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# **ANNUAL REPORT**

IDAHO PUBLIC  
UTILITIES COMMISSION

OF

TROY HOFFMAN WATER CORPORATION  
**NAME**

P.O. Box 2288  
1250 Northwood Center Court, Suite A  
Coeur d'Alene, ID 83816

ADDRESS

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED 2002

**ANNUAL REPORT FOR WATER UTILITIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING 2002**

**COMPANY INFORMATION**

1 Give full name of utility TROY HOFFMAN WATER CORPORATION  
 2 Date of Organization November 11, 1973  
 3 Organized under the laws of the state of IDAHO  
 4 Address of Principal Office (number & street) 1250 Northwood Center Court, Suite A  
 5 P.O. Box (if applicable) 2288  
 6 City Coeur d'Alene  
 7 State IDAHO  
 8 Zip Code 83814  
 9 Organization (proprietor, partnership, corp.) Corporation  
 10 Towns, Counties served Coeur d'Alene, Kootenai County

11 Are there any affiliated companies? NO  
**If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.**

12 Contact Information	Name	Phone No.
President (Owner)	Richard Gunther	208 664-1461
Vice President	H. James Magnuson	208 666-1596
Secretary		
General Manager		
Complaints or Billing	Microledger, Inc.	208 666-1502
Engineering		
Emergency Service	Ron Stadley, All Service Electric	208 664-9858
Accounting	Microledger, Inc.	208 666-1502

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? NO  
**If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.**

14 Where are the Company's books and records kept?  
 Street Address 1103 Best Avenue, Suite A  
 City Coeur d'Alene  
 State Idaho  
 Zip 83814

