

ANNUAL REPORT

Of

Company Name: **Beaver Valley Water Company, Inc.**
PO Box 550

Mailing Address: Littlefield AZ
86432

Docket No.: W-02015A
For the Year Ended: 12/31/19

**RECEIVED
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5/13/2020, 01:51 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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: 5/13/2020

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Beaver Valley Water Company, Inc.
A Class Utility

For the Calendar Year Ended: 12/31/19

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

Important changes during the year

	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.

	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.

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	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	10,000	\$0	\$0	10,000	6,360	3,640
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	2,500	\$0	\$0	2,500	2,500	0
320	Water Treatment Equipment	0	\$0	\$0	0		0
320.1	Water Treatment Plants	5,000	\$0	\$0	5,000	3,195	1,805
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	2,500	\$0	\$0	2,500	958	1,542
333	Services	0	\$0	\$0	0		0
334	Meters and Meter Installations	1,500	\$0	\$0	1,500	1,500	0
335	Hydrants	0	\$0	\$0	0		0
336	Backflow Prevention Devices	750	\$0	\$0	750	750	0
339	Other Plant and Misc. Equipment	0	\$0	\$0	0		0
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
	Totals	\$22,250	\$0	\$0	\$22,250	\$15,263	\$6,987

Beaver Valley Water Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/19

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	Depreciable Plant	Depreciation Percentages	Depreciation Expense
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	10,000	0	0	10,000		10,000		333
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	2,500	0	0	2,500		2,500		0
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	5,000	0	0	5,000		5,000		167
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	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	2,500	0	0	2,500		2,500		50
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	1,500	0	0	1,500		1,500		0
335	Hydrants	0	0	0	0		0		0
336	Backflow Prevention Devices	750	0	0	750		750		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	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	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
	Subtotal	\$22,250	\$0	\$0	\$22,250	\$0	\$22,250		\$550

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
 2.47%
 \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Beaver Valley Water Company, Inc.
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$5,315	\$1,837
134	Working Funds		0	
135	Temporary Cash Investments		0	
141	Customer Accounts Receivable		35,015	11,730
146	Notes Receivable from Associated Companies		0	
151	Plant Material and Supplies		0	
162	Prepayments		0	
174	Miscellaneous Current and Accrued Assets		0	
	Total Current and Accrued Assets		\$40,330	\$13,567
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$22,250	\$22,250
103	Property Held for Future Use		0	
105	Construction Work in Progress		0	
108	Accumulated Depreciation (enter as negative)*		(14,713)	(15,263)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$7,537	\$6,987
	Total Assets		\$47,867	\$20,554

*Note these items feed automatically from AR3 UPIS Page 4

Beaver Valley Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$96,744	\$59,119
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		1,352	2,200
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		7,087	8,387
	Total Current Liabilities		\$105,183	\$69,706
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$8,835	\$8,835
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		783	1,812
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$783	\$1,812
	Total Liabilities		\$114,801	\$80,353
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		(66,934)	(59,799)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		(\$66,934)	(\$59,799)
	Total Liabilities and Capital		\$47,867	\$20,554

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

Beaver Valley Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$98,476	\$97,212
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)	47,170	56,665
471	Miscellaneous Service Revenues	1,673	791
474	Other Water Revenue	1,080	800
	Total Revenues	\$148,399	\$155,468
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water	3,376	101,851
615	Purchased Power	6,853	6,991
618	Chemicals		0
620	Materials and Supplies	5,384	7,071
620.1	Repairs and Maintenance	13,075	2,055
620.2	Office Supplies and Expense	3,591	3,495
630	Contractual Services		0
631	Contractual Services - Engineering		0
632	Contractual Services - Accounting	10,334	8,822
633	Contractual Services - Legal	6,000	0
634	Contractual Services - Management Fees	43,350	42,000
635	Contractual Services - Water Testing	3,765	3,711
636	Contractual Services - Other	6,361	4,788
640	Rents	27,000	30,000
641	Rental of Building/Real Property		0
642	Rental of Equipment	2,400	951
650	Transportation Expenses	6,217	2,908
657	Insurance - General Liability		0
657.1	Insurance - Health and Life		0
665	Regulatory Commission Expense - Rate		0
670	Bad Debt Expense		0
675	Miscellaneous Expense	707	405
403	Depreciation Expense (From Schedule AR4)	550	550
408	Taxes Other Than Income	2,552	0
408.11	Property Taxes		4,278
409	Income Taxes		0
427.1	Customer Security Deposit Interest	16	0
	Total Operating Expenses	\$141,530	\$219,876
	Operating Income / (Loss)	\$6,868	(\$64,408)
	Other Income / (Expense)		
419	Interest and Dividend Income		\$0
421	Non-Utility Income	66	60
426	Miscellaneous Non-Utility (Expense)	(132)	0
427	Interest (Expense)		(8)
	Total Other Income / (Expense)	(\$66)	\$52
	Net Income / (Loss)	\$6,803	(\$64,356)

