

HOME DEPOT INC  
Form 11-K  
June 28, 2004

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 11-K**

ANNUAL REPORT  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996].**

For the fiscal year ended December 31, 2003

**OR**

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].**

For the transition period from            to

Commission file number 1-8207

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**The Home Depot FutureBuilder for Puerto Rico**

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- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

The Home Depot, Inc.  
2455 Paces Ferry Road, NW  
Atlanta, GA 30339

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**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

The Home Depot FutureBuilder for Puerto Rico

Date: June 28, 2004

/s/ Ileana L. Connally

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By: Ileana L. Connally  
Member of The Home Depot  
Futurebuilder for Puerto Rico  
Administrative Committee

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**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Financial Statements and Supplemental Schedule

December 31, 2003 and 2002

(With Report of Independent Registered Public Accounting Firm)

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**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

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**Report of Independent Registered Public Accounting Firm**

The Administrative Committee  
The Home Depot FutureBuilder for Puerto Rico:

We have audited the accompanying statements of net assets available for benefits of The Home Depot FutureBuilder for Puerto Rico (the Plan) as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's Administrative Committee. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's Administrative Committee, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Home Depot FutureBuilder for Puerto Rico as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule H, Line 4i - Schedule of Assets (Held at End of Year) - December 31, 2003 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's Administrative Committee. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Atlanta, Georgia  
May 6, 2004

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**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Statements of Net Assets Available for Benefits

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Assets:		
Investments (note 5)	\$1,592,066	686,552
Receivables:		
Participant contributions receivable	10,685	5,008
Employer contributions receivable	6,975	3,226
Other receivable		67
Total receivables	<u>17,660</u>	<u>8,301</u>
Liabilities:		
Accrued liabilities		<u>6,615</u>
Net assets available for benefits	<u>\$1,609,726</u>	<u>688,238</u>

See accompanying notes to financial statements.

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

## Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2003 and 2002

	<b>2003</b>	<b>2002</b>
	<u>                    </u>	<u>                    </u>
Additions (reductions) to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments (note 5)	\$ 304,543	(418,864)
Interest and dividend income	10,309	5,803
	<u>                    </u>	<u>                    </u>
Total investment income (loss)	314,852	(413,061)
	<u>                    </u>	<u>                    </u>
Contributions:		
Participants	410,786	246,718
Employer	274,430	155,747
	<u>                    </u>	<u>                    </u>
	685,216	402,465
	<u>                    </u>	<u>                    </u>
Total additions (reductions)	1,000,068	(10,596)
	<u>                    </u>	<u>                    </u>
Deductions from net assets attributed to:		
Benefits paid to participants	78,580	107,346
Administrative expenses		212
	<u>                    </u>	<u>                    </u>
Total deductions	78,580	107,558
	<u>                    </u>	<u>                    </u>
Net increase (decrease)	921,488	(118,154)
Net assets available for benefits:		
Beginning of year	688,238	806,392
	<u>                    </u>	<u>                    </u>
End of year	\$1,609,726	688,238
	<u>                    </u>	<u>                    </u>

See accompanying notes to financial statements.





## THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO

Notes to Financial Statements

December 31, 2003 and 2002

### (1) Description of the Plan

The following is a brief description of The Home Depot FutureBuilder for Puerto Rico (the Plan). Participants should refer to the summary plan description for a more complete description of the Plan's provisions.

#### (a) General

The Plan is a defined contribution plan covering substantially all employees of Home Depot Puerto Rico, Inc. (the Company), a wholly owned subsidiary of The Home Depot, Inc. (the Parent Company) and employees of Economy Maintenance Supply Company working and residing in Puerto Rico. Employees are eligible to participate in the Plan after completing 90 days of service. Participants are eligible for the Company-matching contributions, and temporary employees are eligible to make before-tax contributions, on the first day of the calendar quarter (January 1, April 1, July 1, and October 1) following the completion of 12 months of service and 1,000 hours. The Plan excludes leased employees, nonresident aliens, and employees covered by a collective bargaining agreement. The Plan is intended to qualify under Section 1165 of the Puerto Rico Internal Revenue Code of 1994, as amended. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA), excluding provisions of ERISA applicable only to plans qualified under Section 401(a) of the U.S. Internal Revenue Code. The Plan is administered by the Administrative Committee made up of employees of Home Depot U.S.A., Inc. Banco Popular has been appointed the Trustee of the Plan, and as such administers the assets of the Plan. Effective April 1, 2002, the trust holding the assets of The Home Depot Futurebuilder for Puerto Rico were added to the Master Trust, which includes The Home Depot Futurebuilder and the Maintenance Warehouse Futurebuilder.

