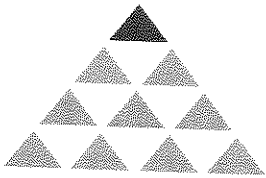




2013-2014 Appropriation Applications  
File 5 of 5

21. Visit Big Sky: Destination Marketing, Promotions
22. Water and Sewer District: Land Acquisition



**RESORT TAX**  
— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

Applicant's Official Name: Visit Big Sky

Project Name: Destination Marketing and Promotions

Project Start Date: July 1, 2013 Project Completion Date: June 30, 2014

Representative: Catherine Gilb

Address: P.O. Box 160100, Big Sky, MT 59716


Telephone: 406-995-3000 Email: kitty@bigskychamber.com

Total Funds Requested \$ 450,000

State your estimated payment request schedule for the coming year; amounts should total funds requested.  
Please enter dollar amounts.

	July '13	Aug '13	Sep '13	Oct '13	Nov '13	Dec '13
Payment Request \$	<u>15,000</u>	<u>10,000</u>	<u>25,000</u>	<u>13,000</u>	<u>75,000</u>	<u>75,000</u>
	Jan '14	Feb '14	Mar '14	Apr '14	May '14	Jun '14
Payment Request \$	<u>50,000</u>	<u>35,000</u>	<u>35,000</u>	<u>37,000</u>	<u>40,000</u>	<u>40,000</u>

I certify that the application and its attachments are correct to the best of my knowledge.

  
Signature

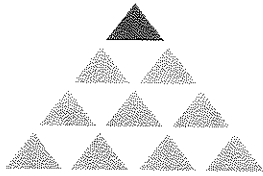
Catherine Gilb  
Printed Name

Chairman of the Board  
Title (Board Chair or Governing Officer)

4/3/13  
Date

RECEIVED APR 03 2013

2:30p



RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

**1) Provide a description of the entity and the Mission Statement. (200 words max)**

**State the entity's tax status/legal identity and when it was initiated.**

**Unless previously provided to the resort tax office, please include a copy of the Articles of Incorporation.**

Visit Big Sky (VBS) is a new entity formed by Big Sky's tourism professionals in February, 2013. Previously destination marketing in Big Sky was divided between the Chamber of Commerce, the Convention and Visitors' Bureau and the Chamber's Marketing Committee (BSIA). Each entity had its own budget, board of directors and marketing plan.

To be more effective, efficient, and fiscally responsible in marketing Big Sky, it was essential to unify our resources and message. The three groups began holding combined meetings in October 2012, to identify the best structure and funding sources. Dialogue was opened with the Montana Office of Tourism to determine how to combine bed tax funds with local sources to best leverage our resources as is done in many Montana communities. A board of directors was seated in January and bylaws were adopted in March. VBS was incorporated in March and received a FEIN. The ruling from the IRS regarding our 501c6 status is forthcoming.

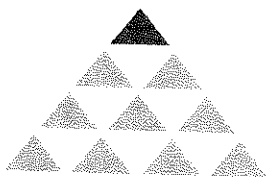
*"Visit Big Sky" brands the premier destination of Big Sky, Montana through a balanced destination marketing strategy designed to enhance the local economy by attracting visitors who appreciate the unique attributes of Big Sky's year-round, world-class resort community.*

**2) Provide a complete description of the project including its purpose, objectives and goals. The information provided here should be specific regarding what the entity is requesting to be funded by resort tax. (400 words max)**

Recent branding efforts supported by BSRAD funds made it evident that there are two stories to tell when marketing the Big Sky destination. Our world-class skiing, uncrowded slopes and the Biggest Skiing in America attract winter visitors; summer travelers seek the history and grandeur of America's oldest national park and our beautiful scenery, wildlife, authenticity and wide open spaces.

VBS seeks to pair the considerable professional experience and expertise present in our community with a variety of funding sources, to meet our purpose of providing a cohesive community marketing and communication strategy clearly elucidating the multi-season "Big Sky Experience." Combining the existing destination marketing infrastructure into one organization will allow for the most prudent use of both public and private funds to meet our objective of increasing year-round visitation to Big Sky. Our goal is to increase lodging tax revenues by 2% and skier days by 9%.

Our objective is to aggregate funds from BSRAD, bed tax and private investments from community stakeholders to achieve a greater impact. Our overall budget addresses our twin goals of sustained winter and summer visitation increases, with funding from the fixed sources of Bed Tax and private partner investments. The balance required to support these efforts is respectfully requested from BSRAD.



# RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

Over the past four years, the BSIA campaign has shown proven results. Our goal was to grow from 400,000 skier days to 500,000 by the end of the 2013 ski season. With this year's forecasted 480,000 skier visits, the steady growth Big Sky experienced is remarkable when compared to the significant contraction most ski communities experienced during the difficult economic climate of the past few years. Previous levels of investment in this campaign will be sustained.

A similar investment in summer consumer advertising is planned. VBS will apply proven principles to bring sustained growth to the summer season. With over 3.4 million visitors to Yellowstone Park in 2012, there is substantial opportunity and Big Sky boasts a product unique in the Greater Yellowstone Ecosystem. Our summer guests consistently describe an experience superior to that encountered elsewhere on their trip. Our challenge is to better tell our story during their vacation planning process.

Finally, by requesting BSRAD assistance in employing professional media buying and "post-buy" services we will ensure prudent use of both public and private funds, ensuring the best return on investment possible. Staffing and VIC costs will be shared with the Chamber.

### **3) Is the project within the resort tax district? (25 words max)**

The vast majority of return on investment will be realized within the resort district. Some additional benefits will overflow into the 'Greater Big Sky' area.

**Please note: Not every project will fulfill questions #4 through #8. Applications will not be rated on the ability to fulfill multiple questions.**

**Does the entity and/or project...**

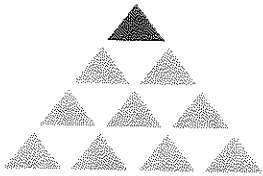
### **4) Benefit the community at large including residents, visitors and tax collectors/the business community? (50 words max)**

Big Sky's economy strongly depends on tourism. Economic health in Big Sky contributes to local businesses and allowed for the expansion of Ophir School, the construction of the Performing Arts Center, a robust system of parks and trails, a high level of health and public safety, and a burgeoning arts community.

### **5) Promote tourism and development, help make Big Sky a world class community and increase resort tax revenue? (50 words max)**

Effective destination marketing requires significant financial resources, but when performed successfully, increases the BSRAD dollars collected, allowing the community to advance in becoming a world-class resort community. VBS provides a unified community voice in marketing Big Sky to attract future visitors who appreciate the unique attributes of our community.





**RESORT TAX**

— BUILDING BIG SKY SINCE 1992 —

## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

**6) Support or improve critical infrastructure, public health, safety and/or welfare in the community? (50 words max)**

Not applicable.

**7) Involve collaboration among entities in the community to meet common goals? (100 words max)**

VBS utilizes the “best and brightest” marketing minds from across our community. The Chamber has undertaken (with considerable support from BSRAD) significant projects to improve the visitor experience. The two organizations work in concert; as VBS focuses on promotion, the Chamber concentrates on infrastructure. VBS assumes leadership in bringing visitors to Big Sky, while enjoying a mutually beneficial relationship with other community organizations who work to improve the visitor experience.

The high level of collaboration and shared vision enjoyed by our community allows us to collaborate in achieving a healthy development of both quality of life and economic growth.

**8) Fill a community need not currently or adequately being satisfied? (50 words max)**

In our unique mountain resort community, our needs are met by a variety of non-profits and special-purpose districts. No other organization takes responsibility for Big Sky's destination marketing as VBS does. Given our economy's dependence on tourism, a significant community investment in tourism promotion is sound reinvestment strategy.

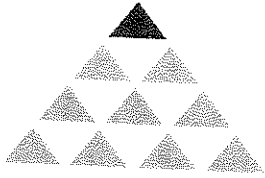
**Provide the following financial documents:**

**9) Copy of the entity's complete operating budget for the period 07/01/13 through 06/30/14. If your fiscal year runs on a calendar year, please provide segments of your budget covering this specified time period.**

**10) Organization's Profit and Loss Report, Budget vs. Actual Report and Balance Sheet from your previous completed fiscal year and current fiscal year to date.**

**11) For applicants with mill levy authority please provide the following:**

- a. A map of your district's boundaries**
- b. The current taxable value of your district**
- c. If applicable, the current mill levy rate**
- d. Using the information above, provide a detailed budgetary breakdown of the potential tax burden per \$100,000 value, for property owners within your district if mill levy authority would be used to fund this project rather than resort tax funds.**



**RESORT TAX**  
— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

Total budget for the year the entity is requesting funding \$ \$689,000

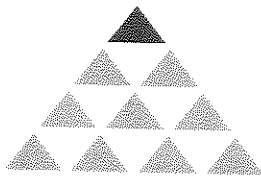
What percentage of the above budget is the entity requesting from resort tax? 65 %

### Organizational Budget for 2013-2014

PRINCIPLE	ITEM	AMOUNT
Revenue	Private Donor Contributions Total	\$63,000
	Private Donor Contributions In-kind	\$20,000
	Public Grants	\$450,000
	Fundraising Events	
	Other	\$156,000
	Total Revenue	\$689,000
Expenses	Personnel (not including volunteer time)	\$29,000
	Operations	\$80,000
	Programming	\$580,000
	Other	
	Total Expenses	\$689,000
Income	Net Income	\$0

Capital Reserves	On Hand Restricted (MTOT Funds)	\$39,944
	On Hand Unrestricted	\$0
	Goal	\$0

**Other Description:** All funds flowing into Visit Big Sky are either restricted by BSRAD or MTOT. MTOT applies a formula to total bed tax collections and appropriates earmarks for Visitor staff and overhead. Personnel costs are also formulaic and increase as tax collections grow. Investor funds have traditionally been solicited to expand specific marketing efforts. The on hand restricted funds noted above are 2012/13 state lodging tax allocations.



**RESORT TAX**  
— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

### Cash Flow 3-Yr Requirement

Cash Flow 3-Yr Requirement	ITEM	2013	2014	2015
	Personnel (not including volunteer time)	\$29,000	\$32,000	\$35,000
	Operations	\$80,000	\$88,000	\$97,000
	Programming	\$560,000	\$615,000	\$677,000
	Capital Expenditures			
	Other			
	<b>Total Cash Flow for 3-Years</b>	<b>\$669,000</b>	<b>\$735,000</b>	<b>\$809,000</b>

	<b>RESORT TAX REQUEST</b>	<b>\$450,000</b>	<b>\$500,000</b>	<b>\$550,000</b>
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**Describe financial increases and decreases and the projects for which resort tax funds may be requested.**

#### 2013

In 2013, all funds are combined to create a strategic destination marketing plan with an eye to growing Big Sky's summer season as a true second season. BSiA's equity in the marketplace will not be sacrificed for summer promotion efforts. Rather, second season partners will be tapped to help support funding levels necessary to penetrate the marketplace and begin to capture market share in targeted markets.

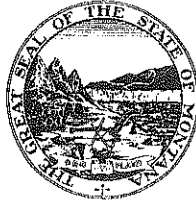
#### 2014

Our second season of summer represents a great deal of market growth potential. Bed tax trends through the end of 2012 demonstrate significant opportunity to drive regional short-haul visitor traffic. As we enter 2014, product improvements in the built environment will support increased occupancy and encourage additional spending within the district. A 10% growth factor has been calculated in the revenue forecasts.

#### 2015

Visit Big Sky expects to expand their reach with advertising and partnership programs to include international inbound and niche markets designed to support higher room occupancy during shoulder months. Regional drive markets will also be addressed with resort tax funded advertising to compliment Montana Office of Tourism target markets.

SECRETARY OF STATE  
STATE OF MONTANA  
LINDA McCULLOCH



Montana State Capitol  
PO Box 202801  
Helena, MT 59620-2801  
(406)444-3665  
<http://www.sos.mt.gov>

BIG SKY CHAMBER OF COMMERCE  
ATTN KITTY CLEMENS  
PO BOX 16100  
BIG SKY MT 59716

RE: VISIT BIG SKY  
ARTICLES OF INCORPORATION  
Filing Date: March 22, 2013  
Filing Number: D235617 - 1396774

March 27, 2013

Dear Ms. Clemens:

I've approved the filing of the documents for the above named entity. The document number and filing date have been recorded on the original document. This letter serves as your certificate of filing and should be maintained in your files for future reference.

The first Annual Report must be delivered to the Secretary of State between January 1 and April 15 of the year following the calendar year in which a Domestic or Foreign Corporation or Limited Liability Company was incorporated or authorized to transact business. Subsequent Annual Reports must be delivered to the Secretary of State between January 1 and April 15 each year thereafter.

Thank you for giving this office the opportunity to serve you. For future inquiries or assistance regarding business entity registrations, you can log on to [sos.mt.gov](http://sos.mt.gov) or contact the Business Services Division's professionals at (406) 444-3665.

Sincerely,

A handwritten signature in cursive script that reads "Linda McCulloch".

Linda McCulloch  
Secretary of State

**Sign up for our newsletter to receive updates about the office! Visit us online at [sos.mt.gov/Subscribe](http://sos.mt.gov/Subscribe).**

Disclaimer: The Secretary of State is required to return mail to the entity that submitted the paperwork to our office unless otherwise directed by the customer. Therefore, the entity name and mailing address appearing in this letter may not be affiliated as an owner/principal for the business name appearing in the box.



# VISIT BIG SKY

## BYLAWS

March 7, 2013

### ARTICLE I - ORGANIZATION

#### Section 1. Purpose – Statement.

The by-laws for the non-profit corporation known as Visit Big Sky, Inc. (“Visit Big Sky”) are set forth herein to promote Economic Development through tourism marketing & promotion. These by-laws will establish guidelines for the administration of advertising monies and programs.

Visit Big Sky brands the premier destination of Big Sky, Montana through a balanced destination marketing strategy designed to enhance the local economy by attracting visitors who appreciate the unique attributes of Big Sky’s year-round, world-class resort community.

#### Section 2. Definition.

The area referred to as Visit Big Sky (VBS) is herein referred to as that area as designated by the Visit Big Sky. The specific intent of Visit Big Sky is to be an “umbrella” organization to efficiently coordinate tourism promotion in the areas herein defined to be within its boundaries.

### ARTICLE II - STAKEHOLDERS

#### Section 1. Qualifications.

All individuals involved in businesses, partnerships, corporations and associations located or doing business within the Greater Big Sky Area will be treated equally without preference to tourism generating type or location. Guidelines may be established in the future as the Board of Directors may decide. Such guidelines structure must be approved by a majority of the Board of Directors.

### **ARTICLE III - FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of July and end of the 30<sup>th</sup> day of June.

### **ARTICLE IV - MEETINGS**

#### Section 1. Annual Meetings.

There shall be an annual meeting of the stakeholders in June of each year for receiving the annual reports of the officers, directors and committees and the transaction of the other business.

The location and time of the annual meeting shall be determined by the Board of Directors and shall be contained in a notice of such meeting. All notices and agenda of meeting shall also include the purpose of the meeting and be so advertised. Notices will be sent to designated Chamber of Commerce offices and all board members and / or officers of appropriate governing bodies not less than 7 (seven) days prior to meeting date.

#### Section 2. Special Meetings.

Special meetings may be called by majority of the Board of Directors.

#### Section 3. Waiver.

Notwithstanding the provisions of any of the foregoing sections, a meeting of the Board of Directors of this Corporation may be held at any time and at any place within or without the State of Montana, and any action may be taken thereat, if notice is waved in writing by a majority of Board of Directors.

#### Section 4. Quorum.

A quorum will constitute a majority of the filled board positions.

#### Section 5. Voting.

Each member of the Board is entitled to one vote.

#### Section 6. Proxy.

Voting proxies may be submitted by a board member in writing to the Executive Director in the event of an excused absence subject to the following condition:

1. Any board member may assign only two proxies in any fiscal year.

#### Section 7. Order of Business.

Roberts Rules of Order will be followed.

#### Section 8. Board of Directors Meetings.

Meetings will be announced at the previous monthly meeting.

### **ARTICLE V - DIRECTORS**

#### Section 1. Number.

The property, affairs, activities, and concerns of the Corporation shall be vested in a Board of Directors to be represented as follows:

- a. The members of the Board shall upon election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified. The Board of Directors will be made up of nine board members which shall be elected at the first annual meeting.

#### Section 2. Qualifications of the Board of Directors.

Board of Directors must be a stakeholder as defined in Article II, Section 1.

#### Section 3. Election of Directors and Terms.

Directors shall be elected for three-year terms with the exception of the 1<sup>st</sup> annual meeting at which the elected Directors will be appointed, at random, to terms of 1, 2 or 3 years to allow future terms to be staggered. Directors will be elected to the board at the annual meeting held each year in June. The Board of Directors established procedure for election of new members in as follows:

- a. Notification of board vacancy will be posted within 30 days of board resignation in a local newspaper. This information will also be disseminated to regional Chambers, CVBs and the VBS board members to help disseminate the information to residents and business.
- b. Notification of any elections will be sent to Big Sky Resort Tax Board, Big Sky Chamber and CVB.
- c. Persons interested in serving a term on the Board shall contact the VBS Executive Director for additional information, which shall include the following: director duties, a copy of the corporate by-laws, meeting attendance requirements and a copy of the annual year meeting schedule.
- d. Potential candidates shall adhere to the following Process for Election:
  1. Candidates shall first attend a board meeting as a visitor.
  2. Following attendance at a meeting, candidates shall submit a resume and letter of interest to the VBS office, Attn: Nominating Committee
  3. All candidates seeking election shall meet with the VBS Executive Director and or Nominating Committee for an informal question & answer session at a time/location TBD.
  4. Nominating Committee shall make appointment recommendations to the Board of Directors who shall in turn present the slate to the stakeholders for consideration and election.
  5. The stakeholders shall elect candidates in a "majority vote" during its annual meeting to this board.
  6. No single business shall constitute a majority of the board.

#### Section 4. Re-election Process for Directors.

Upon completion of any term, a board member seeking re-election for a new three-year term (1) shall submit letter of intent no less than 60 days prior to term expiration; (2) provided there are no other candidates for the seat, all other Process of Election requirements are waived, and the Nominating Committee shall make a recommendation of re-election/appointment to the full board; (3) After the Nominating Committee's recommendation of re-election/appointment the full Board may elect the candidate.

#### Section 5. Duties of Directors.

The Board of Directors may: (1) establish company policy on all issues; (2) hold meetings at such times and places as it thinks proper; (3) elect and oversee the officers of Visit Big Sky and ensure the coordinated implementation of the Annual Marketing Plan; (4) appoint committees on particular subjects from the members of the Board; (5) audit bills and disburse the funds of the

Corporation; (6) print and circulate documents and publish articles; (7) carry the correspondence and communicate with other associations vested in the tourism industry; (8) employ agents; (9) devise and carry into execution such as other measures as it deems proper and expedient to promote the objectives of the Corporation and to best protect the interest and welfare of the region; (10) sign and follow the rules "Code of Conduct"; and (11) sign and follow the rules of "Conflict of Interest".

#### Section 6. Meetings of the Board.

The monthly meeting will be held at a time and place determined by the board and called under the same procedures as set forth Article IV.

#### Section 7. Quorum.

A majority of the filled positions on the Board of Directors shall constitute a quorum for the transaction of any business.

#### Section 8. Absence.

Should any member of the Board of Directors absent him or herself from two consecutive meetings or three meetings in one year without sending a communication to the President or Secretary stating his or her reason for so doing, and if this excuse should not be accepted by the members of the Board his or her seat on the Board may be declared vacant, and the Board of Directors may forthwith proceed to fill the vacancy (See Article V, Section 7).

#### Section 9. Vacancies.

Whenever any vacancy occurs in the Board of Directors by death, resignation, or otherwise, it shall be filled without undue delay by a majority vote of the remaining members of the Board with recommendations from the Executive Committee. The person so chosen shall hold office until the expiration of the term for which he or she was elected to fill.

#### Section 10. Removal of Directors.

Any one or more of the Directors may be removed either with or without cause, at any time, by a vote of two-third of the Directors present at any special meeting called for that purpose.

### **ARTICLE VI - EXECUTIVE COMMITTEE**

The Board shall elect from its members an Executive Committee. All elected officers are a member of the Executive Committee. The Executive Committee shall have such power and authority as is provided for herein and as established by the Board of Directors from time to time. The Executive Director shall be a non-voting member of the Executive Committee.

### **ARTICLE VII - OFFICERS**

#### Section 1. Number.

The officers of the Corporation shall be President, Vice President, Secretary, Treasurer, and Executive Director.

#### Section 2. Method of Election.

At the Board of Directors meeting held in June, the Board of Directors shall elect all officers (except the Executive Director as set forth in Article VII, Section 1) for a term of one year. The same person may serve multiple terms.



### Section 3. Duties of Officers.

The duties and powers of the officers of the corporation shall be as follows

#### President

The President shall preside at the meetings of the Corporation and of the Board of Directors and of the Executive Committee, and shall be a member of the ex-officio, with right to vote, of all committees except the Nominating Committee. He or she shall also, at the annual meeting of the Corporation and such other times as he or she deems proper, communicate to the Corporation or to the Board of Directors such matters and make such suggestions as may in his or her opinion tend to promote the prosperity and welfare and increase the usefulness of the Corporation and shall perform such other duties as are established by the Board of Directors and are necessarily incident to the office of the President.

#### Vice President

In case of death or absence of the President, or of his or her inability from any cause to act, a Vice President shall perform the duties of the office of President.

#### Secretary

It shall be the duty of the Secretary to give notice of and attend all meetings of the Corporation and its several divisions and all committees and keep a record of their doings; to conduct all correspondence and to carry into execution all orders, votes, and resolutions not otherwise committed; to notify interested persons of their appointment on committees; to furnish the Chair of each committee with a copy of the vote under which the committee is appointed, and at his or her request file notice of the meetings of the committee; to prepare, under the direction of the Board of Directors, an annual report of the transactions and condition of the Corporation, and generally to devote his best efforts to forwarding the business and advancing the interests of the Corporation. In the case of absence or disability of the Secretary, Executive Committee may appoint a Secretary pro tem. The Secretary shall be the keeper of the Corporation's corporate records and seal.

#### Treasurer

The Treasurer shall keep an account of all monies received and expended for the use of the Corporation, and shall make disbursements only; upon vouchers approved in writing by any two members of the Executive Committee. He or she shall deposit all sums received in a bank, or banks, or trust company approved by the Executive Committee, and make a report at the annual meeting or when called upon by the President. Funds may be drawn only upon the signature of two members of the Executive Committee.

The funds, books, and vouchers in his or her hands shall at all times be under supervision of the Executive Committee and subject to its inspection and control. At the expiration of his or her term of office, the Treasurer shall deliver over to the successor all books, monies and other property, or in case of absence of a treasurer-elect, to the President. In case of absence or disability of the Treasurer, the Executive Committee may appoint a treasurer pro tem.

The office of Secretary and Treasurer may be held by the same person.

### Executive Director

An Executive Director will be appointed by the Board of Directors of the Corporation. The Executive Director shall be an officer of the corporation. The Executive Director must be the executive director of a nonprofit convention and visitor's bureau, as defined in Section 15-65-101, MCA, if a nonprofit convention and visitor's bureau is operating within the Governing Body's jurisdiction. The Executive Director shall be the chief executive officer and shall be charged with initiating and implementing the marketing plan, budget and related projects, the general supervision over employees, including their duties and compensation in conformity with the policies approved by the Board. The Executive Director shall so manage the affairs of the VBS as to promote the objectives for which the VBS is organized.

The Executive Director shall serve as the Administrator to the Board of Directors and the corporation and prepare notices, agenda, and minutes of the meetings of the Board unless there is an appointed Secretary.

The Executive Director shall be a non-voting member of the Board of Directors, the Executive Committee and all committees.

The Executive Director shall be responsible for hiring, discharging, and supervising all employees.

With the cooperation and the approval of the Board of Directors, the Executive Director shall be responsible for preparing an annual marketing budget and monitoring its guidelines.

## **ARTICLE VIII - COMMITTEES**

### Section 1. Special Committees.

The Board may, at any time, create other committees on any other subject for which there are no standing committees.

### Section 2. Committee Quorum.

A majority of any committee of the Corporation shall constitute a quorum for the transaction of business, unless any committee shall by a majority vote of its entire membership decide otherwise.

### Section 3. Committee Vacancies.

The various committees shall have the power to fill vacancies in their membership and be approved by the Board of Directors.

### Section 4. Standing Committees.

The President may at any time appoint standing committees to include a nomination committee.

### Section 5. Committee Chairs.

The committee chair is appointed by the Executive Committee.

### Section 6. Committee member.

The committee members are appointed by Executive Committee and the committee chair.

Section 7. Committee Chairs/Board.

All committee chairs must be occupied by a Director of the board and appointed by the Executive committee.

Section 8. Nominating Committee.

Committee made up of (two) Board of Directors and (one) Executive Committee Director to assist in elections and re-elections of Directors according to the Roberts Rules of Order. This committee will also periodically review attendance records and make recommendations to the board of any non-complying Directors.

**ARTICLE IX - AMENDMENTS**

These by-laws may be amended, repealed or altered in whole or in part by a majority vote of those present at any duly organized meeting of the Corporation. The proposed change shall be e-mailed or mailed to the last recorded address of each Board of Director at least ten (10) days before the time of the meeting, which is to consider the change.

KNOWN ALL MEN BY THESE PRESENTS, that we, the undersigned directors and Secretary of the Corporation know as and called Visit Big Sky, Inc. a non-profit corporation, do hereby certify that the above and foregoing Bylaws were duly adopted as the Bylaws of the said Corporation on the 28 day of March, 2013, and that the same do now constitute the Bylaws of the Corporation.

