ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

WS-02676A
Rio Rico Utilities Inc. (sewer)
1060 Yavapai Dr. Suite #9
Rio Rico AZ 85648

APR 11 2005

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004

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RIO RICO UTILITIES

FOR COMMISSION USE

ANN05	04

COMPANY INFORMATION

Company Name (Business Name) RIO RICO UTILITIES, INC

Mailing Address 1060 Yavapai Dr. - Suite #9
(Street)

Rio Rico (City) AZ (State) 85648 (Zip)

(520) 281-7000 Telephone No. (Include Area Code) (520) 281-7433 Fax No. (Include Area Code) Pager/Cell No. (Include area Code)

Email Address

Local Office Mailing Address **Same as above**
(Street)

(City) (State) (Zip)

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

Email Address

MANAGEMENT INFORMATION

Management Contact: **Donald R. Baker** (Name) **Manager** (Title)

1060 Yavapai Dr - Suite #9 (Street) Rio Rico (City) AZ (State) 85648 (Zip)

(520) 281-7000 Telephone No. (Include Area Code) (520) 281-7433 Fax No. (Include Area Code) Pager/Cell No. (Include area Code)

Email Address

On Site Manager : **Same as above**
(Name)

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

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

Statutory Agent: M H R V B Service Corp
(Name)

3003 No Central Ave (Street) | Phoenix (City) | AZ (State) | 85012 (Zip)

(602) 604-2200
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Incl Area Code)

Attorney: Moyes, Storey et al
(Name)

3003 No Central Ave - #1250 (Street) | Phoenix (City) | AZ (State) | 85012 (Zip)

(602) 604-2200
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Incl 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 : RIO RICO UTILITIES INC (SEWER)

UTILITY PLANT IN SERVICE

Acct No.	DESCRIPTION	Original Cost (OC)	Accum Deprec. (AD)	O.C.L.D. (OC less AD)
351	Organization	5,785		5,785
352	Franchises	417		417
353	Land & Land Rights	7,545		7,545
354	Structures & Improvements	28,548	15,622	12,926
355	Power Generation Equipment			
360	Collection Sewers - Force	633,061	(9,136)	642,197
361	Collection Sewers - Gravity	4,485,892	1,668,069	2,817,823
362	Special Collecting Structures			
363	Services to Customers	1,144,209	453,977	690,232
364	Flow Measuring Devices	4,791	2,593	2,198
365	Flow Measuring Installations	813	440	373
370	Receiving Wells /Pumping Equip.	2,366,729	658,496	1,708,233
380	Treatment & Disposal Equip.	972,166	522,333	449,833
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant & Misc Equip.	71,243	14,839	56,404
390	Office Furniture & Equipment	9,539	5,076	4,463
391	Transportation Equipment			
393	Tools, Shop & Garage Equip	4,897	2,152	2,745
394	Laboratory Equipment			
395	Power Operated Equipment	5,936	3,255	2,681
398	Other Tangible Plant	3,913	2,155	1,758
	TOTALS	9,745,484	3,339,871	6,405,613

This amount goes on the Balance Sheet - Acct #108 _____

COMPANY NAME : RIO RICO UTILITIES INC (SEWER)

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct No.	DESCRIPTION	Original Cost (1) (YE Avge)	Deprec. Percentage (2)	Deprec. Expense (1x2)
351	Organization	5,785		
352	Franchises	417		
353	Land & Land Rights	7,545		
354	Structures & Improvements	28,548	5.18	1,479
355	Power Generation Equipment			
360	Collection Sewers - Force	635,546	2.06	13,092
361	Collection Sewers - Gravity	4,435,839	2.03	90,048
362	Special Collecting Structures			
363	Services to Customers	1,134,181	2.04	23,137
364	Flow Measuring Devices	4,791	5.03	241
365	Flow Measuring Installations	813	5.03	41
370	Receiving Wells (incl. Pumping Equip)	2,476,590	5.27	130,516
380	Treatment & Disposal Equip.	972,166	5.26	51,136
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant & Misc Equip.	71,243	5.30	3,776
390	Office Furniture & Equipment	9,539	4.80	458
391	Transportation Equipment			
393	Tools, Shop & Garage Equip	4,456	4.80	214
394	Laboratory Equipment			
395	Power Operated Equipment	5,936	5.21	309
398	Other Tangible Plant	3,913	5.27	206
	TOTALS	9,797,308		314,653

