

ANNUAL REPORT

OF

TROY HOFFMAN WATER CORP
NAME

710 W DALTON AVE SUITE J COEUR D'ALENE, ID 83815
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2012

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

FOR THE YEAR ENDING 2012

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) 710 W Dalton Ave, Suite J
 - 5 P.O. Box (if applicable) _____
 - 6 City Coeur d'Alene
 - 7 State ID
 - 8 Zip Code 83815
 - 9 Organization (proprietor, partnership, corp.) Corporation
 - 10 Towns, Counties served Coeur d'Alene, Kootenai County
- _____
- _____
- _____
- 11 Are there any affiliated companies? (yes or no) 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)	Ron Stadley	208-664-9858
Vice President	Ken Murren	208-664-9858
Secretary		
General Manager		
Complaints or Billing	All Service Electric	208-664-9858
Engineering		
Emergency Service	Ron Stadley	208-664-9858
Accounting	All Service Electric	208-664-9858

- 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 710 W Dalton Ave, Suite B
 - City Coeur d'Alene
 - State ID
 - Zip 83815

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

COMPANY INFORMATION (Cont.)

For the Year Ended 2012

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

16 If yes: With whom is the contract?	<u>All Service Electric</u>	<u>All Service & Northstar</u>
When does the contract expire?	<u>Open Ended</u>	<u>12/31/2013</u>
What services and rates are included?	<u>Bookkeeping \$335/mo</u>	<u>Various \$1,920/mo</u>

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? June 2012

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

REVENUE & EXPENSE DETAIL

For the Year Ended

2012

SUB ACCT	DESCRIPTION		
400 REVENUES			
1 460	Unmetered Water Revenue	\$ 37,120.00	
2 461.1	Metered Sales - Residential	\$ 780.00	
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)		\$ 37,900.00
	(also enter result on Page 4, line 1)		
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	\$ 11,041.00	
13 601.7	Labor - Customer Accounts		
14 601.8	Labor - Administrative & General		
15 603	Salaries, Officers & Directors	\$ 6,000.00	
16 604	Employee Pensions & Benefits		
17 610	Purchased Water		
18 615-16	Purchased Power & Fuel for Power	\$ 5,978.00	
19 618	Chemicals		
20 620.1-6	Materials & Supplies - Operation & Maint.	\$ 1,568.00	
21 620.7-8	Materials & Supplies - Administrative & General	\$ 749.00	
22 631-34	Contract Services - Professional	\$ 5,445.00	
23 635	Contract Services - Water Testing	\$ 480.00	
24 636	Contract Services - Other		
25 641-42	Rentals - Property & Equipment	\$ 4,800.00	
26 650	Transportation Expense	\$ 480.00	
27 656-59	Insurance	\$ 27.00	
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)		\$ 36,568.00

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

INCOME STATEMENT

For the Year Ended

2012

SUB ACCT	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>\$ 37,900.00</u>
2	Operating Expenses (From Page 3, line 33)		<u>\$ 36,568.00</u>
3 403	Depreciation Expense		<u>\$ 5,141.00</u>
4 406	Amortization, Utility Plant Aquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)		<u>\$ 84.00</u>
7 408.11	Property Taxes		<u>\$ 715.00</u>
8 408.12	Payroll Taxes		
9A 408.13	Other Taxes (list) DEQ Fees		<u>\$ 735.00</u>
9B	State Building Fund		<u>\$ 10.00</u>
9C			
9D			
10 409.10	Federal Income Taxes		
11 409.11	State Income Taxes		<u>\$ 10.00</u>
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>\$ 43,263.00</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>\$ (5,363.00)</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)		<u>\$ -</u>
29	Gross Income (add lines 19 & 28)		<u>\$ (5,363.00)</u>
30 427.3	Interest Exp. on Long-Term Debt		<u>\$ 2,368.00</u>
31 427.5	Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31), (Also Enter on Pg 9, Line 2)		<u>\$ (7,731.00)</u>

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

ACCOUNT 101 PLANT IN SERVICE DETAIL

For the Year Ended

2012

		Balance	Added	Removed	Balance
		Beginning	During	During	End of
SUB ACCT	DESCRIPTION	of Year	Year	Year	Year
1	301	Organization			\$ -
2	302	Franchises and Consents			\$ -
3	303	Land & Land Rights	\$ 9,272.00		\$ 9,272.00
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	\$ 40,795.00		\$ 40,795.00
12	320	Purification Systems			\$ -
13	330	Distribution Reservoirs & Standpipes			\$ -
14	331	Trans. & Distrib. Mains & Accessories	\$ 9,498.00		\$ 9,498.00
15	333	Services			\$ -
16	334	Meters and Meter Installations	\$ 1,362.00		\$ 1,362.00
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	\$ 60,927.00	\$ -	\$ -
					\$ 60,927.00

(Add lines 1 - 28) Enter beginning & end of year totals on Pg 7, Line 1

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For the Year Ended

2012

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	17.49%	\$ 28,117.00	\$ 33,257.00	\$ 5,140.00
9	320	Purification Systems				\$ -
10	330	Distribution Reservoirs & Standpipes				\$ -
11	331	Trans. & Distrib. Mains & Accessories		\$ 5,698.00	\$ 5,698.00	\$ -
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)			\$ 33,815.00	\$ 38,955.00	\$ 5,140.00

