

YEAR 2011

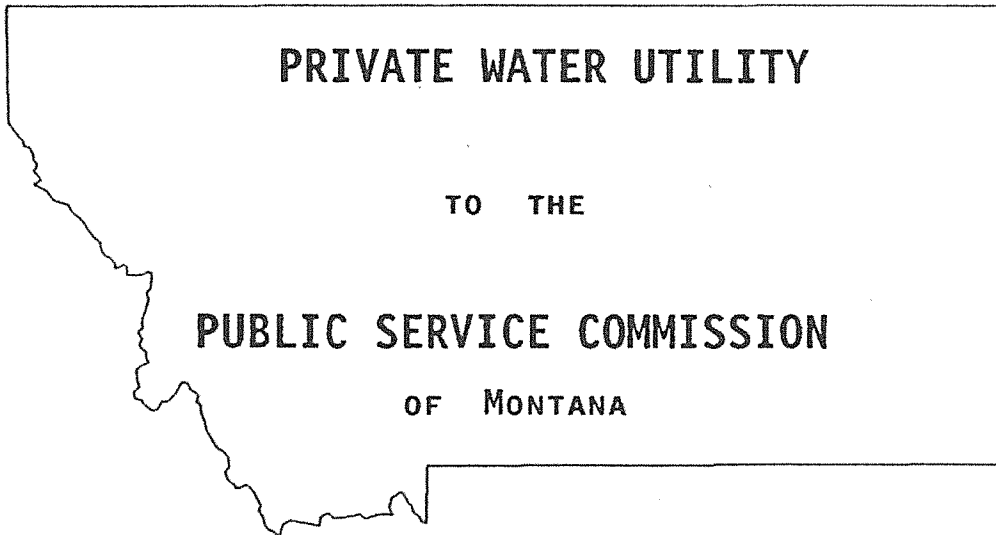
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ANNUAL REPORT

of the

NAME Treeline Springs, LLC

LOCATION Moonlight Basin - Madison County, MT



FOR THE YEAR ENDING 12/31/2011

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 Uniform System of Accounts for Water Utilities.
- 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 "N/A". 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 filed in duplicate and one copy returned by April 30 following the end of the calendar year for calendar year filers. If other than a calendar year filer, this report needs to be filed by the end of the 4th month following the end of the fiscal year for filers that have other than a calendar year yearend.
- 9 Please send the copy of your completed Annual Report to:

Montana Public Service Commission
Utility Division
P.O. Box 202601
Helena, MT 59620-2601

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INCOME STATEMENT

ACCOUNT NAME	Current Year (2011)	Previous Year (2010)
OPERATING REVENUE:		
Metered		
Residential	-	-
Commercial	-	-
Industrial	-	-
Other	-	-
Unmetered		
Residential	158,782.95	100,510.55
Commercial	-	-
Industrial	-	-
Fire Protection	-	-
Bulk Sales	-	-
Sale of Materials	-	-
Other	9.94	-
TOTAL OPERATING REVENUE:	\$ 158,792.89	\$ 100,510.55
OPERATING EXPENSES:		
Operation and Maintenance Expense	186,629.79	195,460.66
Depreciation Expense	6,343.44	6,587.56
Taxes Other than Income	-	-
Deferred Federal Income Taxes	-	-
Deferred State Income Taxes	-	-
TOTAL OPERATING EXPENSES	\$ 192,973.23	\$ 202,048.22
NET INCOME (LOSS) from OPERATIONS	\$ (34,180.34)	\$ (101,537.67)
Other Income:		
Non Utility Income	-	-
	-	-
	-	-
TOTAL OTHER INCOME	\$ -	\$ -
Other Deductions:		
Non-Utility Expenses	-	-
Interest Expense	-	-
	-	-
	-	-
TOTAL OTHER DEDUCTIONS	\$ -	\$ -
NET INCOME (LOSS)	\$ (34,180.34)	\$ (101,537.67)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year (2011)	Previous Year (2010)
ASSETS:		
Utility Plant in Service	160,989.90	160,989.90
Less: Accumulated Deprec. & Amort.	34,744.20	28,400.76
NET UTILITY PLANT	\$ 126,245.70	\$ 132,589.14
Cash	-	-
Customer Accounts Receivable	42,849.70	-
Other Assets (Specify)	-	-
.....	-	-
.....	-	-
.....	-	-
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 42,849.70	\$ -
TOTAL ASSETS	\$ 169,095.40	\$ 132,589.14
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	-	-
Preferred Stock Issued	-	-
Other Paid in Capital	-	-
Retained Earnings	-	-
Proprietary Capital	(277,998.03)	(243,037.69)
TOTAL CAPITAL	\$ (277,998.03)	\$ (243,037.69)
LIABILITIES		
Long Term Debt	-	-
Accounts Payable	-	-
Notes Payable	447,093.43	375,626.83
Customer Deposits	-	-
Accrued Taxes	-	-
Other Liabilities (Specify)	-	-
Deferred Revenue - Other	-	-
.....	-	-
.....	-	-
.....	-	-
Advances for Construction	-	-
Contributions in aid of Construction	-	-
TOTAL LIABILITIES	\$ 447,093.43	\$ 375,626.83
TOTAL LIABILITIES AND CAPITAL	\$ 169,095.40	\$ 132,589.14

