

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-01944A
Lago Del Oro Water Company
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

RECEIVED

APR 15 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

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

FOR COMMISSION USE

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

4-24-14

COMPANY INFORMATION

Company Name (Business Name) Lago Del Oro Water Company

Mailing Address 9532 E. Riggs Rd.

(Street)

Sun Lakes

(City)

AZ

(State)

85248

(Zip)

(480) 895-4200

Telephone No. (Include Area Code)

(480) 895-5455

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 40004 S. Ridgeview Blvd.

(Street)

Tucson

(City)

AZ

(State)

85739

(Zip)

(520) 825-3423

Local Office Telephone No. (Include Area Code)

(520) 825-0712

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: Steve Soriano Vice President / General Manager

(Name)

(Title)

9532 E. Riggs Rd.

(Street)

Sun Lakes

(City)

AZ

(State)

85248

(Zip)

(480) 895-4200

Telephone No. (Include Area Code)

(480) 895-5455

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email

Address steve.soriano@robson.com

On Site Manager: Ed MacMeans

(Name)

40004 S. Ridgeview Blvd.

(Street)

Tucson

(City)

AZ

(State)

85739

(Zip)

(520) 825-3423

Telephone No. (Include Area Code)

(520) 825-0712

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email

Address ed.macmeans@robson.com

Statutory Agent: James Hubbard
(Name)

9532 E. Riggs Rd. Sun Lakes AZ 85248
(Street) (City) (State) (Zip)

(480) 895-4200 (480) 895-0136
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Jay L. Shapiro
(Name)

3003 N. Central Ave., Ste 2600 Phoenix AZ 85012-2913
(Street) (City) (State) (Zip)

(602) 916-5366
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address jshapiro@fclaw.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" 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 type="checkbox"/> Other (Describe) _____ | |

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 checked="" 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 | | |

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|-----------|--|--------------------|-------------------------------|-----------------------|
| 301 | Organization | | | |
| 302 | Franchises | 42,608 | | 42,608 |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | 335,379 | 111,555 | 223,824 |
| 307 | Wells and Springs | 2,454,887 | 1,463,721 | 991,166 |
| 311 | Pumping Equipment | 2,796,118 | 1,592,854 | 1,203,264 |
| 320 | Water Treatment Equipment | 14,490 | 4,452 | 10,038 |
| 330 | Distribution Reservoirs and Standpipes | 3,848,581 | 1,949,764 | 1,898,817 |
| 331 | Transmission and Distribution Mains | 5,728,663 | 2,971,572 | 2,757,091 |
| 333 | Services | 1,940,712 | 1,018,530 | 922,182 |
| 334 | Meters and Meter Installations | 591,091 | 366,812 | 224,279 |
| 335 | Hydrants | 719,475 | 416,343 | 303,132 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | 47,169 | 25,873 | 21,296 |
| 341 | Transportation Equipment | 126,375 | 50,292 | 76,083 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | 177,083 | 94,950 | 82,133 |
| 346 | Communication Equipment | 373,398 | 202,314 | 171,084 |
| 347 | Miscellaneous Equipment | 56,320 | 30,963 | 25,357 |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 19,252,349 | 10,299,995 | 8,952,354 |

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 | | | |
| 302 | Franchises | 42,608 | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | 335,379 | 4.96 | 16,645 |
| 307 | Wells and Springs | 2,454,887 | 4.68 | 114,843 |
| 311 | Pumping Equipment | 2,796,118 | 4.57 | 127,664 |
| 320 | Water Treatment Equipment | 14,490 | 4.58 | 664 |
| 330 | Distribution Reservoirs and Standpipes | 3,848,581 | 4.65 | 179,071 |
| 331 | Transmission and Distribution Mains | 5,728,663 | 4.27 | 244,645 |
| 333 | Services | 1,940,712 | 4.26 | 82,713 |
| 334 | Meters and Meter Installations | 591,091 | 4.11 | 24,320 |
| 335 | Hydrants | 719,475 | 3.96 | 28,482 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | 47,169 | 3.91 | 1,845 |
| 341 | Transportation Equipment | 126,375 | 4.38 | 5,531 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | 177,083 | 4.16 | 7,370 |
| 346 | Communication Equipment | 373,398 | 4.96 | 18,532 |
| 347 | Miscellaneous Equipment | 56,320 | 4.12 | 2,319 |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 19,252,349 | 4.44 | 854,644 |

