

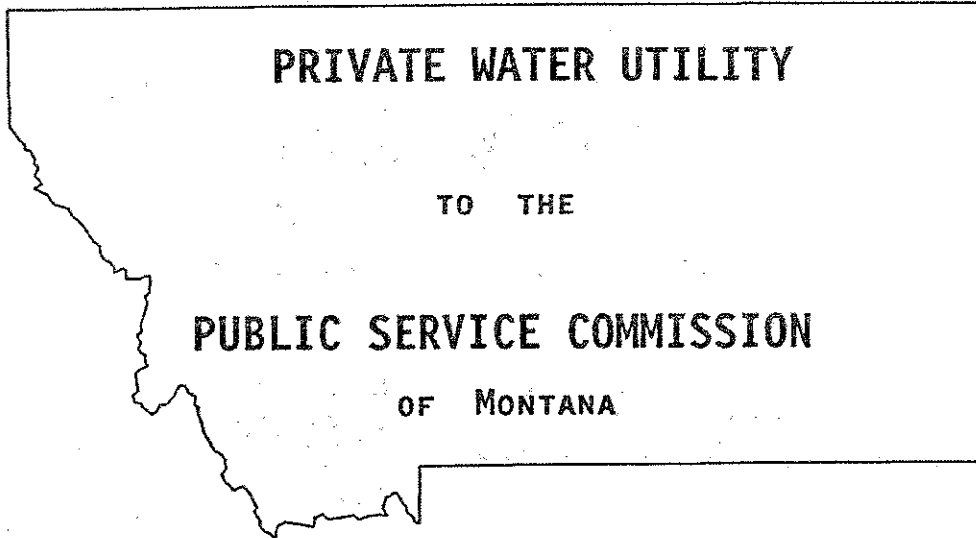
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YEAR 2009
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ANNUAL REPORT PUBLIC SERVICE
COMMISSION

of the

NAME AquaFlo, LLC

LOCATION Helena, Montana



FOR THE YEAR ENDING 2009

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REPORT OF

AquaFlo, LLC

P O Box 1091

(address)

Helena, MT 59624

(city, state, zip code)

For Year Ended 2009

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	P O Box 1091 Helena, MT 59624	
Person who prepared this report: W. A. (Bill) Gallagher	Manager	P O Box 1091 Helena, MT 59602	
Officers and Managers: W. A. (Bill) Gallagher	Manager	P O Box 1091 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

INCOME STATEMENT

ACCOUNT NAME	Current Year	Previous Year
OPERATING REVENUE:		
Metered	none	
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	\$ 109,481.00	\$ 112,374.00
Commercial	5,023.00	5,023.00
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials	Meter 85.00	
Other	Connection fees 220.00	340.00
TOTAL OPERATING REVENUE:	\$ 114,809.00	\$ 117,737.00
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 84,852.00	\$ 118,208.00
Depreciation Expense	11,534.00	9,449.00
Taxes Other than Income	1,089.00	4,379.00
Deferred Federal Income Taxes	2,641.00	
Deferred State Income Taxes	1,564.00	
TOTAL OPERATING EXPENSES	\$ 101,680.00	\$ 132,036.00
NET INCOME (LOSS) from OPERATIONS	\$ 13,129.00	\$ (14,299.00)
Other Income:		
Non Utility Income	8,277.00	9,245.00
TOTAL OTHER INCOME	\$ 8,277.00	\$ 9,245.00
Other Deductions:		
Non-Utility Expenses		
Interest Expense	1,969.00	980.00
TOTAL OTHER DEDUCTIONS	\$ 1,969.00	\$ 980.00
NET INCOME (LOSS)	\$ 19,437.00	\$ (6,034.00)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	\$ 204,968.00	200,833.00
Less: Accumulated Deprec. & Amort.	11,534.00	12,603.00
NET UTILITY PLANT	\$ 193,434.00	\$ 188,230.00
Cash	\$ 3,555.00	705.00
Customer Accounts Receivable	3,358.00	2,427.00
Other Assets (Specify) Land	32,951.00	32,951.00
TOTAL ASSETS OTHER THAN UTILITY PLAN	\$ 39,864.00	\$ 36,083.00
TOTAL ASSETS	\$ 233,298.00	\$ 224,313.00
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings		
Proprietary Capital	\$ 97,402.00	89,358.00
TOTAL CAPITAL	\$ 97,402.00	\$ 89,358.00
LIABILITIES		
Long Term Debt	\$ 94,887.00	68,352.00
Accounts Payable	\$ 21,804.00	12,603.00
Notes Payable	15,000.00	54,000.00
Customer Deposits		
Accrued Taxes	4,205.00	
Other Liabilities (Specify)		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 135,896.00	\$ 134,955.00
TOTAL LIABILITIES AND CAPITAL	\$ 233,298.00	\$ 224,313.00

