417,119	\$ 1,473,370	\$ 3,890,489	575%
2014	40,923,714	18,809,342	22,114,372	2,345,000	1,059,745	3,404,745	650%
2015	43,267,946	18,684,310	24,583,636	2,572,407	1,196,733	3,769,140	652%
2016	44,906,310	19,688,620	25,217,690	2,924,000	1,232,897	4,156,897	607%
2017	46,152,358	21,104,769	25,047,589	2,957,000	1,229,859	4,186,859	598%
2018	48,671,532	21,804,167	26,867,365	6,025,000	3,572,904	9,597,904	280%
2019	51,824,655	21,032,368	30,792,287	4,550,000	3,447,181	7,997,181	385%
2020	49,051,466	22,700,211	26,351,255	4,679,000	2,946,113	7,625,113	346%
2021	54,603,285	23,699,867	30,903,418	4,819,000	2,797,480	7,616,480	406%
2022	54,086,228	24,560,244	29,525,984	4,974,000	2,644,198	7,618,198	388%

Source: City of Billings, Montana

¹ Includes operating revenue and interest income.

² Total operating expenses exclusive of depreciation.

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

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Airport Revenue Bonds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenue ¹	CFC revenue		Less: Operating Expense ²	Net Revenue Available for Debt Service	Debt Service Requirements									
		not to exceed				2000/2010A		2000/2010A		2020A		2020A			
		2010B	Debt Serv			Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2013	\$ 9,997,736	\$ 475,469	\$ 7,156,337	\$ 3,316,868	\$ 690,000	\$ 275,968	\$ -	\$ -	\$ 235,000	\$ 240,469	\$ 1,441,437	230%			
2014	9,159,665	483,194	7,306,389	2,336,470	710,000	254,968	-	-	250,000	233,194	1,448,162	161%			
2015	9,683,881	495,394	7,198,727	2,980,548	730,000	229,719	-	-	270,000	225,394	1,455,113	205%			
2016	10,279,572	492,219	7,095,930	3,675,861	765,000	199,818	-	-	275,000	217,219	1,457,037	252%			
2017	10,556,892	493,819	7,453,340	3,597,371	795,000	166,631	-	-	285,000	208,819	1,455,450	247%			
2018	11,761,416	495,119	8,618,384	3,638,151	825,000	131,728	-	-	295,000	200,119	1,451,847	251%			
2019	11,396,600	491,006	7,526,174	4,361,432	860,000	95,362	-	-	300,000	191,006	1,446,368	302%			
2020	11,377,081	491,281	7,597,295	4,271,067	895,000	54,756	-	-	310,000	181,281	1,441,037	296%			
2021	12,131,553	490,644	7,861,087	4,761,110 ^{5, 6}	670,000	16,750	-	-	320,000	170,644	1,177,394	404%			
2022	9,657,638	359,830	7,754,996	2,262,472 ^{5, 6}	-	-	-	-	22,896	260,000	99,830	359,830	629%		

Source: City of Billings, Montana

¹ Includes operating revenue, intergovernmental revenue, other revenue, interest income net of CFC and PFC interest.

² Total operating expense exclusive of depreciation.

³ The 2000 series bonds were refunded in July of 2010 in exchange for 2010A revenue bonds.

⁴ In FY 2011, Airport series 2010B revenue bonds were issued for the CFC project.

⁵ In FY 2021, Airport series 2010B revenue bonds were refunded for the CFC project. The CFC bonds are now 2020 B Series.

⁶ Also, In FY 2021, Airport series 2020A revenue bond draws began for the new terminal. There will be interest paid during 2022 and principal paid in future years.

