

ANNUAL REPORT

Of

Company Name:

Yarnell Water Improvement Association, Inc. PO Box 2389
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Mailing Address: Prescott AZ
86302

Docket No.: W-02255A
For the Year Ended:

12/31/25

RECEIVED BY EMAIL
4/3/2026, 2:29 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@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:

Original Filing

Application Date:

4/6/2026

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Yarnell Water Improvement Association, Inc.
A Class ☐ A ☒ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

302 W. WILLIS STREET; SUITE 203			
City:	PRESCOTT	State:	Arizona
Zip Code:	86301		

Telephone Number:

928-445-0551

Date of Original Organization of Utility:

11/14/1972

Person to whom correspondence should be addressed concerning this report:

Name:

CHERYL IBBOTSON

Telephone No. :

928-445-0551

Address:

302 W. WILLIS STREET; SUITE 203			
City:	PRESCOTT	State:	Arizona
Zip Code:	86301		

Email:

yarnellwateraz@gmail.com

On-Site Manager
Name:

FLETCH WILES

Telephone No. :

928-671-0057

Address:

PO BOX 264			
City:	WILLIAMS	State:	Arizona
Zip Code:	86046		

Email:

fletch@iaqstuff.com

Management Contact
Name:

PAT CARPENTER

Telephone No. :

928-606-0498

Address:

PO BOX 264			
City:	WILLIAM	State:	Arizona
Zip Code:	86046		

Email:

pataqualitywater@gmail.com

Statutory Agent
Name:

STEVE KREMER

Telephone No. :

860-933-4606

Address:

22861 LAKEWOOD DRIVE			
City:	YARNELL	State:	Arizona
Zip Code:	85362		

Email:

str716@gmail.com

NA
Name:

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Telephone No. :

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Address:

City:		State:	Arizona
Zip Code:			

Email:

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Ownership:

Association--Cooperative

Counties Served:

Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Yarnell Water Improvement Association, Inc.

Important changes during the year
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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	\$24,471	\$0	\$0	\$24,471	\$0	\$24,471
302	Franchises	34,884	0	0	34,884	0	34,884
303	Land and Land Rights	23,732	71,933	0	95,665	0	95,665
304	Structures and Improvements	64,430	0	0	64,430	60,013	4,417
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	56,848	18,985	0	75,833	12,944	62,889
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	41,171	0	0	41,171	31,907	9,264
311	Pumping Equipment	200,482	22,536	0	223,018	167,491	55,527
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	5,638	0	730	4,908	4,908	0
320.2	Solution Chemical Feeders	73,559	1,057	0	74,616	73,985	631
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	681,447	0	227	681,220	238,551	442,669
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,876,220	124,074	238,586	1,761,708	988,201	773,507
333	Services	121,692	239,443	0	361,135	74,377	286,758
334	Meters and Meter Installations	441,267	62	0	441,329	278,193	163,136
335	Hydrants	256,423	0	0	256,423	111,442	144,981
336	Backflow Prevention Devices	205	0	0	205	205	0
339	Other Plant and Misc. Equipment	84,618	43,600	45,475	82,743	40,346	42,397
340	Office Furniture and Equipment	1,027	0	0	1,027	866	161
340.1	Computer & Software	16,378	0	0	16,378	14,957	1,421
341	Transportation Equipment	7,720	0	0	7,720	7,720	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	8,122	0	0	8,122	6,398	1,724
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	5,150	0	0	5,150	1,570	3,580
346	Communication Equipment	160,249	48,989	0	209,238	182,294	26,944
347	Miscellaneous Equipment	10,826	0	0	10,826	7,646	3,180
348	Other Tangible Plant	101,115	0	0	101,115	101,115	0
	Totals	\$4,297,674	\$570,679	\$285,018	\$4,583,335	\$2,405,129	\$2,178,206

Yarnell Water Improvement Association, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/25

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	\$24,471	\$0	\$0	\$24,471	\$24,471	\$0	0.00%	\$0
302	Franchises	34,884	0	0	34,884	34,884	0	0.00%	0
303	Land and Land Rights	23,732	71,933	0	95,665	95,665	0	0.00%	0
304	Structures and Improvements	64,430	0	0	64,430	59,612	4,818	3.33%	160
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	56,848	18,985	0	75,833	1,784	74,049	3.33%	2,466
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	41,171	0	0	41,171	0	41,171	5.00%	2,059
311	Pumping Equipment	200,482	22,536	0	223,018	100,610	122,408	12.50%	14,116
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	5,638	0	730	4,908	0	4,908	0.00%	0
320.2	Solution Chemical Feeders	73,559	1,057	0	74,616	73,038	1,578	10.00%	316
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	681,447	0	227	681,220	156,331	524,889	2.22%	11,762
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,876,220	124,074	238,586	1,761,708	795,661	966,047	2.00%	32,056
333	Services	121,692	239,443	0	361,135	2,976	358,159	3.33%	11,927
334	Meters and Meter Installations	441,267	62	0	441,329	97,882	343,447	8.33%	28,613
335	Hydrants	256,423	0	0	256,423	0	256,423	2.00%	5,128
336	Backflow Prevention Devices	205	0	0	205	205	0	6.67%	6
339	Other Plant and Misc. Equipment	84,618	43,600	45,475	82,743	38,305	44,438	6.67%	1,510
340	Office Furniture and Equipment	1,027	0	0	1,027	57	970	6.67%	65
340.1	Computer & Software	16,378	0	0	16,378	2,186	14,192	20.00%	2,838
341	Transportation Equipment	7,720	0	0	7,720	7,720	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	8,122	0	0	8,122	0	8,122	5.00%	406
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	5,150	0	0	5,150	0	5,150	5.00%	260
346	Communication Equipment	160,249	48,989	0	209,238	160,249	48,989	10.00%	4,899
347	Miscellaneous Equipment	10,826	0	0	10,826	4,296	6,530	10.00%	653
348	Other Tangible Plant	101,115	0	0	101,115	101,115	0	0.00%	0
	Subtotal	\$4,297,674	\$570,679	\$285,018	\$4,583,335	\$1,757,047	\$2,826,288		\$119,240

