

RECEIVED
UTILITIES DIVISION

2019 MAY 14 A 11: 03

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION

Of

Company Name:
7313 E. Concho Dr., Ste. B

Mailing Address: Kingman AZ
86401

Docket No.:
For the Year Ended:

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefafuente@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:

5-14-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Cerbat Water Company
A Class E Utility

1. For the Calendar Year Ended: 12/31/18

2. Address:

Cerbat Water Company			
City: Kingman	State: Arizona	Zip Code: 86401	

3. Telephone Number: 928-757-9928

4. Date of Original Organization of Utility: 8/16/1977

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

Name: Teresa Neal
Telephone No. : 702-256-4006
Address: 3001 Westwood Drive
City: Las Vegas State: Nevada Zip Code: 89109
Email: teresa@blackhawkdevelopers.com

6. On-Site Manager:

Name: Mike Neal
Telephone No. : 928-757-9928
Address: 7313 E. Concho Suite B
City: Kingman State: Arizona Zip Code: 86401
Email: mike@cerbatwater.com

7. Ownership: "C" Corporation

8. Counties Served: Mohave

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	4,500			4,500		4,500
304	Structures and Improvements	28,375			28,375	4,734	23,641
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	94,071			94,071	15,662	78,409
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	68,584			68,584	68,584	0
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	135,220			135,220	122,044	13,176
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	543,756			543,756	543,756	0
333	Services	57,228			57,228	35,364	21,864
334	Meters and Meter Installations	21,183			21,183	21,183	0
335	Hydrants	14,400			14,400	7,612	6,788
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
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	2,300			2,300	1,840	460
348	Other Tangible Plant				0		0
	Totals	\$969,617	\$0	\$0	\$969,617	\$820,779	\$148,838

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.

Cerbat 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
302	Franchises	0	0	0	0			0
303	Land and Land Rights	4,500	0	0	4,500			0
304	Structures and Improvements	28,375	0	0	28,375		3.33%	945
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	94,071	0	0	94,071		3.33%	3,133
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	68,584	0	0	68,584		0.00%	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	135,220	0	0	135,220		2.23%	3,015
330.1	Storage Tanks	0	0	0	0			0
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	543,756	0	0	543,756		1.61%	8,734
333	Services	57,228	0	0	57,228		3.33%	1,906
334	Meters and Meter Installations	21,183	0	0	21,183		0.00%	0
335	Hydrants	14,400	0	0	14,400		2.00%	288
336	Backflow Prevention Devices	0	0	0	0			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	2,300	0	0	2,300		10.00%	230
348	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$969,617	\$0	\$0	\$969,617	\$0		\$18,251

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
 1.88%
 \$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.

Cerbat 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		\$3,199	\$12,036
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		14,676	16,030
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies		8,795	8,795
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		25,019	25,019
	Total Current and Accrued Assets		\$51,689	\$61,880
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$969,617	\$969,617
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(802,529)	(820,779)
121	Non-Utility Property		96,211	96,211
122	Accumulated Depreciation - Non Utility		(73,830)	(79,630)
	Total Fixed Assets		\$189,469	\$165,419
	Total Assets		\$241,158	\$227,299

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

Cerbat 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		\$36,899	\$47,980
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies		380,420	380,420
235	Customer Deposits			
236	Accrued Taxes		39,481	18,109
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$456,800	\$446,509
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$323,234	\$291,202
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		333,104	347,404
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		196,718	196,718
272	Less: Amortization of Contributions		(196,718)	(196,718)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$333,104	\$347,404
	Total Liabilities		\$1,113,138	\$1,085,115
	Capital Accounts			
201	Common Stock Issued		\$204,341	\$204,341
211	Other Paid-In Capital			
215	Retained Earnings		(1,076,321)	(1,062,157)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		(\$871,980)	(\$857,816)
	Total Liabilities and Capital		\$241,158	\$227,299

