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PUBLIC SERVICE  
COMMISSION

YEAR 2011

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, 2011

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## 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	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 (2011)	Previous Year (2010)
<b>GROSS REVENUE:</b>		
<b>Metered **Flat Rate**</b>		
Residential	\$ 253,835	\$ 223,363
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Other	\$ -	\$ -
<b>Unmetered</b>		
Residential	\$ -	\$ -
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Fire Protection	\$ -	\$ -
Bulk Sales	\$ -	\$ -
Sale of Materials	\$ -	\$ -
Other	\$ 2,431	\$ 1,152
<b>TOTAL GROSS REVENUE</b>	<b>\$ 256,267</b>	<b>\$ 224,515</b>
<b>Expense</b>	<b>\$ 203,627</b>	<b>\$ 204,572</b>
Depreciation Expense	\$ 67,288	\$ 66,056
Taxes Other Than Income	\$ 6,848	\$ 2,726
Income Taxes	\$ -	\$ -
Deferred Federal Income Taxes	\$ -	\$ -
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 277,763</b>	<b>\$ 273,354</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (21,497)</b>	<b>\$ (48,839)</b>
<b>Other Income:</b>		
Non-Utility Income	\$ -	\$ -
<b>Other Deductions:</b>		
Non-Utility Expense	\$ -	\$ -
Interest Expense (paid)	\$ 17,546	\$ 6,242
Interest Expense (unpaid)	\$ 13,058	\$ 20,261
<b>NET INCOME (LOSS)</b>	<b>\$ (52,100)</b>	<b>\$ (75,342)</b>

**COMPARATIVE BALANCE SHEET (SEWER)**

<b>Account Name</b>	<b>Current Year (2011)</b>	<b>Previous Year (2010)</b>
<b>Assets:</b>		
Utility Plant In Service	\$ 1,300,003	\$ 1,300,003
Accumulated Depreciation and Amortization	\$ (531,901)	\$ (464,613)
<b>Net Utility Plant:</b>	<b>\$ 768,101</b>	<b>\$ 835,389</b>
Cash	\$ 40,811	\$ 38,041
Accounts Receivable	\$ 16,576	\$ 14,088
Other Assets:		
<b>Total Assets</b>	<b>\$ 825,488</b>	<b>\$ 887,518</b>
<b>Liabilities and Capital:</b>		
Common Stock Issued	\$ -	\$ -
Preferred Stock Issued	\$ -	\$ -
Other Paid In Capital	\$ -	\$ -
Retained Earnings	\$ (1,053,297)	\$ (999,890)
Proprietary Capital	\$ -	\$ -
LLC Members Equity	\$ 187,582	\$ 187,582
<b>Total Capital</b>	<b>\$ (865,715)</b>	<b>\$ (812,308)</b>
Long Term Debt	\$ 1,350,702	\$ 1,350,702
Accounts Payable	\$ 5,546	\$ 11,772
Notes Payable	\$ 226,520	\$ 241,974
Customer Deposits	\$ -	\$ -
Accrued Taxes	\$ -	\$ -
<b>Other Liabilities (specify)</b>		
Accrued Interest	\$ 108,436	\$ 95,378
<b>Total Liabilities</b>	<b>\$ 1,691,204</b>	<b>\$ 1,699,826</b>
Advances For Construction	\$ -	\$ -
Contributions In Aid Of Construction (PSC regulated)	\$ -	\$ -
<b>Total Liabilities and Capital</b>	<b>\$ 825,488</b>	<b>\$ 887,518</b>

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

Account 108	Current Year (2011)	Previous Year (2010)
Balance First of Year	\$464,613.40	\$398,557.20
Credits During Year:	\$0.00	\$0.00
Accruals Charged to Depreciation Account	\$67,287.80	\$66,056.20
Other Credits (Specify)	\$0.00	\$0.00
<b>Total Credits</b>	<b>\$67,287.80</b>	<b>\$66,056.20</b>
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
<b>Total Debits</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Balance End of Year</b>	<b>\$531,901.20</b>	<b>\$464,613.40</b>

**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>		
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

**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		\$ (999,890)	
Changes during year:		\$ (53,407)	
Balance end of year		\$ (1,053,297)	

**MEMBERS EQUITY**

Balance first of year		\$ 187,582	
Changes during year:		\$ -	
Net			
Balance end of year		\$ 187,582	

**LONG TERM DEBT**

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Private Notes Payable	1% over prime		\$ 1,350,702

