

ANNUAL REPORT

Of

Company Name:

Caballeros Water Company, Inc

Mailing Address:

1551 S. Vulture mine Rd.  
Wickenburg, AZ 85390

Docket No.:

For the Year Ended: 12/31/17

RECEIVED

MAY 15 2018

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:

1/18/2018

5-16-18

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT

0

A Class  Utility

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

2. Address: 1551 S Vulture Mine Rd  
City: Wickenburg State: AZ Zip Code: 85390

3. Telephone Number: 928-1084-5484

4. Date of Original Organization of Utility: 1965

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

Name: Dallas C Gant Jr  
Telephone No.: 928-1084-5484  
Address: 1551 S Vulture Mine Rd  
City: Wickenburg State: AZ Zip Code: 85390  
Email: rusty@sonc.com

6. On-Site Manager:

Name: Dallas C Gant Jr  
Telephone No.: 928-1084-5484  
Address: 1551 S Vulture Mine Rd  
City: Wickenburg State: AZ Zip Code: 85390  
Email: rusty@sonc.com

7. Ownership: Subchapter S Corp

8. Counties Served: Maricopa

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
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	20,609			0	20,609	—
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	22,520			0	22,520	—
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains				0		0
333	Services				0		0
334	Meters and Meter Installations				0		0
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	119,892			0	107,404	12,488
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	<b>Totals</b>	110,312	\$0	\$0	\$0	150,533	\$0 12,488 \$0

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

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 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
302	Franchises	0	0	0	0			0
303	Land and Land Rights	0	0	0	0			0
304	Structures and Improvements	0	0	0	0			0
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	20609	0	0	0	20609		0
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	22520	0	0	0	22520		0
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	0	0	0	0			0
320.2	Solution Chemical Feeders	0	0	0	0			0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	0	0	0	0			0
330.1	Storage Tanks	0	0	0	0			0
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	0	0	0	0			0
333	Services	0	0	0	0			0
334	Meters and Meter Installations	0	0	0	0			0
335	Hydrants	0	0	0	0			0
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	119892	0	0	0	107404		2499
340	Office Furniture and Equipment	0	0	0	0			0
340.1	Computer & Software	0	0	0	0			0
341	Transportation Equipment	0	0	0	0			0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	0	0	0	0			0
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	0	0	0	0			0
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	0	0	0	0			0
	<b>Subtotal</b>	<b>143021</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>2499</b> \$0

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.

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 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		18,751	22,748
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		2,845	2,975
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		225,719	243,942
	<b>Total Current and Accrued Assets</b>		247,315 \$0	209,1065 \$0
Account No.	Fixed Assets			
101	Utility Plant in Service*		1103,021 \$0	1103,021 \$0
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		<104,905>	<107,404>0
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		58,110 \$0	55,107 \$0
	<b>Total Assets</b>		305,431 \$0	214,048 \$0

**Instructions:** Fill out the Grey Cells with the relevent 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

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Annual Report

Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	<b>Current Liabilities</b>			
231	Accounts Payable			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	<b>Total Current Liabilities</b>		\$0	\$0
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		58100	58100
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		\$0	\$0
	<b>Total Liabilities</b>		\$0	\$0
	<b>Capital Accounts</b>			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings			
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		\$0	\$0
	<b>Total Liabilities and Capital</b>		\$0	\$0

