

**UNIFORM APPLICATION FORM
FOR MONTANA PUBLIC FACILITY PROJECTS**

(Please type or print legibly)

SECTION A - CERTIFICATION

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

Name (printed): Thomas W. Hanel

Title (printed): Mayor, City of Billings
Chief Elected Official or Authorized Representative

Signature: _____

Date: _____

SECTION B - SUMMARY INFORMATION

1. NAME OF APPLICANT(S): City of Billings
2. TYPE OF ENTITY: Municipality
3. FEDERAL TAX ID NUMBER: 81-6001237
4. TYPE OF PROJECT: Wastewater
5. SENATE AND HOUSE DISTRICTS: Senate=24,25,26,27,28; House=46,47,48,49,50,51,52,53
6. POPULATION SERVED BY PROJECT: Approximately 800 residential based on City of Billings sewer video, plus additional commercial.
7. NUMBER OF HOUSEHOLDS SERVED BY PROJECT: Approximately 224 households and several commercial properties will be served.

8. CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE:

Thomas W. Hanel
(Name)
Mayor
(Title)
P.O. Box 1178
(Street/PO Box)
Billings, MT 59103
(City/State/Zip)
406-657-8296
(Telephone) (FAX No)
hanelt@ci.billings.mt.us
(E Mail address)

10. PROJECT ENGINEER/ARCHITECT:

Casey Hanson, P.E.
(Name of Engineer)
Morrison-Maierle, Inc.
(Name of Firm)
315 N. 25th Street, Suite 102
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-237-1241 (FAX No) 406-237-1201
(Telephone) (FAX No)
chanson@m-m.net
(E Mail address)

12. LEGAL COUNSEL:

Brent Brooks, J.D.
(Name)
City Attorney
(Title)
210 N 27th Street
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8205
(Telephone) (FAX No)
bbrooks@ci.billings.mt.us
(E Mail address)

14. CLERK/CHIEF FINANCIAL OFFICER:

Pat Weber
(Name)
Financial Services Manager
(Title)
210 N. 27th Street
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8209
(Telephone) (FAX No)
weberp@ci.billings.mt.us
(E Mail address)

9. PRIMARY ENTITY CONTACT PERSON:

Randy Straus
(Name)
Staff Engineer
(Title)
2224 Montana Ave
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8301
(Telephone) (FAX No)
strausr@ci.billings.mt.us
(E Mail address)

11. GRANT/LOAN ADMINISTRATOR:

Jennifer Duray, CPA
(Name)
Senior Financial Analyst
(Title)
2224 Montana Ave
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8239
(Telephone) (FAX No)
durayj@ci.billings.mt.us
(E Mail address)

13. BOND COUNSEL:

Mae Nan Ellingson
(Name)
Dorsey & Whitney, LLP
(Title)
125 Bank Street, Suite 600
(Street/PO Box)
Missoula, MT 59802
(City/State/Zip)
406-721-6025
(Telephone) (FAX No)
ellingson.mae.nan.dorsey@law.com
(E Mail address)

15. ACCOUNTANT:

(Name of Accountant)
Eide Bailly
(Name of Firm)
401 N. 31st Street
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-896-2400
(Telephone) (FAX No)
(E Mail address)

16. BRIEF PROJECT SUMMARY: (Refer to instructions and example on page 13)

Historical Information -

The purpose of the sewer main replacement projects is to implement an ongoing program of maintaining and upgrading the City of Billings'

underground sewer utilities. As sewer mains age, they begin to reach the end of their useful lives. Performance of the mains deteriorates resulting

in high maintenance costs and loss of capacity. The deficiencies of these old sewer mains are listed below.

Problem -

Sewer main deficiencies for this project include: infiltration, pipe settling, cracked and broken pipe, offset joints, inadequate slope,

root growth through joints or cracks, and offset or broken service connections.

Proposed Solution -

The proposed project would replace 2,500' of existing sewer main with 12" PVC, and 8,730' of existing sewer main with 8" PVC. Along with the

sewer main, approximately 36 manholes will also be replaced. The estimated number of service reconnected, based on video analysis

obtained by the City of Billings is 224; however the actual number that will be hooked up is not known until construction has commenced.

SECTION C - FINANCIAL INFORMATION

1. **ESTIMATED TOTAL PROJECT COST:** \$ 3,505,000

2. **PROPOSED FUNDING SOURCES** (List loans and grants from same funding source separately) (Refer to the instructions on page 15 and example on page 16):

Source	Type of Funds	Amount	Status of Commitment	Loan Rates and Terms
SRF	Loan	\$3,500,000	Discussed	3.75%, 20 years
City of Billings	Wastewater revenues	\$5,000		

FUNDING STRATEGY NARRATIVE

a. What are the conditions on the use of each source of funds?

