

**ANNUAL REPORT**

Of

Company Name: Coronado Utilities, Inc.

7581 E. Academy Blvd., Ste. 229

Mailing Address: Denver CO  
80230

Docket No.: SW-04305A

For the Year Ended: 12/31/16

RECEIVED

APR 10 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**WASTEWATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdefafuente@azcc.gov](mailto: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:

Original Filing

Application Date:

2016

4-12-17

ARIZONA CORPORATION COMMISSION  
WASTEWATER UTILITY ANNUAL REPORT  
Coronado Utilities, Inc.

A Class  Utility

1. For the Calendar Year Ended: 12/31/16

2. Address: 

7581 E Academy Blvd; Suite 229			
City: Denver	State: Colorado	Zip Code: 80230	

3. Telephone Number: 

720.949.1384
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4. Date of Original Organization of Utility: 

8/18/2004
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5. Person to whom correspondence should be addressed concerning this report:

Name: 

Jason Williamson
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Telephone No. : 

720.949.1384
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Address: 

7581 E Academy Blvd; Suite 229			
City: Denver	State: Colorado	Zip Code: 80230	

  
Email: 

jw@pivotalcompanies.com
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6. On-Site Manager:

Name: 

Wendy Gort
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Telephone No. : 

520.360.6772
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Address: 

P.O. Box 1898			
City: Oracle	State: Arizona	Zip Code: 85623	

  
Email: 

wgort@theriver.com
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7. Ownership: 

"C" Corporation
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8. Counties Served: 

Pinal
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Utility Plant in Service (Wastewater)				
Account No.	Description	Original Cost	Accumulated Depreciation	OC LD (OC less AD)
351	Organization	\$5,194	\$5,194	\$0
352	Franchises			0
353	Land and Land Rights	315,001		315,001
354	Structures and Improvements	22,159	1,517	20,642
355	Power Generation Equipment			0
360	Collections Wastewater - Force			0
361	Collections Wastewater - Gravity	59,350	11,277	48,073
362	Special Collecting Structures	1,576		1,576
363	Services to Customers			0
364	Flow Measuring Devices			0
365	Flow Measuring Installations			0
367	Reuse Meters & Meter Installations			0
370	Receiving Wells	16,132	2,958	13,174
371	Pumping Equipment			0
374	Reuse Distribution Reservoirs			0
375	Reuse Trans. And Distr. Equipment			0
380	Treatment and Disposal Equipment	3,943,196	1,822,697	2,120,499
381	Plant Sewers			0
382	Outfall Sewer Lines			0
389	Other Plant and Misc. Equipment	197,373	170,852	26,521
390	Office Furniture and Equipment			0
390.1	Computer & Software			0
391	Transportation Equipment	6,600	1,980	4,620
393	Tools, Shop and Garage Equipment			0
394	Laboratory Equipment			0
395	Power Operated Equipment			0
396	Communication Equipment			0
397	Miscellaneous Equipment			0
398	Other Tangible Plant			0
	<b>Totals</b>	<b>\$4,566,581</b>	<b>\$2,016,475</b>	<b>\$2,550,106</b>

**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.

Coronado Utilities, Inc.

Annual Report

Depreciation Expense for the Current Year (Wastewater)

12/31/16

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$5,194		\$5,194		\$5,194		\$0
352	Franchises	0		0		0		0
353	Land and Land Rights	315,001		315,001		315,001		0
354	Structures and Improvements	22,159		22,159		22,159		0
355	Power Generation Equipment	0		0		0		0
360	Collections Wastewater - Force	0		0		0		0
361	Collections Wastewater - Gravity	59,350		59,350		59,350	2.00%	1,187
362	Special Collecting Structures	1,576		1,576		1,576		0
363	Services to Customers	0		0		0		0
364	Flow Measuring Devices	0		0		0		0
365	Flow Measuring Installations	0		0		0		0
367	Reuse Meters & Meter Installations	0		0		0		0
370	Receiving Wells	16,132		16,132		16,132		0
371	Pumping Equipment	0		0		0		0
374	Reuse Distribution Reservoirs	0		0		0		0
375	Reuse Trans. And Distr. Equipment	0		0		0		0
380	Treatment and Disposal Equipment	3,943,196		3,943,196		3,943,196	4.71%	185,565
381	Plant Sewers	0		0		0		0
382	Outfall Sewer Lines	0		0		0		0
389	Other Plant and Misc. Equipment	197,373		197,373		197,373	10.44%	20,596
390	Office Furniture and Equipment	0		0		0		0
390.1	Computer & Software	0		0		0		0
391	Transportation Equipment	6,600		6,600		6,600		0
393	Tools, Shop and Garage Equipment	0		0		0		0
394	Laboratory Equipment	0		0		0		0
395	Power Operated Equipment	0		0		0		0
396	Communication Equipment	0		0		0		0
397	Miscellaneous Equipment	0		0		0		0
398	Other Tangible Plant	0		0		0		0
	<b>Subtotal</b>	<b>\$4,566,581</b>	<b>\$0</b>	<b>\$4,566,581</b>		<b>\$0</b>		<b>\$207,348</b>

