

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

Berneil Water Company
PO Box 219
Tempe, AZ 85280-0219

W-01275A

RECEIVED

SEP 23 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

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

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 13 |
|--------|----|

9-23-14

COMPANY INFORMATION

Company Name (Business Name) Berneil Water Company

Mailing Address PO Box 219
(Street)
Tempe AZ 85280
(City) (State) (Zip)

480-966-5804 480-967-7857 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Support@arizonawaterworks.com

Local Office Mailing Address PO Box 219
(Street)
Tempe AZ 85280
(City) (State) (Zip)

480-966-5804 480-967-7857 _____
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Support@arizonawaterworks.com

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: None
(Name) (Title)

(Street) (City) (State) (Zip)

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

Email Address _____

On Site Manager: Don Ross
(Name)
PO Box 219 Tempe AZ 85280
(Street) (City) (State) (Zip)

928-713-1959 480-967-7857 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Neil Folkman
(Name)

2501 E. Palo Verde Phoenix AZ 85012
(Street) (City) (State) (Zip)

480-966-5804 480-962-7857
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 type="checkbox"/> LA PAZ | <input checked="" 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

Bernell Water Company

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) | |
|-----------|--|--------------------|-------------------------------|-----------------------|---|
| 301 | Organization | | | | |
| 302 | Franchises | | | | |
| 303 | Land and Land Rights | 400 | 0 | 400 | |
| 304 | Structures and Improvements | 35,532 | 35,532 | 0 | * |
| 307 | Wells and Springs | 272,978 | 272,978 | 0 | * |
| 311 | Pumping Equipment | 451,887 | 56,485 | 395,402 | |
| 320 | Water Treatment Equipment | | | | |
| 320.1 | Water Treatment Plants | | | | |
| 320.2 | Solution Chemical Feeders | | | | |
| 330 | Distribution Reservoirs and Standpipes | 225,446 | 225,446 | 0 | * |
| 330.1 | Storage Tanks | | | | |
| 330.2 | Pressure Tanks | | | | |
| 331 | Transmission and Distribution Mains | 953,848 | 953,848 | 0 | * |
| 333 | Services | | | | |
| 334 | Meters and Meter Installations | 219,531 | 129,124 | 90,407 | |
| 335 | Hydrants | 78,017 | 41,500 | 36,517 | |
| 336 | Backflow Prevention Devices | | | | |
| 339 | Other Plant and Misc. Equipment | 69,166 | 69,166 | 0 | * |
| 340 | Office Furniture and Equipment | 6,373 | 6,373 | 0 | * |
| 340.1 | Computers & Software | | | | |
| 341 | Transportation Equipment | 37,599 | 31,500 | 6,099 | |
| 343 | Tools, Shop and Garage Equipment | | | | |
| 344 | Laboratory Equipment | | | | |
| 345 | Power Operated Equipment | | | | |
| 346 | Communication Equipment | | | | |
| 347 | Miscellaneous Equipment | 7,079 | 1,474 | 5,605 | |
| 348 | Other Tangible Plant | | | | |
| | TOTALS | 2,348,856 | 1,814,426 | 534,430 | |

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

COMPANY NAME

Beaneil Water Company

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 | 400 | 0 | 0 |
| 304 | Structures and Improvements | 35,532 | 3.33 | 1183 |
| 307 | Wells and Springs | 272,978 | 3.33 | 0 |
| 311 | Pumping Equipment | 451,887 | 12.50 | 56,485 |
| 320 | Water Treatment Equipment | | | |
| 320.1 | Water Treatment Plants | | | |
| 320.2 | Solution Chemical Feeders | | | |
| 330 | Distribution Reservoirs and Standpipes | 225,446 | 2.22 | 4,960 |
| 330.1 | Storage Tanks | | | |
| 330.2 | Pressure Tanks | | | |
| 331 | Transmission and Distribution Mains | 953,848 | 2.22 | 2,098 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 210,531 | 8.30 | 17,474 |
| 335 | Hydrants | 78,017 | 3.33 | 2,597 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 69,166 | 6.67 | 4,613 |
| 340 | Office Furniture and Equipment | 6,373 | 6.67 | 426 |
| 340.1 | Computers & Software | | | |
| 341 | Transportation Equipment | 37,599 | 20.0 | 7,520 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | 7,079 | 6.67 | 472 |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 2,348,856 | | 97,828 |

