## RECEIVED BY EMAIL 4/17/2023, 8:57 AM ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

	AN	NUAL REPORT
		Of
Company Name:	Ajo Improvement ( PO Drawer 9	Company
Mailing Address:	Ajo 85321	AZ
Docket No.: For the Year Ended:	WS-01025A 12/31/22	]

## WASTEWATER UTILITY

То

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 Filin	ıg
Application Date:	4/14/2023	

## ARIZONA CORPORATION COMMISSION WASTEWATER UTILITY ANNUAL REPORT Ajo Improvement Company A Class DUtility

Primary Address: PODrawer 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 Mellina Telephone No. : (928)865-6244 Address: PO Box 68 City: Morenci State: Arizona Zip Code: [8532] Management Contact Name: John M. Key Telephone No. : (602)332-2334 Address: 333 N. Central Ave. Ste. 20.030 City: Phoenix State: Arizona Zip Code: [85004 Email: Jey(@fmi.com NA Telephone No.: NA Address: 300 W. Clarendon Ave. Ste. 20.030 City: NA State: Arizona Zip Code: [85004 Email: Jey(@fmi.com NA Name: Registered Agent Solutions, Inc. Telephone No.: NA Address: NA City: NA State: Arizona Zip Code: [NA Email: NA NA NA NA NA NA NA NA NA NA	For the Calendar Year E	Ended: $12/31/22$			
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 Medima         Telephone No:       (928)865-6264       Address:       PO Box 68         City:       Morenci       State:       Arizona       Zip Code:       85321         Management Contact       Name:       [d602)332-2334       Address:       333 N. Central Ave. Stc. 20 030       City: Phoonix       State:       Arizona       Zip Code:       85004         Ermail:       jkey@/mi.com       State:       Arizona       Zip Code:       85004         NA       State:       Arizona       Zip Code:       85004         NA       State:       Arizona       Zip Code:       85004         NA       State:       Arizona       Zip Code:       NA         Name:       Registered Agent Solutions, Inc.       Telephone No. : NA       Address:       Address:         NA       State:       Arizona       Zip Code:       NA         Email:       NA       State:       Arizona       Zip Code:       NA <t< td=""><td>Primary Address</td><td>PO Drawer 9</td><td></td><td></td><td></td></t<>	Primary Address	PO Drawer 9			
Telephone Number:       (028)865-7383         Date of Original Organization of Utility:       171/1916         Person to whom correspondence should be addressed concerning this report:       Name:         Name:       Debra Medina         Telephone No.:       (028)865-6264         Address:       PO Box 68         City:       Morenci         State:       Arizona         Zip Code:       85321         Ernail:       dmedina@fifmi.com         Management Contact	•			State: Arizona	Zin Code: 85321
Date of Original Organization of Utility:       UU/1916         Person to whom correspondence should be addressed concerning this report:       Name: Debra Medina         Telephone No.:       (028)865-6264         Address:       [No Ko 8         City:       Morenci       State: Arizona         Email:       dmedina@fini.com         Management Contact	0.03				Ap code. [05521
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:       \\$5321         Email:       dmedina@fmi.com         Management Contact	Telephone Number:	(928)865-7383			
Name:       Debra Medina         Telephone No. :       [028]865-6264         Address:       PO Box 68         City:       Morenci       State:         Arizona       Zip Code:       [\$5321]         Email:       dmedina@fmi.com       [\$5321]         Management Contact	Date of Original Organi	zation of Utility:	1/1/	1916	
Telephone No.:       (928)865-6264         Address:       PO Box 68         City:       Morenci       State:         Arizona       Zip Code:       §5321         Email:       dmedina@fmi.com          Management Contact           Name:       John M. Key          Telephone No.:       (602)332-2334          Address:       333 N. Central Ave. Ste. 20.030       Zip Code:       §5004         Email:       jkey@fmi.com       Zip Code:       §5004         NA       State:       Arizona       Zip Code:       §5004         Email:       jkey@fmi.com              NA       Name:       Registered Agent Solutions, Inc.	Person to whom corresp	oondence should be address	sed conce	rning this report:	
Address:       PO Box 68         City:       Morenei       State:       Arizona       Zip Code:       85321         Email:       dmedina@fmi.com       Idmedina@fmi.com       Idmedina@fmi.com       Idmedina@fmi.com         Management Contact       (602)332-2334       Idmedina@fmi.com       Idmedina@fmi.com       Idmedina@fmi.com         Address:       J33 N. Central Ave. Ste. 20.030       (602)332-2334       Idmedia					
