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UTILITIES DIVISION

2022 APR -8 A 11:08

ANNUAL REPORT

Of

Company Name: **Pinecrest Water Company, Inc.**
PO Box 97

Mailing Address: Nutrioso AZ
85932

Docket No.: W-02091A
For the Year Ended: 12/31/21

**RECEIVED
BY EMAIL**

04/08/2022 11:48 PM

**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: Original Filing

Application Date: 4/3/2022

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Pinecrest Water Company, Inc.
A Class ☐ Utility

For the Calendar Year Ended: 12/31/21

Primary Address:

PO Box 97		
City: Nutrioso	State: Arizona	Zip Code: 85932

Telephone Number:

928-339-4972

Date of Original Organization of Utility:

7/1/1973

Person to whom correspondence should be addressed concerning this report:

Name:

Nathan Castillo

Telephone No. :

928-339-4972

Address:

PO Box 97		
City: Nutrioso	State: Arizona	Zip Code: 85932

Email:

pinecrestwatercompany@gmail.com
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Management Contact
Name:

Nathan Castillo

Telephone No. :

928-339-4972

Address:

PO Box 97		
City: Nutrioso	State: Arizona	Zip Code: 85932

Email:

pinecrestwatercompany@gmail.com
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Statutory Agent
Name:

Elsa Castillo

Telephone No. :

928-339-4972

Address:

PO Box 91		
City: Nutrioso	State: Arizona	Zip Code: 85932

Email:

elsacastillo105@gmail.com
--

NA
Name:

NA

Telephone No. :

NA

Address:

NA		
City: NA	State: Arizona	Zip Code: NA

Email:

NA

NA
Name:

NA

Telephone No. :

NA

Address:

NA		
City: NA	State: Arizona	Zip Code: NA

Email:

NA

Ownership:

"C" Corporation

Counties Served:

Apache

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Pinecrest Water Company, Inc.

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?
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	If yes, please provide specific details in the box below.
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	NA
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No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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	If yes, please provide specific details in the box below.
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	NA
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Pinecrest Water Company, Inc.
Annual Report
Utility Plant in Service (Water)
12/31/21

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	\$750	\$0	\$0	\$750	\$0	\$750
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	6,000	0	0	6,000	0	6,000
304	Structures and Improvements	14,954	0	0	14,954	14,954	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	4,800	0	0	4,800	4,800	0
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	5,909	0	0	5,909	5,909	0
320	Water Treatment Equipment	505	0	0	505	505	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	25,644	0	0	25,644	11,138	14,506
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	17,743	0	0	17,743	17,743	0
333	Services	3,200	0	0	3,200	3,200	0
334	Meters and Meter Installations	1,600	0	0	1,600	1,600	0
335	Hydrants	0	0	0	0	0	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	100	0	0	100	100	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	\$81,205	\$0	\$0	\$81,205	\$59,949	\$21,256

Pinecrest Water Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/21

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	\$750	\$0	\$0	\$750	\$750	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	6,000	0	0	6,000	6,000	0	0.00%	0
304	Structures and Improvements	14,954	0	0	14,954	14,954	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	4,800	0	0	4,800	4,800	0	0.00%	0
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	5,909	0	0	5,909	5,909	0	0.00%	0
320	Water Treatment Equipment	505	0	0	505	505	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	25,644	0	0	25,644	0	25,644	2.20%	564
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	17,743	0	0	17,743	17,743	0	0.00%	0
333	Services	3,200	0	0	3,200	3,200	0	0.00%	0
334	Meters and Meter Installations	1,600	0	0	1,600	1,600	0	0.00%	0
335	Hydrants	0	0	0	0	0	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	100	0	0	100	100	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	\$81,205	\$0	\$0	\$81,205	\$55,561	\$25,644		\$564

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	2.20%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$564**

Pinecrest Water Company, Inc.
Annual Report
Balance Sheet Assets
12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$17,233	\$23,832
134	Working Funds		\$0	\$0
135	Temporary Cash Investments		\$0	\$0
141	Customer Accounts Receivable		\$0	\$0
146	Notes Receivable from Associated Companies		\$0	\$0
151	Plant Material and Supplies		\$0	\$0
162	Prepayments		\$0	\$0
174	Miscellaneous Current and Accrued Assets		\$0	\$0
	Total Current and Accrued Assets		\$17,233	\$23,832
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$81,205	\$81,205
103	Property Held for Future Use		\$0	\$0
105	Construction Work in Progress		\$0	\$0
108	Accumulated Depreciation (enter as negative)*		(59,385)	(59,949)
121	Non-Utility Property		\$0	\$0
122	Accumulated Depreciation - Non Utility		\$0	\$0
	Total Fixed Assets		\$21,820	\$21,256
	Total Assets		\$39,053	\$45,088

