

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

Humboldt Water Systems, Inc.
PO Box 10593
Sedona, AZ 86339

W-02197A

RECEIVED
JUN 04 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
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FOR COMMISSION USE

ANN 04	14
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6-5-15

COMPANY INFORMATION

Company Name (Business Name) <u>Humboldt Water Systems, Inc.</u>		
Mailing Address <u>PO Box 10593</u>		
<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86339</u> (Zip)
<u>800-315-5333</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>timkyllo@msn.com</u>		
Local Office Mailing Address _____		
(Street)		
(City) (State) (Zip)		
Local Customer Service Phone No. (Include Area Code)		(1-800 or other long distance Customer Service Phone No.)
Email Address _____		Website address _____

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>Tim Kyлло</u>		<u>Pres/Ceo</u>	
<u>PO Box 10593</u> (Street)	<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86339</u> (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: _____			
(Name)			
(Street) (City) (State) (Zip)			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: Tim Kylllo

 (Name)
PO Box 10593 Sedona AZ 86339

 (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:

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 Humboldt Water Systems, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2,378		2,378
302	Franchises			
303	Land and Land Rights	6,650		6,650
304	Structures and Improvements	10,041	5,478	4,562
307	Wells and Springs	34,339	16,444	17,894
311	Pumping Equipment	54,440	54,440	-0-
320	Water Treatment Equipment			
320.1	Water Treatment Plants	129,680	4,318	125,361
320.2	Solution Chemical Feeders	2,087	2,087	-0-
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	26,500	19,064	7,435
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	170,246	138,096	32,150
333	Services	124,654	70,565	54,089
334	Meters and Meter Installations	17,058	3,774	13,284
335	Hydrants			
336	Backflow Prevention Devices			
339 310.1	Other Plant and Misc. Equipment Solar	79,092	20,437	56,654
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	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	657,165	337,404	322,460

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

COMPANY NAME Humboldt Water Systems, 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	2,378		
302	Franchises			
303	Land and Land Rights	6,650		
304	Structures and Improvements	10,041	3.33	334
307	Wells and Springs	34,339	3.33	1,143
311	Pumping Equipment	54,440	12.5	6,805
320	Water Treatment Equipment			
320.1	Water Treatment Plants	129,680	3.33	4,318
320.2	Solution Chemical Feeders	2,087	20.0	-0-
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	26,500	2.22	588
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	170,246	2.0	3,405
333	Services	124,654	3.33	4,151
334	Meters and Meter Installations	17,058	8.33	1,421
335	Hydrants 310.1 Solar Equipment	79,092	6.67	5,275
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	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL			
	LESS CIAC Amortization			
	TOTALS *	657,165		27,859

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

COMPANY NAME Humboldt Water Systems, Inc.

WATER UTILITY BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,124	\$ 39,917
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 2,124	\$ 39,917
	FIXED ASSETS		
101	Utility Plant in Service	\$ 526,080	\$ 657,165
103	Property Held for Future Use		
105	Construction Work in Progress		171,848
108	Accumulated Depreciation – Utility Plant	314,266	337,404
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 211,814	\$ 491,609
	TOTAL ASSETS	\$ 213,938	\$ 531,526

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

COMPANY NAME Humboldt Water Systems, Inc.

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 12,799	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	36,657	16,964
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 49,456	\$ 16,964
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 16,475	\$ 315,551
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction (Meter Fees)	48,198	4,753
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	19,909	19,909
272	Less: Amortization of Contributions	3,980	5,970
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 64,127	\$ 18,692
	TOTAL LIABILITIES	\$ 130,058	\$ 351,207
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,013	\$ 2,013
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	79,560	101,998
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 81,573	\$ 104,011
	TOTAL LIABILITIES AND CAPITAL	\$ 213,938	\$ 455,218

COMPANY NAME Humboldt Water Systems, Inc.

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 124,535	\$ 153,832
460	Unmetered Water Revenue		
474	Other Water Revenues	1,054	6,225
	TOTAL REVENUES	\$ 125,589	\$ 160,057
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	8,507	7,975
618	Chemicals	2,800	2,000
620	Repairs and Maintenance	32,196	36,400
621	Office Supplies and Expense		
630	Outside Services	47,582	45,619
635	Water Testing	3,453	4,207
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	1,519	4,000
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	2,106	2,106
675	Miscellaneous Expense		
403	Depreciation Expense	23,579	27,859
408	Taxes Other Than Income		
408.11	Property Taxes	6,604	6,491
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 128,346	\$ 136,657
	OPERATING INCOME/(LOSS)	\$ (2,757)	\$ 23,400
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	1,081	962
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (3,838)	\$ 22,438

