

YEAR 2012

ANNUAL REPORT

OF THE

NAME Fairmont Water Utility

LOCATION Fairmont, Montana

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING Dec 31, 2012

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**REPORT OF**  
**Wilder Resorts, Inc. - Water Utility**  
**DBA Fairmont Hot Springs Resort**  
**1500 Fairmont Road, Anaconda, MT 59711**

For the Year Ended December 31, 2012

Date Utility Organized May 9, 2000

Telephone Number (406) 797-3241

Location where books are located Same address as above.

		<b>Contracts:</b>	
<b>Name</b>	<b>Title</b>	<b>Principal Business Address</b>	<b>Salary</b>
<b>Person to Send Correspondence:</b>	Steve Luebeck, General Manager	1500 Fairmont Road, Fairmont, MT 59711	XXXXXXXXXXXXXXXXXX
<b>Person who prepared this report:</b>	Brianne Slatter, Controller	1500 Fairmont Road, Fairmont, MT 59711	XXXXXXXXXXXXXXXXXX
<b>Officers and Managers:</b>			
Carol Seable	President	Same as above.	0
Steve Luebeck	General Manager	Same as above.	1,423
Vern Cook	Maintenance Director	Same as above.	14,615
Brianne Slatter	Controller	Same as above.	662

**Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities in the reporting utility:**

<b>Name</b>	<b>Percent Ownership in Utility</b>	<b>Principal Business Address</b>	<b>Salary Charged Utility</b>
LMW Holding, US Ltd.	100%	Same as above.	None

**Wilder Resorts, Inc.**  
**DBA Fairmont Hot Springs Resort**  
**Water Division - Income Statement**  
**For The Year Ended December 31,**

	Current Year	Previous Year
	2012	2011
<b>GROSS REVENUE</b>		
<b>Metered</b>		
Residential	\$9,620	\$9,350
Commercial	79,683	72,609
<b>Unmetered</b>		
Residential	0	0
Commercial	0	0
<b>TOTAL GROSS REVENUE</b>	\$89,303	\$81,959
<b>OPERATING EXPENSES</b>		
Operation and Maintenance Expense	\$95,356	\$92,947
Depreciation Expense	30,422	30,667
Taxes Other Than Income	268	246
Income Taxes	50	50
<b>TOTAL OPERATING EXPENSE</b>	\$126,095	\$123,910
<b>TOTAL OPERATING INCOME OR LOSS</b>	(\$36,792)	(\$41,951)
<b>Other Income</b>		
Non-utility Income	0	0
<b>Other Deductions</b>		
Non-utility expense	0	0
Interest	0	0
<b>NET INCOME (LOSS)</b>	(\$36,792)	(\$41,951)



Wilder Resorts, Inc.  
DBA FAIRMONT HOT SPRINGS RESORT  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	2012	2011
<b>Current assets</b>		
Cash	\$806,188	\$1,702,808
Accounts receivable	229,840	227,865
Accounts receivable - water/sewer division	414	(791)
Tax Refunds Receivable	0	0
Inventories	219,805	233,091
Prepaid expenses	300,471	160,375
<b>Total Current Assets</b>	<b>\$1,556,718</b>	<b>\$2,323,348</b>
<b>Property &amp; equipment</b>		
Land & land improvements	\$820,516	\$775,821
Buildings & improvements	5,168,400	4,670,607
Furniture & equipment	5,918,052	4,442,246
Water supply and distribution equipment	1,256,977	1,238,280
Sewer equipment	0	0
Construction in progress	94,604	134,241
Subtotal	\$13,258,549	\$11,261,195
Less: accumulated depreciation	5,792,288	5,216,076
<b>Net property and equipment</b>	<b>\$7,466,261</b>	<b>\$6,045,119</b>
<b>Intangible asset</b>		
Rate Case - unamortized portion Water	0	0
Rate Case - unamortized portion Sewer	0	0
<b>Total intangible asset</b>	<b>\$0</b>	<b>\$0</b>
<b>Long-term Investment</b>	<b>\$0</b>	<b>\$0</b>
<b>Total assets</b>	<b>\$9,022,979</b>	<b>\$8,368,467</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$502,898	\$237,393
Accounts payable - water division	2,772	2,436
Insurance Proceeds	0	99,768
Current portion of deferred income taxes	88,758	0
Accrued expenses	594,968	538,225
<b>Total Current Liabilities</b>	<b>\$1,189,396</b>	<b>\$877,822</b>
<b>Long-Term Liabilities</b>		
Deferred income taxes	\$491,615	\$492,009
<b>Total long-term liabilities</b>	<b>\$491,615</b>	<b>\$492,009</b>
<b>Stockholders equity</b>		
Common stock	\$250,000	\$250,000
Retained earnings - general	7,208,158	6,837,292
Retained earnings - water division	(202,394)	(165,602)
Retained earning - sewer division	86,204	76,946
<b>Total Stockholders equity</b>	<b>\$7,341,968</b>	<b>\$6,998,636</b>
<b>Total liabilities and stockholders equity</b>	<b>\$9,022,979</b>	<b>\$8,368,467</b>

