

ANNUAL REPORT

Of

Company Name:
2425 William Palmer

Mailing Address: Flagstaff AZ
86005

Docket No.: W-02493A
For the Year Ended:

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
Forest Highlands Water Company
A Class Utility

For the Calendar Year Ended:

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
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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.
	NA

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.
	NA

Forest Highlands Water Company
Annual Report
Utility Plant in Service (Water)
12/31/23

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC LD (OC less AD)
301	Organization	\$104,284	\$0	\$0	\$104,284	\$0	\$104,284
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	227,124	0	0	227,124	164,367	62,757
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	1,441,250	0	0	1,441,250	1,317,287	123,963
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	1,466,332	5,767	0	1,472,099	1,338,528	133,571
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	191,269	0	0	191,269	151,697	39,572
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	1,705,871	2,080	0	1,707,951	1,193,927	514,024
333	Services	201,813	0	0	201,813	190,586	11,227
334	Meters and Meter Installations	64,906	0	0	64,906	56,026	8,880
335	Hydrants	226,995	5,771	0	232,766	160,203	72,563
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	165,074	0	1,813	163,262	80,864	82,398
340	Office Furniture and Equipment	11,885	0	0	11,885	11,715	170
340.1	Computer & Software	43,801	0	1,197	42,604	39,091	3,513
341	Transportation Equipment	467,035	0	37,397	429,637	393,870	35,767
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,944	33
344	Laboratory Equipment	1,327	0	0	1,327	1,327	(0)
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	28,762	0	0	28,762	12,354	16,408
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	750,297	313,954
	Totals	\$7,413,955	\$13,618	\$40,407	\$7,387,167	\$5,864,083	\$1,523,083

Forest Highlands Water Company
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	\$104,284	\$0	\$0	\$104,284	\$104,284	\$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	227,124	0	0	227,124	164,367	62,757	13.39%	8,404
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	1,441,250	0	0	1,441,250	1,317,287	123,964	44.29%	54,907
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	1,466,332	5,767	0	1,472,099	1,338,528	133,571	26.06%	34,053
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	191,269	0	0	191,269	151,697	39,571	12.09%	4,782
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	1,705,871	2,080	0	1,707,951	1,193,927	514,024	7.02%	36,019
333	Services	201,813	0	0	201,813	190,586	11,227	97.80%	10,980
334	Meters and Meter Installations	64,906	0	0	64,906	56,026	8,880	14.99%	1,331
335	Hydrants	226,995	5,771	0	232,766	160,277	72,489	6.77%	4,712
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	165,074	0	1,813	163,262	82,676	80,585	10.07%	8,205
340	Office Furniture and Equipment	11,885	0	0	11,885	11,715	170	600.00%	1,021
340.1	Computer & Software	43,801	0	1,197	42,604	40,288	2,316	122.35%	3,566
341	Transportation Equipment	467,035	0	37,397	429,637	416,309	13,329	141.84%	45,427
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,944	33	299.89%	99
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	28,762	0	0	28,762	12,354	16,407	7.95%	1,304
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	750,297	313,954	6.78%	21,285
	Subtotal	\$7,413,955	\$13,618	\$40,407	\$7,387,167	\$5,993,890	\$1,393,277		\$236,095

Contribution(s) in Aid of Construction (Gross)	\$5,642,728
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	4,482,904
Amortizable Contribution(s)	\$1,159,824
Times: Proposed Amortization Rate	16.95%
Amortization of CIAC	\$196,536

Less: Amortization of CIAC \$196,536

DEPRECIATION EXPENSE \$39,559

Forest Highlands Water Company
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		\$140,631	\$118,378
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		16,107	21,394
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		345	2,038
162	Prepayments		0	76,238
174	Miscellaneous Current and Accrued Assets		124	28
	Total Current and Accrued Assets		\$157,207	\$218,076
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,413,955	\$7,387,167
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(5,653,436)	(5,864,083)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,760,519	\$1,523,083
	Total Assets		\$1,917,726	\$1,741,159

*Note these items feed automatically from AR3 UPIS Page 4

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	\$520,217	\$525,151
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	8,413	35,396
	Total Revenues	\$528,630	\$560,547
	Operating Expenses		
601	Salaries and Wages	\$241,133	\$216,508
604	Employee Pensions and Benefits	64,554	59,929
610	Purchased Water	0	0
615	Purchased Power	65,822	68,278
618	Chemicals	368	750
620	Materials and Supplies	13,536	15,250
620.1	Repairs and Maintenance	8,565	28,793
620.2	Office Supplies and Expense	12,590	13,415
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	55,451	54,439
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	7,253	1,120
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	11,784	11,784
642	Rental of Equipment	0	0
650	Transportation Expenses	12,264	14,682
657	Insurance - General Liability	26,458	25,237
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	5,928	6,985
403	Depreciation Expense (From Schedule AR4)	39,559	69,868
408	Taxes Other Than Income	0	0
408.11	Property Taxes	17,291	15,735
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$582,606	\$602,823
	Operating Income / (Loss)	(\$53,977)	(\$42,276)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$53,977)	(\$42,276)

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	1.0	0.0	0.0	1.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	7.0	0.0	0.0	7.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.0	0.0	0.0	1.0
Other	0.0	0.0	0.0	0.0
Total	9.0	0.0	0.0	9.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	None	None	None	None
Source of Loan	0	0	0	0
ACC Decision No.	None	None	None	None
Reason for Loan	None	None	None	None
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	None	None	None	None
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$17,833
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Meter Deposits Refunded During the Test Year:	\$3,482
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<i>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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i>
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Customer and Other Information

Name of the System:	FOREST HIGHLANDS WATER CO	
ADEQ Public Water System Number:	AZ0403073	
ADWR PCC Number:	91-000104.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	765	0	22	6	1
February	765	0	22	6	1
March	765	0	22	6	1
April	765	0	22	6	1
May	765	0	22	6	1
June	770	0	22	6	1
July	770	0	22	6	1
August	770	0	22	6	1
September	770	0	22	6	1
October	770	0	22	6	1
November	771	0	22	6	1
December	771	0	22	6	1

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.

Additional 500,000 gallon drinking water storage tank. Completion estimated by August 2024.

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

Forest Highlands Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	FOREST HIGHLANDS WATER CO
ADEQ Public Water System Number:	AZ0403073
ADWR PCC Number:	91-000104.0000

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):

NA

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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was	\$17,291
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If no property taxes paid, explain why.

NA

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 I, the undersigned of the
(state name)


County of (county name):
Name (owner or official) title:
Company name:

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:


signature of owner/official

telephone no.