

RECEIVED BY

YEAR 6-30-2007

2007 JUL 17 A 10:14

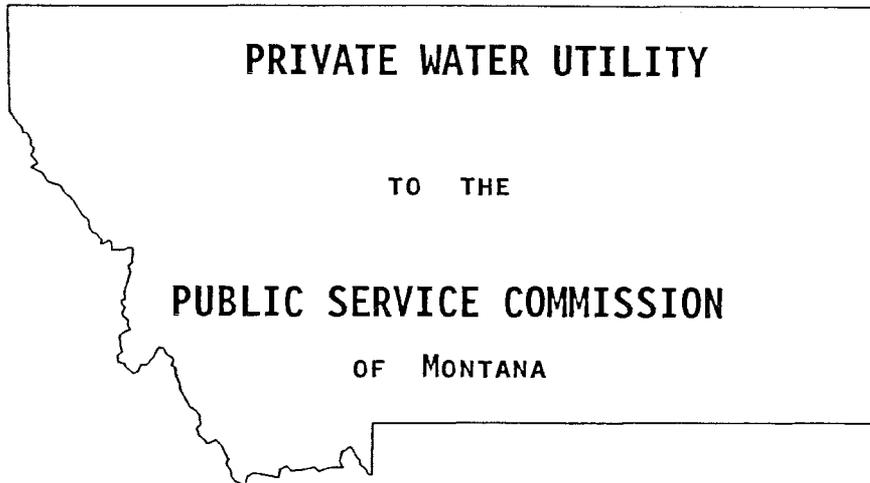
PUBLIC SERVICE  
COMMISSION

**ANNUAL REPORT**

OF THE

NAME Williams Water Works Inc

LOCATION PO Box 1902 Kalispell MT  
59903



FOR THE YEAR ENDING 6-30-07

**REPORT OF**

William Water Works Inc.  
(Exact Name of Utility)

PO Box 1902 Kalispell MT 59903  
(Address) (City, State, Zip Code)

For Year Ended 6-30-07

Date Utility First Organized 1-14-72

Telephone Number 702-493-3884

Location where books and records are located SAME

| Contracts:                       |                     |  |          |
|----------------------------------|---------------------|--|----------|
| Name                             | Title               | Principal Business Address   | Salary   |
| Person to send correspondence:   | William B. Williams | PO Box 1902<br>KALISPELL MT<br>59903   | XXXXXXXX |
| Person who prepared this report: |                     | James Magness, Inc.<br>Income Tax Services<br>250 Farview Dr.<br>Kalispell, MT 59901 | XXXXXXXX |
| Officers & Managers:             | DAVID Williams      | P.O. Box 1902<br>KALISPELL MT  | \$ 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 |
|------------------|------------------------------|--|------------------------|
| William Williams | 100                          | P.O. Box 1902<br>KALISPELL MT<br>59903 | \$ 0                   |
|                  |                              |  | \$                     |
|                  |                              |  | \$                     |

## INCOME STATEMENT

| Account Name                             | Current Year | Previous Year |
|--|--------------|---------------|
| <b>GROSS REVENUE:</b>                    |              |               |
| <b>Metered</b>                           |              |               |
| Residential                              |              |               |
| Commercial                               |              |               |
| Industrial                               |              |               |
| Other                                    |              |               |
| <b>Unmetered</b>                         |              |               |
| Residential                              | 14260        | 15882         |
| Commerical                               |              |               |
| Industrial                               |              |               |
| Fire Protection                          |              |               |
| Bulk Sales                               |              |               |
| Sale of Materials                        |              |               |
| Other                                    |              |               |
| <b>TOTAL GROSS REVENUE</b>               | <b>14260</b> | <b>15882</b>  |
| <b>Operation and Maintenance Expense</b> | 9051         | 8036          |
| <b>Depreciation Expense</b>              | 1578         | 2443          |
| <b>Taxes Other Than Income</b>           | 692          | 715           |
| <b>Income Taxes</b>                      | 50           | 50            |
| <b>Deferred Federal Income Taxes</b>     |              |               |
| <b>Deferred State Income Taxes</b>       |              |               |
| <b>TOTAL OPERATING EXPENSE</b>           |              | 11244         |
| <b>NET OPERATING INCOME (LOSS)</b>       | 2889         | 4638          |
| <b>Other Income:</b>                     |              |               |
| Non-Utility Income                       |              |               |
| <b>Other Deductions:</b>                 |              |               |
| Non-Utility Expenses <i>MEALS</i>        | 30           | 106           |
| Interest Expense                         | 296          | 582           |
| <i>ACCOUNTING</i>                        | 350          | 350           |
| <b>NET INCOME (LOSS)</b>                 | <b>2213</b>  | <b>3600</b>   |