The City of Billings will need an SRF Loan for \$3,500,000. The loan will be at 3.75% interest for 20 years. This funding is needed to complete the Wastewater Main Replacement Project.

b. When will each source of funds listed be available (month and year)?

The rate increase to pay for the SRF Loan was available July 1, 2009. This was approved by City Council as a 3 year incremental rate increase. On 7/1/09, the second year of the rate increase went into effect. The construction contract is scheduled to be awarded March 2010. Presumably, the SRF loan will close shortly after the construction contract is awarded. The project will go forward using cash reserves from the City of Billings and a reimbursement resolution (already in place), until the loan is available for use.

c. Is there any additional information on the level of commitment for each source of funds listed?

No.

d. How will funding sources be coordinated with each other?

The project will go forward with cash reserves from the City of Billings and a reimbursement resolution until the loan is available for use.

e. Will interim-loan funds be required as part of the project? If yes, how will they be used and coordinated with other funding sources?

No.

f. What other sources of funds from public and private sources have been considered for this project? Explain why they are not being pursued or used for this project.

The City of Billings will use wastewater revenues to pay for all related audit fees; however, all other revenues are allocated to other projects. This project will not go forward without a loan.

g. If a particular source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if a particular source of funding is not received.

If the funding was not obtained, the City of Billings would look at the Open Bond Market or Intercap Funds to fund the project.

h. What is the level of local financial participation in the project and is that level the maximum that the applicant can reasonably provide?

The City of Billings will use wastewater revenues of \$5,000 to fund the project. This is the maximum amount of funding the City can provide without cancelling other locally funded projects.

3. FUNDING STRATEGY NARRATIVE

- Funding Strategy Narrative (**Complete and attach**)
(Refer to the instructions on page 16 and example on page 17. Answer each question individually.)
 - a. What are the conditions on the use of each source of funds?
 - b. When will each source of funds listed be available (month and year)?
 - c. Is there any additional information on the level of commitment for each source of funds listed?
 - d. How will funding sources be coordinated with each other?
 - e. Will interim-loan funds be required as part of the project? If yes, how will they be used and coordinated with other funding sources?
 - f. What other sources of funds from public and private sources have been considered for this project? Explain why they are not being pursued or used for this project.
 - g. If a particular source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if a particular source of funding is not received.
 - h. What is the level of local financial participation in the project and is that level the maximum that the applicant can reasonably provide?

4. PROJECT BUDGET FORM

- Project Budget Form (**Complete form on next page**)
(Refer to the instructions on page 17 and 18, and example on page 20)
- Project Budget Narrative (**Complete and attach**)
(Refer to the instructions on page 18 and example on pages 21 and 22)

Completed by: Jennifer Duray, CPA

For: City of Billings

Date: 01/13/10

ADMINISTRATIVE and FINANCIAL COSTS:	SOURCE: SRF Loan	SOURCE: City	SOURCE:	SOURCE:	SOURCE:	TOTAL
Personnel Costs						\$ -
Office Costs						\$ -
Professional Services						\$ -
Legal Costs						\$ -
Audit Fees		\$ 5,000				\$5,000
Travel & Training						\$ -
Loan Fees						\$ -
Loan Reserves	\$ 250,312					\$ 250,312
Interim Interest						\$ -
Bond Counsel and Related Costs	\$ 10,000					\$ 10,000
TOTAL ADMINISTRATIVE/FINANCIAL COSTS	\$ 260,312	\$ 5,000				\$ 265,312
ACTIVITY COSTS:						
Land Acquisition						\$ -
Preliminary Engineering	\$ 9,200					\$ 9,200
Engineering/Architectural Design	\$ 356,824					\$ 356,824
Construction Engineering Services	\$ 262,297					\$ 262,297
Construction	\$ 2,373,970					\$ 2,373,970
Contingency	\$ 237,397					\$ 237,397
TOTAL ACTIVITY COSTS	\$ 3,239,688					\$ 3,239,688
TOTAL PROJECT COSTS	\$ 3,500,000	\$ 5,000				\$ 3,505,000

ADMINISTRATIVE AND FINANCIAL COSTS

Audit Fees **\$5,000**

\$5,000 of wastewater revenues is budgeted to meet the portion of the organizational audit that can be attributed to the project in accordance with the Single Audit Act.

Loan Reserves **\$250,312**

\$250,312 has been budgeted for loan reserves. Funds for this budget item will be provided from the SRF loan.

Bond Counsel and Related Costs **\$10,000**

\$10,000 has been budgeted for the City's bond counsel costs.