This amount goes on Comparative Statement of Income & Expense - Acct No. 403 /|\

* NOTE : Depreciation is calculated on year-end average balance
Refer to Page 4 for total original cost

COMPANY NAME: RIO RICO UTILITIES, INC (SEWER)

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT & ACCRUED ASSETS		
131	Cash	$ 35,475	$ 278,076
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	95,076	163,342
146	Notes/Receivables from Assoc Companies		
151	Plant Material and Supplies	37,423	36,334
162	Prepayments	167,096	111,784
174	Misc. Current and Accrued Assets	370,684	225,064
	TOTAL CURRENT & ACCRUED ASSETS	$ 705,754	$ 814,600
	FIXED ASSETS		
101	Utility Plant in Service	$ 9,849,131	$ 9,745,484
103	Property Held for Future Use		
105	Construction Work in Progress	14,605	47,549
108	Accumulated Depreciation - Utility Plant	(3,025,219)	(3,339,871)
121	Non-Utility Property	(1) 28,177,028	(1) 29,679,750
122	Accumulated Depr. - Non Utility Property	(2) (8,370,892)	(2) (8,930,426)
	TOTAL FIXED ASSETS	$ 26,644,653	$ 27,202,486
	TOTAL ASSETS	$ 27,350,407	$ 28,017,086

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

(1) Water Plant plus CWIP-Water, plus Total Acquisition Adjustment

(2) Water Plant Deprec. plus Total Amortization of Acquisition Adjustment

COMPANY NAME: RIO RICO UTILITIES, INC (SEWER)

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	$ 11,248	$ 36,025
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Assoc. Companies	1,214,245	1,401,013
235	Customer Deposits	181,792	221,843
236	Accrued Taxes Payable	7,885	8,271
237	Accrued Interest Payable	1,796	2,308
241	Misc. Current & Accrued Liabilities	53,236	52,315
	TOTAL CURRENT LIABILITIES	$ 1,470,202	$ 1,721,775
	LONG TERM DEBT (Over 12 Months)		
224	Long-Term Notes & Bonds	$ 0	$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$	$
252	Advances in Aid of Construction	114,238	124,898
255	Accum. Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	22,614,128	23,346,852
272	Less: Amortization of Contributions	(5,501,583)	(6,067,772)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	$ 17,226,783	$ 17,403,978
	TOTAL LIABILITIES	$ 18,696,985	$ 19,125,753
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 1	$ 1
211	Paid in Capital in Excess of Par Value	8,997,515	8,997,515
215	Retained Earnings	(344,094)	(106,183)
218	Proprietary Capital (Sole Props & Partnerships)		
	TOTAL CAPITAL	$ 8,653,422	$ 8,891,333
	TOTAL LIABILITIES & CAPITAL	$ 27,350,407	$ 28,017,086

COMPANY NAME: RIO RICO UTILITIES, INC (SEWER)

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	$	$
522	Measured Revenues	622,910	738,746
536	Other Wastewater Revenue	4,983	4,295
	TOTAL REVENUES	$ 627,893	$ 743,041
	OPERATING EXPENSES		
701	Salaries & Wages	$ 83,128	$ 95,878
710	Purchased Wastewater Treatment	160,320	145,761
711	Sludge Removal Expense		
715	Purchased Power	45,903	50,258
718	Chemicals		
720	Materials & Supplies	10,518	11,320
731	Contractual Services - Professional (Legal & Eng)	22,866	20,852
735	Contractual Services - Testing		
736	Contractual Services - Other	57,520	72,347
740	Rents	10,378	22,135
750	Transportation Expense	21,896	23,961
755	Insurance Expense	8,444	24,868
765	Regulatory Commission Exp-Rate Case		2,913
775	Miscellaneous Expense	(1) 31,571	50,372
403	Depreciation Expense	320,396	314,653
408	Taxes Other Than Income (P/R Tax)	4,645	7,139
408.11	Property Taxes	40,629	39,732
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 818,214	$ 882,189
	OPERATING INCOME/(LOSS)	$ (190,321)	$ (139,148)
	OTHER INCOME/(EXPENSE)		
419	Interest & Dividend Income	$	$
421	Non-Utility Income	(2) 132,586	420,468
426	Misc. Non-Utility Expenses	(3) 157,672	165,813
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	$ (25,086)	$ 254,655
	NET INCOME/(LOSS)	$ (215,407)	$ 115,507

