

YEAR 2012

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, 2012

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REPORT OF

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

For Year Ended: December 31, 2012
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 (2012)	Previous Year (2011)
GROSS REVENUE:		
Metered		
Residential	\$ 229,454	\$ 207,805
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Other	\$ -	\$ -
Unmetered		
Residential	\$ -	\$ -
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Fire Protection	\$ -	\$ -
Bulk Sales	\$ -	\$ -
Sale of Materials	\$ -	\$ -
Other	\$ 1,160	\$ 3,398
TOTAL GROSS REVENUE	\$ 230,614	\$ 211,203
Operation and Maintenance Expense	\$ 174,391	\$ 161,832
Depreciation/Amortization Expense	\$ 69,162	\$ 69,301
Taxes Other Than Income	\$ 3,209	\$ 3,056
Income Taxes	\$ -	\$ -
Deferred Federal Income Taxes	\$ -	\$ -
TOTAL OPERATING EXPENSE	\$ 246,762	\$ 234,190
NET OPERATING INCOME (LOSS)	\$ (16,149)	\$ (22,987)
Other Income:		
Non-Utility Income	\$ -	\$ -
Other Deductions:		
Non-Utility Expense	\$ -	\$ -
Interest Expense (paid)	\$ 28,508	\$ 15,369
Interest Expense (unpaid)	\$ -	\$ 15,562
NET INCOME (LOSS)	\$ (44,657)	\$ (53,918)

COMPARATIVE BALANCE SHEET (WATER)

Account Name	Current Year (2012)	Previous Year (2011)
Assets:		
Utility Plant In Service	\$ 1,496,781	\$ 1,496,781
Accumulated Depreciation and Amortization	\$ (560,163)	\$ (491,001)
Net Utility Plant:	\$ 936,618	\$ 1,005,781
Cash	\$ (108,934)	\$ (3)
Customer Accounts Receivable	\$ 10,363	\$ 7,562
Other Assets:		
Total Assets	\$ 838,048	\$ 1,013,340
Liabilities and Capital:		
Common Stock Issued	\$ -	\$ -
Preferred Stock Issued	\$ -	\$ -
Other Paid In Capital	\$ -	\$ -
Retained Earnings	\$ (1,026,028)	\$ (981,921)
Proprietary Capital	\$ -	\$ -
LLC Members Equity	\$ 121,876	\$ 121,876
Total Capital	\$ (904,152)	\$ (860,045)
Long Term Debt	\$ 1,491,435	\$ 1,491,435
Accounts Payable	\$ -	\$ 6,814
Notes Payable	\$ 147,097	\$ 255,402
Customer Deposits	\$ -	\$ -
Accrued Taxes	\$ -	\$ -
Other Liabilities (specify)		
Accrued Interest	\$ 103,667	\$ 119,734
Total Liabilities	\$ 1,742,200	\$ 1,873,385
Advances for Construction	\$ -	\$ -
Contributions In Aid Of Construction (PSC regulated)	\$ -	\$ -
Total Liabilities and Capital	\$ 838,048	\$ 1,013,341

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

Account 108	Current Year (2012)	Previous Year (2011)
Balance First of Year	\$ 491,001	\$ 421,699
Credits During Year:	\$ -	\$ -
Accruals Charged to Depreciation Account	\$ 69,162	\$ 69,301
Other Credits (Specify)	\$ -	\$ -
Total Credits	\$ 69,162	\$ 69,301
Debits During Year:		
Book Cost of Plant Retired	\$ -	\$ -
Cost of Removal	\$ -	\$ -
Other Debits (Specify)	\$ -	\$ -
Total Debits	\$ -	\$ -
Balance End of Year	\$ 560,163	\$ 491,001

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

Balance first of year		\$ (981,921)	
Prior year adjustment		\$ 550	
Changes during year		\$ (44,657)	
Balance end of year		\$ (1,026,028)	

MEMBERS EQUITY

Balance first of year		\$ 121,876	
Changes during year		\$ -	
Net			
Balance end of year		\$ 121,876	

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	\$ 171,102	\$ -		\$ 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	\$ -		\$ 3,341
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	\$ 643,002	\$ -		\$ 643,002
	TOTAL WATER PLANT	\$ 1,496,781	\$ -	\$ -	\$ 1,496,781

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	\$ 94,645	\$ 11,407		\$ 106,052
303	Land & Land Rights	NA		NA	NA			NA
304	Property Improvements	10.00		Straight Line	\$ 8,719	\$ 1,466		\$ 10,185
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	\$ 195,734	\$ 23,294		\$ 219,028
333	Services	NA		NA	NA			NA
334	Meters and Meter Installations	7.00		Straight Line	\$ 36,378	\$ 7,276		\$ 43,653
334	Hydrants	NA		NA	NA			NA
339	Other Plant and Misc. Equipment	NA		NA	NA			NA
340	Office Furniture & Equipment	5.00		Straight Line	\$ 3,341	\$ -		\$ 3,341
341	Transportation Equipment	5.00		Straight Line	\$ 7,654	\$ -		\$ 7,654
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	\$ 144,530	\$ 25,720		\$ 170,250
	TOTAL WATER PLANT				\$ 491,001	\$ 69,162	\$ -	\$ 560,163

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages	\$ -
Materials and Supplies	\$ 234
Chemicals	\$ 1,239
Purchased Power	\$ 15,657
Fuel for Power Production	\$ -
Contractual Services	\$ 8,017
Engineering Expense	\$ -
Management Contract	\$ 114,014
Rental Equipment and Property	\$ 5,017
Auto Transportation	\$ 2,410
Other Equipment Expense	\$ 500
Laboratory and Testing	\$ 1,878
Insurance	\$ 12,508
Regulatory Commission	\$ 1,383
Permits, Fees, and Licenses	\$ 59
Advertising	\$ 62
Postage and Printing	\$ 816
Office	\$ 1,927
Miscellaneous Expense	\$ 253
Petty Cash	\$ 50
Telephone & Internet	\$ 2,659
Other Utilities	\$ 167
Bad Debt Expense	\$ 958
Legal Expense	\$ 3,285
Accounting	\$ 1,300
Meters	\$ -
Loan Fees	\$ -
Total	\$ 174,391

\$ -

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Name of Recipient	Amount	Description of Service
Contractual Services:		

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: Chlorination	

* 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		294							
Meters		283							

Number and Classification of Consumers							
Classification	Beginning of Year			End of Year			Increase
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	268	0	268	272	0	272	4
Commercial							
Industrial							
Fire Hydrants	0	47	47	0	47	47	0
Governmental							
All Other	11	11	22	11	11	22	0
Total	279	58	337	283	58	341	4

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year	<u>39,724,000</u> gals.
Maximum Water obtained all methods during any one day:	_____ not avail gals.
Minimum Amount of Water obtained all methods during one day:	_____ not avail 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.

Barbara Campbell
(Signature)

(Signature)

Subscribed and sworn before me this 30 day of April, 2013

AJ Ellingson

AJ Ellingson

