

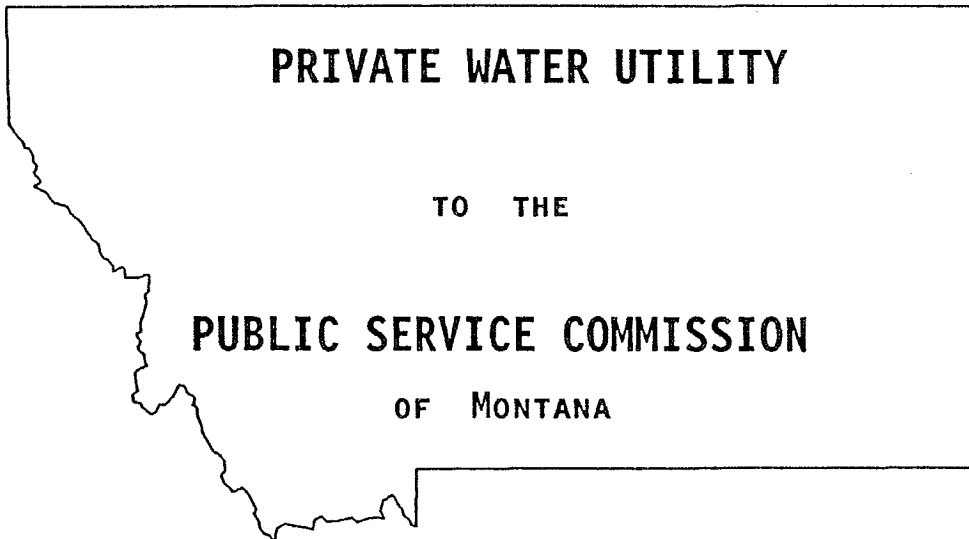
YEAR 2016

# ANNUAL REPORT

of the

NAME Phantom Hills Water Company

LOCATION Missoula, MT



FOR THE YEAR ENDING 12/31/2016

## 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, 2016

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
The Roy Dennis Washington Trust	100%	PO Box 16630 Missoula, MT 59808	\$ -

## INCOME STATEMENT

ACCOUNT NAME	Current Year	Previous Year
<b>OPERATING REVENUE:</b>		
Metered		
Residential	\$ 102,118	\$ 99,829
Commercial	2,920	3,546
Industrial	-	-
Other	-	-
Unmetered		
Residential	-	-
Commercial	-	-
Industrial	-	-
Fire Protection	16,654	14,924
Bulk Sales	-	-
Sale of Materials	-	-
Other	-	-
<b>TOTAL OPERATING REVENUE:</b>	<b>\$ 121,692</b>	<b>\$ 118,299</b>
<b>OPERATING EXPENSES:</b>		
Operation and Maintenance Expense	\$ 116,472	\$ 112,230
Depreciation Expense	93,367	93,255
Taxes Other than Income	36,122	33,759
Deferred Federal Income Taxes	-	-
Deferred State Income Taxes	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 245,961</b>	<b>\$ 239,244</b>
<b>NET INCOME (LOSS) from OPERATIONS</b>	<b>\$ (124,269)</b>	<b>\$ (120,946)</b>
<b>Other Income:</b>		
Non Utility Income	\$ 129	\$ (2,289)
	-	-
	-	-
<b>TOTAL OTHER INCOME</b>	<b>\$ 129</b>	<b>\$ (2,289)</b>
<b>Other Deductions:</b>		
Non-Utility Expenses	\$ -	\$ -
Interest Expense	62,579	121,289
	-	-
	-	-
<b>TOTAL OTHER DEDUCTIONS</b>	<b>\$ 62,579</b>	<b>\$ 121,289</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (186,719)</b>	<b>\$ (244,524)</b>

## COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
<b>ASSETS:</b>		
Utility Plant in Service	\$ 1,898,468	\$ 1,894,024
Less: Accumulated Deprec. & Amort.	1,169,595	1,076,228
<b>NET UTILITY PLANT</b>	<b>\$ 728,873</b>	<b>\$ 817,797</b>
Cash	21,407	20,296
Customer Accounts Receivable	3,888	3,362
Other Assets (Specify)      Prepaid Ins.	2,156	2,150
<b>TOTAL ASSETS OTHER THAN UTILITY PLANT</b>	<b>\$ 27,451</b>	<b>\$ 25,808</b>
<b>TOTAL ASSETS</b>	<b>\$ 756,324</b>	<b>\$ 843,605</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>CAPITAL</b>		
Common Stock Issued	\$ 1,000	\$ 1,000
Preferred Stock Issued	-	-
Other Paid in Capital	-	-
Retained Earnings	(3,074,999)	(2,888,280)
Proprietary Capital		
<b>TOTAL CAPITAL</b>	<b>\$ (3,073,999)</b>	<b>\$ (2,887,280)</b>
<b>LIABILITIES</b>		
Long Term Debt	\$ 3,801,219	\$ 3,708,640
Accounts Payable	11,164	5,321
Notes Payable	-	-
Customer Deposits	-	-
Accrued Taxes	17,889	16,922
Other Liabilities (Specify)      Customer Deposits	50	-
Advances for Construction		
Contributions in aid of Construction		
<b>TOTAL LIABILITIES</b>	<b>\$ 3,830,323</b>	<b>\$ 3,730,883</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 756,324</b>	<b>\$ 843,603</b>

### Accumulated Depreciation and Amortization of Utility Plant

ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	1,076,228	984,592
Credits During the Year:	-	-
Accruals Charged to Depreciation Account	93,367	93,255
Salvage	-	-
Other Credits (Specify):	-	-
<b>Total Credits</b>	<b>1,169,595</b>	<b>\$ 1,077,847</b>
Debits During the Year:		
Book Cost of Plant Retired	-	\$ 1,619
Cost of Removal	-	-
Other Debits (Specify):	-	-
<b>Total Debits</b>	<b>\$ -</b>	<b>\$ 1,619</b>
<b>Balance at End of Year</b>	<b>\$ 1,169,595</b>	<b>\$ 1,076,228</b>

### Contributions in Aid of Construction

Report below all contractor and developer agreements line extension agreements from which cash or property was received during the year	Indicate		Amount
	Cash	Property	
None.			-
<b>TOTAL DURING THE YEAR</b>			<b>\$ -</b>

### Accumulated Deferred Income Taxes

Description	Amount
Accumulated Deferred Income Taxes	
Federal	None
State	None
<b>Total Accumulated Deferred Income Taxes</b>	<b>\$ -</b>

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	0	0

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year	\$ (2,888,280)	\$ -
Changes during year:		
Net Income (loss)	(186,719)	-
Dividends	-	-
Other (Specify):	-	-
Balance end of year	\$ (3,074,999)	\$ -

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year	-	-
Changes during year (Specify):	-	-
None		
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	1.47%	N/A	\$ 2,915,100
Note: Loan was renewed in March 2016 and will expire April 30, 2018.			
Total		\$ -	\$ 2,915,100



## 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	215,285	-	-	215,285
320	Water Treatment Equipment	-	-	-	-
330	Distribution Reservoirs and Standpipes	-	-	-	-
331	Transmission and Distribution Mains	629,383	-	-	629,383
333	Services	-	-	-	-
334	Meters and Meter Installations	41,908	4,443		46,351
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		\$ 1,894,024	\$ 4,443	\$ -	\$ 1,898,467

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%	352,197	-	29,506	381,703
308	Infiltration Galleries and Tunnels				-	-		-
309	Supply Mains				-	-		-
310	Power Generation Equipment				-	-		-
311	Pumping Equipment	20	0%	0%	261,342	-	23,084	284,426
320	Water Treatment Equipment				-	-		-
330	Distribution Reservoirs and Standpipes				-	-		-
331	Transmission and Distribution Mains	20	0%	0%	360,564	-	31,469	392,033
333	Services				-	-		-
334	Meters and Meter Installations	20	0%	0%	16,450	-	2,206	18,656
335	Hydrants	20	0%	0%	34,860	-	3,163	38,023
339	Other Plant and Misc. Equipment	20	0%	0%	33,480	-	3,939	37,419
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
<b>TOTAL</b>					1,076,228	-	93,367	1,169,595



### 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	0	0	106	0	0	0	1	0
Meters	0	155	4	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	125	0	125	139	0	139	14
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
<b>Total</b>	129	25	154	143	25	168	14

### Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year:  13,734,683  gals.

Maximum Water obtained all methods during any one day:  125,000  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

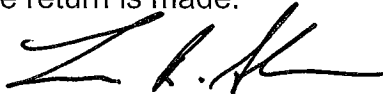
Affidavit

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 20<sup>th</sup> day of April, 20 17

