

ANNUAL REPORT

Of

Company Name:
525 Boynton Canyon Rd.

Mailing Address: Sedona AZ 86336

Docket No.: W-02510A
For the Year Ended:

RECEIVED BY EMAIL
4/24/2024, 11:37 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@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:
Application Date:

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Boynton Canyon Enchantment Homeowners Association
 A Class Utility

For the Calendar Year Ended: 12/31/23

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:

On-Site Manager

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

Owner

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

Regulatory and Management Contact

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

NA

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

Ownership:

Counties Served:

Important changes during the year
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No	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.
	None

No	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.
	None

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	96,969	0	0	96,969	93,233	3,736
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	56,399	0	0	56,399	56,399	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	0	0	0	0	0	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	114,173	0	0	114,173	114,173	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	0	0	0	0	0	0
335	Hydrants	4,844	0	0	4,844	4,844	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	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
	Totals	\$272,386	\$0	\$0	\$272,386	\$268,650	\$3,736

Boynton Canyon Enchantment Homeowners Association
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/23

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	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0	0.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	96,969	0	0	96,969	93,233	3,736	64.54%	2,411
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	56,399	0	0	56,399	56,399	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	114,173	0	0	114,173	114,173	0	0.00%	0
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	0	0	0	0	0	0	0.00%	0
335	Hydrants	4,844	0	0	4,844	4,844	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$272,386	\$0	\$0	\$272,386	\$268,650	\$3,736		\$2,411

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 64.54%
Amortization of CIAC \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Boynnton Canyon Enchantment Homeowners Association
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$97,826	\$154,134
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		9,281	1,788
146	Notes Receivable from Associated Companies		2,161	2,411
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$109,268	\$158,333
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$272,386	\$272,386
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(266,238)	(268,650)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$6,148	\$3,736
	Total Assets		\$115,416	\$162,069

*Note these items feed automatically from AR3 UPIS Page 4

Boynton Canyon Enchantment Homeowners Association
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$158	\$54
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	670
235	Customer Deposits		0	0
236	Accrued Taxes		1,233	(3,431)
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$1,391	(\$2,707)
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$42,057	\$42,057
	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		\$43,448	\$39,350
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		42,860	42,860
215	Retained Earnings		29,108	79,858
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$71,968	\$122,719
	Total Liabilities and Capital		\$115,416	\$162,069

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

Boynton Canyon Enchantment Homeowners Association
Annual Report
Water Comparative Income Statement
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$135,484	\$128,027
460	Unmetered Water Revenue	84,065	84,096
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	\$219,549	\$212,123
	Operating Expenses		
601	Salaries and Wages	\$5,406	\$9,698
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	922	0
618	Chemicals	0	0
620	Materials and Supplies	3,797	71,402
620.1	Repairs and Maintenance	0	11,535
620.2	Office Supplies and Expense	1,351	1,083
630	Contractual Services	8,924	15,576
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,768	1,649
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	735	668
635	Contractual Services - Water Testing	1,512	1,512
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	1,800	1,800
657	Insurance - General Liability	3,893	3,992
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	267	517
403	Depreciation Expense (From Schedule AR4)	2,411	2,411
408	Taxes Other Than Income	0	0
408.11	Property Taxes	0	0
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$32,786	\$121,843
	Operating Income / (Loss)	\$186,763	\$90,280
	Other Income / (Expense)		
419	Interest and Dividend Income	\$11	\$11
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(84,065)	(84,065)
427	Interest (Expense)	(1,051)	(4,732)
	Total Other Income / (Expense)	(\$85,105)	(\$88,786)
	Net Income / (Loss)	\$101,658	\$1,494

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.1	0.0	0.0	0.1
System Operator(s)	0.0	0.0	0.0	0.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.1	0.0	0.0	0.1
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.2	0.0	0.0	0.2

Boynton Canyon Enchantment Homeowners Association
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	10/18/2018	01/00/1900	01/00/1900	01/00/1900
Source of Loan	Crestmark	0	0	0
ACC Decision No.	N/A	0	0	0
Reason for Loan	Back Up Well	0	0	0
Dollar Amt. Issued	\$258,408	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	10/01/2023	01/00/1900	01/00/1900	01/00/1900
Interest Rate	6.05%	0.00%	0.00%	0.00%
Current Year Interest	\$1,051	\$0	\$0	\$0
Current Year Principal	\$42,824	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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		
Name of the System:	Enchantment Resort	
ADEQ Public Water System Number:	AZ0413125	
ADWR PCC Number:	N/A	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC 40	575
3.00	PVC 40	1,635
6.00	AC/PVC	7,966
8.00	AC/PVC	1,816
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	79	53%	8%
1	6	83%	0%
1.5	15	69%	0%
Compound 2	2	50%	50%
Compound 3	2	100%	100%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%
N/A	0	0%	0%

SERVICE LINES		
Material	Percent of system	Year installed
PVC	100%	N/A
PVC	0%	N/A
PVC	0%	N/A
PVC	0%	N/A
PEX	0%	N/A

BOOSTER PUMPS		
Horsepower	GPM	Quantity
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

FIRE HYDRANTS	
Type	Quantity
Standard *	15
Other	1

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
100,000	Steel	1	1982
100,000	Steel	1	1985
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
0	N/A	N/A	N/A
0	N/A	N/A	N/A
0	N/A	N/A	N/A
0	N/A	N/A	N/A
0	N/A	N/A	N/A
0	N/A	N/A	N/A

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

TREATMENT EQUIPMENT:	None
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STRUCTURES:	None
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OTHER:	None
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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	437
Method used:	(a)

Customer and Other Information	
Name of the System:	Enchantment Resort
ADEQ Public Water System Number:	AZ0413125
ADWR PCC Number:	N/A

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	13	0	91	0	0
February	13	0	91	0	0
March	13	0	91	0	0
April	13	0	91	0	0
May	13	0	91	0	0
June	13	0	91	0	0
July	13	0	91	0	0
August	13	0	91	0	0
September	13	0	91	0	0
October	13	0	91	0	0
November	13	0	91	0	0
December	13	0	91	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 (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.

The Mii amo spa was completed in January, 2023. There are (15) lots that can be built on; there is only (1) Lot Owner who is has submitted plans to build at this time with construction estimated to begin in the fall of 2024.

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

Boynton Canyon Enchantment Homeowners Association
Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	Enchantment Resort
ADEQ Public Water System Number:	AZ0413125
ADWR PCC Number:	N/A

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):

None

<p>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.</p>
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Property Taxes

Amount of actual property taxes paid during Calendar Year 2023 was

\$0

If no property taxes paid, explain why.

All property taxes are paid by the Boynton Canyon Enchantment HOA because the water company is not its own entity. The Association holds a certificate of public convenience and necessity from the Arizona Corporation Commission authorizing it to operate as a Water Utility Company.

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 Certification (Taxes)

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

County of (county name): Yavapai
Name (owner or official) title: Sheridan McClure, Secretary / Treasurer
Company name: Boynton Canyon Enchantment Homeowners Association

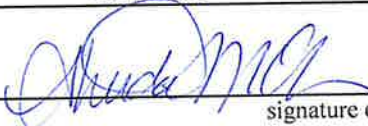
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/23

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.

Certification: I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


signature of owner/official

(928) 204-6264
telephone no.