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

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Special Assessment Bonds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross¹ Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	6,665,868	7,013,621	1,539,100	8,552,721	77.9%
2014	2,623,645	2,085,862	690,009	2,775,871	94.5%
2015	7,183,892	6,593,709	613,603	7,207,312	99.7%
2016	1,855,339	1,641,069	343,342	1,984,411	93.5%
2017	1,676,582	1,527,648	308,749	1,836,397	91.3%
2018	1,774,099	1,686,466	257,392	1,943,858	91.3%
2019	1,551,560	871,327	274,229	1,145,556	135.4%
2020	1,387,550	822,734	285,151	1,107,885	125.2%
2021	1,244,705	1,052,690	285,194	1,337,884	93.0%
2022	1,642,838	1,095,633	327,141	1,422,774	115.5%

Source: City of Billings, Montana

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

¹ Gross Revenue includes special assessments and investment earnings on reserves.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Storm Sewer Bonds²
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross¹ Revenue	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	3,429,004	2,335,753	1,093,251	185,000	16,311	201,311	543.1%
2014	3,579,824	3,003,616	576,208	385,000	30,797	415,797	138.6%
2015	3,747,959	3,505,136	242,823	100,000	173,094	273,094	88.9%
2016	4,038,829	3,538,658	500,171	160,000	389,450	549,450	91.0%
2017	4,239,414	2,508,407	1,731,007	465,000	487,220	952,220	181.8%
2018	4,359,288	2,926,665	1,432,623	530,000	476,528	1,006,528	142.3%
2019	4,619,127	7,972,036	(3,352,909) ³	545,000	459,369	1,004,369	-333.8%
2020	4,622,541	3,362,035	1,260,506	560,000	445,122	1,005,122	125.4%
2021	4,764,254	2,872,168	1,892,086	575,000	425,419	1,000,419	189.1%
2022	4,912,328	3,123,522	1,788,806	590,000	405,594	995,594	179.7%

Source: City of Billings, Montana

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

¹ Gross revenue includes assessments and investment earnings.

² Included in special assessment bonds in the financial statements and related notes.

³ Storm Sewer reserves were used in FY2019 to fund capital projects.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Parking Notes Payable ³
Last Ten Fiscal Years ⁴
(Unaudited)

Fiscal	Gross¹		Less: Operating	Net Revenue Available for	Debt Service Requirements				Coverage
	Year	Revenue			Debt Service	Principal	Interest ⁴	Total	
2013	\$ 1,755,582	\$ 1,220,805	\$ 534,777	# \$ 222,536	\$ 272,859	\$ 495,395			108%
2014	1,525,125	1,455,807	69,318	115,863	139,917	255,780			27%
2015	1,519,591	1,717,715	(198,124)	119,120	136,660	255,780			-77%
2016	1,590,253	1,520,808	69,445	124,485	131,295	255,780			27%
2017	1,636,217	1,538,722	97,495	130,092	125,688	255,780			38%
2018	1,673,213	1,673,343	(130)	135,952	119,828	255,780			0%
2019	1,755,684	1,608,964	146,720	142,076	113,704	255,780			57%
2020	1,755,004	1,540,872	214,132	148,476	107,304	255,780			84%
2021	1,936,752	1,816,379	120,373	155,163	100,617	255,780			47%
2022	2,240,581	1,798,345	442,236	162,153	93,627	255,780			173%

Source: City of Billings, Montana

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

¹ Gross revenue includes operating revenue Tax Increment TF and interest income.

² Total operating expense exclusive of depreciation

³ The Capital lease for Parking was refinanced in FY2013. The debt service requirements will decrease in subsequent years.

⁴ This interest reported is cash basis. However, the interest reported in the Government-Wide financial statement is accrued.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Solid Waste Revenue Bonds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenue ¹	Less: Operating Expense ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			
				Principal	Interest ⁴	Total	Coverage
2019	\$ 15,905,395	\$ 11,232,020	\$ 4,673,375	\$ -	\$ 313,590	\$ 313,590	1490%
2020	17,467,951	11,410,721	6,057,230	-	430,887	430,887	1406%
2021	17,942,110	12,500,203	5,441,907	700,000	844,275	1,544,275	352%
2022	19,281,872	13,530,911	5,750,961	735,000	722,968	1,457,968	394%

Source: City of Billings, Montana

¹ Includes operating revenue, other revenue, and interest income.

² Total operating expense exclusive of depreciation.

³ The Solid Waste revenue bonds were sold in FY2019 and the first principal payment occurred in FY2021.

⁴ The interest reported is cash basis. However, the interest reported in the Government-Wide financial statement is accrued.