(1) Includes Repair & Maintenance Expense
(2) Includes Amortization of CIAC
(3) Includes Amortization of Acquisition Adjustment

COMPANY NAME	RIO RICO UTILITIES, INC (WATER)

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	$	$	$	$

COMPANY NAME: RIO RICO UTILITIES, INC (SEWER)

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, etc.)	EVAPORATIVE PONDS
DESIGN CAPACITY OF PLANT (Gallons Per Day)	VILLAS 12 - 0.050 MGD VILLAS 13 - 0.050 MGD

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Lift Station #1	2	88	725	32,313
Lift Station #2	2	47	500	9,000
Lift Station #3	2	47	500	9,000
Lift Station #4	2	15	175	8,000
Lift Station #5	2	3	27	1,608

FORCE MAINS

Size	Material	Length (feet)
4-inch		
6-inch	SEE ATTACHED SCHEDULE "D"	

MANHOLES

Type	Quantity
Standard	455
Drop	15

CLEANOUTS

Quantity
132

COMPANY NAME: RIO RICO UTILITIES, INC (SEWER)

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4		
6		
8		
10	SEE SCHEDULE "E"	
12	ATTACHED	
15		
18		
21		
24		
30		

SERVICES

Size (in inches)	Material	Quantity
4	VARIOUS	1391
6	VARIOUS	313
8	PVC	1
12		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	NONE
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, etc)	NONE
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, etc)	NONE
STRUCTURES (Buildings, Fences, etc)	Wooden Storage Shed (20' x 20')
OTHER Laboratory Equipment, Tools, Vehicles, Standby Power Generators, etc)	Mobile Generator - 150 KW Diesel Powered Diesel Powered 4" Solids Handling Pump

RIO RICO UTILITIES INC
ATTACHMENT FOR ANNUAL REPORT

SCHEDULE "D" - WASTEWATER FORCE MAINS		
SIZE	MATERIAL	LINEAL FT
6"	PVC	3,714
6"	DI	120
8"	PVC	19,946
8"	DI	693
	TOTAL	24,473

Addendum for page 10

SCHEDULE "E" - WASTEWATER COLLECTION MAINS		
SIZE	MATERIAL	LINEAL FT
4"	PVC	2,845
6"	PVC	3,335
6"	AC	7,938
8"	DI	14,158
8"	AC	186,156
8"	DI	685
10"	AC	12,298
10"	PVC	42
12"	AC	14,494
12"	DI	60
14"	AC	3,060
16"	DI	494
18"	DI	170
	TOTAL	245,735

Addendum for page 11

COMPANY NAME: RIO RICO UTILITIES, INC (SEWER)

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
JAN	1,654	12,313	433
FEB	1,668	11,577	441
MAR	1,671	12,746	465
APR	1,677	11,878	437
MAY	1,682	11,902	416
JUN	1,682	11,227	430
JUL	1,688	11,403	421
AUG	1,689	12,501	471
SEP	1,691	11,465	411
OCT	1,691	11,700	451
NOV	1,693	11,918	467
DEC	1,705	11,691	419

following info comes from Dara

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Villas 12 - Evaporative Ponds Villas 13 - Evaporative Ponds
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	Nogales International 42-107, 42-115, 42-916
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	N/A
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A

THIS DOCUMENT CONTAINS BLUE THRU NUMBERING AND MICROPRINTING IN SIGNATURE LINES

RIO RICO UTILITES, INC.
4837 Swift Road, Suite 100
Sarasota, Florida 34231
(941) 926-3088

BANK OF AMERICA
Sarasota, Florida

63-27
631

002532

10/13/2004

PAY TO THE ORDER OF Caesar Ramirez, Treasurer $ **107,604.72

One Hundred Seven Thousand Six Hundred Four and 72/100********** DOLLARS

Caesar Ramirez, County Treasurer
P.O. Box 250
Nogales, AZ 85628

VOID AFTER 90 DAYS

Michael E. Murphy

MEMO Rio Rico Taxes

⑈002532⑈ ⑆063100277⑆ 3603017332⑈ ⑈0010760472⑈

Property Taxes

Water 67,872.98

Sewer 39,731.74

107,604.72

15(b)

ENDORSE HERE

X

DO NOT WRITE, STAMP OR SIGN BELOW
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0237829862
10272004
0630-0019-9
ENT=0284 TRC=0284 PK=02

