

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02258A

American Realty and Mortgage Co., Inc.

dba Hacienda Acres Water System

c/o Global Water Resources, Inc.

21410 N. 19th Ave. Ste. 201

Phoenix, AZ 85027

RECEIVED

APR 16 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2013 |
|-----------|-----------|-------------|

FOR COMMISSION USE

| | |
|---------------|-----------|
| ANN 04 | 13 |
|---------------|-----------|

4-23-14

COMPANY INFORMATION

Company Name (Business Name) American Realty & Mortgage Co., dba Hacienda Acres Water System

Mailing Address **Interim Manager Information Below**
(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address **Interim Manager Information Below**
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Regulatory Contact: Joanne Ellsworth

Management Contact: Ron Fleming Interim Manager
(Name) (Title)

21410 N. 19th Ave. Ste. 201
(Street)

Phoenix
(City)

AZ 85027
(State) (Zip)

623-580-9600

623-580-9659

602-550-2717

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ron.fleming@gwresources.com

On Site Manager: Interim Manager Information Above
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Cindy M. Bowers **(For Interim Manager Only)**
 (Name)

21410 N. 19th Avenue, Suite 201 Phoenix AZ 85027
 (Street) (City) (State) (Zip)

623-580-9600 623-580-9659
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Timothy J. Sabo, Roshka DeWulf & Patten, PLC **(For Interim Manager Only)**
 (Name)

400 East Van Buren, Ste. 800 Phoenix AZ 85004
 (Street) (City) (State) (Zip)

602-256-6100 602-256-6800
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address tsabo@rdp-law.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>Interim Manager</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME: GLOBAL WATER FOR HACIENDA ACRES

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|------------------|--|---------------------------|--------------------------------------|------------------------------|
| 301 | Organization | 0 | 0 | 0 |
| 302 | Franchises | 0 | 0 | 0 |
| 303 | Land and Land Rights | 0 | 0 | 0 |
| 304 | Structures and Improvements | 0 | 0 | 0 |
| 307 | Wells and Springs | 10,126 | (4,894) | 5,232 |
| 311 | Pumping Equipment | 61,678 | (42,283) | 19,395 |
| 320 | Water Treatment Equipment | 11,555 | (1,348) | 10,207 |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 |
| 331 | Transmission and Distribution Mains | 0 | 0 | 0 |
| 333 | Services | 0 | 0 | 0 |
| 334 | Meters and Meter Installations | 0 | 0 | 0 |
| 335 | Hydrants | 0 | 0 | 0 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 |
| 339 | Other Plant and Misc. Equipment | 0 | 0 | 0 |
| 340 | Office Furniture and Equipment | 0 | 0 | 0 |
| 341 | Transportation 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 | 491 | (221) | 270 |
| 347 | Miscellaneous Equipment | 0 | 0 | 0 |
| 348 | Other Tangible Plant | 4,044 | (1,415) | 2,629 |
| | TOTALS | \$87,894 | (\$50,161) | \$37,733 |

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|-------------------|-----------------------------|----------------------------|
| 301 | Organization | 0 | 0 | 0 |
| 302 | Franchises | 0 | 0 | 0 |
| 303 | Land and Land Rights | 0 | 0 | 0 |
| 304 | Structures and Improvements | 0 | 3% | 0 |
| 307 | Wells and Springs | 10,126 | 3% | 1,101 |
| 311 | Pumping Equipment | 61,678 | 13% | 7,710 |
| 320 | Water Treatment Equipment | 11,555 | 3% | 385 |
| 330 | Distribution Reservoirs and Standpipes | 0 | 2% | 0 |
| 331 | Transmission and Distribution Mains | 0 | 2% | 0 |
| 333 | Services | 0 | 3% | 0 |
| 334 | Meters and Meter Installations | 0 | 8% | 0 |
| 335 | Hydrants | 0 | 2% | 0 |
| 336 | Backflow Prevention Devices | 0 | 7% | 0 |
| 339 | Other Plant and Misc. Equipment | 0 | 7% | 0 |
| 340 | Office Furniture and Equipment | 0 | 7%, 14% or 20% | 0 |
| 341 | Transportation Equipment | 0 | 20% | 0 |
| 343 | Tools, Shop and Garage Equipment | 0 | 5% | 0 |
| 344 | Laboratory Equipment | 0 | 10% | 0 |
| 345 | Power Operated Equipment | 0 | 5% | 0 |
| 346 | Communication Equipment | 491 | 10% or 20% | 49 |
| 347 | Miscellaneous Equipment | 0 | 10% | 0 |
| 348 | Other Tangible Plant | 4,044 | 10% | 404 |
| | TOTALS | \$87,894 | | \$9,649 |

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403.



BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------------|---|-------------------------------------|-------------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$0 | \$0 |
| 134 | Working Funds | 0 | 0 |
| 135 | Temporary Cash Investments | 0 | 0 |
| 141 | Customer Accounts Receivable | 3,901 | 4,374 |
| 146 | Notes/Receivables from Associated Companies | 0 | 0 |
| 151 | Plant Material and Supplies | 0 | 0 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$3,901 | \$4,374 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$87,894 | \$87,894 |
| 103 | Property Held for Future Use | 0 | 0 |
| 105 | Construction Work in Progress | 12,781 | 16,458 |
| 108 | Accumulated Depreciation – Utility Plant | (40,513) | (50,161) |
| 121 | Non-Utility Property | 0 | 0 |
| 122 | Accumulated Depreciation – Non Utility | 0 | 0 |
| | TOTAL FIXED ASSETS | \$60,162 | \$54,191 |
| | TOTAL ASSETS | \$64,063 | \$58,565 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$16,323 | \$3,646 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | 370,911 | 557,876 |
| 235 | Customer Deposits | 489 | 635 |
| 236 | Accrued Taxes | 261 | 269 |
| 237 | Accrued Interest | 53 | 83 |
| 241 | Miscellaneous Current and Accrued Liabilities | 232 | 4,354 |
| | TOTAL CURRENT LIABILITIES | \$388,112 | \$566,863 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$0 | \$0 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$0 | \$0 |
| 252 | Advances in Aid of Construction | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | 0 | 0 |
| 271 | Contributions in Aid of Construction | 0 | 0 |
| 272 | Less: Amortization of Contributions | 0 | 0 |
| 281 | Accumulated Deferred Income Tax | 0 | 0 |
| | TOTAL DEFERRED CREDITS | \$0 | \$0 |
| | TOTAL LIABILITIES | \$388,112 | \$566,863 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$0 | \$0 |
| 211 | Paid in Capital in Excess of Par Value | 0 | 0 |
| 215 | Retained Earnings | (324,206) | (508,298) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 0 | |
| | TOTAL CAPITAL | (\$324,206) | (\$508,298) |
| | TOTAL LIABILITIES AND CAPITAL | \$64,063 | \$58,565 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|--------------------|--------------------|
| 461 | Metered Water Revenue | \$6,776 | \$7,073 |
| 460 | Unmetered Water Revenue | 0 | 0 |
| 474 | Other Water Revenues | 4 | 4 |
| | TOTAL REVENUES | \$6,780 | 7,077 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$0 | \$0 |
| 610 | Purchased Water | 16,488 | 18,238 |
| 615 | Purchased Power | 630 | 551 |
| 620 | Materials and Supplies | 990 | 683 |
| 621 | Office Supplies and Expense | 7 | 0 |
| 633 | Contractual Services - Legal | 3,661 | 210 |
| 634 | Contractual Services - Management | 10,927 | 2,784 |
| 635 | Contractual Services - Testing | 1,233 | 801 |
| 636 | Contractual Services - Other | 4,163 | 31,176 |
| 642 | Rental of Equipment | 55,499 | 85,412 |
| 650 | Transportation Expenses | 23 | 21,767 |
| 657 | Insurance – General Liability | 0 | 0 |
| 659 | Insurance - Health and Life | 0 | 0 |
| 666 | Regulatory Commission Expense – Rate Case | 0 | 0 |
| 675 | Miscellaneous Expense | 24,268 | 19,280 |
| 403 | Depreciation Expense | 9,649 | 9,649 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 616 | 577 |
| 409 | Income Tax | 0 | 0 |
| | TOTAL OPERATING EXPENSES | \$128,154 | \$191,128 |
| | | | |
| | OPERATING INCOME/(LOSS) | (\$121,374) | (\$184,051) |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$0 | \$0 |
| 421 | Non-Utility Income | 0 | 0 |
| 426 | Miscellaneous Non-Utility Expenses | 0 | 0 |
| 427 | Interest Expense | (39) | (41) |
| | TOTAL OTHER INCOME/(EXPENSE) | (\$39) | (\$41) |
| | | | |
| | NET INCOME/(LOSS) | (\$121,412) | (\$184,092) |
| | | | |

