

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02126A

AVRA WATER CO-OP, INC.
11821 WEST PICTURE ROCKS ROAD
TUCSON, AZ 85743

RECEIVED

MAR 21 2014

AZ CORP COMM
Director - Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2013 |
|----|----|------|

FOR COMMISSION USE

| | |
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3-24-14

COMPANY INFORMATION

| | | | |
|---------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|--|
| Company Name (Business Name) <u>Avra Water Co-op, Inc.</u> | | | |
| Mailing Address <u>11821 West Picture Rocks Road</u> | | | |
| (Street) | | | |
| <u>Tucson</u> | <u>AZ</u> | <u>85743</u> | |
| (City) | (State) | (Zip) | |
| <u>(520) 682-7331</u> | <u>(520) 682-8933</u> | <u>(520) 730-9402</u> | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Email Address <u>chrisward@avrawater.com</u> | | | |
| Local Office Mailing Address <u>SAME AS ABOVE</u> | | | |
| (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

| | | | |
|------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|--------------|
| <input type="checkbox"/> Regulatory Contact: | | | |
| <input checked="" type="checkbox"/> Management Contact: <u>Chris E. Ward</u> <u>General Manager</u> | | | |
| (Name) (Title) | | | |
| <u>11821 West Picture Rocks Road</u> | <u>Tucson</u> | <u>AZ</u> | <u>85743</u> |
| (Street) | (City) | (State) | (Zip) |
| <u>(520) 682-7331</u> | <u>(520) 682-8933</u> | <u>(520) 730-9402</u> | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Email Address <u>chrisward@avrawater.com</u> | | | |
| On Site Manager: <u>Same as above</u> | | | |
| (Name) | | | |
| (Street) (City) (State) (Zip) | | | |
| Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code) | | | |
| Email Address _____ | | | |

Statutory Agent: Chris E. Ward
 (Name)

11821 West Picture Rocks Road Tucson AZ 85743
 (Street) (City) (State) (Zip)

(520) 682-7331 (520) 682-8933 (520) 730-9402
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Marc Simon
 (Name)

One South Church Ave., Ste. 1500 Tucson AZ 85701
 (Street) (City) (State) (Zip)

(520) 882-1233 (520) 844-1294
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address msimon@swlaw.com

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 type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" 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 | | |

COMPANY NAME**AVRA WATER CO-OP INC.****UTILITY PLANT IN SERVICE AS OF 08/31/13**

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|------------------|----------------------------------------|---------------------------|--------------------------------------|------------------------------|
| 301 | Organization | 8,685 | | 8,685 |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 200,191 | | 200,191 |
| 304 | Structures and Improvements | 435,093 | 195,115 | 239,978 |
| 305 | Storage Tanks | 244,625 | 28,459 | 216,166 |
| 307 | Wells and Springs | 3,366,451 | 677,403 | 2,689,048 |
| 311 | Pumping Equipment | 985,024 | 775,360 | 209,664 |
| 320 | Water Treatment Equipment | 108,764 | 96,608 | 12,156 |
| 330 | Distribution Reservoirs and Standpipes | 1,922,762 | 756,237 | 1,166,525 |
| 331 | Transmission and Distribution Mains | 7,029,702 | 2,292,536 | 4,737,166 |
| 333 | Services | 520,120 | 403,209 | 116,911 |
| 334 | Meters and Meter Installations | 570,132 | 361,341 | 208,791 |
| 335 | Hydrants | 35,548 | 7,167 | 28,381 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 109,280 | 34,526 | 74,754 |
| 340 | Office Furniture and Equipment | 230,075 | 165,473 | 64,602 |
| 341 | Transportation Equipment | 174,393 | 164,173 | 10,220 |
| 343 | Tools, Shop and Garage Equipment | 123,050 | 91,466 | 31,584 |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | 45,166 | 23,150 | 22,016 |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 16,109,061 | 6,072,223 | 10,036,838 |

