YEAR RECEIMON BY

2000 JUN 23 A 10-22

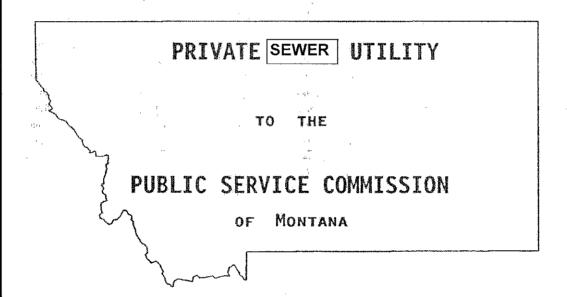
# **ANNUAL REPORT**

of the

NAME

HLH, LLC Waste Water

LOCATION 1627 W. Main St., Suite 299, Bozeman, MT 59715



FOR THE YEAR ENDING December 31, 2009

Form No. 402-A (01/2009)

#### **Table of Contents**

SCHEDULE	PAGE
Identification	2
Income Statement	3
Balance Sheet	4
Contributions in Aid of Construction	5
Accumulated Depreciation and Amortization of Utility Plant	6
Capital Stock	6
Retained Éarnings and another the second of	. 6
Proprietary Capital	6
Long Term Debt	6
Water Utility Plant Accounts	7
Analysis of Accumulated Deprecation by Primary Account	8
Payments For Services Rendered by Other Than Employees	9
Water Operation and Maintenance Expense	9
Water Customers	10
Operating Statistics	10

4

this end

B. C. Commercial

1.30 m

ign i

\*1

#### REPORT OF

L		

Waste Water

1627 W. Main	St.,	Suite	299,	Bozeman,	ΜT	5971
--------------	------	-------	------	----------	----	------

(address)

(city, state, zip code)

For Year Ended

December 31, 2009

Date Utility First Organized

January 14, 2008

Telephone Number

406-570-0371

Location of books and records

same address as preparer

	Contacts		÷
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Kevin Loustaunau Manager	1627 W. Main St., Suite 299 Bozeman, MT 59715	
Person who prepared this report:	Erin Parker, MPAC	777 E. Main St., Suite 201 Bozeman, MT 59715	
Officers and Managers:			X 
Kevin Loustaunau	Manager	same as above	\$12,000.00
Matt Huggins	Manager	same as above	\$6,750.00
	•	1	
	*		F 8
	* 4		

• •	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				
Kevin Loustaunau	33.33%	same as above	\$12,000.00				
Matt Huggins	33.33%	same as above	\$6,750.00				
Leigh Huggins	16.67%	same as managers					
American Pension Services	16.67%	same as managers					
	- Marine Inc.						
	Name and American						

ACCOUNT NAME	С	urrent Year	Prev	ious Year
OPERATING REVENUE:				
Metered				
Residential		• • •	1	
Commercial				
Industrial				
Other				
Unmetered				
Residential		101,420.00		89,096.0
Commercial		864.00		753.0
Industrial		004.00		700.0
Fire Protection				
Bulk Sales				1
Sale of Materials				
Other			1 2	
TOTAL OPERATING REVENUE:	\$	102,284.00	\$	89,849.0
			T .	00,010.0
			į	
OPERATING EXPENSES:			, , ,	
Operation and Maintenance Expense		56,826.00		75,135.0
Depreciation Expense	1 2 2 2	27,930.00		18,260.0
Taxes Other than Income		353.00	š .,	479.0
Deferred Federal Income Taxes				
Deferred State Income Taxes	-			
TOTAL OPERATING EXPENSES	\$	85,109.00	\$	93,874.0
•				
NET INCOME (LOSS) from OPERATIONS	\$	17,175.00	\$	(4,025.0
Other Income:				
Non Utility Income			<u></u>	
TOTAL OTHER INCOME	\$	_	\$	_
Other Deductions:	1		L	
Non-Utility Expenses				
Interest Expense		31,870.00		
·		,		
TOTAL OTHER DEDUCTIONS	\$	31,870.00	\$.	
	<u>'</u>	,	· · · · · · · · · · · · · · · · · · ·	
	\$	(14,695.00)	T .	(4,025.0

