

ANNUAL REPORT

OF

TROY HOFFMAN WATER CORPORATION

NAME

P. O. BOX 2288
1250 NORTHWOOD CENTER COURT, SUITE A
COEUR D'ALENE, ID 83816

ADDRESS

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IDAHO PUBLIC
UTILITIES COMMISSION

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2003

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2003**

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 2003

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	<u>0</u>
High Bills	<u>0</u>
Disconnection	<u>0</u>

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 2003

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	26335
2	461.1	Metered Sales - Residential	
3	461.2	Metered Sales - Commercial, Industrial	
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	26335
9	*	DEQ Fees Billed separately to customers	Booked to Acct # _____
10	**	Hookup or Connection Fees Collected	Booked to Acct # _____
11	***	Commission Approved Surcharges Collected	Booked to Acct # _____
401 OPERATING EXPENSES			
12	601.1-6	Labor - Operation & Maintenance	
13	601.7	Labor - Customer Accounts	
14	601.8	Labor - Administrative & General	
15	603	Salaries, Officers & Directors	12000
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	5943
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	
21	620.7-8	Materials & Supplies - Administrative & General	308
22	631-34	Contract Services - Professional	7243
23	635	Contract Services - Water Testing	2197
24	636	Contract Services - Other	2700
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	
27	656-59	Insurance	
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	
32	675	Miscellaneous	
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	30391

Name: TROY HOFFMAN WATER CORPORATION

INCOME STATEMENT

For Year Ended 2003

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		26335
2	Operating Expenses (From Page 3, line 33)	30391	
3	403 Depreciation Expense		
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		
9B	Real estate tax	442	
9C			
9D			
10	409.10 Federal Income Taxes	603	
11	409.11 State Income Taxes	344	
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)	31780	
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)		-5445
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)		-5445
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)		-5445

Name: TROY HOFFMAN WATER CORPORATION

ACCOUNT 101 PLANT IN SERVICE DETAIL
 For Year Ended 2003

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	TOTAL PLANT IN SERVICE	28404			28404

(Add lines 1 - 28)

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

Name: TROY HOFFMAN WATER CORPORATION

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2003

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	5162	5162
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)		10860	10860

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

Name: TROY HOFFMAN WATER CORPORATION

BALANCE SHEET

For Year Ended 2003

		ASSETS		
ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase 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)	10860	10860	
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)	17544	17544	
14	123 Investment in Subsidiaries			
15	125 Other Investments			
16	Total Investments (Add lines 14 & 15)			
17	131 Cash	18573	10912	-7661
18	135 Short Term Investments			
19	141 Accts/Notes Receivable - Customers			
20	142 Other Receivables	4801	7017	2216
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	Total Assets (Add lines 13, 16 & 26 - 30)	40918	35473	-5445

Name: TROY HOFFMAN WATER CORPORATION

BALANCE SHEET

For Year Ended 2003

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	20145	14700	-5445
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	28059	22614	-5445
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	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	40918	35473	-5445

**** Only if Commission Approved**

Name: TROY HOFFMAN WATER CORPORATION

STATEMENT OF RETAINED EARNINGS

For Year Ended 2003

1	Retained Earnings Balance @ Beginning of Year	<u>20145</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>-5445</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>14700</u></u>

CAPITAL STOCK DETAIL

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

DETAIL OF LONG-TERM DEBT

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

Name: TROY HOFFMAN WATER CORPORATION

SYSTEM ENGINEERING DATA

For Year Ended 2003

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 2003

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 2003

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

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
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				
	TOTALS (Add lines 2 through 8)	144	144		