Contribution(s) in Aid of Construction (Gross)	\$2,049,069
Less: Non Amortizable Contribution(s)	76,265
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$1,972,804
Times: Proposed Amortization Rate	4.22%
Amortization of CIAC	\$83,232

Less: Amortization of CIAC **\$83,232**

DEPRECIATION EXPENSE **\$36,008**

Yarnell Water Improvement Association, Inc.
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current and Accrued Assets			
131	Cash		\$425,495	\$418,714
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		24,309	23,185
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		4,120	4,120
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$453,924	\$446,019
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$4,297,674	\$4,583,335
103	Property Held for Future Use			
105	Construction Work in Progress		68,306	68,665
108	Accumulated Depreciation (enter as negative)*		(2,266,565)	(2,405,129)
121	Non-Utility Property		26,822	21,074
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$2,126,237	\$2,267,945
	Total Assets		\$2,580,160	\$2,713,964

*Note these items feed automatically from AR3 UPIS Page 4

Yarnell Water Improvement Association, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current Liabilities			
231	Accounts Payable		\$7,458	\$2,894
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		9,576	9,324
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$17,034	\$12,218
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$572,284	\$554,524
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		15,888	14,430
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		1,896,536	2,064,140
272	Less: Amortization of Contributions		(495,730)	(578,961)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$1,416,694	\$1,499,609
	Total Liabilities		\$2,006,012	\$2,066,352
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		574,148	647,612
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$574,148	\$647,612
	Total Liabilities and Capital		\$2,580,160	\$2,713,964

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

Yarnell Water Improvement Association, Inc.
Annual Report
Water Comparative Income Statement
12/31/25

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
461	Metered Water Revenue	\$359,704	\$345,908
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	5,864	1,934
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	8,532	9,358
	Total Revenues	\$374,100	\$357,200
	Operating Expenses		
601	Salaries and Wages		\$0
604	Employee Pensions and Benefits		0
610	Purchased Water		0
615	Purchased Power	15,905	15,932
618	Chemicals	1,745	1,510
620	Materials and Supplies		209
620.1	Repairs and Maintenance	47,899	5,597
620.2	Office Supplies and Expense	9,997	9,183
630	Contractual Services		0
631	Contractual Services - Engineering		0
632	Contractual Services - Accounting	43,418	43,321
633	Contractual Services - Legal	265	1,898
634	Contractual Services - Management Fees	105,765	106,286
635	Contractual Services - Water Testing	2,134	3,139
636	Contractual Services - Other	8,280	1,500
640	Rents		0
641	Rental of Building/Real Property		0
642	Rental of Equipment		0
650	Transportation Expenses	18	0
657	Insurance - General Liability	9,453	8,071
657.1	Insurance - Health and Life		0
665	Regulatory Commission Expense - Rate	5,748	17,226
670	Bad Debt Expense		1,154
675	Miscellaneous Expense		4,387
403	Depreciation Expense (From Schedule AR4)	36,008	78,480
408	Taxes Other Than Income		0
408.11	Property Taxes	14,778	14,755
409	Income Taxes		0
427.1	Customer Security Deposit Interest	207	391
	Total Operating Expenses	\$301,620	\$313,039
	Operating Income / (Loss)	\$72,480	\$44,161
	Other Income / (Expense)		
419	Interest and Dividend Income	\$25	\$26
421	Non-Utility Income	12,946	4,732
426	Miscellaneous Non-Utility (Expense)		0
427	Interest (Expense)	(11,989)	(12,362)
	Total Other Income / (Expense)	\$983	(\$7,604)
	Net Income / (Loss)	\$73,463	\$36,557

Yarnell Water Improvement Association, Inc.
 Annual Report
 Full time equivalent employees
 12/31/25

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President			1.0	1.0
Vice-president			1.0	1.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)			1.0	1.0
Meter reader			1.0	1.0
Customer Service			1.0	1.0
Accounting			1.0	1.0
Business Office			1.0	1.0
Rates Department				0.0
Administrative Staff			1.0	1.0
Other				0.0
Total	0.0	0.0	8.0	8.0

Yarnell Water Improvement Association, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/25

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	9/27/2003	N/A	N/A	N/A
Source of Loan	USDA RURAL			
ACC Decision No.	N/A			
Reason for Loan	LOAN PAYOFF			
Dollar Amt. Issued	\$0			
Amount Outstanding	\$554,524			
Date of Maturity	11/28/2048			
Interest Rate	2.13%			
Current Year Interest	\$11,989			
Current Year Principal	\$17,759			

Meter Deposit Balance at Test Year End:	\$14,430
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Meter Deposits Refunded During the Test Year:	\$1,616
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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.

