ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

R

W-01723A
RINCON WATER COMPANY
HC #70 BOX 3601
SAHUARITA AZ 85629-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001

FOR COMMISSION USE

ANN04	01

Processed by:
3-15-02 Cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) RINCON WATER COMPANY

Mailing Address HC #70 BOX 3601
(Street)

SAHUARITA (City) AZ (State) 85629 (Zip)

520-625-1671 Telephone No. (Include Area Code) 520-625-1922 Fax No. (Include Area Code) N/A Pager/Cell No. (Include Area Code)

Email Address N/A

Local Office Mailing Address SAME AS ABOVE
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: KAREN HARTWELL (Name) PRESIDENT (Title)

HC#70 BOX 3601 (Street) SAHUARITA (City) AZ (State) 85629 (Zip)

520-625-1671 Telephone No. (Include Area Code) 520-625-1922 Fax No. (Include Area Code) N/A Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: SAME AS ABOVE
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

See accountants' compilation report

Statutory Agent: MICHAEL R URMAN
(Name)

2525 E BROADWAY BLVD #200 | TUCSON | AZ | 85716
(Street) | (City) | (State) | (Zip)

520-322-5000
Telephone No. (Include Area Code) | Fax No. (Include Area Code | Pager/Cell No. (Include Area Code)

Attorney: MICHAEL R URMAN
(Name)

2525 E BROADWAY BLVD #200 | TUCSON | AZ | 85716
(Street) | (City) | (State) | (Zip)

520-322-5000
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☐ **Partnership (P)**
- ☐ **Bankruptcy (B)**
- ☐ **Receivership (R)**
- ☐ **Other (Describe)** _____
- ☐ **C Corporation (C) (Other than Association/Co-op)**
- ☒ **Subchapter S Corporation (Z)**
- ☐ **Association/Co op (A)**
- ☐ **Limited Liability Company**

COUNTIES SERVED

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

- ☐ **APACHE**
- ☐ **GILA**
- ☐ **LA PAZ**
- ☐ **NAVAJO**
- ☐ **SANTA CRUZ**
- ☐ **STATEWIDE**
- ☐ **COCHISE**
- ☐ **GRAHAM**
- ☐ **MARICOPA**
- ☒ **PIMA**
- ☐ **YAVAPAI**
- ☐ **COCONINO**
- ☐ **GREENLEE**
- ☐ **MOHAVE**
- ☐ **PINAL**
- ☐ **YUMA**

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	1,549	N/A	1,549
303	Land and Land Rights	141,718	N/A	141,718
304	Structures and Improvements	20,928	20,928	-0-
307	Wells and Springs	30,316	30,316	-0-
311	Pumping Equipment	24,992	18,231	6,761
320	Water Treatment Equipment	N/A	(60,548)	60,548
330	Distribution Reservoirs and Standpipes	84,023	65,484	18,539
331	Transmission and Distribution Mains	135,995	135,995	-0-
333	Services	31,138	2,995	28,143
334	Meters and Meter Installations	9,831	3,653	6,178
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	N/A	N/A	N/A
341	Transportation Equipment	1,500	188	1,312
343	Tools, Shop and Garage Equipment	2,216	388	1,828
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	8,833	1,105	7,728
347	Miscellaneous Equipment	N/A	N/A	N/A
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	493,039	218,735	274,304

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

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	1,549	N/A	N/A
303	Land and Land Rights	141,718	N/A	N/A
304	Structures and Improvements	20,928	(limited) 5%	296
307	Wells and Springs	30,316	(limited) 5%	544
311	Pumping Equipment	24,992	5%	1,250
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	84,023	5%	4,201
331	Transmission and Distribution Mains	135,995	(limited) 5%	282
333	Services	31,138	5%	1,557
334	Meters and Meter Installations	9,831	5%	492
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	N/A	N/A	N/A
341	Transportation Equipment	1,500	5%	75
343	Tools, Shop and Garage Equipment	2,216	5%	111
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	8,833	5%	442
347	Miscellaneous Equipment	N/A	N/A	N/A
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	493,039	N/A	9,250

