

YEAR 2016

ANNUAL REPORT

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, 2016

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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, 2016

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:	Jennifer Cashell, Controller	1500 Fairmont Road, Fairmont, MT 59711	XXXXXXXXXXXXXXXXXX
Officers and Managers:			
Carol Seable	President	Same as above.	0
Steve Luebeck	General Manager	Same as above.	5,337
Vern Cook	Maintenance Director	Same as above.	20,019
Jennifer Cashell	Controller	Same as above.	404

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,

	Current Year	Previous Year
	2016	2015
GROSS REVENUE		
Metered		
Residential	\$8,744	\$8,693
Commercial	66,133	107,559
Unmetered		
Residential	0	0
Commercial	0	0
TOTAL GROSS REVENUE	\$74,877	\$116,252
OPERATING EXPENSES		
Operation and Maintenance Expense	\$104,931	\$113,111
Depreciation Expense	30,325	30,325
Taxes Other Than Income	217	337
Income Taxes	50	50
TOTAL OPERATING EXPENSE	\$135,524	\$143,823
TOTAL OPERATING INCOME OR LOSS	(\$60,647)	(\$27,571)
Other Income		
Non-utility Income	0	0
Other Deductions		
Non-utility expense	0	0
Interest	0	0
NET INCOME (LOSS)	(\$60,647)	(\$27,571)

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

	2016	2015
Current assets		
Cash	\$1,858,885	\$1,543,947
Accounts receivable	187,977	186,604
Accounts receivable - water/sewer division	950	(534)
Inventories	264,578	272,931
Prepaid expenses	453,709	540,631
Total Current Assets	\$2,766,099	\$2,543,579
Property & equipment		
Land & land improvements	\$454,712	\$454,712
Buildings & improvements	8,134,945	7,059,801
Furniture & equipment	5,383,388	5,997,629
Water supply and distribution equipment	1,281,891	1,281,891
Sewer equipment	0	0
Construction in progress	0	0
Subtotal	\$15,254,936	\$14,794,033
Less: accumulated depreciation	6,739,808	6,307,985
Net property and equipment	\$8,515,128	\$8,486,048
Other Assets-Loan Fees	\$12,729	\$12,729
Intangible asset		
Rate Case - unamortized portion Water	0	0
Rate Case - unamortized portion Sewer	0	0
Total intangible asset	\$0	\$0
Long-term Investment	\$0	\$0
Total assets	\$11,293,956	\$11,042,356
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	\$180,818	\$491,806
Accounts payable - water division	40	2,884
Current portion of deferred income taxes	74,320	0
Accrued expenses	1,282,762	1,058,305
Total Current Liabilities	\$1,537,940	\$1,552,995
Long-Term Liabilities		
Deferred income taxes	\$453,655	\$489,845
Long term debt	\$1,679,825	\$2,016,190
Total long-term liabilities	\$2,133,480	\$2,506,035
Stockholders equity		
Common stock	\$250,000	\$250,000
Retained earnings - general	7,610,132	6,919,824
Retained earnings - water division	(354,368)	(293,721)
Retained earning - sewer division	116,772	107,223
Total Stockholders equity	\$7,622,536	\$6,983,326
Total liabilities and stockholders equity	\$11,293,956	\$11,042,356

Accumulated Depreciation and Amortization of Water Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	\$426,045	\$395,720
Credits During Year	30,325	30,325
Accruals Charged to Depreciation Acct.	0	0
Salvage	0	0
Other Credits (specify)	0	0
Total Credits	\$30,325	\$30,325
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	\$456,370	\$426,045

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	(293,721)
Changes during year (Specify):		
Net Income		(60,647)
Balance end of year		(\$354,368)

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
Capital Lease	5.75%/41	12,377
Notes Payable	6.08%/119	1,667,448
Total	None	1,679,825

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	0	0	0	0
347	Miscellaneous Equipment	760	0	0	760
348	Other Tangible Plant	0	0	0	0
	Total Water Plant	\$1,281,891	\$0	\$0	\$1,281,891

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	\$181,342	0	\$25,082	\$206,424
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	99,885	0	5,243	105,128
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	Transpation 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
	Total Water Plant				\$414,067	\$0	\$30,325	\$444,392

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
MT DEQ	162	Community Connection Fee
Total	\$162	

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.
<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	32	0	32	32	0	32	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	35	0	35	35	0	35	0.00

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

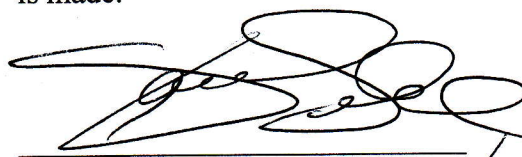
TOTAL PUMPING STATION STATISTICS

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.

WATER OPERATION AND MAINTENANCE EXPENSE

Account Name	Amount
Salaries and Wages - Employees	\$20,422
Salaries and Wages - Officer	5,337
Employee Pension	
Purchased Water	
Purchased Power	50,636
Fuel For Power Production	
Chemicals	255
Equipment Repair	4,844
Materials and Supplies	2,619
Outside Services	162
Rents	1,350
Rate Case Expense	
Legal	
Transportation Expense	
Education	1,416
Water Quality Testing	1,445
Insurance Expense	16,445
Regulatory Commission Expense	
Bad Debt Expense	0
Miscellaneous Expense	0
Total	\$104,931

We the undersigned, on our oath do severally say that the foregoing return the _____, 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 of the financial transactions of said utility during the period for which the return is made.

 General Manager

Subscribed and sworn to me this 28th day of April 2017





