

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

Los Cerros Water Company, Inc.
4003 N. Flowing Wells Road - Suite 111
Tucson, AZ 85705

W-02747A

RECEIVED

MAR 31 2014

AZ CORP COMM
Director - Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012	2013
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FOR COMMISSION USE

ANN 04	13
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3-31-14

COMPANY INFORMATION

Company Name (Business Name):	Los Cerros Water Company, Inc.	
Mailing Address:	4003 North Flowing Wells Road - Suite 111 (Street)	
<u>Tucson</u> (City)	<u>Arizona</u> (State)	<u>85705</u> (Zip Code)
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)
E-mail Address:	<u>loscerroswater@comcast.net</u>	
Local Office Mailing Address:	4003 North Flowing Wells Road - Suite 111 (Street)	
<u>Tucson</u> (City)	<u>Arizona</u> (State)	<u>85705</u> (Zip Code)
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)
E-mail Address:	<u>loscerroswater@comcast.net</u>	

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:		
<input checked="" type="checkbox"/> Management Contact:		
<u>Jody Carlson</u> (Name)	<u>Manager</u> (Title)	
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)
E-mail Address:	<u>loscerroswater@comcast.net</u>	
On Site Manager:		
<u>Jody Carlson</u> (Name)	<u>Manager</u> (Title)	
<u>4003 N. Flowing Wells Rd - Ste 111</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State) <u>85705</u> (Zip Code)
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)
E-mail Address:	<u>loscerroswater@comcast.net</u>	

Statutory Agent:	Richard A. Block, P.C.		
	(Name)		
1050 E River Rd, Suite 203	Tucson	AZ	85718-5736
(Street)	(City)	(State)	(Zip Code)
(520) 577-7575	(520) 577-7599	N/A	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney:	Richard A. Block		
	(Name)		
1050 E River Rd, Suite 203	Tucson	AZ	85718-5736
(Street)	(City)	(State)	(Zip Code)
(520) 577-7575	(520) 577-7599	N/A	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
E-mail Address:	N/A		

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 checked="" 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 type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

Company Name: Los Cerros Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct No	Description	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	\$ -	\$ -	\$ -
303	Land and Land Rights	\$ 5,650	\$ -	\$ 5,650
304	Structures and Improvements	\$ 16,405	\$ 11,126	\$ 5,279
307	Wells and Springs	\$ 480,047	\$ 278,210	\$ 201,837
311	Pumping Equipment	\$ 135,957	\$ 135,957	\$ -
320	Water Treatment Equipment	\$ 2,691	\$ 1,675	\$ 1,016
320.1	Water Treatment Plants	\$ -	\$ -	\$ -
320.2	Solution Chemical Feeders	\$ -	\$ -	\$ -
330	Distribution Reservoirs and Standpipes	\$ 55,578	\$ 55,578	\$ -
331	Transmission and Distribution Mains	\$ 494,563	\$ 444,564	\$ 49,999
333	Services	\$ 119,091	\$ 110,213	\$ 8,878
334	Meters and Meter Installations	\$ 163,927	\$ 85,572	\$ 78,355
335	Hydrants	\$ 8,957	\$ 8,269	\$ 688
336	Backflow Prevention Devices	\$ -	\$ -	\$ -
339	Other Plant and Misc Equipment	\$ 2,547	\$ 638	\$ 1,909
340	Office Furniture and Equipment	\$ 19,010	\$ 4,040	\$ 14,970
341	Transportation Equipment	\$ 15,000	\$ 750	\$ 14,250
343	Tools, Shop and Garage Equipment	\$ -	\$ -	\$ -
344	Laboratory Equipment	\$ -	\$ -	\$ -
345	Power Operated Equipment	\$ -	\$ -	\$ -
346	Communication Equipment	\$ -	\$ -	\$ -
347	Miscellaneous Equipment	\$ 1,017	\$ 606	\$ 411
348	Other Tangible Plant	\$ -	\$ -	
	TOTALS	\$ 1,520,440	\$ 1,137,198	\$ 383,242

(AD) = This amount goes on the Balance Sheet Acct No 108

Company Name: Los Cerros Water Co., Inc.

