

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02494A

ASHCREEK WATER COMPANY

PO BOX 825

THATCHER, AZ 85552

RECEIVED

MAR 17 2014

AZ CORP COMM
Director - Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN 04	13
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3-19-14

COMPANY INFORMATION

Company Name (Business Name) _____ <u>ASHCREEK WATER CO</u> _____			
Mailing Address _____ <u>PO BOX 825</u> _____ (Street)			
_____ <u>THATCHER</u> _____ (City)		_____ <u>AZ</u> _____ (State)	_____ <u>85552</u> _____ (Zip)
_____ <u>928-428-5420</u> _____ Telephone No. (Include Area Code)	_____ <u>928-428-3358</u> _____ Fax No. (Include Area Code)	_____ <u>928-965-2934</u> _____ Cell No. (Include Area Code)	
Email Address _____ <u>bbarney@aznex.net</u> _____			
Local Office Mailing Address _____ <u>same as above</u> _____ (Street)			
_____ <u>THATCHER</u> _____ (City)		_____ <u>AZ</u> _____ (State)	_____ <u>85552</u> _____ (Zip)
_____ <u>928-428-5420</u> _____ Local Office Telephone No. (Include Area Code)	_____ <u>928-428-3358</u> _____ Fax No. (Include Area Code)	_____ <u>928-965-2934</u> _____ Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: _____ <u>BEVAN BARNEY</u> _____ <u>INTERIM MANAGER</u> _____ (Name) (Title)			
_____ <u>PO BOX 825</u> _____ (Street)		_____ <u>THATCHER</u> _____ (City)	_____ <u>AZ</u> _____ <u>85552</u> _____ (State) (Zip)
_____ <u>928-428-5420</u> _____ Telephone No. (Include Area Code)	_____ <u>928-428-3358</u> _____ Fax No. (Include Area Code)	_____ <u>928-965-2934</u> _____ Cell No. (Include Area Code)	
Email Address _____ <u>bbarney@aznex.net</u> _____			
On Site Manager: _____ <u>BEVAN BARNEY</u> _____ (Name)			
_____ <u>PO BOX 825</u> _____ (Street)		_____ <u>THATCHER</u> _____ (City)	_____ <u>AZ</u> _____ <u>85552</u> _____ (State) (Zip)
_____ <u>928-428-5420</u> _____ Telephone No. (Include Area Code)	_____ <u>928-428-3358</u> _____ Fax No. (Include Area Code)	_____ <u>928-965-2934</u> _____ Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

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 type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input checked="" 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 checked="" 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 type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	650.00		650.00
302	Franchises			
303	Land and Land Rights	9882.00		9882.00
304	Structures and Improvements	3962.70	395.88	3566.82
307	Wells and Springs			
311	Pumping Equipment	17492.45	10479.93	7012.52
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	27540.32	3004.82	24535.50
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	76495.94	5995.44	70500.50
333	Services	9047.93	2109.10	6938.83
334	Meters and Meter Installations	10852.55	5438.53	5414.02
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	-1200.00	-420.00	-780.00
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	256.00		256.00
348	Other Tangible Plant			
	TOTALS	154979.89	27003.70	127976.19

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

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	650.00	0	
302	Franchises			
303	Land and Land Rights	9882.00	0	
304	Structures and Improvements	3962.70	3.33	131.96
307	Wells and Springs			
311	Pumping Equipment	17492.45	12.5	2186.56
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	27540.32	2.22	611.40
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	76495.94	2	1529.92
333	Services	9047.93	3.33	301.30
334	Meters and Meter Installations	10852.55	8.33	904.02
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	-1200.00	5	-60.00
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	256.00	0	
348	Other Tangible Plant			
	TOTALS	154979.89		5605.16

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

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$6552.44	\$10591.24
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	5283.05	5787.47
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2008.50	2008.50
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	9379.54	9702.96
	TOTAL CURRENT AND ACCRUED ASSETS	\$23223.53	\$28090.17
	FIXED ASSETS		
101	Utility Plant in Service	\$154080.70	\$161368.63
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(21398.54)	(27003.70)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility	(258.00)	(344.66)
	TOTAL FIXED ASSETS	\$132424.16	\$134020.27
	TOTAL ASSETS	\$155647.69	\$162110.44

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	\$	\$
232	Notes Payable (Current Portion)	3966.30	3966.30
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	4562.36	5012.36
236	Accrued Taxes	2600.16	2388.00
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	(273.29)	(273.29)
	TOTAL CURRENT LIABILITIES	\$10855.53	\$11093.37
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$53415.13	\$47180.27
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	2679.35	2521.35
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	(76383.90)	(76383.90)
272	Less: Amortization of Contributions	67686.00	67686.00
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$(6018.55)	\$(6176.55)
	TOTAL LIABILITIES	\$47396.58	\$52097.09
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	93953.65	110013.35
	TOTAL CAPITAL	\$93953.65	\$110013.35
	TOTAL LIABILITIES AND CAPITAL	\$155647.69	\$162110.44

