

Amended

YEAR 2006

ANNUAL REPORT

OF THE

NAME

Utility Solutions, LLC

LOCATION

Bozeman, Gallatin County, Montana

PRIVATE ~~WATER~~ UTILITY
SEWER

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING

2006

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AMENDED

YEAR 2006

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, 2006

REPORT OF

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

For Year Ended: December 31, 2006

Date Utility First Organized: May 15, 2003

Telephone Number: 406-585-4166

Location where books and records are located: 224 Zoot Way, Bozeman, MT 59718

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	Previous Year
GROSS REVENUE:		
Metered **Flat Rate**		
Residential	\$132,990.85	\$0.00
Commercial	\$0.00	\$0.00
Industrial	\$0.00	\$0.00
Other	\$0.00	\$0.00
Unmetered		
Residential	\$0.00	\$0.00
Commercial	\$0.00	\$0.00
Industrial	\$0.00	\$0.00
Fire Protection	\$0.00	\$0.00
Bulk Sales	\$0.00	\$0.00
Sale of Materials	\$0.00	\$0.00
Other: Late Fees	\$24.03	\$0.00
TOTAL GROSS REVENUE	\$133,014.88	\$0.00
Operation and Maintenance Expense	\$176,709.49	\$0.00
Depreciation Expense	\$39,898.84	\$0.00
Taxes Other Than Income	\$0.00	\$0.00
Income Taxes	\$0.00	\$0.00
Deferred Federal Income Taxes	\$0.00	\$0.00
TOTAL OPERATING EXPENSE	\$216,608.33	\$0.00
NET OPERATING INCOME (LOSS)	(\$83,593.45)	\$0.00
Other Income:		
District Contract	\$151,741.54	\$0.00
Expansion Fee	\$11,430.30	\$0.00
	\$163,171.84	\$0.00
Other Deductions:		
Interest Expense	\$49,618.81	\$0.00
District Operations	\$328,312.91	\$0.00
District Depreciation	\$269,183.66	\$0.00
Service Expansion Costs	\$44,152.17	\$0.00
	\$691,267.55	\$0.00
NET INCOME (LOSS)	(\$611,689.16)	\$0.00

COMPARATIVE BALANCE SHEET (SEWER)

Account Name	Current Year	Previous Year
Assets:		
Utility Plant In Service	\$622,296.78	\$0.00
Accumulated Depreciation and Amortization	(\$104,577.09)	\$0.00
Net Utility Plant:		
Cash	\$21,305.28	\$0.00
Customer Accounts Receivable	\$6,958.03	\$0.00
Other Assets:		
District Plant in Service	\$5,573,741.10	\$0.00
Accumulated Depreciation	(\$555,003.81)	\$0.00
Accounts Receivable	\$151,741.54	\$0.00
Due from Related Party	\$840,558.60	\$0.00
District Land	\$550,000.00	\$0.00
Expansion in Progress	\$47,374.52	\$0.00
Other Fixed Assets	\$70,983.73	\$0.00
Accumulated Depreciation	(\$15,083.00)	\$0.00
Total Assets	\$7,210,295.68	\$0.00
Liabilities and Capital:		
Common Stock Issued	\$0.00	\$0.00
Preferred Stock Issued	\$0.00	\$0.00
Other Paid In Capital	\$0.00	\$0.00
Retained Earnings	\$0.00	\$0.00
Proprietary Capital	\$0.00	\$0.00
LLC Members Equity	(\$2,124,047.67)	\$0.00
Total Capital	(\$2,124,047.67)	\$0.00
Long Term Debt	\$0.00	\$0.00
Accounts Payable	\$0.00	\$0.00
Notes Payable	\$882,858.39	\$0.00
Customer Deposits	\$0.00	\$0.00
Accrued Taxes	\$0.00	\$0.00
Other Liabilities (specify)		
Due to Related Party	\$116,995.52	\$0.00
District Notes Payable	\$7,184,840.84	\$0.00
Total Liabilities	\$8,184,694.75	\$0.00
Advances for Construction	\$0.00	\$0.00
Contributions In Aid Of Construction (non-PSC regulated)	\$1,149,648.60	\$0.00
Total Liabilities and Capital	\$7,210,295.68	\$0.00

**Straight-Line 25 years
Accumulated Depreciation and Amortization of Utility Plant**

Account 108	Current Year	Previous Year
Balance First of Year	\$64,678.25	\$0.00
Credits During Year:	\$0.00	\$0.00
Accruals Charged to Depreciation Account	\$39,898.84	\$0.00
Other Credits (Specify)	\$0.00	\$0.00
Total Credits	\$39,898.84	\$0.00
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
Total Debits	\$0.00	
Balance End of Year	\$104,577.09	\$0.00

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report all contractor and developer agreements from which cash was received during the year	Indicate "Cash or Property"	Amount
NON-PSC regulated area		
District PIAC from Developer	Cash	\$1,149,648.60
Total During Year:		\$1,149,648.60

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	NONE
State	NONE
Total Accumulated Deferred Income Taxes	\$0.00

