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ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

ANNUAL REPORT

Of

Company Name:

Caballeros Water Company, Inc.
1551 S. Vulture Mine Rd

Mailing Address:

Wickenburg AZ
85390

Docket No.:

W-01994A

For the Year Ended:

12/31/16

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:

2016

2-15-17

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

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

2. Address: 1551 S. Vulture Mine Rd.
City: Wickenburg State: AZ Zip Code: 85390

3. Telephone Number: 928-684-5484

4. Date of Original Organization of Utility: 1965

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

Name: Dallas C. Gant, Jr.
Telephone No.: 928-684-5484
Address: 1551 S. Vulture Mine Rd.
City: Wickenburg State: AZ Zip Code: 85390
Email: rusty@sunco.com

6. On-Site Manager:

Name: Dallas C. Gant, Jr.
Telephone No.: 928-684-5484
Address: 1551 S. Vulture Mine Rd.
City: Wickenburg State: AZ Zip Code: 85390
Email: rusty@sunco.com

7. Ownership: Subchapter S Corporation

8. Counties Served: Maricopa

Caballeros Water Company, Inc.
 Annual Report
 Utility Plant in Service (Water)
 12/31/16

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization			\$0
302	Franchises			0
303	Land and Land Rights			0
304	Structures and Improvements			0
305	Collecting & Improving Reservoirs			0
306	Lake, River, Canal Intakes			0
307	Wells and Springs	20,609	20,497	115
308	Infiltration Galleries			0
309	Supply Mains			0
310	Power Generation Equipment			0
311	Pumping Equipment	22,520	22,402	118
320	Water Treatment Equipment			
320.1	Water Treatment Plants			0
320.2	Solution Chemical Feeders			0
320.3	Point-of-Use Treatment Devices			0
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks			0
330.2	Pressure Tanks			0
331	Transmission and Distribution Mains			0
333	Services			0
334	Meters and Meter Installations			0
335	Hydrants			0
336	Backflow Prevention Devices			0
339	Other Plant and Misc. Equipment	119,892	109,905	14,987
340	Office Furniture and Equipment			0
340.1	Computer & Software			0
341	Transportation Equipment			0
342	Stores Equipment			0
343	Tools, Shop and Garage Equipment			0
344	Laboratory Equipment			0
345	Power Operated Equipment			0
346	Communication Equipment			0
347	Miscellaneous Equipment			0
348	Other Tangible Plant			0
	Totals	163,021 \$0	141,805 \$0	15,220 \$0

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.

Caballeros Water Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/16

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0		\$0		\$0		\$0
302	Franchises	0		0		0		0
303	Land and Land Rights	0		0		0		0
304	Structures and Improvements	0		0		0		0
305	Collecting & Improving Reservoirs	0		0		0		0
306	Lake, River, Canal Intakes	0		0		0		0
307	Wells and Springs	20,609 ⁰		0	20,497	0		0
308	Infiltration Galleries	0		0		0		0
309	Supply Mains	0		0		0		0
310	Power Generation Equipment	0		0		0		0
311	Pumping Equipment	22,520 ⁰		0	22,702	0		0
320	Water Treatment Equipment	0		0		0		0
320.1	Water Treatment Plants	0		0		0		0
320.2	Solution Chemical Feeders	0		0		0		0
320.3	Point-of-Use Treatment Devices	0		0		0		0
330	Distribution Reservoirs and Standpipes	0		0		0		0
330.1	Storage Tanks	0		0		0		0
330.2	Pressure Tanks	0		0		0		0
331	Transmission and Distribution Mains	0		0		0		0
333	Services	0		0		0		0
334	Meters and Meter Installations	0		0		0		0
335	Hydrants	0		0		0		0
336	Backflow Prevention Devices	0		0		0		0
339	Other Plant and Misc. Equipment	119,892 ⁰		0	107,905	0		2499
340	Office Furniture and Equipment	0		0		0		0
340.1	Computer & Software	0		0		0		0
341	Transportation Equipment	0		0		0		0
342	Stores Equipment	0		0		0		0
343	Tools, Shop and Garage Equipment	0		0		0		0
344	Laboratory Equipment	0		0		0		0
345	Power Operated Equipment	0		0		0		0
346	Communication Equipment	0		0		0		0
347	Miscellaneous Equipment	0		0		0		0
348	Other Tangible Plant	0		0		0		0
	Subtotal	163,029⁰	\$0	\$0	147,801	\$0		2499 ⁰

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

\$0

Times: Proposed Amortization Rate

Amortization of CIAC

Less: Amortization of CIAC

DEPRECIATION EXPENSE 2499

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.

Caballeros Water Company, 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)
Account No.	Current and Accrued Assets			
131	Cash		38,822	18,751
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		2,770	2,895
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		185,468	225,719
	Total Current and Accrued Assets		227,560 \$0	247,315 \$0
Account No.	Fixed Assets			
101	Utility Plant in Service*		163,021	163,021 \$0
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		<102,406	<107,905
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		60,615 \$0	58,116 \$0
	Total Assets		288,175 \$0	305,431 \$0

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

Caballeros Water Company, 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)	
Account No.	Current Liabilities			
231	Accounts Payable			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes	180		198
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities	180	\$0	198 \$0
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)	58,100		58,100
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$0	\$0
	Total Liabilities	58,280	\$0	58,298 \$0
	Capital Accounts			
201	Common Stock Issued	300		300
211	Other Paid-In Capital			
215	Retained Earnings	229,595		246,833
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$0	\$0
	Total Liabilities and Capital	288,175	\$0	305,431 \$0

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!