#### (b) Contributions

Under the employee stock ownership portion of the Plan, contributions were made solely by the Company and at the discretion of Home Depot Puerto Rico, Inc. Board of Directors (ESOP contributions). The Company made its final ESOP contribution in February 1999.

Participants may contribute up to 10% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing eligible rollover distributions from other retirement plans qualified under Section 1165 of the Puerto Rico Internal Revenue Code of 1994, as amended. The Company provides matching contributions of 150% of the first 1% of eligible compensation contributed by a participant and 50% of the next 2% to 5% of eligible compensation contributed by a participant beginning on the first day of the calendar quarter following the completion of 12 months of service and 1,000 hours. Additional amounts may be contributed at the option of the Home Depot Puerto Rico, Inc. Board of Directors. The Company's matching contribution is invested based on the direction of the participant with investment in The Home Depot, Inc. Common Stock Fund as a default if no direction is given.

#### (c) Participant Accounts

The Plan maintains a separate account for each participant, to which contributions and investment performance are allocated.



**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Notes to Financial Statements

December 31, 2003 and 2002

**(d) Vesting**

An employee becomes 100% vested upon death, attaining age 65 while still employed, total or permanent disability, or if the Plan is terminated. If an employee leaves the service of the Company for reasons other than stated above, vesting for the ESOP contributions and earnings thereon is based on years of service, as follows:

<b>Years of service</b>	<b>Vesting percentage</b>
3	20%
4	40
5	60
6	80
7 or more	100

Participants are immediately vested in their contributions and net value changes thereon. Vesting in the Company's matching and discretionary contributions and net value changes thereon is based on years of vesting service. A participant is 100% vested after three years of vesting service.

**(e) Distributions**

Upon retirement, death, disability, or termination of service for any other reason, hardship, or certain in-service distributions after attaining age 65 participants or beneficiaries may elect to receive a lump-sum payment of their vested account balance in the form of cash or securities at the market value on the date of distribution.

**(f) Participant Loans**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their total vested balance. Loan terms range from one to four years. The loans bear interest at a rate commensurate with local prevailing rates.

**(g) Forfeited Accounts**

Forfeited nonvested account balances are used to pay Plan expenses or reduce future employer contributions. In 2003 and 2002, employer contributions were reduced by forfeitures of \$5,278 and \$1,261, respectively.

**(h) Administrative Expenses**

Certain administrative expenses of the Plan are paid by the Company. These costs include legal, accounting, and certain administrative fees.

(Continued)



**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Notes to Financial Statements

December 31, 2003 and 2002

**(2) Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies followed by the Plan in preparing its financial statements.

**(a) Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**(b) Investment Valuation and Income Recognition**

Shares of registered investment companies are valued at quoted market prices, which represents the net asset value of shares held by the Plan at year-end. The Home Depot, Inc. common stock is valued at its quoted market price as obtained from the New York Stock Exchange. Securities transactions are accounted for on the trade date. Effective April 1, 2002, the investments are valued on a daily basis.

The Plan's investments include funds which invest in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market, credit, and individual country and currency risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Plan's financial statements and supplemental schedule.

**(c) Payment of Benefits**

Benefits are recorded when paid.

**(d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(e) Reclassifications**

Certain amounts in the prior year have been reclassified to conform with the presentation in the current year.

**(f) Fair Value of Financial Instruments**

The Plan's investments are stated at fair value. In addition, the carrying amount of receivables and liabilities is a reasonable approximation of the fair value due to the short-term nature of these instruments.

**(3) Puerto Rico Income Taxes**

The Puerto Rico Department of Treasury has determined and informed the Company by a letter dated January 4, 1999 that the Plan is designed in accordance with applicable sections of the Puerto Rico Internal

(Continued)

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Notes to Financial Statements

December 31, 2003 and 2002

Revenue Code of 1994 (IRC). The Plan has been amended since receiving the determination letter. However, the Administrative Committee of the Plan believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**(4) Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and terminate the Plan. In the event the Plan is terminated, participants will become 100% vested in their accounts.

