

ANNUAL REPORT

Of

Company Name: Ajo Improvement Company
PO Drawer 9

Mailing Address: Ajo AZ
85321

RECEIVED BY EMAIL
4/15/2025, 1:30 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: WS-01025A
For the Year Ended: 12/31/24

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 4/14/2025

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Ajo Improvement Company
A Class ☒ Utility

For the Calendar Year Ended: 12/31/24

Primary Address:

PO Drawer 9

City:

Ajo

 State:

Arizona

 Zip Code:

85321

Telephone Number:

(928) 865-7383

Date of Original Organization of Utility:

1/1/1916

Person to whom correspondence should be addressed concerning this report:

Name:

Debra Medina

Telephone No. :

(928) 865-6264

Address:

PO Box 68

City:

Morenci

 State:

Arizona

 Zip Code:

85321

Email:

dmedina@fmi.com

Management Contact
Name:

Francis R. McAllister, Jr.

Telephone No. :

602-618-3974

Address:

333 N. Central Ave. Ste

City:

Phoenix

 State:

Arizona

 Zip Code:

85004

Email:

fmcallis@fmi.com

Statutory Agent
Name:

Registered Agent Solutions, Inc.

Telephone No. :

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Address:

300 W. Clarendon Ave. Ste. 240

City:

Phoenix

 State:

Arizona

 Zip Code:

85013

Email:

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Name:

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Telephone No. :

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Address:

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City:

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 State:

Arizona

 Zip Code:

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Email:

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Name:

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Telephone No. :

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Address:

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City:

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 State:

Arizona

 Zip Code:

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Email:

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Ownership:

"C" Corporation

Counties Served:

Pima

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Ajo Improvement Company

Important changes during the year
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	NA

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	NA

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	0	0	0	0	0	0
354	Structures and Improvements	0	0	0	0	0	0
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	13,243,606	0	0	13,243,606	5,227,251	8,016,355
361	Collections Wastewater - Gravity	6,101,464	0	0	6,101,464	1,336,576	4,764,888
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	0	0	0	0	0	0
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	0	0	0	0	0	0
371	Pumping Equipment	0	0	0	0	0	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	1,823,144	0	0	1,823,144	790,029	1,033,115
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	0	0	0	0	0	0
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	43,500	0	0	43,500	43,500	0
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	30,284	0	0	30,284	30,284	0
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	0	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$21,241,998	\$0	\$0	\$21,241,998	\$7,427,640	\$13,814,357

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/24

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	0	0	0	0	0	0.00%	0
354	Structures and Improvements	0	0	0	0	0	0.00%	0
355	Power Generation Equipment	0	0	0	0	0	0.00%	0
360	Collections Wastewater - Force	13,243,606	0	0	13,243,606	4,818,845	4.85%	408,406
361	Collections Wastewater - Gravity	6,101,464	0	0	6,101,464	1,214,547	2.50%	122,029
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	0	0	0	0	0	0.00%	0
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	0	0	0	0	0	0.00%	0
371	Pumping Equipment	0	0	0	0	0	0.00%	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	1,823,144	0	0	1,823,144	729,258	5.56%	60,771
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	43,500	0	0	43,500	43,500	0.00%	0
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	30,284	0	0	30,284	30,284	0.00%	0
394	Laboratory Equipment	0	0	0	0	0	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	0	0	0	0	0	0.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$21,241,998	\$0	\$0	\$21,241,998	\$6,836,433		\$591,207

Contribution(s) in Aid of Construction (Gross)	\$286,932
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	55,473
Amortizable Contribution(s)	\$231,458
Times: Proposed Amortization Rate	4.10%
Amortization of CIAC	\$9,499

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
Annual Report
Balance Sheet Assets
12/31/24

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current and Accrued Assets			
131	Cash		\$263,784	\$171,968
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		85,399	102,222
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$349,184	\$274,190
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$21,241,998	\$21,241,998
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(6,836,433)	(7,427,640)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$14,405,564	\$13,814,357
	Total Assets		\$14,754,748	\$14,088,547

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note these items feed automatically from the adjusted end of year balance from AR4.

Ajo Improvement Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current Liabilities			
231	Accounts Payable		\$13,150	\$9,989
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		223,556	13,459
235	Customer Deposits		5,822	7,455
236	Accrued Taxes		22,847	23,964
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		0	0
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$265,374	\$54,868
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		286,932	286,932
272	Less: Amortization of Contributions		(49,735)	(55,473)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$237,197	\$231,458
	Total Liabilities		\$502,571	\$286,326
	Capital Accounts			
201	Common Stock Issued		\$130,667	\$130,667
211	Other Paid-In Capital		10,373,187	10,663,355
215	Retained Earnings		3,748,323	3,008,199
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$14,252,177	\$13,802,221
	Total Liabilities and Capital		\$14,754,748	\$14,088,547

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Ajo Improvement Company
Annual Report
Wastewater Comparative Income Statement
12/31/24

