

ANNUAL REPORT

Of

Company Name: William F. Lesko DBA Heckethorn Water Company
4400 E. Button Lane

Mailing Address: Flagstaff AZ
86005

Docket No.: W-03782A
For the Year Ended: 12/31/23

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: Original Filing
Application Date: 1/26/2024

RECEIVED
UTILITIES DIVISION
2024 MAY 21 A 11:35
ARIZONA CORPORATION
COMMISSION

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCID (OC less AD)
301	Organization				\$0		\$0
302	Franchises				0		0
303	Land and Land Rights	8000			8000 0		8000 0
304	Structures and Improvements	4259			4259 0	2232	2027 0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	6976			6976 0	5330	1646 0
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	21637			21637 0	9906	11731 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				0		0
330.1	Storage Tanks	32298			32298 0	12493	19805 0
330.2	Pressure Tanks	9507			9507 0	6382	4125 0
331	Transmission and Distribution Mains	1180			1180 0	901	279 0
333	Services	886			886 0	876	10 0
334	Meters and Meter Installations				0		0
335	Hydrants				0		0
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	2443			2443 0	2443	0 0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	87186	\$0	\$0	87186	39563	47623

William F. Lesko DBA Heckethorn 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	\$0	\$0	\$0	\$0		\$0		\$0
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	8000	0	0	8000	8000	0		0
304	Structures and Improvements	4259	0	0	4259	0	0	2.47	105
305	Collecting & Improving Reservoirs	0	0	0	0	0	0		0
306	Lake, River, Canal Intakes	0	0	0	0	0	0		0
307	Wells and Springs	6976	0	0	6976	0	0	2.97	207
308	Infiltration Galleries	0	0	0	0	0	0		0
309	Supply Mains	0	0	0	0	0	0		0
310	Power Generation Equipment	0	0	0	0	0	0		0
311	Pumping Equipment	21637	0	0	21637	0	0	5.05	1093
320	Water Treatment Equipment	0	0	0	0	0	0		0
320.1	Water Treatment Plants	0	0	0	0	0	0		0
320.2	Solution Chemical Feeders	0	0	0	0	0	0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0		0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0		0
330.1	Storage Tanks	32298	0	0	32298	0	0	1.80	581
330.2	Pressure Tanks	9507	0	0	9507	0	0	2.20	209
331	Transmission and Distribution Mains	1180	0	0	1180	0	0	2.96	35
333	Services	886	0	0	886	0	0	3.82	34
334	Meters and Meter Installations	0	0	0	0	0	0		0
335	Hydrants	0	0	0	0	0	0		0
336	Backflow Prevention Devices	0	0	0	0	0	0		0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0		0
340	Office Furniture and Equipment	0	0	0	0	0	0		0
340.1	Computer & Software	0	0	0	0	0	0		0
341	Transportation Equipment	0	0	0	0	0	0		0
342	Stores Equipment	0	0	0	0	0	0		0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0		0
344	Laboratory Equipment	0	0	0	0	0	0		0
345	Power Operated Equipment	2443	0	0	2443	2443	0		0
346	Communication Equipment	0	0	0	0	0	0		0
347	Miscellaneous Equipment	0	0	0	0	0	0		0
348	Other Tangible Plant	0	0	0	0	0	0		0
	Subtotal	87186	\$0	\$0	87186	10443	\$0		2264

Contributions(s) in Aid of Construction (Gross)
Less: Non-Amortizable Contributions(s)
Fully Amortized Contributions(s)
Amortizable Contribution(s)
Times Proposed Amortization Rate
Amortization of CIAC

\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

William F. Lesko DBA Heckethorn 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		88,746	100,204
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		88,746 \$	100,204 \$
Account No.	Fixed Assets			
101	Utility Plant in Service*		87,186 \$	87,186 \$
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(37,299)	(39,563) \$
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		49,887 \$	47,623 \$
	Total Assets		138,633 \$	147,827 \$

*Note these items feed automatically from AR3 UPIS Page 4

William F. Lesko DBA Heckethorn Water Company
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			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		165	165
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		165 \$0	165 \$0
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
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		\$0	\$0
	Total Liabilities		165 \$0	165 \$0
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings			
218	Proprietary Capital (Sole Props and Partnerships)		138468	147662
	Total Capital		138468 \$0	147662 \$0
	Total Liabilities and Capital		138633 \$0	147827 \$0