**(5) Investments**

The Plan's investments are held by The Northern Trust Company. A description of the assets of the Plan follows:  
*Participant Directed*

The Home Depot, Inc. Common Stock Fund Funds are invested in common stock of The Home Depot, Inc.

Barclay's Global Investors Equity Index Stock Fund Funds are invested in shares of a registered investment company that invests in the common stocks included in Standard & Poor's 500 Index.

Dodge & Cox Stock Fund Funds are invested in shares of a registered investment company that invests in common stocks of companies that the Fund's managers believe to be temporarily undervalued by the stock market but have favorable long-term growth prospects.

IRT Core Balanced Fund Funds are invested in shares of a registered investment company that invests in a combination of equity and fixed income securities.

Artisan Mid-Cap Fund Funds are invested in shares of a registered investment company that invests in common stocks of mid-sized companies that display strong growth prospects.

T. Rowe Price Small Cap Stock Fund Funds are invested in shares of a registered investment company that invests in common stocks of smaller, faster-growing companies that are believed to offer strong potential earnings growth or are undervalued.

Templeton Foreign Fund Funds are invested in shares of a registered investment company that invests in stocks and debt obligations of companies and governments outside the United States.

Primco IRT Stable Value Fund Funds are primarily invested in high-quality short-term debt obligations that mature within one to three years.

(Continued)



**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Notes to Financial Statements

December 31, 2003 and 2002

The fair value of individual investments that represent 5% or more of the Plan's net assets at December 31, 2003 and 2002 are as follows:

	<u>2003</u>	<u>2002</u>
The Home Depot, Inc. Common Stock	\$353,042	85,532
The Home Depot, Inc. Common Stock Fund	630,815	338,623
Primco IRT Stable Value Fund	234,977	76,261
IRT Core Balanced Fund	78,800	36,411

The IRT Core Balanced Fund did not exceed 5% of net assets available for benefits at December 31, 2003.

During 2003 and 2002, the Plan's investments appreciated (depreciated) in fair value as follows:

	<u>2003</u>	<u>2002</u>
Net appreciation (depreciation) in fair value:		
Registered investment company funds	\$ 49,281	(32,669)
The Home Depot, Inc. Common Stock	255,262	(386,195)
	<u>          </u>	<u>          </u>
Net appreciation (depreciation) in fair value	<u>\$304,543</u>	<u>(418,864)</u>

**Nonparticipant-Directed**

The Home Depot, Inc. Common Stock is comprised of shares of The Home Depot, Inc.'s common stock, representing the Company's matching and ESOP contributions. These shares have been allocated to individual participant accounts. Effective June 1, 2002, participants were allowed to immediately transfer the Company's ESOP contributions to other investment funds. Information about the net assets and the significant components of the changes in net assets relating to The Home Depot, Inc. Common Stock (includes nonparticipant-directed investments) for the period ended May 31, 2002 is as follows:

Net assets - The Home Depot, Inc. Common Stock	January 1, 2002	\$322,069
Changes in net assets:		
Net (depreciation) appreciation		(62,611)
Contributions		66,215
Payments made directly to participants		(16,697)
Cash transfer to other funds		(11,422)
		<u>          </u>

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Net assets	The Home Depot, Inc. Common Stock	May 31, 2002	\$297,554
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During 2003, all assets held in the Plan were invested at the direction of the participant, including those invested in The Home Depot, Inc. Common Stock. The Company's matching contribution is invested based on the direction of the participant into any of the investment funds with investment in The Home Depot, Inc. Common Stock Fund as a default if no direction is given.

(Continued)

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Notes to Financial Statements

December 31, 2003 and 2002

**(6) Investment in Master Trust**

Effective December 15, 1999, a Master Trust was established for the investment of assets of two other retirement plans sponsored by the Parent company. As discussed in note 1(a), the trust holding assets of the Plan were transferred into the Master Trust on April 1, 2002. At December 31, 2003 and 2002, the Plan's interest in the net assets of the Master Trust was less than 1%.

