

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

WS-01025A  
Ajo Improvement Company  
PO Drawer 9  
Ajo, AZ 85321

RECEIVED  
MAR 27 2013

Arizona Corporation  
Commission Utilities

**ANNUAL REPORT**  
**Water & Sewer**

**FOR YEAR ENDING**

|           |           |             |
|-----------|-----------|-------------|
| <b>12</b> | <b>31</b> | <b>2012</b> |
|-----------|-----------|-------------|

FOR COMMISSION USE

|                  |           |
|------------------|-----------|
| <b>ANN 04-05</b> | <b>12</b> |
|------------------|-----------|

3-27-13

## COMPANY INFORMATION

|  |                                    |                                     |  |
|--|------------------------------------|-------------------------------------|--|
| <b>Company Name (Business Name)</b> <u>Ajo Improvement Company</u> |                                    |                                     |  |
| <b>Mailing Address</b> <u>PO Drawer 9</u>                          |                                    |                                     |  |
| (Street)   |                                    |                                     |  |
| <u>Ajo</u>   | <u>Arizona</u>                     | <u>85321</u>                        |  |
| (City)   | (State)                            | (Zip)                               |  |
| <u>(928) 865-6134</u>  | <u>(928) 865-5261</u>              |                                     |  |
| Telephone No. (Include Area Code)                                  | Fax No. (Include Area Code)        | Cell No. (Include Area Code)        |  |
| <b>Email Address</b> <u>Jeff Kincaid@fmi.com</u>                   |                                    |                                     |  |
| <b>Local Office Mailing Address</b> <u>Same as above</u>           |                                    |                                     |  |
| (Street)   |                                    |                                     |  |
|  |                                    |                                     |  |
| (City)   | (State)                            | (Zip)                               |  |
| <u>Local Office Telephone No. (Include Area Code)</u>              | <u>Fax No. (Include Area Code)</u> | <u>Cell No. (Include Area Code)</u> |  |
| <b>Email Address</b> _____   |                                    |                                     |  |

## MANAGEMENT INFORMATION

|   |                             |                              |              |
|---|-----------------------------|------------------------------|--------------|
| <input type="checkbox"/> <b>Regulatory Contact:</b>                   |                             |                              |              |
| <input type="checkbox"/> <b>Management Contact:</b> <u>Roy Archer</u> |                             |                              |              |
| (Name) (Title)  |                             |                              |              |
| <u>333 N Central Avenue</u>   | <u>Phoenix</u>              | <u>Arizona</u>               | <u>85004</u> |
| (Street)  | (City)                      | (State)                      | (Zip)        |
| <u>(520) 387-2010</u>   |                             |                              |              |
| Telephone No. (Include Area Code)                                     | Fax No. (Include Area Code) | Cell No. (Include Area Code) |              |
| <b>Email Address</b> _____  |                             |                              |              |
| <b>On Site Manager:</b> <u>Roy Archer</u>                             |                             |                              |              |
| (Name)  |                             |                              |              |
| <u>PO Drawer 9</u>  | <u>Ajo</u>                  | <u>Arizona</u>               | <u>85321</u> |
| (Street)  | (City)                      | (State)                      | (Zip)        |
| <u>(520) 387-2010</u>   |                             |                              |              |
| Telephone No. (Include Area Code)                                     | Fax No. (Include Area Code) | Cell No. (Include Area Code) |              |
| <b>Email Address</b> _____  |                             |                              |              |

**Statutory Agent:** CT Corporation  
(Name)

2394 E Camelback Road Phoenix Arizona 85016  
(Street) (City) (State) (Zip)

(602) 277-4792  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** Douglas N. Currault II  
(Name)

333 N Central Avenue Phoenix Arizona 85321  
(Street) (City) (State) (Zip)

(602) 366-8093 (602) 366-7312  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

**WATER UTILITY PLANT IN SERVICE**

| <b>Acct. No.</b> | <b>DESCRIPTION</b>                     | <b>Original Cost (OC)</b> | <b>Accumulated Depreciation (AD)</b> | <b>O.C.L.D. (OC less AD)</b> |
|------------------|--|---------------------------|--------------------------------------|------------------------------|
| 301              | Organization                           |                           |                                      |                              |
| 302              | Franchises                             |                           |                                      |                              |
| 303              | Land and Land Rights                   |                           |                                      |                              |
| 304              | Structures and Improvements            |                           |                                      |                              |
| 307              | Wells and Springs                      |                           |                                      |                              |
| 311              | Pumping Equipment                      |                           |                                      |                              |
| 320              | Water Treatment Equipment              | 3,160,961                 | 97,017                               | 3,063,944                    |
| 330              | Distribution Reservoirs and Standpipes | 25,779                    | 22,845                               | 2,934                        |
| 331              | Transmission and Distribution Mains    | 17,922,610                | 1,335,411                            | 16,587,198                   |
| 333              | Services                               |                           |                                      |                              |
| 334              | Meters and Meter Installations         | 985,877                   | 51,399                               | 934,477                      |
| 335              | Hydrants                               | 477,400                   | 4,325                                | 473,075                      |
| 336              | Backflow Prevention Devices            |                           |                                      |                              |
| 339              | Other Plant and Misc. Equipment        |                           |                                      |                              |
| 340              | Office Furniture and Equipment         | 4,713                     | 4,713                                |                              |
| 341              | Transportation Equipment               | 527,961                   | 403,490                              | 124,471                      |
| 343              | Tools, Shop and Garage Equipment       |                           |                                      |                              |
| 344              | Laboratory Equipment                   |                           |                                      |                              |
| 345              | Power Operated Equipment               |                           |                                      |                              |
| 346              | Communication Equipment                |                           |                                      |                              |
| 347              | Miscellaneous Equipment                | 32,154                    | 30,963                               | 1,191                        |
| 348              | Other Tangible Plant                   |                           |                                      |                              |
|                  | <b>TOTALS</b>                          | <b>23,137,455</b>         | <b>1,950,164</b>                     | <b>21,187,291</b>            |

