

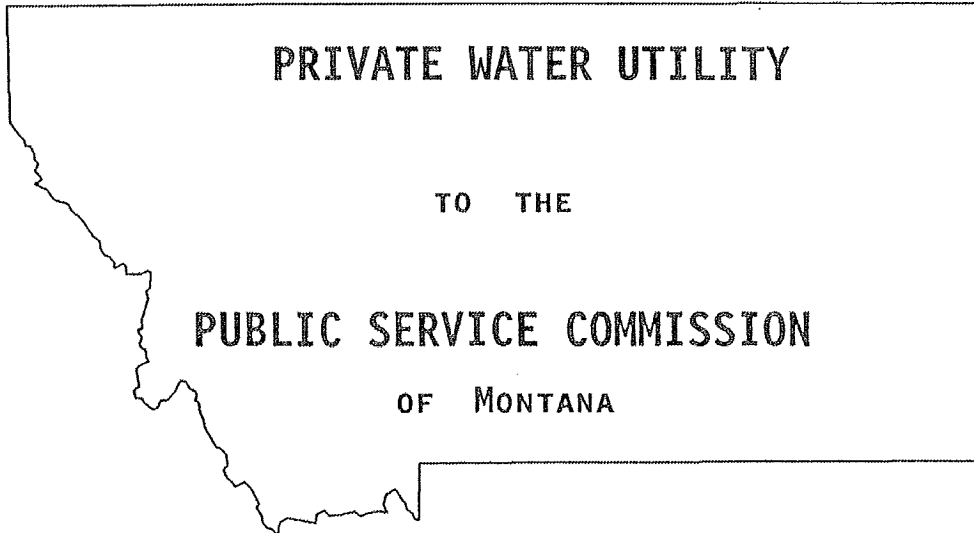
YEAR 2018

ANNUAL REPORT

of the

NAME Phantom Hills Water Company, Inc.

LOCATION Missoula, MT



FOR THE YEAR ENDING December 31, 2018

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, 2018

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:			
Lawrence R. Simkins	President	101 International Drive Missoula, MT 59808	\$ -

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	\$ 121,457	\$ 116,237
Commercial	3,584	3,006
Industrial	-	-
Other	-	-
Unmetered		
Residential	-	-
Commercial	-	-
Industrial	-	-
Fire Protection	20,274	18,744
Bulk Sales	-	-
Sale of Materials	-	-
Other	-	-
TOTAL OPERATING REVENUE:	\$ 145,315	\$ 137,987
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 136,299	\$ 163,834
Depreciation Expense	107,475	106,614
Taxes Other than Income	38,421	37,866
Deferred Federal Income Taxes	-	-
Deferred State Income Taxes	-	-
TOTAL OPERATING EXPENSES	\$ 282,195	\$ 308,314
NET INCOME (LOSS) from OPERATIONS	\$ (136,880)	\$ (170,327)
Other Income:		
Non Utility Income	\$ 195,322	\$ 2,187
TOTAL OTHER INCOME	\$ 195,322	\$ 2,187
Other Deductions:		
Non-Utility Expenses		
Interest Expense	72,623	43,368
TOTAL OTHER DEDUCTIONS	\$ 72,623	\$ 43,368
NET INCOME (LOSS)	\$ (14,181)	\$ (211,508)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year	Previous Year
ASSETS:		
Utility Plant in Service	\$ 2,360,920	\$ 2,160,669
Less: Accumulated Deprec. & Amort.	1,421,793	1,316,063
NET UTILITY PLANT	939,127	844,606
Cash	64,680	5,846
Customer Accounts Receivable	5,620	6,397
Other Assets (Specify) Prepaid Ins.	2,531	2,231
TOTAL ASSETS OTHER THAN UTILITY PLANT	72,831	14,474
TOTAL ASSETS	\$ 1,011,958	\$ 859,080
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	\$ 1,000	\$ 1,000
Preferred Stock Issued	-	-
Other Paid in Capital	-	-
Retained Earnings	(3,093,936)	(3,079,754)
Proprietary Capital	-	-
TOTAL CAPITAL	\$ (3,092,936)	\$ (3,078,754)
LIABILITIES		
Long Term Debt	\$ 4,062,212	\$ 3,899,588
Accounts Payable	22,193	17,377
Notes Payable	-	-
Customer Deposits	-	-
Accrued Taxes	18,780	18,494
Other Liabilities (Specify) Customer Deposits	50	50
	Deferred Revenue	2,325
Advances for Construction	-	-
Contributions in aid of Construction	-	-
TOTAL LIABILITIES	\$ 4,104,894	\$ 3,937,834
TOTAL LIABILITIES AND CAPITAL	\$ 1,011,958	\$ 859,080

