

YEAR 2008

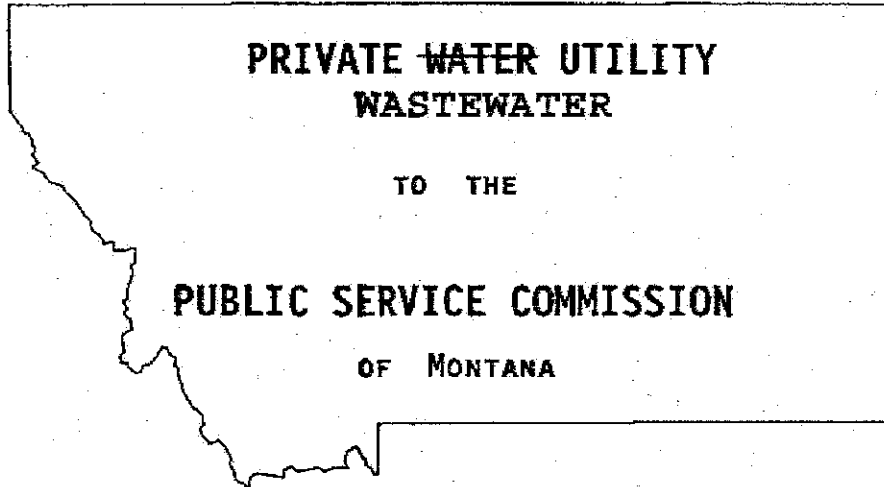
ANNUAL REPORT

OF THE

RECEIVED
APR 23 2009
MONT. P. S. COMMISSION

NAME Treeline Springs, LLC

LOCATION Moonlight Basin Madison County, MT



FOR THE YEAR ENDING 12/31/08

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 1/2 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

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REPORT OF

Treeline Springs L.L.C.

(Exact Name of Utility)

P.O. Box 1369

Ennis, MT 59729

(Address)

(City, State, Zip Code)

For Year Ended 12/31/08

Date Utility First Organized 02/02/99

Telephone Number (406) 682-6666

Location where books and records are located Ennis & Bozeman, MT

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Eric Butts Civil Engineer	P.O. Box 1369 Ennis, MT 59729	XXXXXXXX
Person who prepared this report:		P.O. Box 1369 Ennis, MT 59729	XXXXXXXX
Officers & Managers:	Moonlight Basin Ranch Inc.	P.O. Box 1369 Ennis, MT 59729	\$
			\$
			\$
			\$
			\$
			\$

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
Moonlight Basin Ranch, L.P.	100%	P.O. Box 1369 Ennis, MT 59729	\$38,304
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Current Year <i>2008</i>	Previous Year <i>2007</i>
GROSS REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	<i>65,449</i>	<i>63,727</i>
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL GROSS REVENUE	<i>65,449</i>	<i>63,727</i>
Operation and Maintenance Expense	<i>143,856</i>	<i>101,679</i>
Depreciation Expense	<i>2,392</i>	<i>3,592</i>
Taxes Other Than Income		
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	<i>146,248</i>	<i>105,271</i>
NET OPERATING INCOME (LOSS)	<i><80,799></i>	<i><41,544></i>
Other Income:		
Non-Utility Income	<i>5,160</i>	<i>2,803</i>
Other Deductions:		
Non-Utility Expenses		
Interest Expense	<i>187</i>	<i>11</i>
NET INCOME (LOSS)	<i><75,766></i>	<i><38,752></i>

COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR <i>2008</i>	PREVIOUS YEAR <i>2007</i>
Assets:		
Utility Plant In Service	71,760	71,760
Accumulated Depreciation and Amortization	(5,568)	(3,176)
Net Utility Plant		
Cash	430	2,542
Customer Account Receivable	3,742	2,015
Other Assets (Specify)		
Total Assets	70,364	73,141
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings	(85,738)	(15,824)
Proprietary Capital		
Total Capital		
Long Term Debt		
Accounts Payable	156,102	88,965
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction		
Total Liabilities and Capital	70,364	73,141

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year <i>2008</i>	Previous Year <i>2007</i>
Balance First of Year	<i><3,176></i>	<i>31,134</i>
Credits During Year	<i><2,392></i>	<i><2,042></i>
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
Total Credits	<i><5,568></i>	<i><3,176></i>
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year	<i><5,568></i>	<i><3,176></i>

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
<i>N/A</i>		
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

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

CAPITAL STOCK

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

N/A

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		
Changes during year (Specify):		
Balance end of year		

N/A

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year	(15,824)	
Changes during year (specify):		
Net Loss	(75,766)	
Other	5,852	
Balance end of year	(85,738)	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
N/A			
Total			

**WASTEWATER
WATER UTILITY PLANT ACCOUNTS**

2007

2008

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	11,760			11,760
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				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment	60,000			60,000
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				
	WASTEWATER Total Water Plant	71,760	0	0	71,760

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

2007

2008

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		%	%				
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs	30	%	%	1,176		398	1,568
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.	30	%	%	2,000		2,000	4,000
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
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		%	%				
	Totals				3,176	0	2,398	5,568

~~WASTEWATER~~
WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	38,304
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	169
Purchased Water	
Purchased Power	16,300
Fuel For Power Production	
Chemicals	
Materials and Supplies	3,052
Contractual Services	32,404
Rents	
Transportation Expense	53,100
Insurance Expense	
Regulatory Commission Expense	
Bad Debt Expense	
Miscellaneous Expense	467
Total	143,856

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, individual or organization of any kind whatever, amounting to \$500. or more. Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

Name of Recipient	Amount	Description of Service
	N/A	

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 Yr.	Taken Up During Yr.	Total	Close of Year
6"	11,052	0	11,052	0	0	11,052	11,052
8"	18,332	1,716	20,048	0	0	20,048	20,048
10"	1,102	0	1,102	0	0	1,102	1,102
Total	30,486	1,716	32,202	0	0	32,202	32,202

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

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

SERVICES AND METERS

Services	5/8 in.	1 in.	1 1/2 in.	2 in.	3 in.	4 in.	6 in.
1/2 in.							
Meters							

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	0	224	224	0	230	230	5
Commercial	0	3	3	0	4	4	1
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	52	52	0	57	57	5
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Total	0	279	279	0	291	291	

TOTAL PUMPING STATION STATISTICS

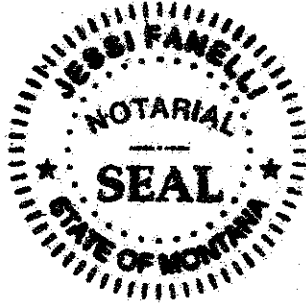
Total Amount of Water Obtained by all methods during the Year _____ gals.
Maximum Water obtained all methods during any one day _____ gals.
Minimum Amount of Water obtained all methods during one day _____ gals.
Total Amount of Water passed through customers meters during year _____ gals.
Range of ordinary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

STATE OF MONTANA)
County of Madison)

We, the undersigned, on our oath do severally say that the foregoing return the Treeline Springs LLC, ^{WASTEWATER}~~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.

[Signature]

Subscribed and sworn to before me this 21 day of April, 19 2009.



Jessi Fanelli
Jessi Fanelli Notary Public
Residing at Ennis, MT
My Commission Expires June 30, 2012