

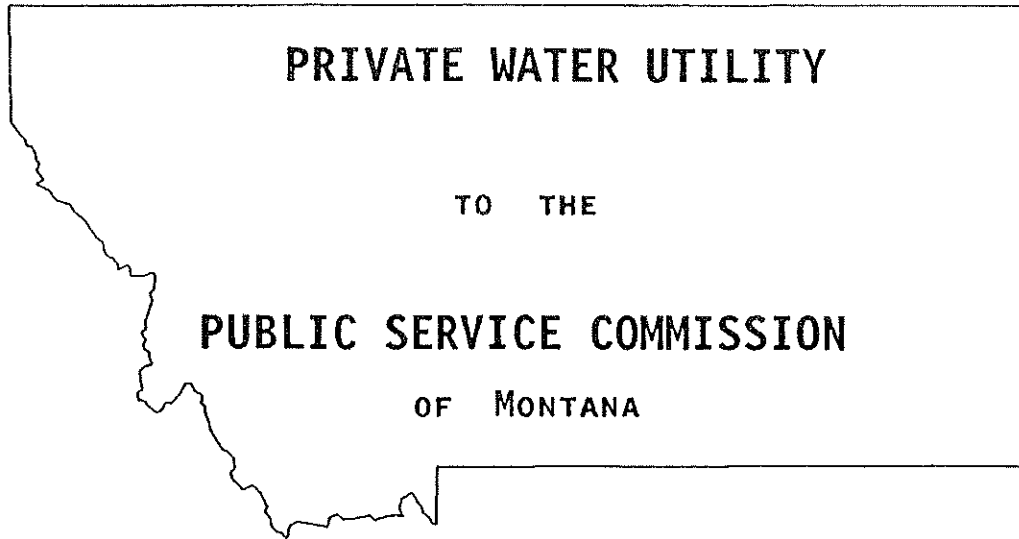
YEAR 2021

ANNUAL REPORT

of the

NAME Fairmont Water Utility

LOCATION Fairmont, Montana



FOR THE YEAR ENDING December 31, 2021

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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, 2021
Date Utility Organized May 9, 2000
Telephone Number (406) 797-3241

Location where books are located Same address as above.

| | | Contracts: | |
|---|-----------------------------------|---|--------------------|
| Name | Title | Principal Business Address | Salary |
| Person to Send Correspondence: | Steve Luebeck, General Manager | 1500 Fairmont Road, Fairmont, MT 59711 | XXXXXXXXXXXXXXXXXX |
| Person who prepared this report: | Steve Luebeck, General Manager | 1500 Fairmont Road, Fairmont, MT 59711 | XXXXXXXXXXXXXXXXXX |
| Officers and Managers: | | | |
| Carol Seable | President | Same as above. | 0 |
| Steve Luebeck | General Manager | Same as above. | 3,880 |
| Vern Cook | Maintenance Director | Same as above. | 35,364 |

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

| Name | Percent Ownership in Utility | Principal Business Address | Salary Charged Utility |
|----------------------|-------------------------------------|-----------------------------------|-------------------------------|
| 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, 2021

| | Current Year | Previous Year |
|---------------------------------------|-------------------|-------------------|
| | 2021 | 2020 |
| GROSS REVENUE | | |
| Metered | | |
| Residential | \$11,495 | \$9,634 |
| Commercial | 126,629 | 124,623 |
| Unmetered | | |
| Residential | 0 | 0 |
| Commercial | 0 | 0 |
| TOTAL GROSS REVENUE | \$138,124 | \$134,257 |
| OPERATING EXPENSES | | |
| Operation and Maintenance Expense | \$188,763 | \$155,033 |
| Depreciation Expense | 26,852 | 28,369 |
| Taxes Other Than Income | 401 | 389 |
| Income Taxes | 50 | 50 |
| TOTAL OPERATING EXPENSE | \$216,065 | \$183,841 |
| TOTAL OPERATING INCOME OR LOSS | (\$77,941) | (\$49,584) |
| Other Income | | |
| Non-utility Income | | |
| Other Deductions | | |
| Non-utility expense | | |
| Interest | | |
| NET INCOME (LOSS) | (\$77,941) | (\$49,584) |

