

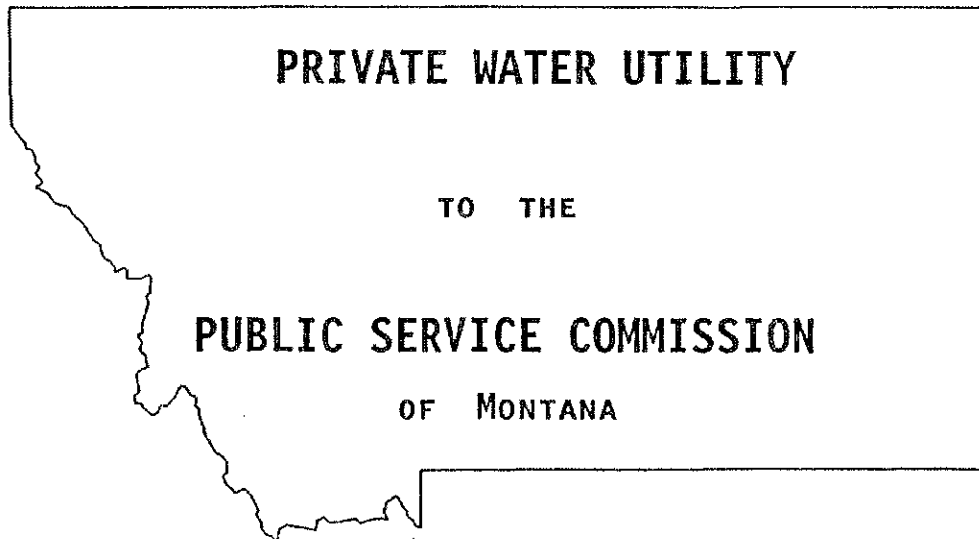
YEAR 2017

ANNUAL REPORT

of the

NAME Phantom Hills Water Company

LOCATION Missoula, MT



FOR THE YEAR ENDING 12/31/2017

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

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REPORT OF

Phantom Hills Water Company, Inc.

PO Box 16630
(address)

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

For Year Ended December 31, 2017

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 Jurgutis	Assistant Controller	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
OPERATING REVENUE:		
Metered		
Residential	\$ 116,237	\$ 102,118
Commercial	3,006	2,920
Industrial	-	-
Other	-	-
Unmetered		
Residential	-	-
Commercial	-	-
Industrial	-	-
Fire Protection	18,744	16,654
Bulk Sales	-	-
Sale of Materials	-	-
Other	-	-
TOTAL OPERATING REVENUE:	\$ 137,987	\$ 121,692
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 163,834	\$ 116,472
Depreciation Expense	106,614	135,825
Taxes Other than Income	37,866	36,122
Deferred Federal Income Taxes	-	-
Deferred State Income Taxes	-	-
TOTAL OPERATING EXPENSES	\$ 308,315	\$ 288,419
NET INCOME (LOSS) from OPERATIONS	\$ (170,327)	\$ (166,727)
Other Income:		
Non Utility Income	\$ 2,187	\$ 249,339
	-	-
	-	-
TOTAL OTHER INCOME	\$ 2,187	\$ 249,339
Other Deductions:		
Non-Utility Expenses	\$ -	\$ -
Interest Expense	43,368	62,579
	-	-
	-	-
TOTAL OTHER DEDUCTIONS	\$ 43,368	\$ 62,579
NET INCOME (LOSS)	\$ (211,509)	\$ 20,033

