

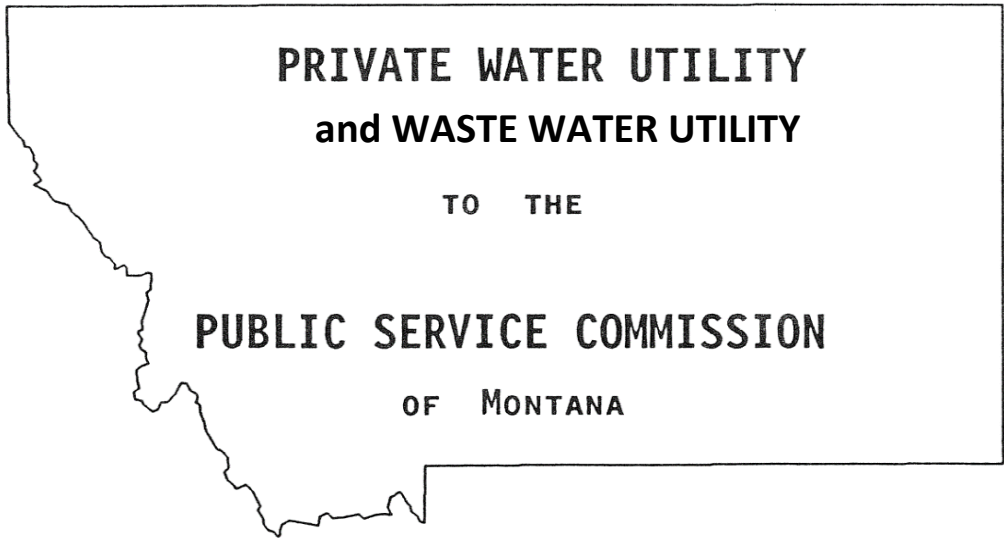
YEAR 2019

**ANNUAL REPORT**

of the

NAME AquaFlo, LLC

LOCATION Helena, Montana



FOR THE YEAR ENDING 2019

## 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 Uniform System of Accounts for Water Utilities.
- 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 "N/A". 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 filed in duplicate and one copy returned by April 30 following the end of the calendar year for calendar year filers. If other than a calendar year filer, this report needs to be filed by the end of the 4th month following the end of the fiscal year for filers that have other than a calendar year yearend.
- 9 Please send the copy of your completed Annual Report to:

Montana Public Service Commission  
Utility Division  
P.O. Box 202601  
Helena, MT 59620-2601

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# REPORT OF

**AquaFlo, LLC**

**P O Box 1091**

*(address)*

**Helena, MT 59624**

*(city, state, zip code)*

For Year Ended 2019

Date Utility First Organized 3/1/2007

Telephone Number 406-442-4747

Location of books and records 4855 N Montana Ave., Helena, MT

Contacts			
Name	Title	Principal Business Address	Salary
Person to send correspondence: <b>John Maxness</b>	<b>Manager</b>	<b>P O Box 1091 Helena, MT 59624</b>	
Person who prepared this report: <b>Sandra Barrows</b>	Regulatory Consultant	<b>6171 Lazy Man Gulch Helena, MT 59601</b>	
Officers and Managers: <b>John Maxness</b>	<b>Manager</b>	<b>P O Box 1091 Helena, MT 59624</b>	

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
<b>Aqua Sierra, LLC</b>	<b>100%</b>	<b>PO Box 1091 Helena, MT 59624</b>	

## INCOME STATEMENT

ACCOUNT NAME	Current Year 2019	Previous Year 2018
<b>OPERATING REVENUE:</b>		
Metered		
Residential	53,662.73	60,064.62
Commercial	421.26	1,549.02
Industrial		
Other		
Unmetered		
Residential	\$ 76,959.00	\$ 76,777.92
Commercial	3,123.63	3,168.90
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials - Meter		
Other - Connect, disconnect, NSF	565.76	861.84
<b>TOTAL OPERATING REVENUE:</b>	<b>\$ 134,732.38</b>	<b>\$ 142,422.30</b>
<b>OPERATING EXPENSES:</b>		
Operation and Maintenance Expense	\$ 108,587.56	\$ 106,242.35
Depreciation/Amort Expense	24,180.00	17,680.00
Taxes Other than Income	1,469.56	1,219.05
Federal Income Taxes	1,000.00	4,984.67
State Income Taxes	500.00	2,092.00
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 135,737.12</b>	<b>\$ 132,218.07</b>
<b>NET INCOME (LOSS) from OPERATIONS</b>	<b>\$ (1,004.74)</b>	<b>\$ 10,204.23</b>
<b>Other Income:</b>		
Non Utility Income	4,320.00	4,980.00
Expense Reimbursement		
<b>TOTAL OTHER INCOME</b>	<b>\$ 4,320.00</b>	<b>\$ 4,980.00</b>
<b>Other Deductions:</b>		
Non-Utility Expenses		
Interest Expense	15,940.00	8,173.26
ROI	27,340.80	27,340.80
<b>TOTAL OTHER DEDUCTIONS</b>	<b>\$ 43,280.80</b>	<b>\$ 35,514.06</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (39,965.54)</b>	<b>\$ (20,329.83)</b>

## COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year 2019	Previous Year 2018
<b>ASSETS:</b>		
Utility Plant in Service	\$ 296,918.00	\$ 296,917.81
Sewer System Access	\$ 195,000.00	\$ 195,000.00
Less: Accumulated Deprec. & Amort.	173,401.00	149,221.00
<b>NET UTILITY PLANT</b>	<b>\$ 318,517.00</b>	<b>\$ 342,696.81</b>
Cash	\$ 2,896.95	\$ 17,793.01
Customer Accounts Receivable	-	
Current Asset	\$ -	-
Other Assets (Specify) <b>Land</b>	27,478.00	27,478.00
<b>TOTAL ASSETS OTHER THAN UTILITY PLANT</b>	<b>\$ 30,374.95</b>	<b>\$ 45,271.01</b>
<b>TOTAL ASSETS</b>	<b>\$ 348,891.95</b>	<b>\$ 387,967.82</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>CAPITAL</b>		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings		
Proprietary Capital	\$ 143,447.95	\$ 181,998.82
<b>TOTAL CAPITAL</b>	<b>\$ 143,447.95</b>	<b>\$ 181,998.82</b>
<b>LIABILITIES</b>		
Long Term Debt	\$ 200,402.00	\$ 208,672.00
Accounts Payable	\$ -	
Notes Payable	\$ 9,195.00	-
Customer Deposits		
Accrued Taxes (2019 return, due in 2020)	(4,153.00)	(2,703.00)
Other Liabilities (Specify)		
Advances for Construction		
Contributions in aid of Construction		
<b>TOTAL LIABILITIES</b>	<b>\$ 205,444.00</b>	<b>\$ 205,969.00</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 348,891.95</b>	<b>\$ 387,967.82</b>

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year 2019	Previous Year 2018
Balance at First of Year	\$ 149,221	\$ 131,541
Credits During the Year:	\$ 24,180	\$ 17,680
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify):		
Total Credits	\$ 173,401	\$ 149,221
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 173,401	\$ 149,221

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	
<b>none</b>			
<b>TOTAL DURING THE YEAR</b>			\$ -

Accumulated Deferred Income Taxes	
Description	Amount
Accumulated Deferred Income Taxes	
Federal	(2,901.00)
State	(1,252.00)
Total Accumulated Deferred Income Taxes	<b>\$ (4,153.00)</b>

Taxes from the 2019 return that are due in 2020.

Capital Stock			
	none	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			
	none	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	-----	\$ 181,998.82	
Changes during year (Specify):			
	-----		
Net income, change acrd tax liability	-----	\$ (38,550.87)	
	-----		
Balance at end of year	-----	\$ 143,447.95	

Long Term Debt			
Description of Obligation	Interest	Payment	Principal at Balance Sheet Date
	Rate		
Term: 180 monthly payments beg 7/1/2018	7.75%	\$ 2,000.21	\$ 200,402.00
Total		\$ 2,000.21	\$ 200,402.00



Utility Plant Accounts					
Acct No.	Account Name	Previous Year 2018	Additions	Retirements	Current Year 2019
301	Organization				
302	Franchises				
303	Land & Land Rights	\$ 27,478			\$ 27,478
304	Sewer Building				\$ -
305	Water Building				\$ -
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	\$ 22,940			\$ 22,940
320	Water Treatment Equipment	\$ -			\$ -
330	Combined Water Plant	\$ 169,751			\$ 169,751
331	Combined Sewer Plant	\$ 65,528			\$ 65,528
333	Services				\$ -
334	Meters and Meter Installations	\$ 7,476			\$ 7,476
335	Hydrants				\$ -
339	Pumping Equipment				\$ -
340	Office Furniture and Equipment				\$ -
341	Transportation Equipment				\$ -
342	Software	\$ 2,520			\$ 2,520
343	Tools, Shop & Garage Equipment				\$ -
344	Laboratory Equipment				\$ -
345	Power Operated Equipment				\$ -
346	Communication Equipment				\$ -
347	Fencing	\$ 28,703			\$ 28,703
348	Other Tangible Plant				\$ -
	Sewer Access/Northstar (Amortize)	\$ 195,000			\$ 195,000
		\$ 519,396	\$ -	\$ -	\$ 519,396

