

YEAR 2008

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, 2008

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REPORT OF

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

For Year Ended: December 31, 2008

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)

4/20/2009

Account Name	Current Year	Previous Year
GROSS REVENUE:		
Metered **Flat Rate**		
Residential	\$ 171,939.86	\$ 148,852.72
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Other	\$ -	\$ -
Unmetered		
Residential	\$ -	\$ -
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Fire Protection	\$ -	\$ -
Bulk Sales	\$ -	\$ -
Sale of Materials	\$ -	\$ -
Other	\$ 718.16	\$ -
TOTAL GROSS REVENUE	\$ 172,658.02	\$ 148,852.72
Expense	\$ 168,007.69	\$ 196,339.23
Depreciation Expense	\$ 117,442.61	\$ 117,237.82 *
Taxes Other Than Income	\$ 4,037.69	\$ 3,300.18 *
Income Taxes	\$ -	\$ -
Deferred Federal Income Taxes	\$ -	\$ -
TOTAL OPERATING EXPENSE	\$ 289,487.98	\$ 316,877.23
NET OPERATING INCOME (LOSS)	\$ (116,829.96)	\$ (168,024.51)
Other Income:		
Non-Utility Income	\$ -	\$ -
Other Deductions:		
Non-Utility Expense	\$ -	\$ -
Interest Expense (paid)	\$ 2,753.03	\$ -
Interest Expense (unpaid)	\$ 54,857.08	\$ 189,013.00 *
NET INCOME (LOSS)	\$ (174,440.07)	\$ (357,037.51)

* Prior Year Adjustment

Note: Only regulated portions of assets are shown.

COMPARATIVE BALANCE SHEET (SEWER)

Account Name	Current Year	Previous Year
Assets:		
Utility Plant In Service	\$ 1,520,004.12	\$ 1,516,042.97 *
Accumulated Depreciation and Amortization	\$ (600,705.12)	\$ (483,262.52) *
Net Utility Plant:	\$ 919,298.99	\$ 1,032,780.45
Cash	\$ 118,140.46	\$ 113,688.90
Accounts Receivable	\$ 7,379.02	\$ 5,364.29
Other Assets:		
Total Assets	\$ 1,044,818.47	\$ 1,151,833.64
Liabilities and Capital:		
Common Stock Issued	\$ -	\$ -
Preferred Stock Issued	\$ -	\$ -
Other Paid In Capital	\$ -	\$ -
Retained Earnings	\$ -	\$ -
Proprietary Capital	\$ -	\$ -
LLC Members Equity	\$ (652,769.73)	\$ (337,448.79) *
Total Capital	\$ (652,769.73)	\$ (337,448.79)
Long Term Debt	\$ 1,350,702.00	\$ 1,350,702.00 *
Accounts Payable	\$ 7,584.61	\$ -
Notes Payable	\$ 284,444.51	\$ 138,580.42 *
Customer Deposits	\$ -	\$ -
Accrued Taxes	\$ -	\$ -
Other Liabilities (specify)		
Accrued Interest	\$ 54,857.08	\$ - *
Total Liabilities	\$ 1,697,588.20	\$ 1,489,282.42
Advances For Construction	\$ -	\$ - *
Contributions In Aid Of Construction (PSC regulated)	\$ -	\$ - *
Total Liabilities and Capital	\$ 1,044,818.47	\$ 1,151,833.64

* Prior Year Adjustment

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

Account 108	Current Year	Previous Year
Balance First of Year	\$483,262.52	\$366,024.70 *
Credits During Year:	\$0.00	\$0.00
Accruals Charged to Depreciation Account	\$117,442.61	\$117,237.82 *
Other Credits (Specify)	\$0.00	\$0.00
Total Credits	\$117,442.61	\$117,237.82
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	\$600,705.12	\$483,262.52

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

* Prior Year Adjustment

Note: Only regulated portions of assets are shown.

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		\$ (337,448.79)	
Changes during year (specify)			
Net (Loss)		\$ (315,320.95)	
Balance end of year		\$ (652,769.73)	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Private Notes Payable	1% over prime		\$ 1,350,702.00

Note: Only regulated portions of assets are shown.

