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ANNUAL REPORT

PUBLIC SERVICE
COMMISSION

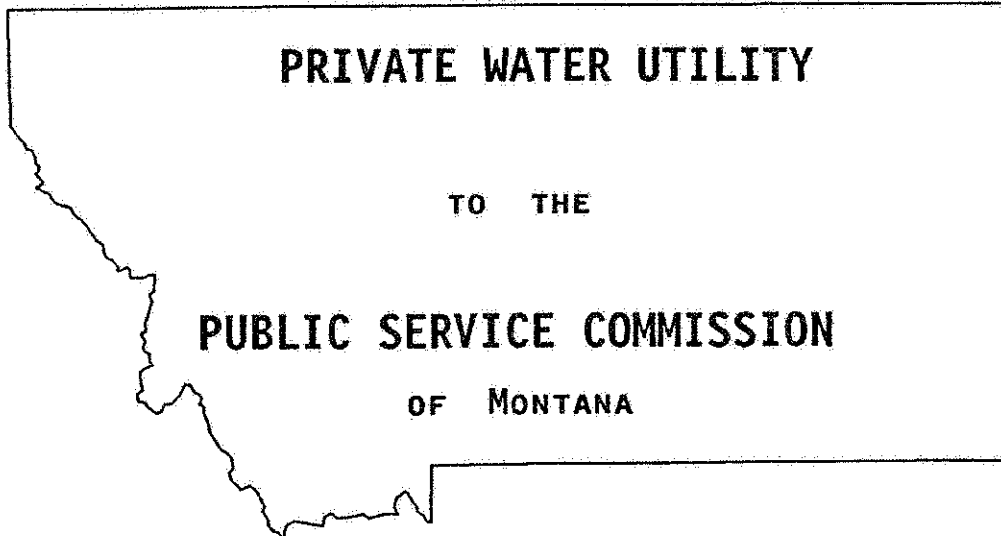
of the

NAME

AquaFlo, LLC

LOCATION

Helena, Montana



FOR THE YEAR ENDING

2008

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

1065 Avian Road and 8230 Eagle Drive

(address)

Helena, MT 59602

(city, state, zip code)

For Year Ended 2008

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: W.A. (Bill) Gallagher	Manager	4855 N Montana Ave. Helena, MT 59602	
Person who prepared this report: W.A. (Bill) Gallagher	Manager	4855 N Montana Ave. Helena, MT 59602	
Officers and Managers: W.A. (Bill) Gallagher	Manager	4855 N Montana Ave. Helena, MT 59602	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
Aqua Sierra, LLC	100%	4855 N Montana Ave. Helena, MT 59602	0

CORRECTED

Amended June 11, 2009

INCOME STATEMENT		
ACCOUNT NAME	Current Year	Previous Year
OPERATING REVENUE:		
Metered	none	
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	\$ 112,374.00	\$ 106,986.00
Commercial	5,023.00	5,654.00
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other	Connection fee 340.00	10,000.00
TOTAL OPERATING REVENUE:	\$ 117,737.00	\$ 122,640.00
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 118,208.00	\$ 77,029.00
Depreciation Expense	9,449.00	20,690.00
Taxes Other than Income	4,379.00	3,271.00
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSES	\$ 132,036.00	\$ 100,990.00
NET INCOME (LOSS) from OPERATIONS	\$ (14,299.00)	\$ 21,650.00
Other Income:		
Non Utility Income	9,245.33	
TOTAL OTHER INCOME	\$ 9,245.33	\$ -
Other Deductions:		
Non-Utility Expenses		
Interest Expense	980.00	
TOTAL OTHER DEDUCTIONS	\$ 980.00	\$ -
NET INCOME (LOSS)	\$ (6,033.67)	\$ 21,650.00