### Accumulated Depreciation and Amortization of Water Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	\$303,071	\$272,404
Credits During Year	30,422	30,667
Accruals Charged to Depreciation Acct.	0	0
Salvage	0	0
Other Credits (specify)	0	0
Total Credits	\$30,422	\$30,667
Debits During Year	0	0
Book Cost of Plant Retired	0	0
Cost of Removal	0	0
Other Debits (Specify)	0	0
Balance End of Year	\$333,493	\$303,071

### Contributions in Aid of Construction

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year.	Indicate Cash or Property	Indicate Cash or Property
Total during year		

### Accumulated Deferred Income Taxes

Description		
Accumulated Deferred Income Taxes	N/A	N/A
Federal	N/A	N/A
State	N/A	N/A
	N/A	N/A
Total Accumulated Deferred Income Taxes	N/A	N/A



### Capital Stock

	Common Stock	Preferred Stock
Par or stated value per share	\$500	None
Shares authorized	50,000	
Shares issued and outstanding	500	
Total par value of stock issued	\$250,000	
Dividends declared per share for year	\$0	

### Retained Earnings - Water Division

	Appropriated	Unappropriated
Balance first of year	None	(165,602)
Changes during year (Specify):		
Net Income 2011		(36,792)
Balance end of year		(\$202,394)

### Proprietary Capital

	Proprietor/Partner	Partner
Balance first of year	N/A	N/A
Changes during year (Specify):		
Balance end of year		

### Long Term Debt

Description of obligation	Interest Rate / Pymts	Principal Per Balance Sheet Date
	N/A	None
Total	None	None

## Water Utility Plant Accounts

Acct #	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0
303	Land and Land Rights	0	0	0	0
304	Structures	1,018,133	0	0	1,018,133
305	Collecting and Impounding Reservoirs	0	0	0	0
306	Lake, River and other Intakes	0	0	0	0
307	Wells and springs	19,653	0	0	19,653
308	Infiltration Galleries and Tunnels	0	0	0	0
309	Supply Mains	0	0	0	0
310	Power Generation Equipment	0	0	0	0
311	Pumping Equipment	87,308	18,697	0	106,005
320	Water Treatment Equipment	3,761	0	0	3,761
330	Distribution Reservoirs and Standpipes	0	0	0	0
331	Transmission and Distribution Mains	0	0	0	0
333	Services	0	0	0	0
334	Meters and Meter Installations	108,664	0	0	108,664
335	Hydrants	0	0	0	0
339	Other Plant and Misc. Equipment *	0	0	0	0
340	Office Furniture	0	0	0	0
341	Transpation Equipment *	0	0	0	0
342	Stores Equipment	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0
344	Laboratory Equipment	0	0	0	0
345	Power Operated Equipment	0	0	0	0
346	Communication Equipment	0	0	0	0
347	Miscellaneous Equipment	760	0	0	760
348	Other Tangible Plant	0	0	0	0
	<b>Total Water Plant</b>	<b>\$1,238,280</b>	<b>\$18,697</b>	<b>\$0</b>	<b>\$1,256,977</b>



# ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct #	Account Name	Average Service Life In Years	Average Salvage In %	Depr. Rate Applied	Accumulated Depreciation Previous Year	Debits	Credits	Accumulated Depreciation End of Year
304	Structures	40	0%	Straight Line	\$80,106	0	\$25,536	\$105,642
305	Collecting and Impounding Reservoirs		0%		0	0	0	0
306	Lake, River and other Intakes		0%		0	0	0	0
307	Wells and springs	11	0%	Straight Line	18,821	0	833	19,654
308	Infiltration Galleries and Tunnels		0%		0	0	0	0
309	Supply Mains		0%		0	0	0	0
310	Power Generation Equipment		0%		0	0	0	0
311	Pumping Equipment	7	0%	Straight Line	78,980	0	4,053	83,033
320	Water Treatment Equipment	10	0%	Straight Line	3,761	0	0	3,761
330	Distribution Reservoirs and Standpipes		0%		0	0	0	0
331	Transmission and Distribution Mains		0%		0	0	0	0
333	Services		0%		0	0	0	0
334	Meters and Meter Installations	7	0%	Straight Line	108,664	0	0	108,664
335	Hydrants		0%		0	0	0	0
339	Other Plant and Misc. Equipment		0%		0	0	0	0
340	Office Furniture		0%		0	0	0	0
341	Transportation Equipment		0%		0	0	0	0
342	Stores Equipment		0%		0	0	0	0
343	Tools, Shop and Garage Equipment		0%		0	0	0	0
344	Laboratory Equipment		0%		0	0	0	0
345	Power Operated Equipment		0%		0	0	0	0
346	Communication Equipment		0%		0	0	0	0
347	Miscellaneous Equipment	7	0%	Straight Line	760	0	0	760
348	Other Tangible Plant		0%		0	0	0	0
	<b>Total Water Plant</b>				\$291,092	\$0	\$30,422	\$321,514

## PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations or other similar services rendered the respondent for which the aggregate payments during the year to any corporation, partnership or organization of any kind whatever, amounting to \$500 or more.

Name of Recipient	Amount	Description of Service
Total	\$0	

## WATER OPERATION AND MAINTENANCE EXPENSE

Account Name	Amount
Salaries and Wages - Employees	\$21,549
Salaries and Wages - Officer	1,423
Employee Pension	0
Purchased Water	0
Purchased Power	47,515
Fuel For Power Production	0
Chemicals	255
Equipment Repair	2,615
Materials and Supplies	1,958
Outside Services	150
Rents	1,350
Rate Case Expense	0
Legal	0
Transportation Expense	0
Education	1,149
Water Quality Testing	948
Insurance Expense	16,445
Regulatory Commission Expense	0
Bad Debt Expense	0
Miscellaneous Expense	0
Total	\$95,356



## SOURCES OF WATER SUPPLY

Surface Water: River 0 Lake 0 Stream 0 Impounding Res. 0  
 Ground Water: Springs No. 0 Shallow Wells No. 0 Deep Wells 4

## SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size (Inches)	First of Year	Laid During Year	Total	Abandoned During Year	Taken Up During Yr.	Total	Close of Year
4	2,000	0	2,000	0	0	2,000	2,000
6	2,150	0	2,150	0	0	2,150	2,150
8	7,200	0	7,200	0	0	7,200	7,200
TOTAL	11,350	0	11,350	0	0	11,350	11,350

## RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEMS

Number of Reservoirs 1 Capacity in Gallons 560,000  
 Number of Standpipes 0 Capacity in Gallons 0  
 Method of Purification Gas Chlorination.

## SERVICES AND METERS

**Services**

<b>1/2 in.</b>	<b>3/4 in.</b>	<b>1 in.</b>	<b>1 1/2 in.</b>	<b>2 in.</b>	<b>3 in.</b>	<b>4 in.</b>	<b>6 in.</b>
<u>0</u>	<u>75</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>7</u>

**Meters**

<u>0</u>	<u>71</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>6</u>
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## NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-End of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	30	0	30	30	0	30	0.00
Commercial	3	0	3	3	0	3	0.00
Industrial	0	0	0	0	0	0	0.00
Fire Hydrants	0	0	0	0	0	0	0.00
Governmental	0	0	0	0	0	0	0.00
All Other	0	0	0	0	0	0	0.00
TOTAL	33	0	33	33	0	33	0.00

\* This customer is only a customer of the sewer utility.

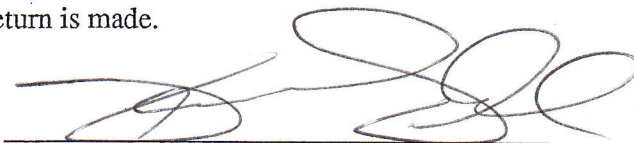
## TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year.  
 Maximum Water Obtained all methods during any one day.  
 Minimum Amount of Water obtained, all methods during one day.  
 Total Amount of Water passed through customers meters during year.  
 Range of ordinary pressure on mains 80 lbs. To 120 lbs.  
 Range of fire pressure on mains 40 lbs. To 80 lbs.

STATE OF MONTANA )

County of \_\_\_\_\_ )

We, the undersigned, on our oath do severally say that the foregoing return the  
Fairmont Water Utility, water utility, has been prepared  
under our direction from the original books, papers and records of said utility and declare  
the same to be a full, true and correct statement embracing all the financial transactions of  
said utility during the period for which the return is made.



General Manager

Subscribed and sworn to before me this 23<sup>rd</sup> day of April, 19 2013.