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

| |
|-----------------------------------------------------|
| COMPANY NAME AVRA WATER CO-OP INC. |
|-----------------------------------------------------|

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

AS OF 08/31/13

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|------------------|----------------------------------------|--------------------------|------------------------------------|-----------------------------------|
| 301 | Organization | 8,685 | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 200,191 | | |
| 304 | Structures and Improvements | 435,093 | 3.33% | 13,956 |
| 305 | Storage Tanks | 244,625 | 2.22% | 5,412 |
| 307 | Wells and Springs | 3,366,451 | 3.33% | 111,673 |
| 311 | Pumping Equipment | 985,024 | 12.50% | 76,845 |
| 320 | Water Treatment Equipment | 108,764 | 20.00% | 2,960 |
| 330 | Distribution Reservoirs and Standpipes | 1,922,762 | 2.22% | 42,684 |
| 331 | Transmission and Distribution Mains | 7,029,702 | 2.00% | 140,328 |
| 333 | Services | 520,120 | 3.33% | 17,265 |
| 334 | Meters and Meter Installations | 570,132 | 8.33% | 30,380 |
| 335 | Hydrants | 35,548 | 2.00% | 657 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 109,280 | 6.67% | 7,289 |
| 340 | Office Furniture and Equipment | 230,075 | 6.67% | 7,985 |
| 341 | Transportation Equipment | 174,393 | 20.00% | 10,123 |
| 343 | Tools, Shop and Garage Equipment | 123,050 | 5.00% | 2,843 |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | 45,166 | 5.00% | 2,434 |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | SUBTOTAL | 16,109,061 | | 472,834 |
| | Less: Amortization of Contributions | | | 158,698 |
| | TOTAL | 16,109,061 | | 314,136 |

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

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Avra Water Co-op, Inc.
Tucson, Arizona

We have compiled the balance sheets of Avra Water Co-op, Inc. (a cooperative water utility corporation) as of August 31, 2013 and 2012, and the related comparative statements of income and expense for the years then ended included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Arizona Corporation Commission.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Arizona Corporation Commission and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Arizona Corporation Commission, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Arizona Corporation Commission and is not intended to be and should not be used by anyone other than this specified party.

All other information contained in the accompanying prescribed form has been presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Arizona Corporation Commission, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information included on pages 2-5, 9, and 14-18 has been compiled by us without audit or review and accordingly, we do not express an opinion or provide any assurance on it. The supplementary information included on pages 10-13 was not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any assurance on it.



ULLMANN & COMPANY, P.C.
Certified Public Accountants

February 20, 2014

| |
|----------------------------------------------|
| COMPANY NAME AVRA WATER CO-OP INC. |
|----------------------------------------------|

BALANCE SHEET

| Acct. No. | ASSETS | 8/31/2012 | 8/31/2013 |
|--------------|---------------------------------------------|------------------------------------|------------------------------|
| | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 327,921 | \$ 387,530 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 184,609 | 208,358 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | 44,243 | 39,707 |
| 162 | Prepayments | 15,070 | 15,559 |
| 174 | Miscellaneous Current and Accrued Assets | 694,621 | 719,731 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 1,266,464 | \$ 1,370,885 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 15,955,088 | \$ 16,109,061 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation - Utility Plant | 5,610,801 | 6,072,223 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation - Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 10,344,287 | \$ 10,036,838 |
| | TOTAL ASSETS | \$ 11,610,751 | \$ 11,407,723 |

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

COMPANY NAME
AVRA WATER CO-OP INC.

