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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name:
7313 E. Concho Dr., Ste. B

Mailing Address: Kingman AZ
86401

Docket No.: W-02391A
For the Year Ended:

WATER 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:
Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Cerbat Water Company
A Class Utility

For the Calendar Year Ended: 12/31/20

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Ownership:

Counties Served:

Important changes during the year

	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.
	N/A

	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.
	No

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0			\$0		\$0
302	Franchises	0			0		0
303	Land and Land Rights	4,500			4,500		4,500
304	Structures and Improvements	28,375			28,375	6,624	21,751
305	Collecting & Improving Reservoirs	0			0		0
306	Lake, River, Canal Intakes	0			0		0
307	Wells and Springs	94,071			94,071	21,928	72,143
308	Infiltration Galleries	0			0		0
309	Supply Mains	0			0		0
310	Power Generation Equipment	0			0		0
311	Pumping Equipment	68,584			68,584	68,584	0
320	Water Treatment Equipment	0			0		0
320.1	Water Treatment Plants	0			0		0
320.2	Solution Chemical Feeders	0			0		0
320.3	Point-of-Use Treatment Devices	0			0		0
330	Distribution Reservoirs and Standpipes	135,220			135,220	128,074	7,146
330.1	Storage Tanks	0			0		0
330.2	Pressure Tanks	0			0		0
331	Transmission and Distribution Mains	552,551			552,551	538,685	13,866
333	Services	57,228			57,228	39,176	18,052
334	Meters and Meter Installations	21,183			21,183	21,183	0
335	Hydrants	14,400			14,400	8,188	6,212
336	Backflow Prevention Devices	0			0		0
339	Other Plant and Misc. Equipment	0			0		0
340	Office Furniture and Equipment	0			0		0
340.1	Computer & Software	0			0		0
341	Transportation Equipment	0			0		0
342	Stores Equipment	0			0		0
343	Tools, Shop and Garage Equipment	0			0		0
344	Laboratory Equipment	0			0		0
345	Power Operated Equipment	0			0		0
346	Communication Equipment	0			0		0
347	Miscellaneous Equipment	2,300			2,300	2,300	0
348	Other Tangible Plant	0			0		0
	Totals	\$978,412	\$0	\$0	\$978,412	\$834,742	\$143,670

Cerbat Water Company
 Annual Report
 Balance Sheet Assets
 12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current and Accrued Assets			
131	Cash		\$1,888	\$574
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		2,780	2,876
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			48
174	Miscellaneous Current and Accrued Assets		25,019	25,019
	Total Current and Accrued Assets		\$29,687	\$28,517
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$978,412	\$978,412
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)**		(824,949)	(834,742)
121	Non-Utility Property		96,211	100,111
122	Accumulated Depreciation - Non Utility		(85,430)	(91,230)
	Total Fixed Assets		\$164,244	\$152,551
	Total Assets		\$193,931	\$181,068

*Note these items feed automatically from AR3 UPIS Page 4

Cerbat Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$416,197	\$1,852
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies		6,555	6,555
235	Customer Deposits			
236	Accrued Taxes		75,041	79,383
237	Accrued Interest		8,350	0
242	Miscellaneous Current and Accrued Liabilities		937	0
	Total Current Liabilities		\$507,080	\$87,790
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$257,867	\$224,883
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		347,404	347,404
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		196,718	196,718
272	Less: Amortization of Contributions		(196,718)	(196,718)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$347,404	\$347,404
	Total Liabilities		\$1,112,351	\$660,077
	Capital Accounts			
201	Common Stock Issued		\$204,341	\$204,341
211	Other Paid-In Capital			
215	Retained Earnings		(1,122,761)	(683,350)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		(\$918,420)	(\$479,009)
	Total Liabilities and Capital		\$193,931	\$181,068

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

Cerbat Water Company
Annual Report
Water Comparative Income Statement
12/31/20

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	Operating Revenue		
461	Metered Water Revenue	\$247,092	\$203,470
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues	15,015	17,745
474	Other Water Revenue		
	Total Revenues	\$262,107	\$221,215
	Operating Expenses		
601	Salaries and Wages	\$85,788	\$77,860
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	29,721	24,792
618	Chemicals		35
620	Materials and Supplies	864	772
620.1	Repairs and Maintenance	9,316	12,847
620.2	Office Supplies and Expense	9,362	12,306
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	2,355	2,630
633	Contractual Services - Legal	8,827	9,412
634	Contractual Services - Management Fees	15,162	21,660
635	Contractual Services - Water Testing	355	490
636	Contractual Services - Other	3,312	
640	Rents		
641	Rental of Building/Real Property	1,800	1,825
642	Rental of Equipment		
650	Transportation Expenses	11,102	7,781
657	Insurance - General Liability	1,155	2,610
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate	250	1,741
670	Bad Debt Expense		
675	Miscellaneous Expense	3,900	873
403	Depreciation Expense (From Schedule AR4)	9,793	9,793
408	Taxes Other Than Income	13,492	11,446
408.11	Property Taxes	84,977	70,273
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$291,530	\$269,146
	Operating Income / (Loss)	(\$29,423)	(\$47,931)
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)	(5,800)	(5,800)
427	Interest (Expense)	(8,614)	(23,943)
	Total Other Income / (Expense)	(\$14,414)	(\$29,743)
	Net Income / (Loss)	(\$43,837)	(\$77,674)