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

BALANCE SHEET

| Acct No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$87,341 | \$113,727 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 164,832 | 155,066 |
| 146 | Notes/Receivables from Associated Companies | 525,606 | 747,299 |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | 161,817 | 51,922 |
| 174 | Miscellaneous Current and Accrued Assets | 307,497 | 430,063 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$1,247,093 | \$1,498,077 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$18,878,052 | \$19,252,349 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | 30,517 | 52,840 |
| 108 | Accumulated Depreciation – Utility Plant | (9,445,351) | (10,299,995) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$9,463,218 | \$9,005,194 |
| | TOTAL ASSETS | \$10,710,311 | \$10,503,271 |

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 LIABILITES | | |
| 231 | Accounts Payable | \$84,582 | \$50,963 |
| 232 | Notes Payable (Current Portion) | 0 | 0 |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 111,854 | 84,951 |
| 236 | Accrued Taxes | 81,483 | 82,072 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | 44,455 | 45,543 |
| | TOTAL CURRENT LIABILITIES | \$322,374 | \$263,529 |
| | 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 | 297,640 | 236,354 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | 866,284 | 925,896 |
| 272 | Less: Amortization of Contributions | (469,866) | (496,790) |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$694,058 | \$665,460 |
| | TOTAL LIABILITIES | \$1,016,432 | \$928,989 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$150,500 | \$150,500 |
| 211 | Paid in Capital in Excess of Par Value | 8,222,625 | 8,222,625 |
| 215 | Retained Earnings | 1,320,754 | 1,201,157 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$9,693,879 | \$9,574,282 |
| | TOTAL LIABILITIES AND CAPITAL | \$10,710,311 | \$10,503,271 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|--------------------|--------------------|
| 461 | Metered Water Revenue | \$1,864,735 | \$1,813,476 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | 17,117 | 18,209 |
| | TOTAL REVENUES | \$1,881,852 | \$1,831,685 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$205,219 | \$227,518 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 419,286 | 462,373 |
| 618 | Chemicals | 21,969 | 22,468 |
| 620 | Repairs and Maintenance | 83,214 | 127,122 |
| 621 | Office Supplies and Expense | 66,431 | 66,867 |
| 630 | Outside Services | 54,760 | 87,209 |
| 635 | Water Testing | 50,082 | 9,736 |
| 641 | Rents | 9,435 | 8,214 |
| 650 | Transportation Expenses | 47,605 | 38,368 |
| 657 | Insurance – General Liability | 20,083 | 19,279 |
| 659 | Insurance - Health and Life | | |
| 666 | Regulatory Commission Expense – Rate Case | 855 | 659 |
| 675 | Miscellaneous Expense | 283 | (638) |
| 403 | Depreciation Expense | 851,563 | 854,644 |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | 110,543 | 116,006 |
| 409 | Income Tax | (9,494) | (64,275) |
| | TOTAL OPERATING EXPENSES | \$1,931,834 | \$1,977,550 |
| | | | |
| | OPERATING INCOME/(LOSS) | \$(49,982) | \$(145,865) |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$6,969 | \$14,821 |
| 421 | Non-Utility Income | 20,922 | 11,532 |
| 426 | Miscellaneous Non-Utility Expenses | (305) | (85) |
| 427 | Interest Expense | 0 | 0 |
| | TOTAL OTHER INCOME/(EXPENSE) | \$27,586 | \$26,268 |
| | | | |
| | NET INCOME/(LOSS) | \$(22,396) | \$(119,597) |