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

William F. Lesko DBA Heckethorn Water Company
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	30760		27988
460	Unmetered Water Revenue			
462	Fire Protection Revenue			
469	Guaranteed Revenues (Surcharges)			
471	Miscellaneous Service Revenues			
474	Other Water Revenue			
	Total Revenues	30760	\$0	27988 \$0
	Operating Expenses			
601	Salaries and Wages	766		1066
604	Employee Pensions and Benefits			
610	Purchased Water			
615	Purchased Power	8115		7449
618	Chemicals			
620	Materials and Supplies			
620.1	Repairs and Maintenance	3363		9304
620.2	Office Supplies and Expense	3325		3419
630	Contractual Services			
631	Contractual Services - Engineering			
632	Contractual Services - Accounting			
633	Contractual Services - Legal			
634	Contractual Services - Management Fees			
635	Contractual Services - Water Testing	990		1332
636	Contractual Services - Other			
640	Rents			
641	Rental of Building/Real Property			
642	Rental of Equipment	131		333
650	Transportation Expenses			
657	Insurance - General Liability	2064		3186
657.1	Insurance - Health and Life			
665	Regulatory Commission Expense - Rate			
670	Bad Debt Expense			
675	Miscellaneous Expense			
403	Depreciation Expense (From Schedule AR4)	2264		2264
408	Taxes Other Than Income			
408.11	Property Taxes	549		557
409	Income Taxes			
427.1	Customer Security Deposit Interest			
	Total Operating Expenses	21566	\$0	28946 \$0
	Operating Income / (Loss)	9194	\$0	< 958 > \$0
	Other Income / (Expense)			
419	Interest and Dividend Income			
421	Non-Utility Income			
426	Miscellaneous Non-Utility (Expense)			
427	Interest (Expense)			
	Total Other Income / (Expense)		\$0	\$0
	Net Income / (Loss)	9194	\$0	< 958 > \$0

William F. Lesko DBA Heckethorn Water Company
 Annual Report
 Full time equivalent employees
 12/31/23

Full time equivalent employees

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

Well and Water Usage

[illegible]

Name of system water delivered to:	
ADWR PCC Number:	
Source of water delivered to another system	
Name of system water received from:	
ADWR PCC Number:	
Source of water received	
Well registry 55# (55-XXXXXX):	

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January		531,900					
February		287,000					
March		270,300					
April		270,100					
May		242,000					
June		195,500					
July		406,700					
August		263,700					
September		213,300					
October		240,200					
November		223,700					
December		213,800					
Totals	0.00	5,245,000	0.00	0.00	0.00	\$0	0

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

- | | |
|---|---|
| 1 | Water withdrawn - Total gallons of water withdrawn from pumped sources. |
| 2 | Water sold - Total gallons from customer meters, and other sales such as construction water. |
| 3 | Water delivered (sold) to other systems - Total gallons of water delivered to other systems. |
| 4 | Water received (purchased) from other systems - Total gallons of water purchased/received from other systems. |
| 5 | Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft. |
| 6 | Enter the total purchased power costs for the power meters associated with this system. |
| 7 | Enter the total purchased kWh used by the power meters associated with this system. |

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:	N/A
STRUCTURES:	BOOSTER STATION - CONTAINS 6Kg TANK, 500g PRESSURE TANK WELL HEAD TWO STORAGE TANKS (FENCED IN) 10,000 AND 40,000 TANK (FENCED IN)
OTHER:	DITCH WITCH TRENCHER VARIOUS HAND TOOLS

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
- (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:

William F. Lesko DBA Heckethorn Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	HECKETHORN WATER COMPANY
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			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total	0	0	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.

Verification and Certification (Taxes)

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

County of (county name): COCONINO
Name (owner or official) title: WILLIAM F. LESKO
Company name: William F. Lesko DBA Heckethorn Water Company

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

FOR THE YEAR ENDING: 12/31/23

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:

William F. Lesko
signature of owner/official
928-220-8745
telephone no.

Arizona Department of Revenue
Centrally Valued Property
Statement of Original Cost

PS1220-01 Please input the year ending 2022 original cost of Buildings/Structures and Personal Property in the shaded columns for
1/01/2023 each tax area code (TAC). If you have original cost in a TAC not listed please add a row at the bottom with the appropriate
data with a note of explanation.

<u>Tax Year</u>	<u>Class</u>	<u>Subclass</u>	<u>Acct. No.</u>	<u>County</u>	<u>County ID</u>	<u>TAC</u>	<u>BldgsStructCY</u>	<u>PersPropCY</u>	<u>BldgsStructPY</u>	<u>PersPropPY</u>
2024	55	0	322	COCONINO	3	0100	\$ -	\$ -	\$ 3,366	\$ 77,168

Arizona Department of Revenue
Centrally Valued Property
Operating Land

PS1220-12
1/01/2023

<u>Tax Year</u>	<u>Class</u>	<u>Subclass</u>	<u>Acct. No.</u>	<u>County</u>	<u>County ID</u>	<u>TAC</u>	<u>APN</u>	<u>Acreage</u>	<u>Land FCV</u>	<u>Legal Description</u>
2024	55	0	322	COCONINO	3	100	115-02-0408	1.2	35584	12 20N 07E PCL NW4 SEC 12 20N-7E DESC AS FLLWS: BEG NE COR NW4NW4 SEC 12;TH S0D07M17S W 660.97' TO TRUEPOB; TH S05D11M38S E 166.80'; TH N 77D 38M37S W 338.13'; TH N 0D07M17S E 168.46';TH N 89D56M42S E 100'; TH S 0D07M17S W 25'; TH N 89D56M45S E 60'; TH S 0D07M17S W 50'; TH N 89D56M45S E 155' TO TRUE POB.