

ANNUAL REPORT

Of

Company Name:
525 Boynton Canyon Rd.

Mailing Address: Sedona AZ
86336

Docket No.: W-02510A
For the Year Ended:

RECEIVED
APR 16 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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:

418-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Boynton Canyon Enchantment Homeowners Association
A Class Utility

1. For the Calendar Year Ended: 12/31/17

2. Address:

525 Boynton Canyon Road			
City: Sedona	State: Arizona	Zip Code: 86336	

3. Telephone Number:

928-204-6264

4. Date of Original Organization of Utility:

--

5. Person to whom correspondence should be addressed concerning this report:

Name:

Susanne Knight

Telephone No. :

928-204-6264

Address:

525 Boynton Canyon Road			
City: Sedona	State: Arizona	Zip Code: 86336	

Email:

Susanne.Knight@Enchantmentresort.com

6. On-Site Manager:

Name:

Donald Violick

Telephone No. :

928-204-6079

Address:

525 Boynton Canyon Road			
City: Sedona	State: Arizona	Zip Code: 86336	

Email:

donald.violick@enchantmentgroup.com

7. Ownership:

Association--Cooperative

8. Counties Served:

Yavapai

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC/LD (OC less AD)
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	96,969	0	0	96,969	78,764	18,205
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	56,399	0	0	56,399	56,399	(0)
320	Water Treatment Equipment	0	0	0	0	0	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	0	0	0	0	0	0
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	114,173	0	0	114,173	114,173	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	0	0	0	0	0	0
335	Hydrants	4,844	0	0	4,844	4,736	108
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	0	0	0	0	0	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	\$272,386	\$0	\$0	\$272,386	\$254,073	\$18,313

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.

Boynton Canyon Enchantment Homeowners Association
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/17

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	96,969	0	0	96,969	78,764	13.24%	2,411
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	56,399	0	0	56,399	56,399	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	114,173	0	0	114,173	114,173	0.00%	0
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	0	0	0	0	0	0.00%	0
335	Hydrants	4,844	0	0	4,844	4,736	300.00%	323
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$272,386	\$0	\$0	\$272,386	\$254,073		\$2,734

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 14.93%
 Amortization of CIAC \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Boynton Canyon Enchantment Homeowners Association
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$94,776	\$132,175
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		7,064	8,988
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		\$101,840	\$141,163
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$272,386	\$272,386
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(251,338)	(254,073)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$21,048	\$18,313
	Total Assets		\$122,888	\$159,475

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 AR3 UPIS Page 3

Boynton Canyon Enchantment Homeowners Association
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$961	\$943
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		8,059	5,004
235	Customer Deposits		0	0
236	Accrued Taxes		618	657
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$9,639	\$6,604
	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		\$9,639	\$6,604
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		42,860	42,860
215	Retained Earnings		70,389	110,011
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$113,249	\$152,871
	Total Liabilities and Capital		\$122,887	\$159,476

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!

Boynton Canyon Enchantment Homeowners Association
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$171,314	\$185,997
460	Unmetered Water Revenue	80	81
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	\$171,394	\$186,077
	Operating Expenses		
601	Salaries and Wages	\$17,902	\$11,797
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	1,535	1,655
618	Chemicals	0	0
620	Materials and Supplies	34,162	3,745
620.1	Repairs and Maintenance	67,165	50,413
620.2	Office Supplies and Expense	1,973	1,234
630	Contractual Services	26,877	17,336
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	6,094	4,063
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	2,374	1,702
635	Contractual Services - Water Testing	183	430
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	2,598	2,352
657	Insurance - General Liability	8,786	6,805
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	62	0
403	Depreciation Expense (From Schedule AR4)	2,734	2,734
408	Taxes Other Than Income	0	0
408.11	Property Taxes	0	0
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$172,445	\$104,265
	Operating Income / (Loss)	(\$1,051)	\$81,812
	Other Income / (Expense)		
419	Interest and Dividend Income	\$12	\$10
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(27,840)	(42,200)
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	(\$27,828)	(\$42,190)
	Net Income / (Loss)	(\$28,879)	\$39,622

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.