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End \$635

Meter Deposits Refunded During the Test Year \$838

COMPANY NAME: GLOBAL WATER FOR HACIENDA ACRES

Name of System: Hacienda Acres **ADEQ Public Water System Number: AZ-04-11-301**

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|---------------------------------|------------------------|-------------------------|----------------------------|---------------------------------|----------------------------|---------------------|
| 55-803963 Hacienda Acres Well** | 5 | 0 | 465 | 4 | 1" | 1973 |

* Arizona Department of Water Resources Identification Number

** Well went dry in October 2011 – no longer operational

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---|-----------------------|---|
| Haul Water From Santa Cruz Water System | NA | 2,793 |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 3 | 2 | 0 | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 5,000 Gal | 3 | 50 Gal | 1 |

COMPANY NAME: GLOBAL WATER FOR HACIENDA ACRES

Name of System: Hacienda Acres

ADEQ Public Water System Number: AZ-04-11-301

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|-------------------------|-----------------|-------------------------|
| 2 | PVC | 3,500 |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|-------------------------|-----------------|
| 3/4" | 1 |
| 5/8" | 34 |
| | |

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

TREATMENT EQUIPMENT:

Chlorinator installed at tank storage site

STRUCTURES:

OTHER:

COMPANY NAME: GLOBAL WATER FOR HACIENDA ACRES

Name of System: Hacienda Acres

ADEQ Public Water System Number: AZ-04-11-301

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|------------------|----------------------------|---------------------------------|-----------------------------------|--------------------------------------|
| JANUARY | 28 | 293 | | 205 |
| FEBRUARY | 30 | 105 | | 199 |
| MARCH | 30 | 236 | | 243 |
| APRIL | 30 | 206 | | 216 |
| MAY | 30 | 175 | | 228 |
| JUNE | 30 | 219 | | 220 |
| JULY | 29 | 241 | | 334 |
| AUGUST | 28 | 171 | | 265 |
| SEPTEMBER | 29 | 181 | | 236 |
| OCTOBER | 28 | 196 | | 244 |
| NOVEMBER | 28 | 206 | | 206 |
| DECEMBER | 27 | 186 | | 197 |
| TOTALS → | | 2,415 | | 2,793 |

What is the level of arsenic for each well on your system? ___mg/l

The well for this site went dry in October 2011. Since that time, water has been hauled by a water truck in for non-potable uses and bottle water is delivered for potable consumption.

If system has fire hydrants, what is the fire flow requirement? ___GPM for ___hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes No – Water hauled from Santa Cruz system is chlorinated

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

Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes No

If yes, provide the GPCPD amount: _____

COMPANY NAME: GLOBAL WATER FOR HACIENDA ACRES

Name of System: Hacienda Acres

ADEQ Public Water System Number: AZ-04-11-301

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|------------------|---|--|--------------|
| JANUARY | 0 | 0 | |
| FEBRUARY | 0 | 0 | |
| MARCH | 0 | 0 | |
| APRIL | 0 | 0 | |
| MAY | 0 | 0 | |
| JUNE | 0 | 0 | |
| JULY | 0 | 1 | |
| AUGUST | 0 | 0 | |
| SEPTEMBER | 0 | 1 | |
| OCTOBER | 0 | 0 | |
| NOVEMBER | 0 | 0 | |
| DECEMBER | 0 | 1 | |
| TOTALS → | 0 | 3 | |

OTHER (description):

COMPANY NAME GLOBAL WATER FOR HACIENDA ACRES
YEAR ENDING 12/31/2013

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$843.03 _____

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 16 2014

VERIFICATION

ACC UTILITIES DIRECTOR

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, INTERIM MANAGER
OF THE HACIENDA ACRES WATER SYSTEM

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

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2013 |

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.

