

Flathead Utility Company

2191 3rd Ave. East
P.O. Box 1139
Kalispell, Montana 59903-1139
406-755-5392

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PUBLIC SERVICE
COMMISSION

March 24, 2011

Montana Public Service Commission
Utility Division
P.O. Box 202601
Helena, MT 59620-2601

Re: Annual Report 2010 - Flathead Utility Company

Dear Sirs:

Enclosed is our Annual Report for the above noted Water Utility Company.

Sincerely,
Flathead Utility Company, Inc.



Kathy Dortch
Office Administrator

Encl:

YEAR RECEIVED BY

2011 MAR 28 A 10:20

PUBLIC SERVICE COMMISSION

ANNUAL REPORT

of the

NAME

FLATHEAD UTILITY COMPANY

LOCATION

KALISPELL, MONTANA

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING

31-Jan-11

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Table of Contents

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

REPORT OF

FLATHEAD UTILITY COMPANY

2191 3RD AVE. EAST,
(address)

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

For Year Ended 1/31/2011

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:	\$ 80,016.00	\$ 91,624.00
OPERATING EXPENSES:		
Operation and Maintenance Expense	69,364.00	73,412.00
Depreciation Expense	3,084.00	2,815.00
Taxes Other than Income	824.00	288.00
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSES	\$ 73,272.00	\$ 76,515.00
NET INCOME (LOSS) from OPERATIONS	\$ 6,744.00	\$ 15,109.00
Other Income:		
Non Utility Income		
Interest		
Federal Excise Tax Refund		
TOTAL OTHER INCOME	\$ -	\$ -
Other Deductions:		
Non-Utility Expenses	7,727.00	7,194.00
Interest Expense	783.00	1,433.00
TOTAL OTHER DEDUCTIONS	\$ 8,510.00	\$ 8,627.00
NET INCOME (LOSS)	\$ (1,766.00)	\$ 6,482.00

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	210,510.00	204,639.00
Less: Accumulated Deprec. & Amort.	78,361.00	75,277.00
NET UTILITY PLANT	\$ 132,149.00	\$ 129,362.00
Cash	142.00	1,995.00
Customer Accounts Receivable		
Other Assets (Specify)		
.....		
.....		
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 142.00	\$ 1,995.00
TOTAL ASSETS	\$ 132,291.00	\$ 131,357.00
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	500.00	500.00
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings	494.00	2,260.00
Proprietary Capital		
TOTAL CAPITAL	\$ 994.00	\$ 2,760.00
LIABILITIES		
Long Term Debt	118,982.00	122,267.00
Accounts Payable		
Notes Payable		
Customer Deposits	6,480.00	6,480.00
Accrued Taxes		
Other Liabilities (Specify)		
Checking Account	5,835.00	
.....		
.....		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 131,297.00	\$ 128,747.00
TOTAL LIABILITIES AND CAPITAL	\$ 132,291.00	\$ 131,507.00

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	75,276.00	72,462.00
Credits During the Year:	3,084.00	2,815.00
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify):		
.....		
.....		
Total Credits	\$ 78,360.00	\$ 75,277.00
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
.....		
.....		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 78,360.00	\$ 75,277.00

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		2260
Changes during year:		
Net Income (loss)		(1766)
Dividends		
Other (Specify):		
.....		
.....		
.....		
Balance end of year		494

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%		7,795.00
James J. Billmayer		Various	100,559.00
Customer Deposits	6%		6,480.00
Billmayer & Hafferman			10,628.00
.....			
.....			
.....			
Total		\$ -	\$ 125,462.00

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	17,952.00	5,871.00		23,823.00
348	Other Tangible Plant	126,560.00			126,560.00
Total Water Plant		\$ 204,639.00	\$ 5,871.00	\$ -	\$ 210,510.00

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							
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								
					\$ -	\$ -	\$ -	\$ -

SEE ATTACHED

FLATHEAD UTILITY CO

81-0384344

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Form 1120																
Furniture and Fixtures																
3	2 AIR CONDITIONERS	7/22/05		500				500			0		200DB HY	7		0
12	HP LASER JET PRINTER	7/24/00		1,313							1,313	1,313	200DB HY	7		0
Total Furniture and Fixtures				1,813		0	0	500	0	0	1,313	1,313				0
Land																
18	WATER SYSTEM LAND	4/15/87		40,000							40,000					0
21	LAND	1/12/84		4,350							4,350					0
33	HILLTOP WATER SYSTEM	5/15/96		720							720					0
34	HILLTOP WATER SYSTEM	5/14/96		720							720					0
35	HILLTOP WATER SYSTEM	5/15/96		720							720					0
36	HILLTOP WATER SYSTEM	5/14/96		720							720					0
37	HILLTOP WATER SYSTEM	5/15/96		720							720					0
38	HILLTOP WATER SYSTEM	5/14/96		720							720					0
39	HILLTOP WATER SYSTEM	5/15/96		720							720					0
40	HILLTOP WATER SYSTEM	5/14/96		2,160							2,160					0
41	WATER SYSTEM	2/01/96		30,000							30,000					0
42	WATER SYSTEM	6/30/96		5,950							5,950					0
47	HILLTOP WATER SYSTEM	11/15/97		8,184							8,184					0
48	HILLTOP WATER SYSTEM	11/15/97		3,508							3,508					0
51	HILLTOP WATER SYSTEM	10/23/01		2,338							2,338					0
52	COUNTRY ESTATES LOTS	10/23/02		2,338							2,338					0
58	COUNTRY ESTATE LOTS	11/03/04		2,338							2,338					0
59	COUNTRY ESTATE LOTS	10/02/06		2,338							2,338					0