Wilder Resorts, Inc.
 DBA FAIRMONT HOT SPRINGS RESORT
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2021

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Current assets | | |
| Cash | \$4,645,218 | \$2,145,584 |
| Accounts receivable | 280,279 | 106,915 |
| Accounts receivable - water/sewer division | (346) | (338) |
| Inventories | 205,257 | 315,656 |
| Prepaid expenses | 660,957 | 220,166 |
| Total Current Assets | \$5,791,365 | \$2,787,983 |
| Property & equipment | | |
| Land & land improvements | \$1,076,170 | \$860,440 |
| Buildings & improvements | 10,536,479 | 9,683,938 |
| Furniture & equipment | 6,469,044 | 6,201,947 |
| Water supply and distribution equipment | 1,296,046 | 1,296,046 |
| Sewer equipment | 0 | 0 |
| Construction in progress | 89,975 | 44,699 |
| Subtotal | \$19,467,714 | \$18,087,070 |
| Less: accumulated depreciation | 8,218,084 | 7,571,329 |
| Net property and equipment | \$11,249,630 | \$10,515,741 |
| Other Assets | | |
| Rate Case - unamortized portion Water | 0 | 0 |
| Rate Case - unamortized portion Sewer | 0 | 0 |
| Deferred Tax | 107,939 | 107,939 |
| Total other asset | \$107,939 | \$107,939 |
| Long-term Investment | \$0 | \$0 |
| Total assets | \$17,148,934 | \$13,411,663 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current Liabilities | | |
| Accounts payable | \$216,382 | \$106,803 |
| Accounts payable - water division | 0 | 0 |
| Current portion of deferred income taxes | 0 | 0 |
| Current portion of capital lease | 2,721 | 0 |
| Current portion of longterm debt | 0 | 265,244 |
| Accrued expenses | 1,801,653 | 1,067,449 |
| Total Current Liabilities | \$2,020,756 | \$1,439,496 |
| Long-Term Liabilities | | |
| Deferred income taxes | \$1,356,902 | \$1,356,902 |
| Capital lease payable | 0 | 5,269 |
| Long term debt | 0 | 0 |
| Total long-term liabilities | \$1,356,902 | \$1,362,171 |
| Stockholders equity | | |
| Common stock | \$250,000 | \$250,000 |
| Retained earnings - general | 13,903,299 | 10,670,055 |
| Retained earnings - water division | (505,465) | (427,524) |
| Retained earning - sewer division | 123,442 | 117,465 |
| Total Stockholders equity | \$13,771,276 | \$10,609,996 |
| Total liabilities and stockholders equity | \$17,148,934 | \$13,411,663 |

Accumulated Depreciation and Amortization of Water Utility Plant

| Account 108 | Current Year | Previous Year |
|--|------------------|------------------|
| Balance First of Year | \$572,377 | \$544,008 |
| Credits During Year | 26,852 | 28,369 |
| Accruals Charged to Depreciation Acct. | 0 | 0 |
| Salvage | 0 | 0 |
| Other Credits (specify) | 0 | 0 |
| Total Credits | \$26,852 | \$28,369 |
| Debits During Year | 0 | 0 |
| Book Cost of Plant Retired | 0 | 0 |
| Cost of Removal | 0 | 0 |
| Other Debits (Specify) | 0 | 0 |
| Balance End of Year | \$599,229 | \$572,377 |

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 |
|--|---------------------------------|---------------------------------|
| | | |
| | | |
| | | |
| Total during year | | |

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 |
| Total Accumulated Deferred Income Taxes | N/A | N/A |

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 | (427,524) |
| Changes during year (Specify): | | |
| Net Income | | (77,941) |
| | | |
| Balance end of year | | (\$505,465) |
| | | |

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 |
|---------------------------|--------------------------|-------------------------------------|
| | | |
| | | |
| | | |
| Total | 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 | 130,919 | 0 | 0 | 130,919 |
| 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 | 14,155 | 0 | 0 | 14,155 |
| 347 | Miscellaneous Equipment | 760 | 0 | 0 | 760 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 |
| | | | | | |
| | Total Water Plant | \$1,296,046 | \$0 | \$0 | \$1,296,046 |
| | | | | | |

