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YEAR 2013

PUBLIC SERVICE  
COMMISSION

## ANNUAL REPORT

OF THE

NAME Northstar Development LLC

LOCATION North Valley Helena

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING Dec 31st. 2013

## **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 USOA.
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 NA". 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 filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission  
Utility Division  
2701 Prospect Avenue  
Helena, Montana 59620

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# REPORT OF

Northern Star Development LLC  
(Exact Name of Utility)

PO Box 5104 Helena MT 59604  
(Address) (City, State, Zip Code)

For Year Ended Dec 31st 2013

Date Utility First Organized 2004

Telephone Number 459-4004

Location where books and records are located 3186 Hwy 12 East Helena MT 59601

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence: <u>Dan Chovanek</u>	<u>Mktg</u>	<u>PO Box 5104</u> <u>Helena MT 59604</u>	XXXXXXXX
Person who prepared this report: <u>Dan Chovanek</u>	<u>Mktg</u>	<u>"</u>	XXXXXXXX
Officers & Managers: <u>NA</u>	<u>NA</u>		\$
			\$
			\$
			\$
			\$
			\$

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>BCL, LLC</u>	<u>50%</u>	<u>PO Box 5104</u> <u>Helena MT 59604</u>	\$ <u>0</u>
<u>Joe Scanlon</u>	<u>25%</u>	<u>5065 Collins</u> <u>Helena MT 59602</u>	\$ <u>0</u>
<u>Doug Peterson</u>	<u>12.5%</u>	<u>8858 Douglas Circle</u>	\$ <u>0</u>
<u>Linda Peterson</u>	<u>12.5%</u>	<u>Helena MT 59604</u>	\$ <u>0</u>



# INCOME STATEMENT

Account Name	Current Year	Previous Year
<b>GROSS REVENUE:</b>		
<b>Metered</b>		
Residential <i>water</i>	50,479.35	28,054.89
Commercial		
Industrial		
Other		
<b>Unmetered</b>		
Residential <i>water</i>	74,147.00	79,636.64
Commercial <i>Sewer Fees</i>	58,247.00	60,836.63
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other <i>Water &amp; Sewer Hookups</i>	5625.00	10.500
<b>TOTAL GROSS REVENUE</b>	188,498.35	179,058.16
<b>Operation and Maintenance Expense</b>	(59,215.50)	(81,995.35)
<b>Depreciation Expense</b>	(50,844.00)	(44,817.35)
<b>Taxes Other Than Income</b>		
<b>Income Taxes</b>		
<b>Deferred Federal Income Taxes</b>		
<b>Deferred State Income Taxes</b>		
<b>TOTAL OPERATING EXPENSE</b>		
<b>NET OPERATING INCOME (LOSS)</b>	78,438.85	52,245.81
<b>Other Income:</b>		
Non-Utility Income		
<i>Late Fees &amp; NSF</i>	1500.00	930.00
<i>Other Income</i>	100.00	33.02
<b>Other Deductions:</b>		
Non-Utility Expenses		
Interest Expense	63,363.12	
<b>NET INCOME (LOSS)</b>	16,175.73	(5636.79)

## COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR	PREVIOUS YEAR
<b>Assets:</b>		
Utility Plant In Service	1,199,999.34	949,672.66
Accumulated Depreciation and Amortization	(230,312.00)	(179,468.00)
<b>Net Utility Plant</b>	969,687.34	770,204.66
Cash	48,559.08	18,140.10
Customer Account Receivable	17,312.46	19,083.22
Other Assets (Specify)		
Undeposited Funds	18,153.05	478.80
<b>Total Assets</b>	1,053,711.91	812,156.58
<b>Liabilities an Capital:</b>		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital	opening Equity 500.00	500.00
Retained Earnings	84,024.57	41,451.92
Proprietary Capital	Adjustment to Balance 108,220.46	(116,730.05)
<b>Total Capital</b>		
Long Term Debt	Farmers State Bank 860,966.88	877,477.51
Accounts Payable		
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction		
<b>Total Liabilities and Capital</b>	1,053,711.91	812,156.58



### Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	179,468.00	134,651.00
Credits During Year	50,849.00	44,817.00
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
Total Credits		
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year	230,312.00	179,468.00

### CONTRIBUTIONS IN AID OF CONSTRUCTION

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year	Indicate "Cash or Property"	Amount
NA		
Total During Year		

### ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	NA
State	NA
Total Accumulated Deferred Income Taxes	

## CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share		
Shares authorized		
Shares issued and outstanding	NA	NA
Total par value of stock issued		
Dividends declared per share for year		

## RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		41,451.92
Changes during year (Specify):		42,572.65
Balance end of year		84,024.57

## PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year	500.00	
Changes during year (specify):		
Balance end of year	500.00	

## LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Note: Farmers State Bank	6.5%	606.75	860,966.88
Total			860,966.88



## WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements				
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				
331	Transmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous 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				
348	Other Tangible Plant				
	<i>Consolidated from Inception</i>				
	<b>Total Water Plant</b>	<i>949,672.66</i>	<i>280,526.68</i>		<i>1,199,999.34</i>

# ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements		%	%				
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
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		%	%				
	<i>consolidated</i> Totals	30+	5%		179,468. <sup>00</sup>		50,844. <sup>00</sup>	230,312. <sup>00</sup>

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ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	
Purchased Water	
Purchased Power	18,410.18
Fuel For Power Production	
Chemicals	
Materials and Supplies + Repairs, Maintenance	23,303.14
Contractual Services	
Rents	
Transportation Expense	
Insurance Expense	
Regulatory Commission Expense	
Bad Debt Expense	
Miscellaneous Expense Fees + O&M Fuel + Misc	5175.88
<b>Total</b>	<b>46,919.20</b>

## 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 for 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.

[illegible]



## SOURCES OF WATER SUPPLY

Surface Water: River \_\_\_\_\_ Lake \_\_\_\_\_ Stream \_\_\_\_\_ Impounding Res. \_\_\_\_\_  
 Ground Water: Springs No. \_\_\_\_\_ Shallow Wells No. \_\_\_\_\_ Deep Wells No. \_\_\_\_\_

## SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
4"	4,000 LF	0	4,000	0	0		4,000
6"	11,200 LF	0	11,200	0	0		11,200
8"	3,000 LF	0	3,000	0	0		3,000
Total	18,200		18,200				18,200

## RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 8 Capacity in Gallons 320,000  
 Number of Standpipes 17 Capacity in Gallons NA  
 Method of Purification Chlorine System

## SERVICES AND METERS

Services 3/4" 1"  
 1/2 in. 279 1 in. 11 1 1/2 in. \_\_\_\_\_ 2 in. \_\_\_\_\_ 3 in. \_\_\_\_\_ 4 in. \_\_\_\_\_ 6 in. \_\_\_\_\_  
 Meters \_\_\_\_\_

## NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	248	0	248	274		274	26
Commercial							
Industrial							
Fire Hydrants		38	38		38	38	0
Governmental							
All Other							
Total							

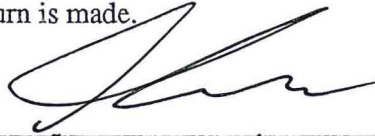
## TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year 29,467,200 gals.  
 Maximum Water obtained all methods during any one day 226,400 gals. 7-15-13  
 Minimum Amount of Water obtained all methods during one day 28,100 gals. 2-1-13  
 Total Amount of Water passed through customers meters during year 29,467,200 gals.  
 Range of ordinary pressure on mains 50 lbs. to 70 lbs.  
 Range of fire pressure in mains 50 lbs. to 70 lbs.

STATE OF MONTANA

County of Lewis & Clark

We, the undersigned, on our oath do severally say that the foregoing return the  
Norhtstar Development LLC, water 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.



Dan Chovanak

Subscribed and sworn to before me this 26 day of May, 19 2014.

Kelly R Dolan  
NOTARY public State of Montana

