YEAR	2012
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## **ANNUAL REPORT**

of the

NAME Salish Shores Utility Corp

LOCATION 2806 Tradewinds Way, Thompson Falls, MT 59873

## PRIVATE WATER UTILITY

TO THE

**PUBLIC SERVICE COMMISSION** 

of Montana

FOR THE YEAR ENDING 12/31/2012

Form No. 402-A (01/2009)

#### General Instructions

- 1 Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
- Interpret all accounting words or phrases in accordance with the Uniform System of Accounts for Water Utilities.
- 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.
- 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.
- 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.
- 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.
- 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

## Salish Shores Utility Corp

P.O. Box 1030	Thompson Falls, MT 59873		
(address)	(	city, state, zip code)	
For Year Ended	31-Dec-12		
Date Utility First Organized			
Telephone Number	(406) 827-4555		
Location of books and records	2806 Tradewinds Way		

Contacts					
Name	Title	Principal Business Address	Salary		
Person to send correspondence: Bud Leufkens	President	P.O. Box 1030 Thompson Falls, MT 59873			
Person who prepared this report: Sue Lovhaug Whittenburg	Bookkeeper	Same			
Officers and Managers: Bud Leufkens	President	Same	No salary		
Judy Leufkens	Vice President	Same	No salary		
Todd Wakefield	Manager	Same	No salary		

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		
Bud Leufkens	50%	P.O. Box 1030	0		
		Thompson Falls, MT 59873			
Judy Leufkens	50%	P.O. Box 1030	0		
		Thompson Falls, MT 59873			

	INCOME STATEM	ENT			
ACCOUNT NAME			Current Year	Pı	revious Year
OPERATING REVENUE:					
Metered					
Residential	unaga <sup>0</sup> aasasamant		41,321.00		41 412 00
Commercial	usage & assessment	-			41,413.00
Industrial	usage & assessment	-	10,939.00		11,137.00
Other		+			
Unmetered		_			
Residential			9,561.00		9,561.00
Commercial		-	1,429.00		1,429.00
Industrial		+	1,423.00		1,425.00
Fire Protection		+			
Bulk Sales		+			
Sale of Materials	Water Turn on Fee	-	_		100.00
Other		-			100.00
TOTAL OPERATING REVEN	JUF:	\$	63,250.00	\$	63,640.00
TO THE OT LITER THE TEXT	102.	ļΨ	00,200.00	Ψ	00,010.00
OPERATING EXPENSES:					
Operation and Maintenance	Expense		47,223.00		50,165.00
Depreciation Expense	— T	_	9,990.00		11,185.00
Taxes Other than Income			201.00		328.00
Deferred Federal Income Ta	axes		-		_
Deferred State Income Taxe	es		50.00		50.00
TOTAL OPERATING EXPEN	ISES	\$	57,464.00	\$	61,728.00
				I.	·
NET INCOME (LOSS) from	OPERATIONS	\$	5,786.00	\$	1,912.00
Other Income:					
Non Utility Income	Road Maintenance	_	18,900.00		19,000.00
	Interest Income		22.00		27.00
	Finance Charge		86.00		199.00
TOTAL OTHER INCOME		\$	19,008.00	\$	19,226.00
Other Deductions:					
Non-Utility Expenses	Road Maintenance		11,550.00		13,504.00
	Boat Launch Maint.		-		2,257.00
	Boat Launch Deprec.		406.00		406.00
Interest Expense			171.00		533.00
TOTAL OTHER DEDUCTION	NS	\$	12,127.00	\$	16,700.00
NET INCOME (LOSS)		\$	12,667.00	\$	4,438.00
		Ψ	12,007.00	Ψ	⊣,⊣50.00

