

ANNUAL REPORT

Of

Company Name: Cibola Mutual Water Company
RR2, Box 77

Mailing Address: Cibola AZ
85328

Docket No.: W-04106A
For the Year Ended: 12/31/17

RECEIVED
JUL 25 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: Original Filing
Application Date: 7/19/2018

7-25-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Cibola Mutual Water Company
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Mutual Water Company
 Annual Report
 Utility Plant in Service (Water)
 12/31/17

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	\$223,134			\$223,134	\$0	\$223,134
302	Franchises				0		0
303	Land and Land Rights	9,045			9,045	0	9,045
304	Structures and Improvements	574,967			574,967	128,415	446,552
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	248,000			248,000	61,798	186,202
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	136,000	35,000		171,000	132,727	38,273
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	588,261	51,700		639,961	149,095	490,866
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	35,000			35,000	19,801	15,199
330.2	Pressure Tanks	458,000			458,000	137,400	320,600
331	Transmission and Distribution Mains	2,004,414			2,004,414	300,260	1,704,154
333	Services	81,515			81,515	20,310	61,205
334	Meters and Meter Installations	142,633			142,633	88,015	54,618
335	Hydrants	260,300			260,300	38,993	221,307
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	83,433			83,433	40,879	42,554
340	Office Furniture and Equipment	10,131			10,131	5,047	5,084
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	5,449			5,449	2,035	3,414
344	Laboratory Equipment	390,000			390,000	290,550	99,450
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$5,250,282	\$86,700	\$0	\$5,336,982	\$1,415,325	\$3,921,657

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.

Cibola Mutual Water Company
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	\$223,134	\$0	\$0	\$223,134			\$0
302	Franchises	0	0	0	0			0
303	Land and Land Rights	9,045	0	0	9,045			0
304	Structures and Improvements	574,967	0	0	574,967		3.33%	19,146
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	248,000	0	0	248,000		3.33%	8,258
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	136,000	35,000	0	171,000		12.50%	19,188
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	588,261	51,700	0	639,961		3.33%	20,450
320.2	Solution Chemical Feeders	0	0	0	0			0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	0	0	0	0			0
330.1	Storage Tanks	35,000	0	0	35,000		2.22%	777
330.2	Pressure Tanks	458,000	0	0	458,000		5.00%	22,900
331	Transmission and Distribution Mains	2,004,414	0	0	2,004,414		2.00%	40,088
333	Services	81,515	0	0	81,515		3.33%	2,714
334	Meters and Meter Installations	142,633	0	0	142,633		8.33%	11,881
335	Hydrants	260,300	0	0	260,300		2.00%	5,206
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	83,433	0	0	83,433		6.67%	5,565
340	Office Furniture and Equipment	10,131	0	0	10,131		6.67%	676
340.1	Computer & Software	0	0	0	0			0
341	Transportation Equipment	0	0	0	0			0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	5,449	0	0	5,449		5.00%	272
344	Laboratory Equipment	390,000	0	0	390,000		10.00%	39,000
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	0	0	0	0			0
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$5,250,282	\$86,700	\$0	\$5,336,982	\$0		\$196,122

Contribution(s) in Aid of Construction (Gross)
Less: Non Amortizable Contribution(s)
Fully Amortized Contribution(s)
Amortizable Contribution(s)
Times: Proposed Amortization Rate
Amortization of CIAC

(963,288)
\$963,288
3.67%
\$35,399

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.

Cibola Mutual Water Company
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		#VALUE!	#VALUE!
Account No.	Current and Accrued Assets			
131	Cash		\$13,012	\$24,385
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		51,335	24,070
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$64,347	\$48,455
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$5,250,282	\$5,336,982
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)* Accumulated Depreciation (enter as negative)*		(1,273,953)	(1,415,325)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$3,976,329	\$3,921,657
	Total Assets		\$4,040,676	\$3,970,112

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. **Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or

*Note these items feed automatically from AR3 UPIS Page 3

Cibola Mutual Water Company
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Liabilities		#VALUE!	#VALUE!	#VALUE!
Account No.	Current Liabilities			
231	Accounts Payable	\$16,113		\$24,070
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits	145,130		142,263
236	Accrued Taxes	1,007		2,177
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities	\$162,250		\$168,510
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)	\$332,164		\$322,186
	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	3,728,830		4,948,642
272	Less: Amortization of Contributions			(963,288)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits	\$3,728,830		\$3,985,354
	Total Liabilities	\$4,223,244		\$4,476,050
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital	5,705		5,705
215	Retained Earnings	(135,566)		24,660
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital	(\$129,861)		\$30,365
	Total Liabilities and Capital	\$4,093,383		\$4,506,415

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!