Accumulated Depreciation and Amortization of Utility Plant

ACCOUNT 108	Current Year (2011)	Previous Year (2010)
Balance at First of Year	(28,400.76)	(21,813.20)
Credits During the Year:	(6,343.44)	(6,587.56)
Accruals Charged to Depreciation Account	-	-
Salvage	-	-
Other Credits (Specify):	-	-
.....	-	-
.....	-	-
Total Credits	\$ (34,744.20)	\$ (28,400.76)
Debits During the Year:		
Book Cost of Plant Retired	-	-
Cost of Removal	-	-
Other Debits (Specify):	-	-
.....	-	-
.....	-	-
Total Debits	\$ -	\$ -
Balance at End of Year	\$ (34,744.20)	\$ (28,400.76)

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		Amount
	Cash	Property	
N/A			-
.....			-
.....			-
.....			-
.....			-
TOTAL DURING THE YEAR			\$ -

Accumulated Deferred Income Taxes

Description	Amount
Accumulated Deferred Income Taxes	
Federal	N/A
State	N/A
Total Accumulated Deferred Income Taxes	\$ -

Capital Stock			
		Common Stock	Preferred Stock
Par or stated value per share	N/A	0	0
Shares Authorized	N/A	0	0
Shares Issued and Outstanding	N/A	0	0
Total par value of stock issued	N/A	0	0
Dividends declared per share for year	N/A	0	0

Retained Earnings			
		Appropriated	Unappropriated
Balance at first of year	N/A	0	0
Changes during year:		0	0
Net Income (loss)	N/A	0	0
Dividends	N/A	0	0
Other (Specify):		0	0
	N/A	0	0
		0	0
		0	0
		0	0
Balance end of year		0	0

Proprietary Capital			
		Proprietor or Partner	Partner
Balance at first of year		(243,037.69)	0
Changes during year (Specify):		-	0
Net Loss		(34,180.34)	0
Other		(780.00)	0
		-	0
		-	0
Balance at end of year		(277,998.03)	0

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
N/A	0	0	0
Total		\$ -	\$ -

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	63,662.59	-	-	63,662.59
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 Misc. Equipment	97,327.31	-	-	97,327.31
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	-	-	-	-
Total Water Plant		\$ 160,989.90	\$ -	\$ -	\$ 160,989.90

Analysis of Accumulated Depreciation by Primary Account

Acct No.	Account	Average Service Life in Years	Average Salvage Value in Percent	Depr. Rate Applied	Accumulated Depreciation Beginning of Year	Debits	Credits	Accumulated Depreciation End of Year
304	Structures and Improvements				-	-	-	-
305	Collecting and Impounding Reservoirs				-	-	-	-
306	Lake River and Other Intakes				-	-	-	-
307	Wells and Springs	30			10,294.67	-	2,122.10	12,416.77
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 Misc. Equipment	30			18,106.09	-	4,221.34	22,327.43
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				-	-	-	-
TOTAL					\$ 28,400.76	\$ -	\$ 6,343.44	\$ 34,744.20

Sources of Water Supply

Surface Water: River: _____ Lake: _____ Stream: _____ Impounding Reservoir: _____

Ground Water: No. of Springs: _____ No. of Shallow Wells: _____ No. of Deep Wells: 3

Reservoirs, Standpipes, and Purification System

No. of Reservoirs: 1 Capacity in Gallons: 318,000

No. of Standpipes: _____ Capacity in Gallons: _____

Method of Purification: _____

Services and Meters

Size->	1/2"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services	0	0	223	4	22	0	9	2	
Meters	0	0	0	0	0	0	0	0	

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	0	239	239	0	240	240	1
Commercial	0	3	3	0	3	3	0
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	57	57	0	57	57	0
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Total	-	299.00	299.00	-	300.00	300.00	1.00

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 18,575,054 gals.

Maximum Water obtained all methods during any one day: 167,843 gals.

Minimum Amount of Water obtained all methods during one day: 7,188 gals.

Range of ordinary pressure on mains 50 lbs to 120 lbs

Range of fire pressure in mains 50 lbs to 120 lbs

Affidavit

STATE OF MONTANA)

County of Madison)

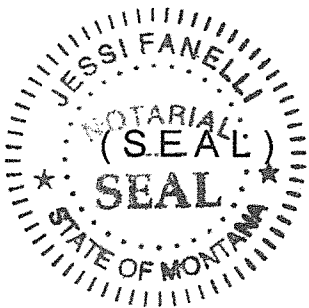
We, the undersigned, on our oath do severally say that the foregoing return of Treeline Springs LLC water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.

Evi Batts

(Signature)

(Signature)

Subscribed and sworn before me this 25 day of April, 2012



Jessi Fanelli
Jessi Fanelli

Residing at Ennis, MT
My Commission Expires June 30, 2012