

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02800A

**Q Mountain Water, Inc.
C/O Bruce Jacobson
1334 S. 5th Avenue
Yuma, AZ 85364**

RECEIVED

NOV 13 2013

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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11-13-13

COMPANY INFORMATION

Company Name (Business Name) Q Mountain Water, Inc.

Mailing Address 1334 S 5th Avenue
(Street)

Yuma AZ 85364
(City) (State) (Zip)

(928)782-1801
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address _____
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: Bruce Jacobson President
(Name) (Title)

1334 S 5th Avenue Yuma Arizona 85364
(Street) (City) (State) (Zip)

(928) 782-1801
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

On Site Manager: Carol Callison
(Name)

49510 Emerald Avenue Quartzsite Arizona 85359
(Street) (City) (State) (Zip)

(928) 305-8817
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Andrew J Capestro

(Name)

12486 S Foothills Blvd

(Street)

Yuma

(City)

Arizona

(State)

85367

(Zip)

(928) 342-3344

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

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

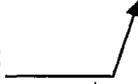
Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <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 checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Q Mountain Water, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	610		610
302	Franchises			
303	Land and Land Rights	9,488		9,488
304	Structures and Improvements	63,599	24,551	39,048
307	Wells and Springs	1,070,962	272,776	798,186
311	Pumping Equipment	47,425	39,644	7,781
320	Water Treatment Equipment	19,415	7,410	12,005
330	Distribution Reservoirs and Standpipes	144,446	24,064	120,382
331	Transmission and Distribution Mains	361,212	103,214	257,998
333	Services	100,256	27,531	72,725
334	Meters and Meter Installations	37,565	33,880	3,685
335	Hydrants	37,500	10,395	27,105
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,390	2,390	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	20,808	20,739	69
	TOTALS	1,915,676	566,594	1,349,082

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

COMPANY NAME Q Mountain Water, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	610	0	0
302	Franchises			
303	Land and Land Rights	9,488	0	0
304	Structures and Improvements	63,599	3.33	2,120
307	Wells and Springs	1,070,962	3.33	35,244
311	Pumping Equipment	47,425	12.50	1,388
320	Water Treatment Equipment	19,415	5.00	2,380
330	Distribution Reservoirs and Standpipes	144,446	2.22	3,210
331	Transmission and Distribution Mains	361,212	2.00	7,225
333	Services	100,256	2.00	2,005
334	Meters and Meter Installations	37,565	8.33	1,610
335	Hydrants	37,500	2.00	750
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,390	20.00	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	20,808	14.29	20
	TOTALS	1,915,676		55,952

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



COMPANY NAME Q Mountain Water, Inc.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3,076	\$ 300
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	1,400	1,400
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 4,476	\$ 1,700
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,882,913	\$ 1,915,676
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(510,642)	(566,594)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,372,271	\$ 1,349,082
	TOTAL ASSETS	\$ 1,376,747	\$ 1,350,783

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
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 85,965	\$ 93,427
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	310,954	336,387
235	Customer Deposits		
236	Accrued Taxes	17,962	25,881
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	150	2,445
	TOTAL CURRENT LIABILITIES	\$ 415,031	\$ 458,140
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	1,129,505	1,129,505
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 1,129,505	\$ 1,129,505
	TOTAL LIABILITIES	\$ 1,544,536	\$ 1,587,645
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 33,000	\$ 33,000
211	Paid in Capital in Excess of Par Value	727,996	727,996
215	Retained Earnings	(928,785)	(997,857)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (167,789)	\$ (236,862)
	TOTAL LIABILITIES AND CAPITAL	\$ 1,376,747	\$ 1,350,783

COMPANY NAME Q Mountain Water, Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 111,304	\$ 112,092
460	Unmetered Water Revenue		
474	Other Water Revenues	3,250	2,605
	TOTAL REVENUES	\$ 114,554	\$ 114,697
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 12,960	\$ 12,960
610	Purchased Water	287	6,548
615	Purchased Power	52,551	56,648
618	Chemicals	240	
620	Repairs and Maintenance	6,125	7,333
621	Office Supplies and Expense	3,532	4,112
630	Outside Services	28,040	9,672
635	Water Testing	2,456	4,502
641	Rents		
650	Transportation Expenses	541	8,731
657	Insurance – General Liability	2,873	2,706
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	1,230	1,545
675	Miscellaneous Expense	117	594
403	Depreciation Expense	55,357	55,952
408	Taxes Other Than Income	1,457	1,522
408.11	Property Taxes	5,360	6,052
409	Income Tax		90
	TOTAL OPERATING EXPENSES	\$ 173,126	\$ 178,969
	OPERATING INCOME/(LOSS)	\$ (58,572)	\$ (64,272)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	81	364
427	Interest Expense	(3,532)	(5,164)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (3,451)	\$ (4,800)
	NET INCOME/(LOSS)	\$ (62,023)	\$ (69,072)

COMPANY NAME

Q Mountain Water, Inc.