2010 Federal Depreciation Schedule

FLATHEAD UTILITY CO

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
60	COUNTRY ESTATE LOTS	10/23/03		2,338							2,338					0
62	HILLTOP WATER SYSTEM	3/09/01		7,015							7,015					0
63	ASHLEY TRAIL - NEW POWER	2/15/07		8,661							8,661	1,997	150DB HY	15	.10000	666
Total Land				126,558		0	0	0	0	0	126,558	1,997				666
Machinery and Equipment																
1	LAWN MOWER	5/13/05		590				590			0		200DB HY	7		0
2	LAWN MOWER	5/27/05		373				373			0		200DB HY	7		0
4	WHACKER	8/15/05		3,150				3,150			0		200DB HY	7		0
5	TOOLS	6/30/04		2,245							2,245	1,944	200DB HY	7	.66670	201
6	HONDA GENERATOR	11/18/04		1,093							1,093	947	200DB HY	7	.66670	97
7	BUCKET	11/11/04		382							382	331	200DB HY	7	.66670	34
8	VACUUM	10/04/04		366							366	317	200DB HY	7	.66670	33
9	VACCUM (NEW)	7/27/02		208				62			146	146	200DB HY	7		0
10	PUMP-COUNTRY ESTATES	10/19/01		3,975				1,192			2,783	2,783	200DB HY	7		0
11	PAINT SPRAYER	11/23/00		949							949	949	200DB HY	7		0
13	METERS	6/15/96		343				343			0		200DB HY	7		0
14	PLANER	1/11/07		233				233			0		200DB HY	7		0
15	CGA-5-PIDN NG BOILER W/DRA	2/07/06		1,535				1,535			0		200DB HY	7		0
16	INDICATOR/CONTROLLER	12/01/06		4,722				4,722			0		200DB HY	7		0
19	LADDER	3/31/92		269							269	269	200DB HY	7		0
20	ELECTRIC PRESSER CONTROL	1/31/93		2,957							2,957	2,957	200DB HY	7		0
22	HAMMER DRILL	11/04/94		225				225			0		200DB HY	7		0
23	HAND TOOL	12/16/94		210				210			0		200DB HY	7		0
24	MICROM COMPUTER	2/28/95		308				308			0		200DB HY	7		0
25	CUT OFF SAW	7/06/95		908				908			0		200DB HY	7		0

FLATHEAD UTILITY CO

81-0384344

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
26	PRESSURE TANK	10/15/95		195				195			0		200DB HY	7		0
27	REGULATOR/METERS	11/15/95		278				278			0		200DB HY	7		0
28	EQUIPMENT	1/15/96		1,253				1,253			0		200DB HY	7		0
29	METERS	6/15/96		264				264			0		200DB HY	7		0
30	AIR COMPRESSOR	5/15/96		465				465			0		200DB HY	7		0
31	2 PUMPS	5/15/96		1,535				1,535			0		200DB HY	7		0
32	TOOLS	10/15/96		734				734			0		200DB HY	7		0
43	GRINDER	6/15/97		205				205			0		200DB HY	7		0
44	TRACTOR ATTACHMENT	8/15/97		430				430			0		200DB HY	7		0
45	HARD DRIVE	10/15/97		129				129			0		200DB HY	5		0
46	WATER SOFTNER	11/15/97		789				789			0		200DB HY	7		0
49	CABINETS	7/17/98		1,140				1,140			0		200DB HY	7		0
50	GATEWAY COMPUTER & SOFTWA	9/21/99		2,568				2,568			0		200DB HY	5		0
53	AIR COMPRESSOR	9/26/03		275				275			0		200DB HY	7		0
54	AUGER	4/01/03		1,375				1,375			0		200DB HY	7		0
55	INDICATOR/CONTROLLER	6/04/03		4,448				4,448			0		200DB HY	7		0
56	BLADE & SAFETY SHIELD	6/06/03		121				121			0		200DB HY	7		0
57	HEATER & THERMOSTAT	11/25/03		626				626			0		200DB HY	7		0
61	STARTER	5/15/96		552				552			0		200DB HY	7		0
64	DIGITAL PRESSURE GAGE	8/06/07		377							377	212	200DB HY	7	.28570	47
65	HANK BLOWER	10/23/07		227							227	128	200DB HY	7	.28570	28
66	TRAILER RF7142 7'X14"	3/08/07		4,333							4,333	2,438	200DB HY	7	.28570	541
67	MILLERMATIC 252	1/22/08		2,084							2,084	1,173	200DB HY	7	.28570	260
68	STIHL CHAIN SAW	11/30/08		470							470	182	200DB HY	7	.28570	82
69	CUTOFF SAW	3/19/08		1,225							1,225	475	200DB HY	7	.28570	214
70	TORO LAWN MOWER	8/06/08		479				240			239	93	200DB HY	7	.28570	42
71	PUMP FOR MAIN WELL	9/08/10		5,871							5,871		200DB HY	7	.28570	839
Total Machinery and Equipment				57,489		0	0	31,473	0	0	26,016	15,344				2,418

