

ANNUAL REPORT

Of

Company Name: Starlight Water Company, Inc.
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-02848A
For the Year Ended: 12/31/18

RECEIVED
APR 15 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 4/15/2019

4-23-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Starlight Water Company, Inc.
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

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	\$2,000	\$0	\$0	\$2,000		\$2,000
302	Franchises				0		0
303	Land and Land Rights	14,000			14,000		14,000
304	Structures and Improvements	285,995	3,100		289,095	177,387	111,708
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	326,880	23,500		350,380	178,045	172,335
308	Infiltration Galleries				0		0
309	Supply Mains	2,430			2,430	97	2,333
310	Power Generation Equipment				0		0
311	Pumping Equipment	440,911	13,381		454,292	429,349	24,943
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	503,314			503,314	214,968	288,346
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	2,124,248			2,124,248	924,579	1,199,669
333	Services	195,056			195,056	119,241	75,815
334	Meters and Meter Installations	54,302			54,302	47,935	6,367
335	Hydrants	336,350			336,350	158,311	178,039
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	2,152			2,152	2,152	0
340.1	Computer & Software				0		0
341	Transportation Equipment	25,813			25,813	25,813	0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	12,328			12,328	8,519	3,809
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant	261			261	131	130
	Totals	\$4,326,040	\$39,981	\$0	\$4,366,021	\$2,286,527	\$2,079,494

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.

Starlight Water Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/18

Depreciation Expense for the Current Year (Water)								
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
301	Organization	\$2,000	\$0	\$0	\$2,000	\$2,000	0.00%	\$0
302	Franchises	0	0	0	0		0.00%	0
303	Land and Land Rights	14,000	0	0	14,000	14,000	0.00%	0
304	Structures and Improvements	285,995	3,100	0	289,095		3.33%	9,627
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	326,880	23,500	0	350,380		3.33%	11,668
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	2,430	0	0	2,430		2.00%	49
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	440,911	13,381	0	454,292	393,655	12.50%	6,743
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	0	0	0	0			0
320.2	Solution Chemical Feeders	0	0	0	0			0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	503,314	0	0	503,314		2.22%	11,173
330.1	Storage Tanks	0	0	0	0			0
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	2,124,248	0	0	2,124,248		2.00%	42,485
333	Services	195,056	0	0	195,056		3.33%	6,495
334	Meters and Meter Installations	54,302	0	0	54,302	36,100	8.33%	1,515
335	Hydrants	336,350	0	0	336,350		2.00%	6,727
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	0	0	0	0	0		0
340	Office Furniture and Equipment	2,152	0	0	2,152	2,152	6.67%	0
340.1	Computer & Software	0	0	0	0		20.00%	0
341	Transportation Equipment	25,813	0	0	25,813	25,813	20.00%	0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	12,328	0	0	12,328		5.00%	516
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	0	0	0	0			0
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	261	0	0	261		2.50%	6
	Subtotal	\$4,326,040	\$39,981	\$0	\$4,366,021	\$473,720		\$97,005

Contribution(s) in Aid of Construction (Gross)	\$841,278
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$841,278</u>
Times: Proposed Amortization Rate	2.50%
Amortization of CIAC	\$21,032
Less: Amortization of CIAC	\$21,032
DEPRECIATION EXPENSE	\$75,973

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.

Starlight Water Company, Inc.
Annual Report
Balance Sheet Assets
12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$74,646	\$110,165
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(6,955)	(1,761)
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		410	410
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$68,101	\$108,814
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$4,326,040	\$4,366,021
103	Property Held for Future Use		7,687	7,687
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(2,189,521)	(2,286,527)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,144,206	\$2,087,181
	Total Assets		\$2,212,307	\$2,195,995

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.

*Note these items feed automatically from AR3 UPIS Page 3

Starlight Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$4,165	\$9,305
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		27,074	1
236	Accrued Taxes		3,977	1,880
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	95
	Total Current Liabilities		\$35,216	\$11,281
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,808,188	1,831,998
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		841,278	841,278
272	Less: Amortization of Contributions		(613,348)	(634,380)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$2,036,118	\$2,038,896
	Total Liabilities		\$2,071,334	\$2,050,177
	Capital Accounts			
201	Common Stock Issued		\$612,625	\$612,625
211	Other Paid-In Capital		0	0
215	Retained Earnings		(471,652)	(466,807)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$140,973	\$145,818
	Total Liabilities and Capital		\$2,212,307	\$2,195,995

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.