NAME: TROY HOFFMAN WATER CORPORATION

**COMPANY INFORMATION (Cont.)**

For the Year Ended 2002

15 Is the system operated or maintained under a service contract? Yes

16 If yes: With whom is the contract? Ron Staley, All Service Electric

When does the contract expire? Open ended

What services and rates are included? Maintenance / metering

17 Is water purchased for resale through the system? No

18 If yes: Name of Organization \_\_\_\_\_

Name of owner or operator \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

	Gallons/CCF	\$Amount
Water Purchased	_____	_____

19 Has any system(s) been disapproved by the Idaho Department of Environmental Quality? No

If yes, attach full explanation \_\_\_\_\_

20 Has the Idaho Department of Environmental Quality recommended any improvements? No

If yes, attach full explanation \_\_\_\_\_

21 Number of Complaints received during year concerning:

Quality of Service \_\_\_\_\_ 0

High Bills \_\_\_\_\_ 0

Disconnection \_\_\_\_\_ 0

22 Number of Customers involuntarily disconnected \_\_\_\_\_ 0

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? No

Attach a copy of the Summary \_\_\_\_\_

24 Did significant additions or retirements from the Plant Accounts occur during the year? \_\_\_\_\_

If yes, attach full explanation and an updated system map \_\_\_\_\_

NAME: TROY HOFFMAN WATER CORPORATION

**REVENUE & EXPENSE DETAIL**

For the Year Ended 2002

ACCT #	DESCRIPTION		
<b>400 REVENUES</b>			
1	460	Unmetered Water Revenue	<u>23857</u>
2	461.1	Metered Sales - Residential	<u>          </u>
3	461.2	Metered Sales - Commercial, Industrial	<u>          </u>
4	462	Fire Protection Revenue	<u>          </u>
5	464	Other Water Sales Revenue	<u>          </u>
6	465	Irrigation Sales Revenue	<u>          </u>
7	466	Sales for Resale	<u>          </u>
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>23857</u>
9	*	DEQ Fees Billed separately to customers	Booked to Acct # <u>          </u>
10	**	Hookup or Connection Fees Collected	Booked to Acct # <u>          </u>
11	***	Commission Approved Surcharges Collected	Booked to Acct # <u>          </u>
<b>401 OPERATING EXPENSES</b>			
12	601.1-6	Labor - Operation & Maintenance	<u>          </u>
13	601.7	Labor - Customer Accounts	<u>          </u>
14	601.8	Labor - Administrative & General	<u>          </u>
15	603	Salaries, Officers & Directors	<u>          </u>
16	604	Employee Pensions & Benefits	<u>          </u>
17	610	Purchased Water	<u>          </u>
18	615-16	Purchased Power & Fuel for Power	<u>5121</u>
19	618	Chemicals	<u>          </u>
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>          </u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>476</u>
22	631-34	Contract Services - Professional	<u>7200</u>
23	635	Contract Services - Water Testing	<u>473</u>
24	636	Contract Services - Other	<u>2700</u>
25	641-42	Rentals - Property & Equipment	<u>          </u>
26	650	Transportation Expense	<u>          </u>
27	656-59	Insurance	<u>          </u>
28	660	Advertising	<u>          </u>
29	666	Rate Case Expense (Amortization)	<u>          </u>
30	667	Regulatory Comm. Exp. (Other except taxes)	<u>          </u>
31	670	Bad Debt Expense	<u>          </u>
32	675	Miscellaneous	<u>53</u>
33	<b>Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)</b>		<b>16023</b>

Name: TROY HOFFMAN WATER CORPORATION

**INCOME STATEMENT**

For Year Ended 2002

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>23857</u>
2	Operating Expenses (From Page 3, line 33)	<u>16023</u>	
3	403 Depreciation Expense	<u>27</u>	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)		
7	408.11 Property Taxes		
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees	<u>339</u>	
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes		
12	410.10 Provision for Deferred Income Tax - Federal		
13	410.11 Provision for Deferred Income Tax - State		
14	411 Provision for Deferred Utility Income Tax Credits		
15	412 Investment Tax Credits - Utility		
16	Total Expenses from operations before interest (add lines 2-15)	<u>16389</u>	
17	413 Income From Utility Plant Leased to Others		
18	414 Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>7468</u>
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income		
23	420 Allowance for Funds used During Construction		
24	421 Miscellaneous Non-Utility Income		
25	426 Miscellaneous Non-Utility Expense		
26	408.20 Other Taxes, Non-Utility Operations		
27	409-20 Income Taxes, Non-Utility Operations		
28	Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)		
29	Gross Income (add lines 19 & 28)		<u>7468</u>
30	427.3 Interest Exp. on Long-Term Debt		
31	427.5 Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u><u>7468</u></u>

Name: ROY HOFFMAN WATER CORPORATION

**ACCOUNT 101 PLANT IN SERVICE DETAIL**  
For Year Ended 2002

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1	301	Organization			
2	302	Franchises and Consents			
3	303	Land & Land Rights	9237		9237
4	304	Structures and Improvements			
5	305	Collecting & Impounding Reservoirs			
6	306	Lake, River & Other Intakes			
7	307	Wells			
8	308	Infiltration Galleries & Tunnels			
9	309	Supply Mains			
10	310	Power Generation Equipment			
11	311	Power Pumping Equipment	5162		5162
12	320	Purification Systems			
13	330	Distribution Reservoirs & Standpipes			
14	331	Trans. & Distrib. Mains & Accessories	12643		12643
15	333	Services			
16	334	Meters and Meter Installations	1362		1362
17	335	Hydrants			
18	336	Backflow Prevention Devices			
19	339	Other Plant & Misc. Equipment			
20	340	Office Furniture and Equipment			
21	341	Transportation Equipment			
22	342	Stores Equipment			
23	343	Tools, Shop and Garage Equipment			
24	344	Laboratory Equipment			
25	345	Power Operated Equipment			
26	346	Communications Equipment			
27	347	Miscellaneous Equipment			
28	348	Other Tangible Property			
29	<b>TOTAL PLANT IN SERVICE</b>	<b>28404</b>			<b>28404</b>

