YEAR 2007

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PUBLIC SERVICE COMMISSION

ANNUAL REPORT

OF THE

NAME ROCKY CLIFF ESTATES WATER SYSTEM

LOCATION ROCKY CLIFF ESTATES SUBDIVISION

KALISPELL MONTANA

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING 3-31-2007*

HOMEOWNERS ASSOCIATION ON 4-1-2007. THIS REPORT COVERS THE PERIOD FROM 1-1-2007 THROUGH 3-31-2007. IT IS OUR FINAL REPORT.

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 ROCKY CLIFF ESTATES WATER SYSTEM (Exact Name of Utility)

100 FINANCIAL DR STE 110 KALISPELL MT 59901 (Address) For Year Ended 3-31-2001 (SysTem SOLD 4-1-07) Date Utility First Organized 6-2-2005

Telephone Number <u>404-755-2445</u>

Location where books and records are located 100 FINANCIAL DR STE 110, KALISPEL MT

	Contracts:				
Name	Title	Principal Business Address	Salary		
JOHN SCHWARZ Person to send correspondence:	PRESIDENT	100 FINANCIAL DR STE 110			
KEVIN FREY Person who prepared	CONTROLLER	KALISPELL MT 59901 100 FINANCIAL DR STE 110	XXXXXXX		
this report:		KALISPELL MT 59901	XXXXXXX		
Officers & Managers:			\$		
JOHN SCHWARZ	PRESIDENT	100 FINANCIAL DR STE 110 KALISPELL MT 59901	NONE FOR SUTILITY		
			\$		
			\$		
			\$		

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	Precent Ownership in Utility	Principal Business Address	Salary Charged Utility
JOHN SCHWARZ	100	100 FINANCIAL DR STEILO KALISPELL MT 59901	\$ NONE
			\$
			\$

INCOME STATEMENT

INCOME STATEMENT					
Account Name	1/1/07 Current Year 3/31/07	Previous Year 2006			
GROSS REVENUE:					
Metered					
Residential	3819	24613			
Commercial					
Industrial Other					
Unmetered					
Residential					
Commerical					
Industrial Fire Protection					
Bulk Sales					
Sale of Materials					
Other	2010	4			
TOTAL GROSS REVENUE	3819	24413			
Operation and Maintenance Expense	7858	24980			
	1000	7 1 100			
Depreciation Expense					
Taxes Other Than Income					
Income Taxes					
Deferred Federal Income Taxes		,			
Deferred State Income Taxes					
TOTAL OPERATING EXPENSE	7858	24980			
NET OPERATING INCOME (LOSS)	< 4039>	< 347>			
Other Income:					
Non-Utility Income					
Other Deductions:					
Non-Utility Expenses Interest Expense					
unreider Exheller					
	111009	1017			
NET INCOME (LOSS)	(4039>	< 367>			

COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR	PREVIOUS YEAR 2004
Assets:		
Utility Plant In Service		
Accumulated Depreciation and Amortization		
Net Utility Plant Cash	<23226>	(17804>
Customer Account Receivable Other Assets (Specify) WATER SYSTEM WATER METER RETURN A/R	/3500 882	(1) 13000
Total Assets	< 8844>	(4805)
Liabilities an Capital: Common Stock Issued Preferred Stock Issued		
Other Paid In Capital Retained Earnings Proprietary Capital	(8844)	(4805)
Total Capital	(8844)	(4805)
Long Term Debt Accounts Payable Notes Payable Customer Deposits Accrued Taxes Other Liabilities (Specify)		
Advances for Construction Contributions In Aid Of Construction		
Total Liabilities and Capital	< 8844 >	<4805>

Accumulated Depreciation and Amortization of Utility Plant

Account 108	1-1-07 Current Year 3/31/07	Previous Year 2004
Balance First of Year Credits During Year		
Accruals Charged to Depreciation Account Salvage		
Other Credits (Specify)		
	1/	
Total Credits	10	
Debits During Year:	- NA	
Book Cost of Plant Retired Cost of Removal		
Other Debits (Specify)		
Balance End of Year		
		The second secon

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
/1 /		
	1 —	
	E	
Total During Year		111

ACCUMULATED DEFERRED INCOME TAXES

Description		Total
Accumulated Deferred Income Taxes:	A /	
Federal	N_{\perp}	
State	0,1-	
	$\mathcal{O}_{\mathcal{N}_{-}}$	
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): LOSS FOR 1/1 - 3/31 2007	< 4805> < 4039>	
Balance end of year 3-31-2007	<8844>	

PROPRIETARY CAPITAL

Balance first of year	Proprietor or Partner	Partner
Changes during year (specify):		
· · · · · ·		
Balance end of year		

LONG TERM DEBT

	Interest		Principal Per Balance
Description of Obligation	Rate	Pymts	Sheet Date
No			
NE			
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				
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
_331	Tranmission and Distribution Mains				
_333	Services	1//			
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Egipment	10 8			
340	Office Furniture and Equipment				
341	Transportation Equipment			111	
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				

