

Revised 7/29/2020

ANNUAL REPORT

Of

Company Name:
PO Box 38501

Mailing Address: Mormon Lake AZ
86038

Docket No.: W-02502A
For the Year Ended:

**RECEIVED
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7/01/2020 11:59 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: 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:

Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Flagstaff Ranch Water Company, Inc.
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:

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

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

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

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

Ownership:

Counties Served:

Important changes during the year

No	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.

No	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.

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	\$75,102			\$75,102	\$75,102	\$0
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	129,012			129,012	116,407	12,605
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	58,141	125,273		183,414	38,221	145,193
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	282,007			282,007	271,415	10,592
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	312,704			312,704	312,704	0
330.1	Storage Tanks	3,499			3,499	2,898	601
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	445,186			445,186	445,186	0
333	Services				0		0
334	Meters and Meter Installations	5,138			5,138	5,138	0
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$1,310,789	\$125,273	\$0	\$1,436,062	\$1,267,071	\$168,991

Flagstaff Ranch Water Company, Inc.
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	\$75,102	\$0	\$0	\$75,102		\$75,102	0.00%	\$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	129,012	0	0	129,012		129,012	7.85%	10,123
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	58,141	125,273	0	183,414		183,414	2.21%	2,667
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	282,007	0	0	282,007		282,007	1.36%	3,842
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	312,704	0	0	312,704		312,704	0.00%	0
330.1	Storage Tanks	3,499	0	0	3,499		3,499	9.35%	327
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	445,186	0	0	445,186		445,186	0.00%	0
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	5,138	0	0	5,138		5,138	0.00%	0
335	Hydrants	0	0	0	0		0		0
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
	Subtotal	\$1,310,789	\$125,273	\$0	\$1,436,062	\$0	\$1,436,062		\$16,959

Contribution(s) in Aid of Construction (Gross) █
Less: Non Amortizable Contribution(s)
Fully Amortized Contribution(s)
Amortizable Contribution(s) **\$0**
Times: Proposed Amortization Rate 1.18%
Amortization of CIAC **\$0**

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$16,959**

Flagstaff Ranch Water Company, Inc.
 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		\$645,428	\$667,575
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			10,143
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$645,428	\$677,718
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,310,789	\$1,436,062
103	Property Held for Future Use			
105	Construction Work in Progress		9,355	0
108	Accumulated Depreciation (enter as negative)*		(1,250,111)	(1,267,071)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$70,033	\$168,991
	Total Assets		\$715,461	\$846,709

*Note these items feed automatically from AR3 UPIS Page 4

Flagstaff Ranch Water Company, Inc.
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			(\$223)
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes			3,505
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		210,757	197,258
	Total Current Liabilities		\$210,757	\$200,540
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	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		\$210,757	\$200,540
	Capital Accounts			
201	Common Stock Issued		\$917,172	\$917,172
211	Other Paid-In Capital		175,944	175,944
215	Retained Earnings		(588,412)	(446,947)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$504,704	\$646,169
	Total Liabilities and Capital		\$715,461	\$846,709

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

Flagstaff Ranch Water Company, Inc.
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	\$227,985	\$209,925
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue		
	Total Revenues	\$227,985	\$209,925
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	44,775	59,361
618	Chemicals	196	262
620	Materials and Supplies	3,825	7,546
620.1	Repairs and Maintenance	31,459	131,075
620.2	Office Supplies and Expense	1,325	755
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting		
633	Contractual Services - Legal		
634	Contractual Services - Management Fees	70,000	70,000
635	Contractual Services - Water Testing	1,704	5,812
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	84	18
657	Insurance - General Liability	4,047	3,770
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	0	304
675	Miscellaneous Expense	11,487	12,762
403	Depreciation Expense (From Schedule AR4)	16,959	14,823
408	Taxes Other Than Income	920	127
408.11	Property Taxes	6,487	7,115
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$193,268	\$313,730
	Operating Income / (Loss)	\$34,717	(\$103,805)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$7,375	\$3,192
421	Non-Utility Income	102,385	97,850
426	Miscellaneous Non-Utility (Expense)	(3,000)	(3,000)
427	Interest (Expense)	(12)	
	Total Other Income / (Expense)	\$106,748	\$98,042
	Net Income / (Loss)	\$141,465	(\$5,763)

Flagstaff Ranch Water Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.3			0.3
Vice-president				0.0
Manager	0.3			0.3
Engineering Staff	0.1		0.1	0.2
System Operator(s)			0.4	0.4
Meter reader			0.2	0.2
Customer Service	1.0			1.0
Accounting	0.5		0.2	0.7
Business Office	0.3			0.3
Rates Department	0.1			0.1
Administrative Staff	0.3			0.3
Other				0.0
Total	2.9	0.0	0.9	3.8

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

Meter Deposit Balance at Test Year End:	
---	--

Meter Deposits Refunded During the Test Year:	
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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.

