

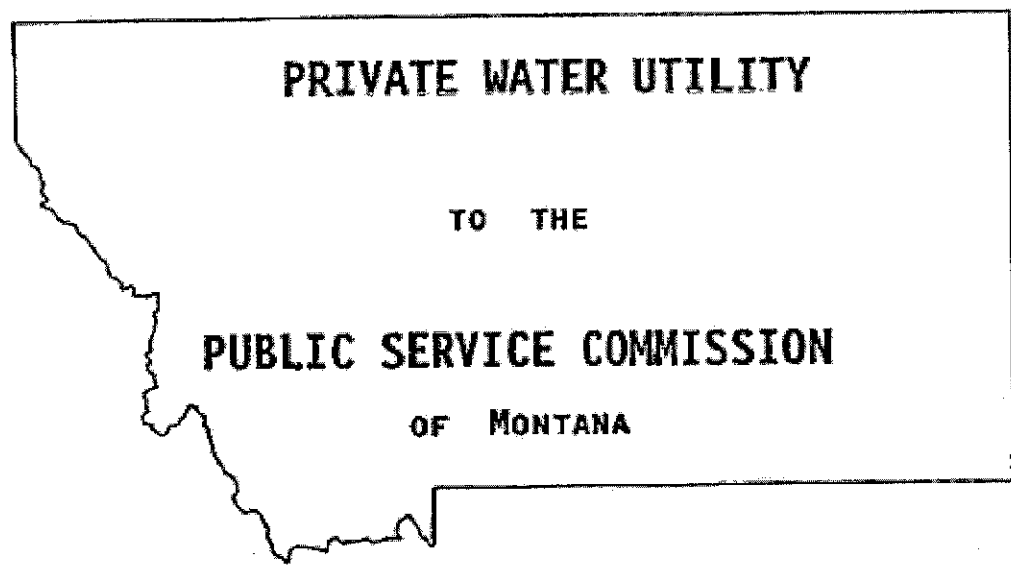
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FINAL
ANNUAL REPORT
PUBLIC SERVICE
COMMISSION

OF THE

NAME: MOUNTAIN HERITAGE ASSOCIATES

LOCATION: HELENA, MONTANA



FOR THE YEAR ENDING: 12-31-2008

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
2. Interpret all accounting words or phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility and state the year of the report.
8. This report should be filled out in duplicate and one copy returned within 2 ½ months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

TABLE OF CONTENTS

SCHEDULE	PAGE
Identification	2
Income Statement	3
Balance Sheet	4
Contributions in Aid of Construction	5
Accumulated Depreciation & Amortization of Utility Plant	5
Capital Stock	6
Retained Earnings	6
Proprietary Capital	6
Long Term Debt	6
Water Utility Plant Accounts	7
Analysis of Accumulated Depreciation by Primary Account	8
Payments For Services Rendered By Other Than Employees	9
Water Operation and Maintenance Expense	9
Water Customers	10
Operating Statistics	10

REPORT OF

MOUNTAIN HERITAGE ASSOCIATES, INC.

(Exact Name of Utility)

PO Box 4447

(Address)

Helena, MT 59604

(City, State, Zip Code)

For the Year Ended: 12-31-2008

Date Utility First Organized: 1-1-1990

Telephone Number: 406-227-6983

Location where books and records are located: Helena, MT

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send Correspondence:	Judy Lowry	PO Box 4447 Helena, MT 59604	XXXXXXXX
Person who prepared this report:	Don Cox	AZ & Co. P.C. PO Box 1040 Helena, MT 59624	XXXXXXXX
Officers & Managers:			\$
H. Randolph Paulsen	Pres/Treasure	514 Ward St, #202 Seattle, WA 98109	\$ - 0 -
Jack Lowry	VP/Sec	PO Box 4447 Helena, MT 59604	\$ - 0 -
			\$ - 0 -
			\$ - 0 -

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

Name	Percent Ownership In Utility	Principal Business Address	Salary Charged Utility
H. Randolph Poulsen	47.50%	514 Ward St, #202 Seattle, WA 98109	\$ - 0 -
Peggy Poulsen	5.00%	821 Kentucky SE Albuquerque, NM 87108	\$ - 0 -
Jack Lowry	47.50%	5513 York Road Helena, MT 59601	\$ - 0 -

