

YEAR 2012

ANNUAL REPORT
OF THE
UTILITY SOLUTIONS, LLC
BOZEMAN, GALLATIN COUNTY, MONTANA

PRIVATE SEWER UTILITY
TO THE
PUBLIC SERVICE COMMISSION
OF MONTANA
FOR THE YEAR ENDING DECEMBER 31, 2012

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 Earnings	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
Sewer Operation and Maintenance Expense	9

REPORT OF

UTILITY SOLUTIONS, LLC
P.O. BOX 10098 BOZEMAN, MT 59719

For Year Ended: December 31, 2012

Date Utility First Organized: May 15, 2003

Telephone Number: 406-587-0994

Location where books and records are located: 517 South 22nd Ave, Suite 8, Bozeman MT

Contracts:			
Name	Title	Principal Business Address	Salary
Double-Tree, Inc.	manager	P.O. Box 10098 Bozeman, MT 59719	N/A

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more voting securities of the reporting utility:

Name	Ownership in Utility	Principal Business Address	Salary
Barbara Campbell	45%	P.O. Box 10098 Bozeman, MT 59719	\$0.00
Montana Ventures I, LLC	55%	c/o Guy Graves 201 W. Short St. Lexington, KY 40509	\$0.00

INCOME STATEMENT (SEWER)

Account Name	Current Year (2012)	Previous Year (2011)
GROSS REVENUE:		
Metered **Flat Rate**		
Residential	\$ 260,816	\$ 253,835
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Other	\$ -	\$ -
Unmetered		
Residential	\$ -	\$ -
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Fire Protection	\$ -	\$ -
Bulk Sales	\$ -	\$ -
Sale of Materials	\$ -	\$ -
Other	\$ 1,619	\$ 2,431
TOTAL GROSS REVENUE	\$ 262,435	\$ 256,267
Expense	\$ 210,854	\$ 203,627
Depreciation Expense	\$ 67,149	\$ 67,288
Taxes Other Than Income	\$ 7,706	\$ 6,848
Income Taxes	\$ -	\$ -
Deferred Federal Income Taxes	\$ -	\$ -
TOTAL OPERATING EXPENSE	\$ 285,708	\$ 277,763
NET OPERATING INCOME (LOSS)	\$ (23,273)	\$ (21,497)
Other Income:		
Non-Utility Income	\$ -	\$ -
Other Deductions:		
Non-Utility Expense	\$ -	\$ -
Interest Expense (paid)	\$ 29,303	\$ 17,546
Interest Expense (unpaid)	\$ -	\$ 13,058
NET INCOME (LOSS)	\$ (52,576)	\$ (52,100)

COMPARATIVE BALANCE SHEET (SEWER)

Account Name	Current Year (2012)	Previous Year (2011)
Assets:		
Utility Plant In Service	\$ 1,300,003	\$ 1,300,003
Accumulated Depreciation and Amortization	\$ (599,050)	\$ (531,901)
Net Utility Plant:	\$ 700,953	\$ 768,101
Cash	\$ (9,634)	\$ 40,811
Accounts Receivable	\$ 19,030	\$ 16,576
Other Assets:		
Total Assets	\$ 710,348	\$ 825,488
Liabilities and Capital:		
Common Stock Issued	\$ -	\$ -
Preferred Stock Issued	\$ -	\$ -
Other Paid In Capital	\$ -	\$ -
Retained Earnings	\$ (1,107,777)	\$ (1,053,297)
Proprietary Capital	\$ -	\$ -
LLC Members Equity	\$ 187,582	\$ 187,582
Total Capital	\$ (920,194)	\$ (865,715)
Long Term Debt	\$ 1,350,702	\$ 1,350,702
Accounts Payable	\$ -	\$ 5,546
Notes Payable	\$ 185,956	\$ 226,520
Customer Deposits	\$ -	\$ -
Accrued Taxes	\$ -	\$ -
Other Liabilities (specify)		
Accrued Interest	\$ 93,885	\$ 108,436
Total Liabilities	\$ 1,630,543	\$ 1,691,204
Advances For Construction	\$ -	\$ -
Contributions In Aid Of Construction (PSC regulated)	\$ -	\$ -
Total Liabilities and Capital	\$ 710,348	\$ 825,488

**Straight-Line Depreciation
Accumulated Depreciation and Amortization of Utility Plant**

Account 108	Current Year (2012)	Previous Year (2011)
Balance First of Year	\$531,901.20	\$464,613.40
Credits During Year:	\$0.00	\$0.00
Accruals Charged to Depreciation Account	\$67,148.95	\$67,287.80
Other Credits (Specify)	\$0.00	\$0.00
Total Credits	\$67,148.95	\$67,287.80
Debits During Year:		
Book Cost of Plant Retired	\$0.00	\$0.00
Cost of Removal	\$0.00	\$0.00
Other Debits (Specify)	\$0.00	\$0.00
Total Debits	\$0.00	\$0.00
Balance End of Year	\$599,050.15	\$531,901.20

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report all contractor and developer agreements from which cash was received during the year	Indicate "Cash or Property"	Amount
PSC regulated area		
District PIAC from Developer	Cash	\$0.00
Total During Year:		\$0.00

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	NONE
State	NONE
Total Accumulated Deferred Income Taxes	\$0.00

CAPITAL STOCK

		Common Stock	Preferred Stock
Par or stated value per share		NONE	
Shares authorized			
Shares issued and outstanding			
Total par value			
Dividends declared per share for year			

RETAINED EARNINGS

Balance first of year		\$ (1,053,297)	
Prior year adjustment		\$ (1,903)	
Changes during year:		\$ (52,576)	
Balance end of year		\$ (1,107,777)	

