

ANNUAL REPORT

Of

Company Name: Yarnell Water Improvement Association, Inc.
PO Box 727

Mailing Address: Yarnell AZ
85362

Docket No.: W-02255A
For the Year Ended: 12/31/18

RECEIVED
MAY 24 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: 5/24/2019

5-24-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Yarnell Water Improvement Association, 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	OC/LD (OC less AD)
301	Organization	\$24,471	\$0	\$0	\$24,471	\$0	\$24,471
302	Franchises	34,884	0	0	34,884	0	34,884
303	Land and Land Rights	23,732	0	0	23,732	0	23,732
304	Structures and Improvements	59,957	0	0	59,957	59,957	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	1,784	0	0	1,784	1,784	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	41,171	0	0	41,171	17,498	23,673
311	Pumping Equipment	100,610	0	0	100,610	100,610	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	4,908	0	0	4,908	4,908	0
320.2	Solution Chemical Feeders	73,038	0	0	73,038	72,650	388
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	296,039	0	0	296,039	156,709	139,330
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,418,148	0	0	1,418,148	836,766	581,382
333	Services	72,976	0	0	72,976	11,782	61,194
334	Meters and Meter Installations	209,886	0	0	209,886	129,438	80,448
335	Hydrants	246,610	0	0	246,610	75,919	170,691
336	Backflow Prevention Devices	205	0	0	205	117	88
339	Other Plant and Misc. Equipment	39,143	0	0	39,143	39,075	68
340	Office Furniture and Equipment	1,027	0	0	1,027	617	410
340.1	Computer & Software	2,186	0	0	2,186	2,186	0
341	Transportation Equipment	7,720	0	0	7,720	7,720	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	7,898	0	0	7,898	4,810	3,088
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	160,249	0	0	160,249	115,810	44,439
347	Miscellaneous Equipment	4,295	0	0	4,295	4,169	126
348	Other Tangible Plant	101,115	0	0	101,115	101,115	0
	Totals	\$2,932,052	\$0	\$0	\$2,932,052	\$1,743,640	\$1,188,412

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.

Yarnell Water Improvement Association, 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	\$24,471	\$0	\$0	\$24,471	\$0	0.00%	\$0
302	Franchises	34,884	0	0	34,884	0	0.00%	0
303	Land and Land Rights	23,732	0	0	23,732	0	0.00%	0
304	Structures and Improvements	59,957	0	0	59,957	59,698	3.33%	259
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	1,784	0	0	1,784	1,784	3.33%	0
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	41,171	0	0	41,171	0	5.00%	2,059
311	Pumping Equipment	100,610	0	0	100,610	82,243	12.50%	1,821
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	4,908	0	0	4,908	4,908	3.33%	0
320.2	Solution Chemical Feeders	73,038	0	0	73,038	73,038	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	296,039	0	0	296,039	0	2.22%	6,578
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,418,148	0	0	1,418,148	0	2.00%	28,364
333	Services	72,976	0	0	72,976	2,976	3.33%	2,333
334	Meters and Meter Installations	209,886	0	0	209,886	0	8.33%	17,488
335	Hydrants	246,610	0	0	246,610	0	2.00%	4,932
336	Backflow Prevention Devices	205	0	0	205	0	6.67%	14
339	Other Plant and Misc. Equipment	39,143	0	0	39,143	0	6.67%	2,611
340	Office Furniture and Equipment	1,027	0	0	1,027	0	6.67%	69
340.1	Computer & Software	2,186	0	0	2,186	0	20.00%	421
341	Transportation Equipment	7,720	0	0	7,720	7,720	20.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	7,898	0	0	7,898	0	5.00%	395
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	160,249	0	0	160,249	0	10.00%	16,025
347	Miscellaneous Equipment	4,295	0	0	4,295	4,295	10.00%	0
348	Other Tangible Plant	101,115	0	0	101,115	101,115	10.00%	0
	Subtotal	\$2,932,052	\$0	\$0	\$2,932,052	\$337,777		\$83,368

Contributions in Aid of Construction (Gross) \$693,894
 Less: Non-Amortizable Contributions 115,325
 Fully Amortized Contributions 0
 Amortizable Contributions \$578,569
 Times Proposed Amortization Rate 3.21%
Amortization of CIAC \$24,688

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.

