

Fiscal Year 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the Fiscal Year ended June 30, 2024

CITY OF
BILLINGS,
MONTANA



ABOUT THE COVER

Skyway Drive – Opened on June 6th, 2024, Skyway Drive is a 6-mile roadway with multi-use path that connects the West End and Heights regions for a safe, prosperous, and well-connected Billings. This breathtaking route contours the signature landscape of sagebrush, evergreens, and sandstone beneath the big sky for residents and visitors to enjoy.

Skyline Trail – Opened on December 7th, 2023, the Skyline Trail further extend recreation and active transportation opportunities for the community by connecting existing trails on the iconic Rimrocks. The Skyline thoughtfully features seating areas with stunning views of the city and the Bighorn, Pryor and Beartooth Mountains, interpretive signs on regional history, paved parking, a MET bus shelter, bike racks, and more.

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Cover Image Design: Allegra Marketing & Print

CITY OF BILLINGS, MONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCE DEPARTMENT

ANDREW ZOELLER, CPA
FINANCE DIRECTOR

FISCAL YEAR 2024

July 1, 2023 – June 30, 2024

INTRODUCTORY SECTION (UNAUDITED)

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INTRODUCTORY SECTION



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February 19, 2025



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, 2024, 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, 2024. 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.

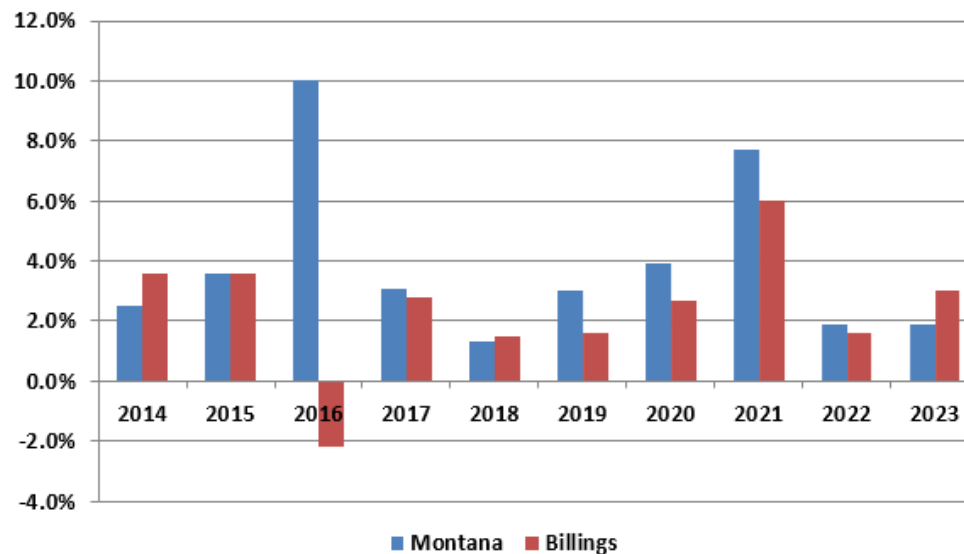
Montana emerged from the pandemic as one of the clear winners among the 50 states in the strength of its economic recovery, but those hectic days of booming growth are behind us. Lost in the news of inflation, high housing prices and tight labor markets is growing evidence that Montana's underlying growth rate has returned to something much closer to its historical average. Measuring growth by inflation corrected total wages, the two industries that contributed the most to the state's overall slowdown were finance and business services along with accommodations and food.

Montana's urbanized areas managed to build, if only slightly, on the sky-high earnings growth propelled by economic reopening, strong visitor spending, and boatloads of federal stimulus that superheated economic growth in the pandemic recovery, which peaked in 2021.

Yellowstone County - After underperforming the rest of the state in the years following the 2014 oil price bust, the state's largest regional economy's pace of growth picked up toward the end of the decade as energy related declines in the four-state region it serves stabilized. Growth coming out of the pandemic has been strong, but slightly less than the state average. Total wages paid in the first half of 2022 showed a moderation in growth. Wages are only about 60% of earnings, however. A different story is told by Montana income tax collections, which have continued to exhibit strong growth right up to the current time. The state's largest health care economy captured its share of headlines in 2023 with the merger of Billings Clinic and Kalispell-based Logan Health as well as the designation of Billings Clinic as a Level 1 trauma center – the first in

the region. In Billings and throughout the state, the industry remained under significant financial pressure, both from higher labor costs and underperforming revenues. The 63,000 Lockwood oil refinery operated by Exxon since 1973 was sold to Par Pacific, who took over operations mid-2023. The outlook for the smaller sized refineries in Montana, including the three operating in Yellowstone County, remains guarded, owing to tightening federal emissions and renewable mandates that could render them uneconomic.

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 34% of its revenue from the General Fund. Historically, the General Fund balance increased slightly through modest increases in expenditures and tax revenue. 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 FY26 budget. In 2023 the City of Billings experienced a historically large increase in its tax base of 22%. Much of Montana saw similar increases, and the City expects future legislative changes to slow this increase in the future. The City closely monitors state legislative action that may impact the property tax base.

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 adjusted and adopted updated strategic goals in 2024.

- Improve the safety of Billings for all citizens.
- Sustain and upgrade critical infrastructure.
- Foster economic vibrancy through quality designed neighborhoods and business districts.
- Provide exceptional educational, recreational, and cultural services and amenities.
- Cultivate a high-performance organization.

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, 2024. 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, 2023. This was the 40th 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, Nicole Ratzlaff, and Sarah Lane. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



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, 2023

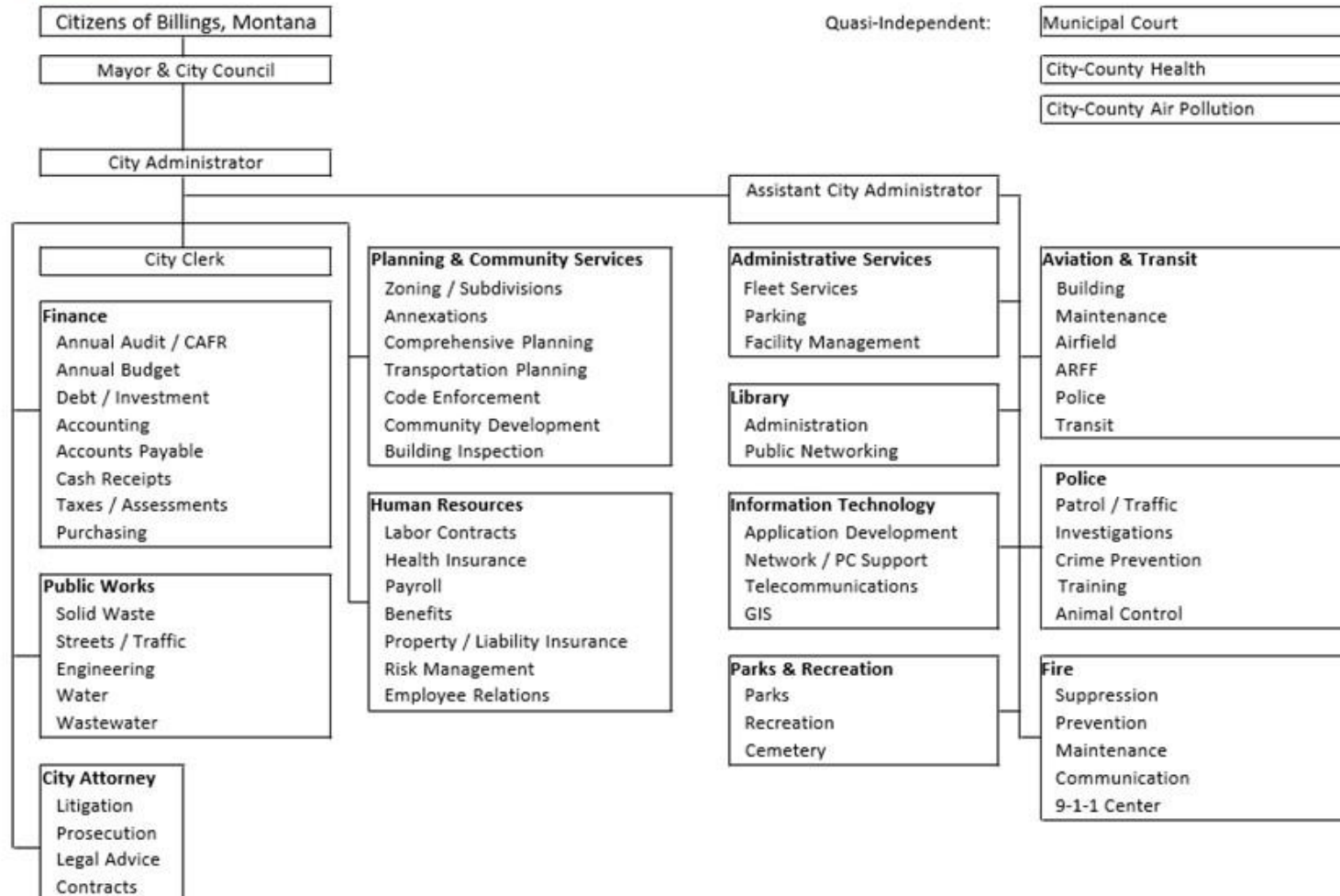
Christopher P. Morill

Executive Director/CEO



City of Billings, Montana

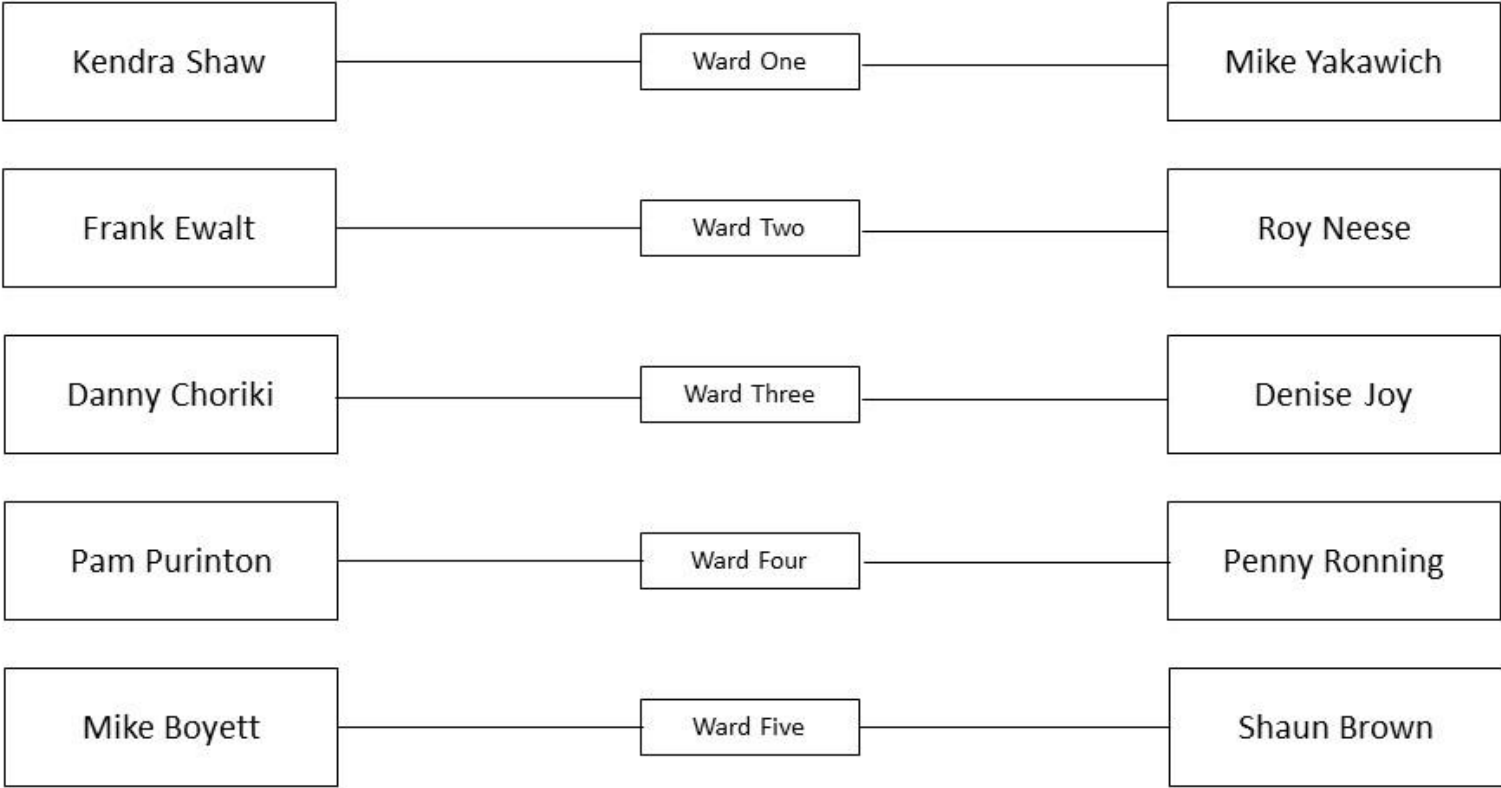
Organizational Chart



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, 2024, 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, 2024, 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.

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 4 through 14 and 124 through 144 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 February 19, 2025, 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
February 19, 2025

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, 2024. 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 14 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 \$1.06 Billion (Net Position).
- The total fiscal year end governmental fund balance was \$124.9 Million as reported in the balance sheet.
- The total general fund and public safety fund balances at the fiscal year end were \$11,664,202 and \$3,208,387, 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 the City Hall Construction Fund. 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 19-23 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 24-28 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, 2024, was \$1,063,918,543 (assets and deferred outflows exceeded liabilities and deferred inflows), which was an increase of \$81.1 million. The increase is largely attributable to capital contributions from grants and developers and receipt of federal American Rescue Plan funds, interest and investment income, and other intergovernmental revenues. 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, 2024, and June 30, 2023:

City of Billings, Montana's Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|----------------------------|----------------|-----------------------------|----------------|------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 167,150,539 | \$ 161,927,995 | \$ 254,834,147 | \$ 177,300,185 | \$ 421,984,686 | \$ 339,228,180 |
| Capital assets | 379,387,327 | 337,915,417 | 650,622,675 | 605,911,301 | 1,030,010,002 | 943,826,718 |
| Total assets | 546,537,866 | 499,843,412 | 905,456,822 | 783,211,486 | 1,451,994,688 | 1,283,054,898 |
| Deferred outflows | 15,467,505 | 17,429,288 | 4,439,124 | 4,570,997 | 19,906,629 | 22,000,285 |
| Long-term liabilities outstanding | 156,839,046 | 140,330,902 | 206,485,869 | 135,493,748 | 363,324,915 | 275,824,650 |
| Other liabilities | 18,515,836 | 18,004,875 | 17,440,356 | 14,362,359 | 35,956,192 | 32,367,234 |
| Total liabilities | 175,354,882 | 158,335,777 | 223,926,225 | 149,856,107 | 399,281,107 | 308,191,884 |
| Deferred inflows | 3,402,393 | 5,266,192 | 5,299,274 | 8,842,760 | 8,701,667 | 14,108,952 |
| Net position: | | | | | | |
| Net investment in capital assets | 299,929,479 | 272,226,830 | 481,632,395 | 505,791,106 | 781,561,874 | 778,017,936 |
| Restricted | 90,944,803 | 88,796,116 | 5,256,097 | 5,256,097 | 96,200,900 | 94,052,213 |
| Unrestricted | (7,626,186) | (7,352,215) | 193,781,955 | 118,036,413 | 186,155,769 | 110,684,198 |
| Total net position | \$ 383,248,096 | \$ 353,670,731 | \$ 680,670,447 | \$ 629,083,616 | \$ 1,063,918,543 | \$ 982,754,347 |

The restricted portion of fiscal year 2024 Net Position (9.6%) represents resources that are subject to external restrictions as to how they may be used.

City of Billings, Montana's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|---------------|-----------------------------|---------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 48,350,376 | \$ 45,719,563 | \$ 98,230,279 | \$ 92,039,463 | \$ 146,580,655 | \$ 137,759,026 |
| Operating grants and contributions | 20,594,658 | 27,617,157 | 14,989,200 | 12,671,963 | 35,583,858 | 40,289,120 |
| Capital grants and contributions | 14,750,530 | 16,321,005 | 15,387,941 | 16,162,311 | 30,138,471 | 32,483,316 |
| General revenues: | | | | | | |
| Property taxes | 67,525,043 | 55,308,129 | 2,648,844 | 2,567,659 | 70,173,887 | 57,875,788 |
| Franchise fees | 1,164,864 | 1,234,441 | - | - | 1,164,864 | 1,234,441 |
| Business licenses | 719,277 | 738,127 | - | - | 719,277 | 738,127 |
| Unrestricted federal/state shared revenue | 25,724,790 | 18,698,476 | - | - | 25,724,790 | 18,698,476 |
| Unrestricted investment earnings | 5,976,342 | 2,782,817 | 11,472,333 | 3,145,331 | 17,448,675 | 5,928,148 |
| Gain/(Loss) on sale of property and equipment | 278,343 | 58,049 | (292,502) | 81 | (14,159) | 58,130 |
| Miscellaneous | 2,939,669 | 865,612 | 1,612,965 | 2,644,710 | 4,552,634 | 3,510,322 |
| Total revenues | 188,023,892 | 169,343,376 | 144,049,060 | 129,231,518 | 332,072,952 | 298,574,894 |

(Continued)

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

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|----------------|-----------------------------|----------------|------------------|----------------|
| Expenses: | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General government | 13,567,851 | 13,173,759 | - | - | 13,567,851 | 13,173,759 |
| Public safety | 74,572,970 | 68,799,123 | - | - | 74,572,970 | 68,799,123 |
| Public works | 43,718,761 | 40,965,068 | - | - | 43,718,761 | 40,965,068 |
| Public health | 1,679,910 | 1,137,482 | - | - | 1,679,910 | 1,137,482 |
| Culture and recreation | 15,954,861 | 13,499,247 | - | - | 15,954,861 | 13,499,247 |
| Housing and economic development | 5,878,539 | 4,341,728 | - | - | 5,878,539 | 4,341,728 |
| Interest on long-term debt | 2,909,958 | 2,478,157 | - | - | 2,909,958 | 2,478,157 |
| Solid Waste | - | - | 20,254,380 | 23,255,407 | 20,254,380 | 23,255,407 |
| Airport | - | - | 13,316,705 | 12,930,311 | 13,316,705 | 12,930,311 |
| Water | - | - | 25,958,215 | 23,631,246 | 25,958,215 | 23,631,246 |
| Wastewater | - | - | 21,246,043 | 19,987,628 | 21,246,043 | 19,987,628 |
| Parking | - | - | 2,481,945 | 2,546,887 | 2,481,945 | 2,546,887 |
| Transit | - | - | 8,654,975 | 7,314,236 | 8,654,975 | 7,314,236 |
| Golf Course | - | - | 566,896 | 700,630 | 566,896 | 700,630 |
| Total expenses | 158,282,850 | 144,394,564 | 92,479,159 | 90,366,345 | 250,762,009 | 234,760,909 |
| Increase in net position before transfers | 29,741,042 | 24,948,812 | 51,569,901 | 38,865,173 | 81,310,943 | 63,813,985 |
| Transfers | (79,500) | (565,131) | 79,500 | 565,131 | - | - |
| Change in net position | 29,661,542 | 24,383,681 | 51,649,401 | 39,430,304 | 81,310,943 | 63,813,985 |
| Net position, beginning of year | 353,596,485 | 329,287,050 | 629,083,616 | 589,622,028 | 982,680,101 | 918,909,078 |
| Restatement - accounting changes and/or error corrections (see Note) | (9,931) | - | (62,570) | 31,284 | (72,501) | 31,284 |
| Net position, end of year | \$ 383,248,096 | \$ 353,670,731 | \$ 680,670,447 | \$ 629,083,616 | \$ 1,063,918,543 | \$ 982,754,347 |

Governmental activities. Net Position in governmental activities increased by \$29,577,365 during fiscal year 2024. Net Position increased due to the combination of increased operating grants, capital grants, and property tax revenue.

Business-type activities. Net Position in business-type activities increased by \$51,586,831 during fiscal year 2024. Net Position increased due to Airport, Water, and Wastewater contributed capital of \$15.3 million increases in revenue related to charges for services, and increased investment income on investments.

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 34% 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.

In compliance with GASB 100, the City of Billings made fund balance adjustments to the Police Programs Fund as an accounting change from closing two police funds. A restatement of \$2,362 was made to increase the nonmajor special revenue beginning net position due to an error correction within one of the funds closed. The restatement resulted in a net position understatement of \$2,362 in the previous year. It is not practical to restate earlier periods for the error correction because it is immaterial. Additionally, two error corrections were made for GASB 87 on the Ballpark Donation Fund and Parks Programs to record the lease receivable and deferred inflows not recorded at the initiation of GASB 87 for lessor leases. Parks Programs will receive a (\$16,743) restatement to the fund balance to adjust for the prior period and the Baseball Field/Stadium Donations for Capital Maintenance Fund will receive a \$4,450 restatement to the fund balance to adjust for the prior period.

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 \$187,928,062 for fiscal year ended June 30, 2024, an increase of \$75.6 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 increased by \$2.4 million due to a net operating income of \$2.0 million, largely driven by an decrease in the landfill closure and post-closure expenses. The Airport Fund's net position increased by \$15.4 million due to capital contributions of \$11.6 million. The Water Fund's net position increased by \$22.2 million due to a net operating income of \$10.7 million and \$1.4 million of contributed capital. The Wastewater Fund's net position increased by \$7.7 million due to a net operating income of \$5.1 million and capital contributions of \$2.3 million. The Parking Fund's net position increased by \$203,904 due to a net operating income of \$43,719.

An error correction of \$62,570 was made to decrease the business-type activities' beginning net position as an error correction for the Water Fund which had a discrepancy in the Construction in Progress in that it was overstated by \$62,570 in the previous year. It is not practical to restate earlier periods because this correction is immaterial

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. City Council has established a goal of increasing the reserve amount in the General Fund to 33% of budgeted expenditures, and plans to slowly increase the fund balance over the next few years.

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, 2024, was \$1.03 billion (net of accumulated depreciation). The investment in capital assets includes land; construction in progress; buildings; improvements other than buildings, equipment and vehicles; infrastructure, subscription assets, and leased assets. The City had construction commitments of \$123 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 | |
|-----------------------------------|----------------------------|----------------|-----------------------------|----------------|------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$ 46,676,119 | \$ 46,676,119 | \$ 17,665,489 | \$ 17,665,489 | \$ 64,341,608 | \$ 64,341,608 |
| Buildings | 30,686,282 | 30,467,530 | 45,547,909 | 47,537,794 | 76,234,191 | 78,005,324 |
| Improvements other than buildings | 35,118,748 | 31,879,521 | 65,443,832 | 61,885,978 | 100,562,580 | 93,765,499 |
| Machinery and equipment | 26,396,586 | 17,332,234 | 27,550,856 | 25,604,335 | 53,947,442 | 42,936,569 |
| Infrastructure | 167,838,142 | 171,570,640 | 374,124,973 | 362,417,497 | 541,963,115 | 533,988,137 |
| Lease Asset | 655,158 | 815,605 | - | 18,761 | 655,158 | 834,366 |
| Subscription Asset | 87,156 | 170,826 | - | - | 87,156 | 170,826 |
| Construction In progress | 71,929,135 | 39,002,941 | 120,289,616 | 90,781,447 | 192,218,751 | 129,784,388 |
| Total | \$ 379,387,327 | \$ 337,915,417 | \$ 650,622,675 | \$ 605,911,301 | \$ 1,030,010,002 | \$ 943,826,718 |

Additional information on the City of Billings' capital assets can be found on pages 62-65 of this report.

City of Billings, Montana's Outstanding Debt

Long-term Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|---------------|-----------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General obligation bonds | \$ 10,051,400 | \$ 11,691,699 | \$ - | \$ - | \$ 10,051,400 | \$ 11,691,699 |
| Refunding bonds | - | - | 2,200,000 | 2,475,000 | 2,200,000 | 2,475,000 |
| Special assessment debt with governmental commitment | 20,291,014 | 20,771,626 | - | - | 20,291,014 | 20,771,626 |
| Revenue bonds | 35,457,439 | 29,076,781 | 145,497,231 | 72,590,294 | 180,954,670 | 101,667,075 |
| Notes payable | - | - | 19,696,000 | 23,262,000 | 19,696,000 | 23,262,000 |
| Intercap notes payable | 11,965,576 | 2,369,900 | - | - | 11,965,576 | 2,369,900 |
| Lease payable | - | 230,778 | 1,597,050 | 1,774,141 | 1,597,050 | 2,004,919 |
| Total | \$ 77,765,429 | \$ 64,140,784 | \$ 168,990,281 | \$ 100,101,435 | \$ 246,755,710 | \$ 164,242,219 |

Long-term debt. The City of Billings had total bonded debt and notes outstanding of \$246,755,710 at the end of the current fiscal year. The majority of the debt consists of revenue bonds payable in the amount of \$180,954,670. 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 \$10,051,400 of debt is backed by the full faith and credit of the government. The remaining amounts are special assessment debt in the amount of \$20,291,014, which is assessed to benefit property owners, and \$1,597,050 for 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, 2024, the City's general obligation bonded debt of \$10,051,400 was well below the legal debt limit of \$439,264,884. General obligation net bonded debt per capita equated to \$83.16.

Additional information on the City of Billings long-term debt can be found on pages 68-80 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.

In 2023 the State of Montana, including the City of Billings, saw significant increases in tax base growth compared to historical averages. Prior to 2023, tax growth in the City averaged slightly less than 3%. In 2023, the City's tax base increased by 22% related to historically large increases in property values. We do not expect future years to see similar increase, and expect a return to the former historical increases of closer to 3%. Development and construction continue to occur in Billings, during the fiscal year there was development valued at over \$284 million within the City. This is a slight decrease over the most recent fiscal year, but development is trending positively.

Fund balance for the General Fund is slightly above the minimum recommended reserve level as of June 30, 2024. 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. City Council has adopted a goal to increase the fund balance in the General Fund to 33% of budgeted expenditures, but will take time to get reserves to that point.

Of the total mills levied within the City of Billings (City, County, School, and State), the City's portion is approximately 30.4%. 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, 2024
(Page 1 of 3)

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 65,392,736 | \$ 98,583,372 | \$ 163,976,108 |
| Restricted cash and cash equivalents with fiscal agent | 12,394,718 | 8,324,997 | 20,719,715 |
| Investments | 74,891,958 | 113,551,655 | 188,443,613 |
| Receivables | 17,324,507 | 18,465,029 | 35,789,536 |
| Internal balances | (5,853,893) | 5,853,893 | - |
| Inventories | 1,070,613 | 1,678,874 | 2,749,487 |
| Prepaid items | - | 10,895 | 10,895 |
| Lease Receivable | 716,957 | 4,067,249 | 4,784,206 |
| Property held for resale | 378,825 | - | 378,825 |
| Restricted assets: | | | |
| Temporarily restricted: | | | |
| Investments with trustee | - | 4,298,183 | 4,298,183 |
| Permanently restricted: | | | |
| Cash and cash equivalents | 389,020 | - | 389,020 |
| Investments | 445,098 | - | 445,098 |
| Capital assets: | | | |
| Land and construction in progress | 118,605,256 | 137,955,106 | 256,560,362 |
| Other capital, lease, and subscription assets, net of depreciation and amortization | 260,782,071 | 512,667,569 | 773,449,640 |
| Total capital assets | <u>379,387,327</u> | <u>650,622,675</u> | <u>1,030,010,002</u> |
| Total assets | <u>546,537,866</u> | <u>905,456,822</u> | <u>1,451,994,688</u> |
| <u>Deferred Outflows</u> | | | |
| Deferred charge on refunding of debt | 656,793 | - | 656,793 |
| Other post employment benefits | 764,027 | 787,043 | 1,551,070 |
| Pensions | 14,046,685 | 3,652,081 | 17,698,766 |
| Total deferred outflows | <u>15,467,505</u> | <u>4,439,124</u> | <u>19,906,629</u> |
| | | | (continued) |

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

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2024
(Page 2 of 3)

| | Governmental Activities | Business-type Activities | Total |
|--|------------------------------------|-------------------------------------|--------------------|
| <u>Liabilities</u> | | | |
| Accounts payable | 10,438,480 | 13,267,099 | 23,705,579 |
| Accrued wages and benefits | 2,316,231 | 809,885 | 3,126,116 |
| Incurred but not reported health benefits | 1,402,000 | - | 1,402,000 |
| Accrued interest | 1,206,783 | 3,362,558 | 4,569,341 |
| Unearned Revenue | 2,439,342 | 814 | 2,440,156 |
| Other liabilities | 63,000 | - | 63,000 |
| Claims and judgments - due within one year | 650,000 | - | 650,000 |
| Long-term liabilities: | | | |
| Due within one year | 12,587,826 | 10,122,302 | 22,710,128 |
| Due in more than one year | 75,844,567 | 162,422,274 | 238,266,841 |
| Subscription based-IT arrangements | 85,328 | - | 85,328 |
| Other post-employment benefits | 7,724,815 | 3,727,367 | 11,452,182 |
| Lease Liability | 661,963 | - | 661,963 |
| Net pension liability | 59,934,547 | 22,011,692 | 81,946,239 |
| Landfill closure and postclosure - due in more than one year | - | 8,202,234 | 8,202,234 |
| Total liabilities | <u>175,354,882</u> | <u>223,926,225</u> | <u>399,281,107</u> |
| <u>Deferred Inflows</u> | | | |
| Other post employment benefits | 1,258,465 | 618,254 | 1,876,719 |
| Leases | 659,045 | 3,895,915 | 4,554,960 |
| Pensions | <u>1,484,883</u> | <u>785,105</u> | <u>2,269,988</u> |
| Total deferred inflows | <u>3,402,393</u> | <u>5,299,274</u> | <u>8,701,667</u> |
| | | | (continued) |

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

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2024
(Page 3 of 3)

| <u>Net Position</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|----------------------------------|---|--|--------------------------------|
| Net investment in capital assets | 299,929,479 | 481,632,395 | 781,561,874 |
| Restricted for: | | | |
| Public works | 43,474,079 | - | 43,474,079 |
| Culture and recreation | 6,527,365 | - | 6,527,365 |
| Housing and economic development | 21,899,805 | - | 21,899,805 |
| Capital projects | 10,809,091 | - | 10,809,091 |
| Debt service | 7,394,747 | 5,256,097 | 12,650,844 |
| Endowments - nonexpendable | 839,716 | - | 839,716 |
| Unrestricted | (7,626,186) | 193,781,955 | 186,155,769 |
| Total net position | <u><u>\$ 383,248,096</u></u> | <u><u>\$ 680,670,447</u></u> | <u><u>\$ 1,063,918,543</u></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, 2024

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------|-------------------------|--|--|--|-----------------------------|-------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| <u>Functions/Programs:</u> | | | | | | | |
| Primary government | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 13,567,851 | \$ 3,907,690 | \$ 1,459,576 | \$ 2,248,196 | \$ (5,952,389) | \$ - | \$ (5,952,389) |
| Public safety | 74,572,970 | 7,117,818 | 14,470,893 | 490,595 | (52,493,664) | - | (52,493,664) |
| Public works | 43,718,761 | 34,387,466 | 24,823 | 11,101,420 | 1,794,948 | - | 1,794,948 |
| Public health | 1,679,910 | 59,625 | 9,345 | - | (1,610,940) | - | (1,610,940) |
| Culture and recreation | 15,954,861 | 2,867,882 | 2,288,265 | 910,319 | (9,888,395) | - | (9,888,395) |
| Housing and economic development | 5,878,539 | 9,895 | 2,341,756 | - | (3,526,888) | - | (3,526,888) |
| Interest on long-term debt | 2,909,958 | - | - | - | (2,909,958) | - | (2,909,958) |
| Total governmental activities | <u>158,282,850</u> | <u>48,350,376</u> | <u>20,594,658</u> | <u>14,750,530</u> | <u>(74,587,286)</u> | <u>-</u> | <u>(74,587,286)</u> |
| Business-type activities: | | | | | | | |
| Solid Waste | 20,254,380 | 21,697,884 | 143,937 | - | - | 1,587,441 | 1,587,441 |
| Airport | 13,316,705 | 15,074,252 | 229,658 | 11,649,705 | - | 13,636,910 | 13,636,910 |
| Water | 25,958,215 | 33,113,796 | 6,012,704 | 1,422,579 | - | 14,590,864 | 14,590,864 |
| Wastewater | 21,246,043 | 24,398,202 | 297,440 | 2,315,657 | - | 5,765,256 | 5,765,256 |
| Parking | 2,481,945 | 2,381,900 | 14,557 | - | - | (85,488) | (85,488) |
| Transit | 8,654,975 | 818,338 | 8,290,904 | - | - | 454,267 | 454,267 |
| Golf Course | 566,896 | 745,907 | - | - | - | 179,011 | 179,011 |
| Total business-type activities | <u>92,479,159</u> | <u>98,230,279</u> | <u>14,989,200</u> | <u>15,387,941</u> | <u>-</u> | <u>36,128,261</u> | <u>36,128,261</u> |
| Total primary government | <u>\$ 250,762,009</u> | <u>\$ 146,580,655</u> | <u>\$ 35,583,858</u> | <u>\$ 30,138,471</u> | <u>(74,587,286)</u> | <u>36,128,261</u> | <u>(38,459,025)</u> |
| General revenues: | | | | | | | |
| Property taxes | | | | | 67,525,043 | 2,648,844 | 70,173,887 |
| Franchise fees | | | | | 1,164,864 | - | 1,164,864 |
| Business license tax | | | | | 719,277 | - | 719,277 |
| Unrestricted federal/state shared revenue | | | | | 25,724,790 | - | 25,724,790 |
| Unrestricted investment earnings | | | | | 5,976,342 | 11,472,333 | 17,448,675 |
| Gain on sale of capital assets | | | | | 278,343 | (292,502) | (14,159) |
| Miscellaneous | | | | | 2,939,669 | 1,612,965 | 4,552,634 |
| Transfers | | | | | (79,500) | 79,500 | - |
| Total general revenues and transfers | | | | | <u>104,248,828</u> | <u>15,521,140</u> | <u>119,769,968</u> |
| Change in net position | | | | | 29,661,542 | 51,649,401 | 81,310,943 |
| Net position, beginning of year, as previously stated | | | | | <u>353,596,485</u> | <u>629,083,616</u> | <u>982,680,101</u> |
| Restatement - accounting changes and/or error corrections (see Note) | | | | | (9,931) | (62,570) | (72,501) |
| Net position, beginning of year | | | | | <u>353,586,554</u> | <u>629,021,046</u> | <u>982,607,600</u> |
| Net position, end of year | | | | | <u>\$ 383,248,096</u> | <u>\$ 680,670,447</u> | <u>\$ 1,063,918,543</u> |

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

CITY OF BILLINGS, MONTANA
Governmental Funds
Balance Sheet
June 30, 2024

| | General Fund | Public Safety Fund | American Rescue Plan Fund | City Hall Construction | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|------------------------------|---------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 5,415,298 | \$ 2,019,971 | \$ - | \$ 2,669,730 | \$ 45,563,494 | \$ 55,668,493 |
| Cash with fiscal agent | - | - | - | - | 12,394,718 | 12,394,718 |
| Investments | 5,965,738 | 2,325,650 | - | 3,207,869 | 52,267,215 | 63,766,472 |
| Receivables: | | | | | | |
| Property taxes | 663,062 | 1,032,285 | - | - | 521,181 | 2,216,528 |
| Accounts and unbilled usage | 27,048 | 252,126 | - | - | 137,392 | 416,566 |
| Delinquent special assessments | - | - | - | - | 1,494,721 | 1,494,721 |
| Special assessments receivable | - | - | - | - | 9,459,266 | 9,459,266 |
| Accrued interest | 43,649 | 14,332 | - | 27,423 | 659,585 | 744,989 |
| Notes | - | - | - | - | 631,503 | 631,503 |
| Lease Receivable | - | - | - | - | 577,627 | 577,627 |
| Due from other funds | 238,182 | - | - | - | 1,328,443 | 1,566,625 |
| Due from other governments | - | - | - | - | 2,132,564 | 2,132,564 |
| Inventories | - | 3,330 | - | - | 184,024 | 187,354 |
| Property held for resale | - | - | - | - | 378,825 | 378,825 |
| Total assets | <u>\$ 12,352,977</u> | <u>\$ 5,647,694</u> | <u>\$ -</u> | <u>\$ 5,905,022</u> | <u>\$ 127,730,558</u> | <u>\$ 151,636,251</u> |
| Liabilities, Deferred Inflows and Fund Balances | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 230,065 | \$ 856,583 | \$ - | \$ 2,474,622 | \$ 6,016,505 | \$ 9,577,775 |
| Accrued wages & benefits | 345,703 | 1,428,649 | - | - | 311,930 | 2,086,282 |
| Due to other funds | - | - | - | - | 1,349,029 | 1,349,029 |
| Unearned Revenue | - | - | - | - | 2,424,743 | 2,424,743 |
| Other liabilities | - | - | - | - | 63,000 | 63,000 |
| Total liabilities | <u>575,768</u> | <u>2,285,232</u> | <u>-</u> | <u>2,474,622</u> | <u>10,165,207</u> | <u>15,500,829</u> |
| Total Liabilities | <u>\$ 575,768</u> | <u>\$ 2,285,232</u> | <u>\$ -</u> | <u>\$ 2,474,622</u> | <u>\$ 10,165,207</u> | <u>\$ 15,500,829</u> |
| Deferred inflows: | | | | | | |
| Leases | - | - | - | - | 520,375 | 520,375 |
| Unavailable Revenue | 113,007 | 154,075 | - | - | 10,406,311 | \$ 10,673,393 |
| Total deferred inflows of resources | <u>113,007</u> | <u>154,075</u> | <u>-</u> | <u>-</u> | <u>10,926,686</u> | <u>11,193,768</u> |
| Fund balances: | | | | | | |
| Unspendable | - | 3,330 | - | - | 1,023,740 | 1,027,070 |
| Restricted | - | 3,205,057 | - | 3,430,400 | 95,935,057 | 102,570,514 |
| Committed | 13,159,685 | - | - | - | 11,016,928 | 24,176,613 |
| Unassigned | (1,495,483) | - | - | - | (1,337,060) | (2,832,543) |
| Total fund balances | <u>11,664,202</u> | <u>3,208,387</u> | <u>-</u> | <u>3,430,400</u> | <u>106,638,665</u> | <u>124,941,654</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 12,352,977</u> | <u>\$ 5,647,694</u> | <u>\$ -</u> | <u>\$ 5,905,022</u> | <u>\$ 127,730,558</u> | <u>\$ 151,636,251</u> |

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, 2024

| | |
|---|------------------------------|
| Total <i>fund balances</i> for governmental funds | \$ 124,941,654 |
| Total <i>net position</i> 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 | 41,258,154 |
| Improvements other than buildings | 61,168,835 |
| Machinery and equipment | 55,666,435 |
| Infrastructure | 410,546,518 |
| Construction in progress | 71,913,305 |
| Less accumulated depreciation | <u>(315,052,193)</u> |
| | 370,171,789 |
| Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include: | |
| Gov't deferred outflows of resources - unavailable tax revenue | 10,673,393 |
| Gov't deferred outflows of resources - pensions and OPEB | <u>13,212,184</u> |
| | 23,885,577 |
| 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 | (9,145,000) |
| add: bond premium | (906,400) |
| Tax increment bonds payable | (34,695,000) |
| add: bond premium | (813,520) |
| less: bond discount | 51,081 |
| Special assessment bonds payable | (10,141,443) |
| less: bond discount | 3,627 |
| add: bond premium | (373,766) |
| Direct placement debt | (9,779,432) |
| Notes payable | (11,965,576) |
| Compensated absences payable | (9,196,372) |
| Other post-employment benefits | (6,764,201) |
| Net pension liability | (51,512,614) |
| Claims and judgments | (650,000) |
| Accrued interest | <u>(1,206,787)</u> |
| | (147,095,403) |
| 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 | 656,793 |
| Deferred inflows of resources - pensions & OPEB | <u>(2,285,718)</u> |
| | (1,628,925) |
| 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 | <u>12,973,404</u> |
| Total net position of governmental activities | <u><u>\$ 383,248,096</u></u> |

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, 2024

| | General Fund | Public Safety Fund | American Rescue Plan Fund | City Hall Construction | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------|----------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Revenues: | | | | | | |
| Taxes | \$ 22,520,871 | \$ 31,778,781 | \$ - | \$ 200,000 | \$ 12,075,611 | \$ 66,575,263 |
| Licenses and permits | 1,894,997 | 51,467 | - | - | 2,178,897 | 4,125,361 |
| Intergovernmental | 13,889,206 | 13,123,729 | - | 657,109 | 23,359,289 | 51,029,333 |
| Charges for services | 4,670,316 | 3,130,579 | - | - | 10,627,875 | 18,428,770 |
| Fines and forfeitures | 1,325,070 | 94,862 | - | - | 304,183 | 1,724,115 |
| Special assessments | 11,650 | - | - | - | 27,546,429 | 27,558,079 |
| Other | 287,433 | 501,623 | - | 525,022 | 7,567,541 | 8,881,619 |
| Total revenues | <u>44,599,543</u> | <u>48,681,041</u> | <u>-</u> | <u>1,382,131</u> | <u>83,659,825</u> | <u>178,322,540</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 14,198,665 | - | - | 42,500 | 3,175,511 | 17,416,676 |
| Public safety | 1,014,618 | 63,348,108 | - | - | 4,870,157 | 69,232,883 |
| Public works | - | - | - | - | 23,641,748 | 23,641,748 |
| Public health | - | 1,223,088 | - | - | - | 1,223,088 |
| Culture and recreation | 5,137,540 | - | - | - | 7,220,892 | 12,358,432 |
| Housing and economic development | - | - | - | - | 5,755,747 | 5,755,747 |
| Capital outlay | 107,412 | 907,032 | - | 22,882,246 | 36,266,870 | 60,163,560 |
| Debt service: | | | | | | |
| Principal | - | 171,883 | - | - | 4,413,284 | 4,585,167 |
| Interest and fiscal charges | - | 133,790 | - | - | 2,477,673 | 2,611,463 |
| Bond issuance costs | - | - | - | 80,000 | 418,517 | 498,517 |
| Total expenditures | <u>20,458,235</u> | <u>65,783,901</u> | <u>-</u> | <u>23,004,746</u> | <u>88,240,399</u> | <u>197,487,281</u> |
| Revenues over (under) expenditures | <u>24,141,308</u> | <u>(17,102,860)</u> | <u>-</u> | <u>(21,622,615)</u> | <u>(4,580,574)</u> | <u>(19,164,741)</u> |
| Other financing sources (uses): | | | | | | |
| Lease interest | - | - | - | - | 10,564 | 10,564 |
| Transfers in | 45,059 | 19,602,624 | - | - | 9,154,851 | 28,802,534 |
| Transfers out | (25,277,042) | (1,859,568) | - | - | (1,913,108) | (29,049,718) |
| Issuance of debt | - | - | - | 9,767,559 | 6,930,000 | 16,697,559 |
| Premium on bond debt | - | - | - | - | 644,705 | 644,705 |
| Special assessment bonds issued | - | - | - | - | 1,300,000 | 1,300,000 |
| Sale of capital assets | - | 735 | - | - | 172,388 | 173,123 |
| Total other financing sources (uses) | <u>(25,231,983)</u> | <u>17,743,791</u> | <u>-</u> | <u>9,767,559</u> | <u>16,299,400</u> | <u>18,578,767</u> |
| Net change in fund balances | <u>(1,090,675)</u> | <u>640,931</u> | <u>-</u> | <u>(11,855,056)</u> | <u>11,718,826</u> | <u>(585,974)</u> |
| Fund balance, beginning of year, as previously reported | 12,754,877 | 2,567,456 | 837,214 | - | 109,378,012 | 125,537,559 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | (837,214) | 15,285,456 | (14,458,173) | (9,931) |
| Fund balance, beginning, as restated | <u>12,754,877</u> | <u>2,567,456</u> | <u>-</u> | <u>15,285,456</u> | <u>94,919,839</u> | <u>125,527,628</u> |
| Fund balance, end of year | <u>\$ 11,664,202</u> | <u>\$ 3,208,387</u> | <u>\$ -</u> | <u>\$ 3,430,400</u> | <u>\$ 106,638,665</u> | <u>\$ 124,941,654</u> |

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, 2024
(Page 1 of 2)

| | | |
|---|----|-----------|
| Net change in <i>fund balances</i> - total governmental funds | \$ | (595,905) |
|---|----|-----------|

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 | 60,163,560 | |
| Depreciation | <u>(23,712,612)</u> | 36,450,948 |

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.