TOTAL ADMINISTRATIVE AND FINANCIAL COSTS **\$265,312**

Administrative and financial costs represent 7.6% of the total project costs.

ACTIVITY COSTS

Preliminary Engineering **\$9,200**

\$9,200 was incurred from the preparation of the SRF application.

Engineering/Architectural Design **\$356,824**

Based on engineering cost estimates, the total cost of preparing the final design and bidding is estimated at \$356,824.

Construction Engineering Services **\$262,297**

Based on engineering cost estimates, the total cost of construction engineering, including inspecting the construction of the project, is estimated at \$262,297.

Construction **\$2,373,970**

Based on engineering cost estimates, the total cost of construction of the project is estimated at \$2,373,970.

Contingency **\$237,397**

Contingency funds are 10% of the construction costs because the project could encounter unknowns during construction. These unknowns usually cannot be predicted and are discovered once construction has commenced.

TOTAL ACTIVITY COSTS **\$3,239,688**

TOTAL PROJECT COSTS **\$3,505,000**

5. **CURRENT DEBT** (Refer to the instructions and example on page 23)

Year Issued	Purpose	Type of Bond/ Security	Amount	Maturity Date (mo/yr)	Debt Holder	Coverage Requirement	Avg. Annual Payment Amount	Outstanding Balance
2005	Wastewater	Revenue	4,515,000	7-2025	DNRC	125%	402,306	3,859,000
2008	Wastewater	Revenue	7,400,000	7-2028	DNRC	125%	527,028	6,062,956
2009	Wastewater	Revenue	359,300	7-2029	DNRC	125%	21,363	359,300
2009	Wastewater	Revenue	5,387,000	7-2029	DNRC	125%	385,295	3,229,828
2010	Wastewater	Revenue	6,136,000	7-2030	DNRC	125%	440,000	6,136,000*
*Anticipated	Loan not closed yet							

6. **CURRENT ASSETS** (Indicate if assets are obligated.) (Refer to the instructions on page 23.)

Cash \$ 1,418,367
 (Details) (as of 6/30/09) SRF loan reserves - \$717,530; restricted for 7/1/09 loan payments - \$359,499

Investments \$ 3,557,203
 (Details) _____

Certificates of Deposit \$ _____
 (Details) _____

Accounts Receivable \$ 1,487,257
 (Details) _____

Any other current assets not specifically indicated above \$ 29,680
 (Details) _____

7. **BALANCE SHEET** (Submit if applying to RD; contact the other programs to determine if or when this information is needed.)

Balance Sheet (Check if attached)

8. **INCOME AND EXPENSE STATEMENT** (Submit if applying to RD; contact the other programs to determine if or when this information is needed.)

Income and Expense Statement (Check if attached)

SECTION D - CENSUS INFORMATION

Do not fill in this section. The following information will be completed by the receiving agency using data supplied by the U.S. Bureau of the Census and the U.S. Department of Housing and Urban Development based on Census data.

- 1. MEDIAN HOUSEHOLD INCOME \$ _____
- 2. LOW TO MODERATE INCOME PERSONS: The percent of the population at or below the level designated as low to moderate income. % _____
- 3. POVERTY: The percent of the population characterized as at or below the level designated as poverty. % _____

SECTION E - SYSTEM INFORMATION (Refer to instructions on pages 23 and 24)

Number of unimproved properties in jurisdiction: 4,150 (Billings wide)

☛ **Complete and attach the "System Information Worksheet."** The figures required for the items listed below that are denoted with an "☛" are computed using the "System Information Worksheet." The letter in parenthesis following the "☛" denotes the location in the worksheet to find the figure to be inserted.

	<u>Current</u>	<u>Projected</u>
1. Total System Annual Revenue	\$ <u>8,782,974</u>	\$ <u>8,957,000</u>
2. Total System Annual Operation and Maintenance Costs	\$ <u>6,100,445</u>	\$ <u>6,666,000</u>
3. Total System Equivalent Dwelling Units* ☛(e) for current and (k) for projected	<u>39,545</u>	<u>39,656</u>
4. Total Residential Equivalent Dwelling Units* ☛(f) for current and (m) for projected	<u>28,669</u>	<u>28,739</u>
5. Annual Revenue from Residential Hookups	\$ <u>5,011,726</u>	\$ <u>5,150,000</u>
6. Percent of Total Annual Revenue from Residential Hookups	<u>57%</u>	
7. Average Monthly Residential Rate	\$ <u>14.56</u>	\$ <u>14.93</u>
	<input type="checkbox"/> Check box if this is a flat rate.	<u>Projected Average Monthly Residential Rate ☛ (w) or (x)</u>
8. <u>Other System</u> Average Monthly Residential Rate	\$ <u>29.40</u>	\$ <u>31.72</u>

* If this application is for a solid waste project, see instructions.

