

**WATERWORKS AND SEWAGE DISPOSAL  
COMPANIES**

**ANNUAL REPORT**

OF

Tomahawk Utilities, Inc.

---

(Exact legal name of respondent)

If name was changed during year, show also the  
previous name and date of change.

7326 Canton Road, N. W., Malvern, Ohio 44644-9466

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(Address of principal business office at end of year)

**TO THE  
PUBLIC UTILITIES COMMISSION OF OHIO**



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FOR THE

YEAR ENDED DECEMBER 31, 19\_96

Extension granted to May 30, 1997

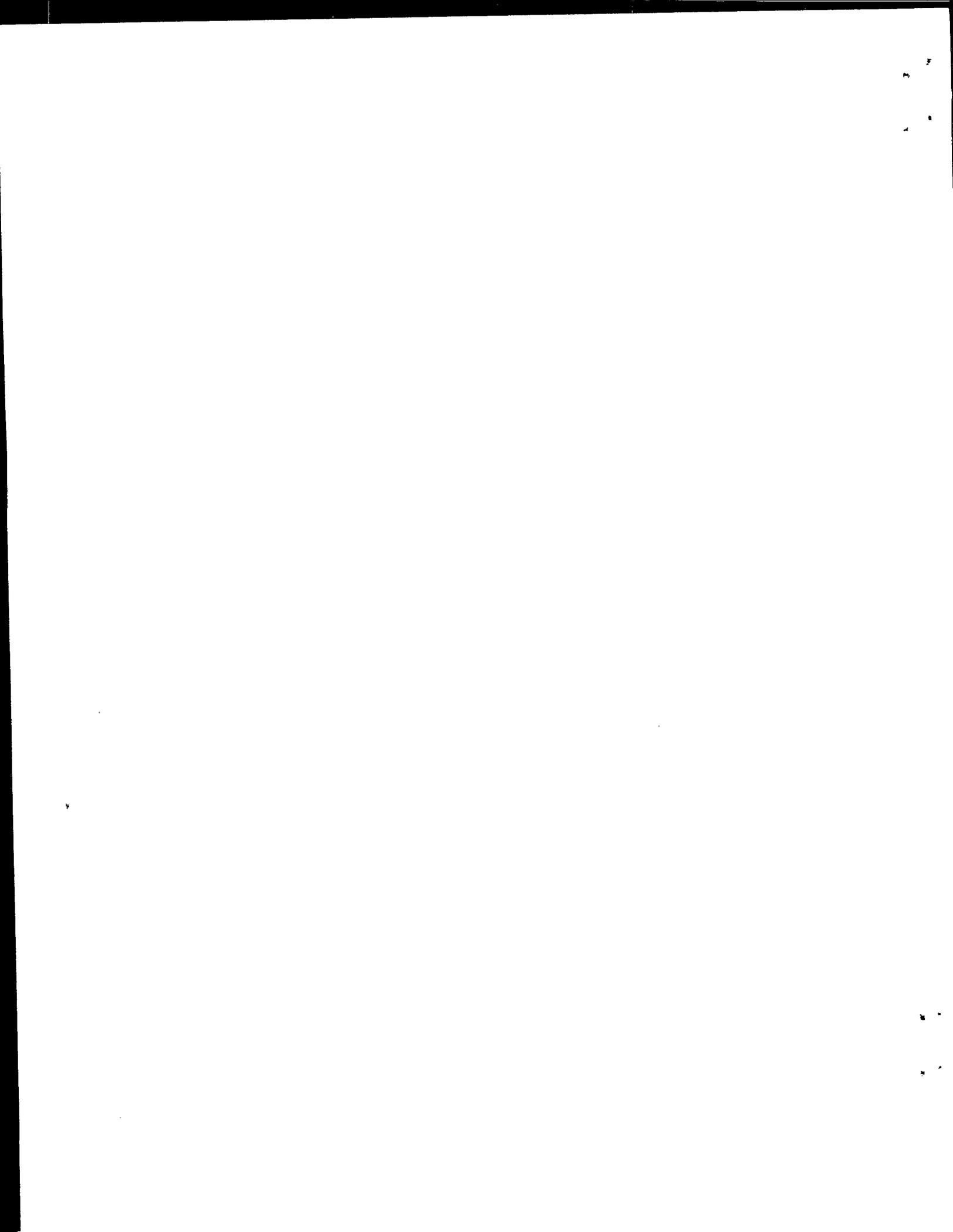
Name, title, address and telephone number (including area code) of the person to be contacted concerning this report.

