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PUBLIC SERVICE  
COMMISSION

YEAR 2013

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

PRIVATE WATER UTILITY  
TO THE  
PUBLIC SERVICE COMMISSION  
OF MONTANA  
FOR THE YEAR ENDING DECEMBER 31, 2013

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## REPORT OF

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

For Year Ended: December 31, 2013  
Date Utility First Organized: May 15, 2003  
Telephone Number: 406-587-0994

Location where books and records are located: 1143 Stoneridge Dr, Suite 2, 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	Percent Ownership in Utility	Principal Business	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 (WATER)

Account Name	Current Year (2013)	Previous Year (2012)
<b>GROSS REVENUE:</b>		
Metered		
Residential	\$ 223,934	\$ 229,454
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Other	\$ -	\$ -
Unmetered		
Residential	\$ -	\$ -
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Fire Protection	\$ -	\$ -
Bulk Sales	\$ -	\$ -
Sale of Materials	\$ -	\$ -
Other	\$ 441	\$ 1,160
<b>TOTAL GROSS REVENUE</b>	<b>\$ 224,375</b>	<b>\$ 230,614</b>
Operation and Maintenance Expense	\$ 193,197	\$ 174,391
Depreciation/Amortization Expense	\$ 69,162	\$ 69,162
Taxes Other Than Income	\$ 3,326	\$ 3,209
Income Taxes	\$ -	\$ -
Deferred Federal Income Taxes	\$ -	\$ -
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 265,685</b>	<b>\$ 246,762</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (41,310)</b>	<b>\$ (16,149)</b>
<b>Other Income:</b>		
Non-Utility Income	\$ -	\$ -
<b>Other Deductions:</b>		
Non-Utility Expense	\$ -	\$ -
Interest Expense (paid)	\$ 26,665	\$ 28,508
Interest Expense (unpaid)	\$ -	\$ -
<b>NET INCOME (LOSS)</b>	<b>\$ (67,976)</b>	<b>\$ (44,657)</b>



**COMPARATIVE BALANCE SHEET (WATER)**

<b>Account Name</b>	<b>Current Year (2013)</b>	<b>Previous Year (2012)</b>
<b>Assets:</b>		
Utility Plant In Service	\$ 1,496,781	\$ 1,496,781
Accumulated Depreciation and Amortization	\$ (629,325)	\$ (560,163)
<b>Net Utility Plant:</b>	<b>\$ 867,456</b>	<b>\$ 936,618</b>
Cash	\$ (145,487)	\$ (108,934)
Customer Accounts Receivable	\$ 7,134	\$ 10,363
Other Assets:		
<b>Total Assets</b>	<b>\$ 729,103</b>	<b>\$ 838,048</b>
<b>Liabilities and Capital:</b>		
Common Stock Issued	\$ -	\$ -
Preferred Stock Issued	\$ -	\$ -
Other Paid In Capital	\$ -	\$ -
Retained Earnings	\$ (1,094,754)	\$ (1,026,028)
Proprietary Capital	\$ -	\$ -
LLC Members Equity	\$ 121,876	\$ 121,876
<b>Total Capital</b>	<b>\$ (972,877)</b>	<b>\$ (904,152)</b>
Long Term Debt	\$ 1,491,435	\$ 1,491,435
Accounts Payable	\$ -	\$ -
Notes Payable	\$ 139,910	\$ 147,097
Customer Deposits	\$ -	\$ -
Accrued Taxes	\$ -	\$ -
<b>Other Liabilities (specify)</b>		
Accrued Interest	\$ 70,635	\$ 103,667
<b>Total Liabilities</b>	<b>\$ 1,701,980</b>	<b>\$ 1,742,200</b>
Advances for Construction	\$ -	\$ -
Contributions In Aid Of Construction (PSC regulated)	\$ -	\$ -
<b>Total Liabilities and Capital</b>	<b>\$ 729,103</b>	<b>\$ 838,048</b>

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

Account 108	Current Year (2013)	Previous Year (2012)
Balance First of Year	\$ 560,163	\$ 491,001
Credits During Year:	\$ -	\$ -
Accruals Charged to Depreciation Account	\$ 69,162	\$ 69,162
Other Credits (Specify)	\$ -	\$ -
<b>Total Credits</b>	\$ 69,162	\$ 69,162
Debits During Year:		
Book Cost of Plant Retired	\$ -	\$ -
Cost of Removal	\$ -	\$ -
Other Debits (Specify)	\$ -	\$ -
<b>Total Debits</b>	\$ -	\$ -
<b>Balance End of Year</b>	\$ 629,325	\$ 560,163

**CONTRIBUTIONS IN AID OF CONSTRUCTION**

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

**ACCUMULATED DEFERRED INCOME TAXES**

Description	Total
<b>Accumulated Deferred Income Taxes:</b>	
Federal	NONE
State	NONE
<b>Total Accumulated Deferred Income Taxes</b>	\$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		\$ (1,026,028)	
Prior year adjustment		\$ (750)	
Changes during year		\$ (67,976)	
Balance end of year		\$ (1,094,754)	

### MEMBERS EQUITY

Balance first of year		\$ 121,876	
Changes during year		\$ -	
Net			
Balance end of year		\$ 121,876	

### LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Private Notes Payable	1% over prime		\$ 1,491,435



**WATER UTILITY PLANT ACCOUNTS**

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301	Organization	\$ -			\$ -
302	Licenses & Permits capitalized	\$ 171,102	\$ -		\$ 171,102
303	Land & Land Rights	\$ 23,744	\$ -		\$ 23,744
304	Property Improvements	\$ 14,659	\$ -		\$ 14,659
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	\$ 582,351	\$ -		\$ 582,351
333	Services	\$ -			\$ -
334	Meters and Meter Installations	\$ 50,929	\$ -		\$ 50,929
334	Hydrants	\$ -			\$ -
339	Other Plant and Misc. Equipment	\$ -			\$ -
340	Office Furniture & Equipment	\$ 3,341	\$ -		\$ 3,341
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	Water Distribution Facility & Wells	\$ 643,002	\$ -		\$ 643,002
	<b>TOTAL WATER PLANT</b>	<b>\$ 1,496,781</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,496,781</b>



**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	\$ 106,052	\$ 11,407		\$ 117,459
303	Land & Land Rights	NA		NA	NA			NA
304	Property Improvements	10.00		Straight Line	\$ 10,185	\$ 1,466		\$ 11,651
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 Equipment	NA		NA	NA			NA
330	Distribution Reservoirs & Standpipes	NA		NA	NA			NA
331	Transmission and Distribution Mains	25.00		Straight Line	\$ 219,028	\$ 23,294		\$ 242,322
333	Services	NA		NA	NA			NA
334	Meters and Meter Installations	7.00		Straight Line	\$ 43,653	\$ 7,276		\$ 50,929
334	Hydrants	NA		NA	NA			NA
339	Other Plant and Misc. Equipment	NA		NA	NA			NA
340	Office Furniture & Equipment	5.00		Straight Line	\$ 3,341	\$ -		\$ 3,341
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	Water Distribution Facility & Wells	25.00		Straight Line	\$ 170,250	\$ 25,720		\$ 195,970
	<b>TOTAL WATER PLANT</b>				\$ 560,163	\$ 69,162	\$ -	\$ 629,325

# **WATER OPERATION AND MAINTENANCE EXPENSE**

<b>ACCOUNT NAME</b>	<b>AMOUNT</b>
Salaries and Wages	\$ -
Materials and Supplies	\$ 1,487
Chemicals	\$ 2,064
Purchased Power	\$ 14,620
Fuel for Power Production	\$ -
Contractual Services	\$ 6,053
Engineering Expense	\$ -
Management Contract	\$ 140,277
Rental Equipment and Property	\$ 4,500
Auto Transportation	\$ 1,432
Other Equipment Expense	\$ 150
Laboratory and Testing	\$ 2,203
Insurance	\$ 12,031
Regulatory Commission	\$ 1,399
Permits, Fees, and Licenses	\$ 1,301
Advertising	\$ 99
Postage and Printing	\$ 685
Office	\$ 1,423
Miscellaneous Expense	\$ 99
Petty Cash	\$ -
Telephone & Internet	\$ 1,143
Other Utilities	\$ 113
Bad Debt Expense	\$ 293
Legal Expense	\$ 697
Accounting	\$ 986
Loan Fees	\$ -
Meters	\$ -
Reimbursement Agreement	\$ -
Other Reimbursement	\$ 15
Water & Sewer Refund	\$ 125
<b>Total</b>	<b>\$ 193,197</b>

\$ -

## **PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

<b>Name of Recipient</b>	<b>Amount</b>	<b>Description of Service</b>
Contractual Services:		



Sources of Water Supply			
Surface Water:			
River: _____	Stream: _____	Lake: _____	Impounding Reservoir: _____
Ground Water:			
No. of Streams: _____	No. of Shallow Wells: _____	3	No. of Deep Wells: _____

Reservoirs, Standpipes, and Purification System	
No. of Reservoirs: _____	1
Capacity in Gallons: _____	246,000
No. of Standpipes: _____	0
Capacity in Gallons: _____	
Method of Purification: Chlorination	

\* Chlorinator online April 2009

Services and Meters									
Size->	1/2"	3/4"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services		296							
Meters		285							

Number and Classification of Consumers							
Classification	Beginning of Year			End of Year			Increase
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	272	0	272	274	0	274	2
Commercial							
Industrial							
Fire Hydrants	0	47	47	0	47	47	0
Governmental							
All Other	11	11	22	11	11	22	0
Total	283	58	341	285	58	343	2

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year	36,416,262 gals.
Maximum Water obtained all methods during any one day:	not avail gals.
Minimum Amount of Water obtained all methods during one day	not avail gals.
Range of ordinary pressure on mains:	58 psi to 67 psi
Range of fire pressure in mains:	40 psi to 60 psi

Affidavit

STATE OF MONTANA )

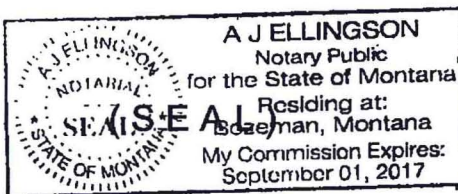
County of Gallatin )

We, the undersigned, on our oath do severally say that the foregoing return of  
Utility Solutions, 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.

*Tanner Campbell*  
(Signature)

\_\_\_\_\_  
(Signature)

Subscribed and sworn before me this 11 day of April, 20 14



*AJ Ellingson*  
AJ Ellingson 9/1/17