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

See accountants' compilation report

COMPANY NAME	RINCON WATER COMPANY

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 480	$ 2,701
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	153,394	153,877
141	Customer Accounts Receivable	2,290	10,892
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	1,157	N/A
174	Miscellaneous Current and Accrued Assets	N/A	N/A
	TOTAL CURRENT AND ACCRUED ASSETS	$ 157,321	$ 167,470
	FIXED ASSETS		
101	Utility Plant in Service	$ 456,064	$ 493,039
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	7,260	23,509
108	Accumulated Depreciation – Utility Plant	(209,484)	(218,735)
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	$ 253,840	$ 297,813
	TOTAL ASSETS	$ 411,161	$ 465,283

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

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ 4,204	$ 39,777
232	Notes Payable (Current Portion)	N/A	N/A
234	Notes/Accounts Payable to Associated Companies	N/A	N/A
235	Customer Deposits	768	4,320
236	Accrued Taxes	144	666
237	Accrued Interest	N/A	N/A
241	Miscellaneous Current and Accrued Liabilities	160,789	161,560
	TOTAL CURRENT LIABILITIES	$ 165,905	$ 206,323
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ N/A	$ N/A
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$ N/A	$ N/A
252	Advances in Aid of Construction	126,875	126,875
255	Accumulated Deferred Investment Tax Credits	N/A	N/A
271	Contributions in Aid of Construction	N/A	N/A
272	Less: Amortization of Contributions	N/A	N/A
281	Accumulated Deferred Income Tax	N/A	N/A
	TOTAL DEFERRED CREDITS	$ 126,875	$ 126,875
	TOTAL LIABILITIES	$ 292,780	$ 333,198
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 588,857	$ 588,857
211	Paid in Capital in Excess of Par Value	130,073	136,073
215	Retained Earnings	(600,549)	(592,845)
218	Proprietary Capital (Sole Props and Partnerships)	N/A	
	TOTAL CAPITAL	$ 118,381	$ 132,085
	TOTAL LIABILITIES AND CAPITAL	$ 411,161	$ 465,283

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 36,526	$ 41,934
460	Unmetered Water Revenue	N/A	N/A
474	Other Water Revenues	N/A	N/A
	TOTAL REVENUES	$ 36,526	$ 41,934
	OPERATING EXPENSES		
601	Salaries and Wages	$ N/A	$ N/A
610	Purchased Water	N/A	N/A
615	Purchased Power	1,728	2,670
618	Chemicals	N/A	N/A
620	Repairs and Maintenance	5,102	3,577
621	Office Supplies and Expense	951	496
630	Outside Services	21,229	9,588
635	Water Testing	1,573	1,428
641	Rents	N/A	555
650	Transportation Expenses	N/A	N/A
657	Insurance – General Liability	4,768	5,964
659	Insurance - Health and Life	1,036	1,194
666	Regulatory Commission Expense – Rate Case	N/A	45
675	Miscellaneous Expense	1,820	1,982
403	Depreciation Expense	15,740	9,250
408	Taxes Other Than Income	45	N/A
408.11	Property Taxes	2,018	3,291
409	Income Tax	N/A	N/A
	TOTAL OPERATING EXPENSES	$ 56,010	$ 40.040
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	$ 8,972	$ 5,787
421	Non-Utility Income	N/A	1,447
426	Miscellaneous Non-Utility Expenses	N/A	N/A
427	Interest Expense	(944)	(1,424)
	TOTAL OTHER INCOME/EXP	$ 8,028	$ 5,810
	NET INCOME/(LOSS)	**$** (11,456)	**$** 7,704

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amount Issued	$ N/A	$ N/A	$ N/A	$ N/A
Amount Outstanding	$ N/A	$ N/A	$ N/A	$ N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	$ N/A	$ N/A	$ N/A	$ N/A
Current Year Principle	$ N/A	$ N/A	$ N/A	$ N/A

Meter Deposit Balance at Test Year End $ N/A

Meter Deposits Refunded During the Test Year $ N/A

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
607531	15	1550	12"	4"
607532	Capped	N/A	N/A	N/A
607533	5	40	24"	2"

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 10,890,000

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
186,000	1		
20,000	1		

See accountants' compilation report

STATISTICAL INFORMATION

Total number of customers	33
Total number of gallons sold	9,845,920 gallons

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY **YEAR ENDING 12/31/2001**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	0
Estimated or Actual Federal Tax Liability	0
State Taxable Income Reported	0
Estimated or Actual State Tax Liability	0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	0
Amount of Gross-Up Tax Collected	0
Total Grossed-Up Contributions/Advances	0

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 certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's 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.