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	\$ 1,316,063	\$ 1,212,052
Credits During the Year:		
Accruals Charged to Depreciation Account	107,475	106,614
Salvage	-	-
Other Credits (Specify):	-	-
Total Credits	\$ 1,423,538	1,318,666
Debits During the Year:		
Book Cost of Plant Retired	\$ 1,745	\$ 2,603
Cost of Removal		
Other Debits (Specify):		
Total Debits	\$ 1,745	2,603
Balance at End of Year	\$ 1,421,793	1,316,063

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	
Phases 9A and 9B. Including water main pipe (2,085 LF), valves, fittings, 4 hydrants, and permits)		X	196,185
TOTAL DURING THE YEAR			\$ 196,185

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	\$ -
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	\$ (3,079,755)	
Changes during year:		
Net Income (loss)	(14,181)	
Dividends		
Other (Specify):		
Balance end of year	\$ (3,093,936)	

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.	2.68%	N/A	\$ 3,060,100
Original Term - 3/1/04 - 4/30/15			
Amended Term through 4/30/18			
Second Amended Term through 4/30/2023 with rate of 2.68%			
Total		\$ -	\$ 3,060,100

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	173,385	-	1,035,979
333	Services	-	-	-	-
334	Meters and Meter Installations	49,496	6,678	(2,612)	53,562
335	Hydrants	79,264	22,800	-	102,064
339	Other Plant and Misc. Equipment	334,987	-	-	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		2,160,669	\$ 202,863	\$ (2,612)	\$ 2,360,920

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	N/A	N/A	N/A	-	-	-	-
306	Lake River and Other Intakes	N/A	N/A	N/A	-	-	-	-
307	Wells and Springs	20	0%	0%	411,209	29,507	-	440,716
308	Infiltration Galleries and Tunnels	N/A	N/A	N/A	-	-	-	-
309	Supply Mains	N/A	N/A	N/A	-	-	-	-
310	Power Generation Equipment	N/A	N/A	N/A	-	-	-	-
311	Pumping Equipment	20	0%	0%	307,508	23,083	-	330,591
320	Water Treatment Equipment	N/A	N/A	N/A	-	-	-	-
330	Distribution Reservoirs and Standpipes	N/A	N/A	N/A	-	-	-	-
331	Transmission and Distribution Mains	20	0%	0%	477,203	43,510	-	520,713
333	Services	N/A	N/A	N/A	-	-	-	-
334	Meters and Meter Installations	20	0%	0%	18,498	2,540	(1,745)	19,293
335	Hydrants	20	0%	0%	42,404	4,013	-	46,417
339	Other Plant and Misc. Equipment	20	0%	0%	41,906	4,822	-	46,728
340	Office Furniture and Equipment	N/A	N/A	N/A	-	-	-	-
341	Transportation Equipment	N/A	N/A	N/A	-	-	-	-
342	Stores Equipment	N/A	N/A	N/A	-	-	-	-
343	Tools, Shop & Garage Equipment	N/A	N/A	N/A	-	-	-	-
344	Laboratory Equipment	N/A	N/A	N/A	-	-	-	-
345	Power Operated Equipment	N/A	N/A	N/A	-	-	-	-
346	Communication Equipment	N/A	N/A	N/A	-	-	-	-
347	Miscellaneous Equipment	N/A	N/A	N/A	-	-	-	-
348	Other Tangible Plant	8	0%	0%	17,335	-	-	17,335
TOTAL					\$ 1,316,063	\$ 107,475	\$ (1,745)	\$ 1,421,793

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	168	4	1	0	0	0	0	
Meters	0	176	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	145	0	145	169	0	169	24
Commercial	4	1	5	4	1	5	0
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	24	24	0	32	32	8
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Total	149	25	174	173	33	206	32

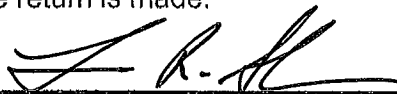
Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year:	_16,680,165_ gals.
Maximum Water obtained all methods during any one day:	_180,000_ gals.
Minimum Amount of Water obtained all methods during one day:	_+/- 10,000_ gals.
Range of ordinary pressure on mains	_+/- 50_ lbs to _+/- 75_ lbs
Range of fire pressure in mains	_+/- 20_ lbs to _+/- 60_ lbs

Affidavit

STATE OF MONTANA)

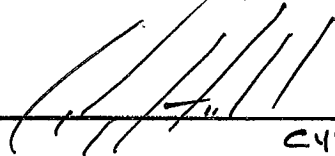
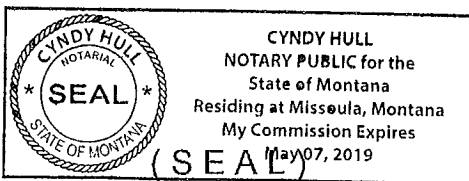
County of Missoula)

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.



Lawrence R. Simkins, President

Subscribed and sworn before me this 22nd day of April . 2019



CYNDY HULL