

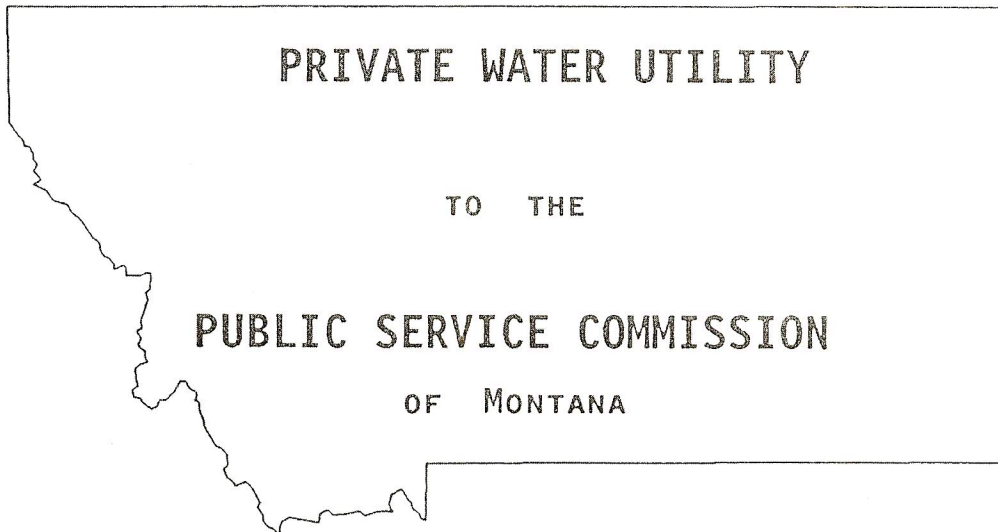
YEAR 2015

ANNUAL REPORT

of the

NAME Salish Shores Utility Corp

LOCATION 2806 Tradewinds Way, Thompson Falls, MT 59873



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

Salish Shores Utility Corp

P.O. Box 1030

(address)

Thompson Falls, MT 59873

(city, state, zip code)

For Year Ended 31-Dec-15

Date Utility First Organized _____

Telephone Number (406) 827-4555

Location of books and records 2806 Tradewinds Way

Contacts

Name	Title	Principal Business Address	Salary
Person to send correspondence: Bud Leufkens	President	P.O. Box 1030 Thompson Falls, MT 59873	
Person who prepared this report: Sue Lovhaug Whittenburg	Bookkeeper	Same	
Officers and Managers: Bud Leufkens	President	Same	No salary
Judy Leufkens	Vice President	Same	No salary
		Same	No salary

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
Bud Leufkens	50%	P.O. Box 1030 Thompson Falls, MT 59873	0
Judy Leufkens	50%	P.O. Box 1030 Thompson Falls, MT 59873	0

INCOME STATEMENT

ACCOUNT NAME		Current Year	Previous Year
OPERATING REVENUE:			
Metered			
Residential	usage & assessment	45,281.00	39,214.00
Commercial	usage & assessment	10,112.00	10,959.00
Industrial			
Other			
Unmetered			
Residential		9,004.00	9,147.00
Commercial		1,429.00	1,429.00
Industrial			
Fire Protection			
Bulk Sales			
Sale of Materials	Water Turn on Fee	-	100.00
Other			
TOTAL OPERATING REVENUE:		\$ 65,826.00	\$ 60,849.00
OPERATING EXPENSES:			
Operation and Maintenance Expense		38,744.00	48,066.00
Depreciation Expense		8,721.00	8,949.00
Taxes Other than Income		1,256.00	325.00
Deferred Federal Income Taxes			
Deferred State Income Taxes		50.00	50.00
TOTAL OPERATING EXPENSES		\$ 48,771.00	\$ 57,390.00
NET INCOME (LOSS) from OPERATIONS		\$ 17,055.00	\$ 3,459.00
Other Income:			
Non Utility Income	Road Maintenance	19,100.00	19,100.00
	Interest Income	75.00	47.00
	Finance Charge	116.00	29.00
TOTAL OTHER INCOME		\$ 19,291.00	\$ 19,176.00
Other Deductions:			
Non-Utility Expenses	Road Maintenance	17,884.00	13,243.00
	Boat Launch Maint.	-	-
	Boat Launch Deprec.	406.00	406.00
Interest Expense			223.00
TOTAL OTHER DEDUCTIONS		\$ 18,290.00	\$ 13,872.00
NET INCOME (LOSS)		\$ 18,056.00	\$ 8,763.00

COMPARATIVE BALANCE SHEET

ACCOUNT NAME		Current Year	Previous Year
ASSETS:			
Utility Plant in Service		140,060.00	140,060.00
Less: Accumulated Deprec. & Amort.		92,663.00	83,536.00
NET UTILITY PLANT		\$ 47,397.00	\$ 56,524.00
Cash		52,779.00	24,700.00
Customer Accounts Receivable		1,350.00	2,248.00
Other Assets (Specify)	Inventory	1,150.00	1,150.00
	Land	1,575.00	1,575.00
	Equipment	50,030.00	50,030.00
	Boat Ramp	10,151.00	10,151.00
TOTAL ASSETS OTHER THAN UTILITY PLANT		\$ 117,035.00	\$ 89,854.00
TOTAL ASSETS		\$ 164,432.00	\$ 146,378.00
LIABILITIES AND CAPITAL			
CAPITAL			
Common Stock Issued		2,021.00	2,021.00
Preferred Stock Issued			
Other Paid in Capital			
Retained Earnings		(33,502.00)	(51,556.00)
Proprietary Capital	***	99,224.00	99,224.00
TOTAL CAPITAL		\$ 67,743.00	\$ 49,689.00
LIABILITIES			
Long Term Debt	***	96,689.00	96,689.00
Accounts Payable		-	-
Notes Payable		-	-
Customer Deposits			
Accrued Taxes			
Other Liabilities (Specify)			
Advances for Construction			
Contributions in aid of Construction			
TOTAL LIABILITIES		\$ 96,689.00	\$ 96,689.00
TOTAL LIABILITIES AND CAPITAL		\$ 164,432.00	\$ 146,378.00