City:       Morenci       State:       Arizona       Zip Code:       85321         Email:       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com         Management Contact       Name:       Iohn M. Key       Imedina@fmi.com       Imedina@fmi.com         Telephone No.:       (602)332-2334       Address:       333 N. Central Ave. Ste. 20.030       Imedina@fmi.com         NA       Email:       Phoenix       State:       Arizona       Zip Code:       85004         NA       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com         NA       Name:       Registered Agent Solutions, Inc.       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com         NA       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com         NA       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com         NA       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com         NA       Imade:       Na       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com       Imedina@fmi.com         NA					
Email:       dmedina@fmi.com         Management Contact       Name:       John M. Key         Telephone No. :       (602)332-2334       Address:         Address:       333 N. Central Ave. Ste. 20.030       Zip Code:       85004         Email:       jkey@fmi.com       Zip Code:       85004         NA       Name:       Registered Agent Solutions, Inc.       Telephone No. :       NA         Address:       300 W. Clarendon Ave. Ste. 240       City:       NA       State:       Arizona       Zip Code:       NA         NA       State:       Arizona       Zip Code:       NA       Email:       NA         NA       State:       Arizona       Zip Code:					
Management Contact       Name:       John M. Key         Telephone No. :       (602)332-2334       Address:         Address:       333 N. Central Ave. Ste. 20.030       Zip Code:       85004         Email:       jkey@fmi.com       Zip Code:       85004         NA       Name:       Registered Agent Solutions, Inc.       Telephone No. :       NA         Address:       300 W. Clarendon Ave. Ste. 240       Zip Code:       NA         Address:       300 W. Clarendon Ave. Ste. 240       Zip Code:       NA         Management:       NA       State:       Arizona       Zip Code:       NA	City:	Morenci		State: Arizona	Zip Code: 85321
Name:       John M. Key         Telephone No.:       (602)332-2334         Address:       333 N. Central Ave. Ste. 20.030         City:       Phoenix       State:         Arizona       Zip Code:       85004         Email:       jkey@fmi.eom	Email:	dmedina@fmi.com			
Telephone No. :       (602)332-2334         Address:       333 N. Central Ave. Ste. 20.030         City:       Phoenix       State: Arizona         Zip Code:       \\$85004         Ernail:       jkey@fmi.com         NA	Management Contact	<u> </u>			
Address:       333 N. Central Ave. Ste. 20.030         City:       Phoenix       State:       Arizona       Zip Code:       85004         Email:       jkey@fmi.com       Image: State:       Arizona       Zip Code:       85004         NA       Name:       Registered Agent Solutions, Inc.       Image: State:       Arizona       Zip Code:       NA         NA       Address:       300 W. Clarendon Ave. Ste. 240       Image: State:       Arizona       Zip Code:       NA         NA       Mame:       NA       State:       Arizona       Zip Code:       NA         NA       State:       Arizona       Zip Code:       NA         NA       Mame:       NA       Ma       Address:       NA         NA       Ma       State:       Arizona       Zip Code:       NA         NA       Ma       State:       Arizona       Zip Code:       NA	Name:	John M. Key			
City:       Phoenix       State:       Arizona       Zip Code:       85004         Email:       jkey@fmi.com	Telephone No. :	(602)332-2334		_	
Email:       jkey@fmi.com         NA       Name:         Registered Agent Solutions, Inc.       Telephone No. : NA         Address:       300 W. Clarendon Ave. Ste. 240         City:       NA         State:       Arizona         Zip Code:       NA         Email:       NA         NA       State:         Address:       NA         City:       NA         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Ma       State:         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Ma       State:         Arizona       Zip Code:         NA       State:         Ownership:       "C" Corporation	Address:	333 N. Central Ave. Ste. 20	.030		
NA       Name:       Registered Agent Solutions, Inc.         Telephone No.:       NA         Address:       300 W. Clarendon Ave. Ste. 240         City:       NA         Email:       NA         INA       State:         Arizona       Zip Code:         NA       State:         Arizona       Zip Code:         NA       Mame:         NA       State:         Arizona       Zip Code:         NA       Email:         Ownership:	City:	Phoenix		State: Arizona	Zip Code: 85004
Name:       Registered Agent Solutions, Inc.         Telephone No. :       NA         Address:       300 W. Clarendon Ave. Ste. 240         City:       NA         Email:       NA         Image:       NA         NA       State:         Arizona       Zip Code:         NA         Image:       NA         NA       State:         Arizona       Zip Code:         NA       Address:         NA       City:         NA       State:         Arizona       Zip Code:         NA       City:         NA       State:         Arizona       Zip Code:         NA       Email:         NA       State:         Arizona       Zip Code:         NA       Email:         NA       State:         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Email:       NA         Ownership:       "C" Corporation	Email:	jkey@fmi.com			
