ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-04286A
AZ-0404083
ARROYO WATER Company
HC6 Box 1048L
PAYSON, AZ 85541
0230935-0

RECEIVED
FEB 22 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005

FOR COMMISSION USE

ANN04	05

entered
2-22-07
RF

6-12-07

COMPANY INFORMATION

Company Name (Business Name) Kacy Parker - Arroyo Water Company

Mailing Address HC6 Box 1048L
(Street)

Payson, Az 85541
(City) (State) (Zip)

928-474-1766 928-474-7812
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address arroyo@npgcable.com

Local Office Mailing Address Same as above
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address arroyo@npgcable.com

MANAGEMENT INFORMATION

Management Contact: Kacy Parker
(Name) (Title)

HC6 Bx 1048L Payson Az 85541
(Street) (City) (State) (Zip)

928-474-1766 928-474-7812
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

On Site Manager: Kacy Parker
(Name)

HC6 Bx 1048L Payson Az 85541
(Street) (City) (State) (Zip)

928-474-1766 928-474-7812
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address arroyo@npgcable.com

☐ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

Statutory Agent: Kacy Parker
(Name)

HC6 Box 1048L Payson AZ 85541
(Street) (City) (State) (Zip)

928-474-1766 928-474-1766
Telephone No. (Include Area Code) Fax No. (Include Area Code Pager/Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☐ **Partnership (P)**
- ☐ **Bankruptcy (B)**
- ☐ **Receivership (R)**
- ☐ **Other (Describe)** _____
- ☒ **C Corporation (C) (Other than Association/Co-op)**
- ☐ **Subchapter S Corporation (Z)**
- ☐ **Association/Co-op (A)**
- ☐ **Limited Liability Company**

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE	☐ COCHISE	☐ COCONINO
☒ GILA	☐ GRAHAM	☐ GREENLEE
☐ LA PAZ	☐ MARICOPA	☐ MOHAVE
☐ NAVAJO	☐ PIMA	☐ PINAL
☐ SANTA CRUZ	☐ YAVAPAI	☐ YUMA
☐ STATEWIDE		

COMPANY NAME	Arroyo Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	40000	11428.00	28572.00
302	Franchises	0		
303	Land and Land Rights			
304	Structures and Improvements	5000.00		5000.00
307	Wells and Springs	75000		75000
311	Pumping Equipment	10000.00		10000.00
320	Water Treatment Equipment	0		0
330	Distribution Reservoirs and Standpipes	N/A		N/A
331	Transmission and Distribution Mains	N/A		N/A
333	Services	N/A		N/A
334	Meters and Meter Installations	32850.00		32850.00
335	Hydrants	N/A		N/A
336	Backflow Prevention Devices	3,000		3000
339	Other Plant and Misc. Equipment	1550		1550
340	Office Furniture and Equipment	1500		1500
341	Transportation Equipment	36,000		36000
343	Tools, Shop and Garage Equipment	8,000		8000
344	Laboratory Equipment	N/A		N/A
345	Power Operated Equipment	N/A		N/A
346	Communication Equipment	N/A		N/A
347	Miscellaneous Equipment	0		0
348	Other Tangible Plant	0		0
	TOTALS			

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

COMPANY NAME Arroyo Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	40,000		
302	Franchises	0		
303	Land and Land Rights			
304	Structures and Improvements	5000.00		
307	Wells and Springs	7500.00		
311	Pumping Equipment	10,000.00		
320	Water Treatment Equipment	0		
330	Distribution Reservoirs and Standpipes	N/A		
331	Transmission and Distribution Mains	N/A		
333	Services	N/A		
334	Meters and Meter Installations	32850.00		
335	Hydrants	N/A		
336	Backflow Prevention Devices	31000		
339	Other Plant and Misc. Equipment	1550		
340	Office Furniture and Equipment	1500		
341	Transportation Equipment	36000		
343	Tools, Shop and Garage Equipment	8000		
344	Laboratory Equipment	N/A		
345	Power Operated Equipment	N/A		
346	Communication Equipment	N/A		
347	Miscellaneous Equipment	0		
348	Other Tangible Plant	0		
	TOTALS			

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

COMPANY NAME	ARROYO WATER Co.

