VAN HORSSEN LAW & GOVERNMENT, PLLC

Capital One Center
208 N. Montana Ave, Suite 102
Helena, MT 59601

April 30, 2020

Montana Public Service Commission
1701 Prospect Avenue
Helena, Montana 59601
HAND DELIVERED/FILED

Re: Hot Springs Telephone Company

To Whom It May Concern:

Enclosed for filing are the following documents prepared by Kathe Johnson of Hot Springs Telephone Company:

- General Information
- Profit & Loss Statement
- Balance Sheet

Please let me know if you have questions or need additional information.

Sincerely,

VAN HORSSEN LAW & GOVERNMENT, PLLC

Gregory A. Van Horssen

Encs.
c: Kathe Johnson

Tele: 406-422-4007 Email: gvhorssen@vanhorssenlaw.com

General Information

Year: **2019**

1	Legal Name of Respondent:	Hot Springs Telephone Co.
2	Name Under Which Respondent Does Business:	same as above
3	Date of Incorporation:	1/1/1955
4	Address to send Correspondence Concerning Report:	P.O. Box 17740 Missoula, MT. 59808
5	Person Responsible for This Report:	Kathe A. Johnson
5a.	Telephone Number:	406-721-0846

Control Over Respondent

1	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	
	1b. Means by which control was held:	N/A
	1c. Percent Ownership:	N/A

Hot Springs Telephone Co.
Profit & Loss
December 31, 2019

	2019
Revenue	
Ordinary Income/Expense	
Income	
5001-00.0 Local Service Revenue.Other	140,257.19
5008-00.0 Internet Services Revenue.Other	1,659.95
5010-09.0 DSL Non-Reg.Other	295,581.68
5060-00.0 Custom Calling Serv. Revenue.Other	30,721.98
5081-00.0 End User SLC Revenue.Other	58,125.84
5081-10.0 ARC.Other	4,088.29
5081-20.0 FUSC Revenue.Other	9,991.18
5082-00.0 Interstate Access Revenue.Other	22,649.87
5082-10.0 NECA TS Settlement.Other	202,665.00
5082-11.0 NECA Prior Period.Other	3,386.00
5082-12.0 ACAM.Other	977,546.64
5082-14.0 Lifeline Support.Other	72,801.00
5082-15.0 Tribal Linkup Support.Other	837.00
5083-00.0 Interstate Special Access-IXC.Other	21,746.62
5084-01.0 Intrastate Access Revenue.Other	16,395.44
5084-09.0 Intrastate Special Access.Other	8,016.48
5100-00.0 Hot Springs Toll.Other	15,061.15
5210-00.0 Regulated Service Chg Revenue.Oth	3,262.55
5230-09.0 Directory Revenue - Non-Reg..Other	7,857.38
5281-09.0 Payphone Revenue.Other	30.00
7320-00.0 Interest Income - Regulated.Other	190.48
7320-09.0 Interest Income.Other	784.70
7350-09.0 Dividend Income.Other	102.91
7360-09.0 Miscellaneous Income.Other	18,541.14
7360-09.3 Miscellaneous Income.Materials	-11,939.18
7991-09.0 CPE Rent Revenue.Other	14,827.31
7993-09.0 Lease Revenue.Other	1,321.66
7993-10.0 Tower Lease Revenue.Other	35,952.63
7995-09.0 Sales C.P.E. & Misc..Other	8,161.66
7998-09.0 Unregulated Service Charge Rev.Oth	16,487.62
Total Income	**1,977,112.17**
Gross Profit	**1,977,112.17**

