

YEAR 2005

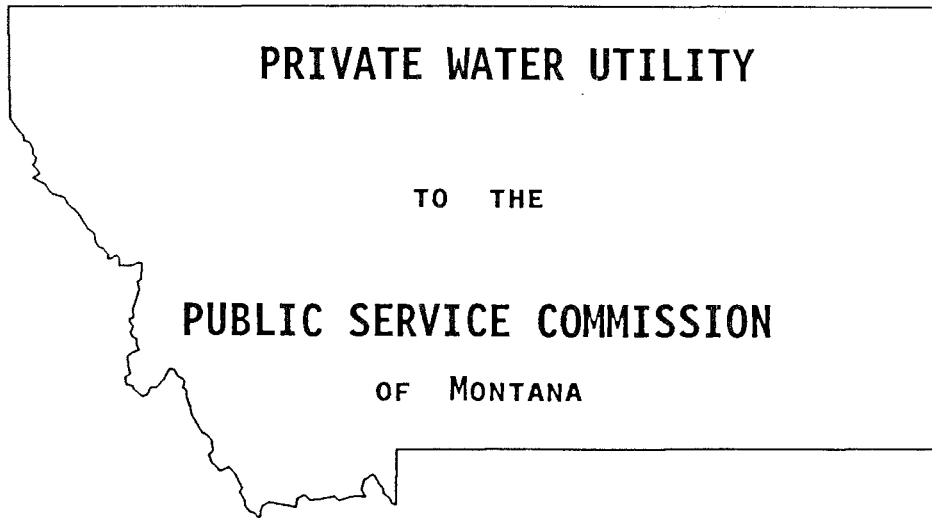
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ANNUAL REPORT

OF THE

NAME Williams Water Works

LOCATION P.O. Box 1902 Kalispell MT



FOR THE YEAR ENDING June 30, 2005

REPORT OF

Williams Water Works

(Exact Name of Utility)

P.O. Box 1902

(Address)

Kalispell MT

(City, State, Zip Code)

59903

For Year Ended *June 30 2005*

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: | <i>William B. Williams</i> | <i>P.O. Box 1902 Kalispell MT 59903</i> | XXXXXXXX |
| Person who prepared this report: | <i>JAMES MAGNESS</i> | <i>250 FARVIEW AVE KALISPELL MT 59901</i> | XXXXXXXX |
| Officers & Managers: | <i>DAVID WILLIAMS</i> | <i>P.O. Box 1902 KALISPELL MT 59903</i> | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |

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 |
|-------------------------|------------------------------|---|------------------------|
| <i>William Williams</i> | <i>100</i> | <i>P.O. Box 1902 KALISPELL MT 59903</i> | \$ <i>0</i> |
| | | | \$ |
| | | | \$ |

INCOME STATEMENT

| Account Name | Current Year | Previous Year |
|--|--------------|---------------|
| GROSS REVENUE: | | |
| Metered | | |
| Residential | | |
| Commercial | | |
| Industrial | | |
| Other | | |
| Unmetered | | |
| Residential | 13914 | 12523 |
| Commerical | | |
| Industrial | | |
| Fire Protection | | |
| Bulk Sales | | |
| Sale of Materials | | |
| Other | | |
| TOTAL GROSS REVENUE | | 12523 |
| Operation and Maintenance Expense | 7604 | 8951 |
| Depreciation Expense | 1168 | 150 |
| Taxes Other Than Income | 760 | 85 |
| Income Taxes | 50 | 50 |
| Deferred Federal Income Taxes | | |
| Deferred State Income Taxes | | |
| TOTAL OPERATING EXPENSE | 9532 | 9236 |
| NET OPERATING INCOME (LOSS) | 4382 | 3287 |
| Other Income: | | |
| Non-Utility Income | | |
| Other Deductions: | | |
| Non-Utility Expenses <i>MEALS</i> | 101 | 314 |
| Interest Expense | 848 | 2076 |
| <i>ACCOUNTING</i> | 350 | 706 |
| NET INCOME (LOSS) | 3083 | 194 |

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| Account Name | Current Year | Previous Year |
|--|--------------|---------------|
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| Other | | |
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| <i>Accounting</i> | 350 | 706 |
| NET INCOME (LOSS) | 3083 | 194 |

