PLEELIVEEARY 2008

2007 AUG -4 A 9: 50

PUBLIC SERVICE
COMMISSION

ANNUAL REPORT

OF THE

NAME <u>Aquanet</u>, Inc.

LOCATION P.O. Box 80445 Billings MT

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

of Montana

REPORT OF

Ag	uanet.	Inc.

	Aquanet, Inc.			
		P.O. Box 80445	Billings INT S9106	
	(address)		(city, state, zip code)	
For Year Ende	q	2008		
Date Utility Fire	st Organized	01-03-01		
Telephone Nu	mber	406-656-5545	·	
Location of boo	oks and records	4241 Cedarwood		

Contacts					
Name	Title	Principal Business Address	Salary		
Person to send correspondence:					
Julane Wells	sec/treas	4241 Cedanwood			
Person who prepared this report:	·		voje geventos :		
Julane Wells	Sec. Itreas.	4241 (edanwood			
Officers and Managers: Daniel Wells	president	4241 Cedanwood	0		
cillane Wells	Sections.	4241 (edanvood	0		

	Ownership				
Report every corpo	oration or person owning interest or he	olding directly 5 percent or more of	the voting securities		
of the reporting util	lity				
Name	Percent Ownership in Utility	Principle Business Address	Amt Pd by Utility		
Daniel We	US 50%	4241 Cedanwood	0		
Julane W	115 50%	4241 Cedanwood	0		
;			·		

INCOME STATEMENT 2008 2007			
ACCOUNT NAME		Current Year	Previous Year
OPERATING REVENUE:			
Metered	ľ	<u></u>	
Residential	2 =		
Commercial		-	
Industrial	***************************************		
Other	******		
Unmetered	ļ	G-7 E1C	75 76/7
Residential	·	<u>87,5i5</u>	75,260
Commercial			
Industrial	*************		
Fire Protection	4		
Bulk Sales	4 44 44 44 45 45 45 45 45 45 45 45 45 45	• •	
Sale of Materials	lo por un crimalatra	45,412	49,260
Other	hook-up reimbura	\$ 132, 927 -	\$ 124,520-
TOTAL OPERATING REVENUE	<u></u>	Ψ (3a, 1a 1 -	Ψ (a4,5a0-
OPERATING EXPENSES: Operation and Maintenance Expenses	wnonco	96,987	100,790
Depreciation Expense	vhei19e	8,070	8.993
Taxes Other than Income		3,584	1,903
Deferred Federal Income Taxe		J, J6 1	1 (, 102
Deferred State Income Taxes			
TOTAL OPERATING EXPENSE	= 0	\$ 108,641-	\$ 111,686 -
TOTAL OF LIVATING EXPENSE	_0	<u>♥ 108, ØŦ1</u>	_ Ψ ((1, 0, 5, 0,
NET INCOME (LOSS) from OP	ERATIONS	\$ 24,286 -	\$ 12,834 -
Other Income:	. •		
Non Utility Income	Interest income	144	635
	,		
TOTAL OTHER INCOME		\$ 144 -	\$ 635 -
Other Deductions:			
Non-Utility Expenses		6,168	6,220
Interest Expense		23,729	24,846
			4 3 14
TOTAL OTHER DEDUCTIONS		<u>\$ 29,897 -</u>	\$ 31.066 -
NET NOOTE (LOSS)		6 (E 11)	10 /1- 70-
NET INCOME (LOSS)		\$ (5, 467)-	\$ \\\ 17,597\\-

COMPARATIVE E	BALANCE SHEET	
ACCOUNT NAME	Current Year	Previous Year
ASSETS:	2008	2007
Utility Plant in Service	252.868	a5a.868
Less: Accumulated Deprec. & Amort.	62,834	54.764
NET UTILITY PLANT	\$ 190,034 -	\$ 198,104 -
<i>y</i>		
Cash	3,316	2,509
Customer Accounts Receivable	4,882	2,945
Other Assets (Specify)		
sewer system inventories	23,986	21,631
Land	12,168	12,168
TOTAL ASSETS OTHER THAN UTILITY PLAN	\$ 44,352 -	\$ 39,253 -
OTAL ASSETS	\$ 234,386 -	\$ 237,357 -
OTAL AGGLIO	1 + ast, soe	14 004007
IABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	1,000	1,000
Preferred Stock Issued		š.
Other Paid in Capital		(110501)
Retained Earnings	149,5267	(149,5267
Proprietary Capital	A / 1/10 CO.	6 (1/0 050)
OTAL CAPITAL	\$ (148, 5267	\$ (143,059)
IABILITIES		· •
Long Term Debt	362.714	1 250 UM
Accounts Payable	11/752	21/854
Notes Payable	(4, (5)	81,001
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Prepaid Water	5,445	6.155
Advances for Construction		
Contributions in aid of Construction		
OTAL LIABILITIES	\$ 382,912 -	\$ 380,416 -
OTAL LIABILITIES AND CAPITAL	\$ 234.386 -	\$ 237.357 -
	1 00100	1 . O.O., O.J.