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 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$235,569	\$200,363
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		16,380
474	Other Water Revenue		
	Total Revenues	\$235,569	\$216,743
	Operating Expenses		
601	Salaries and Wages	\$69,914	\$66,449
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	29,335	32,256
618	Chemicals	33	
620	Materials and Supplies	2,229	1,910
620.1	Repairs and Maintenance	2,055	42,570
620.2	Office Supplies and Expense	6,136	4,973
630	Contractual Services		
631	Contractual Services -Engineering	1,515	
632	Contractual Services - Accounting	5,633	3,975
633	Contractual Services - Legal	18,570	3,148
634	Contractual Services - Management Fees	15,162	15,162
635	Contractual Services - Water Testing	1,110	495
636	Contractual Services - Other	3,000	3,000
640	Rents	0	2,271
641	Rental of Building/Real Property	1,825	
642	Rental of Equipment		
650	Transportation Expenses	7,639	7,334
657	Insurance - General Liability	1,966	2,593
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate	3,132	
670	Bad Debt Expense		
675	Miscellaneous Expense	599	
403	Depreciation Expense (From Schedule AR4)	18,251	20,392
408	Taxes Other Than Income	12,360	11,695
408.11	Property Taxes	2,871	2,278
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$203,335	\$220,501
	Operating Income / (Loss)	\$32,234	(\$3,758)
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)	(5,900)	
427	Interest (Expense)	(12,737)	
	Total Other Income / (Expense)	(\$18,637)	\$0
	Net Income / (Loss)	\$13,597	(\$3,758)

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	4/2/2012			
Source of Loan	WIFA			
ACC Decision No.	#72739			
Reason for Loan	New Well			
Dollar Amt. Issued	\$331,875			
Amount Outstanding				
Date of Maturity	4/1/20323			
Interest Rate	4.20%			
Current Year Interest	\$2,875			
Current Year Principal	\$13,948			

Meter Deposit Balance at Test Year End:	\$5,282
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Meter Deposits Refunded During the Test Year:	\$1,375
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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:	
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STRUCTURES:	Booster Pump House
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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.

Customer and Other Information	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	310				
February	308				
March	308				
April	314				
May	315				
June	311				
July	315				
August	315				
September	315				
October	313				
November	315				
December	313				

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?

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

\$2,871

If no property taxes paid, explain why.

We set aside \$600 each month to get the CVP taxes brought current. (per the ACC)

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, the undersigned of the
(state name)

County of (county name): Mohave
Name (owner or official) title: Teresa Neal-Manager
Company name: Cerbat 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.

Teresa Neal
signature of owner/official

702-286-4000
telephone no.

RECEIVED
UTILITIES DIVISION
2019 MAY 14 A 11:04
ARIZONA CORPORATION
COMMISSION

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

THIS 10th DAY OF Clark
(county name)
May 2019
(month) and (year)

MY COMMISSION EXPIRES 12/28/2019
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona, the undersigned of the
(state name)
County of (county name): Mohave
Name (owner or official) title: Teresa Neal-Manager
Company name: Cerbat 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:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$235,569

(The amount in the box above includes

\$12,360 in sales taxes billed or collected)

RECEIVED
UTILITIES DIVISION
2019 MAY 14 A 11:04
ARIZONA CORPORATION
COMMISSION

Teresa Neal

signature of owner/official

702-250-4600

telephone no.

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

THIS

10th

DAY OF

Clark
(county name)

May 2019
(month) and (year)

MY COMMISSION EXPIRES

12/28/2019
(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): Mohave
Name (owner or official) title: Teresa Neal-Manager
Company name: Cerbat 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 (\$)

\$235,569

(The amount in the box above includes

\$12,360 in sales taxes
billed or collected)

RECEIVED
UTILITIES DIVISION
2019 MAY 14 A 11:04
ARIZONA CORPORATION
COMMISSION

Teresa Neal
signature of owner/official

702-250-4800
telephone no.

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

THIS 10th DAY OF May 2019
(month) and (year)

MY COMMISSION EXPIRES 12/28/2019
(date)



[Signature]
(signature of notary public)