

ANNUAL REPORT

Of

Company Name:
5416 E. Hwy 181

Mailing Address: Pearce AZ
85625

Docket No.: W-03912A
For the Year Ended:

**RECEIVED
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4/15/2020, 12:57 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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
Narvol D. Bales DBA Sunizona Water Company
A Class Utility

For the Calendar Year Ended: 12/31/19

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	Description	Beginning Year	Current Year	Current Year	Adjusted Original	Accumulated	OCLD (OC less
301	Organization				\$0		\$0
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	23,849			23,849		23,849
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	16,384			16,384		16,384
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	2,868			2,868		2,868
330.2	Pressure Tanks	6,317			6,317		6,317
331	Transmission and Distribution Mains	29,635			29,635		29,635
333	Services	4,754			4,754		4,754
334	Meters and Meter Installations				0		0
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software	813			813		813
341	Transportation Equipment	1,920			1,920		1,920
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment	8,574			8,574		8,574
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment	3,000			3,000		3,000
348	Other Tangible Plant				0		0
	Totals	\$98,114	\$0	\$0	\$98,114		\$98,114

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.

Note: Due to differences in useful lives and associated depreciation rates, accounts 320 and 330 should not be used, instead the more detailed sub-accounts should be used. Contact Staff for any necessary assistance.

Narvol D. Bales DBA Sunizona Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/19

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning	Current Year	Current Year	Adjusted	Fully	Depreciable	Depreciation	Depreciation
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	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	23,849	0	0	23,849		23,849		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	16,384	0	0	16,384		16,384		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	2,868	0	0	2,868		2,868		0
330.2	Pressure Tanks	6,317	0	0	6,317		6,317		0
331	Transmission and Distribution Mains	29,635	0	0	29,635		29,635		0
333	Services	4,754	0	0	4,754		4,754		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	813	0	0	813		813		0
341	Transportation Equipment	1,920	0	0	1,920		1,920		0
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	0	0	0	0		0		0
344	Laboratory Equipment	8,574	0	0	8,574		8,574		0
345	Power Operated Equipment	0	0	0	0		0		0
346	Communication Equipment	0	0	0	0		0		0
347	Miscellaneous Equipment	3,000	0	0	3,000		3,000		0
348	Other Tangible Plant	0	0	0	0		0		0
	Subtotal	\$98,114	\$0	\$0	\$98,114	\$0	\$98,114		\$0

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

Times: Proposed Amortization Rate

Amortization of CIAC

\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Narvol D. Bales DBA Sunizona Water Company
 Annual Report
 Balance Sheet Assets
 12/31/19

Balance Sheet Assets				
Assets			Balance at	Balance at End of
Account No.	Current and Accrued Assets			
131	Cash		\$3,748	\$4,312
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$3,748	
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$98,114	
103	Property Held for Future Use		0	
105	Construction Work in Progress		0	
108	Accumulated Depreciation (enter as negative)*			0
121	Non-Utility Property		0	
122	Accumulated Depreciation - Non Utility		0	
	Total Fixed Assets		\$3,748	
	Total Assets			\$0

*Note these items feed automatically from AR3 UPIS Page 4

Narvol D. Bales DBA Sunizona Water Company
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity					
		Liabilities		Balance at Beginning	Balance at End of
Account No.	Current Liabilities				
231	Accounts Payable				
232	Notes Payable (Current Portion)				
234	Notes Payable to Associated Companies				
235	Customer Deposits				
236	Accrued Taxes				
237	Accrued Interest				
242	Miscellaneous Current and Accrued Liabilities				
	Total Current Liabilities			\$0	\$0
	Long Term Debt				
224	Long Term Debt (Notes and Bonds)				
	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			\$0	\$0
	Capital Accounts				
201	Common Stock Issued				
211	Other Paid-In Capital				
215	Retained Earnings				
218	Proprietary Capital (Sole Props and Partnerships)				
	Total Capital			\$0	\$0
	Total Liabilities and Capital			\$0	\$0

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

Narvol D. Bales DBA Sunizona Water Company
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$25,883	\$24,561
460	Unmetered Water Revenue	0	
462	Fire Protection Revenue	0	
469	Guaranteed Revenues (Surcharges)	0	
471	Miscellaneous Service Revenues	0	
474	Other Water Revenue	0	
	Total Revenues	\$25,883	\$24,561
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	3,465	2,773
618	Chemicals	0	0
620	Materials and Supplies		
620.1	Repairs and Maintenance	415	650
620.2	Office Supplies and Expense	3,880	3,675
630	Contractual Services	0	
631	Contractual Services - Engineering	0	
632	Contractual Services - Accounting	0	
633	Contractual Services - Legal	3,000	2,000
634	Contractual Services - Management Fees	0	
635	Contractual Services - Water Testing	1,650	1,650
636	Contractual Services - Other	2,000	2,000
640	Rents	0	
641	Rental of Building/Real Property	0	
642	Rental of Equipment	0	
650	Transportation Expenses	2,000	2,000
657	Insurance - General Liability	600	600
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense		
403	Depreciation Expense (From Schedule AR4)		
408	Taxes Other Than Income	0	0
408.11	Property Taxes	1,170	
409	Income Taxes	1,803	1,574
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$19,983	\$16,923
	Operating Income / (Loss)	\$5,900	\$7,639
	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)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$5,900	\$7,639

Narvol D. Bales DBA Sunizona Water Company
 Annual Report
 Full time equivalent employees
 12/31/19

Full time equivalent employees

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

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 Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

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.

