

NEW APPLICATION

Ash Fork Water Service

518 Lewis Ave.
P.O. Box 436 Ash Fork, AZ 86320



ORIGINAL



Phone (928) 637-2774



0000166300

W-01004B-15-0342

W-01004B-15-0342

Cover Sheet

NEW FINANCING APPLICATION

Ash Fork Development Association, Inc.
DbA: Ash Fork Water Service

Arizona Corporation Commission

DOCKETED

Application includes:

- 1-original
- 13-copies

SEP 30 2015

DOCKETED BY	<i>JSF</i>
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Applicant Information

- Answers to Attachment A questions
- Statement Supporting Financing Application
- Debt Authorization Resolution
- Supporting Financial Documents from 2014

ARIZONA CORPORATION COMMISSION
 DOCKET CONTROL CENTER
 1200 WEST WASHINGTON ST.
 PHOENIX, AZ 85007

Submit to:

Arizona Corporation Commission
 Docket Control Center
 1200 West Washington St.
 Phoenix, AZ 85007

Rate Case for this company was submitted September 1, 2015

ARIZONA CORPORATION COMMISSION



FINANCING APPLICATION

Ash Fork Development Association Inc.
DBA: Ash Fork Water Service

UTILITY NAME

DOCKET NO(S)

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION
PLEASE FORWARD THE ORIGINAL
AND THIRTEEN COPIES OF THE
APPLICATION PLUS
THREE PACKETS OF THE SUPPORTING
DOCUMENTATION TO:

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007

Applicant Information for new Financing Application

1. Applicant:

ASH FORK DEVELOPMENT ASSOCIATION, INC.

carolepopp@hotmail.com - 928-699-9203

518 Lewis Ave., Ash Fork, AZ 86320

2. Authorized Person:

Lewis E. Hume

P.O. box 436

Ash Fork, AZ 86320

Ph. 928-606-3450 mbl

928-637-2774 office

Lewishume60@gmail.com

3. Find full and complete answers to all questions found in Attachment A. will be found further along in this application
4. Statement Supporting Application:
See separate attachment
5. No one will be receiving or is entitled to receive any fee for service related to this financing transaction.
6. N/A
7. Ash Fork Development Association Inc., will notify its customers and will file proof of customer notification within 10-days of filing this application. A notarized cover page will accompany a copy of the notice.
8. 1-original and 13-copies of the customer notification information will be filed with Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, AZ

- 1.8 Financing Approvals- ACC approved financing application DOCKET # W-01004B-02-0768 with decision # 65852 on 4/25/2003. The amount financed was \$433,000.00. All funds have been spent and all mortgage payments are current.
- 1.9 Information included with 1.1 response for financial reports. (copy of USDA statement)
- 1.10 No proceeds from this newly proposed debt will be used to pay down any existing long-term debt.
- 1.11 A copy of Resolution approving this application, from the Ash Fork Development Association Board of Directors is included with this application.
- 1.12 The company has provided a projection of the next 5-years income expenses. 1-page
- 1.13 The company has no line-of-credit.
- 1.14 N/A
- 1.15 The company has submitted a new rate case application on September 1, 2015. The company utilized 2014 data for the test year.
- 1.16 The company has no current plans to seek additional financing approval in the next 5-years.
- 1.17 N/A
- 1.18 N/A

September 29, 2015

Arizona Corporation Commission

1200 West Washington St.

Phoenix, AZ 85007

Statement supporting application for financing

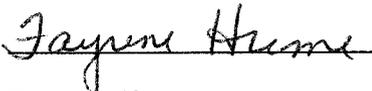
This letter is to acknowledge that the requested financing falls within all corporate powers of our company, and its board of directors. This application is compatible with the public interest. The application is compatible with sound financial practice. It is compatible with the proper performance by our company as a public service corporation, and this will not impair our ability to perform our regular services to our customers. The purposes of the financing are not reasonable chargeable to operative expense or to income, at this time. We believe our financial statements will support this.