Cibola Mutual Water Company
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	#VALUE!	#VALUE!
	Operating Revenue		
461	Metered Water Revenue	\$142,263	\$215,890
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues	486	
474	Other Water Revenue	42,105	5,000
	Total Revenues	\$184,854	\$220,890
	Operating Expenses		
601	Salaries and Wages	\$53,471	\$48,624
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	8,657	8,578
618	Chemicals	1,658	1,698
620	Materials and Supplies	5,872	13,210
620.1	Repairs and Maintenance	1,922	
620.2	Office Supplies and Expense	3,205	3,822
630	Contractual Services	1,531	940
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	850	1,293
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	3,234	2,981
636	Contractual Services - Other	1,006	6,129
640	Rents		475
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	1,462	6,571
657	Insurance - General Liability	5,943	5,843
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	468	
675	Miscellaneous Expense	4,813	24,602
403	Depreciation Expense (From Schedule AR4)	160,724	21,246
408	Taxes Other Than Income	4,500	5,145
408.11	Property Taxes	3,262	5,210
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$262,578	\$156,367
	Operating Income / (Loss)	(\$77,724)	\$64,523
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income	123	
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		(11,097)
	Total Other Income / (Expense)	\$123	(\$11,097)
	Net Income / (Loss)	(\$77,601)	\$53,426

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.

Cibola Mutual Water Company, Inc
 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	2/17/2017	2/17/2017		
Source of Loan	USDA RD	USDA RD		
ACC Decision No.				
Reason for Loan	BLD System	BLD System		
Dollar Amt. Issued	\$199,769	\$141,471		
Amount Outstanding	\$195,596	\$138,438		
Date of Maturity	2/17/2049	2/17/2049		
Interest Rate	2.00%	2.00%		
Current Year Interest	\$5,589	\$4,104		
Current Year Principal	\$4,173	\$3,033		

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.

Water Use Data Sheet							
Name of the System:		0					
ADEQ Public Water System Number:		15123					
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	164	497,550	713,000				
February	164	366,670	537,000				
March	164	351,480	587,000				
April	164	543,590	783,000				
May	164	464,290	661,000				
June	164	707,840	1,015,000				
July	164	700,730	1,021,000				
August	164	717,970	1,042,000				
September	164	687,760	1,034,000				
October	164	537,380	777,000				
November	164	643,970	895,000				
December	164	339,170	480,000				
Totals		6,558,400	9,545,000	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? Yes

Is the Water Utility located in an ADWR Active Management Area (AMA)? No

If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? No

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, 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.

Cibola Mutual Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	15123
-------------------	-------

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January		0	
February		0	
March		0	
April		0	
May		0	
June		0	
July		0	
August		0	
September		0	
October		0	
November		0	
December		0	
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.

Cibola Mutual Water Company, Inc
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$2,957

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 cell or no applicable information to report.

Verification and Sworn Statement (Taxes)

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

County of (county name): La Paz
Name (owner or official) title: Kathi Frice, General Manager
Company name: Cibola Mutual Water Company

RECEIVED
JUL 25 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.

signature of owner/official

928-857-3506
telephone no.

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

(county name)

THIS _____ DAY OF

(month) and (year)

MY COMMISSION EXPIRES

(date)

(signature of notary public)

Verification and Sworn Statement

RECEIVED

JUL 25 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification:

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

County of (county name):

LaPaz

Name (owner or official) title:

Kathi Frice, General Manager

Company name:

Cibola Mutual Water Company, Inc

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

\$184,854

(The amount in the box above includes

\$10,028 in sales taxes

billed or collected)

signature of owner/official

928-857-3506

telephone no.

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

THIS _____

DAY OF _____

(county name)

(month) and (year)

MY COMMISSION EXPIRES _____

(date)

(signature of notary public)