BALANCE SHEET (CONTINUED)

| Acct. No. | LIABILITIES | 8/31/2012 | 8/31/2013 |
|--------------|---------------------------------------------------|------------------------------------|------------------------------|
| | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ 35,129 | \$ 29,076 |
| 232 | Notes Payable (Current Portion) | 147,388 | 135,444 |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 51,816 | 50,413 |
| 236 | Accrued Taxes | 89,925 | 94,180 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | 35,314 | 32,725 |
| | TOTAL CURRENT LIABILITIES | \$ 359,572 | \$ 341,838 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 4,096,750 | \$ 3,962,388 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | | |
| 252 | Advances in Aid of Construction | 257,067 | 231,541 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | 5,288,475 | 5,372,663 |
| 272 | Less: Amortization of Contributions | 1,541,712 | 1,700,411 |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ 4,003,830 | \$ 3,903,793 |
| | TOTAL LIABILITIES | \$ 8,460,152 | \$ 8,208,019 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | | |
| 211 | Paid in Capital in Excess of Par Value | | |
| 215 | Retained Earnings | 3,150,599 | 3,199,704 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ 3,150,599 | \$ 3,199,704 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 11,610,751 | \$ 11,407,723 |

COMPANY NAME
AVRA WATER CO-OP INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | 8/31/2012 | 8/31/2013 |
|-----------|-------------------------------------------|---------------------|---------------------|
| | | PRIOR YEAR | CURRENT YEAR |
| 461 | Metered Water Revenue | \$ 1,527,583 | \$ 1,580,362 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | 54,077 | 49,829 |
| | TOTAL REVENUES | \$ 1,581,660 | \$ 1,630,191 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 401,397 | \$ 407,621 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 99,744 | 92,473 |
| 618 | Chemicals | 1,427 | 1,223 |
| 620 | Repairs and Maintenance | 34,171 | 27,029 |
| 621 | Office Supplies and Expense | 57,406 | 42,929 |
| 630 | Outside Services | 64,571 | 38,806 |
| 635 | Water Testing | 9,511 | 10,041 |
| 641 | Rents | 561 | 560 |
| 650 | Transportation Expenses | 88,511 | 85,001 |
| 657 | Insurance - General Liability | 27,249 | 32,501 |
| 659 | Insurance - Health and Life | 105,315 | 103,970 |
| 666 | Regulatory Commission Expense - Rate Case | 0 | 7,292 |
| 675 | Miscellaneous Expense | 70,566 | 105,562 |
| 403 | Depreciation Expense | 322,183 | 314,136 |
| 408 | Taxes Other Than Income | 36,706 | 38,707 |
| 408.11 | Property Taxes | 102,428 | 107,200 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 1,421,746 | \$ 1,415,051 |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ 297 | \$ 275 |
| 421 | Non-Utility Income | 0 | 13,271 |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | 186,198 | 179,582 |
| | TOTAL OTHER INCOME/EXP | \$ (185,901) | \$ (166,036) |
| | | | |
| | NET INCOME/(LOSS) | \$ (25,987) | \$ 49,104 |

COMPANY NAME: AVRA WATER CO-OP, INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------------|----------------------|----------------------------|----------------------------|
| Date Issued | SEP-01 | VARIES | VARIES | VARIES |
| Source of Loan | WIFA | WIFA | USDA/RURAL HOUSING SERVICE | USDA/RURAL HOUSING SERVICE |
| ACC Decision No. | | | | |
| Reason for Loan | Capital Improvements | Capital Improvements | Capital Improvements | Capital Improvements |
| Dollar Amount Issued | \$120,000 | \$1,946,750 | \$1,669,250 | \$1,683,750 |
| Amount Outstanding | \$45,082 | \$905,924 | \$1,558,839 | \$1,587,987 |
| Date of Maturity | 9/1/21 | 12/1/23 | 6/10/46 | 8/20/46 |
| Interest Rate | 3.75% | 3.206% | 4.5% | 4.375% |
| Current Year Interest | \$2,145 | \$35,005 | \$69,158 | \$69,800 |
| Current Year Principal | \$6,459 | \$96,729 | \$21,970 | \$21,148 |

Meter Deposit Balance at Test Year End

\$38,851

Meter Deposits Refunded During the Test Year

\$6,498

COMPANY NAME

Name of System: Avra Water Co-op, Inc. **ADEQ Public Water System Number:** 10-006

