

ANNUAL REPORT

Of

Company Name: Sun Valley Farms Unit VI Water Co., Inc.
3698 E. Hashknife Draw Rd

Mailing Address: San Tan Valley AZ
85140

Docket No.: W-02425A
For the Year Ended: 12/31/2023

RECEIVED
UTILITIES DIVISION
2024 MAR 21 A 11:20
ARIZONA CORPORATION
COMMISSION

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: 3/14/2024

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Sun Valley Farms Unit VI Water Co., Inc.
A Class E Utility

For the Calendar Year Ended: 12/31/2023

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

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.
	N/A

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	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	26,431	0	0	26,431	25,257	1,174
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	165,831	850	0	166,681	101,684	64,997
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	188,421	13,180	0	201,601	154,603	46,998
335	Hydrants	5,917	0	0	5,917	472	5,445
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	127,414	0	0	127,414	33,996	93,418
340	Office Furniture and Equipment	12,738	0	0	12,738	11,696	1,042
340.1	Computer & Software	13,316	0	0	13,316	12,980	336
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	16,424	0	0	16,424	15,163	1,261
344	Laboratory Equipment	2,634	0	0	2,634	2,398	236
345	Power Operated Equipment	55,000	0	0	55,000	9,625	45,375
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
	Totals	\$614,126	\$14,030	\$0	\$628,156	\$367,874	\$260,282

Sun Valley Farms Unit VI Water Co., Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/2023

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	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	26,431	0	0	26,431	0	26,431	3.33%	880
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	0	0	0	0	0	0	3.33%	0
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	0	0	0	0	0	0	12.50%	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	3.33%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	10.00%	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	2.22%	0
330.2	Pressure Tanks	0	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	165,831	850	0	166,681	0	166,681	2.00%	3,325
333	Services	0	0	0	0	0	0	3.33%	0
334	Meters and Meter Installations	188,421	13,180	0	201,601	0	201,601	8.33%	16,244
335	Hydrants	5,917	0	0	5,917	0	5,917	2.00%	118
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	127,414	0	0	127,414	0	127,414	6.67%	8,499
340	Office Furniture and Equipment	12,738	0	0	12,738	11,532	1,206	6.67%	80
340.1	Computer & Software	13,316	0	0	13,316	0	13,316	20.00%	635
341	Transportation Equipment	0	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	16,424	0	0	16,424	0	16,424	5.00%	821
344	Laboratory Equipment	2,634	0	0	2,634	0	2,634	10.00%	263
345	Power Operated Equipment	55,000	0	0	55,000	0	55,000	5.00%	2,750
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$614,126	\$14,030	\$0	\$628,156	\$11,532	\$616,624		\$33,617

Contribution(s) in Aid of Construction (Gross)	\$52,641
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$52,641</u>
Times: Proposed Amortization Rate	5.45%
Amortization of CIAC	\$2,870

Less: Amortization of CIAC	\$2,870
DEPRECIATION EXPENSE	\$30,747

Sun Valley Farms Unit VI Water Co., Inc.
Annual Report
Balance Sheet Assets
12/31/2023

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$2,816	\$35,713
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		26,262	6,308
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$29,078	\$42,021
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$614,126	\$628,156
103	Property Held for Future Use		0	0
105	Construction Work in Progress		22,007	60,454
108	Accumulated Depreciation (enter as negative)*		(334,260)	(367,874)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$301,873	\$320,736
	Total Assets		\$330,951	\$362,757

*Note these items feed automatically from AR3 UPIS Page 4

Sun Valley Farms Unit VI Water Co., Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$16,088	\$11,993
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$16,088	\$11,993
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$11,000	\$11,000
	Deferred Credits			
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
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$27,088	\$22,993
	Capital Accounts			
201	Common Stock Issued		\$173,513	\$173,513
211	Other Paid-In Capital		119,457	119,457
215	Retained Earnings		10,894	46,794
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$303,864	\$339,764
	Total Liabilities and Capital		\$330,952	\$362,757

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

Sun Valley Farms Unit VI Water Co., Inc.
Annual Report
Water Comparative Income Statement
12/31/2023