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

COMPANY NAME

Bernell Water Company

BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ | \$ 16,597 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | | |
| 146 | Notes/Receivables from Associated Companies | | 213,900 |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ | \$ 230,497 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ | \$ 2,348,856 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | | 1,814,426 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ | \$ |
| | TOTAL ASSETS | \$ | \$ 534,430 |

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

COMPANY NAME

Bernell Water Company

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) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | | \$ 900 |
| 236 | Accrued Taxes | | |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ | \$ 900 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ | \$ 33,748 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ | \$ |
| 252 | Advances in Aid of Construction | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | 192,245 |
| 272 | Less: Amortization of Contributions | | (100,485) |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ | \$ 91,760 |
| | TOTAL LIABILITIES | \$ | \$ 131,408 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ | \$ 25,000 |
| 211 | Paid in Capital in Excess of Par Value | | |
| 215 | Retained Earnings | | 338,374 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ | \$ 363,374 363,374 |
| | TOTAL LIABILITIES AND CAPITAL | \$ | \$ 534,430 |

COMPANY NAME Berneil Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|-------------------|-------------------|
| 461 | Metered Water Revenue | \$ 716,903 | \$ 687,561 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | | |
| | TOTAL REVENUES | \$ 716,903 | \$ 687,561 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 192,019 | \$ 262,119 |
| 610 | Purchased Water | 48,291 | 75,472 |
| 615 | Purchased Power | 98,055 | 95,008 |
| 618 | Chemicals | | |
| 620 | Repairs and Maintenance | 48,664 | 43,214 |
| 621 | Office Supplies and Expense | 12,918 | 10,658 |
| 630 | Outside Services | 27,189 | 30,488 |
| 635 | Water Testing | 6,772 | 8,129 |
| 641 | Rents | 60,816 | 59,666 |
| 650 | Transportation Expenses | 5,780 | 7,983 |
| 657 | Insurance - General Liability | 9,400 | 5,435 |
| 659 | Insurance - Health and Life | 0 | 0 |
| 666 | Regulatory Commission Expense - Rate Case | 0 | 0 |
| 675 | Miscellaneous Expense | 10,620 | 12,146 |
| 403 | Depreciation Expense | 59,931 | 97,828 |
| 408 | Taxes Other Than Income | 65,586 | 59,868 |
| 408.11 | Property Taxes | 19,472 | 10,080 |
| 409 | Income Tax | 45 | 45 |
| | TOTAL OPERATING EXPENSES | \$ | \$ |
| | OPERATING INCOME/(LOSS) | \$ | \$ |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | 2,340 | 2,298 |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ | \$ |
| | NET INCOME/(LOSS) | \$ | \$ |

COMPANY NAME

Berneil Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------------|---------|---------|---------|
| Date Issued | 1989 | | | |
| Source of Loan | PV | | | |
| ACC Decision No. | | | | |
| Reason for Loan | Water main | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | 8-31-19 | | | |
| Interest Rate | 6 % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

| | | | |
|------------------------|-----------------------------|----------------|------------------|
| COMPANY NAME | <i>Bernal Water Company</i> | | |
| Name of System: | ADEQ Public Water System | Number: | <i>04-07-008</i> |

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) |
|---------------------|----------------|--|
| | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|---------------|----------|-------------------|----------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| | | | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|---------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| | | | |
| | | | |
| | | | |

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

COMPANY NAME Berneil Water Company
 Name of System: _____ ADEQ Public Water System Number: 04-07-008

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

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

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | |
| 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: Gas Chlorinators

STRUCTURES: Block Fences

OTHER:

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

COMPANY NAME: Barnes Water Company
 Name of System: _____ ADEQ Public Water System Number: 04-02-008

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------------|---------------------|--------------------------|----------------------------|-------------------------------|
| JANUARY | | | | |
| FEBRUARY | | | | |
| MARCH | | | | |
| APRIL | | | | |
| MAY | | | | |
| JUNE | | | | |
| JULY | | | | |
| AUGUST | | | | |
| SEPTEMBER | | | | |
| OCTOBER | | | | |
| NOVEMBER | | | | |
| DECEMBER | | | | |
| TOTALS → | | | | |

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

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ 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.

COMPANY NAME: Berneil Water Company
 Name of System: _____ ADEQ Public Water System Number: 04-07-008

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 → | Ø | | |

OTHER (description):

We do not keep these records.

