

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-01651B

Vail Water Company
1010 N. Finance Center Dr., Ste. 200
Tucson, AZ 85710

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

RECEIVED

FEB 24 2015

AZ CORP COMM
Director - Utilities

FOR YEAR ENDING

12	31	2014
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FOR COMMISSION USE

ANN 04	14
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3-3-15

Statutory Agent: DAVID MCEVOY

4560 E CAMP LOWELL	(Name) TUCSON	AZ	85712
(Street)	(City)	(State)	(Zip)

520-326-0133	520-326-5938	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Attorney: MICHAEL T. HALLAM LEWIS & ROCA
(Name)

40 N. CENTRAL AVE.	PHOENIX	AZ	85004
(Street)	(City)	(State)	(Zip)

602-262-5340	602-734-3886	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address MHALLAM@LRLAW.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 checked="" 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 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 | | |

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	17,750		17,750
304	Structures and Improvements	398,007	143,821	254,186
307	Wells and Springs	1,025,010	432,051	592,959
311	Pumping Equipment	2,010,564	662,902	1,347,662
320	Water Treatment Equipment			-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	1,590,904	379,732	1,211,172
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmissions and Distribution Mains	15,801,541	3,462,573	12,338,968
333	Services	16,827	13,223	3,604
334	Meters and Meter Installations	1,020,561	292,666	727,895
335	Hydrants	536,929	139,132	397,797
336	Backflow Prevention Devices	7,901	7,358	543
339	Other Plant and Misc. Equipment	31,854	20,887	10,967
340	Office Furniture and Equipment	31,997	14,140	17,857
340.1	Computers & Software			
341	Transportation Equipment	78,188	36,235	41,953
343	Tools, Shop and Garage Equipment			-
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communication Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant			-
	TOTALS	22,568,033	5,604,720	16,963,313

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

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 and Land Rights	17,750		-
304	Structures and Improvements	398,007	2.80%	11,144
307	Wells and Springs	1,025,010	3.20%	31,864
311	Pumping Equipment	2,010,564	3.60%	63,767
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	1,590,904	2.00%	31,818
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmissions and Distribution Mains	15,801,541	2.00%	305,967
333	Services	16,827	3.30%	555
334	Meters and Meter Installations	1,020,561	3.60%	35,691
335	Hydrants	536,929	3.60%	19,318
336	Backflow Prevention Devices	7,901	3.60%	284
339	Other Plant and Misc. Equipment	31,854	3.60%	1,147
340	Office Furniture and Equipment	31,997	6.80%	1,961
340.1	Computers & Software			
341	Transportation Equipment	78,188	13.30%	9,657
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL	22,568,033		513,174
	LESS CIAC Amortization			
	TOTALS*	22,568,033		513,174

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

WATER UTILITY BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 776,738	\$ 589,162
134	Working Funds		
135	Temporary Cash Investments	3,050,471	2,277,111
141	Customer Accounts Receivable	222,231	159,707
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	1,150,028	1,276,045
174	Miscellaneous Current and Accrued Assets	62,420	62,420
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 5,261,888	\$ 4,364,445
	FIXED ASSETS		
101	Utility Plant in Service	\$ 21,026,043	\$ 22,568,033
103	Property Held for Future Use		
105	Construction Work in Progress	809,762	26,455
108	Accumulated Depreciation - Utility Plant	(5,101,929)	(5,604,720)
121	Non-Utility Property	155,736	155,736
122	Accumulated Depreciation - Non Utility	(26,838)	(53,761)
	TOTAL FIXED ASSETS	\$ 16,862,774	\$ 17,091,743
	TOTAL ASSETS	\$ 22,124,662	\$ 21,456,188

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

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 455,549	\$ 101,063
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	468,456	415,576
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 924,005	\$ 516,639
	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	14,451,588	14,351,539
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 14,451,588	\$ 14,351,539
	TOTAL LIABILITIES	\$ 15,375,593	\$ 14,868,178
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 638,099	\$ 638,099
211	Paid in Capital in Excess of Par Value	2,445,314	2,445,314
215	Retained Earnings	3,665,657	3,504,597
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 6,749,070	\$ 6,588,010
	TOTAL LIABILITIES AND CAPITAL	\$ 22,124,662	\$ 21,456,188

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 2,197,059	\$ 2,245,177
460	Unmetered Water Revenue		
474	Other Water Revenues	247,622	151,519
	TOTAL REVENUES	\$ 2,444,681	\$ 2,396,696
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 271,078	\$ 275,857
610	Purchased Water		
615	Purchased Power	249,425	235,550
618	Chemicals	2,293	1,073
620	Repairs and Maintenance	30,158	36,487
621	Office Supplies and Expense	74,561	91,573
630	Outside Services	338,945	192,888
635	Water Testing	6,064	18,635
641	Rents	8,668	11,843
650	Transportation Expenses	24,849	25,044
657	Insurance - General Liability	39,762	42,591
659	Insurance - Health and Life	14,688	19,222
666	Regulatory Commission Expense - Rate Case	12,416	14,767
675	Miscellaneous Expense	261,424	300,005
403	Depreciation Expense	478,993	513,174
408	Taxes Other Than Income		
408.11	Property Taxes	133,237	136,363
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 1,946,561	\$ 1,915,072
	OPERATING INCOME/(LOSS)	\$ 498,120	\$ 481,624
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 27,516	\$ 13,042
421	Non-Utility Income	94,799	95,828
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(5,162)	(1,554)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 117,153	\$ 107,316
	NET INCOME/(LOSS)	\$ 615,273	\$ 588,940