COMPARATIVE B	ALAN		<u> </u>	
ACCOUNT NAME		Current Year	Pre	evious Year
ASSETS:				
Utility Plant in Service		776,404.00		544,774.00
Less: Accumulated Deprec. & Amort.		(47,379.00)		(18,774.00)
NET UTILITY PLANT	\$	729,025.00	\$	526,000.00
		40.055.00		F 407.00
Cash		13,955.00		5,497.00
Customer Accounts Receivable				500 AA
Other Assets (Specify) Prepaid Exp.		20 470 00		588.00
Transfer Receivable		38,176.00		27,891.00 14,582.00
Goodwill	8,	14,582.00 13,272.00		9,255.00
Loan fees & start-up costs TOTAL ASSETS OTHER THAN UTILITY PLAN	\$	79,985.00	\$	57,813.00
TOTAL ASSETS OTHER THAN OTILIT FLAN	φ.	79,965.00	Ψ	37,6:13.00
TOTAL ASSETS	\$	809,010.00	\$	583,813.00
LIABILITIES AND CAPITAL				The state of the s
CAPITAL				
Common Stock Issued		* **		
Preferred Stock Issued	14 7			
Other Paid in Capital	in way	185,521.00		185,521.00
Retained Earnings	7 27	(18,720.00)		(4,025.00)
Proprietary Capital	1.44	(13,12313,37		
TOTAL CAPITAL	\$	166,801.00	\$	181,496.00
LIABILITIES		640,841.00		401,059.00
Long Term Debt		040,041.00		401,039.00
Accounts Payable  Notes Payable			<u> </u>	
Customer Deposits	<u>.                                    </u>			
Accrued Taxes				
Other Liabilities (Specify)				
Transfer Payable		48.00		24.00
Deferred Revenues		1,320.00		1,234.00
Delanda Neventee		.,020.00		
Advances for Construction		- · · ·		
Contributions in aid of Construction	-			
TOTAL LIABILITIES	\$	642,209.00	\$	402,317.00
		000 010 05		500 040 00
TOTAL LIABILITIES AND CAPITAL	\$	809,010.00	\$	583,813.00

Accumulated Depreciation and A	mortization of	Utility Plant
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	18,774.0	00
Credits During the Year:		
Accruals Charged to Depreciation Account	28,605.0	00 18,774.00
Salvage		
Other Credits (Specify):		
Total Credits	\$ 47,379.0	00 \$ 18,774.00
Debits During the Year:	No. of the second	
Book Cost of Plant Retired	,	
Cost of Removal	2	
Other Debits (Specify):	, v	,
	<u> </u>	
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 47,379.0	00 \$ 18,774.00
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	

Contributions in Aid of	Constr	uction	
Report below all contractor and developer agreements ar line extension agreements from which cash or property	Ind	icate	
was received during the year	Cash	Property	Amount
	,		
TOTAL DURING THE YEAR			\$ -

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

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

	R	etaine	ed Earr	nings			
				Appropri	iated	Unappropriat	ed
Balance at first of year						-\$4,025.00	
Changes during year:							
Net Income (loss)						-\$14,695.0	0 4
Dividends				7 .			
Other (Specify):	The second secon	, 100	,	-	13		7 29
• .							
			<u>_</u>	\$			
							- "
* * * * * * * * * * * * * * * * * * *				*			
Balance end of year					-	-\$18,720.0	0

Proprie	etary Capital
The second secon	Proprietor or Partner Partner
Balance at first of year	
Changes during year (Specify):	
Changes daming year (epocasy).	
Balance at end of year	