SEWER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301.00	Organization	NA			NA
302.00	Licenses & Permits capitalized	\$47,296.24			\$47,296.24
303.00	Land & Land Rights	\$47,488.15			\$47,488.15
304.00	Structures and Improvements	NA			NA
305.00	Collecting and Impounding Reservoirs	NA			NA
306.00	Lake River and Other Intakes	NA			NA
307.00	Wells and Springs	NA			NA
308.00	Infiltration Galleries and Tunnels	NA			NA
309.00	Supply Mains	NA			NA
310.00	Power Generation Equipment	NA			NA
311.00	Pumping Equipment	NA			NA
320.00	Sewer Treatment Equipment	\$416,482.59			\$416,482.59
330.00	Distribution Reservoirs and Standpipes	NA			NA
331.00	Sewer Collection Mains	\$111,029.80			\$111,029.80
333.00	Services	\$0.00			\$0.00
334.00	Meters and Meter Installations	NA			NA
334.00	Hydrants	NA			NA
339.00	Other Plant and Misc. Equipment	\$0.00			\$0.00
	Subtotal	\$622,296.78			\$622,296.78
340.00	Office Furniture & Equipment	\$2,497.00			\$2,497.00
341.00	Transportation Equipment	\$12,794.50			\$12,794.50
342.00	Stores Equipment	NA			NA
343.00	Tools, Shop & Garage Equipment	\$15,528.00			\$15,528.00
344.00	Laboratory Equipment	NA			NA
345.00	Power Operated Equipment	NA			NA
346.00	Communication Equipment	NA			NA
347.00	Miscellaneous Equipment	NA			NA
348.00	Other Tangible Plant	\$0.00			\$0.00
	TOTAL SEWER PLANT	\$653,116.28			\$653,116.28

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
302.00	Licenses & Permits capitalized	15.00		Straight Line	\$7,916.08	\$2,800.50		\$10,716.58
303.00	Land & Land Rights	NA		NA	NA			NA
304.00	Structures and Improvements	NA		NA	NA			NA
305.00	Collecting and Impounding Reservoirs	NA		NA	NA			NA
306.00	Lake River and Other Intakes	NA		NA	NA			NA
307.00	Wells and Springs	NA		NA	NA			NA
308.00	Infiltration Galleries and Tunnels	NA		NA	NA			NA
309.00	Supply Mains	NA		NA	NA			NA
310.00	Power Generation Equipment	NA		NA	NA			NA
311.00	Pumping Equipment	NA		NA	NA			NA
320.00	Sewer Treatment Equipment	15.00		Straight Line	\$51,459.17	\$27,456.84		\$78,916.01
330.00	Distribution Reservoirs & Standpipes	NA			NA			NA
331.00	Sewer Collection Mains	25.00		Straight Line	\$10,570.50	\$4,374.00		\$14,944.50
333.00	Services	NA		NA	NA			NA
334.00	Meters and Meter Installations	NA		NA	NA			NA
334.00	Hydrants	NA		NA	NA			NA
339.00	Other Plant and Misc. Equipment	NA		NA	\$0.00			NA
	Subtotal				\$69,945.75	\$34,631.34	\$0.00	\$104,577.09
340.00	Office Furniture & Equipment	5.00		Straight Line	\$210.50	\$813.00		\$1,023.50
341.00	Transportation Equipment	5.00		Straight Line	\$0.00	\$2,559.00		\$2,559.00
342.00	Stores Equipment	NA		NA				NA
343.00	Tools, Shop & Garage Equipment	7.00		Straight Line	\$1,049.00	\$1,895.50		\$2,944.50
344.00	Laboratory Equipment	NA		NA	NA			NA
345.00	Power Operated Equipment	NA		NA	NA			NA
346.00	Communication Equipment	NA		NA	NA			NA
347.00	Miscellaneous Equipment	NA		NA	NA			NA
348.00	Other Tangible Plant	NA		NA	NA			NA
	TOTAL SEWER PLANT				\$71,205.25	\$39,898.84	\$0.00	\$111,104.09

SEWER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	\$0.00
Salaries and Wages - Officers, Directors, and Majority Stockholders	\$0.00
Employee Pensions and Benefits	\$0.00
Purchased Water	\$0.00
Purchased Power	\$7,979.83
Fuel for Power Production	\$3,677.81
Chemicals	\$2,435.08
Materials and Supplies	\$979.22
Contractual Services	\$6,497.71
Transportation Expense	\$0.00
Insurance Expense	\$6,963.64
Regulatory Commission Expense	\$0.00
Bad Debt Expense	\$0.00
Other Expenses:	
Equipment rental	\$2,880.00
Management Fee	\$76,859.33
Professional Fees	\$36,990.76
Maintenance Expense	\$20,069.42
Other Expenses	\$11,376.69
Total	\$176,709.49

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

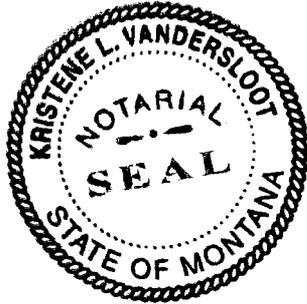
Name of Recipient	Amount	Description of Service
Eric Campbell	\$3,374.13	testing
Lawrence J. Van Dyke	\$3,960.00	vehicle rental
Ronald Woods	\$1,250.00	rate consulting

STATE OF MONTANA)
County of GALLATIN)

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

Barbara Campbell
Utility Solutions, LLC.

Subscribed and sworn to before me this 27th day of July, 2007.



Kristene L. Vandersloot

Kristene L. Vandersloot

Notary Public for the State of Montana
Residing at Bozeman
My commission expires August 31, 2008.