This amount goes on the Balance Sheet Acct. No. 108 

**WATER CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct. No. | DESCRIPTION                            | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|-------------------|-----------------------------|----------------------------|
| 301       | Organization                           |                   |                             |                            |
| 302       | Franchises                             |                   |                             |                            |
| 303       | Land and Land Rights                   |                   |                             |                            |
| 304       | Structures and Improvements            |                   |                             |                            |
| 307       | Wells and Springs                      |                   |                             |                            |
| 311       | Pumping Equipment                      |                   |                             |                            |
| 320       | Water Treatment Equipment              | 3,160,961         | .0306922%                   | 97,017                     |
| 330       | Distribution Reservoirs and Standpipes | 25,779            | .0177230%                   | 457                        |
| 331       | Transmission and Distribution Mains    | 17,922,610        | .0133528%                   | 239,318                    |
| 333       | Services                               |                   |                             |                            |
| 334       | Meters and Meter Installations         | 985,877           | .0477310%                   | 47,057                     |
| 335       | Hydrants                               | 477,400           | .0084005%                   | 4,010                      |
| 336       | Backflow Prevention Devices            |                   |                             |                            |
| 339       | Other Plant and Misc. Equipment        |                   |                             |                            |
| 340       | Office Furniture and Equipment         | 4,713             | 0%                          | 0                          |
| 341       | Transportation Equipment               | 527,961           | .0332434%                   | 17,551                     |
| 343       | Tools, Shop and Garage Equipment       |                   |                             |                            |
| 344       | Laboratory Equipment                   |                   |                             |                            |
| 345       | Power Operated Equipment               |                   |                             |                            |
| 346       | Communication Equipment                |                   |                             |                            |
| 347       | Miscellaneous Equipment                | 32,154            | 0.000574%                   | 18                         |
| 348       | Other Tangible Plant                   |                   |                             |                            |
|           | <b>TOTALS</b>                          | <b>23,137,455</b> |                             | <b>405,428</b>             |

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403.

**SEWER UTILITY PLANT IN SERVICE**

| <b>Acct. No.</b> | <b>DESCRIPTION</b>              | <b>Original Cost (OC)</b> | <b>Accumulated Depreciation (AD)</b> | <b>O.C.L.D. (OC less AD)</b> |
|------------------|---------------------------------|---------------------------|--------------------------------------|------------------------------|
| 351              | Organization                    |                           |                                      |                              |
| 352              | Franchises                      |                           |                                      |                              |
| 353              | Land and Land Rights            |                           |                                      |                              |
| 354              | Structures and Improvements     |                           |                                      |                              |
| 355              | Power Generation Equipment      |                           |                                      |                              |
| 360              | Collection Sewers – Force       | 10,915,151                | 359,551                              | 10,555,600                   |
| 361              | Collection Sewers – Gravity     |                           |                                      |                              |
| 362              | Special Collecting Structures   |                           |                                      |                              |
| 363              | Services to Customers           |                           |                                      |                              |
| 364              | Flow Measuring Devices          |                           |                                      |                              |
| 365              | Flow Measuring Installations    |                           |                                      |                              |
| 370              | Receiving Wells                 |                           |                                      |                              |
| 380              | Treatment and Disposal Equip.   | 574,925                   | 8,196                                | 566,729                      |
| 381              | Plant Sewers                    |                           |                                      |                              |
| 382              | Outfall Sewer Lines             |                           |                                      |                              |
| 389              | Other Plant and Misc. Equipment |                           |                                      |                              |
| 390              | Office Furniture and Equipment  |                           |                                      |                              |
| 391              | Transportation Equipment        | 98,893                    | 70,929                               | 27,964                       |
| 393              | Tools, Shop and Garage Equip.   | 30,284                    | 30,284                               |                              |
| 394              | Laboratory Equipment            |                           |                                      |                              |
| 395              | Power Operated Equipment        |                           |                                      |                              |
| 398              | Other Tangible Plant            |                           |                                      |                              |
|                  | <b>TOTALS</b>                   | 11,619,253                | 468,960                              | 11,150,293                   |