Lon	g Term I	Debt	
	Interest		Principal at Balance
Description of Obligation	Rate	Payment	Sheet Date
1/1 N/P Structures & Improvements			\$288,572.00
1/14		\$389.00	\$288,183.00
2/17		\$155.00	\$288,028.00
3/16		\$564.00	\$287,464.00
4/14		\$451.00	\$287,013.00
5/14		\$396.00	\$286,617.00
6/15		\$282.00	\$286,335.00
7/20		\$110.00	\$286,225.00
8/19		\$400.00	\$285,825.00
Total	· · ·	\$ 2,747.00	

Capital S	tock	
	Common Stock	Preferred Stock
Par or stated value per share	N/A	N/A
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:			¥4,	
Net Income (loss)			er kipili.	* 4 · *.
Dividends			3	¥
Other (Specify):			241.	
		ν		, '
Balance end of year			a companie com	-\$0.00
		1 1 1 1	, ž	

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

	Long Term D	Pebt	
	Interest		Principal at Balance
Description of Obligation	Rate	Payment	Sheet Date
9/21		\$229.00	\$285,596.00
10/19		\$520.00	\$285,076.00
11/19		\$350.00	\$284,726.00
12/28		\$284,726.00	\$0.00
Rolled into COML LN 0006			
Total		\$ 285,825.00	\$0.00

Capital S	tock	
	Common Stock	Preferred Stock
Par or stated value per share	N/A	N/A
Shares Authorized		
Shares Issued and Outstanding	W W	
Total par value of stock issued		
Dividends declared per share for year		

	Retai	ned Earn	ings	
			Appropriated	Unappropriated
Balance at first of year				
Changes during year:				
Net Income (loss)			, a	
Dividends	š.			B.2
Other (Specify):			4.2	
		\$		
		٠.	Topo a di	
Balance end of year	· · · · · · · · · · · · · · · · · · ·			\$0.00
				•

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

L.C.	ong Term D	ebt	
	Interest		Principal at Balance
Description of Obligation	Rate	Payment	Sheet Date
1/1 Line of credit			\$111,494.00
Appraisal fee			\$115,511.00
5/4			\$213,795.00
5/12			\$332,017.00
6/8		\$332,017.00	\$0.00
12/28			
Rolled into COML LN 0006			
Total		\$332,017.00	\$ -

Capital S	Stock	
	Common Stock	Preferred Stock
Par or stated value per share	N/A	N/A
Shares Authorized		,
Shares Issued and Outstanding		
Total par value of stock issued		
Dividends declared per share for year		

[F	Retained Ear	nings	
		Appropriated	Unappropriate
Balance at first of year			
Changes during year:			
Net Income (loss)			
Dividends	<b>*</b> * • • • • • • • • • • • • • • • • • •		,
Other (Specify):	<del>-</del>		`
	·	10.7	
		-	
Balance end of year	**		\$0:00

Pr	oprietary (	Capital	
Balance at first of year Changes during year (Specify):		Proprietor or Partner	Partner
Balance at end of year	<b></b>		

	Long Term De	∋bt	
	Interest		Principal at Balance
Description of Obligation	Rate	Payment	Sheet Date
12/28 COML LN 0006		:	\$616,743.00
Allocated from water			\$24,098.00
			NICE.
			n later takker an earr name and
 		42.00	
Total		\$0.00	\$640,841.00

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	9,255.00	4,017.00		13,272.00
302	Franchises				<del>.</del>
303	Land & Land Rights				
304	Structures and Improvements	544,774.00	231,630.00	:	776,404.00
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	1.5.		:	
331	Transmission and Distribution Mains			1	
333	Services				
334	Meters and Meter Installations	. +4 a			
335	Hydrants		-		
339	Other Plant and Misc. Equipment			Mages 14	11.00
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment	No. 10.10.10.10.10.10.10.10.10.10.10.10.10.1		4 P	Step 6 115
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment , ***	. 33		· .	9.5
345	Power Operated Equipment	·			
346	Communication Equipment				32.0
347	Miscellaneous Equipment	<i>h</i>			
348	Other Tangible Plant				