105,220

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 | 5,683,186 | |
| Transfer to Enterprise Fund | <u>-</u> | 5,683,186 |

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

| | | |
|---|--------------------|-----------|
| Unavailable tax revenue | 949,783 | |
| Deferred outflow of resources - pensions and OPEB | <u>(1,832,663)</u> | (882,880) |

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

| | | |
|--------------------------------|--------------------|--------------|
| Notes issued | (9,767,559) | |
| Special assessment bond issued | (1,300,000) | |
| Tax increment bond issued | <u>(6,930,000)</u> | (17,997,559) |

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 | (437,171) | |
| Deferred loss on refunding | (63,788) | |
| Deferred inflow of resources - pensions and opeb | 1,458,847 | |
| Bond discounts | <u>(5,859)</u> | 952,029 |

(continued)

For The Fiscal Year Ended June 30, 2024

(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 | 1,480,000 | |
| Special assessment debt | 1,047,009 | |
| Direct placement debt | 701,274 | |
| Tax increment debt | 1,185,000 | |
| Notes payable | <u>171,883</u> | 4,585,166 |

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.

887,073

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 | (510,970) | |
| Other post-employment benefits | (135,710) | |
| Net Pension Liability | (2,038,839) | |
| Claims and judgments | 3,100,000 | |
| Interest and amortization expenses | <u>49,852</u> | <u>464,333</u> |

Change in net position of governmental activities

\$ 29,651,611

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, 2024

| | Business-type Activities | | | | | | | Internal Service Funds |
|--|--------------------------|----------------|----------------|-----------------|---------------|---------------------------|----------------|------------------------|
| | Solid Waste Fund | Airport Fund | Water Fund | Wastewater Fund | Parking Fund | Nonmajor Enterprise Funds | Total | |
| Assets | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash and cash equivalents | \$ 7,238,378 | \$ 12,533,928 | \$ 61,216,822 | \$ 12,375,022 | \$ 939,663 | \$ 4,279,559 | \$ 98,583,372 | \$ 10,113,263 |
| Restricted cash and cash equivalents with fiscal agent | 1,210,263 | - | 3,540,600 | 3,574,134 | - | - | 8,324,997 | - |
| Investments | 8,247,682 | 14,445,657 | 71,276,172 | 14,126,697 | 1,081,541 | 4,373,906 | 113,551,655 | 11,570,584 |
| Receivables: | | | | | | | | |
| Property taxes | - | - | - | - | - | 76,697 | 76,697 | - |
| Accounts and unbilled usage | 1,713,654 | 1,459,401 | 4,805,163 | 2,679,033 | 33,765 | - | 10,691,016 | 75,844 |
| Delinquent Special Assessments | 561 | - | - | 647 | - | - | 1,208 | 14,649 |
| Accrued interest | 101,632 | 183,890 | 810,321 | 174,096 | 12,504 | 47,769 | 1,330,212 | 137,877 |
| Lease Receivable | 11,614 | 1,928,534 | - | - | - | - | 1,940,148 | 51,582 |
| Receivables from other governments | - | 20,832 | 5,163,423 | 200,000 | - | 986,704 | 6,370,959 | - |
| Inventories | - | 21,282 | 1,352,119 | - | - | 305,473 | 1,678,874 | 883,259 |
| Prepaid items | - | - | - | - | - | 10,895 | 10,895 | - |
| Total current assets | 18,523,784 | 30,593,524 | 148,164,620 | 33,129,629 | 2,067,473 | 10,081,003 | 242,560,033 | 22,847,058 |
| Noncurrent assets: | | | | | | | | |
| Lease Receivable | 74,181 | 2,041,704 | 11,216 | - | - | - | 2,127,101 | 87,748 |
| Restricted investments with trustee | 4,298,183 | - | - | - | - | - | 4,298,183 | - |
| 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 | 34,878,745 | 26,987,525 | 18,156,288 | 36,539,190 | 10,582,649 | 128,127,951 | 9,381,235 |
| Improvements other than buildings | 38,181,500 | 124,357,266 | 1,386,633 | 3,044,360 | 578,056 | 1,767,713 | 169,315,528 | 2,830,868 |
| Equipment and vehicles | 25,807,950 | 17,483,536 | 19,038,472 | 15,184,983 | 875,837 | 12,533,084 | 90,923,862 | 9,204,301 |
| Infrastructure | - | - | 295,059,485 | 306,524,995 | - | - | 601,584,480 | - |
| Construction in progress | 5,040,863 | 62,021,312 | 36,728,821 | 15,434,902 | 57,562 | 1,006,157 | 120,289,617 | 15,833 |
| Lease asset | - | - | - | - | - | - | - | 1,136,499 |
| Subscription asset | - | - | - | - | - | - | - | 254,496 |
| Less: accumulated depreciation/amortization | (26,664,723) | (133,670,152) | (157,506,354) | (127,490,675) | (19,764,518) | (12,187,830) | (477,284,252) | (15,613,078) |
| Total noncurrent assets | 48,214,956 | 111,877,029 | 226,053,260 | 231,814,438 | 23,951,212 | 15,137,064 | 657,047,959 | 9,303,285 |
| Total assets | 66,738,740 | 142,470,553 | 374,217,880 | 264,944,067 | 26,018,685 | 25,218,067 | 899,607,992 | 32,150,343 |
| Deferred Outflows | | | | | | | | |
| Other post employment benefits | 168,357 | 149,073 | 162,920 | 120,110 | 36,060 | 150,523 | 787,043 | 201,198 |
| Pensions | 919,842 | 692,185 | 662,700 | 622,697 | 93,028 | 661,629 | 3,652,081 | 1,397,330 |
| Total assets and deferred outflows | \$ 67,826,939 | \$ 143,311,811 | \$ 375,043,500 | \$ 265,686,874 | \$ 26,147,773 | \$ 26,030,219 | \$ 904,047,116 | \$ 33,748,871 |

(continued)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Net Position (Page 2 of 2)
June 30, 2024

| | Business-type Activities | | | | | | | Internal Service Funds |
|---|--------------------------|----------------|----------------|--|---------------|---------------------------|----------------|------------------------|
| | Solid Waste Fund | Airport Fund | Water Fund | Wastewater Fund | Parking Fund | Nonmajor Enterprise Funds | Total | |
| Liabilities | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable | \$ 1,283,456 | \$ 2,560,989 | \$ 6,614,338 | \$ 2,395,318 | \$ 40,153 | \$ 372,845 | \$ 13,267,099 | \$ 860,705 |
| Accrued wages and benefits | 195,614 | 136,621 | 123,142 | 115,933 | 16,830 | 221,745 | 809,885 | 229,949 |
| Due to other funds | - | - | - | - | - | - | - | 217,596 |
| Compensated absences | 572,464 | 636,191 | 499,069 | 553,129 | 46,255 | 363,444 | 2,670,552 | 1,104,943 |
| Accrued interest payable | - | - | 1,764,600 | 97,209 | 50,006 | - | 1,911,815 | - |
| Incurred but not reported health benefits | - | - | - | - | - | - | - | 1,402,000 |
| Notes payable | - | - | 2,406,000 | 1,254,000 | 185,068 | - | 3,845,068 | - |
| Unearned Revenue | 424 | - | - | 390 | - | 5,063 | 5,877 | 14,599 |
| Accrued interest payable from restricted assets | 355,263 | 66,555 | - | 1,028,925 | - | - | 1,450,743 | - |
| Lease liability | - | - | - | - | - | - | - | 160,862 |
| Revenue bonds payable from restricted assets | 855,000 | 346,682 | 580,000 | 1,825,000 | - | - | 3,606,682 | - |
| Total current liabilities | 3,262,221 | 3,747,038 | 11,987,149 | 7,269,904 | 338,312 | 963,097 | 27,567,721 | 3,990,654 |
| Noncurrent liabilities: | | | | | | | | |
| Compensated absences | 189,440 | 210,529 | 165,153 | 183,043 | 15,307 | 120,272 | 883,744 | 365,649 |
| Other post employment benefits | 833,849 | 700,728 | 760,481 | 535,054 | 172,495 | 724,760 | 3,727,367 | 960,614 |
| Net pension liability | 5,544,039 | 4,171,913 | 3,994,201 | 3,753,100 | 560,693 | 3,987,746 | 22,011,692 | 8,421,933 |
| Revenue bonds payable | 19,121,095 | 3,252,273 | 74,806,331 | 2,815,848 | - | - | 99,995,547 | - |
| Notes payable | - | - | 10,655,000 | 49,476,000 | 1,411,983 | - | 61,542,983 | - |
| Lease liability | - | - | - | - | - | - | - | 501,101 |
| Subscription Liability | - | - | - | - | - | - | - | 85,328 |
| Landfill closure and postclosure-payable from restricted assets | 8,202,234 | - | - | - | - | - | 8,202,234 | - |
| Total noncurrent liabilities | 33,890,657 | 8,335,443 | 90,381,166 | 56,763,045 | 2,160,478 | 4,832,778 | 196,363,567 | 10,334,625 |
| Total liabilities | 37,152,878 | 12,082,481 | 102,368,315 | 64,032,949 | 2,498,790 | 5,795,875 | 223,931,288 | 14,325,279 |
| Deferred Inflows | | | | | | | | |
| Other post employment benefits | 124,702 | 111,410 | 137,345 | 95,233 | 29,839 | 119,725 | 618,254 | 157,240 |
| Leases | 84,572 | 3,801,742 | 9,601 | - | - | - | 3,895,915 | 138,670 |
| Pensions | 197,743 | 148,802 | 142,464 | 133,864 | 19,999 | 142,233 | 785,105 | 300,390 |
| Total deferred inflows of resources | 407,017 | 4,061,954 | 289,410 | 229,097 | 49,838 | 261,958 | 5,299,274 | 596,300 |
| Net Position | | | | | | | | |
| Net investment in capital assets | 23,866,497 | 106,236,370 | 137,594,713 | 176,443,590 | 22,354,161 | 15,137,064 | 481,632,395 | 8,629,108 |
| Restricted for: | | | | | | | | |
| Bond and notes payable ordinance reserve | - | 2,425,000 | 1,386,571 | 1,444,526 | - | - | 5,256,097 | - |
| Unrestricted | 6,400,547 | 18,506,006 | 133,404,491 | 23,536,712 | 1,244,984 | 4,835,322 | 187,928,062 | 10,198,184 |
| Total net position | 30,267,044 | 127,167,376 | 272,385,775 | 201,424,828 | 23,599,145 | 19,972,386 | 674,816,554 | 18,827,292 |
| Total liabilities, deferred inflows, and net position | \$ 67,826,939 | \$ 143,311,811 | \$ 375,043,500 | \$ 265,686,874 | \$ 26,147,773 | \$ 26,030,219 | | \$ 33,748,871 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | | | 5,853,893 | |
| | | | | Net position of business-type activities | | | \$ 680,670,447 | |

Net position of business-type activities

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, 2024

| | Business-type Activities | | | | | | | Internal Service Funds |
|---|--------------------------|----------------|----------------|-----------------|---------------|---------------------------|----------------|------------------------|
| | Solid Waste Fund | Airport Fund | Water Fund | Wastewater Fund | Parking Fund | Nonmajor Enterprise Funds | Totals | |
| Operating revenues: | | | | | | | | |
| Charges for services | \$ 21,697,884 | \$ 12,511,636 | \$ 33,113,796 | \$ 24,398,202 | \$ 2,381,900 | \$ 1,564,245 | \$ 95,667,663 | \$ 34,440,094 |
| Operating expenses: | | | | | | | | |
| Salaries and benefits | 7,733,816 | 5,244,569 | 4,743,467 | 4,790,578 | 627,713 | 5,888,412 | 29,028,555 | 9,945,187 |
| Supplies | 4,198,889 | 1,135,581 | 2,996,370 | 1,935,882 | 101,114 | 906,915 | 11,274,751 | 922,623 |
| Contracted services | 2,996,904 | 1,264,332 | 4,134,088 | 2,703,521 | 520,892 | 648,817 | 12,268,554 | 19,645,470 |
| Utilities | 133,134 | 907,305 | 2,027,401 | 1,812,287 | 105,346 | 93,974 | 5,079,447 | 776,277 |
| Other | 993,767 | 306,615 | 668,114 | 544,292 | 126,637 | 273,710 | 2,913,135 | 4,985,623 |
| Depreciation/Amortization | 3,184,870 | 4,155,662 | 7,785,518 | 7,416,592 | 856,479 | 1,248,186 | 24,647,307 | 925,189 |
| Landfill closure and post-closure | 444,026 | - | - | - | - | - | 444,026 | - |
| Total operating expenses | 19,685,406 | 13,014,064 | 22,354,958 | 19,203,152 | 2,338,181 | 9,060,014 | 85,655,775 | 37,200,369 |
| Operating income (loss) | 2,012,478 | (502,428) | 10,758,838 | 5,195,050 | 43,719 | (7,495,769) | 10,011,888 | (2,760,275) |
| Nonoperating revenue (expenses): | | | | | | | | |
| Taxes | - | - | - | - | - | 2,648,844 | 2,648,844 | 96,529 |
| Intergovernmental | 143,937 | 229,658 | 6,012,704 | 297,440 | 14,557 | 8,290,904 | 14,989,200 | 218,654 |
| Interest expense | (643,519) | (120,683) | (3,377,761) | (1,904,313) | (69,288) | - | (6,115,564) | 12,715 |
| Lease interest | 330 | 155,643 | 1,525 | - | - | - | 157,498 | 629 |
| Interest and investment income | 1,007,998 | 1,369,539 | 6,481,040 | 1,551,061 | 79,436 | 316,559 | 10,805,633 | 1,056,876 |
| Customer Facility Charge | - | 790,506 | - | - | - | - | 790,506 | - |
| Passenger Facility Charge | - | 1,772,110 | - | - | - | - | 1,772,110 | - |
| Gain (loss) on sale of capital assets | - | - | 1,650 | (10,824) | - | (283,328) | (292,502) | 32 |
| Other | 3,473 | 100,035 | 887,436 | 282,327 | 1,480 | 23,277 | 1,298,028 | 2,210,543 |
| Total nonoperating revenue (expense) | 512,219 | 4,296,808 | 10,006,594 | 215,691 | 26,185 | 10,996,256 | 26,053,753 | 3,595,978 |
| Income (loss) before capital contributions and transfers | 2,524,697 | 3,794,380 | 20,765,432 | 5,410,741 | 69,904 | 3,500,487 | 36,065,641 | 835,703 |
| Capital contributions | - | 11,649,705 | 1,422,579 | 2,315,657 | - | - | 15,387,941 | - |
| Transfers in | 59,042 | - | 48,774 | 19,009 | 134,000 | - | 260,825 | 358,894 |
| Transfers out | (178,243) | - | - | - | - | (20,000) | (198,243) | (174,292) |
| Change in net position | 2,405,496 | 15,444,085 | 22,236,785 | 7,745,407 | 203,904 | 3,480,487 | 51,516,164 | 1,020,306 |
| Net position, beginning of year, as previously reported | 27,861,548 | 111,723,291 | 250,211,560 | 193,679,421 | 23,395,241 | 16,491,899 | 623,362,960 | 17,806,986 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | (62,570) | - | - | - | (62,570) | - |
| Net Position, beginning, as restated | 27,861,548 | 111,723,291 | 250,148,990 | 193,679,421 | 23,395,241 | 16,491,899 | 623,300,390 | 17,806,986 |
| Net position, end of year | \$ 30,267,044 | \$ 127,167,376 | \$ 272,385,775 | \$ 201,424,828 | \$ 23,599,145 | \$ 19,972,386 | | \$ 18,827,292 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | | | 5,853,893 | |
| | | | | | | | \$ 680,670,447 | |

Change in net position of business-type activities

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 Year Ended June 30, 2024
(Page 1 of 2)

| | Solid Waste | Airport | Water | Wastewater | Parking | Nonmajor Enterprise | Total | Internal Service |
|--|---------------------|----------------------|----------------------|----------------------|--------------------|--------------------------------|-----------------------|-----------------------------|
| | Fund | Fund | Fund | Fund | Fund | Funds | | Funds |
| Cash flows from operating activities: | | | | | | | | |
| Cash received from customers and users | \$ 22,419,180 | \$ 12,086,859 | \$ 32,139,745 | \$ 24,611,991 | \$ 2,370,689 | \$ 1,569,224 | \$ 95,197,688 | \$ 34,504,984 |
| Cash received from other sources | 3,473 | 100,035 | 887,436 | 282,327 | 1,480 | 23,277 | 1,298,028 | 2,210,543 |
| Cash paid to employees for services | (7,145,388) | (5,236,974) | (4,881,343) | (4,554,627) | (702,436) | (5,363,610) | (27,884,378) | (9,698,267) |
| Cash paid to suppliers and contracted services | <u>(8,320,427)</u> | <u>(3,264,848)</u> | <u>(5,726,574)</u> | <u>(6,277,191)</u> | <u>(847,579)</u> | <u>(2,263,633)</u> | <u>(26,700,252)</u> | <u>(26,397,417)</u> |
| Net cash provided (used) by operating activities | <u>6,956,838</u> | <u>3,685,072</u> | <u>22,419,264</u> | <u>14,062,500</u> | <u>822,154</u> | <u>(6,034,742)</u> | <u>41,911,086</u> | <u>619,843</u> |
| Cash flows from noncapital financing activities: | | | | | | | | |
| Cash received from tax revenues | (137) | - | - | (257) | - | 2,672,236 | 2,671,842 | 96,529 |
| Cash received from intergovernmental revenues | 143,937 | 1,551,536 | 4,559,306 | 97,440 | 14,557 | 8,042,465 | 14,409,241 | 218,654 |
| Cash received from local community sponsors | - | - | - | - | - | - | - | - |
| Transfers from other funds | <u>59,042</u> | <u>-</u> | <u>48,774</u> | <u>19,009</u> | <u>134,000</u> | <u>-</u> | <u>260,825</u> | <u>334,878</u> |
| Net cash provided (used) by noncapital financing activities | <u>202,842</u> | <u>1,551,536</u> | <u>4,608,080</u> | <u>116,192</u> | <u>148,557</u> | <u>10,714,701</u> | <u>17,341,908</u> | <u>650,061</u> |
| Cash flows from capital and related financing activities: | | | | | | | | |
| Capital grants and contributions | - | 11,649,705 | 1,422,579 | 2,315,657 | - | - | 15,387,941 | - |
| Acquisition and construction of capital assets | (7,924,657) | (14,562,142) | (26,672,877) | (16,738,804) | (113,471) | (3,346,730) | (69,358,681) | (157,745) |
| Proceeds from sales of capital assets | - | - | 1,650 | (10,824) | - | (283,328) | (292,502) | 70,032 |
| Cash paid for interest | (663,894) | (108,559) | (1,827,557) | (1,964,944) | (78,689) | - | (4,643,643) | 10,349 |
| Proceeds from bonds | - | - | (1,400,000) | - | - | - | (1,400,000) | (83,505) |
| Principal paid on bonds, notes and leases payable | (901,168) | 225,000 | 73,040,331 | (3,316,988) | (177,090) | - | 68,870,085 | (551,807) |
| Transfers to other funds | (178,243) | - | - | - | - | (20,000) | (198,243) | (174,292) |
| Facilities charges | <u>-</u> | <u>2,562,616</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,562,616</u> | <u>-</u> |
| Net cash provided (used) by capital and related financing activities | <u>(9,667,962)</u> | <u>(233,380)</u> | <u>44,564,126</u> | <u>(19,715,903)</u> | <u>(369,250)</u> | <u>(3,650,058)</u> | <u>10,927,573</u> | <u>(886,968)</u> |
| Cash flows from investing activities: | | | | | | | | |
| Cash received from interest | 381,384 | 977,267 | 4,553,063 | 1,139,423 | 54,961 | 222,384 | 7,328,482 | (625,619) |
| Sale of investments | 11,038,326 | 15,216,016 | 47,839,228 | 19,186,581 | 969,055 | 4,633,180 | 98,882,386 | 13,302,757 |
| Purchase of investments | <u>(10,650,244)</u> | <u>(18,442,415)</u> | <u>(90,071,761)</u> | <u>(18,208,088)</u> | <u>(1,382,580)</u> | <u>(5,584,880)</u> | <u>(144,339,970)</u> | <u>(13,502,249)</u> |
| Net cash provided (used) by investing activities | <u>769,466</u> | <u>(2,249,132)</u> | <u>(37,679,470)</u> | <u>2,117,916</u> | <u>(358,564)</u> | <u>(729,316)</u> | <u>(38,129,102)</u> | <u>(825,111)</u> |
| Net increase (decrease) in cash and cash equivalents | (1,738,816) | 2,754,096 | 33,912,000 | (3,419,295) | 242,897 | 300,585 | 32,051,465 | (442,175) |
| Cash and cash equivalents, beginning of year | <u>10,261,308</u> | <u>11,665,893</u> | <u>30,855,113</u> | <u>19,368,451</u> | <u>696,766</u> | <u>3,978,974</u> | <u>76,826,505</u> | <u>10,481,694</u> |
| Cash and cash equivalents, end of year | <u>\$ 8,522,492</u> | <u>\$ 14,419,989</u> | <u>\$ 64,767,113</u> | <u>\$ 15,949,156</u> | <u>\$ 939,663</u> | <u>\$ 4,279,559</u> | <u>\$ 108,877,971</u> | <u>\$ 10,039,519</u> |
| Cash and cash equivalents consists of: | | | | | | | | |
| Cash and cash equivalents | \$ 7,238,378 | \$ 12,533,928 | \$ 61,216,822 | \$ 12,375,022 | \$ 939,663 | \$ 4,279,559 | \$ 98,583,372 | \$ 10,113,263 |
| Restricted cash and cash equivalents with fiscal agent | <u>1,210,263</u> | <u>-</u> | <u>3,540,600</u> | <u>3,574,134</u> | <u>-</u> | <u>-</u> | <u>8,324,997</u> | <u>-</u> |
| Cash and cash equivalents, end of year | <u>\$ 8,448,641</u> | <u>\$ 12,533,928</u> | <u>\$ 64,757,422</u> | <u>\$ 15,949,156</u> | <u>\$ 939,663</u> | <u>\$ 4,279,559</u> | <u>\$ 106,908,369</u> | <u>\$ 10,113,263</u> |

(continued)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2024
(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) | \$ 2,012,478 | \$ (502,428) | \$ 10,758,838 | \$ 5,195,050 | \$ 43,719 | \$ (7,495,769) | \$ 10,011,888 | \$ (2,760,274) |
| Other nonoperating income (expense) | 3,473 | 100,035 | 887,436 | 282,327 | 1,480 | 23,277 | 1,298,028 | 2,210,543 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Depreciation expense | 3,184,870 | 4,155,662 | 7,785,518 | 7,416,592 | 856,479 | 1,248,186 | 24,647,307 | 925,189 |
| Landfill closure and postclosure | 444,026 | - | - | - | - | - | 444,026 | - |
| (Increase) decrease in receivables | 795,567 | 1,547,349 | (964,102) | 213,789 | (11,211) | 4,979 | 1,586,371 | 151,692 |
| (Increase) decrease in inventories | - | 20,304 | 11,341 | - | - | (119,081) | (87,436) | (579,058) |
| (Increase) decrease in prepaid items | - | - | - | - | - | (1,847) | (1,847) | 15,177 |
| Increase (decrease) in accounts payable | (72,004) | (1,643,445) | 4,078,109 | 718,791 | 6,410 | (219,289) | 2,868,572 | 115,656 |
| Increase (decrease) in accrued liabilities | 588,428 | 7,595 | (137,876) | 235,951 | (74,723) | 524,802 | 1,144,177 | 540,920 |
| Net cash provided (used) by operating activities | <u>\$ 6,956,838</u> | <u>\$ 3,685,072</u> | <u>\$ 22,419,264</u> | <u>\$ 14,062,500</u> | <u>\$ 822,154</u> | <u>\$ (6,034,742)</u> | <u>\$ 41,911,086</u> | <u>\$ 619,845</u> |
| Noncash investing, capital and financing activities: | | | | | | | | |
| Increase (decrease) in investment market value | 158,160 | 245,769 | 1,209,564 | 286,339 | 14,184 | - | 1,914,016 | 1,577,474 |
| Contribution of capital assets | - | 11,649,705 | 1,422,579 | 2,315,657 | - | - | 15,387,941 | - |

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, 2024

| | Total Fiduciary Funds |
|--|----------------------------------|
| <hr/> | |
| Assets | |
| Cash and cash equivalents | \$ 393,404 |
| Investments | 454,502 |
| Receivables: | |
| Delinquent special assessments | 142,453 |
| Total Receivables | <u>142,453</u> |
| Investments | |
| Total assets | <u><u>\$ 990,359</u></u> |
| <hr/> | |
| Liabilities, Deferred Inflows and Fund Balances | |
| Liabilities: | |
| Accounts payable | <u>\$ 847,554</u> |
| Total liabilities | <u>847,554</u> |
| Deferred inflows: | |
| Deferred Revenue | <u>\$ 142,453</u> |
| Individuals, organizations, and other governments | 352 |
| | <u>-</u> |
| Total Net Position | <u>352</u> |
| Total liabilities, deferred inflows and fund balances | <u><u>\$ 990,359</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, 2024

| | Total Fiduciary Funds |
|---|----------------------------------|
| Investments earnings: | |
| Tax collections for other governments | \$ 5,088 |
| Special Assessments collections for other organizations | 2,125,913 |
| Total Additions | <u>2,131,001</u> |
| Deductions: | |
| Payments made to organizations | <u>2,131,001</u> |
| Total Deductions | <u>2,131,001</u> |
| Net increase (decrease) in fiduciary net position | - |
| Net position - beginning | 352 |
| Net position - ending | <u><u>\$ 352</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 the 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 the 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 the 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.

City Hall Construction

This fund is used to account for the expenditures related to the construction of new City Hall.

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 the 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

Fiduciary funds are reported using the economic resources measurement focus. The fiduciary funds are used to account for assets held by the City as an agent for private organizations or other governments. Fiduciary funds are custodial in nature (assets equal liabilities). The City currently has three such funds including the Downtown Business Improvement District, Tourism Business Improvement 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.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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.

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).

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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).

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.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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 206.57 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, 2024. Estimates for uncollectible amounts at June 30, 2024, 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.

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.

CITY OF BILLINGS, MONTANA

Notes to the 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 current debt service" account is used to segregate resources accumulated for debt service payments. The "capital replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset replacements.

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:

| | |
|---|-------------|
| DNRC – Notes Payable – Water | \$1,386,571 |
| DNRC – Notes Payable – Wastewater | 1,444,526 |
| Solid Waste Closure/Post-Closure | 4,298,183 |
| Series 2020A Airport Revenue Construction Bonds | |
| Debt service reserve | \$2,000,000 |
| Capital replacement reserve | 225,000 |
| Series 2020B Airport Revenue Refunding Bonds | |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

| | |
|-----------------------------|---------------------|
| Debt service reserve | 200,000 |
| Passenger Facility Charges | 6,631,383 |
| Customer Facility Charges | 2,595,344 |
| Transit Grantor Restriction | <u>49,279</u> |
| Total Restricted Assets | <u>\$18,830,286</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.

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 |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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 \$14,221,262 at June 30, 2024, includes the related FICA, Medicare, and retirement costs. The unrecorded accumulated sick leave benefits total \$11,479,368 at June 30, 2024.

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 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.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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 18 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 the Financial Statements

Major Funds

| | <u>General Fund</u> | <u>Public Safety</u> | <u>City Hall Construction</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------|-------------------------|--------------------------|-----------------------------------|---|---|
| Unspendable | | | | | |
| Cemetery Perpetual Care | \$ - | \$ - | \$ - | \$ 839,716 | \$ 839,716 |
| Nonspendable form | - | - | - | 184,024 | 184,024 |
| Restricted | | | | | |
| Building Inspection | - | - | - | 4,369,782 | 4,369,782 |
| Tax Increment Districts | - | - | - | 19,104,449 | 19,104,449 |
| Roads and Streets | - | - | - | 32,131,331 | 32,131,331 |
| Grants | - | - | - | 2,171,916 | 2,171,916 |
| Cemetery Improvements | - | - | - | 69,057 | 69,057 |
| Emergency 911 | - | - | - | 2,657,859 | 2,657,859 |
| Public Safety | - | 3,208,387 | - | - | 3,208,387 |
| Planning | - | - | - | 1,474,261 | 1,474,261 |
| Library | - | - | - | 2,833,587 | 2,833,587 |
| Park Programs | - | - | - | 2,506,220 | 2,506,220 |
| Street & Traffic | - | - | - | 8,240,476 | 8,240,476 |
| Light Maintenance Districts | - | - | - | 2,438,505 | 2,438,505 |
| Park Maintenance Districts | - | - | - | 2,729,219 | 2,729,219 |
| Debt Service | - | - | 3,430,400 | 7,386,261 | 10,816,661 |
| Capital Projects | - | - | - | 7,822,134 | 7,822,134 |
| Committed | | | | | |
| General Government | 13,159,685 | - | - | - | 13,159,685 |
| Arterial | - | - | - | - | - |
| Sidewalk Hazard Repair | - | - | - | 94,136 | 94,136 |
| Animal Shelter Donations | - | - | - | 24,030 | 24,030 |
| Library | - | - | - | 2,512,803 | 2,512,803 |
| Downtown Revolving Loan | - | - | - | 1,970,836 | 1,970,836 |
| Park Maintenance Districts | - | - | - | 4,739,865 | 4,739,865 |
| Ball Field Maintenance | - | - | - | 706,868 | 706,868 |
| Unassigned | | | | | |
| General Government | (1,495,483) | - | - | - | (1,495,483) |
| Roads and Streets | - | - | - | (878,020) | (878,020) |
| Debt Service | - | - | - | (1,373) | (1,373) |
| Grants | - | - | - | (14,224) | (14,224) |
| Capital Projects | - | - | - | (443,443) | (443,443) |
| Total Fund Balances | <u>\$ 11,664,202</u> | <u>\$ 3,208,387</u> | <u>\$ 3,430,400</u> | <u>\$ 106,638,665</u> | <u>\$ 124,941,654</u> |

CITY OF BILLINGS, MONTANA

Notes to the 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 the 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:

| "FUND DESCRIPTION | % of Budget (less capital) |
|----------------------------|---------------------------------------|
| 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 the 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 the Financial Statements

11. Net Investment in capital assets

At June 30, 2024 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 | \$ 379,387,327 | \$ 650,622,675 |
| Less: | | |
| General obligation bonds, net | (10,051,400) | - |
| Revenue bonds payable, net | (35,852,607) | (149,294,280) |
| Notes payable and other long-term debt | (33,463,343) | (19,696,000) |
| Deferred charge on refunding debt | 656,793 | - |
| Lease and Subscription Liabilities | (747,291) | - |
| Amount of unspent debt proceeds | - | - |
| Total net investment in capital assets | <u>\$ 299,929,479</u> | <u>\$ 481,632,395</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

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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 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. 100 "Accounting Changes and Error Corrections." The provisions for this statement are effective for the current reporting period.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Equity

Funds with deficit fund balances at June 30, 2024, 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 | \$ 14,224 |
| Arterial Fees | \$ 455,338 |
| Bike Path/Trail Donation Fund | \$ 422,682 |
| Nonmajor Debt Service Funds | |
| Series 2010 Park | \$ 1,373 |
| Nonmajor Capital Projects Funds | |
| Sidewalk and Curb Districts | \$ 420,733 |
| Special Improvements Districts | \$ 22,710 |
| Internal Service Funds | |
| Information Technology | \$ 951,252 |
| Property Insurance | \$ 393,500 |
| Public Works Administration | \$ 560,192 |
| Public Works Engineering | \$ 2,628,082 |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

A transfer will eliminate the Attorney Grants, Bike Path/Trail Donations, Arterial Fees, 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.

III. Detailed Notes on All Funds

A. Cash and Cash Equivalents and Investments

Cash and investments as of June 30, 2024, consist of the following:

| | |
|---|-----------------------|
| Deposits in local banks | \$ 17,051,929 |
| Outstanding checks and reconciling items | (977,346) |
| Montana State Short Term Investment Pool (STIP) | <u>148,290,545</u> |
| | <u>\$ 164,365,128</u> |

Investments:

| | |
|---|-----------------------|
| US Government and US Agency Obligations | \$ 186,747,664 |
| Certificates of deposits | <u>6,439,230</u> |
| | <u>\$ 193,186,894</u> |

Cash and investments as of June 30, 2024, are classified in the statement of net position as follows:

| | |
|---|-----------------------|
| Cash and cash equivalents | \$ 163,976,108 |
| Cash and cash equivalents, permanently restricted | <u>389,020</u> |
| | <u>\$ 164,365,128</u> |

| | |
|-------------------------------------|-----------------------|
| Investments | \$ 188,443,613 |
| Investments, temporarily restricted | <u>4,298,183</u> |
| Investments, permanently restricted | <u>445,098</u> |
| | <u>\$ 193,186,894</u> |

CITY OF BILLINGS, MONTANA

Notes to the 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, 2024:

U.S. Treasury securities of \$183,207,967 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 the 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 | <u>Totals</u> | 12 Months or <u>Less</u> | 13 to 24 <u>Months</u> | 25 to 60 <u>Months</u> | Over 60 <u>Months</u> |
|---------------------------------|-----------------------|-----------------------------|---------------------------|---------------------------|--------------------------|
| US Treasury Notes | \$ 3,539,698 | \$ 840,332 | \$ 1,440,937 | \$ 1,258,430 | \$ - |
| US Government Agency Securities | 183,207,967 | 86,313,456 | 74,414,957 | 22,479,554 | - |
| Certificates of Deposit | <u>6,439,230</u> | <u>6,439,230</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 193,186,895</u> | <u>\$ 93,593,018</u> | <u>\$ 75,855,894</u> | <u>\$ 23,737,984</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, 2024, 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 the 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 Bank | Federal agency securities | \$29,485,905 | 15.23% |
| Federal Home Loan Bank | Federal agency securities | \$114,398,381 | 59.10% |
| Federal Home Loan Mortgage Corp. | Federal agency securities | \$26,197,173 | 13.53% |
| US Treasury Notes | Federal agency securities | \$15,555,220 | 8.04% |

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, 2024, 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 agent. As of June 30, 2024, none of the City's investments are exposed to custodial credit risk because all counterparties provide insurance in excess of the investments held.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

Restricted Cash and Cash Equivalents with Fiscal Agent

Cash of \$25,017,898 is restricted by bond covenants or for specific purposes as follows:

Current debt service:

| | |
|---------------------------|---------------------|
| Nonmajor government funds | \$12,394,718 |
| Water fund | 3,540,600 |
| Wastewater fund | 3,574,134 |
| Solid Waste | 5,508,446 |
| Total | <u>\$25,017,898</u> |

CITY OF BILLINGS, MONTANA

Notes to the 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 | City Hall Construction | Non-Major Governmental Funds | Internal Service Funds | Governmental Activities Total | |
|------------------------|-------------------------|-----------------------------------|---------------------------------------|---|---------------------------------------|--|--|
| Taxes | \$ 663,062 | \$ 1,032,285 | \$ - | \$ 521,181 | \$ - | \$ 2,216,528 | |
| Accounts | 27,048 | 252,126 | - | 137,392 | 75,844 | 492,410 | |
| Special assessments | - | - | - | 10,953,987 | 14,649 | 10,968,636 | |
| Accrued interest | 43,649 | 14,332 | 27,423 | 659,585 | 137,877 | 882,866 | |
| Notes | - | - | - | 631,503 | - | 631,503 | |
| From other governments | - | - | - | 2,132,564 | - | 2,132,564 | |
| TOTAL | \$ 733,759 | \$ 1,298,743 | \$ 27,423 | \$ 15,036,212 | \$ 228,370 | \$ 17,324,507 | |

| | Solid Waste Fund | Airport Fund | Water Fund | Wastewater Fund | Parking Fund | Non-Major Enterprise Funds | Business-type Activities Total |
|------------------------|-----------------------------|-------------------------|-----------------------|----------------------------|-------------------------|---|---|
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 76,697 | \$ 76,697 |
| Accounts | 1,713,654 | 1,459,401 | 4,805,163 | 2,679,033 | 33,765 | - | 10,691,016 |
| Special assessments | 561 | - | - | 647 | - | - | 1,208 |
| Accrued interest | 101,632 | 183,890 | 810,321 | 174,096 | 12,504 | 47,769 | 1,330,212 |
| From other governments | - | 20,832 | 5,163,423 | 200,000 | - | 986,704 | 6,370,959 |
| TOTAL | \$ 1,815,847 | \$ 1,664,123 | \$ 10,778,907 | \$ 3,053,776 | \$ 46,269 | \$ 1,111,170 | \$ 18,470,092 |

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:

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

| | <u>Unavailable</u> |
|---------------------------------------|-----------------------------|
| Delinquent property taxes receivable: | |
| General fund | \$ 93,790 |
| Public safety fund | 153,988 |
| Nonmajor governmental funds | 53,659 |
| Special assessments not yet due: | |
| General fund | - |
| Nonmajor governmental funds | 9,712,658 |
| Notes receivable not yet due: | |
| Nonmajor governmental funds | <u>631,503</u> |
| Total | <u><u>\$ 10,645,598</u></u> |

C. Operating Lease Receivable, GASB 87 Leases, and SBITA contracts

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:

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, 2024 and allows the lessee to terminate with 180 days written notice. Fiscal year 2024 revenues for landing fees and terminal building rents totaled \$1,372,997 and \$2,165,539 respectively.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

- 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, 2031. Fiscal year 2024 payments totaled \$319,878.

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 \$3,167,194 for the fiscal year ended June 30, 2024.

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

| | Acquisition Cost | Accumulated Depreciation |
|---------------------------|----------------------|-----------------------------|
| Land | \$ 90,768 | \$ 0 |
| Buildings | 23,528,427 | 18,399,686 |
| Non-Building Improvements | 6,020,018 | 3,240,612 |
| Equipment | <u>2,819,550</u> | <u>1,985,033</u> |
| Total | <u>\$ 32,458,763</u> | <u>\$ 23,625,331</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

At June 30, 2024, 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> | |
|-----------------------------|-----------------------------|
| 2025 | \$ 3,167,194 |
| 2026 | 3,079,869 |
| 2027 | 2,964,494 |
| 2028 | 745,396 |
| 2029 | 672,401 |
| 2030-2034 | 2,709,057 |
| 2035-2039 | 1,609,745 |
| 2040-2044 | 925,205 |
| 2045-2050 | 469,071 |
| Total | <u><u>\$ 16,342,432</u></u> |

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, 2024, 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 the Financial Statements

| | <u>Liability</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>Liability</u> <u>Ending</u> <u>Balance</u> |
|--------------------------------|--|----------------------------------|---------------------------------|--------------------------------|---|
| Governmental Activities | | | | | |
| Fiscal year ending June 30: | | | | | |
| 2024 | \$ 822,127 | \$ 160,038 | \$ 3,849 | \$ 163,887 | \$ 662,089 |
| 2025 | \$ 662,089 | \$ 160,862 | \$ 3,025 | \$ 163,887 | \$ 501,228 |
| 2026 | 501,228 | \$ 161,691 | 2,196 | 163,887 | 339,537 |
| 2027 | 339,537 | \$ 162,524 | 1,363 | 163,887 | 177,013 |
| 2028 | 177,013 | \$ 163,362 | 525 | 163,887 | 13,651 |
| 2029 | 13,651 | \$ 13,651 | 6 | 13,657 | - |
| | | <u>\$662,089</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, 2024, 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 the Financial Statements

| | <u>Receivable Beginning Balance</u> | <u>Total Principal</u> | <u>Total Interest</u> | <u>Total Payment</u> | <u>Receivable Ending Balance</u> |
|-----------------------------|---|------------------------|-----------------------|----------------------|--------------------------------------|
| Government-wide Activities | | | | | |
| Fiscal year ending June 30: | | | | | |
| 2024 | \$ 7,869,162 | \$ 3,084,956 | \$ 79,661 | \$ 3,164,617 | \$ 4,784,206 |
| 2025 | \$ 4,784,206 | \$ 2,089,125 | \$ 49,287 | \$ 2,138,412 | \$ 2,695,081 |
| 2026 | 2,695,082 | 908,968 | 31,919 | 940,887 | 1,786,114 |
| 2027 | 1,786,114 | 766,808 | 18,256 | 785,064 | 1,019,306 |
| 2028 | 1,019,306 | 250,171 | 10,475 | 260,646 | 769,135 |
| 2029 | 769,135 | 139,686 | 7,672 | 147,358 | 629,450 |
| 2030-2049 | 629,450 | <u>629,450</u> | 37,467 | 666,917 | - |
| | | <u>4,784,206</u> | | | |

CITY OF BILLINGS, MONTANA

Notes to the 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: | | | | | |
| 2024 | \$ 7,209,776 | \$3,003,197 | \$69,097 | \$3,072,294 | \$4,206,579 |
| 2025 | \$ 4,206,579 | \$2,004,865 | \$41,022 | \$2,045,887 | \$2,201,714 |
| 2026 | 2,201,714 | 823,592 | 24,564 | 848,156 | \$1,378,122 |
| 2027 | 1,378,122 | 710,293 | 11,830 | 722,123 | \$ 667,829 |
| 2028 | 667,829 | 222,803 | 4,688 | 227,491 | \$ 445,026 |
| 2029 | 445,026 | 111,546 | 2,438 | 113,984 | \$ 333,480 |
| 2030-2049 | 333,480 | <u>333,480</u> | 3,892 | 337,372 | - |

\$4,206,579

| | <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> |
|-----------------------------|---|----------------------------------|---------------------------------|--------------------------------|--|
| Governmental Activities | | | | | |
| Fiscal year ending June 30: | | | | | |
| 2024 | \$ 659,386 | \$ 81,759 | \$10,564 | \$ 92,323 | \$ 577,627 |
| 2025 | \$ 577,627 | \$ 84,260 | \$ 8,265 | \$ 92,525 | \$ 493,367 |
| 2026 | 493,368 | 85,376 | 7,355 | 92,731 | 407,992 |
| 2027 | 407,992 | 56,515 | 6,426 | 62,941 | 351,477 |
| 2028 | 351,477 | 27,368 | 5,787 | 33,155 | 324,109 |
| 2029 | 324,109 | 28,140 | 5,234 | 33,374 | 295,970 |
| 2030-2049 | 295,970 | <u>295,970</u> | 33,575 | 329,545 | - |

\$ 577,627

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The City uses various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in the amounts equal to the present value of subscription payments payable during the remaining SBITA term. A SBITA asset is presented as part of Equipment, in the Capital Assets section, on the government-wide Statement of Net Position and presented as part of Equipment in the Capital Assets note in table D.

The City has a variety of variable payment clauses, within its SBITA arrangements, including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance, are included in the measurement of the SBITA liability presented in the table below. The City did not incur expenses related to its SBITA activities such as termination penalties, not previously included in the measurement of the SBITA liability, or losses due to impairment.

Furthermore, the City does not have commitments under SBITA that have not commenced as of the end of the Fiscal Year 2024.

