

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02312A
Halcyon Acres Annex No. 2 Water Co., Inc.
P.O. Box 85160
Tucson, AZ 85754

RECEIVED

APR 15 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN 04	13
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4-23-14

COMPANY INFORMATION

Company Name (Business Name) <u>Halcyon Acres Annex No. 2 Water Co., Inc.</u>		
Mailing Address	<u>PO Box 85160</u> <small>(Street)</small>	
<u>Tucson</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>85754</u> <small>(Zip)</small>
<u>(520) 623-5172</u> <small>Telephone No. (Include Area Code)</small>	<u>(520) 792-0377</u> <small>Fax No. (Include Area Code)</small>	<u>Cell No. (Include Area Code)</u>
Email Address <u>info@southwesternutility.com</u>		
Local Office Mailing Address <u>PO Box 85160</u> <small>(Street)</small>		
<u>Tucson</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>85754</u> <small>(Zip)</small>
<u>(520) 623-5172</u> <small>Local Office Telephone No. (Incl Area Code)</small>	<u>(520) 792-0377</u> <small>Fax No. (Include Area Code)</small>	<u>Cell No. (Include Area Code)</u>
Email Address <u>info@southwesternutility.com</u>		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>Southwestern Utility Management, Inc.</u> <small>(Name) (Title)</small>			
<u>PO Box 85160</u> <small>(Street)</small>	<u>Tucson</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>85754</u> <small>(Zip)</small>
<u>(520) 623-5172</u> <small>Telephone No. (Include Area Code)</small>	<u>(520) 792-0377</u> <small>Fax No. (Include Area Code)</small>	<u>Cell No. (Include Area Code)</u>	
Email Address <u>info@southwesternutility.com</u>			
On Site Manager: <u>Southwestern Utility Management, Inc.</u> <small>(Name)</small>			
<u>PO Box 85160</u> <small>(Street)</small>	<u>Tucson</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>85754</u> <small>(Zip)</small>
<u>(520) 623-5172</u> <small>Telephone No. (Include Area Code)</small>	<u>(520) 792-0377</u> <small>Fax No. (Include Area Code)</small>	<u>Cell No. (Include Area Code)</u>	
Email Address <u>info@southwesternutility.com</u>			

Statutory Agent: Gene Wilcox
 (Name)

8715 E 20th St Tucson AZ 85710
 (Street) (City) (State) (Zip)

(520) 623-5172 (520) 792-0377 _____
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Gregory Good
 (Name)

33 N Stone Avenue #2040 Tucson AZ 85701
 (Street) (City) (State) (Zip)

(520) 628-8221 (520) 547-0394 _____
 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:

Sole Proprietor (S) C Corporation (C) (Other than Association/Co-op)

Partnership (P) Subchapter S Corporation (Z)

Bankruptcy (B) Association/Co-op (A)

Receivership (R) Limited Liability Company

Other (Describe) _____

COUNTIES SERVED

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

APACHE COCHISE COCONINO

GILA GRAHAM GREENLEE

LA PAZ MARICOPA MOHAVE

NAVAJO PIMA PINAL

SANTA CRUZ YAVAPAI YUMA

STATEWIDE

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization			\$ -
302	Franchises			-
303	Land & Land Rights	2,420	-	2,420
304	Structures & Improvements	1,760	1,760	-
307	Wells & Springs	36,679	36,679	-
311	Pumping Equipment	6,337	6,337	-
320	Water Treatment Equipment			-
330	Distribution Reservoirs & Standpipes	4,465	4,465	-
331	Transmission & Distrib. Mains	57,787	23,022	34,765
333	Services	2,470	2,470	-
334	Meters & Meter Installations	2,314	1,959	355
335	Hydrants	1,000	1,000	-
336	Backflow Prevention Devices			-
339	Other Plant & Misc Equipment			-
340	Office Furniture & Equipment			-
340.1	Computers & Software			-
341	Transportation Equipment			-
343	Tools, Shop & Garage Equip.			-
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communications Equipment			-
347	Miscellaneous Equipment	1,019	1,019	-
348	Other Tangible Plant			-
	TOTALS	\$ 116,251	\$ 78,711	37,540

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

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 & Land Rights	2,420	N/A	-
304	Structures & Improvements	1,760	4.17%	-
307	Wells & Springs	36,679	4.17%	-
311	Pumping Equipment	6,337	4.17%	-
320	Water Treatment Equipment	-	4.17%	-
330	Distribution Reservoirs & Standpipes	4,465	4.17%	-
331	Transmission & Distrib. Mains ¹	57,787	4.17%	717
333	Services	2,470	4.17%	-
334	Meters & Meter Installations ²	2,314	4.17%	42
335	Hydrants	1,000	4.17%	-
336	Backflow Prevention Devices	-	4.17%	-
339	Other Plant & Misc Equipment	-	4.17%	-
340	Office Furniture & Equipment	-	4.17%	-
340.1	Computers & Software	-	4.17%	-
341	Transportation Equipment	-	4.17%	-
343	Tools, Shop & Garage Equip.	-	4.17%	-
344	Laboratory Equipment	-	4.17%	-
345	Power Operated Equipment	-	4.17%	-
346	Communications Equipment	-	4.17%	-
347	Miscellaneous Equipment	1,019	4.17%	39
348	Other Tangible Plant		4.17%	-
	TOTALS	\$ 116,251		\$ 798

CIAC Amortization (1,809)

Total Depreciation Expense **\$ (1,011)**

¹ \$21,947 of the total is fully depreciated.

² \$1,813 of the total is fully depreciated.