SYSTEM INFORMATION WORKSHEET
(Refer to instructions on pages 25 through 30)

SUBSECTION 1 – EQUIVALENT DWELLING UNIT COMPUTATION

Applicants with either a water and wastewater project must complete Section I, regardless of whether the applicant is served by a central water system or is planning to charge residential users a flat user fee. If the applicant is not served by a central water system, or it has water connections that provide service to multiple mixed uses, such as commercial and residential, refer to the instructions on page 30 for information on computing the number of EDU's. Applicants with solid waste projects are not required to complete Section I. Service connection diameters will be converted to EDU's according to the following table, with the exception of those situations noted on page 25:

<u>Service connection inside diameter (inches)</u>	<u>EDU's</u>
3/4" or smaller	1.00
1"	1.79
1-1/2"	4.00
2"	7.14
2-1/2"	11.16
3"	16.00
4"	28.57
5"	44.64
6"	64.29
7"	87.11
8"	113.78
9"	144.00
10"	177.78

PART A. CURRENT WATER HOOKUP SUMMARY

<u>Diameter (inches)</u>	<u>Current Total Hookups*</u>			<u>Diameter (inches)</u>	<u>Current Residential Hookups</u>		
	<u>(a) Total Number of Hookups</u>	<u>(b) EDU's per Hookup (from table)</u>	<u>Total EDU's [(a) x (b)]</u>		<u>(c) Number of Residential Hookups</u>	<u>(d) EDU's Per Hookup (from table)</u>	<u>Total Residential EDU's [(c) x (d)]</u>
<u>3/4</u>	<u>29,563</u>	<u>1.00</u>	<u>29,563</u>	<u>3/4</u>	<u>27,844</u>	<u>1.00</u>	<u>27,844</u>
<u>1</u>	<u>1,007</u>	<u>1.79</u>	<u>1,803</u>	<u>1</u>	<u>363</u>	<u>1.79</u>	<u>650</u>
<u>1.5</u>	<u>400</u>	<u>4.00</u>	<u>1,600</u>	<u>1.5</u>	<u>26</u>	<u>4.00</u>	<u>104</u>
<u>2</u>	<u>197</u>	<u>7.14</u>	<u>1,407</u>	<u>2</u>	<u>1</u>	<u>7.14</u>	<u>7</u>
<u>3</u>	<u>123</u>	<u>16.00</u>	<u>1,968</u>	<u>6</u>	<u>1</u>	<u>64.29</u>	<u>64</u>
<u>4</u>	<u>36</u>	<u>28.57</u>	<u>1,028</u>				
<u>6</u>	<u>25</u>	<u>64.29</u>	<u>1,607</u>				
<u>8</u>	<u>5</u>	<u>113.78</u>	<u>569</u>				
<u>Totals</u>	<u>31,356</u>		<u>39,545 (e)</u>		<u>28,235</u>		<u>28,669 (f)</u>

* Includes both residential and non-residential hookups

PART B. PROJECTED WATER HOOKUP SUMMARY

Diameter (inches)	Projected Total Hookups*			Diameter (inches)	Projected Residential Hookups		
	(g) Total Number of Hookups	(h) EDU's per Hookup (from table)	Total EDU's [(g) x (h)]		(i) Number of Residential Hookups	(j) EDU's Per Hookup (from table)	Total Residential EDU's [(i) x (j)]
3/4	29,650	1.00	29,650	3/4	27,914	1.00	27,914
1	1,012	1.79	1,811	1	363	1.79	650
1.5	402	4.00	1,608	1.5	26	4.00	104
2	198	7.14	1,414	2	1	7.14	7
3	123	16.00	1,968	6	1	64.29	64
4	36	28.57	1,029				
6	25	64.29	1,607				
8	5	113.78	569				
Totals	31,451		39,656 (k)		28,305 (l)		28,739 (m)

* Includes both residential and non-residential hookups

Projected average EDU's per residential hookup: $\frac{1.015 (n)}{[(m)/(l)]}$

Provide the following information if applying to the USDA RUS/RD program

Total water system flows (sales) last twelve months _____ [gallons or cubic feet (circle one) for all connections listed in (a) above]

Total residential water flows (sales) last twelve months _____ [gallons or cubic feet (circle one) for all connections listed in (c) above]

SUBSECTION 2 – PROJECTED AVERAGE MONTHLY RESIDENTIAL RATE COMPUTATION

Will debt be used to finance the project? Yes ___ No ___ If no, skip to PART E.