COM	IPARATIVE B	ALAN	CE SHEET		
ACCOUNT NAME		(	Current Year	F	Previous Year
ASSETS:		-		ı	
Utility Plant in Service			151,060.00		151,060.00
Less: Accumulated Deprec. &	Amort.		64,433.00		54,037.00
NET UTILITY PLANT		\$	86,627.00	\$	97,023.00
0 1-			10.001.00	1	40.070.00
Cash			16,391.00		10,678.00
Customer Accounts Receivable	Inventory		1,148.00		121.00
Other Assets (Specify)	Inventory		1,150.00		1,150.00
	Land		1,575.00		1,575.00
	Equipment Boat Ramp		38,508.00		38,508.00
  TOTAL ASSETS OTHER THAN	<b></b>	Φ.	10,151.00	Φ.	10,151.00
TOTAL ASSETS OTHER THAN	UTILITY PLAN	\$	68,923.00	\$	62,183.00
TOTAL ASSETS		\$	155,550.00	\$	159,206.00
		Ť	,	Ť	,
CAPITAL  Common Stock Issued  Preferred Stock Issued			2,021.00		2,021.00
Preferred Stock Issued			,		•
Other Paid in Capital					
Retained Earnings			(75,323.00)		(87,990.00)
Proprietary Capital	***		99,224.00		99,224.00
TOTAL CAPITAL		\$	25,922.00	\$	13,255.00
LIABILITIES					
Long Term Debt	***		119,768.00		119,768.00
Accounts Payable			9,860.00		18,822.00
Notes Payable			-		7,361.00
Customer Deposits					
Accrued Taxes					
Other Liabilities (Specify)					
199111111111111111111111111111111111111					
199111111111111111111111111111111111111					
Advances for Construction					
Contributions in aid of Construct	ion				
TOTAL LIABILITIES		\$	129,628.00	\$	145,951.00
TOTAL LIABILITIES AND CAP	ΙΤΔΙ	\$	155,550.00	\$	159,206.00
TO TAL LIABILITIES AND CAP	11/7 <b>L</b>	Ψ	155,550.00	Ψ	138,200.00

<sup>\*\*\*</sup> Portion of Proprietary Capital was moved back to long-term debt.

Accumulated Depreciation and Amortization of Utility Plant					
ACCOUNT 108	ACCOUNT 108 Current Year Previous				
Balance at First of Year		54,037.00		42,446.00	
Credits During the Year:					
Accruals Charged to Depreciation Account		10,396.00		11,591.00	
Salvage					
Other Credits (Specify):					
Total Credits	Φ.	64 422 00	¢	54 027 00	
Total Credits	\$	64,433.00	\$	54,037.00	
Debits During the Year:					
Book Cost of Plant Retired					
Cost of Removal	†				
Other Debits (Specify):	1				
Total Debits	\$	-	\$	-	
Balance at End of Year	\$	64,433.00	\$	54,037.00	

Contributions in Aid of Construction				
Report below all contractor and developer agreements ar line extension agreements from which cash or property	Indicate			
was received during the year	Cash	Property	Amount	
No such agreements				
TOTAL DURING THE YEAR	\$ -			

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

Capital Stock				
	Common Stock	Preferred Stock		
Par or stated value per share				
Shares Authorized				
Shares Issued and Outstanding				
Total par value of stock issued	2,021			
Dividends declared per share for year				

Retained Earnings				
	Appropriated	Unappropriated		
Balance at first of year	(87,466)			
Changes during year:				
Net Income (loss)	12,667			
Dividends				
Other (Specify):				
Balance end of year	(74,799)			

Proprietary Capital					
	Proprietor or Partner	Partner			
Balance at first of year	99,224				
Changes during year (Specify):					
Balance at end of year	99,224				

Long Term Debt						
	Interest			Prin	cipal at Balance	
Description of Obligation	Rate	Payme	nt		Sheet Date	
Leukens Construction					106,689	
The Leufkens Company					13,079	
Total		\$	-	\$	119,768.00	

