

YEAR 2007 FILED BY

2008 APR 30 A 9:30

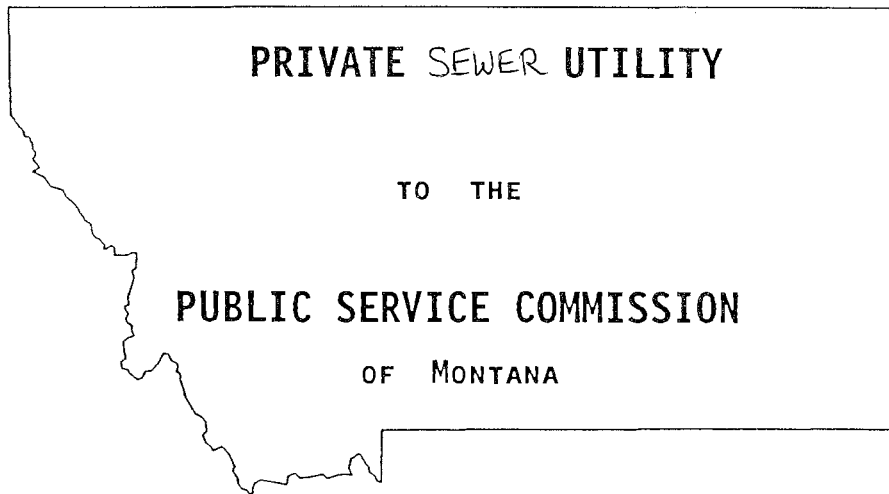
PUBLIC SERVICE
COMMISSION

ANNUAL REPORT

OF THE

NAME Utility Solutions, LLC

LOCATION Bozeman, Gallatin County, Montana



FOR THE YEAR ENDING December 31, 2007

TABLE OF CONTENTS

SCHEDULE	PAGE	
Identification	2	
Income Statement	3	
Balance Sheet	4	
Contributions in Aid of Construction	5	
Accumulated Depreciation & Amortization of Utility Plant	5	
Capital Stock	6	
Retained Earnings	6	
Proprietary Capital	6	
Long Term Debt	6	
Water Utility Plant Accounts	7	
Analysis of Accumulated Depreciation 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	

REPORT OF

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

For Year Ended: December 31, 2007

Date Utility First Organized: May 15, 2003

Telephone Number: 406-585-4166

Location where books and records are located: 224 Zoot Way, Bozeman, MT 59718

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	Previous Year
GROSS REVENUE:		
Metered **Flat Rate**		
Residential	\$148,852.72	\$132,990.85
Commercial	-	-
Industrial	-	-
Other	-	-
Unmetered		
Residential	-	-
Commercial	-	-
Industrial	-	-
Fire Protection	-	-
Bulk Sales	-	-
Sale of Materials	-	-
Other: Late Fees	-	24.03
TOTAL GROSS REVENUE	148,852.72	133,014.88
Operation and Maintenance Expense	196,339.23	176,709.49
Depreciation Expense	\$105,169.75	39,898.84
Taxes Other Than Income	4,899.94	-
Income Taxes	-	-
Deferred Federal Income Taxes	-	-
TOTAL OPERATING EXPENSE	306,408.92	216,608.33
NET OPERATING INCOME (LOSS)	(157,556.20)	(83,593.45)
Other Income:		
District Revenue	165,436.86	151,741.54
Expansion Fee	-	11,430.30
	165,436.86	163,171.84
Other Deductions:		
Interest Expense	-	49,618.81
District Operations	368,577.37	328,312.91
District Depreciation	208,091.75	269,183.66
Service Expansion Costs	-	44,152.17
	576,669.12	691,267.55
NET INCOME (LOSS)	(\$568,788.46)	(\$611,689.16)

COMPARATIVE BALANCE SHEET (SEWER)