Karen Hartwell
SIGNATURE

13 March 02
DATE

KAREN HARTWELL
PRINTED NAME

PRESIDENT
TITLE

See accountants' compilation report

COMPANY NAME RINCON WATER COMPANY YEAR ENDING 12/31/2001

WATER AND SEWER
UTILITIES ONLY

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

$ 1,744

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 reasons below:

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

ARIZONA CORPORATION COMMISSION
RECEIVED
MAR 14 2002
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA
NAME (OWNER OR OFFICIAL) TITLE	KAREN HARTWELL, PRESIDENT
COMPANY NAME	RINCON WATER COMPANY

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

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 2001 WAS:

Arizona IntraState Gross Operating Revenues Only ($)
$ 44,330

(THE AMOUNT IN BOX ABOVE INCLUDES $ 2,396 **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)**

Karen Hartwell
SIGNATURE OF OWNER OR OFFICIAL

520-625-1671
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF Pima

THIS 13 **DAY OF** March **20**02

OFFICIAL SEAL
DENISE M. SANCHEZ
NOTARY PUBLIC – ARIZONA
PIMA COUNTY
My Comm. Expires Dec. 13, 2005

MY COMMISSION EXPIRES Dec 13, 2005

Denise M. Sanchez
SIGNATURE OF NOTARY PUBLIC

See accountants' compilation report

ARIZONA CORPORATION COMMISSION

RECEIVED

MAR 14 2002

Director of Utilities

VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) PIMA	
NAME (OWNER OR OFFICIAL) KAREN HARTWELL	TITLE PRESIDENT
COMPANY NAME RINCON WATER COMPANY	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

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 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 44,330

(THE AMOUNT IN BOX AT LEFT INCLUDES $ 2,396 IN SALES TAXES BILLED, OR COLLECTED

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

X Karen Hartwell
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13 DAY OF

NOTARY PUBLIC NAME Denise M. Sanchez	
COUNTY NAME Pima	
MONTH March	20 02

(SEAL)

OFFICIAL SEAL
DENISE M. SANCHEZ
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Comm. Expires Dec. 13, 2005

MY COMMISSION EXPIRES

X Denise M Sanchez
SIGNATURE OF NOTARY PUBLIC

See accountants' compilation report

PLEASE PRINT THIS STATE CODE NUMBER YOUR C			ARE CO	PA EACH	MOUNT EAR PA	PRI $100 ASSESSED VALUE	RATE I	ONDAR $100 ASSESSED VALUE	E PER	IGATION DISTRICT $ / ACRE
BOOK	MAP	PARCEL								
205	85	009C6	2000		9.37	10.7082		4.2804		0.0000
STATE CODE NUMBER										

2001 PROPERTY TAX STATEMENT

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	500	25.0	125	0	125
FULL CASH	500	25.0	125	0	125
PERSONAL PROP.	0	0.0	0	0	0

PLEASE SEND PAYMENT TO ▶

BETH FORD
PIMA COUNTY TREASURER
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, Arizona 85701-1199

2001 TAX SUMMARY		
PRIMARY PROPERTY TAX		13.38
LESS State Aid to Education	0.00	13.38
NET PRIMARY PROPERTY TAX		
SECONDARY PROPERTY TAX		5.36
TOTAL TAX DUE FOR 2001		18.74

100' X 100' WELLSITE IN CENTER PTN OF S2 NE4
.23 AC SEC 16-15-17 AKA PT LOTS 70 X 71 X-9
RANCH PHASE IV RS 1/40
TOTAL VALUE OF OPERATING PROPERTY-GROUP 2