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$48805.43	\$48021.17
460	Unmetered Water Revenue	1025.00	1035.00
474	Other Water Revenues	235.00	310.85
	TOTAL REVENUES	\$50065.43	\$49367.02
	OPERATING EXPENSES		
601	Salaries and Wages	\$20576.50	\$14027.94
610	Purchased Water		
615	Purchased Power	2423.88	2237.06
618	Chemicals		
620	Repairs and Maintenance	5936.84	-65.89
621	Office Supplies and Expense	734.75	828.00
630	Outside Services	2200.00	1800.00
635	Water Testing	3067.70	1751.01
641	Rents		
650	Transportation Expenses	165.98	4099.39
657	Insurance – General Liability	2456.64	1993.77
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1289.26	2444.65
403	Depreciation Expense	5516.20	5605.16
408	Taxes Other Than Income		
408.11	Property Taxes	2258.65	2670.09
409	Income Tax		900.00
	TOTAL OPERATING EXPENSES	\$46626.40	\$38291.18
	OPERATING INCOME/(LOSS)	\$3439.03	\$11075.84
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$2.90	\$3.25
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		1844.82
427	Interest Expense		1666.37
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$(3507.94)
	NET INCOME/(LOSS)	\$3441.93	\$7567.90

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	3/1/08			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan	Construction			
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$53387.51	\$	\$	\$
Date of Maturity	8/1/27			
Interest Rate	2.7750%	%	%	%
Current Year Interest	\$1666.37	\$	\$	\$
Current Year Principle	\$6417.06	\$	\$	\$

Meter Deposit Balance at Test Year End \$5012.36

Meter Deposits Refunded During the Test Year \$

COMPANY NAME ASHCREEK WATER COMPANY

Name of System: _____ **ADEQ Public Water System Number:** _____

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
621755	1	21	191	8	2	
621786	3	35	170	6	2	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20000	1		

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

COMPANY NAME ASHCREEK WATER COMPANY

Name of System: _____ **ADEQ Public Water System Number:** _____

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	<u>PVC</u>	<u>5 MILES</u>
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	<u>107</u>
3/4	
1	<u>1</u>
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:

STRUCTURES:

OTHER:

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

COMPANY NAME: ASHCREEK WATER COMPANY	
Name of System:	ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

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

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$ 2670.09

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

MAR 17 2014

AZ. CORP COMM
Director - Utilities

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

<small>COUNTY OF (COUNTY NAME)</small>	GRAHAM
<small>NAME (OWNER OR OFFICIAL) TITLE</small>	BEVAN BARNEY, INTERIM MANAGER
<small>COMPANY NAME</small>	ASHCREEK WATER COMPANY

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

FOR THE YEAR ENDING

<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>
12	31	2013

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.

Bevan Barney

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

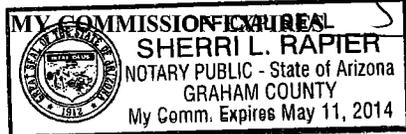
THIS 14th DAY OF March, 2014

<small>COUNTY NAME</small>	<u>Graham</u>
<small>MONTH</small>	<u>March</u> .20 <u>14</u>

(SEAL)

Sherril Rapiert

SIGNATURE OF NOTARY PUBLIC



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

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 17 2014

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	GRAHAM
NAME (OWNER OR OFFICIAL) TITLE	BEVAN BARNEY, INTERIM MANAGER
COMPANY NAME	ASHCREEK WATER COMPANY

AZ CORP COM MV
Director - Utilities

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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.

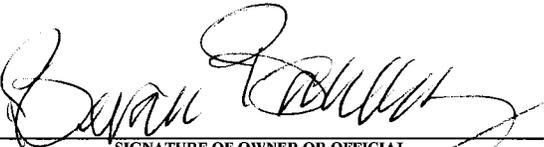
SWORN STATEMENT

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>51495.90</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3128.88
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

TELEPHONE NUMBER _____

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

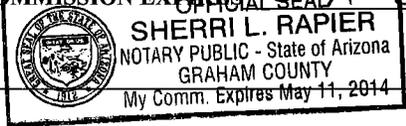
THIS 14th DAY OF

COUNTY NAME	<u>Graham</u>
MONTH	<u>March</u> <u>2014</u>

(SEAL)


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5-11-2014



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

RECEIVED

MAR 17 2014

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) GRAHAM	
NAME (OWNER OR OFFICIAL) BEVAN BARNEY	TITLE INTERIM MANAGER
COMPANY NAME ASHCREEK WATER COMPANY	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>51495.90</u>

**THE AMOUNT IN BOX AT LEFT
INCLUDES 3128.88 COLLECTED)**

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

Bevan Barney
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

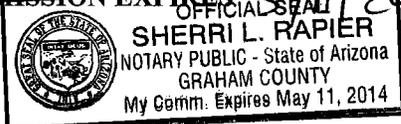
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th **DAY OF**

(SEAL)

MY COMMISSION EXPIRES 5/11/2014



NOTARY PUBLIC NAME <i>Sherril L. Rapier</i>	
COUNTY NAME <i>Graham</i>	
MONTH <i>March</i>	20 <u>14</u>

Sherril L. Rapier
SIGNATURE OF NOTARY PUBLIC