## COMPARATIVE BALANCE SHEET

| ACCOUNT NAME                              | CURRENT YEAR | PREVIOUS YEAR |
|---|--------------|---------------|
| <b>Assets:</b>                            |              |               |
| Utility Plant In Service                  | 69538        | 69538         |
| Accumulated Depreciation and Amortization | 66921        | 65343         |
| <b>Net Utility Plant</b>                  |              |               |
| Cash                                      | 7587         | 2862          |
| Customer Account Receivable               | 1345         | 755           |
| Other Assets (Specify)                    |              |               |
| <i>ROUNDING</i>                           | 70           | 70            |
|   |              |               |
| <b>Total Assets</b>                       | <b>11619</b> | <b>7882</b>   |
| <b>Liabilities an Capital:</b>            |              |               |
| Common Stock Issued                       | 20000        | 20000         |
| Preferred Stock Issued                    |              |               |
| Other Paid In Capital                     | 5000         | 5000          |
| Retained Earnings                         | \$ 198697    | \$ 161327     |
| Proprietary Capital <i>TREASURY STOCK</i> | \$ 167507    | \$ 167507     |
| <b>Total Capital</b>                      | <b>11619</b> | <b>7882</b>   |
| Long Term Debt                            | 0            |               |
| Accounts Payable                          | 673          | 1355          |
| Notes Payable                             | 0            | 10027         |
| Customer Deposits                         |              |               |
| Accrued Taxes                             |              |               |
| Other Liabilities (Specify)               |              |               |
| <i>Shareholders Loans</i>                 | 6006         | 6506          |
|   |              |               |
|   |              |               |
| Advances for Construction                 |              |               |
| Contributions In Aid Of Construction      |              |               |
| <b>Total Liabilities and Capital</b>      | <b>18298</b> | <b>25820</b>  |
|   |              |               |



### CAPITAL STOCK

|                                       | Common Stock | Preferred Stock |
|---------------------------------------|--------------|-----------------|
| Par or stated value per share         | 10           |                 |
| Shares authorized                     | 5000         |                 |
| Shares issued and outstanding         | 2000         |                 |
| Total par value of stock issued       | 10000        |                 |
| Dividends declared per share for year |              |                 |

### RETAINED EARNINGS

|                                | Appropriated | Unappropriated |
|--------------------------------|--------------|----------------|
| Balance first of year          | <192587      |                |
| Changes during year (Specify): |              |                |
| INCOME JUNE 07                 | 2213         |                |
|                                |              |                |
| Balance end of year            | <170457      |                |

### PROPRIETARY CAPITAL

|                                | Proprietor or Partner | Partner |
|--------------------------------|-----------------------|---------|
| Balance first of year          | NA                    |         |
| Changes during year (specify): |                       |         |
|                                |                       |         |
| Balance end of year            |                       |         |

### LONG TERM DEBT

|   | Interest |       | Principal Per Balance Sheet Date |
|---|----------|-------|----------------------------------|
|   | Rate     | Pymts |                                  |
| Description of Obligation               |          |       |                                  |
| shareholder loan<br>WILLIAM B. WILLIAMS | 6%       | 1     | 6006                             |
|   |          |       |                                  |
|   |          |       |                                  |
|   |          |       |                                  |
| Total                                   |          |       | 6006                             |

## 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                            | 27186         |           |             | 27186        |
| 310      | Power Generation Equipment              |               |           |             |              |
| 311      | Pumping Equipment                       | 14560         |           |             | 14560        |
| 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 Miscellaneous Equipment |               |           |             |              |
| 340      | Office Furniture and Equipment          | 350           |           |             | 350          |
| 341      | Transportation Equipment                | 25957         |           |             | 25957        |
| 342      | Stores Equipment                        |               |           |             |              |
| 343      | Tools, Shop & Garage Equipment          |               |           |             |              |
| 344      | Laboratory Equipment                    |               |           |             |              |
| 345      | Power Operated Equipment                |               |           |             |              |
| 346      | Communication Equipment                 |               |           |             |              |
| 347      | Miscellaneous Equipment                 | 1335          |           |             | 1335         |
| 348      | Other Tangible Plant                    |               |           |             |              |
|          | <b>Total Water Plant</b>                |               |           |             |              |
|          |   | 69388         | 0         | 0           | 69388        |

