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# ANNUAL REPORT

of the

NAME

Aquanet, Inc.

LOCATION

Billings, MT

FOR THE YEAR ENDING

12/31/2009

# REPORT OF

Aquanet, Inc.

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P.O. Box 80445  
*(address)*

Billings, Mt 59106  
*(city, state, zip code)*

For Year Ended 2009

Date Utility First Organized 1/3/2001

Telephone Number (406) 656-5545

Location of books and records 4241 Cedarwood, Billings, Mt 59106

## Contacts

Name	Title	Principal Business Address	Salary
Person to send correspondence	Julane Wells	P.O. Box 80445	
Person who prepared this report	Julane Wells	P.O. Box 80445	
Officers and Managers:	Dan Wells	P.O. Box 80445	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
Dan Wells	50%	P.O. Box 80445	0
Julane Wells	50%	P.O. Box 80445	0

INCOME STATEMENT		
ACCOUNT NAME	Current Year	Previous Year
<b>OPERATING REVENUE:</b>		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	103,073	87,515
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other -Hookups Reimbursed	1,881	45,415
<b>TOTAL OPERATING REVENUE:</b>	<b>\$ 104,954</b>	<b>\$ 124,520</b>
<b>OPERATING EXPENSES:</b>		
Operation and Maintenance Expense	87,174	100,790
Depreciation Expense	8,072	8,993
Taxes Other than Income	2,270	1,903
Deferred Federal Income Taxes		
Deferred State Income Taxes		
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 97,516</b>	<b>\$ 111,686</b>
<b>NET INCOME (LOSS) from OPERATIONS</b>	<b>\$ 7,438</b>	<b>\$ 12,834</b>
<b>Other Income:</b>		
Non Utility Income - Bank Interest	18	635
<b>TOTAL OTHER INCOME</b>	<b>\$ 18</b>	<b>\$ 635</b>
<b>Other Deductions:</b>		
Non-Utility Expenses	285	6,220
Interest Expense	25,390	24,846
<b>TOTAL OTHER DEDUCTIONS</b>	<b>\$ 25,675</b>	<b>\$ 31,066</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (18,219)</b>	<b>\$ (17,597)</b>

## COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
<b>ASSETS:</b>		
Utility Plant in Service	252,868	252,868
Less: Accumulated Deprec. & Amort.	(70,906)	(62,834)
<b>NET UTILITY PLANT</b>	<b>\$ 181,962</b>	<b>\$ 190,034</b>
Cash	3,624	3,316
Customer Accounts Receivable	4,390	4,882
Other Assets (Specify)		
Sewer System Inventories	22,001	23,986
Land	12,168	12,168
<b>TOTAL ASSETS OTHER THAN UTILITY PLANT</b>	<b>\$ 42,183</b>	<b>\$ 44,352</b>
<b>TOTAL ASSETS</b>	<b>\$ 224,145</b>	<b>\$ 234,386</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>CAPITAL</b>		
Common Stock Issued	1,000	1,000
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings	(167,744)	(149,526)
Proprietary Capital		
<b>TOTAL CAPITAL</b>	<b>\$ (166,744)</b>	<b>\$ (148,526)</b>
<b>LIABILITIES</b>		
Long Term Debt	362,104	362,714
Accounts Payable	12,720	14,753
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Prepaid Water	16,065	5,445
Advances for Construction		
Contributions in aid of Construction		
<b>TOTAL LIABILITIES</b>	<b>\$ 390,889</b>	<b>\$ 382,912</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 224,145</b>	<b>\$ 234,386</b>

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	62,834	54,764
Credits During the Year:		
Accruals Charged to Depreciation Account	8,072	8,070
Salvage		
Other Credits (Specify):		
.....		
.....		
Total Credits	\$ 8,072	\$ 8,070
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
.....		
.....		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 70,906	\$ 62,834

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	
.....			
.....			
.....			
.....			
TOTAL DURING THE YEAR			\$ -

Accumulated Deferred Income Taxes	
Description	Amount
Accumulated Deferred Income Taxes	
Federal	
State	
Total Accumulated Deferred Income Taxes	\$ -

Capital Stock		
	Common Stock	Preferred Stock
Par or stated value per share	1	
Shares Authorized		
Shares Issued and Outstanding	1000	
Total par value of stock issued		
Dividends declared per share for year		

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year		(149,526)
Changes during year:		
Net Income (loss)		(18,219)
Dividends		
Other (Specify):		
.....		
.....		
.....		
Balance end of year		(167,745)

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year		
Changes during year (Specify):		
.....		
.....		
.....		
Balance at end of year		

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Private Notes Payable	7%	3,250	362,104
.....			
.....			
.....			
.....			
.....			
.....			
.....			
Total		\$ 3,250	\$ 362,104

## Water Utility Plant Accounts

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights	12,168			12,168
304	Structures and Improvements	240,868			240,868
305	Collecting and Impounding Reservoirs				
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	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
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	12,000			12,000
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
<b>Total Water Plant</b>		<b>265,036</b>	<b>0</b>	<b>0</b>	<b>265,036</b>

### 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	Structures and Improvements	37.5		Straight line	52,908		6,689	59,597
305	Collecting and Impounding Reservoirs							
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	Distribution Reservoirs and Standpipes							
331	Transmission and Distribution Mains							
333	Services							
334	Meters and Meter Installations							
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	5		200 DDB	9,926		1,383	11,309
346	Communication Equipment							
347	Miscellaneous Equipment							
348	Other Tangible Plant							
<b>TOTAL</b>					\$ 62,834	\$ -	\$ 8,072	\$ 70,906





### Sources of Water Supply

Surface Water: River: \_\_\_\_\_ Lake: \_\_\_\_\_ Stream: \_\_\_\_\_ Impounding Reservoir: \_\_\_\_\_

Ground Water: No. of Springs: \_\_\_\_\_ No. of Shallow Wells: 20 No. of Deep Wells: 4

### Reservoirs, Standpipes, and Purification System

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									
Meters									

### Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential		131	131		146	146	15
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
<b>Total</b>	-	131	131	-	146	146	15

### Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 81,000,000 gals.

Maximum Water obtained all methods during any one day: 650,000 gals.

Minimum Amount of Water obtained all methods during one day: 19,800 gals.

Range of ordinary pressure on mains 58 lbs to 65 lbs

Range of fire pressure in mains 58 lbs to 65 lbs