

YEAR 2007

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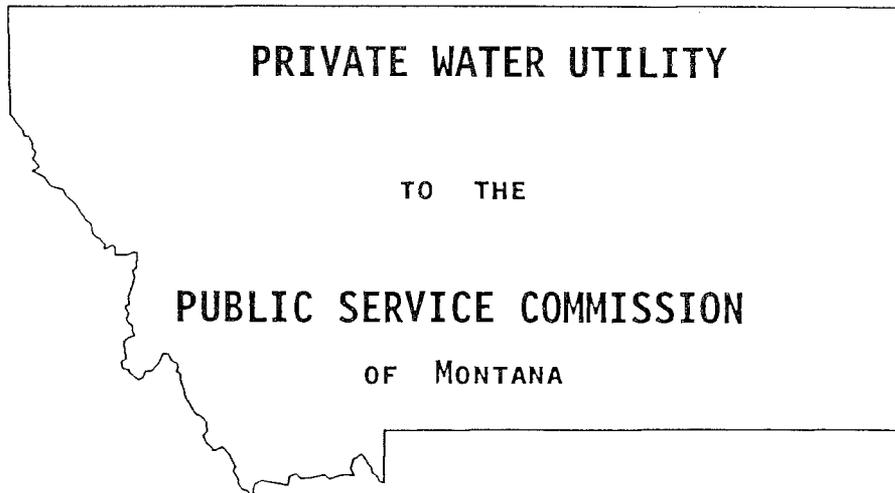
PUBLIC SERVICE
COMMISSION

ANNUAL REPORT

OF THE

NAME Utility Solutions, LLC

LOCATION Bozeman, Gallatin County, Montana



FOR THE YEAR ENDING December 31, 2007

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REPORT OF

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

For Year Ended: December 31, 2007

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	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	Previous Year
GROSS REVENUE:		
Metered		
Residential	\$ 104,743.44	\$ 95,681.31
Commercial		
Industrial		
Other		
Unmetered		
Residential		
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other	1,686.87	24.04
TOTAL GROSS REVENUE	106,430.31	
Operation and Maintenance Expense	113,589.77	106,508.95
Depreciation Expense	31,661.75	43,646.00
Taxes Other Than Income	5,163.30	
Income Taxes		
Deferred Federal Income Taxes		
TOTAL OPERATING EXPENSE	150,414.82	150,154.95
NET OPERATING INCOME (LOSS)	(43,984.51)	(54,449.60)
Other Income:		
District Contract	87,327.59	151,741.54
Expansion Fee	-	7,620.20
District Meters	34,810.00	
Miscellaneous District	2,478.65	
Other	4,972.58	
Subtotal	129,588.82	159,361.74
Other Deductions:		
Interest Expense	-	33,079.21
District Operations	588,133.48	260,224.08
District Depreciation	136,100.75	54,208.50
Service Expansion Costs	-	29,434.78
	724,234.23	376,946.57
NET INCOME (LOSS)	\$ (638,629.92)	\$ (272,034.43)

COMPARATIVE BALANCE SHEET (WATER)

Account Name	Current Year	Previous Year
Assets:		
Utility Plant In Service	\$992,158.33	\$992,158.33
Accumulated Depreciation and Amortization	(170,616.60)	(144,522.10)
Net Utility Plant:		
Cash	58,567.01	14,203.52
Customer Accounts Receivable	2,545.88	4,638.68
Other Assets:		
District Plant in Service (161,328.18 reallocated to sewer)	2,839,393.23	3,000,721.41
Accumulated Depreciation	(204,210.00)	(48,724.00)
Accounts Receivable	78,030.00	151,741.54
Interest Receivable	38,812.02	560,372.40
District Land	-	-
Expansion in Progress	-	1,300.00
Other Fixed Assets	70,982.71	70,982.71
Accumulated Depreciation	(26,434.50)	(15,083.00)
	-	-
Total Assets	3,679,228.08	4,587,789.49
Liabilities and Capital:		
Common Stock Issued	-	-
Preferred Stock Issued	-	-
Other Paid In Capital	-	-
Retained Earnings	-	-
Proprietary Capital	-	-
LLC Members Equity	(1,575,308.79)	(936,678.37)
Total Capital	(1,575,308.79)	(936,678.37)
Long Term Debt	-	-
Other Liabilities (specify)	-	-
Notes Payable	835,120.47	1,160,769.48
Customer Deposits	-	-
Accrued Taxes	-	-
Other Liabilities (specify)		
Due to Related Party	277,719.78	82,693.69
District Notes Payable	2,641,361.40	3,514,572.29
Accrued Interest	402,268.08	
Advances for Construction	-	-
Contributions In Aid Of Construction (non-PSC regulated)	1,098,067.15	766,432.40
Total Liabilities	5,254,536.87	5,524,467.86
Total Liabilities and Capital	3,679,228.08	4,587,789.49

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

Account 108	Current Year	Previous Year
Balance First of Year	\$144,522.10	\$106,143.60
Credits During Year:	-	-
Accruals Charged to Depreciation Account	26,094.50	38,378.50
Other Credits (Specify)	-	-
Total Credits	26,094.50	38,378.50
Debits During Year:		
Book Cost of Plant Retired	-	-
Cost of Removal	-	-
Other Debits (Specify)	-	-
Total Debits	-	-
Balance End of Year	\$170,616.60	\$144,522.10

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 Developers	Cash	\$1,451,307.63
Total During Year:		\$1,451,307.63

