

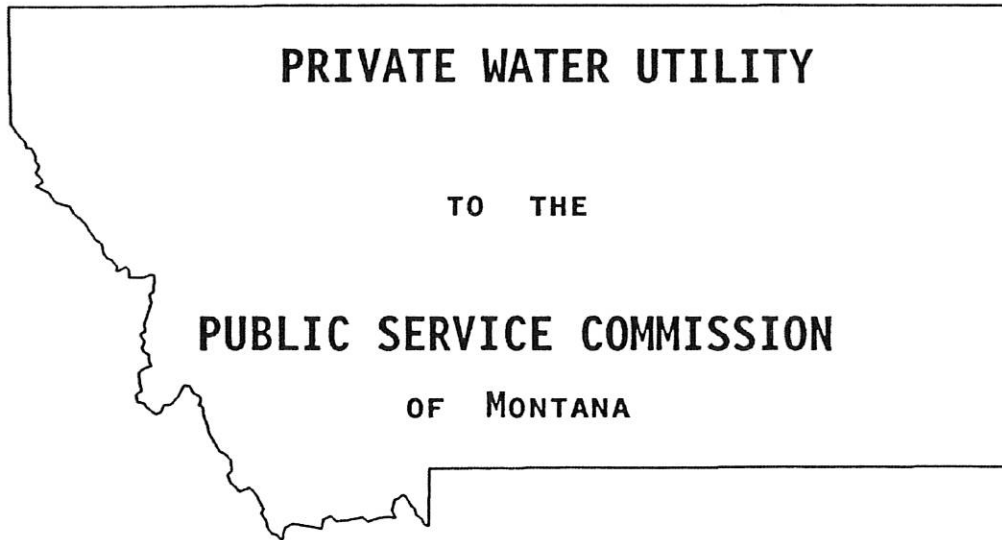
YEAR 2015

ANNUAL REPORT

of the

NAME Phantom Hills Water Company, Inc.

LOCATION Missoula, Montana



FOR THE YEAR ENDING 12/31/2015

General Instructions

- 1 Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
- 2 Interpret all accounting words or phrases in accordance with the Uniform System of Accounts for Water Utilities.
- 3 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.
- 4 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.
- 5 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.
- 7 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.
- 8 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

Table of Contents

SCHEDULE	PAGE
Identification	2
Income Statement	3
Balance Sheet	4
Contributions in Aid of Construction	5
Accumulated Depreciation and Amortization of Utility Plant	6
Capital Stock	6
Retained Earnings	6
Proprietary Capital	6
Long Term Debt	6
Water Utility Plant Accounts	7
Analysis of Accumulated Deprecation 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

Phantom Hills Water Company, Inc.

PO Box 16630
(address)

Missoula, MT 59808-6630
(city, state, zip code)

For Year Ended December 31, 2015

Date Utility First Organized January 23, 2004

Telephone Number 406-523-1600

Location of books and records 101 International Drive, Missoula, MT 59808

Contacts			
Name	Title	Principal Business Address	Salary
Person to send correspondence:			
Johnna Eisenmann	Director of Asset Management	101 International Drive Missoula, MT 59808	
Person who prepared this report:			
Lindsay Mayoras	Senior Accounting Manager	101 International Drive Missoula, MT 59808	
Officers and Managers:			
Larry Simkins	President	101 International Drive Missoula, MT 59808	
Total Officer and Manager Compensation			-

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
87 RDW Recovable Living Trust	100%	PO Box 16630 Missoula, MT 59808	-