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

**Note:** Total liabilities and Capital must match total assets for the beginning and end of the year!

Water Comparative Income Statement					
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017		Last Year 01/01/2016 - 12/31/2016	
	<b>Operating Revenue</b>				
461	Metered Water Revenue	40,578		35,000	
460	Unmetered Water Revenue				
462	Fire Protection Revenue				
469	Guaranteed Revenues (Surcharges)				
471	Miscellaneous Service Revenues				
474	Other Water Revenue				
	<b>Total Revenues</b>	40,578	\$0	35,000	\$0
	<b>Operating Expenses</b>				
601	Salaries and Wages				
604	Employee Pensions and Benefits				
610	Purchased Water				
615	Purchased Power	11,567		17,954	
618	Chemicals				
620	Materials and Supplies				
620.1	Repairs and Maintenance			11,321	
620.2	Office Supplies and Expense				
630	Contractual Services				
631	Contractual Services -Engineering				
632	Contractual Services - Accounting	2,115		2,085	
633	Contractual Services - Legal				
634	Contractual Services - Management Fees				
635	Contractual Services - Water Testing	902		1,042	
636	Contractual Services - Other	2,400		2,400	
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	1,032		1,150	
403	Depreciation Expense (From Schedule AR4)			2,499	
408	Taxes Other Than Income	1,933		2,777	
408.11	Property Taxes	1,512		1,537	
409	Income Taxes				
427.1	Customer Security Deposit Interest				
	<b>Total Operating Expenses</b>	26,461	\$0	47,765	\$0
	<b>Operating Income / (Loss)</b>	14,117	\$0	12,759	\$0
	<b>Other Income / (Expense)</b>				
419	Interest and Dividend Income	1,084		546	
421	Non-Utility Income	12,039		34,530	
426	Miscellaneous Non-Utility (Expense)				
427	Interest (Expense)				
	<b>Total Other Income / (Expense)</b>	13,123	\$0	35,076	\$0
	<b>Net Income / (Loss)</b>	32,340	\$0	27,238	\$0

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/17

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	12/31/91			
Source of Loan	Owner			
ACC Decision No.				
Reason for Loan	Start up			
Dollar Amt. Issued	58,100			
Amount Outstanding	58,100			
Date of Maturity	undetermined			
Interest Rate	undetermined			
Current Year Interest	N/A			
Current Year Principal	N/A			

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

*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 Use Data Sheet							
Name of the System:		0					
ADEQ Public Water System Number:		0					
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>	Purchased Power Expense <sup>5</sup>	Purchased Power (kWh) <sup>6</sup>
January	100						
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Totals		23080	0	0	0	\$0	0

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, fire fighting, 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.

0

Annual Report  
Utility Shutoffs / Disconnects  
12/31/17

ADEQ System No. : 0

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January			
February			
March			
April		N/A	
May			
June			
July			
August			
September			
October			
November			
December			
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.

0

Annual Report  
Property Taxes  
12/31/17

**Property Taxes**

Amount of actual property taxes paid during Calendar Year 2017 was

1,512

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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa  
Name (owner or official) title: Dallas C Grant, Jr - President  
Company name: 0 Caballeros Water Company, Inc

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.

Dallas Grant  
signature of owner/official  
928-684-5484  
telephone no.

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

THIS

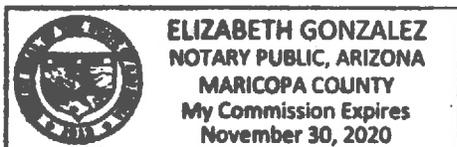
7th

DAY OF

Maricopa  
(county name)  
May 2018  
(month) and (year)

MY COMMISSION EXPIRES

11/30/20  
(date)



Elizabeth Gonzalez  
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): 0 Maricopa  
Name (owner or official) title: 0 Dallas C Gant Jr - President  
Company name: 0 Caballeros Water Company, Inc

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 (\$)

40,578

(The amount in the box above includes

1933 in sales taxes  
billed or collected)

RECEIVED

MAY 15 2018

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

[Signature]  
signature of owner/official

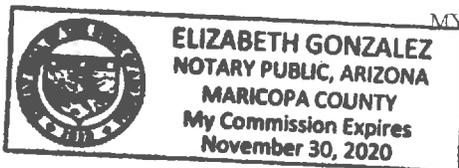
928-684-5484  
telephone no.

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

THIS 7th DAY OF Maricopa  
May 2018  
(month) and (year)

MY COMMISSION EXPIRES

11/30/20  
(date)



[Signature]  
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): 0 Maricopa  
Name (owner or official) title: 0 Dallas C Grant Jr - President  
Company name: 0 Caballeros Water Company, Inc.

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 (\$)

40,578

(The amount in the box above includes

19.33 in sales taxes billed or collected)

RECEIVED  
MAY 15 2018  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Dallas C Grant Jr  
signature of owner/official

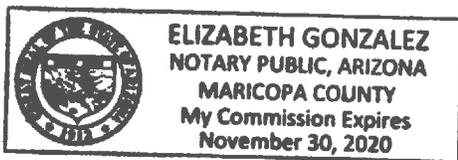
928-684-5484  
telephone no.

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

Maricopa  
(county name)

THIS 7th DAY OF May 2018  
(month) and (year)

MY COMMISSION EXPIRES 11/30/20  
(date)



Elizabeth Gonzalez  
(signature of notary public)