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

		Appropriated	Unappropriated
Balance first of year		NONE	
Changes during year (Specify):			
Balance end of year		0	

PROPRIETARY CAPITAL

			Partner
Balance first of year		(\$936,678.87)	
Changes during year (specify)			
Net (Loss)		(\$638,629.92)	
Balance end of year		(\$1,575,308.79)	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Regulated			
Private Notes Payable	1% over prime		\$ 835,120.47
Non-regulated			
Private Notes Payable	1% over prime		2,505,361.40
Bank note payable(8.25% @ 12/31/07)	variable		136,000.00

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301.00	Organization	NA			NA
302.00	Licenses & Permits capitalized	\$102,699.09			\$102,699.09
303.00	Land & Land Rights	-			-
304.00	Structures and Improvements	-			-
305.00	Collecting and Impounding Reservoirs	NA			NA
306.00	Lake River and Other Intakes	NA			NA
307.00	Wells and Springs	-			-
308.00	Infiltration Galleries and Tunnels	-			-
309.00	Supply Mains	-			-
310.00	Power Generation Equipment	-			-
311.00	Pumping Equipment	-			-
320.00	Water Treatment Equipment	-			-
330.00	Distribution Reservoirs and Standpipes	-			-
331.00	Transmission and Distribution Mains	889,459.24			889,459.24
333.00	Services	-			-
334.00	Meters and Meter Installations	-			-
334.00	Hydrants	-			-
339.00	Other Plant and Misc. Equipment	-			-
	Subtotal	992,158.33			992,158.33
340.00	Office Furniture & Equipment	2,496.99			2,496.99
341.00	Transportation Equipment	12,794.50			12,794.50
342.00	Stores Equipment	-			-
343.00	Tools, Shop & Garage Equipment	15,528.00			15,528.00
344.00	Laboratory Equipment	-			-
345.00	Power Operated Equipment	-			-
346.00	Communication Equipment	-			-
347.00	Miscellaneous Equipment	-			-
348.00	Other Tangible Plant	-			-
	TOTAL SEWER PLANT	\$1,022,977.82			\$1,022,977.82

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	\$22,964.10	\$2,800.50		\$25,764.60
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	Water Treatment Equipment	NA		NA	NA			NA
330.00	Distribution Reservoirs & Standpipes	NA		NA	NA			NA
331.00	Transmission and Distribution Mains	25.00		Straight Line	121,558.00	23,294.00		144,852.00
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	NA			NA
	Subtotal				144,522.10	26,094.50	-	170,616.60
340.00	Office Furniture & Equipment	5.00		Straight Line	1,023.50	813.00		1,836.50
341.00	Transportation Equipment	5.00		Straight Line	2,559.00	2,559.00		5,118.00
342.00	Stores Equipment	NA		NA	NA			NA
343.00	Tools, Shop & Garage Equipment	7.00		Straight Line	2,944.50	2,195.25		5,139.75
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 WATER PLANT				\$151,049.10	\$31,661.75	\$0.00	\$182,710.85

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	\$ -
Salaries and Wages - Officers, Directors, and Majority Stockholders	-
Employee Pensions and Benefits	-
Purchased Water	-
Purchased Power	10,611.50
Fuel for Power Production	-
Chemicals	456.81
Materials and Supplies	3,691.79
Contractual Services	17,275.12
Transportation Expense	-
Insurance Expense	7,338.87
Regulatory Commission Expense	374.00
Bad Debt Expense	3,293.82
Other Expenses:	-
Equipment rental	1,059.60
Management Fee	36,133.67
Professional Fees	1,999.09
Maintenance Expense	-
Other Expenses	31,355.50
Total	\$ 113,589.77

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Name of Recipient	Amount	Description of Service
Eric Campbell	\$7,732.20	testing

SOURCES OF WATER SUPPLY

Surface Water: River _____ Lake _____ Stream _____ Impounding Res. _____
 Ground Water: Springs No. _____ Shallow Wells No. 2 Deep Wells No. _____

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
8	27,117	∅	27,117	∅	∅	∅	27,117
Total	27,117	∅	27,117	∅	∅	∅	27,117

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 1 Capacity in Gallons 246,000
 Number of Standpipes _____ Capacity in Gallons _____
 Method of Purification NONE

SERVICES AND METERS

Services	<u>3/4 in.</u>								
1/2 in.	<u>5/8 in.</u>	1 in.	1 1/2 in.	2 in.	3 in.	4 in.	6 in.		
	<u>254</u>	<u>1</u>							
Meters	<u>254</u>	<u>1</u>							

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year- 01-01-2007 -Close of Year- 12-31-2007

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	235		235	255	∅	255	20
Commercial			-			-	-
Industrial			-			-	-
Fire Hydrants		47	47		47	47	-
Governmental			-			-	-
All Other (irrigation)		24 (est.)	24		24	24	-
Total							
	235	71	306	255	71	326	20

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year 59,489,297 gals.
 Maximum Water obtained all methods during any one day 471,700 gals.
 Minimum Amount of Water obtained all methods during one day 22,501 gals.
 Total Amount of Water passed through customers meters during year 39,106,000 gals.
 Range of ordinary pressure on mains 55 lbs. to 70 lbs.
 Range of fire pressure in mains 55 lbs. to 70 lbs.

STATE OF MONTANA)
County of Gallatin)

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

Subscribed and sworn to before me this 29th day of April, ~~19~~ 2008.

Kristene L. Vandersloot
Kristene L. Vandersloot