RINCON WATER CO
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ

JURISDICTION	2000 TAXES	2001 TAXES	DIFFERENCE
PIMA COUNTY PRI	5.73	5.71	0.02-
COUNTY BONDS SEC	1.18	1.13	0.05-
VAIL SCH #20 PRI	6.28	6.24	0.04-
VAIL SCH #20 SEC	2.80	2.80	0.00
PIMA COLLEGE PRI	1.46	1.43	0.03-
PIMA COLLEGE SEC	0.48	0.50	0.02
CEN ARIZ WTR SEC	0.16	0.16	0.00
PIMA CO FLD SEC	0.38	0.44	0.06
LIBRARY DISTRICT	0.25	0.27	0.02
FIRE DIST ASSIST	0.06	0.06	0.00
TOTAL	18.78	18.74	0.04-

PAYMENT INSTRUCTIONS

IS YOUR MORTGAGE COMPANY PAYING YOUR TAXES?

IF YOU ARE PURCHASING YOUR PROPERTY WITH PAYMENTS TO A BANK OR MORTGAGE COMPANY PAYS YOUR PROPERTY E PROPERTY TAXES. CALL IG YOUR PROPERTY TAXES.

M 247434 **PIMA COUNTY TAX RECEIPT**

ARIZONA

THE SEAL OF PIMA COUNTY ARIZONA

COUNTY	BOOK	MAP	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	205	85	009C 0	AMOUNTS EXPRESSED IN DOLLARS		

THIS IS YOUR RECEIPT FOR PAYMENT OF FIRST HALF 2001 REAL ESTATE TAXES

RINCON WATER CO
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ
856290000
CK

AMOUNT PAID	DATE MONTH	DAY	YEAR
$9.37	10	[illegible]	2001

PLEASE PRINT THIS STATE CODE NUMBER ON YOUR CHECK			AREA CODE	PAY THIS AMOUNT FOR EACH HALF-YEAR PAYMENT	PRIMARY TAX RATE PER $100 ASSESSED VALUE	SECONDARY TAX RATE PER $100 ASSESSED VALUE	IRRIGATION DISTRICT $ / ACRE
BOOK	MAP	PARCEL					
205	84	01400	2000	60.94	10.7082	4.2804	0.0000
STATE CODE NUMBER							

2001 PROPERTY TAX STATEMENT

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	3,250	25.0	813	0	813
FULL CASH	3,250	25.0	813	0	813
PERSONAL PROP.	0	0.0	0	0	0

PLEASE SEND PAYMENT TO ▶

BETH FORD
PIMA COUNTY TREASURER
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, Arizona 85701-1199

2001 TAX SUMMARY

PRIMARY PROPERTY TAX		87.06
LESS State Aid to Education	0.00	87.06
NET PRIMARY PROPERTY TAX		87.06
SECONDARY PROPERTY TAX		34.82
TOTAL TAX DUE FOR 2001		121.88

JURISDICTION	2000 TAXES	2001 TAXES	DIFFERENCE
PIMA COUNTY PRI	37.27	37.15	0.12-
COUNTY BONDS SEC	7.60	7.29	0.31-
VAIL SCH #20 PRI	40.82	40.60	0.22-
VAIL SCH #20 SEC	18.22	18.20	0.02-
PIMA COLLEGE PRI	9.52	9.31	0.21-
PIMA COLLEGE SEC	3.14	3.26	0.12
CEN ARIZ WTR SEC	1.06	1.06	0.00
PIMA CO FLD SEC	2.48	2.88	0.40
LIBRARY DISTRICT	1.65	1.73	0.08
FIRE DIST ASSIST	0.40	0.40	0.00
TOTAL	122.16	121.88	0.28-

200' X 200' WELLSITE IN SE4 SE4 .92 AC
SEC 15-15-17 AKA WELLSITE IN LOT 86 X9 RANCH
PHASE 5 SURVEY BK 3 PG 28
TOTAL VALUE OF OPERATING PROPERTY-GROUP 2

RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ

PAYMENT INSTRUCTIONS

IS YOUR MORTGAGE COMPANY PAYING YOUR TAXES?

'O A BANK OR MORTGAGE
'ANY PAYS YOUR PROPERTY
E PROPERTY TAXES. CALL
IG YOUR PROPERTY TAXES.

