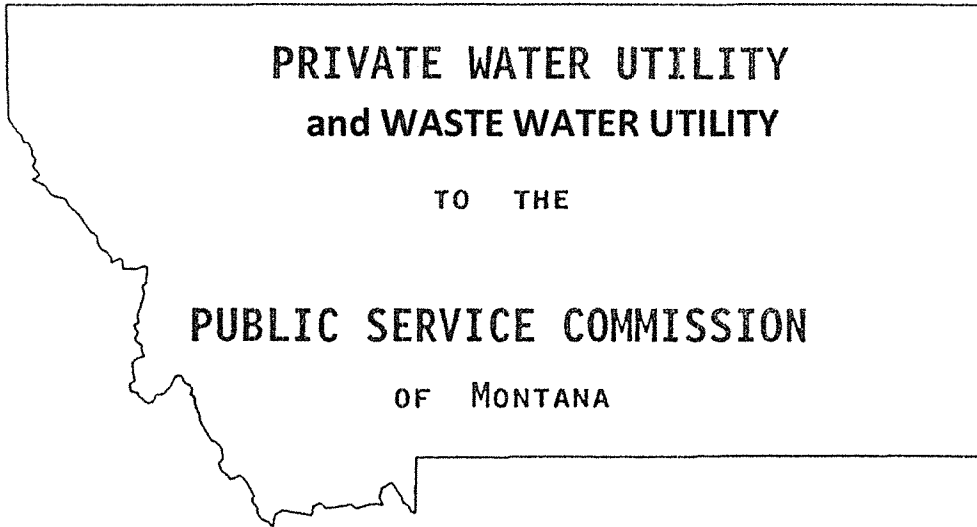


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ANNUAL REPORT PUBLIC SERVICE
COMMISSION
of the

NAME AquaFlo, LLC

LOCATION Helena, Montana



FOR THE YEAR ENDING 2011

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REPORT OF

AquaFlo, LLC

P O Box 1091

(address)

Helena, MT 59624

(city, state, zip code)

For Year Ended 2011

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: John Maxness	Manager	P O Box 1091 Helena, MT 59624	
Person who prepared this report: Sandra Barrows	Regulatory Consultant	6171 Lazy Man Gulch Helena, MT 59601	
Officers and Managers: John Maxness	Manager	P O Box 1091 Helena, MT 59624	

Ownership

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%	PO Box 1091 Helena, MT 59624	

INCOME STATEMENT

ACCOUNT NAME	Current Year 2011	Previous Year 2010
OPERATING REVENUE:		
Metered		
Residential	57,268.26	41,297.00
Commercial	1,075.84	2,479.00
Industrial		
Other		
Unmetered		
Residential	\$ 66,828.57	\$ 84,692.00
Commercial	3,031.92	3,695.00
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials - Meter	85.00	
Other - Connect, disconnect, NSF	432.00	340.00
TOTAL OPERATING REVENUE:	\$ 128,721.59	\$ 132,503.00
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 91,675.98	\$ 103,764.00
Depreciation Expense	13,446.00	14,707.00
Taxes Other than Income	1,384.85	2,872.00
Federal Income Taxes	2,043.00	2,043.00
State Income Taxes	1,025.00	1,025.00
TOTAL OPERATING EXPENSES	\$ 109,574.83	\$ 124,411.00
NET INCOME (LOSS) from OPERATIONS	\$ 19,146.76	\$ 8,092.00
Other Income:		
Non Utility Income	3,400.00	3,669.00
.....		
.....		
TOTAL OTHER INCOME	\$ 3,400.00	\$ 3,669.00
Other Deductions:		
Non-Utility Expenses		
Interest Expense	158.00	3,067.00
ROI	22,349.98	
.....		
TOTAL OTHER DEDUCTIONS	\$ 22,507.98	\$ 3,067.00
NET INCOME (LOSS)	\$ 38.78	\$ 8,694.00