SEWER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301	Organization	NA			NA
302	Licenses & Permits capitalized	\$ 168,026.49	\$ 3,961.15		\$171,987.64
303	Land & Land Rights	\$ 23,744.17	\$0.00		\$23,744.17
304	Property Improvements	\$ 15,492.10	\$0.00		\$15,492.10
305	Collecting and Impounding Reservoirs	NA			NA
306	Lake River and Other Intakes	NA			NA
307	Wells and Springs	NA			NA
308	Infiltration Galleries and Tunnels	NA			NA
309	Supply Mains	NA			NA
310	Power Generation Equipment	NA			NA
311	Pumping Equipment	NA			NA
320	Sewer Treatment Plant	\$ 548,479.32			\$548,479.32
330	Distribution Reservoirs and Standpipes	NA			NA
331	Transmission and Distribution Mains	\$ 535,498.18	\$0.00		\$535,498.18
333	Services	\$0.00			\$0.00
334	Meters and Meter Installations	NA			NA
334	Hydrants	NA			NA
339	Other Plant and Misc. Equipment	\$0.00			\$0.00
340	Office Furniture & Equipment	\$ 7,956.56	\$0.00		\$7,956.56
341	Transportation Equipment	\$ 7,654.41	\$0.00		\$7,654.41
342	Stores Equipment	\$0.00			\$0.00
343	Tools, Shop & Garage Equipment	\$0.00			\$0.00
344	Laboratory Equipment	\$0.00			\$0.00
345	Power Operated Equipment	\$0.00			\$0.00
346	Communication Equipment	\$0.00			\$0.00
347	Miscellaneous Equipment	\$0.00			\$0.00
348	Other Tangible Plant	\$0.00			\$0.00
349	Disposal Beds	\$ 209,191.74	\$0.00		\$209,191.74
	TOTAL WATER PLANT	\$1,516,042.97	\$3,961.15	\$0.00	\$1,520,004.12

Note: Only regulated portions of assets are shown.

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	\$ 49,475.50	\$ 11,334.04		\$60,809.54
303	Land & Land Rights	NA		NA	NA			NA
304	Property Improvements	10.00		Straight Line	\$ 1,845.17	\$ 1,386.67		\$3,231.83
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	25.00		Straight Line	\$ 315,241.20	\$ 71,375.40		\$386,616.60
330	Distribution Reservoirs & Standpipes	NA			NA			NA
331	Transmission and Distribution Mains	25.00		Straight Line	\$ 87,409.86	\$ 21,420.00		\$108,829.86
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		Straight Line	\$ 579.00	\$ 496.50		\$1,075.50
340	Office Furniture & Equipment	5.00		Straight Line	\$ 2,078.75	\$ 766.00		\$2,844.75
341	Transportation Equipment	5.00		Straight Line	\$ 5,016.25	\$ 2,296.00		\$7,312.25
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	\$ 21,616.79	\$ 8,368.00		\$29,984.79
	TOTAL WATER PLANT				\$ 483,262.52	\$ 117,442.61	\$ -	\$ 600,705.12

Note: Only regulated portions of assets are shown.

SEWER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages	\$ -
Materials and Supplies	\$ 2,711.81
Chemicals	\$ 738.69
Purchased Power	\$ 8,415.81
Fuel for Power Production	\$ 118.45
Contractual Services	\$ 24,475.11
Engineering Expense	\$ -
Management Contract	\$ 84,289.93
Rental Equipment and Property	\$ 315.16
Auto Transportation	\$ 3,281.13
Other Equipment Expense	\$ 29.74
Laboratory and Testing	\$ 2,543.34
Insurance	\$ 12,218.78
Regulatory Commission	\$ 3,856.74
Permits, Fees, and Licenses	\$ 82.50
Advertising	\$ 130.36
Postage and Printing	\$ 1,440.19
Miscellaneous Expense	\$ 738.22
Office	\$ 12,921.68
Bad Debt Expense	\$ 118.92
Legal Expense	\$ -
Accounting	\$ 6,262.80
Petty Cash	\$ 1,614.28
Meters	\$ -
Loan Fees	\$ 1,704.05
Other Expenses:	
Property Tax	\$ 4,037.69
Depreciation and Amortization Expense	\$ 117,442.61
Total	\$289,487.98

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Name of Recipient	Amount	Description of Service
Contractual Services:		
Scenic City	\$ 17,312.76	landscaping

Note: Only regulated portions of assets are shown.