This amount goes on the Balance Sheet Acct. No. 108

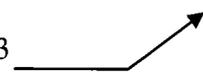


COMPANY NAME **Ajo Improvement Company**

**SEWER CALCULATION OF DEPRECIATION EXPENSE**

| Acct. No. | DESCRIPTION                     | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|---------------------------------|-------------------|-----------------------------|----------------------------|
| 351       | Organization                    |                   |                             |                            |
| 352       | Franchises                      |                   |                             |                            |
| 353       | Land and Land Rights            |                   |                             |                            |
| 354       | Structures and Improvements     |                   |                             |                            |
| 355       | Power Generation Equipment      |                   |                             |                            |
| 360       | Collection Sewers – Force       | 10,915,151        | .0245735%                   | 268,224                    |
| 361       | Collection Sewers – Gravity     |                   |                             |                            |
| 362       | Special Collecting Structures   |                   |                             |                            |
| 363       | Services to Customers           |                   |                             |                            |
| 364       | Flow Measuring Devices          |                   |                             |                            |
| 365       | Flow Measuring Installations    |                   |                             |                            |
| 370       | Receiving Wells                 |                   |                             |                            |
| 380       | Treatment and Disposal Equip.   | 574,925           | .0142551%                   | 8,196                      |
| 381       | Plant Sewers                    |                   |                             |                            |
| 382       | Outfall Sewer Lines             |                   |                             |                            |
| 389       | Other Plant and Misc. Equipment |                   |                             |                            |
| 390       | Office Furniture and Equipment  |                   |                             |                            |
| 391       | Transportation Equipment        | 98,893            | .0209462%                   | 2,071                      |
| 393       | Tools, Shop and Garage Equip.   | 30,284            | 0                           |                            |
| 394       | Laboratory Equipment            |                   |                             |                            |
| 395       | Power Operated Equipment        |                   |                             |                            |
| 398       | Other Tangible Plant            |                   |                             |                            |
|           | <b>TOTALS</b>                   | 11,619,253        |                             | 278,491                    |

This amount goes on the Comparative Statement of Income and Expense Acct. 403



**BALANCE SHEET**

| <b>Acct No.</b> | <b>ASSETS</b>                               | <b>BALANCE AT BEGINNING OF YEAR</b> | <b>BALANCE AT END OF YEAR</b> |
|-----------------|---|-------------------------------------|-------------------------------|
|                 | <b>CURRENT AND ACCRUED ASSETS</b>           |                                     |                               |
| 131             | Cash  | \$ 14,310                           | \$ 49,485                     |
| 134             | Working Funds                               |                                     |                               |
| 135             | Temporary Cash Investments                  |                                     |                               |
| 141             | Customer Accounts Receivable                | \$ 220,803                          | \$ 183,317                    |
| 146             | Notes/Receivables from Associated Companies |                                     |                               |
| 151             | Plant Material and Supplies                 | \$ 37,133                           | \$ 30,107                     |
| 162             | Prepayments                                 | \$ 6,660                            | \$ 0                          |
| 174             | Miscellaneous Current and Accrued Assets    |                                     |                               |
|                 | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 278,906                          | \$ 262,909                    |
|                 | Long-Term Non Recurring Receivable Other    | \$ (69,379)                         | \$ 0                          |
|                 | <b>FIXED ASSETS</b>                         |                                     |                               |
| 101             | Utility Plant in Service                    | \$ 20,341,311                       | \$ 39,767,468                 |
| 103             | Property Held for Future Use                |                                     |                               |
| 105             | Construction Work in Progress               | \$ 15,120,153                       | \$ 1,070,248                  |
| 108             | Accumulated Depreciation – Utility Plant    | \$ (4,584,038)                      | \$ (3,941,041)                |
| 121             | Non-Utility Property                        |                                     |                               |
| 122             | Accumulated Depreciation – Non Utility      |                                     |                               |
|                 | <b>TOTAL FIXED ASSETS</b>                   | \$ 30,877,426                       | \$ 36,896,675                 |
|                 | Land and Land Improvement                   | \$ 123,937                          | \$ 1,233,209                  |
|                 | <b>TOTAL ASSETS</b>                         | <b>\$ 31,210,890</b>                | <b>\$ 38,392,793</b>          |

