

**ANNUAL REPORT**

Of

Company Name: **Yarnell Water Improvement Association, Inc.**  
PO Box 727

Mailing Address: Yarnell AZ  
85362

Docket No.: W-02255A  
For the Year Ended: 12/31/19

**RECEIVED  
BY EMAIL**

5/26/2020 9:35 AM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: rdelafuente@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: 5/26/2020

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Yarnell Water Improvement Association, Inc.  
A Class  Utility

For the Calendar Year Ended: 12/31/19

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:

<b>Important changes during the year</b>
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	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.

	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.

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	\$24,471	\$0	\$0	\$24,471	\$0	\$24,471
302	Franchises	34,884	\$0	\$0	34,884	0	34,884
303	Land and Land Rights	23,732	\$0	\$0	23,732	0	23,732
304	Structures and Improvements	59,957	\$0	\$0	59,957	59,957	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	1,784	\$0	\$0	1,784	1,784	0
308	Infiltration Galleries	0	\$0	\$0	0	0	0
309	Supply Mains	0	\$0	\$0	0	0	0
310	Power Generation Equipment	41,171	\$0	\$0	41,171	19,557	21,614
311	Pumping Equipment	100,610	\$0	\$0	100,610	100,610	0
320	Water Treatment Equipment	0	\$0	\$0	0	0	0
320.1	Water Treatment Plants	4,909	\$0	\$0	4,909	4,908	0
320.2	Solution Chemical Feeders	73,038	\$0	\$0	73,038	73,038	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	296,039	\$0	\$0	296,039	163,287	132,752
330.2	Pressure Tanks	0	\$0	\$0	0	0	0
331	Transmission and Distribution Mains	1,418,148	\$0	\$0	1,418,148	874,730	543,418
333	Services	72,976	\$0	\$0	72,976	14,115	58,861
334	Meters and Meter Installations	226,736	\$0	\$0	226,736	147,803	78,933
335	Hydrants	246,610	\$0	\$0	246,610	80,851	165,759
336	Backflow Prevention Devices	205	\$0	\$0	205	131	74
339	Other Plant and Misc. Equipment	39,143	\$0	\$0	39,143	39,143	0
340	Office Furniture and Equipment	1,027	\$0	\$0	1,027	686	341
340.1	Computer & Software	2,186	\$0	\$0	2,186	2,186	0
341	Transportation Equipment	7,720	\$0	\$0	7,720	7,720	0
342	Stores Equipment	0	\$0	\$0	0	0	0
343	Tools, Shop and Garage Equipment	7,898	\$0	\$0	7,898	5,205	2,693
344	Laboratory Equipment	0	\$0	\$0	0	0	0
345	Power Operated Equipment	0	\$0	\$0	0	0	0
346	Communication Equipment	160,249	\$0	\$0	160,249	130,835	28,414
347	Miscellaneous Equipment	4,295	\$0	\$0	4,295	4,295	S
348	Other Tangible Plant	101,115	\$0	\$0	101,115	101,115	0
	<b>Totals</b>	<b>\$2,948,903</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,948,903</b>	<b>\$1,831,956</b>	<b>\$1,115,946</b>

Yarnell Water Improvement Association, Inc.  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/19

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	\$24,471	\$0	\$0	\$24,471		\$24,471		\$0
302	Franchises	34,884	0	0	34,884		34,884		0
303	Land and Land Rights	23,732	0	0	23,732		23,732		0
304	Structures and Improvements	59,957	0	0	59,957		59,957		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	1,784	0	0	1,784		1,784		333
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	0	0	0	0		0		0
310	Power Generation Equipment	41,171	0	0	41,171		41,171		0
311	Pumping Equipment	100,610	0	0	100,610		100,610		0
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	4,909	0	0	4,909		4,909		167
320.2	Solution Chemical Feeders	73,038	0	0	73,038		73,038		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	296,039	0	0	296,039		296,039		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	1,418,148	0	0	1,418,148		1,418,148		50
333	Services	72,976	0	0	72,976		72,976		0
334	Meters and Meter Installations	226,736	0	0	226,736		226,736		0
335	Hydrants	246,610	0	0	246,610		246,610		0
336	Backflow Prevention Devices	205	0	0	205		205		0
339	Other Plant and Misc. Equipment	39,143	0	0	39,143		39,143		0
340	Office Furniture and Equipment	1,027	0	0	1,027		1,027		0
340.1	Computer & Software	2,186	0	0	2,186		2,186		0
341	Transportation Equipment	7,720	0	0	7,720		7,720		0
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	7,898	0	0	7,898		7,898		0
344	Laboratory Equipment	0	0	0	0		0		0
345	Power Operated Equipment	0	0	0	0		0		0
346	Communication Equipment	160,249	0	0	160,249		160,249		0
347	Miscellaneous Equipment	4,295	0	0	4,295		4,295		0
348	Other Tangible Plant	101,115	0	0	101,115		101,115		0
	<b>Subtotal</b>	<b>\$2,948,903</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,948,903</b>	<b>\$0</b>	<b>\$2,948,903</b>		<b>\$550</b>

