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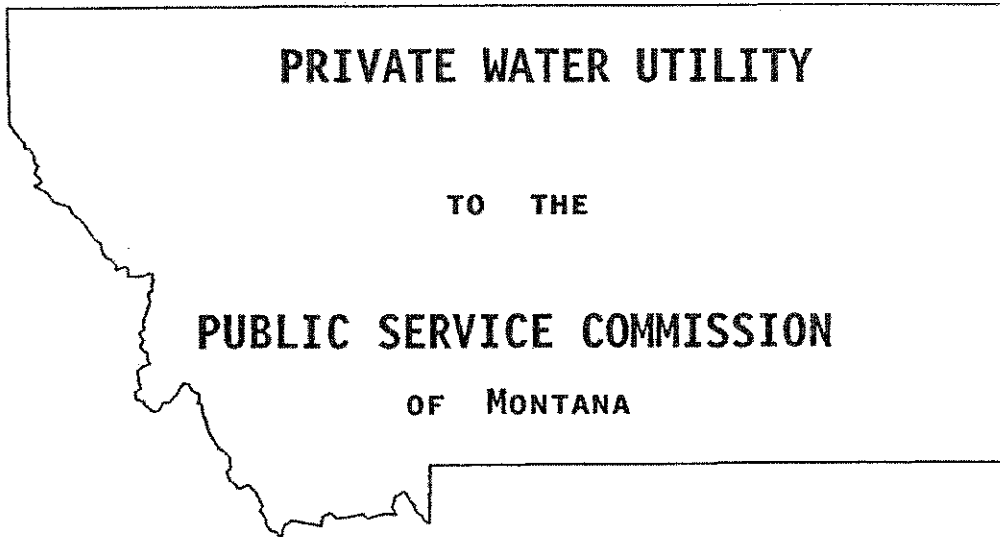
of the

NAME

Landmark Water Company, LLC

LOCATION

3985 Valley Commons Drive, Bozeman, MT 59718



FOR THE YEAR ENDING

31-Dec-07

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REPORT OF

Landmark Water Company, LLC

3985 Valley Commons Drive, Bozeman MT 59718

(address)

(city, state, zip code)

For Year Ended 31-Dec-07

Date Utility First Organized 2/11/2003

Telephone Number 406-586-9922

Location of books and records 3985 Valley Commons Drive, Bozeman MT 59718

Contacts			
Name	Title	Principal Business Address	Salary
Person to send correspondence: Thomas Clinton	Registered Agent	3985 Valley Commons Drive Bozeman, MT 59718	
Person who prepared this report: Bret Heidkamp	CFO	3985 Valley Commons Drive Bozeman, MT 59718	
Officers and Managers:			
Potter Clinton Development, Inc.	Managing Member	3985 Valley Commons Drive Bozeman, MT 59718	0

Ownership			
Report every corporation or person owning interest or holding directly 5 percent or more of the voting securities of the reporting utility			
Name	Percent Ownership in Utility	Principle Business Address	Amt Pd by Utility
Potter Clinton Development, Inc.	100	3985 Valley Commons Drive Bozeman, MT 59718	0

INCOME STATEMENT

ACCOUNT NAME	Current Year	Previous Year
OPERATING REVENUE:		
Metered		
Residential	223,956.00	176,908.00
Commercial		
Industrial		
Other		
Unmetered		
Residential		
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL OPERATING REVENUE:	\$ 223,956.00	\$ 176,908.00
OPERATING EXPENSES:		
Operation and Maintenance Expense	157,819.00	134,434.00
Depreciation Expense	49,847.00	49,847.00
Taxes Other than Income		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSES	\$ 207,666.00	\$ 184,281.00
NET INCOME (LOSS) from OPERATIONS	\$ 16,290.00	\$ (7,373.00)
Other Income:		
Non Utility Income		
.....		
.....		
TOTAL OTHER INCOME	\$ -	\$ -
Other Deductions:		
Non-Utility Expenses		
Interest Expense	8,042.00	
.....		
TOTAL OTHER DEDUCTIONS	\$ 8,042.00	\$ -
NET INCOME (LOSS)	\$ 8,248.00	\$ (7,373.00)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	928,861.00	928,729.00
Less: Accumulated Deprec. & Amort.	219,822.00	169,975.00
NET UTILITY PLANT	\$ 709,039.00	\$ 758,754.00
Cash	20,298.00	46,589.00
Customer Accounts Receivable	31,267.00	18,611.00
Other Assets (Specify)		
.....		
.....		
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 51,565.00	\$ 65,200.00
TOTAL ASSETS	\$ 760,604.00	\$ 823,954.00
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings	8,248.00	(7,373.00)
Proprietary Capital	(72,611.00)	(65,238.00)
TOTAL CAPITAL	\$ (64,363.00)	\$ (72,611.00)
LIABILITIES		
Long Term Debt	387,362.00	
Accounts Payable	44,164.00	2,836.00
Notes Payable	393,441.00	
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
.....		
.....		
.....		
Advances for Construction		
Contributions in aid of Construction		893,729.00
TOTAL LIABILITIES	\$ 824,967.00	\$ 896,565.00
TOTAL LIABILITIES AND CAPITAL	\$ 760,604.00	\$ 823,954.00