Jon D. Robertson

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c/o Company (330) 863-0613

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# WATERWORKS AND SEWAGE DISPOSAL COMPANIES

## ANNUAL REPORT

OF

Tomahawk Utilities, Inc.

PRINCIPAL OFFICE:

7326 Canton Road, N. W.

(ADDRESS)

Malvern

(CITY)

Carroll

(COUNTY)

Ohio

(STATE)

44644-9466

(ZIP CODE)

### TO THE PUBLIC UTILITIES COMMISSION OF OHIO

FOR THE  
YEAR ENDED DECEMBER 31, 19<sup>96</sup>

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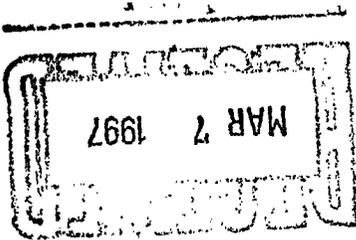
Name, title, address and telephone number (including area code) of the person to be contacted concerning this report.

Jon D. Robertson

c/o Company (330) 863-0613

## TABLE OF CONTENTS

Title	Page
General Instructions.....	2
History.....	3
Facts Pertaining To Control of Respondent.....	4
Important Changes During the Year.....	5
Voting Powers and Elections.....	6
Board of Directors.....	7
Principal General Officers.....	8
Balance Sheet.....	9-11
Notes to Balance Sheet.....	12
Income Statement.....	13-14
Notes to Income Statement.....	15
Statement of Retained Earnings.....	16
Partnership Capital Statement.....	16
Utility Plant In Service (Waterworks Utilities).....	17-19
Utility Plant In Service (Sewage Disposal Utilities).....	20-21
Accumulated Provision For Depreciation & Amortization (Waterworks Utilities).....	22-25
Accumulated Provision For Depreciation & Amortization (Sewage Disposal Utilities).....	26-29
Other Current and Accrued Assets.....	30
Extraordinary Property Losses.....	30
Miscellaneous Deferred Debits.....	31
Capital Stock.....	32
Long-Term Debt.....	33
Prepayments.....	34
Accumulated Deferred Income Taxes-Accelerated Amortization.....	34
Accumulated Deferred Income Taxes-Liberalized Depreciation.....	35
Accumulated Income Taxes-Other.....	35
Miscellaneous Current and Accrued Liabilities.....	36
Operating Revenue Accounts.....	37
Operating Expense Accounts.....	38-46
Taxes Other Than Income Taxes.....	47
Employee Compensation.....	47
General Information-Waterworks.....	48
Statement of Intrastate Gross Earnings (Revenue).....	49
Name Address, and Phone Number of the Company's Contact Persons and Whom Invoice Should Be Directed.....	50
Verification and Oath.....	51



BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Filing of 1996 Annual     )  
Reports by Regulated Public Utilities.     )     Case No. 97-174-AU-UNC

ENTRY

The Commission finds:

- (1) Section 4905.14, Revised Code, requires that every public utility, as defined by Section 4905.02, Revised Code, shall file an annual report with the Public Utilities Commission of Ohio at the time and in the form prescribed by the Commission. Section 4907.20, Revised Code, requires that a railroad complete forms submitted to it by the Public Utilities Commission of Ohio.
  
- (2) The secretary of the Commission shall send to all certified public utilities on the list attached to this entry three copies of the appropriate form of the annual report, except for railroad companies. Only two copies of the appropriate form of the annual report need be sent to railroad companies. The public utilities and railroads shall complete the annual report forms and return one copy to the Commission by May 1, 1997, at the following address:

Public Utilities Commission of Ohio  
Fiscal Division  
180 East Broad Street  
Columbus, Ohio 43266-0573

- (3) Section 4905.14, Revised Code, also requires that every public utility, except railroad companies, file a copy of its annual report with the Office of Consumers' Counsel at the same time that a copy is filed with the Public Utilities Commission of Ohio. Each public utility, except railroad companies, shall comply with this requirement by sending a copy of its annual report to:

Office of the Consumers' Counsel  
State of Ohio  
77 South High Street  
Columbus, Ohio 43266-0550

- (4) The remaining copy of the annual report shall be kept by the public utility.