Contribution(s) in Aid of Construction (Gross)  
Less: Non Amortizable Contribution(s)  
Fully Amortized Contribution(s)  
Amortizable Contribution(s)           \$0            
Times: Proposed Amortization Rate           0.02%            
**Amortization of CIAC**           \$0          

**Less: Amortization of CIAC**           \$0          

**DEPRECIATION EXPENSE**           \$550

Yarnell Water Improvement Association, Inc.  
 Annual Report  
 Balance Sheet Assets  
 12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$319,845	\$378,099
134	Working Funds		0	
135	Temporary Cash Investments		0	
141	Customer Accounts Receivable		31,472	31,004
146	Notes Receivable from Associated Companies		0	59,582
151	Plant Material and Supplies		0	49,065
162	Prepayments		0	6,662
174	Miscellaneous Current and Accrued Assets		59,536	3,854
	<b>Total Current and Accrued Assets</b>		<b>\$410,853</b>	<b>\$528,265</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$2,932,052	\$2,948,903
103	Property Held for Future Use		0	
105	Construction Work in Progress		0	68,400
108	Accumulated Depreciation (enter as negative)*		(1,743,640)	(1,831,956)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$1,188,412</b>	<b>\$1,185,346</b>
	<b>Total Assets</b>		<b>\$1,599,265</b>	<b>\$1,713,611</b>

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\*Note these items feed automatically from AR3 UPIS Page 4

Yarnell Water Improvement Association, Inc.  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$3,572	\$57,930
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		8,574	7,305
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		8,384	7,964
	<b>Total Current Liabilities</b>		<b>\$20,530</b>	<b>\$73,198</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$671,282	\$655,681
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		850,055	993,687
272	Less: Amortization of Contributions		(161,693)	(164,471)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$688,362</b>	<b>\$829,216</b>
	<b>Total Liabilities</b>		<b>\$1,380,174</b>	<b>\$1,558,095</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		219,091	155,516
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$219,091</b>	<b>\$155,516</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,599,265</b>	<b>\$1,713,611</b>

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

Yarnell Water Improvement Association, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/19

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$303,695	\$297,096
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	5,110	5,149
	<b>Total Revenues</b>	<b>\$308,805</b>	<b>\$302,245</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	12,884	14,312
618	Chemicals	1,308	1,071
620	Materials and Supplies	2,363	
620.1	Repairs and Maintenance		14,407
620.2	Office Supplies and Expense	548	2,864
630	Contractual Services		
631	Contractual Services - Engineering	16,200	29,300
632	Contractual Services - Accounting	41,587	54,125
633	Contractual Services - Legal		10,406
634	Contractual Services - Management Fees	111,198	124,080
635	Contractual Services - Water Testing	1,427	2,287
636	Contractual Services - Other	36,312	
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	13,756	19,756
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	(35,208)	600
403	Depreciation Expense (From Schedule AR4)	89,316	58,680
408	Taxes Other Than Income		
408.11	Property Taxes	12,720	11,101
409	Income Taxes		
427.1	Customer Security Deposit Interest	214	308
	<b>Total Operating Expenses</b>	<b>\$304,625</b>	<b>\$343,297</b>
	<b>Operating Income / (Loss)</b>	<b>\$4,180</b>	<b>(\$41,052)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$25	\$176
421	Non-Utility Income	2,454	37,521
426	Miscellaneous Non-Utility (Expense)		24,688
427	Interest (Expense)	(14,147)	(14,475)
	<b>Total Other Income / (Expense)</b>	<b>(\$11,667)</b>	<b>\$47,910</b>
	<b>Net Income / (Loss)</b>	<b>(\$7,487)</b>	<b>\$6,858</b>