INCOME STATEMENT

ACCOUNT NAME	Current Year	Previous Year
OPERATING REVENUE:		
Metered		
Residential	\$ 99,829	\$ 83,511
Commercial	3,546	3,132
Industrial	-	-
Other	-	-
Unmetered		
Residential	-	-
Commercial	-	-
Industrial	-	-
Fire Protection	14,924	13,604
Bulk Sales	-	-
Sale of Materials	-	-
Other	-	-
TOTAL OPERATING REVENUE:	\$ 118,299	\$ 100,247
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 112,230	\$ 112,111
Depreciation Expense	93,255	93,644
Taxes Other than Income	33,759	31,259
Deferred Federal Income Taxes	-	-
Deferred State Income Taxes	-	-
TOTAL OPERATING EXPENSES	\$ 239,245	\$ 237,013
NET INCOME (LOSS) from OPERATIONS	\$ (120,946)	\$ (136,766)
Other Income:		
Non Utility Income	\$ (2,289)	\$ 25
	-	-
	-	-
TOTAL OTHER INCOME	\$ (2,289)	\$ 25
Other Deductions:		
Non-Utility Expenses	\$ -	\$ -
Interest Expense	121,289	119,312
TOTAL OTHER DEDUCTIONS	\$ 121,289	\$ 119,312
NET INCOME (LOSS)	\$ (244,524)	\$ (256,053)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	\$ 1,894,024	\$ 1,889,169
Less: Accumulated Deprec. & Amort.	1,076,228	984,592
NET UTILITY PLANT	\$ 817,797	\$ 904,577
Cash	20,296	4,790
Customer Accounts Receivable	3,362	3,552
Other Assets (Specify) Prepaid Ins.	2,150	2,135
.....		
.....		
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 25,808	\$ 10,478
TOTAL ASSETS	\$ 843,604	\$ 915,055
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	\$ 1,000	\$ 1,000
Preferred Stock Issued	-	-
Other Paid in Capital	-	-
Retained Earnings	(2,888,280)	(2,643,756)
Proprietary Capital		
TOTAL CAPITAL	\$ (2,887,280)	\$ (2,642,756)
LIABILITIES		
Long Term Debt	\$ 3,708,640	\$ 3,532,351
Accounts Payable	5,321	9,838
Notes Payable	-	-
Customer Deposits	-	-
Accrued Taxes	16,922	15,622
Other Liabilities (Specify)	-	-
.....		
.....		
.....		
Advances for Construction	-	-
Contributions in aid of Construction	-	-
TOTAL LIABILITIES	\$ 3,730,884	\$ 3,557,811
TOTAL LIABILITIES AND CAPITAL	\$ 843,604	\$ 915,055

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	\$ 984,592	\$ 890,948
Credits During the Year:	-	-
Accruals Charged to Depreciation Account	93,255	93,644
Salvage	-	-
Other Credits (Specify):	-	-
.....		
.....		
Total Credits	\$ 1,077,847	\$ 984,592
Debits During the Year:		
Book Cost of Plant Retired	\$ 1,619	\$ -
Cost of Removal	-	-
Other Debits (Specify):	-	-
.....		
.....		
Total Debits	\$ 1,619	\$ -
Balance at End of Year	\$ 1,076,228	\$ 984,592

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		Amount
	Cash	Property	
None			-
.....			
.....			
TOTAL DURING THE YEAR			\$ -

Accumulated Deferred Income Taxes	
Description	Amount
Accumulated Deferred Income Taxes	\$ -
Federal	None
State	None
Total Accumulated Deferred Income Taxes	\$ -

Capital Stock		
	Common Stock	Preferred Stock
Par or stated value per share -----	\$ 1.00	-
Shares Authorized -----	1,000	-
Shares Issued and Outstanding -----	1,000	-
Total par value of stock issued -----	1,000	-
Dividends declared per share for year -----	-	-

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year -----	(2,643,756)	-
Changes during year:	-	-
Net Income (loss) -----	(244,524)	-
Dividends -----	-	-
Other (Specify): -----	-	-
-----		-
-----		-
-----		-
Balance end of year -----	(2,888,280)	-

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year -----	-	-
Changes during year (Specify):	-	-

Balance at end of year -----		

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Revolving loan not to exceed \$4.0 M Term 3/1/04 - 4/30/2015	Prime	N/A	\$ 3,708,640
Note: Loan was renewed in March 2016 and will now expire 4/30/2017			