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	169,975.00	120,128.00
Credits During the Year:		
Accruals Charged to Depreciation Account	49,847.00	49,847.00
Salvage		
Other Credits (Specify):		

Total Credits	\$ 219,822.00	\$ 169,975.00
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		

Total Debits	\$ -	\$ -
Balance at End of Year	\$ 219,822.00	\$ 169,975.00

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		Amount
	Cash	Property	
NOT APPLICABLE			

TOTAL DURING THE YEAR			\$ -

Accumulated Deferred Income Taxes		
Description		Amount
Accumulated Deferred Income Taxes	NOT APPLICABLE	
Federal		-
State		-
Total Accumulated Deferred Income Taxes		\$ -

Capital Stock		
NOT APPLICABLE	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 at first of year		
Changes during year:		
Net Income (loss)		
Dividends		
Other (Specify):		
.....		
.....		
.....		
Balance end of year		

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year	(72,611.00)	
Changes during year (Specify):		
Current Year Income	8,248.00	
.....		
.....		
Balance at end of year	(64,363.00)	

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Note Payable - First Security Bank	6	2000	390499
.....			
.....			
.....			
.....			
.....			
.....			
Total		\$ 2,000.00	\$ 390,499.00

Water Utility Plant Accounts

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	87,961.00			87,961.00
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	146,883.00			146,883.00
310	Power Generation Equipment				-
311	Pumping Equipment				-
320	Water Treatment Equipment				-
330	Distribution Reservoirs and Standpipes				-
331	Transmission and Distribution Mains	577,218.00			577,218.00
333	Services				-
334	Meters and Meter Installations	2,547.00	132.00		2,679.00
335	Hydrants	114,120.00			114,120.00
339	Other Plant and Misc. Equipment				
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		\$ 928,729.00	\$ 132.00	\$ -	\$ 928,861.00

Analysis of Accumulated Depreciation by Primary Account

Acct No.	Account	Average Service Life in Years	Average Salvage Value in Percent	Depr. Rate Applied	Accumulated Depreciation Beginning of Year	Debits	Credits	Accumulated Depreciation End of Year
301	Organization	15	0%	6.67%	22,105.00		5,864.00	27,969.00
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	20	0%	5%	29,303.00		7,344.00	36,647.00
310	Power Generation Equipment							-
311	Pumping Equipment							-
320	Water Treatment Equipment							-
330	Distribution Reservoirs and Standpipes							-
331	Transmission and Distribution Mains	20	0%	5%	94,930.00		28,861.00	123,791.00
333	Services							-
334	Meters and Meter Installations	15	0%	6.67%	679.00		170.00	849.00
335	Hydrants	15	0%	6.67%	22,958.00		7,608.00	30,566.00
339	Other Plant and Misc. Equipment							-
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					\$ 169,975.00	\$ -	\$ 49,847.00	\$ 219,822.00

Sources of Water Supply	
NOT APPLICABLE	
Surface Water: River: _____ Lake: _____ Stream: _____ Impounding Reservoir: _____	
Ground Water: No. of Springs: _____ No. of Shallow Wells: _____ No. of Deep Wells: _____	

Reservoirs, Standpipes, and Purification System	
NOT APPLICABLE	
No. of Reservoirs: _____	Capacity in Gallons: _____
No. of Standpipes: _____	Capacity in Gallons: _____
Method of Purification: _____	

Services and Meters									
Size->	1/2"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services			233						
Meters		233							

Number and Classification of Consumers							
Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	233		233	233		233	0
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	233.00	-	233.00	233.00	-	233.00	-

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year: _____	N/A
Maximum Water obtained all methods during any one day: _____	N/A
Minimum Amount of Water obtained all methods during one day: _____	N/A
Range of ordinary pressure on mains _____	N/A _____ lbs to _____ N/A _____ lbs
Range of fire pressure in mains _____	N/A _____ lbs to _____ N/A _____ lbs

Affidavit

STATE OF MONTANA)

County of Gallatin)

We, the undersigned, on our oath do severally say that the foregoing return of LANDMARK WATER COMPANY LLC 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.

[Handwritten Signature]
(Signature)

(Signature)

Subscribed and sworn before me this 9 day of February, 2009

Connie J. Thompson

(SEAL)

Connie J. Thompson