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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF

AWS-W

Algoma Water

NAME

P.O. Box 751, Sandpoint, ID 83864

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

2005

ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2005

COMPANY INFORMATION

1 Give full name of utility Algoma Water
 Telephone Area Code (208) 209-1810
 E-mail address _____
 2 Date of Organization _____
 3 Organized under the laws of the state of _____
 4 Address of Principal Office (number & street) _____
 5 P.O. Box (if applicable) P.O. Box 751
 6 City Sandpoint
 7 State ID
 8 Zip Code 83864
 9 Organization (proprietor, partnership, corp.) _____
 10 Towns, Counties served Algoma, Bonner County

11 Are there any affiliated companies?
 If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	<u>Larry New</u>	<u>208-263-0636</u>
Vice President	<u>Chris New</u>	<u>208-263-7996</u>
Secretary	_____	_____
General Manager	_____	_____
Complaints or Billing	_____	_____
Engineering	_____	_____
Emergency Service	_____	_____
Accounting	<u>Joan Brittain</u>	<u>208-263-8946</u>

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 206 N. 4th Ave., #146
 City Sandpoint
 State ID
 Zip 83864

NAME: Algamma Water

COMPANY INFORMATION (Cont.)

For the Year Ended 2005

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

Yes

16 **If yes:** With whom is the contract?

Integrity Water Management

When does the contract expire?

What services and rates are included?

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 Division of Environmental Quality?

If yes, attach full explanation

20 Has the Idaho Division of Environmental Quality recommended any improvements?

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?

Attach a copy of the Summary

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

No

If yes, attach full explanation and an updated system map

NAME: Algoma Water

REVENUE & EXPENSE DETAIL

For the Year Ended 2005

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	<u>7662.81</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>7662.81</u>
9	* DEQ Fees Billed separately to customers		Booked to Acct # <u> </u>
10	** Hookup or Connection Fees Collected	<u>0</u>	Booked to Acct # <u> </u>
11	***Commission Approved Surcharges Collected		Booked to Acct # <u> </u>
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	<u>1050.92</u>
13	601.7	Labor - Customer Accounts	<u>0</u>
14	601.8	Labor - Administrative & General	<u>526.00</u>
15	603	Salaries, Officers & Directors	<u>0</u>
16	604	Employee Pensions & Benefits	<u>0</u>
17	610	Purchased Water	<u>0</u>
18	615-16	Purchased Power & Fuel for Power	<u>1137.02</u>
19	618	Chemicals	<u>0</u>
20	620.1-6	Materials & Supplies - Operation & Maint.	<u> </u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>146.55</u>
22	631-34	Contract Services - Professional	<u> </u>
23	635	Contract Services - Water Testing	<u>296.50</u>
24	636	Contract Services - Other	<u> </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>7.90</u>
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		<u>3164.89</u>

Name: Algoma Water

INCOME STATEMENT

For Year Ended 2005

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>7662.81</u>
2	Operating Expenses (From Page 3, line 33)	<u>3164.89</u>	
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	<u>716.12</u>	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees		
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>3881.01</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>3781.80</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)		
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>3781.80</u>

Name: _____

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended _____

	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				
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				
12	320	Purification Systems				
13	330	Distribution Reservoirs & Standpipes				
14	331	Trans. & Distrib. Mains & Accessories				
15	333	Services				
16	334	Meters and Meter Installations				
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				

(Add lines 1 - 28)

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

Name: _____

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended _____

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			
8	311	Power Pumping Equipment			
9	320	Purification Systems			
10	330	Distribution Reservoirs & Standpipes			
11	331	Trans. & Distrib. Mains & Accessories			
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)			

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

Name: _____

BALANCE SHEET

For Year Ended _____

<u>ASSETS</u>			Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning of Year	End of Year	or (Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)			
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)			
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)			
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)			
14	123	Investment in Subsidiaries			
15	125	Other Investments			
16		Total Investments (Add lines 14 & 15)			
17	131	Cash			
18	135	Short Term Investments			
19	141	Accts/Notes Receivable - Customers			
20	142	Other Receivables			
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)			

Name: _____

BALANCE SHEET

For Year Ended _____

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock			
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings			
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)			
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. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)			
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)			

**** Only if Commission Approved**

Name: _____

STATEMENT OF RETAINED EARNINGS
For Year Ended 2005

1	Retained Earnings Balance @ Beginning of Year	<u>379.77</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>7662.81</u>
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	_____
5	Other Distributions of Retained Earnings	_____
6	Retained Earnings Balance @ End of Year	<u>7283.04</u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	<i>Panhandle State Bank</i>		<i>32,305.90</i>	<i>2468.36</i>	

Name: _____

SYSTEM ENGINEERING DATA
(continued)
For Year Ended _____

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year

CUSTOMER STATISTICS

	<u>Number of Customers</u>		<u>Thousands of Gallons Sold</u>	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential				
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)				

CERTIFICATE

State of Idaho)
) ss
County of _____)

WE, the undersigned _____
and _____
of the _____
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 _____ day of _____, _____

NOTARY PUBLIC

My Commission Expires _____

gdk/excel/jnelson/anulrpts/wtrannualrpt