Yarnell Water Improvement Association, 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		\$294,903	\$319,845
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		26,929	31,472
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		59,536	59,536
	Total Current and Accrued Assets		\$381,368	\$410,853
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,850,223	\$2,932,052
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(1,638,534)	(1,743,640)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$1,211,689	\$1,188,412
	Total Assets		\$1,593,057	\$1,599,265

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

Yarnell Water Improvement Association, 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		\$3,572	\$3,572
232	Notes Payable (Current Portion)		(186)	
234	Notes Payable to Associated Companies			
235	Customer Deposits		16,660	8,574
236	Accrued Taxes			
237	Accrued Interest		(166)	
242	Miscellaneous Current and Accrued Liabilities		8,062	8,384
	Total Current Liabilities		\$27,942	\$20,530
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$686,555	\$671,282
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		7,184	
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		693,894	850,055
272	Less: Amortization of Contributions		(84,052)	(161,693)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$617,026	\$688,362
	Total Liabilities		\$1,331,523	\$1,380,174
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		261,534	219,091
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$261,534	\$219,091
	Total Liabilities and Capital		\$1,593,057	\$1,599,265

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!

Yarnell Water Improvement Association, Inc.
 Annual Report
 Water Comparative Income Statement
 12/31/18

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	\$297,096	\$289,528
460	Unmetered Water Revenue		0
462	Fire Protection Revenue		0
469	Guaranteed Revenues (Surcharges)		0
471	Miscellaneous Service Revenues		0
474	Other Water Revenue	5,149	2,844
	Total Revenues	\$302,245	\$292,372
	Operating Expenses		
601	Salaries and Wages		\$0
604	Employee Pensions and Benefits		0
610	Purchased Water		0
615	Purchased Power	14,312	12,734
618	Chemicals	1,071	1,691
620	Materials and Supplies		31
620.1	Repairs and Maintenance	14,407	4,695
620.2	Office Supplies and Expense	2,864	3,574
630	Contractual Services		0
631	Contractual Services - Engineering	29,300	0
632	Contractual Services - Accounting	54,125	4,050
633	Contractual Services - Legal	10,406	0
634	Contractual Services - Management Fees	124,080	143,224
635	Contractual Services - Water Testing	2,287	2,373
636	Contractual Services - Other		1,021
640	Rents		0
641	Rental of Building/Real Property		0
642	Rental of Equipment		0
650	Transportation Expenses		427
657	Insurance - General Liability	19,756	14,321
657.1	Insurance - Health and Life		0
665	Regulatory Commission Expense - Rate		0
670	Bad Debt Expense		0
675	Miscellaneous Expense	600	2,534
403	Depreciation Expense (From Schedule AR4)	58,680	83,668
408	Taxes Other Than Income		0
408.11	Property Taxes	11,101	10,500
409	Income Taxes		0
427.1	Customer Security Deposit Interest	308	15
	Total Operating Expenses	\$343,296	\$284,858
	Operating Income / (Loss)	(\$41,051)	\$7,514
	Other Income / (Expense)		
419	Interest and Dividend Income	\$176	\$422
421	Non-Utility Income	37,521	53,268
426	Miscellaneous Non-Utility (Expense)	24,688	(61,509)
427	Interest (Expense)	(14,475)	(14,736)
	Total Other Income / (Expense)	\$47,910	(\$22,555)
	Net Income / (Loss)	\$6,859	(\$15,041)

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	1.0	1.0
Vice-president	0.0	1.0	1.0
Manager	0.0	1.0	1.0
Engineering Staff	0.0	1.0	1.0
System Operator(s)	0.0	1.0	1.0
Meter reader	0.0	1.0	1.0
Customer Service	0.0	2.0	2.0
Accounting	0.0	1.0	1.0
Business Office	0.0	1.0	1.0
Rates Department	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	0.0	10.0	10.0

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.

