

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02104A

Voyager Water Company
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

09	30	2014
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FOR COMMISSION USE

ANN 04	14
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4-15-15

COMPANY INFORMATION

Company Name (Business Name) <u>Voyager Company</u>		
Mailing Address <u>c/o Southwestern Utility Management, Inc. PO Box 85160</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85742</u> (Zip)
<u>520-623-5172</u>	<u>520-792-0377</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>Same as above</u>		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input type="checkbox"/> Management Contact: <u>Southwestern Utility Management, Inc.</u>		Manager	
	(Name)		(Title)
<u>2015 N. Forbes Blvd # 107</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85745</u> (Zip)
<u>520-623-5172</u>	<u>520-792-0377</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Keith Dojaquez</u>			
	(Name)		
<u>2015 N. Forbes Blvd #107</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85745</u> (Zip)
<u>520-623-5172</u>	<u>520-792-0377</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: Corporation Services Company

(Name)

2338 W. Royal Palm Rd. Suite J

(Street)

Phoenix

(City)

AZ

(State)

85021

(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:

- | | |
|---|--|
| <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) _____ | |

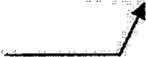
COUNTIES SERVED

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 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	87,739		87,739
304	Structures and Improvements	8,964	6,141	2,823
307	Wells and Springs	814,918	409,182	405,736
311	Pumping Equipment	225,956	133,605	92,351
320	Water Treatment Equipment	12,424	5,075	7,349
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	440,266	355,439	84,827
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	616,329	250,239	366,090
333	Services	760,016	331,902	428,114
334	Meters and Meter Installations	392,716	160,026	232,690
335	Hydrants	152,503	58,864	93,639
336	Backflow Prevention Devices	2,901	1,869	1,032
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	20,875	6,634	14,241
340.1	Computers & Software			
341	Transportation Equipment	21,939	6,940	14,999
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	3,557,546	1,725,916	1,831,630

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

COMPANY NAME Voyager Water Company

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 and Land Rights	87,739		
304	Structures and Improvements	8,964	5%	413
307	Wells and Springs	814,918	5%	26,348
311	Pumping Equipment	225,956	5%	4,667
320	Water Treatment Equipment	12,424	5%	621
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	440,266	5%	22,014
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	616,329	5%	30,817
333	Services	760,016	5%	38,001
334	Meters and Meter Installations	392,716	5%	19,636
335	Hydrants	152,503	5%	7,626
336	Backflow Prevention Devices	2,901	5%	145
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	20,875	5%	1,043
340.1	Computers & Software			
341	Transportation Equipment	21,939	5%	1,097
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL	3,557,546		152,428
	LESS CIAC Amortization			41,393
	TOTALS *			111,035

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

WATER UTILITY BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
ASSETS			
CURRENT AND ACCRUED ASSETS			
131	Cash	\$513,022	\$577,137
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	48,101	45,836
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	1,350	2,990
162	Prepayments	82,150	2,250
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$644,623	\$628,213
FIXED ASSETS			
101	Utility Plant in Service	\$3,557,546	\$3,557,546
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1,573,488)	(1,725,916)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$1,984,058	\$1,831,630
	TOTAL ASSETS	\$2,628,681	\$2,459,843

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.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$3,860	\$380
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	25,152	91,245
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	3,136	8,138
	TOTAL CURRENT LIABILITIES	\$32,148	\$99,763
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	1,306,906	1,286,518
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	827,859	827,859
272	Less: Amortization of Contributions	(253,990)	(295,383)
281	Accumulated Deferred Income Tax	148,000	135,000
	TOTAL DEFERRED CREDITS	\$2,028,775	\$1,953,994
	TOTAL LIABILITIES	\$2,060,923	\$2,053,757
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$20,000	\$20,000
211	Paid in Capital in Excess of Par Value	310,702	310,702
215	Retained Earnings	237,056	75,384
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$567,758	\$406,086
	TOTAL LIABILITIES AND CAPITAL	\$2,628,681	\$2,459,843