Telephone No. :       NA         Address:       300 W. Clarendon Ave. Ste. 240         City:       NA         Email:       NA         NA       State:         Arizona       Zip Code:         NA       Name:         NA       Address:         NA       Address:         NA       Address:         NA       Address:         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Email:       NA         NA       State:         Arizona       Zip Code:         NA       Email:         NA       State:         Arizona       Zi	NA				• • • • • • • • • • • • • • • • • • •
Address:     300 W. Clarendon Ave. Ste. 240       City:     NA       Email:     NA         Name:         NA         City:         NA	Name:	Registered Agent Solutions,	, Inc.		
City:       NA       State:       Arizona       Zip Code:       NA         Email:       NA	Telephone No. :	NA		1	
Email: NA         NA         Name: NA         Telephone No.: NA         Address: NA         City: NA         State: Arizona         Zip Code: NA         Email: NA         NA         NA         City: NA         State: Arizona         Zip Code: NA         Email: NA         NA         City: NA         Address: NA         City: NA         State: Arizona         Zip Code: NA         Ma         Ownership:         "C" Corporation	Address:	300 W. Clarendon Ave. Ste.	. 240		
Email: NA         NA         Name: NA         Telephone No. : NA         Address: NA         City: NA         State: Arizona         Zip Code: NA         Email: NA         NA         NA         City: NA         State: Arizona         Zip Code: NA         City: NA         Address: NA         City: NA         Address: NA         City: NA         State: Arizona         Zip Code: NA         Ma         Ownership:         "C" Corporation	City:	NA		State: Arizona	Zip Code: NA
Name:       NA         Telephone No. :       NA         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Email:       NA         NA       State:         Arizona       Zip Code:         NA       State:         NA       State:         NA       Address:         NA       Address:         City:       NA         State:       Arizona         Zip Code:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Ownership:       "C" Corporation	Email:	NA			
Name:       NA         Telephone No. :       NA         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Email:       NA         NA       State:         Arizona       Zip Code:         NA       State:         NA       State:         NA       Address:         NA       Address:         City:       NA         State:       Arizona         Zip Code:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Ownership:       "C" Corporation	NA				
Telephone No.:       NA         Address:       NA         City:       NA         Email:       NA         NA       State:         Arizona       Zip Code:         NA         NA         Name:       NA         Telephone No.:       NA         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Ma       State:         Arizona       Zip Code:         NA       Email:         NA       State:         Ownership:       "C" Corporation	L	NA			
Address:       NA         City:       NA         Email:       NA         NA       State:         Arizona       Zip Code:         NA         Name:       NA         Telephone No. :       NA         Address:       NA         City:       NA         State:       Arizona         Zip Code:       NA         City:       NA         State:       Arizona         Zip Code:       NA         Ownership:       "C" Corporation			· · · · ·	-	
City: NA State: Arizona Zip Code: NA Email: NA NA Name: NA Telephone No. : NA Address: NA City: NA State: Arizona Zip Code: NA Email: NA					
Email: NA          NA         NA         Name: NA         Telephone No.: NA         Address: NA         City: NA         State: Arizona         Zip Code: NA         Email: NA         Ownership:				State: Arizona	Zip Code: NA
Name:     NA       Telephone No. :     NA       Address:     NA       City:     NA       State:     Arizona       Zip Code:     NA       Email:     NA					
Name:     NA       Telephone No. :     NA       Address:     NA       City:     NA       State:     Arizona       Zip Code:     NA       Email:     NA	NA			· ••••	
Telephone No. : NA         Address: NA         City: NA       State: Arizona         Zip Code: NA         Email: NA         Ownership:		NA			
Address:     NA       City:     NA       State:     Arizona       Zip Code:     NA       Email:     NA       Ownership:     "C" Corporation				-1	
City: NA State: Arizona Zip Code: NA Email: NA Ownership: "C" Corporation	•			I	
Email: NA       Ownership:				State: Arizona	Zin Code: NA
Ownership: "C" Corporation	•			Sano, ranona	<i>Lip</i> code. <u>Inv</u>
	Eman.	L			
	Ownership:	"C" Corporation	)		
Counties Served: IPima I	Counties Served:	Pima		Т	

### ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Ajo Improvement Company

### Important changes during the year

 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

### Ajo Improvement Company Annual Report Utility Plant in Service (Wastewater) 12/31/22

		Utility P	lant in Service (W	astewater)			
Account	Description	Beginning Year	Current Year	Current Year	Adjusted Original	Accumulated	OCLD (OC less
No.		Original Cost	Additions	Retirements	Cost	Depreciation	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	4,410,439	8,833,167
361	Collections Wastewater - Gravity	6,101,464	0	0	6,101,464	1,092,517	5,008,946
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	668,486	1,154,658
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	\$6,245,226	\$14,996,771

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) 12/31/22

		Depreciation E		irrent Year (Was	tewater)			
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciatio n Percentages	Depreciation Expense
351	Organization	SO	\$0	50	\$0	so	0.00%	
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	4,002,033	4.42%	408,406
361	Collections Wastewater - Gravity	6,101,464	0	0	6,101,464	970,488	2.38%	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	607,715	5.00%	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	\$5,654,019		\$591,207

Contribution(s) in Aid of Construction (Gross) Less: Non Amortizable Contribution(s) Fully Amortized Contribution(s) Amortizable Contribution(s) Times: Proposed Amortization Rate Amortization of CIAC \$286,932 0 43,996 **\$242,936** 3.79% \$9,214

Less: Amortization of CIAC \$9,214

DEPRECIATION EXPENSE \$581,993

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 Balance Sheet Assets 12/31/22

e a fordelingen og en den en e	Balance Sheet Assets		
	Assets	Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets		
131	Cash	\$12,639	\$208,040
132	Special Deposits	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	78,459	66,139
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	\$91,098	\$274,179
	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)*	(5,654,019)	(6,245,226)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	\$15,587,979	\$14,996,771
	Total Assets	\$15,679,076	\$15,270,950

**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 Ow	ners Equity	
	Liabilities	Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities		
231	Accounts Payable	\$957	\$12,213
232	Notes Payable (Current Portion)	0	0
234	Notes Payable to Associated Companies	30,374	137,259
235	Customer Deposits	4,445	4,667
236	Accrued Taxes	19,794	21,298
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
253	Other Deferred Credits	0	0
	Total Current Liabilities	\$55,570	\$175,436
	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	SO	\$0
252	Advances in Aid of Construction Accumulated Deferred Investment Tax Credits	0	50
233	Contributions in Aid of Construction	286,932	286,932
271	Less: Amortization of Contributions	(38,736)	(43,996)
272	Accumulated Deferred Income Tax	(38,730)	(43,990)
201	Total Deferred Credits	\$248,196	\$242,936
	Total Liabilites	\$303,766	\$418,372
	Conital Assounts		
201	Capital Accounts Common Stock Issued	\$392,000	\$130,667
		31,119,561	10,373,187
211	Other Paid-In Capital		·····
215	Retained Earnings	(16,136,250)	4,348,725
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	Total Capital	\$15,375,311	\$14,852,579
	Total Liabilities and Capital	\$15,679,077	\$15,270,950

