

ANNUAL REPORT

Of

Company Name: OAK CREEK UTILITY CORPORATION

Mailing Address: P.O. Box 1020
Apache Junction, AZ
85117-4039

RECEIVED

JUN 22 2018

Docket No.:
For the Year Ended: 12/31/17

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:

6-25-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Oak Creek Utility Corporation

A Class Utility

1. For the Calendar Year Ended: 12/31/17

2. Address:

P. O. Box 1020			
City:	Apache Junction	State:	Arizona
		Zip Code:	85117

3. Telephone Number:

(480) 677-6080

4. Date of Original Organization of Utility:

02/27/84

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

Name:

Judy A. Lopez

Telephone No. :

(480) 677-6080

Address:

P.O. Box 1020			
City:	Apache Junction	State:	Arizona
		Zip Code:	85117

Email:

managefnm365@aol.com

6. On-Site Manager:

Name:

Randy Sosin

Telephone No. :

(928) 282-2528

Address:

P.O. Box 1796			
City:	Sedona	State:	Arizona
		Zip Code:	86339

Email:

Sosinc10@outlook.com

7. Ownership:

"S" Corporation

8. Counties Served:

Coconino

Oak Creek Utility Corporation
 Annual Report
 Utility Plant in Service (Water)
 12/31/17

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0		\$0
302	Franchises	0	0	0	0		0
303	Land and Land Rights	30,000	0	0	30,000	0	30,000
304	Structures and Improvements	1,346	0	0	1,346	1,151	195
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	5,339	0	0	5,339	5091	248
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	17,380	0	0	17,380	17,380	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
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	13,485	0	0	13,485	5,925	7,560
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	10,550	0	0	10,550	10,550	0
333	Services	3,725	0	0	3,725	3,725	0
334	Meters and Meter Installations	9,615	0	0	9,615	7,576	2,039
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	613	0	0	613	613	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	935	0	0	935	517	418
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$92,988	\$0	\$0	\$92,988	\$52,528	\$40,460

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.

Oak Creek Utility Corporation
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/17

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	\$0	\$0	\$0	\$0	0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	30,000	0	0	30,000	0	0.00%	0
304	Structures and Improvements	1,346	0	0	1,346	0	3.33%	45
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	5,339	0	0	5,339	0	3.33%	178
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	0	0	0	0	0	0.00%	0
311	Pumping Equipment	17,380	0	0	17,380	17,380	7.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	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	13,485	0	0	13,485	0	2.22%	299
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	10,550	0	0	10,529	10,550	2.00%	21
333	Services	3,725	0	0	3,725	3,725	0.00%	0
334	Meters and Meter Installations	9,615	0	0	9,615	0	8.33%	801
335	Hydrants	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	613	0	0	613	613	20%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	935	0	0	935	0	5.00%	47
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	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$92,988	\$0	\$0	\$92,988	\$32,268		\$1,391

Contribution(s) in Aid of Construction (Gross)
 Less: Non Amortizable Contribution(s)
 Fully Amortized Contribution(s)
 Amortizable Contribution(s)
 Times: Proposed Amortization Rate
Amortization of CIAC

_____ \$0

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.

Oak Creek Utility Corporation
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets			
	Assets	Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets		
131	Cash	\$16,883	\$15,407
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	2,060	1,956
146	Notes Receivable from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets		
	Total Current and Accrued Assets	\$18,943	\$17,176
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$92,988	\$92,988
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation (enter as negative)*	(51,137)	(52,528)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility		0
	Total Fixed Assets	\$41,851	\$40,460
	Total Assets	\$60,794	\$57,636

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

Oak Creek Utility Corporation
Annual Report
Balance Sheet Liabilities and Owners Equity
12/31/17

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
	Current Liabilities			
231	Accounts Payable		1,684	446
232	Notes Payable (Current Portion)		756	756
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		1,430	1,380
236	Accrued Taxes		7	7
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$3,877	\$2,589
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$(756)	\$(902)
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		\$2,894	\$3,757
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		\$2,894	\$3,757
	Total Liabilities		\$6,015	\$5,444
	Capital Accounts			
201	Common Stock Issued		\$2,200	\$2,200
211	Other Paid-In Capital		115,462	115,462
215	Retained Earnings		(50,449)	(53,265)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$67,213	\$64,396
	Total Liabilities and Capital		\$73,228	\$69,840

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!