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

| Acct. No. |   | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------|---|------------------------------|------------------------|
|           | <b>LIABILITIES</b>                                |                              |                        |
|           | <b>CURRENT LIABILITES</b>                         |                              |                        |
| 231       | Accounts Payable                                  | \$ 979,938                   | \$ 614,704             |
| 232       | Notes Payable (Current Portion)                   |                              |                        |
| 234       | Notes/Accounts Payable to Associated Companies    | \$ 17,172,044                | \$ 15,958,615          |
| 235       | Customer Deposits                                 |                              |                        |
| 236       | Accrued Taxes                                     | \$ 161,363                   | \$ 123,644             |
| 237       | Accrued Interest                                  |                              |                        |
| 241       | Miscellaneous Current and Accrued Liabilities     |                              |                        |
|           | <b>TOTAL CURRENT LIABILITIES</b>                  | \$ 18,313,345                | \$ 16,696,963          |
|           | <b>LONG-TERM DEBT (Over 12 Months)</b>            |                              |                        |
| 224       | Long-Term Notes and Bonds                         | \$                           | \$                     |
|           | <b>DEFERRED CREDITS</b>                           |                              |                        |
| 251       | Unamortized Premium on Debt                       | \$                           | \$                     |
| 252       | Advances in Aid of Construction                   |                              |                        |
| 255       | Accumulated Deferred Investment Tax Credits       |                              |                        |
| 271       | Contributions in Aid of Construction              |                              |                        |
| 272       | Less: Amortization of Contributions               |                              |                        |
| 281       | Accumulated Deferred Income Tax                   |                              |                        |
|           | <b>TOTAL DEFERRED CREDITS</b>                     | \$                           | \$                     |
|           | <b>TOTAL LIABILITIES</b>                          | \$                           | \$                     |
|           | <b>CAPITAL ACCOUNTS</b>                           |                              |                        |
| 201       | Common Stock Issued                               | \$ 392,000                   | \$ 392,000             |
| 211       | Paid in Capital in Excess of Par Value            | \$ 24,275,043                | \$ 24,275,043          |
| 215       | Retained Earnings                                 | \$ (11,769,498)              | \$ (2,971,213)         |
| 218       | Proprietary Capital (Sole Props and Partnerships) |                              |                        |
|           | <b>TOTAL CAPITAL</b>                              | \$ 12,897,545                | \$ 21,695,830          |
|           | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 31,210,890                | \$ 38,392,793          |

**WATER COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| <b>Acct. No.</b> | <b>OPERATING REVENUES</b>                 | <b>PRIOR YEAR</b> | <b>CURRENT YEAR</b> |
|------------------|---|-------------------|---------------------|
| 461              | Metered Water Revenue                     | \$ 595,760        | \$ 572,531          |
| 460              | Unmetered Water Revenue                   |                   |                     |
| 474              | Other Water Revenues                      | \$                |                     |
|                  | <b>TOTAL REVENUES</b>                     | \$ 595,760        | \$ 572,531          |
|                  |   |                   |                     |
|                  | <b>OPERATING EXPENSES</b>                 |                   |                     |
| 601              | Salaries and Wages                        | \$ 408,461        | \$ 440,607          |
| 610              | Purchased Water                           | \$ 358,745        | \$ 342,980          |
| 615              | Purchased Power                           |                   |                     |
| 618              | Chemicals                                 |                   |                     |
| 620              | Repairs and Maintenance                   | \$                |                     |
| 621              | Office Supplies and Expense               | \$ 586,722        | \$ 588,540          |
| 630              | Outside Services                          | \$ 454,307        | \$ 680,209          |
| 635              | Water Testing                             |                   |                     |
| 641              | Rents                                     | \$                |                     |
| 650              | Transportation Expenses                   |                   |                     |
| 657              | Insurance – General Liability             |                   |                     |
| 659              | Insurance - Health and Life               | \$ 192,208        | \$ 82,536           |
| 666              | Regulatory Commission Expense – Rate Case |                   |                     |
| 675              | Miscellaneous Expense                     | \$ (835,568)      | \$ (1,421,116)      |
| 403              | Depreciation Expense                      | \$ 412,922        | \$ 576,655          |
| 408              | Taxes Other Than Income                   |                   |                     |
| 408.11           | Property Taxes                            | \$ 36,333         | \$ 31,672           |
| 409              | Income Tax                                |                   |                     |
|                  | <b>TOTAL OPERATING EXPENSES</b>           | \$ 1,614,130      | \$ 1,322,083        |
|                  |   |                   |                     |
|                  | <b>OPERATING INCOME/(LOSS)</b>            | \$ (1,018,370)    | \$ (749,552)        |
|                  |   |                   |                     |
|                  | <b>OTHER INCOME/(EXPENSE)</b>             |                   |                     |
| 419              | Interest and Dividend Income              | \$                | \$                  |
| 421              | Non-Utility Income                        |                   |                     |
| 426              | Miscellaneous Non-Utility Expenses        |                   |                     |
| 427              | Interest Expense                          |                   |                     |
|                  | <b>TOTAL OTHER INCOME/(EXPENSE)</b>       | \$                | \$                  |
|                  |   |                   |                     |
|                  | <b>NET INCOME/(LOSS)</b>                  | \$ (1,018,837)    | \$ (749,552)        |

