

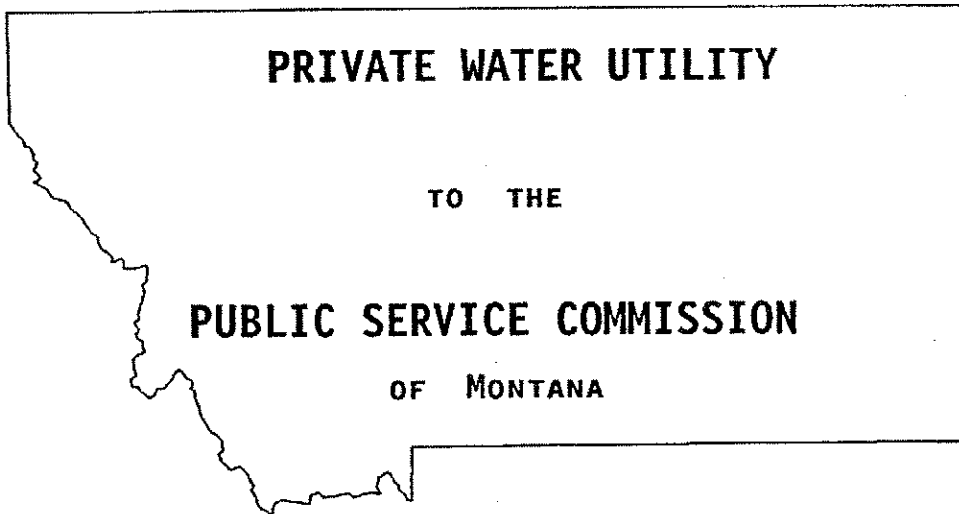
YEAR 2021

ANNUAL REPORT

of the

NAME JL Real Estate Development LLC dba Valley Water System

LOCATION 2425 West Central, Suite 201 Missoula MT 59801



FOR THE YEAR ENDING 12/31/2021

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

JL Real Estate Development LLC dba Valley Water System

2425 West Central, Suite 201 Missoula MT 59801

(address)

(city, state, zip code)

For Year Ended 12/31/2021

Date Utility First Organized 8/9/2008

Telephone Number 406-251-7916

Location of books and records 2425 West Central, Suite 201 Missoula MT 59801

Contacts			
Name	Title	Principal Business Address	Salary
Person to send correspondence: Jared A Langley	Owner	2425 West Central, Suite 201 Missoula MT 59801	
Person who prepared this report: Aileena Williams	Office Manager	2425 West Central, Suite 201 Missoula MT 59801	
Leroy Beeby	Consultant	1620 Townsend Ave Helena, MT 59601	

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	Principle Business Address	Amt Pd by
Jared A Langley	100%	2425 West Central, Suite 201 Missoula MT 59801	\$ -

INCOME STATEMENT

ACCOUNT NAME		
OPERATING REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	29,760.00	30,120.00
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL OPERATING REVENUE:	\$ 29,760.00	\$ 30,120.00
OPERATING EXPENSES:		
Operation and Maintenance Expense	33,567.85	28,658.00
Depreciation Expense	14,666.91	10,000.00
Taxes Other than Income	7,041.59	6,225.00
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSES	\$ 55,276.35	\$ 44,883.00
NET INCOME (LOSS) from OPERATIONS	\$ (25,516.35)	\$ (14,763.00)
Other Income:		
Non Utility Income		
TOTAL OTHER INCOME	\$ -	\$ -
Other Deductions:		
Non-Utility Expenses		
Interest Expense		
TOTAL OTHER DEDUCTIONS	\$ -	\$ -
NET INCOME (LOSS)	\$ (25,516.35)	\$ (14,763.00)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	444,459.17	250,000.00
Less: Accumulated Deprec. & Amort.	210,669.85	130,000.00
NET UTILITY PLANT	\$ 233,789.32	\$ 120,000.00
Cash	96,189.01	111,801.00
Customer Accounts Receivable	62,032.54	
Other Assets (Specify)		
JL Real Estate	500.00	
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 158,721.55	\$ 111,801.00
TOTAL ASSETS	\$ 392,510.87	\$ 231,801.00
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital		35,000.00
Retained Earnings		187,501.00
Proprietary Capital	367,612.73	
TOTAL CAPITAL	\$ 367,612.73	\$ 222,501.00
LIABILITIES		
Long Term Debt		
Accounts Payable	24,898.14	
Notes Payable		9,301.00
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 24,898.14	\$ 9,301.00
TOTAL LIABILITIES AND CAPITAL	\$ 392,510.87	\$ 231,802.00