MEMBERS EQUITY

Balance first of year		\$ 187,582	
Changes during year:		\$ -	
Net			
Balance end of year		\$ 187,582	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Private Notes Payable	1% over prime		\$ 1,350,702

SEWER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301	Organization	\$ -			\$ -
302	Licenses & Permits capitalized	\$ 175,265			\$ 175,265
303	Land & Land Rights	\$ 23,744			\$ 23,744
304	Property Improvements	\$ 15,512			\$ 15,512
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	Sewer Treatment Plant	\$ 480,030			\$ 480,030
330	Distribution Reservoirs and Standpipes	\$ -			\$ -
331	Transmission and Distribution Mains	\$ 437,409			\$ 437,409
333	Services	\$ -			\$ -
334	Meters and Meter Installations	\$ -			\$ -
334	Hydrants	\$ -			\$ -
339	Other Plant and Misc. Equipment	\$ -			\$ -
340	Office Furniture & Equipment	\$ 6,756			\$ 6,756
341	Transportation Equipment	\$ 7,654			\$ 7,654
342	Stores Equipment	\$ -			\$ -
343	Tools, Shop & Garage Equipment	\$ -			\$ -
344	Laboratory Equipment	\$ -			\$ -
345	Power Operated Equipment	\$ -			\$ -
346	Communication Equipment	\$ -			\$ -
347	Miscellaneous Equipment	\$ -			\$ -
348	Other Tangible Plant	\$ -			\$ -
349	Disposal Beds	\$ 153,633			\$ 153,633
	TOTAL SEWER PLANT	\$ 1,300,003	\$ -	\$ -	\$ 1,300,003

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

Acct No.	Account	Average Service Life in Years	Average Salvage in Percent	Depreciation Rate Applied	Accumulated Depreciation Balance Previous Year	Debits	Credits	Accumulated Depreciation Balance End of Year
302	Licenses & Permits capitalized	15.00		Amortization	\$ 95,368	\$ 11,684		\$ 107,052
303	Land & Land Rights	NA		NA	NA			NA
304	Property Improvements	10.00		Straight Line	\$ 8,826	\$ 1,551		\$ 10,377
305	Collecting and Impounding Reservoirs	NA		NA	NA			NA
306	Lake River and Other Intakes	NA		NA	NA			NA
307	Wells and Springs	NA		NA	NA			NA
308	Infiltration Galleries and Tunnels	NA		NA	NA			NA
309	Supply Mains	NA		NA	NA			NA
310	Power Generation Equipment	NA		NA	NA			NA
311	Pumping Equipment	NA		NA	NA			NA
320	Water Treatment Plant	15.00		Straight Line	\$ 226,726	\$ 29,775		\$ 256,501
	Distribution Reservoirs & Standpipes	NA			NA			NA
331	Transmission and Distribution Mains	25.00		Straight Line	\$ 147,017	\$ 17,496		\$ 164,514
333	Services	NA		NA	NA			NA
334	Meters and Meter Installations	NA		NA	NA			NA
334	Hydrants	NA		NA	NA			NA
339	Other Plant and Misc. Equipment	7.00		NA	NA			NA
340	Office Furniture & Equipment	5.00		Straight Line	\$ 5,835	\$ 496		\$ 6,331
341	Transportation Equipment	5.00		Straight Line	\$ 7,654			\$ 7,654
342	Stores Equipment	NA		NA	NA			NA
343	Tools, Shop & Garage Equipment	NA		NA	NA			NA
344	Laboratory Equipment	NA		NA	NA			NA
345	Power Operated Equipment	NA		NA	NA			NA
346	Communication Equipment	NA		NA	NA			NA
347	Miscellaneous Equipment	NA		NA	NA			NA
348	Other Tangible Plant	NA		NA	NA			NA
349	Disposal Beds	25.00		Straight Line	\$ 40,475	\$ 6,145		\$ 46,620
	TOTAL WATER PLANT				\$ 531,901	\$ 67,149	\$ -	\$ 599,050

Note: Only regulated portions of assets are shown.

SEWER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages	\$ -
Materials and Supplies	\$ 567
Chemicals	\$ 1,012
Purchased Power	\$ 8,237
Fuel for Power Production	\$ -
Contractual Services	\$ 16,555
Engineering Expense	\$ -
Management Contract	\$ 143,174
Rental Equipment and Property	\$ 5,222
Auto Transportation	\$ 2,380
Other Equipment Expense	\$ 500
Laboratory and Testing	\$ 4,014
Insurance	\$ 13,741
Regulatory Commission	\$ 1,382
Permits, Fees, and Licenses	\$ 2,159
Advertising	\$ 62
Postage and Printing	\$ 805
Office	\$ 1,897
Miscellaneous Expense	\$ 276
Petty Cash	\$ 50
Telephone & Internet	\$ 2,651
Other Utilities	\$ 167
Bad Debt Expense	\$ 1,418
Legal Expense	\$ 3,285
Accounting	\$ 1,300
Meters	\$ -
Loan Fees	\$ -
Total	\$ 210,854

\$ -

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Name of Recipient	Amount	Description of Service
Contractual Services:		
Scenic City	\$ 10,255	Disposal

Affidavit

STATE OF MONTANA)

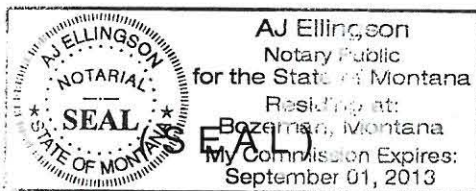
County of Gallatin)

We, the undersigned, on our oath do severally say that the foregoing return of
Utility Solutions, LLC
sewer utility, has been prepared under our 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.

Barbara Campbell
(Signature)

(Signature)

Subscribed and sworn before me this 30 day of April, 20 13



AJ Ellingson
AJ Ellingson