## **Table of Contents**

<b>ARTICLE I – ORGANIZATION</b>	<b>1</b>
<b>ARTICLE II – STAKEHOLDERS</b>	<b>1</b>
<b>ARTICLE III - FISCAL YEAR</b>	<b>2</b>
<b>ARTICLE IV – MEETINGS</b>	<b>2</b>
<b>ARTICLE V – DIRECTORS</b>	<b>2</b>
<b>ARTICLE VI - EXECUTIVE COMMITTEE</b>	<b>4</b>
<b>ARTICLE VII – OFFICERS</b>	<b>4</b>
<b>ARTICLE VIII – COMMITTEES</b>	<b>6</b>
<b>ARTICLE IX – AMENDMENTS</b>	<b>7</b>

# VISIT BIG SKY 2013/2014 BUDGET



Marketing Support	TOTAL BUDGET
Administration/Supplies	\$ 24,200
Marketing Coordinator	\$ 29,000
Design Services	\$ 13,000
Photos/Web Updates	\$ 9,400
Crisis Management	\$ 1,000
DMAI Membership	\$ 1,900
Visitor Info Center	\$ 16,500
<b>Joint/Opportunity Ventures</b>	<b>\$5,000</b>
MTOT Co-ops	\$ 5,000
<b>Consumer Advertising</b>	<b>\$518,500</b>
Winter Consumer	\$ 238,000
Summer Consumer	\$ 213,500
Media Placement/Post Buy Service	\$ 67,000
<b>Web Development</b>	<b>\$25,000</b>
Responsive Design - BSJA	\$ 25,000
<b>Press Relations/Partnerships</b>	<b>\$25,000</b>
Press Relations	\$ 15,000
Private Opportunity Reserve	\$ 10,000
<b>Fulfillment</b>	<b>\$500</b>
Postage	\$ 500
<b>TOTAL BUDGETS</b>	<b>\$669,000</b>

BSRTD Investment	RESORT TAX
\$450,000	\$13,000
	\$ 13,000
	-
	\$412,000
	\$ 200,000
	\$ 145,000
	\$ 67,000
	\$25,000
	\$ 25,000
	\$0
	\$0
	\$0
	\$450,000

Estimate Bed Tax Revenue	CVB
\$156,000	\$82,000
	\$ 24,200
	\$ 29,000
	\$ 9,400
	\$ 1,000
	\$ 1,900
	\$ 16,500
	\$5,000
	\$ 5,000
	\$68,500
	\$ 68,500
	\$0
	\$0
	\$0
	\$500
	\$ 500
	\$156,000

Private Partner Investment	PRIVATE PARTNER
\$63,000	\$0
	-
	\$38,000
	\$ 38,000
	\$0
	\$25,000
	\$ 15,000
	\$ 10,000
	\$0
	\$63,000

BSRTD Investment
\$450,000

Estimate Bed Tax Revenue
\$156,000

Private Partner Investment
\$63,000

In Kind Partner Support
\$20,000

Total Cash and In Kind
\$689,000

<b>Total Expenses</b>	<b>\$ 669,000</b>
<b>In Kind</b>	<b>\$ 20,000</b>
<b>Total Expenses and In Kind</b>	<b>\$ 689,000</b>

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04/01/13  
Cash Basis

**Big Sky Convention & Visitor's Bureau**  
**Profit & Loss**  
July 2011 through June 2012

	Jul '11 - Jun 12
Ordinary Income/Expense	
Income	
0300 State Income	174,632.00
0301 Interest Income	1.17
Total Income	174,633.17
Expense	
1201 MARKETING SUPPORT	
1201-10 Administration	21,593.44
1201-30 Joint Ventures	8,000.00
1201-40 Marketing Specialist	1,309.00
1201-70 TAC Meetings	3,072.89
Total 1201 MARKETING SUPPORT	33,975.33
1202 CONSUMER ADVERTISING	
1202-10 Print Advertising	
1202-10-10 Print	
1202-10-12 Layout/Design/Art Pr	935.90
1202-10-10 Print - Other	5,983.00
Total 1202-10-10 Print	6,918.90
1202-10 Print Advertising - Other	102.00
Total 1202-10 Print Advertising	7,020.90
1202-30 Winter Advertising	
1202-30-20 Electronic	25.50
1202-30 Winter Advertising - Other	2,692.16
Total 1202-30 Winter Advertising	2,717.66
1202-50 Internet/ Website	
1202-50-30 Concept	50.00
Total 1202-50 Internet/ Website	50.00
1202 CONSUMER ADVERTISING - Other	24,461.07
Total 1202 CONSUMER ADVERTISING	34,249.63
1203 CONVEN. & MEETING PLANNING	
1203-10 IACVB	
1203-10-15 Meals	52.00
1203-10-16 Transportation	206.46
Total 1203-10 IACVB	258.46
Total 1203 CONVEN. & MEETING PLANNING	258.46
Total Expense	68,483.42
Net Ordinary Income	106,149.75
Net Income	106,149.75

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04/01/13  
Cash Basis

**Big Sky Convention & Visitor's Bureau**  
**Balance Sheet**  
As of June 30, 2012

	<u>Jun 30, 12</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
0100 Money Market Account	1,127.91
0110 Operating Account	117,459.69
Total Checking/Savings	<u>118,587.60</u>
Total Current Assets	<u>118,587.60</u>
<b>TOTAL ASSETS</b>	<b><u>118,587.60</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	12,437.85
Net Income	106,149.75
Total Equity	<u>118,587.60</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>118,587.60</u></b>

12:20 PM  
04/01/13  
Cash Basis

# Big Sky Convention & Visitor's Bureau

## Profit & Loss

July 1, 2012 through April 1, 2013

	Jul 1, '12 - Apr 1, 13
Ordinary Income/Expense	
Income	
0300 State Income	68,000.00
0301 Interest Income	0.65
Total Income	68,000.65
Expense	
1200 VIC/ INFO. CENTER	
1200-10 VIC Staff	9,114.75
Total 1200 VIC/ INFO. CENTER	9,114.75
1201 MARKETING SUPPORT	
1201-10 Administration	32,187.89
1201-30 Joint Ventures	14,000.00
1201-40 Marketing Specialist	9,454.00
1201-50 Opportunity Marketing	770.00
1201-60 Str Planning & Branding	5,750.00
1201-70 TAC Meetings	1,081.26
Total 1201 MARKETING SUPPORT	63,243.15
1202 CONSUMER ADVERTISING	
1202-10 Print Advertising	150.00
1202-20 Online Advertising	2,375.91
1202-40 Billboards	
1202-40-14 Photography	750.00
1202-40 Billboards - Other	1,800.00
Total 1202-40 Billboards	2,550.00
1202-50 Internet/ Website	
1202-50-30 Concept	18,567.50
Total 1202-50 Internet/ Website	18,567.50
1202 CONSUMER ADVERTISING - Other	450.00
Total 1202 CONSUMER ADVERTISING	24,093.41
1207 PUBLICATIONS	
1207-40 Image Brochure	1,747.40
1207 PUBLICATIONS - Other	103.00
Total 1207 PUBLICATIONS	1,850.40
1208 PUBLICITY	
1208-10 Fams	
1208-10-13 Transportation	3,430.02
1208-10-15 Guide Fees	200.00
1208-10 Fams - Other	4,369.98
Total 1208-10 Fams	8,000.00
1208-30 Media Content Library	686.79
Total 1208 PUBLICITY	8,686.79
Total Expense	106,988.50
Net Ordinary Income	-38,987.85
Net Income	-38,987.85



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04/01/13  
Cash Basis

**Big Sky Convention & Visitor's Bureau**  
**Balance Sheet**  
As of April 1, 2013

	<u>Apr 1, 13</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
0100 Money Market Account	1,128.56
0110 Operating Account	78,471.19
Total Checking/Savings	<u>79,599.75</u>
Total Current Assets	<u>79,599.75</u>
<b>TOTAL ASSETS</b>	<b><u>79,599.75</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	118,587.60
Net Income	-38,987.85
Total Equity	<u>79,599.75</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>79,599.75</u></b>

## Visit Big Sky Budget vs. Committed

BSIA

Budget Item/ Vendor	Budget	Committed	Remaining
<b>Media Placement</b>			
Bonnier- Ski/ Skiing	\$ 15,000.00	\$ 15,000.00	\$ -
Pandora	\$ 10,000.00	\$ 10,000.00	\$ -
Weather Channel/ weather.com	\$ 41,000.00	\$ 41,000.00	\$ -
Mtn. News Corp. (Onthesnow.com)	\$ 11,440.00	\$ 11,316.00	\$ 124.00
NY Times	\$ 46,000.00	\$ 40,500.00	\$ 5,500.00 This amount will be moved/ spent on Shows
Digital Wax Works- Adwords	\$ 20,000.00	\$ 20,000.00	\$ -
Trip Advisor	\$ 3,500.00	\$ 3,500.00	\$ -
Star Tribune	\$ 15,000.00	\$ 15,000.00	\$ -
Variance/ Misc.	\$ 60.00		\$ 60.00
<b>Total: Media Placement</b>	<b>\$ 162,000.00</b>	<b>\$ 156,316.00</b>	<b>\$ 5,684.00</b>
<b>Content</b>			
Outlaw/ Video	\$ 1,500.00	\$ 1,500.00	\$ -
Blog Writer	\$ 4,000.00	\$ 2,097.00	\$ 1,903.00 These funds will be spent on Photos
Ryan Turner	\$ 12,490.00	\$ 12,490.00	\$ -
Eye In The Sky	\$ 3,003.00	\$ 3,003.00	\$ -

<b>Budget Item/ Vendor</b>	<b>Budget</b>	<b>Committed</b>	<b>Remaining</b>
Peaks Photography	\$ 93.00	\$ 92.70	\$ 0.30
Bob Allen Photography	\$ 475.00	\$ 475.00	\$ -
Audrey Hall	\$ 100.00	\$ 100.00	\$ -
MT Powder Guides (Lonnie Hall)	\$ 600.00	\$ 600.00	\$ -
Glacier World	\$ 750.00	\$ 750.00	\$ -
Charles Bolte	\$ 300.00	\$ 300.00	\$ -
Interactive Map	\$ 400.00	\$ 400.00	\$ -
Variance/ Misc.	\$ 1,289.00		\$ 1,289.00
<b>Total: Content</b>	<b>\$ 25,000.00</b>	<b>\$ 21,807.70</b>	<b>\$ 3,192.30</b>

#### **Out Of Home/ NY Joint Ventures**

Bozeman CVB	\$ 15,000.00	\$ 15,000.00	\$ -
<b>Total: NY Joint</b>	<b>\$ 15,000.00</b>	<b>\$ 15,000.00</b>	<b>\$ -</b>

#### **Website**

Digital Wax Works	\$ 30,000.00	\$ 30,000.00	\$ -
<b>Total: Web Agency</b>	<b>\$ 30,000.00</b>	<b>\$ 30,000.00</b>	<b>\$ -</b>

Budget Item/ Vendor	Budget	Committed	Remaining
<b>Trade Shows</b>			
Ink Outside the Box (banner)	\$ 349.00	\$ 349.00	\$ -
Rey Advertising (Rack Cards)	\$ 749.00	\$ 790.00	\$ (41.00)
Can West (Calgary Show)	\$ 1,260.00	\$ 1,391.25	\$ (131.25)
Windy City (Chicago)	\$ 1,495.00	\$ 1,496.00	\$ (1.00)
Denver Show	\$ 1,735.00	\$ 1,735.00	\$ -
Minneapolis Show	\$ 1,686.00	\$ 1,687.50	\$ (1.50)
Big Sky Resort/ I Pad Use	\$ 600.00		\$ 600.00
LMR/ Denise (Reimb.)	\$ 735.00	\$ 735.00	\$ -
BSIA/ Catherine (Reimb.)	\$ 735.00	\$ 735.00	\$ -
BSR / Employee (Reimb.)	\$ -	\$ 4,979.13	\$ (4,979.13)
Big Sky Business Services (postage)	\$ -	\$ 215.96	\$ (215.96)
Variance/ Misc.	\$ 5,656.00	\$ 2,550.00	\$ 3,106.00
<b>Total: Trade Shows</b>	<b>\$ 15,000.00</b>	<b>\$ 16,663.84</b>	<b>\$ (1,663.84)</b>

**Private Funding/ Misc. Roll Over**

Not Allocated	\$ 6,500.00	\$ 6,500.00	\$ -
FY 2012 Roll Over	\$ 2,979.00	\$ 2,979.00	\$ -

Budget Item/ Vendor	Budget	Committed	Remaining
Press Visit	\$ 1,500.00	\$ 405.00	\$ 1,095.00
Underpayment to Greensprings	\$ -	\$ 600.00	\$ (600.00)
EasyBooks (We may have to take out)	\$ -	\$ 287.00	\$ (287.00)
<b>Total:</b>	<b>\$ 10,979.00</b>	<b>\$ 10,771.00</b>	<b>\$ 208.00</b>

Total/ BSIA	Budget	Committed	Remaining
	\$ 257,979.00	\$ 250,558.54	\$ 7,420.46

CVB

Budget Item/ Vendor	Budget	Actual	Remaining
<b>Marketing Support</b>			
Admin.	\$ 21,459.00	\$ 21,459.00	\$ -
<i>Opportunity Marketing</i>			\$ -
Brochure	\$ 1,839.00	\$ 1,747.40	\$ 91.60
Tear Off Map	\$ 1,110.00	\$ 1,110.00	\$ -
Brochure/ Tear Off Map Misc.	\$ 51.00	\$ 51.00	\$ -
VIC I Pad/ TV	\$ 2,000.00	\$ 1,931.77	\$ 68.23
DMIA	\$ 770.00	\$ 770.00	\$ -
<i>Cooperative Marketing</i>			\$ -
Billboards	\$ 5,200.00	\$ 5,200.00	\$ -
<i>Joint Ventures</i>			\$ -

<b>Budget Item/ Vendor</b>	<b>Budget</b>	<b>Committed</b>	<b>Remaining</b>
New York Metro Campaign	\$ 15,000.00	\$ 15,000.00	\$ -
Nat Geo Map Reprint	\$ 3,000.00	\$ 3,000.00	\$ -
TAC Meeting/ Gov. Conference	\$ 1,500.00	\$ 1,500.00	\$ -
Marketing Specialist	\$ 26,520.00	\$ 26,520.00	\$ -
<b>Total: Marketing Support</b>	<b>\$ 78,449.00</b>	<b>\$ 78,289.17</b>	<b>\$ 159.83</b>

#### **Infrastructure**

Visitor Info. Center Staff & Sign	\$ 15,000.00	\$ 15,000.00	\$ -
<b>Total: Infrastructure</b>	<b>\$ 15,000.00</b>	<b>\$ 15,000.00</b>	<b>\$ -</b>

#### **Consumer Marketing**

Trip Advisor Winter	\$ 3,500.00	\$ 3,500.00	\$ -
Trip Advisor Summer	\$ 7,500.00	\$ 7,500.00	\$ -
Ultimate Yellowstone Guide	\$ 450.00	\$ 450.00	\$ -
Bozeman Airport Website Banner	\$ 120.00	\$ 120.00	\$ -
Yellow Country Region Guide Listing	\$ 150.00	\$ 150.00	\$ -
Destination Yellowstone Ad/ Guide	\$ 1,319.00	\$ 1,319.00	\$ -
Yellowstone Journal Ad Package	\$ 5,000.00	\$ 5,000.00	\$ -
Trade Show Booth	\$ 1,000.00		\$ 1,000.00

Budget Item/ Vendor	Budget	Committed	Remaining
Variance	\$ 39,944.00		\$ 39,944.00
<b>Total: Consumer Marketing</b>	<b>\$ 58,983.00</b>	<b>\$ 18,039.00</b>	<b>\$ 40,944.00</b>

#### Electronic Marketing

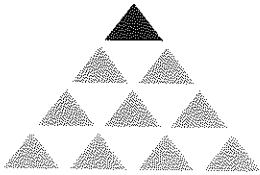
Wesite	\$ 36,500.00	\$ 36,500.00	\$ -
<b>Total: Electronic Marketing</b>	<b>\$ 36,500.00</b>	<b>\$ 36,500.00</b>	<b>\$ -</b>

#### Publicity

Fam Tours/ Press Visit	\$ 8,000.00	\$ 8,000.00	\$ -
Public Relations	\$ 1,000.00	\$ 1,000.00	\$ -
Media Library	\$ 5,000.00	\$ 5,000.00	\$ -
Promo Video	\$ 5,000.00	\$ 5,000.00	\$ -
<b>Total: Publicity</b>	<b>\$ 19,000.00</b>	<b>\$ 19,000.00</b>	<b>\$ -</b>

Total/ /CVB	Budget	Committed	Remaining
	\$ 207,932.00	\$ 166,828.17	\$ 41,103.83

<b>Total Visit Big Sky</b>	<b>Budget</b>	<b>Committed</b>	<b>Remaining</b>
	<b>\$ 465,911.00</b>	<b>\$ 417,386.71</b>	<b>\$ 48,524.29</b>



# RESORTTAX

— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

Applicant's Official Name: Big Sky County Water & Sewer District No. 363

Project Name: Land Acquisition

Project Start Date: July 1, 2013 Project Completion Date: June 30, 2014

Representative: Ron Edwards, General Manager

Address: P.O. Box 160670

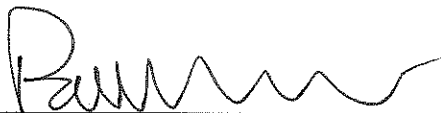
Telephone: (406) 995-2660 Email: wsd363@3rivers.net

Total Funds Requested \$ 375,000

State your estimated payment request schedule for the coming year; amounts should total funds requested.  
Please enter dollar amounts.

	July '13	Aug '13	Sep '13	Oct '13	Nov '13	Dec '13
Payment Request \$ <u>375,000</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	Jan '14	Feb '14	Mar '14	Apr '14	May '14	Jun '14
Payment Request \$ <u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

I certify that the application and its attachments are correct to the best of my knowledge.

  
Signature

Paul A. Cronin  
Printed Name

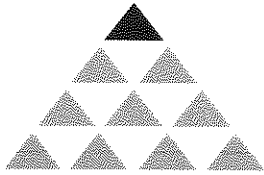
President  
Title (Board Chair or Governing Officer)

April 3, 2013  
Date

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# RESORTTAX

— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

- 1) Provide a description of the entity and the Mission Statement. (200 words max)**  
**State the entity's tax status/legal identity and when it was initiated.**  
**Unless previously provided to the resort tax office, please include a copy of the Articles of Incorporation.**

The Big Sky County Water & Sewer District ("District") is a Montana County Water & Sewer District created in 1993. The District is responsible for the public sewer and water systems that serve the Big Sky area. The service area of the District includes the Mountain Village, Meadow Village, Aspen Groves, Lone Moose Meadows and the Spanish Peaks Resort area. Refer to **APPENDIX A** for a map of the current District boundary.

The District is governed by a 7 member Board of Directors; 5 of which are elected and 2 are appointed by Madison and Gallatin Counties. Standing members of the Board are Packy Cronin, President; Les Loble, Vice-President; Dick Fast, Secretary/Treasurer; Dr. Jeff Daniels; Bill Shropshire, Tom Reeves and Brian Wheeler. Responsibilities of the District generally include the following:

- Ongoing operation and maintenance of the public water and sewer systems;
- Capital improvements and replacements to those systems;
- Budgeting and setting rates for sewer and water services, and
- Establishing the rules and regulations of the District

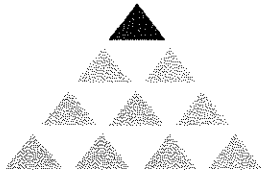
Refer to **ATTACHMENT B** of the District's Certificate of Incorporation and Bylaws.

- 2) Provide a complete description of the project including its purpose, objectives and goals. The information provided here should be specific regarding what the entity is requesting to be funded by resort tax. (400 words max)**

The purpose of our resort tax application is for a 50% cost share match to put an offer on a parcel of land. The land is Tract A-1 of the amended plat of the Sweetgrass Hills subdivision which has 16.37 acres on it. This parcel of land is just east and contiguous to the land that contains the District's winter storage ponds. Refer to **ATTACHMENT C** for a copy of the plat page and aerial view maps that shows the subject parcel of land.

This parcel of land presently has a sale contract pending on it. We should know by the time of the resort tax appropriations meeting whether the land has been sold or is still available for purchase. If the contract for sale is still pending by the appropriations meeting any offer the District makes would be as a backup offer.

The primary reason for acquiring this land is to provide a buffer area below the wastewater storage pond. This land is zoned Community Commercial (CC) which allows for many types of uses such as convenience stores, employee housing, medical clinics, retail outlets, and bus shelters to name a few. The storage pond has been classified by the Montana Department of Natural Resources as a dam, and has required the District to hire an engineer to inspect the dam every 5 years. Building below this dam can be a risky proposition. Using this land for a low density development such as for parking, a park or open space makes more sense.



## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

# RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

The District does not have any immediate plan or need to construct anything on this parcel of land. We have discussed conceptually using the parcel of land for parking and walking bridge(s) over the Middle Fork tributary to the Big Sky Community Corporation's park. A driving bridge could also be constructed to provide a secondary access to the park area.

The District purchased the 33 acres of land which is across the stream from this parcel in 2003. The land has been largely used as open space for trails and the golf course. The District also donated the land for the Search and Rescue building and sold 3 acres off for the new Northwestern Energy Substation. These are examples of the District's track record for land uses that benefit the community of Big Sky.

### **3) Is the project within the resort tax district? (25 words max)**

Yes, the project is entirely located within the Big Sky Resort Area Resort Tax District.

**Please note: Not every project will fulfill questions #4 through #8. Applications will not be rated on the ability to fulfill multiple questions.**

**Does the entity and/or project...**

### **4) Benefit the community at large including residents, visitors and tax collectors/the business community? (50 words max)**

At this time the District does not have a defined plan to use the land for a specific project. We have met with the BSCC to discuss how the land might be utilized if the District purchased it. Park expansion with walking bridge(s) to the existing park might be one option; a bus barn for the transportation district might be another. The District also has a record of using land it has acquired in the past for other projects that benefit the community. The Search and Rescue building and Meadow substation are two examples.

### **5) Promote tourism and development, help make Big Sky a world class community and increase resort tax revenue? (50 words max)**

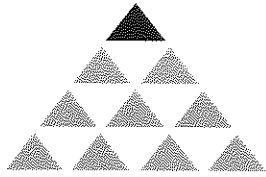
The land could be used for community purposes such as park/open space expansion in the Meadow Village area. The aesthetics of this entry corridor strip would also be improved to enhance the corridor view shed that tourists see when they visit Big Sky.

### **6) Support or improve critical infrastructure, public health, safety and/or welfare in the community? (50 words max)**

Although difficult to quantify, an addition to the park would benefit the welfare of the community.

### **7) Involve collaboration among entities in the community to meet common goals? (100 words max)**

The District met with the Big Sky Community Corporation (BSCC) staff to discuss the parcel of land and how it might be used if it were acquired. The BSCC is interested in working with the District if we are successful in purchasing the parcel. Specifically, park expansion with a walking bridge(s) and additional parking areas



# RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

were discussed. The north side of the parcel runs along the Middle Fork and would make a nice area for trails, picnic areas and stream access for fishing. Refer to **ATTACHMENT D** for a copy of BSCC's letter of support for our application.

**8) Fill a community need not currently or adequately being satisfied? (50 words max)**

The resort tax funded \$500,000 for the acquisition of the existing park land which has done a wonderful job of enhancing the need for public recreation areas. An expansion of the park, or open space in the Meadow Village would add to the recreation opportunities.

**Provide the following financial documents:**

**9) Copy of the entity's complete operating budget for the period 07/01/13 through 06/30/14. If your fiscal year runs on a calendar year, please provide segments of your budget covering this specified time period.**

Refer to **APPENDIX E** for a copy of the District's budget for FY 2012/13. The District's fiscal year runs from July 1st through June 30th. The budget for fiscal year 2013/14 will be adopted in June.

**10) Organization's Profit and Loss Report, Budget vs. Actual Report and Balance Sheet from your previous completed fiscal year and current fiscal year to date.**

Refer to **APPENDIX F** for a copy of the following District financial reports:

- Budget versus Actual Report (July 1 to February 2013)
- Profit & Loss Report (July 1 to February 2013)

The Balance Sheet and Profit & Loss Reports for the end of our last fiscal year (2011-12) are included in our annual financial audit report for the fiscal year 2011-12. The District has a CPA audit done each year. A full copy of the audit report is included in **APPENDIX F**. The balance sheet is on pages 7-8, and the profit and loss report in on pages 9-11 of the audit.

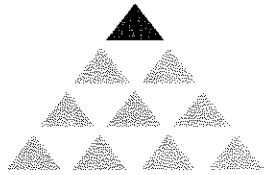
**11) For applicants with mill levy authority please provide the following:**

**a. A map of your district's boundaries**

Refer to **ATTACHMENT A** for a copy of the Big Sky County Water & Sewer District boundary map.

**b. The current taxable value of your district**

The taxable values for 2012 shown below are split according to sewer and water service areas (jurisdictional areas). These are the parcels of land that are paying for sewer and water system project bonds that have been issued in the past. Since our service areas for sewer and water are slightly different the taxable valuations are also slightly different.



## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

# RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

TAX YEAR	SEWER JURISDICTIONAL AREAS			WATER JURISDICTIONAL AREAS		
	Gallatin County	Madison County	TOTAL	Gallatin County	Madison County	TOTAL
2012	\$10,097,209	\$11,475,806	\$21,573,015	\$9,502,154	\$9,892,808	\$19,394,962

c. If applicable, the current mill levy rate

### CURRENT MILL RATE

YEAR	Water Bond Debt Payments	Sewer Bond Debt Payments	Combined Bond Debt Payments
2012	27.80	26.40	54.20 <sup>1</sup>

<sup>1</sup> The District paid \$400,000 from its bond debt reserve to reduce the mill rate to 54.20 mills in 2012.

d. Using the information above, provide a detailed budgetary breakdown of the potential tax burden per \$100,000 value, for property owners within your district if mill levy authority would be used to fund this project rather than resort tax funds.

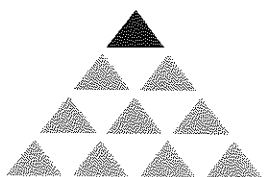
The District is not planning to fund this project with tax levied dollars. If it were the tables below show the tax costs to fund the project without and with resort tax dollars. The tables assume a tax rate that is 2.82%.

### ESTIMATED NET TAX IMPACTS: NO RESORT TAX FUNDING

NO RESORT TAX FUNDING					
Taxable Market Value	Tax Rate @ 2.82%	Taxable Value of Property	MILL RATE @ 34.77	MILL LEVY @ 0.03477	TAX PAID
\$100,000	\$2,820	\$2,820			\$ 98

### ESTIMATED NET TAX IMPACTS: WITH RESORT TAX FUNDING

NO RESORT TAX FUNDING					
Taxable Market Value	Tax Rate @ 2.82%	Taxable Value of Property	MILL RATE @ 17.38	MILL LEVY @ 0.01738	TAX PAID
\$100,000	\$2,820	\$2,820			\$ 49



# RESORTTAX

— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

Total budget for the year the entity is requesting funding \$ 2,400,000

What percentage of the above budget is the entity requesting from resort tax? 0 %

(The District is not requesting any money for its operating budget or bond debt service, we are requesting 50% of the cost of the land described in this application.)

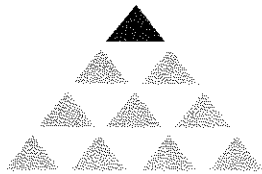
### Organizational Budget for 2012-2013

PRINCIPLE	ITEM	AMOUNT
Revenue	Private Donor Contributions Total	\$0
	Private Donor Contributions In-kind	\$0
	Public Grants	\$10,000
	Fundraising Events	\$0
	Other	\$2,338,408
	Total Revenue	\$2,338,408
Expenses	Personnel (not including volunteer time)	\$853,580
	Operations	\$1,590,480
	Programming	---
	Other	---
	Total Expenses	\$2,444,060
Income	Net Income	-\$105,652

Capital Reserves	On Hand Restricted	\$11,793,286
	On Hand Unrestricted	\$256,783
	Goal	NA

Other Description: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_



# RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

## 2013-2014 APPLICATION FOR RESORT TAX FUNDS

### Cash Flow 3-Yr Requirement

ITEM	2013	2014	2015	TOTAL
Personnel (not including volunteer time)	\$752,495	\$767,545	\$782,896	<b>\$2,302,936</b>
Operations	\$709,136	\$723,319	\$737,785	<b>\$2,170,240</b>
Programming	\$0	\$0	\$0	<b>\$0</b>
Capital Expenditures	\$433,553	\$442,224	\$451,069	<b>\$1,326,846</b>
Other (Depreciation)	\$946,500	\$927,570	\$909,019	<b>\$2,783,089</b>
RESORT TAX	\$0	\$0	\$0	<b>\$0</b>
<b>TOTAL</b>	<b>\$2,841,684</b>	<b>\$2,860,658</b>	<b>\$2,880,768</b>	<b>\$8,583,110</b>

**Describe financial increases and decreases and the projects for which resort tax funds may be requested.**

**2013:** The District is on target so far this year with its budget revenues and expenditures so no shortage is anticipated that would require resort tax dollars. The project to purchase land described in this application is proposed as a one-time 50% cost share match. The District's share would come from its reserves.

**2014:** The District has no plans to request resort tax money for its staff or operating budget. We may request funds for bond payments to reduce taxes, or asset depreciation funds to reduce water and sewer rates. This will be more important if the District uses \$375,000 of its reserves to cost share the land purchase. Also going to explore creating a fund for water rights acquisition.

**2015** Possibly bond debt service or depreciation cost sharing.



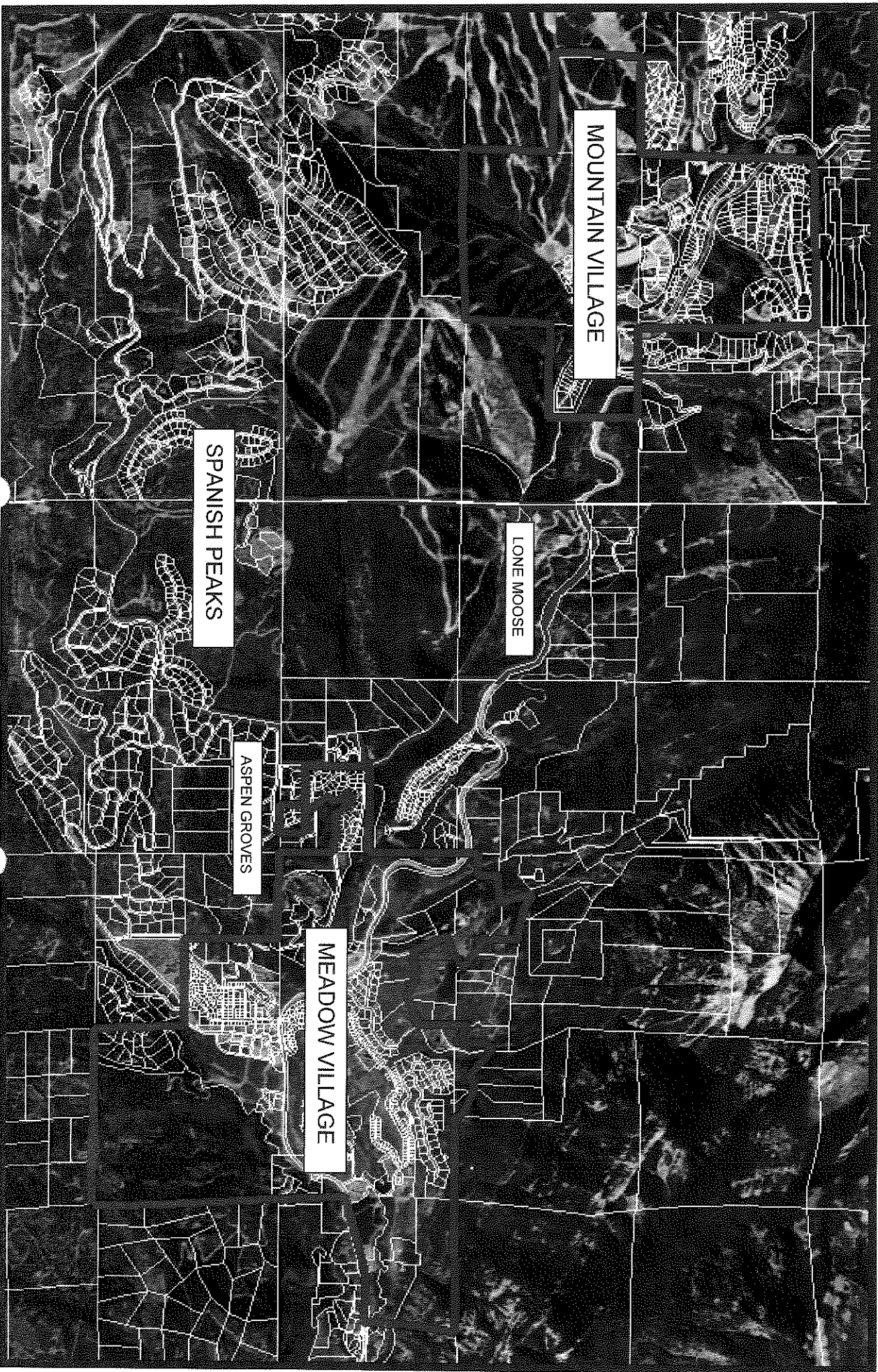
## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

# **ATTACHMENT A**

## **District Boundary Map**



# BIG SKY COUNTY WATER & SEWER DISTRICT BOUNDARY MAP







## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

### **ATTACHMENT B**

# **District Articles of Incorporation & Bylaws**

# SECRETARY OF STATE


## STATE OF MONTANA

### CERTIFICATE OF INCORPORATION

I, MIKE COONEY, Secretary of State of the State of Montana, do hereby certify that on August 5, 1993, the County Clerk and Recorder of Madison County County, pursuant to Section 7-13-2214, Montana Code Annotated, caused to be filed in this office a Certificate on the Adoption of the Proposition for the Creation of County Water and/or Sewer District containing the statements required by law for BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363

NOW, THEREFORE, I, MIKE COONEY, as such Secretary of State, by virtue of the authority vested in me by law, do hereby certify that BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363 has been duly incorporated according to the laws of the State of Montana, and is a body politic and corporate, with right to perpetual succession.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Montana, at Helena, the Capital, this August 5, A.D. 1993.