COMPARATIVE BALANCE SHEET

| ACCONT NAME | CURRENT YEAR | PREVIOUS YEAR |
|---|--------------|---------------|
| Assets: | | |
| Utility Plant In Service | 64739 | 61819 |
| Accumulated Depreciation and Amortization | 62987 | 61819 |
| Net Utility Plant | | |
| Cash | 2777 | 1348 |
| Customer Account Receivable | 530 | 530 |
| Other Assets (Specify) | | |
| <i>Deposits Rounding</i> | 70 | 70 |
| Total Assets | 5129 | 1948 |
| Liabilities an Capital: | | |
| Common Stock Issued | 20000 | 20000 |
| Preferred Stock Issued | | |
| Other Paid In Capital | 5000 | 5000 |
| Retained Earnings | < 22858 7 | < 17274 7 |
| Proprietary Capital <i>Treasury stock</i> | < 16750 7 | < 16250 7 |
| Total Capital | 5129 | < 5128 7 |
| Long Term Debt | | |
| Accounts Payable | 1700 | 1958 |
| Notes Payable | 8881 | 10514 |
| Customer Deposits | | |
| Accrued Taxes | | |
| Other Liabilities (Specify) | | |
| <i>shareholder LOAN</i> | 9156 | 9156 |
| Total Liabilities and Capital | 24866 | 16506 |

COMPARATIVE BALANCE SHEET

| ACCONT NAME | CURRENT YEAR | PREVIOUS YEAR |
|---|--------------|--------------------|
| Assets: | | |
| Utility Plant In Service | 64739 | 61819 |
| Accumulated Depreciation and Amortization | 62987 | 61819 |
| Net Utility Plant | | |
| Cash | 2777 | 1348 |
| Customer Account Receivable | 530 | 530 |
| Other Assets (Specify) | | |
| <i>Deposits Rounding</i> | 70 | 70 |
| | | |
| | | |
| Total Assets | 5129 | 1948 |
| Liabilities an Capital: | | |
| Common Stock Issued | 20000 | 20000 |
| Preferred Stock Issued | | |
| Other Paid In Capital | 5000 | 5000 |
| Retained Earnings | < 21858 7 | < 17274 7 |
| Proprietary Capital <i>Treasury stock</i> | < 16750 7 | < 16250 7 |
| Total Capital | 5129 | < 5128 7 |
| Long Term Debt | | |
| Accounts Payable | 1700 | 1958 |
| Notes Payable | 8881 | 10514 |
| Customer Deposits | | |
| Accrued Taxes | | |
| Other Liabilities (Specify) | | |
| <i>shareholder LOAN</i> | 9156 | 9156 |
| | | |
| | | |
| Advances for Construction | | |
| Contributions In Aid Of Construction | | |
| | | |
| Total Liabilities and Capital | 24866 | 16500 |
| | | |
| | | |

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 | < 228587 | |
| Changes during year (Specify): <i>Income 1120</i> | 4382 | |
| | | |
| | | |
| Balance end of year | < 184767 | |

PROPRIETARY CAPITAL

| | Proprietor or Partner | Partner |
|--------------------------------|-----------------------|---------|
| Balance first of year | <i>N/A</i> | |
| Changes during year (specify): | | |
| | | |
| | | |
| Balance end of year | | |

LONG TERM DEBT

| Description of Obligation | Interest | | Principal Per Balance Sheet Date |
|--|-----------|----------|----------------------------------|
| | Rate | Pymts | |
| <i>Shareholder Loan William B Williams</i> | <i>6%</i> | <i>0</i> | <i>9156</i> |
| <i>FIRST INTERSTATE BANK Balance Due</i> | | | <i>8881</i> |
| Total | | | <i>18037</i> |

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 | 11640 | 2920 | | 14560 |
| 320 | Water Treatment Equipment | | | | |
| 330 | Distribution Reservoirs and Standpipes | | | | |
| 331 | Tranmission 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 | 21158 | | | 21158 |
| 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 | | | | |
| | Total Water Plant | | | | |
| | | 61669 | | | 64589 |

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 | 27186 |
| 310 | Power Generating Equip. | | % | % | | | | |
| 311 | Pumping Equipment | | % | 20 % | 11640 | | 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 | | | 350 |
| 341 | Transportation Equip. | 5 | % | 20 % | 14049 | | | 14049 |
| 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 | | % | % | | | | |
| Totals | | | | | | | | |
| | | | | | 54560 | | | 54560 |

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 |
|-------------|---------------|------------------|-------|----------------------|---------------------|-------|---------------|
| | 2200 | | 2200 | | | | |
| | 50 | | 50 | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total | 2250 | | 2250 | | | | |

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 1 Capacity in Gallons 8000 *Pressure Tank*
 Number of Standpipes _____ Capacity in Gallons _____
 Method of Purification _____

SERVICES AND METERS

| | | | | | | | | | |
|----------|---------|-------|-----------|-------|-------|-------|-------|--|--|
| Services | 5/8 in. | 1 in. | 1 1/2 in. | 2 in. | 3 in. | 4 in. | 6 in. | | |
| 1/2 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 | |
| Commercial | 3 | | 3 | 3 | | 3 | |
| Industrial | | | | | | | |
| Fire Hydrants | | | | | | | |
| Governmental | | | | | | | |
| All Other | | | | | | | |
| Total | 3 | 46 | 49 | 3 | 46 | 49 | |

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.

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.

[Signature]

Subscribed and sworn to before me this 8th day of July, 2005.

James Magness - at Kalispell
My Commission Exp. 03-19-2009