Cerbat Water Company
 Annual Report
 Full time equivalent employees
 12/31/20

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			1.0	1.0
Engineering Staff				0.0
System Operator(s)	2.0			2.0
Meter reader	1.0			1.0
Customer Service	1.0			1.0
Accounting				0.0
Business Office	1.0			1.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	5.0	0.0	1.0	6.0

Cerbat Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/20

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	4/2/2012			
Source of Loan	WIFA			
ACC Decision No.	72739			
Reason for Loan	New Well			
Dollar Amt. Issued	\$331,875			
Amount Outstanding				
Date of Maturity	4/1/2032			
Interest Rate	4.20%			
Current Year Interest	\$2,570			
Current Year Principal	\$13,881			

Meter Deposit Balance at Test Year End:	\$2,400
-----------------------------------------	---------

Meter Deposits Refunded During the Test Year:	\$1,590
-----------------------------------------------	---------

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.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	
-----------------------------	--

STRUCTURES:	Booster Pump House
--------------------	--------------------

OTHER:	
---------------	--

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

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC

Method used:

Customer and Other Information	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	324				
February	323				
March	325				
April	328				
May	328				
June	333				
July	329				
August	332				
September	333				
October	334				
November	333				
December	333				

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?
 If yes, provide the GCPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

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?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Cerbat Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January		4	
February		0	
March		0	
April		0	
May		0	
June		0	
July		0	
August		0	
September		3	
October		2	
November		0	
December		0	
Total	0	9	0

Other (description):

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.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2020 was

\$15,787

If no property taxes paid, explain why.

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 Sworn Statement (Taxes)

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

County of (county name): Mohave
Name (owner or official) title: Teresa Neal
Company name: Cerbat Water Company

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

FOR THE YEAR ENDING: 12/31/20

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:

Teresa Neal

signature of owner/official

702-256-4006

telephone no.

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

THIS

17th

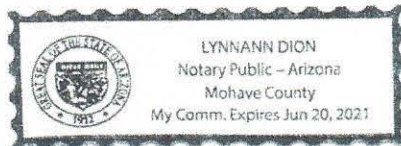
DAY OF

Mohave
(county name)

MAY 2021
(month) and (year)

MY COMMISSION EXPIRES

June 20, 2021
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Mohave
Name (owner or official) title: Teresa Neal
Company name: Cerbat Water Company

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

FOR THE YEAR ENDING: 12/31/20

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 (\$)

\$247,092

(The amount in the box above includes

\$13,492 in sales taxes billed or collected)

Teresa Neal
signature of owner/official

702-256-4006
telephone no.

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

THIS

17th

DAY OF

Mohave
(county name)

MAY 2021
(month) and (year)

MY COMMISSION EXPIRES

June 20, 2021
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Mohave
Name (owner or official) title: Teresa Neal
Company name: Cerbat Water Company

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

FOR THE YEAR ENDING: 12/31/20

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 RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$247,092
(The amount in the box above includes
\$13,492 in sales taxes
billed or collected)

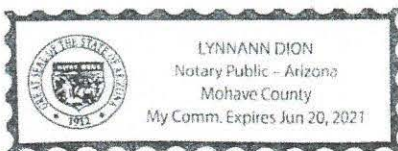
Teresa Neal
signature of owner/official

702-256-4006
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Mohave
(county name)

THIS 17th DAY OF MAY 2021
(month) and (year)

MY COMMISSION EXPIRES June 20, 2021
(date)



Lynnann Dion
(signature of notary public)

for Income Tax Statement of Certification

Verification:

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

County of (county name): Mohave
Name (owner or official) title: Teresa Neal
Company name: Cerbat Water Company

FOR THE YEAR ENDING: 12/31/20

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 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.

Teresa Neal

signature of owner/official

702-256-4006

telephone no.

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

Mohave

(county name)

THIS

17th

DAY OF

May 2021
(month) and (year)

MY COMMISSION EXPIRES

June 20, 2021
(date)



[Signature]
(signature of notary public)