10262004 2158 CREDIT TO PAYEE'S ACCT
21285 0627 ENDORSEMENT GUARANTEED
10/27/04
C 046 G

*FEDERAL RESERVE BANK REGULATION CC

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15(2)

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

04/01/05

Rio Rico Utilities Inc
Balance Sheet
As of December 31, 2004

			Dec 31, '04
ASSETS			
Current Assets			
Checking/Savings			
13104 · Bank of America			272,476.07
13115 · Working Funds - Imprest Acct			5,000.00
13400 · Working Funds - Petty Cash			600.00
Total Checking/Savings			278,076.07
Accounts Receivable			
14100 · Accounts Receivable Customers			172,397.73
Total Accounts Receivable			172,397.73
Other Current Assets			
14300 · Allowance for Uncoll- A/R			(9,056.38)
Total Other Current Assets			(9,056.38)
Total Current Assets			441,417.42
Fixed Assets			
10000 · Total Plant			
10100 · Plant in Service - Total			
10180 · Plant in Service-Water	26,824,827.97		
10181 · Plant in Service - Wastewater	9,745,483.87		
Total 10100 · Plant in Service - Total		36,570,311.84	
10500 · CWIP			
10580 · CWIP - Water	911,754.06		
10581 · CWIP - Wastewater	47,549.83		
Total 10500 · CWIP		959,303.89	
10700 · Util Plant Acquisition Adj			
10780 · Util Plant Acquis. Adj-Water	1,537,878.96		
10781 · Util Plant Aquis. Adj-Sewer	405,288.95		
Total 10700 · Util Plant Acquisition Adj		1,943,167.91	
10790 · Accum Amort-Plant Acq Adj.			
10791 · Amort Plant Acq Adj-Water	(405,593.59)		
10792 · Amort Plant Acq Adj-Sewer	(105,766.01)		
Total 10790 · Accum Amort-Plant Acq Adj.		(511,359.60)	
Total 10000 · Total Plant			38,961,424.04

18(a)

Rio Rico Utilities Inc
Balance Sheet
As of December 31, 2004

			Dec 31, '04
10800 · Accumulated Depreciation			
10801 · Accum Depr-UPIS Water		(8,420,801.49)	
10803 · Retirement WIP-Water		1,735.42	
10805 · Accum Depr-UPIS Sewer		(3,373,210.65)	
10806 · Retirement WIP-Sewer		33,339.32	
Total 10800 · Accumulated Depreciation			(11,758,937.40)
Total Fixed Assets			27,202,486.64
Other Assets			
15100 · Inventory - Supplies			36,333.90
16000 · Prepaid Debits			
17300 · Unbilled Revenues			
17380 · Unbilled Water Revenues	26,617.94		
17381 · Unbilled Wastewater Revenues	17,398.86		
Total 17300 · Unbilled Revenues		44,016.80	
18300 · Preliminary Survey		67,766.80	
Total 16000 · Prepaid Debits			111,783.60
18400 · Clearing Accounts			
18410 · Engineering Clearing		3,156.58	
18415 · Stores Clearing		2.53	
Total 18400 · Clearing Accounts			3,159.11
18600 · Other Deferred Debits			
18640 · Other Special Deposits		1,950.00	
18650 · Rate Case Expense		219,954.93	
Total 18600 · Other Deferred Debits			221,904.93
Total Other Assets			373,181.54
TOTAL ASSETS			**28,017,085.60**

18(b)

Rio Rico Utilities Inc
Balance Sheet
As of December 31, 2004

		Dec 31, '04
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
23100 · Accounts Payable		
23101 · A/P Unisource	24,830.57	
23100 · Accounts Payable - Other	11,194.37	
Total 23100 · Accounts Payable		36,024.94
Total Accounts Payable		36,024.94
Other Current Liabilities		
23500 · Customer Deposits		
23501 · Customer Account Deposits	124,070.45	
23502 · Refundable Meter Advances	97,772.71	
Total 23500 · Customer Deposits		221,843.16
23600 · Taxes Other Than Income		
23601 · Arizona Corporation Tax	483.57	
23602 · State Sales Tax Payable	6,147.32	
23603 · County Sales Tax Payable	554.90	
23604 · Water Quality Assessment Tax	314.81	
23611 · Accrued FICA Tax Payable	770.43	
Total 23600 · Taxes Other Than Income		8,271.03
24100 · Other Current Liabilities		
23725 · Interest Payable-Cust Deposits	2,308.11	
24110 · Accrued Expenses	25,800.00	
24113 · Accrued Payroll	19,314.78	
24215 · Unclaimed Checks	1,164.46	
24216 · Misc Other Liabilities	6,036.11	
Total 24100 · Other Current Liabilities		54,623.46
24314 · I/C Payable-Avatar Holdings		1,401,012.57
Total Other Current Liabilities		1,685,750.22
Total Current Liabilities		1,721,775.16