**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!

	Wastewater Comparative		
Account No.	Calendar Year	Current Year	Last Year
		01/01/2022 - 12/31/2022	01/01/2021 - 12/31/202
	Operating Revenue		
521	Flat Rate Revenues	\$582,185	\$426,08
522	Measured Revenues	0	
534	Rents from Wastewater Property	0	
536	Other Wastewater Revenues	0	
	Total Revenues	\$582,185	\$426,08
	Operating Expenses		
701	Salaries and Wages	\$43,766	(\$8,65
704	Employee Pensions and Benefits	15,051	4,66
710	Purchased Wastewater Treatment	0	
711	Sludge Removal Expense	0	· · · · · · · · · · · · · · · · · · ·
715	Purchased Power	16,146	23,37
716	Fuel for Power Production	0	· · · · · · · · · · · · · · · · · · ·
718	Chemicals	904	1,58
720	Materials and Supplies	4,778	13,72
720.1	Repairs and Maintenance	10,516	(3,72
720.2	Office Supplies and Expense	16,460	
721	Office Expense	0	
731	Contractual Services -Engineering	0	
732	Contractual Services - Accounting	26,064	26,06
733	Contractual Services - Legal	5,412	20,00
734	Contractual Services - Legar Contractual Services - Management Fees	43,227	
735	Contractual Services - Ivanagement Pees	4,895	4,06
736 740	Contractual Services - Other	35,847	30,42
	Rents - Building	15,000	15,00
742	Rents - Equipment	1,216	22.50
750	Transportation Expenses	31,579	23,59
757	Insurance - General Liability	2,733	2,32
758	Insurance - Worker's Compensation	0	
759	Insurance - Other	0	
760	Advertising Expense	0	4
766	Regulatory Commission Expense - Rate Case	0	
767	Regulatory Commission Expense - Other	0	
770	Bad Debt Expense	3,753	8,63
775	Miscellaneous Expense	3,383	61,87
403	Depreciation Expense (From Schedule AR4)	581,993	582,13
408	Taxes Other Than Income	0	
408.11	Property Taxes	7,849	7,83
408.12	Payroll Taxes	0	
409	Income Taxes	0	
	Total Operating Expenses	\$870,572	\$796,69
	Operating Income / (Loss)	(\$288,387)	(\$370,61
	Other Income / (Exnerce)		
414	Other Income / (Expense)	\$0	c·
<u>414</u> 419	Gain (Loss) on Dispositions		\$
	Interest and Dividend Income	0	
421	Non-Utility Income	0	
426	Miscellaneous Non-Utility (Expense)	0	
427	Interest (Expense)	0	40
	Total Other Income / (Expense)	\$0	\$
	Net Income / (Loss)	(\$288,387)	(\$370,61

**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 Full time equivalent employees 12/31/22

	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) 12/31/22

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

Meter Deposits Refunded During the Test Year:

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.

NA

## Ajo Improvement Company Annual Report Wastewater Utility Plant Description

12/31/22

· Utility Plant Description	
e Water System Number: 10-001	
10-001	
Extended Aeration	
400,000+/-	
	c Water System Number: 10-001 10-001 Extended Aeration

		LIFT STATION	FACILITIES		
	Quantity of	Horsepower	Rated Capacity Per	Wet Well	Year
Location	Pumps	Per Pump	Pump (GPM)	Capacity (gals)	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

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			

MANH	OLES
Туре	Quantity
Standard	296
Drop	0

	CLEA	NOUT	s
	Qu	antity	
110	0		
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 relevent 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 U	tility Plant Descr	iption (Continu					
	GRAVITY MAINS							
Sizes (inches)	Material	Length (feet)	1 1					
4	Fiberglass line transite	2,700						
6	Fiberglass line transite	9,468						
8	PVC	58,600	1					
10	PVC	2,990	] [					
12	PVC	1,820						
NA	NA	0						
NA	NA	0						
NA	NA	0	1					
NA	NA	0	1					
NA	NA	0						
NA	NA	0						
NA	NA	0						
NA	NA	0						
NA	NA	0						
NA	NA	0						