Contribution(s) in Aid of Construction (Gross)	\$603,201
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	<u>\$603,201</u>
Amortizable Contribution(s)	\$603,201
Times: Proposed Amortization Rate	2.92%
<b>Amortization of CIAC</b>	<b>\$17,621</b>

Less: Amortization of CIAC

**DEPRECIATION EXPENSE**

**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.

Coronado Utilities, Inc.  
 Annual Report  
 Balance Sheet Assets  
 12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
<b>Account No.</b>	<b>Current and Accrued Assets</b>			
131	Cash		\$333,867	\$343,638
132	Special Deposits		21,574	21,368
135	Temporary Cash Investments			
141	Customer Accounts Receivable		195,672	119,355
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets		49,988	75,523
	<b>Total Current and Accrued Assets</b>		<b>\$601,101</b>	<b>\$559,883</b>
	<b>Deferred Debits</b>			
186.1	Deferred Rate Case Expense			
	<b>Total Deferred Debits</b>		<b>\$0</b>	<b>\$0</b>
	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$4,545,453	\$4,566,581
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(1,809,127)	(2,016,475)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$2,736,326</b>	<b>\$2,550,106</b>
	<b>Total Assets</b>		<b>\$3,337,427</b>	<b>\$3,109,989</b>

**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 the adjusted end of year balance from AR4.

Coronado Utilities, Inc.  
 Annual Report  
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$46,464	\$21,225
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		14,182	19,354
236	Accrued Taxes			50
237	Accrued Interest			9,193
241	Miscellaneous Current and Accrued Liabilities		11,141	1,428
253	Other Deferred Credits			
	<b>Total Current Liabilities</b>		<b>\$71,787</b>	<b>\$51,249</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$1,890,000	\$1,765,000
	<b>Total Long Term Debt</b>		<b>\$1,890,000</b>	<b>\$1,765,000</b>
	<b>Deferred Credits</b>			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		603,201	603,201
272	Less: Amortization of Contributions		(150,844)	(168,466)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$452,357</b>	<b>\$434,735</b>
	<b>Total Liabilities</b>		<b>\$2,414,144</b>	<b>\$2,250,984</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$277,188	\$277,188
211	Other Paid-In Capital		570,000	570,000
215	Retained Earnings		76,094	11,817
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$923,282</b>	<b>\$859,005</b>
	<b>Total Liabilities and Capital</b>		<b>\$3,337,427</b>	<b>\$3,109,989</b>

**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!

Coronado Utilities, Inc.  
Annual Report  
Wastewater Comparative Income Statement  
12/31/16

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	<b>Operating Revenue</b>		
521	Flat Rate Revenues	\$882,231	\$890,769
522	Measured Revenues	70,153	31,747
534	Rents from Wastewater Property		
539	Other Wastewater Revenues	88,215	77,165
	<b>Total Revenues</b>	<b>\$1,040,600</b>	<b>\$999,682</b>
	<b>Operating Expenses</b>		
701	Salaries and Wages	\$150,825	\$142,000
704	Employee Pensions and Benefits		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	42,855	47,334
716	Fuel for Power Production		
718	Chemicals	15,978	20,272
720	Materials and Supplies	850	1,195
721	Office Expense		
731	Contractual Services -Engineering		
732	Contractual Services - A ccounting	4,900	4,900
733	Contractual Services - Legal	0	60
734	Contractual Services - Management Fees	177,573	186,148
735	Contractual Services - Testing	5,534	6,396
736	Contractual Services - Other	64,676	61,780
740	Rents - Building		
742	Rents - Equipment		
750	Transportation Expenses	567	1,555
757	Insurance - General Liability	6,119	7,403
758	Insurance - Worker's Compensation	1,605	1,446
759	Insurance - Other	9,186	6,853
760	Advertising Expense		
766	Regulatory Commission Expense - Rate Case		
767	Regulatory Commission Expense - Other	3,513	4,103
770	Bad Debt Expense	198,718	124,767
775	Miscellaneous Expense	23,898	25,834
403	Depreciation Expense (From Schedule A R4)	189,727	190,405
408	Taxes Other Than Income	50	273
408.11	Property Taxes	41,586	43,968
408.12	Payroll Taxes	11,724	11,987
409	Income Taxes		
	<b>Total Operating Expenses</b>	<b>\$949,885</b>	<b>\$888,679</b>
	<b>Operating Income / (Loss)</b>	<b>\$90,715</b>	<b>\$111,003</b>
	<b>Other Income / (Expense)</b>		
414	Gain (Loss) on Dispositions		
419	Interest and Dividend Income	533	625
421	Non-Utility Income	0	1,500
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(118,475)	(126,014)
	<b>Total Other Income / (Expense)</b>	<b>(\$117,942)</b>	<b>(\$123,889)</b>
	<b>Net Income / (Loss)</b>	<b>(\$27,227)</b>	<b>(\$12,886)</b>

