ANNUAL REPORT

of the

NAME Phantom Hills Water Company

LOCATION Missoula, MT

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING 12/31/2016

Form No. 402-A (01/2009)

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.
- 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.
- 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.
- 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.
- 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.
- 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	Missoula, MT 59808-6630
(address)	(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 STATE	MENT			
ACCOUNT NAME	Cı	ırrent Year	Pre	evious Year
OPERATING REVENUE:				
Metered				
Residential	\$	102,118	\$	99,829
Commercial	·	2,920	Ψ	3,546
Industrial				
Other		_		
Unmetered	_			
Residential		_		-
Commercial		-		_
Industrial		=		_
Fire Protection		16,654		14,924
Bulk Sales				-
Sale of Materials				-
Other				-
TOTAL OPERATING REVENUE:	\$	121,692	\$	118,299
OPERATING EXPENSES: Operation and Maintenance Expense Depreciation Expense Taxes Other than Income Deferred Federal Income Taxes Deferred State Income Taxes TOTAL OPERATING EXPENSES NET INCOME (LOSS) from OPERATIONS	\$ \$	116,472 93,367 36,122 - 245,961 (124,269)	\$ \$	112,230 93,255 33,759 - - 239,244 (120,946)
Other Income:				
Non Utility Income	\$	129	\$	(2,289)
ленети порадиларивации и принакти и на при	17111711417141171417			_
	ilmimimimi			-
TOTAL OTHER INCOME	\$	129	\$	(2,289)
Other Deductions:				,
Non-Utility Expenses	\$		\$	
Interest Expense	 Ψ	62,579	Ψ	121,289
Interest Experies		02,010	 	121,209
			-	
TOTAL OTHER DEDUCTIONS	\$	62,579	\$	121,289
TOTAL OTTICK DEDOCTIONS	Ψ	02,078	ΙΨ	121,209
NET INCOME (LOSS)	\$	(186,719)	\$	(244,524)
· · · · · · · · · · · · · · · · · · ·				

COMPARATIVE BALANCE SHEET						
ACCOUNT NAME		C	urrent Year	Previous Year		
ASSETS:	ı	Φ.	4 000 400 I		4 00 4 00 4	
Utility Plant in Service)	\$	1,898,468	\$	1,894,024	
Less: Accumulated Deprec. 8	x Amort.	Φ.	1,169,595	ф.	1,076,228	
NET UTILITY PLANT	•	\$	728,873	\$	817,797	
Cash	į		21,407		20,296	
Customer Accounts Receivable			3,888		3,362	
Other Assets (Specify)	Prepaid Ins.		2,156		2,150	
			2,100	····	2,100	
постопорожняем на принаменти по принаменти принаменти принаменти принаменти принаменти принаменти принаменти п	MININI W M M M M M M M M M M M M M M M M M M					
манастепичения выполняюще ния в при	(1411)(1411) 045 046 646 646 046 046 046 951 646 649 646 646 646 646 646 646 646 646					
TOTAL ASSETS OTHER THA	N UTILITY PLANT	\$	27,451	\$	25,808	
TOTAL ASSETS		\$	756,324	\$	843,605	
LIABILITIES AND CAPITAL						
CARITAL						
CAPITAL	!	Φ.	4.000	Φ.	4.000	
Common Stock Issued	: w = 0 = 0 = 0 = 0 = 0 = 0 = 0 = 0 = 0 =	\$	1,000	\$	1,000	
Preferred Stock Issued	100 14 15 16 16 16 16 16 16 16 16 16 16 16 16 16	•	-			
Other Paid in Capital Retained Earnings			(2.074.000)		(2 000 200)	
Proprietary Capital	(======================================		(3,074,999)		(2,888,280)	
TOTAL CAPITAL		\$	(3,073,999)	\$	(2,887,280)	
TOTAL GALLIAL		Ψ	(0,070,000)	Ψ	(2,007,200)	
LIABILITIES						
Long Term Debt		\$	3,801,219	\$	3,708,640	
Accounts Payable	{ 	<u></u>	11,164		5,321	
Notes Payable	; N & N M N N N N N N N N N N N M M M M M		·		-	
Customer Deposits			-		-	
Accrued Taxes			17,889		16,922	
Other Liabilities (Specify)	Customer Deposits		50			
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Минисольными менен альным мененальным мененал	tatungu					
Advances for Construction	P * P * W W W W W W W W W W W W W W W W					
Contributions in aid of Constru	ction		0.000.000		0 700 00	
TOTAL LIABILITIES		\$	3,830,323	\$	3,730,883	
TOTAL LIABILITIES AND SA	DITAL	<u> </u>	750.004	Φ.	0.10.000	
TOTAL LIABILITIES AND CA	PHAL	\$	756,324	\$	843,603	

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):		_		
Total Credits	1,169,595	\$ 1,077,847		
Debits During the Year:				
Book Cost of Plant Retired	-	\$ 1,619		
Cost of Removal	-	-		
Other Debits (Specify):	-	-		
HACHARINANG ROTHER TO THE CONTRACT OF THE CONT				
Total Dobita	C	¢ 4.640		
Total Debits	\$ -	\$ 1,619		
Balance at End of Year	\$ 1,169,595	\$ 1,076,228		

Contributions in Aid of Construction			
Report below all contractor and developer agreements line extension agreements from which cash or property	Indicate		
was received during the year	Cash	Property	Amount
None.			=
	.,		
TOTAL DURING THE YEAR	· · · · · · · · · · · · · · · · · · ·	•	\$ -