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

CITY OF BILLINGS, MONTANA
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Personal Income⁵		Per Capita		School Enrollment³	Unemployment Rate⁴
	Population¹	(In thousands)	Personal Income⁵	Median Age²		
2013	106,954	4,443,511	41,546	37.0	16,238	3.7%
2014	109,059	4,625,956	42,417	36.8	16,328	2.9%
2015	108,869	4,638,473	42,606	38.3	16,120	2.9%
2016	110,263	5,077,832	46,052	38.1	16,644	3.2%
2017	110,323	5,201,509	47,148	38.1	16,648	3.2%
2018	109,642	5,455,786	49,760	38.3	16,649	3.0%
2019	109,544	5,698,369	52,019	37.6	16,649	2.9%
2020	109,431	5,916,825	54,069	38.2	16,677	4.9%
2021	117,116	6,634,504	56,649	36.9	16,945	3.1%
2022	117,445	7,011,232	59,698	37.3	16,800	2.6%

Sources and other information:

- ¹ Census taken every ten years. Actual census figures given for 2021.
 All other years are estimated by City/County Planning, Yellowstone County, Montana.
- ² Census and Economic Information Center (CEIC), Montana Department of Commerce
- ³ Billings School District #2.
- ⁴ State of Montana Research & Analysis Bureau.
- ⁵ Bureau of Economic Analysis. Current Fiscal Year given as estimate only.

CITY OF BILLINGS, MONTANA
Top 20 Private Employers in Yellowstone County
(Unaudited)

Employer	2021	Number of Employees¹
Billings Clinic		1,000 or More
St. Vincent Healthcare		1,000 or More
Wal-Mart		1,000 or More
Albertsons Food & Drug		500-999
Cenex Harvest States		500-999
First Interstate Bank		500-999
SCL Medical Group		500-999
St John's United		500-999
Wells Fargo		500-999
Charter Communications		250-499
Costco		250-499
ExxonMobil		250-499
McDonalds		250-499
Phillips 66 Company		250-499
Rocky Mountain College		250-499
ROI Solutions		250-499
Sysco Food Service		250-499
Target		250-499
Town Pump		250-499
United Parcel Service		250-499

Sources and other information:

Montana Department of Labor and Industry

CITY OF BILLINGS, MONTANA
Full-Time Equivalent City of Billings Employees by Function
Last Ten Fiscal Years
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	87.8	90.6	84.6	84.6	85.9	88.9	86.9	92.4	93.6	108.8
Planning and community services	31.6	31.8	38.8	39.5	40.3	44.6	42.1	42.1	42.8	42.3
Library	31.7	31.7	31.9	31.8	32.8	32.8	32.8	32.8	32.8	33.8
Public safety										
Police	165.0	166.0	166.0	167.3	173.3	170.3	171.3	177.3	177.3	201.8
Animal shelter	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Police Grants	-	-	-	-	-	-	4.0	4.0	4.0	4.0
Fire	146.5	146.5	146.5	147.1	157.1	156.8	158.8	159.8	159.8	173.3
Emergency Operating Center	-	-	-	-	-	-	0.3	1.3	1.3	1.3
Streets/Traffic	45.0	45.0	45.0	47.0	47.0	48.0	48.0	48.0	48.0	48.0
Water and Wastewater	103.0	103.0	103.0	103.0	104.1	104.0	103.0	97.0	97.1	97.6
Sanitation	63.5	64.5	64.5	63.5	63.5	63.5	64.5	67.0	69.0	73.0
Parking	12.3	12.0	12.0	12.0	12.5	12.5	12.5	12.5	12.5	13.0
Aviation	56.0	56.0	56.0	56.0	55.6	54.4	54.4	54.4	54.7	56.2
Transit	55.3	55.3	55.3	55.3	55.7	55.9	55.9	55.9	55.6	57.1
Internal services	75.0	75.0	75.0	78.0	77.0	78.0	79.0	88.8	89.1	95.2
Total	879.7	884.4	885.6	892.1	911.8	916.7	920.5	940.3	944.6	1,012.4

Source: City of Billings Annual Budget

City of Billings
Operating Indicators by Activity
Last Ten Years
(Unaudited)