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	140,000.00	130,000.00
Credits During the Year:		10,000.00
Accruals Charged to Depreciation Account	14,666.91	
Salvage		
Other Credits (Specify):		
Correct starting 2021 Accumulated Depreciation	196,002.94	
Total Credits	\$ 350,669.85	\$ 140,000.00
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
Reverse incorrect accumulated depreciation	140,000.00	
Total Debits	\$ 140,000.00	\$ -
Balance at End of Year	\$ 210,669.85	\$ 140,000.00

Contributions in Aid of Construction		
Report below all contractor and developer agreements and indicate line extension agreements from which cash or property was received during the year	Cash / Property	Amount
N/A		
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		
Shares Authorized		
Shares Issued and Outstanding		
Total par value of stock issued		
Dividends declared per share for year		

Retained Earnings

	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	\$	-
Changes during year (Specify):		
Moved from 2020 Retained Earnings (not a corporation)	\$	172,738.00
Other Paid in Capital - Moved from 2021 BS	\$	35,000.00
Net Change - Plant Adjustment EOY-BOY	\$	194,459.17
Net Income	\$	(25,516.35)
Other Equity To Balance	\$	(9,068.09)
Balance at end of year	\$	367,612.73

\$

Long Term Debt

Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Total		\$ -	\$ -

Water Utility Plant Accounts					
Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights		50,000.00		50,000.00
304	Structures and Improvements		25,000.00		25,000.00
305	Collecting and Impounding Reservoirs				-
306	Lake River and Other Intakes				-
307	Wells and Springs		80,000.00		80,000.00
308	Infiltration Galleries and Tunnels				-
309	Supply Mains		53,100.00		53,100.00
310	Power Generation Equipment		50,000.00		50,000.00
311	Pumping Equipment *	250,000.00	20,000.00	250,000.00	20,000.00
320	Water Treatment Equipment				-
330	Distribution Reservoirs and Standpipes		10,000.00		10,000.00
331	Transmission and Distribution Mains		53,315.00		53,315.00
333	Services		24,930.00		24,930.00
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				-
346	Communication Equipment				-
347	Miscellaneous Equipment		78,114.17		78,114.17
348	Other Tangible Plant				-
Total Water Plant**		\$ 250,000.00	\$444,459.17	\$250,000.00	\$ 444,459.17

* - \$250,000 was reversed out of Plant to be able to reflect the proper plant

** - The amount will not agree with the tax return as some of the plant was expensed for tax purposes. The amount reflected here is the actual cost of the plant that should be capitalized. The plant was based on the schedule filed in the original filing D2013.3.18 that was approved by the Commission. There was an error on the schedule. Item 3 on the schedule was not extended to total correctly. See attached Schedule (Updated Plant)

