YEAR 2005

ANNUAL REPORT

OF THE

NAME Landmark Water Co., L.L.C.

LOCATION 3985 Valley Commons Drive, Bozeman, MT59718

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING December 31,2005

RECEIVED BY

BUBLIC SERVICE
COMMISSION



GENERAL INSTRUCTIONS

- 1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
- 2. Interpret all accounting words or phrases in accordance with the USOA.
- 3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- 4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
- 5. Where dates are called for, the month and day should be stated as well as the year.
- 6. Complete this report by means which result in a permanent record.
- 7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
- 8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

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REPORT OF

| e . | • |
|----------------|---------------------|
| Landmark Water | Co. Lic. |
| V V | (Fract Name of Ilii |

| 3985 Valley Commons Drive, Bozeman, MT59718 |
|---|
| (AddJess) For Year Ended 12(3) (12005 (City, State, Zip Code) |
| Date Utility First Organized 2/11/2003 |
| Telephone Number (406) 586-9922 |

Location where books and records are located Se above

| | | Contracts: | <u> </u> |
|----------------------------------|---------------------------------------|--|---------------|
| Name | Title | Principal Business Address | Salary |
| Person to send correspondence: | Thomas L. Clinton Registered Agent | 3985 Valley Commons Dr. | XXXXXXX |
| Person who prepared this report: | Terri Zullo, Controller | 3985 Valley Commons Dr. Bozeman, MT 59718 | |
| Officers & Managers: | | | XXXXXXX \$ |
| Potter Clinton Sexclopment | Managing Member | 3985 Valley Commons De. Bozeman, MT 59718 | \$ 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:

| Landmark Development - 3985 valley Commons Dr. Bozeman, LLC 100% Bozeman, MT 59718 \$ 0 | Name | Precent Ownership in Utility | Address | Salary Charged Utility |
|---|--------------|------------------------------|---|---------------------------|
| \$ \$ | Bozeman, LLC | 1000/0 | 3985 ralley Commons Dr Bozeman, Mt 59718 | \$ 0 |
| \$ | | | | \$ |
| | | • | | \$ |

INCOME STATEMENT

| Account Name | Current Year 2005 | Previous Year 2004 |
|-------------------------------|-------------------|--------------------|
| | 300) | 204 |
| GROSS REVENUE: | *. | |
| Metered | 110 -11 | (m , m) |
| Residential Commercial | /19,566 | 63,507 |
| Industrial | | |
| Other | | |
| Unmetered | | |
| Residential | | |
| Commerical | | <u> </u> |
| Industrial Fire Protection | | |
| Bulk Sales | | |
| Sale of Materials | | |
| Other | | |
| TOTAL GROSS REVENUE | 119,566 | 63,507 |
| | | |
| Operation and Maintenance | 67.100 | 42 050 |
| Expense | 87,452 | 12/136 |
| Depreciation Expense | 49,847 | 42,256 |
| Taxes Other Than Income | | |
| Income Taxes | | |
| Deferred Federal Income Taxes | | |
| Deferred State Income Taxes | | |
| TOTAL OPERATING EXPENSE | 137,299 | 89,324 |
| NET OPERATING INCOME (LOSS) | (17,733) | (25,817) |
| 4 4 | | |
| Other Income: | | |
| Non-Utility Income | | |
| | | |
| Other Deductions: | | |
| Non-Utility Expenses | | |
| Interest Expense | | |
| | | 661- |
| NET INCOME (LOSS) | (17,733) | (25,817) |
| | | |

COMPARATIVE BALANCE SHEET

| ACCONT NAME | CURRENT YEAR 2005 | PREVIOUS YEAR 2004 |
|---|-------------------|--------------------|
| Assets: | | 200 |
| Utility Plant In Service | 928,729 | 928,729 |
| Accumulated Depreciation and Amortization | (120,128) | (70,281) |
| Net Utility Plant | 808,601 | 8 58,448 |
| Cash Customer Account Receivable | 53,882 | 21,249 |
| Other Assets (Specify) | 8 5 13 | 5,945 |
| Total Assets | .070.00 | |
| Total Assets | 870,996 | 885,642 |
| Liabilities an Capital: | | |
| Common Stock Issued Preferred Stock Issued | | |
| Other Paid In Capital | | |
| Retained Earnings Proprietary Capital | (65,238) | (47,505) |
| Total Capital | | |
| Long Term Debt | | · ; |
| Accounts Payable Notes Payable | 7,505 | 4,418 |
| Customer Deposits Accrued Taxes | | |
| Other Liabilities (Specify) | | |
| | | |
| Advances for Construction Contributions In Aid Of | | |
| Construction | 928,729 | 928,729 |
| | | |
| Total Liabilities and Capital | 870,996 | 885,442 |
| | | |
| | | |
| | | |