Yarnell Water Improvement Association, 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	9/27/2003			
Source of Loan	USDA RURAL			
ACC Decision No.	N/A			
Reason for Loan	LOAN PAYOFF			
Dollar Amt. Issued	\$748,656			
Amount Outstanding	\$671,282			
Date of Maturity	11/28/2048			
Interest Rate	2.13%			
Current Year Interest	\$14,783			
Current Year Principal	\$15,273			

Meter Deposit Balance at Test Year End:	\$7,305
---	---------

Meter Deposits Refunded During the Test Year:	\$0
---	-----

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:	PULSATION CHLORINATOR
STRUCTURES:	WELL HOUSE, BOOSTER PUMP WELL HOUSE, CHLORINE ROOM, OFFICE, YARD, SHOP
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:	YWIA
ADEQ Public Water System Number:	13-057
ADWR PCC Number:	91-000642.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	452	0	35	0	0
February	454	0	35	0	0
March	453	0	35	0	0
April	454	0	35	0	0
May	450	0	35	0	0
June	452	0	35	0	0
July	450	0	35	0	0
August	448	0	35	0	0
September	457	0	35	0	0
October	455	0	35	0	0
November	454	0	35	0	0
December	459	0	35	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.

Yarnell Water Improvement Association, Inc.
Annual Report
Property Taxes
12/31/18

Property Taxes	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2018 was	\$11,101
--	----------

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.

Verification and Sworn Statement (Taxes)

RECEIVED

MAY 24 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Yavapai
Name (owner or official) title: Steve Kremer
Company name: Yarnell Water Improvement Association, Inc.

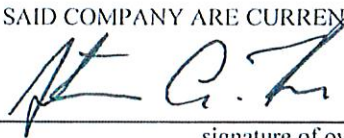
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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 of owner/official

860-933-4606

telephone no.

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

THIS

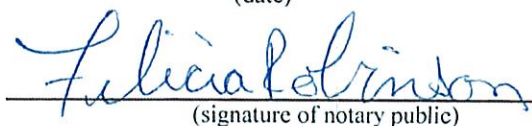
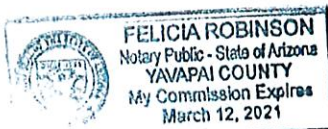
23rd

DAY OF

Yavapai
(county name)
May, 2019
(month) and (year)

MY COMMISSION EXPIRES

3/12/21
(date)



(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Yavapai

Name (owner or official) title: Steve Kremer

Company name: Yarnell Water Improvement Association, Inc.

RECEIVED
MAY 24 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 (\$)

316,061.99

(The amount in the box above includes

18,366.37 in sales taxes
billed or collected)

Steve Kremer

signature of owner/official

860-933-4606

telephone no.

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

THIS

23rd

DAY OF

Yavapai

(county name)

May 2019

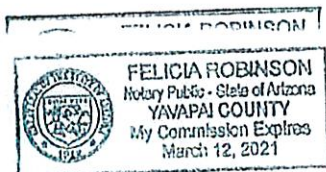
(month) and (year)

MY COMMISSION EXPIRES

3/12/21
(date)

Felicia Robinson

(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): Yavapai
Name (owner or official) title: Steve Kremer
Company name: Yarnell Water Improvement Association, Inc.

RECEIVED

MAY 24 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 (\$)

316,061.99

(The amount in the box above includes

18,366.37 in sales taxes
billed or collected)

Steve Kremer

signature of owner/official

860-933-4606

telephone no.

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

Yavapai
(county name)

THIS

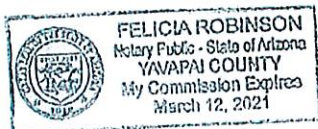
23rd

DAY OF

May 2019
(month) and (year)

MY COMMISSION EXPIRES

3/12/21
(date)



Felicia Robinson
(signature of notary public)