M 247432 **PIMA COUNTY TAX RECEIPT**

ARIZONA

COUNTY	BOOK	MAP	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	205	84	0140 0	AMOUNTS EXPRESSED IN DOLLARS	$60.94 PAID	$60.94

THIS IS YOUR RECEIPT FOR PAYMENT OF FIRST HALF 2001 REAL ESTATE TAXES

RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ
856290000

AMOUNT PAID	DATE MONTH	DAY	YEAR
$60.94	10	22	2001

LEASE CODE NUMBER ON YOUR CHECK		IS STA	ARE CODE	PAY EACH HALF-YEAR PAYMENT	PRIM $100 ASSESSED VALUE	SECONDARY $100 ASSESSED VALUE	IRRIGATION DISTRICT $ / ACRE
BOOK	MAP	PARCEL					
205	85	00301	2000	224.68	10.7082	4.2804	0.0000
STATE CODE NUMBER							

2001 PROPERTY TAX STATEMENT

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	11,993	25.0	2,998	0	2,998
FULL CASH	11,993	25.0	2,998	0	2,998
PERSONAL PROP.	0	0.0	0	0	0

PLEASE SEND PAYMENT TO ▶

BETH FORD
PIMA COUNTY TREASURER
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, Arizona 85701-1199

2001 TAX SUMMARY		
PRIMARY PROPERTY TAX		321.03
LESS State Aid to Education	0.00	321.03
NET PRIMARY PROPERTY TAX		321.03
SECONDARY PROPERTY TAX		128.33
TOTAL TAX DUE FOR 2001		449.36

JURISDICTION	2000 TAXES	2001 TAXES	DIFFERENCE
PIMA COUNTY PRI	137.44	136.99	0.45-
COUNTY BONDS SEC	28.03	26.83	1.20-
VAIL SCH #20 PRI	150.52	149.70	0.82-
VAIL SCH #20 SEC	67.16	67.10	0.06-
PIMA COLLEGE PRI	35.10	34.34	0.76-
PIMA COLLEGE SEC	11.59	12.04	0.45
CEN ARIZ WTR SEC	3.90	3.90	0.00
PIMA CO FLD SEC	9.13	10.63	1.50
LIBRARY DISTRICT	6.07	6.37	0.30
FIRE DIST ASSIST	1.48	1.46	0.02-
TOTAL	450.42	449.36	1.06-

250' X 650' M/L PARCEL IN SW4 NE4 3.69 AC
SEC 16-15-17
TOTAL VALUE OF OPERATING PROPERTY-TAXPAYER
GROUP NO 223

RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ

YOUR TAXES?

; TO A BANK OR MORTGAGE
MPANY PAYS YOUR PROPERTY
ESE PROPERTY TAXES. CALL
ING YOUR PROPERTY TAXES.

M 247436

PIMA COUNTY TAX RECEIPT

ARIZONA

COUNTY	BOOK	MAP	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	205	85	0030 0	AMOUNTS EXPRESSED IN DOLLARS	$224.68 PAID	$224.68

THIS IS YOUR RECEIPT FOR PAYMENT OF FIRST HALF 2001 REAL ESTATE TAXES

RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ
856290000
CK

AMOUNT PAID	DATE MONTH	DAY	YEAR
$224.68	10	22	2001

THANK YOU FOR YOUR PAYMENT
BETH FORD

PLEASE PAY THIS STATE CODE NUMBER ON YOUR CHECK			AREA CODE	PAY AMOUNT FOR EACH HALF-YEAR PAYMENT	PRIMARY RATE PER $100 ASSESSED VALUE	SECONDARY RATE PER $100 ASSESSED VALUE	...ATION DISTRICT $ / ACRE
BOOK	MAP	PARCEL					
205	85	004R3	2000	5.79	10.7082	4.2804	0.0000

STATE CODE NUMBER

2001 PROPERTY TAX STATEMENT

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	476	16.0	76	0	76
FULL CASH	500	16.0	80	0	80
PERSONAL PROP.	0	0.0	0	0	0

PLEASE SEND PAYMENT TO ▶

BETH FORD
PIMA COUNTY TREASURER
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, Arizona 85701-1199