Accumulated Deferred Income Taxes			
Description		Amount	
Accumulated Deferred Inc	ome Taxes		-2.
Federal	None		-
State	None		-
Total Accumulated Deferre	d Income Taxes	\$	-

Capital Stock				
Common Stock Preferred				ed 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):	-	-		
мунитилинитилининилининининининининининини				
Balance end of year	\$ (3,074,999)	\$ -		

Proprietary Capital					
	Proprietor or Partner	Partner			
Balance at first of year	-	-			
Changes during year (Specify):	-	-			
None					
Сиротополного в селотополного постоя по постоя по постоя по					
Balance at end of year					

Long	g Term D	Debt		
	Interest		Princ	ipal at Balance
Description of Obligation	Rate	Payment	9	Sheet Date
Revolving loan not to exceed \$4.0 M.	1.47%	N/A	\$	2,915,100
Term - 3/1/04 - 4/30/2015				
Note: Loan was renewed in March				
2016 and will expire April 30, 2018.				
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при				
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searches de seu asses de seu as				
Total		\$ -	\$	2,915,100

Acct No.	Account Name	ility Plant Acc	Additions	Retirements	Current Year
301	Organization	-	, taattionio	rtottionto	-
302	Franchises	-			
303	Land & Land Rights	11,577	_	_	11,577
304	Structures and Improvements	- 11,077	-	-	- 11,077
305	Collecting and Impounding Reservoirs	_		_	
306	Lake River and Other Intakes	-	-	_	
307	Wells and Springs	590,131	-	_	590,13 ⁻
308	Infiltration Galleries and Tunnels	-	-	-	
309	Supply Mains	-		-	_
310	Power Generation Equipment	-	-	-	_
311	Pumping Equipment	215,285	-	-	215,28
320	Water Treatment Equipment	-	-	-	
330	Distribution Reservoirs and Standpipes	-	-	-	-
331	Transmission and Distribution Mains	629,383	-	-	629,38
333	Services	-	.	-	-
334	Meters and Meter Installations	41,908	4,443		46,35
335	Hydrants	63,264	_	-	63,26
339	Other Plant and Misc. Equipment	325,141	-	-	325,14
340	Office Furniture and Equipment	-	-	-	-
341	Transportation Equipment	-	-	-	_
342	Stores Equipment	-	_	-	_
343	Tools, Shop & Garage Equipment	-	1		-
344	Laboratory Equipment	-	-	-	
345	Power Operated Equipment	-	ı	-	
346	Communication Equipment	-	-	-	
347	Miscellaneous Equipment	-	_	-	_
348	Other Tangible Plant	17,335	1	-	17,33
Total W	ater Plant	\$ 1,894,024	\$ 4,443	\$ -	\$ 1,898,46°

	Analysis	of Accu	mulated	d Deprec	Analysis of Accumulated Depreciation by Primary Account	y 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	_	-	1	-
305	Collecting and Impounding Reservoirs							
306	Lake River and Other Intakes				_	-		
307	-	20	%0	%0	352,197	•	29,506	381,703
308	Infiltration Galleries and Tunnels				_	•		•
309	Supply Mains					1		1
310	Power Generation Equipment					-		I
311	Pumping Equipment	20	%0	%0	261,342	•	23,084	284,426
320]	ī		1
330	Distribution Reservoirs and Standpipes				_			•
331	Transmission and Distribution Mains	20	%0	%0	360,564	1	31,469	392,033
333	Services					ı		t
334	Meters and Meter Installations	20	%0	%0	16,450	-	2,206	18,656
335	Hydrants	20	%0	%0	34,860	t	3,163	38,023
339	Other Plant and Misc. Equipment	20	%0	%0	33,480	•	3,939	37,419
340	Office Furniture and Equipment				1	•		1
341	Transportation Equipment				1	1		
342	Stores Equipment					1		
343	Tools, Shop & Garage Equipment					-		1
344	Laboratory Equipment				-	1		•
345	Power Operated Equipment				7	1		1
346	_					1		-
347	Miscellaneous Equipment					-		1
348	Other Tangible Plant	8	%0	%0	17,335	I	1	17,335
TOTAL	AL	·			1,076,228	1	93,367	1,169,595

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	8,507
Fuel for Power Production	-
Chemicals	-
Materials and Supplies	-
Contractual Services	96,844
Rents	+
Transportation Expense	
Insurance Expense	2,878
Regulatory Commission Expense	-
Bad Debt Expense	-
TOTAL	108,229

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.

Name of Recipient	Amount	Description of Service
		Accounting, management, maintenance
Washington Corporations PCI	72,638	and meter reading
PCI	24,206	Sampling, testing and system control
	-	
and the second s		**************************************
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The second secon		
	-	

Sour	ces 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
	The Part of the Pa
Reservoirs, Stan	dpipes, and Purification System
No. of Reservoirs: 1	Capacity in Gallons: 400,000
No. of Standpipes: 0	Capacity in Gallons: 0
Method of Purification: Chlorination	
And the state of t	

			Ser	vices ar	d Meter	'S			
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							
	Beginning of Year			End of Year			
Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase (Decrease)
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
Total	129	25	154	143	25	168	14

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year:13,734,683gals Maximum Water obtained all methods during any one day:125,000gals. Minimum Amount of Water obtained all methods during one day:+/- 5,000gals 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 ofMissoula)
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.
2 k.K.
(Signature) President, Phantom Hills Water Company, Inc.
(Signature)
Subscribed and sworn before me this 20th day of Apric, 20 17
JOSEPH M RACICOT
NOTARY PUBLIC for the State of Montana SEAL Readding at Missoula, Montana MylCoinmission Expires June 02, 2018