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IDAHO PUBLIC  
UTILITIES COMMISSION

# ANNUAL REPORT

OF SPL-W

Spirit Lake East Water  
NAME

\_\_\_\_\_  
ADDRESS

TO THE  
**IDAHO PUBLIC  
UTILITIES COMMISSION**

FOR THE

YEAR ENDED 10/31/05

**ANNUAL REPORT FOR WATER UTILITIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING 10/31/2005**

**COMPANY INFORMATION**

1 Give full name of utility SPIRIT LAKE EAST WATER COMPANY  
 2 Date of Organization 4/1/1982  
 3 Organized under the laws of the state of IDAHO  
 4 Address of Principal Office (number & street) 15807 E. INDIANA AVE.  
 5 P.O. Box (if applicable) \_\_\_\_\_  
 6 City SPOKANE VALLEY  
 7 State WA  
 8 Zip Code 99216  
 9 Organization (proprietor, partnership, corp.) CORP  
 10 Towns, Counties served SPIRIT LAKE EAST AND TREEPORT DEVELOPMENTS  
KOOTENAI AND BOONER COUNTY

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

12 Contact Information	Name	Phone No.
President (Owner)	RAYMOND A HANSON	509-922-5252
Vice President	ROBERT BOYLE	509-922-5252
Secretary		
General Manager		
Complaints or Billing	ROXANN MIDDLETON	509-922-5252
Engineering		
Emergency Service	JIM KRUGER	509-868-5929
Accounting	ROXANN MIDDLETON	509-922-5252

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 15807 E INDIANA AVE  
 City SPOKANE VALLEY  
 State WA  
 Zip 99216

NAME: SPIRIT LAKE EAST WATER COMPANY

**COMPANY INFORMATION (Cont.)**

For the Year Ended 10/31/2005

15 Is the system operated or maintained under a service contract? No

16 If yes: With whom is the contract? \_\_\_\_\_  
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? Yes

If yes, attach full explanation

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

If yes, attach full explanation

21 Number of Complaints received during year concerning:  
Quality of Service 2 or 3  
High Bills 4 or 5  
Disconnection None

22 Number of Customers involuntarily disconnected None

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? Beginning of service

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: SPIRIT LAKE EAST WATER COMPANY

**REVENUE & EXPENSE DETAIL**

For the Year Ended 10/31/2005

ACCT #	DESCRIPTION		
<b>400 REVENUES</b>			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	47903
3	461.2	Metered Sales - Commercial, Industrial	
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	18000
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)	65903
9	*	DEQ Fees Billed separately to customers	Booked to Acct #
10	**	Hookup or Connection Fees Collected	18000 Booked to Acct #
11	***	Commission Approved Surcharges Collected	Booked to Acct #
<b>401 OPERATING EXPENSES</b>			
12	601.1-6	Labor - Operation & Maintenance	1538
13	601.7	Labor - Customer Accounts	988
14	601.8	Labor - Administrative & General	4200
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	16570
19	618	Chemicals	694
20	620.1-6	Materials & Supplies - Operation & Maint.	41389
21	620.7-8	Materials & Supplies - Administrative & General	
22	631-34	Contract Services - Professional	16557
23	635	Contract Services - Water Testing	245
24	636	Contract Services - Other	
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	
27	656-59	Insurance	3121
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	714
33		<b>Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)</b>	86016

Name: SPIRIT LAKE EAST WATER COMPANY

**INCOME STATEMENT**

For Year Ended 10/31/2005

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>65903</u>
2	Operating Expenses (From Page 3, line 33)	86016	
3	403 Depreciation Expense	8492	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	162	
7	408.11 Property Taxes	291	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list)      DEQ Fees	1842	
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes	30	
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>96833</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>-30930</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 Forgiveness of Debt by Affilitated Companies	370000	
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)		<u>370000</u>
29	Gross Income (add lines 19 & 28)		<u>339070</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)		

**ACCOUNT 101 PLANT IN SERVICE DETAIL**  
 For Year Ended 10/31/2005

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	8405			8405
5 305	Collecting & Impounding Reservoirs	77073			77073
6 306	Lake, River & Other Intakes				
7 307	Wells	30132			30132
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment				
11 311	Power Pumping Equipment	92445			92445
12 320	Purification Systems	796			796
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	512537			512537
15 333	Services	71097			71097
16 334	Meters and Meter Installations	13918			13918
17 335	Hydrants				
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment	625			525
21 341	Transportation Equipment	5001			5001
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment				
24 344	Laboratory Equipment				
25 345	Power Operated Equipment				
26 346	Communications Equipment		1951		1951
27 347	Miscellaneous Equipment		639		639
28 348	Other Tangible Property	22451	3061		25512
		834483	5651		840031
29	<b>TOTAL PLANT IN SERVICE</b>				