COMPANY NAME Berneil Water Company YEAR ENDING 12/31/2013

PROPERTY TAXES

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

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. _____

BERNEIL WATER CO.
P.O. BOX 218
TEMPE, AZ 85283-0218

NATIONAL BANK OF ARIZONA
11-021721 10/30/2013

3451

PAY TO THE ORDER OF: MARICOPA COUNTY \$ 10,372.27

Ten Thousand Three Hundred Seventy-Two and 27/100 DOLLARS

MARICOPA COUNTY

MEMO: 002-44-800 10/13 property taxes 1st half 10372.27

#003557# #122105320# 0100005677# #0001037227#

Processed 11/07/13 \$10372.27 Ch# 3451

BERNEIL WATER CO.
P.O. BOX 218
TEMPE, AZ 85283-0218

NATIONAL BANK OF ARIZONA
11-021721 02/22/2014

3557

PAY TO THE ORDER OF: MARICOPA COUNTY \$ 10,372.27

Ten Thousand Three Hundred Seventy-Two and 27/100 DOLLARS

MARICOPA COUNTY

MEMO: prop taxes 2nd half 002-44-800 0

#003557# #122105320# 0100005677# #0001037227#

Processed 04/28/14 \$10372.27 Ch# 3557

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
SEP 23 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

| | |
|--------------------------------|----------------------------------|
| COUNTY OF (COUNTY NAME) | <u>Maricopa</u> |
| NAME (OWNER OR OFFICIAL) TITLE | <u>Bradley Folkman President</u> |
| COMPANY NAME | <u>Berneil Water 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 |
| <u>12</u> | <u>31</u> | <u>2013</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.

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

SIGNATURE OF OWNER OR OFFICIAL

480-966-5804

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF

| |
|------------------|
| COUNTY NAME |
| MONTH: <u>20</u> |

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

COMPANY NAME Berneil Water Company YEAR ENDING 12/31/2013

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
Bradley Folkman
PRINTED NAME

DATE
President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

JUN 12 2014

VERIFICATION

ACC UTILITIES DIRECTOR

STATE OF Arizona

| | |
|--------------------------------|----------------------------------|
| COUNTY OF (COUNTY NAME) | <u>Maricopa</u> |
| NAME (OWNER OR OFFICIAL) TITLE | <u>Bradley Folkman President</u> |
| COMPANY NAME | <u>Berneil Water Company</u> |

I, THE UNDERSIGNED
OF THE

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>687,561¹⁰⁵</u> |

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 59868¹⁰⁶ 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]
SIGNATURE OF OWNER OR OFFICIAL
480-966-5804
TELEPHONE NUMBER

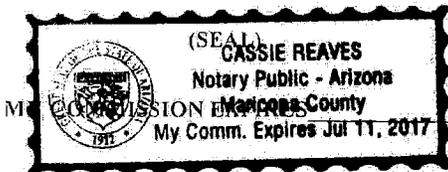
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10 DAY OF

| | | |
|-------------|-----------------|-------------|
| COUNTY NAME | <u>Maricopa</u> | |
| MONTH | <u>JUN</u> | <u>2014</u> |

[Signature]
SIGNATURE OF NOTARY PUBLIC



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

RECEIVED
JUN 12 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--|---------------------------|
| COUNTY OF (COUNTY NAME) <i>Mazicopa</i> | |
| NAME (OWNER OR OFFICIAL) <i>Bradley Folkman</i> | TITLE <i>President</i> |
| COMPANY NAME <i>Bernal Water Company</i> | |

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 <i>\$ 687,561.05</i> |
|---|

THE AMOUNT IN BOX AT LEFT INCLUDES \$ *59,868.28* IN SALES TAXES BILLED, OR COLLECTED)

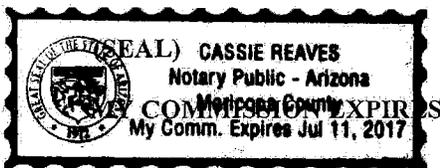
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

[Signature]
SIGNATURE OF OWNER OR OFFICIAL

480-966-5804
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS *12* DAY OF

| | |
|---|------|
| NOTARY PUBLIC NAME <i>Cassie Reaves / Gonzales</i> | |
| COUNTY NAME <i>Mazicopa</i> | |
| MONTH <i>June</i> | 2014 |



[Signature]
SIGNATURE OF NOTARY PUBLIC