	Analysis	of Accu	mulated	d Depred	Analysis of Accumulated Depreciation by Primary Account	y 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	25			18,260.00		27,930.00	46,190.00
305	Collecting and Impounding Reservoirs							
306	Lake River and Other Intakes						-	
307	Wells and Springs							
308				100		٨		
308	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			2,4.				
334	Meters and Meter Installations			1				
335	Hydrants					-		
339	Other Plant and Misc. Equipment							
340	Office Furniture and Equipment			,				
341	Transportation Equipment					- 3		
342	Stores Equipment							
343	Tools, Shop & Garage Equipment							
344	Laboratory Equipment			4 	74			
345	Power Operated Equipment							
346	Communication Equipment							
347	Miscellaneous Equipment			*				
348								
TOTAL	IV				\$	€9	\$ 27,930,00	\$ 46.190.00
<u>-</u>	1							
		4,057,000 TO	32/28/28/28/29/20/20 00 51/2/20/28/28/28/28/28/28/28/28/28/28/28/28/28/	**************************************				

All the same of th

Sewer Operation a	and Maintenan	ce Expense	)
Account Name			Amount
Salaries and Wages - Employees			
Salaries and Wages - Officers, Directors and Major	ity Stockholders		18,750.00
Employee Pension and Benefits		<u> </u>	
Purchased Water			
Purchased Power			3,392.00
Fuel for Power Production			
Chemicals	""		3,521.00
Materials and Supplies			
Contractual Services-Professional Fees			10,711.00
Rents			
Transportation Expense			46.00
Insurance Expense		-	783.00
Regulatory Commission Expense		±	·
Miscellaneous			19,623.00
TOTAL			\$ 56,826.00

## 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
Galusha, Higgins & Galusha PC	8,995.00	Accounting
	2.4.24.	
		**************************************
	ia .	
· · · · · · · · · · · · · · · · · · ·		
	-	
		·
	1	

O of a Nation Div			ces of W		· · · · · · · · · · · · · · · · · · ·	Deservoir		
Surface Water: Rive	er:	Lake:	Stream	n:	Impounding	Reservoir.		
Ground Water: No.	of Springs:	: No	of Shallo	w Wells: _	No. 0	of Deep W	/ells:	
		. 01				•		
NI		urs, Stanc			fication Sy			
No. of Reservoirs: No. of Standpipes:					in Gallons: in Gallons:			-
Method of Purifica		rculating tri						
			V-1	***	**:			
		· ·	rvices an	1.4				. 12
Size-> 1/2"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in		
Services		,				50		
Meters		≪ g			1973 - 1 2 AA			
	:	** *		Service Constitution		ŧ		
maka sama maka sa	Nun	nber and (	Classific	ation of	Consume	rs		
A Section 1 Sect	B€	eginning of Ye	ar	made signer	End of Year		1	
Classification			Total	Metered	Unmetered	Total	Incre (Decre	
Residential		216	216		216	216		
Commercial		1	1		1	1		
Industrial	<u> </u>	<b></b>					<u></u>	
Fire Hydrants					<del>                                     </del>			
Governmental	<u> </u>				<del> </del>			
All Other				<u>,</u>	1			
Total	<b>**</b>	217.00	217.00	_	217.00	217.00		
		Total Pur	mping S	tation S	tatistics			
Total Amount of W Maximum Water of Minimum Amount Range of ordinary	obtained all of Water o	ll methods obtained all	during any I methods	y one day during o	y: ne day:	6,226,3		gals. gals.

## **Affidavit**

STATE OF MONTANA		)	
County ofGallati	in	)	
		**************************************	
	:	in the second	•
We, the undersigned, or	n our oath do se	verally say that the fore	aoina return a
1+L1+, LLC		vorumy day and and noto	g.og . o.a
water utility, has been propagates and records of sacorrect statement embraduring the period for whi	aid utility and de acing all the fina	clare the same to be a nicial transactions of sai	full, true and
	(Signature)		
Subscribed and sworn b	efore me this	1) day of June personally known to	,20 <u>10</u> one.
· Fi	Juli	Knoppane	<u> </u>
(SEAL)		•	