As of June 30, 2024, the City had minimum principal and interest payment requirements for its SBITA activities, with a remaining term in excess of one year, as follows:

| | <u>Beginning Balance</u> | <u>Total Principal</u> | <u>Total Interest</u> | <u>Total Payment</u> | <u>SBITA Asset Liability</u> |
|----------------------------------|------------------------------|----------------------------|---------------------------|--------------------------|--------------------------------------|
| Governmental Activities | | | | | |
| 7/1/2023 | | | | | \$ 168,833 |
| Fiscal year ending June 30: 2024 | <u>\$ 168,833</u> | <u>\$ 83,505</u> | <u>\$ 3,687</u> | <u>\$ 87,192</u> | \$ 85,328 |
| 2025 | <u>\$ 85,328</u> | <u>\$ 85,328</u> | <u>\$ 1,864</u> | <u>\$ 87,192</u> | \$ - |
| SBITA Liability | | <u><u>\$ 85,328</u></u> | | | |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

D. Capital Assets

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

| Governmental activities: | Balance June 30, 2023 | Additions | Deletions | Transfer In/Out | Balance June 30, 2024 |
|--|--------------------------|---------------|------------|-----------------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 46,676,119 | \$ - | \$ - | \$ - | \$ 46,676,119 |
| Construction in Progress | 39,002,941 | 54,956,477 | 730,476 | (21,299,807) | 71,929,135 |
| Total capital assets, not being depreciated | 85,679,060 | 54,956,477 | 730,476 | (21,299,807) | 118,605,254 |
| Capital assets being depreciated/amortized: | | | | | |
| Buildings | 49,321,950 | 663,436 | 47,657 | 701,660 | 50,639,389 |
| Improvements other than Buildings | 58,478,939 | 578,397 | - | 4,942,366 | 63,999,702 |
| Equipment | 53,923,697 | 5,018,266 | 1,018,184 | 6,946,957 | 64,870,736 |
| Infrastructure | 396,489,697 | 5,683,186 | - | 8,373,635 | 410,546,518 |
| Lease Asset | 1,136,499 | - | - | - | 1,136,499 |
| SBITA Asset | 254,496 | - | - | - | 254,496 |
| Total capital assets, being depreciated/amortized | 559,605,278 | 11,943,285 | 1,065,841 | 20,964,618 | 591,447,340 |
| Less accumulated depreciation/amortization for: | | | | | |
| Buildings | 18,854,420 | 1,144,954 | 46,267 | - | 19,953,107 |
| Improvements other than Buildings | 26,599,418 | 2,281,536 | - | - | 28,880,954 |
| Equipment | 36,591,463 | 3,177,975 | 960,099 | (335,189) | 38,474,150 |
| Infrastructure | 224,919,057 | 17,789,319 | - | - | 242,708,376 |
| Lease Asset | 320,894 | 160,447 | - | - | 481,341 |
| SBITA Asset | 83,670 | 83,670 | - | - | 167,340 |
| Total accumulated depreciation/amortization | 307,368,922 | 24,637,901 | 1,006,366 | (335,189) | 330,665,267 |
| Total capital assets, being depreciated/amortized, net | 252,236,357 | (12,694,616) | 59,475 | 21,299,807 | 260,782,073 |
| Governmental activities capital assets, net | \$ 337,915,417 | \$ 42,261,861 | \$ 789,951 | \$ - | \$ 379,387,327 |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

| Business-type activities: | Balance <u>June 30, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfer In/Out</u> | Balance <u>June 30, 2024</u> |
|---|---------------------------------|----------------------|-------------------|------------------------|---------------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 17,665,489 | \$ - | \$ - | \$ - | \$ 17,665,489 |
| Construction in Progress | 90,781,446 | 41,963,149 | 62,569 | (12,392,410) | 120,289,616 |
| Total capital assets, not being depreciated | <u>108,446,935</u> | <u>41,963,149</u> | <u>62,569</u> | <u>(12,392,410)</u> | <u>137,955,105</u> |
| Capital assets being depreciated/amortized: | | | | | |
| Buildings | 126,183,474 | 507,815 | - | 1,436,663 | 128,127,952 |
| Improvements other than Buildings | 162,323,332 | 3,436,704 | - | 3,555,492 | 169,315,528 |
| Equipment | 85,262,648 | 6,570,832 | 1,476,921 | 574,894 | 90,931,453 |
| Infrastructure | 577,308,659 | 17,266,771 | 151,500 | 7,160,550 | 601,584,480 |
| Lease asset | 18,761 | - | 18,761 | - | - |
| Total capital assets, being depreciated/amortized | <u>951,096,874</u> | <u>27,782,122</u> | <u>1,647,182</u> | <u>12,727,599</u> | <u>989,959,413</u> |
| Less accumulated depreciation/amortization for: | | | | | |
| Buildings | 78,698,333 | 3,881,710 | - | - | 82,580,043 |
| Improvements other than Buildings | 100,427,994 | 3,443,702 | - | - | 103,871,696 |
| Equipment | 59,615,019 | 4,602,049 | 1,171,660 | 335,189 | 63,380,597 |
| Infrastructure | 214,891,162 | 12,719,845 | 151,500 | - | 227,459,507 |
| Total accumulated depreciation/amortization | <u>453,632,508</u> | <u>24,647,306</u> | <u>1,323,160</u> | <u>335,189</u> | <u>477,291,843</u> |
| Total capital assets, being depreciated, net | <u>497,464,366</u> | <u>3,134,816</u> | <u>324,022</u> | <u>12,392,410</u> | <u>512,667,570</u> |
| Business-type activities capital assets, net | <u>\$ 605,911,301</u> | <u>\$ 45,097,965</u> | <u>\$ 386,591</u> | <u>\$ -</u> | <u>\$ 650,622,675</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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

Governmental activities:

| | |
|--|----------------|
| General Government | \$ 59,930 |
| Public Safety | 1,537,170 |
| Public Works | 18,803,869 |
| Public Health | 293,659 |
| Culture & recreation | 2,941,133 |
| Housing and community development | 76,851 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>925,289</u> |

| | |
|--|-----------------------------|
| Total depreciation expense - governmental activities | <u><u>\$ 24,637,901</u></u> |
|--|-----------------------------|

Business-type activities:

| | |
|-------------|---------------|
| Solid Waste | \$ 3,184,870 |
| Airport | 4,155,662 |
| Water | 7,785,518 |
| Wastewater | 7,416,592 |
| Parking | 856,479 |
| Transit | 1,170,468 |
| Golf Course | <u>77,718</u> |

| | |
|---|-----------------------------|
| Total depreciation expense - business-type activities | <u><u>\$ 24,647,307</u></u> |
|---|-----------------------------|

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

Construction Commitments

The City has active construction projects as of June 30, 2024. At year-end, the City's commitments with the contractors, rounded to the nearest thousand, are as follows:

| | |
|----------------------------------|-------------------|
| General Fund | \$ 4,737 |
| Public Safety Fund | 547 |
| Solid Waste Fund | 3,915 |
| Airport Fund | 10,453 |
| Water Fund | 69,730 |
| Wastewater Fund | 6,098 |
| Nonmajor Enterprise Funds | 7,801 |
| Nonmajor Governmental Funds | 19,457 |
| Nonmajor Internal Services Funds | 967 |
| | <u>\$ 123,705</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, 2024, the Stillwater Construction fund had commitments of over \$4.4 million for the continued remodel of the Stillwater City Hall Building.

At June 30, 2024, the Wastewater fund had commitments of \$4.4 million for improvements to various sewer extensions and replacements.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

E. Interfund Receivables, Payables, and Transfers

The composition of inter-fund balances as of June 30, 2024, is as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-----------------------------|-----------------------------|--------------------|
| General Fund | Nonmajor Governmental Funds | \$ 20,586 |
| General Fund | Internal Service Funds | 217,596 |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | <u>1,328,443</u> |
| Totals | | <u>\$1,566,624</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 | Wastewater Fund | Water Fund | Solid Waste | Parking Fund | Internal Service | Total |
| Transfers Out: | | | | | | | | | |
| General | \$ - | \$ 19,294,455 | \$ 5,950,614 | \$ - | \$ - | \$ - | \$ - | \$ 31,973 | \$ 25,277,042 |
| Public Safety | - | - | 1,795,886 | - | - | - | 4,000 | 59,682 | 1,859,568 |
| Nonmajor Governmental Funds | 38,459 | 308,169 | 1,351,351 | - | - | - | 130,000 | 85,129 | 1,913,108 |
| Solid Waste Fund | - | - | 34,500 | - | - | - | - | 143,743 | 178,243 |
| Nonmajor Enterprise Fund | - | - | 20,000 | - | - | - | - | - | 20,000 |
| Subtotal | <u>38,459</u> | <u>19,602,624</u> | <u>9,152,351</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>134,000</u> | <u>320,527</u> | <u>29,247,961</u> |
| Internal Service Funds | <u>6,600</u> | <u>-</u> | <u>2,500</u> | <u>19,009</u> | <u>48,774</u> | <u>59,042</u> | <u>-</u> | <u>38,367</u> | <u>174,292</u> |
| Total | <u>\$ 45,059</u> | <u>\$ 19,602,624</u> | <u>\$ 9,154,851</u> | <u>\$ 19,009</u> | <u>\$ 48,774</u> | <u>\$ 59,042</u> | <u>\$ 134,000</u> | <u>\$ 358,894</u> | <u>\$ 29,422,253</u> |

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.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

F. Lease Obligations

Business-Type Activities:

Lease Payable – Park II (Business-Type Activities) – On September 1, 2006, the City signed a 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 lease obligation from \$4,756,651 to \$2,640,384 and reduced interest expense by \$780,057 over the life of the lease.

The assets acquired through leases are as follows:

| | <u>Business-type Activities</u> |
|--------------------------|---------------------------------|
| Assets: | |
| Buildings | \$ 5,930,000 |
| Accumulated Depreciation | (3,327,388) |
| Total | <u>\$ 2,602,612</u> |

The following is a schedule, by year, of the future minimum lease payments at June 30, 2024:

| <u>Year ending June 30</u> | <u>Business-type Activities</u> |
|---|---------------------------------|
| 2025 | \$ 201,961 |
| 2026 | 201,961 |
| 2027 | 201,961 |
| 2028 | 201,961 |
| 2029 | 201,961 |
| 2030-2033 | <u>807,839</u> |
| Total minimum lease payments | 1,817,644 |
| Less: Amount representing interest | <u>(346,323)</u> |
| Present value of minimum lease payments | <u>\$ 1,471,321</u> |

CITY OF BILLINGS, MONTANA

Notes to the 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, 2024, 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. | \$ 345,000 |
| 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. | 2,755,000 |
| 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>6,045,000</u> |
| | <u>\$ 9,145,000</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

Tax Increment Bonds Payable – At June 30, 2024, 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. | \$ 9,960,000 |
| Tax Increment Revenue Refunding Bonds, Series 2024A, issued in the total aggregate amount of \$6,930,000 and interest at 5.00% due July 1, 2038, payable in annual installments of \$15,000 to \$835,000. These bonds were issued to refund Tax Increment Series 2013A. | 6,930,000 |
| 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. | 3,915,000 |
| 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. | 2,380,000 |
| 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. | 3,830,000 |
| 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. | 2,825,000 |
| 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. | 1,975,000 |
| Tax Increment Revenue Bonds Series 2022, issued in the total aggregate amount of \$3,000,000 and interest ranging from 5.00% to 5.88% due to July 2047, payable in annual installments from \$65,000 to \$210,000. The bonds were issued for Street Improvements within the district. | <u>2,880,000</u> |
| | <u>\$34,695,000</u> |

CITY OF BILLINGS, MONTANA

Notes to the 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 \$19,920,875 is 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, 2024, are as follows:

| | |
|---|----------------------|
| Special improvement districts, issued in the total aggregate amount of \$12,645,316 and interest ranging from 2.80%-6.43%, payable from the special improvement districts fund in varying installments to 2036. | \$ 6,762,608 |
| Sidewalk and curb districts, issued in the total aggregate amount of \$6,591,593 and interest ranging from 3.25%-5.97%, payable from the sidewalk and curb districts fund in varying installments to 2034. | 4,053,267 |
| 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. | 2,550,000 |
| 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>6,555,000</u> |
| | <u>\$ 19,920,875</u> |

CITY OF BILLINGS, MONTANA

Notes to the 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, 2024, 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 the Financial Statements

The amounts outstanding as of June 30, 2024, are as follows:

| | Due within <u>one year</u> | Due after <u>one year</u> | <u>Total</u> |
|------------|-------------------------------|------------------------------|---------------------|
| Wastewater | <u>\$ 1,254,000</u> | <u>\$ 5,381,000</u> | <u>\$6,635,000</u> |
| Water | <u>\$ 2,406,000</u> | <u>\$10,655,000</u> | <u>\$13,061,000</u> |

Revenue Bonds Payable – At June 30, 2024, the outstanding revenue bonded indebtedness of the City was as follows:

2020A Airport Revenue Construction Bonds were authorized up to the total aggregate amount of \$30,000,000. The total amount borrowed was \$1,398,955 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:

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

| <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% |
| Outstanding balance 2020A bond | \$1,398,955 |
| Less current portion | (66,682) |
| Total | <u>\$1,332,273</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:

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

| <u>Redemption Date</u> | <u>Prepayment Premium % of Outstanding Principal Amount to be Prepaid</u> |
|---|---|
| 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 | \$2,200,000 |
| Less current portion | <u>(280,000)</u> |
| Total | <u>\$1,920,000</u> |

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, 2024.

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

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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 (\$1,625,377) 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 (\$723,405) 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. | \$ 44,095,000 |
| Less current portion | <u>(1,825,000)</u> |
| Total | <u>\$ 42,355,000</u> |

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. | \$ 18,965,000 |
| Less current portion | <u>(855,000)</u> |
| Total | <u>\$ 18,110,000</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.

| | |
|--|----------------------|
| 2023A Water System Revenue Bonds issued in the aggregate amount of \$70,000,000 and interest ranging from 3.875% to 5% due to July 1, 2043, paying in annual installments of \$2,011,344 to \$6,211,800 callable on or after July 1, 2033. | \$ 70,000,000 |
| Less current portion | <u>(580,000)</u> |
| Total | <u>\$ 69,420,000</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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, 2024, there were no bonds.

Summary of Debt Maturities – Annual debt service principal and interest payments required on all outstanding debt at June 30, 2024, are as follows:

GOVERNMENTAL ACTIVITIES

| Year ending June 30 | General Obligation Bonds | | Tax Increment | | Special Assessment Bonds | |
|------------------------|-----------------------------|-------------------|----------------------|----------------------|-----------------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | 1,540,000 | 301,835 | 1,195,000 | 1,585,953 | 746,443 | 377,874 |
| 2026 | 1,260,000 | 235,285 | 1,265,000 | 1,534,222 | 750,000 | 352,995 |
| 2027 | 1,320,000 | 177,885 | 1,305,000 | 1,478,522 | 825,000 | 327,121 |
| 2028 | 1,375,000 | 123,085 | 1,375,000 | 1,417,441 | 1,010,000 | 291,528 |
| 2029 | 680,000 | 77,185 | 1,950,000 | 1,338,330 | 820,000 | 253,600 |
| 2030-2034 | 2,970,000 | 81,693 | 10,905,000 | 5,244,254 | 4,695,000 | 722,857 |
| 2035-2039 | - | - | 13,140,000 | 2,373,522 | 1,295,000 | 44,128 |
| 2040-2044 | - | - | 1,855,000 | 578,525 | - | - |
| 2045-2049 | - | - | 1,705,000 | 134,538 | - | - |
| | <u>\$ 9,145,000</u> | <u>\$ 996,968</u> | <u>\$ 34,695,000</u> | <u>\$ 15,685,307</u> | <u>\$ 10,141,443</u> | <u>\$ 2,370,103</u> |

| | Special Assessment Bonds-Direct Placement | | Intercap Notes Payable | |
|-----------|--|---------------------|------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2025 | 601,755 | 433,189 | 445,535 | 559,513 |
| 2026 | 855,849 | 406,331 | 643,636 | 663,111 |
| 2027 | 902,387 | 367,265 | 676,643 | 626,382 |
| 2028 | 904,460 | 350,986 | 711,418 | 587,773 |
| 2029 | 869,042 | 287,778 | 746,757 | 548,714 |
| 2030-2034 | 4,173,085 | 851,596 | 4,361,497 | 2,051,512 |
| 2035-2039 | 1,472,854 | 136,952 | 4,380,090 | 806,093 |
| 2040-2044 | - | - | - | - |
| | <u>\$ 9,779,432</u> | <u>\$ 2,834,097</u> | <u>\$ 11,965,576</u> | <u>\$ 5,843,098</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

BUSINESS TYPE ACTIVITIES

| Year ending June 30 | Revenue Bonds-Airport | | Lease Payable-Parking | | Lease Payable-Park II | |
|------------------------|--------------------------|---------------------|---------------------------|---------------------|-----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | 346,682 | 129,730 | 48,581 | 5,238 | 136,487 | 65,474 |
| 2026 | 356,682 | 118,806 | 50,845 | 2,975 | 142,560 | 59,400 |
| 2027 | 371,682 | 105,277 | 26,303 | 605 | 148,904 | 53,056 |
| 2028 | 381,682 | 91,298 | - | - | 155,530 | 46,430 |
| 2029 | 391,682 | 77,089 | - | - | 162,452 | 39,509 |
| 2030-2034 | 1,018,412 | 214,983 | - | - | 725,388 | 82,455 |
| 2035-2039 | 333,412 | 109,540 | - | - | - | - |
| 2040-2044 | 333,412 | 49,027 | - | - | - | - |
| 2045-2049 | 65,309 | 1,376 | - | - | - | - |
| | <u>\$ 3,598,955</u> | <u>\$ 897,126</u> | <u>\$ 125,729</u> | <u>\$ 8,818</u> | <u>\$ 1,471,321</u> | <u>\$ 346,324</u> |
| | Notes Payable-Water | | Notes Payable-Wastewater | | | |
| | Principal | Interest | Principal | Interest | | |
| 2025 | 2,406,000 | 351,885 | 1,254,000 | 185,143 | | |
| 2026 | 1,904,000 | 288,605 | 1,144,000 | 149,463 | | |
| 2027 | 1,387,000 | 242,749 | 1,030,000 | 117,692 | | |
| 2028 | 1,428,000 | 201,960 | 1,062,000 | 86,607 | | |
| 2029 | 1,471,000 | 159,975 | 864,000 | 55,567 | | |
| 2030-2034 | 4,047,000 | 335,155 | 1,281,000 | 74,496 | | |
| 2035-2039 | 418,000 | 7,090 | - | - | | |
| 2040-2045 | - | - | - | - | | |
| | <u>\$ 13,061,000</u> | <u>\$ 1,587,419</u> | <u>\$ 6,635,000</u> | <u>\$ 668,968</u> | | |
| | Revenue Bonds-Wastewater | | Revenue Bonds-Solid Waste | | Revenue Bonds-Water | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | 1,825,000 | 2,012,225 | 855,000 | 689,150 | 580,000 | 3,147,187 |
| 2026 | 1,920,000 | 1,918,600 | 895,000 | 645,399 | 445,000 | 3,121,562 |
| 2027 | 2,165,000 | 1,816,475 | 940,000 | 599,524 | 1,595,000 | 3,070,562 |
| 2028 | 2,415,000 | 1,701,975 | 990,000 | 551,274 | 1,670,000 | 2,988,938 |
| 2029 | 2,535,000 | 1,578,225 | 1,040,000 | 500,526 | 1,755,000 | 2,903,312 |
| 2030-2034 | 18,545,000 | 5,436,875 | 5,870,000 | 1,855,626 | 13,680,000 | 12,759,938 |
| 2035-2039 | 14,690,000 | 900,800 | 6,865,000 | 981,333 | 22,080,000 | 8,320,619 |
| 2040-2045 | - | - | 1,510,000 | 26,425 | 28,195,000 | 2,907,900 |
| | <u>\$ 44,095,000</u> | <u>\$15,365,175</u> | <u>\$ 18,965,000</u> | <u>\$ 5,849,257</u> | <u>\$ 70,000,000</u> | <u>\$39,220,018</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

Changes in Long-Term Obligations – During the year ended June 30, 2024, the following changes occurred in liabilities reported in the long-term obligations:

| | Balance June 30, 2023 | Issued/ Accrued | Refunded/ Redeemed/ Matured | Balance June 30, 2024 | Due within one year |
|---|--------------------------|----------------------|-----------------------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds: | | | | | |
| Series 2004A Streets | \$ 675,000 | \$ - | \$ 330,000 | \$ 345,000 | \$ 345,000 |
| Add: premium received | 38,229 | - | 19,112 | 19,117 | |
| Series 2015 Refunding | 3,375,000 | - | 620,000 | 2,755,000 | 640,000 |
| Add: premium received | 193,779 | - | 48,444 | 145,335 | |
| Series 2021 Refunding Library | 6,575,000 | - | 530,000 | 6,045,000 | 555,000 |
| Add: premium received | 834,691 | - | 92,743 | 741,948 | |
| Tax Increment 2013 | 10,375,000 | - | 415,000 | 9,960,000 | 80,000 |
| Add: premium received | 20,882 | - | 3,481 | 17,401 | |
| Less: bond discount | (967) | - | (162) | (805) | |
| Series 2024 Tax Increment Refunding (2013A) | | 6,930,000 | - | 6,930,000 | |
| Add: premium received | | 644,705 | - | 644,705 | |
| Tax Increment 2015 | 4,090,000 | - | 175,000 | 3,915,000 | 180,000 |
| Less: bond discount | (16,622) | - | (1,039) | (15,583) | |
| Tax Increment 2015-EBURD | 2,485,000 | - | 105,000 | 2,380,000 | 110,000 |
| Less: bond discount | (22,355) | - | (1,397) | (20,958) | |
| Tax Increment 2016 | 3,995,000 | - | 165,000 | 3,830,000 | 170,000 |
| Less: bond discount | (24) | - | (2) | (22) | |
| Tax Increment 2018-East | 2,965,000 | - | 140,000 | 2,825,000 | 145,000 |
| Add: premium received | 76,295 | - | 4,768 | 71,527 | |
| Tax Increment 2020-27th | 2,040,000 | - | 65,000 | 1,975,000 | 65,000 |
| Add: premium received | 83,881 | - | 3,994 | 79,887 | |
| Tax Increment 2022-South | 3,000,000 | - | 120,000 | 2,880,000 | 65,000 |
| Less: bond discounts | (14,309) | - | (596) | (13,713) | |
| Special assessment debt with governmental commitment | 11,188,452 | - | 1,047,009 | 10,141,443 | 746,443 |
| Less: bond discounts | (6,290) | - | (2,663) | (3,627) | |
| Add: premium received | 408,758 | - | 34,992 | 373,766 | |
| Direct Placement | 9,180,706 | 1,300,000 | 701,274 | 9,779,432 | 601,755 |
| Intercap notes payable | 2,369,900 | 9,767,559 | 171,883 | 11,965,576 | 445,535 |
| Lease payable | 210,000 | - | 210,000 | - | |
| Add: premium received | 20,778 | - | 20,778 | - | |
| Compensated absences | 10,206,347 | 9,612,906 | 9,152,287 | 10,666,966 | 8,439,093 |
| Total governmental activities | <u>\$ 74,347,131</u> | <u>\$ 28,255,170</u> | <u>\$ 14,169,906</u> | <u>\$ 88,432,395</u> | <u>\$ 12,587,826</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

| | Balance June 30, 2023 | Issued/ Accrued | Refunded/ Redeemed/ Matured | Balance June 30, 2024 | Due within one year |
|--------------------------------|--------------------------|----------------------|-----------------------------------|--------------------------|------------------------|
| Business Activities: | | | | | |
| Notes Payable | | | | | |
| Water from DNRC | \$ 2,725,000 | \$ - | \$ 1,072,000 | \$ 1,653,000 | \$ 1,096,000 |
| Water from DNRC-ARRA Part B | 122,000 | - | 18,000 | 104,000 | 18,000 |
| Water from DNRC- Rehab | 1,088,000 | - | 154,000 | 934,000 | 159,000 |
| Water from DNRC-Zone 4 | 2,644,000 | - | 374,000 | 2,270,000 | 385,000 |
| Water from DNRC-Waterlines | 994,000 | - | 121,000 | 873,000 | 124,000 |
| Wastewater from DNRC-Briarwood | 2,198,000 | - | 373,000 | 1,825,000 | 385,000 |
| Wastewater from DNRC | 711,000 | - | 280,000 | 431,000 | 286,000 |
| Wastewater from DNRC | 131,000 | - | 19,000 | 112,000 | 20,000 |
| Wastewater from DNRC | 1,628,000 | - | 230,000 | 1,398,000 | 238,000 |
| Wastewater from DNRC-UV | 1,059,000 | - | 129,000 | 930,000 | 130,000 |
| Wastewater from DNRC-UV | 366,000 | - | 44,000 | 322,000 | 46,000 |
| Wastewater from DNRC-5 Mile | 1,762,000 | - | 145,000 | 1,617,000 | 149,000 |
| Water from DNRC-Zone 3 | 1,601,000 | - | 148,000 | 1,453,000 | 153,000 |
| Water from DNRC-Zone 3 Chapple | 3,942,000 | - | 292,000 | 3,650,000 | 300,000 |
| Water from DNRC-Briarwood | 2,291,000 | - | 167,000 | 2,124,000 | 171,000 |
| Sewer System Revenue | 45,835,000 | - | 1,740,000 | 44,095,000 | 1,825,000 |
| Add: premium received | 4,997,836 | - | 356,988 | 4,640,848 | |
| Solid Waste Revenue | 19,780,000 | - | 815,000 | 18,965,000 | 855,000 |
| Add: premium received | 1,078,503 | - | 67,406 | 1,011,097 | |
| West End Reservoir | - | 70,000,000 | - | 70,000,000 | 580,000 |
| Add: premium received | - | 5,386,331 | | 5,386,331 | |
| Lease payable - Park II | 1,601,993 | - | 130,672 | 1,471,321 | 136,487 |
| Lease payable - Parking | 172,148 | - | 46,419 | 125,729 | 48,581 |
| Airport Series 2020A | 898,955 | 500,000 | - | 1,398,955 | 66,682 |
| Airport Series 2020B | 2,475,000 | - | 275,000 | 2,200,000 | 280,000 |
| Compensated absences | 3,537,247 | 3,077,599 | 3,060,551 | 3,554,295 | 2,670,553 |
| Total business type activities | <u>\$ 103,638,682</u> | <u>\$ 78,963,930</u> | <u>\$ 10,058,036</u> | <u>\$ 172,544,576</u> | <u>\$ 10,122,303</u> |

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

Governmental activities include internal service fund liabilities for lease payable, compensated absences, and intercap notes payable. Internal service fund compensated absences totaled \$1,520,945 and \$1,470,592 at June 30, 2023 and 2024, 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 rebate able 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, 2024, 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. 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.

Plan Measurement Date. June 30, 2024

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 2024 were 17.0% 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 the 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 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.

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 (55 if hired on or after July 1, 2011) 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, 2023, 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 | 913 |
| Retired employees | <u>76</u> |
| Total | <u>989</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, 2024, is \$65,666,000. The ratio of the FY 2024 net OPEB liability to annual covered payroll is 0.17.

CITY OF BILLINGS, MONTANA

Notes to the 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 | \$11,230,969 | \$ - | \$11,230,969 |
| Changes for the year | | | |
| Service cost | 695,788 | - | 695,788 |
| Interest cost | 425,184 | - | 425,184 |
| Changes of benefit term | - | - | - |
| Differences between expected and actual experience | - | - | - |
| Changes in assumptions or other inputs | (344,023) | - | (344,023) |
| (Other changes, separately identified if significant) | - | - | - |
| Contributions – employer | - | - | - |
| Net Investment Income | - | - | - |
| Benefit payments | (555,736) | - | (555,736) |
| Admin Expense | - | - | - |
| Net change in total OPEB liability | <u>\$221,213</u> | <u>-</u> | <u>\$221,213</u> |
| Total OPEB Liability – End of Year | <u>\$11,452,182</u> | <u>\$ -</u> | <u>\$11,452,182</u> |

The annual OPEB expense recognized in fiscal year 2024 is as follows:

| | |
|--|-------------------------|
| Service Cost | \$ 695,788 |
| Interest Cost | 425,184 |
| Changes of benefit terms | - |
| Current recognized deferred outflows/(inflows) | |
| Difference between expected and actual experience | (217,342) |
| Changes in assumptions or other inputs | 43,797 |
| (Other changes, separately identified, if significant) | - |
| Total Expense | <u>\$947,427</u> |

CITY OF BILLINGS, MONTANA

Notes to the 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 | \$ 518,748 | \$ (461,015) |
| Changes of assumptions | <u>1,032,322</u> | <u>(1,415,708)</u> |
| Total | <u>\$ 1,551,070</u> | <u>\$(1,876,723)</u> |

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

| | | |
|----------------------|------------|-------------|
| For Fiscal Year End: | 2025 | \$(283,096) |
| | 2026 | (175,621) |
| | 2027 | 92,483 |
| | 2028 | 45,318 |
| | 2029 | (42,265) |
| | Thereafter | \$ 37,528 |

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 the Financial Statements

In the June 30, 2024, actuarial valuation, the liabilities were computed using the entry age normal based on level percentage of projected salary. The actuarial assumptions utilized a 3.93% 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 2023-2024, 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 | \$10,060,000 | -12% |
| Current Trend | \$11,452,000 | N/A |
| 1% Increase | \$13,116,000 | 15% |

Discount Rate trend sensitivity analysis

| | Net OPEB Liability | % Difference |
|---------------------|--------------------|--------------|
| 1% Increase 4.93% | \$10,323,000 | -10% |
| Current Trend 3.93% | \$11,452,000 | N/A |
| 1% Decrease 2.93% | \$12,752,000 | 11% |

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.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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; 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.

CITY OF BILLINGS, MONTANA

Notes to the Financial Statements

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 2022, 2023 and 2024:

| | Beginning-of- fiscal-year <u>liability</u> | Incurred claims and claim administrative <u>expenses</u> | Payments of claims and claim administrative <u>expenses</u> | End-of- fiscal-year <u>liability</u> |
|-----------|--|---|--|--|
| 2021-2022 | 1,200,338 | 13,075,668 | 13,147,006 | 1,129,000 |
| 2022-2023 | 1,129,000 | 12,021,693 | 12,042,693 | 1,108,000 |
| 2023-2024 | 1,108,000 | 14,268,600 | 13,974,600 | 1,402,000 |

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 15 retired and terminated employees participated in the City's health plan during the last year. Claims paid in excess of premiums received for these participants totaled approximately \$ 423,276 for the fiscal year ended June 30, 2024. 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 the 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 February 19, 2025, the date on which the financial statements were available to be issued. The City of Billings has pursued financing and a historical tax credit for the Construction of the new City Hall. To realize the historical tax credit, the City of Billings has entered into an agreement with First Interstate Bank which closed on November 20th, 2024. The agreement forms two partnerships and will include \$14 million in lease financing to finish the construction of the project, split realization of any historical tax credit, and realize additional investment returns for First Interstate Bank. As part of this lease financing, the entire Intericap note payable shown in FY2024 was refinanced and included as part of the new lease financing total in FY2025.

In April, Council approved a resolution authorizing a private negotiated sale for the refunding of 2013A tax increment bonds. It has been determined by refunding the 2013A bonds, the City will save \$559,033. The closing took place on June 13th and the bond proceeds were distributed to the escrow account to refund the 2013A bonds on September 10, 2024. Refunding the 2013A bond changes the current portion of the debt for all tax increment bonds to \$815,000, reducing the current portion of the debt from \$1,195,000 in the original debt schedule.

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 \$650,000 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> |
|--------------------|---|--|--|-----------------------------------|-----------------------------------|---|
| 2021 | \$ 1,300,000 | \$ - | \$ - | \$ - | \$ 1,300,000 | \$1,300,000 |
| 2022 | \$ 1,300,000 | \$ (2,450,000) | \$ - | \$ - | \$ 3,750,000 | \$3,750,000 |
| 2023 | \$ 3,750,000 | \$ - | \$ - | \$ - | \$ 3,750,000 | \$3,750,000 |
| 2024 | \$ 3,750,000 | \$ - | \$ - | \$ 3,100,000 | \$ 650,000 | \$ 650,000 |

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 \$8,202,234 reported as landfill closure and post-closure care liability at June 30, 2024, represents the cumulative amount reported to date based on the use of approximately 61% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$5.2 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 2024. Revised closure costs were completed during fiscal year 2021. During fiscal year 2022, additional post-closure costs were increased by \$4,732,800 for the gas flair project. The City expects to close the landfill in 44 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 2024, \$218,416 was funded into the trust. The trust market value increased \$177,472 during the year. The cumulative amount of payments of \$4,298,183 is reported as restricted investments at June 30, 2024.

| | Balance <u>June 30, 2023</u> | Accrual <u>Amount</u> | Balance <u>June 30, 2024</u> |
|----------------------------------|---------------------------------|--------------------------|---------------------------------|
| Net change in Landfill Liability | <u>\$ 7,758,208</u> | <u>\$ 444,026</u> | <u>\$ 8,202,234</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 has reduced the estimated lawsuits from these actions to \$650,000.

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 received a final judgment for \$3,100,000.

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.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 and the note 2011 is secured by equipment. The notes are not a general obligation or indebtedness of the City. As of June 30, 2024, the bonds have an aggregate outstanding principal amount payable of \$5,576,699.

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 2024 was \$15,996,805.

CITY OF BILLINGS PERS-DEFINED BENEFIT GASB 68 NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023 (*MEASUREMENT DATE*) JUNE 30, 2024 (*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, 2023, measurement date for the 2024 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, 2024.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 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 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: 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
 - 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
 - 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)

- Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retired 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.
- Retired 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.
- Retired on or after January 1, 2016 and accumulate 5 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.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Compensation Cap

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

Monthly benefit formula

- Members hired prior to July 1, 2011
 - 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:
 - a) 1.5% for each year PERS is funded at or above 90%;
 - b) 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - c) 0% whenever the amortization period for PERS is 40 years or more.

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: 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 |
| 2024 | 7.9000% | 7.900% | 9.170% | 9.070% | 0.100% | 8.800% | 0.370% |
| 2023 | 7.9000% | 7.900% | 9.070% | 8.970% | 0.100% | 8.700% | 0.370% |
| 2022 | 7.9000% | 7.900% | 8.970% | 8.870% | 0.100% | 8.600% | 0.370% |
| 2021 | 7.9000% | 7.900% | 8.870% | 8.770% | 0.100% | 8.500% | 0.370% |
| 2020 | 7.9000% | 7.900% | 8.770% | 8.670% | 0.100% | 8.400% | 0.370% |
| 2019 | 7.9000% | 7.900% | 8.670% | 8.570% | 0.100% | 8.300% | 0.370% |
| 2018 | 7.9000% | 7.900% | 8.570% | 8.470% | 0.100% | 8.200% | 0.370% |
| 2017 | 7.9000% | 7.900% | 8.470% | 8.370% | 0.100% | 8.100% | 0.370% |
| 2016 | 7.9000% | 7.900% | 8.370% | 8.270% | 0.100% | 8.000% | 0.370% |
| 2015 | 7.9000% | 7.900% | 8.270% | 8.170% | 0.100% | 7.900% | 0.370% |
| 2014 | 7.9000% | 7.900% | 8.170% | 8.070% | 0.100% | 7.800% | 0.370% |
| 2012 - 2013 | 6.9000% | 7.900% | 7.170% | 7.070% | 0.100% | 6.800% | 0.370% |
| 2010 - 2011 | 6.9000% | | 7.170% | 7.070% | 0.100% | 6.800% | 0.370% |
| 2008 - 2009 | 6.9000% | | 7.035% | 6.935% | 0.100% | 6.800% | 0.235% |
| 2000 - 2007 | 6.9000% | | 6.900% | 6.800% | 0.100% | 6.800% | 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 actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional 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 Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

3. Non-Employer Contributions

a. Special Funding

- i. The State contributed 0.1% of members' compensation on behalf of local government entities.
- ii. The State contributed 0.37% of members' compensation on behalf of school district entities.
- iii. The State contributed a Statutory Appropriation from the General Fund of \$34,979,900.

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. The basis for the Total Pension Liability (TPL) as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

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, 2023, and 2022, 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 the particular employer to the total state contributions paid.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The employer recorded a liability of \$55,639,831 and the employer's proportionate share was 2.279990 percent.

| As of measurement date | Net Pension Liability as of 6/30/2023 | Net Pension Liability as of 6/30/2022 | Percent of Collective NPL as of 6/30/2023 | Percent of Collective NPL as of 6/30/2022 | Change in Percent of Collective NPL |
|---|---------------------------------------|---------------------------------------|---|---|-------------------------------------|
| City of Billings' Proportionate Share | \$55,639,831 | \$51,431,998 | 2.279990% | 2.162930% | 0.117060% |
| State of Montana Proportionate Share associated with the Employer | 15,397,887 | 15,384,782 | 0.630969% | 0.646994% | (0.016025)% |
| Total | \$71,037,718 | \$66,816,780 | 2.910959% | 2.809924% | 0.101035% |

Changes in actuarial assumptions and methods: There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

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, 2023, the employer recognized a Pension Expense of \$6,407,285 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$1,444,549 for the support provided by the State of Montana for its 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

| As of measurement date | Pension Expense as of 6/30/2023 | Pension Expense as of 6/30/2022 |
|---|------------------------------------|------------------------------------|
| City of Billings' Proportionate Share of PERS | \$ 6,407,285 | \$ 5,676,035 |
| State of Montana Proportionate Share associated with the Employer | 1,444,549 | 1,594,643 |
| Total | \$ 7,851,834 | \$ 7,270,678 |

Recognition of Deferred Inflows and Outflows - At June 30, 2023, 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 | \$ 2,216,040 | \$ - |
| Projected Investment Earnings vs. Actual Investment Earnings | 141,170 | - |
| Changes in Assumptions | - | 1,984,539 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 2,869,718 | - |
| Employer Contributions subsequent to the measurement date | 4,004,582 | - |
| Total | \$ 9,231,510 | \$ 1,984,539 |

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 |
|--|---|
| 2024 | \$ 433,250 |
| 2025 | \$ (143,220) |
| 2026 | \$ 3,290,067 |
| 2027 | \$ (337,707) |
| Thereafter | \$ - |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Actuarial Assumptions - The total pension liability as of June 30, 2023, was determined on the results of an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

| | |
|---|----------------------------------|
| Investment Return (net of pension plan investment expense, including inflation) | 7.30% |
| General Wage Growth* *includes Inflation at | 3.50% 2.75% |
| Merit Increases | 0% to 4.80% |
| Post Retirement Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> Members hired prior to July 1, 2007 Members hired between July 1, 2007 & June 30, 2013 Members hired on or after July 1, 2013 <ul style="list-style-type: none"> For each year PERS is funded at or above 90% <ul style="list-style-type: none"> The 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90% 0% whenever the amortization period for PERS is 40 years or more | 3.00% 1.50% 1.50% 0.00% |

Mortality:

Active Participants

PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

| | |
|----------------------|--|
| Disabled Retirees | PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females. |
| Contingent Survivors | PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021. |
| Healthy Retirees | PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021. |

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

Discount Rate - The discount rate used to measure the TPL was 7.30%. 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 2127. 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 - The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

| Asset Class | Target Asset Allocation | Long-Term Expected Real Rate of Return Arithmetic Basis |
|-----------------------|-------------------------|---|
| Cash | 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 | 100.0% | |

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 in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

| As of measurement date | 1.0% Decrease (6.30%) | Current Discount Rate | 1.0% Increase (8.30%) |
|--|--------------------------|--------------------------|--------------------------|
| City of Billings's Net Pension Liability | \$80,371,531 | \$55,639,831 | \$34,892,144 |

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.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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.

At the plan level for the measurement period ended June 30, 2023, 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 348 employers that have participants in the PERS-DCRP totaled \$1,409,309.

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. These reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or 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, 2023 (MEASUREMENT DATE) JUNE 30, 2024 (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). 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

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

through cost-sharing, single-employer, or agent pension plans. This report provides information for employers who are using a June 30, 2023 measurement date for the 2024 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, 2024.

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 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 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, Montana Code Annotated (MCA). This plan 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) for each year of service credit, or

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- If membership service is greater or equal to 20 years:
 - 50% of HMC plus 2% of HMC for each year 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:
 - 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).

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- 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 (HAC).

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 3.0% each January.

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 | | Employer | State |
|-------------|----------|---------|----------|---------|
| | Non-GABA | GABA | | |
| 1998 - 2024 | 9.500% | 10.700% | 14.360% | 32.610% |
| 1997 | 7.800% | | 14.360% | 32.610% |

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. The basis for the Total Pension Liability (TPL) as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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, 2023, and 2022, 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 the particular employer to the total state contributions paid.

The employer recorded a liability of \$9,169,467 and the employer's proportionate share was 6.0733 percent.

| As of measurement date | Net Pension Liability as of 6/30/2023 | Net Pension Liability as of 6/30/2022 | Percent of Collective NPL as of 6/30/2023 | Percent of Collective NPL as of 6/30/2022 | Change in Percent of Collective NPL |
|---|---------------------------------------|---------------------------------------|---|---|-------------------------------------|
| City of Billings' Proportionate Share | \$ 9,169,467 | \$ 9,378,898 | 6.0733% | 5.9042% | 0.1691% |
| State of Montana Proportionate Share associated with the Employer | 20,811,396 | 21,219,343 | 13.7842% | 13.3580% | 0.4262% |
| Total | \$ 29,980,863 | \$ 30,598,241 | 19.8575% | 19.2622% | 0.5953% |

Changes in actuarial assumptions and methods: There have been no changes to the actuarial assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

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.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Pension Expense – At June 30, 2023 measurement date, the employer recognized its proportionate share of the Plan's pension expense of \$2,240,057. The employer also recognized grant revenue of \$5,196,701 for the support provided by the State of Montana for its 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.*)

| As of measurement date | Pension Expense as of 6/30/2023 | Pension Expense as of 6/30/2022 |
|--|------------------------------------|------------------------------------|
| City of Billings' Proportionate Share | \$ 2,240,057 | \$ 1,831,095 |
| State of Montana Proportionate Share associated with the Employer | 5,196,701 | 4,341,929 |
| Total | \$ 7,436,759 | \$ 6,173,024 |

Recognition of deferred inflows and outflows

At June 30, 2023, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

| As of measurement date | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Expected vs. Actual Experience | \$ 848,422 | \$ 9,426 |
| Projected Investment Earnings vs. Actual Investment Earnings | 240,952 | - |
| Changes in Assumptions | 1,960,874 | - |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | - | 16,367 |
| Employer Contributions Subsequent to the Measurement Date | 2,039,290 | - |
| Total | \$ 5,089,538 | \$ 25,793 |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 |
|--|---|
| 2024 | \$ 611,053 |
| 2025 | \$ 385,388 |
| 2026 | \$ 1,532,284 |
| 2027 | \$ 407,545 |
| Thereafter | \$ 88,186 |

Actuarial Assumptions – The total pension liability as of June 30, 2023, was determined by an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

| | |
|--|---|
| Investment Return (net of pension plan investment expense, including inflation) | 7.30% |
| General Wage Growth* *includes Inflation at | 3.50% 2.75% |
| Merit Increases | 1.00% to 6.40% |
| Post Retirement Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January <ul style="list-style-type: none"> Members hired on or after July 1, 1997 or those electing GABA Requires 12 full months of retirement before GABA will be made 2. Minimum Benefit Adjustment (non-GABA) <ul style="list-style-type: none"> Members with 10 or more years of membership service and member did not elect GABA | 3.00% The minimum benefit provided should 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 |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Mortality:

| | |
|----------------------|--|
| Active Participants | PUB-2010 Safety Amount Weighted Employee Mortality Table projected to 2021 for males and females. Projected generationally using MP-2021. |
| Healthy Retirees | PUB-2010 Safety Amount Weighted Healthy Retiree Mortality Table projected to 2021, set forward one year for males, adjusted 105% for males and 100% for females. Projected generationally using MP-2021. |
| Contingent Survivors | PUB-2010 Safety Amount Weighted Contingent Survivor Mortality Table projected to 2021, set forward one year for males. Projected generationally using MP-2021. |
| Disabled Retirees | PUB-2010 Safety Amount Weighted Disabled Retiree Mortality Table projected to 2021, set forward one year for males. |

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending June 30, 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expense analysis shown in the experience study.

Discount Rate - The discount rate used to measure the TPL was 7.30%. 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 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.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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

The target asset allocation and best estimates of arithmetic real rate of return for each major asset class as of the most recent experience study, are summarized in the following table.

| Asset Class | Target Asset Allocation | Long-Term Expected Real Rate of Return Arithmetic Basis |
|-----------------------|-------------------------|---|
| Cash | 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 | 100.0% | |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

| As of measurement date | 1.0% Decrease (6.30%) | Current Discount Rate | 1.0% Increase (8.30%) |
|--|--------------------------|--------------------------|--------------------------|
| CITY OF BILLINGS Net Pension Liability | \$16,723,030 | \$9,169,467 | \$3,140,730 |

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

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

**CITY OF BILLINGS
MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2023 (*MEASUREMENT DATE*)
JUNE 30, 2024 (*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 a June 30, 2023 measurement date for the 2024 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, 2024.

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 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).

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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.

Service retirement and monthly benefit formula:

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

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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.