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

**ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL**

For Year Ended 2002

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements				
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells				
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment	6.67	6135	6162	27
8 311	Power Pumping Equipment				
9 320	Purification Systems				
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories		5698	5698	
12 333	Services				
13 334	Meters and Meter Installations				
14 335	Hydrants				
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment				
17 340	Office Furniture and Equipment				
18 341	Transportation Equipment				
19 342	Stores Equipment				
20 343	Tools, Shop and Garage Equipment				
21 344	Laboratory Equipment				
22 345	Power Operated Equipment				
23 346	Communications Equipment				
24 347	Miscellaneous Equipment				
25 348	Other Tangible Property				
26	TOTALS (Add Lines 1 - 25)		10833	10860	27

Enter beginning & end of year totals on Pg 7, Line 7

Name: TROY HOFFMAN WATER CORPORATION

**BALANCE SHEET**

For Year Ended 2002

<b>ASSETS</b>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)	28404	28404	
2	102 Utility Plant Leased to Others			
3	103 Plant Held for Future Use			
4	105 Construction Work in Progress			
5	114 Utility Plant Aquisition Adjustment			
6	Subtotal (Add Lines 1 - 5)	28404	28404	
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	10833	10860	27
8	108.2 Accum. Depr. - Utility Plant Lease to Others			
9	108.3 Accum. Depr. - Property Held for Future Use			
10	110.1 Accum. Amort. - Utility Plant in Service			
11	110.2 Accum. Amort. - Utility Plant Lease to Others			
12	115 Accumulated Amortization - Aquisition Adj.			
13	Net Utility Plant (Line 6 less lines 7 - 12)	17571	17544	
14	123 Investment in Subsidiaries			
15	125 Other Investments			
16	Total Investments (Add lines 14 & 15)			
17	131 Cash	11078	18573	7495
18	135 Short Term Investments			
19	141 Accts/Notes Receivable - Customers			
20	142 Other Receivables	4801	4801	
21	145 Receivables from Associated Companies			
22	151 Materials & Supplies Inventory			
23	162 Prepaid Expenses			
24	173 Unbilled (Accrued) Utility Revenue			
25	143 Provision for Uncollectable Accounts			
26	Total Current (Add lines 17 -24 less line 25)			
27	181 Unamortized Debt Discount & Expense			
28	183 Preliminary Survey & Investigation Charges			
29	184 Deferred Rate Case Expenses			
30	186 Other Deferred Charges			
31	<b>Total Assets (Add lines 13, 16 &amp; 26 - 30)</b>	<b>33450</b>	<b>40918</b>	<b>7468</b>



Name: TROY HOFFMAN WATER CORPORATION

**BALANCE SHEET**

For Year Ended 2002

**LIABILITIES & CAPITAL**

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	5000	5000	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	2914	2914	
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	12677	20145	7468
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	20591	28059	7468
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable			
13	232 Notes Payable			
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)			
16	236.11 Accrued Other Taxes Payable			
17	236.12 Accrued Income Taxes Payable			
18	236.2 Accrued Taxes - Non-Utility			
19	237-40 Accrued Debt, Interest & Dividends Payable			
20	241 Misc. Current & Accrued Liabilities			
21	251 Unamortized Debt Premium			
22	252 Advances for Construction			
23	253 Other Deferred Liabilities			
24	255.1 Accumulated Investment Tax Credits - Utility			
25	255.2 Accum. Investment Tax Credits - Non-Utility			
26	261-5 Operating Reserves			
27	271 Contributions in Aid of Construction			
28	272 Accum. Amort. of Contrib. in Aid of Const. **	12859	12859	
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)			
31	<b>TOTAL LIAB &amp; CAPITAL ( Add lines 8 &amp; 30)</b>	<b>33450</b>	<b>40918</b>	<b>7468</b>

**\*\* Only if Commission Approved**

Name: TROY HOFFMAN WATER CORPORATION

**STATEMENT OF RETAINED EARNINGS**

For Year Ended 2002

1	Retained Earnings Balance @ Beginning of Year	<u>15591</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>7468</u>
3	Other Credits to Account	<u>          </u>
4	Dividends Paid or Appropriated	<u>          </u>
5	Other Distributions of Retained Earnings	<u>          </u>
6	Retained Earnings Balance @ End of Year	<u><u>23059</u></u>