INCOME STATEMENT

Account Name	Current Year	Previous Year
GROSS REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	\$25,954	\$32,619
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
<u>TOTAL GROSS REVENUE</u>	<u>\$25,954</u>	<u>\$32,619</u>
Operation and Maintenance Expense	35,643	31,591
Depreciation Expense	1,792	2,909
Taxes Other Than Income	149	91
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	37,584	34,591
NET OPERATING INCOME (LOSS)	(11,630)	(1,972)
Other Income:		
Non-Utility Income	2	2
Interest Expense		
NET INCOME (LOSS)	(11,628)	(1,970)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	CURRENT YEAR	PREVIOUS YEAR
Utility Plant in Service	-0-	117,257
Accumulated Depreciation and Amortization	-0-	(105,920)
Net Utility Plant	-0-	11,337
Cash	-0-	3,366
Customer Account Receivable	-0-	(244)
Other Assets (Specify)		
Total Assets	-0-	14,459
Liabilities and Capital:		
Common Stock Issued	-0-	1,000
Preferred Stock Issued		
Other Paid In Capital	-0-	16,210
Retained Earnings	-0-	(4,547)
Proprietary Capital		
Total Capital		
Long Term Debt	-0-	12,663
Accounts Payable		
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Shareholder Loans	-0-	1,796
Advances for Construction		
Contributions in Aid Of Construction		
Total Liabilities and Capital	-0-	14,459

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First Year	105,920	103,011
Credits During Year	1,792	
Accruals Charged to Depreciation Account		2,909
Salvage		
Other Credits (Specify)		
Total Credits	1,792	2,909
Debits During Year:		
Book Cost of Plant Retired		
Cost Removal		
Other Debits (Specify)		
Transfer of Ownership	107,712	
Balance End of Year	-0-	105,920

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"	Amount
N/A		
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

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

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share	-0-	
Shares authorized	-0-	
Shares issued and outstanding	-0-	
Total par value of stock issued	-0-	
Dividends of declared per share for year	-0-	

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		(4,547)
Changes during year (Specify):		
Net Loss		(11,628)
Ownership Transfer		16,175
Balance end of year		-0-

PROPRIETARY CAPITAL

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

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Total			-0-

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirement	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	15,533		15,533	-0-
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	14,946		14,946	-0-
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains	81,265		81,265	-0-
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment	5,513		5,513	-0-
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 Water Plant	117,257		117,257	-0-

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT NO	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements		%	%				
	Collecting & Impounding Reservoirs		%	%				
305	Lake River & Other Intakes		%	%				
306	Wells & Springs		%	%	11,042	11,349	307	-0-
307	Infiltration Galleries & Tunnels		%	%				
308	Supply Mains		%	%				
309	Power Generating Equip		%	%				
310	Pumping Equipment		%	%	13,887	14,322	435	-0-
311	Water Treatment Equip		%	%				
320	Distribution Reservoirs & Standpipes		%	%				
330	Trans. & Dist. Mains		%	%	75,478	76,528	1,050	-0-
331	Services		%	%				
333	Meter & Meter Installation		%	%				
334	Hydrants		%	%				
335	Other Plant & Misc. Equip		%	%	5,513	5,513		-0-
339	Office Furniture and Equipment		%	%				
340	Transportation Equip		%	%				
341	Stores Equipment		%	%				
342	Tools, Shop & Garage Equipment		%	%				
343	Laboratory Equipment		%	%				
344	Power Operated Equipment		%	%				
345	Communication Equipment		%	%				
346	Miscellaneous Equipment		%	%				
347	Other Tangible Plant		%	%				
348								
	Totals				105,920	107,712	1,792	-0-

SOURCES OF WATER SUPPLY

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

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Year	Taken Up During Year	Total	Close of Year
Total							

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs _____ Capacity in Gallons _____
 Number of Standpipes _____ Capacity in Gallons _____
 Method of Purification _____

SERVICES AND METERS

Service							
½ inch	5/8 inch	1 inch	1½ inch	2 inch	3 inch	4 inch	6 inch
_____	_____	_____	_____	_____	_____	_____	_____
Meters							
_____	_____	_____	_____	_____	_____	_____	_____

NUMBER AND CLASSIFICATION OF CONSUMERS

- Beginning of Year - - Close of Year -

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential		66	66		-0-	-0-	(66)
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other Total		66	66		-0-	-0-	(66)

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year _____ gals
 Maximum Water obtained all methods during any one day _____ gals
 Minimum Amount of Water obtained all methods during one day _____ gals
 Total Amount of Water passed through customers meters during year _____ gals
 Range of ordinary pressure on mains _____ lbs. _____ lbs.
 Range of fire pressure in mains _____ lbs. to _____ lbs.

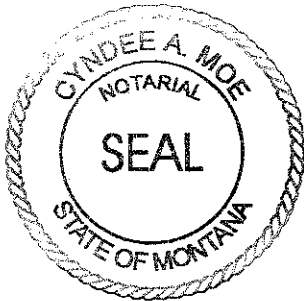
STATE OF MONTANA)

County of Lewis & Clark)

I
~~We~~ the undersigned, on our oath do severally say that the foregoing return the
MOUNTAIN HERITAGE ASSOCIATES, INC., 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.

Jack Lowrey

Subscribed and sworn to before me this 7th day of May, 20 09.



Cyndee A. Moe
CYNDEE A. MOE
Notary Public for the State of Montana
Residing at Helena, Montana
My Commission expires January 4, 2013