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
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 \$ 415,576

Meter Deposits Refunded During the Test Year \$ 122,000

COMPANY NAME	Vail Water Company	2014
Name of System:	ADEQ Public Water System Number:	10-041

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-625703	100	600	614	12	8	1974
55-087817	200	700	759	14	8	1981
55-087816	300	1200	845	14	10	1981
55-087814	300	975	924	14	8	1981

* 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		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	3	459	
20	6		
25	4		
30	7		
50	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
600,000	1	5,000	13
550,000	1		
500,000	2		
290,000	1		
100,000	2		

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

COMPANY NAME	Vail Water Company	2014
Name of System:	ADEQ Public Water System Number:	10-041

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Galvanized	8,456
3		
4	PVC C-900	47,624
5		
6	PVC/Asbestos/Cement	161,227
8	PVC/Asbestos/Cement	169,749
10	PVC/Asbestos/Cement	16,609
12	PVC/Asbestos/Cement	114,237
16	Ductile Iron	1,923

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	4,057
3/4	139
1	25
1 1/2	23
2	40
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
(TOTAL)	4,285

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

TREATMENT EQUIPMENT:

ACCUTAB TABLET PPG CHLORINATION SYSTEM WITH A .02 RESIDUAL OF CALCIUM HYPOCHLORIDE

STRUCTURES:

ADMINISTRATIVE OFFICE 57x35 1,995 SQ FT STEEL BUILDING

OTHER:

N/A

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

COMPANY NAME	Vail Water Company	2014
Name of System	ADEQ Public Water System Number:	10041

UTILITY SHUTOFFS/DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		22	
FEBRUARY		34	
MARCH		29	
APRIL			
MAY		41	
JUNE		33	
JULY		66	
AUGUST		52	
SEPTEMBER		44	
OCTOBER			
NOVEMBER		47	
DECEMBER		23	
TOTALS --->	0	391	0

OTHER (description):

Company Name VAIL WATER COMPANY, INC. **YEAR ENDING 12/31/2014**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2014 was: \$ 134,182

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 below:

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

FEB 24 2015

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF AZ

COUNTY OF (COUNTY NAME)

PIMA

I, THE UNDERSIGNED

NAME (OWNER OR OFFICIAL) TITLE

CHRISTOPHER VOLPE, VP

OF THE

COMPANY NAME

VAIL WATER COMPANY

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

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

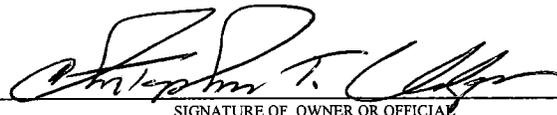
2014

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

520-571-1958 x7105

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF Pima COUNTY NAME

THIS 18th DAY OF

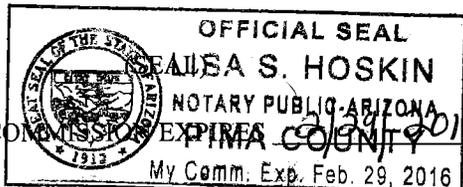
MONTH

February

2015



SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES February 29, 2016

RECEIVED

FEB 24 2015

AZ CORP COMM
Director - Utilities

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION
STATE OF AZ

COUNTY OF (COUNTY NAME)

PIMA

NAME (OWNER OR OFFICIAL) TITLE

CHRISTOPHER VOLPE, VP

COMPANY NAME

VAIL WATER COMPANY

I, THE UNDERSIGNED
OF THE

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

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

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 STATUES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDER YEAR 2014 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,245,143

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 139,402

IN SALES TAX BILLED, OR COLLECTED)

**** REVENUE 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 RECONCLIE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

520-571-1958

TELEPHONE NUMBER

X7105

SUBSCRIBED AND SWORN TO BEFORE ME

A NORTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 17th

DAY OF

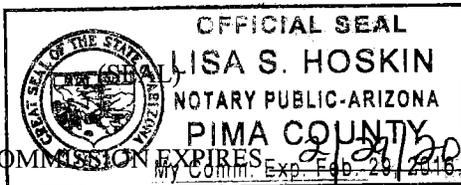
COUNTY NAME

Pima

MONTH

18th

20 2015



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 2/20/2016

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

RECEIVED

FEB 24 2015

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

PIMA

NAME (OWNER OR OFFICIAL)

CHRISTOPHER VOLPE

TITLE

VP

COMPANY NAME

VAIL WATER COMPANY

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

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

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 40-401.01, ARIZONA REVISED STATUES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDER YEAR 2014 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,924,907

THE AMOUNT IN BOX ABOVE AT LEFT

INCLUDES \$ 117,386
IN SALES TAX BILLED, OR COLLECTED)

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


SIGNATURE OF OWNER OR OFFICIAL

520-571-1958

TELEPHONE NUMBER

47105

SUBSCRIBED AND SWORN TO BEFORE ME

A NORTARY PUBLIC IN AND FOR THE COUNTY OF

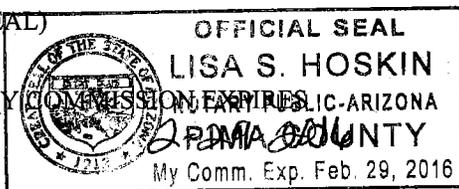
THIS 17th DAY OF

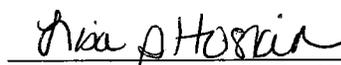
Lisa S. Hoskin
NOTARY PUBLIC NAME

Pima
COUNTY NAME

MONTH February 20 15

(SEAL)




SIGNATURE OF NOTORAY PUBLIC