**CAPITAL STOCK DETAIL**

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	Common, \$1.00 par	5000	5000	0

**DETAIL OF LONG-TERM DEBT**

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued

Name: TROY HOFFMAN WATER CORPORATION

**SYSTEM ENGINEERING DATA**

For Year Ended 2002

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

Pump Designation or location	Rated Capacity (gpm)	Type of Treatment: (None, Chlorine Fluoride Filter etc.)	Annual Production (000's Gal.)	Water Supply Source (Well, Spring, Surface Wtr)
Pumphouse, corner of Hoffman Avenue and Anne Street	#1 300	None		Well
	#2 190	None		

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)
Pumphouse, Hoffman & Anne St.	490 gpm	7	Pressurized	Steel

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

Name: TROY HOFFMAN WATER CORPORATION

**SYSTEM ENGINEERING DATA**  
**(continued)**  
 For Year Ended 2002

4 Pump information for ALL system pumps, including wells and boosters.

Designation or Location & Type of Pump**	Horse Power	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy Used This Year
Corner of Horrman & Anne Turbine	30	300		
Corner of Horrman & Anne Submersible	20	190		

**\*\* Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year. Attach additional sheets if inadequate space is available on this page.**

- 5 If Wells are metered:  
 What was the total amount pumped this year? \_\_\_\_\_  
 What was the total amount pumped during peak month? \_\_\_\_\_  
 What was the total amount pumped on the peak day? \_\_\_\_\_
- 6 If customers are metered, what was the total amount sold in peak month? Unknown
- 7 Was your system designed to supply fire flows? yes  
**If Yes:** What is current system rating? unknown
- 8 How many times were meters read this year? \_\_\_\_\_  
 During which months? \_\_\_\_\_
- 9 How many additional customers could be served with no system improvements  
 except a service line and meter? \_\_\_\_\_  
 How many of those potential additions are vacant lots? \_\_\_\_\_
- 10 Are backbone plant additions anticipated during the coming year? no  
**If Yes, attach an explanation of projects and anticipated costs!**
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution)  
 will have to be expanded? \_\_\_\_\_

Name: TROY HOFFMAN WATER CORPORATION

**SYSTEM ENGINEERING DATA**  
 (continued)  
 For Year Ended 2002

**FEET OF MAINS**

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	8" Code	1600			1600
	6"	3850			3850
	4"	2263			2263
	6"	3040			3040
	4"	1237			1237

**CUSTOMER STATISTICS**

		<u>Number of Customers</u>		<u>Thousands of Gallons Sold</u>	
		<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
2	Metered:				
2A	Residential	144	144		
2B	Commercial				
2C	Industrial				
3	Flat Rate:				
3A	Residential				
3B	Commercial				
3C	Industrial				
4	Private Fire Protection				
5	Public Fire Protection				
6	Street Sprinkling				
7	Municipal, Other				
8	Other Water Utilities				
	<b>TOTALS (Add lines 2 through 8)</b>	<b>144</b>	<b>144</b>		

# CERTIFICATE

State of Idaho                    )  
  ) ss  
County of Kootenai            )

WE, the undersigned H. James Magnuson  
and \_\_\_\_\_  
of the Troy Hoffman Water Corporation  
utility, on our oath do severally say that the foregoing report has been prepared under our direction,  
from the original books, papers and records of said utility; that we have carefully examined same, and  
declare the same to be a correct statement of the business and affairs of said utility for the period  
covered by the report in respect to each and every matter and thing therein set forth, to the best of our  
knowledge, information and belief.

  
\_\_\_\_\_  
(Chief Officer)

\_\_\_\_\_  
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 28<sup>th</sup> day of Feb, 2003

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires 2-1-2008

gdk/excel/jnelson/anulrpts/wtrannualrpt