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.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 | | | | Employer | State |
|-------------|------------------|----------------|----------------|---------------------|----------|---------|
| | Hired <7/1/75 | Hired >6/30/75 | Hired >6/30/79 | Hired >6/30/97 GABA | | |
| 2000-2024 | 5.80% | 7.00% | 8.50% | 9.00% | 14.410% | 29.370% |
| 1998-1999 | 7.80% | 9.00% | 10.50% | 11.00% | 14.410% | 29.370% |
| 1997 | 7.80% | 9.00% | 10.50% | | 14.360% | 29.370% |

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. The basis for the Total Pension Liability (TPL) as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

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, 2023, and 2022, 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

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 the particular employer to the total state contributions paid. The employer recorded a liability of \$17,136,911 and the employer's proportionate share was 7.3917 percent.

| As of measurement date | Net Pension Liability as of 6/30/2023 | Net Pension Liability as of 6/30/2022 | Percent of Collective NPL as of 6/30/2023 | Percent of Collective NPL as of 6/30/2022 | Change in Percent of Collective NPL |
|---|---------------------------------------|---------------------------------------|---|---|-------------------------------------|
| City of Billings' Proportionate Share | \$ 17,136,911 | \$ 17,029,007 | 7.3917% | 7.2091% | 0.1826% |
| State of Montana Proportionate Share associated with the Employer | 34,585,999 | 34,610,829 | 14.9181% | 14.6523% | 0.2658% |
| Total | \$ 51,722,910 | \$ 51,639,836 | 22.3098% | 21.8614% | 0.4484% |

Changes in actuarial assumptions and methods: There have been no changes to the actuarial assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

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, 2023 measurement date, the employer recognized its proportionate share of the Plan's pension expense of 3,020,043. The employer also recognized grant revenue of \$5,962,878 for the support provided by the State of

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Montana for its proportionate share of the pension expense 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 6/30/2023 | Pension Expense as of 6/30/2022 |
|---|------------------------------------|------------------------------------|
| City of Billings' Proportionate Share | \$ 3,020,043 | \$ 2,860,366 |
| State of Montana Proportionate Share associated with the Employer | 5,962,878 | 5,933,972 |
| Total | \$ 8,982,921 | \$ 8,794,337 |

Recognition of Deferred Inflows and Outflows – At June 30, 2023, 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 | \$ 224,088 | \$ 36,229 |
| Projected Investment Earnings vs. Actual Investment Earnings | 240,568 | - |
| Changes in Assumptions | 514,371 | 223,423 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 229,226 | - |
| Employer Contributions subsequent to the measurement date | 2,169,458 | - |
| Total | \$ 3,377,711 | \$ 259,652 |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 |
|--|---|
| 2024 | \$ 369,351 |
| 2025 | \$ (370,560) |
| 2026 | \$ 1,024,373 |
| 2027 | \$ (74,564) |
| Thereafter | \$ - |

Actuarial Assumptions – The total pension liability as of June 30, 2023, was determined by an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

| | |
|---|---|
| Investment Return (net of pension plan investment expense, including inflation) | 7.30% |
| General Wage Growth* | 3.50% |
| *includes Inflation at | 2.75% |
| Merit Increases | 1.0% to 6.40% |
| 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 |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Mortality:

| | |
|----------------------|--|
| Active Participants | PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021. |
| Healthy Retirees | PUB-2010 Safety Amount Weighted Healthy Retiree mortality table projected to 2021 set forward one year for males and adjusted 105% for males and 100% for females. Projected generationally using MP-2021. |
| Disabled Retirees | PUB-2010 Safety Amount Weighted Disabled Retiree mortality table projected to 2021, set forward 1 year for males. |
| Contingent Survivors | PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021. |

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending June 30, 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

Discount Rate – The discount rate used to measure the TPL was 7.30%. 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 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

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

| Asset Class | Target Asset Allocation | Real Rate of Return Arithmetic Basis |
|-----------------------|-------------------------|---|
| 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 | 100.0% | |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

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 in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

| | 1.0% Decrease (6.30%) | Current Discount Rate | 1.0% Increase (8.30%) |
|---|--------------------------|--------------------------|--------------------------|
| City of Billings' Net Pension Liability | \$ 26,445,591 | \$ 17,136,911 | \$ 9,745,896 |

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

H. Accounting Changes & Error Corrections

In compliance with GASB 100, effective for fiscal years beginning after June 15, 2023, all fund balance adjustments need to be categorized as either Accounting Changes or Error Corrections.

Accounting changes are to be classified into one of these three categories:

1. Changes in Accounting Principles
2. Changes in Accounting Estimates
3. To or Within the Financial Reporting Entity

Error Corrections

I. Proprietary Funds: Water Fund Construction in Process error correction

An accounting error correction was made to decrease the business-type activities' beginning net position as of July 1, 2023 by \$62,570. The correction was made to the Water Fund which had a discrepancy in the Construction in Process accounts from the prior year where the ending net position was overstated by \$31,285. Fiscal year ended 2024 correction is to fix the previous year's overstatement. It is not practical to restate earlier periods for the error correction because it is considered to be immaterial.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Business-type Activities:

| | | |
|--|----|-------------|
| Net Position at July 1, 2023, as previously stated | \$ | 623,362,960 |
| Water Fund correction | | (62,570) |
| Net Position at July 1, 2023, as restated | \$ | 623,300,390 |

- II. Governmental Funds - Non-Major Special Revenue Fund: Baseball Field/Stadium Donations for Capital Maintenance Fund Lessor Receivables and Deferred Inflow error correction

Governmental-type Activities:

| | | |
|--|----|---------|
| Net Position at July 1, 2023, as previously stated | \$ | 428,023 |
| Baseball Field/Stadium Donations for Capital Maintenance Fund correction | | (4,450) |
| Net Position at July 1, 2023, as restated | \$ | 432,473 |

In compliance with GASB 100 and GASB 87 the City of Billings made fund balance adjustments to the Baseball Field/Stadium Donations for Capital Maintenance Fund to record the lease receivable and deferred inflows not recorded at the initiation of GASB 87 for lessor leases. The Baseball Field/Stadium Donations for Capital Maintenance Fund will receive a \$4,450 restatement to the fund balance to adjust for the prior period net of lease deferred inflows and lease receivables for prior periods.

- III. Governmental Funds - Non-Major Special Revenue Fund: Park Programs Fund Lessor Receivables and Deferred Inflow error correction

Governmental-type Activities:

| | | |
|--|----|-----------|
| Net Position at July 1, 2023, as previously stated | \$ | 2,147,854 |
| Park Programs Fund correction | | (16,743) |
| Net Position at July 1, 2023, as restated | \$ | 2,131,111 |

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

In compliance with GASB 100 and GASB 87 the City of Billings made fund balance adjustments to the Park Programs Fund to record the lease receivable and deferred inflows not recorded at the initiation of GASB 87 for lessor leases. The Parks Programs Fund will receive a \$4,450 restatement to the fund balance to adjust for the prior period net of lease deferred inflows and lease receivables for prior periods.

Accounting Changes – To or Within the Financial Reporting Entity

I. Nonmajor Special Revenue Funds: Police Programs fund closure and error correction

An accounting change was made within the Police Programs Funds where two police funds were closed during the year that are longer active. A restatement of \$2,362 was made to increase the nonmajor special revenue beginning net position due to an error correction within one of the funds closed. The restatement resulted in a net position understatement of \$2,362 in the previous year. It is not practical to restate earlier periods for the error correction because it is considered to be immaterial.

Police Programs Funds:

| | | |
|--|----|--------------|
| Fund balance at July 1, 2023, as previously stated | \$ | 738,077 |
| Correction for fund closure | | <u>2,362</u> |
| Fund balance at July 1, 2023, as restated | \$ | 740,439 |

II. Major Fund and Nonmajor Fund reclassifications

- a. American Rescue Plan Fund has been classified as a Nonmajor Special Revenue fund. In accordance with GASB 100, the July 1, 2023 beginning fund balance of \$837,214 is adjusted on the Governmental Major Fund reports from a major beginning fund balance to a special revenue beginning fund balance.
- b. City Hall Construction Special Revenue fund has been classified as a Major Governmental Fund. In accordance with GASB 100, the July 1, 2023 beginning fund balance of \$15,285,456 is adjusted on the Special Revenue Fund reports and is reported on the Major Government Fund reports.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Major Governmental Funds :

| | |
|---|-----------------------|
| Fund balance at July 1, 2023, as previously stated | \$ 125,537,559 |
| American Rescue Plan Fund moved to special revenue funds | (837,214) |
| City Hall Construction Fund moved from capital projects funds | 15,285,456 |
| Other Nonmajor Governmental Funds | (14,445,880) |
| Fund balance at July 1, 2023, as restated | <u>\$ 125,539,921</u> |

Other Nonmajor Governmental Funds :

| | |
|--|----------------------|
| Fund balance at July 1, 2023, as previously stated | \$ 109,378,012 |
| Special Revenue Funds | |
| American Rescue Plan Fund moved from Major Fund | 837,214 |
| Police Program Funds, correction | 2,362 |
| Total Special Revenue Fund Changes | <u>839,576</u> |
| Capital Projects Funds | |
| City Hall Construction to Major Governmental Funds | (15,285,456) |
| Fund balance at July 1, 2023, as restated | <u>\$ 94,932,132</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, 2024 | | | | |
| | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | |
| Taxes | \$ 23,004,702 | \$ 23,004,702 | \$ 22,520,871 | \$ 483,831 |
| Licenses and permits | 1,974,028 | 1,974,028 | 1,894,997 | 79,031 |
| Intergovernmental | 13,279,363 | 13,279,363 | 13,435,079 | (155,716) |
| Charges for services | 4,924,395 | 4,924,395 | 4,670,316 | 254,079 |
| Fines and forfeitures | 1,294,046 | 1,294,046 | 1,325,070 | (31,024) |
| Special assessments | - | - | 11,650 | (11,650) |
| Other | 65,000 | 65,000 | 287,434 | (222,434) |
| Total revenues | <u>44,541,534</u> | <u>44,541,534</u> | <u>44,145,417</u> | <u>396,117</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | \$ 14,648,790 | \$ 14,496,787 | \$ 13,744,539 | \$ 752,248 |
| Public safety | 1,088,766 | 1,088,766 | 1,014,618 | 74,148 |
| Culture and recreation | 4,918,168 | 5,101,948 | 5,137,540 | (35,592) |
| Capital outlay | 19,345 | 137,905 | 107,412 | 30,493 |
| Total expenditures | <u>20,675,069</u> | <u>20,825,406</u> | <u>20,004,109</u> | <u>821,297</u> |
| Revenues over (under) expenditures | <u>23,866,465</u> | <u>23,716,128</u> | <u>24,141,308</u> | <u>(425,180)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 10,600 | 10,600 | 45,059 | (34,459) |
| Transfers out | (25,302,233) | (25,302,233) | (25,277,042) | (25,191) |
| Total other financing sources (uses) | <u>(25,291,633)</u> | <u>(25,291,633)</u> | <u>(25,231,983)</u> | <u>(59,650)</u> |
| Net change in fund balances | <u>\$ (1,425,168)</u> | <u>\$ (1,575,505)</u> | <u>(1,090,675)</u> | <u>\$ (484,830)</u> |
| Fund balances, beginning of year, as previously reported | | | 12,754,877 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | |
| Fund balance, beginning of year, as restated | | | <u>12,754,877</u> | |
| Fund balance, end of year | | | <u>\$ 11,664,202</u> | |

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, 2024

| | Original Budget | Final Budget | Actual | Variance |
|--|-----------------|----------------|---------------|----------------|
| Revenues: | | | | |
| Taxes | \$ 31,007,138 | \$ 31,007,138 | \$ 31,778,781 | \$ (771,643) |
| Licenses and permits | 34,200 | 34,200 | 51,467 | (17,267) |
| Intergovernmental | 3,796,880 | 3,796,880 | 3,616,876 | 180,004 |
| Charges for services | 2,607,756 | 2,607,756 | 3,130,579 | (522,823) |
| Fines and forfeitures | 34,800 | 34,800 | 94,862 | (60,062) |
| Other | 122,100 | 122,100 | 501,623 | (379,523) |
| Total revenues | 37,602,874 | 37,602,874 | 39,174,188 | (1,571,314) |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 53,666,367 | 54,335,692 | 53,841,255 | 494,437 |
| Public health | 1,095,770 | 1,095,770 | 1,223,088 | (127,318) |
| Capital outlay | 734,734 | 989,062 | 907,032 | 82,030 |
| Debt service: | | | | |
| Principal | 179,089 | 179,089 | 171,883 | 7,206 |
| Interest and fiscal charges | 133,205 | 133,205 | 133,790 | (585) |
| Total expenditures | 55,809,165 | 56,732,818 | 56,277,048 | 455,770 |
| Revenues over (under) expenditures | (18,206,291) | (19,129,944) | (17,102,860) | (2,027,084) |
| Other financing sources (uses): | | | | |
| Transfers in | 19,606,749 | 19,606,749 | 19,602,624 | 4,125 |
| Transfers out | (1,855,568) | (1,855,568) | (1,859,568) | 4,000 |
| Sale of capital assets | 110 | 110 | 735 | (625) |
| Total other financing sources (uses) | 17,751,291 | 17,751,291 | 17,743,791 | 7,500 |
| Net change in fund balances | \$ (455,000) | \$ (1,378,653) | 640,931 | \$ (2,019,584) |
| Fund balances, beginning of year, as previously reported | | | 2,567,456 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | |
| Fund balance, beginning of year, as restated | | | 2,567,456 | |
| Fund balance, end of year | | | \$ 3,208,387 | |

Required Supplemental Information

CITY OF BILLINGS, MONTANA
Major Capital Projects Fund- City Hall Construction
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|----------------------------|------------------------|---------------------|------------------------|
| Revenues: | | | | |
| Taxes | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ - |
| Intergovernmental | 650,000 | 650,000 | 657,109 | (7,109) |
| Other | 97,000 | 97,000 | 525,022 | (428,022) |
| | <u>947,000</u> | <u>947,000</u> | <u>1,382,131</u> | <u>(435,131)</u> |
| Expenditures: | | | | |
| General government | - | - | 42,500 | (42,500) |
| Capital Outlay | 1,200,000 | 22,924,809 | 22,882,246 | 42,563 |
| Total expenditures | <u>1,200,000</u> | <u>22,924,809</u> | <u>22,924,746</u> | <u>63</u> |
| Revenues over (under) expenditures | <u>(253,000)</u> | <u>(21,977,809)</u> | <u>(21,542,615)</u> | <u>(435,194)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 100,000 | 100,000 | - | 100,000 |
| Transfers out | - | - | - | - |
| Bond discount costs | - | (80,000) | (80,000) | - |
| Issuance of debt | - | - | 9,767,559 | (9,767,559) |
| Total other financing sources (uses) | <u>100,000</u> | <u>20,000</u> | <u>9,687,559</u> | <u>(9,667,559)</u> |
| Net change in fund balances | <u>\$ (153,000)</u> | <u>\$ (21,957,809)</u> | <u>(11,855,056)</u> | <u>\$ (10,102,753)</u> |
| Fund balances, beginning of year, as previously reported | | | 15,285,456 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | |
| Fund balance, beginning of year, as restated | | | <u>15,285,456</u> | |
| Fund balance, end of year | | | <u>\$ 3,430,400</u> | |

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 year-end. 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 Public Safety Fund and City Hall Construction 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

| | General Fund | Public Safety Fund |
|---|----------------------|-----------------------|
| <u>Revenues</u> | | |
| Actual amounts (budgetary basis) "Total revenues" from the budget | \$ 44,145,417 | \$ 39,174,188 |
| 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>454,127</u> | <u>9,506,853</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds | <u>\$ 44,599,544</u> | <u>\$ 48,681,041</u> |
| <u>Expenditures</u> | | |
| Actual amounts (budgetary basis) "Total expenditures" from the budget | \$ 20,004,108 | \$ 56,277,048 |
| 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>454,127</u> | <u>9,506,853</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds | <u>\$ 20,458,235</u> | <u>\$ 65,783,901</u> |

Required Supplemental Information

C. Other Post-Employment Benefits Liability

Actuarial Assumptions and Methods

Valuation Date June 30, 2024

Measurement Date June 30, 2024

Discount Rate 3.65% per annum (BOY)
3.93% per annum (EOY)
Source: Bond Buyer 20-Bond GO index

Salary Increase Rate 3.0% per annum

Inflation Rate 2.5% per annum

Census Data The census was provided by the City as of June 30, 2023.

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/Assumptions gains and losses are amortized over a closed period of 7.8 years starting 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 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Required Supplemental Information

Plan Participation Percentage

The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 50% 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 | 6.5% | 4.0% |
| Administration Fees | 4.0% | 4.0% |

Per Capita Health Claim Cost

Expected retiree claim costs were developed using 24 months of historical claim experience through March 2023. The annual age 60 claim costs for retirees and their spouses are provided in the table below.

| Per Capita Cost | Age 60 |
|-----------------|-----------|
| Standard Plan | \$ 10,527 |
| HDHP | \$ 9,713 |

Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee. Expenses for FYE 2023 are provided in the table below.

| Expense Type | Per Retiree per Month |
|-------------------------------------|-----------------------|
| Specific Stop Loss Premium – Single | \$32.14 |
| Specific Stop Loss Premium – Family | \$81.21 |
| Administrative Fee | \$22.01 |

Plan Election Percentage

Based on current retiree plan elections, future retirees are assumed to elect plan coverage at the following rates.

| Plan Name | % Election |
|---------------|------------|
| Standard Plan | 76% |
| HDHP Plan | 24% |

Required Supplemental Information

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% |

Retirement Age

Sample retirement ages and associated probabilities are provided in the table below. These values are based on the 2022 Actuarial Valuation Reports of the PERS, MPORS and FURS.

| Age | <30 YOS | 30+ YOS or 65 w/ 25 YOS | Police 26+ YOS | Fire 20+ YOS |
|------------|-------------------|------------------------------------|---------------------------|-------------------------|
| <50 | 0% | 10% | 42% | 16% |
| 50-54 | 4.5% | 15.8% | 42% | 16% |
| 55 | 5.5% | 15.8% | 42% | 25% |
| 56-58 | 6% | 15.8% | 42% | 25% |
| 59 | 7% | 15.8% | 42% | 25% |
| 60 | 9% | 15.8% | 42% | 25% |
| 61 | 9% | 15.8% | 42% | 40% |
| 62 | 15% | 22% | 42% | 40% |
| 63-64 | 15% | 22% | 42% | 100% |
| 65-66 | 30% | 35% | 100% | 100% |
| 67 | 25% | 35% | 100% | 100% |
| 68-69 | 25% | 30% | 100% | 100% |
| 70 | 100% | 100% | 100% | 100% |

Required Supplemental Information

Termination

The rate of withdrawal is based on the withdrawal assumption used in the 2022 Actuarial Valuation Reports of the PERS, MPORS and FURS. 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 | Other | Police | Fire |
|------------------|-------|--------|------|
| 0 | 35% | 16% | 9% |
| 1 | 27% | 13% | 7% |
| 2 | 18% | 10% | 5% |
| 3 | 14% | 8% | 4% |
| 4 | 11% | 7% | 3% |
| 5 | 11% | 7% | 2% |
| 6 | 10% | 7% | 2% |
| 7 | 9% | 7% | 2% |
| 8 | 8% | 5% | 2% |
| 9 | 7% | 5% | 2% |
| 10 | 6% | 5% | 2% |
| 11 | 6% | 5% | 2% |
| 12 | 5% | 3% | 1% |
| 13 | 5% | 2% | 1% |
| 14 | 4.5% | 2% | 1% |
| 15+ | 3% | 2% | 1% |

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> | <u>2023</u> | <u>2024</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Present Value of Future Benefits | | | | | | | | |
| Actives | \$ 12,984 | \$ 13,457 | \$ 10,046 | \$ 11,843 | \$ 13,948 | \$ 10,992 | \$ 14,209 | \$ 13,986 |
| Retirees | 2,797 | 2,350 | 2,470 | 2,255 | 2,993 | 2,459 | 2,569 | 2,112 |
| Total | \$ 15,781 | \$ 15,807 | \$ 12,516 | \$ 14,098 | \$ 16,941 | \$ 13,451 | \$ 16,778 | \$ 16,097 |
| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Total OPEB Liability | | | | | | | | |
| Actives | \$ 7,665 | \$ 7,964 | \$ 6,047 | \$ 7,245 | \$ 7,623 | \$ 7,120 | \$ 8,662 | \$ 9,340 |
| Retirees | 2,797 | 2,907 | 2,470 | 2,255 | 2,993 | 2,459 | 2,569 | 2,112 |
| Total OPEB Liability (TOL) | 10,462 | 10,871 | 8,517 | 9,500 | 10,616 | 9,579 | 11,231 | 11,452 |
| Fiduciary Net Position (FNP) | - | - | - | - | - | - | - | - |
| Net OPEB Liability (NOL) | \$ 10,462 | \$ 10,871 | \$ 8,517 | \$ 9,500 | \$ 10,616 | \$ 9,579 | \$ 11,231 | \$ 11,452 |
| Covered-employee payroll | 49,636 | 51,621 | 54,617 | 56,529 | 66,995 | 69,340 | 63,445 | 65,666 |
| NOL as a % of covered-employee payroll | 21.1% | 21.1% | 15.6% | 16.8% | 15.8% | 13.8% | 18.0% | 17.0% |
| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Total OPEB Expense | | | | | | | | |
| Service cost | \$ 556 | \$ 577 | \$ 600 | \$ 621 | \$ 486 | \$ 594 | \$ 466 | \$ 696 |
| Interest cost | 320 | 416 | 435 | 312 | 217 | 237 | 347 | 425 |
| Current recognized deferred outflows/(inflows) | | | | | | | | |
| Difference between actual and expected experience | (123) | (123) | (390) | (390) | (362) | (363) | (292) | (217) |
| Changes in assumptions or other inputs | 406 | 405 | 279 | 344 | 414 | 238 | 336 | 44 |
| Total Expense | \$ 1,159 | \$ 1,275 | \$ 924 | \$ 887 | \$ 755 | \$ 706 | \$ 857 | \$ 947 |

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 Years ¹ (Dollar amounts in Thousands)

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</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 | \$ 9,578,587 | \$11,230,969 |
| Changes for the year | | | | | | | | |
| Service cost | \$ 555,749 | \$ 577,256 | \$ 599,538 | \$ 620,522 | \$ 485,890 | \$ 594,195 | \$ 466,230 | \$ 695,788 |
| Interest cost | 319,718 | 416,118 | 435,068 | 311,943 | 216,552 | 237,355 | 347,220 | 425,184 |
| Differences between expected and actual experience | (908,269) | - | (2,062,008) | - | 220,640 | - | 547,434 | - |
| Changes in assumptions or other inputs | 3,000,891 | (10,723) | (972,358) | 500,850 | 567,606 | (1,425,964) | 764,165 | (344,023) |
| Benefit payments | (466,780) | (573,556) | (354,149) | (449,940) | (375,284) | (442,885) | (472,667) | (555,736) |
| 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> | <u>\$ 1,652,382</u> | <u>\$ 221,213</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 | \$ 11,230,969 | \$11,452,182 |

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 | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Employer's proportion of the net pension liability | 55,640 | 51,432 | 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) | 2.28% | 2.16% | 2.03% | 2.13% | 2.12% | 2.07% | 2.63% | 2.45% | 2.48% | 2.45% |
| State's net pension liability | 15,398 | 15,385 | 10,850 | 17,704 | 14,409 | 14,470 | 682 | 510 | 426 | 373 |
| Total | 71,038 | 66,817 | 47,617 | 73,860 | 58,648 | 57,677 | 51,908 | 42,251 | 35,102 | 30,922 |
| Employer's covered payroll | 42,333 | 37,984 | 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 | 131.43% | 135.40% | 102.71% | 157.15% | 126.69% | 126.91% | 157.01% | 142.20% | 119.78% | 111.22% |
| Plan fiduciary net position as a percent of total pension liability | 73.93% | 73.66% | 79.91% | 68.90% | 73.85% | 73.47% | 73.75% | 74.71% | 78.40% | 79.87% |

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
Firefighters' Unified Retirement System (FURS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)

| As of measurement date | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Employer's proportion of the net pension liability | 9,169 | 9,379 | 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) | 6.07% | 5.90% | 6.18% | 6.23% | 6.02% | 6.32% | 6.39% | 6.45% | 6.68% | 6.61% |
| State's net pension liability | 20,811 | 21,219 | 12,010 | 21,998 | 16,697 | 16,645 | 16,391 | 16,690 | 15,210 | 14,551 |
| Total | 29,981 | 30,598 | 17,302 | 31,756 | 23,601 | 23,925 | 23,609 | 24,057 | 22,039 | 21,001 |
| Employer's covered payroll | 13,082 | 11,441 | 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 | 70.09% | 81.98% | 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 | 81.00% | 78.76% | 87.72% | 75.34% | 80.08% | 79.03% | 77.77% | 75.48% | 76.90% | 76.71% |

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

Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Police Officers' Retirement System (MPORS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)

| As of measurement date | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Employer's proportion of the net pension liability | 17,137 | 17,029 | 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) | 7.39% | 7.21% | 7.21% | 7.34% | 7.27% | 7.34% | 7.06% | 6.98% | 7.05% | 7.18% |
| State's net pension liability | 34,586 | 34,611 | 26,633 | 36,229 | 29,482 | 25,694 | 25,613 | 24,955 | 23,627 | 22,778 |
| Total | 51,723 | 51,640 | 39,736 | 54,191 | 43,960 | 38,267 | 38,180 | 37,526 | 35,288 | 34,053 |
| Employer's covered payroll | 14,904 | 13,448 | 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 | 114.98% | 126.62% | 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 | 71.65% | 69.67% | 75.76% | 64.84% | 68.84% | 70.95% | 68.34% | 65.62% | 66.90% | 67.01% |

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

Required Supplemental Information

E. Schedules of the City's Contributions

**Schedule of the City's Contributions
Public Employees Retirement System (PERS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

| As of most recent FYE (reporting date) | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required DB contributions | 4,005 | 3,834 | 3,381 | 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 | 4,005 | 3,834 | 3,381 | 3,174 | 3,129 | 3,003 | 2,884 | 2,731 | 2,536 | 2,510 |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| Employer's covered payroll | 44,152 | 42,333 | 37,984 | 35,795 | 35,734 | 34,920 | 34,044 | 32,627 | 29,353 | 28,950 |
| Contributions of covered payroll (as a percentage) | 9.07% | 9.06% | 8.90% | 8.87% | 8.76% | 8.60% | 8.47% | 8.37% | 8.64% | 8.67% |

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

**Schedule of the City's Contributions
Firefighters' Unified Retirement System (FURS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

| As of most recent FYE (reporting date) | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contributions | 2,039 | 1,882 | 1,655 | 1,628 | 1,602 | 1,438 | 1,465 | 1,371 | 1,299 | 1,314 |
| Contributions in relation to the contractually required contributions | 2,039 | 1,882 | 1,655 | 1,628 | 1,602 | 1,438 | 1,465 | 1,371 | 1,299 | 1,314 |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| Employer's covered payroll | 14,201 | 13,082 | 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% | 14.38% | 14.46% | 14.31% | 14.64% | 13.78% | 14.72% | 14.36% | 14.30% | 14.64% |

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

Required Supplemental Information

Schedule of the City's Contributions Municipal Police Officers' Retirement System (MPORS) Last Ten Fiscal Years ¹ (Dollar amounts in Thousands)

| As of most recent FYE (reporting date) | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contributions | 2,169 | 2,169 | 1,952 | 1,877 | 1,833 | 1,734 | 1,733 | 1,522 | 1,444 | 1,414 |
| Contributions in relation to the contractually required contributions | 2,169 | 2,169 | 1,952 | 1,877 | 1,833 | 1,734 | 1,733 | 1,522 | 1,444 | 1,414 |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| Employer's covered payroll | 15,055 | 14,904 | 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% | 14.56% | 14.52% | 14.39% | 14.57% | 14.47% | 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, 2023 (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.

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.

Required Supplemental Information

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.

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

| | |
|-------------------------------|--|
| General Wage Growth* | 3.5% |
| Investment Rate of Return* | 7.30% net of pension plan investment & administrative expenses |
| *Includes inflation at | 2.75% |
| Merit salary increase | 0% to 4.80% |
| Asset valuation method | Four-year smoothed market |
| Actuarial cost method | Entry age Normal |
| Amortization | Level percentage of payroll, open |
| Remaining amortization period | 30 years |

Mortality

| | |
|----------------------|--|
| Active Participants | PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021. |
| Disabled Retirees | PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females. |
| Contingent Survivors | PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021. |

Required Supplemental Information

| | |
|------------------|--|
| Healthy Retirees | PUB-2010 General Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021. |
|------------------|--|

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021

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:
 - 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;

Required Supplemental Information

- 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.

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

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

| | |
|----------------------------|---|
| General Wage Growth* | 3.5% |
| Investment Rate of Return* | 7.30% net of pension plan investments & administrative expenses |
| *Includes inflation at | 2.75% |
| Merit salary increases | 1% to 6.40% |

Required Supplemental Information

| | |
|------------------------|---|
| Asset valuation method | Four-year smoothed market |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level percentage of payroll, open |
| Mortality | |
| Active Participants | PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021. |
| Healthy Retirees | PUB-2010 Safety Amount Weighted Healthy Retiree Mortality Table projected to 2021, set forward one year for males and adjusted 105% for males and 100% for females. Projected generationally using MP-2021. |
| Disabled Retirees | PUB 2010 Safety Amount Weighted Disabled Retiree Mortality projected to 2021, set forward one year for males. |
| Contingent Survivors | PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021. |

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

Changes of Benefit Terms

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

2017:

Working Retiree Limitations – For MPORS

Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.

- 1) 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.
- 2) 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.
- 3) 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 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.

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.

Required Supplemental Information

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

| | |
|----------------------------|---|
| General Wage Growth* | 3.5% |
| Investment Rate of Return* | 7.30% net of pension plan investments & administrative expenses |
| *Includes inflation at | 2.75% |
| Merit salary increases | 1% to 6.40% |
| Asset Valuation method | Four-year smoothed market |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level percentage of pay, open |
| Mortality | |
| Active Participants | PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021. |
| Healthy Retirees | PUB-2010 Safety Amount Weighted Healthy Retiree mortality table projected to 2021 set forward one year for males and adjusted 105% for males, and 100% for females. Projected generationally using MP-2021. |
| Disabled Retirees | PUB-2010 Safety Amount Weighted Disabled Retiree mortality table projected to 2021, set forward one year for males. |
| Contingent Survivors | PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021. |

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

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, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------------|-----------------------|-----------------------|----------------------|
| Revenues: | | | | |
| Taxes | \$ 23,004,702 | \$ 23,004,702 | \$ 22,520,871 | \$ 483,831 |
| Licenses and permits | 1,974,028 | 1,974,028 | 1,894,997 | 79,031 |
| Intergovernmental | 13,279,363 | 13,279,363 | 13,435,079 | (155,716) |
| Charges for services | 4,924,395 | 4,924,395 | 4,670,316 | 254,079 |
| Fines and forfeitures | 1,294,046 | 1,294,046 | 1,325,070 | (31,024) |
| Special assessments | - | - | 11,650 | (11,650) |
| Other | 65,000 | 65,000 | 287,434 | (222,434) |
| Total revenues | <u>44,541,534</u> | <u>44,541,534</u> | <u>44,145,417</u> | <u>396,117</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | \$ 14,648,790 | \$ 14,496,787 | \$ 13,744,539 | \$ 752,248 |
| Public safety | 1,088,766 | 1,088,766 | 1,014,618 | 74,148 |
| Culture and recreation | 4,918,168 | 5,101,948 | 5,137,540 | (35,592) |
| Capital outlay | 19,345 | 137,905 | 107,412 | 30,493 |
| Total expenditures | <u>20,675,069</u> | <u>20,825,406</u> | <u>20,004,109</u> | <u>821,297</u> |
| Revenues over (under) expenditures | <u>23,866,465</u> | <u>23,716,128</u> | <u>24,141,308</u> | <u>(425,180)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 10,600 | 10,600 | 45,059 | (34,459) |
| Transfers out | (25,302,233) | (25,302,233) | (25,277,042) | (25,191) |
| Total other financing sources (uses) | <u>(25,291,633)</u> | <u>(25,291,633)</u> | <u>(25,231,983)</u> | <u>(59,650)</u> |
| Net change in fund balances | <u>\$ (1,425,168)</u> | <u>\$ (1,575,505)</u> | <u>(1,090,675)</u> | <u>\$ (484,830)</u> |
| Fund balances, beginning of year, as previously reported | | | 12,754,877 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | |
| Fund balance, beginning of year, as restated | | | <u>12,754,877</u> | |
| Fund balance, end of year | | | <u>\$ 11,664,202</u> | |

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, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|-----------------------|---------------------|-----------------------|
| Revenues: | | | | |
| Taxes | \$ 31,007,138 | \$ 31,007,138 | \$ 31,778,781 | \$ (771,643) |
| Licenses and permits | 34,200 | 34,200 | 51,467 | (17,267) |
| Intergovernmental | 3,796,880 | 3,796,880 | 3,616,876 | 180,004 |
| Charges for services | 2,607,756 | 2,607,756 | 3,130,579 | (522,823) |
| Fines and forfeitures | 34,800 | 34,800 | 94,862 | (60,062) |
| Other | 122,100 | 122,100 | 501,623 | (379,523) |
| | | | | |
| Total revenues | <u>37,602,874</u> | <u>37,602,874</u> | <u>39,174,188</u> | <u>(1,571,314)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 53,666,367 | 54,335,692 | 53,841,255 | 494,437 |
| Public health | 1,095,770 | 1,095,770 | 1,223,088 | (127,318) |
| Capital outlay | 734,734 | 989,062 | 907,032 | 82,030 |
| Debt service: | | | | |
| Principal | 179,089 | 179,089 | 171,883 | 7,206 |
| Interest and fiscal charges | 133,205 | 133,205 | 133,790 | (585) |
| | | | | |
| Total expenditures | <u>55,809,165</u> | <u>56,732,818</u> | <u>56,277,048</u> | <u>455,770</u> |
| | | | | |
| Revenues over (under) expenditures | <u>(18,206,291)</u> | <u>(19,129,944)</u> | <u>(17,102,860)</u> | <u>(2,027,084)</u> |
| | | | | |
| Other financing sources (uses): | | | | |
| Transfers in | 19,606,749 | 19,606,749 | 19,602,624 | 4,125 |
| Transfers out | (1,855,568) | (1,855,568) | (1,859,568) | 4,000 |
| Sale of capital assets | 110 | 110 | 735 | (625) |
| Total other financing sources (uses) | <u>17,751,291</u> | <u>17,751,291</u> | <u>17,743,791</u> | <u>7,500</u> |
| Net change in fund balances | <u>\$ (455,000)</u> | <u>\$ (1,378,653)</u> | <u>640,931</u> | <u>\$ (2,019,584)</u> |
| Fund balances, beginning of year, as previously reported | | | 2,567,456 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | |
| Fund balance, beginning of year, as restated | | | <u>2,567,456</u> | |
| Fund balance, end of year | | | <u>\$ 3,208,387</u> | |

CITY OF BILLINGS, MONTANA
Major Capital Projects Fund - City Hall Construction
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|----------------------------|------------------------|---------------------|------------------------|
| Revenues: | | | | |
| Taxes | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ - |
| Intergovernmental | 650,000 | 650,000 | 657,109 | (7,109) |
| Other | 97,000 | 97,000 | 10,292,581 | (10,195,581) |
| Total revenues | <u>947,000</u> | <u>947,000</u> | <u>11,149,690</u> | <u>(10,202,690)</u> |
| Expenditures: | | | | |
| Operations and maintenance | - | - | 42,500 | (42,500) |
| Capital outlay | 1,200,000 | 22,924,809 | 22,882,246 | 42,563 |
| Total expenditures | <u>1,200,000</u> | <u>22,924,809</u> | <u>22,924,746</u> | <u>63</u> |
| Revenues over (under) expenditures | <u>(253,000)</u> | <u>(21,977,809)</u> | <u>(11,775,056)</u> | <u>(10,202,753)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 100,000 | 100,000 | - | 100,000 |
| Transfers out | - | - | - | - |
| Bond discount costs | - | (80,000) | (80,000) | - |
| Total other financing sources (uses) | <u>100,000</u> | <u>20,000</u> | <u>(80,000)</u> | <u>100,000</u> |
| Net change in fund balances | <u>\$ (153,000)</u> | <u>\$ (21,957,809)</u> | <u>(11,855,056)</u> | <u>\$ (10,102,753)</u> |
| Fund balances, beginning of year, as previously reported | | | 15,285,456 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | <u>-</u> | |
| Fund balance, beginning of year, as restated | | | 15,285,456 | |
| Fund balance, end of year | | | <u>\$ 3,430,400</u> | |

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 special 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, 2024

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------|---------------------------|-------------------|---|
| Assets | | | | | |
| Cash and cash equivalents | \$ 39,342,767 | \$ 1,975,043 | \$ 3,856,664 | \$ 389,020 | \$ 45,563,494 |
| Cash with fiscal agent | 9,586,444 | 2,808,274 | - | - | 12,394,718 |
| Investments | 45,098,546 | 2,298,762 | 4,424,809 | 445,098 | 52,267,215 |
| Receivables: | | | | | |
| Property taxes | 461,227 | 59,954 | - | - | 521,181 |
| Accounts and unbilled usage | 137,392 | - | - | - | 137,392 |
| Delinquent special assessments | 1,426,782 | 67,939 | - | - | 1,494,721 |
| Special assessments receivable | - | 9,459,266 | - | - | 9,459,266 |
| Accrued interest | 517,260 | 101,472 | 35,255 | 5,598 | 659,585 |
| Notes | 631,503 | - | - | - | 631,503 |
| Lease Receivable | 577,627 | - | - | - | 577,627 |
| Due from other funds | 1,328,443 | - | - | - | 1,328,443 |
| Due from other governments | 2,132,564 | - | - | - | 2,132,564 |
| Inventories | 184,024 | - | - | - | 184,024 |
| Property held for resale | 35,000 | 155,997 | 187,828 | - | 378,825 |
| Total assets | <u>\$ 101,459,579</u> | <u>\$ 16,926,707</u> | <u>\$ 8,504,556</u> | <u>\$ 839,716</u> | <u>\$ 127,730,558</u> |
| Liabilities, Deferred Inflows and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 5,495,424 | \$ - | \$ 521,081 | \$ - | \$ 6,016,505 |
| Accrued wages & benefits | 311,930 | - | - | - | 311,930 |
| Unearned Revenue | 2,424,743 | - | - | - | 2,424,743 |
| Other liabilities | - | 63,000 | - | - | 63,000 |
| Due to other funds | 744,245 | - | 604,784 | - | 1,349,029 |
| Total liabilities | <u>8,976,342</u> | <u>63,000</u> | <u>1,125,865</u> | <u>-</u> | <u>10,165,207</u> |
| Deferred inflows: | | | | | |
| Leases | 520,375 | - | - | - | 520,375 |
| Unavailable Revenue | 927,492 | 9,478,819 | - | - | 10,406,311 |
| Total deferred inflows of resources | <u>1,447,867</u> | <u>9,478,819</u> | <u>-</u> | <u>-</u> | <u>10,926,686</u> |
| Fund balance: | | | | | |
| Unspendable | 184,024 | - | - | 839,716 | 1,023,740 |
| Restricted | 80,726,662 | 7,386,261 | 7,822,134 | - | 95,935,057 |
| Committed | 11,016,928 | - | - | - | 11,016,928 |
| Unassigned | (892,244) | (1,373) | (443,443) | - | (1,337,060) |
| Total fund balances | <u>91,035,370</u> | <u>7,384,888</u> | <u>7,378,691</u> | <u>839,716</u> | <u>106,638,665</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 101,459,579</u> | <u>\$ 16,926,707</u> | <u>\$ 8,504,556</u> | <u>\$ 839,716</u> | <u>\$ 127,730,558</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2024

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------|---------------------------|----------------|---|
| Revenues: | | | | | |
| Taxes | \$ 10,309,642 | \$ 1,765,969 | \$ - | \$ - | \$ 12,075,611 |
| Licenses and permits | 2,178,897 | - | - | - | 2,178,897 |
| Intergovernmental | 23,359,289 | - | - | - | 23,359,289 |
| Charges for services | 10,536,287 | 65,000 | - | 26,588 | 10,627,875 |
| Fines and forfeitures | 304,183 | - | - | - | 304,183 |
| Special assessments | 25,970,647 | 1,575,782 | - | - | 27,546,429 |
| Other | 5,520,795 | 563,160 | 1,440,672 | 42,914 | 7,567,541 |
| Total revenues | 78,179,740 | 3,969,911 | 1,440,672 | 69,502 | 83,659,825 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 3,152,087 | 21,636 | 1,788 | - | 3,175,511 |
| Public safety | 4,858,948 | - | 11,209 | - | 4,870,157 |
| Public works | 23,639,508 | 2,240 | - | - | 23,641,748 |
| Culture and recreation | 7,220,892 | - | - | - | 7,220,892 |
| Housing and economic development | 5,746,615 | - | 9,132 | - | 5,755,747 |
| Capital outlay | 31,686,471 | - | 4,580,399 | - | 36,266,870 |
| Debt service: | | | | | |
| Principal | 1,185,000 | 3,228,284 | - | - | 4,413,284 |
| Interest and fiscal charges | 1,307,260 | 1,170,413 | - | - | 2,477,673 |
| Bond issuance costs | 395,517 | - | 23,000 | - | 418,517 |
| Total expenditures | 79,192,298 | 4,422,573 | 4,625,528 | - | 88,240,399 |
| Revenues over (under) expenditures | (1,012,558) | (452,662) | (3,184,856) | 69,502 | (4,580,574) |
| Other financing sources (uses): | | | | | |
| Lease interest | 10,564 | - | - | - | 10,564 |
| Transfers in | 6,499,416 | 442,163 | 2,213,272 | - | 9,154,851 |
| Transfers out | (1,568,531) | (11,888) | (302,163) | (30,526) | (1,913,108) |
| Issuance of debt | 6,930,000 | - | - | - | 6,930,000 |
| Premium on bond debt | 644,705 | - | - | - | 644,705 |
| Special assessment bonds issued | - | - | 1,300,000 | - | 1,300,000 |
| Sale of capital assets | 160,363 | - | 12,025 | - | 172,388 |
| Total other financing sources (uses) | 12,676,517 | 430,275 | 3,223,134 | (30,526) | 16,299,400 |
| Net change in fund balances | 11,663,959 | (22,387) | 38,278 | 38,976 | 11,718,826 |
| Fund balance, beginning of year, as previously reported | 78,544,128 | 7,407,275 | 22,625,869 | 800,740 | 109,378,012 |
| Restatement - accounting changes and/or error corrections (see Note) | 827,283 | - | (15,285,456) | - | (14,458,173) |
| Fund balance, beginning, as restated | 79,371,411 | 7,407,275 | 7,340,413 | 800,740 | 94,919,839 |
| Fund balance, end of year | \$ 91,035,370 | \$ 7,384,888 | \$ 7,378,691 | \$ 839,716 | \$ 106,638,665 |

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 Developmental 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 Fun 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 within 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 processes.

- 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 Program 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 Hazzard 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 Anti-Graffiti fund accounts for donations and court fines received to encourage the reporting of graffiti vandalism. Associated expenses will be paid from this fund.

- 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.
- The 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 citywide park assessment, maintenance and improvements.
- The American Rescue Plan accounts for funds received from the American Rescue Plan Act (ARPA). This Fund was considered a Major fund in fiscal year 2023 and has been classified as a Nonmajor Special Revenue Fund in fiscal year 2024, in accordance with GASB 100.