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|-----------------|----------------|----------------|----------------|
| Date Issued | 07/27/06 | 07/27/09 | | |
| Source of Loan | CB&T | APM | | |
| ACC Decision No. | 62845 | 62845 | | |
| Reason for Loan | Plant Additions | Refinance | | |
| Dollar Amount Issued | \$2,764,966 | \$1,154,966 | \$ | \$ |
| Amount Outstanding | \$0 | \$326,966 | \$ | \$ |
| Date of Maturity | 07/27/09 | 11/17/11 | | |
| Interest Rate | Prime | Prime | % | % |
| Current Year Interest | \$0 | \$0 | \$ | \$ |
| Current Year Principle | \$0 | \$0 | \$ | \$ |

| | |
|--|-----------------|
| Meter Deposit Balance at Test Year End | <u>\$84,951</u> |
| Meter Deposits Refunded During the Test Year | <u>\$33,128</u> |

COMPANY NAME Lago Del Oro Water Company

Name of System: **ADEQ Public Water System Number:**

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|------------------------|------------------------|-------------------------|----------------------------|---------------------------------|----------------------------|---------------------|
| See Attached | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|-----------------------|---|
| N/A | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| See Attached | | 391 | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| See Attached | | See Attached | |
| | | | |
| | | | |

Note: If you are filing for more than one system, please provide separate sheets for each system.

Lago Del Oro Water Company
 Water Company Plant Descriptions
 December 31, 2013

Wells:

| ADWR ID No. | Pump Horsepower | Pump Yield (gpm) | Casing Depth (feet) | Casing Diameter (inches) | Meter Size (inches) | Year Drilled | Well # | POE | Arsenic Levels (PPM) |
|-------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|-----------|---------|----------------------|
| 55-613452 | 75 | 560 | 804 | 16 | 6 | 1963 | Well # 1 | POE 001 | <0.002 |
| 55-613459 | 2 | 15 | 241 | 8 | 1 | 1973 | Well # 3 | POE 003 | <0.002 |
| 55-613454 | 150 | 350 | 800 | 16 | 8 | 1963 | Well # 4 | POE 004 | <0.002 |
| 55-613455 | 15 | 75 | 300 | 10 | 3 | 1972 | Well # 5 | POE 005 | <0.002 |
| 55-613456 | 30 | 120 | 450 | 8 | 3 | 1973 | Well # 6 | POE 006 | <0.002 |
| 55-613460 | 10 | 25 | 495 | 8 | 2 | 1972 | Well # 7 | POE 007 | <0.002 |
| 55-613457 | 8 | 120 | 225 | 8 | 3 | 1972 | Well # 8 | POE 008 | <0.002 |
| 55-613458 | 3 | 35 | 609 | 8 | 1 | 1981 | Well # 11 | POE 003 | <0.002 |
| 55-623397 | 15 | 70 | 310 | 10 | 2 | 1971 | Well # 13 | POE 013 | <0.002 |
| 55-518207 | 200 | 1,385 | 800 | 16 | 8 | 1987 | Well # 14 | POE 014 | <0.002 |
| 55-526451 | 200 | 1,000 | 804 | 16 | 8 | 1990 | Well # 15 | POE 015 | <0.002 |
| 55-547494 | 300 | 1,300 | 959 | 16 | 10 | 1996 | Well # 16 | POE 004 | <0.002 |
| 55-548874 | 200 | 1,100 | 1,100 | 16 | 10 | 1995 | Well # 17 | POE 017 | <0.002 |
| 55-548873 | 100 | 330 | 1,109 | 16 | 6 | 1996 | Well # 18 | POE 017 | <0.002 |
| 55-573651 | 150 | 490 | 1,200 | 20 | 6 | 1999 | Well # 19 | POE 019 | <0.002 |
| 55-206036 | 250 | 1,200 | 1,340 | 16 | 10 | 2005 | Well # 22 | POE 019 | <0.002 |