**SEWER UTILITY PLANT ACCOUNTS**

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301	Organization	\$ -			\$ -
302	Licenses & Permits capitalized	\$ 175,265			\$ 175,265
303	Land & Land Rights	\$ 23,744			\$ 23,744
304	Property Improvements	\$ 15,512			\$ 15,512
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	Sewer Treatment Plant	\$ 480,030			\$ 480,030
330	Distribution Reservoirs and Standpipes	\$ -			\$ -
331	Transmission and Distribution Mains	\$ 437,409			\$ 437,409
333	Services	\$ -			\$ -
334	Meters and Meter Installations	\$ -			\$ -
334	Hydrants	\$ -			\$ -
339	Other Plant and Misc. Equipment	\$ -			\$ -
340	Office Furniture & Equipment	\$ 6,756			\$ 6,756
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	Disposal Beds	\$ 153,633			\$ 153,633
	<b>TOTAL SEWER PLANT</b>	\$ 1,300,003	\$ -	\$ -	\$ 1,300,003



**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	\$ 83,684	\$ 11,684		\$ 95,368
303	Land & Land Rights	NA		NA	\$ -			NA
304	Property Improvements	10.00		Straight Line	\$ 7,275	\$ 1,551		\$ 8,826
305	Collecting and Impounding Reservoirs	NA		NA	\$ -			NA
306	Lake River and Other Intakes	NA		NA	\$ -			NA
307	Wells and Springs	NA		NA	\$ -			NA
308	Infiltration Galleries and Tunnels	NA		NA	\$ -			NA
309	Supply Mains	NA		NA	\$ -			NA
310	Power Generation Equipment	NA		NA	\$ -			NA
311	Pumping Equipment	NA		NA	\$ -			NA
320	Water Treatment Plant	15.00		Straight Line	\$ 196,951	\$ 29,775		\$ 226,726
	Distribution Reservoirs & Standpipes	NA			\$ -			NA
331	Transmission and Distribution Mains	25.00		Straight Line	\$ 129,521	\$ 17,496		\$ 147,017
333	Services	NA		NA	\$ -			NA
334	Meters and Meter Installations	NA		NA	\$ -			NA
334	Hydrants	NA		NA	\$ -			NA
339	Other Plant and Misc. Equipment	7.00		NA	\$ -			NA
340	Office Furniture & Equipment	5.00		Straight Line	\$ 5,260	\$ 575		\$ 5,835
341	Transportation Equipment	5.00		Straight Line	\$ 7,594	\$ 61		\$ 7,654
342	Stores Equipment	NA		NA	\$ -			NA
343	Tools, Shop & Garage Equipment	NA		NA	\$ -			NA
344	Laboratory Equipment	NA		NA	\$ -			NA
345	Power Operated Equipment	NA		NA	\$ -			NA
346	Communication Equipment	NA		NA	\$ -			NA
347	Miscellaneous Equipment	NA		NA	\$ -			NA
348	Other Tangible Plant	NA		NA	\$ -			NA
349	Disposal Beds	25.00		Straight Line	\$ 34,330	\$ 6,145		\$ 40,475
	<b>TOTAL WATER PLANT</b>				\$ 464,613	\$ 67,288	\$ -	\$ 531,901

Note: Only regulated portions of assets are shown.

**SEWER OPERATION AND MAINTENANCE EXPENSE**

ACCOUNT NAME	AMOUNT
Salaries and Wages	\$ -
Materials and Supplies	\$ 1,070
Chemicals	\$ 845
Purchased Power	\$ 6,573
Fuel for Power Production	\$ -
Contractual Services	\$ 9,048
Engineering Expense	\$ 10,000
Management Contract	\$ 145,322
Rental Equipment and Property	\$ -
Auto Transportation	\$ 1,879
Other Equipment Expense	\$ 220
Laboratory and Testing	\$ 3,458
Insurance	\$ 4,722
Regulatory Commission	\$ 7,621
Permits, Fees, and Licenses	\$ 2,088
Advertising	\$ -
Postage and Printing	\$ 550
Office	\$ 8,377
Miscellaneous Expense	\$ 219
Petty Cash	\$ -
Bad Debt Expense	\$ 664
Legal Expense	\$ 38
Accounting	\$ 935
Meters	\$ -
Loan Fees	\$ -
<b>Total</b>	\$ 203,627
	\$ -

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

Name of Recipient	Amount	Description of Service
Contractual Services:		
Scenic City	\$ 10,552	Disposal
Regulatory Services		
Hughes Kellner	\$ 5,533	Regulatory
Engineering Services		
Double-Tree	\$ 10,000	Engineering

Affidavit

STATE OF MONTANA )

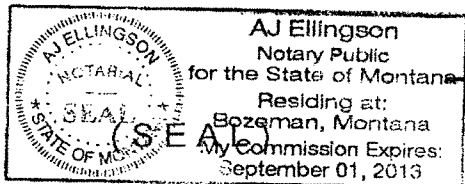
County of \_\_\_\_\_ )

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

Trevor Campbell  
(Signature)

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

Subscribed and sworn before me this 27 day of April, 20 12



AJ Ellingson  
Bozeman, MT  
September 1, 2013