Total -----		\$ -	\$ 3,708,640

Water Utility Plant Accounts

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	-	-	-	-
302	Franchises	-	-	-	-
303	Land & Land Rights	11,577	-	-	11,577
304	Structures and Improvements	-	-	-	-
305	Collecting and Impounding Reservoirs	-	-	-	-
306	Lake River and Other Intakes	-	-	-	-
307	Wells and Springs	590,131	-	-	590,131
308	Infiltration Galleries and Tunnels	-	-	-	-
309	Supply Mains	-	-	-	-
310	Power Generation Equipment	-	-	-	-
311	Pumping Equipment	212,740	2,545	-	215,285
320	Water Treatment Equipment	-	-	-	-
330	Distribution Reservoirs and Standpipes	-	-	-	-
331	Transmission and Distribution Mains	630,776	-	(1,393)	629,383
333	Services	-	-	-	-
334	Meters and Meter Installations	38,205	7,173	(3,470)	41,908
335	Hydrants	63,264	-	-	63,264
339	Other Plant and Misc. Equipment	325,141	-	-	325,141
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	-	-	-	-
348	Other Tangible Plant	17,335	-	-	17,335
Total Water Plant		1,889,169	\$ 9,718	\$ (4,863)	\$ 1,894,024

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	10	0%	0%	-	-	-	-
305	Collecting and Impounding Reservoirs				-	-	-	-
306	Lake River and Other Intakes				-	-	-	-
307	Wells and Springs	20	0%	0%	322,690	-	29,507	352,197
308	Infiltration Galleries and Tunnels				-	-	-	-
309	Supply Mains				-	-	-	-
310	Power Generation Equipment				-	-	-	-
311	Pumping Equipment	20	0%	0%	238,285	-	23,057	261,342
320	Water Treatment Equipment				-	-	-	-
330	Distribution Reservoirs and Standpipes				-	-	-	-
331	Transmission and Distribution Mains	20	0%	0%	329,095	-	31,469	360,564
333	Services				-	-	-	-
334	Meters and Meter Installations	20	0%	0%	15,949	1,619	2,120	16,450
335	Hydrants	20	0%	0%	31,697	-	3,163	34,860
339	Other Plant and Misc. Equipment	20	0%	0%	29,541	-	3,939	33,480
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				-	-	-	-
348	Other Tangible Plant	8	0%	0%	17,335	-	-	17,335
TOTAL					\$ 984,592	\$ 1,619	\$ 93,255	\$ 1,076,228

Sources of Water Supply

Surface Water: River: 0 Lake: 0 Stream: 0 Impounding Reservoir: 0
 Ground Water: No. of Springs: 0 No. of Shallow Wells: 2 No. of Deep Wells: 0

Reservoirs, Standpipes, and Purification System

No. of Reservoirs: 1 Capacity in Gallons: 400,000
 No. of Standpipes: 0 Capacity in Gallons: 0
 Method of Purification: Chlorination

Services and Meters

Size->	1/2"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in
Services		125	3	1	0	0	0	0
Meters		129	3	1	0	0	0	0

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	113	0	113	125	0	125	12
Commercial	4	1	5	4	1	5	0
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	24	24	0	24	24	0
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Total	117	25	142	129	25	154	12

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: +/- 15 million gals.
 Maximum Water obtained all methods during any one day: +/- 120,000 gals.
 Minimum Amount of Water obtained all methods during one day: +/- 5,000 gals.
 Range of ordinary pressure on mains +/- 50 lbs to +/- 80 lbs
 Range of fire pressure in mains +/- 20 lbs to +/- 60 lbs

Affidavit

STATE OF MONTANA)

County of _____ Missoula

We, the undersigned, on our oath do severally say that the foregoing return of Phantom Hills Water Company, Inc.

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.

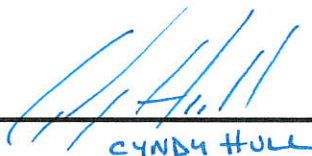
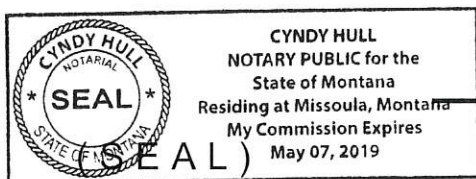


(Signature)

President, Phantom Hills Water Company, Inc.

(Signature)

Subscribed and sworn before me this 20th day of APRIL, 20 16


CYNDY HULL