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 (Actual)	Debits	Credits	Accumulated Depreciation End of Year
304	Structures and Improvements	30	0.00%	3.33%	\$ 10,000.00		\$ 833.33	\$ 10,833.33
305	Collecting and Impounding Reservoirs							\$ -
306	Lake River and Other Intakes							\$ -
307	Wells and Springs	30	0.00%	3.33%	\$ 32,000.00		\$ 2,666.67	\$ 34,666.67
308	Infiltration Galleries and Tunnels							\$ -
309	Supply Mains	50	0.00%	2.00%	\$ 12,744.00		\$ 1,062.00	\$ 13,806.00
310	Power Generation Equipment	20	0.00%	5.00%	\$ 30,000.00		\$ 2,500.00	\$ 32,500.00
311	Pumping Equipment	25	0.00%	4.00%	\$ 20,000.00			\$ 20,000.00
320	Water Treatment Equipment			#DIV/0!				\$ -
330	Distribution Reservoirs and Standpipes	20		5.00%	\$ 6,000.00		\$ 500.00	\$ 6,500.00
331	Transmission and Distribution Mains	50		2.00%	\$ 12,795.60		\$ 1,066.30	\$ 13,861.90
333	Services	30		3.33%	\$ 9,972.00		\$ 831.00	\$ 10,803.00
334	Meters and Meter Installations			#DIV/0!				\$ -
335	Hydrants			#DIV/0!				\$ -
339	Other Plant and Misc. Equipment			#DIV/0!				\$ -
340	Office Furniture and Equipment			#DIV/0!				\$ -
341	Transportation Equipment			#DIV/0!				\$ -
342	Stores Equipment			#DIV/0!				\$ -
343	Tools, Shop & Garage Equipment			#DIV/0!				\$ -
344	Laboratory Equipment			#DIV/0!				\$ -
345	Power Operated Equipment			#DIV/0!				\$ -
346	Communication Equipment			#DIV/0!				\$ -
347	Miscellaneous Equipment	15		6.67%	\$ 62,491.34		\$ 5,207.61	\$ 67,698.95
348	Other Tangible Plant			#DIV/0!				\$ -
TOTAL *					\$ 196,002.94	\$ -	\$ 14,666.91	\$ 210,669.85

* Accumulated depreciation on 2020 annual report is \$140,000. Adjustment in plant changed accumulated depreciation (See Updated Plant)

**Updated Plant
Plant Per Spreadsheet supplied in original filing**

Item	Description	Quantity	Unit	Unit Price	Total	Capitalized?
1	Building for well controls	1	Each	\$ 25,000.00	\$ 25,000.00	Yes
2	Utility Lot for Pump house (ground)	1	Each	\$ 50,000.00	\$ 50,000.00	Yes
3	8" diameter well - 150' deep	2	Each	\$ 40,000.00	\$ 80,000.00	Yes
4	8" DR 18 Class C900 PVC Water Mains	1180	Linear Feet	\$ 45.00	\$ 53,100.00	Yes
5	8" FLG Tee	1	Each	\$ 500.00	\$ 500.00	Yes
6	2" Blow-off Assembly	2	Each	\$ 900.00	\$ 1,800.00	Yes
7	8" FLG x MJ Gate Valve with Valve Box	3	Each	\$ 1,000.00	\$ 3,000.00	Yes
8	8" FLG x MJ Adapter	1	Each	\$ 400.00	\$ 400.00	Yes
9	8" MJ Bend	3	Each	\$ 400.00	\$ 1,200.00	Yes
10	1" Water Service Connection (Includes corp stop)	29	Each	\$ 270.00	\$ 7,830.00	Yes
11	1" Water Service Line	2427	Linear Feet	\$ 20.00	\$ 48,540.00	Yes
12	2" Water Service Connection (Includes corp stop)	6	Each	\$ 1,000.00	\$ 6,000.00	Yes
13	2" water service line	191	Linear Feet	\$ 25.00	\$ 4,775.00	Yes
14	1" Curb stop with curb box	29	Each	\$ 300.00	\$ 8,700.00	Yes
15	2" Curb stop with Curb box	6	Each	\$ 400.00	\$ 2,400.00	Yes
16	Well Pump and Controls	2	Each	\$ 10,000.00	\$ 20,000.00	Yes
17	Pressure tank system	1	Lump Sum	\$ 10,000.00	\$ 10,000.00	Yes
18	Self-contained generator - installed	1	Each	\$ 50,000.00	\$ 50,000.00	Yes
19	Abandon existing well	1	Each	\$ 1,200.00	\$ 1,200.00	No
20	Payment and performance bond	1	Each	\$ 5,484.90	\$ 5,484.90	No
21	Engineering	1	Each	\$ 27,324.50	\$ 27,324.50	Yes
22	Contingency	1	Each	\$ 40,986.75	\$ 40,986.75	No
23	Transformer installation (minus MEC Cont)	1	Each	\$ 38,754.00	\$ 38,754.00	Yes
24	Bank Fees	1	Each	\$ 310.00	\$ 310.00	No
25	Water testing fees	All	Lump Sum	\$ 5,504.19	\$ 5,504.19	No
26	Test supplies	All	Lump Sum	\$ 7.07	\$ 7.07	No
27	Electrical	All	Lump Sum	\$ 4,935.67	\$ 4,935.67	Yes
28	Insurance	All	Lump Sum	\$ 3,601.14	\$ 3,601.14	No
29	Repair - Building maintenance	All	Lump Sum	\$ 1,505.51	\$ 1,505.51	No
30	Propane	All	Lump Sum	\$ 1,510.82	\$ 1,510.82	No
31	Phone Service	All	Lump Sum	\$ 834.30	\$ 834.30	No
32	Accounting Fees	All	Lump Sum	\$ 875.00	\$ 875.00	No
33	Dump fees	All	Lump Sum	\$ 70.48	\$ 70.48	No
34	Licensing	All	Lump Sum	\$ 200.00	\$ 200.00	Yes
35	Interest on system	72	Months	\$ 1,250.00	\$ 90,000.00	No
					\$ 596,328.13	