COMPANY NAME Voyager Water Company

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$570,815	\$575,443
460	Unmetered Water Revenue		
474	Other Water Revenues	7,404	3,700
	TOTAL REVENUES	\$578,219	\$579,143
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	60,179	64,553
618	Chemicals		
620	Repairs and Maintenance	16,374	30,998
621	Office Supplies and Expense	9,594	8,299
630	Outside Services	133,408	130,309
635	Water Testing	75	
641	Rents	4,220	5,554
650	Transportation Expenses		
657	Insurance – General Liability	3,222	3,528
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	15,543	33,554
403	Depreciation Expense	111,094	111,035
408	Taxes Other Than Income		
408.11	Property Taxes	32,651	34,629
409	Income Tax	97,543	68,356
	TOTAL OPERATING EXPENSES	\$483,903	\$490,815
	OPERATING INCOME/(LOSS)	\$94,316	\$88,328
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(243)	
	TOTAL OTHER INCOME/(EXPENSE)	\$(243)	\$
	NET INCOME/(LOSS)	\$94,073	\$88,328

COMPANY NAME Voyager Water Company

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 Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ _____

Meter Deposits Refunded During the Test Year

\$ _____

COMPANY NAME Voyager Water Company

Name of System:

ADEQ Public Water System Number: 10-035

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-508553	125	800	440	12	8	1985
55-563268	125	700	480	12	6	1997
55-563268	75	500	551	12	6	2012

* 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
15	2	75	
30	4		
10	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	2	3,000	3
330,000	1		

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

COMPANY NAME Voyager Water Company

Name of System:

ADEQ Public Water System Number: 10-035

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	1,231
5		
6	PVC	10,408
8	PVC	19,346
10		
12	PVC	4,720
6	AC	2,925
8	DIP	171

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,164
3/4	
1	12
1 1/2	1
2	5
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	1
Comp. 6	
Turbo 6	3

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

TREATMENT EQUIPMENT:

Three Chlorinators

STRUCTURES:

Fencing and Walls

OTHER:

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

COMPANY NAME: Voyager Water Company	
Name of System:	ADEQ Public Water System Number: 10-035

WATER USE DATA SHEET BY MONTH FOR FISCAL YEAR 2014

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER	1254	14,714	15,817	
NOVEMBER	1266	14,137	14,467	
DECEMBER	1256	11,163	12,554	
JANUARY	1257	12,517	12,647	
FEBRUARY	1258	11,324	13,359	
MARCH	1256	11,988	13,003	
APRIL	1262	14,325	15,609	
MAY	1264	12,716	13,907	
JUNE	1260	14,338	15,785	
JULY	1266	14,878	17,428	
AUGUST	1266	12,134	14,477	
SEPTEMBER	1273	12,045	13,303	
TOTALS →		156,279	172,356	

What is the level of arsenic for each well on your system? ≤ 0.003 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: Voyager Water Company	
Name of System:	ADEQ Public Water System Number: 10-035

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
OCTOBER	0	0	
NOVEMBER	0	0	
DECEMBER	0	0	
JANUARY	0	0	
FEBRUARY	0	0	
MARCH	0	0	
APRIL	0	0	
MAY	0	0	
JUNE	0	0	
JULY	0	0	
AUGUST	0	0	
SEPTEMBER	0	0	
TOTALS →	0	0	

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Fiscal Year 2014 was: \$ 32,031

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 year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
APR 13 2015
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE _____

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Bonnie O'Conner
COMPANY NAME	Voyager Water Company

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
09	30	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]
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

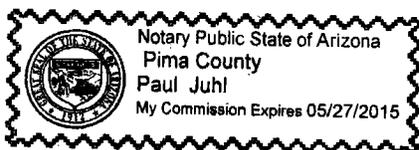
THIS 10th DAY OF

COUNTY NAME	Pima	
MONTH	April	2015

(SEAL)