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

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 21,109	\$ 10,882
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,086	2,113
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 22,195	\$ 12,994
	FIXED ASSETS		
101	Utility Plant in Service	\$ 80,411	\$ 116,251
103	Property Held for Future Use		
105	Construction Work In Progress	35,840	
108	Accumulated Depreciation - Utility Plant	(77,555)	(78,711)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 38,696	\$ 37,540
	TOTAL ASSETS	\$ 60,891	\$ 50,534

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

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	150	150
236	Accrued Taxes	341	320
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 491	\$ 470
	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	\$ 1,639	\$ -
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	30,500	32,500
272	Less: Amortization of contributions	(3,370)	(5,179)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 28,769	\$ 27,321
	TOTAL LIABILITIES	\$ 29,260	\$ 27,791
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 6,000	\$ 6,000
211	Paid in Capital in Excess of Par Value	5,175	5,175
215	Retained Earnings	20,456	11,568
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 31,631	\$ 22,743
	TOTAL LIABILITIES AND CAPITAL	\$ 60,891	\$ 50,534

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 21,117	\$ 21,766
462	Surcharge Revenue		
474	Other Water Revenues	218	
	TOTAL REVENUES	\$ 21,335	\$ 21,766
	OPERATING EXPENSES		
601	Salaries and Wages	\$ -	\$ -
610	Purchased Water	683	9,932
615	Purchased Power	3,161	2,341
618	Chemicals		
620	Repairs and Maintenance	633	518
621	Office Supplies & Expense	281	516
630	Outside Services	12,591	13,032
635	Water Testing	540	1,640
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	2,000	1,250
659	Insurance - Health and Life		
665	Regulatory Expenses		
675	Miscellaneous Expense	697	563
403	Depreciation Expense	(882)	(1,011)
408	Taxes Other Than Income		
408.11	Property Taxes	1,321	1,399
409	Income Tax	50	50
427.2	Customer Security Deposit Interest		
	TOTAL OPERATING EXPENSES	\$ 21,075	\$ 30,229
	OPERATING INCOME/(LOSS)	\$ 260	\$ (8,463)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 6	\$ 4
421	Non-Utility Income		
426	Other Income		
427.1	Interest Expense	(838)	
	TOTAL OTHER INCOME/(EXPENSE)	\$ (832)	\$ 4
	NET INCOME/(LOSS)	\$ (572)	\$ (8,459)

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	None			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ -	\$ -	\$ -	\$ -
Amount Outstanding	\$ -	\$ -	\$ -	\$ -
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$ -	\$ -	\$ -	\$ -
Current Year Principal	\$ -	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End \$ -

Meter Deposits Refunded During the Test Year \$ -

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

Name of System:

ADEQ Public Water System Number: 10-058

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-504418	30	150	750	12"	4"	1983

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Tucson		1999

BOOSTER PUMPS

Horsepower	Quantity

FIRE HYDRANTS

Quantity Standard	Quantity Other
	2 - 2" firefighter standpipes

STORAGE TANKS

PRESSURE TANKS

Capacity	Quantity
5,000	1

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

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.

Name of System:

ADEQ Public Water System Number:

10-058

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	AIC	7,900
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	39
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

STRUCTURES:

Shed 16' x 16'

OTHER:

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

Company Name: Halcyon Acres Annex No. 2 Water Co., Inc.
 Name of System: ADEQ Public Water System Number: 10-058

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):

COMPANY NAME Halcyon Acres Annex No. 2 Water Co., Inc.

YEAR ENDING 12/31/13

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2013 was: \$ 1,399

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

APR 15 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Bonnie O'Connor, Manager
COMPANY NAME	Haleyon Acres Annex No. 2 Water Co., Inc.

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

FOR THE YEAR ENDING

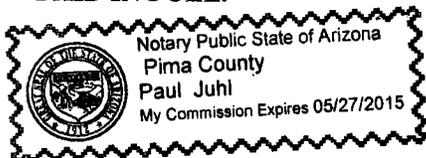
MONTH	DAY	YEAR
12	31	2013

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.



Bonnie O'Connor
SIGNATURE OF OWNER OR OFFICIAL

520-624-1460
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11th DAY OF

COUNTY NAME	Pima	
MONTH	April	2014

(SEAL)

Paul Juhl
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5/27/15

COMPANY NAME Halcyon Acres Annex No. 2 Water Co., Inc.

YEAR ENDING 12/31/13

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	\$	50.00

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 certified that the Utility has refunded to Payers all gross-up tax refunds reported in the prior years 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

APR 15 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Bonnie O'Connor, Manager
COMPANY NAME Halcyon Acres Annex No. 2 Water Co., 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 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>23,213</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,447
IN SALES TAXES BILLED, OR COLLECTED)

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


SIGNATURE OF OWNER OR OFFICIAL
520-624-1460
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

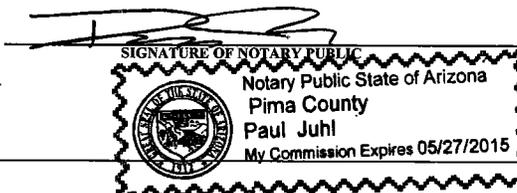
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11th DAY OF

(SEAL)

COUNTY NAME <u>Pima</u>
MONTH <u>April</u> <u>2014</u>

MY COMMISSION EXPIRES 5/27/15



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

RECEIVED
APR 15 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Bonnie O'Connor	TITLE Manager
COMPANY NAME Halcyon Acres Annex No. 2 Water Co., 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 \$ <u>18,457</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,171
IN SALES TAXES BILLED, OR COLLECTED)

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

Bonnie O'Connor
SIGNATURE OF OWNER OR OFFICIAL

520-624-1460
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11th DAY OF

(SEAL)

MY COMMISSION EXPIRES

5/27/15

NOTARY PUBLIC NAME <u>Paul Juhl</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	<u>2014</u>

Paul Juhl
SIGNATURE OF NOTARY PUBLIC