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024
(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 | \$ 5,805,291 | \$ 1,898,718 | \$ 11,114 | \$ 420,079 | \$ 2,530,434 | \$ 32,656 | \$ 7,158,030 | \$ 11,573 |
| Cash with fiscal agent | - | - | - | - | - | - | - | - |
| Investments | 6,699,222 | 2,150,071 | 12,761 | 485,085 | 2,902,510 | 35,907 | 8,340,131 | 13,362 |
| Receivables: | | | | | | | | |
| Property taxes | - | - | - | - | 38,337 | - | - | - |
| Accounts and unbilled usage | 4,880 | - | - | - | - | - | - | - |
| Delinquent special assessments | - | - | - | - | - | - | 906,693 | 28 |
| Accrued interest | 83,145 | 24,689 | 155 | 9,107 | 30,919 | 494 | 108,974 | 157 |
| Notes | - | - | - | - | - | - | - | - |
| Lease Receivable | - | - | - | - | - | - | - | - |
| Due from other funds | 1,328,443 | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | 130,698 | 86,953 | - | - | - |
| Inventories | - | - | - | - | - | - | - | - |
| Property held for resale | - | - | - | 35,000 | - | - | - | - |
| Total assets | <u>\$ 13,920,981</u> | <u>\$ 4,073,478</u> | <u>\$ 24,030</u> | <u>\$ 1,079,969</u> | <u>\$ 5,589,153</u> | <u>\$ 69,057</u> | <u>\$ 16,513,828</u> | <u>\$ 25,120</u> |
| Liabilities, Deferred Inflows and Fund Balances | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 182,686 | \$ 1,411,612 | \$ - | \$ 30,773 | \$ 177,101 | \$ - | \$ 398,767 | \$ - |
| Accrued wages & benefits | 2,403 | 4,007 | - | 12,499 | 60,224 | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | - |
| Unearned Revenue | 2,424,743 | - | - | - | - | - | - | - |
| Total liabilities | <u>2,609,832</u> | <u>1,415,619</u> | <u>-</u> | <u>43,272</u> | <u>237,325</u> | <u>-</u> | <u>398,767</u> | <u>-</u> |
| Deferred inflows: | | | | | | | | |
| Leases | - | - | - | - | - | - | - | - |
| Unavailable Revenue | - | - | - | - | 5,438 | - | 158,196 | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,438</u> | <u>-</u> | <u>158,196</u> | <u>-</u> |
| Fund balances: | | | | | | | | |
| Unspendable | - | - | - | - | - | - | - | - |
| Restricted | 11,311,149 | 2,657,859 | - | 1,036,697 | 2,833,587 | 69,057 | 15,956,865 | 25,120 |
| Committed | - | - | 24,030 | - | 2,512,803 | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - |
| Total fund balances | <u>11,311,149</u> | <u>2,657,859</u> | <u>24,030</u> | <u>1,036,697</u> | <u>5,346,390</u> | <u>69,057</u> | <u>15,956,865</u> | <u>25,120</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 13,920,981</u> | <u>\$ 4,073,478</u> | <u>\$ 24,030</u> | <u>\$ 1,079,969</u> | <u>\$ 5,589,153</u> | <u>\$ 69,057</u> | <u>\$ 16,513,828</u> | <u>\$ 25,120</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024
(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 | Police Programs Fund |
|--|--|---------------------------------------|---------------------|--|---|--|-----------------------|----------------------------|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 1,146,984 | \$ 1,243,962 | \$ 2,466,103 | \$ 557,672 | \$ 2,858,509 | \$ 921,788 | \$ 1,080,344 | \$ 226,858 |
| Cash with fiscal agent | - | - | - | 8,580,995 | 642,856 | 362,593 | - | - |
| Investments | 1,313,644 | 1,439,719 | 2,853,257 | 613,277 | 3,275,993 | 1,069,290 | 1,232,363 | 242,268 |
| Receivables: | | | | | | | | |
| Property taxes | - | - | - | 157,296 | 212,900 | 52,694 | - | - |
| Accounts and unbilled usage | - | - | - | - | - | - | - | 65,528 |
| Delinquent special assessments | 136,974 | 49,138 | 331,975 | - | - | - | - | - |
| Accrued interest | 14,310 | 15,394 | 33,611 | 8,296 | 38,308 | 12,992 | 15,063 | 5,962 |
| Notes | - | - | - | - | - | - | - | - |
| Lease Receivable | - | - | - | - | - | - | 429,158 | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | - | - | 548,308 |
| Inventories | - | - | - | - | - | - | - | - |
| Property held for resale | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 2,611,912</u> | <u>\$ 2,748,213</u> | <u>\$ 5,684,946</u> | <u>\$ 9,917,536</u> | <u>\$ 7,028,566</u> | <u>\$ 2,419,357</u> | <u>\$ 2,756,928</u> | <u>\$ 1,088,924</u> |
| Liabilities, Deferred Inflows and Fund Balances | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 152,024 | \$ 13,350 | \$ 791,529 | \$ 45,199 | \$ 132,599 | \$ 34,987 | \$ 50,208 | \$ 108,008 |
| Accrued wages & benefits | - | - | - | - | - | - | - | 12,526 |
| Due to other funds | - | - | - | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | - | - | - | - |
| Total liabilities | <u>152,024</u> | <u>13,350</u> | <u>791,529</u> | <u>45,199</u> | <u>132,599</u> | <u>34,987</u> | <u>50,208</u> | <u>120,534</u> |
| Deferred inflows: | | | | | | | | |
| Leases | - | - | - | - | - | - | 417,539 | - |
| Unavailable Revenue | <u>21,383</u> | <u>5,644</u> | <u>55,220</u> | <u>11,396</u> | <u>29,045</u> | <u>7,784</u> | <u>-</u> | <u>-</u> |
| Total deferred inflows of resources | <u>21,383</u> | <u>5,644</u> | <u>55,220</u> | <u>11,396</u> | <u>29,045</u> | <u>7,784</u> | <u>417,539</u> | <u>-</u> |
| Fund balances: | | | | | | | | |
| Unspendable | - | - | - | - | - | - | - | - |
| Restricted | 2,438,505 | 2,729,219 | 4,838,197 | 9,860,941 | 6,866,922 | 2,376,586 | 2,289,181 | - |
| Committed | - | - | - | - | - | - | - | 968,390 |
| Unassigned | - | - | - | - | - | - | - | - |
| Total fund balances | <u>2,438,505</u> | <u>2,729,219</u> | <u>4,838,197</u> | <u>9,860,941</u> | <u>6,866,922</u> | <u>2,376,586</u> | <u>2,289,181</u> | <u>968,390</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 2,611,912</u> | <u>\$ 2,748,213</u> | <u>\$ 5,684,946</u> | <u>\$ 9,917,536</u> | <u>\$ 7,028,566</u> | <u>\$ 2,419,357</u> | <u>\$ 2,756,928</u> | <u>\$ 1,088,924</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024
(Page 3 of 4)

| | Amend Park Fund | Sidewalk Hazard Repair Fund | City-County Planning Fund | Building Inspection Fund | Street & Traffic Fund | City Attorney Grants Fund | Fire Programs Fund | Municipal Court Grant Fund |
|--|----------------------------|--|--------------------------------------|---|--------------------------------------|--------------------------------------|-------------------------------|---|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 109,685 | \$ 40,280 | \$ 602,493 | \$ 2,020,125 | \$ 4,091,161 | \$ 1 | \$ 167,404 | \$ 4,407 |
| Cash with fiscal agent | - | - | - | - | - | - | - | - |
| Investments | 125,277 | 45,770 | 699,422 | 2,316,507 | 4,702,661 | (353) | 191,179 | 5,169 |
| Receivables: | | | | | | | | |
| Property taxes | - | - | - | - | - | - | - | - |
| Accounts and unbilled usage | - | 7,540 | - | 51,505 | 7,939 | - | - | - |
| Delinquent special assessments | - | - | - | - | - | - | - | - |
| Accrued interest | 1,577 | 546 | 6,890 | 27,066 | 24,641 | 7 | 2,215 | 67 |
| Notes | - | - | - | - | - | - | - | - |
| Lease Receivable | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | - | - | 229,240 | - | 434 | - | - | 44,342 |
| Inventories | - | - | - | - | 184,024 | - | - | - |
| Property held for resale | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 236,539</u> | <u>\$ 94,136</u> | <u>\$ 1,538,045</u> | <u>\$ 4,415,203</u> | <u>\$ 9,010,860</u> | <u>\$ (345)</u> | <u>\$ 360,798</u> | <u>\$ 53,985</u> |
| Liabilities, Deferred Inflows and Fund Balances | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 19,500 | \$ - | \$ 33,281 | \$ 11,981 | \$ 461,436 | \$ (194) | \$ - | \$ 12,245 |
| Accrued wages & benefits | - | - | 30,503 | 36,389 | 124,924 | 14,073 | - | 2,783 |
| Due to other funds | - | - | - | - | - | - | - | 16,469 |
| Unearned Revenue | - | - | - | - | - | - | - | - |
| Total liabilities | <u>19,500</u> | <u>-</u> | <u>63,784</u> | <u>48,370</u> | <u>586,360</u> | <u>13,879</u> | <u>-</u> | <u>31,497</u> |
| Deferred inflows: | | | | | | | | |
| Leases | - | - | - | - | - | - | - | - |
| Unavailable Revenue | - | - | - | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | | | |
| Unspendable | - | - | - | - | 184,024 | - | - | - |
| Restricted | 217,039 | - | 1,474,261 | 4,366,833 | 8,240,476 | - | 360,798 | 22,488 |
| Committed | - | 94,136 | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | (14,224) | - | - |
| Total fund balances | <u>217,039</u> | <u>94,136</u> | <u>1,474,261</u> | <u>4,366,833</u> | <u>8,424,500</u> | <u>(14,224)</u> | <u>360,798</u> | <u>22,488</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 236,539</u> | <u>\$ 94,136</u> | <u>\$ 1,538,045</u> | <u>\$ 4,415,203</u> | <u>\$ 9,010,860</u> | <u>\$ (345)</u> | <u>\$ 360,798</u> | <u>\$ 53,985</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024
(Page 4 of 4)

| | 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 | Anti-Graffiti | American Rescue Plan | Total Nonmajor Special Revenue Funds |
|--|------------------------------------|--|-----------------------|-------------------------|----------------------------------|-------------------------|-----------------|-------------------------|--|
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 907,454 | \$ 230,410 | \$ - | \$ 75,345 | \$ - | \$ 2,326,213 | \$ 1,856 | \$ 395,818 | \$ 39,342,767 |
| Cash with fiscal agent | - | - | - | - | - | - | - | - | 9,586,444 |
| Investments | 1,050,775 | 264,397 | (65,587) | 86,798 | (11) | 2,645,502 | 2,144 | 350,036 | 45,098,546 |
| Receivables: | | | | | | | | | |
| Property taxes | - | - | - | - | - | - | - | - | 461,227 |
| Accounts and unbilled usage | - | - | - | - | - | - | - | - | 137,392 |
| Delinquent special assessments | - | - | 272 | - | - | 1,702 | - | - | 1,426,782 |
| Accrued interest | 12,607 | 3,217 | 2,339 | 1,068 | 497 | 26,868 | - | 6,079 | 517,260 |
| Notes | 631,503 | - | - | - | - | - | - | - | 631,503 |
| Lease Receivable | - | 148,469 | - | - | - | - | - | - | 577,627 |
| Due from other funds | - | - | - | - | - | - | - | - | 1,328,443 |
| Due from other governments | - | - | 1,087,246 | - | 5,343 | - | - | - | 2,132,564 |
| Inventories | - | - | - | - | - | - | - | - | 184,024 |
| Property held for resale | - | - | - | - | - | - | - | - | 35,000 |
| Total assets | <u>\$ 2,602,339</u> | <u>\$ 646,493</u> | <u>\$ 1,024,270</u> | <u>\$ 163,211</u> | <u>\$ 5,829</u> | <u>\$ 5,000,285</u> | <u>\$ 4,000</u> | <u>\$ 751,933</u> | <u>\$ 101,459,579</u> |
| Liabilities, Deferred Inflows and Fund Balances | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 755,677 | \$ - | \$ 424,394 | \$ 247,210 | \$ 1,051 | \$ - | \$ 5,495,424 |
| Accrued wages & benefits | - | - | - | - | - | 11,599 | - | - | 311,930 |
| Due to other funds | - | - | 723,659 | - | 4,117 | - | - | - | 744,245 |
| Unearned Revenue | - | - | - | - | - | - | - | - | 2,424,743 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>1,479,336</u> | <u>-</u> | <u>428,511</u> | <u>258,809</u> | <u>1,051</u> | <u>-</u> | <u>8,976,342</u> |
| Deferred inflows: | | | | | | | | | |
| Leases | - | 102,836 | - | - | - | - | - | - | 520,375 |
| Unavailable Revenue | 631,503 | - | 272 | - | - | 1,611 | - | - | 927,492 |
| Total deferred inflows of resources | <u>631,503</u> | <u>102,836</u> | <u>272</u> | <u>-</u> | <u>-</u> | <u>1,611</u> | <u>-</u> | <u>-</u> | <u>1,447,867</u> |
| Fund balances: | | | | | | | | | |
| Unspendable | - | - | - | - | - | - | - | - | 184,024 |
| Restricted | - | - | - | - | - | - | 2,949 | 751,933 | 80,726,662 |
| Committed | 1,970,836 | 543,657 | - | 163,211 | - | 4,739,865 | - | - | 11,016,928 |
| Unassigned | - | - | (455,338) | - | (422,682) | - | - | - | (892,244) |
| Total fund balances | <u>1,970,836</u> | <u>543,657</u> | <u>(455,338)</u> | <u>163,211</u> | <u>(422,682)</u> | <u>4,739,865</u> | <u>2,949</u> | <u>751,933</u> | <u>91,035,370</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 2,602,339</u> | <u>\$ 646,493</u> | <u>\$ 1,024,270</u> | <u>\$ 163,211</u> | <u>\$ 5,829</u> | <u>\$ 5,000,285</u> | <u>\$ 4,000</u> | <u>\$ 751,933</u> | <u>\$ 101,459,579</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2024
(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 | \$ - | \$ - | \$ - | \$ - | \$ 1,324,209 | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 7,864,771 | 1,074,672 | - | 2,192,192 | 1,827,828 | - | - | - |
| Charges for services | - | - | - | 9,895 | 16,415 | 34,904 | - | - |
| Fines and forfeitures | - | - | - | - | 17,114 | - | - | - |
| Special assessments | - | - | - | - | - | - | 16,229,229 | 2,881 |
| Other | 1,013,083 | 210,993 | 1,198 | 480 | 464,455 | 8,152 | 666,666 | 1,166 |
| Total revenues | 8,877,854 | 1,285,665 | 1,198 | 2,202,567 | 3,650,021 | 43,056 | 16,895,895 | 4,047 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Public safety | - | 1,018,360 | - | - | - | - | - | 564 |
| Public works | 993,455 | - | - | - | - | - | 9,511,403 | - |
| Culture and recreation | - | - | - | - | 4,576,928 | 521 | - | - |
| Housing and economic development | - | - | - | 1,554,903 | - | - | - | - |
| Capital outlay | 2,882,273 | 2,195,000 | - | 677,489 | - | 197,943 | 1,721,812 | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - | - | - |
| Total expenditures | 3,875,728 | 3,213,360 | - | 2,232,392 | 4,576,928 | 198,464 | 11,233,215 | 564 |
| Revenues over (under) expenditures | 5,002,126 | (1,927,695) | 1,198 | (29,825) | (926,907) | (155,408) | 5,662,680 | 3,483 |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | 370,000 | - | 66,552 | 1,372,418 | - | - | - |
| Transfers out | - | (370,000) | - | - | (24,876) | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | 88,263 | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 154,815 | 1,347,542 | - | - | - |
| Net change in fund balances | 5,002,126 | (1,927,695) | 1,198 | 124,990 | 420,635 | (155,408) | 5,662,680 | 3,483 |
| Fund balance, beginning of year, as previously reported | 6,309,023 | 4,585,554 | 22,832 | 911,707 | 4,925,755 | 224,465 | 10,294,185 | 21,637 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - | - | - | - | - |
| Fund balance, beginning, as restated | 6,309,023 | 4,585,554 | 22,832 | 911,707 | 4,925,755 | 224,465 | 10,294,185 | 21,637 |
| Fund balance, end of year | \$ 11,311,149 | \$ 2,657,859 | \$ 24,030 | \$ 1,036,697 | \$ 5,346,390 | \$ 69,057 | \$ 15,956,865 | \$ 25,120 |

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2024
(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 | Police Programs Fund |
|--|---|--|---------------------|--|---|--|-----------------------|----------------------------|
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 2,699,486 | \$ 4,560,758 | \$ 1,089,031 | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 316,783 | 342,607 | 211,630 | - | 1,104,090 |
| Charges for services | - | - | - | - | - | - | 28,362 | 273,819 |
| Fines and forfeitures | - | - | - | - | - | - | - | 229,683 |
| Special assessments | 2,714,281 | 1,347,317 | 5,630,956 | - | - | - | - | - |
| Other | 118,349 | 108,507 | 276,914 | 92,002 | 391,822 | 87,067 | 199,190 | 105,394 |
| Total revenues | <u>2,832,630</u> | <u>1,455,824</u> | <u>5,907,870</u> | <u>3,108,271</u> | <u>5,295,187</u> | <u>1,387,728</u> | <u>227,552</u> | <u>1,712,986</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | 1,482,540 |
| Public works | 2,572,490 | - | 1,922,481 | - | - | - | - | - |
| Culture and recreation | - | 814,884 | - | - | - | - | 39,307 | - |
| Housing and economic development | - | - | - | 1,326,752 | 2,210,756 | 486,000 | - | - |
| Capital outlay | - | - | 3,795,544 | 653,647 | 2,769,742 | 1,152 | 58,012 | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | 480,000 | 460,000 | 245,000 | - | - |
| Interest and fiscal charges | - | - | - | 605,065 | 482,469 | 219,726 | - | - |
| Bond issuance costs | - | - | - | 395,517 | - | - | - | - |
| Total expenditures | <u>2,572,490</u> | <u>814,884</u> | <u>5,718,025</u> | <u>3,460,981</u> | <u>5,922,967</u> | <u>951,878</u> | <u>97,319</u> | <u>1,482,540</u> |
| Revenues over (under) expenditures | <u>260,140</u> | <u>640,940</u> | <u>189,845</u> | <u>(352,710)</u> | <u>(627,780)</u> | <u>435,850</u> | <u>130,233</u> | <u>230,446</u> |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | 7,837 | - |
| Transfers in | - | - | - | 146,350 | - | - | 20,000 | - |
| Transfers out | - | - | (130,000) | (276,350) | (305,673) | - | - | (2,495) |
| Issuance of debt | - | - | - | 6,930,000 | - | - | - | - |
| Premium on bond debt | - | - | - | 644,705 | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(130,000)</u> | <u>7,444,705</u> | <u>(305,673)</u> | <u>-</u> | <u>27,837</u> | <u>(2,495)</u> |
| Net change in fund balances | <u>260,140</u> | <u>640,940</u> | <u>59,845</u> | <u>7,091,995</u> | <u>(933,453)</u> | <u>435,850</u> | <u>158,070</u> | <u>227,951</u> |
| Fund balance, beginning of year, as previously reported | 2,178,365 | 2,088,279 | 4,778,352 | 2,768,946 | 7,800,375 | 1,940,736 | 2,147,854 | 738,077 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - | - | - | (16,743) | 2,362 |
| Fund balance, beginning, as restated | <u>2,178,365</u> | <u>2,088,279</u> | <u>4,778,352</u> | <u>2,768,946</u> | <u>7,800,375</u> | <u>1,940,736</u> | <u>2,131,111</u> | <u>740,439</u> |
| Fund balance, end of year | <u>\$ 2,438,505</u> | <u>\$ 2,729,219</u> | <u>\$ 4,838,197</u> | <u>\$ 9,860,941</u> | <u>\$ 6,866,922</u> | <u>\$ 2,376,586</u> | <u>\$ 2,289,181</u> | <u>\$ 968,390</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2024
(Page 3 of 4)

| | Amend Park Fund | Sidewalk Hazard Repair Fund | City-County Planning Fund | Building Inspection Fund | Street & Traffic Fund | City Attorney Grants Fund | Fire Programs Fund | Municipal Court Grant Fund |
|--|----------------------------|--|--|---|--------------------------------------|--------------------------------------|-----------------------------------|---|
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ 636,158 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | 106,475 | 2,072,422 | - | - | - | - |
| Intergovernmental | - | - | 968,929 | - | 522,320 | 206,393 | 55,795 | 391,480 |
| Charges for services | 10,672 | 5,270 | 402,441 | - | 9,710,259 | - | - | - |
| Fines and forfeitures | - | - | - | - | - | 57,386 | - | - |
| Special assessments | - | 29,501 | - | - | - | - | - | - |
| Other | 11,988 | 4,153 | 88,595 | 241,345 | 317,227 | 711 | 71,307 | 437 |
| Total revenues | <u>22,660</u> | <u>38,924</u> | <u>2,202,598</u> | <u>2,313,767</u> | <u>10,549,806</u> | <u>264,490</u> | <u>127,102</u> | <u>391,917</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | 2,175,516 | - | - | 594,529 | - | 382,042 |
| Public safety | - | - | - | 2,307,208 | - | 98 | 50,178 | - |
| Public works | - | 26,341 | - | - | 8,610,895 | - | - | - |
| Culture and recreation | 20,857 | - | - | - | - | - | - | - |
| Housing and economic development | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | 187,068 | 1,327,521 | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - | - | - |
| Total expenditures | <u>20,857</u> | <u>26,341</u> | <u>2,175,516</u> | <u>2,494,276</u> | <u>9,938,416</u> | <u>594,627</u> | <u>50,178</u> | <u>382,042</u> |
| Revenues over (under) expenditures | <u>1,803</u> | <u>12,583</u> | <u>27,082</u> | <u>(180,509)</u> | <u>611,390</u> | <u>(330,137)</u> | <u>76,924</u> | <u>9,875</u> |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | 311,031 | - | 34,500 | 325,078 | - | 5 |
| Transfers out | (7,934) | - | (3,528) | - | (83,129) | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | 72,100 | - | - | - |
| Total other financing sources (uses) | <u>(7,934)</u> | <u>-</u> | <u>307,503</u> | <u>-</u> | <u>23,471</u> | <u>325,078</u> | <u>-</u> | <u>5</u> |
| Net change in fund balances | <u>(6,131)</u> | <u>12,583</u> | <u>334,585</u> | <u>(180,509)</u> | <u>634,861</u> | <u>(5,059)</u> | <u>76,924</u> | <u>9,880</u> |
| Fund balance, beginning of year, as previously reported | 223,170 | 81,553 | 1,139,676 | 4,547,342 | 7,789,639 | (9,165) | 283,874 | 12,608 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - | - | - | - | - |
| Fund balance, beginning, as restated | <u>223,170</u> | <u>81,553</u> | <u>1,139,676</u> | <u>4,547,342</u> | <u>7,789,639</u> | <u>(9,165)</u> | <u>283,874</u> | <u>12,608</u> |
| Fund balance, end of year | <u>\$ 217,039</u> | <u>\$ 94,136</u> | <u>\$ 1,474,261</u> | <u>\$ 4,366,833</u> | <u>\$ 8,424,500</u> | <u>\$ (14,224)</u> | <u>\$ 360,798</u> | <u>\$ 22,488</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2024
(Page 4 of 4)

| | 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 | Anti-Graffiti | American Rescue Plan | Total Nonmajor Special Revenue Funds |
|--|------------------------------------|--|-----------------------|-------------------------|--|-------------------------|---------------|-------------------------|--|
| Revenues: | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,309,642 |
| Licenses and permits | - | - | - | - | - | - | - | - | 2,178,897 |
| Intergovernmental | - | - | 3,162,619 | - | 2,223,196 | 893,984 | - | - | 23,359,289 |
| Charges for services | - | 41,183 | - | - | - | 3,067 | - | - | 10,536,287 |
| Fines and forfeitures | - | - | - | - | - | - | - | - | 304,183 |
| Special assessments | - | - | 146 | - | - | 16,336 | - | - | 25,970,647 |
| Other | 259,006 | 82,059 | 438,094 | 8,370 | 2,364 | 196,247 | 4,000 | 49,454 | 5,520,795 |
| Total revenues | 259,006 | 123,242 | 3,600,859 | 8,370 | 2,225,560 | 1,109,634 | 4,000 | 49,454 | 78,179,740 |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | 3,152,087 |
| Public safety | - | - | - | - | - | - | - | - | 4,858,948 |
| Public works | - | - | 2,443 | - | - | - | - | - | 23,639,508 |
| Culture and recreation | - | 14,785 | - | 24,335 | - | 1,728,224 | 1,051 | - | 7,220,892 |
| Housing and economic development | 168,204 | - | - | - | - | - | - | - | 5,746,615 |
| Capital outlay | - | - | 10,472,140 | - | 2,593,128 | 2,019,265 | - | 134,735 | 31,686,471 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | 1,185,000 |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | 1,307,260 |
| Bond issuance costs | - | - | - | - | - | - | - | - | 395,517 |
| Total expenditures | 168,204 | 14,785 | 10,474,583 | 24,335 | 2,593,128 | 3,747,489 | 1,051 | 134,735 | 79,192,298 |
| Revenues over (under) expenditures | 90,802 | 108,457 | (6,873,724) | (15,965) | (367,568) | (2,637,855) | 2,949 | (85,281) | (1,012,558) |
| Other financing sources (uses): | | | | | | | | | |
| Lease interest | - | 2,727 | - | - | - | - | - | - | 10,564 |
| Transfers in | - | - | - | 30,000 | - | 3,823,482 | - | - | 6,499,416 |
| Transfers out | - | - | - | - | - | (364,546) | - | - | (1,568,531) |
| Issuance of debt | - | - | - | - | - | - | - | - | 6,930,000 |
| Premium on bond debt | - | - | - | - | - | - | - | - | 644,705 |
| Sale of capital assets | - | - | - | - | - | - | - | - | 160,363 |
| Total other financing sources (uses) | - | 2,727 | - | 30,000 | - | 3,458,936 | - | - | 12,676,517 |
| Net change in fund balances | 90,802 | 111,184 | (6,873,724) | 14,035 | (367,568) | 821,081 | 2,949 | (85,281) | 11,663,959 |
| Fund balance, beginning of year, as previously reported | 1,880,034 | 428,023 | 6,418,386 | 149,176 | (55,114) | 3,918,784 | - | - | 78,544,128 |
| Restatement - accounting changes and/or error corrections (see Note) | - | 4,450 | - | - | - | - | - | 837,214 | 827,283 |
| Fund balance, beginning, as restated | 1,880,034 | 432,473 | 6,418,386 | 149,176 | (55,114) | 3,918,784 | - | 837,214 | 79,371,411 |
| Fund balance, end of year | \$ 1,970,836 | \$ 543,657 | \$ (455,338) | \$ 163,211 | \$ (422,682) | \$ 4,739,865 | \$ 2,949 | \$ 751,933 | \$ 91,035,370 |

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, 2024
(Page 1 of 17)

| | Gas Tax Fund | | | | EOC 911 Fund | | | |
|--|--------------------|-----------------------|----------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 4,370,334 | 4,370,334 | 7,864,771 | (3,494,437) | 1,112,010 | 1,112,010 | 1,074,672 | 37,338 |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 21,000 | 21,000 | 1,013,083 | (992,083) | 26,236 | 26,236 | 210,993 | (184,757) |
| Total revenues | 4,391,334 | 4,391,334 | 8,877,854 | (4,486,520) | 1,138,246 | 1,138,246 | 1,285,665 | (147,419) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | 95,333 | 95,333 | 95,313 | 20 | 165,074 | 165,074 | 170,628 | (5,554) |
| Operations and maintenance | 353,760 | 376,815 | 898,142 | (521,327) | 1,238,438 | 1,315,729 | 847,732 | 467,997 |
| Capital outlay | 3,647,000 | 8,208,910 | 2,882,273 | 5,326,637 | - | 2,195,000 | 2,195,000 | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 4,096,093 | 8,681,058 | 3,875,728 | 4,805,330 | 1,403,512 | 3,675,803 | 3,213,360 | 462,443 |
| Revenues over (under) expenditures | 295,241 | (4,289,724) | 5,002,126 | (9,291,850) | (265,266) | (2,537,557) | (1,927,695) | (609,862) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | 370,000 | (370,000) |
| Transfers out | - | - | - | - | - | - | (370,000) | 370,000 |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ 295,241 | \$ (4,289,724) | 5,002,126 | \$ (9,291,850) | \$ (265,266) | \$ (2,537,557) | (1,927,695) | \$ (609,862) |
| Fund balances, beginning of year, as previously reported | | | 6,309,023 | | | | 4,585,554 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 6,309,023 | | | | 4,585,554 | |
| Fund balance, end of year | | | <u>\$ 11,311,149</u> | | | | <u>\$ 2,657,859</u> | |

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, 2024
(Page 2 of 17)

| | 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 | - | - | - | - | 2,237,758 | 2,237,758 | 1,685,002 | 552,756 |
| Charges for services | - | - | - | - | 15,000 | 15,000 | 9,895 | 5,105 |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 410 | 410 | 1,198 | (788) | 662,501 | 584,021 | 507,670 | 76,351 |
| Total revenues | 410 | 410 | 1,198 | (788) | 2,915,259 | 2,836,779 | 2,202,567 | 634,212 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | 494,132 | 653,592 | 485,906 | 167,686 |
| Operations and maintenance | - | - | - | - | 1,838,377 | 4,089,357 | 1,068,997 | 3,020,360 |
| Capital outlay | - | - | - | - | - | 1,029,857 | 677,489 | 352,368 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | - | - | - | - | 2,332,509 | 5,772,806 | 2,232,392 | 3,540,414 |
| Revenues over (under) expenditures | 410 | 410 | 1,198 | (788) | 582,750 | (2,936,027) | (29,825) | (2,906,202) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | 79,750 | 79,750 | 66,552 | 13,198 |
| Transfers out | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | 88,263 | (88,263) |
| Total other financing sources (uses) | - | - | - | - | 79,750 | 79,750 | 154,815 | (75,065) |
| Net change in fund balances | \$ 410 | \$ 410 | 1,198 | \$ (788) | \$ 662,500 | \$(2,856,277) | 124,990 | \$(2,981,267) |
| Fund balances, beginning of year, as previously reported | | | 22,832 | | | | 911,707 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 22,832 | | | | 911,707 | |
| Fund balance, end of year | | | <u>\$ 24,030</u> | | | | <u>\$ 1,036,697</u> | |

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, 2024
(Page 3 of 17)

| | Library Fund | | | | Cemetery Improvements Fund | | | |
|--|-----------------|--------------|--------------|--------------|----------------------------|--------------|-----------|-------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ 1,322,239 | \$ 1,322,239 | \$ 1,324,209 | \$ (1,970) | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 1,682,400 | 1,682,400 | 1,827,828 | (145,428) | - | - | - | - |
| Charges for services | 14,650 | 14,650 | 16,415 | (1,765) | 14,000 | 14,000 | 34,904 | (20,904) |
| Fines and forfeitures | 15,000 | 15,000 | 17,114 | (2,114) | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 143,500 | 143,500 | 464,455 | (320,955) | 2,500 | 2,500 | 8,152 | (5,652) |
| Total revenues | 3,177,789 | 3,177,789 | 3,650,021 | (472,232) | 16,500 | 16,500 | 43,056 | (26,556) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | 2,732,811 | 2,732,811 | 2,599,649 | 133,162 | - | - | - | - |
| Operations and maintenance | 1,970,483 | 2,137,766 | 1,977,279 | 160,487 | - | 7,760 | 521 | 7,239 |
| Capital outlay | 5,000 | 15,000 | - | 15,000 | 230,000 | 230,000 | 197,943 | 32,057 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 4,708,294 | 4,885,577 | 4,576,928 | 308,649 | 230,000 | 237,760 | 198,464 | 39,296 |
| Revenues over (under) expenditures | (1,530,505) | (1,707,788) | (926,907) | (780,881) | (213,500) | (221,260) | (155,408) | (65,852) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | 1,196,458 | 1,196,458 | 1,372,418 | (175,960) | - | - | - | - |
| Transfers out | (22,876) | (22,876) | (24,876) | 2,000 | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 1,173,582 | 1,173,582 | 1,347,542 | (173,960) | - | - | - | - |
| Net change in fund balances | \$ (356,923) | \$ (534,206) | 420,635 | \$ (954,841) | \$ (213,500) | \$ (221,260) | (155,408) | \$ (65,852) |
| Fund balances, beginning of year, as previously reported | | | 4,925,755 | | | | 224,465 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 4,925,755 | | | | 224,465 | |
| Fund balance, end of year | | | \$ 5,346,390 | | | | \$ 69,057 | |

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, 2024
(Page 4 of 17)

| | 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 | 15,784,000 | 15,784,000 | 16,229,229 | (445,229) | 2,875 | 2,875 | 2,881 | (6) |
| Other | 20,500 | 20,500 | 666,666 | (646,166) | 200 | 200 | 1,166 | (966) |
| Total revenues | 15,804,500 | 15,804,500 | 16,895,895 | (1,091,395) | 3,075 | 3,075 | 4,047 | (972) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | 7,883,111 | 7,883,111 | 9,511,403 | (1,628,292) | 563 | 563 | 564 | (1) |
| Capital outlay | 6,584,000 | 9,253,799 | 1,721,812 | 7,531,987 | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 14,467,111 | 17,136,910 | 11,233,215 | 5,903,695 | 563 | 563 | 564 | (1) |
| Revenues over (under) expenditures | 1,337,389 | (1,332,410) | 5,662,680 | (6,995,090) | 2,512 | 2,512 | 3,483 | (971) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ 1,337,389 | \$(1,332,410) | 5,662,680 | \$(6,995,090) | \$ 2,512 | \$ 2,512 | 3,483 | \$ (971) |
| Fund balances, beginning of year, as previously reported | | | 10,294,185 | | | | 21,637 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 10,294,185 | | | | 21,637 | |
| Fund balance, end of year | | | \$ 15,956,865 | | | | \$ 25,120 | |

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, 2024
(Page 5 of 17)

| | 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 | 2,700,000 | 2,700,000 | 2,714,281 | (14,281) | 1,348,036 | 1,348,036 | 1,347,317 | 719 |
| Other | 6,000 | 6,000 | 118,349 | (112,349) | 13,000 | 13,000 | 108,507 | (95,507) |
| Total revenues | 2,706,000 | 2,706,000 | 2,832,630 | (126,630) | 1,361,036 | 1,361,036 | 1,455,824 | (94,788) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | 3,239,446 | 3,263,601 | 2,572,490 | 691,111 | 1,284,867 | 1,284,867 | 814,884 | 469,983 |
| Capital outlay | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 3,239,446 | 3,263,601 | 2,572,490 | 691,111 | 1,284,867 | 1,284,867 | 814,884 | 469,983 |
| Revenues over (under) expenditures | (533,446) | (557,601) | 260,140 | (817,741) | 76,169 | 76,169 | 640,940 | (564,771) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ (533,446) | \$ (557,601) | 260,140 | \$ (817,741) | \$ 76,169 | \$ 76,169 | 640,940 | \$ (564,771) |
| Fund balances, beginning of year, as previously reported | | | 2,178,365 | | | | 2,088,279 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 2,178,365 | | | | 2,088,279 | |
| Fund balance, end of year | | | <u>\$ 2,438,505</u> | | | | <u>\$ 2,729,219</u> | |

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, 2024
(Page 6 of 17)

| | Storm Sewer Fund | | | | North 27th Street Tax Increment Operating Fund | | | |
|--|---------------------|-----------------------|------------------|-----------------------|--|---------------------|------------------|-----------------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 2,651,476 | \$ 2,651,476 | \$ 2,699,486 | \$ (48,010) |
| Licenses and permits | 500 | 500 | - | 500 | - | - | - | - |
| Intergovernmental | - | - | - | - | 266,797 | 266,797 | 316,783 | (49,986) |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | 5,440,000 | 5,440,000 | 5,630,956 | (190,956) | - | - | - | - |
| Other | 21,110 | 21,109 | 276,914 | (255,805) | 4,727,000 | 4,727,001 | 92,002 | 4,634,999 |
| Total revenues | 5,461,610 | 5,461,609 | 5,907,870 | (446,261) | 7,645,273 | 7,645,274 | 3,108,271 | 4,537,003 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | 1,987,497 | 2,185,751 | 1,922,481 | 263,270 | 1,982,107 | 2,293,228 | 1,326,752 | 966,476 |
| Capital outlay | 2,712,000 | 5,883,743 | 3,795,544 | 2,088,199 | 4,300,000 | 4,728,211 | 653,647 | 4,074,564 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | 480,000 | 480,000 | 480,000 | - |
| Interest and fiscal charges | - | - | - | - | 603,865 | 603,865 | 605,065 | (1,200) |
| Bond Issuance Costs | - | - | - | - | - | - | 395,517 | (395,517) |
| Total expenditures | 4,699,497 | 8,069,494 | 5,718,025 | 2,351,469 | 7,365,972 | 8,105,304 | 3,460,981 | 4,644,323 |
| Revenues over (under) expenditures | 762,113 | (2,607,885) | 189,845 | (2,797,730) | 279,301 | (460,030) | (352,710) | (107,320) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | 146,350 | (146,350) |
| Transfers out | (1,015,000) | (1,015,000) | (130,000) | (885,000) | (130,000) | (130,000) | (276,350) | 146,350 |
| Issuance of debt | - | - | - | - | - | - | 6,930,000 | (6,930,000) |
| Premium on bond debt | - | - | - | - | - | - | 644,705 | (644,705) |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (1,015,000) | (1,015,000) | (130,000) | (885,000) | (130,000) | (130,000) | 7,444,705 | (7,574,705) |
| Net change in fund balances | \$ (252,887) | \$ (3,622,885) | 59,845 | \$ (3,682,730) | \$ 149,301 | \$ (590,030) | 7,091,995 | \$ (7,682,025) |
| Fund balances, beginning of year, as previously reported | | | 4,778,352 | | | | 2,768,946 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 4,778,352 | | | | 2,768,946 | |
| Fund balance, end of year | | | <u>4,838,197</u> | | | | <u>9,860,941</u> | |

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, 2024
(Page 7 of 17)

| | South Tax Increment Operating Fund | | | | East Tax Increment Operating Fund | | | |
|--|------------------------------------|----------------------|---------------------|----------------------|-----------------------------------|---------------------|---------------------|---------------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ 3,756,660 | \$ 3,756,660 | \$ 4,560,758 | \$ (804,098) | \$ 801,340 | \$ 801,340 | \$ 1,089,031 | \$ (287,691) |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 292,587 | 292,587 | 342,607 | (50,020) | 171,479 | 171,479 | 211,630 | (40,151) |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 6,550,000 | 6,550,000 | 391,822 | 6,158,178 | 15,000 | 15,000 | 87,067 | (72,067) |
| Total revenues | 10,599,247 | 10,599,247 | 5,295,187 | 5,304,060 | 987,819 | 987,819 | 1,387,728 | (399,909) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | 2,241,716 | 2,835,042 | 2,210,756 | 624,286 | 826,530 | 884,042 | 486,000 | 398,042 |
| Capital outlay | 10,529,622 | 10,606,007 | 2,769,742 | 7,836,265 | 110,000 | 110,000 | 1,152 | 108,848 |
| Debt service: | | | | | | | | |
| Principal | 460,000 | 460,000 | 460,000 | - | 245,000 | 245,000 | 245,000 | - |
| Interest and fiscal charges | 481,269 | 481,269 | 482,469 | (1,200) | 219,626 | 219,626 | 219,726 | (100) |
| Bond Issuance Costs | 150,000 | 150,000 | - | 150,000 | - | - | - | - |
| Total expenditures | 13,862,607 | 14,532,318 | 5,922,967 | 8,609,351 | 1,401,156 | 1,458,668 | 951,878 | 506,790 |
| Revenues over (under) expenditures | (3,263,360) | (3,933,071) | (627,780) | (3,305,291) | (413,337) | (470,849) | 435,850 | (906,699) |
| Other financing sources (uses): | - | - | - | - | - | - | - | - |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | (312,294) | (312,294) | (305,673) | (6,621) | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (312,294) | (312,294) | (305,673) | (6,621) | - | - | - | - |
| Net change in fund balances | <u>\$(3,575,654)</u> | <u>\$(4,245,365)</u> | <u>(933,453)</u> | <u>\$(3,311,912)</u> | <u>\$ (413,337)</u> | <u>\$ (470,849)</u> | <u>435,850</u> | <u>\$ (906,699)</u> |
| Fund balances, beginning of year, as previously reported | | | 7,800,375 | | | | 1,940,736 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 7,800,375 | | | | 1,940,736 | |
| Fund balance, end of year | | | <u>\$ 6,866,922</u> | | | | <u>\$ 2,376,586</u> | |

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, 2024
(Page 8 of 17)

| | Parks Program Fund | | | | Police Programs Fund | | | |
|--|--------------------|-------------------|---------------------|--------------------|----------------------|---------------------|-------------------|---------------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 592,851 | 592,851 | 1,104,090 | (511,239) |
| Charges for services | - | - | 28,362 | (28,362) | 274,890 | 274,890 | 273,819 | 1,071 |
| Fines and forfeitures | - | - | - | - | 120,000 | 120,000 | 229,683 | (109,683) |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 162,750 | 162,750 | 199,190 | (36,440) | 99,050 | 99,050 | 105,394 | (6,344) |
| Total revenues | 162,750 | 162,750 | 227,552 | (64,802) | 1,086,791 | 1,086,791 | 1,712,986 | (626,195) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | 499,835 | 499,835 | 490,733 | 9,102 |
| Operations and maintenance | 26,393 | 37,622 | 39,307 | (1,685) | 859,912 | 1,220,915 | 991,807 | 229,108 |
| Capital outlay | - | - | 58,012 | (58,012) | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 26,393 | 37,622 | 97,319 | (59,697) | 1,359,747 | 1,720,750 | 1,482,540 | 238,210 |
| Revenues over (under) expenditures | 136,357 | 125,128 | 130,233 | (5,105) | (272,956) | (633,959) | 230,446 | (864,405) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | 7,837 | (7,837) | - | - | - | - |
| Transfers in | 5,000 | 5,000 | 20,000 | (15,000) | - | - | - | - |
| Transfers out | - | - | - | - | - | - | (2,495) | 2,495 |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 5,000 | 5,000 | 27,837 | (22,837) | - | - | (2,495) | 2,495 |
| Net change in fund balances | \$ 141,357 | \$ 130,128 | 158,070 | \$ (27,942) | \$ (272,956) | \$ (633,959) | 227,951 | \$ (861,910) |
| Fund balances, beginning of year, as previously reported | | | 2,147,854 | | | | 738,077 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | (16,743) | | | | 2,362 | |
| Fund balance, beginning of year, as restated | | | 2,131,111 | | | | 740,439 | |
| Fund balance, end of year | | | <u>\$ 2,289,181</u> | | | | <u>\$ 968,390</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, 2024
(Page 9 of 17)

| | 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 | 25,000 | 25,000 | 10,672 | 14,328 | 12,000 | 12,000 | 5,270 | 6,730 |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | 150,000 | 150,000 | 29,501 | 120,499 |
| Other | 2,300 | 2,300 | 11,988 | (9,688) | 200 | 200 | 4,153 | (3,953) |
| Total revenues | 27,300 | 27,300 | 22,660 | 4,640 | 162,200 | 162,200 | 38,924 | 123,276 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | 85,989 | 85,989 | 20,857 | 65,132 | 150,000 | 180,820 | 26,341 | 154,479 |
| Capital outlay | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 85,989 | 85,989 | 20,857 | 65,132 | 150,000 | 180,820 | 26,341 | 154,479 |
| Revenues over (under) expenditures | (58,689) | (58,689) | 1,803 | (60,492) | 12,200 | (18,620) | 12,583 | (31,203) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | (5,000) | (5,000) | (7,934) | 2,934 | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (5,000) | (5,000) | (7,934) | 2,934 | - | - | - | - |
| Net change in fund balances | <u>\$ (63,689)</u> | <u>\$ (63,689)</u> | <u>(6,131)</u> | <u>\$ (57,558)</u> | <u>\$ 12,200</u> | <u>\$ (18,620)</u> | <u>12,583</u> | <u>\$ (31,203)</u> |
| Fund balances, beginning of year, as previously reported | | | 223,170 | | | | 81,553 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 223,170 | | | | 81,553 | |
| Fund balance, end of year | | | <u>\$ 217,039</u> | | | | <u>\$ 94,136</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, 2024
(Page 10 of 17)

| | City-County Planning Fund | | | | Building Inspection Fund | | | |
|--|---------------------------|--------------|--------------|--------------|--------------------------|--------------|--------------|--------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ 508,247 | \$ 508,247 | \$ 636,158 | \$ (127,911) | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | 85,000 | 85,000 | 106,475 | (21,475) | 2,571,000 | 2,571,000 | 2,072,422 | 498,578 |
| Intergovernmental | 1,209,969 | 1,226,969 | 968,929 | 258,040 | - | - | - | - |
| Charges for services | 373,347 | 373,347 | 402,441 | (29,094) | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 11,000 | 11,000 | 88,595 | (77,595) | 72,000 | 72,000 | 241,345 | (169,345) |
| Total revenues | 2,187,563 | 2,204,563 | 2,202,598 | 1,965 | 2,643,000 | 2,643,000 | 2,313,767 | 329,233 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | 1,433,083 | 1,433,083 | 1,331,839 | 101,244 | 1,757,328 | 1,757,328 | 1,575,560 | 181,768 |
| Operations and maintenance | 1,254,036 | 1,342,139 | 843,677 | 498,462 | 793,675 | 793,675 | 731,648 | 62,027 |
| Capital outlay | - | - | - | - | 75,000 | 476,395 | 187,068 | 289,327 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 2,687,119 | 2,775,222 | 2,175,516 | 599,706 | 2,626,003 | 3,027,398 | 2,494,276 | 533,122 |
| Revenues over (under) expenditures | (499,556) | (570,659) | 27,082 | (597,741) | 16,997 | (384,398) | (180,509) | (203,889) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | 301,031 | 301,031 | 311,031 | (10,000) | - | - | - | - |
| Transfers out | (3,528) | (3,528) | (3,528) | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 297,503 | 297,503 | 307,503 | (10,000) | - | - | - | - |
| Net change in fund balances | \$ (202,053) | \$ (273,156) | 334,585 | \$ (607,741) | \$ 16,997 | \$ (384,398) | (180,509) | \$ (203,889) |
| Fund balances, beginning of year, as previously reported | | | 1,139,676 | | | | 4,547,342 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 1,139,676 | | | | 4,547,342 | |
| Fund balance, end of year | | | \$ 1,474,261 | | | | \$ 4,366,833 | |