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$345,257	\$326,246
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	5,493	
	Total Revenues	\$350,750	\$326,246
	Operating Expenses		
601	Salaries and Wages	\$113,899	\$101,484
604	Employee Pensions and Benefits	5,414	
610	Purchased Water		
615	Purchased Power	22,088	23,258
618	Chemicals		
620	Materials and Supplies	(2,439)	
620.1	Repairs and Maintenance	17,293	20,284
620.2	Office Supplies and Expense	8,012	11,530
630	Contractual Services		32,317
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	4,653	
633	Contractual Services - Legal	7,396	
634	Contractual Services - Management Fees	24,302	
635	Contractual Services - Water Testing	2,761	4,683
636	Contractual Services - Other	10,582	
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	10,858	8,217
657	Insurance - General Liability	7,176	6,979
657.1	Insurance - Health and Life	19,390	39,075
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	80	1,930
403	Depreciation Expense (From Schedule AR4)	75,973	81,000
408	Taxes Other Than Income	10,166	10,010
408.11	Property Taxes	8,302	8,330
409	Income Taxes	0	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$345,906	\$349,147
	Operating Income / (Loss)	\$4,844	(\$22,901)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	4,205
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$4,205
	Net Income / (Loss)	\$4,844	(\$18,696)

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.

Full time equivalent employees

	Direct Company	Outside service	Total
President			0.0
Vice-president			0.0
Manager			0.0
Engineering Staff		difficult to	#####
System Operator(s)	1.0	determine	#####
Meter reader		without	#####
Customer Service	0.5	significant	#####
Accounting		analysis	#####
Business Office			0.0
Rates Department			0.0
Administrative Staff			0.0
Other	0.5		0.5
Total	2.0	0.0	#####

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.

Starlight Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

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

Meter Deposit Balance at Test Year End:	\$32,555
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Meter Deposits Refunded During the Test Year:	\$3,068
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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.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	N/A
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STRUCTURES:	4 well buildings, fencing and 4 pressure stations
--------------------	---

OTHER:	N/A
---------------	-----

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.

Customer and Other Information	
Name of the System:	STARLIGHT WATER COMPANY
ADEQ Public Water System Number:	AZ0403063
ADWR PCC Number:	91-000102.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	685	0	4	0	0
February	683	0	4	0	1
March	685	0	4	0	0
April	686	0	4	0	0
May	686	0	4	0	0
June	689	0	4	0	1
July	690	0	4	0	0
August	694	0	4	0	0
September	694	0	4	0	0
October	696	0	4	0	0
November	697	0	5	0	1
December	700	0	4	0	0

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 GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

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.

Starlight Water Company, Inc.
Annual Report
Property Taxes
12/31/18

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$8,316

If no property taxes paid, explain why. N/A
--

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.

Starlight Water Company, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor
Company name: Starlight Water Company, Inc.

RECEIVED
APR 15 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

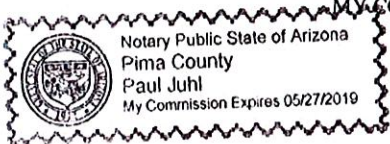
[Signature]
signature of owner/official

520-623-5172
telephone no.

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

THIS 12th DAY OF Pima
(county name)
April / 19
(month) and (year)

MY COMMISSION EXPIRES



5/27/19
(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): Pima
Name (owner or official) title: Bonnie O'Connor
Company name: Starlight Water Company, Inc.

RECEIVED

APR 15 2019

ARIZONA CORP. COMMISSION
UTILITIES DIVISION
DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

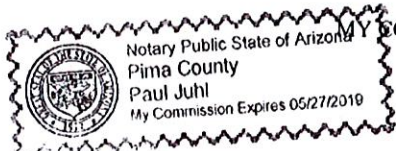
\$375,050
(The amount in the box above includes
\$24,299 in sales taxes
billed or collected)

[Signature]
signature of owner/official

520-623-5172
telephone no.

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

THIS 12th DAY OF Pima
(county name)
April 2019
(month) and (year)



COMMISSION EXPIRES

5/27/19
(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): Pima
Name (owner or official) title: Bonnie O'Connor
Company name: Starlight Water Company, Inc.

RECEIVED
APR 15 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$361,434
(The amount in the box above includes
\$23,423 in sales taxes
billed or collected)

[Signature]
signature of owner/official

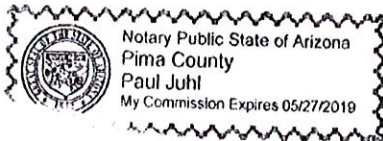
520-623-5172
telephone no.

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

Pima
(county name)

THIS 17th DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



[Signature]
(signature of notary public)

Company	Starlight Water Company, Inc.	
Docket No.:	W-02848A	
Name of the System:	STARLIGHT WATER COMPANY	
ADEQ Public Water System Number:	AZ0403063	
ADWR PCC Number:	91-000102.0000	

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	1	0
August	0	1	0
September	0	2	0
October	0	1	0
November	0	0	0
December	0	0	0
Total	0	5	0

Other (description):

N/A

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.