*Note these items feed automatically from AR3 UPIS Page 4

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

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		\$0	\$0
234	Notes Payable to Associated Companies		\$0	\$0
235	Customer Deposits		\$0	\$0
236	Accrued Taxes		\$0	\$0
237	Accrued Interest		\$0	\$0
242	Miscellaneous Current and Accrued Liabilities		\$0	\$0
	Total Current Liabilities		\$0	\$0
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	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		\$0	\$0
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		\$0	\$0
215	Retained Earnings		39,053	45,088
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$39,053	\$45,088
	Total Liabilities and Capital		\$39,053	\$45,088

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

Pinecrest Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/21

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$21,650	\$21,396
460	Unmetered Water Revenue	110	149
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	\$21,760	\$21,545
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	1,767	1,779
618	Chemicals	0	0
620	Materials and Supplies	494	0
620.1	Repairs and Maintenance	739	1,136
620.2	Office Supplies and Expense	1,144	1,381
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	925	1,600
633	Contractual Services - Legal	45	0
634	Contractual Services - Management Fees	4,968	4,968
635	Contractual Services - Water Testing	650	1,187
636	Contractual Services - Other	1,158	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	1,262	623
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	150	79
403	Depreciation Expense (From Schedule AR4)	564	564
408	Taxes Other Than Income	1,338	1,383
408.11	Property Taxes	471	487
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$15,725	\$15,237
	Operating Income / (Loss)	\$6,035	\$6,308
	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)	\$6,035	\$6,308

Pinecrest Water Company, Inc.
Annual Report
Full time equivalent employees
12/31/21

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	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	2.0	2.0
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	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	2.0	2.0

Pinecrest Water Company, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/21

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

Meter Deposit Balance at Test Year End:	\$0
---	-----

Meter Deposits Refunded During the Test Year:	\$0
---	-----

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.

Well and Water Usage

[illegible]

Name of system water delivered to:	NA	
ADWR PCC Number:		#N/A
Source of water delivered to another system	NA	

Name of system water received from:	NA
ADWR PCC Number:	#N/A
Source of water received	NA
Well registry 55# (55-XXXXXXX):	NA

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 Expense6	Purchased Power (kWh)7
January	39,600.00	36,600.00	0.00	0.00	3,000.00	\$160	589
February	35,900.00	34,420.00	0.00	0.00	1,480.00	157	550
March	46,100.00	45,670.00	0.00	0.00	430.00	168	668
April	47,700.00	46,750.00	0.00	0.00	950.00	159	572
May	72,600.00	71,230.00	0.00	0.00	1,370.00	140	358
June	107,080.00	107,080.00	0.00	0.00	0.00	138	340
July	52,300.00	51,550.00	0.00	0.00	750.00	127	197
August	49,490.00	49,490.00	0.00	0.00	0.00	126	187
September	64,100.00	61,720.00	0.00	0.00	2,320.00	130	235
October	45,600.00	45,600.00	0.00	0.00	0.00	149	394
November	38,700.00	37,120.00	0.00	0.00	1,580.00	155	447
December	32,090.00	32,090.00	0.00	0.00	0.00	158	478
Totals	631,260.00	619,320.00	0.00	0.00	11,880.00	\$1,767	5,015

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

1880 gallons non-authorized use due to meter inaccuracy and/or rounding. 10,000 gallons authorized use for construction, flushing and cleaning.

