

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02312A

Halcyon Acres Annex No. 2 Water Co., Inc.
PO Box 85160
Tucson, AZ 85754

RECEIVED
APR 13 2015
ACC UTILITIES DIRECTOR

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

ANNUAL REPORT

Water

FOR YEAR ENDING

12 31 2014

FOR COMMISSION USE

ANN 04 14

4-14-15

COMPANY INFORMATION

Company Name (Business Name) Halcyon Acres Annex No. 2 Water Co., Inc.

Mailing Address PO Box 85160
(Street)

Tucson AZ 85754
(City) (State) (Zip)

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

Email Address info@southwesternutility.com

Local Office Mailing Address PO Box 85160
(Street)

Tucson AZ 85754
(City) (State) (Zip)

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

Email Address info@southwesternutility.com

MANAGEMENT INFORMATION

Management Contact: Southwestern Utility Management, Inc Manager
(Name) (Title)

PO Box 85160 Tucson AZ 85754
(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)

Email Address info@southwesternutility.com

On Site Manager: W. Gene Wilcox
(Name)

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

(520) 298-2704
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Statutory Agent: W. Gene Wilcox

(Name)

8715 E. 20th Street

(Street)

Tucson

(City)

AZ

(State)

85710

(Zip)

(520) 298-2704

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Gregory Good

(Name)

33 North Stone Ave, #2040

(Street)

Tucson

(City)

AZ

(State)

85701

(Zip)

(520) 628-8221

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 #2 Water Co., Inc.

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 & 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			-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	4,465	4,465	-
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	57,787	23,739	34,048
333	Services	2,470	2,470	-
334	Meters and Meter Installations	2,314	2,001	313
335	Hydrants	1,000	1,000	-
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			-
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communications Equipment			-
347	Miscellaneous Equipment	1,019	1,019	-
348	Other Tangible Plant			-
	TOTALS	\$ 116,251	\$ 79,470	\$ 36,781

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

COMPANY NAME: Halcyon Acres Annex #2 Water Co., Inc.

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 X 2)
301	Organization	\$ -		\$ -
302	Franchises	-		-
303	Land & Land Rights	2,420	N/A	-
304	Structures & Improvements	1,760	0.00%	-
307	Wells & Springs	36,679	0.00%	-
311	Pumping Equipment	6,337	0.00%	-
320	Water Treatment Equipment	-	0.00%	-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	4,465	0.00%	-
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	57,787	4.17%	717
333	Services	2,470	0.00%	-
334	Meters and Meter Installations	2,314	4.17%	42
335	Hydrants	1,000	0.00%	-
336	Backflow Prevention Devices	-	0.00%	-
339	Other Plant and Misc. Equipment	-	0.00%	-
340	Office Furniture and Equipment	-	0.00%	-
340.1	Computers & Software	-	0.00%	-
341	Transportation Equipment	-	0.00%	-
343	Tools, Shop and Garage Equipment	-	0.00%	-
344	Laboratory Equipment	-	0.00%	-
345	Power Operated Equipment	-	0.00%	-
346	Communications Equipment	-	0.00%	-
347	Miscellaneous Equipment	1,019	0.00%	-
348	Other Tangible Plant	-	0.00%	-
	SUBTOTAL	116,251		759
	LESS CIAC Amortization			(1,212)
	TOTALS *	\$ 116,251		\$ (453)

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

COMPANY NAME: Halcyon Acres Annex #2 Water Co., Inc.

WATER UTILITY BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 10,882	\$ 6,634
134	Working Funds		
135	Temporary Cash Investments		100,000
141	Customer Accounts Receivable	2,113	(1,429)
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 12,995	\$ 105,205
	FIXED ASSETS		
101	Utility Plant in Service	\$ 116,251	\$ 116,251
103	Property Held for Future Use		
105	Construction Work In Progress		
108	Accumulated Depreciation - Utility Plant	(78,711)	(79,470)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 37,540	\$ 36,781
	TOTAL ASSETS	\$ 50,535	\$ 141,986

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

COMPANY NAME: Halcyon Acres Annex #2 Water Co., Inc.

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	150	38
236	Accrued Taxes	320	314
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		100,000
	TOTAL CURRENT LIABILITIES	\$ 470	\$ 100,352
	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		
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	32,500	32,500
272	Less: Amortization of contributions	(5,179)	(6,392)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 27,321	\$ 26,108
	TOTAL LIABILITIES	\$ 27,791	\$ 126,460
	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	11,569	4,351
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 22,744	\$ 15,526
	TOTAL LIABILITIES AND CAPITAL	\$ 50,535	\$ 141,986

COMPANY NAME: Halcyon Acres Annex #2 Water Co., Inc.