	Water	Utility Plant A	Accounts		
Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	522.00			522.00
302	Franchises				
303	Land & Land Rights	1,575.00			1,575.00
304	Structures and Improvements	30,674.00			30,674.00
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				-
308	Infiltration Galleries and Tunnels				
309	Supply Mains	138,181.00			138,181.00
310	Power Generation Equipment				
311	Pumping Equipment	5,210.00			5,210.00
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	25,654.00			25,654.00
348	Other Tangible Plant				-
Total Wa	ater Plant	\$ 201,816.00	\$ -	\$ -	\$ 201,816.00

	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	15 - 25	0%	SL	4,063.00		1,307.00	5,370.00
305	Collecting and Impounding Reservoirs							-
306	Lake River and Other Intakes							-
307	Wells and Springs		0%	SL				-
308	Infiltration Galleries and Tunnels							-
309	Supply Mains	25	0%	SL	38,046.00		6,016.00	44,062.00
310	Power Generation Equipment							-
311	Pumping Equipment	20	0%	SL	4,012.00		95.00	4,107.00
320	Water Treatment Equipment							-
330	Distribution Reservoirs and Standpipes		0%	SL				-
331	Transmission and Distribution Mains							-
333	Services							-
334	Meters and Meter Installations		0%	SL				-
335	Hydrants		0%	SL				-
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							-
	Miscellaneous Equipment	7 - 15	0%		7,394.00		2,978.00	10,372.00
348	Other Tangible Plant		0%	SL				-
тот	AL				\$ 53,515.00	\$ -	\$ 10,396.00	\$ 63,911.00

Water Operation and Maintenance Expense	
Account Name	Amount
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pension and Benefits	
Purchased Water	
Utilities	4,875.00
Fuel for Power Production	
Chemicals	
Materials and Supplies	895.00
Contractual Services	39,089.00
Rents	5,200.00
Transportation Expense	
Insurance Expense	1,534.00
Regulatory Commission Expense	201.00
Miscellaneous Expense	4,706.00
TOTAL	\$ 56,500.00

Payments for Services Rendered by Other than Employees
Report all information concerning rate, management, construction advertising, labor relations, public relations or other similar services rendered the respondent of which the aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever, amounting to \$500 or more. Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

Name of Recipient	Amount	Description of Service
ME Labs	1,319.00	Water Testing
Leufkens Construction	36,588.00	Maintenance & Generator
Territorial Landworks	682.00	Engineering Expenses
Bratz & Associates CPA	500.00	Accounting Services

	Sources of Water Supply								
Surface Water: River: Lake: Stream: Impounding Reservoir: Ground Water: No. of Springs: No. of Shallow Wells: No. of Deep Wells:7									
		Rese	rvoirs, S	tandpipe	s, and P	urification	n System		
No. of Re	eservoirs				Capacity	in Gallons	:		
No. of Sta	andpipes	:			Capacity	in Gallons	:		
Method o	of Purifica	ition:							
Services and Meters									
Size->	3/4"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services									
Meters									

Number and Classification of Consumers							
	Be	eginning of Ye	ar		End of Year	•	
Classification	Metered	Unmetered	Total	Metered	Unmetered *	Total	Increase (Decrease)
Residential	90	67	157	91	66	157	0
Commercial	20	10	30	20	10	30	0
Industrial			0				0
Fire Hydrants			0				0
Governmental			0				0
All Other			0				0
Total	110.00	77.00	187.00	111.00	76.00	187.00	0

Total Pumping Station Statistics	
Maximum Water obtained all methods during any one day:13094	gals. gals. gals.

<sup>\*</sup> There are 8 unmetered apartments that are charged a flat rate for water usage.

\* All unmetered lots are charged a bi-monthly water assessment fee.

# Affidavit

STATE OF MONTANA	)
County of <u>SANDERS</u>	)
<del>-</del>	oath do severally say that the foregoing return of
Salish Shor	res Utility Corp
papers and records of said u	red under our direction from the original books, utility and declare the same to be a full, true and all the financial transactions of said utility he return is made.
•	(Signature)
•	(Signature)
Subscribed and sworn before	e me this, 20
,	
(SEAL)	
	Commission Expires 10/02/2015