Γ	SERVICES/LATERALS				
S	Size (inches)	Material	Quantity		
	4	PVC	1,200		
	6	NA	0		
	8	NA	0		
	10	NA	0		

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

	Waste Water Treatment Plant.
SOLIDS PROCESSING	
AND HANDLING	
FACILITIES	
DISINFECTION	None.
EQUIPMENT	
(Chlorinator, Ultra-Violet, Etc.)	
FILTRATION	None.
EQUIPMENT (Rapid	
Sand, Slow Sand,	
Activated Carbon, Etc.)	
	6' Chain link enclosed fence.
STRUCTURES	
(Buildings, Fences, Etc.)	
	Utility Pickup, 10,000 gallon surge tank, two (2) centrifugal effluent pumps.
Other (Laboratory	Tourity Flowup, 10,000 garlon surge unix, (no (2) continugar erriterin punips.
Equipment, Tools,	
Vehicles, Standby, Power	
Generators, Etc.)	

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 relevent 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

12/31/22

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense <sup>1</sup>	Purchased Power (kWh) <sup>2</sup>
January	1,087	4,300,375	292,865	2,861	30,809
February	1,087	3,738,344	315,829	3,338	32,283
March	1,097	2,945,442	139,833	2,893	24,321
April	1,089	2,394,311	101,219	2,169	23,341
Мау	1,089	2,223,463	102,859	2,226	21,122
June	1,072	2,444,098	134,848	2,825	22,027
July	1,066	2,312,192	128,625	2,344	21,342
August	1,065	3,240,740	167,160	2,239	24,096
September	1,069	2,637,950	179,787	103	23,722
October	1,072	1,952,341	86,268	0	22,000
November	1,083	3,972,619	258,800	0	23,839
December	1,081	3,151,858	121,276	0	25,545
	Totals	35,313,733	2,029,369	\$20,999	294,447

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 Permil Number	None
APP Effluent Treatment Requirement (Class)?	None
Permitted Flow Rate	NA
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.

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

**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 Other Wastewater System Information 12/31/22

### **Other Wastewater System Information**

# Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

- If actual flow data are available from the preceding 12 months, divide the total annual single family residence
- (a) (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
  - ERC = (Total SFR gallons treated (Omit 000) / 365 days / 280 gallons per day )

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC 346 Method used: (b)

What is the present system connection capacity (in ERCs \*) using existing lines?

What is the future system connection capacity (in ERCs \*) upon service area buildout?

NA

Describe any plans and estimated completion dates for any enlargements or improvements of this system. None at the moment.

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

NA

If the utility does not engage in reuse, has a reuse feasibility study been completed?

N/A

If so, when?

NA

Ajo Improvement Company Annual Report Utility Shutoffs / Disconnects 12/31/22

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

		Termination with	
Month	Termination without	Notice R14-2-	
	Notice R14-2-609.B	609.C	Other
January	0	3	0
February	0	3	0
March	0	3	0
April	0	4	0
May	0	5	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	6	0
December	0	0	0
Total	0	24	0

Other (description):

NA

**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 Property Taxes 12/31/22

## **Property Taxes**

Amount of actual property taxes paid during Calendar Year 2021 was

\$10,340

If no property taxes paid, explain why. NA

**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 Verification and Sworn Statement (Taxes) 12/31/22

Verification and Sworn Statement (Taxes)							
Verification:	State of	Arizona (state	e name)	I, the undersign	ned of the		
		county name): er or official) title ame:	: Ajo Improveme	Maricopa John M. Key ent Company			
		HAT THIS ANNU TION COMMISS		PROPERTY TAX	AND SALES TAX REPO	ORT TO TH	IE ARIZONA
	FOR THE	YEAR ENDING:		12/31	/22		
	UTILITY; CORRECT REPORT I	THAT I HAVE CA STATEMENT O	AREFULLY EX F BUSINESS A EACH AND EV	KAMINED THE S	AME, AND DECLARE T SAID UTILITY FOR TH	THE SAME IE PERIOE	AND RECORDS OF SAID TO BE A COMPLETE AND OCOVERED BY THIS BEST OF MY KNOWLEDGE,
Sworn Statement:					AID COMPANY ARE C		
	I HEREBY	ATTEST THAT	ALL SALES IA		COMPANY ARE CURR	ENTAND	PAID IN FULL.
				John	<u>-M-Key</u> signature of	our or loffic	:01
					(602)3	32-2334 one no.	
			SUBSCRIBED IN AND FOR T		O BEFORE ME A NOTA	RY PUBLI	Maricopa
			THIS		17_DA	Y OF	(county name) April 2023 (month) and (year)
			MY COMMISS	SION EXPIRES		4/2025 (date)	-
		THE STATE	Notary Pub Maricopa Commissic	E RENINGER blic - Arizona a County on # 617846 ires December 4, 2025	Stophanie	gnature of n	otary public)