Expense

1172-01.0 Pay Phone Clearing.Other	46.27
6112-00.0 Vehicle Expense.Other	19,063.32
6112-00.1 Vehicle Expense.Labor	17,334.07
6112-00.2 Vehicle Expense.Benefits	11,568.04
6112-00.3 Vehicle Expense.Materials	345.35
6121-00.0 Land & Building Expense.Other	13,758.48
6121-00.1 Land & Building Expense.Labor	22,478.58
6121-00.2 Land & Building Expense.Benefits	13,973.42
6211-00.0 COE Maintenance Expense.Other	59,829.67
6211-00.1 COE Maintenance Expense.Labor	2,608.44
6211-00.2 COE Maintenance Expense.Benefits	1,249.51
6230-00.0 Subscriber Carrier Maint..Other	11,180.00
6230-00.1 Subscriber Carrier Maint..Labor	76,907.78
6230-00.2 Subscriber Carrier Maint..Benefits	39,019.57
6230-00.3 Subscriber Carrier Maint..Materials	-1,122.84
6231-00.0 DSL Expense.Other	4,473.49
6231-00.1 DSL Expense.Labor	17,934.40
6231-00.2 DSL Expense.Benefits	9,765.76
6231-00.3 DSL Expense.Materials	9,101.97
6231-10.0 Land Rent-DSL.Other	9,115.00
6233-09.0 Internet Services Non-Reg Exp.Othe	3,992.97
6233-09.1 Internet Services Non-Reg Exp.Labo	41,094.64
6233-09.2 Internet Services Non-Reg Exp.Bene	16,567.37
6234-09.0 DSL Non Reg Wholesale Exp.Other	4,688.01
6235-09.0 DSL Non-Reg Exp. Mt. West.Other	42,000.00
6311-00.0 Drop & Block Wire Expense.Other	1,431.72
6410-00.0 Cable & Wire Expense.Other	12,598.56
6410-00.1 Cable & Wire Expense.Labor	79,209.28
6410-00.2 Cable & Wire Expense.Benefits	54,638.82
6410-00.3 Cable & Wire Expense.Materials	-11,476.03
6512-00.1 Provisioning.Labor	53,709.53
6512-00.2 Provisioning.Benefits	23,629.01
6513-00.0 Plant Supervision.Other	113.05
6513-00.1 Plant Supervision.Labor	47,046.62
6513-00.2 Plant Supervision.Benefits	29,886.08
6530-00.0 Network Administration.Other	3,315.97
6530-00.1 Network Administration.Labor	150.13
6530-00.2 Network Administration.Benefits	62.03
6531-00.0 Power Expense.Other	12,403.94
6533-00.0 Testing Expense.Other	457.88
6533-00.1 Testing Expense.Labor	2,223.81
6533-00.2 Testing Expense.Benefits	1,035.99
6540-10.0 USAC (Filer 499).Other	11,255.15

6560-00.0 Depreciation Exepense - Reg.Other	172,463.00
6620-00.0 Directory Expense.Other	1,334.49
6620-00.1 Directory Expense.Labor	4,056.88
6620-00.2 Directory Expense.Benefits	2,575.06
6623-00.0 Customer Services.Other	31,692.23
6623-00.1 Customer Services.Labor	68,333.45
6623-00.2 Customer Services.Benefits	32,987.96
6711-00.0 Executive Expenses.Other	28,959.29
6711-00.1 Executive Expenses.Labor	21,641.91
6711-00.2 Executive Expenses.Benefits	6,704.49
6721-00.0 Accounting & Finance Expenses.Oth	58,785.57
6721-00.1 Accounting & Finance Expenses.Lab	99,206.47
6721-00.2 Accounting & Finance Expenses.Ben	27,834.83
6722-00.0 Other General & Admin Expense.Otl	53,481.21
6722-00.1 Other General & Admin Expense.Lal	99,462.36
6722-00.2 Other General & Admin Expense.Be	45,962.48
6722-00.3 Other General & Admin Expense.Mε	226.94
6724-00.0 Legal Expenses.Other	4,622.00
6727-00.0 Consulting.Other	50,227.65
6728-00.0 Insurance.Other	15,890.00
6730-00.0 Cost Study Expense.Other	24,043.84
6730-00.1 Cost Study Expense.Labor	5,387.06
6730-00.2 Cost Study Expense.Benefits	1,200.96
6790-00.0 Bad Debt Expense.Other	1,297.68
7240-10.0 CL Tarriff Fee-NECA.Other	495.00
7241-00.0 Property Taxes.Other	26,368.93
7246-00.0 Public Service Comm. Tax.Other	467.33
7247-00.0 MT. Consumer Tax.Other	141.40
7500-00.0 Interest Expense.Other	3,912.62
9362-09.0 Non - Reg CPE Expense.Other	1,373.86
9362-09.3 Non - Reg CPE Expense.Materials	-3,338.68
9623-09.0 Non - Reg Customer Service.Other	11.49
9623-09.1 Non - Reg Customer Service.Labor	4,325.39
9623-09.2 Non - Reg Customer Service.Benefit:	2,467.82
9623-09.3 Non - Reg Customer Service.Materiε	39.95
9998-00.0 Federal Income Tax Expense.Other	16,943.00
9999-00.0 State Corp License Tax Expense.Oth	5,840.00
Total Expense	**1,686,090.73**
Net Ordinary Income	**291,021.44**