*Mike Cooney*  
MIKE COONEY  
Secretary of State

**BYLAWS OF**  
**BIG SKY COUNTY WATER & SEWER DISTRICT No. 363**

**ARTICLE I**  
**Statement of Organization and Incorporation**

This Organization was formed by mail ballot election on July 26, 1993, voted by the residents and landowners within the designated boundaries of the water and sewer district in the unincorporated area known as Big Sky, pursuant to Title 7, Chapter 13, Parts 22 and 23, Montana Code Annotated (MCA). Certificate of Incorporation was issued by the Secretary of State on August 5, 1993.

**ARTICLE II**  
**Statement of Purpose**

The purpose of this Organization is to provide a public water supply and distribution system and a wastewater collection and treatment facility within its boundaries, and to do all things necessary and proper to maintain and operate these facilities as required by law and these Bylaws.

**ARTICLE III**  
**Name and Location**

The name of the corporation is the Big Sky County Water & Sewer District No. 363 (District). The principal office of the District is located within the District's boundaries. The mailing address of the District is post office address Box 160670, Big Sky, Montana 59716-0670. The following properties constitute the Big Sky County Water & Sewer District:

All of Section 19 and 30 and the N.W. 1/4 of Section 29, Township 6 South, Range 3 East, M.P.M., Madison County, Montana.

The S 1/2 of Section 25, all of Sections 26, 27, 33, 35 and 36, Township 6 South, Range 3 East, the portion of Section 31, Township 6 South, Range 4 East, situated north of the US 191 Spur Road, all of Section 1 and the NE 1/4 of Section 2, Township 7 South, Range 3 East, M.P.M., Gallatin County, Montana; and that portion of the sewer outfall line easement which goes through Sections 28, 29, 33 and 34, of Township 6 South, Range 3 East, M.P.M., Madison County and Gallatin County, Montana.

Tracts of land situated in the SE 1/4 of Section 34, Township 6 South, Range 3 East, M.P.M., Gallatin County, Montana, described as Tract 1B, Certificate of Survey No. 1812, 79.579 acres; and Tract B, Certificate of Survey No. 1696, 20.009 acres.

## ARTICLE IV

### Seal

The seal of the District shall have inscribed, thereon, the name of the District, the year of its organization and the words "Big Sky County Water and Sewer District No. 363." The Secretary of the Board of Directors for the District shall have custody of the seal. The seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or reproduced otherwise.

## ARTICLE V

### Fiscal Year

The fiscal year of the District shall begin July 1 of each year and end June 30 of the following year.

## ARTICLE VI

### Board of Directors

Section 1. Powers. The District shall be governed by a Board of Directors as provided by Section 7-13-2231, MCA. All powers of the District as provided by Title 7, Chapter 13, parts 22 and 23, MCA or necessarily implied, shall be vested in the Board of Directors, which shall do and perform any and all acts and things that may be necessary and proper to carry out its powers.

Section 2. Duties. The Board of Directors, subject to restrictions of law, the Articles of Incorporation, and these Bylaws, shall exercise all of the powers of the District, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given full power and authority in respect to the matters set forth in Section 7-13-2201-MCA, et seq., and Section 7-13-2301, MCA, et seq., and hereinafter set forth to be exercised by ordinance and resolution duly adopted by the Board.

- A. To select and appoint all agents of the District, remove such agents of the District, prescribe such duties and designate such powers consistent with these Bylaws and fix their compensation and pay for such services.
- B. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in its discretion, may be deemed essential or convenient for the conduct of the business and affairs of the District and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.
- C. To order, at least once each year, an independent audit of the books and accounts for the District and reported by the independent auditor at a regular meeting specified in the Guidelines and Procedures.
- D. To set an annual financial budget once a year for the convenience and management of the business of the District. The proposed budget shall be available for public review, properly noticed and a public hearing conducted prior to adoption by the Board. The budget shall be approved by a majority of

the Board prior to July 1 of each year. The Board of Directors may, from time to time, review the budget and revise the same by a majority vote of the directors present at the meeting. Any revisions in the budget that require an increase in user fees will be submitted for public notice.

- E. To review rates for water or sewage services charged by the District as often as deemed necessary, but, at least once every two years, prior to beginning the new fiscal year, in order to fix the rate, toll, fee, rent or other charge for the services, facilities and benefits directly afforded and the direct benefits received, that will be sufficient in each year to provide income and revenue adequate for:
- (i) the payment of the reasonable expense of operation and maintenance of the facilities;
  - (ii) administration of the District;
  - (iii) the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities, as may be determined necessary from time to time by the Board or as covenanted in the ordinance or resolution authorizing the outstanding bonds of the District.

Prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing, increasing rates, fees or charge for services or facilities, the Board shall order a public hearing as provided in Section 7-13-2275, MCA.

- F. To determine and require performance bonds for certain District employees deemed necessary by the Directors, the costs, thereof, to be paid by the District (Section 7-13-2279, MCA).

Section 3. Composition. The Board of Directors shall consist of seven (7) members: five (5) elected members and two (2) appointed members— one appointed by the Board of Madison County Commissioners and one appointed by the Board of Gallatin County Commissioners. Members of the Board of Directors are subject to removal or recall according to Section 7-13-2261, MCA. The following elected and appointed numbered positions represent the initial conditions as of the 1993 elections and will serve as reference for future elections and appointments unless changed by Montana Code Annotated:

Position	Director	Term	Elected/Appointed
1	Wayne O. Hill	2 Years	Elected
2	Robert Juel	2 years	Elected
3	Dee Rothschiller	2 Years	Elected
4	William A. Ogle	4 Years	Elected
5	Harold P. Meabon	4 Years	Elected
6	William F. Neece	6 Years	Appointed by Madison County
7	John "Skip" Radick	6 Years	Appointed by Gallatin County

- E. The grounds for closure of any part of the meeting.

Section 10. Public Meeting Notices. Public notices of regular or special meetings of the Board shall be provided to the *Lone Peak Lookout*, *The Madisonian*, *High Country Independent Press*, and *Bozeman Daily Chronicle*. Notices shall also be posted at the District office and at the Post Office.

Section 11. Ordinances and Resolutions. The Board shall act only by Ordinance or Resolution. A record of the yes and no votes must be taken upon the passage of all ordinances or resolutions and included in the Minutes of the Board of Directors. No ordinance or resolution shall be passed or become effective without the affirmative vote of at least a majority of the total members of the Board. The enacting clause of all ordinances passed by the Board shall be the following words: "**Be it ordained by the Board of Directors of Big Sky County Water & Sewer District No. 363 as follows:**" All ordinances and resolutions shall be signed by the President of the Board and attested to by the Secretary of the Board.

- A. The Board shall have an affirmative vote of a simple majority of the total members of the Board for the first and second readings of an ordinance or resolution.
- B. A two thirds (2/3) majority of the total members of the Board shall be required to suspend the first and second readings of an ordinance or resolution and required for the third reading and final adoption of an ordinance or resolution.
- C. Hearing notices for ordinances are to be published in official papers for both Madison and Gallatin Counties in accordance with Section 7-1-2121, MCA.

## **ARTICLE VII**

### **Offices and Duties of the Board of Directors**

Section 1. Election of Officers. The Board of Directors shall elect three (3) officers of the Board, a President, a Vice-President and a Secretary, each for a term of one (1) year at the regular November meeting unless said meeting is prior to a November public election of Board Member(s). In such case, the Board may call a special meeting within ten (10) days following the public election, for the purpose of electing a President, Vice President and Secretary or wait until the next regular meeting.

Section 2. Duties of President. In addition to performance in accordance with sections 7-13-2272 and 7-13-2275, MCA, the President shall:

- A. Perform all acts and duties usually performed by an executive and presiding officer.
- B. Sign all contracts and such other papers of the District as may be authorized and directed by the Board of Directors on behalf of the District.
- C. Convey all directives from the Board to the District Personnel.

Section 4. Qualifications. Any director, whether elected or appointed to the Board, shall be an owner or lessee of real property within the District or a resident therein.

Section 5. Term of Office. All directors, elected or appointed, shall hold office until the election and qualification or appointment and qualification of their successors. At the first meeting of the Directors, Positions 1, 2 and 3 were determined by lot to serve an initial two (2) year term and positions 5 and 6 were determined to serve an initial four (4) year term. Thereafter, every elective term shall be for a period of four (4) years as provided in Section 7-13-2234, MCA. The first regular election for the District shall be held in November of 1995. The term of office of a director appointed by the Board of Madison County Commissioners and the Board of Gallatin County Commissioners shall be six (6) years.

Section 6. Vacancies. Vacancies on the Board of Directors, whether the vacant office is elective or appointive, shall be filled by the remaining directors.

Section 7. Election and Appointment. The procedure and manner of nomination and election of all elective officers of the District to be voted for at any district election and the mode of appointment of a director by the County Commissioners of both Madison and Gallatin County shall be as provided in Sections 7-13-2235 through 7-13-2262, MCA.

Section 8. Compensation. Each member of the Board of Directors shall receive a monthly salary that may not exceed the following amounts: (1) \$60 if the population in the District does not exceed 500 persons; (2) \$80 if the population in the District exceeds 500 but is no more than 5,000 persons; and (3) \$100 if the population of the District is more than 5,000 persons. The board may elect to waive Directors compensation during development of the budget each fiscal year.

Section 9. Meetings. The Board of Directors shall meet on a regular basis and may hold special meetings to conduct the affairs of the District. Meetings shall be at such time and place as determined by the Board of Directors. All meetings and the conduct of business at those meetings shall be guided by a modern modification of *Robert's Rules of Order*. All meetings, whether regular or special, shall be open to the public. Official action at Board meetings can only occur with a quorum of Directors present. A quorum represents a majority of the total members of the Board. All meetings, whether corporal or by means of electronic equipment, at which a quorum is present, shall be open to the public subject to the requirements and exceptions set forth in Montana Code Annotated, Title 2, Chapter 3, Part 2. Appropriate notice of all meetings shall be provided to the public. Appropriate minutes of all meetings required by statute to be open shall be kept and shall be available for inspection by the public. Such minutes shall include without limitation:

- A. The date, time and place of meeting;
- B. A list of the individual members of the public body, agency or organization in attendance.
- C. The substance of all matters proposed, discussed or decided.
- D. At the request of any member, a record by individual members of any votes taken.

- C. Auditor. The auditor shall be charged with the duty of installing and maintaining a system of accounting and auditing that shall completely and at all times show the financial condition of the district. The auditor shall draw warrants to pay demands made against the district when such demands have been first approved by the general manager and at least three (3) members of the Board.

Section 3. Personnel Manual. The general manager shall prepare a Personnel Manual for approval by the Board of Directors. The Personnel Manual shall govern the personnel policies instituted by the District for its employees. All revisions to the Personnel Manual shall be in writing, and shall be approved by a majority vote of the total members of the Board.

## **ARTICLE IX**

### **Finance and Taxation**

Section 1. Charges for Services. The Board of Directors shall fix all water and sewer rates and shall, through the general manager, collect the sewer charges and the charges for the sale and distribution of water to all users. The Board, in the furnishing of water, sewer service, other services, and facilities, shall fix such rate, fee, toll, rent, or other charge as will pay the operating expenses of the district, provide for repairs and depreciation of works owned or operated by it, pay the interest on any bonded debt, and so far as possible, provide a sinking or other funds for the payment of the principal of such debt as it may become due. Notwithstanding any other provision regarding charges for services governed by Section 7-13-2301, MCA, the Board may adopt a system of rates, fees, and charges by ordinance to require that each recipient of treatment works services pays its proportionate share of the costs of operation, maintenance and replacement and to require industrial users of treatment works to pay their proportionate share of the capital cost of construction of the treatment works which is allocable to the treatment of that industrial user's wastes.

Section 2. Levy of Taxes. The District may levy taxes to meet bond obligations and other expenses as provided by Section 7-13-2302 through 2310, MCA.

Section 3. Bonded Indebtedness. Whenever the Board of Directors deems it necessary for the District to incur a bonded indebtedness, it shall by a resolution so declare and state the purpose for which the proposed debt is to be incurred, the land within the district to be benefited thereby, the amount of debt to be incurred, the maximum term the bonds proposed to be issued shall run before maturity, and the proposition to be submitted to the electors. In addition, the provisions of Section 7-13-2321 through 2331, MCA, shall govern the procedure for acquisition of bonded indebtedness by the District.

Section 4. Governmental Grants, Loans or Other Financial Assistance. The District may be treated as a municipality when applying for a grant, a loan, or other financial assistance from the State.

## **ARTICLE X**

### **District Insurance**

The District shall purchase appropriate insurance as determined by the Board of Directors and District employees to protect its Board members, employees, and property from any potential



- D. Perform any other duties that may be imposed by the Board of Directors.

Section 3. Duties of Vice President. In the President's absence, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions of the President; provided however, that in case of death, resignation, or disability of the President, the Board of Directors may declare the office vacant and elect a successor. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the President and the Board of Directors.

Section 4. Duties of Board Secretary. The Secretary will be the official record keeper for the Board and shall have custody of the seal. Minutes of all Board meetings, Resolutions and Ordinances passed by the Board will be attested by the Secretary. All legal documents and notices of Public Hearings that require certification of Board action will be attested by the Secretary. When the President and Vice President are both absent at a regularly scheduled or special meeting of the Board, the Secretary will conduct the meeting.

## **ARTICLE VIII**

### **Offices and Duties of the Administrative Personnel**

Section 1. Appointment. The Board shall, at its first meeting, or as soon thereafter as practical, appoint by a majority vote: a general manager, a secretary, and an auditor (financial officer). No director shall be eligible to the office of general manager, secretary, or auditor. The general manager, secretary and financial officer shall receive such compensation as the Board shall determine, and each shall serve at the pleasure of the Board.

#### Section 2. Duties.

- A. General Manager. The general manager shall have full charge and control of the maintenance, operation and construction of all works and systems of the District, with full power and authority to employ and discharge all employees and assistants and prescribe their duties and subject to the approval of the Board of Directors, fix their compensation. The manager shall cause the District to operate in a sound fiscal manner with the involvement of the Board of Directors for approval and/or action as necessary for significant unbudgeted expenses prior to the expenditure. Unforeseen or discovered variances that are over budget shall be reported to the Board of Directors immediately upon discovery. The general manager shall be responsible for all property and equipment owned or operated by the district; he shall direct and oversee all employees of the District, including hiring personnel, wages, job assignments and duties, counselling, discharging employees, and evaluating each employee. All hiring and employee termination will be subject to Board approval. The general manager shall perform such other duties as may be imposed upon him by the Board. The general manager shall report to the Board in accordance with such rules as it may adopt.
- B. Administrative Secretary. The secretary shall countersign all contracts on behalf of the District and perform such other duties as may be imposed by the Board.

loss and/or loss expense. The extent and specific nature of coverage shall be reviewed by the Board of Directors and District employees on a periodic basis as deemed appropriate.

**ARTICLE XI**  
**Director and Employee Indemnification**

No Board member, officer, or employee of the District shall be individually liable for any act or omission made in the course and scope of his official capacity on behalf of the District as long as the individual:

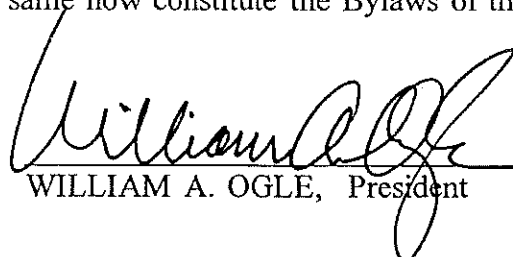
- A. Conducted himself in good faith;
- B. Reasonably believed that his conduct in his official capacity was in the best interests of the District;
- C. That in all other cases his conduct was at least not opposed to the best interests of the District;
- D. That he had no reason to believe that his conduct was unlawful;
- E. That he does not derive an improper personal benefit from his conduct;
- F. That his acts or omissions do not constitute willful misconduct, recklessness, or knowing violation of law.

**ARTICLE XII**  
**Amendments**

These Bylaws may be repealed or amended by the affirmative vote of a two-thirds (2/3) majority of the total members of the Board, at any regular or special meeting. The Board shall not have the power to change the purposes of the District, so, as to decrease its rights and powers under the Montana Code Annotated, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the District or its users, or so amend the Bylaws as to affect a fundamental change in policies of the District which would bring the District, in any manner, into conflict with the Montana Code Annotated.

**KNOW ALL MEN BY THESE PRESENTS:**

The undersigned President of **BIG SKY COUNTY WATER & SEWER DISTRICT No. 363**, DOES HEREBY CERTIFY that the above and foregoing Bylaws were duly adopted by the Board of Directors as the Bylaws of the said corporation at a regular meeting held the 17th day of June, 1997, and that the same now constitute the Bylaws of this corporation.

  
\_\_\_\_\_  
WILLIAM A. OGLE, President

# ATTEST TO BYLAWS:

We, the undersigned Board of Directors of said corporation, do hereby assent, adopt and make effective the above set forth Bylaws for the said corporation this 17th day of June, 1997.

<u>✓</u>	_____
YES	NO
<u>✓</u>	_____
YES	NO
<u>✓</u>	_____
YES	NO
<u>✓</u>	_____
YES	NO
<u>✓</u>	_____
YES	NO
<u>✓</u>	_____
YES	NO

<u>William A. Ogle</u>	_____
WILLIAM A. OGLE, President	
<u>William F. Neece</u>	_____
WILLIAM F. NEECE, Secretary	
<u>Harold P. Meabon</u>	_____
HAROLD P. MEABON, Vice President	
<u>Dee Rothschild</u>	_____
DEE ROTHSCILLER, Director	
<u>Skip Radick</u>	_____
SKIP RADICK, Director	
<u>Stewart Peacock</u>	_____
STEWART PEACOCK, Director	
<u>Wendell Ingraham</u>	_____
WENDELL INGRAHAM, Director	



## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

### **ATTACHMENT C**

### **Plat Map: Tract A-1 Sweetgrass Hills Subdivision**

SURVEY PURPOSE: FOR TM LAND PARTNERS, L.P. AND THE BIG SKY COMMUNITY CORPORATION TO RELOCATE A COMMON BOUNDARY.  
THE COMMISSIONER OF THIS SURVEY IS THE BIG SKY OWNERS ASSOCIATION.

SURVEYOR'S NOTE:

No original monuments were found for the survey recorded in Book 125, Page 451. The record dimensions do not close mathematically. We established the point of beginning for this survey on the county right-of-way line at the record distance from the east 1/4 corner of Section 31.

DESCRIPTION

A parcel of land, said parcel being Tract A of Certificate of Survey No. 2459, said tract being located in the Northeast Quarter, the Northwest Quarter, and the Southwest Quarter of Section 31, Township 6 South, Range 4 East, and Lot 2 of the First Amended Plat of Tract A-2 (H-36-C) of the Amended Subdivision Plat of Tract A of Sweetgrass Hills Subdivision, said lot being located in the Northeast Quarter of Section 36, Township 6 South, Range 3 East, all of said parcel being in Principal Meridian Montana, Gallatin County, Montana and being more particularly described as follows:

Beginning at a point on the northerly right of way of Montana State Highway No. 64, said point being the southeast corner of Tract A1 of Certificate of Survey No. 1354A; the following 20 courses being along the easterly and northerly lines of said survey: thence North 00°20'58" East, a distance of 241.83 feet; thence North 89°26'13" West, a distance of 381.22 feet; thence North 44°37'53" West, a distance of 40.70 feet; thence North 88°15'01" West, a distance of 120.24 feet; the following 8 courses being non-tangent at both ends: thence along a curve to the right with an arc length of 104.52 feet, a radius of 166.35 feet, a delta angle of 36°00'00", a chord bearing of North 70°09'52" West, and a chord length of 102.81 feet; thence North 52°09'52" West, a distance of 67.14 feet; thence along a curve to the right with an arc length of 40.80 feet, a radius of 37.55 feet, a delta angle of 62°45'00", a chord bearing of North 20°05'39" West, and a chord length of 38.89 feet; thence along a curve to the left with an arc length of 26.33 feet, a radius of 20.00 feet, a delta angle of 75°25'48", a chord bearing of North 27°34'19" West, and a chord length of 24.47 feet; thence along a curve to the right with an arc length of 71.06 feet, a radius of 112.00 feet, a delta angle of 36°21'11", a chord bearing of North 45°43'03" West, and a chord length of 69.88 feet; thence along a curve to the left with an arc length of 30.95 feet, a radius of 114.00 feet, a delta angle of 45°42'48", a chord bearing of North 00°01'20" West, and a chord length of 88.56 feet; thence North 73°21'48" West, a distance of 106.99 feet; thence along a curve to the right with an arc length of 181.71 feet, a radius of 500.00 feet, a delta angle of 20°49'22", a chord bearing of North 63°05'07" West, and a chord length of 180.72 feet; thence along a curve to the left with an arc length of 193.42 feet, a radius of 125.93 feet, a delta angle of 89°00'00", a chord bearing of South 53°16'04" West, and a chord length of 174.98 feet; thence South 39°16'04" West, a distance of 78.95 feet; thence along a curve to the right with an arc length of 51.23 feet, a radius of 43.98 feet, a delta angle of 66°45'00", a chord bearing of South 72°38'34" West, and a chord length of 48.39 feet; thence North 73°58'58" West, a distance of 69.50 feet; thence along a curve to the left with an arc length of 244.88 feet, a radius of 244.87 feet, a delta angle of 67°15'00", a chord bearing of South 77°23'34" West, and a chord length of 234.63 feet; thence South 48°46'04" West, a distance of 75.96 feet; thence along a curve to the right with an arc length of 176.30 feet, a radius of 244.87 feet, a delta angle of 41°15'00", a chord bearing of South 69°23'34" West, and a chord length of 172.51 feet; thence North 89°58'58" West, a distance of 72.46 feet;

thence South 40°18'03" West, a distance of 0.39 feet; thence North 00°01'44" West, along the west line of said Section 31, a distance of 405.68 feet; thence South 54°57'38" West, along the southeasterly line of said Lot 2, a distance of 107.67 feet to a point on the northerly right-of-way of Little Coyote Road; thence along a non-tangent curve to the left with an arc length of 341.30 feet, a central angle of 49°37'21", and an arc length of 298.56 feet; thence North 89°57'23" West, along said right-of-way, a distance of 40.68 feet; thence North 00°03'52" East, along the east line of Amended Subdivision Plat of Sweetgrass Hills (H36A), a distance of 237.00 feet; thence North 89°56'43" West, along the north line of said plot, a distance of 240.98 feet; thence North 00°03'41" East, along the east line of Lot 1 of said First Amended Plat of Tract A-2 (H-36-C), a distance of 336.10 feet; thence North 89°58'29" East, along the south line of Tract 2 of Sweetgrass Hills Subdivision, a distance of 628.13 feet to the west line of said Section 31; thence North 89°57'23" East, along the south line of Certificate of Survey No. 2412, a distance of 136.25 feet;

the following 6 courses being along the westerly and southerly boundary of Certificate of Survey No. 2218: thence South 29°45'52" West, a distance of 262.57 feet; thence South 00°00'00" East, a distance of 517.56 feet; thence along a non-tangent curve to the left with an arc length of 152.95 feet, a radius of 300.00 feet, a delta angle of 29°12'50", a chord bearing of South 87°25'08" East, and a chord length of 151.31 feet; thence North 77°58'27" East, a distance of 234.36 feet; thence along a curve to the right with an arc length of 138.13 feet, a radius of 520.00 feet, a delta angle of 15°19'48", a chord bearing of North 85°38'21" East, and a chord length of 138.72 feet; thence South 86°41'45" East, a distance of 170.96 feet;

thence South 00°06'20" East, along the west line of Certificate of Survey No. 2384, an approximate distance of 331.00 feet to a point on the thread of the main channel of the North Fork of the West Fork of the West Gallatin River; thence in a generally easterly direction along the thread of said river, said thread being approximately dimensioned by the following 22 courses: thence North 75°53'03" East, a distance of 91.87 feet; thence North 51°43'10" East, a distance of 72.46 feet; thence North 12°29'28" East, a distance of 87.12 feet; thence North 88°22'48" East, a distance of 98.91 feet; thence South 39°18'36" East, a distance of 112.18 feet; thence South 48°29'53" West, a distance of 102.61 feet; thence South 31°25'45" East, a distance of 66.64 feet; thence North 85°43'59" East, a distance of 108.45 feet; thence South 55°29'45" East, a distance of 130.11 feet; thence North 89°49'11" East, a distance of 133.83 feet; thence North 63°03'12" East, a distance of 312.96 feet; thence South 51°25'45" East, a distance of 141.74 feet; thence North 78°20'03" East, a distance of 77.85 feet; thence North 20°21'15" East, a distance of 194.16 feet; thence North 68°09'32" East, a distance of 67.84 feet; thence South 53°13'43" East, a distance of 170.96 feet; thence South 40°49'25" East, a distance of 200.95 feet; thence North 60°02'26" East, a distance of 43.16 feet; thence South 45°08'28" East, a distance of 113.28 feet; thence South 03°16'25" East, a distance of 72.48 feet; thence South 58°07'28" East, a distance of 152.00 feet; thence South 89°18'16" East, a distance of 121.55 feet;

thence North 08°38'49" East, an approximate distance of 20.00 feet to a point on the north bank of said river and the southeast corner of a survey recorded on Book 125, Page 451 of Gallatin County records; the following 4 courses being along the southerly and easterly line of said survey: thence South 63°36'56" East, a distance of 145.85 feet to a point on the northerly right of way line of County Road No. 372; thence South 66°45'00" East, along said right-of-way, a distance of 104.00 feet; thence North 30°50'00" East, a distance of 93.00 feet; thence North 32°40'00" East, an approximate distance of 90.13 feet to a point on the thread of said river;

thence southeasterly along the thread of said river and along the southeasterly line of a plot dimensioned by the following 6 courses: thence South 54°23'12" East, a distance of 11.46 feet; thence South 40°00'00" East, a distance of 25.00 feet; thence South 00°10'31" East, a distance of 45.26 feet; thence South 31°41'41" East, a distance of 54.67 feet; thence South 45°58'52" East, a distance of 70.88 feet; thence South 54°20'01" East, a distance of 83.78 feet to a point on the northerly right of way of Montana State Highway No. 64;

the following 8 courses being along the northerly line of said Montana State Highway No. 64: thence North 86°55'13" West, a distance of 262.58 feet; thence North 66°25'31" West, a distance of 85.68 feet; thence North 86°55'13" West, a distance of 569.78 feet; thence South 88°25'06" West, a distance of 389.15 feet; thence along a 60.00 foot offset northerly from a centerline spiral of decreasing radius (Centerline Data: L=150.00 feet, Theta = 1°30'00"), said offset having a chord bearing of North 87°25'22" West, and a chord distance of 151.57 feet; thence along a curve to the left with an arc length of 781.99 feet, a radius of 2924.80 feet, a delta angle of 15°30'53", a chord bearing of South 63°49'21" West, and a chord length of 789.57 feet; thence along a 60 foot offset northerly from a centerline spiral of increasing radius (Centerline Data: L=150.00 feet, Theta = 1°30'00"), said offset having a chord bearing of South 78°04'03" West, and a chord distance of 151.57 feet; thence South 74°33'54" West, a distance of 24.84 feet to the Point of Beginning.

