YEAR

2008 RECEIVED BY

ANNUAL REPORT

2009 FEB 26 A IC: 2A

of the

PUBLIC SERVICE
COMMISSION

NAME

FLATHEAD UTILITY COMPANY

LOCATION

KALISPELL, MONTANA

PRIVATE WATER UTILITY TO THE PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING

31-Jan-09

Form No. 402-A (01/2009)

REPORT OF

FLATHEAD UTILITY COMPANY

•		
2191 3RD AVE. EAST,		KALISPELL, MT 59901
(address)		(city, state, zip code)
For Year Ended	1/31/2009	
Date Utility First Organized	2/7/1979	
Telephone Number	406-755-5392	
Location of books and records	2191 3RD. AVE. EAST,	KALISPELL, MT 59901

	Conta	acts	
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

	Owne		
Report every corporation of the reporting utility	or person owning interest or hold	ling directly 5 percent or more of th	e voting securities
Name	Percent Ownership in Utility	Principle Business Address	Amt Pd by Utility
James J. Billmayer	100%	2191 3rd. Ave. East	N/A
		Kalispell, MT 59901	

OPERATING EXPENSES: Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes Deferred State Income Taxes TOTAL OPERATING EXPENSES \$ 72,037.00 \$ 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: Non Utility Income 17.00 Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	INCOME STATE	MENT			
Metered Residential Commercial Industrial Other Unmetered Residential Commercial Industrial Other Unmetered Residential Commercial Industrial In	ACCOUNT NAME	С	urrent Year	P	revious Year
Metered Residential Commercial Industrial Other Unmetered Residential Commercial Industrial Other Unmetered Residential Commercial Industrial In	ODEDATING DEVENUE.				
Residential Commercial Industrial Other Unmetered Residential Commercial Industrial Commercial Industrial Commercial Industrial Industr					
Commercial Industrial Other Unmetered Residential Commercial Industrial Commercial Industrial Fire Protection Bulk Sales Sale of Materials Other TOTAL OPERATING REVENUE: \$80,798.00 \$87,449.00 \$87,				1	
Industrial					
Other Unmetered Residential ————————————————————————————————————			· <u>- u</u>		***
Residential Commercial Industrial Fire Protection Bulk Sales Sale of Materials Other TOTAL OPERATING REVENUE: \$80,798.00 \$87,449.00					
Commercial Industrial Fire Protection Bulk Sales Sale of Materials Other					
Industrial Fire Protection Bulk Sales Sale of Materials Other	Residential				
Fire Protection Bulk Sales Sale of Materials Other	Commercial				
Bulk Sales Sale of Materials Other TOTAL OPERATING REVENUE: \$ 80,798.00 \$ 87,449.00	Industrial				
Sale of Materials Other 80,798.00 87,449.00 TOTAL OPERATING REVENUE: \$80,798.00 87,449.00 OPERATING EXPENSES: Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes 286.00 Deferred State Income Taxes 72,037.00 82,593.00 NET INCOME (LOSS) from OPERATIONS \$8,761.00 \$4,856.00 Other Income: Non Utility Income 17.00 Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$- \$168.00 Other Deductions: Non-Utility Expenses 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	Fire Protection				
Other TOTAL OPERATING REVENUE: \$ 80,798.00 \$ 87,449.00 OPERATING EXPENSES: Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes Deferred State Income Taxes TOTAL OPERATING EXPENSES \$ 72,037.00 \$ 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: Non-Utility Expenses 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	Bulk Sales				
OPERATING REVENUE: \$ 80,798.00 \$ 87,449.00 OPERATING EXPENSES: Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes Deferred State Income Taxes TOTAL OPERATING EXPENSES \$ 72,037.00 \$ 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: 17.00 151.00 Non Utility Income 151.00 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	Sale of Materials				
OPERATING EXPENSES: Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes Deferred State Income Taxes TOTAL OPERATING EXPENSES \$72,037.00 \$82,593.00 NET INCOME (LOSS) from OPERATIONS \$8,761.00 \$4,856.00 Other Income: Non Utility Income 17.00 Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	Other				
Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes 50.00 20.00 Deferred State Income Taxes 50.00 342.00 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: 17.00 17.00 Interest 17.00 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	TOTAL OPERATING REVENUE:	\$	80,798.00	\$	87,449.00
Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes 50.00 20.00 Deferred State Income Taxes 50.00 342.00 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: Non Utility Income 17.00 Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00					
Operation and Maintenance Expense 68,135.00 79,996.00 Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes 50.00 20.00 Deferred State Income Taxes 50.00 342.00 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: 17.00 17.00 Interest 17.00 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00					
Depreciation Expense 3,560.00 2,311.00 Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes					
Taxes Other than Income 342.00 286.00 Deferred Federal Income Taxes Deferred State Income Taxes TOTAL OPERATING EXPENSES \$ 72,037.00 \$ 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: Non Utility Income 17.00 Interest 17.00 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00					
Deferred Federal Income Taxes Deferred State Income Taxes TOTAL OPERATING EXPENSES \$ 72,037.00 \$ 82,593.00			······································		
Deferred State Income Taxes			342.00		286.00
TOTAL OPERATING EXPENSES \$ 72,037.00 \$ 82,593.00 NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: Other Income Interest Interest Interest Interest Interest Interest Interest Interest Interest \$ 168.00 Other Deductions: Interest Expense 9,433.00 8,076.00 1,586.00 Interest Expense 739.00 1,586.00 1,586.00					
NET INCOME (LOSS) from OPERATIONS \$ 8,761.00 \$ 4,856.00 Other Income: Non Utility Income 17.00 Interest 17.00 151.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00			70.007.00	Φ.	00 500 00
Other Income: Non Utility Income 17.00 Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	TOTAL OPERATING EXPENSES	\$	72,037.00	\$	82,593.00
Non Utility Income 17.00 Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	NET INCOME (LOSS) from OPERATIONS	\$	8,761.00	\$	4,856.00
Non Utility Income 17.00 Interest 17.00 Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: 9,433.00 8,076.00 Interest Expense 739.00 1,586.00					
Interest				1	
Federal Excise Tax Refund 151.00 TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: Non-Utility Expenses 9,433.00 8,076.00 Interest Expense 739.00 1,586.00					17.00
TOTAL OTHER INCOME \$ - \$ 168.00 Other Deductions: Non-Utility Expenses 9,433.00 8,076.00 Interest Expense 739.00 1,586.00					
Other Deductions: Non-Utility Expenses 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	Federal Excise Tax Refund				151.00
Non-Utility Expenses 9,433.00 8,076.00 Interest Expense 739.00 1,586.00	TOTAL OTHER INCOME	\$	-	\$	168.00
Interest Expense 739.00 1,586.00	Other Deductions:				
Interest Expense 739.00 1,586.00	Non-Utility Expenses		9,433.00		8,076.00
			739.00		1,586.00
TOTAL OTHER DEDUCTIONS \$ 10,172.00 \$ 9,662.00					
TOTAL OTHER DEDUCTIONS \$ 10,172.00 \\$ 9,662.00					
	TOTAL OTHER DEDUCTIONS	\$	10,172.00	\$	9,662.00
NET INCOME (LOSS) \$ (1,411.00) \$ (4,638.00	NET INCOME (LOSS)	<u> </u>	(1,411.00)	\$	(4,638.00)