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

	34/	346	345	344	343	342	341	340	339	335	334	333	331	330	320	311	310	309	308	307	306	305	304	ACCT.
Totals	Miscellaneous Equipment Other Tangible Plant	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
																			The state of the s					AVERAGE SERVICE LIFE IN YEARS
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	AVERAGE SALVAGE IN PERCENT
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	DEPR. RATE APPLIED
								ſ				/ / /												ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR
																								DEBITS
																								CREDITS
																			111111111111111111111111111111111111111					ACCUMULATED DEPRECIATION BALANCE END OF YEAR

WATER OPERATION AND MAINTENANCE EXPENSE

THATION AND	D MAINTENANCE EXPENSE
Salaries and Wages - Employees Salaries and Wages - Officers Discourage	EXPENSE
Salaries and Wages - Employees Salaries and Wages - Officers, Directors and Majority Stockhold Employee Pensions and Benefits Purchased Water Purchased Power Fuel For Power Production Chemicals	AMOUNT ers
Materials and Supplies Contractual Services Rents	222
Transportation Expense Insurance Expense Regulatory Commission Expense Bad Debt Expense Miscellaneous Expense	/728 4902 750
Total	
	254 7858
PAYMENTS FOR SERVICES	

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar candidates and corporation partnership individual 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 of any kind whatever amounting to \$500 or more. Utilities having revenue in excess of \$100,000 should services rendered the respondent for which the aggregate payments during the year to any corporation, partnership, indiversity and the services of \$5,000 or more. Utilities having revenue in excess of \$100,000 should

No. \$5,000 or m	amounting to the	gate payments during, labor relation
Name of Recipient	iore9 to \$5	gate payments during the year to any corporation, partnership, individual 00. or more. Utilities having revenue in excess of \$100,000 should
L. Marrie of Recipient	T	Utilities having any corporations, or other at the
		revenue in evacuation, partnership i "Similar
564	Amount	an excess of \$100,000 P, Individual
JCHWARZ	- 4110	should
SILL CONST INC		Doggi
SCHWARZ CONST. INC. SWISS LLC MONTANA PULS	290-	Description of Sonia
TOD TANA PALLO	2990	Description of Service
MONTANA ENVIRON. LAB.	1800	
- 20.	1512	WATER OF
		LIA TESTING MALLE
		SAMO SYSTEM NIENANCE
		SMAPLE LAS OPERATE
		WATER TESTING, SYSTEM OPERATION WATER SAMPLE LAG ANALYSIS
		WATER SAMPLE LAB ANALYSIS

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	222
Purchased Power	
Fuel For Power Production	
Chemicals	
Materials and Supplies	/728
Contractual Services	4902
Rents	750
Transportation Expense	
Insurance Expense	
Regulatory Commission Expense	
Bad Debt Expense	
Miscellaneous Expense	25Le
Total	7858

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 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
SCHWARZ CONST. INC. SWISS LLC MONTANA ENVIRON. LAB.	2990 1800 1512	CLERICAL, METER READ, MAINTENANCE WATER TESTING, SYSTEM OPERATION WATER SAMPLE LAB ANALYSIS
	A	

SOURCES OF WATER SUPPLY

Surface Water: River___Lake___Stream___Impounding Res.____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
4" 3"	5250 205		5250 205				5250 205
			·				
Total	5455		5455				5455

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Number of Method of I	Standpipes [NIA NIA NIA	Capacity in Ga Capacity in Ga					
			SER	ICES A	AND METI	ERS		
Services 1/2 in.	5/8 in.	1 in.	1 1/2 in.	2 in.	3 in.	4 in.	6 in.	
Meters		29		·				

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year- (3-31-2007)

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	27		27	29		29	2
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	27		27	29		29	2

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year	<u>72,7500</u>	_ gals.
Maximum Water obtained all methods during any one day	9490	_ gals. _ gals.
Minimum Amount of Water obtained all methods during one day	4061	_ gals.
Total Amount of Water passed through customers meters during year_	321000	_ gals. _ gals.
Range of ordinary pressure on mains 45 lbs. to 45 lb	S.	_ ga.o.
Range of fire pressure in mains N/A lbs. to N/A lbs.		

County of FLATHEAD
We, the undersigned, on our oath do severally say that the foregoing return the ROCKY CLIFF ESTATES WATER SYSTEM, 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.
6/3/25/6
JOHN SCHWARZ, PRESIDENT
Subscribed and sworn to before me this 4th day of MAY, 15 2007.
Heiris A Frey
KEVINA FREY
NOTARY PUBLIC FOR
THE STATE OF MONTANA
RESIDING AT KALISPELL MT
MY COMMISSION EXPIRES
JUNE 23, 2010