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PUBLIC SERVICE
COMMISSION

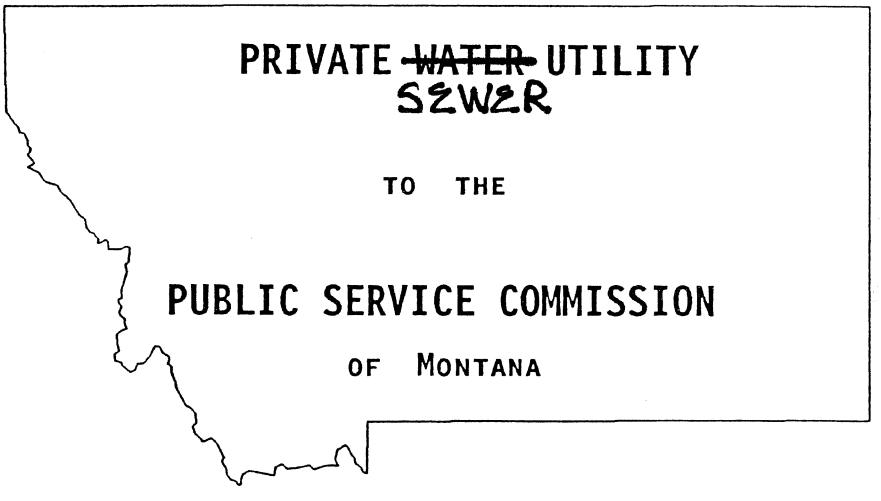
YEAR 2006

ANNUAL REPORT

OF THE

NAME Utility Solutions, LLC

LOCATION Bozeman, Gallatin County, Montana



PRIVATE ~~WATER~~ SEWER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING 2006

FORM NO. 402-A(12/88)

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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
Barbara Campbell	owner	P.O. Box 10098 Bozeman MT 59719	XXXXXXX
Double-Tree, Inc.	manager	P.O. Box 10098 Bozeman, MT 59719	$95,000.00

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 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	$215,020.84	$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	$254,919.68	$0.00
NET OPERATING INCOME (LOSS)	($121,904.80)	$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	$305,373.95	$0.00
District Depreciation	$269,183.66	$0.00
Service Expansion Costs	$44,152.17	$0.00
	$668,328.59	$0.00
NET INCOME (LOSS)	($627,061.55)	$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	($2,139,420.06)	$0.00
Total Capital	($2,139,420.06)	$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	$132,367.91	$0.00
District Notes Payable	$7,184,840.84	$0.00
Total Liabilities	$8,200,067.14	$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

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		($1,512,358.51)	
Changes during year (specify)			
Net (Loss)		($627,061.55)	
Balance end of year		($2,139,420.06)	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Private Notes Payable	6.00%		$882,858.39

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
345.00	Power Operated Equipment	NA			NA			NA
346.00	Communication Equipment	NA			NA			NA
347.00	Miscellaneous Equipment	NA			NA			NA
348.00	Other Tangible Plant	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	$77,170.68
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	$38,000.00
Professional Fees	$36,990.76
Maintenance Expense	$20,069.42
Other Expenses	$11,376.69
Total	$215,020.84

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

SOURCES OF WATER SUPPLY

Surface Water: River_____ Lake_____ Stream_____ Impounding Res._____
Ground Water: Springs No._____ Shallow Wells No._____ 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
Total							

N/A Sewer

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs _____ Capacity in Gallons _____
Number of Standpipes _____ Capacity in Gallons _____
Method of Purification _____

SERVICES AND METERS

Services	1/2 in.	5/8 in.	1 in.	1 1/2 in.	2 in.	3 in.	4 in.	6 in.		
Meters										

NUMBER AND CLASSIFICATION OF CONSUMERS

Classification	-Beginning of Year- Metered	Unmetered	Total	-Close of Year- Metered	Unmetered	Total	Increase or Decrease
Residential							
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total							

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year _____ gals.
Maximum Water obtained all methods during any one day _____ gals.
Minimum Amount of Water obtained all methods during one day _____ gals.
Total Amount of Water passed through customers meters during year _____ gals.
Range of ordinary pressure on mains _____lbs. to _____lbs.
Range of fire pressure in mains _____lbs. to _____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~~ 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
member

Subscribed and sworn to before me this 19th day of April, ~~19~~ 2007.

Kristene L. Vandersloot

Kristene L. Vandersloot

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

KRISTENE L. VANDERSLOOT
NOTARIAL
SEAL
STATE OF MONTANA