Activity	Report	Period¹	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police												
Dispatched Calls		FY	66,510	66,111	68,817	78,484	88,447	95,214	92,912	96,080	94,532	83,668
Arrests		CY	9,265	10,214	10,064	11,942	12,084	11,011	11,026	10,299	11,538	11,035
Traffic Violations		CY	26,478	24,813	15,460	17,068	24,463	23,973	27,149	22,609	17,871	20,519
Traffic Accidents		CY	3,329	3,988	3,845	2,518	2,521	2,395	2,610	2,318	1,772	2,465
Fire												
Dispatched Calls		FY	11,194	11,989 lot Available ²		13,263	13,880	14,441	15,810	16,264	18,365	17,803
Inspections		CY	1,209	1,553	2,027	1,043	2,516	1,058	1,497	942	729	857
Solid Waste												
Residential Customers		FY	32,772	33,127	35,623	31,721	31,874	32,055	32,413	32,845	33,182	33,637
Commerical Customers		FY	4,071	4,136	2,900	2,559	2,624	2,603	2,586	2,591	2,641	2,667
Landfill trips		FY	166,777	165,729	146,635	140,007	154,894	151,795	174,773	177,850	127,053	112,203
Water												
Customers		FY	29,811	30,113	30,326	30,651	30,311	31,435	32,811	32,674	32,948	33,197
Average Daily Consumption (millions of gallons)		FY	23	21	21	21.5	21.3	22	19	21	23.1	22.2
Wastewater												
Customers		FY	32,951	33,357	33,894	34,292	34,543	35,302	35,292	35,667	35,937	36,385
Average Daily Treatment (millions of gallons)		FY	16	16	16	15	16	18.7	19	22	18.9	20.6

Source: City of Billings Operating Budget, Billings, Montana

¹ CY represents a Calendar Year, FY represents a Fiscal Year (July 1-June 30). Calendar Year stats are to date at the time of data inquiry (typically end of November).

² A new system was implemented, so an accurate number cannot be given for FY15.

City of Billings
Capital Asset Statistics by Activity
Last Ten Years
(Unaudited)
(Page 1 of 2)

	Report Period¹	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Date of Incorporation - 1882											
Form of Government - Council/Administrator											
Area in Square Miles	FY	42.0	42.0	42.5	43.0	42.9	43.0	43.0	44.8	44.5	44.7
Activity											
Public Safety											
Police											
Stations	FY	1	1	1	1	1	1	1	1	1	1
Police Officers	FY	140	141	141.4	142	150	145	154*	182	154	157
Fire											
Stations	FY	7	7	7	7	7	7	7	7	7	7
Firefighters/Officers/Dispatchers	FY	144	144.5	145.1	144.8	153.8	155.8	155.8	156.5	156.5	160.6
Streets											
Streets (miles)	CY	530.0	530.0	537.8	545.1	545.6	545.6	545.6	633.0**	559.1	560.5
Streetlights	FY	8,202	8,239	8,376	8,480	8,202	8,533	8,796	8,691	8,881	8,847
Street Light Maintenance Districts	FY	185	186	187	192	185	194	193	194	197	197
City Parks											
Developed Acres	FY	1,183	1,183	1,183	1,201	1,204	1,204	1,223	1,223	1,223	1,255
Undeveloped Acres	FY	290	290	290	282	279	279	268	268	268	248
Natural Park Acres	FY	1,107	1,107	1,107	1,167	1,213	1,213	1,213	1,213	1,213	1,213
Parking											
Garages	FY	4	3	3	4	4	4	4	4	4	4

(continued)

Source: City of Billings Operating Budget, Billings, Montana

¹ CY represents a Calendar Year, FY represents a Fiscal Year

* Number reflects a change to Authorized vs. Actuals for the previous years.