Other Water Sources:

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| | | |
| | | |
| | | |

Booster Pumps:

| Horsepower | Quantity |
|------------|----------|
| 75 | 3 |
| 50 | 2 |
| 40 | 2 |
| 30 | 6 |
| 20 | 6 |
| 15 | 4 |
| 10 | 2 |
| 5 | 4 |
| 3 | 1 |

Fire Hydrants:

| Type | Quantity |
|----------|----------|
| Standard | 391 |
| Other | |

Storage Tanks:

| Capacity | Quantity |
|----------|----------|
| 500,000 | 2 |
| 250,000 | 2 |
| 200,000 | 1 |
| 100,000 | 1 |
| 12,000 | 3 |

Pressure Tanks:

| Capacity | Quantity |
|----------|----------|
| 15,000 | 1 |
| 10,000 | 2 |
| 6,000 | 2 |
| 2,000 | 6 |
| 1,000 | 3 |

COMPANY NAME Lago Del Oro Water Company

Name of System: _____ **ADEQ Public Water System Number:** _____

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | PVC | 5,943 |
| 3 | PVC | 20,497 |
| 4 | PVC | 86,007 |
| 5 | | |
| 6 | PVC | 163,648 |
| 8 | PVC | 122,222 |
| 10 | PVC | 23,676 |
| 12 | PVC | 4,903 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | |
| 3/4 | 6,210 |
| 1 | 71 |
| 1 1/2 | 15 |
| 2 | 54 |
| Comp. 3 | 4 |
| Turbo 3 | |
| Comp. 4 | 1 |
| Turbo 4 | |
| Comp. 6 | 4 |
| Turbo 6 | |
| | |
| | |
| | |
| | |

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

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | |
|---|---|
| COMPANY NAME: Lago Del Oro Water Company | |
| Name of System: | ADEQ Public Water System Number: |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------------|---------------------|--------------------------|----------------------------|-------------------------------|
| JANUARY | 6,340 | 46,689 | 46,218 | 0 |
| FEBRUARY | 6,335 | 40,962 | 47,716 | 0 |
| MARCH | 6,345 | 42,084 | 49,571 | 0 |
| APRIL | 6,342 | 76,257 | 73,126 | 0 |
| MAY | 6,337 | 82,107 | 87,340 | 0 |
| JUNE | 6,338 | 108,995 | 118,972 | 0 |
| JULY | 6,342 | 89,777 | 86,110 | 0 |
| AUGUST | 6,345 | 79,578 | 88,243 | 0 |
| SEPTEMBER | 6,351 | 64,644 | 63,804 | 0 |
| OCTOBER | 6,358 | 81,587 | 80,526 | 0 |
| NOVEMBER | 6,365 | 52,465 | 59,693 | 0 |
| DECEMBER | 6,359 | 47,194 | 43,460 | 0 |
| TOTALS → | | 812,339 | 844,779 | 0 |

What is the level of arsenic for each well on your system? See Attached mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,250 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

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: 231 (2000)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Lago Del Oro Water Company

Name of System:

ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|------------------|---|--|--------------|
| JANUARY | 0 | 27 | 0 |
| FEBRUARY | 0 | 12 | 0 |
| MARCH | 0 | 6 | 0 |
| APRIL | 0 | 4 | 0 |
| MAY | 0 | 11 | 0 |
| JUNE | 0 | 31 | 0 |
| JULY | 0 | 14 | 0 |
| AUGUST | 0 | 4 | 0 |
| SEPTEMBER | 0 | 24 | 0 |
| OCTOBER | 0 | 10 | 0 |
| NOVEMBER | 0 | 12 | 0 |
| DECEMBER | 0 | 15 | 0 |
| TOTALS → | 0 | 170 | 0 |