The described parcel is as shown on the accompanying plot and contains 60.23 acres, more or less. The described tract is along with and subject to any existing easements.

CERTIFICATE OF CLERK AND RECORDER

I, Shelley Vance, Clerk and Recorder of Gallatin County, Montana, do hereby certify that the foregoing instrument was filed in my office at 1:33 o'clock, P.M., this 13th day of November, 2000, and recorded in Book 361 of Plots, on Page 366, as Document No. 247854, Records of the Clerk and Recorder, Gallatin County, Montana.

Deputy Clerk and Recorder

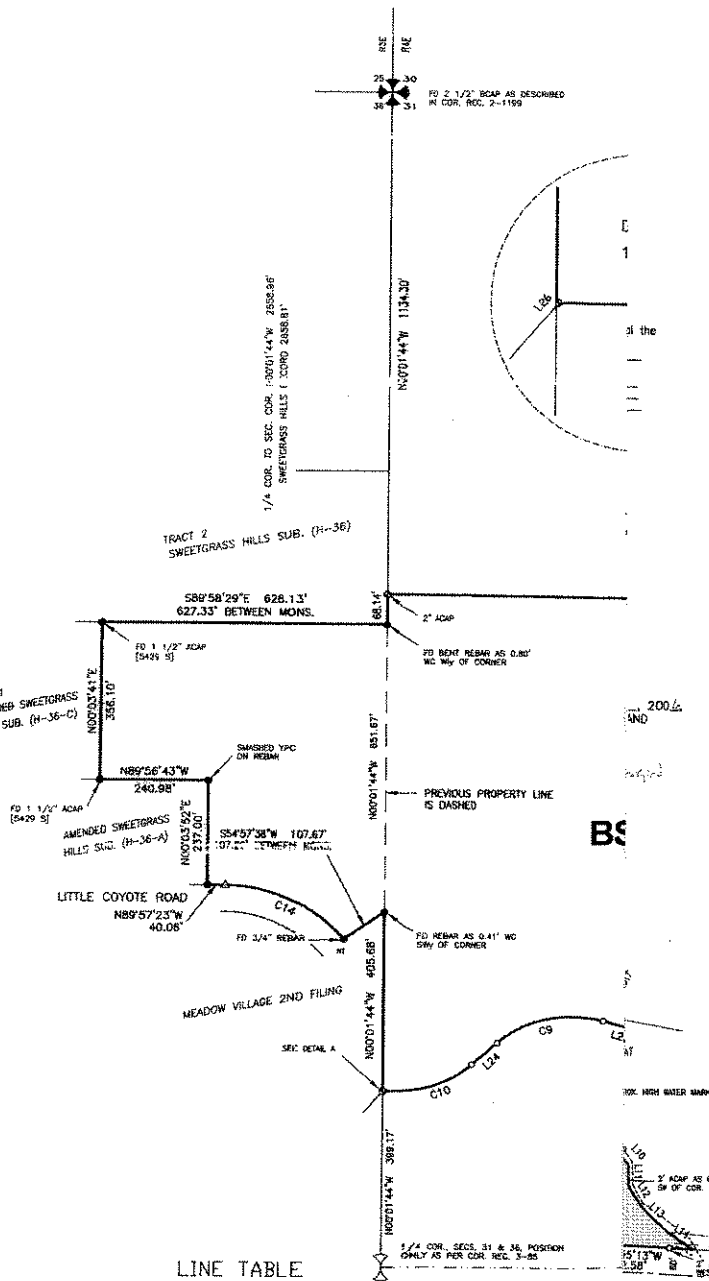
2247954  
Shelley Vance-Gallatin Co. RT PLAT 8.00  
11/15/2005 01:39P

DRAWN BY: sa DATE: 6/2/06 QUALITY CHECK: SA  
SURVEYED BY: sa JOB NO. 806-012 FIELDBOOK 122, 108  
THOMAS, DEAN & HOSKINS, INC  
ENGINEERING CONSULTANTS  
GREAT FALLS-BOZEMAN-KALISPELL  
SPOKANE LEWISTON MONTANA WASHINGTON IDAHO

TD&H

H-36-E

SWEETGRASS HILLS SUB.



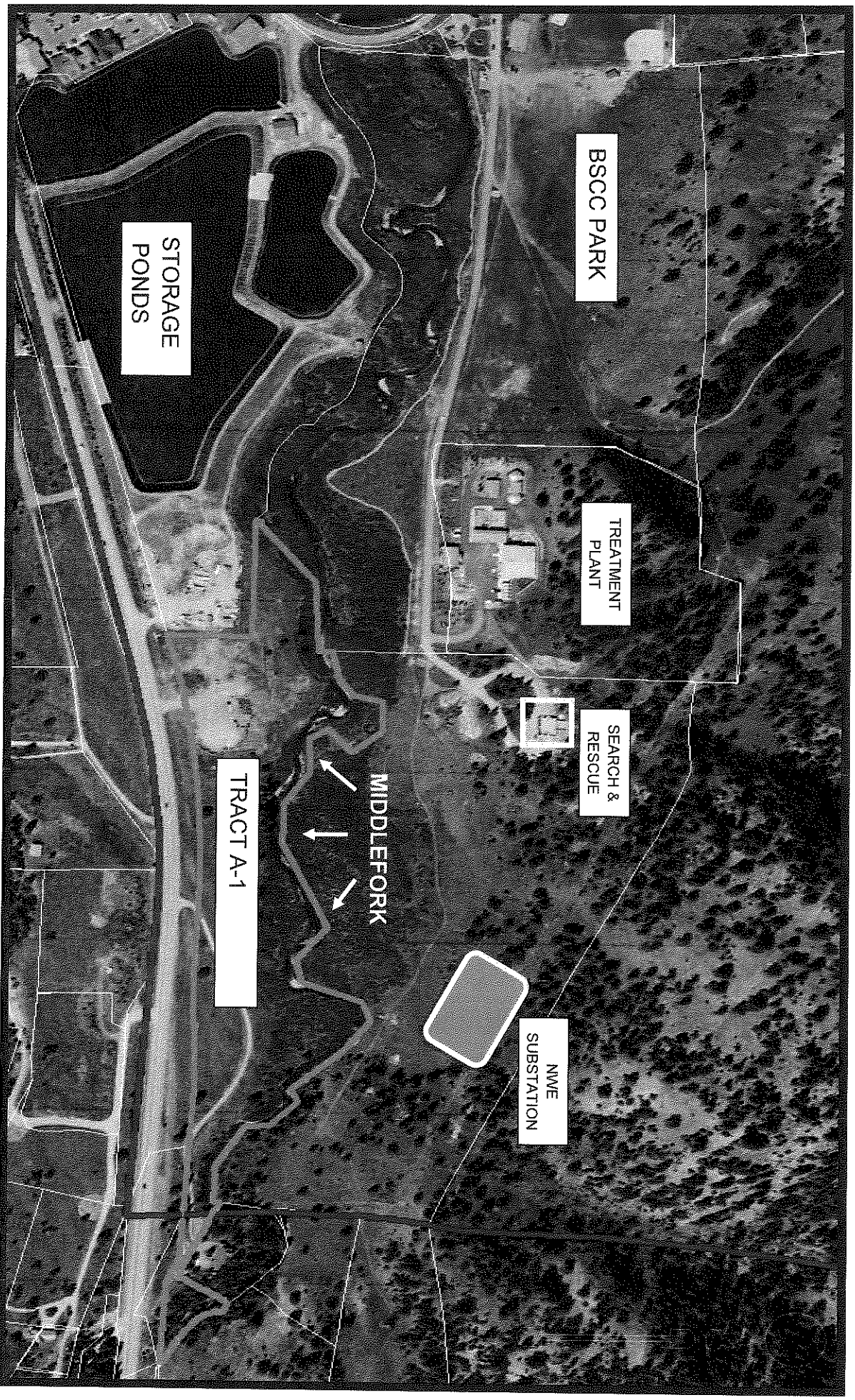
LINE TABLE

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N00°09'49\"W	30.34	L28	S79°04'03\"W	181.57
L2	S00°06'29\"E	30.53	L29	N79°03'44\"E	148.42
L3	S60°13'15\"W	30.11	L30	N75°53'03\"E	91.87
L4	N00°26'30\"E	120.21	L31	N51°43'10\"E	72.46
L5	S63°36'56\"E	145.85	L32	N12°29'28\"E	87.12
L6	S66°45'00\"E	104.00	L33	N88°22'48\"E	98.91
L7	N30°50'00\"E	83.00	L34	S39°18'36\"E	112.18
L8	N32°40'00\"E	90.13	L35	S48°29'53\"W	102.61
L9	S54°23'12\"E	11.46	L36	S31°25'45\"E	66.64
L10	S40°00'00\"E	25.00	L37	N85°43'59\"E	108.45
L11	S00°10'31\"E	45.26	L38	S55°29'45\"E	130.11
L12	S31°41'41\"E	54.67	L39	N89°49'11\"E	133.83
L13	S45°58'52\"E	70.88	L40	N63°03'12\"E	312.98
L14	S54°20'01\"E	83.78	L41	S51°25'45\"E	141.74
L15	S63°49'21\"W	789.57	L42	N76°20'03\"E	77.85
L16	N66°25'51\"W	25.00	L43	N20°21'15\"E	194.16
L17	S74°33'54\"W	24.84	L44	N89°09'32\"E	67.84
L18	N44°37'53\"W	40.70	L45	S53°13'43\"E	120.96
L19	N88°15'01\"W	120.24	L46	S40°49'25\"E	200.95
L20	N52°09'52\"W	67.14	L47	N80°02'26\"E	43.16
L21	N73°21'48\"W	106.99	L48	S45°58'28\"E	113.28
L22	S39°16'04\"W	78.96	L49	S03°16'25\"E	72.48
L23	N73°58'56\"W	89.50	L50	S58°07'28\"E	152.00
L24	S48°46'04\"W	75.96	L51	S89°18'16\"E	121.55
L25	N89°58'58\"W	22.48	L52	N08°39'49\"E	20.00
L26	S40°16'03\"W	0.39	L53	S81°18'16\"W	5.95
L27	N87°25'22\"W	151.57	L54	S79°11'41\"W	242.79

RECORD DIMENSION NOTED, TYP.



# SWEETGRASS HILLS TRACT A-1



**SWEETGRASS HILLS TRACT A-1**







## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

### **ATTACHMENT D**

## **Big Sky Community Corporation Support Letter**



Dear Big Sky Resort Area District Board,

March 28, 2013

**RE: Support for Water and Sewer Land Purchase -- Big Sky Water and Sewer District Request**

It is our pleasure to write this letter in support of the Water and Sewer district's application for 50% cost share match to put an offer in for land located on the east side of the District's storage ponds. They should be commended for requesting funding for this project to provide a buffer area below the wastewater storage pond. Using this land for a low density development, for parking, a park or open space makes good sense as building below what is classified as a dam is risky. We feel this option makes more sense and we strongly support it. BSCC has a record of working closely with water and sewer throughout the years – they built a beautiful trail through their property for our organization and also allow us to utilize their property for an 18 hole disc golf course. These kinds of uses seem well suited to land that borders the water and sewer ponds.

If Water and Sewer were able to attain this land we would be thrilled to use it as a connector to our park and it would allow us to offer more recreational opportunities by increasing our usable acreage. Some possible uses for the land include adding bridges to reach our land, building a parking area for the park, building a dog park, and creating new recreation facilities.

In conclusion, I would like to request that this project be funded by the BSRAD board this year. If this project is funded by the BSRAD, it would be an excellent venue to build community, create new recreation and open space options for the community and draw tourism from near and far.

Sincerely,



Jessie Wiese  
Executive Director  
Big Sky Community Corporation



## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

# **ATTACHMENT E**

## **District's Budget FY 2012/13**

# OPERATING BUDGET

ORIGINAL

BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
2012/2013 Annual Budget adopted by the Board of Directors on May 7, 2012

PERIOD  
July 1, 2012 through June 30, 2013  
TABLE OF CONTENTS

SECTION	PAGE
A. Budget Summary . . . . .	2
B. Capital Budget . . . . .	3
<b>REVENUES</b>	<b>4</b>
C. Revenues . . . . .	4
<b>GENERAL ADMINISTRATION</b>	<b>4</b>
D. Office & General Administration Ex . . . . .	4
<b>SEWER OPERATIONS</b>	<b>5</b>
E. Sewer General & Administrative Exp . . . . .	5
F. Sewer Plant Operations Ex . . . . .	5
G. Total Sewer Operations Expense . . . . .	6
<b>WATER OPERATIONS</b>	<b>7</b>
H. Water General Administration Ex . . . . .	7
I. Water Plant Operations Ex . . . . .	7
J. Total Water Operating Ex . . . . .	8
K. Total Operating Ex . . . . .	8
<b>NON-OPERATING REVENUES</b>	<b>8</b>
L. Non-Operating Revenues . . . . .	8
M. Non-Operating Expenses . . . . .	9
N. Donated Capital Assets . . . . .	9
<b>SUMMARIES</b>	<b>10</b>
O. Summary - Operating Revenues & Expenses . . . . .	10
P. Summary - Non-Operating Revenues & Expenses . . . . .	10
Q. Summary - Total Revenues & Expenses . . . . .	10
R. Summary - General & Admin, Sewer, Water Operation . . . . .	10

The undersigned, Dick Fast, hereby certifies that I am the Secretary of the Big Sky County Water District No. 363 and that the foregoing budget was duly adopted by the Board of Directors of the District at a regular meeting on May 7, 2012.

  
Dick Fast, Secretary

ORIGINAL

BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
2012/2013 BUDGET

**BUDGET SUMMARY**

**SEWER OPERATIONS**

OPERATING REVENUE	1,320,250
NON-OPERATING REVENUE	895,600
<b>TOTAL REVENUE</b>	<b>2,215,850</b>
1/2 GENERAL & ADMIN EX	222,441
SEWER OPERATING EX	1,114,050
NON-OPERATING EXPENSES	375,000
<b>TOTAL EXPENSES</b>	<b>1,711,491</b>
<b>NET REVENUES</b>	<b>504,359</b>
LESS PRIN PMT-SRF LOANS	(1,119,000)
LESS CAPITAL PAYMENTS	(85,000)
NON-CASH DEPRECIATION	620,000
<b>NET TO SWR RESERVES</b>	<b>(79,641)</b>

**WATER OPERATIONS**

OPERATING REVENUE	1,073,250
NON-OPERATING REVENUE	612,800
<b>TOTAL REVENUE</b>	<b>1,686,050</b>
1/2 GENERAL & ADMIN EX	222,441
OPERATING EXPENSES	849,199
NON-OPERATING EXPENSES	220,000
<b>TOTAL EXPENSES</b>	<b>1,291,640</b>
<b>NET REVENUES</b>	<b>394,410</b>
LESS PRIN PMT-SRF LOANS	(323,000)
LESS CAPITAL PAYMENTS	(85,000)
NON-CASH DEPRECIATION	326,500
<b>NET TO WTR RESERVES</b>	<b>312,910</b>
<b>NET TO RESERVES</b>	<b>233,268</b>

Dept	Monthly User Rates	
	2011-2012	2012-2013
Sewer SFE	27.85	27.85
Water SFE	20.55	20.55
Sewer Meter	23.91(B)-5.82(V) *	23.91(B)-5.82(V)
Water Meter	15.46(B)-Tierd(V) *	15.46(B)-Tierd(V)
Water Tiers	Water	Water
0-60,000	2.49	2.49
60,000 - 90,000	3.74	3.74
90,000 and above	4.99	4.99

\* B=Base Charge per M \*  
\* V=Variable Charge Per \*

Unimproved Lots	495
Sewer	506
Water	15.00
Vacant Lot Charge	
Meters	2,707
Metered Accts	

ORIGINAL

CAPITAL BUDGET 2012 - 2013	
SEWER OPERATIONS Capital Items	
Wastewater Treatment Plant Pond Work	\$ -
Main Replacements	35,000
Computers	85,000
TOTALS	\$ 123,500
Sources of Funding for the Sewer Capital Projects and Items	
SRF Loan-Balance	\$ 273,137
Plant Investment Charges	3,318,640
Sewer Asset Replacement Fund	4,298,969
Projected Asset Replacement Addition 12-13	620,000
Plant Investment Charges 2011-2012	45,000
Sewer Capital Projects and listed items	(123,500)
Balance Remaining to Sewer Capital Items	\$ 8,432,246

WATER OPERATIONS Capital Items	
New Projects (Wells 4 & 5 Completion)	\$ -
Main Replacements	141,553
Payoff Office Loan	85,000
Water Supply Development	0
Computers	80,000
TOTALS	\$ 310,053
Sources of Funding for the Water Capital Projects and Items	
SRF Water Loan 5M	\$ 141,553
Water Asset Replacement Fund	1,844,927
Projected Asset Replacement Addition 2012-2013	326,500
Water Capital Projects and listed items	(310,053)
Balance Remaining to Water Capital Items	\$ 1,802,927

**BIG SKY WATER & SEWER #363**  
**2012 - 2013 BUDGET**  
 April 24, 2012

**REVENUES**

**OPERATING REVENUES**

3020 - Sewer Wastewater User Charges  
 3025 - Water User Charges  
 3030 - Late Payment Fees  
 3035 - Sewer Connection/Insp Fees  
 3040 - Water Connection/Insp Fees  
 3042 - Water Meters Issued  
 3045 - Sewer Miscellaneous Income  
 3046 - Water Misc. Inc/ Yellowstone Club Inc

**TOTAL OPERATING REVENUE**

**EXPENSES**

**GENERAL ADMINISTRATION EXPENSES**

**OFFICE - GEN & ADM EXPENSES**

**DIRECTORS**

5001 - Meeting Expenses  
 5002 - Directors Reimbursable Ex.

**TOTAL**

Per MCA 7-13-2273 - \$80 per month per director.

**ADMIN PERSONNEL**

5010 - Salaries  
 5015 - Workers Compensation Ins  
 5020 - Employer P/R Medicare/457 Match  
 5025 - Public Emp Ret Sys - Employer  
 5030 - Employee Health Ins  
 5031 - Long-Term, Short-Term Insurance  
 5035 - Employee Education Ex  
 5040 - Luncheons, Meetings, Etc.

**TOTAL**

**OFFICE**

5130 - Utilities - New Off-ArmCas/N.W.E  
 5135 - Janitorial  
 5136 - Carpet Service - Arm Linen  
 5141 - Off Supplies/Copier Etc.  
 5142 - Office Furn & Equipment  
 5143 - Computer Software/Hware  
 5144 - Web Design/CC Web Payments  
 5145 - Telephone  
 5150 - Printing  
 5155 - Postage - Shipping  
 5160 - Advertising  
 5165 - Insurance  
 5175 - Dues & Subscriptions  
 5185 - Election Expenses  
 5190 - Stnt Mailing-Postage, Forms etc

**TOTAL**

	BUDGET LAST YEAR 2011-2012	ACTUAL YEAR TO DATE Jul '11 - Mar 12	PROJECTED ACTUAL TO 6/30/2012	BUDGET 2012-2013	PROJECTED ACTUAL TO 11/12 Budget	12/13 BUDGET TO 11/12 BUDGET	12/13 BUDGET TO Projected Actual
OPERATING REVENUES							
3020 - Sewer Wastewater User Charges	1,305,000	961,018	1,308,025	1,300,000	0.23%	-0.38%	-0.61%
3025 - Water User Charges	930,000	709,151	945,534	945,000	1.67%	1.61%	-0.06%
3030 - Late Payment Fees	8,000	5,550	7,400	7,500	-7.50%	-6.25%	1.35%
3035 - Sewer Connection/Insp Fees	2,000	725	967	1,500	-51.67%	-25.00%	55.17%
3040 - Water Connection/Insp Fees	2,000	1,025	1,367	1,500	-31.67%	-25.00%	9.76%
3042 - Water Meters Issued	5,000	7,382	9,843	8,000	96.85%	60.00%	-18.72%
3045 - Sewer Miscellaneous Income	12,000	10,981	14,442	15,000	22.01%	25.00%	2.45%
3046 - Water Misc. Inc/ Yellowstone Club Inc	125,000	86,870	115,827	115,000	-7.34%	-6.00%	-0.71%
<b>TOTAL OPERATING REVENUE</b>	<b>2,389,000</b>	<b>1,802,703</b>	<b>2,403,603</b>	<b>2,693,500</b>	<b>-0.61%</b>	<b>-0.19%</b>	<b>-0.42%</b>
EXPENSES							
GENERAL ADMINISTRATION EXPENSES							
OFFICE - GEN & ADM EXPENSES							
DIRECTORS							
5001 - Meeting Expenses	1,000	199	266	500	-73.40%	-50.00%	87.98%
5002 - Directors Reimbursable Ex.	3,380	3,882	5,176	3,920	54.05%	16.67%	-24.27%
<b>TOTAL</b>	<b>4,380</b>	<b>4,082</b>	<b>5,442</b>	<b>4,420</b>	<b>24.82%</b>	<b>1.38%</b>	<b>-18.78%</b>
ADMIN PERSONNEL							
5010 - Salaries	229,927	161,474	215,299	225,325	-3.59%	0.89%	4.66%
5015 - Workers Compensation Ins	1,484	986	1,315	1,498	-11.40%	0.96%	13.95%
5020 - Employer P/R Medicare/457 Match	18,368	12,092	16,122	18,927	-0.28%	0.98%	1.27%
5025 - Public Emp Ret Sys - Employer	16,139	12,078	16,104	16,284	-0.22%	0.96%	1.18%
5030 - Employee Health Ins	61,013	46,112	61,482	61,571	0.77%	0.92%	0.14%
5031 - Long-Term, Short-Term Insurance	8,176	4,080	5,441	6,441	-11.91%	4.29%	18.39%
5035 - Employee Education Ex	2,500	1,531	2,041	2,500	-18.37%	0.00%	22.50%
5040 - Luncheons, Meetings, Etc.	500	650	867	500	73.41%	0.00%	-42.33%
<b>TOTAL</b>	<b>332,306</b>	<b>239,003</b>	<b>318,671</b>	<b>330,456</b>	<b>-2.64%</b>	<b>0.96%</b>	<b>3.70%</b>
OFFICE							
5130 - Utilities - New Off-ArmCas/N.W.E	6,000	4,614	6,153	6,100	2.54%	1.67%	-0.85%
5135 - Janitorial	750	0	0	750	-100.00%	0.00%	0.00%
5136 - Carpet Service - Arm Linen	560	471	627	530	12.02%	12.50%	0.43%
5141 - Off Supplies/Copier Etc.	4,000	3,800	5,067	5,000	26.67%	25.00%	-1.32%
5142 - Office Furn & Equipment	500	1,342	1,789	1,500	257.76%	200.00%	-16.14%
5143 - Computer Software/Hware	3,000	1,629	2,173	2,500	-27.58%	-16.67%	15.07%
5144 - Web Design/CC Web Payments	40	1,483	1,977	2,000	4843.40%	4900.00%	1.14%
5145 - Telephone	5,500	3,888	5,184	5,200	-5.74%	-5.45%	0.30%
5150 - Printing	500	0	0	250	-100.00%	-50.00%	0.00%
5155 - Postage - Shipping	750	1,143	1,524	1,500	-12.93%	-14.29%	-1.55%
5160 - Advertising	350	0	0	350	-100.00%	0.00%	0.00%
5165 - Insurance	42,974	32,531	43,374	46,410	0.93%	7.99%	7.00%
5175 - Dues & Subscriptions	11,500	1,030	1,373	1,500	-8.44%	0.00%	9.22%
5185 - Election Expenses	3,000	140	187	500	-93.78%	-83.33%	167.86%
5190 - Stnt Mailing-Postage, Forms etc	8,000	6,887	9,183	8,000	14.79%	0.00%	-12.88%
<b>TOTAL</b>	<b>78,422</b>	<b>58,958</b>	<b>78,610</b>	<b>82,190</b>	<b>0.24%</b>	<b>4.80%</b>	<b>4.55%</b>



# **BIG SKY WATER & SEWER #363** **2012 - 2013 BUDGET** April 24, 2012

**ORIGINAL**

## **VEHICLE**

5210 - Vehicle Gas & Oil  
 5215 - Vehicle Repair & Maint  
 5220 - Vehicle Insurance

### **TOTAL**

5310 - Legal Fees

5315 - Computer/Telephone Maintenance

5325 - Audit Ex

5330 - GIS Mapping Ex

5332 - Other Consulting Fees

### **TOTAL**

## **OTHER EXPENSES**

5415 - Bank Service Charges

5420 - State Annual/Audit Filing Fee

5430 - Miscellaneous

5445 - Office Bldg - Repair & Maint

### **TOTAL**

## **SPECIAL PROJECTS**

5430 - Office

### **TOTAL**

**TOTAL OFFICE GENERAL & ADM. EX**

## **SEWER OPERATION EXPENSES**

## **SEWER - GEN & ADM. EXPENSES**

### **PERSONNEL**

6010 - Salaries  
 6015 - Wages - Labor - Part Time  
 6020 - Workers' Compensation Ins Ex  
 6025 - Employer P/R Medicare/457 Match  
 6030 - Public Emp Ret Sys Ex  
 6031 - Long-Term, Short Term Insurance  
 6035 - Employee Health Ins Ex  
 6040 - Employee Education Ex

### **TOTAL**

## **GENERAL**

6110 - Dues & Subscription Ex  
 6115 - Telephone  
 6130 - Office Supplies & Equip  
 6132 - Publications-Swr

### **TOTAL**

**TOTAL SEWER GENERAL & ADM. EX**

## **SEWER PLANT OPERATIONS EXPENSES**

### **VEHICLE**

8110 - Fuel / Vehicles & Equip  
 8115 - Vehicles - Repair/Maint  
 8120 - Vehicle & Equip Insurance  
 8125 - Snowmachine Maint/Equip  
 8130 - Fuel - Backhoe & Equip

### **TOTAL**

	BUDGET LAST YEAR 2011-2012	ACTUAL YEAR TO DATE Jul '11 - Mar '12	PROJECTED ACTUAL TO 6/30/2012	BUDGET 2012-2013	PROJECTED ACTUAL TO 11/12 Budget	12/13 BUDGET TO 11/12 BUDGET	12/13 BUDGET TO Projected Actual
<b>VEHICLE</b>							
5210 - Vehicle Gas & Oil	3,500	3,140	4,186	4,000	19.61%	14.29%	-4.45%
5215 - Vehicle Repair & Maint	1,500	1,358	1,811	1,500	20.73%	0.00%	-17.17%
5220 - Vehicle Insurance	1,534	1,161	1,548	1,641	0.89%	6.97%	6.03%
<b>TOTAL</b>	<b>6,534</b>	<b>5,659</b>	<b>7,545</b>	<b>7,141</b>	<b>16.47%</b>	<b>9.29%</b>	<b>-5.35%</b>
<b>PROFESSIONAL SERVICES</b>							
5310 - Legal Fees	4,000	2,674	3,565	4,000	-10.86%	0.00%	12.19%
5315 - Computer/Telephone Maintenance	4,500	3,112	4,150	4,200	-7.78%	-6.67%	1.21%
5325 - Audit Ex	8,500	8,540	8,540	8,500	0.47%	0.00%	-0.47%
5330 - GIS Mapping Ex	250	50	67	250	-73.33%	0.00%	275.00%
5332 - Other Consulting Fees	250	0	0	250	-100.00%	0.00%	0.00%
<b>TOTAL</b>	<b>17,500</b>	<b>14,377</b>	<b>16,322</b>	<b>17,200</b>	<b>-6.73%</b>	<b>-1.71%</b>	<b>5.38%</b>
<b>OTHER EXPENSES</b>							
5415 - Bank Service Charges	100	51	68	75	-32.00%	-25.00%	10.29%
5420 - State Annual/Audit Filing Fee	800	845	890	900	-1.11%	0.00%	1.12%
5430 - Miscellaneous	1,000	1,758	2,344	1,000	134.42%	0.00%	-57.34%
5445 - Office Bldg - Repair & Maint	1,500	905	1,206	1,500	-19.59%	0.00%	24.37%
<b>TOTAL</b>	<b>3,500</b>	<b>3,559</b>	<b>4,508</b>	<b>3,475</b>	<b>28.81%</b>	<b>-0.71%</b>	<b>-22.92%</b>
<b>SPECIAL PROJECTS</b>							
5430 - Office	0	0	0	0	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL OFFICE GENERAL &amp; ADM. EX</b>	<b>437,625</b>	<b>325,637</b>	<b>431,099</b>	<b>444,882</b>	<b>-1.49%</b>	<b>1.66%</b>	<b>3.20%</b>