Accumulated Depreciation and Amortization of Utility Plant

| Account 108 | Current Year | Previous Year |
|--|--------------|---------------|
| Balance First of Year | 70281 | 23218 |
| Credits During Year Accruals Charged to Depreciation Account Salvage | 49,847 | 47 068 |
| Other Credits (Specify) | | |
| Total Credits | 120,128 | 70,281 |
| Debits During Year: | | |
| Book Cost of Plant Retired Cost of Removal | | |
| Other Debits (Specify) | | |
| | | |
| Balance End of Year | 120,128 | 70,281 |
| | | |

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" | Amount |
|--|-----------------------------------|--------------|
| Landmark Development-Bozeman, Lic | | no additions |
| | | |
| | | |
| | | |
| Total During Year | | |
| | | |

ACCUMULATED DEFERRED INCOME TAXES

| Description | Total |
|---|-------|
| Accumulated Deferred Income Taxes: | |
| Federal State | |
| Total Accumulated Deferred Income Taxes | |
| | |

CAPITAL STOCK

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

RETAINED EARNINGS

| | Appropriated | Unappropriated |
|---|--------------|-------------------------------|
| Balance first of year Changes during year (Specify): Transferred from Income | | (47,505) (17. 3 33) |
| | | 1. 1000) |
| | | |
| Balance end of year | | (65,238) |
| | · | |

PROPRIETARY CAPITAL

| _ | |
|---|--|

LONG TERM DEBT

| | Inte | erest | Principal |
|---------------------------|------|-------|---------------------------|
| Description of Obligation | Rate | Pymts | Per Balance Sheet Date |
| | | | |
| | | | |
| | | | |
| Total | | | |
| | | | |

WATER UTILITY PLANT ACCOUNTS

| Acct No. | Account Name | Previous Year | Additions | Retirements | Current Year |
|-------------|--|------------------|-----------|-------------|-----------------|
| 301 | Organization | 87,961 | | | 87,961 |
| 302 | Franchises | 21/-1- | | | |
| 302 | 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 | 146,883 | | | 146,883 |
| 310 | Power Generation Equipment | 1147 | | | |
| 311 | Pumping Equipment | | | | |
| 320 | Water Treatment Equipment | | | | |
| 330 | Distribution Reservoirs and Standpipes | | | | |
| 331 | Tranmission and Distribution Mains | 577,218 | | | 577,218 |
| 333 | Services | | | | |
| 334 | Meters and Meter Installations | 2.547 | | | 2.547 |
| 335 | Hydrants | 114,120 | | | 114,120 |
| 339 | Other Plant and Miscellaneous Egipment | | | | |
| 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 | | | | |
| | Total Water Plant | 9 28.729 | | | 928,729 |
| | | | | | |

WATER OPERATION AND MAINTENANCE EXPENSE

| ACCOUNT NAME | AMOUNT |
|---|--------|
| Salaries and Wages - Employees | |
| Salaries and Wages - Officers, Directors and Majority, Stockholders | |
| Employee Pensions and Benefits | |
| Purchased Water | 781/41 |
| Fulchased Power | 1014 |
| Fuel For Power Production | |
| Chemicals | |
| Materials and Supplies | 816 |
| Contractual Services | 7458 |
| Rents | 170 |
| Transportation Expense | |
| Insurance Expense | |
| Regulatory Commission Expense | 65 |
| Dad Debt Expense | 2 |
| Miscellaneous Expense | 949 |
| | |
| Total | 87,452 |
| | |

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, individual or 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