FLATHEAD UTILITY CO

81-0384344

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Miscellaneous																
17	WATER SYSTEM	10/12/84		24,650							24,650	24,650	S/L	7		0
	Total Miscellaneous			24,650		0	0	0	0	0	24,650	24,650				0
	Total Depreciation			210,510		0	0	31,973	0	0	178,537	43,304				3,084
	Grand Total Depreciation			210,510		0	0	31,973	0	0	178,537	43,304				3,084

RATES/CUSTOMERS	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
3/4" Country Estates Winter Rate # 1	125	125	124	124	126				126	126	122	122
1" Country Estates Winter Rate # 3	57	56	56	56	56				62	58	58	58
3/4" Country Estates Summer Rate # 2						127	126	126				
1" Country Estates Summer Rate # 4						62	62	62				
3/4" Hilltop Terrace Winter Rate # 5	85	85	85	85	85				85	85	85	85
3/4" Hilltop Terrace Summer Rate # 6						84	85	85				
1" Hilltop Terrace Winter Rate # 7	2	2	2	2	2				2	2	2	2
1" Hilltop Terrace Summer Rate # 8						2	2	2				
Monthly Totals	269	268	267	267	269	275	275	275	275	271	267	267
Year to Date Totals	3,245											
RATES/GALLONS												
3/4" Country Estates Winter Rate # 1	544,170	432,600	497,866	579,154	1,262,900				1,927,930	811,010	592,200	448,330
1" Country Estates Winter Rate # 3	254,100	215,500	250,700	354,000	996,500				1,496,600	330,300	295,800	229,000
3/4" Country Estates Summer Rate # 2						2,187,670	5,241,760	5,330,100				
1" Country Estates Summer Rate # 4						1,565,300	3,387,601	3,738,600				
3/4" Hilltop Terrace Winter Rate # 5	384,400	403,500	408,600	407,600	432,100				510,300	398,600	417,300	364,200
3/4" Hilltop Terrace Summer Rate # 6						569,600	1,098,702	1,015,098				
1" Hilltop Terrace Winter Rate # 7	4,000	3,900	5,500	4,300	15,400				12,500	3,700	4,400	3,800
1" Hilltop Terrace Summer Rate # 8						10,800	35,900	33,300				
Monthly Totals	1,186,670	1,055,500	1,162,666	1,345,054	2,706,900	4,333,370	9,763,963	10,117,098	3,947,330	1,543,610	1,309,700	1,045,330
Year to Date Totals	39,517,191											
BILLED TO ACCOUNT												
3/4" Country Estates Winter Rate # 1	2038.67	\$1,953.95	\$1,998.98	\$2,063.59	\$2,718.92				\$3,261.95	\$2,262.58	\$2,036.53	\$1,920.70
1" Country Estates Winter Rate # 3	1166.79	\$1,121.45	\$1,136.25	\$1,241.37	\$1,783.67				\$2,271.13	\$1,251.41	\$1,214.47	\$1,169.44
3/4" Country Estates Summer Rate # 2						\$2,977.41	\$4,932.26	\$4,992.78				
1" Country Estates Summer Rate # 4						\$2,005.25	\$3,189.74	\$3,413.23				
3/4" Hilltop Terrace Winter Rate # 5	1413.25	\$1,441.05	\$1,450.60	\$1,440.40	\$1,480.35				\$1,570.85	\$1,437.80	\$1,454.75	\$1,395.25
3/4" Hilltop Terrace Summer Rate # 6						\$1,500.80	\$2,006.10	\$1,933.90				
1" Hilltop Terrace Winter Rate # 7	38.00	\$38.00	\$38.00	\$38.00	\$51.15				\$47.40	\$38.00	\$38.00	\$38.00
1" Hilltop Terrace Summer Rate # 8						\$40.20	\$63.90	\$63.70				
Monthly Totals	\$4,656.71	\$4,554.45	\$4,623.83	\$4,783.36	\$6,034.09	\$6,523.66	\$10,192.00	\$10,403.61	\$7,151.33	\$4,989.79	\$4,743.75	\$4,523.39
Year to Date Totals	\$73,179.97											

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		212	60						

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	269		269	267		267	-2
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	269.00	-	269.00	267.00	-	267.00	(2.00)

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 39,517,191 gals.

Maximum Water obtained all methods during any one day: 326,358 gals.

Minimum Amount of Water obtained all methods during one day: 33,720 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.




(Signature)

J. J. Billmayer, President

(NAME & TITLE)

Subscribed and sworn before me this 24 day of March, 2011



(SEAL)

