

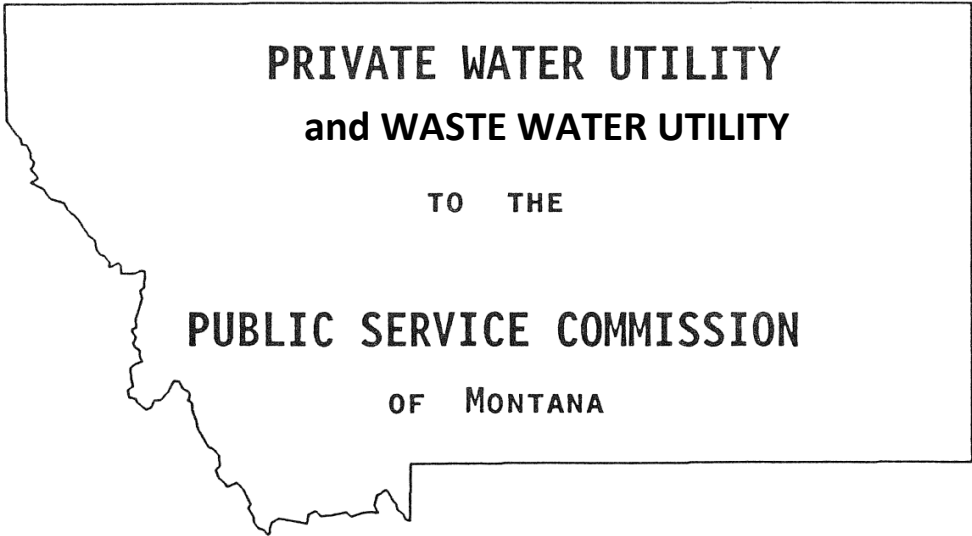
YEAR 2018

ANNUAL REPORT

of the

NAME AquaFlo, LLC

LOCATION Helena, Montana



FOR THE YEAR ENDING 2018

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 2018

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

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 2018	Previous Year 2017
OPERATING REVENUE:		
Metered		
Residential	60,064.62	66,209.77
Commercial	1,549.02	2,326.99
Industrial		
Other		
Unmetered		
Residential	\$ 76,777.92	\$ 74,559.69
Commercial	3,168.90	3,304.71
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials - Meter		
Other - Connect, disconnect, NSF	861.84	674.00
TOTAL OPERATING REVENUE:	\$ 142,422.30	\$ 147,075.16
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 106,242.35	\$ 109,900.81
Depreciation/Amort Expense ¹	17,680.00	9,281.00
Taxes Other than Income	1,219.05	2,552.68
Federal Income Taxes	4,984.67	3,490.75
State Income Taxes	2,092.00	2,621.00
TOTAL OPERATING EXPENSES	\$ 132,218.07	\$ 127,846.24
¹ Corrected 2017: Current Asset vs Plant		
NET INCOME (LOSS) from OPERATIONS	\$ 10,204.23	\$ 19,228.92
Other Income:		
Non Utility Income	4,980.00	3,800.00
Expense Reimbursement		
TOTAL OTHER INCOME	\$ 4,980.00	\$ 3,800.00
Other Deductions:		
Non-Utility Expenses		
Interest Expense	8,173.26	-
ROI	27,340.80	27,340.80
TOTAL OTHER DEDUCTIONS	\$ 35,514.06	\$ 27,340.80
NET INCOME (LOSS)	\$ (20,329.83)	\$ (4,311.88)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year 2018	Previous Year 2017
ASSETS:		
Utility Plant in Service ¹	\$ 296,917.81	\$ 239,952.00
Sewer System Access	\$ 195,000.00	
Less: Accumulated Deprec. & Amort. ¹	149,221.00	131,541.00
NET UTILITY PLANT	\$ 342,696.81	\$ 108,411.00
Cash	\$ 18,793.01	\$ 38,736.65
Customer Accounts Receivable	-	
Current Asset ¹	\$ -	50,000.00
Other Assets (Specify) Land	27,478.00	27,478.00
1 2017: moved \$50,000 from plant to current asset.		
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 46,271.01	\$ 116,214.65
TOTAL ASSETS	\$ 388,967.82	\$ 224,625.65
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings		
Proprietary Capital	\$ 182,998.82	\$ 200,033.65
TOTAL CAPITAL	\$ 182,998.82	\$ 200,033.65
LIABILITIES		
Long Term Debt	\$ 208,672.00	\$ 25,000.00
Accounts Payable	\$ -	
Notes Payable		
Customer Deposits		
Accrued Taxes (2018 return, due in 2019)	(2,703.00)	(408.00)
Other Liabilities (Specify)		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 205,969.00	\$ 24,592.00
TOTAL LIABILITIES AND CAPITAL	\$ 388,967.82	\$ 224,625.65