2001 TAX SUMMARY

PRIMARY PROPERTY TAX		8.14
LESS State Aid to Education	0.00	8.14
NET PRIMARY PROPERTY TAX		8.14
SECONDARY PROPERTY TAX		3.44
TOTAL TAX DUE FOR 2001		11.58

W TRI PTN NW4 SW4 .05 AC SEC 16-15-17 AKA
W TRI PTN LOT 76 RS 1/40
(P 11202/2357 P 11255/1211)

P00

STEWART TITLE & TRUST TR 1579
ATTN: RINCON WATER CO
HC #70 BOX 3601
SAHUARITA AZ

JURISDICTION	2000 TAXES	2001 TAXES	DIFFERENCE
PIMA COUNTY PRI	3.30	3.47	0.17
COUNTY BONDS SEC	0.75	0.73	0.02-
VAIL SCH #20 PRI	3.62	3.80	0.18
VAIL SCH #20 SEC	1.80	1.80	0.00
PIMA COLLEGE PRI	0.84	0.87	0.03
PIMA COLLEGE SEC	0.31	0.32	0.01
CEN ARIZ WTR SEC	0.10	0.10	0.00
PIMA CO FLD SEC	0.24	0.28	0.04
LIBRARY DISTRICT	0.16	0.17	0.01
FIRE DIST ASSIST	0.04	0.04	0.00
TOTAL	11.16	11.58	0.42

PAYMENT INSTRUCTIONS

TO PAY 1ST HALF ONLY SEND 1ST HALF STATEMENT ONLY WITH YOUR PAYMENT NOT

IS YOUR MORTGAGE COMPANY PAYING YOUR TAXES?

IF YOU ARE PURCHASING YOUR PROPERTY WITH PAYMENTS TO A BANK OR MORTGAGE ...ANY PAYS YOUR PROPERTY ...E PROPERTY TAXES. CALL ...G YOUR PROPERTY TAXES.

M 247433 PIMA COUNTY TAX RECEIPT

ARIZONA

THE SEAL OF PIMA COUNTY ARIZONA

COUNTY	BOOK	MAP	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	205	85	004R 0 AMOUNTS EXPRESSED IN DOLLARS	$5.79	PAID	$5.79

THIS IS YOUR RECEIPT FOR PAYMENT OF FIRST HALF 2001 REAL ESTATE TAXES

RINCON WATER CO
HC #70 BOX 3601
SAHUARITA AZ

AMOUNT PAID	DATE MONTH	DAY	YEAR

1035 15[illegible]

PLEASE [illegible] THIS STATE CODE NUMBER ON YOUR CHECK			AREA CODE	PAY THIS AMOUNT FOR EACH HALF YEAR PAYMENT	PRIMARY TAX RATE PER $100 ASSESSED VALUE	SECONDARY TAX RATE PER $100 ASSESSED VALUE	IRRIGATION DISTRICT $ / ACRE
BOOK	MAP	PARCEL					
205	77	006C4	2000	757.97	10.7082	4.2804	0.0000

STATE CODE NUMBER

2001 PROPERTY TAX STATEMENT

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	3,456	25.0	864	0	864
FULL CASH	3,456	25.0	864	0	864
PERSONAL PROP.	37,895	25.0	9,474	0	9,474

PLEASE SEND PAYMENT TO ▶

BETH FORD
PIMA COUNTY TREASURER
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, Arizona 85701-1199

2001 TAX SUMMARY		
PRIMARY PROPERTY TAX		1,107.02
LESS State Aid to Education	0.00	1,107.02
NET PRIMARY PROPERTY TAX		1,107.02
SECONDARY PROPERTY TAX		408.92
TOTAL TAX DUE FOR 2001		1,515.94

IRR PCL IN LOT 24 .038 AC SEC 10-15-17
MINESHAFT
TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 223

RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ

JURISDICTION	2000 TAXES	2001 TAXES	DIFFERENCE
PIMA COUNTY PRI	440.78	472.38	31.60
COUNTY BONDS SEC	89.91	92.53	2.62
VAIL SCH #20 PRI	482.70	516.22	33.52
VAIL SCH #20 SEC	215.40	231.38	15.98
PIMA COLLEGE PRI	112.58	118.42	5.84
PIMA COLLEGE SEC	37.16	41.51	4.35
CEN ARIZ WTR SEC	12.50	13.44	0.94
PIMA CO FLD SEC	0.43	3.06	2.63
LIBRARY DISTRICT	19.46	21.96	2.50
FIRE DIST ASSIST	4.76	5.04	0.28
TOTAL	1,415.68	1,515.94	100.26

OUR TAXES?