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	\$ 200,833.00	
Less: Accumulated Deprec. & Amort.	12,603.00	
NET UTILITY PLANT	\$ 188,230.00	\$ -
Cash	\$ 705.00	
Customer Accounts Receivable	2,427.00	
Other Assets (Specify) Land	32,951.00	
.....		
.....		
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 36,083.00	\$ -
TOTAL ASSETS	\$ 224,313.00	\$ -
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings		
Proprietary Capital	\$ 89,358.00	
TOTAL CAPITAL	\$ 89,358.00	\$ -
LIABILITIES		
Long Term Debt	\$ 68,352.00	
Accounts Payable	\$ 12,603.00	
Notes Payable	54,000.00	
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
.....		
.....		
.....		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 134,955.00	\$ -
TOTAL LIABILITIES AND CAPITAL	\$ 224,313.00	\$ -

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	\$ 161,499.00	\$ 164,653.00
Credits During the Year:	36,180.00	
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify):		
Total Credits	\$ 197,679.00	\$ 164,653.00
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
Depreciation	\$ 9,449.00	\$ 3,154.00
Total Debits	\$ 9,449.00	\$ 3,154.00
Balance at End of Year	\$ 188,230.00	\$ 161,499.00

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	
none			
TOTAL DURING THE YEAR			\$ -

Accumulated Deferred Income Taxes	
Description	Amount
Accumulated Deferred Income Taxes	none
Federal	-
State	-
Total Accumulated Deferred Income Taxes	\$ -

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	-----	\$ 109,224.00	
Changes during year (Specify):			
Net Profit (Loss) for Year	-----	\$ (14,299.00)	
Debt over Equity	-----	\$ 5,587.00	

Balance at end of year	-----	\$ 89,358.00	

Long Term Debt			
Description of Obligation	Interest		Principal at Balance Sheet Date
	Rate	Payment	
Promissory Note to MT Associates	4.85%	\$ 2,100.00	\$ 68,352.00

Total		\$ 2,100.00	\$ 68,352.00

Water Utility Plant Accounts

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Sewer Building	2,501.00			2,501.00
305	Water Building	5,738.00			5,738.00
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	Combined Water Plant	84,853.00			84,853.00
331	Combined Sewer Plant	71,561.00			71,561.00
333	Services				
334	Meters and Meter Installations		7,476.00		7,476.00
335	Hydrants				
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	Fencing		28,703.00		28,703.00
348	Other Tangible Plant				
Total Water Plant		\$ 164,653.00	\$ 36,179.00	\$ -	\$ 200,832.00

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	
304	Sewer Building	39	0%	2.5%	8.00	64.00		72.00	
305	Water Building	39	0%	2.5%	18.00	147.00		165.00	
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	Combined Water Plant	25	0%	4%	1,697.00	3,394.00		5,091.00	
331	Combined Sewer Plant	25	0%	4%	1,431.00	2,862.00		4,293.00	
333	Services								
334	Meters and Meter Installations	7	0%		0.00	1,068.00		1,068.00	
335	Hydrants								
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	Fencing	15	0%	6.6%	0.00	1,914.00		1,914.00	
348	Other Tangible Plant								
TOTAL					\$ 3,154.00	\$ 9,449.00	\$ -	\$ 12,603.00	

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: **none**

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									145
Meters									145

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	126	9	135	139		139	4
Commercial	6		6	6		6	0
Industrial							
Fire Hydrants		2	2		2	2	0
Governmental							
All Other							
Total	132	11	143	145	2	147	4

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 15,490,086 gals.
 Maximum Water obtained all methods during any one day: 98,168 gals.
 Minimum Amount of Water obtained all methods during one day: 15,838 gals.
 Range of ordinary pressure on mains 60 lbs to 70 lbs
 Range of fire pressure in mains 65 lbs to 75 lbs

Affidavit

STATE OF MONTANA)

County of Lewis and Clark)

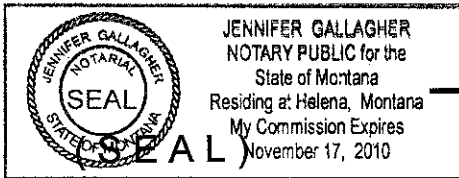
We, the undersigned, on our oath do severally say that the foregoing return of AquaFlo, LLC, water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.

[Handwritten Signature]

(Signature)

(Signature)

Subscribed and sworn before me this 19 day of February, 2009



Jennifer Gallagher

Jennifer Gallagher

State of Montana
Notary expires: 11-17-2010