[Signature]
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5/27/2015



**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 13 2015
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <i>Pima</i>	ACC UTILITIES DIRECTOR
NAME (OWNER OR OFFICIAL) TITLE <i>Bonnie O'Connor - Manager</i>	
COMPANY NAME <i>Voyager Water Company</i>	

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

MONTH	DAY	YEAR
09	30	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 FISCAL YEAR 2014 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>614,356</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 35,213
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)**

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 10th DAY OF

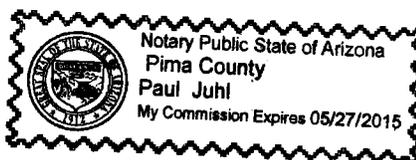
COUNTY NAME <i>Pima</i>	
MONTH <i>April</i>	YEAR <i>2015</i>

(SEAL)

Paul Juhl

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) <u>Pima</u>	
NAME (OWNER OR OFFICIAL) <u>Bonnie O'Connor</u>	TITLE <u>Manager</u>
COMPANY NAME <u>Voyager Water Company</u>	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
09	30	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 FISCAL YEAR 2014 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>342,415</u>

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 21,962 IN SALES TAXES BILLED, OR COLLECTED)

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

[Signature]
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

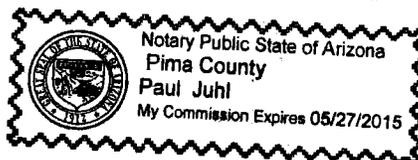
NOTARY PUBLIC NAME <u>Paul Juhl</u>
COUNTY NAME <u>Pima</u>
MONTH <u>April</u> 20 <u>15</u>

(SEAL)

MY COMMISSION EXPIRES

5/27/15

[Signature]
SIGNATURE OF NOTARY PUBLIC





BEACHFLEISCHMAN

Independent Accountants' Compilation Report

Shareholders and Management
Voyager Water Company
Tucson, Arizona

We have compiled the balance sheet of Voyager Water Company as of September 30, 2014, and the related statement of income for the year then ended and accompanying information on pages 8 through 13, 18, and 20 through 21 of the annual Arizona Corporation Commission report, included in the accompanying form prescribed by the Arizona Corporation Commission, Utilities Division, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary information are in accordance with U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and the prescribed information in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and prescribed information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements or prescribed information.

The financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from U.S. generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters. The supplemental information on pages 4 through 7, 14 through 17, 19, and 22 through 24 contain non-financial information submitted as part of the Utilities Division Annual Report that has not been compiled by us, but was provided by management.

BeachFleischman PC

Tucson, Arizona
March 9, 2015

VOYAGER WATER COMPANY

BALANCE SHEET

SEPTEMBER 30, 2014

(See Independent Accountants' Compilation Report)

Docket No. W-02104A

ASSETS

Property and equipment, net	<u>\$ 1,831,630</u>
Current assets:	
Cash and cash equivalents	577,137
Accounts receivable	45,836
Inventories	2,990
Prepaid expenses	<u>2,250</u>
Total current assets	<u>628,213</u>
	<u>\$ 2,459,843</u>

LIABILITIES AND CAPITALIZATION

Capitalization:	
Capital accounts	<u>\$ 406,086</u>
Deferred credit:	
Advances in aid of construction	1,286,518
Contributions in aid of construction, net	532,476
Deferred income taxes	<u>135,000</u>
Total deferred credits	<u>1,953,994</u>
Current liabilities:	
Accounts payable	380
Property taxes payable	26,245
Income taxes payable	65,000
Other current liabilities	<u>8,138</u>
Total current liabilities	<u>99,763</u>
	<u>\$ 2,459,843</u>

VOYAGER WATER COMPANY

STATEMENT OF OPERATIONS

YEAR ENDED SEPTEMBER 30, 2014

(See Independent Accountants' Compilation Report)

Docket No. W-02104A

Metered water revenue	\$ 575,443
Other water revenue	<u>3,700</u>
	579,143
Operating expenses	<u>422,459</u>
Operating income	156,684
Income tax expense	<u>68,356</u>
Net income	<u>\$ 88,328</u>