If yes, how will debt for the project be secured:

- A. Revenue Bond _____(complete Part A)
- B. General Obligation Bond _____(complete Part B)
- C. Rural or Special Improvement District Bond _____(complete Part C)
- D. Other (explain) _____(complete Part D)

Debt (Loan) Amount: \$ 3,500,000 Interest Rate: 3.75 % Terms: 20 years, 125% debt coverage requirement

COMPLETE THE APPLICABLE SECTIONS BELOW

PART A. REVENUE BOND SECURING DEBT OBLIGATION:

- 1. Debt election held? Yes ___ No ___ If no, when will election be held (date) n/a _____
- 2. Annual debt service for new loan, including coverage: \$ 313,750 (i)

- | | |
|--|-----------------------|
| 3. Monthly debt service for new loan, including coverage: (line i, 12) | \$ <u>26,146</u> (ii) |
| 4. Total number of <u>projected</u> EDU's after completion of project: | <u>39,656</u> (iii) |
| 5. Average (per total <u>projected</u> EDU's) monthly debt service for new loan: (line ii, line iii) | \$ <u>.66</u> (iv) |

PART B. GENERAL OBLIGATION BOND SECURING DEBT OBLIGATION:

1. Debt election held? Yes ____ No ____ If no, when will election be held (date): _____
2. Amount of outstanding General Obligation Bonds \$ _____
3. Debt limitations of entity _____
4. Estimated average (per property) monthly assessment needed to repay debt (divide the annual assessment by 12 to obtain a monthly figure): \$ _____

PART C. RURAL OR SPECIAL IMPROVEMENT DISTRICT BOND SECURING DEBT OBLIGATION:

1. Type of special assessment:
 - a. SID _____
 - b. RID _____
 - c. Other (specify) _____
2. Proposed method of assessment:
 - a. Assessable Area _____
 - b. Area _____
 - c. Ad Valorem Tax _____
 - d. Lineal Front Footage _____
 - e. Combination of a. through d. above (explain) _____
3. Number of parcels in the district _____
4. What percentage of the property (based on the methods of assessment) within the district fits these descriptions?

TYPE OF PROPERTY	PERCENT DEVELOPED	PERCENT UNDEVELOPED
Commercial		
Industrial		
Single-Family Residential		
Multi-Family Residential		

9. Existing average monthly residential O&M costs and replacement and depreciation reserves: \$ 8.11 (v)

Note: (u) plus (v) should equal the current average monthly residential rate as stated on page 43, Section E, Line 7. If these amounts do not equal, provide an explanation of why the numbers differ.

10. Projected average monthly residential user rate after completion of this project: \$ $\frac{15.23}{[(t) + (u) + (v)]}$ (w)

11. Projected flat user rate: \$ _____ (x)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Net Assets
June 30, 2009
(Page 1 of 2)

	Business-type Activities							Total	Internal Service Funds
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds			
Assets									
Current assets:									
Cash and cash equivalents	\$ 1,582,408	\$ 1,813,267	\$ 3,371,316	\$ 1,060,868	\$ 603,850	\$ 562,839	\$ 8,994,548	\$ 1,577,053	
Restricted cash and cash equivalents with fiscal agent	-	775,244	618,519	357,499	-	649	1,751,911	-	
Investments	5,275,989	6,075,189	11,321,622	3,557,203	2,014,540	1,466,058	29,710,601	5,286,423	
Receivables:									
Property taxes	-	-	-	-	-	85,318	85,318	-	
Accounts and unbilled usage	570,549	667,580	2,060,876	1,092,097	5,728	38,999	4,435,829	-	
Accrued interest	33,382	48,119	99,627	29,680	14,969	7,316	233,093	39,723	
Notes	-	-	-	-	-	-	-	50,000	
Due from other funds	4,389,538	-	-	-	-	-	4,389,538	-	
Receivables from other governments	-	1,023,036	744,937	395,160	-	476,871	2,640,004	-	
Inventories	-	7,548	1,133,041	-	-	659	1,141,248	232,052	
Prepaid items	-	-	6,500	6,500	-	4,873	17,873	9,000	
Total current assets	11,851,866	10,409,983	19,356,438	6,499,007	2,639,087	2,643,582	53,399,963	7,194,251	
Noncurrent assets:									
Bond issue costs, net	-	78,564	-	-	-	-	78,564	-	
Notes receivable	-	-	-	-	-	-	-	800,000	
Restricted investments with trustee	2,250,702	-	-	-	-	-	2,250,702	-	
Property and equipment::									
Land	493,448	3,076,010	1,405,918	465,545	4,075,502	1,435,291	10,951,714	1,386,329	
Buildings	188,085	23,576,114	13,927,388	13,839,626	24,020,590	4,621,998	80,173,811	9,349,144	
Improvements other than buildings	3,421,829	71,580,215	1,241,174	2,810,810	400,568	987,849	80,442,445	2,006,539	
Equipment and vehicles	9,969,850	8,445,306	14,647,442	12,562,630	701,133	8,438,164	54,764,525	3,205,753	
Infrastructure	-	-	150,721,017	118,184,776	-	-	268,905,793	-	
Construction in progress	87,054	1,840,378	9,657,997	12,738,491	12,375	3,608,138	27,944,433	-	
Less: accumulated depreciation	(6,918,920)	(66,061,890)	(71,223,151)	(57,072,572)	(11,453,918)	(7,496,225)	(220,226,676)	(4,273,464)	
Total noncurrent assets	9,492,058	42,534,697	120,377,785	103,529,306	17,756,250	11,595,215	305,285,311	12,474,301	
Total assets	21,343,924	52,944,680	139,734,223	110,028,313	20,395,337	14,238,797	358,685,274	19,668,552	