Yarnell Water Improvement Association, Inc.  
 Annual Report  
 Full time equivalent employees  
 12/31/19

**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0		0.0
Vice-president	0.0	0.0		0.0
Manager	0.0	0.0		0.0
Engineering Staff	0.0	0.0	1.0	1.0
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.0	1.0	1.0
Customer Service	0.0	0.0	2.0	2.0
Accounting	0.0	0.0	1.0	1.0
Business Office	0.0	0.0		0.0
Rates Department	0.0	0.0		0.0
Administrative Staff	0.0	0.0		0.0
Other	0.0	0.0		0.0
<b>Total</b>	0.0	0.0	6.0	6.0

Yarnell Water Improvement Association, Inc.  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/19

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	9/27/2003			
Source of Loan	USDA RURAL	N/A	N/A	N/A
ACC Decision No.	NA	N/A	N/A	N/A
Reason for Loan	LOAN PAYOFF	N/A	N/A	N/A
Dollar Amt. Issued	748,656	N/A	N/A	N/A
Amount Outstanding	N/A	N/A	N/A	N/A
Date of Maturity	11/28/2048	N/A	N/A	N/A
Interest Rate	2.13%	N/A	N/A	N/A
Current Year Interest	14,147	N/A	N/A	N/A
Current Year Principal	15,601	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$7,305
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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.**

Well and Water Usage											
Name of the System:											
ADEQ Public Water System Number:											
ADWR PCC Number:											
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active
63-1548	1 1/2	24	160	6					1	Metered	Yes

Name of system water delivered to: BEAVER VALLEY WC  
 ADWR PCC Number: 91-000119.0000  
 Source of water delivered to another system: GROUND WATER

Name of system water received from:  
 ADWR PCC Number:  
 Source of water received: Ground Water  
 Well registry 55# (55-XXXXXX):

Month	Water withdrawn (gallons) <sup>1</sup>	Water sold (gallons) <sup>2</sup>	Water delivered (sold) to other systems (gallons) <sup>3</sup>	Water received (purchased) from other systems (gallons) <sup>4</sup>	Estimated authorized use (gallons) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	2,006,386	1,709,780				439	
February	1,697,184	1,140,020				763	
March	1,264,539	1,015,510				713	
April	1,474,611	1,122,337				585	
May	1,516,790	1,367,720				535	
June	2,395,844	2,238,520				436	
July	2,445,598	2,287,520				556	
August	2,109,110	1,879,210				725	
September	2,348,450	2,099,940				478	
October	1,369,440	1,225,040				700	
November	1,472,808	1,274,840				526	
December	1,337,708	1,154,410				398	
<b>Totals</b>	<b>21,438,468.00</b>	<b>18,514,847.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$6,853</b>	<b>0</b>

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			
Name of the System:	YARNELL WATER IMPROVEMENT DISTRICT		
ADEQ Public Water System Number:	AZ0413057		
ADWR PCC Number:	91-0006420000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	0
3.00	PVC	0
4.00	PVC	7,180
6.00	PVC	62,920
8.00	CONCRETE	18,480

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	495	9	
1	7		43%

SERVICE LINES		
Material	Percent of system	Year installed
NA		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
25	120	2

FIRE HYDRANTS	
Type	Quantity
Standard *	77
Other	7

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
250,000	STEEL	2	
40,000	STEEL	1	
15,000	FIBERGLASS	1	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	STEEL	1	

\* 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.

<b>Water Utility Plant Description (Continued)</b>
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For the following three items, list the utility owned assets in each category for each system.

<b>TREATMENT EQUIPMENT:</b>	PULSATION, CHLORINATOR
<b>STRUCTURES:</b>	WELL HOUSE, BOOSTER PUMP/WELL HOUSE, CHLORINE ROOM, OFFICE, YARD, SHOP
<b>OTHER:</b>	NONE

**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

Method used:

Customer and Other Information	
Name of the System:	BEAVER VALLEY WATER COMPANY
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	489	0	0	0	0
February	496	0	0	0	0
March	489	0	0	0	0
April	500	0	0	0	0
May	489	0	0	0	0
June	499	0	0	0	0
July	502	0	0	0	0
August	498	0	0	0	0
September	496	0	0	0	0
October	500	0	0	0	0
November	499	0	0	0	0
December	500	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.