** Includes all Federal, State and City Streets in the City Limits of Billings

City of Billings
Capital Asset Statistics by Activity
Last Ten Years
(Unaudited)
(Page 2 of 2)

	Report Period¹	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water											
Water Mains (miles)	FY	467	468	476	468	481	487	492	484	487	499
Fire Hydrants	FY	4,242	4,357	4,392	4,405	4,211	4,517	4,645	4,670	4,717	4,801
Maximum Daily Capacity (millions of gallons)	FY	60	60	60	60	60	60	60	60	60	60
Wastewater											
Storm Sewers (miles)	FY	149.2	213.8	232.0	219	264	270	272	276	279	283
Sanitary Sewers (miles)	FY	486	488	497	494.5	499	502	507	510	513	519
Maximum Daily Capacity (millions of gallons)	FY	26	26	26	26	26	26	30	30	30	65

Source: City of Billings Operating Budget, Billings, Montana

¹ CY represents a Calendar Year, FY represents a Fiscal Year

CITY OF BILLINGS, MONTANA
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years
(Unaudited)

<u>Construction</u> ¹						
Fiscal Year	Commercial		Residential		Bank Deposits	
	Number of	Permits	Value	Number of	Permits	Value
2013	74	109,879,817	⁵	434	97,412,566	4,315,837
2014	79	52,150,771		333	78,673,385	4,597,034
2015	76	75,258,982		419	100,954,761	4,886,513
2016	84	79,697,699		503	93,464,621	4,904,589
2017	67	78,801,883		294	69,702,982	5,019,961
2018	55	59,259,933		308	71,519,348	5,169,216
2019	69	67,294,314		304	77,974,865	5,207,328
2020	74	53,986,705		264	70,830,904	6,093,106
2021	60	33,288,129		432	119,913,110	6,842,613
2022	101	169,188,108	⁷	409	116,444,427	7,763,109 ⁶

Sources and other information:

¹ Building Department (new construction permits), City of Billings, Montana.

² Single family only.

³ Individual banks

⁴ State of Montana Department of Revenue.

⁵ Commercial values increased due to several large projects, including a new library, parking garage, a large sporting goods retailer and a VA clinic.

⁶ FDIC.gov individual banks

⁷ Commercial values increased due to several large projects, including a new medical university, a grocery store and relocation of several existing businesses

SINGLE AUDIT SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Honorable Mayor, Members of the City Council and and City Administrator
City of Billings, Montana**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Billings, Montana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Billings, Montana's basic financial statements and have issued our report thereon dated January 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Great Falls, Montana
January 28, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Honorable Mayor, Members of the City Council and and City Administrator
City of Billings, Montana**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Billings, Montana's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Billings, Montana's major federal programs for the year ended June 30, 2022. The City of Billings, Montana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Billings, Montana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with 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 agreement applicable to City of Billings, Montana's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Billings, Montana'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 City of Billings, Montana'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 City of Billings, Montana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Billings, Montana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Billings, Montana's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 considered 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.

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

Great Falls, Montana
January 28, 2023

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022
(Page 1 of 5)

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Program Amount or Grant Award</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants and Entitlement Grants:	14.218			
Grant entitlement B-20-MC-30-001		-	657,820	566,980
Grant entitlement B-21-MC-30-001		-	654,649	253,612
CDBG-CV B-20-MW-30-0001	141,741		909,126	235,028
CFDA and cluster subtotal	141,741		2,221,595	1,055,620
Home Investment Partnerships Program:	14.239			
Grant Entitlement M 20 MC 300213		-	349,053	30,858
Grant Entitlement M 21 MC 300213		-	334,548	315,416
CFDA subtotal		-	683,601	346,274
<u>Corporation for National and Community Service</u>				
AmeriCorps VISTA - VISTA State Support Grant	94.013			
14-VSP-MT-001/21-VSP-MT-001		-	250,898	169,180
CFDA Subtotal		-	250,898	169,180
<u>U.S. Department of Transportation</u>				
Airport Improvement Program:	20.106			
AIP3-30-0008-060-2019		-	3,036,099	1,102
AIP3-30-0008-064-2020		-	283,788	5,225
AIP3-30-0008-069-2021		-	1,325,105	1,191,827
AIP3-30-0008-072-2021		-	7,821,663	4,615,423
COVID-19 Airport Improvement Program - CARES ACT	20.106			
AIP3-30-0008-070-2021 CRRSAA		-	3,543,629	2,865,038
AIP3-30-0008-073-2021 CARES		-	7,970,216	5,777,805
AIP3-30-0008-074-2021 ARPA		-	6,142,967	461,240
CFDA Subtotal of 20.106 Federal Awards		-	30,123,467	14,917,660