Caballeros Water Company, Inc.
 Annual Report
 Water Comparative Income Statement
 12/31/16

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
461	Metered Water Revenue	35,006	40,645
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue		
	Total Revenues	35,006 \$0	40,645 \$0
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	17,954	16,963
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	16,321	4,538
620.2	Office Supplies and Expense		
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	2,085	2,040
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing		
636	Contractual Services - Other	2,400	2,400
635	Water Testing	1,042	932
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability		
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
675	Miscellaneous Expense	1,150	2,035
403	Depreciation Expense (From Schedule AR4)	2,499	2,499
408	Taxes Other Than Income	2,777	2,569
408.11	Property Taxes	1,537	1,501
409	Income Taxes		
	Total Operating Expenses	47,765 \$0	35,477 \$0
	Operating Income / (Loss)	<10,759 \$0	5,168 \$0
	Other Income / (Expense)		
419	Interest and Dividend Income	5,461	5,449
421	Non-Utility Income	34,536	
426	Miscellaneous Non-Utility (Expense)		<19011
427	Interest (Expense)		
	Total Other Income / (Expense)	39,997 \$0	3,548 \$0
	Net Income / (Loss)	27,238 \$0	8,716 \$0

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.

Caballeros Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	12/31/91			
Source of Loan	owner			
ACC Decision No.				
Reason for Loan	start up			
Dollar Amt. Issued	58,100			
Amount Outstanding	58,100			
Date of Maturity	undetermined			
Interest Rate	undetermined			
Current Year Interest	N/A			
Current Year Principal	N/A			

Meter Deposit Balance at Test Year End: 0

Meter Deposits Refunded During the Test Year: 0

List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Water Utility Plant Description

Name of the System: _____

ADEQ Public Water System Number: _____

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-08682	25	175		10				

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	1	

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
4,000	metal	1
7,000	metal	1
5,000	metal	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
2,000	1
5,000	1

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.

* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXX.

** Pump motor type, turbine or submersible.

*** 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)					
MAINS			CUSTOMER METERS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity	
2			5/8 X 3/4		
3			3/4	3	
4			1	55	
5			1 1/2	1	
6			Compound 2	1	
8			Turbine 2		
10		4,760	Compound 3		
12		6,987	Turbine 3		
			Compound 4		
			Turbine 5		
			Compound 6		
			Turbine 6		
			6+		

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

TREATMENT EQUIPMENT:	
-----------------------------	--

STRUCTURES:	<p>100' x 100' Fenced Yard 8' x 12' Pump House</p>
--------------------	---------------------------------------------------------------

OTHER:	
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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.

Water Use Data Sheet					
Name of the System:		0			
ADEQ Public Water System Number:		0			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	60	1,542			
February		1,400			
March		1,527			
April		1,676			
May		1,721			
June		1,865			
July		2,375			
August		9,822			
September					
October					
November					
December		6,776			
Totals		28,704	0	0	0

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:

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.
- 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.

Caballeros Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	0
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January			
February		N/A	
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total	0	0	0

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.

Caballeros Water Company, Inc.
Annual Report
Property Taxes
12/31/16

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2015 was	1,531

If no property taxes paid, explain why.

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 Statement (Taxes)

Verification: State of 0 Arizona I, the undersigned of the
(state name)

County of (county name): 0 Maricopa
Name (owner or official) title: 0 Dallas C. Grant, Jr - President
Company name: Caballeros Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/16

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.

Dallas Grant
signature of owner/official
0 928-684-5784
telephone no.

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FEB 14 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

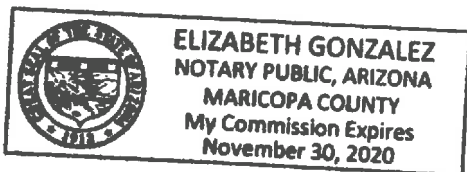
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

6th DAY OF Maricopa
February 2017
(month) and (year)

MY COMMISSION EXPIRES

November 30, 2020
(date)



Elizabeth Gonzalez
(signature of notary public)

Verification and Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): 0 Maricopa
Name (owner or official) title: 0 Dallas C. Gault, Jr - President
Company name: Caballeros Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)
35,006
(The amount in the box above includes
2,777 in sales taxes
billed or collected)

RECEIVED

FEB 14 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

[Signature]
signature of owner/official
0
telephone no.

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

THIS

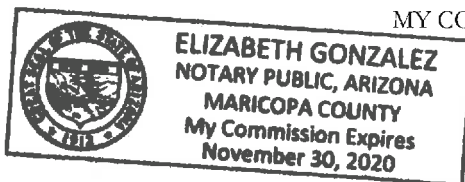
6th

DAY OF

Maricopa
(county name)
February 2017
(month) and (year)

MY COMMISSION EXPIRES

November 30, 2020
(date)



[Signature]
(signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name):

Name (owner or official) title:

Company name:

Maricopa
Dallas C. Gant, Jr. - Pres
Caballeros Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)

35,006

(The amount in the box above includes

2,777 in sales taxes
billed or collected)

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ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Dallas Gant
signature of owner/official

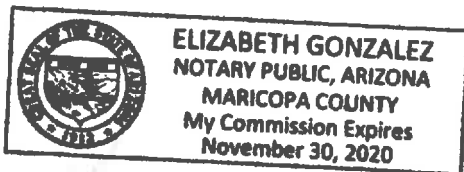
928-688-5487
telephone no.

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

Maricopa
(county name)

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

MY COMMISSION EXPIRES November 30, 2017
(date)



Elizabeth Gonzalez
(signature of notary public)