WATER CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct No	Description	Original Cost (OC) (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization	\$ -		\$ -
302	Franchises	\$ -		\$ -
303	Land and Land Rights	\$ 5,650		\$ -
304	Structures and Improvements	\$ 16,405	Final	\$ -
307	Wells and Springs	\$ 480,047	5%	\$ 24,002
311	Pumping Equipment	\$ 135,957	Final	\$ -
320	Water Treatment Equipment	\$ 2,691	5%	\$ 135
330	Dist. Reservoirs & Standpipes	\$ 55,578	Final	\$ -
331	Transmission & Distribution Mains	\$ 494,563	5%	\$ 24,728
333	Services	\$ 119,091	5%	\$ 5,955
334	Meters and Meter Installations	\$ 163,927	5%	\$ 8,196
335	Hydrants	\$ 8,957	5%	\$ 448
336	Backflow Prevention Devices	\$ -		\$ -
339	Other Plant and Misc Equipment	\$ 2,547	5%	\$ 127
340	Office Furniture and Equipment	\$ 19,010	5%	\$ 951
341	Transportation Equipment	\$ 15,000	5%	\$ 750
343	Tools, Shop and Garage Equipment	\$ -	5%	\$ -
344	Laboratory Equipment	\$ -	5%	\$ -
345	Power Operated Equipment	\$ -	5%	\$ -
346	Communication Equipment	\$ -	5%	\$ -
347	Miscellaneous Equipment	\$ 1,017	5%	\$ 51
348	Other Tangible Plant	\$ -	5%	\$ -
	TOTALS	\$ 1,520,440		\$ 65,343

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

Company Name: Los Cerros Water Co., Inc.

BALANCE SHEET

Acct. No.	ASSETS	Balance at Beginning of Year	Balance at End of Year
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$46,688	\$6,737
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$17,341	\$12,564
146	Notes/Receivable from Associated Companies	\$0	\$0
151	Plant Material and Supplies		
162	Prepayments	\$699	\$0
174	Miscellaneous Current and Accrued Assets	\$0	\$0
	TOTAL CURRENT AND ACCRUED ASSETS	\$64,728	\$19,301

	FIXED ASSETS		
101	Utility Plant in Service	\$1,489,731	\$1,520,440
103	Property Held for Future Use		
105	Construction Work in Progress	\$32,027	\$82,455
108	Accumulated Depreciation - Utility Plant	(\$1,075,723)	(\$1,137,198)
121	Non-Utility Property		
122	Accumulated Depreciatin - Non Utility		
	TOTAL FIXED ASSETS	\$446,035	\$465,697
	TOTAL ASSETS	\$510,763	\$484,998

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

Company Name: Los Cerros Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	Balance at Beginning of Year	Balance at End of Year
	CURRENT LIABILITIES		
231	Accounts Payable	\$87	\$122
232	Notes Payable (Current Portion)		
234	Notes/Accts Payable to Associated Companies		
235	Customer Deposits	\$31,492	\$17,848
236	Accrued Taxes	\$2,585	\$722
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$34,164	\$18,692
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$429,908	\$92,525
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$195,807	\$524,744
272	Less: Amortization of Contributions	(\$152,077)	(\$178,314)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$473,638	\$438,955
	TOTAL LIABILITIES	\$507,802	\$457,647
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value	\$ 103,550	\$ 103,550
215	Retained Earnings	\$ (200,589)	\$ (176,199)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 2,961	\$ 27,351
	TOTAL LIABILITIES AND CAPITAL	\$ 510,763	\$ 484,998