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, 2024
(Page 11 of 17)

| | 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 | 463,800 | 463,800 | 522,320 | (58,520) | 160,000 | 160,000 | 206,393 | (46,393) |
| Charges for services | 9,539,239 | 9,539,239 | 9,710,259 | (171,020) | - | - | - | - |
| Fines and forfeitures | - | - | - | - | 46,000 | 46,000 | 57,386 | (11,386) |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 20,000 | 20,000 | 317,226 | (297,226) | - | - | 711 | (711) |
| Total revenues | 10,023,039 | 10,023,039 | 10,549,805 | (526,766) | 206,000 | 206,000 | 264,490 | (58,490) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | 5,057,646 | 5,057,646 | 4,501,985 | 555,661 | 601,894 | 601,894 | 580,288 | 21,606 |
| Operations and maintenance | 4,873,193 | 5,284,013 | 4,108,909 | 1,175,104 | 16,500 | 16,500 | 14,339 | 2,161 |
| Capital outlay | 1,832,186 | 2,780,838 | 1,327,521 | 1,453,317 | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 11,763,025 | 13,122,497 | 9,938,415 | 3,184,082 | 618,394 | 618,394 | 594,627 | 23,767 |
| Revenues over (under) expenditures | (1,739,986) | (3,099,458) | 611,390 | (3,710,848) | (412,394) | (412,394) | (330,137) | (82,257) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | 34,500 | (34,500) | 418,036 | 418,036 | 325,078 | 92,958 |
| Transfers out | (83,129) | (83,129) | (83,129) | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | 72,100 | (72,100) | - | - | - | - |
| Total other financing sources (uses) | (83,129) | (83,129) | 23,471 | (106,600) | 418,036 | 418,036 | 325,078 | 92,958 |
| Net change in fund balances | <u>\$(1,823,115)</u> | <u>\$(3,182,587)</u> | <u>634,861</u> | <u>\$(3,817,448)</u> | <u>\$ 5,642</u> | <u>\$ 5,642</u> | <u>(5,059)</u> | <u>\$ 10,701</u> |
| Fund balances, beginning of year, as previously reported | | | 7,789,639 | | | | (9,165) | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 7,789,639 | | | | (9,165) | |
| Fund balance, end of year | | | <u>\$ 8,424,500</u> | | | | <u>\$ (14,224)</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, 2024
(Page 12 of 17)

| | 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 | 204,375 | 204,375 | 55,795 | 148,580 | 547,827 | 547,827 | 391,480 | 156,347 |
| Charges for services | 22,000 | 22,000 | - | 22,000 | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 46,506 | 46,506 | 71,307 | (24,801) | - | - | 437 | (437) |
| Total revenues | 272,881 | 272,881 | 127,102 | 145,779 | 547,827 | 547,827 | 391,917 | 155,910 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | 7,500 | 7,500 | - | 7,500 | 197,514 | 197,514 | 174,012 | 23,502 |
| Operations and maintenance | 250,500 | 250,500 | 50,178 | 200,322 | 350,313 | 350,313 | 208,030 | 142,283 |
| Capital outlay | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 258,000 | 258,000 | 50,178 | 207,822 | 547,827 | 547,827 | 382,042 | 165,785 |
| Revenues over (under) expenditures | 14,881 | 14,881 | 76,924 | (62,043) | - | - | 9,875 | (9,875) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | 5 | (5) |
| Transfers out | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | 5 | (5) |
| Net change in fund balances | \$ 14,881 | \$ 14,881 | 76,924 | \$ (62,043) | \$ - | \$ - | 9,880 | \$ (9,880) |
| Fund balances, beginning of year, as previously reported | | | 283,874 | | | | 12,608 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 283,874 | | | | 12,608 | |
| Fund balance, end of year | | | \$ 360,798 | | | | \$ 22,488 | |

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, 2024
(Page 13 of 17)

| | 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 | - | - | - | - | - | - | 41,183 | (41,183) |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 142,000 | 142,000 | 259,006 | (117,006) | 74,500 | 74,500 | 82,059 | (7,559) |
| Total revenues | 142,000 | 142,000 | 259,006 | (117,006) | 74,500 | 74,500 | 123,242 | (48,742) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | 843,892 | 843,892 | 168,204 | 675,688 | 10,759 | 10,759 | 14,785 | (4,026) |
| Capital outlay | - | - | - | - | 70,000 | 70,000 | - | 70,000 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 843,892 | 843,892 | 168,204 | 675,688 | 80,759 | 80,759 | 14,785 | 65,974 |
| Revenues over (under) expenditures | (701,892) | (701,892) | 90,802 | (792,694) | (6,259) | (6,259) | 108,457 | (114,716) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | 2,727 | (2,727) |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | 2,727 | (2,727) |
| Net change in fund balances | \$ (701,892) | \$ (701,892) | 90,802 | \$ (792,694) | \$ (6,259) | \$ (6,259) | 111,184 | \$ (117,443) |
| Fund balances, beginning of year, as previously reported | | | 1,880,034 | | | | 428,023 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | 4,450 | |
| Fund balance, beginning of year, as restated | | | 1,880,034 | | | | 432,473 | |
| Fund balance, end of year | | | <u>\$ 1,970,836</u> | | | | <u>\$ 543,657</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, 2024
(Page 14 of 17)

| | Arterial Fees Fund | | | | Ballpark Repair Fund | | | |
|--|---------------------|------------------------|---------------------|-----------------------|----------------------|-----------------|-------------------|--------------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 3,162,619 | (3,162,619) | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | 146 | (146) | - | - | - | - |
| Other | 1,000 | 1,000 | 438,094 | (437,094) | 2,000 | 2,000 | 8,370 | (6,370) |
| Total revenues | 1,000 | 1,000 | 3,600,859 | (3,599,859) | 2,000 | 2,000 | 8,370 | (6,370) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | 2,443 | 3,064 | 2,443 | 621 | 30,726 | 30,726 | 24,335 | 6,391 |
| Capital outlay | 450,000 | 12,452,057 | 10,472,140 | 1,979,917 | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 452,443 | 12,455,121 | 10,474,583 | 1,980,538 | 30,726 | 30,726 | 24,335 | 6,391 |
| Revenues over (under) expenditures | (451,443) | (12,454,121) | (6,873,724) | (5,580,397) | (28,726) | (28,726) | (15,965) | (12,761) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | 30,000 | 30,000 | 30,000 | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | 30,000 | 30,000 | 30,000 | - |
| Net change in fund balances | <u>\$ (451,443)</u> | <u>\$ (12,454,121)</u> | <u>(6,873,724)</u> | <u>\$ (5,580,397)</u> | <u>\$ 1,274</u> | <u>\$ 1,274</u> | <u>14,035</u> | <u>\$ (12,761)</u> |
| Fund balances, beginning of year, as previously reported | | | 6,418,386 | | | | 149,176 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | <u>6,418,386</u> | | | | <u>149,176</u> | |
| Fund balance, end of year | | | <u>\$ (455,338)</u> | | | | <u>\$ 163,211</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, 2024
(Page 15 of 17)

| | 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 | - | - | 893,984 | (893,984) | - | - | 2,223,196 | (2,223,196) |
| Charges for services | - | - | 3,067 | (3,067) | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Special assessments | - | - | 16,336 | (16,336) | - | - | - | - |
| Other | 42,000 | 42,000 | 196,247 | (154,247) | 200 | 200 | 2,364 | (2,164) |
| Total revenues | 42,000 | 42,000 | 1,109,634 | (1,067,634) | 200 | 200 | 2,225,560 | (2,225,360) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | 446,579 | 266,579 | 279,005 | (12,426) | - | - | - | - |
| Operations and maintenance | 1,596,161 | 1,631,661 | 1,449,219 | 182,442 | - | - | - | - |
| Capital outlay | 3,182,991 | 4,779,824 | 2,019,265 | 2,760,559 | - | 3,063,553 | 2,593,128 | 470,425 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | 5,225,731 | 6,678,064 | 3,747,489 | 2,930,575 | - | 3,063,553 | 2,593,128 | 470,425 |
| Revenues over (under) expenditures | (5,183,731) | (6,636,064) | (2,637,855) | (3,998,209) | 200 | (3,063,353) | (367,568) | (2,695,785) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | 3,823,482 | 3,823,482 | 3,823,482 | - | - | - | - | - |
| Transfers out | (364,546) | (364,546) | (364,546) | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 3,458,936 | 3,458,936 | 3,458,936 | - | - | - | - | - |
| Net change in fund balances | <u>\$(1,724,795)</u> | <u>\$(3,177,128)</u> | <u>821,081</u> | <u>\$(3,998,209)</u> | <u>\$ 200</u> | <u>\$(3,063,353)</u> | <u>(367,568)</u> | <u>\$(2,695,785)</u> |
| Fund balances, beginning of year, as previously reported | | | 3,918,784 | | | | (55,114) | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 3,918,784 | | | | (55,114) | |
| Fund balance, end of year | | | <u>\$ 4,739,865</u> | | | | <u>\$ (422,682)</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, 2024
(Page 16 of 17)

| | Anti-Graffiti Fund | | | | American Rescue Plan | | | |
|--|--------------------|--------------|-----------------|------------|----------------------|----------------|-------------------|---------------|
| | 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 | - | - | 4,000 | (4,000) | - | - | 49,454 | (49,454) |
| Total revenues | - | - | 4,000 | (4,000) | - | - | 49,454 | (49,454) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Salaries and benefits | - | - | - | - | - | - | - | - |
| Operations and maintenance | - | 4,000 | 1,051 | 2,949 | - | - | - | - |
| Capital outlay | - | - | - | - | - | 1,466,210 | 134,735 | 1,331,475 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total expenditures | - | 4,000 | 1,051 | 2,949 | - | 1,466,210 | 134,735 | 1,331,475 |
| Revenues over (under) expenditures | - | (4,000) | 2,949 | (6,949) | - | (1,466,210) | (85,281) | (1,380,929) |
| Other financing sources (uses): | | | | | | | | |
| Lease interest | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - | - | - |
| Premium on bond debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ - | \$ (4,000) | 2,949 | \$ (6,949) | \$ - | \$ (1,466,210) | (85,281) | \$(1,380,929) |
| Fund balances, beginning of year, as previously reported | | | - | | | | - | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | 837,214 | |
| Fund balance, beginning of year, as restated | | | - | | | | 837,214 | |
| Fund balance, end of year | | | <u>\$ 2,949</u> | | | | <u>\$ 751,933</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, 2024
(Page 17 of 17)

| | Total Nonmajor Special Revenue Funds | | | |
|--|---|------------------------|----------------------|------------------------|
| | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | |
| Taxes | \$ 9,039,962 | \$ 9,039,962 | \$ 10,309,642 | \$ (1,269,680) |
| Licenses and permits | 2,656,500 | 2,656,500 | 2,178,897 | 477,603 |
| Intergovernmental | 13,312,187 | 13,329,187 | 22,852,099 | (9,522,912) |
| Charges for services | 10,290,126 | 10,290,126 | 10,536,287 | (246,161) |
| Fines and forfeitures | 181,000 | 181,000 | 304,183 | (123,183) |
| Special assessments | 25,424,911 | 25,424,911 | 25,970,647 | (545,736) |
| Other | 12,884,463 | 12,805,983 | 6,027,984 | 6,777,999 |
| Total revenues | <u>73,789,149</u> | <u>73,727,669</u> | <u>78,179,739</u> | <u>(4,452,070)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries and benefits | 13,488,729 | 13,468,189 | 12,284,918 | 1,183,271 |
| Operations and maintenance | 35,991,387 | 40,644,220 | 32,333,131 | 8,311,089 |
| Capital outlay | 33,727,799 | 67,349,404 | 31,686,471 | 35,662,933 |
| Debt service: | | | | |
| Principal | 1,185,000 | 1,185,000 | 1,185,000 | - |
| Interest and fiscal charges | 1,304,760 | 1,304,760 | 1,307,260 | (2,500) |
| Bond Issuance Costs | 150,000 | 150,000 | 395,517 | (245,517) |
| Total expenditures | <u>85,847,675</u> | <u>124,101,573</u> | <u>79,192,297</u> | <u>44,909,276</u> |
| Revenues over (under) expenditures | <u>(12,058,526)</u> | <u>(50,373,904)</u> | <u>(1,012,558)</u> | <u>(49,361,346)</u> |
| Other financing sources (uses): | | | | |
| Lease interest | - | - | 10,564 | (10,564) |
| Transfers in | 5,853,757 | 5,853,757 | 6,499,416 | (645,659) |
| Transfers out | (1,936,373) | (1,936,373) | (1,568,531) | (367,842) |
| Issuance of debt | - | - | 6,930,000 | (6,930,000) |
| Premium on bond debt | - | - | 644,705 | (644,705) |
| Sale of capital assets | - | - | 160,363 | (160,363) |
| Total other financing sources (uses) | <u>3,917,384</u> | <u>3,917,384</u> | <u>12,676,517</u> | <u>(8,759,133)</u> |
| Net change in fund balances | <u>\$ (8,141,142)</u> | <u>\$ (46,456,520)</u> | <u>11,663,959</u> | <u>\$ (58,120,479)</u> |
| Fund balances, beginning of year, as previously reported | | | 78,544,128 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | 827,283 | |
| Fund balance, beginning of year, as restated | | | <u>79,371,411</u> | |
| Fund balance, end of year | | | <u>\$ 91,035,370</u> | |

NONMAJOR DEBT SERVICE FUNDS

The City's non-major debt services funds and 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 the payment of debt used for citywide park improvements.
- The Series 2004A Street Improvements Fund accounts for payment of debt used for citywide 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 07/01/2017.
- 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, 2024

| | Series 2012 Library Fund | Storm Sewer Fund | Series 2010 Parks Fund | Series 2004A Street Improvement s Fund | Series 2015 G.O. Refunding Fund | Special Improvement Districts Fund | Sidewalk Curb Districts Fund | Total Nonmajor Debt Service Funds |
|--|-------------------------------------|-----------------------------|-----------------------------------|---|--|---|---|--|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 41,766 | \$ 479,214 | \$ 60 | \$ 2,912 | \$ 51,071 | \$ 1,008,962 | \$ 391,058 | \$ 1,975,043 |
| Cash with fiscal agent | 661,968 | 830,447 | - | 350,175 | 696,300 | 243,928 | 25,456 | 2,808,274 |
| Investments | 37,662 | 569,647 | (1,552) | 1,926 | 62,312 | 1,178,725 | 450,042 | 2,298,762 |
| Property taxes | 22,742 | - | 2 | 12,040 | 25,170 | - | - | 59,954 |
| Delinquent special assessments | - | - | - | - | - | 45,273 | 22,666 | 67,939 |
| Special assessments receivable | - | - | - | - | - | 6,057,665 | 3,401,601 | 9,459,266 |
| Accrued interest | 2,329 | 9,643 | 119 | 962 | 2,140 | 57,561 | 28,718 | 101,472 |
| Property held for resale | - | - | - | - | - | 155,997 | - | 155,997 |
| Total assets | \$ 766,467 | \$ 1,888,951 | \$ (1,371) | \$ 368,015 | \$ 836,993 | \$ 8,748,111 | \$ 4,319,541 | \$ 16,926,707 |
| Liabilities, Deferred Inflows and Fund Balances | | | | | | | | |
| Liabilities: | | | | | | | | |
| Other liabilities | - | - | - | - | - | 63,000 | - | 63,000 |
| Total liabilities | - | - | - | - | - | 63,000 | - | 63,000 |
| Deferred Inflows: | | | | | | | | |
| Unavailable Revenue | 3,250 | - | 2 | 1,716 | 3,518 | 6,066,916 | 3,403,417 | 9,478,819 |
| Fund balances: | | | | | | | | |
| Restricted | 763,217 | 1,888,951 | - | 366,299 | 833,475 | 2,618,195 | 916,124 | 7,386,261 |
| Unassigned | - | - | (1,373) | - | - | - | - | (1,373) |
| Total fund balances | 763,217 | 1,888,951 | (1,373) | 366,299 | 833,475 | 2,618,195 | 916,124 | 7,384,888 |
| Total liabilities, deferred inflows and fund balances | \$ 766,467 | \$ 1,888,951 | \$ (1,371) | \$ 368,015 | \$ 836,993 | \$ 8,748,111 | \$ 4,319,541 | \$ 16,926,707 |

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

| | Series 2012 Library Fund | Storm Sewer Fund | Series 2010 Parks Fund | Series 2004A Street Improvement s Fund | Series 2015 G.O. Refunding Fund | Special Improvement Districts Fund | Sidewalk and Curb Districts Fund | Total Nonmajor Debt Service Funds |
|--|-------------------------------------|-----------------------------|-----------------------------------|---|--|---|---|--|
| Revenues: | | | | | | | | |
| Taxes | \$ 669,779 | \$ - | \$ 10 | \$ 354,776 | \$ 741,404 | \$ - | \$ - | \$ 1,765,969 |
| Charges for services | - | - | - | - | - | 65,000 | - | 65,000 |
| Special assessments | - | - | - | - | - | 885,372 | 690,410 | 1,575,782 |
| Other | 16,918 | 71,676 | 1 | 5,602 | 10,897 | 329,912 | 128,154 | 563,160 |
| Total revenues | <u>686,697</u> | <u>71,676</u> | <u>11</u> | <u>360,378</u> | <u>752,301</u> | <u>1,280,284</u> | <u>818,564</u> | <u>3,969,911</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 11,104 | 4,320 | - | 352 | 5,860 | - | - | 21,636 |
| Public works | - | - | - | - | - | 1,820 | 420 | 2,240 |
| Principal | 530,000 | 640,000 | - | 330,000 | 620,000 | 752,073 | 356,211 | 3,228,284 |
| Interest and fiscal charges | 227,585 | 362,810 | - | 19,696 | 122,300 | 261,785 | 176,237 | 1,170,413 |
| Total expenditures | <u>768,689</u> | <u>1,007,130</u> | <u>-</u> | <u>350,048</u> | <u>748,160</u> | <u>1,015,678</u> | <u>532,868</u> | <u>4,422,573</u> |
| Revenues over (under) expenditures | <u>(81,992)</u> | <u>(935,454)</u> | <u>11</u> | <u>10,330</u> | <u>4,141</u> | <u>264,606</u> | <u>285,696</u> | <u>(452,662)</u> |
| Other financing sources: | | | | | | | | |
| Transfers in | - | 130,000 | - | - | - | 311,839 | 324 | 442,163 |
| Transfers out | - | - | - | - | - | - | (11,888) | (11,888) |
| Total other financing sources (uses) | <u>-</u> | <u>130,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>311,839</u> | <u>(11,564)</u> | <u>430,275</u> |
| Net change in fund balances | <u>(81,992)</u> | <u>(805,454)</u> | <u>11</u> | <u>10,330</u> | <u>4,141</u> | <u>576,445</u> | <u>274,132</u> | <u>(22,387)</u> |
| Fund balance, beginning of year, as previously reported | 845,209 | 2,694,405 | (1,384) | 355,969 | 829,334 | 2,041,750 | 641,992 | 7,407,275 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - | - | - | - | - |
| Fund balance, beginning of year, as restated | <u>845,209</u> | <u>2,694,405</u> | <u>(1,384)</u> | <u>355,969</u> | <u>829,334</u> | <u>2,041,750</u> | <u>641,992</u> | <u>7,407,275</u> |
| Fund balance, end of year | <u>\$ 763,217</u> | <u>\$ 1,888,951</u> | <u>\$ (1,373)</u> | <u>\$ 366,299</u> | <u>\$ 833,475</u> | <u>\$ 2,618,195</u> | <u>\$ 916,124</u> | <u>\$ 7,384,888</u> |

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, 2024
(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 | \$ 670,935 | \$ 670,935 | \$ 669,779 | \$ 1,156 | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | 3,500 | 3,500 | 16,919 | (13,419) | 10,400 | 10,400 | 71,677 | (61,277) |
| Total revenues | 674,435 | 674,435 | 686,698 | (12,263) | 10,400 | 10,400 | 71,677 | (61,277) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | 13,854 | 13,854 | 11,104 | 2,750 | 11,430 | 11,430 | 6,936 | 4,494 |
| Debt service: | | | | | | | | |
| Principal | 530,000 | 530,000 | 530,000 | - | 640,000 | 640,000 | 640,000 | - |
| Interest and fiscal charges | 231,700 | 231,700 | 227,585 | 4,115 | 360,194 | 360,194 | 360,194 | - |
| Total expenditures | 775,554 | 775,554 | 768,689 | 6,865 | 1,011,624 | 1,011,624 | 1,007,130 | 4,494 |
| Revenues over (under) expenditures | (101,119) | (101,119) | (81,991) | (19,128) | (1,001,224) | (1,001,224) | (935,453) | (65,771) |
| Other financing sources: | | | | | | | | |
| Transfers in | - | - | - | - | 1,015,000 | 1,015,000 | 130,000 | 885,000 |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources | - | - | - | - | 1,015,000 | 1,015,000 | 130,000 | 885,000 |
| Net change in fund balances | \$ (101,119) | \$ (101,119) | (81,991) | \$ (19,128) | \$ 13,776 | \$ 13,776 | (805,453) | \$ 819,229 |
| Fund balances, beginning of year, as previously reported | | | 845,208 | | | | 2,694,404 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 845,208 | | | | 2,694,404 | |
| Fund balance, end of year | | | \$ 763,217 | | | | \$ 1,888,951 | |

(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, 2024

(Page 2 of 4)

| | Parks Series 2000 GO Debt | | | | Series 2004A Street Improvements Fund | | | |
|--|---------------------------|--------------|------------|----------|---------------------------------------|--------------|------------|------------|
| | Original Budget | Final Budget | Actual | Variance | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ 10 | \$ (10) | \$ 354,896 | \$ 354,896 | \$ 354,776 | \$ 120 |
| Charges for services | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | 450 | 450 | 5,602 | (5,152) |
| Total revenues | - | - | 10 | (10) | 355,346 | 355,346 | 360,378 | (5,032) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | - | - | - | - | 7,599 | 7,599 | 4,348 | 3,251 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | 330,000 | 330,000 | 330,000 | - |
| Interest and fiscal charges | - | - | - | - | 15,700 | 15,700 | 15,700 | - |
| Total expenditures | - | - | - | - | 353,299 | 353,299 | 350,048 | 3,251 |
| Revenues over (under) expenditures | - | - | 10 | (10) | 2,047 | 2,047 | 10,330 | (8,283) |
| Other financing sources: | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ - | \$ - | 10 | \$ (10) | \$ 2,047 | \$ 2,047 | 10,330 | \$ (8,283) |
| Fund balances, beginning of year, as previously reported | | | (1,383) | | | | 355,969 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | (1,383) | | | | 355,969 | |
| Fund balance, end of year | | | \$ (1,373) | | | | \$ 366,299 | |

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, 2024

(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 | \$ 743,468 | \$ 743,468 | \$ 741,404 | \$ 2,064 | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - | - | - | 65,000 | (65,000) |
| Special assessments | - | - | - | - | 980,000 | 980,000 | 885,372 | 94,628 |
| Other | 400 | 400 | 10,897 | (10,496) | 14,000 | 14,000 | 329,912 | (315,912) |
| Total revenues | 743,868 | 743,868 | 752,301 | (8,432) | 994,000 | 994,000 | 1,280,284 | (286,284) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | 9,110 | 9,110 | 5,860 | 3,250 | 52,700 | 52,700 | 2,256 | 50,444 |
| Debt service: | | | | | | | | |
| Principal | 620,000 | 620,000 | 620,000 | - | 720,000 | 720,000 | 752,073 | (32,073) |
| Interest and fiscal charges | 122,300 | 122,300 | 122,300 | - | 337,400 | 337,400 | 261,349 | 76,051 |
| Total expenditures | 751,410 | 751,410 | 748,160 | 3,250 | 1,110,100 | 1,110,100 | 1,015,678 | 94,422 |
| Revenues over (under) expenditures | (7,542) | (7,542) | 4,141 | (11,683) | (116,100) | (116,100) | 264,606 | (380,706) |
| Other financing sources: | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 311,839 | (311,839) |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources | - | - | - | - | - | - | 311,839 | (311,839) |
| Net change in fund balances | \$ (7,542) | \$ (7,542) | 4,141 | \$ (11,683) | \$ (116,100) | \$ (116,100) | 576,445 | \$ (692,545) |
| Fund balances, beginning of year, as previously reported | | | 829,334 | | | | 2,041,750 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 829,334 | | | | 2,041,750 | |
| Fund balance, end of year | | | \$ 833,475 | | | | \$ 2,618,195 | |

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, 2024

(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 | \$ - | \$ - | \$ - | \$ - | \$ 1,769,299 | \$ 1,769,299 | \$ 1,765,969 | \$ 3,330 |
| Charges for services | - | - | - | - | - | - | 65,000 | (65,000) |
| Special assessments | 535,000 | 535,000 | 690,410 | (155,410) | 1,515,000 | 1,515,000 | 1,575,782 | (60,782) |
| Other | 1,500 | 1,500 | 128,155 | (126,654) | 30,250 | 30,250 | 563,162 | (532,912) |
| Total revenues | 536,500 | 536,500 | 818,565 | (282,065) | 3,314,549 | 3,314,549 | 3,969,913 | (655,364) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | 14,300 | 14,300 | 420 | 13,880 | 108,993 | 108,993 | 30,924 | 78,069 |
| Debt service: | | | | | | | | |
| Principal | 340,000 | 340,000 | 356,211 | (16,211) | 3,180,000 | 3,180,000 | 3,228,284 | (48,284) |
| Interest and fiscal charges | 136,400 | 136,400 | 176,237 | (39,837) | 1,203,694 | 1,203,694 | 1,163,365 | 40,329 |
| Total expenditures | 490,700 | 490,700 | 532,868 | (42,168) | 4,492,687 | 4,492,687 | 4,422,573 | 70,114 |
| Revenues over (under) expenditures | 45,800 | 45,800 | 285,697 | (239,897) | (1,178,138) | (1,178,138) | (452,660) | (725,478) |
| Other financing sources: | | | | | | | | |
| Transfers in | - | - | 324 | (324) | 1,015,000 | 1,015,000 | 442,163 | 572,837 |
| Transfers out | - | - | (11,888) | 11,888 | - | - | (11,888) | 11,888 |
| Total other financing sources | - | - | (11,564) | 11,564 | 1,015,000 | 1,015,000 | 430,275 | 584,725 |
| Net change in fund balances | \$ 45,800 | \$ 45,800 | 274,133 | \$ (228,333) | \$ (163,138) | \$ (163,138) | (22,385) | \$ (140,753) |
| Fund balances, beginning of year, as previously reported | | | 641,991 | | | | 7,407,273 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 641,991 | | | | 7,407,273 | |
| Fund balance, end of year | | | \$ 916,124 | | | | \$ 7,384,888 | |

NONMAJOR CAPITAL PROJECTS FUNDS

The City's non-major capital projects funds are 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.
- The City Hall Construction Fund accounts for the costs to relocate City Hall to the Stillwater Building. This fund is considered a Major fund for fiscal year 2024 and has been reported as such, in accordance with GASB 100.

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2024

| | 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 | \$ 10,067 | \$ 53,366 | \$ 227,245 | \$ 3,443,848 | \$ 32,112 | \$ 87,589 | \$ - | \$ 2,437 | \$ 3,856,664 |
| Investments | 11,512 | 64,031 | 262,610 | 3,962,906 | 42,657 | 78,212 | - | 2,881 | 4,424,809 |
| Receivables: | | | | | | | | | |
| Accrued interest | (11,296) | 528 | 1,277 | 43,170 | 447 | 1,095 | - | 34 | 35,255 |
| Property held for resale | 187,828 | - | - | - | - | - | - | - | 187,828 |
| Total assets | <u>\$ 198,111</u> | <u>\$ 117,925</u> | <u>\$ 491,132</u> | <u>\$ 7,449,924</u> | <u>\$ 75,216</u> | <u>\$ 166,896</u> | <u>\$ -</u> | <u>\$ 5,352</u> | <u>\$ 8,504,556</u> |
| Liabilities and Fund Balances | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ - | \$ 6,610 | \$ 441,106 | \$ - | \$ - | \$ 73,365 | \$ - | \$ - | 521,081 |
| Due to other funds | - | 532,048 | 72,736 | - | - | - | - | - | 604,784 |
| Total Liabilities | <u>-</u> | <u>538,658</u> | <u>513,842</u> | <u>-</u> | <u>-</u> | <u>73,365</u> | <u>-</u> | <u>-</u> | <u>1,125,865</u> |
| Fund balance (deficit) | | | | | | | | | |
| Restricted | 198,111 | - | - | 7,449,924 | 75,216 | 93,531 | - | 5,352 | 7,822,134 |
| Unassigned | - | (420,733) | (22,710) | - | - | - | - | - | (443,443) |
| Total fund balance (deficit) | <u>198,111</u> | <u>(420,733)</u> | <u>(22,710)</u> | <u>7,449,924</u> | <u>75,216</u> | <u>93,531</u> | <u>-</u> | <u>5,352</u> | <u>7,378,691</u> |
| Total liabilities and fund balances | <u>\$ 198,111</u> | <u>\$ 117,925</u> | <u>\$ 491,132</u> | <u>\$ 7,449,924</u> | <u>\$ 75,216</u> | <u>\$ 166,896</u> | <u>\$ -</u> | <u>\$ 5,352</u> | <u>\$ 8,504,556</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

| | 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 | \$ 1,514 | \$ 242,448 | \$ 855,735 | \$ 317,735 | \$ 3,460 | \$ 19,518 | \$ - | \$ 262 | \$ 1,440,672 |
| Total revenues | 1,514 | 242,448 | 855,735 | 317,735 | 3,460 | 19,518 | - | 262 | 1,440,672 |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | 1,788 | - | - | - | - | 1,788 |
| Public safety | - | - | - | 11,209 | - | - | - | - | 11,209 |
| Housing and economic development | 9,132 | - | - | - | - | - | - | - | 9,132 |
| Capital outlay | - | 689,132 | 2,033,907 | 1,483,238 | - | 374,122 | - | - | 4,580,399 |
| Bond issuance costs | - | - | 23,000 | - | - | - | - | - | 23,000 |
| Total expenditures | 9,132 | 689,132 | 2,056,907 | 1,496,235 | - | 374,122 | - | - | 4,625,528 |
| Revenues over (under) expenditures | (7,618) | (446,684) | (1,201,172) | (1,178,500) | 3,460 | (354,604) | - | 262 | (3,184,856) |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | 1,888 | - | 2,211,384 | - | - | - | - | 2,213,272 |
| Transfers out | - | (324) | (301,839) | - | - | - | - | - | (302,163) |
| Special assessment bonds issued | - | - | 1,300,000 | - | - | - | - | - | 1,300,000 |
| Sale of capital assets | - | - | - | 12,025 | - | - | - | - | 12,025 |
| Total other financing sources (uses) | - | 1,564 | 998,161 | 2,223,409 | - | - | - | - | 3,223,134 |
| Net change in fund balances | (7,618) | (445,120) | (203,011) | 1,044,909 | 3,460 | (354,604) | - | 262 | 38,278 |
| Fund balance, beginning of year, as previously reported | 205,729 | 24,387 | 180,301 | 6,405,015 | 71,756 | 448,135 | 15,285,456 | 5,090 | 22,625,869 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - | - | - | (15,285,456) | - | (15,285,456) |
| Fund balance (deficit), beginning of year, as restated | 205,729 | 24,387 | 180,301 | 6,405,015 | 71,756 | 448,135 | - | 5,090 | 7,340,413 |
| Fund balance (deficit), end of year | \$ 198,111 | \$ (420,733) | \$ (22,710) | \$ 7,449,924 | \$ 75,216 | \$ 93,531 | \$ - | \$ 5,352 | \$ 7,378,691 |

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, 2024
(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 | \$ 270 | \$ 270 | \$ 1,514 | \$ (1,244) | \$ 1,847,750 | \$ 1,847,750 | \$ 242,447 | \$ 1,605,303 |
| Total revenues | 270 | 270 | 1,514 | (1,244) | 1,847,750 | 1,847,750 | 242,447 | 1,605,303 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | 13,045 | 13,045 | 9,132 | 3,913 | - | - | - | - |
| Capital outlay | 7,000 | 7,000 | - | 7,000 | 1,822,750 | 2,681,772 | 689,132 | 1,992,640 |
| Debt service: | | | | | | | | |
| Bond issuance costs | - | - | - | - | 25,000 | 25,000 | - | 25,000 |
| Total expenditures | 20,045 | 20,045 | 9,132 | 10,913 | 1,847,750 | 2,706,772 | 689,132 | 2,017,640 |
| Revenues over (under) expenditures | (19,775) | (19,775) | (7,618) | (12,157) | - | (859,022) | (446,685) | (412,337) |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 1,888 | (1,888) |
| Transfers out | - | - | - | - | - | - | (324) | 324 |
| Total other financing sources (uses) | - | - | - | - | - | - | 1,564 | (1,564) |
| Net change in fund balances | <u>\$ (19,775)</u> | <u>\$ (19,775)</u> | <u>(7,618)</u> | <u>\$ (12,157)</u> | <u>\$ -</u> | <u>\$ (859,022)</u> | <u>(445,121)</u> | <u>\$ (413,901)</u> |
| Fund balances, beginning of year, as previously reported | | | 205,729 | | | | 24,388 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 205,729 | | | | 24,388 | |
| Fund balance, end of year | | | <u>\$ 198,111</u> | | | | <u>\$ (420,733)</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, 2024

(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 | \$ 3,076,250 | \$ 3,076,250 | \$ 2,155,735 | \$ 920,515 | \$ 72,116 | \$ 72,116 | \$ 329,760 | \$ (257,644) |
| Total revenues | <u>3,076,250</u> | <u>3,076,250</u> | <u>2,155,735</u> | <u>920,515</u> | <u>72,116</u> | <u>72,116</u> | <u>329,760</u> | <u>(257,644)</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | - | - | - | - | 2,565 | 17,848 | 12,997 | 4,851 |
| Capital outlay | 3,076,250 | 5,303,489 | 2,033,907 | 3,269,582 | 1,565,093 | 1,922,997 | 1,483,238 | 439,759 |
| Debt service: | | | | | | | | |
| Bond issuance costs | - | - | 23,000 | (23,000) | - | - | - | - |
| Total expenditures | <u>3,076,250</u> | <u>5,303,489</u> | <u>2,056,907</u> | <u>3,246,582</u> | <u>1,567,658</u> | <u>1,940,845</u> | <u>1,496,235</u> | <u>444,610</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(2,227,239)</u> | <u>98,828</u> | <u>(2,326,067)</u> | <u>(1,495,542)</u> | <u>(1,868,729)</u> | <u>(1,166,475)</u> | <u>(702,254)</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | - | - | - | - | 2,208,884 | 2,208,884 | 2,211,384 | (2,500) |
| Transfers out | - | - | (301,839) | 301,839 | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(301,839)</u> | <u>301,839</u> | <u>2,208,884</u> | <u>2,208,884</u> | <u>2,211,384</u> | <u>(2,500)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$(2,227,239)</u> | <u>(203,011)</u> | <u>\$(2,024,228)</u> | <u>\$ 713,342</u> | <u>\$ 340,155</u> | <u>1,044,909</u> | <u>\$ (704,754)</u> |
| Fund balances, beginning of year, as previously reported | | | 180,301 | | | | 6,405,015 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | <u>180,301</u> | | | | <u>6,405,015</u> | |
| Fund balance, end of year | | | <u>\$ (22,710)</u> | | | | <u>\$ 7,449,924</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, 2024

(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 | \$ 600 | \$ 600 | \$ 3,459 | \$ (2,859) | \$ 15,000 | \$ 15,000 | \$ 19,519 | \$ (4,519) |
| Total revenues | 600 | 600 | 3,459 | (2,859) | 15,000 | 15,000 | 19,519 | (4,519) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | - | - | - | - | - | - | - | - |
| Capital outlay | 65,662 | 65,662 | - | 65,662 | - | 490,000 | 374,122 | 115,878 |
| Debt service: | | | | | | | | |
| Bond issuance costs | - | - | - | - | - | - | - | - |
| Total expenditures | 65,662 | 65,662 | - | 65,662 | - | 490,000 | 374,122 | 115,878 |
| Revenues over (under) expenditures | (65,062) | (65,062) | 3,459 | (68,521) | 15,000 | (475,000) | (354,603) | (120,397) |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ (65,062) | \$ (65,062) | 3,459 | \$ (68,521) | \$ 15,000 | \$ (475,000) | (354,603) | \$ (120,397) |
| Fund balances, beginning of year, as previously reported | | | 71,757 | | | | 448,134 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | - | | | | - | |
| Fund balance, beginning of year, as restated | | | 71,757 | | | | 448,134 | |
| Fund balance, end of year | | | \$ 75,216 | | | | \$ 93,531 | |

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, 2024

(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 | \$ - | \$ - | \$ - | \$ - | \$ 5,000 | \$ 5,000 | \$ 263 | \$ 4,737 |
| Total revenues | - | - | - | - | 5,000 | 5,000 | 263 | 4,737 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Operations and maintenance | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | 5,000 | 5,000 | - | 5,000 |
| Debt service: | | | | | | | | |
| Bond issuance costs | - | - | - | - | - | - | - | - |
| Total expenditures | - | - | - | - | 5,000 | 5,000 | - | 5,000 |
| Revenues over (under) expenditures | - | - | - | - | - | - | 263 | (263) |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ - | \$ - | - | \$ - | \$ - | \$ - | 263 | \$ (263) |
| Fund balances, beginning of year, as previously reported | | | 15,285,456 | | | | 5,089 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | (15,285,456) | | | | - | |
| Fund balance, beginning of year, as restated | | | - | | | | 5,089 | |
| Fund balance, end of year | | | \$ - | | | | \$ 5,352 | |

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, 2024
(Page 5 of 5)

| | Total Nonmajor Capital Project Funds | | | |
|--|---|-----------------------|---------------------|-----------------------|
| | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | |
| Other | \$ 5,016,986 | \$ 5,016,986 | \$ 2,752,697 | \$ 2,264,289 |
| Total revenues | <u>5,016,986</u> | <u>5,016,986</u> | <u>2,752,697</u> | <u>2,264,289</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Operations and maintenance | 15,610 | 30,893 | 22,129 | 8,764 |
| Capital outlay | 6,541,755 | 10,475,920 | 4,580,399 | 5,895,521 |
| Debt service: | | | | |
| Bond issuance costs | <u>25,000</u> | <u>25,000</u> | <u>23,000</u> | <u>2,000</u> |
| Total expenditures | <u>6,582,365</u> | <u>10,531,813</u> | <u>4,625,528</u> | <u>5,906,285</u> |
| Revenues over (under) expenditures | <u>(1,565,379)</u> | <u>(5,514,827)</u> | <u>(1,872,831)</u> | <u>(3,641,996)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 2,208,884 | 2,208,884 | 2,213,272 | (4,388) |
| Transfers out | <u>-</u> | <u>-</u> | <u>(302,163)</u> | <u>302,163</u> |
| Total other financing sources (uses) | <u>2,208,884</u> | <u>2,208,884</u> | <u>1,911,109</u> | <u>297,775</u> |
| Net change in fund balances | <u>\$ 643,505</u> | <u>\$ (3,305,943)</u> | <u>38,278</u> | <u>\$ (3,344,221)</u> |
| Fund balances, beginning of year, as previously reported | | | 22,625,869 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | <u>(15,285,456)</u> | |
| Fund balance, beginning of year, as restated | | | <u>7,340,413</u> | |
| Fund balance, end of year | | | <u>\$ 7,378,691</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, 2024

| | Cemetery Perpetual Care Fund |
|-----------------------------|---|
| Assets | |
| Cash and cash equivalents | \$ 389,020 |
| Investments | 445,098 |
| Accrued interest receivable | 5,598 |
| Total assets | <u>\$ 839,716</u> |
| | |
| Fund Balance | |
| Liabilities: | - |
| Total liabilities | - |
| Fund balance: | |
| Unspendable | \$ 839,716 |
| Total fund balance | <u>\$ 839,716</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, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------------|---------------------|-------------------|------------------|
| Revenues: | | | | |
| Charges for services | \$ 15,750 | \$ 15,750 | \$ 26,588 | \$ 10,838 |
| Other | 7,700 | 7,700 | 42,914 | 35,214 |
| Total revenues | <u>23,450</u> | <u>23,450</u> | <u>69,502</u> | <u>46,052</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Revenues over (under) expenditures | <u>23,450</u> | <u>23,450</u> | <u>69,502</u> | <u>46,052</u> |
| Other financing sources (uses): | | | | |
| Transfers in | \$ - | \$ - | \$ - | \$ - |
| Transfers out | <u>(5,600)</u> | <u>(5,600)</u> | <u>(30,526)</u> | <u>(24,926)</u> |
| Total other financing sources (uses) | <u>(5,600)</u> | <u>(5,600)</u> | <u>(30,526)</u> | <u>(24,926)</u> |
| Net change in fund balances | <u>\$ 17,850</u> | <u>\$ 17,850</u> | <u>38,976</u> | <u>\$ 21,126</u> |
| Fund balance, beginning of year, as previously reported | | | 800,740 | |
| Restatement - accounting changes and/or error corrections (see Note) | | | <u>-</u> | |
| Fund balance, beginning of year, as restated | | | <u>800,740</u> | |
| Fund balance, end of year | | | <u>\$ 839,716</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 non-major 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, 2024
(Page 1 of 2)

| | Transit Fund | Golf Course | Total |
|---|---------------|--------------|---------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 3,795,732 | \$ 483,827 | \$ 4,279,559 |
| Restricted cash and cash equivalents with | | | |
| Investments | 4,373,906 | - | 4,373,906 |
| Receivables: | | | |
| Property taxes | 76,697 | - | 76,697 |
| Accrued interest | 47,769 | - | 47,769 |
| Receivables from other governments | 986,704 | - | 986,704 |
| Inventories | 304,813 | 660 | 305,473 |
| Prepaid items | - | 10,895 | 10,895 |
| Total current assets | 9,585,621 | 495,382 | 10,081,003 |
| Noncurrent assets: | | | |
| Property and equipment: | | | |
| Land | 1,435,291 | - | 1,435,291 |
| Buildings | 8,642,862 | 1,939,787 | 10,582,649 |
| Improvements other than buildings | 1,767,713 | - | 1,767,713 |
| Equipment and vehicles | 12,533,084 | - | 12,533,084 |
| Construction in progress | 1,006,157 | - | 1,006,157 |
| Less: accumulated depreciation/amortization | (10,787,331) | (1,400,499) | (12,187,830) |
| Total noncurrent assets | 14,597,776 | 539,288 | 15,137,064 |
| Total assets | 24,183,397 | 1,034,670 | 25,218,067 |
| Deferred Outflows | | | |
| Other post employment benefits | 150,523 | - | 150,523 |
| Pensions | 661,629 | - | 661,629 |
| Total assets and deferred outflows | \$ 24,995,549 | \$ 1,034,670 | \$ 26,030,219 |

(continued)

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

June 30, 2024

(Page 2 of 2)

| | Transit Fund | Golf Course | Total |
|---|----------------------|---------------------|----------------------|
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 365,882 | \$ 6,963 | \$ 372,845 |
| Accrued wages and benefits | 136,385 | 85,360 | 221,745 |
| Compensated absences | 363,444 | - | 363,444 |
| Unearned Revenue | 5,063 | - | 5,063 |
| Total current liabilities | <u>870,774</u> | <u>92,323</u> | <u>963,097</u> |
| Noncurrent liabilities: | | | |
| Compensated absences | 120,272 | - | 120,272 |
| Other post employment benefits | 724,760 | - | 724,760 |
| Net pension liability | 3,987,746 | - | 3,987,746 |
| Total noncurrent liabilities | <u>4,832,778</u> | <u>-</u> | <u>4,832,778</u> |
| Total liabilities | <u>5,703,552</u> | <u>92,323</u> | <u>5,795,875</u> |
| Deferred Inflows | | | |
| Other post employment benefits | 119,725 | - | 119,725 |
| Pensions | 142,233 | - | 142,233 |
| Total deferred inflows of resources | <u>261,958</u> | <u>-</u> | <u>261,958</u> |
| Net Position | | | |
| Net investment in capital assets | 14,597,776 | 539,288 | 15,137,064 |
| Restricted for: | | | |
| Unrestricted | 4,432,263 | 403,059 | 4,835,322 |
| Total net position | <u>19,030,039</u> | <u>942,347</u> | <u>19,972,386</u> |
| Total liabilities, deferred inflows, and net position | <u>\$ 24,995,549</u> | <u>\$ 1,034,670</u> | <u>\$ 26,030,219</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

| | <u>Transit Fund</u> | <u>Golf Course Fund</u> | <u>Total Nonmajor Enterprise Fund</u> |
|---|---------------------|-------------------------|---|
| Operating revenues: | | | |
| Charges for services and use of facilities | \$ 818,338 | \$ 745,907 | \$ 1,564,245 |
| Operating expenses: | | | |
| Salaries and benefits | 5,620,748 | 267,664 | 5,888,412 |
| Supplies | 838,224 | 68,691 | 906,915 |
| Contracted services | 621,235 | 27,582 | 648,817 |
| Utilities | 65,413 | 28,561 | 93,974 |
| Other | 177,030 | 96,680 | 273,710 |
| Depreciation | 1,170,468 | 77,718 | 1,248,186 |
| Total operating expenses | 8,493,118 | 566,896 | 9,060,014 |
| Operating income (loss) | (7,674,780) | 179,011 | (7,495,769) |
| Nonoperating revenues (expenses): | | | |
| Taxes | 2,648,844 | - | 2,648,844 |
| Intergovernmental | 8,290,904 | - | 8,290,904 |
| Interest and investment income | 315,857 | 702 | 316,559 |
| Net gain (loss) on sale of capital assets | (283,328) | - | (283,328) |
| Other | 23,277 | - | 23,277 |
| Total nonoperating revenue (expense) | 10,995,554 | 702 | 10,996,256 |
| Income (loss) before capital contributions and transfers | 3,320,774 | 179,713 | 3,500,487 |
| Transfers in | - | - | - |
| Transfers out | - | (20,000) | (20,000) |
| Change in net position | 3,320,774 | 159,713 | 3,480,487 |
| Net position, beginning of year, as previously reported | 15,709,265 | 782,634 | 16,491,899 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - |
| Net position, beginning, as restated | 15,709,265 | 782,634 | 16,491,899 |
| Net position, end of year | \$ 19,030,039 | \$ 942,347 | \$ 19,972,386 |