- (5) Telephone companies are reminded that, pursuant to Rule 4901:1-3-11 of the Ohio Administrative Code, they are required to submit to the director of this Commission's Utilities Department a copy of all reports filed with the Federal Communications Commission pursuant to Title 47 C.F.R. 43. This filing requirement includes the submission of Automated Reporting Management Information System (ARMIS) reports.
- (6) Finally, all public utilities and railroads are reminded that, pursuant to Section 4905.54, Revised Code, failure to comply with the Commission's directive could result in the assessment of substantial penalties.

It is, therefore,

ORDERED, That the secretary of the Commission send to all public utilities, as defined by Section 4905.02, Revised Code, and as shown on the list attached to this entry, a copy of this entry and three copies of the appropriate form of the annual report to be completed by the public utilities. It is, further,

ORDERED, That the public utilities complete the annual report forms and file a copy with the Public Utilities Commission of Ohio and a copy with the Office of Consumers' Counsel by May 1, 1997. It is, further,

*Extended to 5-30-97*

ORDERED, That the secretary of the Commission send to all railroads on the list attached to this entry, a copy of this entry and two copies of the appropriate form of the annual report to be completed by the railroad. It is, further,

ORDERED, That the railroads complete the annual report forms and file a copy with the Public Utilities Commission of Ohio by May 1, 1997. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Craig A. Glazer, Chairman

Jolynn Barry Butler

Ronda Hartman Fergus

Richard M. Fanelli

David W. Johnson

DDN;geb

Entered in the Journal

MAR 6 1997

A True Copy

Gary E. Vigorto

Secretary

## GENERAL INSTRUCTIONS

Please read the general instructions carefully before filling out this form:

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.
2. The schedules and questions contained in this report were developed to be generally applicable to all waterworks and/or sewage disposal companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answer shall appear to show that no schedule, question, or line item has been overlooked. **If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate, where it truly and completely states the fact.**
3. This report was prepared in conformance with the 1976 NARUC Uniform Systems of Accounts for water and/or sewer companies. Interpret all accounting words and phrases in accordance with these USOAs.
4. Account numbers which appear in brackets refer to those used by Class C and/or D waterworks or sewage disposal companies, if different than those used by Class A and B companies.
5. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
6. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
7. The annual report shall be signed by a duly elected officer of the respondent and it shall be notarized.
8. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.
9. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.
10. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.
11. Please list all accounts and totals in whole dollars only. Make sure the rounded numbers equal to the original totals, when the original totals are rounded to the nearest dollar amount.

### HISTORY

1.	Date of organization <u>August 5, 1966</u>
2.	Date when operations began <u>August 5, 1966</u>
3.	Under the laws of what Government, State or Territory organized? If more than one, name all. <u>Ohio</u>
4.	If a consolidated or merged company, name all constituent and all merged companies. <u>N/A</u>
5.	Date and authority for each consolidation and each merger. <u>N/A</u>
6.	State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. <u>Corporation</u>
7.	If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization. <u>N/A</u>
8.	Where are the books and records of the company kept? <u>Malvern, Ohio</u>
9.	General description of territory served by respondent. <u>Tomahawk Lake in Rogers, Ohio</u>
10.	Number of locations within Ohio. <u>One</u>

**FACTS PERTAINING TO CONTROL OF RESPONDENT**

1. Did any individual, association, corporation or corporations, control the respondent at close of year? <u>No</u>
If control was so held, state: _____
(a) The form of control, whether sole or joint: _____
(b) The name of the controlling corporation or corporations: _____
(c) The manner in which control was established: _____
(d) The extent of control: _____
(e) Whether control was direct or indirect: _____
(f) The name of the intermediary through which control, if indirect, was established. _____
2. Did any individual, association, or corporation, as trustee, control the respondent at close of year? <u>No</u>
If control was so held, state: _____
(a) The name of the trustee: _____
(b) The name of the beneficiary or beneficiaries for whom the trust was maintained. _____

## IMPORTANT CHANGES DURING THE YEAR

Hereunder give particulars concerning the matters indicated below. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Purchase or sale of entire property, or of a part of property when service territory is included: Give brief description of each transaction, name of other party, date, consideration, and Commission authorization.

None

2. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.