**SEWER COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| Acct. No. | OPERATING REVENUES                  | PRIOR YEAR   | CURRENT YEAR |
|-----------|-------------------------------------|--------------|--------------|
| 521       | Flat Rate Revenues                  | \$ 229,474   | \$ 226,218   |
| 522       | Measured Revenues                   |              |              |
| 536       | Other Wastewater Revenues           |              |              |
|           | <b>TOTAL REVENUES</b>               | \$ 229,474   | \$ 226,218   |
|           |                                     |              |              |
|           | <b>OPERATING EXPENSES</b>           |              |              |
| 701       | Salaries and Wages                  | \$ 53,400    | \$ 0         |
| 710       | Purchased Wastewater Treatment      |              |              |
| 711       | Sludge Removal Expense              |              |              |
| 715       | Purchased Power                     | \$ 983       | \$ 1,466     |
| 716       | Fuel for Power Production           |              |              |
| 718       | Chemicals                           |              |              |
| 720       | Materials and Supplies              | \$ 37,414    | \$ 3,814     |
| 731       | Contractual Services – Professional | \$ (254,762) | \$ 102,179   |
| 735       | Contractual Services – Testing      |              |              |
| 736       | Contractual Services – Other        |              |              |
| 740       | Rents                               |              |              |
| 750       | Transportation Expense              |              |              |
| 755       | Insurance Expense                   |              |              |
| 765       | Regulatory Commission Expense       |              |              |
| 775       | Miscellaneous Expense               |              |              |
| 403       | Depreciation Expense                | \$ 45,207    | \$ 404,705   |
| 408       | Taxes Other Than Income             |              |              |
| 408.11    | Property Taxes                      | \$ 12,696    | \$ 9,542     |
| 409       | Income Taxes                        |              |              |
|           | <b>TOTAL OPERATING EXPENSES</b>     | \$ (105,062) | \$ (521,706) |
|           |                                     |              |              |
|           | <b>OTHER INCOME/EXPENSE</b>         |              |              |
| 419       | Interest and Dividend Income        | \$           | \$           |
| 421       | Non-Utility Income                  |              |              |
| 426       | Miscellaneous Non-Utility Expenses  |              |              |
| 427       | Interest Expense                    |              |              |
|           | <b>TOTAL OTHER INCOME/EXPENSE</b>   | \$           | \$           |
|           |                                     |              |              |
|           | <b>NET INCOME/(LOSS)</b>            | \$ 334,536   | \$ (295,488) |

COMPANY NAME Ajo Improvement Company

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

|                        | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued            |         |         |         |         |
| Source of Loan         |         |         |         |         |
| ACC Decision No.       |         |         |         |         |
| Reason for Loan        |         |         |         |         |
| Dollar Amount Issued   | \$      | \$      | \$      | \$      |
| Amount Outstanding     | \$      | \$      | \$      | \$      |
| Date of Maturity       |         |         |         |         |
| Interest Rate          | %       | %       | %       | %       |
| Current Year Interest  | \$      | \$      | \$      | \$      |
| Current Year Principle | \$      | \$      | \$      | \$      |

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

**COMPANY NAME** Ajo Improvement Company

**Name of System:** ADEQ Public Water System Number: 10-001

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

| Name or Description                             | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---|----------------|--|
| Freeport McMoRan Copper & Gold (Ajo Operations) | 400            |  |
|   |                |  |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| N/A           |          | 156               |                |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
| 500,000       | 2        | N/A            |          |
|               |          |                |          |
|               |          |                |          |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

|   |  |
|---|--|
| <b>COMPANY NAME</b> Ajo Improvement Company |  |
| <b>Name of System:</b>                      | <b>ADEQ Public Water System Number: 10-001</b> |

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

| Size (in inches) | Material     | Length (in feet) |
|------------------|--------------|------------------|
| 2                |              |                  |
| 3                |              |                  |
| 4                | Ductile Iron | 634              |
| 5                |              |                  |
| 6                | Ductile Iron | 43,392           |
| 8                | Ductile Iron | 35,852           |
| 10               | Ductile Iron | 4,762            |
| 12               | Ductile Iron | 3,503            |
| 6                | Steel        | 120              |
| 8                | Steel        | 65               |
| 12               | Steel        | 645              |
| 18               | Steel        | 8                |
|                  |              |                  |
|                  |              |                  |

**CUSTOMER METERS**

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4        | 1,061    |
| 3/4              |          |
| 1                | 24       |
| 1 1/2            | 2        |
| 2                | 16       |
| Comp. 3          |          |
| Turbo 3          | 6        |
| Comp. 4          |          |
| Turbo 4          | 3        |
| Comp. 6          |          |
| Turbo 6          |          |
|                  |          |
|                  |          |

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

Two filter vessels using Activated Alumina as a filter medium. 8' diameter x 13' high.

**STRUCTURES:**

One Water Treatment Plant Building 110' x 40'

**OTHER:**

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*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: Ajo Improvement Company

Name of System:

ADEQ Public Water System Number: 10-001

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012**

| MONTH           | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------------|---------------------|--------------------------|----------------------------|-------------------------------|
| JANUARY         | 1,126               | 10,339                   | 14,685                     | 12,944                        |
| FEBRUARY        | 1,123               | 11,127                   | 15,981                     | 14,046                        |
| MARCH           | 1,133               | 18,984                   | 15,625                     | 13,492                        |
| APRIL           | 1,116               | 12,796                   | 20,419                     | 17,300                        |
| MAY             | 1,108               | 14,148                   | 22,153                     | 18,238                        |
| JUNE            | 1,094               | 12,272                   | 24,786                     | 13,621                        |
| JULY            | 1,080               | 13,859                   | 21,995                     | 21,630                        |
| AUGUST          | 1,081               | 29,829                   | 24,424                     | 20,362                        |
| SEPTEMBER       | 1,080               | 12,561                   | 14,020                     | 11,644                        |
| OCTOBER         | 1,100               | 11,846                   | 17,826                     | 13,794                        |
| NOVEMBER        | 1,097               | 12,712                   | 15,478                     | 13,302                        |
| DECEMBER        | 1,085               | 9,328                    | 12,083                     | 10,763                        |
| <b>TOTALS →</b> |                     | 169,801                  | 219,093                    | 181,135                       |