Potter Clinton Development

4800

Rockkeeping/Accounting

River lock County Watter

Sewer District

Purchase Water

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

| | 348 | 347 | 346 | 345 | 344 | 343 | 342 | 341 | 340 | 339 | 335 | 334 | 333 | 331 | 330 | 320 | 311 | 310 | 309 | 308 | 307 | 306 | 305 | 304 | ACCT. |
|---------|----------------------|-------------------------|-------------------------|--|----------------------|--------------------------------|------------------|-----------------------|--------------------------------|----------------------------|----------|----------------------------|----------|----------------------|--------------------------------------|------------------------|--|-------------------------|--------------|-----------------------------------|-------------------|----------------------------|------------------------------------|---------------------------|--|
| Totals | Other Tangible Plant | Miscellaneous Equipment | Communication Equipment | Power Operated Equipment | Laboratory Equipment | Tools, Shop & Garage Equipment | Stores Equipment | Transportation Equip. | Office Furniture and Equipment | Other Plant & Misc. Equip. | Hydrants | Meter & Meter Installation | Services | Trans. & Dist. Mains | Distribution Reservoirs & Standpipes | Water Treatment Equip. | Pumping Equipment | Power Generating Equip. | Supply Mains | Infiltrations Galleries & Tunnels | Wells and Springs | Lake River & Other Intakes | Collecting & Impounding Reservoirs | Structures & Improvements | ACCOUNT |
| | | | | | | | | | | | CV | Ś | | de | | | | | B | | | | | | AVERAGE SERVICE LIFE IN YEARS |
| | % | % | % | % | % | % | % | % | % | % | 0 % | 0 % | % | 0 % | % | % | % | % | 0 % | % | % | . % | % | % | AVERAGE SALVAGE IN PERCENT |
| | % | % | % | % | % | % | % | % | % | % | 6.661 % | 6.667% | % | 5 % | % | % | % | % | % \V | % | % | % | % | % | DEPR. RATE APPLIED |
| 59,906 | | | | White the state of | | | | | | | 7.743 | 240 | | 37,208 | | | | V - W | 14615 | | | | | | ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR |
| | | | | | | | | | | | | | | | | | | | | | | | | | DEBITS |
| 43,982 | | | | | | | | | | | 7,608 | ПО | | 20.861 | | | | | 7344 | | | | | | CREDITS |
| 103,888 | | | | | | | | | | | 15,350 | 5/0 | | 66,069 | | | A Mary Company of the | | 2/457 | | | | | | ACCUMULATED DEPRECIATION BALANCE END OF YEAR |

SOURCES OF WATER SUPPLY

| Surface Water: | River | Lake | Stream | Impounding Res. | |
|----------------|-------------|------|-------------------|-----------------|--|
| 0 1111 | | | On Odni | nnpounding ries | |
| Ground Water: | Springs No. | | Shallow Wells No. | 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 |
|----------------|--------------------|---------------------|--|-------------------------|------------------------|-------|------------------|
| 12" | 6873 | | | | | | |
| 1011 | 2217 | | | | | | 6873 2217 |
| 8" | 14236 | | | | | | |
| 611 | 6568 | | | | | | 14236 |
| <u> </u> | - | | | | | | - 4.00 |
| | | | ··· | | | | |
| | | - | ······································ | | | | |
| Total | 29894 | | | | | | 29894 |
| | | | | | | | |

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

| | Reservoirs _ Standpipes _ Purification _ | | Capacity in Ganger Capacity in G | allons allons | <u> </u> | | | | |
|---------------------|--|-------|----------------------------------|------------------|----------|-------|-------|------|---|
| | | | SER | VICES A | AND METE | ERS | | | - |
| Services 1/2 in. | 5/8 in. | 1 in. | 1 1/2 in. | 2 in. | 3 in. | 4 in. | 6 in. | 3(4" | |
| Meters | | | | | | | | | |

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

| Classification | Metered | Unmetered | Total | Metered | Unmetered | Total | Increase or |
|----------------|---------|-----------|-------|---------|-----------|--------------|-----------------|
| Residential | 166 | | 146 | 210 | | 210 | Decrease |
| Commercial | | | 799 | 7,10 | | 10 | - 44 |
| Industrial | | | | | | | |
| Fire Hydrants | | | | | | + | |
| Governmental | | | | | | | |
| All Other | | | | | | | |
| Total | ILelo | | 166 | 210 | | 210 | |
| | | | | | | | |

TOTAL PUMPING STATION STATISTICS

| Total Amount of Water Obtained by all methods during the Year | |
|---|-------|
| 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. | gals. |
| Range of fire pressure in mainslbs. tolbs. | |

| STATE OF MONTANA |) | | |
|---|--|--|------------------------------------|
| County of Gallatin |) | | |
| We, the undersigned, on o Landmark Waster. Cor., under our direction from the origin the same to be a full, true and compaid utility during the period for wards. | nal books, papers a rect statement embr | , water utility nd records of said uacing all the finance | , has been prepartility and declar |
| | The | mas L. Cli | nton |
| Subscribed and sworn to before m | ne this 18 th | iay of August | , p <u>2006</u> |
| | _11 | rri Zullo | |
| | | OTARY PUBLIC for the Residing at Consec My Consession Expire | |
| | | | |