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 | \$256,588 | 0 | \$25,082 | \$281,670 |
| 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 | 19,654 | 0 | 0 | 19,654 |
| 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 | 112,677 | 0 | 1,416 | 114,093 |
| 320 | Water Treatment Equipment | 10 | 0% | Straight Line | 3,761 | 0 | 0 | 3,761 |
| 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% | | 354 | 0 | 354 | 708 |
| 347 | Miscellaneous Equipment | 7 | 0% | Straight Line | 760 | 0 | 0 | 760 |
| 348 | Other Tangible Plant | | 0% | | 0 | 0 | 0 | 0 |
| | Total Water Plant | | | | \$502,459 | \$0 | \$26,852 | \$529,310 |

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 |
|--------------------------|-------------|---------------------------------------|
| Hurley Engineering | \$ 6,424.00 | Pump Repairs |
| Full Armour Weed Control | 2,000.00 | Weed Control |
| Midco Diving | 2,689.00 | Water Tank Cleaning |
| Maes Excavating | 10,729.76 | Waterline Repairs |
| R&R Electric | 596.00 | Well House Electrical Repairs |
| Miller Mechanical | 3,265.00 | Plumbing Related to Waterline Repairs |
| | | |
| | | |
| | | |
| Total | \$25,704 | |

WATER OPERATION AND MAINTENANCE EXPENSE

| Account Name | Amount |
|--------------------------------|-----------|
| Salaries and Wages - Employees | \$37,533 |
| Salaries and Wages - Officer | 3,880 |
| Employee Pension | |
| Purchased Water | |
| Purchased Power | 58,707 |
| Fuel For Power Production | |
| Chemicals | 255 |
| Equipment Repair | 39,943 |
| Materials and Supplies | 719 |
| Outside Services | 25,704 |
| Rents | 1,350 |
| Rate Case Expense | 0 |
| Legal | 0 |
| Transportation Expense | 0 |
| Education | 1,189 |
| Water Quality Testing | 3,038 |
| Insurance Expense | 16,445 |
| Regulatory Commission Expense | |
| Bad Debt Expense | |
| Miscellaneous Expense | |
| Total | \$188,763 |

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 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | 11,350 | 0 | 11,350 | 0 | 0 | 11,350 | 11,350 |
| | | | | | | | |

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

| | | | | | | | | |
|----------------|----------------|--------------|------------------|--------------|--------------|--------------|--------------|--------------|
| 1/2 in. | 3/4 in. | 1 in. | 1 1/2 in. | 2 in. | 3 in. | 4 in. | 6 in. | 8 in. |
| <u>0</u> | <u>79</u> | <u>0</u> | <u>0</u> | <u>1</u> | <u>2</u> | <u>1</u> | <u>0</u> | <u>1</u> |

Meters

| | | | | | | | | |
|----------|-----------|----------|----------|----------|----------|----------|----------|----------|
| <u>0</u> | <u>79</u> | <u>0</u> | <u>0</u> | <u>1</u> | <u>2</u> | <u>1</u> | <u>0</u> | <u>1</u> |
|----------|-----------|----------|----------|----------|----------|----------|----------|----------|

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-End of Year-

| Classification | Metered | Unmetered | Total | Metered | Unmetered | Total | Increase or Decrease |
|----------------|---------|-----------|-------|---------|-----------|-------|----------------------|
| Residential | 36 | 0 | 36 | 36 | 0 | 36 | 0.00 |
| Commercial | 3 | 0 | 3 | 3 | 0 | 3 | 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 |
| TOTAL | 39 | 0 | 39 | 39 | 0 | 39 | 0.00 |
| | | | | | | | |

* This customer is only a customer of the sewer utility.

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.

Affidavit

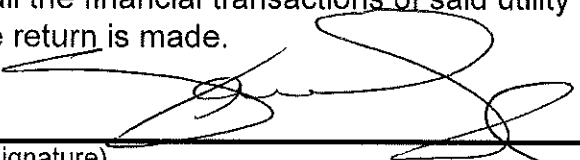
STATE OF MONTANA)

County of _____)

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

Fairmont

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)

(Signature)

Subscribed and sworn before me this 29th day of April, 20 22

Vicky Tocher

Vicky Tocher