COMPANY NAME Humboldt Water Systems, Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/9/1999	5/30/2014		
Source of Loan	WIFA	WIFA		
ACC Decision No.	61529	74386		
Reason for Loan	Improvements	Treatment		
Dollar Amount Issued	\$ 39,500	\$ 301,528	\$	\$
Amount Outstanding	\$ 14,023	\$ 301,528	\$	\$
Date of Maturity	12/31/2019	05/01/2034		
Interest Rate	5.81 %	4.20 %	%	%
Current Year Interest	\$ 893	\$ -0-	\$	\$
Current Year Principle	\$ 2,451	\$ -0-	\$	\$

Meter Deposit Balance at Test Year End	\$ 4,753
Meter Deposits Refunded During the Test Year	\$ 859

COMPANY NAME Humboldt Water Systems, Inc.
Name of System: H.W.S. ADEQ Public Water System Number: 13-052

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-623784	3	40	150	8	2	1982
55-533639	10	95	300	6	3	1991

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	3	None	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	1		

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

COMPANY NAME	Humboldt Water Systems, Inc.		
Name of System:	HWS	ADEQ Public Water System Number:	13-052

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Steel	10,000
3		
4	PVC	15,740
5		
6	PVC	8,600
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	188
3/4	130
1	2
1 1/2	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: Treatment plant with arsenic plant and Reverse Osmosis in process.

STRUCTURES: Block building and fenced well lot

OTHER: 15 KW Solar System

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

COMPANY NAME Humboldt Water Systems, Inc. YEAR ENDING 12/31/2014

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2014 was: \$ 6,491.38

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 14 2015

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Timothy L Kylo
COMPANY NAME	Humboldt Water Systems, Inc.

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

FOR THE YEAR ENDING

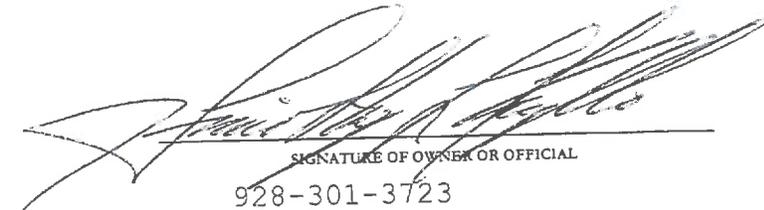
MONTH	DAY	YEAR
12	31	2014

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.

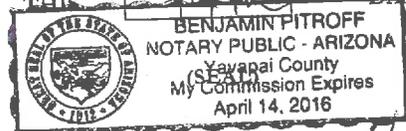
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL
928-301-3723
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

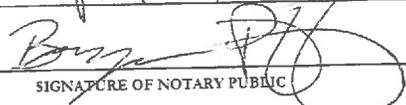
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF



MY COMMISSION EXPIRES 4-14-16

COUNTY NAME	Yavapai
MONTH	April 14 th 2015


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 14 2015
ACC UTILITIES DIRECTOR

VERIFICATION
STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Timothy L Kylo
COMPANY NAME	Humboldt Water Systems, 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.

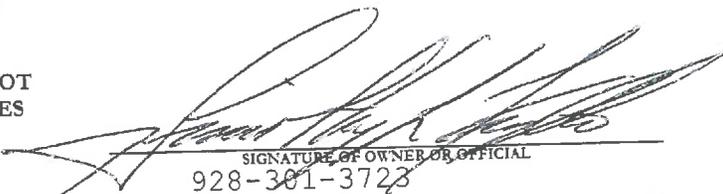
SWORN STATEMENT

IN ACCORDANCE WITH THE 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>173,210</u>
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(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 13,153
IN SALES TAXES BILLED, OR COLLECTED)

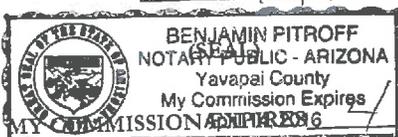
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

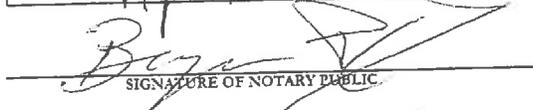

SIGNATURE OF OWNER OR OFFICIAL
928-301-3723
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 14th DAY OF

COUNTY NAME	Yavapai
MONTH	April 2015




SIGNATURE OF NOTARY PUBLIC

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

RECEIVED
APR 14 2015
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) Yavapai	
NAME (OWNER OR OFFICIAL) Timothy L Kylo	TITLE Pres/Ceo
COMPANY NAME Humboldt Water Systems, 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 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
\$ <u>157,621</u>

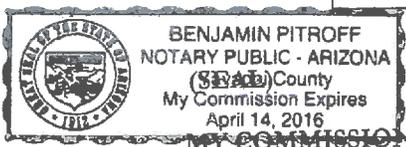
THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 11,969
IN SALES TAXES BILLED, OR COLLECTED)

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

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
928-301-3723
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 14th DAY OF

NOTARY PUBLIC NAME <u>Benjamin Pitroff</u>
COUNTY NAME <u>Yavapai</u>
MONTH <u>April</u> .2015



MY COMMISSION EXPIRES
4-14-16

[Signature]
SIGNATURE OF NOTARY PUBLIC