

**ANNUAL REPORT**

Of

Company Name:   
7150 E. Camelback Rd., Ste. 400

Mailing Address: Scottsdale AZ  
85251

Docket No.: W-20496A  
For the Year Ended:

**RECEIVED  
BY EMAIL  
3/26/2024, 11:15 AM  
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:   
Application Date:

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
AVM-2005, LLC

A Class  Utility

For the Calendar Year Ended: 12/31/23

Primary Address:   
City:  State:  Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Ownership:

Counties Served:

**Important changes during the year**

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.
	N/A

Yes	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.
	We were notified that ADEQ did not receive the July 2023 Total Coliform Testing Report, which is sent directly by the testing facility. The test was completed on time. They just failed to receive the report. We immediately re-submitted and achieved compliance.

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)
		\$0	\$0	\$0	\$0	\$0	\$0
301	Organization						
302	Franchises	292,897	0	0	292,897	293,754	(857)
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	0	0	0	0	0	0
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	0	0	0	0	0	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	0	0	0	0	0	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
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	0	0	0	0	0	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	0	0	0	0	0	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	0	0	0	0	0	0
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	40,000	0	0	40,000	26,400	13,600
342	Stores Equipment	16,000	0	0	16,000	10,560	5,440
343	Tools, Shop and Garage Equipment	3,200	0	0	3,200	2,112	1,088
344	Laboratory Equipment	800	0	0	800	528	272
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$352,897</b>	<b>\$0</b>	<b>\$0</b>	<b>\$352,897</b>	<b>\$333,354</b>	<b>\$19,543</b>

AVM-2005, LLC  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/23

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	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	292,897	0	0	292,897	292,897	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	0	0	0	0	0	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	0	0	0	0	0	0	0.00%	0
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	0	0	0	0	0	0	0.00%	0
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	40,000	0	0	40,000	0	40,000	4.00%	1,600
342	Stores Equipment	16,000	0	0	16,000	0	16,000	4.00%	640
343	Tools, Shop and Garage Equipment	3,200	0	0	3,200	0	3,200	4.00%	128
344	Laboratory Equipment	800	0	0	800	0	800	4.00%	32
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$352,897</b>	<b>\$0</b>	<b>\$0</b>	<b>\$352,897</b>	<b>\$292,897</b>	<b>\$60,000</b>		<b>\$2,400</b>

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$0</u>
Times: Proposed Amortization Rate	4.00%
<b>Amortization of CIAC</b>	\$0

Less: Amortization of CIAC \$0

**DEPRECIATION EXPENSE** **\$2,400**

AVM-2005, LLC  
 Annual Report  
 Balance Sheet Assets  
 12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$0	\$0
134	Working Funds		902	999
135	Temporary Cash Investments		0	
141	Customer Accounts Receivable		411	26
146	Notes Receivable from Associated Companies		0	
151	Plant Material and Supplies		0	
162	Prepayments		0	
174	Miscellaneous Current and Accrued Assets		145	50
	<b>Total Current and Accrued Assets</b>		<b>\$1,458</b>	<b>\$1,075</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$352,897	\$352,897
103	Property Held for Future Use		0	
105	Construction Work in Progress		0	
108	Accumulated Depreciation (enter as negative)*		(330,955)	(333,354)
121	Non-Utility Property		0	
122	Accumulated Depreciation - Non Utility		0	
	<b>Total Fixed Assets</b>		<b>\$21,942</b>	<b>\$19,543</b>
	<b>Total Assets</b>		<b>\$23,400</b>	<b>\$20,618</b>