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	\$ 191,384.00	\$ 164,653.00
Credits During the Year:	13,588.00	36,180.00
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify):		
Total Credits	\$ 204,972.00	\$ 200,833.00
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
Depreciation	\$ 11,534.00	\$ 9,449.00
Total Debits	\$ 11,534.00	\$ 9,449.00
Balance at End of Year	\$ 193,438.00	\$ 191,384.00

Contributions in Aid of Construction			
Report below all contractor and developer agreements 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	
Federal	2,641.00
State	1,564.00
Total Accumulated Deferred Income Taxes	\$ 4,205.00

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	\$ 89,358.00	
Changes during year (Specify):		
Increased Assets	\$ 8,985.00	
Increased debt	\$ (941.00)	
Balance at end of year	\$ 97,402.00	

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Promissory Note to MT Associates	4.85%	\$ 2,100.00	\$ 45,980.00
Valley Bank Loan	Var. 6%	\$ 576.34	\$ 48,907.00
Total		\$ 2,676.34	\$ 94,887.00

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		11,068.00		11,068.00
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	Pumping Equipment				-
340	Office Furniture and Equipment				-
341	Transportation Equipment				-
342	Software		2,520.00		2,520.00
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 Utility Plant		\$ 200,832.00	\$ 13,588.00	\$ -	\$ 214,420.00

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%	72.00	64.00		136.00
305	Water Building	39	0%	2.5%	165.00	147.00		312.00
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	7	0%	14%	-	1,581.00		1,581.00
320	Water Treatment Equipment							
330	Combined Water Plant	25	0%	4%	5,091.00	3,394.00		8,485.00
331	Combined Sewer Plant	25	0%	4%	4,293.00	2,862.00		7,155.00
333	Services							
334	Meters and Meter Installations	7	0%		1,068.00	1,068.00		2,136.00
335	Hydrants							
339	Other Plant and Misc. Equipment							
340	Office Furniture and Equipment							
341	Transportation Equipment							
342	Software	5	0%	20%	-	504.00		504.00
343	Tools, Shop & Garage Equipment							
344	Laboratory Equipment							
345	Power Operated Equipment							
346	Communication Equipment							
347	Fencing	15	0%	6.6%	1,914.00	1,914.00		3,828.00
348	Other Tangible Plant							
TOTAL					\$ 12,603.00	\$ 11,534.00	\$ -	\$ 24,137.00

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									143
Meters									144

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	137	0	137	137		137	0
Commercial	6		6	6		6	0
Industrial							
Fire Hydrants		2	2		2	2	0
Governmental							
All Other							
Total	143	2	145	143	2	145	0

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 15,294,617 gals.
 Maximum Water obtained all methods during any one day: 144,000 gals.
 Minimum Amount of Water obtained all methods during one day: 16,000 gals.
 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)

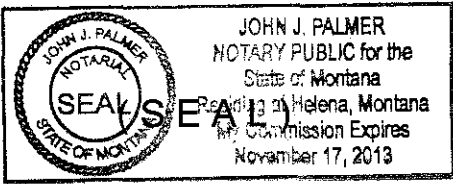
County of Lewis and Clark)

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.

[Signature]
(Signature) Manager, AquaFlo, LLC

Subscribed and sworn before me this 30th day of March, 2010

[Signature]
John J. Palmer



NOTARY - Lewis & Clark, County