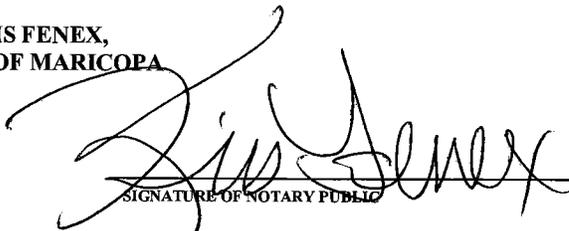
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



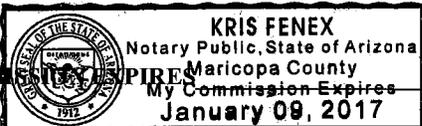
SIGNATURE OF OWNER OR OFFICIAL
623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2014.



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

KRIS FENEX
Notary Public, State of Arizona
Maricopa County
My Commission Expires
January 09, 2017

**COMPANY NAME: GLOBAL WATER FOR HACIENDA ACRES
YEAR ENDING 12/31/2013**

INCOME TAXES

For this reporting period, provide the following:

| | |
|---|--------------------|
| Federal Taxable Income Reported | <u>\$(184,092)</u> |
| Estimated or Actual Federal Tax Liability | <u>\$0</u> |

| | |
|---|--------------------|
| State Taxable Income Reported | <u>\$(184,092)</u> |
| Estimated or Actual State Tax Liability | <u>\$0</u> |

Amount of Grossed-Up Contributions/Advances:

| | |
|---|------------|
| Amount of Contributions/Advances | <u>\$0</u> |
| Amount of Gross-Up Tax Collected | <u>\$0</u> |
| Total Grossed-Up Contributions/Advances | <u>\$0</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

April 15, 2014
DATE

Ron Fleming
PRINTED NAME

Interim Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 16 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, INTERIM MANAGER
OF THE HACIENDA ACRES WATER SYSTEM

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2013 |

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 REQUIREMENT 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 CALENDAR YEAR 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$7614

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$537
IN SALES TAXES BILLED, OR COLLECTED)**

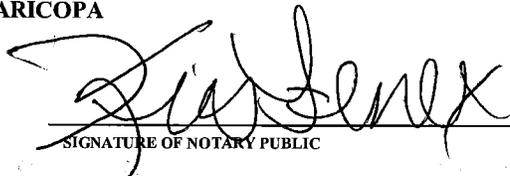
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

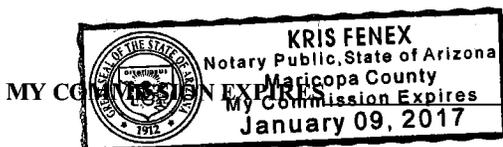

SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2014.


SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED
APR 16 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, INTERIM MANAGER
OF THE HACIENDA ACRES WATER SYSTEM

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

| | | | |
|---------------------|-------|-----|------|
| FOR THE YEAR ENDING | MONTH | DAY | YEAR |
| | 12 | 31 | 2013 |

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 40-401.01, 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 CALENDAR YEAR 2013 WAS:

| |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES \$7614 |
|--|

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 537
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

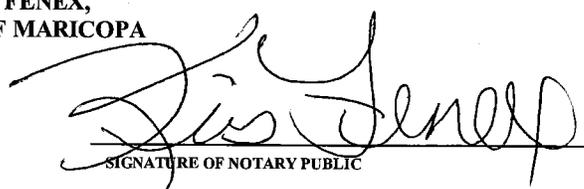


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2014.



SIGNATURE OF NOTARY PUBLIC

 **KRIS FENEX**
Notary Public, State of Arizona
Maricopa County
My Commission Expires
January 09, 2017

MY COMMISSION EXPIRES