Account Name	Current Year	Previous Year
Assets:		
Utility Plant In Service	1,059,705.95	\$622,296.78
Accumulated Depreciation and Amortization	(204,179.59)	(104,577.09)
Net Utility Plant:		
Cash	113,688.90	21,305.28
Customer Accounts Receivable	5,364.29	6,958.03
Other Assets:		
District Plant in Service	5,860,419.91	5,573,741.10
Accumulated Depreciation	(732,071.61)	(555,003.81)
Accounts Receivable	151,470.00	151,741.54
Accrued Interest Receivable	75,340.98	840,558.60
District Land	550,000.00	550,000.00
Expansion in Progress	-	47,374.52
Other Fixed Assets	70,983.73	70,983.73
Accumulated Depreciation	(26,434.50)	(15,083.00)
Total Assets	6,924,288.06	7,210,295.68
Liabilities and Capital:		
Common Stock Issued	-	-
Preferred Stock Issued	-	-
Other Paid In Capital	-	-
Retained Earnings	-	-
Proprietary Capital	-	-
LLC Members Equity	(2,692,836.13)	(2,124,047.67)
Total Capital	(2,692,836.13)	(2,124,047.67)
Long Term Debt	-	-
Accounts Payable	-	-
Notes Payable	1,621,116.20	882,858.39
Customer Deposits	-	-
Accrued Taxes	-	-
Other Liabilities (specify)		
Due to Related Party	539,103.11	116,995.52
District Notes Payable	5,127,348.60	7,184,840.84
Accrued Interest Payable	780,873.33	
Advances for Construction	-	-
Contributions In Aid Of Construction (non-PSC regulated)	1,548,682.95	1,149,648.60
Total Liabilities	9,617,124.19	9,334,343.35
Total Liabilities and Capital	6,924,288.06	7,210,295.68

**Straight-Line 25 years
Accumulated Depreciation and Amortization of Utility Plant**

Account 108	Current Year	Previous Year
Balance First of Year	\$104,577.09	\$64,678.25
Credits During Year:	-	-
Accruals Charged to Depreciation Account	99,602.50	39,898.84
Other Credits (Specify)	-	-
Total Credits	99,602.50	39,898.84
Debits During Year:		
Book Cost of Plant Retired	-	-
Cost of Removal	-	-
Other Debits (Specify)	-	-
Total Debits	-	-
Balance End of Year	\$204,179.59	\$104,577.09

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report all contractor and developer agreements from which cash was received during the year	Indicate "Cash or Property"	Amount
NON-PSC regulated area		
District PIAC from Developer	Cash	\$5,158,257.08
Total During Year:		\$5,158,257.08

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

		Appropriated	Unappropriated
Balance first of year		NONE	
Changes during year (Specify):			
Balance end of year		0	

PROPRIETARY CAPITAL

			Partner
Balance first of year		(\$2,124,047.67)	
Changes during year (specify)			
Net (Loss)		(568,788.46)	
Balance end of year		(\$2,692,836.13)	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Regulated			
Private Notes Payable	1% over prime		\$ 1,621,116.20
Non-regulated			
Private Notes Payable	1% over prime		4,863,348.60
Bank note payable (8.25% at 12/31/07)	variable		264,000.00

SEWER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301.00	Organization	NA			NA
302.00	Licenses & Permits capitalized	\$47,296.24			\$47,296.24
303.00	Land & Land Rights	47,488.15			47,488.15
304.00	Structures and Improvements	NA			NA
305.00	Collecting and Impounding Reservoirs	NA			NA
306.00	Lake River and Other Intakes	NA			NA
307.00	Wells and Springs	NA			NA
308.00	Infiltration Galleries and Tunnels	NA			NA
309.00	Supply Mains	NA			NA
310.00	Power Generation Equipment	NA			NA
311.00	Pumping Equipment	NA			NA
320.00	Sewer Treatment Equipment	416,482.59			416,482.59
330.00	Distribution Reservoirs and Standpipes	NA			NA
331.00	Sewer Collection Mains	111,029.80	437,409.17		548,438.97
333.00	Services	-			-
334.00	Meters and Meter Installations	NA			NA
334.00	Hydrants	NA			NA
339.00	Other Plant and Misc. Equipment	-			-
	Subtotal	622,296.78	437,409.17	-	1,059,705.95
340.00	Office Furniture & Equipment	2,497.00			2,497.00
341.00	Transportation Equipment	12,794.50			12,794.50
342.00	Stores Equipment	NA			NA
343.00	Tools, Shop & Garage Equipment	15,528.00			15,528.00
344.00	Laboratory Equipment	NA			NA
345.00	Power Operated Equipment	NA			NA
346.00	Communication Equipment	NA			NA
347.00	Miscellaneous Equipment	NA			NA
348.00	Other Tangible Plant	-			-
	TOTAL SEWER PLANT	\$653,116.28	\$437,409.17	\$0.00	\$1,090,525.45