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COMPARATIVE B	ALAI	NCE SHEET		
ACCOUNT NAME		Current Year	L	Previous Year
ASSETS:	F **-	204 620 00		202 465 00
Utility Plant in Service		204,639.00		202,465.00 68,902.00
Less: Accumulated Deprec. & Amort.		72,462.00	\$	133,563.00
NET UTILITY PLANT	\$	132,177.00	Ф	155,565.00
Cash		3,586.00		5,342.00
Customer Accounts Receivable				-
Other Assets (Specify)				
			_	F 0 4 0 0 0
TOTAL ASSETS OTHER THAN UTILITY PLAN	\$	3,586.00	\$	5,342.00
TOTAL ACCUTE	\$	135,763.00	\$	138,905.00
TOTAL ASSETS	φ	155,705.00	Ψ	100,000.00
LIABILITIES AND CAPITAL				
LIABILITIES AND CAFITAL				
CAPITAL				
Common Stock Issued		500.00		500.00
Preferred Stock Issued				
Other Paid in Capital				
Retained Earnings		(4,222.00)		(2,811.00)
Proprietary Capital				
TOTAL CAPITAL	\$	(3,722.00)	\$	(2,311.00)
LIABILITIES		122 155 00	Ι	134,856.00
Long Term Debt	-	133,155.00		134,030.00
Accounts Payable	-		<u> </u>	· · · · · · · · · · · · · · · · · · ·
Notes Payable Customer Deposits	-	6,330.00		6,360.00
Accrued Taxes		0,000.00		<u> </u>
Other Liabilities (Specify)				
Other Liabilities (Openity)				
Advances for Construction				
Contributions in aid of Construction				
TOTAL LIABILITIES	\$	139,485.00	\$	141,216.00
			1 4	100.53=53
TOTAL LIABILITIES AND CAPITAL	\$	135,763.00	\$	138,905.00

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Accumulated Depreciation and A	mortiza	ation of Utili	ty Pla	ant
ACCOUNT 108	Current Year Previous Ye			
Balance at First of Year		68,902.00		66,591.00
Credits During the Year:		3,560.00		2,311.00
Accruals Charged to Depreciation Account				
Salvage				
Other Credits (Specify):				
		70 400 00	Φ.	00,000,00
Total Credits	\$	72,462.00	\$	68,902.00
Debite During the Vear				
Debits During the Year: Book Cost of Plant Retired				
Cost of Removal				
Other Debits (Specify):		<u>.</u>		
Other Debits (Specify).				
Total Debits	\$	-	\$	
				20.000.00
Balance at End of Year	\$	72,462.00	\$	68,902.00