(10)

04/01/05

Rio Rico Utilities Inc
Balance Sheet
As of December 31, 2004

			Dec 31, '04
Long Term Liabilities			
25200 · Construction Adv-Customers			
25201 · Customer Adv - Water		108,301.17	
25202 · Customer Adv - Sewer		16,596.41	
Total 25200 · Construction Adv-Customers			124,897.58
27000 · Net CIAC			
27100 · Construction Adv-CIAC			
27101 · CIAC - Water	19,301,968.04		
27102 · CIAC - Sewer	4,044,883.82		
Total 27100 · Construction Adv-CIAC		23,346,851.86	
27200 · Accum Amortization-CIAC			
27201 · Amortization of CIAC-Water	(4,686,995.47)		
27202 · Amortization of CIAC-Sewer	(1,380,776.47)		
Total 27200 · Accum Amortization-CIAC		(6,067,771.94)	
Total 27000 · Net CIAC			17,279,079.92
Total Long Term Liabilities			17,403,977.50
Total Liabilities			19,125,752.66
Equity			
35100 · Common Stock			1.00
36100 · Add'tl Paid-in Capital			8,997,515.48
39999 · Retained Earnings			(344,093.29)
Net Income			237,909.75
Total Equity			8,891,332.94
TOTAL LIABILITIES & EQUITY			**28,017,085.60**

(P81)

Rio Rico Utilities Inc
Profit & Loss-Wastewater
January through December 2004

		Jan - Dec '04
Ordinary Income/Expense		
Income		
52200 · Revenues - Wastewater Customers		
52210 · Residential		500,601.47
52220 · Commercial		233,036.75
52250 · Multi-Family		5,107.94
53601 · Misc Service Rev - Wastewater		4,295.00
Total 52200 · Revenues - Wastewater Customers		743,041.16
Total Income		743,041.16
Gross Profit		743,041.16
Expense		
70000 · Total Expense-Wastewater		
70010 · Source/Collection-O&M		
70001 · Source/Collection - Oper		
73601 · Contract Serv - Other - SSO	702.69	
77701 · R&M Equipment - SSO	220.50	
Total 70001 · Source/Collection - Oper		923.19
70002 · Source/Collection - Maint		
72002 · Materials & Supplies - SSM	1,369.05	
73602 · Contract Serv - Other - SSM	8,497.35	
74202 · Rental of Equip - SSM	13,077.08	
77502 · Telephone Serv - SSM	1,729.50	
77702 · R&M Equipment - SSM	10,823.93	
Total 70002 · Source/Collection - Maint		35,496.91
Total 70010 · Source/Collection-O&M		36,420.10
70030 · Pumping - O&M		
70003 · Pumping - Oper		
71503 · Purchased Power-PUO	48,437.64	
Total 70003 · Pumping - Oper		48,437.64

18(e)

Rio Rico Utilities Inc
Profit & Loss-Wastewater
January through December 2004

		Jan - Dec '04
70004 · Pumping - Maint		
70104 · Salaries & Wages - PUM	29,454.06	
75004 · Transp Expense - PUM	12,214.66	
77704 · R&M Equipment - PUM	3,270.31	
Total 70004 · Pumping - Maint		44,939.03
Total 70030 · Pumping - O&M		93,376.67
70050 · Treatment-O&M		
70005 · Treatment - Oper		
71050 · Purch. Sewage Treatment-TRO	145,760.87	
72005 · Materials & Supplies-TRO	6,940.95	
73605 · Contract Serv - Other - TRO	15,760.90	
Total 70005 · Treatment - Oper		168,462.72
70006 · Treatment - Maint		
74206 · Equipment Rental - TRM	1,697.60	
Total 70006 · Treatment - Maint		1,697.60
Total 70050 · Treatment-O&M		170,160.32
70070 · Customer Acct'ing-O&M		
70007 · Customer Acctg - Oper		
70107 · Salaries & Wages-CAO	66,423.87	
71507 · Purchased Power-CAO	1,820.17	
72007 · Materials & Supplies - CAO	3,010.21	
73607 · Contract Serv - Other - CAO	47,385.51	
74107 · Rent-Bldgs/Prop-CAO	7,359.79	
75007 · Transportation Expense-CAO	11,746.20	
77007 · Bad Debt Expense - CAO	3,926.12	
77507 · Telephone Serv - CAO	4,711.44	
77607 · Postage-CAO	944.22	
77707 · R&M Equip & Buildings - CAO	3,199.30	
77907 · Training Travel & Meals-CAO	1,843.76	
78007 · Dues & Subscriptions - CAO	560.96	
78107 · Bank Charges - CAO	2,473.18	
78707 · Misc Other - CAO	2,204.72	
Total 70007 · Customer Acctg - Oper		157,609.45
Total 70070 · Customer Acct'ing-O&M		157,609.45

