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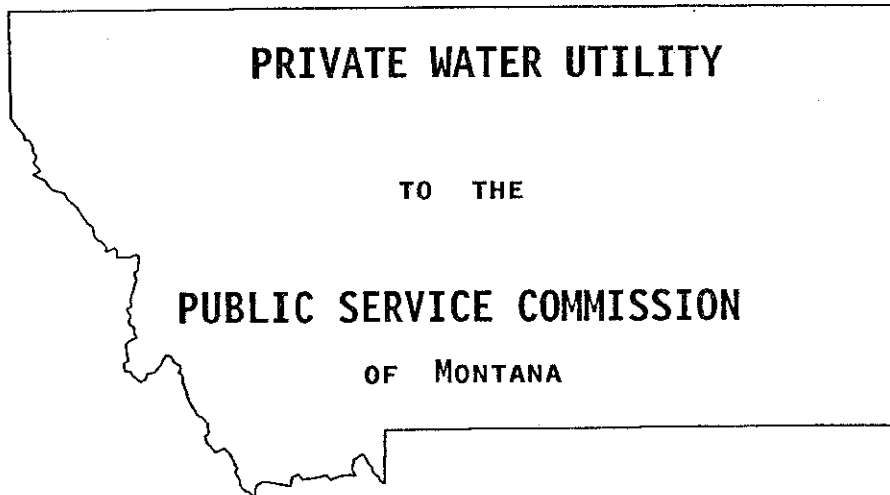
PUBLIC SERVICE
COMMISSION

ANNUAL REPORT

OF THE

NAME Salish Shores Utility Corp

LOCATION 2806 Tradewinds Way, Thompson Falls, MT



FOR THE YEAR ENDING 12/31/08

TABLE OF CONTENTS

SCHEDULE	PAGE	
Identification	2	
Income Statement	3	
Balance Sheet	4	
Contributions in Aid of Construction	5	
Accumulated Depreciation & Amortization of Utility Plant	5	
Capital Stock	6	
Retained Earnings	6	
Proprietary Capital	6	
Long Term Debt	6	
Water Utility Plant Accounts	7	
Analysis of Accumulated Depreciation by Primary Account	8	
Payments For Services Rendered By Other Than Employees	9	
Water Operation and Maintenance Expense	9	
Water Customers	10	
Operating Statistics	10	

REPORT OF

Salish Shores Utility Corp.
(Exact Name of Utility)

PO Box 1030, 2800 Tradewinds Way, Thompson Falls, MT 59873
(Address) (City, State, Zip Code)

For Year Ended 12/31/08

Date Utility First Organized _____

Telephone Number 406-827-4555

Location where books and records are located 2800 Tradewinds Way

Contracts:			
Name	Title	Principal Business Address	Salary
Bud Leufkens Person to send correspondence:	President	PO Box 1030 Thompson Falls, MT 59873	XXXXXXXX
Person who prepared this report: Sue Louhaug	Bookkeeper	PO Box 1030 Thompson Falls, MT 59873	XXXXXXXX
Officers & Managers:			\$
Bud Leufkens	President	PO Box 1030 Thompson Falls, MT 59873	\$ 0
Judy Leufkens	Vice President	PO Box 1030 Thompson Falls, MT 59873	\$ 0
			\$
			\$
			\$

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
Bud Leufkens	50%	PO Box 1030 Thompson Falls, MT 59873	\$ 0
Judy Leufkens	50%	PO Box 1030 Thompson Falls, MT 59873	\$ 0
			\$
			\$

INCOME STATEMENT

Account Name	Current Year	Previous Year
GROSS REVENUE:		
Metered		
Residential	20011	19102
Commercial	6977	2552
Industrial		
Other		
Unmetered		
Residential	5528	12462
Commerical	956	3921
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials <i>meters install</i>	5000	4250
Other		
TOTAL GROSS REVENUE	38522	42287
Operation and Maintenance Expense	55064	60502
Depreciation Expense	7185	5169
Taxes Other Than Income	804	789
Income Taxes	50	50
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	63103	66510
NET OPERATING INCOME (LOSS)	(24581)	(24223)
Other Income:		
Non-Utility Income		1187-
Road Assessment	15285	15052
Interest	314	16
Other Deductions:		
Non-Utility Expenses	7871	4431
Interest Expense		
NET INCOME (LOSS)	(16853)	(12399)

COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR	PREVIOUS YEAR
Assets:		
Utility Plant In Service	130242	130242
Accumulated Depreciation and Amortization	21697	14512
Net Utility Plant	108545	115730
Cash	11300	42253
Customer Account Receivable	(2919)	4859
Other Assets (Specify) Inventory	1150	1150
land	1575	1575
Equipment	39030	17478
Boat Ramp	10151	10151
Total Assets	168832	193196
Liabilities an Capital:		
Common Stock Issued	2021	2021
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings	(53970)	(37117)
Proprietary Capital	218633	218633
Total Capital		
Long Term Debt		
Accounts Payable	3160	
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify) Shareholder loan	1788	9659
Advances for Construction		
Contributions In Aid Of Construction		
Total Liabilities and Capital	168832	193196

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	14512	9343
Credits During Year	7185	4818
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
Total Credits	21697	14512
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year	21697	14512

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 "Cash or Property"	Amount
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
Total Accumulated Deferred Income Taxes	

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	522			522
302	Franchises				
303	Land & Land Rights	1575			1575
304	Structures and Improvements	16151	16705		20856
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains	138181			138181
310	Power Generation Equipment				
311	Pumping Equipment	5210			5210
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 Miscellaneous 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	3807	16847		14654
348	Other Tangible Plant				
	Total Water Plant	159446	21552		180998

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements	15-25	%	%	68		525	593
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains	25	%	%	8357		5528	13885
310	Power Generating Equip.		%	%				
311	Pumping Equipment	20	%	%	3360		208	3568
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment	7-15	%	%	2205		924	3129
348	Other Tangible Plant		%	%				
Totals					13990		7185	21175

STATE OF MONTANA)
County of Sanders)

We, the undersigned, on our oath do severally say that the foregoing return the Selish Shores Utility Corp, 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.

Buddy J. Luffen

Judy A. Luffen

Subscribed and sworn to before me this 5 day of Feb, 19 2009.

Susan Lovhaug

my Commission expires 10/2/11