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 21,766	\$ 22,886
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 21,766	\$ 22,886
	OPERATING EXPENSES		
601	Salaries and Wages	\$ -	\$ -
610	Purchased Water	9,932	7,095
615	Purchased Power	2,341	3,422
618	Chemicals		
620	Repairs and Maintenance	518	70
621	Office Supplies and Expense	516	622
630	Outside Services	13,032	15,112
635	Water Testing	1,640	780
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	1,250	1,250
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	563	840
403	Depreciation Expense	(1,011)	(453)
408	Taxes Other Than Income		
408.11	Property Taxes	1,399	1,318
409	Income Tax	50	50
427	Customer Security Deposit Interest		
	TOTAL OPERATING EXPENSES	\$ 30,230	\$ 30,106
	OPERATING INCOME/(LOSS)	\$ (8,464)	\$ (7,220)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 4	\$ 3
421	Non-Utility Income		
426	Miscellaneous Non-Utility Exp		
427	Interest Expense		
434	Extraordinary Deductions		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 4	\$ 3
	NET INCOME/(LOSS)	\$ (8,460)	\$ (7,217)

COMPANY NAME: Halcyon Acres Annex #2 Water Co., Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	No loans			
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 #2 Water Co., Inc.

Name of System: ADEQ Public Water System Number: 10-058

WATER UTILITY 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)
N/A		

BOOSTER PUMPS

Horsepower	Quantity
N/A	

FIRE HYDRANTS

Quantity Standard	Quantity Other
N/A	2 - 2" firefighter standpipes

STORAGE TANKS

Capacity	Quantity
N/A	

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 #2 Water Co., Inc.

Name of System:

ADEQ Public Water System Number:

10-058

WATER UTILITY 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, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

16' x 16' storage shed

OTHER:

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

COMPANY NAME: Halcyon Acres Annex #2 Water Co., Inc.
 Name of System: ADEQ Public Water System Number: 10-058

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2014

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	36	397	424	-
FEBRUARY	36	409	416	-
MARCH	36	523	551	-
APRIL	36	594	622	-
MAY	36	680	706	-
JUNE	36	911	973	-
JULY	36	632	766	-
AUGUST *	36	562	46	-
SEPTEMBER *	36	629	303	-
OCTOBER	36	576	516	-
NOVEMBER	36	542	560	-
DECEMBER	36	319	328	-
TOTALS		6,774	6,211	-

* Well meter malfunctioned and has been replaced

What is the level of arsenic for each well on your system? 0.001 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for _____ hours

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: N/A

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

COMPANY NAME: Halcyon Acres Annex #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 12/31/14

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2014 was: \$ 1,318

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 13 2015
ACCU 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 PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

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

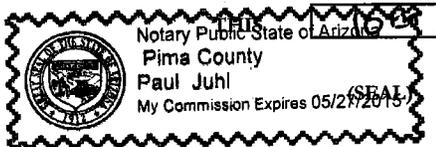
520-624-1460

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Pima
MONTH/YEAR	April 2015



DAY OF



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

5/27/15

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED
APR 13 2015
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

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

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	2014

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.

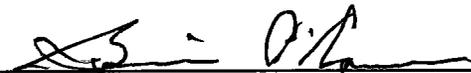
SWORN STATEMENT

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 2014 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>24,247</u>

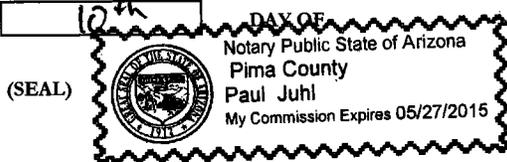
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,361
IN SALES TAXES BILLED, OR COLLECTED)

**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 12th DAY OF

COUNTY NAME	Pima
MONTH/YEAR	April, 2015




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5/27/15

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

RECEIVED
APR 13 2015
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	2014

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.

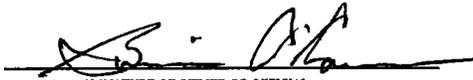
SWORN STATEMENT

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 2014 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 20,025

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,131
IN SALES TAXES BILLED, OR COLLECTED

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


SIGNATURE OF OWNER OR OFFICIAL

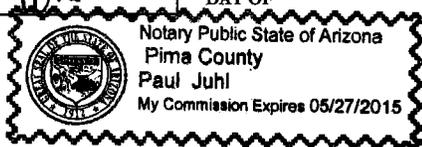
520-624-1460
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

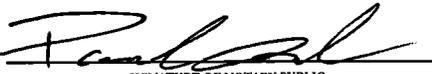
THIS 10th DAY OF

(SEAL)



MY COMMISSION EXPIRES 5/27/2015

NOTARY PUBLIC NAME Paul Juhl
COUNTY NAME Pima
MONTH/YEAR April, 2015


SIGNATURE OF NOTARY PUBLIC