Oak Creek Utility Corporation
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$22,010	\$14,476
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	275	240
	Total Revenues	\$22,285	\$14,716
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	751	681
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance		
620.2	Office Supplies and Expense		
630	Contractual Services	18,672	15,092
631	Contractual Services -Engineering		
632	Contractual Services - Accounting		
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	249	337
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability		
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	18	1,366
403	Depreciation Expense (From Schedule AR4)	1,391	689
408	Taxes Other Than Income		
408.11	Property Taxes	516	541
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$21,597	\$18,706
	Operating Income / (Loss)	\$688	\$(3,990)
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income	\$12	
426	Miscellaneous Non-Utility (Expense)		\$13
427	Interest (Expense)	(24)	(15)
	Total Other Income / (Expense)	\$(12)	\$2
	Net Income / (Loss)	\$675	\$(3,992)

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.

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 Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$3,757
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Meter Deposits Refunded During the Test Year:	\$297
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Water Utility Plant Description (Continued)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2			5/8 x 3/4	
3			3/4	
4	PVC	2,500	1	1
5			1 1/2	
6			Compound 2	
8			Turbine 2	
10			Compound 3	
12			Turbine 3	
			Compound 4	
			Turbine 5	
			Compound 6	
			Turbine 6	
			6+	

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

TREATMENT EQUIPMENT:	
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STRUCTURES:	
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OTHER:	
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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.

Oak Creek Utility Corporation
 Annual Report
 Water Use Data Sheet
 12/31/17

Water Use Data Sheet							
Name of the System:		Oak Creek Utility Corporation					
ADEO Public Water System Number:		AZ 04-03-004					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	31	46,100	53,000	0	0	\$43.84	139
February	32	45,900	53,500	0	0	36.32	111
March	33	66,200	76,700	0	0	47.33	156
April	33	80,500	84,700	0	0	46.53	169
May	33	97,300	108,500	0	0	58.18	219
June	35	142,100	154,700	0	0	76.21	308
July	34	139,800	144,100	0	0	82.30	358
August	34	90,700	108,300	0	0	70.79	247
September	35	140,500	144,700	0	0	82.67	280
October	34	96,400	117,300	0	0	83.56	293
November	34	91,400	100,300	0	0	68.53	226
December	34	74,300	78,400	0	0	72.34	218
Totals		1,111,200	1,224,200	0	0	\$768.60	2724

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

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.

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, firefighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Oak Creek Utility Corporation
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	AZ 04-03-004
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

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.

Oak Creek Utility Corporation
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$696

If no property taxes paid, explain why.

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.

RECEIVED

JUN 22 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Oak Creek Utility Corporation
Annual Report
Verification and Sworn Statement (Taxes)
12/31/17

Verification and Sworn Statement (Taxes)

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

County of (county name): Coconino
Name (owner or official) title:
Company name: Oak Creek Utility Corporation

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

FOR THE YEAR ENDING: 12/31/17

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.

Munn D
signature of owner/official

928 274-0112
telephone no.



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

THIS 1st DAY OF June 2018
(county name) (month) and (year)

MY COMMISSION EXPIRES

8-11-2018
(date)
Alberto Salas
(signature of notary public)

RECEIVED

JUN 22 2018

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

County of (county name): Coconino
Name (owner or official) title:
Company name: Oak Creek Utility Corporation

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: 12/31/17

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 (\$)

\$23,758

(The amount in the box above includes

\$1,533

in sales taxes

billed or collected)

[Signature]
signature of owner/official

928 274-0112
telephone no.



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

THIS 1st DAY OF June 2018
(month) and (year)

MY COMMISSION EXPIRES 8-11-2018
(date)

[Signature]
(signature of notary public)

Oak Creek Utility Corporation
Annual Report
Verification and Sworn Statement (Residential Revenue)
12/31/17

RECEIVED

JUN 22 2018

Verification and Sworn Statement (Residential Revenue)

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

County of (county name): Coconino
Name (owner or official) title: _____
Company name: Oak Creek Utility Corporation

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

\$23,758

(The amount in the box above includes

\$1,533 in sales tax

billed or collected)

[Signature]
signature of owner/official

928 274-0112
telephone no.



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

THIS 1st DAY OF June 2018
(county name) (month) and (year)

MY COMMISSION EXPIRES 8-11-2018
(date)

[Signature]
(signature of notary public)