Boynton Canyon Enchantment Homeowners Association
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/17

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	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
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:	None
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Meter Deposits Refunded During the Test Year:	None
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<i>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.</i>

Water Use Data Sheet							
Name of the System:		BCEHOA Water Utility Company					
ADEQ Public Water System Number:		PWS 13-125					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	104	1,436,752	1,436,752	0	36,452	\$220	3
February	104	1,409,198	1,409,198	0	96,998	318	3
March	104	1,671,680	1,671,380	0	33,920	329	3
April	104	1,704,000	1,704,000	0	82,300	263	3
May	104	2,186,770	2,186,770	0	110,930	54	0
June	104	2,046,150	2,046,150	0	31,050	67	0
July	104	1,610,476	1,610,476	0	247,624	59	0
August	104	1,702,234	1,702,234	0	71,366	63	0
September	104	1,783,650	1,783,650	0	106,550	68	192
October	104	1,911,230	1,911,230	0	227,170	71	212
November	104	1,964,163	1,964,163	0	9,963	74	234
December	104	1,302,067	1,302,067	0	0	68	218
Totals		20,728,370	20,728,070	0	1,054,323	\$1,655	869

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

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

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.

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Boynton Canyon Enchantment Homeowners Association
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	PWS 13-125
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Utility Shutoffs / Disconnects			
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):

None

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.

Boynton Canyon Enchantment Homeowners Association
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$0

If no property taxes paid, explain why.
All property taxes are paid by the Boynton Canyon Enchantment HOA because the water company is not its own entity. The association holds a certificate of Public convenience and necessity from the Arizona Corporation Commission authorizing it to operate as a Water Utility Company.

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): Yavapai
Name (owner or official) title: Susanne Knight, HOA Manager
Company name: Boynton Canyon Enchantment Homeowners Association

RECEIVED

APR 16 2018

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: 12/31/17

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.

Susanne Knight
signature of owner/official

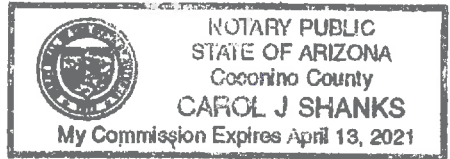
928-204-6264
telephone no.

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

THIS 11 DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 4/13/21
(date)

Carol J Shanks
(signature of notary public)



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: Susanne Knight, HOA Manager

Company name: Boynton Canyon Enchantment Homeowners Association

RECEIVED

APR 16 2018

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: 12/31/17

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 (\$)

143,797 - ~~92~~ 813,747

(The amount in the box above includes

9,266 - ~~8~~ 8835 in sales taxes
billed or collected)

Susanne Knight

signature of owner/official

928-204-6264

telephone no.

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

THIS

11

DAY OF

Cocconino

(county name)

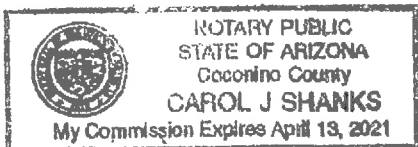
April 2018

(month) and (year)

MY COMMISSION EXPIRES

4/13/21

(date)



Carol J. Shanks
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

RECEIVED

APR 16 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Susanne Knight, HOA Manager
Name (owner or official) title: 0
Company name: Boynton Canyon Enchantment Homeowners Association

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

13,747 - \$143,797

(The amount in the box above includes

935 - \$9,266 in sales taxes
billed or collected)

Susanne Knight
signature of owner/official

929-204-6264
telephone no.

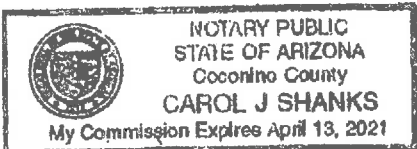
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Cococino
(county name)

THIS 11

DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 4/13/21
(date)



Carol J Shanks
(signature of notary public)