None

3. Capital stock and debt issued during the year: Identify the securities, give purpose of issuance, date, consideration received and Commission authorization.

None

4. Changes in articles of incorporation: Give brief particulars of each change and date.

None

5. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

None

SCHEDULE: 1

**VOTING POWERS AND ELECTIONS**

1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and votes of all stockholders.

Serial No.	Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities
	William N. Robertson Malvern, Ohio	200	200	
	Jon D. Robertson Malvern, Ohio	200	200	
	James H. Robertson Houston, Texas	100	100	
	<b>TOTAL LISTED ABOVE</b> <b>TOTAL ALL STOCKHOLDERS</b>	500	500	
		500	500	

SCHEDULE: 2

**BOARD OF DIRECTORS**

1. Give the names of each person who was a member of the Board of Directors at any time during the year.  
 2. Columns (d) and (e) relate to Board meetings only.

Line No.	Name of Director and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)	Number of Meetings Attended During Year (d)
1.	Jon D. Robertson - Malvern, Ohio	June 1969	June 1997	One
2.	William N. Robertson - Malvern, Ohio	June 1969	June 1997	One
3.	James H. Robertson - Houston, Texas	June 1989	June 1997	One
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.	Name of Chairman of the Board	Jon D. Robertson		
17.	Name of Secretary of Board	William N. Robertson		
18.	Number of Meetings of Board during the year	One		
19.	Number of directors provided for by charter or by-laws, as amended to the end of the year	N/A		
20.	Number of directors required to constitute a quorum	Two		

SCHEDULE: 3

**PRINCIPAL GENERAL OFFICERS**

1. The persons to be listed herein are the chairman of the board, president, vice-president, treasurer, general counsel, and comptroller. Respondents that do not have officers bearing the aforesaid titles shall list those officers who have the responsibilities normally associated with such titles.
2. Customary abbreviations may be used in showing titles and departments in columns (a) and (b).

Line No.	Title of General Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name of Person Holding The Office at End of Year (c)	Office Address (City and State) (d)
1.	President, Assistant Secretary and Assistant Treasurer	Operations and Administration	Jon D. Robertson	Malvern, Ohio
2.				
3.				
4.				
5.	Vice President, Secretary and Treasurer	Administration	William N. Robertson	Malvern, Ohio
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				

SCHEDULE: 4

<b>BALANCE SHEET</b>					
Acct. No.	Account Title	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
	<b>UTILITY PLANT</b>				
101	Utility Plant in Service	17-21	303,561	332,852	29,291
102	Completed Constr. Not Classified				
103	Utility Plant in Process of Reclas.				
104	Utility Plant Leased to Others		6,100	6,100	-0-
105	Property Held for Future Use				
106	Utility Plant Purchased or Sold				
107	Construction Work in Progress				
114 (108)	Utility Plant Acquisition Adjustm.		309,661	338,952	29,291
	<b>TOTAL UTILITY PLANT (101-114)</b>				
108-113, 115 (110)	Accumulated Provision for Depreciation and Amortization	22-29	138,422	143,307	4,885
	Net Utility Plant		171,239	195,645	24,406
116 (109)	Other Utility Plant Adjustments		171,239	195,645	24,406
	<b>TOTAL PLANT (101-116)</b>				
	<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property		500	500	-0-
122	Accum. Provision for Deprec. and Amortization of Nonutility Plant		250	300	50
123	Investments in Associated Companies				
124	Other Investments				
125-128	Special Funds				
	<b>TOTAL OTHER PROPERTY AND INVESTMENTS (121-128)</b>		250	200	(50)
	<b>Current and Accrued Assets</b>				
131	Cash		1,246	(979)	(2,225)
132	Interest Special Deposits				
133	Dividend Special Deposits				
134	Other Special Deposits				
135	Working Funds				
136 (132)	Temporary Cash Investment				
141	Notes Receivable		68,043	54,012	(14,031)
142	Customer Accounts Receivable				
143	Other Accounts Receivable				
144	Accumulated Provision for Uncollectible Accounts-Cr.		42,915	32,000	(10,915)
145	Notes Receiv. from Assoc. Companies		6,681	-0-	(6,681)
146	Accts. Receiv. from Assoc. Companies				
151	Fuel Stock				
152	Fuel Stock Expense				
154	Plant Mtrls. and Operating Supplies				
155	Merchandise				

