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YEAR

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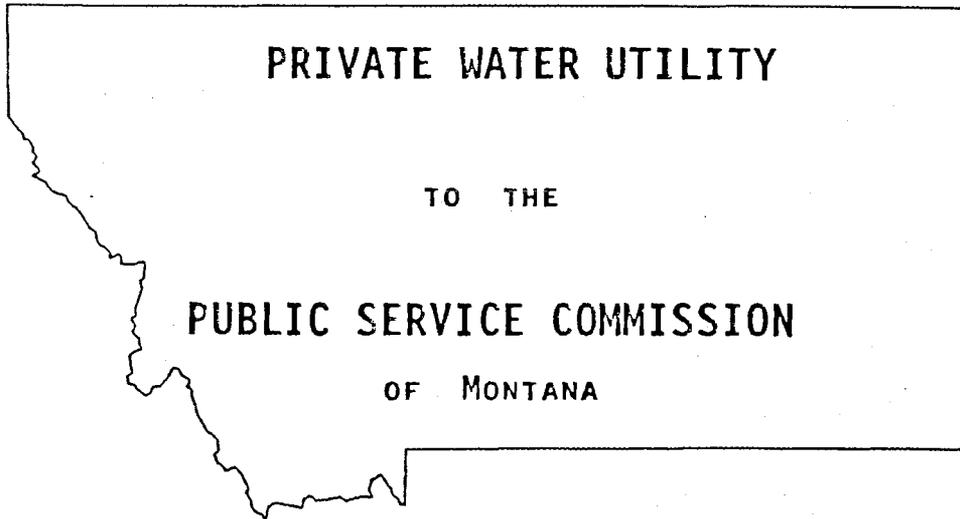
PUBLIC SERVICE  
COMMISSION

# ANNUAL REPORT

OF THE

NAME Mountain Heritage Associates

LOCATION Helena, Montana



FOR THE YEAR ENDING 12/31/04

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# REPORT OF

Mountain Heritage Associates, Inc.

(Exact Name of Utility)

P.O. Box 4447

Helena, MT. 59604

(Address)

(City, State, Zip Code)

For Year Ended December 31, 2004

Date Utility First Organized January 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 & Company, P.C. PO Box 1147 Helena, MT 59624	XXXXXXXX
Officers & Managers:			\$
H. Randolph Poulsen	Pres/Treas	514 Ward Street #202 Seattle, WA 98109	\$ -0-
Jack Lowry	VP/Sec	PO Box 4447 Helena, MT 59604	\$ -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 Street #202 Seattle, WA 98109	\$ -0-
Peggy Poulsen	5.00%	821 Kentucky SE Albuquerque, NM 87108	\$ -0-
Jack Lowry	47.50%	4918 Lake Home Road Helena, MT 59601	\$ -0-

## INCOME STATEMENT

Account Name	Current Year	Previous Year
<b>GROSS REVENUE:</b>		
<b>Metered</b>		
Residential		
Commercial		
Industrial		
Other		
<b>Unmetered</b>		
Residential	30,630	30,618
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
<b>TOTAL GROSS REVENUE</b>	30,630	30,618
<b>Operation and Maintenance Expense</b>	26,891	19,859
<b>Depreciation Expense</b>	4,109	5,270
<b>Taxes Other Than Income</b>	125	92
<b>Income Taxes</b>		
<b>Deferred Federal Income Taxes</b>		
<b>Deferred State Income Taxes</b>		
<b>TOTAL OPERATING EXPENSE</b>	31,125	25,221
<b>NET OPERATING INCOME (LOSS)</b>	(495)	5,397
<b>Other Income:</b>		
Non-Utility Income	2	4
<b>Other Deductions:</b>		
Non-Utility Expenses		
Interest Expense		
<b>NET INCOME (LOSS)</b>	(493)	5,401

## COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR	PREVIOUS YEAR
<b>Assets:</b>		
Utility Plant In Service	117,257	117,257
Accumulated Depreciation and Amorization	96,187	92,078
<b>Net Utility Plant</b>	21,070	25,179
Cash	3,842	1,021
Customer Account Receivable	(826)	(434)
Other Assets (Specify)		
<b>Total Assets</b>	24,086	25,766
<b>Liabilities an Capital:</b>		
Common Stock Issued	1,000	1,000
Preferred Stock Issued		
Other Paid In Capital	16,210	16,210
Retained Earnings	39	532
Proprietary Capital		
	<u>17,249</u>	<u>17,742</u>
<b>Total Capital</b>		
Long Term Debt		
Accounts Payable	5,041	6,228
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Shareholder loans	1,796	1,796
Advances for Construction		
Contributions In Aid Of Construction		
<b>Total Liabilities and Capital</b>	24,086	25,766



## CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share	\$1	
Shares authorized	1,000	
Shares issued and outstanding	1,000	
Total par value of stock issued	\$1,000	
Dividends declared per share for year	-0-	

## RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		532
Changes during year (Specify): <span style="float: right;">Net Loss</span>		(493)
Balance end of year		39

## PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year <span style="float: right;">N/A</span>		
Changes during year (specify):		
Balance end of year		

## LONG TERM DEBT

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

## 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	15,533			15,533
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	14,946			14,946
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains	81,265			81,265
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment	5,513			5,513
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				
	<b>Total Water Plant</b>	<b>117,257</b>			<b>117,257</b>

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	15	%	5	8,687		685	9,372
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment	7	%	17	10,105		1,384	11,489
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	25	%	5	68,616		1,746	70,362
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.	50	%	5	4,670		294	4,964
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		%	%				
	<b>Totals</b>				92,078		4,109	96,187





STATE OF MONTANA. )  
County of LEWIS & CLARK )

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

Loeb Y. Lowmy

Subscribed and sworn to before me this 28<sup>th</sup> day of May, ~~2005~~.



Cyndee A. Moe

Notary Public for the State of MT  
Residing at Helena, MT

My commission expires Jan. 4, 2009