

ANNUAL REPORT

Of

Company Name:
PO Drawer 9

Mailing Address: Ajo AZ
85321

Docket No.: WS-01025A
For the Year Ended:

**RECEIVED
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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:
Application Date:

Entered 6/29/2020

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Ajo Improvement Company
 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:

Management Contact

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

NA

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

NA

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

NA

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

Ownership:

Counties Served:

Important changes during the year
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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.
	N/A

	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.
	N/A

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)
		\$0	\$0	\$0	\$0	\$0	\$0
301	Organization	0	0	0	0	0	0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	0	0	0	0	0	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	0	0	0	0	0	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	0	0	0	0	0	0
320	Water Treatment Equipment	455,606	0	0	455,606	115,892	339,715
320.1	Water Treatment Plants	562,945	0	0	562,945	122,990	439,955
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	25,779	0	0	25,779	25,779	0
330.1	Storage Tanks	1,620,573	0	0	1,620,573	354,721	1,265,852
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	16,570,089	0	0	16,570,089	4,994,040	11,576,050
333	Services	1,090,752	0	0	1,090,752	186,867	903,886
334	Meters and Meter Installations	1,024,684	0	0	1,024,684	615,742	408,941
335	Hydrants	507,700	0	0	507,700	74,091	433,610
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	21,522	8,260	0	29,782	2,722	27,060
340	Office Furniture and Equipment	4,713	0	4,713	0	0	0
340.1	Computer & Software	6,225	0	6,225	0	0	0
341	Transportation Equipment	359,242	64,428	0	423,670	365,236	58,433
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	410,570	0	0	410,570	68,317	342,253
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	3,352	0	0	3,352	754	2,598
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	25,929	0	9,771	16,158	15,355	803
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$22,689,682	\$72,688	\$20,708	\$22,741,661	\$6,942,506	\$15,799,156

Ajo Improvement Company
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	\$0	\$0	\$0	\$0	\$0	\$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	0	0	0	0	0	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	0	0	0	0	0	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	0	0	0	0	0	0	0.00%	0
320	Water Treatment Equipment	455,606	0	0	455,606	115,892	339,715	4.26%	14,486
320.1	Water Treatment Plants	562,945	0	0	562,945	122,990	439,955	3.49%	15,374
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	25,779	0	0	25,779	25,779	0	0.00%	0
330.1	Storage Tanks	1,620,573	0	0	1,620,573	354,721	1,265,852	2.79%	35,303
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	16,570,089	0	0	16,570,089	4,994,040	11,576,050	4.67%	540,465
333	Services	1,090,752	0	0	1,090,752	186,867	903,886	4.02%	36,358
334	Meters and Meter Installations	1,024,684	0	0	1,024,684	615,742	408,941	19.98%	81,704
335	Hydrants	507,700	0	0	507,700	74,091	433,610	2.34%	10,154
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	21,522	8,260	0	29,782	2,723	27,059	6.66%	1,527
340	Office Furniture and Equipment	4,713	0	4,713	0	0	0	0.00%	0
340.1	Computer & Software	6,225	0	6,225	0	0	0	0.00%	0
341	Transportation Equipment	359,242	64,428	0	423,670	365,236	58,433	323.88%	84,920
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	410,570	0	0	410,570	68,317	342,253	2.52%	8,636
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	3,352	0	0	3,352	754	2,598	6.45%	168
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	25,929	0	9,771	16,158	15,355	803	1.00%	57
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$22,689,682	\$72,688	\$20,708	\$22,741,661	\$6,942,506	\$15,799,155		\$829,152

Contribution(s) in Aid of Construction (Gross)	\$394,940
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	48,410
Amortizable Contribution(s)	\$346,530
Times: Proposed Amortization Rate	5.25%
Amortization of CIAC	\$18,186

Less: Amortization of CIAC **\$18,186**

DEPRECIATION EXPENSE \$810,966

Ajo Improvement Company
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.	Current and Accrued Assets			
131	Cash		\$673,743	\$201,901
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		43,084	47,047
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		3,117	0
162	Prepayments		53,017	54,130
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$772,960	\$303,078
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$22,689,682	\$22,741,661
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(6,898,694)	(6,942,506)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$15,790,988	\$15,799,156
	Total Assets		\$16,563,948	\$16,102,233