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

Yarnell Water Improvement Association, Inc.  
**Annual Report**  
 Utility Shutoffs / Disconnects  
 12/31/19

<b>Utility Shutoffs / Disconnects</b>	
Name of the System:	0
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	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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Other (description):**

**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.

Yarnell Water Improvement Association, Inc.  
Annual Report  
Property Taxes  
12/31/19

<b>Property Taxes</b>	
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Amount of actual property taxes paid during Calendar Year 2019 was	
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\$12,720
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If no property taxes paid, explain why.

<b>Instructions:</b> 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.
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5/22/2020 11:31 AM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Yarnell Water Improvement Association, Inc.  
Annual Report  
Verification and Sworn Statement (Taxes)  
12/31/19

Verification and Sworn Statement (Taxes)

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

County of (county name): Yavapai  
Name (owner or official) title: STEVE KREMER; TREASURER  
Company name: Yarnell Water Improvement Association, Inc.

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

FOR THE YEAR ENDING: 12/31/19

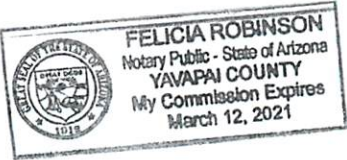
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: \_\_\_\_\_  
\_\_\_\_\_

SKR  
signature of owner/official  
\_\_\_\_\_ 860-933-4606  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Yavapai  
THIS 22<sup>nd</sup> DAY OF May 2020  
(county name) (month) and (year)

MY COMMISSION EXPIRES March 12, 2021  
(date)  
Felicia Robinson  
(signature of notary public)



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BY EMAIL

5/22/2020 11:31 AM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Yarnell Water Improvement Association, Inc.  
Annual Report  
Verification and Sworn Statement  
12/31/19

Verification and Sworn Statement

Verification:

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

County of (county name):

Yavapai

Name (owner or official) title:

STEVE KREMER; TREASURER

Company name:

Yarnell Water Improvement Association, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$325,436

(The amount in the box above includes

\$19,054 in sales taxes

billed or collected)

*Steve Kremer*

signature of owner/official

860-933-4606

telephone no.

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

THIS

22nd

DAY OF

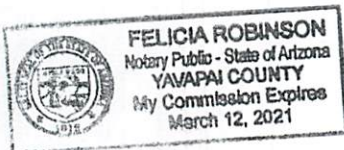
Yavapai  
(county name)

May 2020

(month) and (year)

MY COMMISSION EXPIRES

March 12, 2021  
(date)



*Felicia Robinson*  
(signature of notary public)

Yarnell Water Improvement Association, Inc.  
Annual Report  
Verification and Sworn Statement (Residential Revenue)  
12/31/19

**Verification and Sworn Statement (Residential Revenue)**

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

County of (county name): Yavapai  
Name (owner or official) title: STEVE KREMER; TREASURER  
Company name: Yarnell Water Improvement Association, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$325,436  
(The amount in the box above includes  
\$19,054 in sales taxes  
billed or collected)

**RECEIVED  
BY EMAIL**

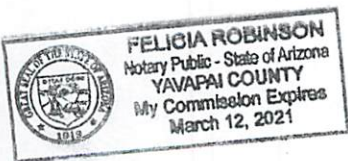
5/22/2020 11:31 AM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

[Signature]  
signature of owner/official  
860-933-4606  
telephone no.

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

THIS 22<sup>nd</sup> DAY OF May 2020  
(month) and (year)

MY COMMISSION EXPIRES March 21, 2021  
(date)



[Signature]  
(signature of notary public)

Yarnell Water Improvement Association, Inc.  
Annual Report  
Full Gross-up Method for Income Tax Statement of Certification  
12/31/19

**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):

Yavapai

Name (owner or official) title:

STEVE KREMER; TREASURER

Company name:

Yarnell Water Improvement Association, Inc.

FOR THE YEAR ENDING: 12/31/19

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  
BY EMAIL**

5/22/2020 11:31 AM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

*AKZ*

signature of owner/official

860-933-4606

telephone no.

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

Yavapai  
(county name)

THIS

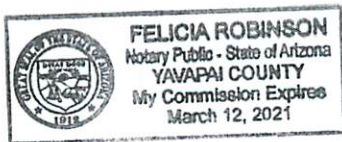
22<sup>nd</sup>

DAY OF

May 2020  
(month) and (year)

MY COMMISSION EXPIRES

March 12, 2021  
(date)



*Felicia Robinson*  
(signature of notary public)