WATER COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	Prior Year	Current Year
461	Metered Water Revenue	\$347,078	\$343,561
460	Unmetered Water Revenue	\$0	\$0
474	Other Water Revenues	\$7,274	\$6,508
	TOTAL REVENUES	\$354,352	\$350,069
	OPERATING EXPENSES		
601	Salaries and Wages	\$88,233	\$107,754
610	Purchased Water	\$0	\$0
615	Purchased Power	\$33,868	\$35,787
618	Chemicals	\$2,408	\$558
620	Repairs and Maintenance	\$5,451	\$11,743
621	Office Supplies and Expense	-\$23,222	\$29,886
630	Outside Services	\$26,351	\$22,730
635	Water Testing	\$2,480	\$1,709
641	Rents	\$0	\$0
650	Transportation Expenses	\$2,370	\$3,951
657	Insurance - General Liability	\$2,278	\$2,764
659	Insurance - Health and Life	\$7,297	\$0
666	Regulatory Commission Expense - Rate Case	\$0	\$0
675	Miscellaneous Expense	\$4,076	\$6,497
403	Depreciation Expense***	\$ 54,281	\$ 39,106
408	Taxes other Than Income	\$8,258	\$10,194
408.11	Property Taxes	\$ 19,616	\$ 20,678
409	Income Tax	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 280,189	\$ 293,357
	OPERATING INCOME (LOSS)	\$ 74,163	\$ 56,712
	OTHER INCOME (EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income	\$ -	\$ -
426	Miscellaneous Non-Utility Expenses	\$ (790)	\$ (1,987)
427	Interest Expense	\$ (350)	\$ (335)
	TOTAL OTHER INCOME (EXPENSE)	\$ (1,140)	\$ (2,322)
	NET INCOME (LOSS)	\$ 73,023	\$ 54,390

*** Depreciation	\$ 64,071	\$ 65,343
Less: A/A for CIAC	\$ (9,790)	\$ (26,237)
Total	\$ 54,281	\$ 39,106

COMPANY NAME: LOS CERROS WATER COMPANY, INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
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 \$15,208.00

Meter Deposits Refunded During the Test Year \$11,608.00

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
Wilds 55-802342	30	250	518'	10"	3"	1971
Fiesta 55-805783	10	130	N/A	8"	3"	N/A
LDO 55-804734	30	400	396'	10"	3"	1974
Silver Buckle 55-591958	20	100	564'	12"	3"	2003
Golder Ranch 55-221487	CWIP					2012

* 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
3	2	52	
10	2		
7.5 (Silver Buckle)	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
60000 (LDO)	1	5000 (Fiesta/Wilds)	2
375000 (Silver Buckle)	1	20000 (Swan/LDO)	2
		5000 (Silver Buckle)	1

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co. Inc.	ADEQ PWS NUMBER: 10128

Water Company Plant Description (Continued)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	7360
3	PVC	2395
4	PVC	25611
5		
6	PVC	29141
8	PVC	19536
10		
12	PVC	588

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	834
3/4	5
1	16
1 1/2	
2	7
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp 5	
Turbo 6	

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

TREATMENT EQUIPMENT:

- LDO Chlorinator _____
- Wilds Road Chlorinator _____
- Chemical Pump _____
- 8 gpm Chemical Feed Pump _____
- Siver Buckle Well - Plusatron Chemical Feed Pump (20 gal 3/8" Line) _____

STRUCTURES:

- Existing Fences (Chainlink surrounding all 4 wells) Approx 29' x 20' area for each well site _____
- Shed @ Wilds Road Well Site _____
- Fence @ pumping stations _____
- Fence @ Golder Ranch Well Site _____
- Fences around all electrical boxes _____

OTHER:

- 2004 Toyota Tundra Truck _____
- _____
- _____
- _____

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	834	5371	5726	0
FEBRUARY	838	5400	5614	0
MARCH	836	4664	5102	0
APRIL	833	6792	7080	0
MAY	829	8165	8510	0
JUNE	830	9679	9939	0
JULY	833	9030	9509	0
AUGUST	834	7689	8118	0
SEPTEMBER	834	7057	7533	0
OCTOBER	834	8215	8525	0
NOVEMBER	834	6849	7373	0
DECEMBER	833	5062	5235	0
TOTAL		83973	88264	0

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

	mg/l
Wilds Road Well	<0.001
Fiesta Wells	<0.001
Lago Del Oro Well	<0.001
Silver Buckle Well	<0.001

If system has fire hydrants, what is the fire flow requirement? 1000 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 Capital Per Day (GPCPD) Requirement?