Beaver Valley Water Company, Inc.
Annual Report
Full time equivalent employees
12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0		0.0
Vice-president	0.0	0.0		0.0
Manager	0.0	0.0	1.0	1.0
Engineering Staff	0.0	0.0	1.0	1.0
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.0	1.0	1.0
Customer Service	0.0	0.0	2.0	2.0
Accounting	0.0	0.0	1.0	1.0
Business Office	0.0	0.0		0.0
Rates Department	0.0	0.0		0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0		0.0
Total	0.0	0.0	7.0	7.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amt. Issued	N/A	N/A	N/A	N/A
Amount Outstanding	N/A	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	N/A	N/A	N/A	N/A
Current Year Principal	N/A	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$1,812
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Meter Deposits Refunded During the Test Year:	\$261
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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)
--

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

TREATMENT EQUIPMENT:	CL2 INJECTION; 2 PRESSURE FILTERS
-----------------------------	-----------------------------------

STRUCTURES:	NONE
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OTHER:	NONE
---------------	------

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC

Method used:

Customer and Other Information	
Name of the System:	BEAVER VALLEY WATER COMPANY
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	210				
February	210				
March	209				
April	207				
May	210				
June	209				
July	209				
August	212				
September	211				
October	211				
November	214				
December	215				

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 (GCPCPD) requirement?
 If yes, provide the GCPCPD amount:

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

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Beaver Valley Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January		3	
February		0	
March		7	
April		0	
May		3	
June		0	
July		6	
August		0	
September		2	
October		0	
November		0	
December		0	
Total	0	21	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.

Beaver Valley Water Company, Inc.
Annual Report
Property Taxes
12/31/19

Property Taxes

Amount of actual property taxes paid during Calendar Year 2019 was

\$0

If no property taxes paid, explain why.

not sufficient cash to cover property tax payments

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): Yavapai
Name (owner or official) title: MICHAEL ARMSTEAD
Company name: Beaver Valley Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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:

[Empty lines for Sworn Statement]

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5/13/2020, 01:51 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Michael Armstead
signature of owner/official

928-951-4000
telephone no.

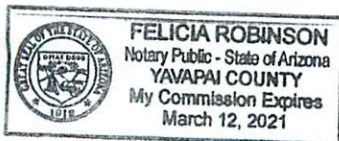
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

13th DAY OF Yavapai
May 2020
(month) and (year)

MY COMMISSION EXPIRES

March 12, 2021
(date)
Felicia Robinson
(signature of notary public)



Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Yavapai
Name (owner or official) title: MICHAEL ARMSTEAD
Company name: Beaver Valley Water Company, Inc.

FOR THE YEAR ENDING: 12/31/19

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Michael Armstead
signature of owner/official

928-951-4000
telephone no.

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

Yavapai
(county name)

THIS

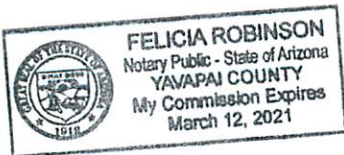
13th

DAY OF

May 2020
(month) and (year)

MY COMMISSION EXPIRES

March 12, 2021
(date)



Felicia Robinson
(signature of notary public)