

YEAR

2014

ANNUAL REPORT

of the

NAME

Northstar Development, LLC
Northstar Water & Sewer

LOCATION

North Valley Helena

RECEIVED

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MONT. P.S. COMMISSION

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING

Dec 31st 2014

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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REPORT OF

NorthStar Development, LLC

PO Box 5104 Helena MT 59604
 (address) (city, state, zip code)

For Year Ended Dec 31st, 2014
 Date Utility First Organized 2004
 Telephone Number 459-4004
 Location of books and records 3186 Hwy 12E Helena MT 59601

Contacts

Name	Title	Principal Business Address	Salary
Person to send correspondence: <u>Dan Chovande</u>	<u>MBR</u>	<u>PO Box 5104 Helena MT 59604</u>	
Person who prepared this report: <u>Dan Chovande</u>	<u>MBR</u>	<u>"</u>	
Officers and Managers: <u>NA</u>	<u>NA</u>		
Total Officer and Manager Compensation			<u>None</u>

Ownership

Report every corporation or person owning interest or holding directly 5 percent or more of the voting securities of the reporting utility

Name	Percent Ownership in Utility	Principle Business Address	Amt Pd by Utility
<u>BLL, LLC</u>	<u>50%</u>	<u>PO Box 5104 Helena MT 59604</u>	<u>0</u>
<u>Joe Santou</u>	<u>25%</u>	<u>5265 Lottus Helena MT 59602</u>	<u>0</u>
<u>Doug Peterson</u>	<u>12.5%</u>	<u>8458 Douglas Circle</u>	<u>0</u>
<u>Chad Peterson</u>	<u>12.5%</u>	<u>Helena MT 59602</u>	<u>0</u>

INCOME STATEMENT

ACCOUNT NAME	Current Year	Previous Year
OPERATING REVENUE:		
Metered		
Residential <i>Water</i>	54,635.85	50,479.35
Commercial		
Industrial		
Other		
Unmetered		
Residential <i>Water</i>	94,679.61	74,147.00
Commercial <i>Sewer Fees</i>	75,799.63	58,247.00
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other <i>Water & Sewer Hookups</i>	5,500.00	5,625.00
TOTAL OPERATING REVENUE:	\$ 230,605.09	\$ 188,498.35
OPERATING EXPENSES:		
Operation and Maintenance Expense	(87,349.69)	(59,215.50)
Depreciation Expense	(56,857.00)	(50,844.00)
Taxes Other than Income		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSES	\$ (144,206.69)	\$ (110,059.50)
NET INCOME (LOSS) from OPERATIONS	\$ 86,398.40	\$ 78,438.85
Other Income:		
Non Utility Income		
<i>Late Fees & NSF</i>	1,290.00	1,530.00
<i>Other Income</i>		100.00
TOTAL OTHER INCOME	\$ 1,290.00	\$ 1,630.00
Other Deductions:		
Non-Utility Expenses		
Interest Expense	(54,142.58)	(63,363.12)
TOTAL OTHER DEDUCTIONS	\$ (54,142.58)	\$ (63,363.12)
NET INCOME (LOSS)	\$ 33,545.82	\$ 16,705.73

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	1,211,762.23	1,199,999.34
Less: Accumulated Deprec. & Amort.	(287,169.00)	(230,312.06)
NET UTILITY PLANT	\$ 924,593.23	\$ 969,687.34
Cash	66,468.01	48,559.08
Customer Accounts Receivable	27,823.40	17,312.46
Other Assets (Specify)		
<i>Undeposited Funds</i>	6,827.20	18,153.03
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 96,118.61	\$ 84,024.57
TOTAL ASSETS	\$ 1,020,711.84	\$ 1,053,711.91
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued		
Preferred Stock Issued		
Other Paid in Capital	500.00	500.00
Retained Earnings	96,118.61	84,024.57
Proprietary Capital <i>Adjustment to Balance</i>	82,528.77	108,220.40
TOTAL CAPITAL	\$ 179,147.38	\$ 192,745.03
LIABILITIES		
Long Term Debt <i>Farmers State Bank</i>	841,564.46	860,966.88
Accounts Payable		
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 841,564.46	\$ 860,966.88
TOTAL LIABILITIES AND CAPITAL	\$ 1,020,711.84	\$ 1,053,711.91

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	230,312. ⁰⁰	179,468. ⁰⁰
Credits During the Year:		
Accruals Charged to Depreciation Account	56,857. ⁰⁰	56,844. ⁰⁰
Salvage		
Other Credits (Specify):		
Total Credits	\$ -	\$ -
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 287,169. ⁰⁰	\$ 230,312. ⁰⁰

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	
NA			
TOTAL DURING THE YEAR			\$ -

Accumulated Deferred Income Taxes	
Description	Amount
Accumulated Deferred Income Taxes	NA
Federal	NA
State	NA
Total Accumulated Deferred Income Taxes	\$ -

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

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year		84,024.57
Changes during year:		
Net Income (loss)		12,094.04
Dividends		
Other (Specify):		
Balance end of year		96,118.61

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year	500. ⁰⁰	
Changes during year (Specify):		
Balance at end of year	500. ⁰⁰	

Long Term Debt			
Description of Obligation	Interest	Payment	Principal at Balance Sheet Date
	Rate		
Note: Farmers Statebank	6.5%	\$ 6,128.75	84,564.46
Total		\$ -	\$ 84,564.46

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				
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				
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 <i>Totals</i>	<i>1,199,999.34</i>	<i>11,762.89</i>		<i>1,211,762.23</i>
<i>Consolidated Since Inception</i>					
Total Water Plant		\$ -	\$ -	\$ -	\$ -

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							
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							
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 - <i>Consolidated</i>	<i>30 + 5%</i>			<i>230,317.00</i>		<i>56,857.00</i>	<i>287,169.00</i>
TOTAL					\$ -	\$ -	\$ -	\$ -

Sources of Water Supply

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

Ground Water: No. of Springs: — No. of Shallow Wells: 0 No. of Deep Wells: 6

Reservoirs, Standpipes, and Purification System

No. of Reservoirs: 8 Capacity in Gallons: 320,000

No. of Standpipes: NA Capacity in Gallons: NA

Method of Purification: chlorine system

Services and Meters

Size->	1/2"	^{3/4"} 5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in
Services		<u>279</u>		<u>11</u>				
Meters								

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	<u>274</u>	<u>0</u>	<u>274</u>	<u>288</u>	<u>0</u>	<u>288</u>	<u>14</u>
Commercial							
Industrial							
Fire Hydrants		<u>38</u>	<u>38</u>		<u>38</u>	<u>38</u>	<u>0</u>
Governmental							
All Other							
Total	-	-	-	-	-	-	-

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 32,566,200 gals. 2014

Maximum Water obtained all methods during any one day: 272,200 gals. July 11th

Minimum Amount of Water obtained all methods during one day: 29,000 gals. Dec 23rd

Range of ordinary pressure on mains 50 lbs to 70 lbs

Range of fire pressure in mains 50 lbs to 70 lbs

Affidavit

STATE OF MONTANA)

County of Lewis & Clark)

We, the undersigned, on our oath do severally say that the foregoing return of Northern Development 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.

[Signature]
(Signature)

[Signature]
(Signature)

Subscribed and sworn before me this 1 day of September, 20 15

[Signature]

(SEAL)

Notary public State of Montana