*** Portion of Proprietary Capital was moved back to long-term debt.

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	83,536.00	74,181.00
Credits During the Year:		
Accruals Charged to Depreciation Account	9,127.00	9,355.00
Salvage		
Other Credits (Specify):		
.....		
.....		
Total Credits	\$ 92,663.00	\$ 83,536.00
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
.....		
.....		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 92,663.00	\$ 83,536.00

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
		Amount
No such agreements		
.....		
.....		
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 -----		
Shares Authorized -----		
Shares Issued and Outstanding -----		
Total par value of stock issued -----	2,021	
Dividends declared per share for year -----		

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year -----	(51,486)	
Changes during year:		
Net Income (loss) -----	17,984	
Dividends -----		
Other (Specify): -----		

Balance end of year -----	(33,502)	

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year -----	99,224	
Changes during year (Specify):		

Balance at end of year -----	99,224	

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Leufkens -----		0	96,689
The Leufkens Company -----		0	0

Total -----		\$ -	\$ 96,689.00

Water Utility Plant Accounts						
Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year	
301	Organization	522.00			522.00	
302	Franchises					
303	Land & Land Rights	1,575.00			1,575.00	
304	Structures and Improvements	30,674.00			30,674.00	
305	Collecting and Impounding Reservoirs					
306	Lake River and Other Intakes					
307	Wells and Springs				-	
308	Infiltration Galleries and Tunnels					
309	Supply Mains	138,181.00			138,181.00	
310	Power Generation Equipment					
311	Pumping Equipment	5,210.00			5,210.00	
320	Water Treatment Equipment					
330	Distribution Reservoirs and Standpipes				-	
331	Transmission and Distribution Mains					
333	Services					
334	Meters and Meter Installations				-	
335	Hydrants				-	
339	Other Plant and Misc. Equipment					
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	25,654.00			25,654.00	
348	Other Tangible Plant				-	
Total Water Plant		\$ 201,816.00	\$ -	\$ -	\$ 201,816.00	

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	15 - 25	0%	SL	7,575.00		714.00	8,289.00
305	Collecting and Impounding Reservoirs							-
306	Lake River and Other Intakes							-
307	Wells and Springs		0%	SL				-
308	Infiltration Galleries and Tunnels							-
309	Supply Mains	25	0%	SL	56,533.00		6,018.00	62,551.00
310	Power Generation Equipment							-
311	Pumping Equipment	20	0%	SL	4,299.00		96.00	4,395.00
320	Water Treatment Equipment							-
330	Distribution Reservoirs and Standpipes		0%	SL				-
331	Transmission and Distribution Mains							-
333	Services							-
334	Meters and Meter Installations		0%	SL				-
335	Hydrants		0%	SL				-
339	Other Plant and Misc. Equipment							-
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	7 - 15	0%	SL	14,607.00		2,299.00	16,906.00
348	Other Tangible Plant		0%	SL				-
TOTAL					\$ 83,014.00	\$ -	\$ 9,127.00	\$ 92,141.00

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	
Utilities	5,097.00
Fuel for Power Production	
Chemicals	
Materials and Supplies	2,114.00
Contractual Services	30,884.00
Rents	4,800.00
Transportation Expense	
Insurance Expense	1,534.00
Regulatory Commission Expense	415.00
Miscellaneous Expense	22,217.00
TOTAL	\$ 67,061.00

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 Wells: 7

Reservoirs, Standpipes, and Purification System

No. of Reservoirs: _____

Capacity in Gallons: _____

No. of Standpipes: _____

Capacity in Gallons: _____

Method of Purification: _____

Services and Meters

Size->	3/4"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services									
Meters		114							

Number and Classification of Consumers

Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered *	Total	
Residential	94	63	157	95	62	157	0
Commercial	20	10	30	20	10	30	0
Industrial			0				0
Fire Hydrants			0				0
Governmental			0				0
All Other			0				0
Total	114.00	73.00	187.00	115.00	72.00	187.00	0

Total Pumping Station Statistics

Total Amount of Water Obtained by all methods during the year: 5,488,300

Maximum Water obtained all methods during any one day: 15,036 gals.

Minimum Amount of Water obtained all methods during one day: 6405 gals.

Range of ordinary pressure on mains 65 lbs to 85 lbs

Range of fire pressure in mains 65 lbs to 85 lbs

* There are 8 unmetered apartments that are charged a flat rate for water usage.

* All unmetered lots are charged a bi-monthly water assessment fee.

Affidavit

STATE OF MONTANA)

County of SANDERS)

We, the undersigned, on our oath do severally say that the foregoing return of

Salish Shores Utility Corp

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.

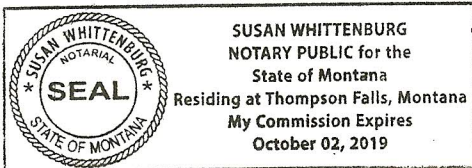
Bud Renghorn
(Signature)

Judy A. Renghorn
(Signature)

Subscribed and sworn before me this 22 day of March, 20 16

Susan Whittenburg

(SEAL)



Commission Expires 10/02/2019