Thank you,



Carole Popp,

Board Clerk, Ash Fork Development Assoc. Inc.



Fayrene Hume

President, Ash Fork Development Assoc. Inc.

ASH FORK DEVELOPMENT ASSOCIATION, INC.
DEBT AUTHORIZATION RESOLUTION

A RESOLUTION OF THE ASH FORK DEVELOPMENT ASSOCIATION, INC. OF ASH FORK OF YAVAPAI COUNTY, ARIZONA TO AUTHORIZE THE APPLICATION FOR A Drinking Water State Revolving Fund, LOAN FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA.

WHEREAS, the Community of Ash Fork of Yavapai County has identified a need for a drinking water capital improvement project; and

WHEREAS, pursuant to Arizona Revised Statutes 40-301, the Ash Fork Development Association, Inc. may obligate the revenues generated by its drinking water system to repay a loan from the Water Infrastructure Finance Authority of Arizona; and

WHEREAS, the Community of Ash Fork of Yavapai County certifies that the population of the community is under 50,000 in population as of the most recent U.S. Census data; and *(not applicable to Districts)*

WHEREAS, the community of Ash Fork population at the time of this request is 515, which meets the requirement under A.R.S. §9-571; and *(not applicable to Districts)*

WHEREAS, IT IS IN THE Ash Fork Development Association, Inc., best interest to pursue and apply for financial assistance from the Water Infrastructure Finance Authority of Arizona of an amount not to exceed \$150,000.00 for Arsenic Treatment Equipment for Ash Fork Well #2;

NOW, THEREFORE, BE IT RESOLVED BY the Ash Fork Development Association, Inc. OF YAVAPAI COUNTY, ARIZONA AS FOLLOWS:

Section 1. The Board Chair of the Ash Fork Development Association, Inc. of Ash Fork, AZ is hereby authorized to apply for Drinking Water State Revolving Fund financial assistance from the Water Infrastructure Finance Authority of Arizona.

Section 2. The Board Chair, is authorized to take such actions as are necessary to apply for financial assistance in an amount not to exceed \$150,000.00 payable from revenues of the drinking water system.

Section 3. All actions of the officers and agents of the ASH FORK DEVELOPMENT ASSOCIATION, INC., which conform to the purposes and intent of this resolution and which further the completion of the application as contemplated by this resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the ASH FORK DEVELOPMENT ASSOCIATION, INC. are hereby authorized and directed to do all such acts and things and to execute and deliver all such application documents on behalf of the ASH FORK DEVELOPMENT ASSOCIATION, INC., as may be necessary to carry out the terms and intent of this resolution.

PASSED AND ADOPTED this 16 day of September, 2015


FAYRENE HUME, PRESIDENT

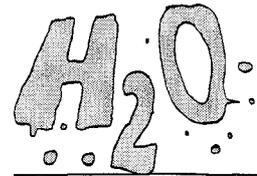

CAROLE A. POPP, SECRETARY



Phone (928) 637-2774

Ash Fork Water Service

518 Lewis Ave.
P.O. Box 436 Ash Fork, AZ 86320



Fax (928) 637-0394

Cover Sheet

Ash Fork Development Association
DbA: Ash Fork Water Service

FINANCING APPLICATION

Cover Sheet for Supporting Documents:

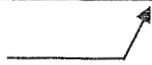
Copies of unaudited financial documents from 2014 ACC Annual Report

Statement of Income and Expense	1-pg
Utility Plant in Service	1-pg
Calculation of Depreciation Expense	1-pg
Balance Sheet	2-pg
Schedule of Long Term Debt Obligations	1-pg
Statement- USDA mortgage information	1-pg

