

RECEIVED
UTILITIES DIVISION
2019-07-19 10:43

ANNUAL REPORT

Of

Company Name: **LYN LEE WATER COMPANY**
PO Box 86205

Mailing Address: Phoenix AZ
85080

Docket No.: W-01854A
For the Year Ended: 12/31/18

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: 7/19/2019

8-2-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
LYN LEE WATER COMPANY
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

6. On-Site Manager:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

7. Ownership:

8. Counties Served:

LYN LEE WATER COMPANY
Annual Report
Utility Plant in Service (Water)
12/31/18

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	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	0	0	0	0	0	0
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	0	0	0	0	0	0
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	46,268	0	0	46,268	44,966	1,302
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	5,910	0	0	5,910	5,910	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,400	0	0	1,400	1,400	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	0	0	0	0	0	0
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	8,020	0	0	8,020	8,019	1
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	650	0	0	650	621	29
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$62,248	\$0	\$0	\$62,248	\$60,916	\$1,332

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.

LYN LEE WATER COMPANY
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/18

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	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0.00%	0
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	46,268	0	0	46,268	0	1.13%	521
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	5,910	0	0	5,910	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,400	0	0	1,400	0	0.00%	0
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	0	0	0	0	0	0.00%	0
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	8,020	0	0	8,020	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
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	650	0	0	650	0	8.92%	58
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$62,248	\$0	\$0	\$62,248	\$0		\$579

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	0.93%
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.

LYN LEE WATER COMPANY
 Annual Report
 Balance Sheet Assets
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$6,041	\$2,572
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
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		0	1,000
	Total Current and Accrued Assets		\$6,041	\$3,572
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$62,248	\$62,248
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(60,337)	(60,916)
121	Non-Utility Property		0	
122	Accumulated Depreciation - Non Utility		0	
	Total Fixed Assets		\$1,911	\$1,332
	Total Assets		\$7,952	\$4,904

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

LYN LEE WATER COMPANY
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		1,667	1,667
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$1,667	\$1,667
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$811	\$811
	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		\$2,478	\$2,478
	Capital Accounts			
201	Common Stock Issued		\$16,000	\$16,000
211	Other Paid-In Capital		0	0
215	Retained Earnings		(10,526)	(13,574)
218	Proprietary Capital (Sole Props and Partnerships)		0	
	Total Capital		\$5,474	\$2,426
	Total Liabilities and Capital		\$7,952	\$4,904

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!

LYN LEE WATER COMPANY
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$17,452	\$15,345
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$17,452	\$15,345
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	1,534	1,788
618	Chemicals	0	0
620	Materials and Supplies	154	0
620.1	Repairs and Maintenance	6,224	0
620.2	Office Supplies and Expense	1,947	298
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	450	350
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	3,745	1,908
635	Contractual Services - Water Testing	2,665	2,321
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	200	280
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	579	822
408	Taxes Other Than Income	1,179	1,745
408.11	Property Taxes	1,824	1,798
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$20,501	\$11,310
	Operating Income / (Loss)	(\$3,049)	\$4,035
	Other Income / (Expense)		
419	Interest and Dividend Income	\$1	\$1
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$1	\$1
	Net Income / (Loss)	(\$3,048)	\$4,036

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.

LYN LEE WATER COMPANY
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	1.0	0.0	1.0
Vice-president	0.0	0.0	0.0
Manager	0.0	1.0	1.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.0
Meter reader	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	0.0	0.0
Business Office	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	1.0	1.0	2.0

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

LYN LEE WATER COMPANY
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/1/2012	N/A	N/A	N/A
Source of Loan	SHAREHOLDER	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	OPERATING	N/A	N/A	N/A
Dollar Amt. Issued	\$3,655	N/A	N/A	N/A
Amount Outstanding	\$811	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	0.00%	N/A	N/A	N/A
Current Year Interest	\$0	N/A	N/A	N/A
Current Year Principal	\$0	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$1,667
---	---------

Meter Deposits Refunded During the Test Year:	\$0
---	-----

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

Name of the System:	LYN LEE WATER CO	
ADEQ Public Water System Number:	AZ0410007	
ADWR PCC Number:	91-000415.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	400
3.00	PVC	400
6.00	PVC	400
0.00	NA	0

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	41
NA	0

SERVICE LINES	
Material	Percent of system
PVC	100%
NA	0%

BOOSTER PUMPS		
Horsepower	GPM	Quantity
NA	0	0
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
0	None	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	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. Copy and paste this sheet as many times as is necessary.

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	NA
---------------------------------	----

STRUCTURES:	NA
--------------------	----

OTHER:	NA
---------------	----

Customer and Other Information	
Name of the System:	LYN LEE WATER CO
ADEQ Public Water System Number:	AZ0410007
ADWR PCC Number:	91-000415.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	38	0	0	0	0
February	38	0	0	0	0
March	38	0	0	0	0
April	38	0	0	0	0
May	38	0	0	0	0
June	38	0	0	0	0
July	38	0	0	0	0
August	38	0	0	0	0
September	38	0	0	0	0
October	38	0	0	0	0
November	38	0	0	0	0
December	38	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?

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

If yes, provide the GPCPD amount:

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

If yes, which AMA?

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.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$1,824

If no property taxes paid, explain why.

N/A

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): Pima
Name (owner or official) title: CAROL GONZALEZ - PRESIDENT
Company name: LYN LEE WATER COMPANY

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

FOR THE YEAR ENDING: 12/31/18

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.

Carol Gonzalez
signature of owner/official

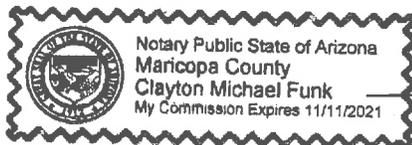
623-302-3239
telephone no.

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

THIS 25th DAY OF July 2019
(month) and (year)

MY COMMISSION EXPIRES

11/11/21
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: CAROL GONZALEZ - PRESIDENT
Company name: LYN LEE WATER COMPANY

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

FOR THE YEAR ENDING: 12/31/18

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:

RECEIVED
UTILITIES DIVISION
2/11/19 - 1 A 10:43
Arizona Corporation
Commission

Arizona Intrastate Gross Operating Revenues Only (\$)
\$18,631
(The amount in the box above includes
\$1,179 in sales taxes
billed or collected)

Carol Gonzalez
signature of owner/official

623-302-3239
telephone no.

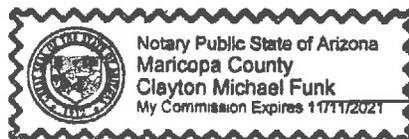
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS 25th DAY OF July 2019
(month) and (year)

MY COMMISSION EXPIRES

11/11/21
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Pima
Name (owner or official) title: CAROL GONZALEZ - PRESIDENT
Company name: LYN LEE WATER COMPANY

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$18,631

(The amount in the box above includes

\$1,179 in sales taxes
billed or collected)

RECEIVED
UTILITIES DIVISION
2018 JUN -1 A 10:43
ARIZONA CORPORATION COMMISSION

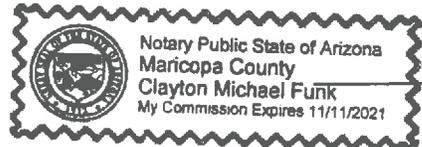
Carol Gonzalez
signature of owner/official

623-302-3239
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Maricopa
(county name)

THIS 25th DAY OF July 19
(month) and (year)

MY COMMISSION EXPIRES 11/11/21
(date)



[Signature]
(signature of notary public)