TO A BANK OR MORTGAGE
PANY PAYS YOUR PROPERTY
SE PROPERTY TAXES. CALL
NG YOUR PROPERTY TAXES.

M 247435 PIMA COUNTY TAX RECEIPT

ARIZONA

THE SEAL OF PIMA COUNTY ARIZONA

COUNTY	BOOK	MAP	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	205	77	006C 0 AMOUNTS	EXPRESSED IN DOLLARS	$757.97 $486.66	$1,244.63

THIS IS YOUR RECEIPT FOR PAYMENT OF FIRST HALF 2001 REAL ESTATE TAXES.

RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ
856290000
CK

AMOUNT PAID	DATE MONTH	DAY	YEAR
$757.97	10	22	2001

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

RINCON WATER CO., INC.
HC 70, BOX 3601 PH. 520-624-1671
SAHUARITA, AZ 85629

91-2 / 1221 118
14335039

1332

DATE 10/15/01

PAY TO THE ORDER OF Pima County Treasurers $ 1058.75

One Thousand & Fifty Eight & 75/100 DOLLARS

Security Features Included Details on Back

BANK ONE.
Bank One, Arizona, NA
Phoenix, Arizona 85073
www.bankone.com

205850030
20577006C4/2058401400
MEMO 20585009C6/20585004R3

⑆122100024⑆ 14335039⑈ 1332 ⑈0000105875⑈

Beth Ford
Pima County Treasurer

Patti Davidson
Chief Deputy Treasurer

Pima County Treasurer

RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC #70 BOX 3601
SAHUARITA AZ 85629

2001 REVISED PROPERTY TAX STATEMENT

PRIMARY PROPERTY TAX	**1819.23**
LESS: State Aid to Education	**0**
NET PRIMARY PROPERTY TAX	**1819.23**
SECONDARY PROPERTY TAX	**670.03**
TOTAL REVISED TAX DUE FOR 2001	**2489.26**

Please send payment to:

759.97
484.66

BETH FORD
PIMA COUNTY TREASURER
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, Arizona 85701-1199

If you have any questions regarding this statement, please call (520) 740-8341. I apologize for any inconvenience due to the error contained in your original statement.

RINCON WATER CO., INC.
HC 70, BOX 3601 PH. 520-624-1671
SAHUARITA, AZ 85629

91-2/1221 118 1337
14335039

DATE 10/31/01

PAY TO THE ORDER OF Pima County Treasurer $ 484.66

Four Hundred Eighty Four 66/100 DOLLARS

BANK ONE.
Bank One, Arizona, NA
Phoenix, Arizona 85073
www.bankone.com

MEMO 805-77-0064

⑆122100024⑆ 14335039⑈ 1337 ⑈0000048466⑈

23 October 2001

Dear Karen,

Attached is the bill for taxes for Lots 75 and 76 which I paid. Obviously the County hasn't separated it out yet. I estimate that you should pay $100 for each Half Year for your share; a total of $200.

I think that our acreage is valued higher per acre than yours because we have a full home site.

If you have any questions or think the amount you owe should be different, please let me know.

Thanks,

Anne

LOCL-1062538-193

RINCON WATER CO., INC.
HC 70, BOX 3601 PH. 520-624-1671
SAHUARITA, AZ 85629

91-2/1221 118
14335039

1338

DATE 11/12/01

PAY TO THE ORDER OF Anne Miller $ 200.00

Two Hundred DOLLARS

BANK ONE.
Bank One, Arizona, NA
Phoenix, Arizona 85073
www.bankone.com

MEMO Thanks!