**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				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued	\$2,650,000			
Amount Outstanding	\$1,765,000			
Date of Maturity				
Interest Rate	6.25%			
Current Year Interest	\$118,307			
Current Year Principal	\$125,000			

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

***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.***





Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4			4	Clay/PVC	1,504
6	Clay	44,973	6		
8	Clay	35,068	8	Clay/PVC	20
10	Clay	6,275	12		
12	Clay	2,350	15		
15	Clay	10,485			
18					
21					
24					
30					

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

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	Grit chamber, bar screen, roto-screen; sludge digesting tank with scum pump and sludge drying beds
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	Liquid chlorination system and chlorine contact tank
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	Operations building; Equipment Storage Building with Garage; perimeter fence
<b>Other</b> (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Process and testing equipment/bobcat/utility van/jetting machine/flow meters; 150 kw standby generator with transfer switch

**Note:** If you are filing for more than one system, please provide separate sheets for each system.

**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.

Coronado Utilities, Inc.  
 Annual Report  
 Wastewater Flows  
 12/31/16

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
January	1,327	5,324,972	231,000
February	1,356	4,834,418	196,000
March	1,330	4,970,990	178,000
April	1,366	4,943,280	207,000
May	1,348	4,988,782	190,000
June	1,351	4,983,831	201,000
July	1,346	5,211,004	201,000
August	1,339	5,762,223	221,000
September	1,349	5,359,123	214,000
October	1,354	5,076,135	218,000
November	1,335	5,253,186	208,000
December	1,347	5,005,280	196,000
	<b>Totals</b>	<b>61,713,224</b>	<b>2,461,000</b>

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit ("APP") Number	P105607
ADEQ Reuse Permit Number	R105903
EPA NPDES Permil Number	N/A
APP Effluent Treatment Requirement (Class)?	

**Note:** If you are filing for more than one system, please provide separate sheets for each system.

**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.

Coronado Utilities, Inc.  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/16

Name of System:	Coronado Utilities, Inc.
Wastewater Inventory Number (if applicable):	

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2015 was	
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\$41,586
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If no property taxes paid, explain why.
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<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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RECEIVED

APR 10 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Taxes)

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

County of (county name): DENVER  
Name (owner or official) title: Jason Williamson  
Company name: CORONADO

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

FOR THE YEAR ENDING: 12/31/16

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.

*[Handwritten Signature]*

signature of owner/official

820-949-1384

telephone no.

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

THIS

6th

DAY OF

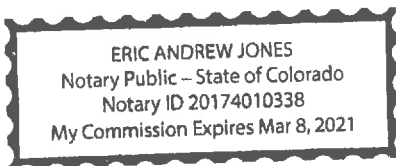
Denver  
(county name)  
April 2017  
(month) and (year)

MY COMMISSION EXPIRES

3/8/2021  
(date)

*[Handwritten Signature]*

(signature of notary public)



Verification and Statement

Verification:

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

County of (county name): Denver

Name (owner or official) title: Jason Williamson

Company name: CORONADO

RECEIVED  
APR 10 2017  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)

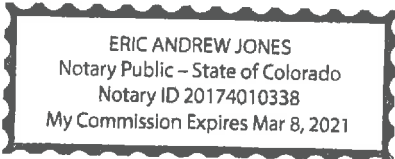
1,040,000 ~~\$999,682~~

(The amount in the box above includes

\$0 in sales taxes

billed or collected)

[Signature]  
signature of owner/official  
720-949-1384  
telephone no.



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

THIS 6th DAY OF April 2017  
(month) and (year)

MY COMMISSION EXPIRES 3/8/2021  
(date)

[Signature]  
(signature of notary public)

**Verification and Statement (Residential Revenue)**

**Verification:**

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

County of (county name): Denver

Name (owner or official) title: Jason Williamson

Company name: Coronado Utilities, Inc.

RECEIVED

APR 10 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/16

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.

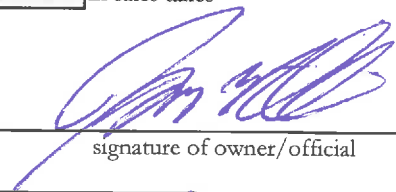
**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

1040600

(The amount in the box above includes

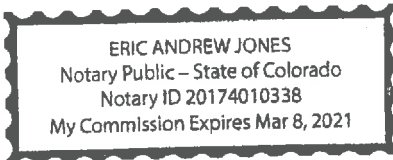
in sales taxes  
billed or collected)



signature of owner/official

728-949-1384

telephone no.



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

Denver  
(county name)

THIS

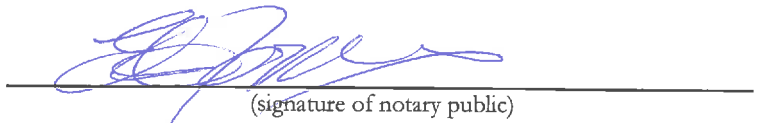
6th

DAY OF

April 2017  
(month) and (year)

MY COMMISSION EXPIRES

3/8/2021  
(date)

  
(signature of notary public)