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	Q Mountain Water, Inc.
Name of System:	ADEQ Public Water System Number: 15096

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-533877	5	15	675	10	1	1992
55-560987	5	15	1003	10	1	1997
55-576617	7.5	25	800	8	1	1999
55-200615	10	35	990	8	1	2003
55-202875	10	40	100	8	1	2004
55-576618	7.5	25	990	8	1	1999

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Quartzsite	N/A	107

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	2	25	0

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000 Gallons	4	2,000 Gallons	1

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

COMPANY NAME	Q Mountain Water, Inc.
Name of System:	ADEQ Public Water System Number: 15096

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	PVC	
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	499
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

NONE

OTHER:

NONE

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

COMPANY NAME:	Q Mountain Water, Inc.
Name of System:	ADEQ Public Water System Number: 15096

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	
FEBRUARY	0	0	
MARCH	0	0	
APRIL	0	0	
MAY	0	0	
JUNE	0	0	
JULY	0	0	
AUGUST	0	0	
SEPTEMBER	0	0	
OCTOBER	0	0	
NOVEMBER	0	0	
DECEMBER	0	0	
TOTALS →	0	0	

OTHER (description):

COMPANY NAME Q Mountain Water, Inc. YEAR ENDING 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 959.60

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**

RECEIVED
NOV 13 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF <u>AZ</u> I, THE UNDERSIGNED OF THE	COUNTY OF (COUNTY NAME)	<u>La Paz</u>
	NAME (OWNER OR OFFICIAL) TITLE	<u>Paula Capesiro, Treasurer</u>
	COMPANY NAME	<u>Q Mountain Water, Inc.</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
<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

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL. Except for \$25,746.14 for 2008, 2010, 2011 & 2012 Tax Years.

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

Paula Capesiro

SIGNATURE OF OWNER OR OFFICIAL
928-305-8817

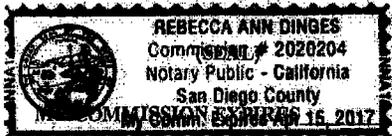
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

COUNTY NAME	<u>San Diego, CA</u>
MONTH	<u>November</u> 20 <u>13</u>



Rebecca Dinges

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Q Mountain Water, Inc.

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 135.00

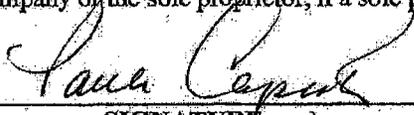
Amount of Grossed-Up Contributions/Advances:

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

11.12.13

DATE

Paula Capastro

PRINTED NAME

Treasurer

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

VERIFICATION

APR 30 2013

STATE OF _____
I, THE UNDERSIGNED
OF THE

<small>COUNTY OF (COUNTY NAME)</small> La Paz	<small>AZ CORP COMM</small>
<small>NAME (OWNER OR OFFICIAL) TITLE</small> Andrew J Capestro, Assistant Treasurer	Director - Utilities
<small>COMPANY NAME</small> Q Mountain Water, Inc	

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.

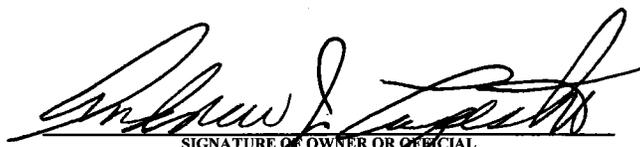
SWORN STATEMENT

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 (\$)
\$ 124,011

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 9,314
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)**

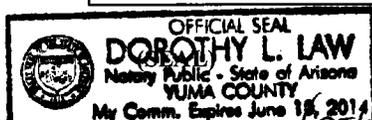

SIGNATURE OF OWNER OR OFFICIAL
928-342-3344
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29th DAY OF

<small>COUNTY NAME</small> YUMA	
<small>MONTH</small> April	<small>YEAR</small> 2013




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

APR 30 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <p style="text-align: center;">La Paz</p>	
NAME (OWNER OR OFFICIAL) Andrew J Capestro	TITLE Assistant Treasurer
COMPANY NAME Q Mountain Water, Inc.	

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.

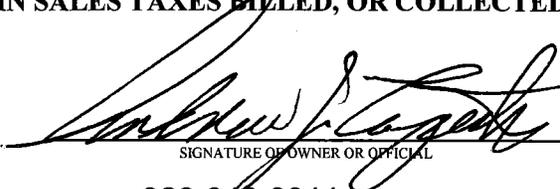
SWORN STATEMENT

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>124,011</u>

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 9,314 IN SALES TAXES BILLED, OR COLLECTED)

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


SIGNATURE OF OWNER OR OFFICIAL
928-342-3344
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 29th **DAY OF**

NOTARY PUBLIC NAME Dorothy L. Law	
COUNTY NAME YUMA	
MONTH April	20 <u>13</u>



MY COMMISSION EXPIRES 6-10-2014


SIGNATURE OF NOTARY PUBLIC