,	montination of L	Hility Dlant
Accumulated Depreciation and A	Current Year	Previous Year
Balance at First of Year	54.764	45,771
Credits During the Year:		
Accruals Charged to Depreciation Account Salvage	8,070	8,993
Other Credits (Specify):		
Total Credits	\$ 8,070-	\$ 8,993-
Debits During the Year: Book Cost of Plant Retired Cost of Removal Other Debits (Specify):		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 62,834-	\$ 54,764-

Contributions in Aid of Construction				
Report below all contractor and developer agreements ar line extension agreements from which cash or property				
was received during the year	Cash	Property	Amount	
	<u> </u>			
	 		<u>, , , , , , , , , , , , , , , , , , , </u>	
	<u></u>			
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	1,000	
Total par value of stock issued		
Dividends declared per share for year		

Retained Earnings			
Balance at first of year Changes during year: Net Income (loss) Dividends Other (Specify):	Appropriated	Unappropriated (144, 059) (5, 467)	
Balance end of year		(149,526)	

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

Lo	ng Term D	ebt	
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Private Noves Payable	70%		362,714
Total	7.0%	\$ -	\$ 362,714-

1	Water Uti	ility Plant Ac	counts		
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	12,168			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		<u> </u>		
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		···;		
Total W	ater Plant	\$265,036	\$ -	\$	\$265,036

TOTAL	348	347	346	345	344	343	342	341	340	339	335	334	333	331	330	320	311	310	309	308	307	306	305	304	Acct No.	
	Other Tangible Plant	Miscellaneous Equipment	Communication Equipment	Power Operated Equipment	Laboratory Equipment	Tools, Shop & Garage Equipment	Stores Equipment	Transportation Equipment			Hydrants	Meters and Meter Installations	Services	Transmission and Distribution Mains	Distribution Reservoirs and Standpipes	Water Treatment Equipment	Pumping Equipment	Power Generation Equipment	Supply Mains	Infiltration Galleries and Tunnels	Wells and Springs	Lake River and Other Intakes	Collecting and Impounding Reservoirs	Structures and Improvements	Account	Analysis
				υı																				ون ر س	Average Service Life in Years	of Accu
				2																					Average Salvage Value in Percent	ımulateo
				200DB						_													(Straudyflu	Depr. Rate Applied	Depre
\$ 54,764 -				8,544														Elizabeth de la companya de la compa	The state of the s			7 m e q		2 46.230	Accumulated Depreciation Beginning of Year	Analysis of Accumulated Depreciation by Primary Account
↔																									Debits	y Account
\$ 8070-				1,382									***************************************											6,688	Credits	
\$ 63834 -				9,936												Live section as a								52,908	Accumulated Depreciation End of Year	

Water Operation and Maintenance Exp	ense
Account Name	Amount
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pension and Benefits	
Purchased Water	
Purchased Power	15,057
Fuel for Power Production	
Chemicals	2.561
Materials and Supplies	42, 258
Contractual Services	29,527
Rents	281
Transportation Expense	16
Insurance Expense	7,287
Regulatory Commission Expense	
Bad Debt Expense	-
TOTAL	\$ 96,987-

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
Montana Landworks, Inc. Propump, Inc. Wells Built Homes, Inc. Curb Box Specialties	27.080	installs septic & well Installs wells Management & Accounting Chempical testing
Provino, Inc.	12.700	Installs wells
Wells Built Homes, Inc.	6,000	Management's Accounting
Curlo Box Specialties	16,733	Chemical testing
		3
		1
	NAME OF THE OWNER OWNER OF THE OWNER OWNE	
		,

					ater Sur	·	Posonyoir		
			Lake:						
Ground Wa	ater: No.	of Springs	: No.	of Shallo	w Wells: _	<u>20</u> No.	of Deep V	Vells: 4	
		Reservo	oirs, Stand	pipes, a	and Puri	fication Sy	/stem		
No. of Re			•			in Gallons:			
No. of Sta					Capacity	in Gallons:			*
Method of	f Purifica	ition: Chi	onnation	\wedge					
**************************************								- 44,42	·
			Ser	vices ar	nd Meter	S		**************************************	
Size->	1/2"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services									
Meters						<u> </u>			
		Nun	nber and C	Classific	ation of	Consume	rs		
			eginning of Yea			End of Year			
Classifi	cation	Metered	Unmetered	Total	Metered	Unmetered	Total	Increa (Decre	
Residentia	al								
Commerc	ial								·
<u>Industrial</u>									
Fire Hydra									
Governme All Other	entai								
				<u></u>					
Tot	tal	_	_	_	-	-			-
			<u> </u>		<u> </u>				
			Total Pun	nping S	tation St	atistics			
Maximum	Water	btained a	ained by all r Il methods d	luring an	y one day	/:	5,650 950	,000 ,000	_gals. gals.
Minimum	Amount	of Water	obtained all	methods	during or	ne day:	19;	800	gals.
Range of	ordinary	pressure	on mains	<u> 58 </u>	_lbs to _	<u>65</u>	s		
Range of						lbs			

Affidavit

STATE OF MONTANA)	
County of)	
We, the undersigned, on our Aquanet, Inc		erally say that the	foregoing return of
water utility, has been prepa papers and records of said u correct statement embracing during the period for which the	itility and dec	clare the same to l cial transactions o	be a full, true and
	(Signature)	love Well	se Itras
Subscribed and sworn before	(Sign ature) e me this	day of	, 20
(SEAL)			