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024
(Page 1 of 2)

| | Transit | Golf | Total |
|--|---------------------|-------------------|---------------------|
| | Fund | Couse | Nonmajor |
| | Fund | Fund | Enterprise |
| | Fund | Fund | Funds |
| Cash flows from operating activities: | | | |
| Cash received from customers and users | \$ 823,317 | \$ 745,907 | \$ 1,569,224 |
| Cash received from interfund services provided | - | - | - |
| Cash received from other sources | 23,277 | - | 23,277 |
| Cash paid to employees for services | (5,096,486) | (267,124) | (5,363,610) |
| Cash paid to suppliers and contracted services | (2,045,655) | (217,978) | (2,263,633) |
| Net cash provided (used) by operating activities | (6,295,547) | 260,805 | (6,034,742) |
| Cash flows from noncapital financing activities: | | | |
| Cash received from tax revenues | 2,672,236 | - | 2,672,236 |
| Cash received from intergovernmental revenues | 8,042,465 | - | 8,042,465 |
| Net cash provided (used) by noncapital financing activities | 10,714,701 | - | 10,714,701 |
| Cash flows from capital and related financing activities: | | | |
| Acquisition and construction of capital assets | (3,169,762) | (176,968) | (3,346,730) |
| Proceeds from sales of capital assets | (283,328) | - | (283,328) |
| Transfers to other funds | - | (20,000) | (20,000) |
| Net cash provided (used) by capital and related financing activities | (3,453,090) | (196,968) | (3,650,058) |
| Cash flows from investing activities: | | | |
| Cash received from interest | 221,682 | 702 | 222,384 |
| Sale of investments | 4,633,180 | - | 4,633,180 |
| Purchase of investments | (5,584,880) | - | (5,584,880) |
| Net cash provided (used) by investing activities | (730,018) | 702 | (729,316) |
| Net increase (decrease) in cash and cash equivalents | 236,046 | 64,539 | 300,585 |
| Cash and cash equivalents, beginning of year | <u>3,559,686</u> | <u>419,288</u> | <u>3,978,974</u> |
| Cash and cash equivalents, end of year | <u>\$ 3,795,732</u> | <u>\$ 483,827</u> | <u>\$ 4,279,559</u> |
| Cash and cash equivalents consists of: | | | |
| Cash and cash equivalents | \$ 3,795,732 | \$ 483,827 | \$ 4,279,559 |
| Restricted cash and cash equivalents with fiscal agent | - | - | - |
| Cash and cash equivalents, end of year | <u>\$ 3,795,732</u> | <u>\$ 483,827</u> | <u>\$ 4,279,559</u> |

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended June 30, 2024

(Page 2 of 2)

| | Transit | Golf | Total |
|---|-----------------------|-------------------|-----------------------|
| | Fund | Couse | Nonmajor |
| | Fund | Fund | Enterprise |
| | Fund | Fund | Funds |
| Reconciliation of operating income to net cash | | | |
| provided (used) by operating activities: | | | |
| Operating income (loss) | \$ (7,674,780) | \$ 179,011 | \$ (7,495,769) |
| Other nonoperating income (expense) | 23,277 | - | 23,277 |
| Adjustments to reconcile operating income (loss) to net | | | |
| cash provided (used) by operating activities: | | | |
| Depreciation expense | 1,170,468 | 77,718 | 1,248,186 |
| (Increase) decrease in receivables | 4,979 | - | 4,979 |
| (Increase) decrease in inventories | (119,081) | - | (119,081) |
| (Increase) decrease in prepaid items | - | (1,847) | (1,847) |
| Increase (decrease) in accounts payable | (224,672) | 5,383 | (219,289) |
| Increase (decrease) in accrued liabilities | <u>524,262</u> | <u>540</u> | <u>524,802</u> |
| Net cash provided (used) by operating activities | <u>\$ (6,295,547)</u> | <u>\$ 260,805</u> | <u>\$ (6,034,742)</u> |
| Noncash investing, capital and financing activities: | | | |
| Increase (decrease) in investment market value | 58,205 | - | 58,205 |

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

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, 2024
(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 | | | | | | |
| Cash and cash equivalents | \$ 1,073,100 | \$ 118,262 | \$ 574,297 | \$ 4,889,921 | \$ 196,269 | \$ - |
| Restricted cash and cash equivalents with Investments | 1,235,418 | 135,336 | 661,136 | 5,610,571 | 225,445 | (12,009) |
| Receivables: | | | | | | |
| Accounts and unbilled usage | - | - | - | (1,204) | - | - |
| Accrued interest | 15,590 | 1,650 | 7,615 | 66,143 | 2,681 | (722) |
| Delinquent Special Assessments | - | - | - | - | - | - |
| Lease Receivable | - | - | - | - | - | - |
| Inventories | 883,259 | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Total current assets | <u>3,207,367</u> | <u>255,248</u> | <u>1,243,048</u> | <u>10,565,431</u> | <u>424,395</u> | <u>(12,731)</u> |
| Noncurrent assets: | | | | | | |
| Lease Receivable | - | - | - | - | - | - |
| Land | - | - | - | - | - | - |
| Buildings | 32,091 | - | - | - | - | - |
| Improvements other than buildings | - | - | 87,575 | - | - | - |
| Equipment and vehicles | 1,031,831 | 126,771 | 2,162,356 | - | 831,465 | - |
| Construction in progress | - | - | - | - | - | - |
| Lease asset | - | - | - | - | - | - |
| Subscription asset | - | - | 254,496 | - | - | - |
| Less: accumulated depreciation/amortization | <u>(1,040,659)</u> | <u>(101,243)</u> | <u>(2,106,476)</u> | <u>-</u> | <u>(640,716)</u> | <u>-</u> |
| Total noncurrent assets | <u>23,263</u> | <u>25,528</u> | <u>397,951</u> | <u>-</u> | <u>190,749</u> | <u>-</u> |
| Total assets | <u>3,230,630</u> | <u>280,776</u> | <u>1,640,999</u> | <u>10,565,431</u> | <u>615,144</u> | <u>(12,731)</u> |
| Deferred Outflows | | | | | | |
| Other post employment benefits | 49,820 | - | 48,040 | - | 2,808 | 2,682 |
| Pensions | 195,327 | - | 356,930 | - | 27,387 | 18,445 |
| Total assets and deferred outflows | <u>\$ 3,475,777</u> | <u>\$ 280,776</u> | <u>\$ 2,045,969</u> | <u>\$ 10,565,431</u> | <u>\$ 645,339</u> | <u>\$ 8,396</u> |

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2024
(Page 2 of 4)

| | Radio Communications Fund | Facilities Management Fund | Public Works Administration Fund | Public Works Engineering Fund | Total Internal Service Funds |
|---|--|---|---|--|---|
| Assets | | | | | |
| Cash and cash equivalents | \$ 439,044 | \$ 2,050,122 | \$ 674,209 | \$ 98,039 | \$ 10,113,263 |
| Restricted cash and cash equivalents with | | | | | |
| Investments | 502,284 | 2,328,444 | 777,417 | 106,542 | 11,570,584 |
| Receivables: | | | | | |
| Accounts and unbilled usage | - | (2,527) | - | 79,575 | 75,844 |
| Accrued interest | 6,253 | 28,317 | 9,247 | 1,103 | 137,877 |
| Delinquent Special Assessments | - | - | - | 14,649 | 14,649 |
| Lease Receivable | - | 46,123 | 5,459 | - | 51,582 |
| Inventories | - | - | - | - | 883,259 |
| Prepaid items | - | - | - | - | - |
| Total current assets | 947,581 | 4,450,479 | 1,466,332 | 299,908 | 22,847,058 |
| Noncurrent assets: | | | | | |
| Lease Receivable | - | 50,988 | 36,760 | - | 87,748 |
| Land | - | 2,005,383 | - | - | 2,005,383 |
| Buildings | 385,655 | 8,963,489 | - | - | 9,381,235 |
| Improvements other than buildings | 19,692 | 2,723,601 | - | - | 2,830,868 |
| Equipment and vehicles | 3,896,291 | 630,581 | 85,522 | 439,484 | 9,204,301 |
| Construction in progress | - | 15,833 | - | - | 15,833 |
| Lease asset | - | - | - | 1,136,499 | 1,136,499 |
| Subscription Asset | - | - | - | - | 254,496 |
| Less: accumulated depreciation/amortization | (4,339,151) | (6,451,410) | (68,990) | (864,433) | (15,613,078) |
| Total noncurrent assets | (37,513) | 7,938,465 | 53,292 | 711,550 | 9,303,285 |
| Total assets | 910,068 | 12,388,944 | 1,519,624 | 1,011,458 | 32,150,343 |
| Deferred Outflows | | | | | |
| Other post employment benefits | - | 15,241 | 25,257 | 57,350 | 201,198 |
| Pensions | - | 97,713 | 292,267 | 409,261 | 1,397,330 |
| Total assets and deferred outflows | \$ 910,068 | \$ 12,501,898 | \$ 1,837,148 | \$ 1,478,069 | \$ 33,748,871 |

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2024
(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 | \$ 225,704 | \$ 4,968 | \$ 84,306 | \$ 225,269 | \$ 7,586 | \$ 6,991 |
| Accrued wages and benefits | 38,412 | - | 52,370 | - | 4,378 | 2,872 |
| Due to other funds | - | - | - | - | - | 217,596 |
| Compensated absences | 177,375 | - | 205,122 | - | 18,825 | 33,051 |
| Incurred but not reported health benefits | - | - | - | 1,402,000 | - | - |
| Lease liability | - | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | - | - |
| Total current liabilities | 441,491 | 4,968 | 341,798 | 1,627,269 | 30,789 | 260,510 |
| Noncurrent liabilities: | | | | | | |
| Compensated absences | 58,697 | - | 67,880 | - | 6,230 | 10,937 |
| Other post employment benefits | 223,535 | - | 233,235 | - | 15,754 | 13,150 |
| Net pension liability | 1,177,265 | - | 2,151,274 | - | 165,065 | 111,173 |
| Lease liability | - | - | - | - | - | - |
| Subscription Liability | - | - | 85,328 | - | - | - |
| Total noncurrent liabilities | 1,459,497 | - | 2,537,717 | - | 187,049 | 135,260 |
| Total liabilities | 1,900,988 | 4,968 | 2,879,515 | 1,627,269 | 217,838 | 395,770 |
| Deferred Inflows | | | | | | |
| Other post employment benefits | 39,363 | - | 40,975 | - | 2,194 | 2,161 |
| Leases | - | - | - | - | - | - |
| Pensions | 41,990 | - | 76,731 | - | 5,887 | 3,965 |
| Total deferred inflows of resources | 81,353 | - | 117,706 | - | 8,081 | 6,126 |
| Net Position | | | | | | |
| Net investment in capital assets | 23,263 | 25,528 | 312,623 | - | 190,749 | - |
| Restricted for: | | | | | | |
| Unrestricted | 1,470,173 | 250,280 | (1,263,875) | 8,938,162 | 228,671 | (393,500) |
| Total net position | 1,493,436 | 275,808 | (951,252) | 8,938,162 | 419,420 | (393,500) |
| Total liabilities, deferred inflows, and net position | \$ 3,475,777 | \$ 280,776 | \$ 2,045,969 | \$ 10,565,431 | \$ 645,339 | \$ 8,396 |

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2024
(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 | \$ 2,209 | \$ 275,098 | \$ 15,691 | \$ 12,883 | \$ 860,705 |
| Accrued wages and benefits | - | 17,658 | 49,093 | 65,166 | 229,949 |
| Due to other funds | - | - | - | - | 217,596 |
| Compensated absences | - | 66,818 | 237,761 | 365,991 | 1,104,943 |
| Incurred but not reported health benefits | - | - | - | - | 1,402,000 |
| Lease liability | - | - | - | 160,862 | 160,862 |
| Unearned Revenue | - | - | - | 14,599 | 14,599 |
| Total current liabilities | 2,209 | 359,574 | 302,545 | 619,501 | 3,990,654 |
| Noncurrent liabilities: | | | | | |
| Compensated absences | - | 22,111 | 78,680 | 121,114 | 365,649 |
| Other post employment benefits | - | 75,729 | 135,545 | 263,666 | 960,614 |
| Net pension liability | - | 588,932 | 1,761,538 | 2,466,686 | 8,421,933 |
| Lease liability | - | - | - | 501,101 | 501,101 |
| Subscription Liability | - | - | - | - | 85,328 |
| Total noncurrent liabilities | - | 686,772 | 1,975,763 | 3,352,567 | 10,334,625 |
| Total liabilities | 2,209 | 1,046,346 | 2,278,308 | 3,972,068 | 14,325,279 |
| Deferred Inflows | | | | | |
| Other post employment benefits | - | 12,207 | 14,238 | 46,102 | 157,240 |
| Leases | - | 96,706 | 41,964 | - | 138,670 |
| Pensions | - | 21,006 | 62,830 | 87,981 | 300,390 |
| Total deferred inflows of resources | - | 129,919 | 119,032 | 134,083 | 596,300 |
| Net Position | | | | | |
| Net investment in capital assets | (37,513) | 7,887,477 | 16,532 | 210,449 | 8,629,108 |
| Restricted for: | | | | | |
| Unrestricted | 945,372 | 3,438,156 | (576,724) | (2,838,531) | 10,198,184 |
| Total net position | 907,859 | 11,325,633 | (560,192) | (2,628,082) | 18,827,292 |
| Total liabilities, deferred inflows, and net position | \$ 910,068 | \$ 12,501,898 | \$ 1,837,148 | \$ 1,478,069 | \$ 33,748,871 |

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

(Page 1 of 2)

| | <u>Fleet Services Fund</u> | <u>Central Service Fund</u> | <u>Information Technology Fund</u> | <u>City Health Insurance Fund</u> | <u>Central Telephone Services Fund</u> | <u>Property Insurance Fund</u> |
|---|--------------------------------|---------------------------------|--|---|--|--|
| Operating revenues: | | | | | | |
| Charges for services and use of facilities | \$ 3,568,869 | \$ 106,639 | \$ 3,492,546 | \$ 13,995,845 | \$ 461,832 | \$ 3,770,947 |
| Operating expenses: | | | | | | |
| Salaries and benefits | 1,354,844 | - | 2,422,166 | 52,500 | 191,272 | 126,764 |
| Supplies | 49,190 | 12,964 | 704,085 | - | 538 | - |
| Contracted services | 223,700 | 78,317 | 275,847 | 15,340,168 | 20,704 | - |
| Utilities | 8,556 | - | 48,599 | - | 204,701 | - |
| Other | 1,043,812 | (2) | 34,125 | 95,369 | 2,355 | 3,582,837 |
| Depreciation/Amortization | 6,517 | 15,384 | 170,348 | - | 66,738 | - |
| Total operating expenses | 2,686,619 | 106,663 | 3,655,170 | 15,488,037 | 486,308 | 3,709,601 |
| Operating income (loss) | 882,250 | (24) | (162,624) | (1,492,192) | (24,476) | 61,346 |
| Nonoperating revenues (expenses): | | | | | | |
| Taxes | - | - | - | - | - | - |
| Intergovernmental | 30,565 | - | 55,852 | - | 4,286 | 2,886 |
| Interest expense | - | - | (3,687) | - | - | - |
| Lease interest | - | - | - | - | - | - |
| Interest and investment income | 121,372 | 12,363 | 59,203 | 526,951 | 19,292 | 7,371 |
| Gain (loss) on sale of capital assets | - | - | - | - | - | - |
| Other | 31,204 | 104 | 59,178 | (1,159) | 29 | 8,402 |
| Total nonoperating revenue (expense) | 183,141 | 12,467 | 170,546 | 525,792 | 23,607 | 18,659 |
| Income (loss) before capital contributions and transfers | 1,065,391 | 12,443 | 7,922 | (966,400) | (869) | 80,005 |
| Transfers in | - | - | 2,000 | - | - | - |
| Transfers out | (165,192) | - | (2,500) | - | - | - |
| Change in net position | 900,199 | 12,443 | 7,422 | (966,400) | (869) | 80,005 |
| Net position, beginning of year, as previously reported | 593,237 | 263,365 | (958,674) | 9,904,562 | 420,289 | (473,505) |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - | - | - |
| Net position, beginning, as restated | 593,237 | 263,365 | (958,674) | 9,904,562 | 420,289 | (473,505) |
| Net position, end of year | \$ 1,493,436 | \$ 275,808 | \$ (951,252) | \$ 8,938,162 | \$ 419,420 | \$ (393,500) |

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

(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 | \$ 333,516 | \$ 2,290,609 | \$ 3,166,856 | \$ 3,252,435 | \$ 34,440,094 |
| Operating expenses: | | | | | |
| Salaries and benefits | - | 862,162 | 2,209,378 | 2,726,101 | 9,945,187 |
| Supplies | 14 | 64,399 | 41,710 | 49,723 | 922,623 |
| Contracted services | 10,288 | 2,336,655 | 861,198 | 498,593 | 19,645,470 |
| Utilities | 16,871 | 452,494 | 4,956 | 40,100 | 776,277 |
| Other | - | 72,615 | 20,925 | 133,587 | 4,985,623 |
| Depreciation | 110,301 | 369,135 | 5,023 | 181,742 | 925,189 |
| Total operating expenses | 137,474 | 4,157,460 | 3,143,190 | 3,629,846 | 37,200,368 |
| Operating income (loss) | 196,042 | (1,866,851) | 23,666 | (377,411) | (2,760,274) |
| Nonoperating revenues (expenses): | | | | | |
| Taxes | - | - | - | 96,529 | 96,529 |
| Intergovernmental | - | 15,290 | 45,734 | 64,041 | 218,654 |
| Interest expense | - | 20,125 | - | (3,723) | 12,715 |
| Lease interest | - | 629 | - | - | 629 |
| Interest and investment income | 42,779 | 196,541 | 64,487 | 6,517 | 1,056,876 |
| Gain (loss) on sale of capital assets | - | 32 | - | - | 32 |
| Other | 490 | 2,111,373 | 483 | 439 | 2,210,543 |
| Total nonoperating revenue (expense) | 43,269 | 2,343,990 | 110,704 | 163,803 | 3,595,978 |
| Income (loss) before capital contributions and transfers | 239,311 | 477,139 | 134,370 | (213,608) | 835,704 |
| Transfers in | - | 356,894 | - | - | 358,894 |
| Transfers out | - | (6,600) | - | - | (174,292) |
| Change in net position | 239,311 | 827,433 | 134,370 | (213,608) | 1,020,306 |
| Net position, beginning of year, as previously reported | 668,548 | 10,498,200 | (694,562) | (2,414,474) | 17,806,986 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - | - |
| Net position, beginning, as restated | 668,548 | 10,498,200 | (694,562) | (2,414,474) | 17,806,986 |
| Net position, end of year | \$ 907,859 | \$ 11,325,633 | \$ (560,192) | \$ (2,628,082) | \$ 18,827,292 |

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024
(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 | \$ 3,568,869 | \$ 106,639 | \$ 3,492,546 | \$ 13,996,988 | \$ 461,832 | \$ 3,770,947 |
| Cash received from other sources | 31,204 | 104 | 59,178 | (1,159) | 29 | 8,402 |
| Cash paid to employees for services | (1,471,258) | - | (2,362,726) | (52,500) | (181,652) | (122,225) |
| Cash paid to suppliers and contracted services | <u>(1,768,511)</u> | <u>(93,167)</u> | <u>(1,017,593)</u> | <u>(15,034,037)</u> | <u>(226,898)</u> | <u>(3,642,030)</u> |
| Net cash provided (used) by operating activities | <u>360,304</u> | <u>13,576</u> | <u>171,405</u> | <u>(1,090,708)</u> | <u>53,311</u> | <u>15,094</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Cash received from tax revenues | - | - | - | - | - | - |
| Cash received from intergovernmental revenues | 30,565 | - | 55,852 | - | 4,286 | 2,886 |
| Transfers from other funds | <u>-</u> | <u>-</u> | <u>2,000</u> | <u>-</u> | <u>-</u> | <u>(24,016)</u> |
| Net cash provided (used) by noncapital financing activities | <u>30,565</u> | <u>-</u> | <u>57,852</u> | <u>-</u> | <u>4,286</u> | <u>(21,130)</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Acquisition and construction of capital assets | (1) | - | (67,087) | - | - | - |
| Proceeds from sales of capital assets | 70,000 | - | - | - | - | - |
| Cash paid for interest | - | - | (3,687) | - | - | - |
| Proceeds from bonds | - | - | (83,505) | - | - | - |
| Principal paid on bonds, notes and leases payable | - | - | - | - | - | - |
| Transfers to other funds | <u>(165,192)</u> | <u>-</u> | <u>(2,500)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided (used) by capital and related financing activities | <u>(95,193)</u> | <u>-</u> | <u>(156,779)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities: | | | | | | |
| Cash received from interest | (185,028) | (11,364) | (58,657) | 354,847 | (36,828) | 8,093 |
| Sale of investments | 1,285,148 | 151,554 | 732,930 | 7,070,779 | 234,773 | - |
| Purchase of investments | <u>(1,307,510)</u> | <u>(153,876)</u> | <u>(744,137)</u> | <u>(7,173,319)</u> | <u>(238,362)</u> | <u>(2,057)</u> |
| Net cash provided (used) by investing activities | <u>(207,390)</u> | <u>(13,686)</u> | <u>(69,864)</u> | <u>252,307</u> | <u>(40,417)</u> | <u>6,036</u> |
| Net increase (decrease) in cash and cash equivalents | 88,286 | (110) | 2,614 | (838,401) | 17,180 | (0) |
| Cash and cash equivalents, beginning of year | <u>984,814</u> | <u>118,372</u> | <u>571,683</u> | <u>5,728,322</u> | <u>179,089</u> | <u>-</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,073,100</u> | <u>\$ 118,262</u> | <u>\$ 574,297</u> | <u>\$ 4,889,921</u> | <u>\$ 196,269</u> | <u>\$ (0)</u> |
| Cash and cash equivalents consists of: | | | | | | |
| Cash and cash equivalents | \$ 1,073,100 | \$ 118,262 | \$ 574,297 | \$ 4,889,921 | \$ 196,269 | \$ - |
| Restricted cash and cash equivalents with fiscal agent | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,073,100</u> | <u>\$ 118,262</u> | <u>\$ 574,297</u> | <u>\$ 4,889,921</u> | <u>\$ 196,269</u> | <u>\$ -</u> |

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024
(Page 2 of 4)

| | Radio Communications Fund | Facilities Management Fund | Public Works Administration Fund | Public Works Engineering Fund | Total Internal Service Funds |
|--|---------------------------------|----------------------------------|--|-------------------------------------|---------------------------------------|
| Cash flows from operating activities: | | | | | |
| Cash received from customers and users | \$ 333,516 | \$ 2,293,136 | \$ 3,166,856 | \$ 3,313,655 | \$ 34,504,984 |
| Cash received from other sources | 490 | 2,111,373 | 483 | 439 | 2,210,543 |
| Cash paid to employees for services | - | (720,663) | (2,058,450) | (2,728,793) | (9,698,267) |
| Cash paid to suppliers and contracted services | (27,139) | (2,976,653) | (906,219) | (705,169) | (26,397,416) |
| Net cash provided (used) by operating activities | 306,867 | 707,193 | 202,670 | (119,868) | 619,844 |
| Cash flows from noncapital financing activities: | | | | | |
| Cash received from tax revenues | - | - | - | 96,529 | 96,529 |
| Cash received from intergovernmental revenues | - | 15,290 | 45,734 | 64,041 | 218,654 |
| Transfers from other funds | - | 356,894 | - | - | 334,878 |
| Net cash provided (used) by noncapital financing activities | - | 372,184 | 45,734 | 160,570 | 650,061 |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition and construction of capital assets | (67,290) | (0) | 1 | (23,367) | (157,745) |
| Proceeds from sales of capital assets | - | 32 | - | - | 70,032 |
| Cash paid for interest | - | 17,759 | - | (3,723) | 10,349 |
| Proceeds from bonds | - | - | - | - | (83,505) |
| Principal paid on bonds, notes and leases payable | - | (230,782) | - | (321,025) | (551,807) |
| Transfers to other funds | - | (6,600) | - | - | (174,292) |
| Net cash provided (used) by capital and related financing activities | (67,290) | (219,591) | 1 | (348,115) | (886,968) |
| Cash flows from investing activities: | | | | | |
| Cash received from interest | (137,302) | (490,843) | (134,503) | 65,965 | (625,619) |
| Sale of investments | 471,071 | 2,351,831 | 800,311 | 204,360 | 13,302,757 |
| Purchase of investments | (478,823) | (2,386,783) | (811,902) | (205,480) | (13,502,249) |
| Net cash provided (used) by investing activities | (145,054) | (525,795) | (146,094) | 64,845 | (825,111) |
| Net increase (decrease) in cash and cash equivalents | 94,523 | 333,991 | 102,311 | (242,568) | (442,174) |
| Cash and cash equivalents, beginning of year | 344,521 | 1,766,490 | 608,658 | 179,745 | 10,481,694 |
| Cash and cash equivalents, end of year | <u>\$ 439,044</u> | <u>\$ 2,100,481</u> | <u>\$ 710,969</u> | <u>\$ (62,823)</u> | <u>\$ 10,039,520</u> |
| Cash and cash equivalents consists of: | | | | | |
| Cash and cash equivalents | \$ 439,044 | \$ 2,050,122 | \$ 674,209 | \$ 98,039 | \$ 10,113,263 |
| Restricted cash and cash equivalents with fiscal agent | - | - | - | - | - |
| Cash and cash equivalents, end of year | <u>\$ 439,044</u> | <u>\$ 2,050,122</u> | <u>\$ 674,209</u> | <u>\$ 98,039</u> | <u>\$ 10,113,263</u> |

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024
(Page 3 of 4)

| | Fleet | Central | Information | City Health | Central | Property |
|---|-------------------|------------------|--------------------|-----------------------|------------------|------------------|
| | Services | Service | Technology | Insurance | Telephone | Insurance |
| | Fund | Fund | Fund | Fund | Services | Fund |
| | Fund | Fund | Fund | Fund | Fund | Fund |
| Reconciliation of operating income to net cash | | | | | | |
| provided (used) by operating activities: | | | | | | |
| Operating income (loss) | \$ 882,250 | \$ (24) | \$ (162,624) | \$ (1,492,192) | \$ (24,476) | \$ 61,346 |
| Other nonoperating income (expense) | 31,204 | 104 | 59,178 | (1,159) | 29 | 8,402 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation expense | 6,517 | 15,384 | 170,348 | - | 66,738 | - |
| (Increase) decrease in receivables | - | - | - | 1,143 | - | - |
| (Increase) decrease in inventories | (579,058) | - | - | - | - | - |
| (Increase) decrease in prepaid items | - | - | - | - | - | - |
| Increase (decrease) in accounts payable | 135,805 | (1,888) | 45,063 | 107,500 | 1,400 | (59,193) |
| Increase (decrease) in accrued liabilities | (116,414) | - | 59,440 | 294,000 | 9,620 | 4,539 |
| Net cash provided (used) by operating activities | <u>\$ 360,304</u> | <u>\$ 13,576</u> | <u>\$ 171,405</u> | <u>\$ (1,090,708)</u> | <u>\$ 53,311</u> | <u>\$ 15,094</u> |
| Noncash investing, capital and financing activities: | | | | | | |
| Increase (decrease) in investment market value | 293,767 | 22,452 | 112,066 | 124,046 | 54,008 | 0 |

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024
(Page 4 of 4)

| | Radio | Facilities | Public Works | Public Works | Total |
|---|-------------------|-------------------|-------------------|---------------------|-------------------|
| | Communications | Management | Administration | Engineering | Internal |
| | Fund | Fund | Fund | Fund | Service |
| | | | | | Funds |
| Reconciliation of operating income to net cash | | | | | |
| provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ 196,042 | \$ (1,866,851) | \$ 23,666 | \$ (377,411) | \$ (2,760,274) |
| Other nonoperating income (expense) | 490 | 2,111,373 | 483 | 439 | 2,210,543 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation expense | 110,301 | 369,135 | 5,023 | 181,742 | 925,189 |
| (Increase) decrease in receivables | - | 53,110 | 36,219 | 61,220 | 151,692 |
| (Increase) decrease in inventories | - | - | - | - | (579,058) |
| (Increase) decrease in prepaid items | - | - | - | 15,177 | 15,177 |
| Increase (decrease) in accounts payable | 34 | (101,073) | (13,649) | 1,657 | 115,656 |
| Increase (decrease) in accrued liabilities | - | 141,499 | 150,928 | (2,692) | 540,920 |
| Net cash provided (used) by operating activities | <u>\$ 306,867</u> | <u>\$ 707,193</u> | <u>\$ 202,670</u> | <u>\$ (119,868)</u> | <u>\$ 619,845</u> |
| Noncash investing, capital and financing activities: | | | | | |
| Increase (decrease) in investment market value | 174,920 | 664,632 | 191,693 | (60,109) | 1,577,474 |

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

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, 2024

| | Downtown Business Improvement District | Tourism Business Improvement District | License Plate Fund | Total Fiduciary Funds |
|--|---|--|-------------------------------|----------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 56,690 | \$ 336,551 | \$ 163 | \$ 393,404 |
| Investments | 65,495 | 388,818 | 189 | 454,502 |
| Receivables: | | | | |
| Delinquent special assessments | 34,143 | 108,310 | - | 142,453 |
| Total Receivables | 156,328 | 833,679 | 352 | 990,359 |
| Investments | | | | |
| Total assets | <u>\$ 156,328</u> | <u>\$ 833,679</u> | <u>\$ 352</u> | <u>\$ 990,359</u> |
| Liabilities, Deferred Inflows and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 122,185 | \$ 725,369 | \$ - | \$ 847,554 |
| Total liabilities | 122,185 | 725,369 | - | 847,554 |
| Deferred inflows: | | | | |
| Deferred Revenue | \$ 34,143 | \$ 108,310 | \$ - | \$ 142,453 |
| Individuals, organizations, and other governments | - | - | - | - |
| | - | - | 352 | 352 |
| Total Net Position | <u>-</u> | <u>-</u> | <u>352</u> | <u>352</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 156,328</u> | <u>\$ 833,679</u> | <u>\$ 352</u> | <u>\$ 990,359</u> |

CITY OF BILLINGS, MONTANA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

| | Downtown Business Improvement District | Tourism Business Improvement District | License Plate Fund | Total Fiduciary Funds |
|--|---|--|-------------------------------|----------------------------------|
| Investments earnings: | | | | |
| Tax collections for other governments | \$ - | \$ - | \$ 5,088 | \$ 5,088 |
| Special Assessments collections for other organizations | 502,946 | 1,622,967 | - | 2,125,913 |
| Total Additions | 502,946 | 1,622,967 | 5,088 | 2,131,001 |
| Deductions: | | | | |
| Payments made to organizations | 502,946 | 1,622,967 | 5,088 | 2,131,001 |
| Total Deductions | 502,946 | 1,622,967 | 5,088 | 2,131,001 |
| Net increase (decrease) in fiduciary net position | - | - | - | - |
| Net position - beginning of year, as previously reported | - | - | 352 | 352 |
| Restatement - accounting changes and/or error corrections (see Note) | - | - | - | - |
| Net position, beginning, as restated | - | - | 352 | 352 |
| Net position, end of year | \$ - | \$ - | \$ 352 | \$ 352 |

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.

Contents

Pages

Financial Trends

207-214

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

215-219

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

212-229

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.

Demographic and Economic Information

230-232

These schedules offer demographic and economic indicators to help the reader understand the environment within the City of Billings.

Operating Information

233-236

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.

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

| | Fiscal Year | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Governmental activities | | | | | | | | | | |
| Net invested in capital assets | \$ 173,274 | \$ 201,511 | \$ 208,499 | \$ 213,236 | \$ 219,975 | \$ 226,975 | \$ 223,844 | \$ 258,020 | \$ 272,196 | \$ 299,929 |
| Restricted | 61,917 | 62,749 | 53,672 | 64,435 | 57,055 | 60,518 | 73,990 | 75,217 | 88,796 | 90,945 |
| Unrestricted | <u>25,416</u> | <u>5,297</u> | <u>11,293</u> | <u>1,067</u> | <u>2,785</u> | <u>3,218</u> | <u>15,919</u> | <u>(2,252)</u> | <u>(7,352)</u> | <u>(7,626)</u> |
| Total governmental activities net position | <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> | <u>\$ 353,640</u> | <u>\$ 383,248</u> |
| Business-type activities | | | | | | | | | | |
| Net invested in capital assets | \$ 337,910 | \$ 353,451 | \$ 309,890 | \$ 325,091 | \$ 372,952 | \$ 414,790 | \$ 443,663 | \$ 479,578 | \$ 505,791 | \$ 481,632 |
| Restricted | 7,412 | 4,930 | 55,101 | 28,198 | 26,771 | 15,154 | 5,256 | 5,256 | 5,256 | 5,256 |
| Unrestricted | <u>60,588</u> | <u>73,261</u> | <u>87,687</u> | <u>117,362</u> | <u>90,415</u> | <u>88,095</u> | <u>103,340</u> | <u>104,642</u> | <u>118,036</u> | <u>193,782</u> |
| Total business-type activities net position | <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> | <u>\$ 629,083</u> | <u>\$ 680,670</u> |
| Primary government | | | | | | | | | | |
| Net invested in capital assets | \$ 511,184 | \$ 554,962 | \$ 518,389 | \$ 538,327 | \$ 592,927 | \$ 641,765 | \$ 667,507 | \$ 737,598 | \$ 777,987 | \$ 781,561 |
| Restricted | 69,329 | 67,679 | 108,773 | 92,633 | 83,826 | 75,672 | 79,246 | 80,473 | 94,052 | 96,201 |
| Unrestricted | <u>86,004</u> | <u>78,558</u> | <u>98,980</u> | <u>118,429</u> | <u>93,200</u> | <u>91,313</u> | <u>119,259</u> | <u>102,390</u> | <u>110,684</u> | <u>186,156</u> |
| Total primary government net position | <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> | <u>\$ 982,723</u> | <u>\$ 1,063,918</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 | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 9,533 | \$ 8,166 | \$ 8,801 | \$ 9,167 | \$ 8,679 | \$ 10,597 | \$ 12,206 | \$ 11,115 | \$ 13,174 | \$ 13,568 |
| Public safety | 43,085 | 43,855 | 45,516 | 52,599 | 39,965 | 55,230 | 63,498 | 59,187 | 68,799 | 74,573 |
| Public works | 31,320 | 32,695 | 38,203 | 37,156 | 40,942 | 42,401 | 40,603 | 40,097 | 40,965 | 43,719 |
| Public health | 1,059 | 957 | 1,002 | 1,038 | 1,449 | 1,188 | 1,413 | 1,124 | 1,137 | 1,680 |
| Culture and recreation | 11,212 | 10,867 | 11,269 | 11,458 | 17,397 | 11,924 | 15,224 | 13,514 | 13,499 | 15,955 |
| Housing and economic development | 4,612 | 4,475 | 5,890 | 5,338 | 4,984 | 4,068 | 5,201 | 4,121 | 4,342 | 5,879 |
| Interest on long-term debt | <u>2,779</u> | <u>2,939</u> | <u>2,775</u> | <u>2,830</u> | <u>2,560</u> | <u>2,514</u> | <u>3,709</u> | <u>1,959</u> | <u>2,478</u> | <u>2,910</u> |
| Total governmental activities expenses | <u>103,600</u> | <u>103,954</u> | <u>113,456</u> | <u>119,586</u> | <u>115,976</u> | <u>127,922</u> | <u>141,854</u> | <u>131,117</u> | <u>144,394</u> | <u>158,284</u> |
| Business-type activities: | | | | | | | | | | |
| Solid waste | 11,823 | 11,988 | 12,117 | 13,753 | 14,163 | 15,117 | 16,548 | 20,863 | 23,255 | 20,254 |
| Airport | 12,616 | 12,538 | 12,907 | 14,067 | 13,088 | 12,930 | 12,519 | 12,526 | 12,930 | 13,317 |
| Water | 17,652 | 18,534 | 19,534 | 20,673 | 20,096 | 21,138 | 21,712 | 22,194 | 23,631 | 25,958 |
| Wastewater | 12,314 | 12,953 | 14,750 | 14,975 | 15,751 | 16,550 | 18,895 | 19,690 | 19,988 | 21,246 |
| Parking | 2,538 | 2,425 | 2,401 | 2,503 | 2,431 | 2,371 | 2,671 | 2,687 | 2,547 | 2,482 |
| Transit | 6,170 | 5,715 | 5,667 | 5,993 | 6,146 | 6,263 | 6,610 | 6,982 | 7,314 | 8,655 |
| Golf course | <u>436</u> | <u>450</u> | <u>478</u> | <u>435</u> | <u>466</u> | <u>407</u> | <u>465</u> | <u>520</u> | <u>701</u> | <u>567</u> |
| Total business-type activities expenses | <u>63,549</u> | <u>64,603</u> | <u>67,854</u> | <u>72,399</u> | <u>72,141</u> | <u>74,776</u> | <u>79,420</u> | <u>85,462</u> | <u>90,366</u> | <u>92,479</u> |
| Total primary government expenses | <u>\$ 167,149</u> | <u>\$ 168,557</u> | <u>\$ 181,310</u> | <u>\$ 191,985</u> | <u>\$ 188,117</u> | <u>\$ 202,698</u> | <u>\$ 221,274</u> | <u>\$ 219,026</u> | <u>\$ 234,760</u> | <u>\$ 250,763</u> |

(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 | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 2,855 | \$ 3,286 | \$ 3,414 | \$ 3,560 | \$ 3,439 | \$ 3,046 | \$ 3,668 | \$ 4,000 | \$ 3,898 | \$ 3,908 |
| Public safety | 5,857 | 5,627 | 5,200 | 5,166 | 5,362 | 5,917 | 6,488 | 7,001 | 6,976 | 7,118 |
| Public works | 23,271 | 24,763 | 25,476 | 27,892 | 29,006 | 30,012 | 31,006 | 31,376 | 32,055 | 34,387 |
| Culture and recreation | 42 | 50 | 48 | 56 | 48 | 46 | 40 | 39 | 26 | 60 |
| Other activities | 2,326 | 2,472 | 2,411 | 2,301 | 2,492 | 2,378 | 2,563 | 2,640 | 2,764 | 2,878 |
| Operating grants and contributions | 16,554 | 11,713 | 12,034 | 18,856 | 7,914 | 21,723 | 36,640 | 21,155 | 27,617 | 20,595 |
| Capital grants and contributions | <u>7,884</u> | <u>9,568</u> | <u>11,036</u> | <u>7,118</u> | <u>6,060</u> | <u>11,358</u> | <u>12,692</u> | <u>11,288</u> | <u>16,321</u> | <u>14,751</u> |
| Total governmental activities program revenues | <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>77,499</u> | <u>89,657</u> | <u>83,697</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Solid waste | 13,925 | 13,888 | 14,715 | 15,407 | 15,474 | 16,791 | 17,679 | 18,909 | 19,980 | 21,698 |
| Airport | 9,536 | 9,915 | 10,078 | 12,356 | 12,887 | 11,153 | 10,269 | 11,547 | 12,995 | 15,074 |
| Water | 24,740 | 25,914 | 24,686 | 27,995 | 25,326 | 26,201 | 31,512 | 31,525 | 31,777 | 33,113 |
| Wastewater | 18,469 | 18,915 | 19,798 | 19,518 | 23,970 | 20,971 | 22,716 | 23,628 | 23,570 | 24,398 |
| Other activities | 2,752 | 2,496 | 2,675 | 2,856 | 3,002 | 2,669 | 2,872 | 3,293 | 3,717 | 3,946 |
| Operating grants and contributions | 2,195 | 3,894 | 4,024 | 3,721 | 1,462 | 7,003 | 8,381 | 13,745 | 12,672 | 14,989 |
| Capital grants and contributions | <u>4,366</u> | <u>12,326</u> | <u>9,163</u> | <u>3,745</u> | <u>3,170</u> | <u>12,143</u> | <u>17,216</u> | <u>18,237</u> | <u>16,161</u> | <u>15,387</u> |
| Total business-type activities program revenues | <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> | <u>120,872</u> | <u>128,605</u> |
| Total primary government program revenues | <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> | <u>\$ 210,529</u> | <u>\$ 212,302</u> |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (45,165) | \$ (55,977) | \$ (53,837) | \$ (54,637) | \$ (61,655) | \$ (53,442) | \$ (48,757) | \$ (53,558) | \$ (54,737) | \$ (74,587) |
| Business-type activities | <u>11,380</u> | <u>19,494</u> | <u>17,285</u> | <u>13,199</u> | <u>13,150</u> | <u>22,155</u> | <u>31,225</u> | <u>35,422</u> | <u>30,506</u> | <u>36,126</u> |
| Total primary government | <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> | <u>\$ (24,231)</u> | <u>\$ (38,461)</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 | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 32,198 | \$ 36,636 | \$ 37,269 | \$ 38,684 | \$ 39,670 | \$ 41,000 | \$ 45,107 | \$ 49,898 | \$ 55,308 | \$ 67,525 |
| Franchise fees | 3,808 | 3,946 | 3,833 | 3,852 | 1,458 | 1,300 | 1,480 | 1,238 | 1,234 | 1,165 |
| Business license tax | 759 | 755 | 763 | 762 | 766 | 786 | 759 | 701 | 738 | 719 |
| Unrestricted federal/state shared revenue | 15,550 | 15,878 | 16,408 | 17,139 | 18,109 | 19,198 | 19,688 | 20,327 | 18,699 | 25,726 |
| Unrestricted investment earnings | 196 | 332 | 228 | 428 | 2,314 | 1,725 | 177 | (1,541) | 2,783 | 5,976 |
| Gain on sale of property and equipment | 949 | (2,212) | 267 | 140 | 58 | 242 | 20 | (9) | 58 | 278 |
| Miscellaneous | 221 | 194 | 144 | (783) | 441 | 372 | 4,839 | 762 | 866 | 2,940 |
| Transfers | <u>(4,144)</u> | <u>(101)</u> | <u>(502)</u> | <u>(309)</u> | <u>(85)</u> | <u>(282)</u> | <u>(270)</u> | <u>(199)</u> | <u>(596)</u> | <u>(80)</u> |
| Total governmental activities | <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> | <u>79,090</u> | <u>104,249</u> |
| Business-type activities: | | | | | | | | | | |
| Property taxes | 1,865 | 1,981 | 2,054 | 2,230 | 2,264 | 2,351 | 2,397 | 2,508 | 2,568 | 2,649 |
| Unrestricted federal/state shared revenue | 421 | - | - | - | - | - | - | - | - | - |
| Unrestricted investment earnings | 445 | 752 | 657 | 1,498 | 3,596 | 2,537 | 254 | (1,815) | 3,145 | 11,472 |
| Gain on sale of property and equipment | 61 | - | 28 | 24 | 170 | 19 | 26 | (16) | - | (293) |
| Miscellaneous | 353 | 153 | 835 | 711 | 219 | 556 | 629 | 1,191 | 2,645 | 1,613 |
| Transfers | <u>4,144</u> | <u>101</u> | <u>502</u> | <u>309</u> | <u>85</u> | <u>282</u> | <u>270</u> | <u>62</u> | <u>565</u> | <u>80</u> |
| Total business-type activities | <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> | <u>8,923</u> | <u>15,521</u> |
| Total primary government | <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> | <u>\$ 88,013</u> | <u>\$ 119,770</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (6,440) | \$ 1,591 | \$ 3,773 | \$ (1,742) | \$ 9,289 | \$ 10,899 | \$ 23,043 | \$ 17,619 | \$ 24,353 | \$ 29,662 |
| Business-type activities | <u>26,783</u> | <u>20,272</u> | <u>17,275</u> | <u>17,922</u> | <u>28,489</u> | <u>27,900</u> | <u>34,801</u> | <u>37,352</u> | <u>39,429</u> | <u>51,647</u> |
| Total primary government net position | <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> | <u>\$ 63,782</u> | <u>\$ 81,309</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 | Property Tax | Business License Tax | Total |
|--------------------|-------------------------|-------------------------------------|--------------|
| 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 |
| 2023 | 58,948 | 738 | 59,686 |
| 2024 | 67,525 | 719 | 68,244 |

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>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| General Fund | | | | | | | | | | |
| Unspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | 9,952 | 10,638 | 11,651 | 11,858 | 12,723 | 12,289 | 12,198 | 11,826 | 11,210 | 13,159 |
| Unassigned | <u>14,928</u> | <u>16,553</u> | <u>16,621</u> | <u>15,860</u> | <u>9,676</u> | <u>10,108</u> | <u>21,259</u> | <u>(247)</u> | <u>1,545</u> | <u>(1,495)</u> |
| Total | <u>\$24,880</u> | <u>\$27,191</u> | <u>\$28,272</u> | <u>\$27,718</u> | <u>\$22,399</u> | <u>\$22,397</u> | <u>\$33,457</u> | <u>\$ 11,579</u> | <u>\$ 12,755</u> | <u>\$ 11,664</u> |
| All other governmental funds | | | | | | | | | | |
| Unspendable | \$ 760 | \$ 800 | \$ 808 | \$ 859 | \$ 906 | \$ 902 | \$ 897 | \$ 940 | \$ 956 | \$ 1,024 |
| Restricted | 72,549 | 71,238 | 72,033 | 63,728 | 63,182 | 67,110 | 81,019 | 84,665 | 98,295 | 102,563 |
| Committed | 10,817 | 10,258 | 9,022 | 10,709 | 9,242 | 11,532 | 15,031 | 15,399 | 13,597 | 10,971 |
| Unassigned | <u>(396)</u> | <u>(275)</u> | <u>(118)</u> | <u>(23)</u> | <u>(246)</u> | <u>(267)</u> | <u>(501)</u> | <u>(841)</u> | <u>(66)</u> | <u>(1,337)</u> |
| Total | <u>\$83,730</u> | <u>\$82,021</u> | <u>\$81,745</u> | <u>\$75,273</u> | <u>\$73,084</u> | <u>\$79,277</u> | <u>\$96,446</u> | <u>\$100,163</u> | <u>\$112,782</u> | <u>\$113,221</u> |

