

RECEIVED BY
2010 APR 30 P 4: 53
PUBLIC SERVICE
COMMISSION

YEAR 2009

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, 2009

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
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, 2009
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	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	Previous Year
GROSS REVENUE:		
Metered		
Residential	\$ 110,327	\$ 120,133
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Other	\$ -	\$ -
Unmetered		
Residential	\$ -	\$ -
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Fire Protection	\$ -	\$ -
Bulk Sales	\$ -	\$ -
Sale of Materials	\$ -	\$ -
Other	\$ 1,164	\$ 1,189
TOTAL GROSS REVENUE	\$ 111,491	\$ 121,322
Operation and Maintenance Expense	\$ 162,961	\$ 131,908
Depreciation/Amortization Expense	\$ 69,479	\$ 58,734
Taxes Other Than Income	\$ 2,783	\$ 2,596
Income Taxes	\$ -	\$ -
Deferred Federal Income Taxes	\$ -	\$ -
TOTAL OPERATING EXPENSE	\$ 235,223	\$ 193,238
NET OPERATING INCOME (LOSS)	\$ (123,732)	\$ (71,916)
Other Income:		
Non-Utility Income	\$ -	\$ -
Other Deductions:		
Non-Utility Expense	\$ -	\$ -
Interest Expense (paid)	\$ 2,709	\$ 3,049
Interest Expense (unpaid)	\$ 22,372	\$ 59,429
NET INCOME (LOSS)	\$ (148,813)	\$ (134,393)

COMPARATIVE BALANCE SHEET (WATER)

Account Name	Current Year	Previous Year
Assets:		
Utility Plant In Service	\$ 1,494,430	\$ 1,352,080
Accumulated Depreciation and Amortization	\$ (348,764)	\$ (281,636)
Net Utility Plant:	\$ 1,145,666	\$ 1,070,444
Cash	\$ 5,260	\$ 87,363
Customer Accounts Receivable	\$ 2,142	\$ 2,460
Other Assets:		
Total Assets	\$ 1,153,068	\$ 1,160,267
Liabilities and Capital:		
Common Stock Issued	\$ -	\$ -
Preferred Stock Issued	\$ -	\$ -
Other Paid In Capital	\$ -	\$ -
Retained Earnings	\$ -	\$ -
Proprietary Capital	\$ -	\$ -
LLC Members Equity	\$ (911,889)	\$ (770,859)
Total Capital	\$ (911,889)	\$ (770,859)
Long Term Debt	\$ 1,491,435	\$ 1,491,435
Accounts Payable	\$ 85,604	\$ 13,739
Notes Payable	\$ 406,119	\$ 366,524
Customer Deposits	\$ -	\$ -
Accrued Taxes	\$ -	\$ -
Other Liabilities (specify)		
Accrued Interest	\$ 81,800	\$ 59,429
Total Liabilities	\$ 2,064,958	\$ 1,931,126
Advances for Construction	\$ -	\$ -
Contributions In Aid Of Construction (PSC regulated)	\$ -	\$ -
Total Liabilities and Capital	\$ 1,153,069	\$ 1,160,267

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

Account 108	Current Year	Previous Year
Balance First of Year	\$ 281,636	\$ 223,625
Credits During Year:	\$ -	\$ -
Accruals Charged to Depreciation Account	\$ 69,479	\$ 58,734
Other Credits (Specify)	\$ -	\$ -
Total Credits	\$ 69,479	\$ 58,734
Debits During Year:		
Book Cost of Plant Retired	\$ 2,352	\$ -
Cost of Removal	\$ -	\$ -
Other Debits (Specify)	\$ -	\$ -
Total Debits	\$ 2,352	\$ -
Balance End of Year	\$ 348,764	\$ 281,636

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		
PIAC from Developer		\$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

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

PROPRIETARY CAPITAL

			Partner
Balance first of year		(\$770,858.92)	
Changes during year (specify)			
Net (Loss)		(\$141,030.15)	
Balance end of year		(\$911,889.07)	

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	\$ 168,133	\$ 2,969		\$ 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	\$ -	\$ 2,352	\$ 989
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	\$ 501,270	\$ 141,732		\$ 643,002
	TOTAL WATER PLANT	\$ 1,352,080	\$ 144,701	\$ 2,352	\$ 1,494,430

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	\$ 60,524	\$ 11,308		\$ 71,832
303	Land & Land Rights	NA		NA	NA			NA
304	Property Improvements	10.00		Straight Line	\$ 4,322	\$ 1,466		\$ 5,787
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	\$ 125,852	\$ 23,294		\$ 149,146
333	Services	NA		NA	NA			NA
334	Meters and Meter Installations	7.00		Straight Line	\$ 14,551	\$ 7,276		\$ 21,827
334	Hydrants	NA		NA	NA			NA
339	Other Plant and Misc. Equipment	NA		NA	NA			NA
340	Office Furniture & Equipment	5.00		Straight Line	\$ 2,771	\$ 317	\$ 2,352	\$ 736
341	Transportation Equipment	5.00		Straight Line	\$ 4,816	\$ 1,531		\$ 6,347
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	\$ 68,802	\$ 24,288		\$ 93,090
	TOTAL WATER PLANT				\$ 281,636	\$ 69,479	\$ 2,352	\$ 348,764

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages	\$ -
Materials and Supplies	\$ 1,120
Chemicals	\$ 3,500
Purchased Power	\$ 11,469
Fuel for Power Production	\$ -
Contractual Services	\$ 12,334
Engineering Expense	\$ -
Management Contract	\$ 93,354
Rental Equipment and Property	\$ -
Auto Transportation	\$ 1,748
Other Equipment Expense	\$ 641
Laboratory and Testing	\$ 1,458
Insurance	\$ 2,008
Regulatory Commission	\$ 19,895
Permits, Fees, and Licenses	\$ 506
Advertising	\$ 228
Postage and Printing	\$ 1,013
Miscellaneous Expense	\$ 1,281
Office	\$ 10,004
Bad Debt Expense	\$ 489
Legal Expense	\$ -
Accounting	\$ 884
Petty Cash	\$ 250
Meters	\$ -
Loan Fees	\$ 779
Total	\$ 162,961

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Name of Recipient	Amount	Description of Service
Contractual Services:		
Eric Campbell	\$9,919	Testing/water operation
2M	\$5,250	Pump repair
Haggerty	\$31,201	Well Drilling
Hughes Kellner	\$10,119	Regulatory
Morrison Maierle	\$88,369	Engineering
Barrows	\$9,364	Regulatory
Williams Plumbing and Heating	\$170,949	Repairs

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: <u>246,000</u>
No. of Standpipes: _____	0 Capacity in Gallons: _____
Method of Purification: 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		275							
Meters		264							

Number and Classification of Consumers							
Classification	Beginning of Year			End of Year			Increase
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	261	0	261	264	0	264	3
Commercial							
Industrial							
Fire Hydrants	0	47	47	0	47	47	0
Governmental							
All Other	11	11	22	11	11	22	0
Total	272	58	330	275	58	333	3

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year:	<u>35,788,264</u> gals.
Maximum Water obtained all methods during any one day:	<u>not avail</u> gals.
Minimum Amount of Water obtained all methods during one day:	<u>not avail</u> gals.
Range of ordinary pressure on mains:	<u>58</u> psi to <u>67</u> psi
Range of fire pressure in mains:	<u>40</u> psi to <u>60</u> 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.

Bonhava Campbell
(Signature)

(Signature)

Subscribed and sworn before me this 29th day of April, 2010



Beth A. Sinnema
Beth A. Sinnema
Residing at Bozeman MT
My Commission Expires 01-25-2010