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

BALANCE SHEET

For the Year Ended

2012

		ASSETS	Balance	Balance	Increase
			Beginning	End of	or
SUB ACCT	DESCRIPTION		of Year	Year	(Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)	\$ 60,927.00	\$ 60,927.00	
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)	\$ 60,927.00	\$ 60,927.00	\$ -
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	\$ 33,815.00	\$ 38,955.00	\$ 5,140.00
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)	\$ 27,112.00	\$ 21,972.00	\$ (5,140.00)
14	123	Investment in Subsidiaries			\$ -
15	125	Other Investments			\$ -
16		Total Investments (Add lines 14 & 15)	\$ -	\$ -	\$ -
17	131	Cash	\$ 1,850.00	\$ 715.00	\$ (1,135.00)
18	135	Short Term Investments			\$ -
19	141	Accts/Notes Receivable - Customers			\$ -
20	142	Other Receivables	\$ 5,997.00	\$ (27.00)	\$ (6,024.00)
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)	\$ 7,847.00	\$ 688.00	\$ (7,159.00)
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)	\$ 34,959.00	\$ 22,660.00	\$ (12,299.00)

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

BALANCE SHEET

For the Year Ended 2012

		LIABILITIES & CAPITAL		
		Balance	Balance	Increase
		Beginning	End of	or
SUB ACCT	DESCRIPTION	of Year	Year	(Decrease)
1	201-3 Common Stock	\$ 5,000.00	\$ 5,000.00	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	\$ 4,272.00	\$ 4,272.00	
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	\$ (9,907.00)	\$ (17,639.00)	\$ (7,732.00)
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	\$ (635.00)	\$ (8,367.00)	\$ (7,732.00)
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt	\$ 35,594.00	\$ 33,726.00	\$ (1,868.00)
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. **	\$ 12,859.00	\$ 12,859.00	
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	\$ 48,453.00	\$ 46,585.00	\$ (1,868.00)
31	TOTAL LIABILITIES & CAPITAL (Add lines 8 & 30)	\$ 47,818.00	\$ 38,218.00	\$ (9,600.00)

** Only if Commission Approved

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

STATEMENT OF RETAINED EARNINGS

For the Year Ended 2012

1	Retained Earnings Balance @ Beginning of Year	<u>\$ (9,907.00)</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>\$ (7,731.00)</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><u>\$ (17,639.00)</u></u>

CAPITAL STOCK DETAIL

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

	_____			\$ -

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	All Service Electric - prepping for new pump install	7.40%	\$ 5,875.00	\$ 453.00	
	Northstar - prepping for new pump install	4.20%	\$ 6,704.00	\$ 295.00	
	Ken Murren - the new pump	7.50%	\$ 21,147.00	\$ 1,620.00	

	<u>Totals</u>		<u>\$ 33,726.00</u>	<u>\$ 2,368.00</u>	<u>\$ -</u>

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

SYSTEM ENGINEERING DATA

For the Year Ended

2012

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 Ave and Anne Street	#1 300	None		Well
	#2 190	None		Well
TOTALS			0	

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir	Construction
			(Elevated Pressurized Boosted)	(Wood, Steel Concrete)
Pumphouse - corner of Hoffman Ave and Anne Street	#1 4,000	4000	Pressurized	Steel
	#2 3,000	3000	Pressurized	Steel

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

SYSTEM ENGINEERING DATA Continued

For the Year Ended

2012

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

Designation or Location & Type of Pump**	Rated Horse power (hp)	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy used this Year (Kwh)
Corner of Hoffman Ave and Anne Street				
Submersible	30	300		
Corner of Hoffman Ave and Anne Street				
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? 000's gal. _____

What was the total amount pumped during peak month? 000's gal. _____

What was the total amount pumped on the peak day? gal. _____

6 If customers are metered, what was the total amount sold in peak month? 000's gal.

9,815,000

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?

4

During which months?

April, June, August and October

9 How many additional customers could be served with no system improvements

except a service line and meter?

Less than 5%

How many of those potential additions are vacant lots?

Less than 3%

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?

None

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Troy Hoffman Water Corporation

SYSTEM ENGINEERING DATA Continued

For the Year Ended

2012

FEET OF MAINS

1	Pipe Size	In Use	Installed	Abandoned	In Use
		Beginning Of Year	During Year	During Year	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	146	146	22,103	23,137
2B Commercial	1	1	613	253
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)	147	147	22,716	23,390

CERTIFICATE

State of Idaho)
) ss
County of Kootenai)

WE, the undersigned Ron Stadley

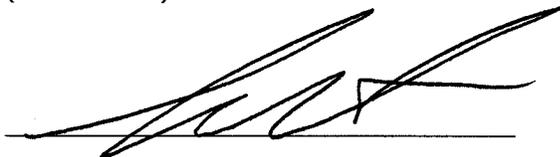
and _____

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)



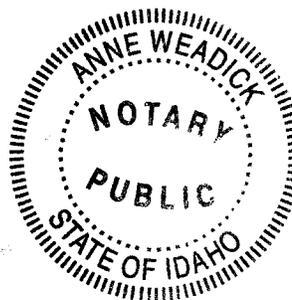
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 26 day of March, 2013

Anne Weadick

NOTARY PUBLIC



My Commission Expires September 6, 2018

gdk/excel/jnelson/anulrpts/wtrannualrpt