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**2010**

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ANNUAL REPORT

PUBLIC SERVICE  
COMMISSION

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, 2010**

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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, 2010

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>	Tim Martz, CPA 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.	891
Vern Cook	Maintenance Director	Same as above.	14,999
Tim Martz	Controller	Same as above.	1,907

**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
	2010	2009
<b>GROSS REVENUE</b>		
<b>Metered</b>		
Residential	\$8,272	\$8,867
Commercial	63,612	64,985
<b>Unmetered</b>		
Residential	0	0
Commercial	0	0
<b>TOTAL GROSS REVENUE</b>	<b>\$71,884</b>	<b>\$73,852</b>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance Expense	\$82,915	\$85,570
Depreciation Expense	31,929	34,588
Taxes Other Than Income	216	222
Income Taxes	50	50
<b>TOTAL OPERATING EXPENSE</b>	<b>\$115,110</b>	<b>\$120,430</b>
<b>TOTAL OPERATING INCOME OR LOSS</b>	<b>(\$43,226)</b>	<b>(\$46,578)</b>
<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>	<b>(\$43,226)</b>	<b>(\$46,578)</b>

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

	2010	2009
<b>Current assets</b>		
Cash	\$1,486,264	\$1,285,599
Accounts receivable	174,575	122,610
Accounts receivable - water/sewer division	739	(1,078)
Tax Refunds Receivable	117,482	156,845
Inventories	240,275	224,457
Prepaid expenses	164,088	239,977
<b>Total Current Assets</b>	<b>\$2,183,423</b>	<b>\$2,028,410</b>
<b>Property &amp; equipment</b>		
Land & land improvements	\$716,546	\$352,097
Buildings & improvements	4,546,186	4,485,118
Furniture & equipment	4,048,503	4,387,821
Water supply and distribution equipment	1,238,280	1,233,012
Sewer equipment	0	0
Construction in progress	32,618	0
Subtotal	\$10,582,133	\$10,458,048
Less: accumulated depreciation	5,063,483	5,061,462
<b>Net property and equipment</b>	<b>\$5,518,650</b>	<b>\$5,396,586</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>\$7,702,073</b>	<b>\$7,424,996</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Current Liabilites</b>		
Accounts payable	\$244,874	\$247,427
Accounts payable - water division	2,465	39,900
Accrued expenses	475,986	437,703
<b>Total Current Liabilities</b>	<b>\$723,325</b>	<b>\$725,030</b>
<b>Long-Term Liabilities</b>		
Deferred income taxes	\$330,646	\$329,852
<b>Total long-term liabilities</b>	<b>\$330,646</b>	<b>\$329,852</b>
<b>Stockholders equity</b>		
Common stock	\$250,000	\$250,000
Retained earnings - general	6,450,218	6,137,184
Retained earnings - water division	(123,651)	(80,425)
Retained earning - sewer division	71,535	63,354
<b>Total Stockholders equity</b>	<b>\$6,648,102</b>	<b>\$6,370,114</b>
<b>Total liabilities and stockholders equity</b>	<b>\$7,702,073</b>	<b>\$7,424,996</b>

**Accumulated Depreciation and Amortization of Water Utility Plant**

Account 108	Current Year	Previous Year
Balance First of Year	\$240,474	\$205,886
Credits During Year	31,929	34,588
Accruals Charged to Depreciation Acct.	0	0
Salvage	0	0
Other Credits (specify)	0	0
<b>Total Credits</b>	<b>\$31,929</b>	<b>\$34,588</b>
Debits During Year	0	0
Book Cost of Plant Retired	0	0
Cost of Removal	0	0
Other Debits (Specify)	0	0
<b>Balance End of Year</b>	<b>\$272,404</b>	<b>\$240,474</b>

**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
<b>Total during year</b>		

**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
<b>Total Accumulated Deferred Income Taxes</b>	<b>N/A</b>	<b>N/A</b>

### 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	(80,425)
Changes during year (Specify):		
Net Income 2009		(43,226)
Balance end of year		(\$123,651)

### 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
<b>Total</b>	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	82,040	5,268	0	87,308
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	Transportation 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>\$1,233,012</b>	<b>\$5,268</b>	<b>\$0</b>	<b>\$1,238,280</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	\$29,197	0	\$25,399	\$54,596
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	15,965	0	1,428	17,393
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	70,738	0	4,651	75,389
320	Water Treatment Equipment	10	0%	Straight Line	3,171	0	452	3,623
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>				<b>\$228,497</b>	<b>\$0</b>	<b>\$31,929</b>	<b>\$260,426</b>

**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	\$18,001
Salaries and Wages - Officer	891
Employee Pension	0
Purchased Water	0
Purchased Power	39,016
Fuel For Power Production	0
Chemicals	255
Equipment Repair	1,827
Materials and Supplies	1,143
Outside Services	1,941
Rents	1,350
Rate Case Expense	0
Legal	0
Transportation Expense	0
Education	572
Water Quality Testing	1,400
Insurance Expense	16,445
Regulatory Commission Expense	0
Bad Debt Expense	74
Miscellaneous Expense	0
Total	\$82,915

## 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
<b>TOTAL</b>	<b>11,350</b>	<b>0</b>	<b>11,350</b>	<b>0</b>	<b>0</b>	<b>11,350</b>	<b>11,350</b>

## 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	0	29	29	0	29	29	0.00
Commercial	0	4	4	0	4	4	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
<b>TOTAL</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>0.00</b>

## 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.