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|------------------------|------------------------|-------------------------|----------------------------|---------------------------------|----------------------------|---------------------|
| 55-207058 | 200 | 1,260 | 800 | 16 | 8 | 2006 |
| 55-214263 | 250 | 1,500 | 780 | 18 | 8 | 2007 |
| 55-626905 | 50 | 300 | 605 | 12 | 4 | 1972 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* 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 |
| 5 | 4 | 80 | |
| 7.5 | 3 | | |
| 10 | 4 | | |
| 15 | 2 | | |
| 20 | 3 | | |
| 25 | 1 | | |
| 50 | 1 | | |
| 100 | 2 | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 50,000 | 2 | 240 | 1 |

| | | | |
|---------|---|--------|---|
| 500,000 | 4 | 1,200 | 1 |
| | | 2,500 | 1 |
| | | 3,000 | 2 |
| | | 5,000 | 6 |
| | | 10,000 | 1 |

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

COMPANY NAME

Name of System: Avra Water Co-op, Inc.

ADEQ Public Water System Number: 10-006

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|--------------|------------------|
| 2 | PVC | 10,800 |
| 3 | PVC | 11,050 |
| 4 | PVC | 44,605 |
| 5 | | |
| 6 | PVC | 278,613 |
| 8 | PVC | 39,723 |
| 10 | | |
| 12 | PVC/Ductile | 29,470 |
| 16 | Ductile Iron | 15,600 |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 2473 |
| 3/4 | 26 |
| 1 | 21 |
| 1 1/2 | 2 |
| 2 | 3 |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | 1 |
| Turbo 4 | |
| Comp. 6 | |
| Turbo 6 | |
| | |
| | |
| | |

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

TREATMENT EQUIPMENT:

- 1 – Sodium Hypochlorite Injector at one well site.
- 1 – Sodium Hypochlorite Generator at one POE site.

STRUCTURES:

- Two small storage sheds. 10'x12' in size.
- Two used 40 foot trailers that have been converted into storage sheds.

OTHER:

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

| | | |
|------------------------|------------------------|------------------------------------------------|
| COMPANY NAME: | | |
| Name of System: | Avra Water Co-op, Inc. | ADEQ Public Water System Number: 10-006 |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------------|---------------------|--------------------------|----------------------------|-------------------------------|
| JANUARY | 2525 | 15,849,500 | 18,412,000 | |
| FEBRUARY | 2519 | 15,170,400 | 15,486,000 | |
| MARCH | 2529 | 16,536,000 | 20,330,000 | |
| APRIL | 2524 | 24,032,700 | 24,645,000 | |
| MAY | 2537 | 24,872,800 | 29,431,000 | |
| JUNE | 2512 | 33,967,900 | 32,815,000 | |
| JULY | 2524 | 25,902,100 | 27,192,000 | |
| AUGUST | 2508 | 27,818,700 | 26,649,000 | |
| SEPTEMBER | 2525 | 20,583,900 | 24,061,000 | |
| OCTOBER | 2504 | 22,023,100 | 23,052,000 | |
| NOVEMBER | 2514 | 19,891,300 | 19,571,000 | |
| DECEMBER | 2517 | 13,848,500 | 14,906,000 | |
| TOTALS → | | | | |

What is the level of arsenic for each well on your system? .007 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: 108

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

| | |
|-----------------------------------------------|------------------------------------------------|
| COMPANY NAME: | |
| Name of System: Avra Water Co-op, Inc. | ADEQ Public Water System Number: 10-006 |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|-----------------|-------------------------------------------|----------------------------------------|-------|
| JANUARY | 0 | 43 | |
| FEBRUARY | 0 | 52 | |
| MARCH | 0 | 42 | |
| APRIL | 0 | 31 | |
| MAY | 0 | 31 | |
| JUNE | 0 | 32 | |
| JULY | 0 | 41 | |
| AUGUST | 0 | 41 | |
| SEPTEMBER | 0 | 22 | |
| OCTOBER | 0 | 41 | |
| NOVEMBER | 0 | 61 | |
| DECEMBER | 0 | 9 | |
| TOTALS → | 0 | 446 | |

OTHER (description):

COMPANY NAME AVRA WATER CO-OP, INC. YEAR ENDING 12/31/2013

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$ 106,312

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 21 2014

AZ. CORP. COMMISSION
Director

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

| |
|----------------------------------------------------------------------|
| COUNTY OF (COUNTY NAME) PIMA |
| NAME (OWNER OR OFFICIAL) TITLE CHRIS WARD, GENERAL MANAGER |
| COMPANY NAME AVRA WATER CO-OP, INC. |

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 | 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.