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$ 113,280.80

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 15 2014

VERIFICATION

STATE OF Arizona

**I, THE UNDERSIGNED
OF THE**

| | |
|--------------------------------|--|
| COUNTY OF (COUNTY NAME) | Maricopa |
| NAME (OWNER OR OFFICIAL) TITLE | Steve Soriano – Vice President/General Manager |
| COMPANY NAME | Lago Del Oro Water Company |

ACC UTILITIES DIRECTOR

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

FOR THE YEAR ENDING

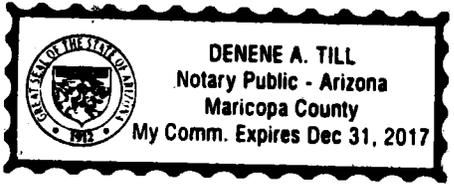
| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2013 |

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.



Steve Soriano

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-4200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10 DAY OF

| | | |
|-------------|----------|------|
| COUNTY NAME | Maricopa | |
| MONTH | April | 2014 |

(SEAL)

Denene A. Till

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12/31/17

INCOME TAXES

For this reporting period, provide the following:

| | |
|---|----------|
| Federal Taxable Income Reported Estimated | <u>0</u> |
| Estimated or Actual Federal Tax Liability | <u>0</u> |

| | |
|---|---------------|
| State Taxable Income Reported Estimated | <u>14,454</u> |
| Estimated or Actual State Tax Liability | <u>1,007</u> |

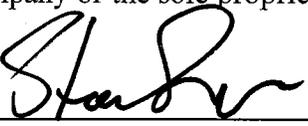
Amount of Grossed-Up Contributions/Advances:

| | |
|---|----------|
| 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

4-10-14

 DATE

Steve Soriano

 PRINTED NAME

Vice President/General Manager

 TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 15 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

**I, THE UNDERSIGNED
OF THE**

| |
|--|
| COUNTY OF (COUNTY NAME) <u>Maricopa</u> |
| NAME (OWNER OR OFFICIAL) TITLE <u>Steve Soriano - Vice President/General Manager</u> |
| COMPANY NAME <u>Lago Del Oro Water Company</u> |

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 (\$) \$ <u>1,992,012</u> |
|--|

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 160,327
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
(480) 895-4200
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10 DAY OF

| |
|----------------------------------|
| COUNTY NAME <u>Maricopa</u> |
| MONTH <u>April</u> . <u>2014</u> |

(SEAL)

MY COMMISSION EXPIRES 12/31/17


SIGNATURE OF NOTARY PUBLIC

| | |
|---|--|
|  | DENENE A. TILL Notary Public - Arizona Maricopa County My Comm. Expires Dec 31, 2017 |
|---|--|

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

RECEIVED
APR 15 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|--------------------------------------|
| COUNTY OF (COUNTY NAME) Maricopa | |
| NAME (OWNER OR OFFICIAL) Steve Soriano | TITLE Vice President/General Manager |
| COMPANY NAME Lago Del Oro Water Company | |

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.

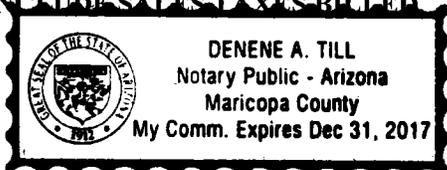
SWORN STATEMENT

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 \$ <u>1,744,463</u> |
|--|

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 110,943 IN SALES TAXES BILLED, OR COLLECTED)

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



Steve Soriano

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-4200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10 DAY OF

| | |
|---|-------------|
| NOTARY PUBLIC NAME <i>Denene A. Till</i> | |
| COUNTY NAME <i>Maricopa</i> | |
| MONTH <i>April</i> | <i>2014</i> |

(SEAL)

MY COMMISSION EXPIRES

Denene A. Till

SIGNATURE OF NOTARY PUBLIC