ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-20496A
AVM-2005, LLC
15051 N Kierland Blvd, Ste 200
Scottsdale, AZ 85254

RECEIVED
MAY 1 9 2008
AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007

FOR COMMISSION USE

ANN 04	07

PROCESSED BY: 5-19-08

SCANNED 6-2-08

COMPANY INFORMATION

Company Name (Business Name) AVM-2005.LLC d/b/a Signal Peak Water Company

Mailing Address 15051 N. Kierland Blvd #200
(Street)

Scottsdale (City) AZ (State) 85254 (Zip)

(480) 998-5440 Telephone No. (Include Area Code) (480) 998-5442 Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Larry@areadinc.com

Local Office Mailing Address Same
(Street)

(City) (State) (Zip)

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

Email Address

MANAGEMENT INFORMATION

Management Contact: Larry Tysiac (Name) Operator (Title)

15051 N. Kierland Blvd #200 (Street) Scottsdale (City) AZ (State) 85254 (Zip)

(480) 998-5440 Telephone No. (Include Area Code) (480) 998-5442 Fax No. (Include Area Code) (602) 568-7571 Cell No. (Include Area Code)

Email Address Larry@areadinc.com

On Site Manager: Norman Baker
(Name)

15051 N. Kierland Blvd #200 (Street) Scottsdale (City) AZ (State) 85254 (Zip)

(480) 998-5440 Telephone No. (Include Area Code) (480) 998-5442 Fax No. (Include Area Code) (602) 725-7960 Cell No. (Include Area Code)

Email Address Norm@areadinc.com

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

Statutory Agent: Connie Radoff
(Name)

15051 N. Kierland Blvd #200, Scottsdale AZ 85254
(Street) (City) (State) (Zip)

(480) 998-5440 (480) 998-5442
Telephone No. (Include Area Code) Fax No. (Include Area Code Cell No. (Include Area Code)

Attorney: Matthew Berens
(Name)

7047 E. Greenway Parkway Scottsdale AZ 85254
(Street) (City) (State) (Zip)

(480) 624-2777 (480) 607-2215
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address

☐ **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 AVM-2005, LLC

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	~~Franchises~~ Goodwill	292,898	17,900	274,998
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	40,000	1,200	38,800
333	Services	16,000	480	15,520
334	Meters and Meter Installations	3,200	96	3,104
335	Hydrants	800	24	776
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	352,898	19,700	333,198

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

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	~~Franchises~~ Goodwill	292,898	6.67%	19,526
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	40,000	4%	1600
333	Services	16,000	4%	640
334	Meters and Meter Installations	3,200	4%	128
335	Hydrants	800	4%	32
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	352,898		21,296

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

COMPANY NAME AVM-2005, LLC d/b/a Signal Peak Water Co.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR (Short Year 5-4-07)	BALANCE AT END OF YEAR (12-31-07)
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 28,235	$ <3043>
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	997	1363
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	$ 29,232	$ <1680>
	FIXED ASSETS		
101	Utility Plant in Service	$ 60,000	$ 60,000
103	~~Property Held for Future Use~~ Goodwill	257,272	292,898
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		<1,200>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		<13,018>
	TOTAL FIXED ASSETS	$ 317,272	$ 338,680
	TOTAL ASSETS	$ 346,504	$ 337,000

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

COMPANY NAME AVM-2005, LLC d/b/a Signal Peak Water Co.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	Short Year BALANCE AT BEGINNING OF YEAR 5-4-07	BALANCE AT END OF YEAR 12-31-07
	CURRENT LIABILITES		
231	Accounts Payable	$ 62	$ 1697
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1185	1185
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	$ 1247	$ 2882
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ 350,000	$ 395,305
	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	$ 351,247	$ 398,187
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$	$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	<5743>	<62,187>
218	Proprietary Capital (Sole Props and Partnerships)	1000	1000
	TOTAL CAPITAL	$ <4743>	$ <61,187>
	TOTAL LIABILITIES AND CAPITAL	$ 346,504	$ 337,000

COMPANY NAME AVM-2005, LLC d/b/a Signal Peak Water Co

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR Short Year	CURRENT YEAR Estimate 12-31-08
461	Metered Water Revenue	$ 8,126	$ 12,000
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	$ 8,126	$ 12,000
	OPERATING EXPENSES		
601	Salaries and Wages	$	$
610	Purchased Water	3,171	5,200
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	856	850
621	Office Supplies and Expense	398	400
630	Outside Services	15,600	6,000
635	Water Testing	927	1,000
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	761	775
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense Legal	14,372	3,000
403	Depreciation Expense	14,218	21,926
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 50,303	$ 39,151
	OPERATING INCOME/(LOSS)	$ <42,177>	$ <27,151>
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$ 293	$ -0-
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	<20,303>	<30,600>
	TOTAL OTHER INCOME/(EXPENSE)	$ <20,010>	$ <30,600>
	NET INCOME/(LOSS)	$ <62,187>	$ <57,751>