(continued)

CITY OF BILLINGS, MONTANA
 Proprietary Funds
 Statement of Net Assets
 June 30, 2009
 (Page 2 of 2)

	Business-type Activities							Total	Internal Service Funds
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds			
Liabilities									
Current liabilities:									
Accounts payable	141,901	787,562	2,344,522	1,908,736	39,352	654,542	5,876,615	290,972	
Accrued wages and benefits	158,641	148,765	173,080	128,231	26,636	169,730	805,083	132,483	
Compensate absences	288,774	332,413	404,082	276,777	24,351	241,860	1,568,257	292,082	
Accrued interest payable	-	-	283,519	142,499	254,811	-	680,829	90,202	
Incurred but not reported health benefits	-	-	-	-	-	-	-	700,000	
Notes payable	-	-	676,000	399,000	189,622	-	1,264,622	264,809	
Due to other funds	-	-	-	-	-	-	-	-	
Accrued interest payable from restricted assets	-	260,244	-	-	-	-	260,244	-	
Revenue bonds payable from restricted assets	-	515,000	-	-	-	-	515,000	-	
Total current liabilities	589,316	2,043,984	3,881,203	2,855,243	534,772	1,066,132	10,970,650	1,770,548	
Noncurrent liabilities:									
Compensated absences	227,957	262,405	318,980	218,486	19,223	190,923	1,237,974	230,566	
Other post employment benefits	108,862	95,880	112,779	71,337	25,336	100,670	514,864	86,251	
Revenue bonds payable	-	8,120,000	-	-	-	-	8,120,000	-	
Deferred loss on bond refunding	-	(225,673)	-	-	-	-	(225,673)	-	
Notes payable	-	-	14,445,000	8,772,773	5,390,176	-	28,607,949	4,999,915	
Landfill closure and postclosure-payable from restricted assets	2,250,702	-	-	-	-	-	2,250,702	-	
Landfill closure and postclosure	356,451	-	-	-	-	-	356,451	-	
Total noncurrent liabilities	2,943,972	8,252,612	14,876,759	9,062,596	5,434,735	291,593	40,862,267	5,316,732	
Total liabilities	3,533,288	10,296,596	18,757,962	11,917,839	5,969,507	1,357,725	51,832,917	7,087,280	
Net assets									
Invested in capital assets, net of related debt	7,241,356	34,046,806	105,256,785	94,357,533	12,176,452	11,595,215	264,674,147	6,409,580	
Restricted for:									
Bond and notes payable ordinance reserve	-	2,317,183	1,237,994	717,530	-	-	4,272,707	-	
Unrestricted	10,569,280	6,284,095	14,481,482	3,035,411	2,249,378	1,285,857	37,905,503	6,171,692	
Total net assets	\$17,810,636	\$42,648,084	\$ 120,976,261	\$98,110,474	\$14,425,830	\$12,881,072	\$306,852,357	\$12,581,272	

Some amount reported for business-type activities in the statement of net assets are different because certain Internal fund net assets and liabilities are included with business-type activities is reported with business-type activities.