(Add lines 1 - 28)

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

Name: SPIRIT LAKE EAST WATER COMPANY

**ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL**

For Year Ended 10/31/2005

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)		727761	8492	736253

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

Name: SPIRIT LAKE EAST WATER COMPANY

**BALANCE SHEET**

For Year Ended 10/31/2005

		<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)	834483	840134	5651
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)	834483	840134	5651
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	727761	736253	-8492
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)	106722	103881	-2841
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	13439	9748	-3691
20	142	Other Receivables			
21	145	Receivables from Associated Companies			
22	151	Materials & Supplies Inventory		3055	3055
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 (Work in Progress)		23828	23828
31		<b>Total Assets (Add lines 13, 16 &amp; 26 - 30)</b>	<b>120161</b>	<b>140512</b>	<b>20351</b>

Name: SPIRIT LAKE EAST WATER COMPANY

**BALANCE SHEET**

For Year Ended 10/31/2005

**LIABILITIES & CAPITAL**

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	296434	296434	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings	-721403	-382332	339071
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)	-424969	-85898	339071
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	475080	156361	-318719
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	70050	70050	
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	<b>TOTAL LIAB &amp; CAPITAL ( Add lines 8 &amp; 30)</b>	120161	140513	20352

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

Name: SPIRIT LAKE EAST WATER COMPANY

**STATEMENT OF RETAINED EARNINGS**

For Year Ended 10/31/2005

1	Retained Earnings Balance @ Beginning of Year	-721403
2	Amount Added from Current Year Income (From Pg 4, Line 32)	339070
3	Other Credits to Account	
4	Dividends Paid or Appropriated	
5	Other Distributions of Retained Earnings	
6	Retained Earnings Balance @ End of Year	-382333

**CAPITAL STOCK DETAIL**

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	Common Stock	500	4950	

**DETAIL OF LONG-TERM DEBT**

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

Name: SPIRIT LAKE EAST WATER COMPANY

**SYSTEM ENGINEERING DATA**

For Year Ended 10/31/2005

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)
Well Site	500	Chlorine	20000	Well

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)
Well Site	200	370	Boosted	Concrete)

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

**SYSTEM ENGINEERING DATA**  
**(continued)**  
 For Year Ended 10/31/2005

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
Well Site - Submersible	100	500	600	
Well Site - Booster (2)	10		0-45	
Well Site - Booster (3)	25		25-45	

**\*\* 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? \_\_\_\_\_
- 7 Was your system designed to supply fire flows? NO  
 If Yes: What is current system rating? \_\_\_\_\_
- 8 How many times were meters read this year? \_\_\_\_\_ 3  
 During which months? March - July - September
- 9 How many additional customers could be served with no system improvements except a service line and meter? \_\_\_\_\_ 55  
 How many of those potential additions are vacant lots? \_\_\_\_\_ 55
- 10 Are backbone plant additions anticipated during the coming year? \_\_\_\_\_  
 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: SPIRIT LAKE EAST WATER COMPANY

**SYSTEM ENGINEERING DATA**  
 (continued)  
 For Year Ended 10/31/2005

**FEET OF MAINS**

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	10	603			603
	8	2791			2791
	6	58564			58564
	4	36944			36944
	3	4401			4401
	2	2400			2400

**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	Active	285	273		
2A	Residential	Inactive	20	20		
2B	Commerical					
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)		305	293		

# CERTIFICATE

State of Washington )  
 ) ss  
County of Spokane )

WE, the undersigned \_\_\_\_\_ Robert J. Boyle \_\_\_\_\_  
and \_\_\_\_\_ Roxann Middleton  
of the \_\_\_\_\_ Spirit Lake East Water Company  
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.

Robert J. Boyle  
(Chief Officer)

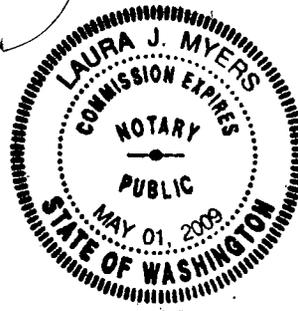
Roxann Middleton  
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 26 day of April, 2006

Laura J. Myers  
NOTARY PUBLIC

My Commission Expires May 1, 2009



gdk/excel/jnelson/anulrpts/wtrannualrpt