	BUDGET LAST YEAR 2011-2012	ACTUAL YEAR TO DATE Jul '11 - Mar '12	PROJECTED ACTUAL TO 6/30/2012	BUDGET 2012-2013	PROJECTED ACTUAL TO 11/12 Budget	12/13 BUDGET TO 11/12 BUDGET	12/13 BUDGET TO Projected Actual
<b>SEWER - GEN &amp; ADM. EXPENSES</b>							
<b>PERSONNEL</b>							
6010 - Salaries	119,893	84,749	112,998	121,794	-5.75%	1.59%	7.78%
6015 - Wages - Labor - Part Time	0	0	0	0	0.00%	0.00%	0.00%
6020 - Workers' Compensation Ins Ex	4,360	2,282	3,042	4,453	-30.55%	1.65%	46.38%
6025 - Employer P/R Medicare/457 Match	9,076	6,673	8,887	9,226	-1.97%	1.65%	3.70%
6030 - Public Emp Ret Sys Ex	8,627	6,362	8,482	8,769	-1.67%	1.65%	3.38%
6031 - Long-Term, Short Term Insurance	4,837	1,862	2,483	3,595	-48.67%	-25.60%	44.94%
6035 - Employee Health Ins Ex	35,834	28,175	37,567	35,087	4.84%	2.08%	-6.60%
6040 - Employee Education Ex	750	3,959	5,279	1,500	603.88%	100.00%	-71.59%
<b>TOTAL</b>	<b>183,396</b>	<b>134,061</b>	<b>178,749</b>	<b>184,427</b>	<b>-2.53%</b>	<b>0.56%</b>	<b>3.18%</b>
<b>GENERAL</b>							
6110 - Dues & Subscription Ex	125	203	270	325	116.00%	160.00%	20.37%
6115 - Telephone	4,950	3,275	4,367	4,200	-11.77%	-15.15%	-3.83%
6130 - Office Supplies & Equip	900	127	169	200	-71.81%	-66.67%	18.23%
6132 - Publications-Swr	150	0	0	150	-100.00%	0.00%	0.00%
<b>TOTAL</b>	<b>6,825</b>	<b>3,605</b>	<b>4,806</b>	<b>4,875</b>	<b>-17.49%</b>	<b>-16.31%</b>	<b>1.43%</b>
<b>TOTAL SEWER GENERAL &amp; ADM. EX</b>	<b>189,221</b>	<b>137,666</b>	<b>183,555</b>	<b>189,302</b>	<b>-2.99%</b>	<b>0.04%</b>	<b>3.13%</b>
<b>SEWER PLANT OPERATIONS EXPENSES</b>							
<b>VEHICLE</b>							
8110 - Fuel / Vehicles & Equip	8,000	6,578	8,771	8,500	9.64%	6.25%	-3.09%
8115 - Vehicles - Repair/Maint	2,600	2,935	3,914	3,000	56.54%	20.00%	-23.34%
8120 - Vehicle & Equip Insurance	2,241	1,711	2,281	2,398	1.82%	7.02%	5.11%
8125 - Snowmachine Maint/Equip	100	0	0	100	-100.00%	0.00%	0.00%
8130 - Fuel - Backhoe & Equip	7,250	1,324	1,768	1,350	41.25%	9.00%	-23.54%
<b>TOTAL</b>	<b>14,991</b>	<b>12,549</b>	<b>16,731</b>	<b>15,348</b>	<b>18.74%</b>	<b>8.92%</b>	<b>-8.27%</b>

# **BIG SKY WATER & SEWER #363** **2012 - 2013 BUDGET** April 24, 2012

**ORIGINAL**

	BUD LAST YEAR 2011-2012	ACTUAL YEAR TO DATE Jul 11 - Mar 12	PROJECTED ACTUAL TO 6/30/2012	BGET 2012-2013	PROJECTED ACTUAL TO 11/12 Budget	12/13 BUDGET TO 11/12 BUDGET	12/13 BUDGET TO Projected Actual
<b>OPERATING EXPENSES</b>							
8209 - New Treatment Plant-Propane	16,000	13,545	18,060	16,500	12.87%	3.13%	-8.64%
8210 - Filter Building - Propane Heat	15,000	13,769	18,359	15,500	22.39%	3.33%	-15.57%
8211 - Maintenance Bldg - Propane Heat	0	0	0	0	0.00%	0.00%	0.00%
8212 - Maint Bld Bldgs-Reclir NWE	3,000	1,964	2,619	3,000	-12.70%	0.00%	14.54%
8213 - Treatment Plant-NWE	64,000	57,990	77,320	64,000	20.81%	0.00%	-17.23%
8215 - Filter Bld - NWE	26,000	25,627	34,169	36,000	31.42%	3.62%	2.43%
8230 - Chemicals-Chlorine New Plant	3,000	0	0	2,750	-100.00%	-8.33%	0.00%
8231 - Chemicals-Chlorine Gas	9,000	12,729	16,971	14,000	88.57%	-17.51%	-17.51%
8235 - Chlorine Maintenance	300	10	13	250	-95.74%	-55.56%	1855.16%
8240 - Chemicals-Alum	18,500	9,869	13,185	15,000	-28.73%	-18.92%	13.76%
8245 - Chemicals-Polymer	1,000	1,528	2,037	2,000	103.71%	100.00%	-1.82%
8255 - SBR Lab Sampling-New Plant	3,750	0	0	3,750	0.00%	0.00%	0.00%
8256 - Stream Water Quality Monitoring	650	0	0	500	-100.00%	-23.08%	0.00%
8257 - Lab Fees Wastewater Monitoring	0	0	0	0	0.00%	0.00%	0.00%
8260 - Lab Testing Equipment	15,500	17,196	22,931	21,000	47.94%	35.48%	-8.42%
8265 - Compost Supplies	500	363	484	500	-3.29%	0.00%	3.41%
8270 - Safety Equipment	3,500	1,980	2,640	6,500	-24.57%	85.71%	146.21%
8275 - Operating Supplies	400	550	733	500	83.19%	25.00%	-31.76%
8280 - MDEQ Discharge Permit Fees	250	0	0	250	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>180,350</b>	<b>157,140</b>	<b>209,520</b>	<b>204,000</b>	<b>16.17%</b>	<b>-11.45%</b>	<b>-4.07%</b>
<b>REPAIRS &amp; MAINTENANCE</b>							
8310 - Welding & Welding Supplies Sewer	665	613	817	650	22.83%	-2.26%	-20.42%
8311 - Sewer Repairs/Maintenance	25,000	13,290	17,720	25,000	-29.12%	0.00%	41.09%
8312 - Backhoe / Loader Rent	0	0	0	0	0.00%	0.00%	0.00%
8313 - Treatment Plant Repair/Maint	11,000	16,484	21,978	10,000	99.80%	-9.09%	-54.50%
8315 - Filter Building Repair/Maint	2,500	5,581	7,441	4,500	197.65%	80.00%	-39.53%
8316 - Maint Bldg - Repair & Maint	0	0	0	0	0.00%	0.00%	0.00%
8320 - Pond Maintenance	3,000	429	571	1,500	-80.96%	-50.00%	162.54%
8322 - Blowers/Maintenance	500	0	0	500	-100.00%	0.00%	0.00%
8325 - Irrigation Maintenance	6,000	5,312	7,083	7,500	41.65%	50.00%	5.89%
8330 - Trash Pickup / Move Blns	1,800	1,923	2,564	2,500	42.45%	38.89%	-2.50%
8332 - Weed Control/Grounds Maint	1,500	0	0	1,500	-100.00%	0.00%	0.00%
8335 - Tools & Tool Maintenance	3,000	5,163	6,884	3,000	128.47%	0.00%	-56.42%
8340 - Equipment Rental-Other	750	0	0	750	-100.00%	0.00%	0.00%
8345 - Jetting - Sewer Lines	25,000	27,107	27,107	27,000	8.43%	8.00%	-0.40%
8350 - Video Taping - Sewer Lines	500	0	0	500	-100.00%	0.00%	0.00%
<b>TOTAL</b>	<b>80,215</b>	<b>75,901</b>	<b>92,166</b>	<b>84,500</b>	<b>14.90%</b>	<b>5.84%</b>	<b>-7.88%</b>
<b>PROFESSIONAL SERVICES</b>							
8354 - Safety Training	500	0	0	500	-100.00%	0.00%	0.00%
8355 - Engineering	1,000	9,553	12,750	1,000	1175.05%	0.00%	-92.16%
<b>TOTAL</b>	<b>1,500</b>	<b>9,553</b>	<b>12,750</b>	<b>1,500</b>	<b>750.03%</b>	<b>0.00%</b>	<b>-88.24%</b>
<b>MISCELLANEOUS</b>							
8410 - Sewer Miscellaneous Ex.	2,000	1,487	1,983	1,500	-0.87%	-25.00%	-24.34%
<b>TOTAL</b>	<b>2,000</b>	<b>1,487</b>	<b>1,983</b>	<b>1,500</b>	<b>-0.87%</b>	<b>-25.00%</b>	<b>-24.34%</b>
<b>ASSET DEPRECIATION</b>							
8595 - Depreciation - Sewer Assets	636,000	481,840	642,454	620,000	1.01%	-2.52%	-3.48%
<b>TOTAL</b>	<b>636,000</b>	<b>481,840</b>	<b>642,454</b>	<b>620,000</b>	<b>1.01%</b>	<b>-2.52%</b>	<b>-3.48%</b>
<b>SPECIAL PROJECTS</b>							
8650 - Special Projects	500	0	0	500	-100.00%	0.00%	0.00%
<b>TOTAL</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>-100.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL SEWER PLANT OPERATIONS/EX</b>	<b>914,656</b>	<b>738,480</b>	<b>975,604</b>	<b>924,748</b>	<b>6.66%</b>	<b>1.10%</b>	<b>-5.21%</b>
<b>TOTAL SEWER OPERATION EXPENSES</b>	<b>1,103,876</b>	<b>876,146</b>	<b>1,159,158</b>	<b>1,114,050</b>	<b>5.01%</b>	<b>0.92%</b>	<b>-3.89%</b>



**BIG SKY WATER & SEWER #363**  
**2012 - 2013 BUDGET**  
 April 24, 2012

**WATER OPERATION EXPENSES**

**WATER - GEN & ADM. EXPENSES**

**OPERATIONS PERSONNEL**

7010 · Salaries	128,715	94,405	125,873	129,915	-2.21%	0.93%	3.21%
7015 · Wages	29,692	22,157	29,543	29,260	2.97%	1.98%	-0.96%
7020 · Part Time Labor	0	0	0	0	0.00%	0.00%	0.00%
7025 · Workers Comp Ins	7,658	4,497	5,995	7,748	-21.71%	1.18%	29.23%
7030 · Employer PIR Medicare/457 Match	11,941	9,030	12,040	11,981	1.67%	1.18%	-0.49%
7031 · Long Term, Short Term Insurance	4,939	3,111	4,149	4,309	-3.73%	0.00%	3.88%
7035 · Public Emp Ret Sys Exp	11,256	8,740	11,653	11,386	3.53%	1.18%	-2.27%
7040 · Employee Health Ins Exp	37,294	28,089	37,452	37,589	0.50%	0.87%	0.37%
7045 · Employee Educ. Exp	1,000	1,451	1,935	1,000	93.48%	0.00%	-48.31%
<b>TOTAL</b>	<b>230,738</b>	<b>177,479</b>	<b>228,639</b>	<b>230,192</b>	<b>-0.91%</b>	<b>1.06%</b>	<b>1.99%</b>

**OPERATIONS GENERAL**

7110 · Dues & Subscriptions Exp	1,850	1,913	2,550	2,000	37.84%	8.11%	-21.57%
7115 · Telephone	5,750	4,524	6,032	6,000	4.90%	4.35%	-0.52%
7130 · Publications - Wtr	300	225	300	300	-40.00%	-40.00%	0.00%
7135 · Office Supplies & Equip	175	11	15	125	-91.62%	-28.57%	752.27%
7140 · P Wtr Sup Fees-MV SDW02384-01	0	0	0	0	0.00%	0.00%	0.00%
7145 · P Wtr Sup Fees-Min SDW02385-01	3,700	3,688	3,688	3,700	-0.32%	0.00%	0.33%
7147 · P Wtr Sup Fees-A Gr SDW04064-01	0	0	0	0	0.00%	0.00%	0.00%
7148 · P Wtr Sup Fees-Spanish Peaks Resort	130	122	122	140	-6.15%	7.69%	14.75%
<b>TOTAL</b>	<b>12,105</b>	<b>10,482</b>	<b>12,706</b>	<b>12,265</b>	<b>4.97%</b>	<b>1.32%</b>	<b>-3.47%</b>

**TOTAL WATER GENERAL & ADM. EX**

242,841

181,962

241,345

245,457

-0.62%

1.08%

1.70%

**WATER PLANT OPERATIONS**

**VEHICLES**

9110 · Fuel - Vehicles	6,500	8,123	10,831	11,000	27.43%	29.41%	1.56%
9115 · Auto Repair & Maint	6,500	4,550	6,067	6,000	-6.67%	-7.69%	-1.10%
9120 · Vehicle Insurance Ex.	2,208	1,711	2,281	2,363	3.30%	6.98%	3.56%
9125 · Fuel Booster St-Gen/Equip	1,600	1,084	1,446	4,500	-3.61%	200.00%	211.23%
9130 · Fuel - Backhoe & Equipment	500	51	68	500	-86.41%	0.00%	635.87%
<b>TOTAL</b>	<b>19,208</b>	<b>15,520</b>	<b>20,693</b>	<b>24,363</b>	<b>7.73%</b>	<b>26.83%</b>	<b>17.73%</b>

**WATER SYSTEM OPERATING EXPENSES**

9211 · Utilities - MPC & Other	146,000	108,260	144,347	147,000	-1.13%	0.88%	1.84%
9215 · Chemicals	500	852	1,136	1,000	127.11%	100.00%	-11.94%
9220 · Lab Fees - Water Samples	10,000	4,999	2,665	5,000	-73.36%	-50.00%	87.59%
9230 · Lab Testing Equip	250	414	551	500	120.58%	100.00%	-8.33%
9235 · Equip Purchases	250	0	0	250	-100.00%	0.00%	0.00%
9245 · Safety Equipment Ex	250	1,676	2,235	750	793.98%	200.00%	-66.44%
9247 · Garbage Pickup	1,800	1,804	2,405	2,300	26.57%	21.05%	-4.36%
9253 · Water Meter Repairs/Testing	400	0	0	400	-100.00%	0.00%	0.00%
<b>TOTAL</b>	<b>169,650</b>	<b>115,004</b>	<b>153,339</b>	<b>157,200</b>	<b>-3.88%</b>	<b>-1.47%</b>	<b>2.52%</b>

**REPAIRS & MAINTENANCE**

9301 · Repairs - Distribution System	50,000	47,140	62,853	48,000	25.71%	-4.00%	-23.63%
9302 · Repairs - Wells	8,000	3,341	4,455	6,500	-44.31%	-18.75%	45.91%
9303 · Repairs - Booster Stations	5,000	12,689	16,919	6,000	238.37%	20.00%	-64.54%
9304 · Repairs - Water Tanks	3,000	1,259	1,678	2,500	-44.06%	-16.67%	48.96%
9305 · Repairs - Telemetry	1,500	2	2	1,500	-99.84%	0.00%	0.00%
9316 · Maint Bldg-Repairs & Maint	2,500	3,426	4,568	3,000	82.72%	20.00%	-34.33%

ORIGINAL

# **BIG SKY WATER & SEWER #363** **2012 - 2013 BUDGET** April 24, 2012

9324 - Generator Semi Annual Check-Up  
 9325 - Hydrants & Hydrant Maint  
 9330 - Tools & Tool Maint  
 9335 - Equipment Rental  
**TOTAL**

**PROFESSIONAL SERVICES**  
 9311 - Leak Detection  
 9320 - Tank Inspection/Cleaning  
 9416 - Water Rights-Legal  
 9417 - Engineering  
 9430 - Water Modeling  
**TOTAL**

**SPECIAL PROJECTS**  
 9415 - Special Projects - Other  
**TOTAL**

**MISCELLANEOUS**  
 9410 - Misc Expense - Water  
**TOTAL**

**ASSET DEPRECIATION**  
 9595 - Depreciation - Water Assets  
**TOTAL**

**TOTAL WATER PLANT OPERATIONS - EX**

**TOTAL WATER OPERATING EXPENSES**

7745 - (Gain)/Loss-Disposition - Assets  
 7746 - (Gain)/Loss - Other  
**TOTAL GAIN/LOSS - EX**

**TOTAL OPERATING EXPENSES**

**NON-OPERATING REVENUES**

**REVENUES - SEWER**  
 4010 - Resort Tax Bond Payment  
 4012 - Resort Tax Other  
 4013 - Madison Co. Tax Receipts Sewer Bonds  
 4014 - Gallatin Co. Tax Receipts Sewer Bonds  
 4015 - Snow Making Pilot Project  
 4020 - Sewer Int Income RESTRICTED  
 4025 - Sewer Int Income-UNRESTRICTED  
 4030 - Sewer Plant Investment Fees  
 4031 - Spanish Peaks PIC Fees  
 4035 - Boyne Settlement Funds  
 4040 - Non-Oper Inc Sewer - Other  
**TOTAL NON-OPERATING REVENUES: SEWER**

**REVENUES - WATER**

4110 - Resort Tax Bond Payment  
 4112 - Resort Tax Other  
 4113 - Madison Co. Tax Receipts Water Bonds

BUDGET LAST YEAR 2011-2012	ACTUAL YEAR TO DATE Jul '11 - Mar 12	PROJECTED ACTUAL TO 6/30/2012	BUDGET 2012-2013	PROJECTED ACTUAL TO 11/12 Budget	12/13 BUDGET TO 11/12 BUDGET	12/13 BUDGET TO Projected Actual
1,250	9,078	12,103	6,780	868.27%	442.40%	-43.98%
500	0	0	500	-100.00%	0.00%	0.00%
1,500	6,617	8,823	3,000	488.20%	100.00%	-66.00%
1,000	1,338	1,784	1,500	78.42%	50.00%	-15.93%
74,250	84,889	113,186	79,280	52.44%	6.77%	-29.96%
4,500	2,410	4,000	4,750	-11.11%	5.66%	18.75%
3,500	0	0	3,850	-100.00%	4.29%	0.00%
1,000	700	933	1,000	-6.67%	0.00%	7.14%
5,000	0	0	2,500	-100.00%	-60.00%	0.00%
1,000	0	0	1,000	-100.00%	0.00%	0.00%
15,000	3,110	4,933	12,900	-67.11%	-14.00%	161.49%
2,500	2,023	2,697	2,000	7.89%	20.00%	-25.85%
2,600	2,023	2,697	2,000	7.89%	-20.00%	-25.85%
1,500	1,387	1,849	1,500	23.28%	0.00%	-18.89%
1,500	1,387	1,849	1,500	23.28%	0.00%	-18.89%
328,000	248,901	331,869	326,500	1.18%	-0.48%	-1.62%
326,000	248,901	331,869	326,500	1.18%	-0.46%	-1.62%
600,008	470,834	628,566	603,743	4.76%	0.62%	-3.95%
842,849	652,796	869,911	849,199	3.21%	0.75%	-2.38%
0	0	0	0	0.00%	0.00%	0.00%
0	0	0	0	0.00%	0.00%	0.00%
0	0	0	0	0.00%	0.00%	0.00%
2,384,350	1,854,578	2,460,169	2,408,132	3.18%	1.00%	-2.12%
625,000	500,000	666,667	425,000	6.67%	-32.00%	-36.25%
0	0	0	0	0.00%	0.00%	0.00%
256,000	183,741	244,987	186,000	-2.01%	-26.00%	-24.49%
270,000	141,057	188,076	180,000	-10.44%	-14.29%	-4.29%
0	14,640	19,520	0	30.13%	-100.00%	-100.00%
40,000	21,677	28,902	30,000	-27.74%	-25.00%	3.80%
43,000	21,391	28,521	23,000	-33.67%	-32.56%	1.69%
45,000	39,975	53,300	45,000	18.44%	-57.14%	0.00%
3,500	0	0	1,500	0.00%	0.00%	0.00%
0	0	0	0	-100.00%	0.00%	0.00%
100	0	0	100	-100.00%	-27.28%	-27.19%
1,231,800	922,480	1,229,973	895,600	-0.13%		
125,000	125,000	166,667	175,000	33.33%	40.00%	5.00%
0	0	0	30,080	0.00%	0.00%	0.00%
215,000	160,917	214,556	210,000	-0.21%	-2.33%	-2.12%

ORIGINAL

**BIG SKY WATER & SEWER #363**  
**2012 - 2013 BUDGET**

April 24, 2012

4114 · Gallatin Co. Tax Receipts Water Bonds  
4120 · Water Int Income RESTRICTED  
4125 · Water Int Income-UNRESTRICTED  
4130 · Water System Investment Fees  
4135 · Non-Oper Inc Water-Other

**TOTAL NON-OPERATING REVENUES: WATER**

**TOTAL NON-OPERATING REVENUE**

**NON-OPERATING EXPENSES**

**EXPENSES - SEWER**

4210 · SRF - Interest Expense  
4211 · SRF Loan Administration  
4215 · Resort Tax - Other  
4220 · Snow Making Sewer Project  
4226 · Canyon Study Dist Contribution

**TOTAL**

**EXPENSES - WATER**

4310 · SRF Interest Expense  
4316 · Source Water Protection Project  
4321 · Interest Exp. Backhoe

**TOTAL**

**TOTAL NON-OPERATING EXPENSES**

**N**

**DONATED CAPITAL ASSETS**

4045 · Donated Capital Assets Sewer  
4145 · Donated Capital Assets Water

**TOTAL DONATED CAPITAL ASSETS**

	BUDGET LAST YEAR 2011-2012	ACTUAL YEAR TO DATE Jul '11 - Mar 12	PROJECTED ACTUAL TO 6/30/2012	BUDGET 2012-2013	PROJECTED ACTUAL TO 11/12 Budget	12/13 BUDGET TO 11/12 BUDGET	12/13 BUDGET TO Projected Actual
TOTAL NON-OPERATING REVENUE	1,786,800	1,354,591	1,806,121	1,508,400	1,08%	-15.58%	-16.48%
EXPENSES - SEWER							
4210 · SRF - Interest Expense	410,000	284,506	379,342	356,000	-7.48%	-13.41%	-6.42%
4211 · SRF Loan Administration	0	0	0	0	0.00%	0.00%	0.00%
4215 · Resort Tax - Other	0	0	0	0	0.00%	0.00%	0.00%
4220 · Snow Making Sewer Project	20,000	19,354	25,806	20,000	29.03%	0.00%	-22.50%
4226 · Canyon Study Dist Contribution	0	0	0	0	0.00%	0.00%	0.00%
TOTAL	430,000	303,861	405,147	376,000	-5.78%	-12.73%	-7.44%
EXPENSES - WATER							
4310 · SRF Interest Expense	230,000	170,465	227,286	220,000	-1.18%	-4.35%	-3.21%
4316 · Source Water Protection Project	0	0	0	0	0.00%	0.00%	0.00%
4321 · Interest Exp. Backhoe	0	0	0	0	0.00%	0.00%	0.00%
TOTAL	230,000	170,465	227,286	220,000	-1.18%	-4.35%	-3.21%
TOTAL NON-OPERATING EXPENSES	660,000	474,325	632,434	596,000	-4.18%	-9.85%	-5.92%
DONATED CAPITAL ASSETS							
4045 · Donated Capital Assets Sewer	75,000	0	0	75,000	-100.00%	0.00%	0.00%
4145 · Donated Capital Assets Water	75,000	0	0	75,000	-100.00%	0.00%	0.00%
TOTAL DONATED CAPITAL ASSETS	150,000	0	0	150,000	-100.00%	0.00%	0.00%

**BIG SKY WATER & SEWER #363**  
**2012 - 2013 BUDGET**  
 April 24, 2012

BUDGET	ACTUAL YEAR	PROJECTED
LAST YEAR	TO DATE	ACTUAL TO
2011-2012	Jul '11 - Mar '12	6/30/2012

BUDGET	PROJECTED	12/13 BUDGET	12/13 BUDGET
2012-2013	ACTUAL TO	TO	TO
2012-2013	11/12 Budget	11/12 BUDGET	Projected Actual

**C SUMMARY - OPERATING REVENUES AND EXPENSES**

OPERATING REVENUES	2,389,000	1,802,703	2,403,603	2,393,500	0.61%	0.19%	-0.42%
OPERATING EXPENSES	(2,384,350)	(1,854,578)	(2,460,169)	(2,408,132)	3.18%	1.00%	-2.12%
OPERATING RESERVES	0	0	0	0	0.00%	0.00%	0.00%
NET OPERATING REV	4,650	(51,876)	(56,565)	(14,632)	-1316.49%	-414.67%	-74.13%

**P SUMMARY - NON-OPERATING REVENUES AND EXPENSES**

NON-OPERATING REV	1,786,800	1,354,591	1,806,121	1,508,400	1.08%	-15.58%	-16.48%
NON-OPER EXPENSE	(660,000)	(474,325)	(632,434)	(595,000)	-4.18%	-9.35%	-5.92%
NET NON-OPERATING REV	1,126,800	880,265	1,173,687	913,400	4.16%	-18.94%	-22.18%

**Q SUMMARY - TOTAL REVENUES AND EXPENSES**

TOTAL REVENUES	4,175,800	3,157,293	4,209,724	3,901,900	0.81%	-6.56%	-7.31%
TOTAL EXPENSES	(3,044,350)	(2,328,903)	(3,092,602)	(3,003,132)	1.58%	-1.35%	-2.89%
TOTAL NET REVENUES	1,131,450	828,390	1,117,122	898,768	-1.27%	-20.56%	-19.55%
TOTAL CAPITAL CONTRIBUTIONS	150,000	0	0	150,000	-100.00%	0.00%	0.00%
NET INCOME	1,281,450	828,390	1,117,122	1,048,768	-12.82%	-18.16%	-6.12%

**R SUMMARY - GEN & ADM, SEWER & WATER OPERATIONS**

SEWER - OPERATING REVENUE	1,323,000	995,500	1,327,333	1,320,250	0.33%	-0.21%	-0.53%
OFFICE GEN & ADM EX 1/2	(218,812)	(162,818)	(215,549)	(222,441)	-1.49%	1.66%	3.20%
SEWER GEN & ADM EX	(189,221)	(137,666)	(183,555)	(189,302)	-2.99%	0.04%	3.13%
SEWER PLANT OPER EX	(914,656)	(738,480)	(975,604)	(924,748)	6.66%	1.10%	-5.21%
GAIN/LOSS ASSETS	0	0	0	0			
NET SEWER OPER REV	311	(43,464)	(47,375)	(16,241)	-15320.44%	-5317.95%	-65.72%
WATER - OPERATING REVENUE	1,066,000	807,203	1,076,271	1,073,250	0.96%	0.68%	-0.28%
OFFICE GEN & ADM EX 1/2	(218,812)	(162,818)	(215,549)	(222,441)	-1.49%	1.66%	3.20%
WATER GEN & ADM EX	(242,841)	(181,962)	(241,345)	(245,457)	-0.62%	1.08%	1.70%
WATER PLANT OPER EX	(600,008)	(470,834)	(628,566)	(603,743)	4.76%	0.62%	-3.95%
NET WATER OPER REV	4,339	(8,411)	(9,190)	1,610	-311.82%	-62.90%	-117.51%





## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

# **ATTACHMENT F**

## **Financial Statements:**

- **Budget vs. Actual Report (July - Feb. 2013)**
- **Profit & Loss Report (July - Feb. 2013)**
- **Audit Report FY 2011/12**



## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

### **ATTACHMENT F-1**

#### **Budget vs. Actual July - February 2013**

**BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363****Budget Versus Actual Expenses 2012-2013****February-13****SUMMARY****Year To Date****Actual**  
**Jul '12 - Feb 13****Budget**  
**Jul '12 - Feb 13****TOTAL OPERATING REVENUE****\$1,668,069****\$1,595,667****OFFICE GENERAL & ADMINISTRATIVE EX.****TOTAL OFFICE GENERAL & ADM EX****\$283,346****\$296,588****SEWER****TOTAL SEWER GENERAL & ADM EX****\$118,447****\$126,201****TOTAL SEWER PLANT OPERATIONS EX****\$594,139****\$616,499****WATER****TOTAL WATER GENERAL & ADM EX****\$157,788****\$163,638****TOTAL WATER PLANT OPERATIONS EX****\$404,772****\$402,495****TOTAL OPERATING EX****\$1,552,994****\$1,605,421****NET OPERATING REVENUE****\$115,075****-\$9,755****NON-OPERATING REVENUES****\$1,114,955****\$1,005,600****NON-OPERATING EXPENSES****EXPENSES SEWER****\$270,818****\$280,000****EXPENSES WATER****\$143,727****\$146,667****NET NON-OPERATING REVENUE****\$700,411****\$578,933****TOTAL NET REVENUES****\$815,485****\$569,179****DONATED CAPITAL ASSETS****\$0****\$100,000****NET INCOME****\$815,485****\$669,179**

**BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363**  
**Budget Versus Actual Expenses 2012-2013**  
**February-13**