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$96,321	\$93,446
460	Unmetered Water Revenue	96,321	95,268
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	53,265	27,006
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$245,907	\$215,720
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	114,094	165,729
615	Purchased Power	2,530	4,323
618	Chemicals	0	0
620	Materials and Supplies	611	306
620.1	Repairs and Maintenance	5,375	6,882
620.2	Office Supplies and Expense	15,721	8,069
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	18,508	21,155
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	5,009	3,563
636	Contractual Services - Other	4,140	1,500
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	1,316	2,786
657	Insurance - General Liability	5,185	4,445
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	20	10
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	2,050	1,015
403	Depreciation Expense (From Schedule AR4)	30,747	27,939
408	Taxes Other Than Income	0	0
408.11	Property Taxes	0	0
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$205,305	\$247,722
	Operating Income / (Loss)	\$40,602	(\$32,002)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(3,163)	(3,220)
	Total Other Income / (Expense)	(\$3,163)	(\$3,220)
	Net Income / (Loss)	\$37,439	(\$35,222)

Sun Valley Farms Unit VI Water Co., Inc.
 Annual Report
 Full time equivalent employees
 12/31/2023

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	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.0	0.0
Meter reader	0.0	0.0	0.1	0.1
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.5	0.5
Business Office	0.0	0.0	0.5	0.5
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	1.0	1.0

Sun Valley Farms Unit VI Water Co., Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/2023

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	10/2/2020	1/0/1900	1/0/1900	1/0/1900
Source of Loan	WIFA	0	0	0
ACC Decision No.	77735	0	0	0
Reason for Loan	Repairs	0	0	0
Dollar Amt. Issued	\$891,000	\$0	\$0	\$0
Amount Outstanding	\$265,000	\$0	\$0	\$0
Date of Maturity	1/0/1900	1/0/1900	1/0/1900	1/0/1900
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
---	-----

Meter Deposits Refunded During the Test Year:	\$0
---	-----

<i>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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i>

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	50 Gallons drum for chem. Storage
-----------------------------	-----------------------------------

STRUCTURES:	One chemical supply building/General supply building. One 10 feet security fence around plant
--------------------	---

OTHER:	N/A
---------------	-----

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	N/A
Method used:	Other

Customer and Other Information	
Name of the System:	SUN VALLEY FARMS UNIT VI
ADEQ Public Water System Number:	AZ0411111
ADWR PCC Number:	91-000555.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	289	0	0	0	0
February	290	0	0	0	0
March	289	0	0	0	0
April	287	0	0	0	0
May	290	0	0	0	0
June	290	0	0	0	0
July	291	0	0	0	0
August	289	0	0	0	0
September	290	0	0	0	0
October	289	0	0	0	0
November	291	0	0	0	0
December	292	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.

\$895,000 Plant and system upgrade to be done in the Fall of 2022.

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

Sun Valley Farms Unit VI Water Co., Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2023

Utility Shutoffs / Disconnects	
Name of the System:	SUN VALLEY FARMS UNIT VI
ADEQ Public Water System Number:	AZ0411111
ADWR PCC Number:	91-000555.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	37	0
February	0	51	0
March	0	43	0
April	0	24	0
May	0	31	0
June	0	34	0
July	0	30	0
August	0	41	0
September	0	41	0
October	0	31	0
November	0	36	0
December	0	70	0
Total	0	469	0

Other (description):

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.

Sun Valley Farms Unit VI Water Co., Inc.
Annual Report
Property Taxes
12/31/2023

Property Taxes	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2021 was	\$0
--	-----

If no property taxes paid, explain why. Listed Non-Profit
--

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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Pinal
Name (owner or official) title: Jimmy L. Harris
Company name: Sun Valley Farms Unit VI Water Co., Inc.

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

FOR THE YEAR ENDING: 12/31/2023

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.

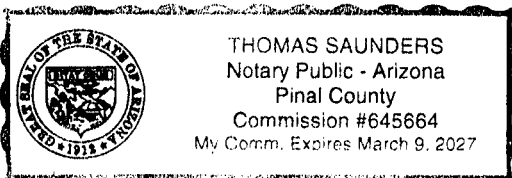
[Signature]
signature of owner/official
480-987-1680
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 18th DAY OF Pinal
(county name)
March 2024
(month) and (year)

MY COMMISSION EXPIRES 03/09/27
(date)

[Signature]
(signature of notary public)



Sun Valley Farms Unit VI Water Co., Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/2023

Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Pinal
Name (owner or official) title: Jimmy L. Harris
Company name: Sun Valley Farms Unit VI Water Co., Inc.

FOR THE YEAR ENDING: 12/31/2023

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

Jimmy L. Harris
signature of owner/official
480-987-1680
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pinal
(county name)

THIS 18th DAY OF March, 2024
(month) and (year)

MY COMMISSION EXPIRES 03/09/27
(date)

Call
(signature of notary public)