Error on Addendum 2
Only has 1 X 40K

Item	Description	Account	Quantity	Unit	Unit Price	Total	Capitalized	Life	Depreciation Rate	In Service Date	Acc Dep 2020	Dep 2021	Acc Dep 2021
2	Utility Lot for Pump house (ground)	303	1	Each	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	-	0.00%	1/1/2009	\$ -	\$ -	\$ -
1	Building for well controls	304	1	Each	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	30	3.33%	1/1/2009	\$ 10,000.00	\$ 833.33	\$ 10,833.33
3	8" diameter well - 150' deep	307	2	Each	\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	30	3.33%	1/1/2009	\$ 32,000.00	\$ 2,666.67	\$ 34,666.67
4	8" DR 18 Class C900 PVC Water Mains	309	1180	Linear Feet	\$ 45.00	\$ 53,100.00	\$ 53,100.00	50	2.00%	1/1/2009	\$ 12,744.00	\$ 1,062.00	\$ 13,806.00
18	Self-contained generator - installed	310	1	Each	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	20	5.00%	1/1/2009	\$ 30,000.00	\$ 2,500.00	\$ 32,500.00
16	Well Pump and Controls	311	2	Each	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	8	12.50%	1/1/2009	\$ 20,000.00	\$ -	\$ 20,000.00
17	Pressure tank system	330	1	Lump Sum	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	20	5.00%	1/1/2009	\$ 6,000.00	\$ 500.00	\$ 6,500.00
11	1" Water Service Line	331	2427	Linear Feet	\$ 20.00	\$ 48,540.00	\$ 48,540.00	50	2.00%	1/1/2009	\$ 11,649.60	\$ 970.80	\$ 12,620.40
13	2" water service line	331	191	Linear Feet	\$ 25.00	\$ 4,775.00	\$ 4,775.00	50	2.00%	1/1/2009	\$ 1,146.00	\$ 95.50	\$ 1,241.50
10	1" Water Service Connection (Includes corp stop)	333	29	Each	\$ 270.00	\$ 7,830.00	\$ 7,830.00	30	3.33%	1/1/2009	\$ 3,132.00	\$ 261.00	\$ 3,393.00
12	2" Water Service Connection (Includes corp stop)	333	6	Each	\$ 1,000.00	\$ 6,000.00	\$ 6,000.00	30	3.33%	1/1/2009	\$ 2,400.00	\$ 200.00	\$ 2,600.00
14	1" Curb stop with curb box	333	29	Each	\$ 300.00	\$ 8,700.00	\$ 8,700.00	30	3.33%	1/1/2009	\$ 3,480.00	\$ 290.00	\$ 3,770.00
15	2" Curb stop with Curb box	333	6	Each	\$ 400.00	\$ 2,400.00	\$ 2,400.00	30	3.33%	1/1/2009	\$ 960.00	\$ 80.00	\$ 1,040.00
5	8" FLG Tee	347	1	Each	\$ 500.00	\$ 500.00	\$ 500.00	15	6.67%	1/1/2009	\$ 400.00	\$ 33.33	\$ 433.33
6	2" Blow-off Assembly	347	2	Each	\$ 900.00	\$ 1,800.00	\$ 1,800.00	15	6.67%	1/1/2009	\$ 1,440.00	\$ 120.00	\$ 1,560.00
7	8" FLG x MJ Gate Valve with Valve Box	347	3	Each	\$ 1,000.00	\$ 3,000.00	\$ 3,000.00	15	6.67%	1/1/2009	\$ 2,400.00	\$ 200.00	\$ 2,600.00
8	8" FLG x MJ Adapter	347	1	Each	\$ 400.00	\$ 400.00	\$ 400.00	15	6.67%	1/1/2009	\$ 320.00	\$ 26.67	\$ 346.67
9	8" MJ Bend	347	3	Each	\$ 400.00	\$ 1,200.00	\$ 1,200.00	15	6.67%	1/1/2009	\$ 960.00	\$ 80.00	\$ 1,040.00
21	Engineering	347	1	Each	\$ 27,324.50	\$ 27,324.50	\$ 27,324.50	15	6.67%	1/1/2009	\$ 21,859.60	\$ 1,821.63	\$ 23,681.23
23	Transformer installation (minus MEC Cont)	347	1	Each	\$ 38,754.00	\$ 38,754.00	\$ 38,754.00	15	6.67%	1/1/2009	\$ 31,003.20	\$ 2,563.60	\$ 33,566.80
27	Electrical	347	All	Lump Sum	\$ 4,935.67	\$ 4,935.67	\$ 4,935.67	15	6.67%	1/1/2009	\$ 3,948.54	\$ 329.04	\$ 4,277.58
34	Licensing	347	All	Lump Sum	\$ 200.00	\$ 200.00	\$ 200.00	15	6.67%	1/1/2009	\$ 160.00	\$ 13.33	\$ 173.33
						\$ 444,459.17	\$ 444,459.17				\$ 198,002.94	\$ 14,666.91	\$ 210,669.85

