

HVW-W

ANNUAL REPORT

OF

Happy Valley Water System
NAME

Hayden ID 83835
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 12-31-2009

RECEIVED
2010 SEP 13 PM 2:47
IDAHO PUBLIC
UTILITIES COMMISSION

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 12/31/2009**

COMPANY INFORMATION

1 Give full name of utility Happy Valley Water System Inc.
 2 Date of Organization 25-Jul-01
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) _____
 5 P.O. Box (if applicable) _____
 6 City _____
 7 State _____
 8 Zip Code _____
 9 Organization (proprietor, partnership, corp.) S-Corp
 10 Towns, Counties served Kootenai

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

12 Contact Information	Name	Phone No.
President (Owner)	Brett McCarty	
Vice President	N/A	
Secretary	Nora McCarty	(208) 660-5254
General Manager	N/A	
Complaints or Billing	Nora McCarty	(208) 660-5254
Engineering	N/A	
Emergency Service	Brett McCarty	
Accounting	Nora McCarty	(208) 660-5254

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 10045 N. Memory Lane
 City Rathdrum
 State Idaho
 Zip 83858

NAME: Happy Valley Water System Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended 12/31/2009

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? Renews April of each year until terminated
What services and rates are included? Water Master & Backup Operator

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 yes

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?
July-2009
~~30005~~

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 No

NAME: Happy Valley Water System Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended 12/31/2009

ACCT #	DESCRIPTION	
<u>400 REVENUES</u>		
1 460	Unmetered Water Revenue	
2 461.1	Metered Sales - Residential	9898
3 461.2	Metered Sales - Commercial, Industrial	
4 462	Fire Protection Revenue	
5 464	Other Water Sales Revenue	7
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)	9905
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 #
<u>401 OPERATING EXPENSES</u>		
12 601.1-6	Labor - Operation & Maintenance	
13 601.7	Labor - Customer Accounts	
14 601.8	Labor - Administrative & General	
15 603	Salaries, Officers & Directors	
16 604	Employee Pensions & Benefits	
17 610	Purchased Water	
18 615-16	Purchased Power & Fuel for Power	6461
19 618	Chemicals	
20 620.1-6	Materials & Supplies - Operation & Maint.	
21 620.7-8	Materials & Supplies - Administrative & General	270
22 631-34	Contract Services - Professional	1595
23 635	Contract Services - Water Testing	185
24 636	Contract Services - Other	5070
25 641-42	Rentals - Property & Equipment	122
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	69
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	13772

Name: Happy Valley Water System Inc.

INCOME STATEMENT

For Year Ended 12/31/2009

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>9905</u>
2	Operating Expenses (From Page 3, line 33)	<u>13772</u>	
3	403 Depreciation Expense	<u>520</u>	
4	406 Amortization, Utility Plant Aquisition Adj.	<u>205</u>	
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	<u>50</u>	
7	408.11 Property Taxes	<u>29</u>	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees	<u>120</u>	
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes	<u>20</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>14716</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>(4811)</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		<u>180</u>
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>(180)</u>
29	Gross Income (add lines 19 & 28)		<u>(4991)</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>(4991)</u></u>

Name: Happy Valley Water System Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL
 For Year Ended 12/31/2009

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	1444			1444
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	7447			7447
12 320	Purification Systems				
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories				
15 333	Services				
16 334	Meters and Meter Installations	2674			2674
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	11565			11565

(Add lines 1 - 28)

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

Name: Happy Valley Water System Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 12/31/2009

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements	5.00%	540	612	72
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	5.00%	5583	5955	372
9 320	Purification Systems				
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories				
12 333	Services				
13 334	Meters and Meter Installations	3.00%	1000	1076	76
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)		7123	7643	520

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

Name: Happy Valley Water System Inc.

BALANCE SHEET

For Year Ended 12/31/2009

ASSETS			Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning of Year	End of Year	or (Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)	11565	11565	0
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	3070	3070	
6		Subtotal (Add Lines 1 - 5)	14635	14635	0
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	7123	7643	520
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.	1554	1759	205
13		Net Utility Plant (Line 6 less lines 7 - 12)	5958	5233	(725)
14	123	Investment in Subsidiaries			
15	125	Other Investments			
16		Total Investments (Add lines 14 & 15)			
17	131	Cash	3722	361	(3361)
18	135	Short Term Investments			
19	141	Accts/Notes Receivable - Customers	(286)	389	675
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)	3436	750	(2686)
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)	9394	5983	(3411)

Name: Happy Valley Water System Inc.

BALANCE SHEET

For Year Ended 12/31/2009

LIABILITIES & CAPITAL		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	201-3 Common Stock			
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	10000	10000	0
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	(1116)	(6107)	(4991)
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	8884	3893	(4991)
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable	510	820	310
13	232 Notes Payable			
14	233 Accounts Payable - Associated Companies	0	1270	1270
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)	510	2090	1580
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	9394	5983	(3411)

** Only if Commission Approved

Name: Happy Valley Water System Inc.

STATEMENT OF RETAINED EARNINGS
For Year Ended 12/31/2009

1	Retained Earnings Balance @ Beginning of Year	(1116)
2	Amount Added from Current Year Income (From Pg 4, Line 32)	(4991)
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	_____
5	Other Distributions of Retained Earnings	_____
6	Retained Earnings Balance @ End of Year	<u>(6107)</u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	NO PAR VALUE	10	10	0

DETAIL OF LONG-TERM DEBT

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

Name: Happy Valley Water System Inc.

SYSTEM ENGINEERING DATA
 (continued)
 For Year Ended 12/31/2009

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>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
2 Metered:				
2A Residential	24	24		
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 Kootenai)

I
WE, the undersigned NORA McCARY, SECRETARY/TREASURER
and N/A
of the Happy Valley Water System Inc.
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)

[Signature]
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 10TH day of SEPTEMBER, 2010

[Signature]
NOTARY PUBLIC

My Commission Expires 9/29/10

gdk/excel/jnelson/anuirpts/wtrannualrpt