YES NO

If yes, provide the GPCPD amount: _____

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

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

UTILITY SHUTOFFS/DISCONNECTS

MONTH	Termination w/o Notice R14-2-410.B	Termination w/ Notice R14-2-410.C	OTHER
JANUARY	0	4	0
FEBRUARY	0	7	0
MARCH	0	6	0
APRIL	0	10	0
MAY	0	3	0
JUNE	0	11	0
JULY	0	11	0
AUGUST	0	10	0
SEPTEMBER	0	5	0
OCTOBER	0	10	0
NOVEMBER	0	7	0
DECEMBER	0	11	0
TOTALS	0	95	0

OTHER (Description):

COMPANY NAME: Los Cerros Water Company, Inc.

YEAR ENDING: 12/31/2013

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$20,678

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

If no property taxes paid, explain why:

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

MAR 31 2014

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	AZ CORP COMM Director - Utilities
NAME (OWNER OR OFFICIAL) TITLE Alan R Friedman, President	
COMPANY NAME Los Cerros Water Company, Inc.	

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

FOR THE YEAR ENDING

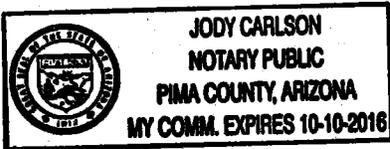
MONTH	DAY	YEAR
12	31	2013

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.



Alan R. Friedman

SIGNATURE OF OWNER OR OFFICIAL

520-293-5500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 27th DAY OF

COUNTY NAME	Pima
MONTH	March
	.20 <u>14</u>

(SEAL)

Jody Carlson
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Oct 10, 2016

COMPANY NAME Los Cerros Water Company, Inc.

YEAR ENDING 12/31/2013

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$69,076</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>\$69,076</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.

Alan R. Friedman
SIGNATURE

04/01/2014
DATE

Alan R. Friedman
PRINTED NAME

President
TITLE

RECEIVED

MAR 31 2014

AZ CORP COMM
Director - Utilities

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Alan R Friedman, President</u>
COMPANY NAME	<u>Los Cerros Water Company, Inc.</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2013</u>

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 2012 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>373,204</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 23,135
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)

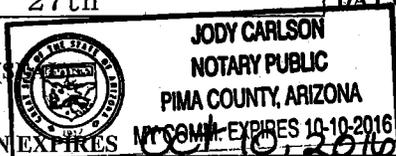
X Alan R Friedman
SIGNATURE OF OWNER OR OFFICIAL
520-293-5500
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 27th DAY OF

COUNTY NAME	<u>Pima</u>
MONTH <u>March</u>	<u>2014</u>



Jody Carlson
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES OCT 10, 2010

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

RECEIVED

MAR 31 2014

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Alan R. Friedman	TITLE President
COMPANY NAME Los Cerros Water Company, Inc.	

I, THE UNDERSIGNED

OF THE

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013 2012

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 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ _____ 348,578 _____

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 22,033
IN SALES TAXES BILLED, OR COLLECTED)

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

X Alan R Friedman
SIGNATURE OF OWNER OR OFFICIAL

520-293-5500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

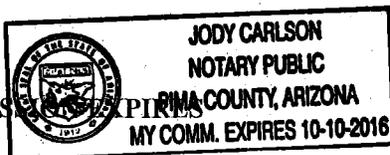
27th

DAY OF

NOTARY PUBLIC NAME Jody Carlson	
COUNTY NAME Pima	
MONTH March	20__14

(SEAL)

MY COMMISSION



Jody Carlson
SIGNATURE OF NOTARY PUBLIC

OCT 10, 2016