*Note these items feed automatically from AR3 UPIS Page 4

Ajo Improvement Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$7,399	\$1,551
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		2,908,933	2,256,553
235	Customer Deposits		0	1,587
236	Accrued Taxes		22,185	20,974
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$2,938,517	\$2,280,664
	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		394,940	394,940
255	Accumulated Deferred Investment Tax Credits		(37,262)	(48,401)
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		\$357,678	\$346,539
	Total Liabilities		\$3,296,195	\$2,627,203
	Capital Accounts			
201	Common Stock Issued		(\$392,000)	(\$392,000)
211	Other Paid-In Capital		24,275,043	24,275,043
215	Retained Earnings		(10,615,290)	(10,408,013)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$13,267,753	\$13,475,030
	Total Liabilities and Capital		\$16,563,949	\$16,102,233

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

Ajo Improvement Company
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$583,614	\$533,499
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	0	0
	Total Revenues	\$583,614	\$533,499
	Operating Expenses		
601	Salaries and Wages	\$462,068	\$431,297
604	Employee Pensions and Benefits	98,561	97,664
610	Purchased Water	146,173	152,968
615	Purchased Power	0	0
618	Chemicals	107,045	159,506
620	Materials and Supplies	20,114	5,706
620.1	Repairs and Maintenance	20,057	12,245
620.2	Office Supplies and Expense	38,080	37,297
630	Contractual Services	45,925	88,941
631	Contractual Services - Engineering	15,593	0
632	Contractual Services - Accounting	26,064	26,064
633	Contractual Services - Legal	8,352	18,745
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	0	0
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	53,617	52,525
642	Rental of Equipment	891	0
650	Transportation Expenses	15,872	11,679
657	Insurance - General Liability	2,541	2,236
657.1	Insurance - Health and Life	69,179	86,981
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	(12,507)	3,472
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	810,966	1,483,541
408	Taxes Other Than Income	0	0
408.11	Property Taxes	20,682	39,532
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$1,949,272	\$2,710,399
	Operating Income / (Loss)	(\$1,365,657)	(\$2,176,900)
	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)	(\$1,365,657)	(\$2,176,900)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	0.0	0.0	1.0
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)	4.0	0.0	0.0	4.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	2.0	0.0	0.0	2.0
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	5.0	0.0	0.0	5.0
Total	12.0	0.0	0.0	12.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	0	0	0	0
Source of Loan	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	0	0	0	0
Amount Outstanding	0	0	0	0
Date of Maturity	0	0	0	0
Interest Rate	0	0	0	0
Current Year Interest	0	0	0	0
Current Year Principal	0	0	0	0

Meter Deposit Balance at Test Year End:	\$0
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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:		FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*									
ADEQ Public Water System Number:		AZ0410001									
ADWR PCC Number:		91-000410.0000									
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
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0

Name of system water delivered to:	AZ WATER CO - AJO WATER SYSTEM	
ADWR PCC Number:	91-000412.0000	
Source of water delivered to another system	Ground Water	

Name of system water received from:	FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*	
ADWR PCC Number:	91-000410.0000	
Source of water received	Ground Water	
Well registry 55# (55-XXXXXX):	55-600488, 55-600490	

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	11,617,000.00	11,308,000.00	3,370,100.00	0.00	11,617,000.00	\$0	0
February	9,745,000.00	9,982,300.00	3,613,100.00	0.00	9,745,000.00	0	0
March	9,421,000.00	8,840,000.00	3,293,500.00	0.00	9,421,000.00	0	0
April	9,963,000.00	10,306,200.00	3,702,100.00	0.00	9,963,000.00	0	0
May	12,832,000.00	11,621,800.00	4,029,200.00	0.00	12,832,000.00	0	0
June	11,752,000.00	12,655,400.00	4,098,400.00	0.00	11,752,000.00	0	0
July	14,193,000.00	13,069,100.00	5,050,100.00	0.00	14,193,000.00	0	0
August	12,593,000.00	12,422,100.00	4,618,800.00	0.00	12,593,000.00	0	0
September	12,968,000.00	13,451,400.00	3,974,300.00	0.00	12,968,000.00	0	0
October	10,419,000.00	12,345,400.00	3,762,100.00	0.00	10,419,000.00	0	0
November	11,509,000.00	11,346,500.00	4,276,100.00	0.00	11,509,000.00	0	0
December	8,334,000.00	8,073,700.00	3,261,200.00	0.00	8,334,000.00	0	0
Totals	135,346,000.00	135,421,900.00	47,049,000.00	0.00	135,346,000.00	\$0	0