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	(2) ARSENIC REMEDIATION SYSTEMS
STRUCTURES:	(2) WELL HOUSES 10'X10'; (1) TREATMENT BUILDING 10'X10'; (1) TREATMENT BUILDING 12'X16'; (1) WELL HOUSE 10'X12'
OTHER:	LPG GENERATOR 45KW W/TRANSFER SWITCH

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	102
Method used:	(a)

Revised 7/29/2020

Customer and Other Information	
Name of the System:	FLAGSTAFF RANCH WATER CO
ADEQ Public Water System Number:	AZ0403088
ADWR PCC Number:	91-000106.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	336	N/A	16	N/A	N/A
February	332	N/A	16	N/A	N/A
March	341	N/A	16	N/A	N/A
April	337	N/A	16	N/A	N/A
May	337	N/A	16	N/A	N/A
June	342	N/A	16	N/A	N/A
July	349	N/A	16	N/A	N/A
August	346	N/A	16	N/A	N/A
September	355	N/A	16	N/A	N/A
October	344	N/A	16	N/A	N/A
November	351	N/A	16	N/A	N/A
December	353	N/A	16	N/A	N/A

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.

Flagstaff Ranch Water Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	FLAGSTAFF RANCH WATER CO
ADEQ Public Water System Number:	AZ0403088
ADWR PCC Number:	91-000106.0000

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

Other (description):

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	
--	--

\$6,487

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.

Flagstaff Ranch Water Company, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/19

Verification and Sworn Statement (Taxes)

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

County of (county name): Coconino
Name (owner or official) title: Scott Gold, President
Company name: Flagstaff Ranch Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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, 08:08 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

(928) 354-2227
telephone no.

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

THIS FIRST DAY OF May 2020
(month) and (year)

MY COMMISSION EXPIRES 07/25/22
(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): Coconino
Name (owner or official) title: Scott Gold, President
Company name: Flagstaff Ranch Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$243,668

(The amount in the box above includes

\$15,683 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Scott Gold
signature of owner/official

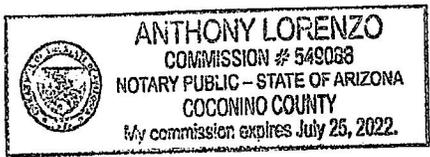
(928) 354-2227

telephone no.

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

THIS First DAY OF May 2020
(month) and (year)

MY COMMISSION EXPIRES 07/25/2022
(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): Coconino
Name (owner or official) title: Scott Gold, President
Company name: Flagstaff Ranch Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$205,378

(The amount in the box above includes

\$15,683 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

(928) 354-2227

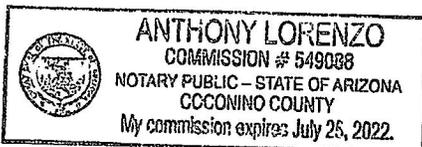
telephone no.

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

Coconino
(county name)

THIS FIRST DAY OF May 2020
(month) and (year)

MY COMMISSION EXPIRES 07/25/2022
(date)




(signature of notary public)

Flagstaff Ranch Water Company, Inc.
Annual Report
for Income Tax Statement of Certification
12/31/19

for Income Tax Statement of Certification

Verification:

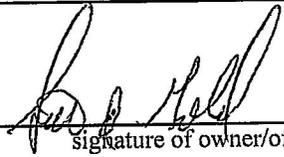
State of Arizona I, the undersigned of the
(state name)

County of (county name): Coconino
Name (owner or official) title: Scott Gold, President
Company name: Flagstaff Ranch Water Company, Inc.

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 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.

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

(928) 354-2227

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Coconino
(county name)

THIS First DAY OF May 2020
(month) and (year)

MY COMMISSION EXPIRES 07/25/2022
(date)



(signature of notary public)