Net assets of business-type activities 4,427,772

The notes to the financial statement are an integral part of this statement \$ 311,280,129

CITY OF BILLINGS, MONTANA
Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Assets
For The Fiscal Year Ended June 30, 2009

Business-type Activities

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Operating revenues:								
Charges for services and use of facilities	\$ 8,169,101	\$ 7,986,909	\$ 19,457,931	\$ 11,479,389	\$ 1,859,732	\$ 1,058,956	\$ 50,012,018	\$ 16,806,845
Operating expenses:								
Salaries and benefits	3,617,268	3,732,876	4,078,875	2,683,107	607,691	3,355,965	18,075,782	11,768,342
Supplies	1,621,922	765,355	2,091,097	1,025,946	375,506	728,622	6,608,448	309,779
Contracted services	1,112,348	1,066,793	1,434,223	916,880	361,314	318,331	5,209,889	1,749,378
Utilities	56,620	756,686	1,714,745	891,170	138,958	123,249	3,681,428	503,948
Other	1,121,943	178,001	1,088,063	583,342	62,347	215,578	3,249,274	2,230,707
Depreciation	1,236,352	4,375,459	4,676,032	3,131,677	842,902	987,643	15,250,065	442,455
Landfill closure and post-closure	187,845	-	-	-	-	-	187,845	-
Total operating expenses	8,954,298	10,875,170	15,083,035	9,232,122	2,388,718	5,729,388	52,262,731	17,004,609
Operating income (loss)	(785,197)	(2,888,261)	4,374,896	2,247,267	(528,986)	(4,670,432)	(2,250,713)	(197,764)
Nonoperating revenue (expenses):								
Taxes	-	-	-	-	-	1,744,254	1,744,254	-
Intergovernmental	-	425,427	37,980	4,460	-	2,125,077	2,592,944	-
Interest expense	-	(558,838)	(573,206)	(149,588)	(307,415)	-	(1,589,047)	(276,907)
Interest and investment income	399,763	186,033	448,115	150,424	62,402	35,800	1,282,537	168,314
Passenger Facilities Charges	-	1,030,321	-	-	-	-	1,030,321	-
Gain (loss) on sale of capital assets	14,996	(138,122)	26,617	-	2,373	(3,932)	(98,068)	1,844
Other	-	188,850	328,945	(1,341)	-	(7,578)	508,876	(22,015)
Total nonoperating revenue (expense)	414,759	1,133,671	268,451	3,955	(242,640)	3,893,621	5,471,817	(128,764)
Income (loss) before capital contributions and transfers	(370,438)	(1,754,590)	4,643,347	2,251,222	(771,626)	(776,811)	3,221,104	(326,528)
Capital contributions	-	2,613,162	551,265	1,249,020	-	2,416,028	6,829,475	5,510
Transfers in	-	-	-	-	-	-	-	532,055
Transfers out	-	-	-	-	(233,308)	(20,000)	(253,308)	(95,769)
Change in net assets	(370,438)	858,572	5,194,612	3,500,242	(1,004,934)	1,619,217	9,797,271	115,268
Net assets, beginning of year	18,181,074	41,789,512	115,781,649	94,610,232	15,430,764	11,261,855	9,797,271	12,466,004
Net assets, end of year	\$ 17,810,636	\$ 42,648,084	\$ 120,976,261	\$ 98,110,474	\$ 14,425,830	\$ 12,881,072	\$ 91,264	\$ 12,581,272

Some amount reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal funds is reported with business-type activities.