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Contributions in Aid of	Constru	uction	
Report below all contractor and developer agreements and line extension agreements from which cash or property	Indicate		
was received during the year	Cash	Property	Amount
· ,	N/A	N/A	N/A
TOTAL DURING THE YEAR	***		N/A

Accumulated Deferred Income	e 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				

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Bividende decidiod per chare lei yea		
Refa	ined Earnings	
IVGta		Unanapariated
	Appropriated	Unappropriated
Balance at first of year		(2811)
Changes during year:		
Net Income (loss)		(1411)
Dividends		
Other (Specify):		
Curer (Opcony).		
Balance end of year		(4222)

Proprietary	/ Capital	
Balance at first of year Changes during year (Specify):	Proprietor or Partner	Partner
Balance at end of year	N/A	N/A

Long Term Debt						
Interest					ipal at Balance	
Description of Obligation	Rate	Payment		Sheet Date		
Escrow Service - JJB - 8756-07	8%		1010		22393	
James J. Billmayer		Vari	ous		110762	
Customer Deposits	6%				6330.00	
Total		\$	1,010.00	\$	139,485.00	

	Wate	r U	tility Plant A	ccounts			
Acct No.	Account Name	F	Previous Year	Additions	Retirements	C	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	<u>.</u>		<u> </u>	11,401.00
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop & Garage Equipment		10,580.00				10,580.00
344	Laboratory Equipment					<u> </u>	
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment		15,422.00	2,530.00			17,952.00
348	Other Tangible Plant		126,560.00				126,560.00
Total W	/ater Plant	\$	202,109.00	\$ 2,530.00	\$ -	\$	204,639.00

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	Analysis	of Accu	mulatec	J Depred	Analysis of Accumulated Depreciation by Primary Account	y 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							
308								
310								
311	Pumping Equipment							
320	_							
330								
331	Transmission and Distribution Mains				SEE	ATTACHED		
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	-							
345	Power Operated Equipment							
346	Communication Equipment							
347	Miscellaneous Equipment							
348								
TOTAL	AL				\$ 68,902.00	· σ	\$ 3,560.00	\$ 72,462.00
		50 (00000000000000000000000000000000000	252525000000000000000000000000000000000					

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Water Operation and Maintenance Expense	
Account Name	Amount
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pension and Benefits	
Purchased Water	
Purchased Power	 8,327.00
Fuel for Power Production	
Chemicals	
Materials and Supplies	14,438.00
Contractual Services	 22,267.00
Rents	 21,735.00
Transportation Expense	
Insurance Expense	
Regulatory Commission Expense	
Bad Debt Expense	
Miscellaneous Expense	 1,268.00
TOTAL	\$ 68,035.00

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 of 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
	<u> </u>	
	<u> </u>	
	 	
	<u> </u>	

			Sourc	es of W	ater Sup	pply			
						Impounding			
Ground W	/ater: No.	of Springs:	No	. of Shallo	w Wells:	No.	of Deep W	ells:	
					Dunie	Cation Cu	·atam		
			oirs, Stand			fication Sy			
No. of Re						in Gallons:			
No. of Sta Method o					Сараску	in Gallons:			·
					3 8 4 - 4				
	, 	· · · · · · · · · · · · · · · · · · ·		vices ar			4	0:	T
Size->		3/4 in	1 in	1 1/2 in	2 in	3 in	<u>4</u> in	6 in	
Services		0.1.1	50						
Meters		211	56						<u> </u>
			nber and (ation of	Consume End of Year		Incre	ease
Classification		Metered	Unmetered	Total	Metered	Unmetered	Total	(Decr	ease)
Residential		267		267	266		266		1
Commerc									
Industrial				<u> </u>				<u> </u>	
Fire Hydr									
Governm									
All Other					***				
To	otal	267.00	-	267.00	266.00	-	266.00		(1.00)
			Total Pur	mping S	tation St	atistics			
Maximum	n Water c	btained al	ined by all I methods o	during any	y one day		37	78,970.0	<u>)</u> gals.
Range of	f ordinary	pressure	obtained all on mains _ nins <u>n/a</u> ll	<u>50 - 60</u> l	bs to <u>75</u>		3	<u>7,290.00</u>	<u>)</u> gals.

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
Subscribed and sworn before me this 25^{11} day of Jehrary, 2009
KATHLEEN D. DORTCH Notary Public For The State Of Montana Residing at Kalispell My Commissions Expires October 9, 2011