

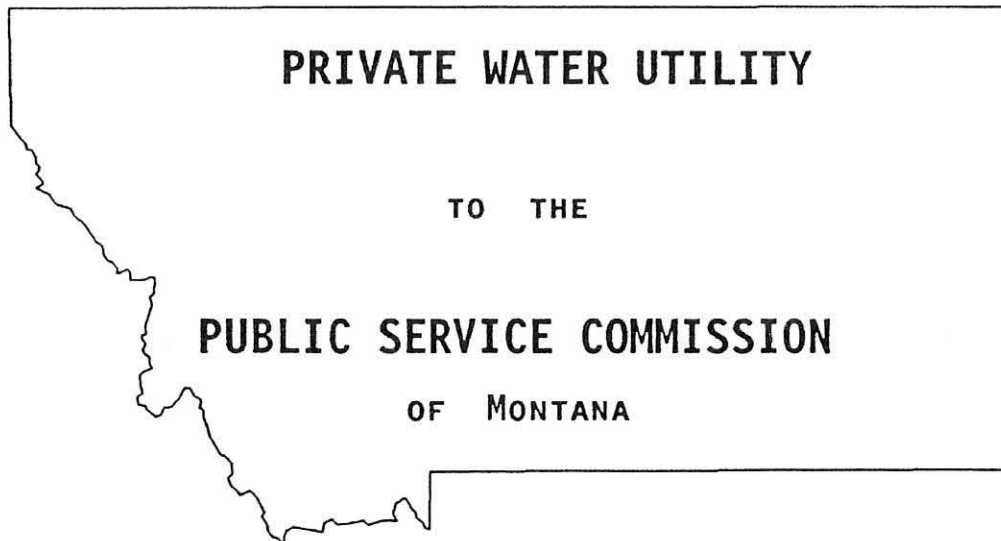
YEAR 2014

ANNUAL REPORT

of the

NAME Phantom Hills Water Company

LOCATION Missoula, Montana



FOR THE YEAR ENDING 31-Dec-14

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

PO Box 16630

(address)

Missoula, MT 59808-6630

(city, state, zip code)

For Year Ended December 31, 2014

Date Utility First Organized January 23, 2004

Telephone Number 406-523-1600

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

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	
Paul Keiper	Secretary/Treasurer	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	0

INCOME STATEMENT

ACCOUNT NAME	Current Year	Previous Year
OPERATING REVENUE:		
Metered		
Residential	\$ 83,511	\$ 78,623
Commercial	\$ 3,132	\$ 3,176
Industrial		
Other		
Unmetered		
Residential		
Commercial		
Industrial		
Fire Protection	\$ 13,604	\$ 12,814
Bulk Sales		
Sale of Materials		
Other		
TOTAL OPERATING REVENUE:	\$ 100,247	\$ 94,613
OPERATING EXPENSES:		
Operation and Maintenance Expense	\$ 112,111	\$ 82,240
Depreciation Expense	\$ 93,644	\$ 93,705
Taxes Other than Income	\$ 31,259	\$ 29,421
Deferred Federal Income Taxes		
Deferred State Income Taxes		\$ 50
TOTAL OPERATING EXPENSES	\$ 237,014	\$ 205,416
NET INCOME (LOSS) from OPERATIONS	\$ (136,766)	\$ (110,803)
Other Income:		
Non Utility Income	\$ 25	\$ 58
.....		
.....		
TOTAL OTHER INCOME	\$ 25	\$ 58
Other Deductions:		
Non-Utility Expenses	\$ -	\$ 687
Interest Expense	\$ 119,312	\$ 118,020
.....		
TOTAL OTHER DEDUCTIONS	\$ 119,312	\$ 118,707
NET INCOME (LOSS)	\$ (256,053)	\$ (229,452)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME		Current Year	Previous Year
ASSETS:			
Utility Plant in Service		1,889,169	1,883,331
Less: Accumulated Deprec. & Amort.		984,592	890,948
NET UTILITY PLANT		904,577	992,383
Cash		4,790	6,351
Customer Accounts Receivable		3,552	3,258
Other Assets (Specify)	Prepaid Ins.	2,135	2,350
TOTAL ASSETS OTHER THAN UTILITY PLANT		10,478	11,959
TOTAL ASSETS		915,055	1,004,342
LIABILITIES AND CAPITAL			
CAPITAL			
Common Stock Issued		1,000	1,000
Preferred Stock Issued			-
Other Paid in Capital			-
Retained Earnings		(2,643,756)	(2,387,703)
Proprietary Capital			
TOTAL CAPITAL		(2,642,756)	(2,386,703)
LIABILITIES			
Long Term Debt		3,532,351	3,367,039
Accounts Payable		9,838	9,303
Notes Payable			-
Customer Deposits			-
Accrued Taxes		15,622	14,703
Other Liabilities (Specify)			
Advances for Construction			
Contributions in aid of Construction			
TOTAL LIABILITIES		3,557,811	3,391,045
TOTAL LIABILITIES AND CAPITAL		915,055	1,004,342