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Rio Rico Utilities Inc
Profit & Loss-Wastewater
January through December 2004

		Jan - Dec '04
70080 · General & Admin-O&M		
70008 · Gen & Admin - Oper		
70408 · Pension & Benefits	13,432.80	
70608 · Payroll Tax Expense	7,139.05	
73308 · Contract Services - Legal	20,851.51	
75608 · Insurance-Vehicles	4,694.87	
75708 · Insurance-General Liability	16,365.85	
75808 · Insurance-Worker's Comp	1,326.71	
75908 · Property Insurance	2,480.39	
76608 · Rate Case Expense Amortization	2,913.27	
77608 · Postage	1,032.64	
Total 70008 · Gen & Admin - Oper		70,237.09
Total 70080 · General & Admin-O&M		70,237.09
Total 70000 · Total Expense-Wastewater		527,803.63
Total Expense		527,803.63
Net Ordinary Income		215,237.53
Other Income/Expense		
Other Income		
82200 · Other Misc Income		
82202 · Misc Income - Wastewater	288,641.59	
Total 82200 · Other Misc Income		288,641.59
Total Other Income		288,641.59
Other Expense		
80300 · Depreciation Expense		
80302 · Deprec. Exp - Sewer	314,653.09	
Total 80300 · Depreciation Expense		314,653.09
80310 · Amortization of CIAC Exp		
80312 · Amort. CIAC Exp - Sewer	(131,825.88)	
Total 80310 · Amortization of CIAC Exp		(131,825.88)
80610 · Amort. of Plant Acquis Adj		
80612 · Amort of Plant Acq Adj-Sewer	10,665.48	
Total 80610 · Amort. of Plant Acquis Adj		10,665.48

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VERIFICATION
AND
SWORN STATEMENT

APR 11 2005

Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA — COUNTY OF (COUNTY NAME): SANTA CRUZ

I, THE UNDERSIGNED — NAME (OWNER OR OFFICIAL) TITLE: DONALD R. BAKER

OF THE — COMPANY NAME: RIO RICO UTILITIES INC.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

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 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)

$ 743,041.16

(THE AMOUNT IN BOX ABOVE INCLUDES $ -0- 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

(520) 281-7000

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF SANTA CRUZ

THIS 8th DAY OF APRIL, 2005

(SEAL)

MY COMMISSION EXPIRES 1/2/2006

Dara Mora

SIGNATURE

OFFICIAL SEAL
DARA MORA
Notary Public - State of Arizona
SANTA CRUZ COUNTY
My Comm. Expires Jan. 2, 2006

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE

APR 1 1 2005

INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) SANTA CRUZ

I, THE UNDERSIGNED

NAME (OWNER OR OFFICIAL) DONALD R. BAKER

TITLE VICE PRESIDENT ~~GENERAL MANAGER~~

OF THE

COMPANY NAME RIO RICO UTILITIES INC.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

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 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 505,709.41

(THE AMOUNT IN BOX AT LEFT INCLUDES $ -0- IN SALES TAXES BILLED, OR COLLECTED

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

X _____
SIGNATURE OF OWNER OR OFFICIAL

(520) 281-7000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 8th DAY OF

NOTARY PUBLIC NAME DARA MORA

COUNTY NAME SANTA CRUZ

MONTH APRIL 20 05

(SEAL)

OFFICIAL SEAL
DARA MORA
Notary Public - State of Arizona
SANTA CRUZ COUNTY
My Comm. Expires Jan. 2, 2006

MY COMMISSION EXPIRES

X _____
SIGNATURE OF NOTARY PUBLIC