Other Income/Expense

Other Income

7360-00.0 Gain (loss) on disposal of equi.Othei	-5,474.00

Total Other Income	-5,474.00
Other Expense	
7320-01.0 Subscribers Interest Adjustment.Otl	2.40
9997-00.0 Deferred Income Tax Expense.Othei	67,728.00
Total Other Expense	67,730.40
Total Other Income/Expense	-73,204.40
Net Income	217,817.04

Expense Not On Balance Sheet	
Total Expense Not On Balance Sheet	0.00
Revenue Not On Balance Sheet	
	0.00
Total Revenue Not On Balance Sheet	0.00

Hot Springs Telephone Co.
Balance Sheet
As of December 31, 2019

		2019
Assets		
Current Assets		
Checking/Savings		
1120-00.0	Petty Cash.Other	1,716.86
1121-00.0	Rocky Mtn Bank -Checking.Other	302,021.64
1122-00.0	Rocky Mountain Bank-Savings.Other	125,141.20
1123-00.0	Valley Bank-Checking.Other	169,136.58
1124-00.0	Valley Bank-Savings.Other	60,094.74
Total Checking/Savings		**658,111.02**
Accounts Receivable		
1170-00.0	CABS Accounts Receivable.Other	1,287.76
1170-05.0	Accounts Receivable Default.Other	1,200.00
1170-20.0	Sales Holding.Other	48.71
1170-30.0	A/R NECA.Other	100,523.22
4031-00.0	Advanced Payments.Other	-377.34
Total Accounts Receivable		**102,682.35**
Other Current Assets		
1170-10.0	A/R-Subscribers.Other	56,941.00
1220-00.0	Inventory.Other	53,620.70
1221-09.0	CPE Inventory.Other	6,418.34
1410-00.0	D.A. Davidson.Other	96,336.49
1411-00.0	Stock-Solix Inc.Other	1,000.00
2003-00.0	Tel. Plant Under Construction.Other	10,867.47
2003-00.1	Tel. Plant Under Construction.Labor	25,492.25
2003-00.2	Tel. Plant Under Construction.Benefi	16,536.26
2003-00.3	Tel. Plant Under Construction.Materi	13,379.93
Total Other Current Assets		**280,592.44**
Total Current Assets		**1,041,385.81**
Fixed Assets		
Non-Regulated		
2311-09.0	Paystation Equip. Non-Reg..Other	1,244.00
2513-09.0	NewRes./Bus. CPE.Other	3,218.00