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2024 - 12/31/2024	Last Year 01/01/2023 - 12/31/2023
	Operating Revenue		
521	Flat Rate Revenues	\$660,736	\$666,846
522	Measured Revenues	0	0
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	0	0
	Total Revenues	\$660,736	\$666,846
	Operating Expenses		
701	Salaries and Wages	\$6,933	\$27,569
704	Employee Pensions and Benefits	15,165	21,493
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	0	0
715	Purchased Power	64,479	14,511
716	Fuel for Power Production	0	0
718	Chemicals	13,997	0
720	Materials and Supplies	25,075	6,119
720.1	Repairs and Maintenance	6,000	13,267
720.2	Office Supplies and Expense	17,564	17,165
721	Office Expense	0	0
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	26,064	26,064
733	Contractual Services - Legal	16,697	7,014
734	Contractual Services - Management Fees	47,240	54,027
735	Contractual Services - Testing	4,062	4,210
736	Contractual Services - Other	79,293	38,629
740	Rents - Building	15,000	15,000
742	Rents - Equipment	2,064	1,482
750	Transportation Expenses	29,573	26,937
757	Insurance - General Liability	2,760	2,106
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	153	135
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	17,139	17,886
775	Miscellaneous Expense	6,137	4,022
403	Depreciation Expense (From Schedule AR4)	581,708	581,856
408	Taxes Other Than Income	0	0
408.11	Property Taxes	13,184	11,148
408.12	Payroll Taxes	0	0
409	Income Taxes	0	0
	Total Operating Expenses	\$990,287	\$890,641
	Operating Income / (Loss)	(\$329,551)	(\$223,795)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$329,551)	(\$223,795)

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.1	0.0	0.1
Vice-president	0.0	0.0	0.0	0.0
Manager	0.5	0.0	0.0	0.5
Engineering Staff	0.0	0.1	0.0	0.1
System Operator(s)	0.9	0.0	0.0	0.9
Customer Service	0.3	0.0	0.0	0.3
Accounting	0.0	0.0	0.4	0.4
Business Office	0.3	0.0	0.0	0.3
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	2.1	0.2	0.4	2.7

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Ajo Improvement Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/24

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

Meter Deposit Balance at Test Year End:	NA
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Meter Deposits Refunded During the Test Year:	NA
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Wastewater Utility Plant Description

Name of System:	ADEQ Public Water System Number: 10-001
Wastewater Inventory Number (if applicable):	10-001
Type of Treatment	Extended Aeration
Design Capacity of Plant (Gallons per day)	400,000+/-

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
11th Street	2	5	125	2844	2012
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

FORCE MAINS

Size	Material	Length (Feet)
4 inch	Ductile Iron	1,655
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

MANHOLES

Type	Quantity
Standard	296
Drop	0

CLEANOUTS

Quantity
1100
0
0
0

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

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	Fiberglass line transite	2,700	4	PVC	1,200
6	Fiberglass line transite	9,468	6	NA	0
8	PVC	58,600	8	NA	0
10	PVC	2,990	10	NA	0
12	PVC	1,820			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			

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

SOLIDS PROCESSING AND HANDLING FACILITIES	Waste Water Treatment Plant.
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	None.
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	None.
STRUCTURES (Buildings, Fences, Etc.)	6' Chain link enclosed fence
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Utility Pickup, 10k gallon surge tank, two (2) centrifugal effluent pumps.

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

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Ajo Improvement Company
Annual Report
Wastewater Flows
12/31/24

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	1,091	3,891,314	284,265	\$4,234	33,682
February	1,083	3,309,369	205,716	9,301	35,392
March	1,094	3,127,211	137,867	4,591	29,442
April	1,044	2,870,073	185,862	8,424	32,255
May	1,070	2,667,974	268,803	4,175	30,581
June	1,066	2,059,967	106,680	4,385	31,149
July	1,059	2,491,993	182,961	4,369	31,038
August	1,057	2,514,071	247,951	5,297	37,644
September	1,062	2,503,392	174,406	4,537	30,843
October	1,072	2,668,061	153,733	4,388	29,831
November	1,077	3,749,694	125,309	4,606	31,317
December	1,032	2,937,472	128,925	4,633	30,615
	Totals	34,790,591	2,202,478	\$62,942	383,789

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Leach Field
Groundwater Permit Number	None
ADEQ Aquifer Protection Permit ("APP") Number	P-101687
ADEQ Reuse Permit Number	None
EPA NPDES Permit Number	None
APP Effluent Treatment Requirement (Class)?	Primary
Permitted Flow Rate	250,000 GPD
Permitted Organic Capacity	NA
Hydraulic Capacity	NA
Type of Biological Treatment	N/A

In the space below, list all violations within the past 12 months:

None

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

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/24

Utility Shutoffs / Disconnects		
Name of System:	ADEQ Public Water System Number: 10-001	
Wastewater Inventory Number (if applicable):		10-001

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2- 609.C	Other
January	0	7	0
February	0	1	0
March	0	0	0
April	0	6	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	14	0
November	0	5	0
December	0	8	0
Total	0	41	0

Other (description):

NA

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
Annual Report
Property Taxes
12/31/24

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2024 was	\$15,113
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If no property taxes paid, explain why.

NA

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Certification (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Francis R. McAllister, Jr.
Company name: Ajo Improvement Company

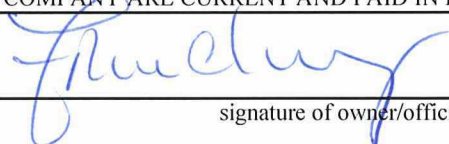
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/24

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.

CERTIFICATION I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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



signature of owner/official

602-618-3974

telephone no.