O=On Target  
F=Favorable  
U=Unfavorable

Big Sky County Water & Sewer District No. 363 Budget Versus Actual

3/6/2013 15:25

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	Monthly		Year To Date		Annual Budget 2011-2012	Percent of Budget
	Actual Feb-13	Budget Feb-13	Actual Jul '12 - Feb 13	Budget Jul '12 - Feb 13		
<b>OPERATING REVENUES</b>						
<b>OPERATING REVENUES</b>						
3020 - Sewer Wastewater User Charges	119,284	108,333	881,123	866,667	1,300,000	101.67% O
3025 - Water User Charges	70,984	78,750	698,090	630,000	945,000	110.81% F
3030 - Late Payment Fees	1,228	625	7,692	5,000	7,500	153.84% F
3035 - Sewer Connection/Insp Fees	0	125	755	1,000	1,500	75.45% U
3040 - Water Connection/Insp Fees	0	125	755	1,000	1,500	75.45% U
3042 - Water Meters Issued	209	667	5,312	5,333	8,000	99.60% O
3045 - Sewer Miscellaneous Income	450	1,250	6,529	10,000	15,000	65.29% U
3046 - Water Miscellaneous Income	450	9,583	67,814	76,667	115,000	88.45% U
<b>TOTAL OPERATING REV</b>	<b>192,605</b>	<b>199,458</b>	<b>1,668,069</b>	<b>1,595,667</b>	<b>2,393,500</b>	<b>104.54% O</b>
<b>OPERATING EXPENSES</b>						
<b>OFFICE GENERAL &amp; ADMINISTRATIVE EX.</b>						
<b>DIRECTORS</b>						
5001 - Meeting Expenses	69	42	772	333	500	231.51% U
5002 - Directors Reimbursable Ex.	0	327	524	2,613	3,920	20.04% F
<b>TOTAL</b>	<b>69</b>	<b>368</b>	<b>1,295</b>	<b>2,947</b>	<b>4,420</b>	<b>43.96% F</b>
<b>ADMIN PERSONNEL</b>						
5010 - Salaries	18,154	18,777	144,788	150,217	225,325	96.39% O
5015 - Workers' Compensation Ins	0	125	302	999	1,498	30.23% F
5020 - Employer Med Tax/457 Ret Plan	1,475	1,361	10,905	10,885	16,327	100.19% O
5025 - Public Emp Ret Sys - Employer	1,358	1,358	10,830	10,863	16,294	99.70% O
5030 - Employee Health Ins	5,027	5,131	40,944	41,047	61,571	99.75% O
5031 - Long-Term, Short-Term Insurance	490	537	4,117	4,294	6,441	95.88% O
5035 - Employee Education Ex	50	208	529	1,667	2,500	31.72% F
5040 - Luncheons, Meetings, Etc.	0	42	380	333	500	114.00% U
<b>TOTAL</b>	<b>26,554</b>	<b>27,638</b>	<b>212,795</b>	<b>220,304</b>	<b>330,456</b>	<b>96.69% O</b>
<b>OFFICE</b>						
5130 - Utilities - New Off-MEANWE	1,234	508	4,082	4,067	6,100	100.38% O
5135 - Janitorial	0	63	0	500	750	0.00% F
5136 - Carpet Service - Ann Linen	50	53	414	420	630	98.64% O
5141 - Off Supplies/Copier Etc.	54	417	2,164	3,333	5,000	64.93% F
5142 - Office Furn & Equipment	0	125	0	1,000	1,500	0.00% F
5143 - Computer Software/Hdware	0	208	2,575	1,667	2,500	154.49% U
5144 - Website Design/CC Web Payments	182	167	1,980	1,333	2,000	148.47% U
5145 - Telephone	318	433	3,684	3,467	5,200	106.28% U
5150 - Printing	0	21	0	167	250	0.00% F
5155 - Postage - Shipping	136	125	1,466	1,000	1,500	146.55% U
5160 - Advertising	0	29	35	233	350	15.00% F
5165 - Insurance	3,536	3,868	28,752	30,940	46,410	92.93% F
5175 - Dues & Subscriptions	413	125	1,180	1,000	1,500	118.01% U
5185 - Election Expenses	0	42	0	333	500	0.00% F
5190 - Stmt Mailing-Postage, Forms etc	0	667	4,344	5,333	8,000	81.44% F
<b>TOTAL</b>	<b>5,923</b>	<b>6,849</b>	<b>50,676</b>	<b>54,793</b>	<b>82,190</b>	<b>92.49% F</b>
<b>VEHICLE</b>						
5210 - Vehicle Gas & Oil	0	333	2,325	2,667	4,000	87.18% F
5215 - Vehicle Repair & Maint	0	125	145	1,000	1,500	14.50% F
5220 - Vehicle Insurance	135	137	1,080	1,094	1,641	98.72% O
<b>TOTAL</b>	<b>135</b>	<b>595</b>	<b>3,550</b>	<b>4,761</b>	<b>7,141</b>	<b>74.67% F</b>
<b>PROFESSIONAL SERVICES</b>						
5310 - Legal Fees	131	333	758	2,667	4,000	28.43% F
5315 - Computer/Telephone Maintenance	351	350	3,079	2,800	4,200	109.96% U
5325 - Audit Ex	8,750	708	8,788	5,667	8,500	155.08% U
5330 - GIS Mapping Ex	0	21	0	167	250	0.00% F
5332 - Other Consulting Fees	0	21	0	167	250	0.00% F
<b>TOTAL</b>	<b>9,232</b>	<b>1,433</b>	<b>12,625</b>	<b>11,467</b>	<b>17,200</b>	<b>110.10% U</b>
<b>OTHER EXPENSES</b>						
5415 - Bank Service Charges	7	6	62	50	75	124.96% U
5420 - State Annual Audit Filing Fee	0	75	845	600	900	140.83% U
5430 - Miscellaneous	146	83	960	667	1,000	144.03% U
5445 - Office Bldg - Repair & Maint	135	125	538	1,000	1,500	53.76% F
<b>TOTAL</b>	<b>287</b>	<b>290</b>	<b>2,405</b>	<b>2,317</b>	<b>3,475</b>	<b>103.82% O</b>
<b>SPECIAL PROJECTS</b>						
5431 - Landscaping Xeriscape	0	0	0	0	0	#DIV/0! #
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0! #</b>
<b>TOTAL OFFICE GENERAL &amp; ADM EX</b>	<b>42,200</b>	<b>37,074</b>	<b>283,346</b>	<b>296,688</b>	<b>444,882</b>	<b>95.54% O</b>



Monthly		Year To Date		Annual Budget 2011-2012	Percent of Budget
Actual Feb-13	Budget Feb-13	Actual Jul '12 - Feb 13	Budget Jul '12 - Feb 13		

**SEWER GENERAL & ADM EX****PERSONNEL**

6010 - Salaries	9,502	10,150	76,015	81,196	121,794	93.62%	F
6015 - Wages - Labor - Part Time	0	0	0	0	0	#DIV/0!	#
6020 - Workers' Compensation Ins Ex	0	371	422	2,969	4,453	14.22%	F
6025 - Employer Med Taxes/457 Ret.Plan	811	769	6,035	6,151	9,226	98.12%	O
6030 - Public Emp Ret Sys Ex	713	731	5,707	5,846	8,769	97.63%	O
6031 - Long-Term, Short Term Insurance	211	300	1,899	2,399	3,599	79.14%	F
6035 - Employee Health Ins Ex	2,924	2,924	23,391	23,391	35,086	100.00%	O
6040 - Employee Education Ex	243	125	1,096	1,000	1,500	109.59%	U
<b>TOTAL</b>	<b>14,404</b>	<b>15,369</b>	<b>114,565</b>	<b>122,951</b>	<b>184,427</b>	<b>93.18%</b>	<b>F</b>

**GENERAL**

6110 - Dues & Subscription Ex	2	27	273	217	325	126.02%	U
6115 - Telephone	250	350	3,610	2,800	4,200	128.91%	U
6130 - Office Supplies & Equip	0	17	0	133	200	0.00%	F
6132 - Publications-Swr	0	13	0	100	150	0.00%	F
<b>TOTAL</b>	<b>252</b>	<b>406</b>	<b>3,883</b>	<b>3,250</b>	<b>4,875</b>	<b>119.47%</b>	<b>U</b>

**TOTAL SEWER GENERAL & ADM EX**

<b>14,655</b>	<b>15,775</b>	<b>118,447</b>	<b>126,201</b>	<b>189,302</b>	<b>93.86%</b>	<b>F</b>
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**SEWER PLANT OPERATIONS****VEHICLES**

8110 - Fuel / Vehicles & Equip	59	708	4,731	5,667	8,500	83.49%	F
8115 - Vehicles - Repair/Maint	87	250	1,664	2,000	3,000	83.21%	F
8120 - Vehicle & Equip Insurance	210	200	1,680	1,599	2,398	105.09%	U
8125 - Snowmachine Maint/Equip	0	8	0	67	100	0.00%	F
8130 - Fuel - Backhoe & Equip	0	113	2,269	900	1,350	252.09%	U
<b>TOTAL</b>	<b>366</b>	<b>1,279</b>	<b>10,344</b>	<b>10,232</b>	<b>15,348</b>	<b>101.09%</b>	<b>O</b>

**OPERATING EXPENSES**

8209 - New Treatment Plant-Propane	2,164	1,375	7,486	11,000	16,500	68.06%	F
8210 - Filter Building - Propane Heat	1,947	1,292	9,997	10,333	15,500	96.75%	O
8211 - Maintenance Bldg - Propane Heat	0	0	0	0	0	#DIV/0!	#
8212 - Maint.Bld Bhrs-Recirc NWE	169	250	1,399	2,000	3,000	69.94%	F
8213 - New Treatment Plant-NWE	6,541	5,333	45,229	42,667	64,000	106.00%	U
8215 - Filter Bld - NWE	969	2,917	21,688	23,333	35,000	92.95%	F
8230 - Chemicals-Chlorine Liquid	0	229	0	1,833	2,750	0.00%	F
8231 - Chemicals Chlorine Gas	0	1,167	3,172	9,333	14,000	33.99%	F
8235 - Chlorine Maintenance	2	21	760	167	250	456.09%	U
8240 - Chemicals-Alum	0	1,250	0	10,000	15,000	0.00%	F
8245 - Chemicals-Polymer	0	167	0	1,333	2,000	0.00%	F
8250 - Chemical-Other-Sodium Hydroxide	0	313	0	2,500	3,750	0.00%	F
8255 - SBR Lab Sampling-New Plant	0	42	0	333	500	0.00%	F
8256 - Stream Water Quality Monitoring	0	0	0	0	0	#DIV/0!	#
8257 - Lab Fees Wastewater Monitoring	530	1,750	14,031	14,000	21,000	100.22%	O
8260 - Lab Testing Equipment	0	42	155	333	500	46.61%	F
8265 - Compost Supplies	0	542	4,257	4,333	6,500	98.24%	O
8270 - Safety Equipment	0	42	28	333	500	8.39%	F
8275 - Operating Supplies	0	21	19	167	250	11.29%	F
8280 - MDEQ Discharge Permit Fees	0	0	0	0	0	#DIV/0!	#
<b>TOTAL</b>	<b>12,222</b>	<b>16,760</b>	<b>108,221</b>	<b>134,000</b>	<b>201,000</b>	<b>80.76%</b>	<b>F</b>

**REPAIRS & MAINTENANCE**

8310 - Welding & Welding Supplies Sewer	8	54	812	433	650	187.41%	U
8311 - Sewer Repairs/Maintenance	0	2,083	12,816	16,667	25,000	76.89%	F
8312 - Backhoe Rent	0	0	0	0	0	#DIV/0!	#
8313 - Treatment Plant Repair/Maint.	384	833	10,241	6,667	10,000	153.61%	U
8315 - Filter Building Repair/Maint	488	375	5,939	3,000	4,500	197.97%	U
8316 - Maint Bldg - Repair & Maint	0	0	0	0	0	#DIV/0!	#
8320 - Pond Maintenance	0	125	0	1,000	1,500	0.00%	F
8322 - Blowers/Maintenance	0	42	0	333	500	0.00%	F
8325 - Irrigation Maintenance	0	625	2,742	5,000	7,500	54.85%	F
8330 - Trash Pickup	0	208	1,322	1,667	2,500	79.29%	F
8332 - Weed Control/Grounds Maint	0	125	0	1,000	1,500	0.00%	F
8335 - Tools & Tool Maintenance	129	250	1,528	2,000	3,000	76.39%	F
8340 - Equipment Rental-Other	0	63	0	500	750	0.00%	F
8345 - Jetting - Sewer Lines	0	2,250	15,834	18,000	27,000	87.97%	F
8350 - Video Taping - Sewer Lines	0	42	0	333	500	0.00%	F
<b>TOTAL</b>	<b>1,009</b>	<b>7,075</b>	<b>51,234</b>	<b>56,600</b>	<b>84,900</b>	<b>90.62%</b>	<b>F</b>

**PROFESSIONAL SERVICES**

8354 - Safety Training	0	42	0	333	500	0.00%	F
8355 - Engineering	0	83	1,425	667	1,000	213.75%	U
<b>TOTAL</b>	<b>0</b>	<b>125</b>	<b>1,425</b>	<b>1,000</b>	<b>1,500</b>	<b>142.60%</b>	<b>U</b>

**MISCELLANEOUS**

8410 - Sewer Miscellaneous Ex	0	125	1,627	1,000	1,500	162.69%	U
<b>TOTAL</b>	<b>0</b>	<b>125</b>	<b>1,627</b>	<b>1,000</b>	<b>1,600</b>	<b>162.69%</b>	<b>U</b>

	Monthly		Year To Date		Annual Budget	Percent of Budget
	Actual Feb-13	Budget Feb-13	Actual Jul '12 - Feb 13	Budget Jul '12 - Feb 13	2011-2012	
<b>ASSET REPLACEMENT &amp; DEPRECIATION</b>						
8595 · Depreciation - Sewer Assets	55,646	51,667	421,288	413,333	620,000	101.92% O
TOTAL	55,646	51,667	421,288	413,333	620,000	101.92% O
<b>SPECIAL PROJECTS</b>						
8650 · Special Projects	0	42	0	333	500	
TOTAL	0	42	0	333	500	
<b>TOTAL SEWER PLANT OPERATIONS EX</b>						
	69,244	77,062	594,139	616,499	924,748	96.37% O
<b>TOTAL SEWER OPERATIONS EXPENSE</b>						
	83,899	92,838	712,687	742,700	1,114,050	95.95% O
<b>WATER GENERAL &amp; ADM EX</b>						
<b>PERSONNEL</b>						
7010 · Salaries	10,487	10,826	82,930	86,610	129,915	95.75% O
7015 · Wages - Water	2,342	2,438	19,344	19,507	29,261	99.16% O
7020 · Part Time Labor	0	0	0	0	0	#DIV/0! #
7025 · Worker's Comp Ins	0	646	589	5,166	7,749	11.41% F
7030 · Employer Med Taxes/457 Ret. Plan	1,065	998	7,946	7,987	11,981	99.49% O
7031 · Long Term, Short Term Insurance	346	359	3,111	2,873	4,309	108.31% U
7035 · Public Emp Ret Sys Exp	961	949	7,667	7,592	11,388	100.99% O
7040 · Employee Health Ins Exp	3,236	3,132	25,163	25,059	37,589	100.41% O
7045 · Employee Educ. Exp	18	83	1,308	667	1,000	196.20% U
TOTAL	18,454	19,433	148,059	155,461	233,192	95.24% O
<b>GENERAL</b>						
7110 · Dues & Subscriptions Exp	0	167	2,023	1,333	2,000	151.75% U
7115 · Telephone	286	500	3,849	4,000	6,000	96.23% O
130 · Publications - Wtr	0	25	0	200	300	0.00% F
135 · Office Supplies & Equip	0	10	12	63	125	14.39% F
7140 · P Wtr Sup Fees-MV SDW02384-01	0	0	0	0	0	#DIV/0! #
7145 · P Wtr Sup Fees BSW SDW02385-01	0	308	3,716	2,467	3,700	150.65% U
7147 · P Wtr Sup Fees-A Gr SDW04064-01	0	0	0	0	0	#DIV/0! #
7148 · P Wtr Sup Fees-Spanish Peaks	0	12	128	93	140	137.14% U
TOTAL	286	1,022	9,729	8,177	12,265	118.98% U
<b>TOTAL WATER GENERAL &amp; ADM EX</b>						
	18,741	20,455	157,788	163,638	245,457	96.43% O
<b>WATER PLANT OPERATIONS</b>						
<b>VEHICLES</b>						
9110 · Fuel - Vehicles	0	917	5,720	7,333	11,000	78.01% F
9115 · Auto Repair & Maint	43	500	4,009	4,000	6,000	100.23% O
9120 · Vehicle Insurance Ex.	210	197	1,680	1,575	2,363	106.64% U
9125 · Fuel Booster St-Gen/Equip	0	375	883	3,000	4,500	29.43% F
9130 · Fuel - Backhoe & Equipment	0	42	0	333	500	0.00% F
TOTAL	263	2,030	12,293	16,242	24,363	75.68% F
<b>WATER SYSTEM OPERATING EXPENSES</b>						
9211 · Utilities - NWE Other	14,469	12,250	115,430	98,000	147,000	117.79% U
9215 · Chemicals	0	83	0	667	1,000	0.00% F
9220 · Lab Fees - Water Samples	168	417	1,209	3,333	5,000	36.27% F
9230 · Lab Testing Equip	0	42	0	333	500	0.00% F
35 · Equip Purchases	0	21	0	167	250	0.00% F
245 · Safety Equipment Ex	0	63	16	500	750	3.20% F
9247 · Garbage Pickup	0	192	1,357	1,533	2,300	88.53% F
9253 · Water Meter Repairs	0	33	60	267	400	22.49% F
TOTAL	14,637	13,100	118,072	104,800	167,200	112.66% U
<b>REPAIRS &amp; MAINTENANCE</b>						
9301 · Repairs - Distribution System	888	4,000	34,286	32,000	48,000	107.14% U
9302 · Repairs - Wells	646	542	3,091	4,333	6,500	71.33% F
9303 · Repairs - Booster Stations	461	500	2,400	4,000	6,000	59.99% F
9304 · Repairs - Water Tanks	0	208	76	1,667	2,500	4.57% F
9305 · Repairs - Telemetry	0	125	0	1,000	1,500	0.00% F
9316 · Maint Bldg-Repairs & Maint	0	250	440	2,000	3,000	21.99% F
9324 · Generator Semi Annual Check-Up	0	565	2,593	4,520	6,780	57.37% F
9325 · Hydrants & Hydrant Maint	0	42	510	333	500	153.00% U
9330 · Tools & Tool Maint	17	250	1,412	2,000	3,000	70.61% F
9335 · Equipment Rental	0	125	45	1,000	1,500	4.49% F
TOTAL	2,011	6,607	44,853	52,853	79,280	84.86% F
<b>PROFESSIONAL SERVICES</b>						
9311 · Leak Detection	0	396	0	3,167	4,750	0.00% F
9320 · Tank Inspection/Cleaning	0	304	0	2,433	3,650	0.00% F
9416 · Water Rights-Legal	0	83	400	667	1,000	60.00% F
9417 · Engineering	0	208	45	1,667	2,500	2.70% F
9430 · Water Modeling	0	83	0	667	1,000	0.00% F
TOTAL	0	1,075	445	8,600	12,900	5.17% F

Big Sky County Water & Sewer District No. 363 Budget Versus Actual

3/6/2013 15:25

		Monthly		Year To Date		3/6/2013 15:25	
		Actual Feb-13	Budget Feb-13	Actual Jul '12 - Feb 13	Budget Jul '12 - Feb 13	Annual Budget 2011-2012	Percent of Budget
<b>SPECIAL PROJECTS</b>							
9415 - Special Projects - Other		0	167	0	1,333	2,000	0.00% F
TOTAL		0	167	0	1,333	2,000	0.00% F
<b>MISCELLANEOUS</b>							
9410 - Misc Expense - Water		0	125	1,394	1,000	1,500	139.42% U
TOTAL		0	125	1,394	1,000	1,500	139.42% U
<b>ASSET REPLACEMENT &amp; DEPRECIATION</b>							
9595 - Depreciation - Water Assets		32,234	27,208	227,715	217,667	326,500	104.62% O
TOTAL		32,234	27,208	227,715	217,667	326,500	104.62% O
<b>TOTAL WATER PLANT OPERATIONS EX</b>		49,135	50,312	404,772	402,495	603,743	100.57% O
<b>TOTAL WATER OPERATIONS EXPENSE</b>		67,876	70,767	562,560	566,133	849,200	99.37% O
7745 - (Gain)/Loss-Disposition - Assets		0		(5,499)			
7746 - (Gain)/Loss - Other		0		0			
TOTAL		0	0	(5,499)	0	0	
<b>TOTAL OPERATING EX</b>		193,975	200,678	1,552,994	1,605,421	2,408,132	96.73% O
<b>NON-OPERATING REVENUES</b>							
<b>REVENUES - SEWER</b>							
4010 - Resort Tax Bond Payment		0	35,417	250,000	283,333	425,000	88.24% U
4012 - Resort Tax Other		0	2,500	30,000	20,000	30,000	150.00% F
4013 - Madison Co. Tax Receipts Sewer		4,398	15,417	203,936	123,333	185,000	165.35% F
4014 - Gallatin Co. Tax Receipts Sewer		4,574	15,000	166,419	120,000	180,000	138.68% F
4015 - Snowmaking Pilot Sewer Study		0	0	10,000	0	0	#DIV/0! #
4020 - Sewer Int Income RESTRICTED		1,171	2,500	11,416	20,000	30,000	57.08% U
4025 - Sewer Int Income-UNRESTRICTED		1,344	2,417	13,059	19,333	29,000	67.55% U
4030 - Sewer Plant Investment Fees		(100,382)	3,750	78,240	30,000	45,000	260.80% F
4031 - Spanish Peaks PIC Fees		0	125	0	1,000	1,500	0.00% U
4035 - Boyne Settlement Funds		0	0	0	0	0	#DIV/0! #
4040 - Non-Oper Inc Sewer - Other		0	8	0	67	100	0.00% U
TOTAL		-88,894	77,133	763,070	617,067	925,600	123.66% F
<b>REVENUES - WATER</b>							
4110 - Resort Tax Bond Payment		0	14,583	0	116,667	175,000	0.00% U
4112 - Resort Tax Other		0	0	0	0	0	#DIV/0! #
4113 - Madison Co. Tax Receipts Water		4,207	17,500	181,556	140,000	210,000	129.68% F
4114 - Gallatin Co. Tax Receipts Water		3,178	15,417	165,684	123,333	185,000	134.34% F
4115 - Resort Tax-MV Wtr Facility Imp		0	0	0	0	0	#DIV/0! #
4117 - Resort Tax - Water Metering		0	0	0	0	0	#DIV/0! #
4120 - Water Int Income RESTRICTED		448	833	4,338	6,667	10,000	65.07% U
4125 - Water Int Income-UNRESTRICTED		48	67	307	533	800	57.48% U
4130 - Water System Investment Fees		0	0	0	0	0	#DIV/0! #
4135 - Non-Oper Inc Water-Other		0	167	0	1,333	2,000	0.00% U
TOTAL		7,881	48,567	351,885	388,533	582,800	90.57% U
<b>TOTAL NON-OPERATING REVENUES</b>		-81,013	125,700	1,114,955	1,005,600	1,608,400	110.87% F
<b>DONATED CAPITAL ASSETS</b>							
4045 - Donated Capital Assets Sewer		0	6,250	0	50,000	75,000	0.00% U
4145 - Donated Capital Assets Water		0	6,250	0	50,000	75,000	0.00% U
<b>TOTAL DONATED CAPITAL ASSETS</b>		0	12,500	0	100,000	150,000	0.00% U
<b>NON-OPERATING EXPENSES</b>							
<b>EXPENSES SEWER</b>							
4210 - SRF - Interest Expense		28,014	29,583	224,110	236,667	355,000	94.69% F
4211 - SRF Loan Administration		0	0	0	0	0	#DIV/0! #
4215 - Resort Tax - Other		0	0	30,000	30,000	0	100.00% O
4220 - Canyon Study Sewer Projects		0	0	16,708	13,333	20,000	125.31% U
4225 - New Off Bldg - Int Ex		0	0	0	0	0	#DIV/0! #
4226 - Canyon Study Dist Contribution		0	0	0	0	0	#DIV/0! #
TOTAL		28,014	29,583	270,818	280,000	375,000	96.72% O
<b>EXPENSES WATER</b>							
4310 - SRF Interest Expense		17,966	18,333	143,727	146,667	220,000	98.00% O
4316 - Source Water Protection Project		0	0	0	0	0	#DIV/0! #
4320 - New Off Bldg - Interest Ex		0	0	0	0	0	#DIV/0! #
4321 - Interest Exp. Backhoe		0	0	0	0	0	#DIV/0! #
TOTAL		17,966	18,333	143,727	146,667	220,000	98.00% O
<b>TOTAL NON-OPERATING EXPENSES</b>		45,980	47,917	414,545	426,667	595,000	97.16% O

	Monthly		Year To Date		Annual Budget 2011-2012	Percent of Budget	
	Actual Feb-13	Budget Feb-13	Actual Jul '12 - Feb 13	Budget Jul '12 - Feb 13			
OPERATING SUMMARY							
OPERATING REVENUES	192,605	199,458	1,668,069	1,595,667	2,393,500	104.54%	O
OPERATING EXPENSES	(193,975)	(200,678)	(1,552,994)	(1,605,421)	(2,408,132)	96.73%	O
NET OPERATING REV	(1,370)	(1,219)	115,075	(9,755)	(14,632)	-1 179.69%	F
NON-OPERATING SUMMARY							
NON-OPERATING REV	(81,013)	125,700	1,114,955	1,005,600	1,508,400	110.87%	F
NON-OPERATING EX	(45,980)	(47,917)	(414,545)	(426,667)	(595,000)	97.16%	O
NET NON-OPERATING REV	(126,993)	77,783	700,411	578,933	913,400	120.98%	F
GROSS REVENUE & EXPENSE SUMMARY							
TOTAL REVENUES	111,592	325,158	2,783,024	2,601,267	3,901,900	106.99%	F
TOTAL EXPENSES	(239,955)	(248,594)	(1,967,539)	(2,032,088)	(3,003,132)	96.82%	O
TOTAL NET REVENUES	(128,363)	76,564	815,485	569,179	898,768	143.27%	F
TOTAL CONTRIBUTED CAPITAL	0	12,500	0	100,000	150,000	0.00%	U
NET INCOME	(128,363)	89,064	815,485	669,179	1,048,768	121.86%	F



## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

### **ATTACHMENT F-2**

### **Profit & Loss Report July - February 2013**

**Big Sky County Water & Sewer District No. 363**  
**PO Box 160670, Big Sky, MT 59716**  
**Statement Of Condition**

Feb-13

Summary

3/6/2013 15:34

**ASSETS**

<b>TOTAL UNRESTRICTED FUNDS</b>	<b>\$423,887</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>\$11,443,025</b>
<b>TOTAL RESTRICTED AND UNRESTRICTED FUNDS</b>	<b>\$11,866,912</b>
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>\$487,807</b>
<b>TOTAL OTHER ASSETS</b>	<b>\$69,420</b>
<b>TOTAL NOTES RECEIVABLE</b>	<b>\$97,800</b>
<b>NET FIXED ASSETS - SEWER OPERATION</b>	<b>\$27,651,123</b>
<b>NET FIXED ASSETS - WATER OPERATION</b>	<b>\$14,224,192</b>
<b>TOTAL ASSETS</b>	<b>\$54,397,254</b>

**LIABILITIES & EQUITY**

<b>TOTAL ACCOUNTS PAYABLE</b>	<b>\$93,925</b>
<b>TOTAL ACCRUED EXPENSES</b>	<b>\$211,990</b>
<b>TOTAL DEVELOPER BOND DEPOSIT LIABILITIES</b>	<b>\$765,058</b>
<b>TOTAL RETAINAGE PAYABLE</b>	<b>\$25</b>
<b>TOTAL INTERNAL LOANS</b>	<b>\$0</b>
<b>TOTAL NOTES PAYABLE</b>	<b>\$13,638,545</b>
<b>TOTAL DEFERRED REVENUE</b>	<b>\$97,800</b>
<b>TOTAL EQUITY</b>	<b>\$39,589,911</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$54,397,254</b>

Big Sky County Water & Sewer District No. 363  
PO Box 160670, Big Sky, MT 59716  
Statement Of Condition  
Feb-13

3/6/2013 15:34

## ASSETS

### UNRESTRICTED FUNDS

#### Unrestricted General Operating Fund- Administration

1010 Big Sky Western Bank Checking Acct.	\$	12,655.33
1005 Petty Cash		200.00
1009 American Bank Checking		1,017.74
1016-17 Operating Fund Big Sky Western Bank MMA		102,503.57
<b>Total Unrestricted General Operating Fund- Admin</b>	<b>\$</b>	<b>116,376.64</b>

#### Unrestricted Operating Reserve Fund- Water

1016 Operating Fund Big Sky Western Bank MMA	\$	169,823.42
<b>Total Unrestricted Operating Fund- Water</b>	<b>\$</b>	<b>169,823.42</b>

#### Unrestricted Operating Reserve Fund- Sewer

1017 Operating Fund Big Sky Western Bank MMA	\$	137,687.29
<b>Total Unrestricted Operating Fund- Sewer</b>	<b>\$</b>	<b>137,687.29</b>

<b>TOTAL UNRESTRICTED FUNDS</b>	<b>\$</b>	<b>423,887.35</b>
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### RESTRICTED CASH & EQUIVALENTS