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year 2011	Previous Year 2010
ASSETS:		
Utility Plant in Service	\$ 239,952.00	\$ 239,952.00
Less: Accumulated Deprec. & Amort.	63,437.00	49,991.00
NET UTILITY PLANT	\$ 176,515.00	\$ 189,961.00
Cash	\$ (1,934.35)	\$ (3,248.00)
Customer Accounts Receivable	-	5,333.00
Other Assets (Specify) Land	27,478.00	27,478.00
.....		
.....		
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 25,543.65	\$ 29,563.00
TOTAL ASSETS	\$ 202,058.65	\$ 219,524.00
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings		
Proprietary Capital	\$ 200,196.05	\$ 146,558.00
TOTAL CAPITAL	\$ 200,196.05	\$ 146,558.00
LIABILITIES		
Long Term Debt	\$ -	\$ 67,301.00
Accounts Payable	\$ -	\$ 2,597.00
Notes Payable		
Customer Deposits		
Accrued Taxes (2011 return, paid in 2012)	1,862.60	3,068.00
Other Liabilities (Specify)		
.....		
.....		
.....		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 1,862.60	\$ 72,966.00
TOTAL LIABILITIES AND CAPITAL	\$ 202,058.65	\$ 219,524.00

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year 2011	Previous Year 2010
Balance at First of Year	\$ 49,991	\$ 35,284
Credits During the Year:	\$ 13,446	\$ 14,707
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify):		
.....		
Total Credits	\$ 63,437	\$ 49,991
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
.....		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 63,437	\$ 49,991

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	
Federal	1,188.00
State	674.60
Total Accumulated Deferred Income Taxes	\$ 1,862.60

Taxes from the 2011 return that are paid in 2012.

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	-----	\$ 146,558.00	
Changes during year (Specify):			
.....			
.....		\$ 53,638.05	
.....			
Balance at end of year		\$ 200,196.05	

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
.....			
.....			
.....			
.....			
.....			
.....			
.....			
.....			
Total		\$ -	\$ -

Utility Plant Accounts					
Acct No.	Account Name	Previous Year 2010	Additions	Retirements	Current Year 2011
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	\$ 8,562			\$ 8,562
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				\$ -
Total Utility Plant		\$ 267,430	\$ -	\$ -	\$ 267,430

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 2011	Debits	Credits	Accumulated Depreciation End of Year 2011
304	Sewer Building							0
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	12,674	2,593		15,267
320	Water Treatment Equipment							0
330	Combined Water Plant	25	0%	Straight Line	27,514	7,025		34,539
331	Combined Sewer Plant	25	0%	Straight Line	1,341	342		1,683
333	Services							0
334	Meters and Meter Installations	7	0%	Straight Line	2,670	1,068		3,738
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	1,008	504		1,512
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	4,784	1,914		6,698
348	Other Tangible Plant							0
TOTAL					49,991	13,446	0	63,437

Operation and Maintenance Expense

Account Name	Amount
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pension and Benefits	
Purchased Water	
Purchased Power	16,082.80
Operation and Maintenance	11,928.02
Chemicals	
Materials and Supplies	17.10
Contractual Services (Operation, Engineering, Billing, Legal, Mgmt)	34,648.84
Testing & Monitoring	3,739.50
Transportation Expense	
Insurance Expense	2,558.00
Regulatory Commission Expense	19,429.50
Bad Debt Expense	
Miscellaneous Expense	3,272.22
TOTAL	\$ 91,675.98

Payments for Services Rendered by Other than Employees

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.

Name of Recipient	Amount	Description of Service
John Maxness	\$17,000	Management
Pioneer Technical Services, Inc.	\$6,114	Operations/Maintenance
Accounting Beans, LLC	\$14,765	Billing and Accounting Services
NorthWestern Energy	\$15,446	Electric Service
Barrows Consulting	\$10,163	Consulting
Browning Kaleczyc / Strand Associates	\$9,267	Legal Services

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									142
Meters									143

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	136		136	137		137	1
Commercial	6		6	6		6	0
Industrial							
Fire Hydrants		2	2		2	2	0
Governmental							
All Other							
Total	142	2	144	143	2	145	1

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 12,497,700 gals.

Maximum Water obtained all methods during any one day: 81,000 gals.

Minimum Amount of Water obtained all methods during one day: 15,700 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)

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 - manager
(Signature)

Subscribed and sworn before me this 15 day of June, 2012

Rowena Meehan

For the State of Montana
Lewis + Clark County

