

YEAR 2008

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ANNUAL REPORT

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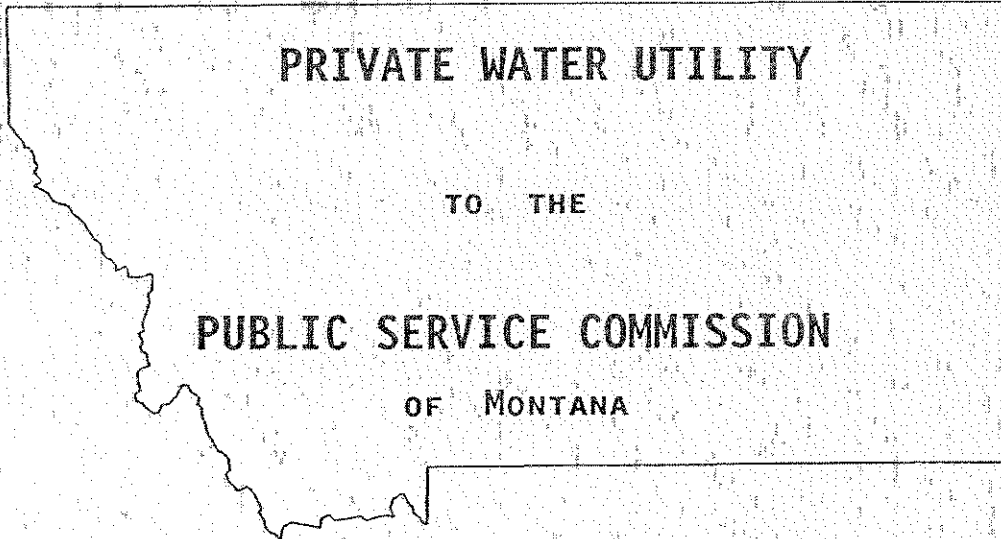
PUBLIC SERVICE
COMMISSION

NAME

FLATHEAD UTILITY COMPANY

LOCATION

KALISPELL, MONTANA



FOR THE YEAR ENDING

31-Jan-09

REPORT OF

FLATHEAD UTILITY COMPANY

2191 3RD AVE. EAST,
(address)

KALISPELL, MT 59901
(city, state, zip code)

For Year Ended 1/31/2009

Date Utility First Organized 2/7/1979

Telephone Number 406-755-5392

Location of books and records 2191 3RD. AVE. EAST, KALISPELL, MT 59901

Contacts

Name	Title	Principal Business Address	Salary
Person to send correspondence:	James J. Billmayer President	2191 3rd Ave. East Kalispell, MT 59901	
Person who prepared this report:			
Officers and Managers:	James J. Billmayer President	2191 3rd Ave. East Kalispell, MT 59901	N/A

Ownership

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

Name	Percent Ownership in Utility	Principle Business Address	Amt Pd by Utility
James J. Billmayer	100%	2191 3rd. Ave. East Kalispell, MT 59901	N/A

INCOME STATEMENT

ACCOUNT NAME	Current Year	Previous Year
OPERATING REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential		
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL OPERATING REVENUE:	\$ 80,798.00	\$ 87,449.00
OPERATING EXPENSES:		
Operation and Maintenance Expense	68,135.00	79,996.00
Depreciation Expense	3,560.00	2,311.00
Taxes Other than Income	342.00	286.00
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSES	\$ 72,037.00	\$ 82,593.00
NET INCOME (LOSS) from OPERATIONS	\$ 8,761.00	\$ 4,856.00
Other Income:		
Non Utility Income		
Interest		17.00
Federal Excise Tax Refund		151.00
TOTAL OTHER INCOME	\$ -	\$ 168.00
Other Deductions:		
Non-Utility Expenses	9,433.00	8,076.00
Interest Expense	739.00	1,586.00
TOTAL OTHER DEDUCTIONS	\$ 10,172.00	\$ 9,662.00
NET INCOME (LOSS)	\$ (1,411.00)	\$ (4,638.00)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	204,639.00	202,465.00
Less: Accumulated Deprec. & Amort.	72,462.00	68,902.00
NET UTILITY PLANT	\$ 132,177.00	\$ 133,563.00
Cash	3,586.00	5,342.00
Customer Accounts Receivable		
Other Assets (Specify)		
.....		
.....		
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 3,586.00	\$ 5,342.00
TOTAL ASSETS	\$ 135,763.00	\$ 138,905.00
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	500.00	500.00
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings	(4,222.00)	(2,811.00)
Proprietary Capital		
TOTAL CAPITAL	\$ (3,722.00)	\$ (2,311.00)
LIABILITIES		
Long Term Debt	133,155.00	134,856.00
Accounts Payable		
Notes Payable		
Customer Deposits	6,330.00	6,360.00
Accrued Taxes		
Other Liabilities (Specify)		
.....		
.....		
.....		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 139,485.00	\$ 141,216.00
TOTAL LIABILITIES AND CAPITAL	\$ 135,763.00	\$ 138,905.00