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
156 (150)	Other Materials and Supplies				
163	Store Expense				
166	Prepayments	34			
171	Interest and Dividends Receivable				
172	Utility Plant				
	Rents Receivable				
173	Accrued Utility Revenues				
174 (170)	Misc. Current and Accrued Assets	30			
	<b>TOTAL CURRENT AND ACCRUED ASSETS (131-174)</b>		33,055	21,033	(12,022)
	<b>DEFERRED DEBITS</b>				
181	Unamorti. Debt Discount and Expense				
182	Extraordinary Property Losses	30			
183	Preliminary Survey & Invest. Charges				
184	Clearing Accounts				
185	Temporary Facilities				
186 (183)	Miscellaneous Deferred Debits	31			
187	Research and Develop. Expenditure	31			
	<b>TOTAL DEFERRED CREDITS (181-187)</b>				
	<b>TOTAL ASSETS AND OTHER DEBITS</b>		204,544	216,878	12,334
	<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	32	50,000	50,000	-0-
202	Common Stock Subscribed				
203	Common Stock Liabil. for Conversion				
204	Preferred Stock Issued	32			
205	Preferred Stock Subscribed				
206	Pref. Stock Liability for Conversion				
207	Premium on Capital Stock		17,122	17,122	-0-
208	Donations Rcvd. from Stockholders				
209	Reduction in Par or Stated Value of Capital Stock				
210	Gain on Resale or Cancellation of Reacquired Capital Stock				
211	Miscellaneous Paid-In Capital				
212	Installmnts. Rcvd. on Capital Stock				
213	Discount on Capital Stock				
214	Capital Stock Expense				
215	Appropriated Retained Earnings				
216	Unappropriated Retained Earnings	16	(280,481)	(282,452)	(1,971)
217	Reacquired Capital Stock				
218	NonCorporate Proprietorship	16			
	<b>TOTAL EQUITY CAPITAL (201-218)</b>		(213,359)	(215,330)	(1,971)

SCHEDULE: 4

<b>BALANCE SHEET</b>					
Acct. No.	Account Title	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
	<b>LONG-TERM DEBT</b>				
221	Bonds	33			
222	Reacquired Bonds	33			
223	Advances from Associated Companies	33			
224	Other Long-Term Debt	33			
	<b>TOTAL LONG TERM DEBT (221-224)</b>				
	<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Notes Payable		216,700	221,700	5,000
232	Accounts Payable				
233	Notes Payable to Assoc. Companies				
234	Accounts Payable to Assoc. Companies		82,000	79,500	(2,500)
235	Customer Deposits				
236	Taxes Accrued		6,505	6,400	(105)
237	Interest Accrued		21,973	30,652	8,679
238	Dividends Declared				
239	Matured Long-Term Debt				
240	Matured Interest				
241	Tax Collections Payable				
242 (238)	Misc. Current and Accrued Liabilities	36			
	<b>TOTAL CURRENT AND ACCRUED LIABILITIES (231-242)</b>		327,178	338,252	11,074
	<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt				
252	Customer Advances for Construct.				
253	Other Deferred Credits		25,035	24,775	(260)
254	Regulatory Asset Account				
255	Accum. Deferred Invest. Tax Credits				
	<b>TOTAL DEFERRED CREDITS (251-255)</b>		25,035	24,775	(260)
	<b>OPERATING RESERVES</b>				
261	Property Insurance Reserves				
262	Inquiries and Damages Reserves				
263	Pensions and Benefits Reserves				
265	Miscellaneous Operating Reserves				
	<b>TOTAL OPERATING RESERVES (261-265)</b>				
271	CIAC		65,690	69,181	3,491
	<b>ACCUM. DEFERRED INCOME TAXES</b>				
281	Accum. Deferred Income Taxes-Accelerated Amortization	34			
282	Accumulated Deferred Income Taxes-Liberalized Depreciation	35			
283	Accum. Deferred Income Taxes-Other	35			
	<b>TOTAL ACCUM. DEFERRED INCOME TAXES (281-283)</b>				
	<b>TOTAL LIABILITIES PLUS EQUITY</b>		204,544	216,878	12,334
	<b>CAPITAL AND OTHER CREDITS</b>				

SCHEDULE: 4A

**NOTES TO BALANCE SHEET**

SIGNIFICANT ACCOUNTING POLICIES

The records of the utility are maintained using the 1976 uniform system of accounts for Class C water utilities as adopted by the Public Utilities Commission of Ohio (PUCO).