What is the level of arsenic for each well on your system? NA mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes                       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes                       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes                       No

If yes, provide the GPCPD amount: \_\_\_\_\_

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

|  |  |
|--|--|
| <b>COMPANY NAME: Ajo Improvement Company</b> |  |
| <b>Name of System:</b>                       | <b>ADEQ Public Water System Number: 10-001</b> |

**UTILITY SHUTOFFS / DISCONNECTS**

| <b>MONTH</b>     | <b>Termination without Notice<br/>R14-2-410.B</b> | <b>Termination with Notice<br/>R14-2-410.C</b> | <b>OTHER</b> |
|------------------|---|--|--------------|
| <b>JANUARY</b>   |   | 1  |              |
| <b>FEBRUARY</b>  |   |  |              |
| <b>MARCH</b>     |   |  |              |
| <b>APRIL</b>     |   | 1  |              |
| <b>MAY</b>       |   | 4  |              |
| <b>JUNE</b>      |   | 1  |              |
| <b>JULY</b>      |   | 4  |              |
| <b>AUGUST</b>    |   |  |              |
| <b>SEPTEMBER</b> |   |  |              |
| <b>OCTOBER</b>   |   | 3  |              |
| <b>NOVEMBER</b>  |   | 6  |              |
| <b>DECEMBER</b>  |   | 3  |              |
| <b>TOTALS →</b>  |   | 23   |              |

OTHER (description):

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|   |   |
|---|---|
| <b>COMPANY NAME</b> Ajo Improvement Company |   |
| <b>Name of System:</b>                      | <b>Wastewater Inventory Number (if applicable):</b> |

**WASTEWATER COMPANY PLANT DESCRIPTION**  
**TREATMENT FACILITY**

|   |                |
|---|----------------|
| <b>TYPE OF TREATMENT</b><br>(Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.) | Aerobic Lagoon |
| <b>DESIGN CAPACITY OF PLANT</b><br>(Gallons Per Day)  | 400,000 +/-    |

**LIFT STATION FACILITIES**

| <b>Location</b>         | <b>Quantity of Pumps</b> | <b>Horsepower Per Pump</b> | <b>Capacity Per Pump (GPM)</b> | <b>Wet Well Capacity (gals)</b> |
|-------------------------|--------------------------|----------------------------|--------------------------------|---------------------------------|
| 11 <sup>th</sup> Street | 2                        | 5                          | 125                            | 2,844                           |
|                         |                          |                            |                                |                                 |
|                         |                          |                            |                                |                                 |
|                         |                          |                            |                                |                                 |
|                         |                          |                            |                                |                                 |
|                         |                          |                            |                                |                                 |

**FORCE MAINS**

| <b>Size</b> | <b>Material</b> | <b>Length (Feet)</b> |
|-------------|-----------------|----------------------|
| 4-inch      | Ductile Iron    | 1,695                |
| 6-inch      |                 |                      |
|             |                 |                      |
|             |                 |                      |

**MANHOLES**

| <b>Type</b> | <b>Quantity</b> |
|-------------|-----------------|
| Standard    | 391             |
| Drop        |                 |
|             |                 |

**CLEANOUTS**

| <b>Quantity</b> |
|-----------------|
| None            |
|                 |
|                 |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

**COMPANY NAME** Ajo Improvement Company

**Name of System:** \_\_\_\_\_ **Wastewater Inventory Number (if applicable):** \_\_\_\_\_

**WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**COLLECTION MAINS**

| Size<br>(in inches) | Material      | Length<br>(in feet) |
|---------------------|---------------|---------------------|
| 4                   |               |                     |
| 6                   | Vitreous Clay | 12,000              |
| 8                   | Transit       | 20,000              |
| 8                   | PVC           | 28,000              |
| 10                  | Transit       | 8,000               |
| 10                  | PVC           | 2,990               |
| 12                  | PVC           | 1,820               |
| 21                  |               |                     |
| 24                  |               |                     |
| 30                  |               |                     |
|                     |               |                     |

**SERVICES**

| Size<br>(in inches) | Material      | Quantity |
|---------------------|---------------|----------|
| 4                   | Vitreous Clay | 700      |
| 4                   | PVC           | 500      |
| 8                   |               |          |
| 12                  |               |          |
| 15                  |               |          |
|                     |               |          |
|                     |               |          |
|                     |               |          |
|                     |               |          |

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM**

|  |  |
|--|--|
| <b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>                                     | Waste Water Treatment Plant  |
| <b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)                      | N/A  |
| <b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)          | N/A  |
| <b>STRUCTURES</b> (Buildings, Fences, Etc.)  | 6' chain link enclosed   |
| <b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.) | Utility Pickup<br>10,000 gallon surge tank<br>2 Centrifugal Effluent Pumps |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

|   |   |
|---|---|
| <b>COMPANY NAME</b> Ajo Improvement Company |   |
| <b>Name of System:</b>                      | <b>Wastewater Inventory Number (if applicable):</b> |