#### Restricted Developer Bonds/Retainage

1020 · Well # 7 Repair Fund	\$	31,889.01
1021 · Lone Peak TH Dep 11/24/05		7,120.10
1028 · Spanish Peaks WaterReserve Fund		90,478.09
1029 · FICA Interest Refund		-
1030 · BSTC Htly Add Wtr Loop 4/1/2010		12,991.51
1031 · Maus Alp Cntr Bond 12/04		5,650.26
1032 · Boyne PWD RDG III 12/04		15,401.38
1033 · Twn Ctr Huntley Addition9/09		-
1034 · Spanish Peaks PIC Fund		322,950.10
1433 · Burk Excavating Retention		24.66
1035 · Double L Cascade Ridge		5,778.15
1036 · Yellowstone Club PIC Agmt Fund		338,348.64
1037 · SMI Retainage Water Project SRF		-
1019 · Boyne Ph II-IV Pwd Rdg12-15-03		24,929.17
<b>Total Restricted Developer Bonds</b>	<b>\$</b>	<b>855,561.07</b>

#### Restricted Plant Investment Fund-Boyne Annual Payments-Sewer

1131 · First Security PIC Account	\$	1,420,088.73
1026 · Boyne Annual Payment Fund		0.00
1027 · Plant Investment Charges		1,562,097.01
<b>Total PIC Funds</b>	<b>\$</b>	<b>2,982,185.74</b>

#### Restricted Operating Reserve & Asset Replacement Funds

<b>Sewer</b>		
1450 American Bank Sewer Asset Replacement	\$	486,008.42
1025 · Sewer Asset Replacement Fund BSWB		4,417,603.17
1041 · Restricted Swr Operating Fund		208,205.50
1402 · Restricted Swr Operating Fund		100,095.92
1161 Short Term Inv. Pool-Sewer		838.79
<b>Subtotal</b>	<b>\$</b>	<b>5,212,751.80</b>
<b>Water</b>		
1455 American Bank Water Asset Replacement	\$	186,699.44
1024 · Water Asset Replacement Fund BSWB		1,578,195.00
1040 · Restricted Wtr Operating Fund		113,677.30
1401 · WTR Restricted Fund #2802414784		214,931.45
1170 Short Term Inv. Pool-Water		807.01
<b>Subtotal</b>	<b>\$</b>	<b>2,094,310.20</b>
<b>Total Operating Reserve &amp; Asset Replacement Fund</b>	<b>\$</b>	<b>7,307,062.00</b>

<b>Restricted Other</b>		
1023 · Debt Serv. Acct. SRF Bond Fund	\$	175,406.21
1133 · Wastewater SRF Fund		1,606.57
1134 · Water SRF Fund		57.35
1050 · BSWB-MMA #104574 - Sewer		1,082.48
1136 · Sewer Debt Service Fund		9,531.51
1137 · Water Debt Service Fund		52,070.94
1139 · Surplus Account-Water		-
1138 · Surplus Account-Sewer		-
1018 · Accrued Empl Health Ins Claims		35,169.87
1022 · Cascade Wells Fund		23,291.37
<b>Total Restricted Other</b>	<b>\$</b>	<b>298,216.30</b>

<b>TOTAL RESTRICTED FUNDS</b>	<b>\$</b>	<b>11,443,025.11</b>
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<b>TOTAL RESTRICTED AND UNRESTRICTED FUNDS</b>	<b>\$</b>	<b>11,866,912.46</b>
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**Investment Restrictions per MCA. MCA sections, 7-6-210, 7-6-202 & 7-6-203**

**Big Sky Water & Sewer Return on our Investments as of 2/28/2013**

American Bank MMA	0.10%
Big Sky Western Bank MMA	0.35%
Short Term Invest Pool	0.23%
First Security Bank	0.64%

**Accounts Receivable**

1205 · Plant Investment Fees Recvbl	\$	-
1206 · Water Plant Investment Fees Rec		-
1207 · Other Receivables		10,060.56
1217 · Boyne Annual Payment Receivable		-
1221 · Wastewater User Chgs Rec		273,213.52
1222 · Water User Chgs Recvbl		164,896.56
1225 · Mad Co Delinq User Fees Recvbl		26,413.23
1226 · Gall Co Delinq User Fees Recvbl		10,673.26
1227 · Resort Tax Recvbl - Sewer		0.00
1228 · Resort Tax Recvbl - Water		-



1231 · SRF Reimbursable Expenses

-

1232 · Late Fees Receivable

2,549.48

**TOTAL ACCOUNTS RECEIVABLE**

\$

**487,806.61**

**Other Assets**

1300 · Prepaid Expenses

\$

23,177.61

1350 · Water Meters

46,242.80

**TOTAL OTHER ASSETS**

\$

**69,420.41**

**Notes Receivable**

1800 · Note Rec-Farmhouse 12-31-12

\$

97,800.00

**TOTAL NOTES RECEIVABLE**

\$

**97,800.00**

**Fixed Assets - Sewer Operation**

1601 · Land

\$

1,014,689.26

1602 · South Fork Ph#1 Sewer System

90,985.00

1603 · Snowcrest Sewer Extension

50,000.00

1604 · Cascade Subd Blk #3 Sewer Sys

271,901.00

1605 · North Fork Crk Subd Sewer Sys

112,900.00

1606 · Aspen Gr Ph I Sewer System

100,000.00

1607 · Spanish Peaks Resort Sewer

2,290,378.00

1608 · New Office Building

521,866.30

1609 · Storage & Maint Bldg (1/2 S&W)

85,109.65

1610 · Plant Assets - Other

3,497,289.20

1611 · Sewer Outfall Line

987,296.28

1612 · Storage Ponds

2,467,689.44

1613 · Golf Course Irrigation

1,795,127.01

1614 · Sewer Treatment Plant

2,030,971.64

1615 · New Treatment Plant

1,029,705.34

1620 · Vehicles

139,148.51

1621 · Backhoe

86,832.00

1629 · Lone Moose Meadows Sewer

321,085.00

1630 · Furniture, Fixtures & Equipment

53,142.80

1631 · Computer-Hdwr/Software-Swr

40,815.55

1632 · Computer Hardware Servers

4,794.00

1633 · South Fk Ph II Swr/Wtr (Split)

35,953.00

1634 · South Fk Ph III Swr/Wtr (Split)

45,171.00

1635 · Aspen Gr Ph II Sewer System

193,000.00

1636 · Cronin Business Park 1/2 Swr

36,623.00

1637 · South Fk Ph IV Swr/Wtr (Split)

130,754.50

1638 · Deer Run Sewer

177,406.00

1639 · Low Dog Road Sewer Main

247,872.04

1640 · Ousel Falls Road Sewer

7,546.35

1641 · Town Center Sewer

484,818.87

1642 · Cascade System

707,057.49

1643 · Crail Ranch Sewer

47,400.00

1644 · Spanish Peaks Club Phase I & II

63,088.00

1646 · Force Main

2,340,417.74

1647 · Treatment Plant

12,692,208.32

1648 · Constr. In Progress-

1,039,604.22

**TOTAL FIXED ASSETS - SEWER OPERATION**

\$

**35,240,646.51**

1649 · Accum Depr - Sewer

(7,589,523.30)

**NET FIXED ASSETS - SEWER OPERATION**

\$

**27,651,123.21**

<b>Fixed Assets - Water Operation</b>		
1651 · Land	\$	-
1652 · Land Easements		58,117.00
1653 · Plant Contributions		292,332.30
1654 · Plant Structures & Improvements		395,031.58
1655 · Wells & Springs		1,011,571.81
1656 · Supply Mains		88,388.07
1657 · Pumping Equipment		183,184.63
1658 · Distribution Reservoirs		-
1659 · Transmission & Dist Mains		1,335,023.98
1660 · Hydrants & Meters		273,513.08
1661 · Vehicles		136,462.39
1662 · Computer-Hdwr/Software-Wtr		54,834.57
1663 · Furniture, Equipment & Tools		41,652.48
1664 · Westfork Water System		25,845.94
1665 · Generator for Backup Power		38,324.76
1666 · Blue Grouse Well		103,565.00
1667 · Telemetry Equipment #1		47,498.00
1668 · Telemetry Equipment #2		38,613.06
1669 · Yellowstone Condos Water Line		129,063.67
1670 · Storage/Maint Bldg (1/2 S&W)		99,556.50
1671 · South Fk Ph II Swr-Wtr (Split)		35,954.00
1672 · South Fk Ph I W/S, Booster, BI Gr		50,000.00
1673 · South Fk Ph III Swr-Wtr (Split)		45,171.00
1674 · Aspen Groves Water System		669,509.10
1675 · Water Meters		1,295,866.50
1676 · Cronin Business Park 1/2 Wtr		36,623.00
1677 · South FK Ph IV Wtr/Swr (Split)		130,754.50
1678 · Deer Run Water		110,099.00
1679 · Low Dog Road		247,872.05
1680 · Ousel Falls Road Water		78,322.46
1681 · Town Center Water		379,335.53
1682 · Cascade System 8-1-02		2,296,507.95
1683 · Crail Ranch Water		45,500.00
1684 · Lone Moose Meadows Water		585,100.75
1685 · Spanish Peaks Club Phase I & II		72,433.00
1686 · Water Projects SRF In Progress		5,785,497.63
1690 · 1.0 Mil HV Water Tank		2,367,827.84

<b>TOTAL FIXED ASSETS - WATER OPERATION</b>	<b>\$</b>	<b>18,584,953.13</b>
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1699 · Accum Depr - Water		(4,360,761.46)
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<b>NET FIXED ASSETS - WATER OPERATION</b>	<b>\$</b>	<b>14,224,191.67</b>
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<b>TOTAL ASSETS</b>	<b>\$</b>	<b>54,397,254.36</b>
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Note 1. Accounts 1024 and 1025 on page 1 were established to start Asset Replacement Funds for both Water & Sewer. 100% of the depreciation expense is placed in these accounts monthly.

Note 2. Fixed Asset Depreciation is calculated on a Straight-Line Method. The number of years ranges from 75 years for underground pipes, ponds, irrigation systems etc. down to 3 to 7 years for computer equipment, other equipment, pumps etc.

## LIABILITIES & EQUITY

**Current Liabilities**

2000 · Accts Payable-Gen	\$	3,447.27
2010 · Fed & Fica Payable		-
2110 · Spanish Peaks Water Reserve		90,478.09
2020 · State P/R Taxes Payable		-
2025 · 457 Deferred Comp Payable		-
2030 · PERS Payable		-
2036 · SUTA Payable		-
2307 · State Gross Receipts Tax Pay		-

<b>TOTAL ACCOUNTS PAYABLE</b>	<b>\$</b>	<b>93,925.36</b>
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**Accrued Expenses**

2045 · Accrued Emp Health Ins Reserve	\$	35,169.87
2050 · SRF Accrued Int Payable		91,960.00
2080 · Compensated Absences		84,859.85

<b>TOTAL ACCRUED EXPENSES</b>	<b>\$</b>	<b>211,989.72</b>
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**Deferred Revenue**

2061 · Deferred Revenue - Sewer	\$	97,800.00
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<b>TOTAL DEFERRED REVENUE</b>	<b>\$</b>	<b>97,800.00</b>
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**Developer Bond Deposit Liabilities**

2300 · Yel Stn Dev.Well #7 Per Agrmt	\$	31,889.01
2301 · Lone Peak TH 11/24/2005		7,120.10
2302 · Boyne Wrnty Bond Pwdr Ridge		24,929.17
2305 · Double L (Cascade Ridge PL)		5,778.15
2340 · BSTC Huntly Addition Wtr Loop		12,991.51
2330 · Twm Cntr Huntley Addition		-
2347 · Maus 11/05 Const-Retnge Pyble		5,650.26
2348 · Boyne Powder Ridge III		15,401.38
2349 · Yellowstone Club PIC Agmt 3/01		338,348.64
2350 · Spanish Peaks PIC Payable		322,950.10

<b>TOTAL DEVELOPER BOND DEPOSIT LIABILITIES</b>	<b>\$</b>	<b>765,058.32</b>
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**Retainage Payable**

2308 · Pure Water Tech Retainage	\$	-
2310 · SMI Retainage Pay WTR Projects		-
2320 · Goswick Retainage Pbl		-
2345 · Burk Excavating-Retain Pbl		24.65

<b>TOTAL RETAINAGE PAYABLE</b>	<b>\$</b>	<b>24.65</b>
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**Internal Loan**

2325 · Due To PIC Water SRF Loan	\$	-
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<b>TOTAL INTERNAL LOANS</b>	<b>\$</b>	<b>-</b>
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**Notes Payable**

2200 · State Revolving Ln C-301084-01	\$	-
2201 · State Revolving Ln C301084-02		-
2202 · SRF Loan # C-301184-03 Trmt.Plnt		4,353,000.00
2203 · SRF Loan # N WRF-03045 Water		332,000.00
2204 · SRF Loan WRF 03050 Water		1,314,000.00
2205 · SRF Loan C-301184-04 Trmt Plnt		3,739,000.00
2206 · SRF-Loan WRF-08109 Water		3,900,545.00

<b>TOTAL NOTES PAYABLE</b>	<b>\$</b>	<b>13,638,545.00</b>
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**Equity**

2800 · Donated Capital	\$	3,363,110.00
2801 · Restricted Retained Earnings		2,380,284.46
2802 · Donated Equity RID 305		885,272.00
2804 · Equity From Lone Mtn Springs		764,304.41
2810 · Retained Earnings		31,381,455.06
Net Income		815,485.39

<b>TOTAL EQUITY</b>	<b>\$</b>	<b>39,589,911.32</b>
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$</b>	<b>54,397,254.36</b>
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## **2013-2014 APPLICATION FOR RESORT TAX FUNDS**

# **ATTACHMENT F-3**

## **Audit Report Fiscal Year 2011-12**

ORIGINAL

**Audit FY 2011-2012**

Financials Audit

holmes & turner  
Certified Public Accountants

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2012**

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Independent auditor's report</b>	<b>1-2</b>
<b>Management's discussion and analysis</b>	<b>3-7</b>
<b>Basic financial statements:</b>	
<b>Statement of net assets</b>	<b>8</b>
<b>Statement of revenues, expenses, and changes in fund net assets</b>	<b>9-12</b>
<b>Statement of cash flows</b>	<b>13</b>
<b>Notes to the financial statements</b>	<b>14-24</b>
<b>Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i></b>	<b>25-26</b>
<b>Schedule of findings and questioned costs</b>	<b>27</b>
<b>Current status of prior year recommendations</b>	<b>28</b>



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Big Sky County Water and Sewer District No. 363  
Big Sky, Montana

We have audited the accompanying financial statements of the business-type activities and major fund of Big Sky County Water and Sewer District No. 363 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Big Sky County Water and Sewer District No. 363's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major fund of Big Sky County Water and Sewer District No. 363 as of June 30, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated [DATE], on our consideration of the Big Sky County Water and Sewer District No. 363'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 the 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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.

[DATE]

Big Sky County Water and Sewer District No. 363

Page 2

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.

[DATE]



## BIG SKY COUNTY WATER & SEWER DISTRICT No. 363

PO BOX 160670 • 561 LITTLE COYOTE RD • BIG SKY, MT 59716 • 406-995-2660 • FAX 406-995-3053 • Email - WSD363@GOMONTANA.COM

### Management Discussion and Analysis Fiscal Year 7/1/2011 - 6/30/2012

The Big Sky County Water & Sewer District 363 is accounted for as a governmental enterprise. As a result, the accounting is much the same as a for profit organization with the exception of state and federal income tax. The District is tax exempt. The basic financial statements produced by the District include the Statement of Net Assets, Statement of Revenue, Expenses, and Changes in Fund Net Assets and Statement of Cash Flows. Each statement contains vital financial information regarding the District's financial position and overall financial stability. The statement of net assets contains the assets, liabilities, and fund equity. The statement of revenue, expenses, and changes in fund net assets contain the detail of revenue sources and the detail of where the revenue was expended to provide the water and sewer services to the District as well as the beginning net assets and end of year net assets total. The statement of cash flows provides the detail of cash sources and uses for operating activities, capital and related financing activities, and investing activities.

#### Assets/Liabilities

The total assets of the District decreased by 0.36% in the fiscal year. This was primarily due to capital assets net of accumulated depreciation decreasing from \$42,866,485 to \$42,324,410. The District added few new capital assets to the asset base due to the continued slowdown in development. The total liabilities of the District decreased 7.60% primarily due to debt service principal payments. The sewer capital assets of the District increased from \$34,979,518 to \$35,222,306. The District added approximately \$8,400 to the Sewer Pond filtration System, \$7,400 to the Treatment Plant, \$4,200 Cascade System, and \$223,000 in Sewer Pond Improvements. The water capital assets increased from \$18,245,604 to \$18,428,071. The District spent \$19,000 to refurbish the Meadow Village 250K Water Tank. The District spent \$57,000 on new variable frequency drives for the booster pumps and telemetry equipment for the Cascade System. The District replaced old fire hydrants and spent approximately \$47,000 on new fire hydrants. The District added a dump truck to the vehicle fleet in the amount of \$6,500. The District installed \$48,000 in water meter equipment and \$2,000 in computer upgrades. There was one outstanding invoice in the amount of \$1,725 for the Silverbow Condominium project. The District's other asset category remained at \$97,800 which is a note receivable from Farmhouse Partners for Plant Investment Fees.

The total long-term liabilities associated with the existing State Revolving Fund Loans of both systems decreased from \$16,377,309 to \$14,994,309. The District used low interest rate (3.75%-4.00%) loans from the State Revolving Loan Fund Program to finance both water and sewer projects. The wastewater treatment plant upgrade project was substantially completed in 2004. The District completed sewer work on the pond liner cover using funds from the Plant Investment Fund. The water system improvements are continuing with the most recent State Revolving Loan in the amount of \$5,000,000. At June 30, 2012 the loan balance available for use on water projects was \$141,521. The current liabilities of the District increased from \$2,582,107 to \$2,673,049 which includes a decrease in accounts payable to \$358,825 from \$374,469 an increase in performance bonds and retainage payable from \$704,679 to \$736,124 an increase in water reserve payable to \$78,857 from \$55,579 and the increase in the current portion of long-term debt from \$1,447,380 to \$1,499,243 at June 30, 2012.

Year	Total Assets	Growth Rate	Total Liabilities	Growth Rate
2007-2008	\$51,395,601	7.99%	\$19,987,097	8.58%
2008-2009	\$51,949,681	1.08%	\$19,193,305	-3.97%
2009-2010	\$55,644,784	7.11%	\$18,950,880	-1.26%
2010-2011	\$55,327,031	-0.57%	\$17,695,607	-6.62%
2011-2012	\$55,125,201	-0.36%	\$16,350,775	-7.60%

**Operating Revenue/Non-Operating Revenue**

The total operating revenues of the District increased to \$2,338,408 from \$2,319,863. The total sewer operating revenue decreased to \$1,288,657 from \$1,323,696. The total water operating revenue increased to \$1,049,751 from \$996,167. The decrease in sewer operating revenue was due to a decrease in sewer usage of 6.79%. The water operating revenue increase was due to a 5.78% increase in water usage; primarily summer irrigation water, which is not included as a source for sewer operations revenue. The District has a plant investment charge on the sewer plant but no plant investment charge on the water system. The total non-operating revenue includes plant investment charges, interest income, tax receipts for bond payments and Resort Tax allocations. The total non-operating revenue, net of interest expenses and other non-operating expenses of the District increased to \$1,248,654 from \$1,015,754. The increase is primarily due to the additional debt service funding of \$250,000 from the Big Sky Area Resort Tax. The District received \$500,000 from the Big Sky Area Resort Tax Board for paying interest and principal on two of the State Revolving Fund loans for the sewer filter building based on the Inter-local Agreement that the District has with the Big Sky Resort Tax Board. The District also collected \$921,149 in general obligation bond tax receipts for payments on the State Revolving Fund Loans used to finance the water tank, water meters, two water system rehabilitation projects (Hidden Village and Silverbow Condominiums), and the new sewer treatment plant. The decrease in tax receipts is due to the additional funding by the Big Sky Area Resort Tax.

Year	Total Revenues	Growth Rate	Total Expenses	Growth Rate
2007-2008	\$4,316,041	-12.36%	\$2,898,150	7.20%
2008-2009	\$4,338,448	0.52%	\$3,116,370	7.53%
2009-2010	\$4,743,019	9.33%	\$3,095,868	-0.66%
2010-2011	\$3,986,600	-15.95%	\$3,049,081	-1.51%
2011-2012	\$4,201,313	5.39%	\$3,058,311	0.30%

**Operating Expenses/Non-Operating Expenses**

The total operating expense for the District increased to \$2,444,060 from \$2,398,098. The total general and administrative expense increased to \$429,406 from \$412,798. The total sewer general and administrative expense decreased to \$183,015 from \$186,855. Total sewer operation expense decreased to \$966,477 from \$989,582. The total water general and administrative expense increased to \$241,159 from \$206,908. The total water operating expense increased to \$624,003 from \$601,955. The total operating expense increased from last fiscal year at a rate of 1.92%. In the non-operating expense category the main item is the interest expense on the State Revolving Fund Loans. In fiscal 2011-2012 the District made principal payments in the amount of \$1,383,000 with total payments amounting to \$1,973,272. The District paid \$590,272 in interest on those loans. The other item in the non-operating expense category was the Snowmaking Pilot Project. The expenses associated with that project were off set in their entirety by contributions and grants to pay for the study.

Year	Total Operating Revenues	Growth Rate	Total Operating Expenses	Growth Rate
2007-2008	\$2,031,491	-0.54%	\$2,246,848	9.90%
2008-2009	\$2,330,721	14.73%	\$2,367,521	5.37%
2009-2010	\$2,397,265	2.86%	\$2,378,743	0.47%
2010-2011	\$2,319,863	-3.23%	\$2,398,098	0.81%
2011-2012	\$2,338,408	0.80%	\$2,444,060	1.92%

### Capital Assets

The District did not receive any donated capital assets this fiscal year. Donated capital assets are the water and sewer extensions as well as other infrastructure required to install and complete new construction projects and subdivisions within the District. All donated capital assets are acquired by the District through formal transfer agreements, which are recorded at the appropriate county office. The District is also given a one-year warranty on these assets as either cash or a letter of credit in the amount of 10% of the asset cost made by the developer as warranty security. The contributed assets are then recorded as either water or sewer assets on the books of the District and depreciated accordingly. The recorded value of the asset is recognized as income in the year of acceptance.

The District's total net assets at June 30, 2012 were \$38,774,426. The total amount includes \$27,330,101 invested in capital assets, net of related debt, \$10,633,352 in unrestricted assets which includes cash, and \$810,973 restricted cash for debt service. The total represents an increase of \$1,143,002 over the prior fiscal year total. The amount invested in capital assets, net of related debt increased by \$840,925 due to asset additions and debt reduction. The unrestricted portion increased by \$232,317 due to an increase in cash position. The restricted for debt service category increased to \$810,973 from \$741,213 due to additional funding by the Big Sky Area Resort Tax.

### Summary

The District's overall financial position remains stable with sufficient reserves and financing sources available to fund both the operating and non-operating activities of the District. However, both the District's sewer and water operating revenue were insufficient to cover all the operating expenses in fiscal 2011-2012. The total operating loss was \$105,652. The sewer department loss totaled \$71,740 and the water department loss totaled \$33,912. Both the water and sewer departments operate in positive cash flow but used reserve funds to balance their operating budgets. The District is not contemplating rate increases at this time, but will monitor closely the next fiscal year's operating expenditures. The District continues to believe that both regulatory and other operating costs will increase for the District's water and sewer department. The District believes that the water and sewer rates adopted effective July 1, 2008 and July 1, 2009 will be insufficient to cover operating expenses in the next fiscal-year. However, depreciation expense on capital equipment is on a downward trend and should provide some leeway with respect to rate adjustments. The District will keep the District's property owners informed of any planned rate change.

Rates Fiscal Year	Water Base	Growth Rate	Water Usage	Growth Rate	Sewer Base	Growth Rate	Sewer Usage	Growth Rate
2005-2006	\$14.25	0%	\$2.35	0%	\$22.04	0%	\$3.85	0%
2006-2007	\$14.25	0%	\$2.35	0%	\$22.04	0%	\$3.85	0%
2007-2008	\$14.25	0%	\$2.35	0%	\$22.04	0%	\$3.85	0%
2008-2009	\$14.89	4.49%	\$2.42*	2.98%	\$23.03	4.49%	\$4.81	24.94%
2009-2010	\$15.46	3.83%	\$2.49*	2.89%	\$23.91	3.82%	\$5.82	21.00%
2010-2011	\$15.46	0%	\$2.49*	0%	\$23.91	0%	\$5.82	0%
2011-2012	\$15.46	0%	\$2.49*	0%	\$23.91	0%	\$5.82	0%

\*Beginning in July of 2008 the water usage rates were tiered, 0-60,000 gallons, 60,000 to 90,000 gallons and 90,000 gallons and above as follows: 2008-2009 \$2.42, \$3.63, \$4.84; 2009-2010 \$2.49, \$3.74, \$4.99  
Water and sewer usage charges are for each thousand gallons metered or fraction of a thousand gallons. The base charges are for one month of service for water and sewer.

The budget for fiscal 2011-2012 at year-end had total revenues 100.61% of budget, total expenses 100.46% of budget and total net revenue 101.02% of budget. There were no sewer or water assets contributed to the District and net income was \$1,143,002, which was 89.20% of budget.

The operating revenues were at 97.88% of budget and operating expenses were at 102.50% of budget. As a result, there was a \$105,652 operating loss. Administrative expenses for general administration, water administration and sewer administration all came in under budget. The sewer operations expense was 105.67% of budget. The sewer and water department's operating budget is separated into seven categories: vehicles, operating expenses, repairs and maintenance, professional services, miscellaneous, asset replacement & depreciation and special projects. The sewer department was over budget in all categories except miscellaneous, asset replacement & depreciation and special projects. The sewer department vehicles category was over by 12.51% in fuel and 120.51% over in vehicle repairs. Fuel costs have increased and the vehicles are aging causing the budget variance. In the sewer operating category there were three main sub-categories responsible for the variance, power costs over approximately 16.33% for the treatment plant, filter building chlorine chemicals over 88.85%, and lab fees over 55.26%. The power budget was decreased from the prior year due to experience but the reduction in power costs were not realized in the current year. The chemicals and lab fees saw price increases, which were not anticipated. The repairs and maintenance category had two sub-categories responsible for the variance: treatment plant and filter building repairs and maintenance over approximately 146.23%, and irrigation maintenance over 124.99%. Both the treatment plant and filter building required unexpected repairs. The irrigation system that provides grey water to the golf course had unanticipated repairs. In the professional services category the District spent approximately \$17,500 on a nutrient management plan engineering study required by the Montana Department of Environmental Quality. Total sewer plant operations expense was 105.67% of budget.

The water plant operation was over budget in two categories: vehicles and repairs and maintenance. In the vehicles category, fuel was over 23.56% and repairs and maintenance were over 12.95%. Again, fuel costs were up and an aging vehicle fleet required additional maintenance. In the repairs and maintenance category two sub-categories were over budget: repairs-distribution system over 27.45% and generator semi annual check-up over 1,118.94%. The water department had more repairs than anticipated in the budget. The generator check-ups had been done by a local contractor in the last few years. However, the full maintenance on the generators had not been done. As a result, a new contractor was brought in to fully assess the condition of the generators and provide maintenance costing approximately \$15,000. Future annual costs are estimated to be approximately \$7,000. Total water plant operations expense was 104.00% of budget.

Total non-operating revenues were at 104.26% of budget and non-operating expenses were at 93.07% of budget. Tax receipts from both Gallatin and Madison County were slightly higher than budgeted, 2.4% and 8.83% over budget respectively. The plant investment fee sub-category was budgeted at \$45,000, however, \$113,915 was collected. The District budgeted \$150,000 in capital contributions but none were received. Both the water and sewer debt service interest costs were under budget because no additional funding was requested. As a result, net non-operating revenues were \$1,248,654.

The District has a total of seven State Revolving Fund loans with an outstanding balance at fiscal year-end of \$14,994,309 including the current portion of the long-term debt. The District services the debt through bi-annual payments funded through several sources. The three main sources are the Big Sky Area Resort Tax, Plant Investment Fees (sewer only) and ad-velorem taxes. The District currently has a commitment from the Big Sky Area Resort Tax for two of the seven loans, \$500,000 annually. This commitment will end in fiscal year 2012-2013 as the two SRF loans will be paid off. For the other five loans, the District applies annually for funding to the Big Sky Area Resort Tax. For fiscal 2011-2012 the District secured \$250,000 for the water and sewer debt service from the Resort Tax. The District used approximately \$400,000 in plant investment fees to service the debt. The Resort Tax Board allocated \$0.00 in additional debt service for fiscal 2012-2013. The District will contribute another \$400,000 in plant investment fees toward debt service in fiscal 2012-2013. To service the debt in the next fiscal year, since no money was received from resort tax, the District has to increase the mills levied on water debt service from 21.63 mills to 27.80 mills and increase the mills levied on sewer from 21.05 mills to 26.40 mills.