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 | | | | | | | | | |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Revenues | | | | | | | | | | |
| Taxes | \$ 33,763 | \$ 37,286 | \$ 37,213 | \$ 38,619 | \$ 39,787 | \$ 41,210 | \$ 45,944 | \$ 47,385 | \$ 56,374 | \$ 66,575 |
| Licenses and permits | 6,984 | 6,879 | 6,596 | 6,456 | 4,074 | 4,507 | 4,743 | 5,162 | 4,702 | 4,125 |
| Intergovernmental | 28,279 | 30,061 | 28,991 | 30,225 | 32,132 | 39,945 | 47,680 | 43,660 | 48,546 | 52,882 |
| Charges for services | 11,966 | 13,144 | 13,565 | 14,613 | 15,654 | 15,436 | 16,853 | 17,522 | 17,492 | 18,429 |
| Fines and forfeitures | 2,079 | 1,964 | 1,754 | 1,838 | 1,751 | 1,471 | 1,782 | 1,471 | 1,384 | 1,724 |
| Special assessments | 22,303 | 22,515 | 22,921 | 24,319 | 24,874 | 25,246 | 26,899 | 27,640 | 29,274 | 27,558 |
| Other | 3,247 | 3,569 | 4,200 | 4,097 | 4,308 | 3,526 | 3,256 | 738 | 4,177 | 8,892 |
| Total revenues | <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> | <u>161,949</u> | <u>180,185</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 7,869 | 8,074 | 8,331 | 8,859 | 9,499 | 9,705 | 10,052 | 11,251 | 12,079 | 17,040 |
| Public safety | 43,924 | 45,669 | 47,106 | 50,111 | 53,168 | 54,248 | 57,627 | 58,930 | 64,701 | 71,176 |
| Public works | 18,472 | 19,059 | 21,862 | 21,926 | 23,207 | 24,213 | 22,267 | 24,035 | 22,585 | 23,769 |
| Public health | 843 | 856 | 821 | 854 | 964 | 931 | 965 | 926 | 934 | 1,234 |
| Culture and recreation | 8,374 | 8,920 | 8,201 | 8,911 | 10,384 | 9,526 | 10,452 | 10,946 | 11,486 | 12,494 |
| Housing and economic development | 4,423 | 4,418 | 5,718 | 5,217 | 4,582 | 3,975 | 4,841 | 4,126 | 4,258 | 5,768 |
| Capital outlay | 18,893 | 25,726 | 14,445 | 17,818 | 26,544 | 16,531 | 19,673 | 39,570 | 29,235 | 60,163 |
| Debt service: | | | | | | | | | | |
| Principal | 9,157 | 4,322 | 4,801 | 11,481 | 3,896 | 4,028 | 4,461 | 12,837 | 4,264 | 4,585 |
| Interest and fiscal charges | 2,492 | 2,551 | 2,734 | 2,951 | 2,530 | 2,541 | 2,520 | 2,528 | 2,427 | 2,611 |
| Bond issuance costs | 464 | 136 | 69 | 28 | 75 | 15 | 176 | 175 | 156 | 499 |
| Total expenditures | <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> | <u>152,125</u> | <u>199,339</u> |
| Excess of revenues over (under) expenditures | <u>\$ (6,290)</u> | <u>\$ (4,313)</u> | <u>\$ 1,152</u> | <u>\$ (7,989)</u> | <u>\$ (12,269)</u> | <u>\$ 5,628</u> | <u>\$ 14,123</u> | <u>\$ (21,746)</u> | <u>\$ 9,824</u> | <u>\$ (19,154)</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 | | | | | | | | | |
|---|----------------------|--------------------|--------------------|-----------------------|-----------------------|---------------------|----------------------|------------------------|----------------------|---------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | \$ 28,504 | \$ 26,615 | \$ 28,252 | \$ 34,501 | \$ 33,474 | \$ 27,990 | \$ 17,514 | \$ 56,898 | \$ 40,765 | \$ 28,802 |
| Transfers out | (29,094) | (27,194) | (29,023) | (35,098) | (33,950) | (28,812) | (18,014) | (57,390) | (41,518) | (29,049) |
| Issuance of debt | 6,270 | - | - | - | 3,465 | 285 | 2,516 | 4,000 | - | 16,697 |
| Special assessment bonds issued | 18,655 | 5,375 | 226 | 1,415 | 1,625 | 857 | 10,925 | 76 | 4,711 | 1,300 |
| Premium on bonds issued | 1,130 | - | - | - | 95 | - | 1,112 | - | - | 644 |
| Bond discounts | (61) | - | - | - | - | - | - | - | (15) | - |
| Sale of capital assets | <u>1,852</u> | <u>119</u> | <u>267</u> | <u>140</u> | <u>58</u> | <u>243</u> | <u>55</u> | <u>-</u> | <u>29</u> | <u>173</u> |
| Total other financing sources (uses) | <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> | <u>3,972</u> | <u>18,567</u> |
| Net change in fund balances | <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> | <u>\$ 13,796</u> | <u>\$ (587)</u> |
| Debt service as a percentage of noncapital expenditures | 12.1% | 7.3% | 7.6% | 13.1% | 5.9% | 6.0% | 6.2% | 12.2% | 5.4% | 5.2% |

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 Tax | Business License Tax | Total |
|--------------------|-------------------------|-------------------------------------|--------------|
| 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 |
| 2023 | 56,374 | 738 | 57,112 |
| 2024 | 66,575 | 719 | 67,294 |

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 | | |
| 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% |
| 2023 | 13,999,552,034 | 227,313,276 | 257,795,255 | 4,112,801 | 14,257,347,289 | 231,426,077 | 211.00 | 1.6% |
| 2024 | 17,697,584,344 | 277,618,987 | 313,136,658 | 5,062,732 | 18,010,721,002 | 282,681,719 | 206.57 | 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 | | |
|---------------|-----------------------------|-----------------------------|---------------------|-----------------------------|---------------|---------------------------|-----------------|-------------------------------|--------------------|------------------|-------------------|--------------|
| | Public | | General | | School | | Economic | | Development | | Direct and | |
| Year | General ³ | Library ³ | Safety | Transit ³ | Bonds | Total ² | County | Education ¹ | District | Authority | State | Total |
| 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 |
| 2023 | 74.00 | 5.00 | 114.00 ⁶ | 10.00 | 8.00 | 211.00 | 126.39 | 102.50 | 251.54 | 3.37 | 40.56 | 735.36 |
| 2024 | 73.10 | 4.27 | 114.00 | 8.53 | 6.67 | 206.57 | 112.25 | 102.50 | 215.51 | 3.01 | 38.53 | 678.37 |

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

⁶ Voters approved 34 mills for PS III

CITY OF BILLINGS, MONTANA
Principal Property Taxpayers
June 30, 2024 and Ten Years Ago
(Unaudited)

| Taxpayer | Tax Year 2023 | | | Tax Year 2014 | | |
|----------------------------|----------------------|------|-----------------------------------|----------------------|------|-----------------------------------|
| | Taxable Value | Rank | Percentage of Total Taxable Value | Taxable Value | Rank | Percentage of Total Taxable Value |
| Northwestern Energy | \$ 11,288,656 | 1 | 4.0% | \$ 7,894,315 | 1 | 4.7% |
| Montana Dakota Utilities | 5,015,012 | 2 | 1.8% | 2,518,340 | 3 | 1.5% |
| Charter Communications | 2,642,784 | 3 | 0.9% | - | | 0.0% |
| Verizon Wireless | 979,877 | 4 | 0.3% | 928,229 | 5 | 0.6% |
| Lumen Technologies | 824,544 | 5 | 0.3% | - | | 0.0% |
| Wal-Mart/Sam's Real Estate | 798,681 | 6 | 0.3% | 875,909 | 7 | 0.5% |
| AT&T Mobility | 780,710 | 7 | 0.3% | 881,177 | 6 | 0.5% |
| RSS WFCM | 732,966 | 8 | 0.3% | - | | 0.0% |
| Billings 401 LLC | 607,331 | 9 | 0.2% | - | | 0.0% |
| Scheels All Sports Inc | 596,544 | 10 | 0.2% | - | | 0.0% |
| Rimrock Owner LP | - | | 0.0% | 618,560 | 8 | 0.4% |
| United Airlines | - | | 0.0% | 502,370 | 9 | 0.3% |
| Stockman Bank | - | | 0.0% | 448,519 | 10 | 0.3% |
| Century Link LLC | - | | 0.0% | 2,373,247 | 4 | 1.4% |
| Bresnan Broadband | - | | 0.0% | 2,535,803 | 2 | 1.5% |
| Total | <u>\$ 24,267,105</u> | | <u>8.6%</u> | <u>\$ 19,576,469</u> | | <u>11.7%</u> |
| Total taxable value | \$ 282,681,719 | | | \$ 166,858,266 | | |

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 | |
| 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 |
| 2023 | 46,158,070 | 44,198,787 | 95.8% | 1,230,167 | 45,428,954 | 98.4% | 1,959,283 |
| 2024 | 54,705,707 | 52,863,717 | 96.6% | 2,025,377 | 54,889,094 | 100.3% | 1,841,990 |

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 Incremental Bonds | Special Assessment Bonds | Intercap Notes Payable | Notes Payable | Leases Payable |
| 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 |
| 2023 | 11,692 | 29,077 | 20,772 | 2,370 | - | 231 |
| 2024 | 10,051 | 35,457 | 20,291 | 11,966 | - | - |

| Fiscal Year | Business-Type Activities | | | | | | | | | |
|-------------|--------------------------|--------------------------|--------------------------------|-------------------------------------|---------------------------|-----------------------|-----------------------|--------------------------|-------------------------------|------------|
| | Revenue Bonds Airport | Revenue Bonds Wastewater | Rev Bonds/ Notes Payable Water | Rev Bonds/ Notes Payable Wastewater | Revenue Bonds Solid Waste | Lease Payable Parking | Lease Payable Airport | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2015 | 10,437 | - | 28,446 | 16,514 | - | 2,942 | 1,120 | 134,437 | 2.90% | 1.22 |
| 2016 | 9,559 | - | 30,049 | 15,506 | - | 2,818 | 1,045 | 142,588 | 2.81% | 1.29 |
| 2017 | 8,473 | 63,305 | 28,264 | 14,503 | - | 2,687 | 968 | 196,637 | 3.78% | 1.79 |
| 2018 | 7,348 | 59,980 | 28,257 | 13,470 | - | 2,551 | 886 | 180,291 | 3.30% | 1.65 |
| 2019 | 6,184 | 58,532 | 24,199 | 12,408 | 23,338 | 2,409 | 799 | 196,376 | 3.45% | 1.79 |
| 2020 | 4,977 | 56,684 | 22,085 | 11,318 | 23,271 | 2,261 | 709 | 186,324 | 3.15% | 1.70 |
| 2021 | 3,899 | 54,797 | 19,917 | 10,197 | 22,503 | 2,106 | 614 | 188,540 | 2.84% | 1.61 |
| 2022 | 3,639 | 52,845 | 17,692 | 9,043 | 21,701 | 1,944 | - | 171,254 | 2.44% | 1.46 |
| 2023 | 3,374 | 50,833 | 15,407 | 7,855 | 20,859 | 1,774 | - | 164,244 | 3.41% | 1.39 |
| 2024 | 3,599 | 48,436 | 13,061 | 6,635 | 19,976 | 1,597 | - | 171,069 | 3.32% | 1.42 |

Source: City of Billings, Montana

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 Service Funds ⁴ | Net | Percentage of Estimated Actual Taxable Value of Property | Net Bonded Debt Per Capita |
|------------------------|--------------------------------|---------------------------------------|--|---|------------|---|---|
| 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 |
| 2023 | 118,288 | 221,061,478 | 11,691,699 | 1,675,943 | 10,015,756 | 4.5% | 84.67 |
| 2024 | 122,077 | 269,766,883 | 10,051,400 | 1,708,443 | 8,342,957 | 3.1% | 68.34 |

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, 2024
(Unaudited)

| Governmental Unit | Debt Outstanding | Percent Applicable to City ² | Estimated Share of Overlapping Debt |
|--|----------------------------------|--|--|
| Overlapping: | | | |
| Yellowstone County | \$ 7,004,733 ¹ | 55.89% | \$ 3,914,945 |
| School Districts | | | |
| School District #2 | \$ 110,262,502 ¹ | 44.63% | \$ 49,210,155 |
| Elder Grove SD #4 | 14,485,000 ¹ | 0.17% | \$ 24,625 |
| Elysian SD #23 | 10,130,000 ¹ | 4.99% | \$ 505,487 |
| <u>Independent SD #52</u> | <u>1,200,000 ¹</u> | <u>0.37%</u> | <u>\$ 4,440</u> |
| Total School Districts | 136,077,502 | | 49,744,706 |
| Total Overlapping Debt | <u>\$ 143,082,235</u> | | <u>\$ 53,659,651</u> |
| Direct: | | | |
| City of Billings | | | |
| General Obligation | \$ 10,051,400 | | |
| Tax Increment | 35,457,439 | | |
| Special Assesment | 20,291,014 | | |
| Intercap Notes | 11,965,576 | | |
| <u>Lease</u> | <u>-</u> | | |
| Total Direct Debt | <u>\$ 77,765,429</u> | 100.0% | <u>\$ 77,765,429</u> |
| Total Direct and Overlapping Debt | <u>\$ 220,847,664</u> | | <u>\$ 131,425,080</u> |

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>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Debt limit | \$ 158,762 | \$ 289,112 | \$ 291,981 | \$ 311,783 | \$ 313,872 | \$ 331,727 | \$ 334,985 | \$ 352,553 | \$ 356,427 | \$ 447,608 |
| Total net debt applicable to limit | <u>23,326</u> | <u>27,260</u> | <u>32,622</u> | <u>23,758</u> | <u>21,887</u> | <u>20,014</u> | <u>23,865</u> | <u>11,624</u> | <u>10,016</u> | <u>8,343</u> |
| Legal debt margin | <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> | <u>\$ 346,411</u> | <u>\$ 439,265</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 14.69% | 9.43% | 11.17% | 7.62% | 6.97% | 6.03% | 7.12% | 3.30% | 2.81% | 1.86% |

Legal Debt Margin Calculation for Fiscal Year 2024

| | |
|---|--------------------------|
| Assessed market value: | |
| Real property | \$ 17,359,598,815 |
| Personal property | 206,729,285 |
| Utilities | <u>337,985,529</u> |
| Total assessed value | <u>\$ 17,904,313,629</u> |
| Debt amount limited to 2.5% of total assessed value | \$447,607,841 |
| Less: | |
| General obligation bonded debt outstanding | 10,051,400 |
| Total net debt applicable to limit | 10,051,400 |
| Plus: | |
| Amount set aside for repayment of GO debt | <u>1,708,443</u> |
| Total net debt applicable to limit | <u>11,759,843</u> |
| Legal debt margin | <u>\$439,264,884</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 | |
| 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% |
| 2023 | 57,320,902 | 25,985,450 | 31,335,452 | 5,128,000 | 2,469,158 | 7,597,158 | 412% |
| 2024 | 65,545,624 | 26,356,000 | 39,189,624 | 5,309,000 | 5,282,074 | 10,591,074 | 370% |

Source: City of Billings, Montana

¹ Includes operating revenue and interest income.

² Total operating expenses exclusive of depreciation.

³ During FY2024 WATER Revenue Bonds were issued for the West-end Reservoir. Prin Payments will begin in FY2025.

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 not to exceed | Less: Operating Expense ² | Net Revenue Available for Debt Service | Debt Service Requirements | | | | | | | | Total | Coverage |
|----------------|-------------------------------|------------------------------|--|--|---------------------------|------------------------|--------------------|-------------------|--------------------|-------------------|--|--|--------------|----------|
| | | 2020B Debt Serv | | | 2000/2010A Principal | 2000/2010A Interest | 2020A Principal | 2020A Interest | 2020B Principal | 2020B Interest | | | | |
| 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 ^{3,4} | 670,000 | 16,750 | - | - | 320,000 | 170,644 | | | 1,177,394 | 404% |
| 2022 | 9,657,638 | 359,830 | 7,754,996 | 2,262,472 ^{3,4} | - | - | - | 22,896 | 260,000 | 99,830 | | | 382,726 | 591% |
| 2023 | 11,547,039 | 353,358 | 8,579,018 | 3,321,379 ^{3,4} | - | - | - | 23,820 | 265,000 | 88,358 | | | 377,178 | 881% |
| 2024 | 14,258,198 | 359,150 | 8,858,402 | 5,758,946 ^{3,4} | - | - | - | 34,323 | 275,000 | 84,150 | | | 393,473 | 1464% |

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 In FY 2021, Airport series 2010B revenue bonds were refunded for the CFC project. The CFC bonds are now 2020 B Series.

⁴ Also, In FY 2021, Airport series 2020A revenue bond draws began for the new terminal. Interest will be paid starting in FY22 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 | |
| 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% |
| 2023 | 1,571,834 | 792,293 | 402,347 | 1,194,640 | 131.6% |
| 2024 | 1,596,457 | 1,108,284 | 435,586 | 1,543,870 | 103.4% |

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 | |
| 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% |
| 2023 | 5,414,985 | 2,761,168 | 2,653,817 | 615,000 | 381,319 | 996,319 | 266.4% |
| 2024 | 5,907,870 | 5,718,025 | 189,845 | 640,000 | 362,810 | 1,002,810 | 18.9% |

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
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | Gross¹ Revenue | Less: | Net Revenue | Debt Service Requirements³ | | | Coverage |
|------------------------|--------------------------------------|--|---------------------------------------|--|-----------------------------|--------------|-----------------|
| | | Operating Expense² | Available for Debt Service | Principal | Interest⁴ | Total | |
| 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% |
| 2023 | 2,445,370 | 1,670,098 | 775,272 | 169,457 | 86,323 | 255,780 | 303% |
| 2024 | 2,553,097 | 1,550,990 | 1,002,107 | 177,091 | 78,689 | 255,780 | 392% |

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 lease for Parking was refinanced in FY2013. The debt service requirements will decrease in subsequent years.

⁴ The 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 | | | Coverage |
|------------------------|---------------------------------------|---|---|---|------------------------------|--------------|-----------------|
| | | | | Principal | Interest ⁴ | Total | |
| 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 | 808,400 | 1,543,400 | 373% |
| 2023 | 22,660,968 | 18,029,104 | 4,631,864 | 775,000 | 770,650 | 1,545,650 | 300% |
| 2024 | 22,709,685 | 16,056,510 | 6,653,175 | 815,000 | 730,900 | 1,545,900 | 430% |

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 | | Total Personal | | Per Capita | | School | Unemployment |
|---------------|--------------------------------|----------------------------|--|-------------------------------------|--------------------------------|--------------------------------|--------------------------|
| Year | Population ¹ | Income ⁵ | | Personal Income ⁵ | Median Age ² | Enrollment ³ | Rate ⁴ |
| | | <i>(In thousands)</i> | | | | | |
| 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% |
| 2023 | 118,288 | 7,213,675 | | 60,984 | 37.6 | 17,000 | 2.8% |
| 2024 | 120,864 | 7,727,923 | | 63,939 | 37.7 | 22,400 | 3.3% |

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)

| | 2021 |
|------------------------|--|
| Employer | <u>Number of Employees ¹</u> |
| 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)

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|
| General government | 84.6 | 84.6 | 85.9 | 88.9 | 86.9 | 92.4 | 93.6 | 111.9 | 115.0 | 116.0 |
| Planning and community services | 38.8 | 39.5 | 40.3 | 44.6 | 42.1 | 42.1 | 42.8 | 42.2 | 43.5 | 47.8 |
| Library | 31.9 | 31.8 | 32.8 | 32.8 | 32.8 | 32.8 | 32.8 | 33.8 | 34.8 | 37.8 |
| Public safety | | | | | | | | | | |
| Police | 166.0 | 167.3 | 173.3 | 170.3 | 171.3 | 177.3 | 177.3 | 201.8 | 201.8 | 214.3 |
| 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 | 4.0 | 4.0 |
| Fire | 146.5 | 147.1 | 157.1 | 156.8 | 158.8 | 159.8 | 159.8 | 175.3 | 175.3 | 181.3 |
| Emergency Operating Center | - | - | - | - | 0.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| Streets/Traffic | 45.0 | 47.0 | 47.0 | 48.0 | 48.0 | 48.0 | 48.0 | 51.0 | 56.0 | 56.0 |
| Water and Wastewater | 103.0 | 103.0 | 104.1 | 104.0 | 103.0 | 97.0 | 97.1 | 98.0 | 100.1 | 98.8 |
| Sanitation | 64.5 | 63.5 | 63.5 | 63.5 | 64.5 | 67.0 | 69.0 | 73.0 | 86.0 | 86.0 |
| Parking | 12.0 | 12.0 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 13.0 | 11.0 | 10.0 |
| Aviation | 56.0 | 56.0 | 55.6 | 54.4 | 54.4 | 54.4 | 54.7 | 56.2 | 57.2 | 57.2 |
| Transit | 55.3 | 55.3 | 55.7 | 55.9 | 55.9 | 55.9 | 55.6 | 59.3 | 64.3 | 68.3 |
| Internal services | <u>75.0</u> | <u>78.0</u> | <u>77.0</u> | <u>78.0</u> | <u>79.0</u> | <u>88.8</u> | <u>89.1</u> | <u>95.1</u> | <u>97.9</u> | <u>100.9</u> |
| Total | <u>885.6</u> | <u>892.1</u> | <u>911.8</u> | <u>916.7</u> | <u>920.5</u> | <u>940.3</u> | <u>944.6</u> | <u>1,022.9</u> | <u>1,055.2</u> | <u>1,086.7</u> |

Source: City of Billings Annual Budget

City of Billings
Operating Indicators by Activity
Last Ten Years
(Unaudited)

| Activity | Report Period¹ | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|--------------------------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police | | | | | | | | | | | |
| Dispatched Calls | FY | 68,817 | 78,484 | 88,447 | 95,214 | 92,912 | 96,080 | 94,532 | 83,668 | 90,079 | 89,769 |
| Arrests | CY | 10,064 | 11,942 | 12,084 | 11,011 | 11,026 | 10,299 | 11,538 | 11,035 | 9,939 | 14,606 |
| Traffic Violations | CY | 15,460 | 17,068 | 24,463 | 23,973 | 27,149 | 22,609 | 17,871 | 20,519 | 17,367 | 20,106 |
| Traffic Accidents | CY | 3,845 | 2,518 | 2,521 | 2,395 | 2,610 | 2,318 | 1,772 | 2,465 | 2,395 | 2,391 |
| Fire | | | | | | | | | | | |
| Dispatched Calls | FY | Not Available ² | 13,263 | 13,880 | 14,441 | 15,810 | 16,264 | 18,365 | 17,803 | 19,625 | 17,795 |
| Inspections | CY | 2,027 | 1,043 | 2,516 | 1,058 | 1,497 | 942 | 729 | 857 | 1,026 | 453 |
| Solid Waste | | | | | | | | | | | |
| Residential Customers | FY | 35,623 | 31,721 | 31,874 | 32,055 | 32,413 | 32,845 | 33,182 | 33,637 | 33,871 | 34,160 |
| Commercial Customers | FY | 2,900 | 2,559 | 2,624 | 2,603 | 2,586 | 2,591 | 2,641 | 2,667 | 2,691 | 3,501 |
| Landfill trips | FY | 146,635 | 140,007 | 154,894 | 151,795 | 174,773 | 177,850 | 127,053 | 112,203 | 163,561 | 161,531 |
| Water | | | | | | | | | | | |
| Customers | FY | 30,326 | 30,651 | 30,311 | 31,435 | 32,811 | 32,674 | 32,948 | 33,197 | 32,683 | 33,159 |
| Average Daily Consumption (millions of gallons) | FY | 21 | 21.5 | 21.3 | 22 | 19 | 21 | 23.1 | 22.2 | 23.3 | 22.0 |
| Wastewater | | | | | | | | | | | |
| Customers | FY | 33,894 | 34,292 | 34,543 | 35,302 | 35,292 | 35,667 | 35,937 | 36,385 | 36,718 | 36,992 |
| Average Daily Treatment (millions of gallons) | FY | 16 | 15 | 16 | 18.7 | 19 | 22 | 18.9 | 20.6 | 18.7 | 19.1 |

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)

| Date of Incorporation - 1882 | Report Period¹ | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Form of Government - Council/Administrator | | | | | | | | | | | |
| Area in Square Miles | FY | 42.5 | 43.0 | 42.9 | 43.0 | 43.0 | 44.8 | 44.5 | 44.7 | 45.2 | 45.5 |
| Activity | | | | | | | | | | | |
| Public Safety | | | | | | | | | | | |
| Police | | | | | | | | | | | |
| Stations | FY | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police Officers | FY | 141.4 | 142 | 150 | 145 | 154* | 182 | 154 | 157 | 160 | 167 |
| Fire | | | | | | | | | | | |
| Stations | FY | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 |
| Firefighters/Officers/Dispatchers | FY | 145.1 | 144.8 | 153.8 | 155.8 | 155.8 | 156.5 | 156.5 | 160.6 | 172.5 | 149.0 |
| Streets | | | | | | | | | | | |
| Streets (miles) | CY | 537.8 | 545.1 | 545.6 | 545.6 | 545.6 | 633.0** | 559.1 | 560.5 | 564.7 | 574.3 |
| Streetlights | FY | 8,376 | 8,480 | 8,202 | 8,533 | 8,796 | 8,691 | 8,881 | 8,847 | 8,858 | 8,851 |
| Street Light Maintenance Districts | FY | 187 | 192 | 185 | 194 | 193 | 194 | 197 | 197 | 198 | 197 |
| City Parks | | | | | | | | | | | |
| Developed Acres | FY | 1,183 | 1,201 | 1,204 | 1,204 | 1,223 | 1,223 | 1,223 | 1,255 | 1,255 | 1,268 |
| Undeveloped Acres | FY | 290 | 282 | 279 | 279 | 268 | 268 | 268 | 248 | 248 | 246 |
| Natural Park Acres | FY | 1,107 | 1,167 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,203 |
| Parking | | | | | | | | | | | |
| Garages | FY | 3 | 4 | 4 | 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)

| | <u>Report</u> <u>Period</u>¹ | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Water | | | | | | | | | | | |
| Water Mains (miles) | FY | 476 | 468 | 481 | 487 | 492 | 484 | 487 | 499 | 497 | 499 |
| Fire Hydrants | FY | 4,392 | 4,405 | 4,211 | 4,517 | 4,645 | 4,670 | 4,717 | 4,801 | 4,871 | 4,894 |
| Maximum Daily Capacity (millions of gallons) | FY | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 65 |
| Wastewater | | | | | | | | | | | |
| Storm Sewers (miles) | FY | 232.0 | 219 | 264 | 270 | 272 | 276 | 279 | 283 | 291 | 294 |
| Sanitary Sewers (miles) | FY | 497 | 495 | 499 | 502 | 507 | 510 | 513 | 519 | 524 | 528 |
| Maximum Daily Capacity (millions of gallons) | FY | 26 | 26 | 26 | 26 | 30 | 30 | 30 | 65 | 32 | 32 |

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)

| Fiscal Year | Construction ¹ | | Residential ² | | Bank Deposits (in thousands) ³ | Property Value ⁴ |
|-------------|---------------------------|-------------|--------------------------|-------------|--|-----------------------------|
| | Commercial | Value | Number of Permits | Value | | |
| | Number of Permits | | | | | |
| 2015 | 76 | 75,258,982 | 419 | 100,954,761 | 4,886,513 | 6,350,470,915 |
| 2016 | 84 | 79,697,699 | 503 | 93,464,621 | 4,904,589 | 11,626,879,232 |
| 2017 | 67 | 78,801,883 | 294 | 69,702,982 | 5,019,961 | 11,743,014,785 |
| 2018 | 55 | 59,259,933 | 308 | 71,519,348 | 5,169,216 | 12,470,840,779 |
| 2019 | 69 | 67,294,314 | 304 | 77,974,865 | 5,207,328 | 12,559,773,345 |
| 2020 | 74 | 53,986,705 | 264 | 70,830,904 | 6,093,106 | 13,269,068,603 |
| 2021 | 60 | 33,288,129 | 432 | 119,913,110 | 6,842,613 | 13,399,393,317 |
| 2022 | 101 | 169,188,108 | 409 | 116,444,427 | 7,763,109 | 14,102,107,396 |
| 2023 | 78 | 135,103,595 | 223 | 68,296,256 | 7,345,496 | 14,257,070,989 |
| 2024 | 75 | 77,831,167 | 209 | 71,729,546 | 7,470,256 | 18,009,985,939 |

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

**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, 2024, 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 February 19, 2025.

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
February 19, 2025

**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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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
February 19, 2025

SINGLE AUDIT SECTION

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024
(Page 1 of 5)

| <u>Federal Grantor</u> | <u>Federal AL 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-19-MC-30-0001 | | \$ - | \$ 649,979 | \$ 13,780 |
| Grant Entitlement B-20-MC-30-0001 | | - | 657,719 | 12,467 |
| Grant Entitlement B-21-MC-30-0001 | | - | 654,649 | 117,473 |
| Grant Entitlement B-22-MC-30-0001 | | - | 648,400 | 695,551 |
| Grant Entitlement B-23-MC-30-0001 | | - | 623,918 | 611,868 |
| COVID-19 CDBG CV | 14.218 | | | |
| Grant Entitlement B-20-MW-30-0001 | | - | 909,126 | 222,038 |
| AL Subtotal of 14.218 Federal Awards | | - | 4,143,791 | 1,673,177 |
| Home Investment Partnerships Program: | 14.239 | | | |
| Grant Entitlement M 22 MC 300213 | | - | 372,752 | 5,801 |
| Grant Entitlement M 23 MC 300213 | | - | 378,085 | 153,568 |
| COVID-19 HOME ARP Investment Partnership Program | 14.239 | | | |
| Grant Entitlement M21-MO-30-0213 | | - | 1,211,321 | 58,820 |
| AL Subtotal of 14.239 Federal Awards | | - | 1,962,158 | 218,189 |
| <u>Corporation for National and Community Service</u> | | | | |
| AmeriCorps VISTA - VISTA State Support Grant | 94.013 | | | |
| 21VSMT001 / 22VS244326 | | - | 85,000 | 85,000 |
| AL Subtotal of 94.013 Federal Awards | | - | 85,000 | 85,000 |
| <u>U.S. Department of Transportation</u> | | | | |
| Airport Improvement Program: | 20.106 | | | |
| AIP3-30-0008-064-2020 | | - | 283,788 | 225 |
| AIP3-30-0008-077-2023 | | - | 6,693,860 | 5,092,585 |
| AIP3-30-0008-078-2023 | | - | 2,690,845 | 2,690,845 |
| AIP3-30-0008-079-2023 | | - | 777,418 | 777,418 |
| AIP3-30-0008-080-2023 | | - | 1,144,220 | 1,058,495 |
| COVID-19 Airport Improvement Program | 20.106 | | | |
| AIP3-30-0008-074-2021 ARPA | | - | 6,142,967 | 2,030,137 |
| AL Subtotal of 20.106 Federal Awards | | - | 17,733,098 | 11,649,705 |

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024
(Page 2 of 5)

| <u>Federal Grantor</u> | <u>Federal AL 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- Small Urban Formula Op Grant MT-2024-001-00 | | - | 2,617,672 | 2,617,672 |
| Federal Transit Capital & Ops Assistance Formula Grants | 20.507 | | | |
| FTA Section 5307 Small Urban Formula- Op Grant MT-2024-007-00 | | - | 2,490,065 | 1,943,855 |
| AL Subtotal of 20.507 Federal Awards | | - | 5,107,737 | 4,561,527 |
| Federal Transit Metropolitan Planning Grants | 20.526 | | | |
| FTA Section 5339-Capital-Small Urban Capital Projects Grant | | - | 213,497 | 501 |
| FTA Section 5339b-Capital Competitive Grant-Bus & Bus Facilities | | | 1,956,955 | 1,954,030 |
| FTA Section 5339c-Capital Competitive Grant- Low Emissions | | - | 3,871,249 | 460,600 |
| AL subtotal of 20.526 Federal Awards | | - | 6,041,701 | 2,415,131 |
| Federal Transit Cluster subtotal | | - | 11,149,438 | 6,976,658 |
| Federal Transit Metropolitan Planning Grants | 20.505 | | | |
| FTA Section 5303-Operating-Passed Through the State of Montana Contract # 113180 | | | 189,020 | 189,020 |
| FTA Section 5303-Operating-Passed Through the State of Montana Contract # 112678 | | - | 266,495 | 27,938 |
| AL subtotal of 20.505 Federal Awards | | - | 455,515 | 216,958 |
| Federal Transit Metropolitan Planning Grants | 20.513 | | | |
| FTA Section 5310-Capital Passed Through the state of Montana Contracts #113226-227, #113465-466 | | - | 407,229 | 407,229 |
| AL subtotal of 20.513 Federal Awards | | - | 407,229 | 407,229 |
| Federal Transit Services Program Cluster subtotal | | - | 407,229 | 407,229 |
| <i>Highway Planning and Construction Cluster</i> | | | | |
| State and Community Highway Safety: | 20.600 | | | |
| Passed through the State of Montana: | | | | |
| Contract #112823-MDT-FFY2024 | | - | 17,000 | 9,953 |
| Contract #111885-MDT-FFY2022 | | - | 15,000 | 7,838 |
| AL subtotal of 20.600 Federal Awards | | - | 32,000 | 17,790 |

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024
(Page 3 of 5)

| <u>Federal Grantor</u> | <u>Federal AL Number</u> | <u>Passed Through to Subrecipients</u> | <u>Program Amount or Grant Award</u> | <u>Expenditures</u> |
|---|-------------------------------------|---|---|----------------------------|
| Federal Railroad Administration Traspasing Grant | 20.325 | | | |
| Railroad Trespassing Enforcement - FR-CRS-0166 | | - | 120,000 | 42,034 |
| AL subtotal of 20.325 Federal Awards | | - | 120,000 | 42,034 |
| <u>U.S. Department of Transportation (continued)</u> | | | | |
| Highway Planning and Construction: | 20.205 | | | |
| Passed through the State of Montana | | | | |
| Metropolitan Planning Funds SPR-PL-1 (57) Contract #110611 | | - | 920,704 | 920,704 |
| AL subtotal of 20.205 Federal Awards | | - | 920,704 | 920,704 |
| Federal Highway Administration | 20.219 | | | |
| Passed through the State of Montana | | | | |
| FWP-Recreational Trails Program - FY2023 Contract # RTP2304-001 | | - | 106 | 106 |
| FWP-Recreational Trails Program - FY2022 Contract # RTP2202-002 | | - | 4,290 | 4,290 |
| AL subtotal of 20.219 Federal Awards | | - | 4,396 | 4,396 |
| State Homeland Security Program | 20.703 | | | |
| HMEP-BILFD SafetyOff | | - | 51,280 | 3,756 |
| AL subtotal of 20.703 Federal Awards | | - | 51,280 | 3,756 |
| BUILD Grant 2020 | 20.933 | | | |
| Northwest Billings Connector and Marathon Trail | | - | 11,656,765 | 5,385,815 |
| AL subtotal of 20.933 Federal Awards | | - | 11,656,765 | 5,385,815 |
| <u>U.S. Department of Interior</u> | | | | |
| Historic Preservation Fund Grants-In-Aid: | 15.904 | | | |
| Passed through the Montana Historic Society; | | | | |
| MT-23-011 | | - | 23,300 | 13,000 |
| AL subtotal of 15.904 Federal Awards | | - | 23,300 | 13,000 |
| LWCF-Land & Water Conservation Fund Grant | 15.916 | | | |
| Passed through Montana Fish Wildlife and Parks; | | | | |
| P20AP00471 30-00761 | | - | 394,588 | 394,588 |
| AL subtotal of 15.916 Federal Awards | | - | 394,588 | 394,588 |

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024
(Page 4 of 5)

| <u>Federal Grantor</u> | <u>Federal AL Number</u> | <u>Passed Through to Subrecipients</u> | <u>Program Amount or Grant Award</u> | <u>Expenditures</u> |
|---|------------------------------|--|--|---------------------|
| <u>U.S. Department of Justice</u> | | | | |
| Bureau of Justice Assistance | 16.838 | | | |
| COSSAP 2020-AR-BX-0091 | | - | 900,000 | 281,258 |
| AL subtotal of 16.838 Federal Awards | | - | 900,000 | 281,258 |
| Equitable Sharing Program | 16.922 | | | |
| Asset Forfeiture | | - | 41,252 | 41,252 |
| AL subtotal of 16.922 Federal Awards | | - | 41,252 | 41,252 |
| Billings Adult Misdemeanor Treatment Court-DUI Grant | 16.585 | | | |
| 15PBJA-21-GG-04260-DGCT | | - | 549,956 | 110,473 |
| AL subtotal of 16.585 Federal Awards | | - | 549,956 | 110,473 |
| <u>U.S. Department of Justice (continued)</u> | | | | |
| Violence Against Women Formula Grants passed through | 16.588 | | | |
| State of Montana Board of Crime Control | | | | |
| Domestic Violence Investigator 23-W02-1486 | | - | 55,443 | 12,780 |
| Domestic Violence Investigator 24-W02-1797 | | - | 59,582 | 22,557 |
| Domestic Violence Prosecution Unit VOCA V01-765 | | - | 240,000 | 171,047 |
| Domestic Violence Unit VAWA 23-W03-1481 | | - | 85,177 | 88,032 |
| AL subtotal of 16.588 Federal Awards | | - | 440,202 | 294,416 |
| Project Safe Neighborhoods | 16.609 | | | |
| #24-001-1747 | | - | 45,185 | 23,185 |
| AL subtotal of 16.609 Federal Awards | | - | 45,185 | 23,185 |
| Justice Assistance Grants: | 16.738 | | | |
| 2021 JAG 15PBJA21GG01627JAGX | | - | 105,725 | 14,766 |
| 2022 JAG 15PBJA-22-GG-02116-JAGX | | 14,832 | 123,669 | 24,379 |
| 2023 15PBJA-23-GG-03583-JAGX | | 9,177 | 152,772 | 9,975 |
| AL subtotal of 16.738 Federal Awards | | 24,009 | 382,166 | 49,120 |
| <u>Department of Health and Human Services</u> | | | | |
| Substance Abuse and Mental Health Services | 93.243 | | | |
| H79TI081914 | | - | 399,723 | 267,682 |
| AL subtotal of 93.243 Federal Awards | | - | 399,723 | 267,682 |

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024
(Page 5 of 5)

| <u>Federal Grantor</u> | <u>Federal AL Number</u> | <u>Passed Through to Subrecipients</u> | <u>Program Amount or Grant Award</u> | <u>Expenditures</u> |
|---|------------------------------|--|--|---------------------|
| <u>Department of Homeland Security</u> | | | | |
| Homeland Security Grant Program | 97.067 | | | |
| EMW-2023-SS-00059 | | - | 345,000 | 345,000 |
| EMW-2021-SS-00042 | | - | 100,000 | 15,967 |
| 23HSBLNGEOD/EMW-2023-SS-00059 | | - | 70,000 | 66,937 |
| 21HSBLNGSHAZ | | - | 175,000 | 51,869 |
| AL subtotal of 97.067 Federal Awards | | - | 690,000 | 479,773 |
| FEMA Disaster Declaration #4655 | 97.036 | - | 3,094,402 | - |
| AL subtotal of 97.036 Federal Awards | | - | 3,094,402 | - |
| <u>Office of National Drug Control Policy</u> | | | | |
| High Intensity Drug Traffic Area Award: | 95.001 | | | |
| 2024 HIDTA AWARD #G24RM0038A | | - | 227,745 | 82,142 |
| 2023 HIDTA AWARD #G23RM0038A | | - | 243,895 | 131,749 |
| AL subtotal of 95.001 Federal Awards | | - | 471,640 | 213,891 |
| <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 | 6,335,382 |
| State of Montana Passthrough ARPA Water Competitive Grant Program | | | | |
| AC-22-0004 | | | 2,000,000 | 2,000,000 |
| AC-22-0005 | | | 2,000,000 | - |
| AMC-23-0055 | | | 4,160,000 | 4,160,000 |
| AMC-23-0056 | | | 2,150,000 | 2,150,000 |
| AMC-23-0213 | | - | 4,447,145 | - |
| AMC-23-0215 | | - | 3,300,000 | - |
| AL subtotal of 21.027 Federal Awards | | - | 33,997,459 | 14,645,382 |
| <u>National Endowment for the Arts</u> | | | | |
| Our Town, Design | 45.024 | | | |
| 1897310-42-22 | | - | 50,000 | 33,756 |
| AL subtotal of 45.024 Federal Awards | | - | 50,000 | 33,756 |
| Total federal awards (all sources) | | \$ 24,009 | \$ 90,201,247 | \$ 44,449,186 |

CITY OF BILLINGS, MONTANA
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

(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, 2024. 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.

(4) ARPA Reconciliation

ARPA fund eligibility requirements are considered to be met at the time of project completion. The State of Montana withholds payments to the City until projects are complete, therefore, the City considers that the eligibility of the expenditures as being met at that point in time. Once these projects are complete and the grant funds are remitted to the City from the State is the point in which the expenditures are recognized in the Schedule of Expenditures and Federal Awards. The below reconciliation depicts the reconciliation of each of the relevant grant awards that are affected:

| <u>Reconciliation of ARPA Passthrough Grants</u> | Federal AL | Passed Through to to subrecipients | Program Amount or amount or | Expenditures |
|---|-------------------|---|--|---------------------|
| Payments 7/1/2023 to 6/30/2024 but grant is not finalized | 21.027 | | | |
| AM-23-0213 | | - | 4,447,145 | 3,359,030 |
| | | - | 4,447,145 | 3,359,030 |
| Payments 7/1/2023 to 6/30/2024 and grant is finalized | | | | |
| AC-22-0004 | | - | 2,000,000 | 200,000 |
| AMC-23-0055 | | - | 4,160,000 | 1,112,379 |
| AMC-23-0056 | | - | 2,150,000 | 1,437,596 |
| | | - | 8,310,000 | 2,749,975 |
| Payments received in prior years | | | | |
| AC-22-0004 | | - | 2,000,000 | 1,800,000 |
| AMC-23-0055 | | - | 4,160,000 | 3,047,621 |
| AMC-23-0056 | | - | 2,150,000 | 712,404 |
| | | - | 8,310,000 | 5,560,025 |
| Awarded but no payments | | | | |
| AC-22-0005 | | - | 2,000,000 | - |
| AMC-23-0215 | | - | 3,300,000 | - |
| | | - | 5,300,000 | - |

(5) FEMA

FEMA Disaster Declaration #4655 - FEMA Disaster Declaration Grant #4655 is an ongoing grant as a result of the flood event on June 14, 2022. Fiscal Year 2023 expenditures included Emergency Protective Measures, Debris Removal, and other immediate needs. During Fiscal Year 2024, the City and FEMA have collaborated to obligate funding for a final Engineering and Design (A&E) project for repairs and hazard mitigation from damages on the second water intake. A portion of the project was obligated in Fiscal Year 2024, but is still under review. However, the Engineering and Design Project (A&E) should be fully obligated in Fiscal Year 2025. FEMA will not approve expenditures on the project until it has been fully reviewed, therefore, the City considers that the eligibility of the expenditures as being met at that point in time. Once these projects are obligated for reimbursement, the expenditures will be recognized in the Schedule of Expenditures and Federal Awards. Therefore in Fiscal Year 2024 Schedule of Expenditures and Federal Awards the grant award has increased to the current approved obligated amount, but no expenditures are listed for Fiscal Year 2024.

**CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

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. | No |
|--|----|

Identification of major programs:

Airport Improvement Program - AL 20.106
 Federal Transit Cluster - AL 20.507 and 20.526
 Coronavirus State and Local Fiscal Recovery Funds - AL 21.027

| | |
|--|-------------|
| Dollar threshold used to distinguish between Type A and Type B | \$1,333,476 |
|--|-------------|

| | |
|--|----|
| Auditee qualified as low-risk auditee? | No |
|--|----|

**CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

FINDINGS - NONE

**CITY OF BILLINGS, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2024**

FINDINGS - NONE



CITY OF

Billings