- | | |
|---|---|
| 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			
Name of the System:	PINECREST WATER CO INC		
ADEQ Public Water System Number:	AZ0401010		
ADWR PCC Number:	91-000005.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
1.00	PVC	2,800
2.00	PVC	2,762
3.00	PVC	1,630
4.00	PVC	4,435
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
NA	NA	0

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	90%	UNK	
Other	10%	UNK	
NA	NA	NA	
NA	NA	NA	
NA	NA	NA	

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
3	60	1	
1.5	50	1	
NA	NA	NA	
NA	NA	NA	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
15,000	Galvanized Steel	1	2013
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	47	0%	25%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
80	Fiberglass	3	2010
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

* 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)

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

TREATMENT EQUIPMENT:	HAND CHLORINATION
STRUCTURES:	8' X 12' PUMPHOUSE
OTHER:	CHAINLINK FENCE @ PUMPHOUSE & WELLHEAD

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

5

 Method used:

(b)

Customer and Other Information	
Name of the System:	PINECREST WATER CO INC
ADEQ Public Water System Number:	AZ0401010
ADWR PCC Number:	91-000005.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	46	0	0	0	0
February	46	0	0	0	0
March	46	0	0	0	0
April	46	0	0	0	0
May	47	0	0	0	0
June	47	0	0	0	0
July	47	0	0	0	0
August	47	0	0	0	0
September	47	0	0	0	0
October	47	0	0	0	0
November	47	0	0	0	0
December	47	0	0	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 (GPCPD) requirement?
If yes, provide the GPCPD 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.

Improvement for storage capacity scheduled for summer/fall 2022. PWC has experienced some growth however small.

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

Pinecrest Water Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	PINECREST WATER CO INC
ADEQ Public Water System Number:	AZ0401010
ADWR PCC Number:	91-000005.0000

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 relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Pinecrest Water Company, Inc.
Annual Report
Property Taxes
12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$471

If no property taxes paid, explain why.

PAID

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): Apache
Name (owner or official) title: Nathan Castillo, President
Company name: Pinecrest Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/21

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.

RECEIVED
UTILITIES DIVISION
2022 APR -8 A 11:06
ARIZONA CORPORATION
COMMISSION

Nathan Castillo
signature of owner/official

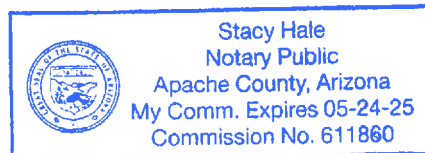
928-339-4972
telephone no.

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

THIS 6th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES

05/24/2025
(date)



Stacy Hale
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Apache

Name (owner or official) title: Nathan Castillo, President

Company name: Pinecrest Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/21

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:

RECEIVED
UTILITIES DIVISION
2022 APR -8 A 11:08
ARIZONA CORPORATION
COMMISSION

Arizona Intrastate Gross Operating Revenues Only (\$)

\$21,760

(The amount in the box above includes

\$1,338 in sales taxes

billed or collected)

Nathan Castillo
signature of owner/official

928-339-4972

telephone no.

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

THIS

6th

DAY OF

Apache

(county name)

April 2022
(month) and (year)

MY COMMISSION EXPIRES

05/24/2025
(date)



Stacy Hale
Notary Public
Apache County, Arizona
My Comm. Expires 05-24-25
Commission No. 611860

Stacy Hale
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Apache
Name (owner or official) title: Nathan Castillo, President
Company name: Pinecrest Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/21

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 (\$)

\$21,760

(The amount in the box above includes

\$1,338 in sales taxes
billed or collected)

Nathan Castillo
signature of owner/official

928-339-4972

telephone no.

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

Apache
(county name)

THIS

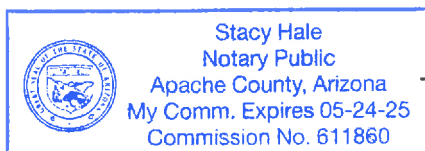
6th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

05/24/2025
(date)



Stacy Hale
(signature of notary public)

Pinecrest Water Company, Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/21

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): Apache
Name (owner or official) title: Nathan Castillo, President
Company name: Pinecrest Water Company, Inc.

FOR THE YEAR ENDING: 12/31/21

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.

RECEIVED
UTILITIES DIVISION
2022 APR -8 A 11:09
ARIZONA CORPORATION
COMMISSION

Nathan Castillo
signature of owner/official

928-339-4972
telephone no.

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

Apache
(county name)

THIS

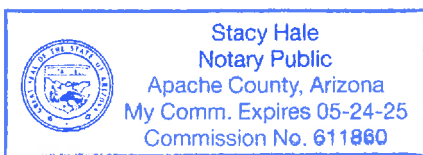
6th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

05/24/2025
(date)



Stacy Hale
(signature of notary public)