### 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 2019	Debits	Credits	Accumulated Depreciation End of Year 2019
304	Structure and improvements	15			1,899	1,899		3,798
305	Water Building							0
306	Lake River and Other Intakes							0
307	Wells and Springs							0
308	Infiltration Galleries and Tunnels							0
309	Supply Mains							0
310	Power Generation Equipment							0
311	Pumping Equipment	7	0%	Straight Line	22,940	0		22,940
320	Water Treatment Equipment	20	0%	Straight Line	0	0		0
330	Combined Water Plant	25	0%	Straight Line	83,713	7,025		90,738
331	Combined Sewer Plant	25	0%	Straight Line	4,081	342		4,423
333	Services							
334	Meters and Meter Installations	7	0%	Straight Line	7,476	0		7,476
335	Hydrants							0
339	Other Plant and Misc. Equipment							0
340	Office Furniture and Equipment							0
341	Transportation Equipment							0
342	Software	5	0%	Straight Line	2,520	0		2,520
343	Tools, Shop & Garage Equipment							0
344	Laboratory Equipment							0
345	Power Operated Equipment							0
346	Communication Equipment							0
347	Fencing	15	0%	Straight Line	20,092	1,914		22,006
348	Other Tangible Plant							
	Sewer Access/Northstar (Amortize)	15		Straight Line	6,500	13,000		19,500
<b>TOTAL</b>					149,221	24,180	0	173,401

<b>Operation and Maintenance Expense</b>	
<b>Account Name</b>	<b>Amount</b>
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
IRA	
Purchased Water	
Purchased Power	11,287.37
Operation and Maintenance	18,152.22
Chemicals	
Materials and Supplies	675.59
Contractual Services (Operation, Engineering, Billing, Consulting, Legal, Mgmt.)	55,075.23
Testing & Monitoring	904.80
Sewer Expense	15,444.00
Insurance Expense	3,171.00
Regulatory Commission Expense	1,387.50
Bad Debt Expense	
Miscellaneous Expense	2,489.85
<b>TOTAL</b>	<b>\$ 108,587.56</b>

<b>Payments for Services Rendered by Other than Employees</b>		
<p>Report all information concerning rate, management, construction advertising, labor relations, public relations or other similar services rendered the respondent of 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.</p>		
<b>Name of Recipient</b>	<b>Amount</b>	<b>Description of Service</b>
John Maxness	\$24,082	Management/Maintenance
Accounting Beans, LLC	\$16,908	Billing and Accounting Services
Integerated Water	\$18,633	Professional Service and O&M
Northstar Develop	\$15,444	Sewer Services
Barrows Consulting, LLC	\$5,175	Consulting/Regulatory
Northwest Energy	\$10,771	Purchased Power

### Sources of Water Supply

Surface Water: River:   n/a   Lake:   n/a   Stream:   n/a   Impounding Reservoir:   n/a  

Ground Water: No. of Springs:   n/a   No. of Shallow Wells:   n/a   No. of Deep Wells:   3  

### Reservoirs, Standpipes, and Purification System

No. of Reservoirs:	1	Capacity in Gallons:	292,000
No. of Standpipes:	0	Capacity in Gallons:	0
Method of Purification:	<b>none</b>		

### Services and Meters

Size->	1/2"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	3/4 in
Services									144
Meters									145

### Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	139		139	139		139	0
Commercial	6		6	6		6	0
Industrial							
Fire Hydrants		2	2		2	2	0
Governmental							
All Other							
<b>Total</b>	145	2	147	145	2	147	0

### Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year:        10,435,400  
 Maximum Water obtained all methods during any one day:                    63,512  
 Minimum Amount of Water obtained all methods during one day:        15,886  
 Range of ordinary pressure on mains   60   lbs to   70   lbs  
 Range of fire pressure in mains   15   lbs to   20   lbs

Affidavit

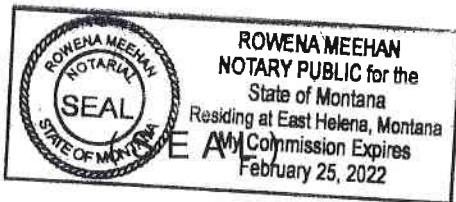
STATE OF MONTANA )

County of Lewis and Clark )

I, the undersigned, on our oath do severally say that the foregoing return of AquaFlo, LLC, water and wastewater utility, has been prepared under my 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.

John Maxness  
(Signature) John Maxness

Subscribed and sworn before me this 29<sup>th</sup> day of April, 2020



Rowena Meehan