Non-Capitalized

19	Abandon existing well	1	Each	\$	1,200.00	\$	1,200.00
20	Payment and performance bond	1	Each	\$	5,464.90	\$	5,464.90
22	Contingency	1	Each	\$	40,986.75	\$	40,986.75
24	Bank Fees	1	Each	\$	310.00	\$	310.00
25	Water testing fees	All	Lump Sum	\$	5,504.19	\$	5,504.19
26	Test supplies	All	Lump Sum	\$	7.07	\$	7.07
28	Insurance	All	Lump Sum	\$	3,601.14	\$	3,601.14
29	Repair - building maintenance	All	Lump Sum	\$	1,505.51	\$	1,505.51
30	Propane	All	Lump Sum	\$	1,510.62	\$	1,510.62
31	Phone Service	All	Lump Sum	\$	834.30	\$	834.30
32	Accounting Fees	All	Lump Sum	\$	875.00	\$	875.00
33	Dump fees	All	Lump Sum	\$	70.46	\$	70.46
35	Interest on system	72	Months	\$	1,250.00	\$	90,000.00
				\$		\$	<u>151,869.96</u>

Sources of Water Supply						
Surface Water: River: _____	Lake: _____	Stream: _____	Impounding Reservoir: _____			
Ground Water: No. of Springs: _____	No. of Shallow Wells: _____	No. of Deep Wells: _____	2			

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			35	13					
Meters								2	

Number and Classification of Consumers							
Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential		48	48		48	48	0
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	-	48	48	0	48	48	-

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year:	6,294,437 Gallons
Maximum Water obtained all methods during any one day:	62,888 Gallons
Minimum Amount of Water obtained all methods during one day:	6,727 Gallons
Range of ordinary pressure on mains	65 lbs to 72 lbs
Range of fire pressure in mains:	65 lbs to 72 lbs