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year 2018	Previous Year 2017
Balance at First of Year	\$ 131,541	\$ 122,260
Credits During the Year: ¹	\$ 17,680	\$ 9,281
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify):		
<small>1 Corrected 2017: Current Asset vs Plant</small>		
Total Credits	\$ 149,221	\$ 131,541
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 149,221	\$ 131,541

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	(1,901.00)
State	(802.00)
Total Accumulated Deferred Income Taxes	\$ (2,703.00)

Taxes from the 2018 return that are due in 2019.

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	-----	\$ 200,033.65	
Changes during year (Specify):			

Net income, change in cash, current asset, plant, acrd tax liability, loan	-----	\$ (17,034.83)	

Balance at end of year		\$ 182,998.82	

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
			\$ 208,672.00

Total		\$ -	\$ 208,672.00

Utility Plant Accounts					
Acct No.	Account Name	Previous Year 2017	Additions	Retirements	Current Year 2018
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 ¹	\$ -			\$ -
330	Combined Water Plant	\$ 169,751			\$ 169,751
331	Combined Sewer Plant	\$ 8,562	\$ 56,966		\$ 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
1 2017: moved \$50,000 from plant to current asset					
		\$ 267,430	\$ 251,966	\$ -	\$ 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 2018	Debits	Credits	Accumulated Depreciation End of Year 2018
304	Structure and improvements	15				1,899		1,899
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 ¹	20	0%	Straight Line	0	0		0
330	Combined Water Plant	25	0%	Straight Line	76,688	7,025		83,713
331	Combined Sewer Plant	25	0%	Straight Line	3,735	342		4,077
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	18,182	1,914		20,096
348	Other Tangible Plant							
	Sewer Access/Northstar (Amortize)	15		Straight Line	0	6,500		6,500
	¹ moved 2017 addition from Plant to Current Asset							
TOTAL					131,541	17,680	0	149,221

Operation and Maintenance Expense	
Account Name	Amount
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
IRA	5,300.00
Purchased Water	
Purchased Power	12,780.95
Operation and Maintenance	15,722.39
Chemicals	
Materials and Supplies	352.00
Contractual Services (Operation, Engineering, Billing, Legal, Mgmt)	54,398.94
Testing & Monitoring	1,954.15
Sewer Expense	8,379.00
Insurance Expense	3,016.00
Regulatory Commission Expense	975.00
Miscellaneous Expense	3,363.92
TOTAL	\$ 106,242.35

Payments for Services Rendered by Other than Employees		
<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>		
Name of Recipient	Amount	Description of Service
John Maxness	\$24,307	Management
Accounting Beans, LLC	\$19,304	Billing and Accounting Services
Integerated Water	\$19,422	Professional Service and O&M
Northstar Develop	\$8,379	Sewer 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									143
Meters									144

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							
Total	145	2	147	145	2	147	0

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 11,765,300

Maximum Water obtained all methods during any one day: 75,384

Minimum Amount of Water obtained all methods during one day: 14,943

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.

(Signature) John Maxness

Subscribed and sworn before me this ____ day of ___April_____, 2019

(S E A L)