The Company supplies water to the property owners around Tomahawk Lake located in Columbiana County, Ohio. Accounts receivable are from these customers.

Utility Plant is stated at cost less depreciation computed by the straight-line method, using lives ranging from 10 to 80 years.

Organization cost is being amortized over five years beginning in 1991.

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" which requires the use of the "liability method" of accounting for income taxes. Accordingly, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Under this method a valuation allowance has been recognized to offset deferred taxes.

Customers construction deposits are being amortized by the straight-line method using a life of 80 years beginning in 1991.

CONTINUING OPERATIONS

As a result of operating losses for the current and prior years, the Company's total liabilities exceed its total assets as of December 31, 1996. The Company will continue to rely on related parties for financial assistance.

FEDERAL TAXES ON INCOME

The Company has a net operating loss carryforward of approximately \$202,000, that may be offset against future taxable income, expiring in future years through 2011.

As of December 31, 1996, a deferred tax asset for the net operating loss carryforward totaled \$30,300, net of a valuation allowance of \$30,300.

RELATED PARTY TRANSACTIONS

Tomahawk Utilities, Inc. had the following due to related parties at December 31, 1996:

Notes payable to the shareholders unsecured, due on demand, interest at 10%	\$ 221,700
Accounts payable to water utility companies owned by the shareholders, interest at 9%	79,500

SCHEDULE: 5

INCOME STATEMENT			
Acct. No.	Account Title	Page No.	Amount
	<b>UTILITY OPERATING INCOME</b>		
400	Operating Revenues	37	100,591
	<b>OPERATING EXPENSES</b>		
401	Operation Expense	38-46	56,344
402 (401)	Maintenance Expense	38-46	
403	Depreciation Expense		4,027
404	Amortization of Limited-Term Utility Plant		
405 (404)	Amortization of Other Utility Plant		
406 (404)	Amortization of Utility Plant/Acquisition Adjust.		
407 (404)	Amortization of Property Losses		
408.1	Taxes Other Than Income Taxes, Utility Operating Income	47	11,970
409.1	Income Taxes, Utility Operating Income		
410.1	Provision for Deferred Income Tax, Utility Operating Income		
411.1	Income Taxes Deferred in Prior Years-Credit, Util.. Oper. Income		
412.1	Invest. Tax Credits, Util.. Operations, Deferred to Future Periods		
412.2	Invest. Tax Credits, Utility Operations, Restored to Oper. Income		
	<b>TOTAL OPERATING EXPENSES (401-412.2)</b>		72,341
	<b>NET OPERATING INCOME (400) Less (401-412.2)</b>		28,250
	<b>OTHER OPERATING INCOME:</b>		
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) from Disposition of Utility Property		
	<b>TOTAL OTHER OPERATING INCOME (413-414)</b>		
	<b>OTHER INCOME AND DEDUCTIONS</b>		
415	Revenues from Merchandising, Jobbing and Contract Work		
416	Costs and Expsn. of Merchandising, Jobbing and Contract Work		
417	Income from Nonutility Operations		
418	Nonoperating Rental Income		
419	Interest and Dividend Income		307
420	Allowance for Funds Used During Construction		
421	Miscellaneous Nonoperating Income		
422	Gains (Losses) from Disposition of Utility Property		
	<b>TOTAL OTHER INCOME (415-422)</b>		307
425	Miscellaneous Amortization		
426	Miscellaneous Income Deductions		
	<b>TOTAL OTHER INCOME DEDUCTIONS (425-426)</b>		
	<b>TOTAL OTHER INCOME AND DEDUCTIONS (415 -422) Less (425-426)</b>		307
408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
409.2	Incomes Taxes, Other Income and Deductions		
410.2	Prov. for Deferred Income Taxes, Other Income and Deductions		
411.2	Income Taxes Dfrd. in Prior Yrs.-Crdt., Other Income and Deduct.		
412.3	Invest. Tax Credits, Utility Oper., Restored to Nonoper. Income		
412.4	Investment Tax Credits, Nonutility Operations, Net		
	<b>TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS (408.2-412.4)</b>		
	<b>NET OTHER INCOME AND DEDUCTIONS (415-422) Less (425-412.4)</b>		