Page 17

This notarial act involved the use of communication technology

Г

Verification and Sworn Statement				
Verification:				
State of	Arizona	I, the undersigned of the		
	(state name)			
County of (co	ounty name):	Maricopa		
Name (owner	or official) title:	John M. Key		
Company name: Ajo Improvement Company				
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.				
FOR THE YE	EAR ENDING: 12/31/2	22		

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, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$617,698 (The amount in the box above includes

\$35,513 in sales taxes

billed or collected)

w

signature of owner/official

(602)332-2334

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY Mari

Maricopa (county name)

THIS

17 DAY OF

April 2023 (month) and (year)

MY COMMISSION EXPIRES

<u>12/4/2025</u> (date)

STEPHANIE RENINGER Notary Public - Arizona Maricopa County Commission # 617846 My Comm. Expires December 4, 2025

public)

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This notarial act involved the use of communication technology

Ajo Improvement Company Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/22

		Verific	ation and Swor	n Statement (Residen	tial Reven	ue)			
Verification:	State of	and the second sec	Arizona ate name)	I, the undersigned o	f the				
	County of (county name):MaricopaName (owner or official) title:John M. KeyCompany 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: 12/31/22								
	OF SAID BE A COM PERIOD C	UTILITY; THA MPLETE AND COVERED BY	AT I HAVE CAR CORRECT STA THIS REPORT	REFULLY EXAMINE	D THE SAI ESS AND CH AND E	ME, AND DEC AFFAIRS OF 3 VERY MATTI	PAPERS AND RECORDS CLARE THE SAME TO SAID UTILITY FOR THE ER AND THING SET		
Sworn Statement:	: IN ACCORDANCE WITH THE REQUIREMENTS 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 RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:								
		Arizona In	trastate Gross O	perating Revenues Onl (The amount in the billed or collected)	\$418,512 box above i	includes in sales taxes			
John M-Key							ey		
						signature of ov	vner/official		
						(602)332 telephor			
				BED AND SWORN T OR THE COUNTY	O BEFORI	·			
			THIS		17	DAY OF	April 2023 (month) and (year)		
1			MY COM	MISSION EXPIRES		12/4/2025 (date)	_		
ST THE ST		STEPHANIE REN Notary Public - A Maricopa Cou Commission # Comm. Expires De	Arizona Jinty 617846	Stephanu	(signatu	ire of notary pu	blic)		
٩,		 T	his notarial ac	t involved the use of	communi	cation techno	logy Page 19		

Full Gross-up Method for Income Tax Statement of Certification								
Verification:								
State of	Arizona	I, the undersigned of the						
	(state name)							
County of (co	unty name):	Maricopa						
Name (owner	or official) title:	John M. Key						
Company nan	ne: Ajo Impro	vement Company						
	<b>1</b>							
Company nan	Ajo Impro	vement Company						

### FOR THE YEAR ENDING: 12/31/22

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

John

signature of owner/official

(602)332-2334 telephone no.

		SUBSCRIBED AND SWORN TO BEFOR IN AND FOR THE COUNTY			RE ME A NOTARY PUBLIC <u>Maricopa</u> (county name)		
	THIS		17	DAY OF	April 2023 (month) and (year)		
	МҮ С	OMMISSION EXPIRES		12/4/2025 (date)	_		
STUE STATE	STEPHANIE RENINGER Notary Public - Arizona Maricopa County Commission # 617846 My Comm. Expires December 4, 2025	Stephance	(signat	ure of notary pu	blic)		