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
302.00	Licenses & Permits capitalized	15.00		Straight Line	\$10,716.58	\$2,800.50		\$13,517.08
303.00	Land & Land Rights	NA		NA	NA			NA
304.00	Structures and Improvements	NA		NA	NA			NA
305.00	Collecting and Impounding Reservoirs	NA		NA	NA			NA
306.00	Lake River and Other Intakes	NA		NA	NA			NA
307.00	Wells and Springs	NA		NA	NA			NA
308.00	Infiltration Galleries and Tunnels	NA		NA	NA			NA
309.00	Supply Mains	NA		NA	NA			NA
310.00	Power Generation Equipment	NA		NA	NA			NA
311.00	Pumping Equipment	NA		NA	NA			NA
320.00	Sewer Treatment Equipment	15.00		Straight Line	\$78,916.01	\$79,306.00		\$158,222.01
330.00	Distribution Reservoirs & Standpipes	NA			NA			NA
331.00	Sewer Collection Mains	25.00		Straight Line	\$14,944.50	\$17,496.00		\$32,440.50
333.00	Services	NA		NA	NA			NA
334.00	Meters and Meter Installations	NA		NA	NA			NA
334.00	Hydrants	NA		NA	NA			NA
339.00	Other Plant and Misc. Equipment	NA		NA	\$0.00			NA
	Subtotal				\$104,577.09	\$99,602.50	\$0.00	\$204,179.59
340.00	Office Furniture & Equipment	5.00		Straight Line	\$1,023.50	\$813.00		\$1,836.50
341.00	Transportation Equipment	5.00		Straight Line	\$2,559.00	\$2,559.00		\$5,118.00
342.00	Stores Equipment	NA		NA	NA			NA
343.00	Tools, Shop & Garage Equipment	7.00		Straight Line	\$2,944.50	\$2,195.25		\$5,139.75
344.00	Laboratory Equipment	NA			NA			NA
345.00	Power Operated Equipment	NA			NA			NA
346.00	Communication Equipment	NA			NA			NA
347.00	Miscellaneous Equipment	NA			NA			NA
348.00	Other Tangible Plant	NA			NA			NA
	TOTAL SEWER PLANT				\$111,104.09	\$105,169.75	\$0.00	\$216,273.84

SEWER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	\$ -
Salaries and Wages - Officers, Directors, and Majority Stockholders	-
Employee Pensions and Benefits	-
Purchased Water	-
Purchased Power	7,022.54
Fuel for Power Production	
Chemicals	1,829.49
Materials and Supplies	1,239.88
Contractual Services	14,575.10
Transportation Expense	
Insurance Expense	7,338.87
Regulatory Commission Expense	
Bad Debt Expense	6,393.88
Other Expenses:	
Equipment rental	
Management Fee (\$99,339 per time allocation)	133,694.56
Professional Fees	1,279.47
Maintenance Expense	
Other Expenses	22,965.44
Total	\$ 196,339.23

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Name of Recipient	Amount	Description of Service
Scenic City	\$9,657.25	

STATE OF MONTANA)
County of Callahan)

We, the undersigned, on our oath do severally say that the foregoing return the
Utility Solutions, LLC, ^{sewer} 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.



Subscribed and sworn to before me this

Barbara Campbell
member

29th day of April, 2008.

Kristene L. Vandersloot

Kristene L. Vandersloot