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	68,902.00	66,591.00
Credits During the Year:	3,560.00	2,311.00
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify):		
.....		
.....		
Total Credits	\$ 72,462.00	\$ 68,902.00
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
.....		
.....		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 72,462.00	\$ 68,902.00

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		Amount
	Cash	Property	
		N/A	N/A
.....			
.....			
.....			
TOTAL DURING THE YEAR			N/A

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

Capital Stock		
	Common Stock	Preferred Stock
Par or stated value per share -----	10	
Shares Authorized -----	50	
Shares Issued and Outstanding -----	50	
Total par value of stock issued -----	500	
Dividends declared per share for year	N/A	

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year -----		(2811)
Changes during year:		
Net Income (loss) -----		(1411)
Dividends -----		
Other (Specify): -----		

Balance end of year -----		(4222)

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year -----		
Changes during year (Specify):		

Balance at end of year -----	N/A	N/A

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Escrow Service - JJB - 8756-07 -----	8%	1010	22393
James J. Billmayer -----		Various	110762
Customer Deposits -----	6%		6330.00

Total -----		\$ 1,010.00	\$ 139,485.00

Water Utility Plant Accounts

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment	7,284.00			7,284.00
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations	1,310.00			1,310.00
335	Hydrants				
339	Other Plant and Misc. Equipment	29,552.00			29,552.00
340	Office Furniture and Equipment	11,401.00			11,401.00
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment	10,580.00			10,580.00
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	15,422.00	2,530.00		17,952.00
348	Other Tangible Plant	126,560.00			126,560.00
Total Water Plant		\$ 202,109.00	\$ 2,530.00	\$ -	\$ 204,639.00

Analysis of Accumulated Depreciation by Primary Account

Acct No.	Account	Average Service Life in Years	Average Salvage Value in Percent	Depr. Rate Applied	Accumulated Depreciation Beginning of Year	Debits	Credits	Accumulated Depreciation End of Year
304	Structures and Improvements							
305	Collecting and Impounding Reservoirs							
306	Lake River and Other Intakes							
307	Wells and Springs							
308	Infiltration Galleries and Tunnels							
309	Supply Mains							
310	Power Generation Equipment							
311	Pumping Equipment							
320	Water Treatment Equipment							
330	Distribution Reservoirs and Standpipes							
331	Transmission and Distribution Mains				SEE ATTACHED			
333	Services							
334	Meters and Meter Installations							
335	Hydrants							
339	Other Plant and Misc. Equipment							
340	Office Furniture and Equipment							
341	Transportation Equipment							
342	Stores Equipment							
343	Tools, Shop & Garage Equipment							
344	Laboratory Equipment							
345	Power Operated Equipment							
346	Communication Equipment							
347	Miscellaneous Equipment							
348	Other Tangible Plant							
TOTAL					\$ 68,902.00	\$ -	\$ 3,560.00	\$ 72,462.00

Sources of Water Supply

Surface Water: River: _____ Lake: _____ Stream: _____ Impounding Reservoir: _____

Ground Water: No. of Springs: _____ No. of Shallow Wells: _____ No. of Deep Wells: _____

Reservoirs, Standpipes, and Purification System

No. of Reservoirs: _____ Capacity in Gallons: _____

No. of Standpipes: _____ Capacity in Gallons: _____

Method of Purification: _____

Services and Meters

Size->	1/2"	3/4 in	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services									
Meters		211	56						

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	267		267	266		266	-1
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	267.00	-	267.00	266.00	-	266.00	(1.00)

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 48,378,970.00 gals.

Maximum Water obtained all methods during any one day: 377,106.00 gals.

Minimum Amount of Water obtained all methods during one day: 37,290.00 gals.

Range of ordinary pressure on mains 50 - 60 lbs to 75 - 80 lbs

Range of fire pressure in mains n/a lbs to n/a lbs

Affidavit

STATE OF MONTANA)

County of Flathead)

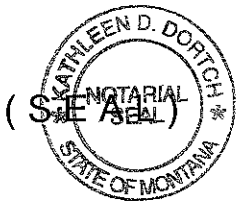
We, the undersigned, on our oath do severally say that the foregoing return of Flathead Utility Company

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.

J. J. Billmayer
(Signature)

J. J. Billmayer, President
(NAME & TITLE)

Subscribed and sworn before me this 25th day of February, 2009



Kathleen D. Dortch
KATHLEEN D. DORTCH
Notary Public For The
State Of Montana
Residing at Kalispell
My Commissions Expires
October 9, 2011