The District closed out the open sewer State Revolving Fund loan for the wastewater treatment plant project that had an unused balance in the amount of \$273,137. The District's State Revolving Fund loan for water system upgrades in the amount of \$5,000,000 is still open. The balance on the water State Revolving Fund loan was \$141,521 at fiscal year-end. The District intends on using the remaining funds to complete the wells in the Meadow Village. Based on the current funding and expected future funding sources, the existing State Revolving Fund loan will not impact planned future capital outlays.

The District's current financial position is stable. There are no significant facts, decisions or conditions that are expected to have a significant effect on the financial position of the District or results of water and sewer operations.

**BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

**ASSETS**

<b>Current assets:</b>	
Cash and cash equivalents	\$ 11,237,453
Investments	1,643
Accounts receivable	602,134
Prepaid expenses	12,216
Water meter inventory	<u>38,572</u>
<b>Total current assets</b>	<u><b>11,892,018</b></u>
<b>Noncurrent assets:</b>	
<b>Restricted cash and cash equivalents:</b>	
Debt service fund	810,973
Notes receivable	97,800
<b>Capital assets, net of accumulated depreciation, where applicable:</b>	
Land and land easements	1,072,806
Depreciable buildings and infrastructure, net	<u>41,251,604</u>
<b>Total noncurrent assets</b>	<u><b>43,233,183</b></u>
<b>Total assets</b>	<u><u><b>\$ 55,125,201</b></u></u>



## LIABILITIES AND FUND EQUITY

### Current liabilities:

Accounts payable and accrued expenses	\$ 358,825
Performance bonds and retainage payable	736,124
Water reserve payable	78,857
Current portion of long-term debt	<u>1,499,243</u>

Total current liabilities	<u>2,673,049</u>
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### Long-term liabilities:

Deferred revenue	97,800
Compensated absences payable	84,860
General obligation bonds	14,994,309
Less: current portion of long-term debt	<u>(1,499,243)</u>

Total long-term liabilities	<u>13,677,726</u>
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Total liabilities	<u>16,350,775</u>
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### Net assets:

Invested in capital assets, net of related debt	27,330,101
Unrestricted	10,633,352
Restricted for debt service	<u>810,973</u>

Total fund equity	<u>38,774,426</u>
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Total liabilities and fund equity	<u><u>\$ 55,125,201</u></u>
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See accompanying notes to financial statements

BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

Operating revenues:	
Sewer services	\$ 1,288,657
Water services	<u>1,049,751</u>
Total operating revenue	<u>2,338,408</u>
Operating expenses:	
General and administrative:	
Meetings	1,044
Directors' expense	3,882
Salaries	215,046
Payroll taxes and benefits	32,420
Utilities	5,850
Janitorial and carpet services	639
Office supplies and expense	8,226
Telephone	5,394
Postage and shipping	11,682
Advertising	40
Insurance	112,906
Dues and subscriptions	1,080
Vehicle expense	5,846
Legal fees	3,347
Computer maintenance	6,034
Audit expense	8,540
Bank service charges	60
State annual filing fee	845
Miscellaneous	2,155
GIS mapping and other consulting fees	50
Office building repair & maintenance	1,625
Education expenses	2,555
Election fees	<u>140</u>
Total general and administrative	<u>429,406</u>

(continued)

See accompanying notes to financial statements

BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012

Operating expenses (Continued):

Sewer general and administrative:

Salaries and wages	112,737
Workers' compensation insurance	43,660
Payroll taxes and benefits	17,433
Dues and subscriptions	323
Telephone	4,412
Office supplies	491
Education expense	3,959
	<hr/>
Total sewer general and administrative	183,015

Sewer plant expense:

Fuel - equipment and vehicles	10,325
Vehicle repair and maintenance	5,513
Vehicle insurance	2,288
Utilities	141,242
Chemicals	28,423
Waste water monitoring	24,066
Lab testing equipment	363
Compost supplies	2,250
Safety equipment	550
Welding & welding supplies	1,089
Sewer repairs and maintenance	17,830
Treatment plant repairs and maintenance	21,405
Maintenance and repairs - building and grounds	19,909
Tools	6,238
Jetting - sewer lines	27,107
Engineering	17,315
Miscellaneous	1,504
Depreciation expense	639,060
	<hr/>
Total sewer plant expense	966,477

(continued)

See accompanying notes to financial statements

BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2012

Operating expenses (Continued):

Water general and administrative:

Salaries and wages	154,420
Workers' compensation insurance	48,752
Payroll taxes and benefits	23,839
Dues and subscriptions	2,768
Telephone	6,108
Office supplies	11
Education expense	1,451
Public water supply fees	<u>3,810</u>

Total water general and administrative	<u>241,159</u>
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Water plant expense:

Fuel - equipment and vehicles	10,554
Vehicle repair and maintenance	8,426
Vehicle insurance	2,288
Utilities	144,163
Chemicals	1,511
Lab fees	2,251
Lab testing equipment	414
Safety equipment	1,696
Repairs and maintenance	87,959
Tools	8,984
Equipment rental	1,338
Special projects	3,713
Professional services	21,049
Miscellaneous	1,387
Depreciation expense	<u>328,270</u>

Total water plant expense	<u>624,003</u>
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Total operating expenses	<u>2,444,060</u>
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Operating (loss)	<u>(105,652)</u>
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BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012

Nonoperating revenues (expenses):	
Other nonoperating revenue	14,640
Other nonoperating expenses	(23,979)
Interest income	63,201
Tax receipts for bond payments	921,149
Plant investment charges	113,915
Resort tax revenue	750,000
Interest expense	<u>(590,272)</u>
 Total nonoperating revenues (expenses)	 <u>1,248,654</u>
 Increase in net assets	 1,143,002
 Net assets, beginning of year	 <u>37,631,424</u>
 Net assets, end of year	 <u>\$ 38,774,426</u>

See accompanying notes to financial statements

**BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Increase in cash and cash equivalents:**

**Cash flows from operating activities**

Receipts from customers	\$ 2,343,403
Payments to suppliers	(483,113)
Payments to employees	<u>(983,630)</u>
Net cash provided by operating activities	<u>876,660</u>

**Cash flows from capital and related financing activities**

Principal paid on capital debt	(1,383,000)
Purchases of capital assets	(425,255)
Interest paid on capital debt	(620,318)
Taxes collected for bond payments	921,149
Resort taxes received for bond payments	750,000
Other receipts (payments)	<u>104,576</u>
Net cash (used) by capital and related financing activities	<u>(652,848)</u>

**Cash flows from investing activities:**

Interest	67,812
Proceeds from performance bonds and fees	<u>26,829</u>
Net cash provided by investing activities	<u>94,641</u>
Net increase in cash and cash equivalents	318,453

Cash and cash equivalents - beginning of the year	<u>11,729,973</u>
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Cash and cash equivalents - end of the year	<u><u>\$ 12,048,426</u></u>
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**Cash and cash equivalents as presented on the statement of net assets:**

Cash and cash equivalents	\$ 11,237,453
Restricted cash and cash equivalents	<u>810,973</u>
	<u><u>\$ 12,048,426</u></u>

Reconciliation of operating (loss) to net cash provided by operating activities:

Operating (loss)	<u>\$ (105,652)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	967,330
(Increase) decrease in current assets:	
Accounts receivable	(18,283)
Prepaid expenses	(4,143)
Inventory	639
(Increase) decrease in current liabilities:	
Accounts payable and accrued expenses	14,402
Compensated absences payable	(911)
Water reserve payable	23,278
	<u>982,312</u>
Net cash provided by operating activities	<u><u>\$ 876,660</u></u>

See accompanying notes to financial statements

**BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Big Sky County Water & Sewer District No. 363 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

The District was created by resolution by the Board of County Commissioners of Gallatin County, Montana, and Madison County, Montana, on August 3, 1993 and August 4, 1993, respectively. The District was created for the purpose of constructing, repairing, operating, managing, maintaining, and acquiring a sanitary sewer facility on the West Fork of the West Gallatin River, Gallatin County, Montana. The District acquired Lone Mountain Springs Water District, as part of a settlement agreement reached with Boyne USA on July 25, 1997. The District is governed by a Board of Directors elected by members of the District and establishes its own budget independent of any other government entity so it is therefore considered to be a primary government. The daily affairs of the District are conducted under the supervision of the District's general manager. The District serves approximately 2,400 customers.

**B. Measurement Focus and Basis of Accounting**

The term measurement focus is used to denote what is being measured and reported in the District's operating statements. The District is accounted for on the flow of "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported and equity is reported as net assets.

The term basis of accounting is used to determine when a transaction or event is recognized on the District's financial statements. The District uses the full accrual basis of accounting, with revenues recorded when earned and expenses recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

Big Sky County Water and Sewer District No. 363 has elected, as allowed in paragraph 7 of Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, not to follow Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989. Therefore, the District follows all GASB pronouncements and FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

(continued)



**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Revenues and Expenses**

Revenues and expenses are distinguished between operating and nonoperating items. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are water and wastewater user charges. Revenue from user charges and sales of services is recognized as the related service is provided. Refunds to customers are charged to income in the period in which those refunds are paid. Operating expenses include the costs associated with the conveyance of water and wastewater, treatment of wastewater, administrative expenses, and depreciation of capital assets.

All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**D. Water and Wastewater User Charges**

Property owners are assessed sewer and water fees annually based on the number of single-family equivalent units. Most of the accounts have been converted to a metering system. No allowance has been made for uncollectible accounts because the District submits any delinquent accounts to the County Treasurer for collection.

**E. Use of Restricted/Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.

**F. Cash and Investments**

The District is authorized by statute to invest in time and savings deposits with a bank, savings and loan association, or credit union in the state. In addition, it may also invest in obligations of the United States Government, securities issued by agencies of the United States, repurchase agreements, and the State Short-Term Investment Pool (STIP).

To minimize custodial credit risk in relation to the District's deposits, it is the District's policy to have uninsured deposits covered by collateral held by the pledging bank's agent in the District's name. The District does not have a policy regarding concentration of credit risk in relation to its investments.

For the purpose of the cash flow statement, cash and cash equivalents are considered to be cash on hand, deposits in demand accounts and money market accounts.

**G. Restricted Cash**

According to a bond resolution, cash in the amount of \$810,973 is restricted; this is the amount that has accumulated in the Debt Service Fund. This restriction is for debt repayment.

(continued)

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Inventory**

Inventory is recorded at lower of cost (first-in, first-out) or market and consists primarily of operating materials.

**I. Internal Balances**

Internal receivable and payable balances have been eliminated in the Statement of Net Assets.

**J. Capital Assets**

The District's capital assets are capitalized at historical cost or estimated historical cost. Contributions of capital assets are recorded at fair market value when received. Depreciation of capital assets is calculated using the straight-line method with estimated useful lives as follows:

Office building	39 years
Water and sewer system and equipment	7-75 years
Vehicles	5 years
Computer equipment and software	3-5 years

Maintenance and repair costs are expensed as incurred. Replacements, which improve or extend the life of a fixed asset, are capitalized. Proceeds received from government or other grantors, for the purchase or construction of fixed assets, are credited to income. All interest costs associated with new construction are capitalized.

**K. Compensated Absences**

Employees accrue vacation time at 10 hours per month (increasing to 12 hours per month after 10 years of service and up to 16 hours per month after 21 years of service) and sick leave at 8 hours per month. Upon termination, unused sick time is paid at 25%. Unused vacation may not be accrued beyond two times the annual amount. Excess time must be used within 90 days of the next calendar year or be forfeited.

**L. Net Assets**

For the fiscal year ended June 30, 2004, the District adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Statement 34 established standards for external financial reporting for all states and local governmental entities, which includes a statement of net assets, a statement of revenues, expenses, and changes in fund net assets and a statement of cash flows.

It requires the classification of net assets into three components as described below:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

(continued)

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Net Assets (continued)**

- **Restricted** – This component of net assets consists of restrictions placed on net assets as a result of external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net assets** – This component of net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**M. Tax Revenue**

Property tax levies are set by the Counties according to the rates approved by the voters and are based on taxable values listed as of January 1 for all real property located in the District. Taxable values are established by the Montana Department of Revenue based on market values. A revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by Montana statute as a fixed percentage of market value.

Real property taxes and special assessments are generally billed in October and are payable one half by November 30 and one half by May 31. After these dates, taxes and assessments become delinquent and become a lien on the property. Personal property is assessed and personal property taxes are billed throughout the year, with a significant portion generally billed in May, June, and July. Personal property taxes are based on levies set during the prior August. These taxes become delinquent 30 days after billing.

Taxes and assessments that become delinquent are charged interest at the rate of 5/6 of 1% per month from the time of delinquency until paid plus a penalty of 2%. Real property on which taxes and assessments remain delinquent and unpaid may be sold at tax sales. In the case of personal property, the property is seized and sold after the taxes become delinquent.

**N. Budget**

The District is not legally required to adopt a budget; therefore management has decided not to present the budget in the financial statements.

**O. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**P. Tax Exempt Status**

The District is a municipal corporation and, therefore, is not liable for federal and state income taxes pursuant to Internal Revenue Code 501(c)(1).

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**2. CASH AND INVESTMENTS**

As of June 30, 2012, the carrying amount of the District's deposits (cash and interest-bearing money market accounts) at local banks was \$12,048,226 and the bank balance was \$12,027,913. Of the bank balance, \$750,000 was covered by federal depository insurance and \$11,277,913 was covered by collateral held by the pledging bank's agent in the District's name.

At June 30, 2012, the District's only investment was in the Montana Short-Term Investment Pool (STIP). STIP was created by the State of Montana Board of Investments to allow qualifying funds, per sections 17-6-201, 202 and 204, MCA, to participate in a diversified pool. The carrying amount of this investment as of June 30, 2012 was \$1,643.

At the time that this report was issued, the following information was available regarding this investment as of June 30, 2012:

**GASB 31**

According to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, STIP is considered an external investment pool. An external investment pool is defined as an arrangement that pools the monies of more than one legally separate entity and invests on the participant's behalf in an investment portfolio. STIP is also classified as a "2a7-like" pool. A 2a7-like pool is an external investment pool that is not registered with the Security and Exchange Commission (SEC) as an investment company, but has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. If certain conditions are met, 2a7-like pools are allowed to use amortized cost rather than fair market value to report net assets and to compute unit values. The Board of Investments has adopted a policy to treat STIP as a 2a7-like pool and to utilize an amortized cost unit value rather than fair value to report net assets.

**GASB 40**

Effective June 30, 2005, the State of Montana Board of Investments implemented the provisions of GASB Statement No. 40 – *Deposit and Investment Risk Disclosures*. The unaudited financial statements as of June 30, 2011 and 2010 have disclosures pertaining to STIP's exposure to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and legal and credit risk.

Although the STIP investments have been rated by investment security type, STIP, as an external investment pool, has not been rated.

**Security Lending**

STIP is eligible to participate in securities lending. Securities lending transactions for fiscal year 2011 are disclosed in STIP's financial statements.

An unaudited copy of the STIP fiscal year 2011 financial statements is available online at <http://www.investmentmt.com/content/STIP/Docs/2011STIPFinancial.pdf>.

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**3. CHANGES IN CAPITAL ASSETS**

	Balance <u>7/1/11</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Balance <u>6/30/12</u>
Capital assets not being depreciated:					
Land	\$ 1,014,689	\$ -	\$ -	\$ -	\$ 1,014,689
Land easements	58,117	-	-	-	58,117
Water construction in progress	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,077,806</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>1,072,806</u>
Capital assets being depreciated:					
Office building	518,259	-	-	-	518,259
Sewer infrastructure	33,446,569	242,789	-	-	33,689,358
Water infrastructure	<u>18,182,488</u>	<u>182,466</u>	<u>-</u>	<u>5,000</u>	<u>18,369,954</u>
Total capital assets being depreciated	52,147,316	425,255	-	5,000	52,577,571
Accumulated depreciation	<u>(10,358,637)</u>	<u>(967,330)</u>	<u>-</u>	<u>-</u>	<u>(11,325,967)</u>
Net depreciable capital assets	<u>41,788,679</u>	<u>(542,075)</u>	<u>-</u>	<u>5,000</u>	<u>41,251,604</u>
Total capital assets	<u>\$42,866,485</u>	<u>\$ (542,075)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$42,324,410</u>

As of June 30, 2012, approximately \$768,064 of interest has been capitalized as capital assets.

**4. OUTSTANDING DEBT**

The following is a summary of long-term debt at June 30, 2012:

***General obligation bonds***

4% State Revolving Loan #1 dated May 28, 1996 for \$5,513,000 with the Department of Natural Resources and Conservation of the State of Montana under the Wastewater Treatment Works Revolving Fund Program, for the design, construction, and installation of mandated improvements to the District's wastewater treatment system, satisfying the Interim Action Work Plan mandated by the Montana Water Quality Bureau, Payable in 33 semi-annual installments of approximately \$232,000 until January 1, 2013.

\$ 449,000

(continued)

**BIG SKY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**4. OUTSTANDING DEBT (Continued)**

4% State Revolving Loan #2 dated December 11, 1997 for \$417,000 with the Department of Natural Resources and Conservation of the State of Montana under the Wastewater Treatment Works Revolving Fund Program; for wastewater treatment system; payable in 30 semi-annual installments of approximately \$19,000 until January 1, 2013. \$ 36,000

4% State Revolving Fund (DNRC Revolving Loan Program) Series 2002 dated September 24, 2002 for \$7,000,000 for the purpose of constructing a wastewater treatment plant. Payable in 40 semi-annual installments of approximately \$256,000 until July 1, 2023. 4,681,000

4% State Revolving Fund (DNRC Drinking Water Revolving Loan Program) Series 2002 dated September 24, 2002 for \$534,000 for the purchase and installation of water meters. Payable in 42 semi-annual installments of approximately \$20,000 until July 1, 2023. 357,000

3.75% State of Montana General Obligation Bonds, Wastewater Revolving Fund Program totaling \$6,500,000, dated October 1, 2003 to finance construction of the water treatment plant. Payable in 40 installments of approximately \$232,000 until July 1, 2023. Amount advanced at June 30, 2010 was \$6,226,862. 4,035,862

4% State Revolving Fund (DNRC Drinking Water Revolving Loan Program) Series 2003 dated May 20, 2003 for the construction of a water tank. Total loan commitment of \$1,966,000. Payable in 42 semi-annual installments of approximately \$72,000 until July 1, 2024. 1,403,000

3.75% State Revolving Fund (DNRC Drinking Water Revolving Loan Program) Series 2007 dated August 17, 2007 for improvements to the District's water system. Total possible loan commitment of \$5,000,000; amount advanced as of June 30, 2010 was \$4,697,529. Payable in 40 semi-annual installments of approximately \$171,000 until January 1, 2028. 4,032,447

Total \$ 14,994,309

(continued)

**BIG SKY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**4. OUTSTANDING DEBT (Continued)**

The general obligation bonds are to be repaid semi-annually through 2024 with resort tax revenue appropriated to the District, a mill levy approved in 2004, District plant investment charges, and operating revenue and reserves. The appropriation will not exceed the lesser of \$500,000 or 50% of the total amount of the annual resort tax revenue collected in any fiscal year.

	Balance			Balance	Amounts
	<u>6/30/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/12</u>	<u>Due within</u> <u>One Year</u>
Bonds payable:					
State Revolving Loan #1	\$ 882,000	\$ -	\$ (433,000)	\$ 449,000	\$ 449,000
State Revolving Loan #2	71,000	-	(35,000)	36,000	36,000
SRF Treatment Plant	4,996,000	-	(315,000)	4,681,000	328,000
SRF Water Meters	381,000	-	(24,000)	357,000	25,000
SRF Water Tank	1,488,000	-	(85,000)	1,403,000	89,000
GO Bonds Treatment Plant	4,330,862	-	(295,000)	4,035,862	288,847
SRF Water System Improvements	<u>4,228,447</u>	<u>-</u>	<u>(196,000)</u>	<u>4,032,447</u>	<u>198,536</u>
Total bonds payable	16,377,309	-	(1,383,000)	14,994,309	1,414,383
Compensated absences	<u>85,771</u>	<u>-</u>	<u>(911)</u>	<u>84,860</u>	<u>84,860</u>
Total long-term liabilities	<u>\$16,463,080</u>	<u>\$ -</u>	<u>\$(1,383,911)</u>	<u>\$15,079,169</u>	<u>\$1,499,243</u>

Debt service requirements at June 30, 2012, were as follows:

Year Ended		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	1,414,383	569,627
2014	964,832	518,719
2015	1,001,979	481,052
2016	1,040,849	441,901
2017	1,082,473	401,238
2018-2022	6,081,097	1,337,755
2023-2027	3,288,786	276,380
2028	<u>119,910</u>	<u>3,815</u>
Total	<u>\$ 14,994,309</u>	<u>\$ 4,030,487</u>

(continued)

**BIG SKY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**4. OUTSTANDING DEBT (Continued)**

**Sewer System General Obligation Bonds – Debt Restrictions**

- a. The District must establish a debt service fund for money to be set aside to pay the debt of the SRF loan.
- b. Liability insurance must be carried.
- c. All fund properties, buildings, equipment, and fixtures must be adequately insured with a reputable carrier.
- d. The District must maintain adequate accounting records.
- e. The District may invest money in securities, which are fully and unconditionally guaranteed.
- f. The Sewer Fund must be audited on an annual basis.

The District was in compliance with the bond covenants at June 30, 2012.

**5. DEFERRED REVENUE**

On October 6, 1997, the District entered into an agreement with Farmhouse Partners – Big Sky Limited Partnership to defer the payment of plant investment charges. Interest is paid at a rate of 1-4% annually until December 31, 2012 at which time the principal will be paid. The principal balance of this note is offset by deferred revenue.

Changes in deferred revenue were as follows:

	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Revenue</u> <u>Recognized</u>	<u>Balance</u> <u>6/30/12</u>
Farmhouse	97,800	-	-	97,800

**6. NET ASSETS – RESTRICTED**

Net assets are restricted as follows:

Restricted for debt service \$ 810,973



**BIG SKY WATER AND SEWER DISTRICT NO. 363  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**7. EMPLOYEE BENEFIT PLANS**

**Public Employees' Retirement System (PERS)**

All District employees are provided pension benefits by this multi-employer plan. Funding is provided by participating units of government and their covered employees. The District is required to contribute 7.07% of members' compensation, which was \$36,441, \$35,132, and \$35,342 for the fiscal years ended June 30, 2012, 2011 and 2010, respectively. Plan members are required to contribute 6.9% of their compensation, which was \$35,565, \$34,288, and \$34,492 for the years ended June 30, 2012, 2011, and 2010, respectively. The State is required to contribute .1% of members' compensation, which was \$515, \$497, and \$500 for the years ended June 30, 2012, 2011, and 2010, respectively. One hundred percent of required contributions were made for all three years.

All full-time District employees participate in one of two statewide cost-sharing multiple-employer retirement benefit plans administered by the Public Employees Retirement Division (PERD). Contributions to the two plans are as required by State statute. Financial information for the two plans is reported in the Public Employees' Retirement Board's published Comprehensive Annual Financial Report for the fiscal year end. It is available from PERD at 100 North Park Avenue, Suite 220, P.O. Box 200131, Helena, MT 59620-0131. The authority to establish, amend and provide cost of living adjustments to the plans is assigned to the State legislature. The authority to establish and amend contribution rates to the plans is also assigned to the State legislature.

*Defined Benefit Retirement Plan (DBRP)* – Participants become eligible for benefits after age 60 and 5 years of service, after age 65 regardless of service, or 30 years of service regardless of age. The benefit is 1/56 of the final compensation for each year of credited service, paid as a modified cash refund annuity. A participant is eligible for early retirement benefits after age 50 and 5 years of service or after 25 year of service regardless of age. Rights become vested after 5 years of service.

*Defined Contribution Retirement Plan (DCRP)* – Participants may elect the defined contribution plan, in which the contributions into the plan are known, but the benefit is not. The retirement benefit received is based upon account balance, which is determined by contributions made plus investment earnings, or losses, less administrative costs. Employees become vested in the employer's contributions after 5 years of service and become vested in the employee's contributions immediately.

**Deferred Compensation Plan**

In February 2009, the District entered into an agreement with the Montana Public Employees' Retirement Board to allow its employees to participate in the State of Montana 457 Deferred Compensation Plan (Plan). The Plan is sponsored by the Montana Public Employees' Retirement Board and is authorized by Internal Revenue Code Section 457(b) and is subject to specific Internal Revenue Service laws and requirements.

During the fiscal year ended June 30, 2012 the maximum contribution that the employees could make to the Plan was \$17,000. The District contributes 6.2% of each participant's wages.

During the fiscal years ended June 30, 2012, 2011 and 2010 the District contributed \$28,817, \$27,559, and 28,343, respectively to the plan and the employees contributed \$41,219, \$38,227, and \$37,729, respectively to the plan.

**BIG SKY WATER AND SEWER DISTRICT NO. 363**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**8. COMMITMENTS AND CONTINGENCIES**

**Risk Management**

The District faces a considerable number of risks of loss, including a) damage to and loss of property and contents, b) employee torts, c) professional liability (i.e. errors and omissions), d) environmental damage, and e) workers' compensation (i.e., employee injuries).

The District participates in a risk pool, which provides general liability insurance, auto liability insurance, crime/bond coverage, errors and omissions insurance, and property insurance. This pool purchases commercial insurance to cover the members' risks; the District does not assume the liabilities of other entities.

Workers' compensation insurance coverage is provided through a commercial policy.

**Yellowstone Mountain Club Agreement**

On March 28, 2001, the District signed an agreement with the Yellowstone Mountain Club and other related entities owned by a developer for the sale of water, treatment of wastewater, and right to use land for the storage and disposal of treated wastewater. The District shall have the right to dispose up to 160,000,000 gallons of treated wastewater per year on land owned by the developer in exchange for a capital asset commitment of approximately \$18 million. The developer will construct storage ponds and a golf course irrigation system totaling approximately \$6.6 million.

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 Board of Directors  
Big Sky County Water and Sewer District No. 363  
Big Sky, Montana

We have audited the financial statements of the business-type activities and the major fund of Big Sky County Water and Sewer District No. 363 as of and for the year ended June 30, 2012, which collectively comprise the Big Sky County Water and Sewer District No. 363's basic financial statements and have issued our report thereon dated [DATE]. We conducted our audit 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.

Internal Control Over Financial Reporting

Management of Big Sky County Water and Sewer District No. 363 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Big Sky County Water and Sewer District No. 363's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Sky County Water and Sewer District No. 363's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Big Sky County Water and Sewer District No. 363's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

[DATE]  
Board of Directors  
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Big Sky County Water and Sewer District No. 363's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of management, the Board of Directors, others within the Big Sky County Water and Sewer District No. 363 and is not intended to be and should not be used by anyone other than these specified parties.

[DATE]

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**None**

**BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363  
CURRENT STATUS OF PRIOR YEAR RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2012**

**There were no findings, questioned costs, or reportable conditions for the year ended June 30, 2011.**

August 28, 2012

To the Board of Directors  
Big Sky County Water & Sewer District No. 363

We were engaged to audit the financial statements of the business-type activities and the major fund of Big Sky County Water & Sewer District No. 363 for the year ended June 30, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 24, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, extent, and timing of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will communicate our significant findings at the conclusion of the audit. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately August 20, 2012 and issue our report on approximately November 30, 2012.

August 28, 2012

Big Sky County Water & Sewer District No. 363

Page 2

This information is intended solely for the use of the Board of Directors and management of Big Sky County Water & Sewer District No. 363 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

HOLMES & TURNER



[DATE]

To the Board of Directors  
Big Sky County Water & Sewer District No. 363

We have audited the financial statements of Big Sky County Water & Sewer District No. 363 for the year ended June 30, 2012, and have issued our report thereon dated [DATE]. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated August 28, 2012. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Big Sky County Water & Sewer District No. 363 are described in Note One to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year ended June 30, 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached journal entries with a status of "adjusting" were posted by the Financial Officer; the journal entries with a status of "potential" were not posted and are not required to be posted to the financial statements as they are immaterial to the financial statements.

[DATE]  
Board of Directors  
Page 2

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated [DATE].

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board and is not intended to be and should not be used by anyone other than this specified party.

Very truly yours,

HOLMES & TURNER

Prepared by \_\_\_\_\_

# Big Sky Water and Sewer District Adjusting Journal Entries

BSWATER  
Page 1

Reviewed by \_\_\_\_\_

Reference	Type	Date Account Number	Description	Debit	Credit	Misstatement
AJE01	Adjusting	06/30/12				
		03-2205-0	SRF Loan C-301184-04 Tmt P	3,000.00		
		02-4210-0	SRF - Interest Expense		1,890.00	
		02-4310-0	SRF Interest Expense		1,110.00	
			Correct allocation of principal and Interest			
P1	Potential	06/30/12				
		03-1207-0	Other receivables	41,864.62		
		03-1207-0	Other receivables	23,618.98		
		01-9998-0	Equity		68,042.13	
		01-9998-0	Equity		53,600.40	
		01-4113-0	Madison Co Tax Receipts Wate	56,358.95		
			Taxes receivable not recorded.			
P2	Potential	06/30/12				
		03-1600-0	Fixed Assets-Swr	11,000.00		
		01-3047-0	Rent Inc-Lower Level New Offi		11,000.00	
			Interest in Big Sky S&R Building.			
		TOTAL		<u>135,642.53</u>	<u>135,642.53</u>	