COMPANY NAME Ash Fork Development Association, Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	55,443	0	55,443
304	Structures and Improvements	86,125	44,045	42,080
307	Wells and Springs	508,699	272,990	235,709
311	Pumping Equipment	277,413	277,413	0
320	Water Treatment Equipment	71,152	49,745	21,407
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	110,192	86,119	24,073
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	782,343	405,136	377,207
333	Services	7,434	2,602	4,832
334	Meters and Meter Installations	21,864	18,823	3,041
335	Hydrants	9,048	1,759	7,289
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	55,346	55,346	0
340	Office Furniture and Equipment	40,416	29,632	10,784
340.1	Computers & Software			
341	Transportation Equipment	35,414	35,414	0
343	Tools, Shop and Garage Equipment	24,337	23,711	626
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	48,852	48,852	0
347	Miscellaneous Equipment			
348	Other Tangible Plant	1,874,000	0	1,874,000
	TOTALS	4,008,078	1,351,587	2,656,491

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME Ash Fork Development Association, Inc.

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization			
302	Franchises			
303	Land and Land Rights	55,443		
304	Structures and Improvements	86,125	3.33	2,868
307	Wells and Springs	508,699	3.33	16,940
311	Pumping Equipment	277,413	0	0
320	Water Treatment Equipment	71,152	3.32	2,369
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	110,192	2.61	2,875
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	782,343	2.22	17,368
333	Services	7,434	3.33	248
334	Meters and Meter Installations	21,864	1.50	328
335	Hydrants	9,048	2.66	241
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	55,346	15.5	8,610
340	Office Furniture and Equipment	40,416	3.66	168
340.1	Computers & Software			
341	Transportation Equipment	35,414	13.66	4,840
343	Tools, Shop and Garage Equipment	24,337	.20	156
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	48,852	0	0
347	Miscellaneous Equipment			
348	Other Tangible Plant	1,874,000	0	0
	SUBTOTAL			
	LESS CIAC Amortization			
	TOTALS *	4,008,078		57,011

*This amount goes on the Comparative Statement of Income and Expense Acct. No. 403

COMPANY NAME Ash Fork Development Association, Inc.

WATER UTILITY BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
ASSETS			
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 12,851	\$ 22,577
134	Working Funds		
135	Temporary Cash Investments	198,370	167,332
141	Customer Accounts Receivable	7,210	3,792
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		29,894
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 218,431	\$ 223,595
FIXED ASSETS			
101	Utility Plant in Service	\$ 2,121,702	\$ 2,134,079
103	Property Held for Future Use	1,874,000	1,874,000
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	1,294,580	1,351,587
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 2,701,122	\$ 2,656,492
	TOTAL ASSETS	\$ 2,919,553	\$ 2,880,087

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME Ash Fork Development Association, Inc.

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 2,546	\$ 4,158
232	Notes Payable (Current Portion)	6,245	6,548
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	12,820	15,078
236	Accrued Taxes	4,352	3,595
237	Accrued Interest	1,552	1,552
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 27,515	\$ 30,931
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 378,552	\$ 371,701
	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	\$	\$
	TOTAL LIABILITIES	\$ 406,067	\$ 402,632
	CAPITAL ACCOUNTS		
201	Common Stock Issued Equity	\$ 848,754	\$ 848,754
211	Paid in Capital in Excess of Par Value Capital	323,312	323,312
215	Retained Earnings Donated Capital	1,874,000	1,874,000
218	Proprietary Capital (Sole Props and Partnerships)	(532,580)	(568,611)
	TOTAL CAPITAL	\$ 2,513,486	\$ 2,477,455
	TOTAL LIABILITIES AND CAPITAL	\$ 2,919,553	\$ 2,880,087

COMPANY NAME Ash Fork Development, Inc.

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 284,103	\$ 278,069
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 105,944	\$ 112,043
610	Purchased Water		
615	Purchased Power	37,625	36,956
618	Chemicals		
620	Repairs and Maintenance	15,713	21,667
621	Office Supplies and Expense	1,239	1,690
630	Outside Services	9,485	6,218
635	Water Testing	2,090	2,657
641	Rents	2,050	2,607
650	Transportation Expenses	9,452	5,007
657	Insurance – General Liability	15,907	12,317
659	Insurance - Health and Life	3,161	3,611
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	5,987	2,341
403	Depreciation Expense	53,198	57,011
408	Taxes Other Than Income	12,883	12,247
408.11	Property Taxes	16,050	16,118
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 290,784	\$ 292,490
	OPERATING INCOME/(LOSS)	\$ (6,681)	\$ (14,421)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 191	\$ 465
421	Non-Utility Income	7,709	10,444
426	Miscellaneous Non-Utility Expenses	2,213	14,383
427	Interest Expense	18,439	18,136
	TOTAL OTHER INCOME/(EXPENSE)	\$ (12,752)	\$ (21,610)
	NET INCOME/(LOSS)	\$ (19,433)	\$ (36,031)