[illegible]

Name of system water delivered to:	YARNELL WATER IMPROVEMENT ASSN		
ADWR PCC Number:	91-000642.0000		
Source of water delivered to another system	NA		

Name of system water received from:	YARNELL WATER IMPROVEMENT ASSN	
ADWR PCC Number:	91-000642.0000	
Source of water received	NA	
Well registry 55# (55-XXXXXX):		

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense ⁶	Purchased Power ⁷ (kWh)
January	1,470,624.00	1,160,740.00	0.00	0.00	159,840.00	\$1,131	6,908
February	1,517,910.00	1,122,080.00	0.00	0.00	259,200.00	1,279	7,999
March	1,435,300.00	1,110,982.00	0.00	0.00	183,600.00	1,107	6,738
April	2,126,404.00	1,594,910.00	0.00	0.00	324,000.00	1,165	7,203
May	2,056,686.00	1,443,060.00	0.00	0.00	338,400.00	1,314	8,508
June	2,695,514.00	1,886,440.00	0.00	0.00	590,400.00	1,567	9,988
July	2,743,149.00	2,232,360.00	0.00	0.00	302,400.00	1,594	12,760
August	3,009,479.00	2,421,450.00	0.00	0.00	367,200.00	1,589	12,676
September	2,201,289.00	1,699,848.00	0.00	0.00	378,720.00	1,633	10,463
October	1,607,343.00	1,238,290.00	0.00	0.00	216,000.00	1,269	7,801
November	1,373,769.00	1,036,410.00	0.00	0.00	128,559.00	1,122	6,565
December	1,166,383.00	883,200.00	0.00	0.00	110,383.00	1,153	6,592
Totals	23,403,850.00	17,829,770.00	0.00	0.00	3,358,702.00	\$15,922	104,201

If applicable, in the space below please provide a description for all un-metered water use along with amounts: N/A	
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1	Water withdrawn - Total gallons of water withdrawn from pumped sources.
2	Water sold - Total gallons from customer meters, and other sales such as construction water.
3	Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
4	Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
5	Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
6	Enter the total purchased power costs for the power meters associated with this system.
7	Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description			
Name of the System:	0		
ADEQ Public Water System Number:	AZ0413057		
ADWR PCC Number:	91-000642.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	0
3.00	PVC	0
4.00	PVC	7,180
6.00	CONCRETE	1,848
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	

SERVICE LINES		
Material	Percent of system	Year installed
NA		
NA		
NA		
NA		
NA		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
25	120	2

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
250,000	STEEL	2	1974
40,000	STEEL	1	
15,000	STEEL	1	

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	520	0%	0%
1	11	0%	0%
2	1	0%	0%
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			

FIRE HYDRANTS	
Type	Quantity
Standard *	77
Other	7

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	PULSATION, CHLORINATOR
STRUCTURES:	WELL HOUSE, BOOSTER PUMP/CHLORIBE ROM, OFFICE, YARD, SHOP
OTHER:	N/A

Customer and Other Information	
Name of the System:	0
ADEQ Public Water System Number:	AZ0413057
ADWR PCC Number:	91-000642.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	462	0	69	0	0
February	462	0	69	0	0
March	462	0	69	0	0
April	463	0	69	0	0
May	462	0	70	0	0
June	461	0	71	0	0
July	463	0	70	0	0
August	461	0	72	0	0
September	463	0	70	0	0
October	462	0	71	0	0
November	462	0	71	0	0
December	460	0	71	0	0

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?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

Yarnell Water Improvement Association, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/25

Utility Shutoffs / Disconnects	
Name of the System:	0
ADEQ Public Water System Number:	AZ0413057
ADWR PCC Number:	91-000642.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	0	0
February	0	1	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	2	0
October	0	0	0
November	0	0	0
December	0	1	0
Total	0	4	0

Other (description):

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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$14,778

If no property taxes paid, explain why.

N/A

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.

Yarnell Water Improvement Association, Inc.
Annual Report
Verification and Certification (Taxes)
12/31/25

Verification and Certification (Taxes)

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

County of (county name):

Yavapai

Name (owner or official) title:

SHERRI FAGAN

Company name:

Yarnell Water Improvement Association, Inc.

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

FOR THE YEAR ENDING:

12/31/25

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.

Certification:

I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Sherri Fagan

signature of owner/official

602-919-0030

telephone no.