3100-09.0	Reserve for Depr. Non-Regulated.Otl	-4,415.84
Total Non-Regulated		**46.16**
Regulated		
2110-00.0	Vehicle & Other Wk Equip..Other	851,757.02
2111-00.0	Land.Other	57,491.00
2115-00.0	Wall St. Property.Other	90,000.00
2116-00.0	Arlee St. Property.Other	167,223.00
2118-00.0	Equipment Building.Other	98,684.25
2119-00.0	COE Building.Other	273,695.00
2120-00.0	Storage Shed.Other	41,457.77
2122-00.0	Furn. & Office Equip..Other	26,256.00
2124-00.0	Computers.Other	50,616.07
2211-00.0	Digital COE Equip..Other	439,380.37
2230-00.0	DSL Equipment.Other	109,578.53
2231-00.0	Toll Circuit Equip..Other	2,503.00
2231-10.0	Fiber Term. Equip..Other	108,515.61
2232-00.0	Subscriber Carrier.Other	601,911.20
2233-09.0	Radio Equipment.Other	5,065.54
2239-00.0	Wireless DSL.Other	56,661.06
2310-00.0	Internet Equip..Other	6,925.36
2321-00.0	Drop Wire & Block Protection.Other	102,966.99
2411-00.0	Hot Springs Poles.Other	9,600.00
2411-10.0	Rural Poles.Other	2,900.00
2421-00.0	Hot Springs Aerial Cable.Other	36,854.43
2421-10.0	Rural Aerial Cable.Other	69,986.00
2423-00.0	Fiber Optic Cable.Other	388,150.92
2423-10.0	Rural Buried Cable.Other	1,243,206.66
2431-10.0	Rural Aerial Wire.Other	6,895.00
2441-00.0	Hot Springs Conduit.Other	11,635.00
3100-00.0	Reserve for Depr. Regulated.Other	-3,476,223.26
Total Regulated		**1,383,692.52**
Total Fixed Assets		**1,383,738.68**
Other Assets		
1171-00.0	Allowance for Doubtful Accounts.Otl	-4,200.00
1301-00.0	Prepaid St. Corp. License Tax.Other	1,837.00
Total Other Assets		**-2,363.00**
Total Assets		**2,422,761.49**

Liabilities & Equity

Current Liabilities

Accounts Payable		
4000-00.0	Accounts Payable.Other	9,362.00
4002-00.0	Visa Credit Card.Other	256.00
Total Accounts Payable		**9,618.00**
Total Current Liabilities		**9,618.00**
Other Current Liabilities		
Payroll Liabilites		
4032-00.0	FUTA Payable.Other	-413.58
4033-00.0	Health Insurance Payable.Other	13,338.76
4035-00.0	SUTA Payable.Other	-0.69
4036-00.0	Vacation Payable.Other	49,492.36
4037-00.0	Work Comp Payable.Other	-5,784.11
Total Payroll Liabilites		**56,632.74**
Other Liabilities		
4005-00.0	Retirement Account Payable.Other	1,361.00
4016-00.0	Montana 911 Tax.Other	2,185.30
4019-00.0	MT. State Excise Tax.Other	2,960.88
4023-00.0	Hearing Impared (TDD) Fee.Other	218.52
4040-00.0	Subscriber Deposits.Other	24,605.00
4050-00.0	Federal Taxes Payable.Other	1,333.00
4340-00.0	Deferred Tax Liability.Other	247,536.00
Total Other Liabilities		**280,199.70**
Total Other Current Liabilities		**336,832.44**
Long Term Liability		
4410-00.0	Capital Lease - Vermeer Directional D	190,941.06
Total Long Term Liability		**190,941.06**
Total Liabilities		**537,391.50**
Equities		
4510-00.0	Capital Stock.Other	87,500.00
4510-10.0	Treasury Stock.Other	-150,000.00
4511-00.0	Paid In Surplus.Other	10,832.28
4550-00.0	Retained Earnings.Other	2,495,322.19
4550-00.1	Retained Earnings.Labor	-540,057.95
4550-00.2	Retained Earnings.Benefits	-250,080.05
4550-00.3	Retained Earnings.Materials	-2,996.43
4550-10.0	Prior Period Adjustment.Other	50,532.43

4551-00.0	Current Earnings.Other	1,207,772.88
4551-00.1	Current Earnings.Labor	-663,110.80
4551-00.2	Current Earnings.Benefits	-321,129.20
4551-00.3	Current Earnings.Materials	-5,715.84
7301-00.0	Dividends.Other	-33,499.52
Total Equities		**1,885,369.99**
Total Liabilities & Equity		**2,422,761.49**

Balance Verification (Should be 0)	0.00
Asset Not On Balance Sheet	
	0.00
Total Asset Not On Balance Sheet	**0.00**
Liability Not On Balance Sheet	
	-
Total Liability Not On Balance Sheet	-
Equity Not On Balance Sheet	
	-
Total Equity Not On Balance Sheet	-