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

| 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                    |                               | %                          | %                  |  |        |         |  |
| 308           | Infiltrations Galleries & Tunnels    |                               | %                          | %                  |  |        |         |  |
| 309           | Supply Mains                         | 30                            | %                          | 3%                 | 27186  | 0      | 0       | 27186  |
| 310           | Power Generating Equip.              |                               | %                          | %                  |  |        |         |  |
| 311           | Pumping Equipment                    | 5                             | %                          | 20%                | 11640  | 0      | 0       | 11640  |
| 320           | Water Treatment Equip.               |                               | %                          | %                  |  |        |         |  |
| 330           | Distribution Reservoirs & Standpipes |                               | %                          | %                  |  |        |         |  |
| 331           | Trans. & Dist. Mains                 |                               | %                          | %                  |  |        |         |  |
| 333           | Services                             |                               | %                          | %                  |  |        |         |  |
| 334           | Meter & Meter Installation           |                               | %                          | %                  |  |        |         |  |
| 335           | Hydrants                             |                               | %                          | %                  |  |        |         |  |
| 339           | Other Plant & Misc. Equip.           |                               | %                          | %                  |  |        |         |  |
| 340           | Office Furniture and Equipment       | 5                             | %                          | 20%                | 350  | 0      | 0       | 350  |
| 341           | Transportation Equip.                |                               | %                          | 20%                | 15881  |        |         | 15881  |
| 342           | Stores Equipment                     |                               | %                          | %                  |  |        |         |  |
| 343           | Tools, Shop & Garage Equipment       |                               | %                          | %                  |  |        |         |  |
| 344           | Laboratory Equipment                 |                               | %                          | %                  |  |        |         |  |
| 345           | Power Operated Equipment             |                               | %                          | %                  |  |        |         |  |
| 346           | Communication Equipment              |                               | %                          | %                  |  |        |         |  |
| 347           | Miscellaneous Equipment              | 7                             | %                          | %                  | 1335   |        |         | 1335   |
| 348           | Other Tangible Plant                 |                               | %                          | %                  |  |        |         |  |
| <b>Totals</b> |                                      |                               |                            |                    | 56502  | 0      | 0       | 56502  |



## SOURCES OF WATER SUPPLY

Surface Water: River \_\_\_\_\_ Lake \_\_\_\_\_ Stream \_\_\_\_\_ Impounding Res. \_\_\_\_\_  
 Ground Water: Springs No. \_\_\_\_\_ Shallow Wells No. 1 Deep Wells No. \_\_\_\_\_

### SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

| Size Inches | First of Year | Laid During Year | Total | Abandoned During Yr. | Taken Up During Yr. | Total | Close of Year |
|-------------|---------------|------------------|-------|----------------------|---------------------|-------|---------------|
| 6           | 2250          |                  | 2250  |                      |                     |       |               |
| 6           | 50            |                  | 50    |                      |                     |       |               |
|             |               |                  |       |                      |                     |       |               |
|             |               |                  |       |                      |                     |       |               |
|             |               |                  |       |                      |                     |       |               |
|             |               |                  |       |                      |                     |       |               |
| Total       | 2250          |                  | 2250  |                      |                     |       |               |

### RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 1 Capacity in Gallons 4000 Pressure Tank  
 Number of Standpipes \_\_\_\_\_ Capacity in Gallons \_\_\_\_\_  
 Method of Purification \_\_\_\_\_

### SERVICES AND METERS

Services  
 1/2 in. \_\_\_\_\_ 5/8 in. \_\_\_\_\_ 1 in. \_\_\_\_\_ 1 1/2 in. \_\_\_\_\_ 2 in. \_\_\_\_\_ 3 in. \_\_\_\_\_ 4 in. \_\_\_\_\_ 6 in. \_\_\_\_\_

Meters  
 \_\_\_\_\_

### NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

| Classification | Metered | Unmetered | Total | Metered | Unmetered | Total | Increase or Decrease |
|----------------|---------|-----------|-------|---------|-----------|-------|----------------------|
| Residential    |         | 46        | 46    |         | 46        | 46    | 0                    |
| Commercial     | 3       |           | 3     | 3       |           | 3     | 0                    |
| Industrial     |         |           |       |         |           |       |                      |
| Fire Hydrants  |         |           |       |         |           |       |                      |
| Governmental   |         |           |       |         |           |       |                      |
| All Other      |         |           |       |         |           |       |                      |
| Total          | 3       | 46        | 49    | 3       | 46        | 49    | 0                    |

### TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year \_\_\_\_\_ gals.  
 Maximum Water obtained all methods during any one day \_\_\_\_\_ gals.  
 Minimum Amount of Water obtained all methods during one day \_\_\_\_\_ gals.  
 Total Amount of Water passed through customers meters during year \_\_\_\_\_ gals.  
 Range of ordinary pressure on mains \_\_\_\_\_ lbs. to \_\_\_\_\_ lbs.  
 Range of fire pressure in mains \_\_\_\_\_ lbs. to \_\_\_\_\_ lbs.

*System is so old no way to measure.*

STATE OF MONTANA )  
County of FLATHEAD )

We, the undersigned, on our oath do severally say that the foregoing return the William B. Williams, 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.

*William B. Williams*

Subscribed and sworn to before me this 16<sup>th</sup> day of July, 2007.

*James Wagner at Kalijell*  
*My Comm. Exp 03-19-2009*