**WASTEWATER FLOWS**

| <b>MONTH/YEAR<br/>(Most Recent 12 Months)</b> | <b>NUMBER OF<br/>SERVICES</b> | <b>TOTAL MONTHLY<br/>SEWAGE FLOW</b> | <b>SEWAGE FLOW ON<br/>PEAK DAY</b> |
|---|-------------------------------|--------------------------------------|------------------------------------|
| January                                       | 1,087                         | 3,768,900                            | 144,000                            |
| February                                      | 1,086                         | 3,551,700                            | 146,500                            |
| March   | 1,094                         | 3,734,300                            | 152,900                            |
| April   | 1,077                         | 3,277,800                            | 136,400                            |
| May   | 1,072                         | 2,821,700                            | 120,300                            |
| June  | 1,060                         | 2,754,600                            | 115,500                            |
| July  | 1,045                         | 3,082,000                            | 158,200                            |
| August  | 1,047                         | 2,958,400                            | 137,100                            |
| September                                     | 1,046                         | 3,806,200                            | 343,600                            |
| October                                       | 1,060                         | 3,093,400                            | 123,900                            |
| November                                      | 1,062                         | 3,489,400                            | 152,500                            |
| December                                      | 1,062                         | 4,100,200                            | 174,700                            |

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE  
PER WASTEWATER SYSTEM**

|   |                  |
|---|------------------|
| <b>Method of Effluent Disposal</b><br>(leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.) | Evaporation Pond |
| <b>Groundwater Permit Number</b>  | N/A              |
| <b>ADEQ Aquifer Protection Permit Number</b>  | P-101678         |
| <b>ADEQ Reuse Permit Number</b>   | N/A              |
| <b>EPA NPDES Permit Number</b>  | N/A              |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

**COMPANY NAME: Ajo Improvement Company**

**Name of System:**

**Wastewater Inventory Number (if applicable):**

**UTILITY SHUTOFFS / DISCONNECTS**

| <b>MONTH</b>     | <b>Termination without Notice<br/>R14-2- 609.B</b> | <b>Termination with Notice<br/>R14-2- 609.C</b> | <b>OTHER</b> |
|------------------|--|---|--------------|
| <b>JANUARY</b>   |  | 1   |              |
| <b>FEBRUARY</b>  |  |   |              |
| <b>MARCH</b>     |  |   |              |
| <b>APRIL</b>     |  | 1   |              |
| <b>MAY</b>       |  | 4   |              |
| <b>JUNE</b>      |  | 1   |              |
| <b>JULY</b>      |  | 4   |              |
| <b>AUGUST</b>    |  |   |              |
| <b>SEPTEMBER</b> |  |   |              |
| <b>OCTOBER</b>   |  | 3   |              |
| <b>NOVEMBER</b>  |  | 6   |              |
| <b>DECEMBER</b>  |  | 3   |              |
| <b>TOTALS →</b>  |  | 23  |              |

OTHER (description):

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**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 158,228

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

MAR 27 2013

**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

|   |
|---|
| COUNTY OF (COUNTY NAME) <u>Pima</u>                         |
| NAME (OWNER OR OFFICIAL) TITLE <u>Roy Archer, President</u> |
| COMPANY NAME <u>Ajo Improvement Company</u>                 |

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12    | 31  | 2012 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
SIGNATURE OF OWNER OR OFFICIAL  
520-287-2010  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

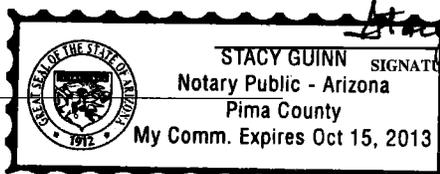
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 21<sup>st</sup> DAY OF

|                                   |
|-----------------------------------|
| COUNTY NAME <u>Pima</u>           |
| MONTH <u>March</u> , 20 <u>13</u> |

(SEAL)

MY COMMISSION EXPIRES



COMPANY NAME Ajo Improvement Company YEAR ENDING 12/31/2012

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**PRINTED NAME**

President  
\_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT (SEWER)  
Intrastate Revenues Only**

MAR 27 2013

GEOFF H. GORMAN  
Director - Utilities

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

|   |
|---|
| COUNTY OF (COUNTY NAME) <u>Pima</u>                         |
| NAME (OWNER OR OFFICIAL) TITLE <u>Roy Archer, President</u> |
| COMPANY NAME <u>Ajo Improvement Company</u>                 |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12    | 31  | 2012 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

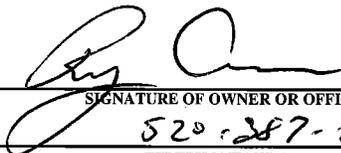
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2012 WAS:

|   |
|---|
| Arizona Intrastate Gross Operating Revenues Only (\$) |
| \$ <u>242,279</u>                                     |