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 5236	$ 8179
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2302	2809
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	$	$
	FIXED ASSETS		
101	Utility Plant in Service	$	$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property	56,466.00	82,517.00
122	Accumulated Depreciation – Non Utility	16,624.00	39,573.00
	TOTAL FIXED ASSETS	$	$
	TOTAL ASSETS	$ 80628.00	$ 113,090.00

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

COMPANY NAME	ARROYO WATER Co.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$	$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	320	240
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	$	$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term 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	$	$
	TOTAL LIABILITIES	$	$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 1000.00	$ 1000.00
211	Paid in Capital in Excess of Par Value	79,308.00	111,850.00
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$	$
	TOTAL LIABILITIES AND CAPITAL	$ 80,628.00	$ 113,090.00

COMPANY NAME	ARROYO WATER Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 26 802	$ 28,719.00
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	$ 26,802	$ 28,719.00
	OPERATING EXPENSES		
601	Salaries and Wages	$ 1100.00	$ 5220.00
610	Purchased Water		
615	Purchased Power	3426.00	4876.00
618	Chemicals		
620	Repairs and Maintenance		393.00
621	Office Supplies and Expense	1171.00	3272.00
630	Outside Services	856.00	Ø
635	Water Testing	4140.00	2150.00
641	Rents		
650	Transportation Expenses	3030.00	6889.00
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	302.00	462.00
403	Depreciation Expense		
408	Taxes Other Than Income	4644	2858.00
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 18669.00	$ 26120.00
	OPERATING INCOME/(LOSS)	$ 8133.00	$ 2599.00
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$ Ø	$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	$ Ø	$
	NET INCOME/(LOSS)	$ 8133.00	$ 2599.00

COMPANY NAME	Arroyo Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	$	$	$	$
Amount Outstanding	$	$	$	$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	$	$	$	$
Current Year Principle	$	$	$	$

Meter Deposit Balance at Test Year End $ _____

Meter Deposits Refunded During the Test Year $ _____

COMPANY NAME	Arroyo Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-805621	5+3hp	90	61'	19"		1996

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	1		
		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
11,000	1	2,500	1

COMPANY NAME	Arroyo Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2000
3		
4	PVC	6200
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	100
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

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

TREATMENT EQUIPMENT:

N/A

STRUCTURES: Fence around well site (chain link)

OTHER: Operations Company provides equipment & materials - back hoe - trenches - generating, etc

COMPANY NAME:	Arroyo Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	80	354290	
FEBRUARY	80	423050	
MARCH	80	473290	
APRIL		507410	
MAY		696520	
JUNE		907510	
JULY		1046950	
AUGUST		1035900	
SEPTEMBER		907290	
OCTOBER		811520	
NOVEMBER		683310	
DECEMBER		499750	
	TOTAL	8346790	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (X) No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. _____**mg/l**
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Arroyo Water Company YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: $_____

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
FEB 22 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Az

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	GILA
NAME (OWNER OR OFFICIAL) TITLE	LACY Parker
COMPANY NAME	Arroyo Water Company

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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 OR OFFICIAL

928-474-1766
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd DAY OF

John E. Schreur
NOTARY PUBLIC -- ARIZONA
GILA COUNTY
My Commission Expires
December 21, 2010
(SEAL)

COUNTY NAME GILA	
MONTH FEB	2007

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES DEC 21, 2010

COMPANY NAME Arroyo Water Company **YEAR ENDING 12/31/2005**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	0
Estimated or Actual Federal Tax Liability	0
State Taxable Income Reported	0
Estimated or Actual State Tax Liability	0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	0
Amount of Gross-Up Tax Collected	0
Total Grossed-Up Contributions/Advances	0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE	2-21-07 **DATE**
KACY PARKER **PRINTED NAME**	President **TITLE**

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED
FEB 22 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	
NAME (OWNER OR OFFICIAL) TITLE	
COMPANY NAME	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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 REQUIREMENT 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 CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 28779.00

(THE AMOUNT IN BOX ABOVE INCLUDES $ 2082.12 IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

928-474-1766
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd **DAY OF**

(SEAL)

John E. Schreur
NOTARY PUBLIC -- ARIZONA
GILA COUNTY
My Commission Expires
December 21, 2010

COUNTY NAME GILA	
MONTH FEB	2007

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES DEC 21, 2010

RECEIVED

FEB 22 2007

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Gila
NAME (OWNER OR OFFICIAL)	Kacy Parker — TITLE President
COMPANY NAME	Arroyo Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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 40-401.01, 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 CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 28,719.00

(THE AMOUNT IN BOX AT LEFT INCLUDES $ 2082.12 IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

X _____
SIGNATURE OF OWNER OR OFFICIAL

928-474-1766
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd DAY OF

NOTARY PUBLIC NAME	John Schreur
COUNTY NAME	GILA
MONTH FEB	,2007

(SEAL)

John E. Schreur
NOTARY PUBLIC -- ARIZONA
GILA COUNTY
My Commission Expires
December 21, 2010

X _____
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES
DEC 21, 2010