Change in net assets of business-type activities

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

CITY OF BILLINGS, MONTANA
 Proprietary Funds
 Statement of Cash Flows
 For The Fiscal Year Ended June 30, 2009
 (Page 1 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:								
Cash received from customers and users	\$ 8,806,407	\$ 7,410,900	\$ 18,497,785	\$ 10,997,416	\$ 1,854,004	\$ 733,005	\$ 48,299,517	\$ 485,951
Cash received from interfund services provided	-	-	-	-	-	-	-	16,320,893
Cash received from other sources	-	188,850	355,562	-	2,373	2,422	549,207	86,844
Cash paid to employees for services	(3,483,347)	(3,573,627)	(3,963,005)	(2,627,401)	(574,593)	(3,249,005)	(17,470,978)	(11,633,368)
Cash paid to suppliers and contracted services	(4,317,498)	(2,790,304)	(5,042,879)	(2,347,407)	(935,309)	(782,279)	(16,215,676)	(5,175,768)
Cash paid to other sources	-	-	-	(1,341)	-	(10,000)	(11,341)	(108,859)
Net cash provided (used) by operating activities	1,005,562	1,235,819	9,847,463	6,021,267	346,475	(3,305,857)	15,150,729	(24,307)
Cash flows from noncapital financing activities:								
Cash received from tax revenues	-	-	-	-	-	1,752,991	1,752,991	-
Cash received from intergovernmental revenues	-	425,427	37,980	4,460	-	2,125,077	2,592,944	-
Transfers to other funds	-	-	-	-	(233,308)	(20,000)	(253,308)	(95,769)
Loans repaid to other funds	-	-	-	-	-	-	-	(16,084)
Net cash provided (used) by noncapital financing activities	-	425,427	37,980	4,460	(233,308)	3,858,068	4,092,627	(11,853)
Cash flows from capital and related financing activities:								
Capital contributions	-	2,613,162	551,265	1,249,020	-	2,416,028	6,829,475	-
Acquisition and construction of capital assets	(2,921,993)	(3,815,411)	(9,076,209)	(11,860,152)	(12,375)	(3,389,604)	(31,075,744)	(155,455)
Proceeds from sales of capital assets	17,705	-	-	-	-	-	17,705	71,844
Cash paid for interest	-	(533,840)	(583,968)	(169,532)	(315,624)	-	(1,602,964)	(281,220)
Loan proceeds	-	-	-	5,351,773	-	-	5,351,773	-
Principal paid on bonds, notes and capital leases payable	-	(490,000)	(652,000)	(296,000)	(179,771)	-	(1,617,771)	(251,706)
Transfers to other funds	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	-
Passenger facilities charges	-	1,030,321	-	-	-	-	1,030,321	532,055
Net cash provided (used) by capital and related financing activities	(2,904,288)	(1,195,768)	(9,760,912)	(5,724,891)	(507,770)	(973,576)	(21,067,205)	(84,482)
Cash flows from investing activities:								
Cash received from interest	411,786	155,976	377,486	134,220	56,282	36,067	1,171,817	144,713
Sale of investments	7,729,210	7,156,609	13,688,203	4,264,670	2,739,337	2,084,607	37,662,636	6,508,965
Purchase of investments	(7,601,422)	(8,438,845)	(15,689,920)	(4,937,222)	(2,810,285)	(2,052,935)	(41,530,629)	(7,339,518)
Net cash provided (used) by investing activities	539,574	(1,126,260)	(1,624,231)	(538,332)	(14,666)	67,739	(2,696,176)	(685,840)
Net increase (decrease) in cash and cash equivalents	(1,359,152)	(660,782)	(1,499,700)	(237,496)	(409,269)	(353,626)	(4,520,025)	(906,482)
Cash and cash equivalents, beginning of year	2,941,560	3,249,293	5,489,535	1,655,863	1,013,119	917,114	15,266,484	2,483,535
Cash and cash equivalents, end of year	\$ 1,582,408	\$ 2,588,511	\$ 3,989,835	\$ 1,418,367	\$ 603,850	\$ 563,488	\$ 10,746,459	\$ 1,577,053
Cash and cash equivalents consists of:								
Cash and cash equivalents	\$ 1,582,408	\$ 1,813,267	\$ 3,371,316	\$ 1,060,868	\$ 603,850	\$ 562,839	\$ 8,994,548	\$ 1,577,053
Restricted cash and cash equivalents with fiscal agent	\$ 1,582,408	\$ 2,588,511	\$ 3,989,835	\$ 1,418,367	\$ 603,850	\$ 563,488	\$ 10,746,459	\$ 1,577,053

(continued)

Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2009
(Page 2 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Normal/major Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (785,197)	\$ (2,888,261)	\$ 4,374,896	\$ 2,247,267	\$ (528,986)	\$ (4,670,432)	\$ (2,250,713)	\$ (197,764)
Other nonoperating income (expense)	-	188,850	355,562	(1,341)	2,373	(7,578)	537,866	(22,015)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	1,236,352	4,375,459	4,676,032	3,131,677	842,902	987,643	15,250,065	442,455
Landfill closure and postclosure	187,845	-	-	-	-	-	187,845	-
(Increase) decrease in receivables	(179,296)	(188,173)	(72,106)	(80,313)	(5,728)	(14,064)	(539,680)	-
(Increase) decrease in receivables from other governments & other funds	816,602	(380,288)	(744,937)	(395,160)	-	(311,873)	(1,015,656)	87,348
(Increase) decrease in inventories	-	(7,548)	(136,603)	-	-	(14)	(144,151)	(9,000)
(Increase) decrease in prepaid items	-	-	(6,500)	(6,500)	-	(14)	(13,014)	(9,000)
Increase (decrease) in accounts payable	(404,665)	(23,469)	1,285,249	1,066,931	2,816	604,323	2,534,185	(460,306)
Increase (decrease) in accrued liabilities	133,921	159,249	115,870	55,706	33,098	106,138	603,982	134,975
Net cash provided (used) by operating activities	\$ 1,005,562	\$ 1,235,819	\$ 9,847,463	\$ 6,021,267	\$ 346,475	\$ (3,305,857)	\$ 15,150,729	\$ (24,307)
Noncash investing, capital and financing activities:								
Increase (decrease) in investment market value	7,975	22,406	51,563	12,994	6,314	4,115	105,367	18,653
Contribution of capital assets	-	-	4,643,347	2,251,222	-	-	6,894,569	5,510

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