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022
(Page 2 of 5)

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Program Amount or Grant Award</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation (continued)</u>				
<i>Federal Transit Cluster</i>				
Federal Transit Capital & Ops Assistance Formula Grants	20.507			
FTA Section 5307-Capital Grant Program MT-2022-001-00		-	1,891,495	1,707,474
COVID-19 Federal Transit Capital & Ops Assistance Formula Grants-CARES ACT				
FTA Section 9-Operating MT-2020-027-00		-	5,358,483	4,272,170
CFDA subtotal		-	<u>7,249,978</u>	<u>5,979,644</u>
Federal Transit Metropolitan Planning Grants	20.526			
FTA Section 5339-Capital-Passed Through				
the State of Montana Contract #111707		-	1,509,182	1,509,182
FTA Section 5339(a)-Discretionary Capital Grant MT-2022-025-00			857,818	71,492
FTA Section 5339(b)-Discretionary Capital Grant MT-2020-007-00		-	1,360,000	1,308,577
FTA Section 5339(b)-Discretionary Capital Grant MT-2021-013-00		-	840,000	702,171
FTA Section 5339(b)-Discretionary Capital Grant MT-2021-013-00		-	195,000	195,000
CFDA subtotal		-	<u>4,762,000</u>	<u>3,786,422</u>
<i>Federal Transit Cluster subtotal</i>		-	<u>12,011,978</u>	<u>9,766,066</u>
Federal Transit Metropolitan Planning Grants	20.505			
FTA Section 5303-Operating-Passed Through				
the State of Montana Contract # 111627		-	299,722	110,310
FTA Section 5303-Operating-Passed Through				
the State of Montana Contract # 112067		-	204,804	164,869
CFDA subtotal		-	<u>504,526</u>	<u>275,179</u>
<i>Highway Safety Cluster</i>				
State and Community Highway Safety:	20.600			
Passed through the State of Montana:				
STEP OT Contract #1101885		-	10,000	4,138
STEP OT Contract #110120		-	9,000	3,670
CFDA and Cluster subtotal		-	<u>19,000</u>	<u>7,808</u>
Highway Planning and Construction:	20.205			
Passed through the State of Montana				
STPU-MT UPN 6040		-	-	-
Metropolitan Planning Funds SPR-PL-1 (57) Contract #110611		-	1,028,852	1,028,852
CFDA subtotal		-	<u>1,028,852</u>	<u>1,028,852</u>
<i>Highway Planning and Construction Cluster</i>				
Federal Railroad Administration Traspassing Grant	20.301			
Railroad Trespassing Enforcement		-	50,000	10,787
CFDA and Cluster subtotal		-	<u>50,000</u>	<u>10,787</u>

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022
(Page 3 of 5)

<u>Federal Grantor</u>	Federal CFDA Number	Passed Through to Subrecipients	Program Amount or Grant Award	Expenditures
<u>U.S. Department of Interior</u>				
Historic Preservation Fund Grants-In-Aid:	15.904			
Passed through the Montana Historic Society;				
MT-21-011		- 6,000	6,000	6,000
CFDA subtotal		- 6,000	6,000	6,000
Land and Water Conservation Fund State and Local Assistance	15.916			
Passed through the State of Montana;				
MT-19 -30-00737 F-1		- 150,000	2,683	2,683
CFDA subtotal		- 150,000	2,683	2,683
<u>U.S. Department of Justice</u>				
Coronavirus Emergency Supplemental Funding	16.034			
2020-VD-BX-1038		- 230,612	98,755	98,755
CFDA subtotal		- 230,612	98,755	98,755
Bureau of Justice Assistance	16.838			
COSSAP 2020-AR-BX-0091		146,487	900,000	146,487
CFDA Subtotal		146,487	900,000	146,487
Equitable Sharing Program	16.922			
Asset Forfeiture		- 70,891	70,891	70,891
CFDA subtotal		- 70,891	70,891	70,891
Billings Adult Misdemeanor Treatment Court-DUI Grant	16.585			
2017DCBX0023		- 399,956	113,393	113,393
CFDA subtotal		- 399,956	113,393	113,393