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	\$ 2,160,669	\$ 2,147,679
Less: Accumulated Deprec. & Amort.	1,316,063	1,212,052
NET UTILITY PLANT	\$ 844,606	\$ 935,626
Cash	5,846	21,407
Customer Accounts Receivable	6,398	3,888
Other Assets (Specify) Prepaid Ins.	2,231	2,155
TOTAL ASSETS OTHER THAN UTILITY PLANT	\$ 14,474	\$ 27,450
TOTAL ASSETS	\$ 859,080	\$ 963,077
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	\$ 1,000	\$ 1,000
Preferred Stock Issued	-	-
Other Paid in Capital	-	-
Retained Earnings	(3,079,754)	(2,868,245)
Proprietary Capital		
TOTAL CAPITAL	\$ (3,078,754)	\$ (2,867,245)
LIABILITIES		
Long Term Debt	\$ 3,899,588	\$ 3,801,219
Accounts Payable	17,377	11,164
Notes Payable	-	-
Customer Deposits	-	-
Accrued Taxes	18,494	17,889
Other Liabilities (Specify) Customer Deposits	50	50
	Deferred Revenue	-
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 3,937,834	\$ 3,830,322
TOTAL LIABILITIES AND CAPITAL	\$ 859,080	\$ 963,077

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	1,212,052	984,592
Credits During the Year:		
Accruals Charged to Depreciation Account	106,614	93,255
Salvage	-	-
Other Credits (Specify):	-	-
Depreciation Catch Up - Distribution Mains	-	135,824
Total Credits	1,318,666	\$ 1,213,671
Debits During the Year:		
Book Cost of Plant Retired	2,603	\$ 1,619
Cost of Removal	-	-
Other Debits (Specify):	-	-
Total Debits	\$ 2,603	\$ 1,619
Balance at End of Year	\$ 1,316,063	\$ 1,212,052

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	0	0

Retained Earnings

	Appropriated	Unappropriated
Balance at first of year	\$ (2,868,245)	\$ -
Changes during year:		
Net Income (loss)	(211,509)	-
Dividends	-	-
Other (Specify):	-	-
Balance end of year	\$ (3,079,754)	\$ -

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	\$ 2,970,100
Note: Loan was renewed in March 2016 and will expire April 30, 2018.			
Total		\$ -	\$ 2,970,100

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	862,594	-	-	862,594
333	Services	-	-	-	-
334	Meters and Meter Installations	46,351	7,980	(4,835)	49,496
335	Hydrants	79,264	-	-	79,264
339	Other Plant and Misc. Equipment	325,141	9,845	-	334,987
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		\$ 2,147,679	\$ 17,825	\$ (4,835)	\$ 2,160,669

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%	381,703	-	29,506	411,209
308	Infiltration Galleries and Tunnels				-	-		-
309	Supply Mains				-	-		-
310	Power Generation Equipment				-	-		-
311	Pumping Equipment	20	0%	0%	284,425	-	23,083	307,508
320	Water Treatment Equipment				-	-		-
330	Distribution Reservoirs and Standpipes				-	-		-
331	Transmission and Distribution Mains	20	0%	0%	434,074	-	43,130	477,203
333	Services				-	-		-
334	Meters and Meter Installations	20	0%	0%	18,656	2,604	2,446	18,498
335	Hydrants	20	0%	0%	38,441	-	3,963	42,404
339	Other Plant and Misc. Equipment	20	0%	0%	37,418	-	4,487	41,906
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					1,212,052	2,604	106,614	1,316,063

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	145	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	139	0	139	145	0	145	6
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	143	25	168	149	25	174	6

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.

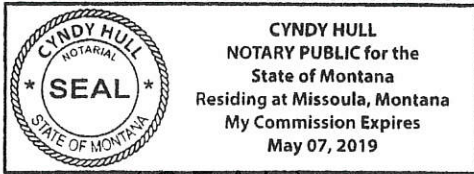


(Signature)

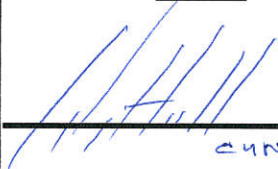
President, Phantom Hills Water Company, Inc.

(Signature)

Subscribed and sworn before me this 18th day of April, 20 18



(SEAL)


CYNDY HULL