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 16,061  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
 \_\_\_\_\_  
 SIGNATURE OF OWNER OR OFFICIAL  
520-287-2010  
 \_\_\_\_\_  
 TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

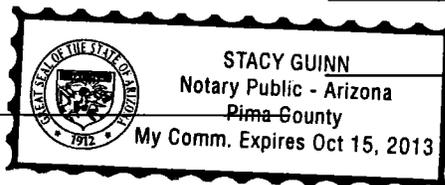
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

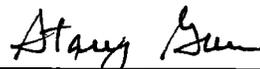
THIS 21<sup>st</sup> DAY OF

|                                  |
|----------------------------------|
| COUNTY NAME <u>Pima</u>          |
| MONTH <u>March</u> .20 <u>13</u> |

(SEAL)

MY COMMISSION EXPIRES



  
 \_\_\_\_\_  
 SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE (SEWER)  
Intrastate Revenues Only**

RECORDED  
MAR 27 2013  
COUNTY CLERK  
PIMA COUNTY  
TULSA, OKLAHOMA

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

|                                      |                 |
|--------------------------------------|-----------------|
| COUNTY OF (COUNTY NAME) Pima         |                 |
| NAME (OWNER OR OFFICIAL) Roy Archer  | TITLE President |
| COMPANY NAME Ajo Improvement Company |                 |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2012 |

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

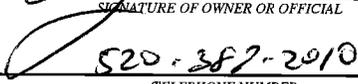
**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2012 WAS:**

|   |
|---|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
| \$ <u>183,284</u>                           |

**THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 12,150  
IN SALES TAXES BILLED, OR COLLECTED)**

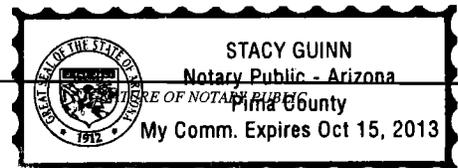
**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
 \_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
  
 \_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**  
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**  
**THIS** 21<sup>st</sup> **DAY OF**

|                                       |                |
|---------------------------------------|----------------|
| NOTARY PUBLIC NAME <u>Stacy Guinn</u> |                |
| COUNTY NAME <u>Pima</u>               |                |
| MONTH <u>March</u>                    | , 20 <u>13</u> |

**(SEAL)**  
**MY COMMISSION EXPIRES**



**VERIFICATION  
AND  
SWORN STATEMENT (WATER)  
Intrastate Revenues Only**

MAR 27 2013

**VERIFICATION**

STATE OF Arizona

**I, THE UNDERSIGNED  
OF THE**

|   |
|---|
| COUNTY OF (COUNTY NAME) <u>Pima</u>                         |
| NAME (OWNER OR OFFICIAL) TITLE <u>Roy Archer, President</u> |
| COMPANY NAME <u>Ajo Improvement Company</u>                 |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2012 |

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2012 WAS:**

|   |
|---|
| Arizona Intrastate Gross Operating Revenues Only (\$) |
| \$ <u>613,181</u>                                     |

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 40,650  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
520-387-2010  
\_\_\_\_\_  
TELEPHONE NUMBER

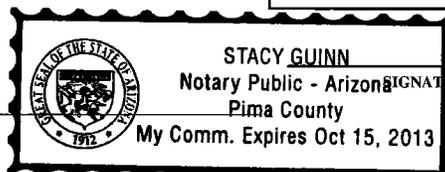
**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 21<sup>st</sup> **DAY OF**

|                                   |
|-----------------------------------|
| COUNTY NAME <u>Pima</u>           |
| MONTH <u>March</u> , 20 <u>12</u> |

(SEAL)  
MY COMMISSION EXPIRES \_\_\_\_\_



\_\_\_\_\_  
NOTARY PUBLIC

RECORDED  
MAR 27 2013  
COUNTY CLERK  
JENNIFER L. HARRIS

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE (WATER)  
INTRASTATE REVENUES ONLY**

VERIFICATION  
STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

|   |                        |
|---|------------------------|
| COUNTY OF (COUNTY NAME) <u>Pima</u>         |                        |
| NAME (OWNER OR OFFICIAL) <u>Roy Archer</u>  | TITLE <u>President</u> |
| COMPANY NAME <u>Ajo Improvement Company</u> |                        |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|           |           |             |
|-----------|-----------|-------------|
| MONTH     | DAY       | YEAR        |
| <u>12</u> | <u>31</u> | <u>2012</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

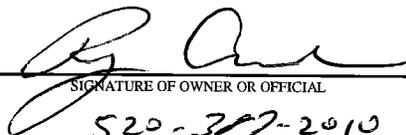
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2012 WAS:

|   |
|---|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
| \$ <u>297,173</u>                           |

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 19,701  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
520-307-2010  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 21<sup>st</sup> DAY OF

|                                       |              |
|---------------------------------------|--------------|
| NOTARY PUBLIC NAME <u>Stacy Guinn</u> |              |
| COUNTY NAME <u>Pima</u>               |              |
| MONTH <u>March</u>                    | 20 <u>12</u> |

(SEAL)

MY COMMISSION EXPIRES