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022
(Page 4 of 5)

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Program Amount or Grant Award</u>	<u>Expenditures</u>
<u>U.S. Department of Justice (continued)</u>				
Violence Against Women Formula Grants passed through State of Montana Board of Crime Control	16.588			
Domestic Violence Investigator 20-W02-92606		-	11,537	7,958
Domestic Violence Investigator 21-W02-00743		-	52,603	34,549
Domestic Violence Unit 120-W03-92618		-	90,000	69,709
CFDA subtotal			<u>154,140</u>	<u>112,216</u>
Project Safe Neighborhoods	16.609			
19-001-92645		-	40,000	20,740
22-001-1325		-	30,000	6,094
CFDA subtotal			<u>70,000</u>	<u>26,834</u>
Justice Assistance Grants:	16.738			
15BJA21GG01627JAGX		17,331	105,725	20,572
2018-DJ-BX-0412		-	86,331	12,185
2019-DJ-BX-0772		-	84,717	16,698
2020-DJ-BX-0926		-	84,237	14,505
CFDA subtotal		17,331	<u>361,010</u>	<u>63,960</u>
Billings Adult Misdemeanor Treatment Court-Mental Health Grant	16.745			
2017-DC-BX-0023		-	399,956	39,011
CFDA subtotal			<u>399,956</u>	<u>39,011</u>
<u>Department of Health and Human Services</u>				
Substance Abuse and Mental Health Services	93.243			
Billings Adult Misdemeanor Drug Court-SAMHSA				
SAMHSA 20-HG01-91126		-	399,867	228,806
CFDA subtotal			<u>399,867</u>	<u>228,806</u>

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022
(Page 5 of 5)

Federal Grantor	Federal CFDA Number	Passed Through to Subrecipients	Program Amount or Grant Award	Expenditures
<u>Department of Homeland Security</u>				
Homeland Security Grant Program	97.067			
EMW-2021-SS-00042		-	100,000	72,207
EMW-2019-SS-00010		-	95,971	23,763
19HSBLNGSHAZ		-	175,000	64,283
CFDA subtotal		-	370,971	160,253
State Homeland Security Program				
HMEP-BILFD SafetyOff	20.703	-	51,280	38,085
HMEP-BILSAFE		-	23,750	19,623
CFDA subtotal		-	75,030	57,708
FEMA COVID-19 Provider Relief Fund	93.498	325,643	325,643	325,643
CFDA subtotal		325,643	325,643	325,643
<u>Office of National Drug Control Policy</u>				
High Intensity Drug Traffic Area Award:	95.001			
2019 HIDTA #G19RM0038A		-	200,000	42,782
2021 HIDTA #G21RM0038A		-	228,697	105,818
2022 HIDTA #G22RM0038A		-	270,254	101,223
CFDA subtotal		-	698,951	249,823
<u>U.S. Department of the Treasury</u>				
American Rescue Plan Act: State & Local Fiscal Recovery Funds	21.027			
City of Billings		-	15,940,314	2,298,750
CFDA subtotal		-	15,940,314	2,298,750
Total federal awards (all sources)	<u>\$ 631,202</u>	<u>\$ 67,447,258</u>	<u>\$ 31,578,639</u>	

CITY OF BILLINGS, MONTANA
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Billings, Montana for the year ended June 30, 2022. The City's reporting entity is described in Note 1 in the City's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

(2) Significant Accounting Policies

Amounts reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis, at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund. Such expenditures are recognized following the cost principles in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10% De Minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Audit findings that are required to be reported in accordance with the Uniform Guidance Section 200.516 in Part III are reported in this schedule.	

Identification of major programs:

Community Development Block Grants and Entitlement Grants - CFDA 14.218
 Airport Improvement Program - CFDA 20.106
 Federal Transit Cluster - CFDA 20.507 and 20.526
 Metropolitan Planning Grants - CFDA 20.205
 American Rescue Plan Act - CFDA 21.027

Dollar threshold used to distinguish between Type A and Type B	\$947,359
Auditee qualified as low-risk auditee?	Yes

CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

FINDINGS - NONE

CITY OF BILLINGS, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2022

FINDINGS - NONE