:122100024: 14335039 1338 00000020000

7102 72208

2001 PROPERTY TAX STATEMENT

PLEASE PRINT THIS STATE CODE NUMBER ON YOUR CHECK			AREA CODE	PAY THIS AMOUNT FOR EACH HALF-YEAR PAYMENT	PRIMARY TAX RATE PER $100 ASSESSED VALUE	SECONDARY TAX RATE PER $100 ASSESSED VALUE	IRRIGATION DISTRICT $ / ACRE
BOOK	MAP	PARCEL					
205	85	004Q4	2000	1,973.16	10.7082	4.2804	0.0000

STATE CODE NUMBER

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	162,221	16.0	25,955	0	25,955
FULL CASH	170,400	16.0	27,264	0	27,264
PERSONAL PROP.	0	0.0	0	0	0

PLEASE SEND PAYMENT TO ▶

BETH FORD
PIMA COUNTY TREASURER
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, Arizona 85701-1199

2001 TAX SUMMARY		
PRIMARY PROPERTY TAX		2,779.32
LESS State Aid to Education	0.00	2,779.32
NET PRIMARY PROPERTY TAX		2,779.32
SECONDARY PROPERTY TAX		1,167.00
TOTAL TAX DUE FOR 2001		3,946.32

JURISDICTION	2000 TAXES	2001 TAXES	DIFFERENCE
PIMA COUNTY PRI	1,115.04	1,185.99	70.95
COUNTY BONDS SEC	254.47	244.01	10.46-
VAIL SCH #20 PRI	1,221.10	1,296.02	74.92
VAIL SCH #20 SEC	609.68	610.20	0.52
PIMA COLLEGE PRI	284.80	297.31	12.51
PIMA COLLEGE SEC	105.19	109.46	4.27
CEN ARIZ WTR SEC	35.38	35.44	0.06
PIMA CO FLD SEC	82.90	96.68	13.78
LIBRARY DISTRICT	55.09	57.91	2.82
FIRE DIST ASSIST	13.47	13.30	0.17-
TOTAL	3,777.12	3,946.32	169.20

PTN SW4 42.60 AC SEC 16-15-17 AKA PCLS 75
& 76 X-9 RANCH RS 1/40
(P-11255/1211)

STEWART TITLE & TRUST TR 1579
ATTN: ANNE J MILLER PMB 306
40960 CALIFORNIA OAKS RD
MURRIETA CA

PAYMENT INSTRUCTIONS

TO PAY 1ST HALF ONLY SEND 1ST HALF STATEMENT ONLY WITH YOUR PAYMENT NOT LATER THAN NOV. 1, 2001. TO PAY THE 2ND HALF ONLY SEND THE 2ND HALF STATEMENT WITH YOUR PAYMENT NOT LATER THAN MAY 1, 2002. TO PAY FULL YEAR TAXES SEND BOTH 1ST AND 2ND HALF STATEMENTS WITH YOUR PAYMENT NOT LATER THAN DEC. 31, 2001. MAKE CHECKS PAYABLE TO BETH FORD, PIMA COUNTY TREASURER.

IS YOUR MORTGAGE COMPANY PAYING YOUR TAXES?

IF YOU ARE PURCHASING YOUR PROPERTY WITH PAYMENTS TO A BANK OR MORTGAGE COMPANY, IT IS VERY LIKELY THAT THE BANK OR MORTGAGE COMPANY PAYS YOUR PROPERTY TAXES FOR YOU. IF THEY ARE, YOU DO NOT HAVE TO PAY THESE PROPERTY TAXES. CALL YOUR BANK OR MORTGAGE COMPANY TO MAKE SURE IT IS PAYING YOUR PROPERTY TAXES.

roberts, ludwig & associates, pc
certifed public accountants & consultants

d jack roberts
christopher wm ludwig
mary t roberts
wendy g alexonis

ACCOUNTANTS' COMPILATION REPORT

Rincon Water Company
Sahuarita, Arizona

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, for the year ended December 31, 2001 for Rincon Water Company included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Roberts, Ludwig & Associates, PC

March 8, 2002

4783 East Camp Lowell Drive ◆ Tucson Arizona 85712 ◆ 520 881-7211 ◆ fax 520 881-2429