Summarized financial information of the Master Trust as of December 31, 2003 and 2002 is as follows:

	<u>2003</u>	<u>2002</u>
Assets:		
Investments	\$ 1,840,570,967	1,218,130,415
Receivables:		
Participant contributions receivable	3,625,139	3,038,569
Employer contributions receivable	2,430,500	2,415,680
Other receivable	440,078	443,168
	<u>6,495,717</u>	<u>5,897,417</u>
Total receivables		
	<u>6,495,717</u>	<u>5,897,417</u>
Total assets	<u>1,847,066,684</u>	<u>1,224,027,832</u>
Liabilities:		
Accrued liabilities	335,845	81,019
Payable to broker	2,078,762	2,770,796
	<u>2,414,607</u>	<u>2,851,815</u>
Total liabilities		
	<u>2,414,607</u>	<u>2,851,815</u>
Net assets available for benefits	<u>\$ 1,844,652,077</u>	<u>1,221,176,017</u>

Net assets, investment income, and administrative expenses related to the Master Trust are allocated to the individual plans based upon actual activity for each of the plans. Investment income for the Master Trust for the twelve-month period ended December 31, 2003 and for the nine-month period ended December 31, 2002 is as follows:

	<b>2003</b>	<b>2002</b>
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$470,250,909	(859,179,255)
Dividends and interest income	19,757,527	13,007,560
	<hr/>	<hr/>
Total investment income (loss)	\$490,008,436	(846,171,695)
	<hr/>	<hr/>

**(7) Related Party-Transactions**

Certain Plan investments include shares of common stock issued by the Parent Company. At December 31, 2003 and 2002, the Plan held a combined total of 27,722 and 17,703 shares valued at approximately \$35.49 and \$23.96 per share, respectively. As the Parent of the Plan Sponsor, these transactions qualify as party-in-interest.

(Continued)

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Notes to Financial Statements

December 31, 2003 and 2002

Other Plan investments include units of short-term investment funds managed by The Northern Trust Company. The Northern Trust Company is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

**(8) Plan Amendments and Other Plan Changes**

Effective February 1, 2002, the Investment Committee of The Home Depot FutureBuilder for Puerto Rico replaced the Invesco Total Return Fund with the IRT Core Balanced Fund. The Investment Committee also added two new funds to the plan: Dodge & Cox Stock Fund and the T. Rowe Price Small Cap Stock Fund.

Effective June 1, 2002, the Administrative Committee of the Plan adopted an amendment to the Plan that will allow each participant to diversify the investment of all or a portion of his/her ESOP account from The Home Depot, Inc. Common Stock among the other Investment Funds.

Effective March 3, 2003, the Investment Committee of The Home Depot FutureBuilder for Puerto Rico replaced the Putnam New Opportunities Fund with the Artisan Mid-Cap Fund.

Effective April 1, 2003, the Administrative Committee of The Home Depot FutureBuilder for Puerto Rico adopted an amendment to allow employees to begin making pre-tax contributions and rollovers after completing 90 days of service. The Plan was also amended to clarify that participants are eligible for the Company's matching contribution on the first day of the calendar quarter (January 1, April 1, July 1, and October 1) following the completion of 12 months of service and 1,000 hours.

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2003

Identity of issue	Description of investment	Current value
* The Home Depot, Inc. Common Stock	9,948 shares of common stock	\$ 353,042
* The Home Depot, Inc. Common Stock Fund	17,774 shares of common stock	630,815
Barclay's Global Investors Equity Index Stock Fund	705 shares of registered investment company	23,022
Dodge & Cox Stock Fund	329 shares of registered investment company	37,457
IRT Core Balanced Fund	7,592 shares of registered investment company	78,800
Artisan Mid-Cap Fund	1,725 shares of registered investment company	44,474
T. Rowe Price Small Cap Stock Fund	716 shares of registered investment company	19,968
Templeton Foreign Fund	4,338 shares of registered investment company	46,152
Primco IRT Stable Value Fund	234,977 shares of registered investment company	234,977
Participant loans	Loans with interest rates ranging from 5.0% to 10.5% and maturity dates through December 6, 2007	123,359
Total investments		\$1,592,066

\* Indicates party-in-interest to the Plan.

See accompanying report of independent registered public accounting firm.