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 None

- 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:	FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*
ADEQ Public Water System Number:	10-001
ADWR PCC Number:	91-000410.0000

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	Ductile Iron	634
6.00	Ductile Iron	43,392
8.00	Ductile Iron	35,852
10.00	Ductile Iron	4,762
12.00	Ductile Iron	3,503
6.00	Stainless Steel	120
8.00	Stainless Steel	65
10.00	Stainless Steel	645
12.00	Stainless Steel	8
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	1,004	0%	0%
1	26	0%	0%
1.5	4	0%	0%
2	16	6%	0%
3	4	0%	0%
4	3	33%	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

SERVICE LINES			
Material	Percent of system	Year installed	
Copper	100%	008-2012	
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

BOOSTER PUMPS		
Horsepower	GPM	Quantity
0	0	0
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	156
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
500,000	Steel	2	2008
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
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)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Two filter vessels using Activated Alumina as a filter medium, 8' diameter by 13'.
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STRUCTURES:	One water treatment plant building 110' by 40'
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OTHER:	None
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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	692
Method used:	(b)

Customer and Other Information	
Name of the System:	FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*
ADEQ Public Water System Number:	AZ0410001
ADWR PCC Number:	91-000410.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	925	0	78	5	53
February	928	0	73	5	53
March	939	0	74	5	53
April	931	0	72	5	53
May	916	0	111	5	53
June	901	0	77	5	53
July	912	0	76	5	53
August	916	0	80	5	53
September	919	0	80	5	53
October	936	0	77	5	53
November	952	0	74	5	53
December	957	0	72	5	53

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.

Ajo Improvement Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*
ADEQ Public Water System Number:	AZ0410001
ADWR PCC Number:	91-000410.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	10	0
March	0	10	0
April	0	9	0
May	0	15	0
June	0	12	0
July	0	9	0
August	0	9	0
September	0	4	0
October	0	2	0
November	0	7	0
December	0	0	0
Total	0	87	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.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2019 was

\$20,682

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 Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

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: 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.

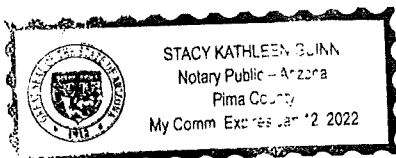
RECEIVED
BY EMAIL
5/01/2020, 07:51 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official
520)387-2010
telephone no.

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

THIS 30th DAY OF Pima
April 2020
(month) and (year)

MY COMMISSION EXPIRES 1-12-2022
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

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:

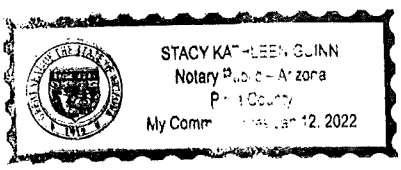
Arizona Intrastate Gross Operating Revenues Only (\$)
\$619,215
(The amount in the box above includes
\$35,600 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official
520)387-2010
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
THIS 30th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 1-12-2022
(date)



[Signature]
(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): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

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 (\$)

\$318,360

(The amount in the box above includes

\$18,803 in sales taxes
billed or collected)

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UTILITIES DIVISION

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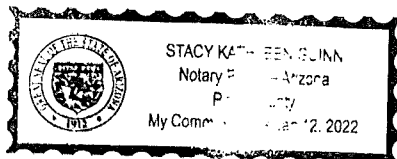
520)387-2010
telephone no.

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

(county name)

THIS 30th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 1-12-2022
(date)



[Signature]
(signature of notary public)

Ajo Improvement Company
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): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

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 INCURRED OR 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**

5/01/2020, 07:51 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official
520)387-2010
telephone no.

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

Pima
(county name)

THIS 30th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 1-12-2022
(date)

[Signature]
(signature of notary public)