Water Utility Plant Description	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	AC/PVC	11,900
6.00	AC/PVC	6,700

CUSTOMER METERS			
Size (inches)	Quantity	Percent over	Percent over
5/8 X 3/4	19		
	8		
	5		
1.5	1		
	1		

SERVICE LINES		
Material	Percent of system	Year
		N/A

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	1	3

FIRE HYDRANTS	
Type	Quantity
Standard *	N/A
Other	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year
6,000	5,500	1	2019

PRESSURE/BLADDER TANKS			
Capacity	Material	Quantity	Year installed
			N/A

* 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)

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

TREATMENT EQUIPMENT:	N/A
-----------------------------	-----

STRUCTURES:	N/A
--------------------	-----

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 365
- (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

Method used:

Customer and Other Information	
Name of the System:	SUNIZONA WATER COMPANY
ADEQ Public Water System Number:	AZ04020-36
ADWR PCC Number:	91-0000.51

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-
January	26		4		
February	26		4		
March	28		4		
April	27		4		
May	29		4		
June	29		4		
July	29		4		
August	26		4		
September	24		4		
October	24		4		
November	27		4		
December	27		4		

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 (GCPCPD) requirement?
 If yes, provide the GCPCPD 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.

Narvol D. Bales DBA Sunizona Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

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

Month	Termination without	Termination with	Other
January	0	0	
February	0	0	
March	0	0	
April	0	0	
May	0	0	
June	0	0	
July	1		
August	2		
September	2	1	
October	1	1	
November	1	1	
December			
Total	7	3	0

Other (description):

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.

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

Amount of actual property taxes paid during Calendar Year 2019 was	
--	--

\$1,803	
---------	--

If no property taxes paid, explain why.

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.

SUNIZONA WATER COMPANY

5416 East highway 181
Pearce, Arizona 85625
(520) 400-4011
sunizonawatercompany@gmail.com

Compliance Section ~ Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

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May 19th, 2020

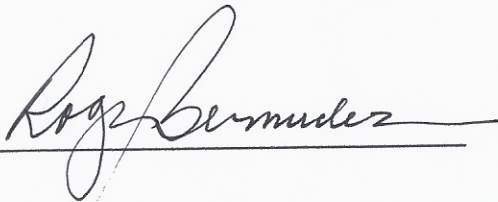
5/20/2020, 11:44 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

RE: Utilities Division Annual Report for the year ending December 31, 2019

Dear Sir or Madam:

In lieu of Notarization of the Verification and Sworn Statements, the below is substituted.

Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.



Signature of Declarant - Roger Bermudez

Verification and Sworn Statement (Taxes)

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

County of (county name): Cochise
Name (owner or official) title: NARVOL DEAN BALES
Company name: Narvol D. Bales DBA Sunizona Water Company

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

FOR THE YEAR ENDING: 12/31/19

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.

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4/15/2020, 12:57 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

signature of owner/official

(520) 400-4011

telephone no.

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

THIS _____

DAY OF _____

(county name)

(month) and (year)

MY COMMISSION EXPIRES _____

(date)

(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Cochise
Name (owner or official) title: NARVOL DEAN BALES
Company name: Narvol D. Bales DBA Sunizona Water Company

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

FOR THE YEAR ENDING: 12/31/19

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, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$25,883
(The amount in the box above includes
\$1,803 in sales taxes
billed or collected)

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4/15/2020, 12:57 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

signature of owner/official

(520) 400-4011
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY _____
(county name)
THIS _____ DAY OF _____
(month) and (year)

MY COMMISSION EXPIRES _____
(date)

(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Cochise
Name (owner or official) title: NARVOL DEAN BALES
Company name: Narvol D. Bales DBA Sunizona Water Company

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

FOR THE YEAR ENDING: 12/31/19

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, 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 THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$25,883

(The amount in the box above includes

\$1,803 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

signature of owner/official

(520) 400-4011
telephone no.

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

(county name)

THIS _____ DAY OF _____
(month) and (year)

MY COMMISSION EXPIRES _____
(date)

(signature of notary public)

Narvol D. Bales DBA Sunizona Water Company
Annual Report
for Income Tax Statement of Certification
12/31/19

for Income Tax Statement of Certification

Verification:

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

County of (county name): Cochise
Name (owner or official) title: NARVOL DEAN BALES
Company name: Narvol D. Bales DBA Sunizona Water Company

FOR THE YEAR ENDING: 12/31/19

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 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.

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

signature of owner/official

(520) 400-4011

telephone no.

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

(county name)

THIS _____ DAY OF _____
(month) and (year)

MY COMMISSION EXPIRES _____
(date)

(signature of notary public)