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	890,948	797,273
Credits During the Year:		
Accruals Charged to Depreciation Account	93,644	93,705
Salvage	-	(30)
Other Credits (Specify):	-	
Total Credits	984,592	890,948
Debits During the Year:		
Book Cost of Plant Retired	-	-
Cost of Removal	-	-
Other Debits (Specify):	-	-
	-	-
Total Debits	-	-
Balance at End of Year	984,592	890,948

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	Property
TOTAL DURING THE YEAR		\$ -

Accumulated Deferred Income Taxes	
Description	Amount
Accumulated Deferred Income Taxes	
Federal	-
State	-
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	

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year	\$ (2,387,703)	
Changes during year:		
Net Income (loss)	\$ (256,053)	
Dividends		
Other (Specify):		
Balance end of year	\$ (2,643,756)	

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year	0	
Changes during year (Specify):	0	
Balance at end of year	0	

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Revolving loan not to exceed	Prime	N/A	3,532,351
\$4.0 M - Term 3/1/04-4/30/2015			
No collateral			
Total		\$ -	\$ 3,532,351

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	\$ 210,023	\$ 2,717		\$ 212,740
320	Water Treatment Equipment	\$ -			\$ -
330	Distribution Reservoirs and Standpipes	\$ -			\$ -
331	Transmission and Distribution Mains	\$ 630,776			\$ 630,776
333	Services	\$ -			\$ -
334	Meters and Meter Installations	\$ 35,084	\$ 3,121		\$ 38,205
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		\$ 1,883,331	\$ 5,838	\$ -	\$ 1,889,169

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%	\$ 3,812	\$ -	\$ -	\$ 3,812
305	Collecting and Impounding Reservoirs							
306	Lake River and Other Intakes	20	0%	0%	\$ 288,552	\$ -	\$ 30,326	\$ 318,878
307	Wells and Springs							
308	Infiltration Galleries and Tunnels							
309	Supply Mains							
310	Power Generation Equipment							
311	Pumping Equipment	20	0%	0%	\$ 180,288	\$ -	\$ 26,009	\$ 206,297
320	Water Treatment Equipment							
330	Distribution Reservoirs and Standpipes							
331	Transmission and Distribution Mains	20	0%	0%	\$ 297,626	\$ -	\$ 31,469	\$ 329,095
333	Services							
334	Meters and Meter Installations	20	0%	0%	\$ 14,039	\$ -	\$ 1,910	\$ 15,949
335	Hydrants	20	0%	0%	\$ 28,533	\$ -	\$ 3,164	\$ 31,697
339	Other Plant and Misc. Equipment	20	0%	0%	\$ 60,762		\$ 767	\$ 61,529
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					\$ 890,947	\$ -	\$ 93,645	\$ 984,592

Water Operation and Maintenance Expense

Account Name	Amount
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pension and Benefits	
Purchased Water	
Purchased Power	7,899
Fuel for Power Production	
Chemicals	
Materials and Supplies	
Contractual Services	101,139
Rents	
Transportation Expense	
Insurance Expense	3,073
Regulatory Commission Expense	
Bad Debt Expense	
TOTAL	112,111

Payments for Services Rendered by Other than Employees

Report all information concerning rate, management, construction advertising, labor relations, public relations or other similar services rendered the respondent of which the aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever, amounting to \$500 or more.

Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

[illegible]

Sources of Water Supply

Surface Water: River: _____ Lake: _____ Stream: _____ Impounding Reservoir: _____

Ground Water: No. of Springs: _____ No. of Shallow Wells: _____ No. of Deep V _____ 2

Reservoirs, Standpipes, and Purification System

No. of Reservoirs: _____ 1 Capacity in Gallon _____ 400,000
 No. of Standpipes: _____ Capacity in Gallons: _____
 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		101	3	1					
Meters		105	3	1					

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	101	0	101	113	0	113	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	105.00	25.00	130.00	117.00	25.00	142.00	12.00

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: _____ 11,120,551 gals
 Maximum Water obtained all methods during any one day: _____ +/- 97,207 gals.
 Minimum Amount of Water obtained all methods during one day: _____ +/- 6,929 gals.
 Range of ordinary pressure on mains _____ 50 lbs to 80 lbs.
 Range of fire pressure in mains _____ 50 lbs to 80 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
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.

Paul W. Keiser
(Signature)

(Signature)

Subscribed and sworn before me this 29th day of April, 20 15

John M. R

(SEAL)