COMPANY NAME Ash Fork Development Association, Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	08/02			
Source of Loan	USDA			
ACC Decision No.	65852			
Reason for Loan	Upgrade Expansion			
Dollar Amount Issued	\$ 433,000	\$	\$	\$
Amount Outstanding	\$ 378,249	\$	\$	\$
Date of Maturity	2042			
Interest Rate	4.75 %	%	%	%
Current Year Interest	\$ 18,136	\$	\$	\$
Current Year Principle	\$ 12,793	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL DEVELOPMENT
 ANNUAL STATEMENT OF LOAN ACCOUNT

PAGE 001
 DATE 123114

SAVE THIS INFORMATION
 FOR INCOME TAX PURPOSES

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
CASE NUMBER 02-037-*****9444	FINAL YEAR OF LOAN 2042		AMOUNT OF LOAN 433,000.00				
FUND CODE 91	LOAN NUMBER 05	DATE OF LOAN 08/30/02	INTEREST RATE 04.7500				
BEGIN LOAN BALNCE		150.23	384,797.07	384,947.30			010114
PAYMENT		1,552.37	504.63	2,057.00	R	04.7500	012814
PAYMENT		1,550.33	506.67	2,057.00	R	04.7500	022814
PAYMENT		1,398.45	658.55	2,057.00	R	04.7500	032814
PAYMENT		1,545.63	511.37	2,057.00	R	04.7500	042814
PAYMENT		1,493.78	563.22	2,057.00	R	04.7500	052814
PAYMENT		1,541.29	515.71	2,057.00	R	04.7500	062814
PAYMENT		1,489.56	567.44	2,057.00	R	04.7500	072814
PAYMENT		1,536.92	520.08	2,057.00	R	04.7500	082814
PAYMENT		1,534.83	522.17	2,057.00	R	04.7500	092814
PAYMENT		1,483.28	573.72	2,057.00	R	04.7500	102814
PAYMENT		1,530.41	526.59	2,057.00	R	04.7500	112814
PAYMENT		1,478.98	578.02	2,057.00	R	04.7500	122814
TOTAL LOAN PMTS		18,135.83	6,548.17	24,684.00			
TOTAL PAID ON ALL LOANS THIS YEAR		18,135.83	6,548.17	24,684.00			
LOAN ACTIVITY	0.00	18,135.83	6,548.17	24,684.00			
LOAN BALANCE	UNPD INTEREST	147.67 **	UNPD PRIN	378,248.90 **			
NXT AMT DUE	2,057.00	DATE DUE	012815				
PAYMENT STATUS	ON SCHEDULE INT PAID 18,135.83						
TAXES PAID							
ALL LOAN ACTIVITY	0.00	18,135.83	6,548.17	24,684.00			
BORR BAL	UNPD INTEREST	147.67	UNPD PRIN	378,248.90			
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120			CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 2014 Form 1098		<input type="checkbox"/> CORRECTED (if checked)
RECIPIENT'S federal identification no. 431757115	PAYER'S social security number *****9444	1 Mortgage interest received from payer(s)/borrower(s)* \$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.			
PAYER'S/BORROWER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code ASHFORK DEVELOPMENT 02-750 ASSOCIATION INC 518 LEWIS AVE PO BOX 436 ASH FORK AZ 86320		2 Points paid on purchase of principal residence \$					
		3 Refund of overpaid interest \$					
		4					
		5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.					
Account number (see instructions) 02037*****944491 05							