SIGNATURE OF OWNER OR OFFICIAL

520-682-7331

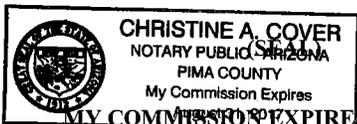
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 17 DAY OF

| | | |
|-------------|-------|------|
| COUNTY NAME | Pima | |
| MONTH | March | 2014 |



8/31/2017



SIGNATURE OF NOTARY PUBLIC

See Independent Accountants' Compilation Report

COMPANY NAME AVRA WATER CO-OP, INC.

YEAR ENDING 12/31/2013

INCOME TAXES

For this reporting period, provide the following:

| | |
|-------------------------------------------|-------------------|
| Federal Taxable Income Reported | <u>TAX-EXEMPT</u> |
| Estimated or Actual Federal Tax Liability | <u>TAX-EXEMPT</u> |

| | |
|-----------------------------------------|-------------------|
| State Taxable Income Reported | <u>TAX-EXEMPT</u> |
| Estimated or Actual State Tax Liability | <u>TAX-EXEMPT</u> |

Amount of Grossed-Up Contributions/Advances:

| | |
|-----------------------------------------|------------|
| Amount of Contributions/Advances | <u>N/A</u> |
| Amount of Gross-Up Tax Collected | <u>N/A</u> |
| Total Grossed-Up Contributions/Advances | <u>N/A</u> |

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

3-17-14

 DATE

Chris E. Ward

 PRINTED NAME

General Manager

 TITLE

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

MAR 21 2014

AZ CORP COMMISSION Director - Utilities

VERIFICATION STATE OF ARIZONA I, THE UNDERSIGNED OF THE

Form with fields: COUNTY OF (COUNTY NAME) PIMA, NAME (OWNER OR OFFICIAL) TITLE CHRIS WARD, GENERAL MANAGER, COMPANY NAME AVRA WATER CO-OP, INC.

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

FOR THE YEAR ENDING

Table with columns: MONTH, DAY, YEAR. Values: 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 (\$) \$ 1,751,336

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 104,195 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 Chris Ward, Telephone Number 520-682-7331

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 17 DAY OF

(SEAL)

Notary Public Form: COUNTY NAME Pima, MONTH March, 2014

Signature of Christine A. Cooper, Notary Public

MY COMMISSION EXPIRES 8/31/2017

See Independent Accountants' Compilation Report

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

RECEIVED

MAR 21 2014

AZ CORPORATION
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|-------------------------------------|-----------------------|
| COUNTY OF (COUNTY NAME) PIMA | |
| NAME (OWNER OR OFFICIAL) CHRIS WARD | TITLE GENERAL MANAGER |
| COMPANY NAME AVRA WATER CO-OP, INC. | |

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 |
| \$ 1,736,534 |

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 103,314 IN SALES TAXES BILLED, OR COLLECTED)

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

Chris Ward
SIGNATURE OF OWNER OR OFFICIAL

520-682-7331
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

| | |
|------------------------------------------|-------|
| NOTARY PUBLIC NAME Christine A. Cover | |
| COUNTY NAME Pima | |
| MONTH March | .2014 |

THIS 17 DAY OF

CHRISTINE A. COVER
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Commission Expires
August 31, 2017

MY COMMISSION EXPIRES 8/31/2017

Christine A. Cover
SIGNATURE OF NOTARY PUBLIC

See Independent Accountants' Compilation Report