COMPANY NAME AVM-2005, LLC d/b/a Signal Peak Water Co.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	5-4-07	9-7-07		
Source of Loan	Related Party	Related Party		
ACC Decision No.				
Reason for Loan	Purchase	Expenses		
Dollar Amount Issued	$ 350,000	$ 25,000	$	$
Amount Outstanding	$ 350,000	$ 25,000	$	$
Date of Maturity	5-4-10	NONE		
Interest Rate	8.75 %	0 %	%	%
Current Year Interest	$ -0-	$ -0-	$	$
Current Year Principle	$ -0-	$ -0-	$	$

Meter Deposit Balance at Test Year End $ 1185

Meter Deposits Refunded During the Test Year $ -0-

COMPANY NAME	AVM-2005, LLC d/b/a Signal Peak Water Co.
Name of System: Signal Peak	ADEQ Public Water System Number: 11-079

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Arizona Water Co.		2,023

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity

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

COMPANY NAME	AVM-2005, LLC d/b/a Signal Peak Water Co.
Name of System: Signal Peak	ADEQ Public Water System Number: 11-079

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	6,600
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	37
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 for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

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

COMPANY NAME: AVM-2005, LLC d/b/a Signal Peak Water Co.	
Name of System: Signal Peak	ADEQ Public Water System Number: 11-079

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR Short Year	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	—	—	—	—
FEBRUARY	—	—	—	—
MARCH	—	—	—	—
APRIL	—	—	—	—
MAY	36	4,166		2,327
JUNE	36	3,015		2,190
JULY	37	2,059		2,697
AUGUST	37	2,780		3,645
SEPTEMBER	37	2,445		2,149
OCTOBER	36	2,464		2,705
NOVEMBER	37	1,502		2,296
DECEMBER	37	1,768		2,224
	TOTALS →	20,199		20,233

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

If system has fire hydrants, what is the fire flow requirement? ____GPM for ____hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
( ) Yes ( ) No

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

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

If yes, provide the GPCPD amount:_____

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

COMPANY NAME AVM-2005, LLC YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: $ -0-

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. Short year

VERIFICATION
AND
SWORN STATEMENT
Taxes

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MAY 13 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	LAWRENCE L. TYSIAK MANAGER
COMPANY NAME	AVM-2005, LLC d/b/a Signal Peak Water Co

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	2007

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.

Lawrence L Tysiak
SIGNATURE OF OWNER OR OFFICIAL

(480) 998-5440
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14TH DAY OF

COUNTY NAME	Maricopa
MONTH	May 2008

(SEAL)

SHERI BOHN
Notary Public - Arizona
Maricopa County
Expires 05/31/2011

Sheri Bohn
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

COMPANY NAME AUM-2005, LLC d/b/a Signal Peak **YEAR ENDING 12/31/2007**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	(62,188)
Estimated or Actual Federal Tax Liability	-0-
State Taxable Income Reported	(62,188)
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.

Lawrence R Tysiac	5/19/08
SIGNATURE	**DATE**
Larry Tysiac	Operator/Manager
PRINTED NAME	**TITLE**

RECEIVED

MAY 1 9 2008

AZ CORP COMM
Director Utilities

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	LARRY TYSIAC MANAGER
COMPANY NAME	AVM-2005, LLC d/b/a Signal Peak Water Co.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

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 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 8,126

(THE AMOUNT IN BOX ABOVE INCLUDES $ 463 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)**

Lawrence L Tysiac
SIGNATURE OF OWNER OR OFFICIAL

480 998 5440
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Maricopa	
MONTH	May	2008

THIS 19th **DAY OF**

(SEAL)

SHERI BOHN
Notary Public - Arizona
Maricopa County
Expires 05/31/2011

Sheri Bohn
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPI

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED
MAY 1 9 2008
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) LARRY TYSIAC	TITLE Operator/Man
COMPANY NAME AVM-2005, LLC d/b/a Signal Peak Water Co.	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

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 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 8,126

THE AMOUNT IN BOX AT LEFT INCLUDES $ 8,126 IN SALES TAXES BILLED, OR COLLECTED)

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

Lawrence L Tysiac
SIGNATURE OF OWNER OR OFFICIAL

480 998 5440
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 19th **DAY OF**

NOTARY PUBLIC NAME Sheri Bohn	
COUNTY NAME Maricopa	
MONTH May	,2008

(SEAL)

MY COMMISSION EXP

SHERI BOHN
Notary Public - Arizona
Maricopa County
Expires 05/31/2011

X Sheri Bohn
SIGNATURE OF NOTARY PUBLIC