\*Note these items feed automatically from AR3 UPIS Page 4

AVM-2005, LLC  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$324,000	\$324,380
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		53,188	65,338
235	Customer Deposits		2,350	2,400
236	Accrued Taxes		55	64
237	Accrued Interest		0	
242	Miscellaneous Current and Accrued Liabilities		0	
	<b>Total Current Liabilities</b>		<b>\$379,593</b>	<b>\$392,182</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$449,377	\$449,377
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$0</b>	<b>\$0</b>
	<b>Total Liabilities</b>		<b>\$828,970</b>	<b>\$841,559</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		(806,568)	(821,941)
218	Proprietary Capital (Sole Props and Partnerships)		1,000	1,000
	<b>Total Capital</b>		<b>(\$805,568)</b>	<b>(\$820,941)</b>
	<b>Total Liabilities and Capital</b>		<b>\$23,402</b>	<b>\$20,618</b>

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

AVM-2005, LLC  
Annual Report  
Water Comparative Income Statement  
12/31/23

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$11,638	\$10,799
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	270	0
474	Other Water Revenue	0	0
	<b>Total Revenues</b>	<b>\$11,908</b>	<b>\$10,799</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	16,987	13,867
615	Purchased Power	0	0
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	5,885	5,600
620.2	Office Supplies and Expense	0	0
630	Contractual Services	0	24,000
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	564	830
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	966	2,400
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	2,400	2,400
408	Taxes Other Than Income	0	0
408.11	Property Taxes	422	423



409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$27,224</b>	<b>\$49,520</b>
	<b>Operating Income / (Loss)</b>	<b>(\$15,316)</b>	<b>(\$38,721)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(57)	1,887
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>(\$57)</b>	<b>\$1,887</b>
	<b>Net Income / (Loss)</b>	<b>(\$15,373)</b>	<b>(\$36,834)</b>

**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.3	0.0	0.0	0.3
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.4	0.0	0.0	0.4
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.4	0.0	0.0	0.4
Other	0.0	0.0	0.0	0.0
<b>Total</b>	1.1	0.0	0.0	1.1

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	5/4/2007	9/1/2007	N/A	N/A
Source of Loan	Related Party	Related Party	N/A	N/A
ACC Decision No.	0	0	N/A	N/A
Reason for Loan	Purchase	Expense	N/A	N/A
Dollar Amt. Issued	\$350,000	\$47,000	\$0	\$0
Amount Outstanding	\$350,000	\$47,000	\$0	\$0
Date of Maturity	None	None	N/A	N/A
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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.**





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

<b>TREATMENT EQUIPMENT:</b>	0	
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<b>STRUCTURES:</b>	0	
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<b>OTHER:</b>	0	
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**Provide a calculation used to determine the value of one water equivalent residential connection (ERC).**

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by
- (b) If no historical flow data are available, use:  
 $ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$

ERC	0	
Method used:	Other	

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

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	37	0	0	0	0
February	37	0	0	0	0
March	37	0	0	0	0
April	37	0	0	0	0
May	37	0	0	0	0
June	37	0	0	0	0
July	37	0	0	0	0
August	37	0	0	0	0
September	37	0	0	0	0
October	37	0	0	0	0
November	37	0	0	0	0
December	37	0	0	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?

What is the present system connection capacity (in ERCs \*) using existing lines?

What is the future system connection capacity (in ERCs \*) upon service area buildout?

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

\* an ERC is based on the calculation on the bottom of AR9 page 12.

AVM-2005, LLC  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/23

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

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	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	0	0
October	0	0	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Other (description):** 0

**Instructions:** Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.



AVM-2005, LLC  
Annual Report  
Property Taxes  
12/31/23

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was	
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\$422
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If no property taxes paid, explain why.
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0
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<b>Instructions:</b> 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.
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Verification and Certification (Taxes)

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

County of (county name):	Maricopa
Name (owner or official) title:	Nariman Afkhami, Managing Member
Company name:	AVM-2005, LLC

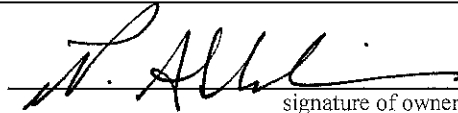
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/23

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.

  
signature of owner/official

480-998-5440  
telephone no.